



BILL: Senate Bill 76 – Climate Crisis and Education Act

COMMITTEE: Senate Budget and Taxation

DATE: February 2, 2021

POSITION: Letter of Information

Upon review of Senate Bill 76 – Climate Crisis and Education Act, the Department of General Services (DGS) provides these comments for your consideration.

- Senate Bill 76 would have significant fiscal impact to State-wide utility costs. DGS estimates that Senate Bill 76 would increase State-wide energy costs, including the University System of Maryland, by **\$145,850,551**. This estimate is a seven percent (7%) increase over current projections. The calculations and assumptions used to arrive at this estimate are:
 - Multiplication of the MMBTUs of fossil fuels used annually within State-owned facilities by EIA CO-2e conversion factors.
 - Reducing by two percent the amount of fossil fuels consumed each year to reflect the electrification of State buildings.
 - Multiplying the annual MWHs of electricity generated within the state by the EPA eGRID factors for CO-2e.
 - Assuming a flat line consumption of electricity for the next ten years due to increased investments in efficiency offset by increased use of electric vehicles.
 - Reducing the annual amount of electricity generated by fossil fuels by the increase in renewables required in the Renewable Portfolio Standard.
- Senate Bill 76 would also have a significant fiscal impact on DGS's utility costs. Approximately six percent (6%) of State government energy use is attributable to DGS. Therefore, DGS utility costs are estimated to increase by **\$8,751,033.04** over ten years. Additional utility costs have not been included in DGS's operating budget.
- Senate Bill 76 will impact the finances of local governments and small businesses through increased utility expenses.
- The estimated fiscal impact of this bill can be partially offset by accelerating the move to electrification of State facilities while concurrently investing in energy efficiency. Further utility cost offsets could occur with continued high rates of teleworking by State employees.

For additional information, contact Ellen Robertson at 410-260-2908.

