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Committee: Economic Matters
Testimony on: HB33 – “Climate Crisis and Education Act”
Position: Support with Amendments
Hearing Date: February 18, 2021

The Maryland Sierra Club appreciates the ongoing work of the bill sponsors to address the existential climate crisis by enacting a comprehensive program which includes the pricing of carbon pollution. Our testimony on HB33 follows along the lines of our testimony on similar bills in recent sessions. In sum, pricing carbon pollution, when done properly, has been and can be an effective way to reduce greenhouse gas emissions, invest in clean energy, and reduce the impacts of climate disruption on Maryland communities and families, particularly for those that have been overburdened and underserved by our current system. We believe that this legislation has significant, positive features while, at the same time, we believe that improvements are needed as well.

The Sierra Club is a strong supporter of policies that use market-based mechanisms to limit, price, and reduce climate-disrupting pollution. In particular, in Maryland, we draw upon the experiences in implementing the popular, successful, and effective Regional Greenhouse Gas Initiative (RGGI). Climate-disrupting pollution from power plants has dropped in the region, in part thanks to RGGI’s pollution limits and the investment of RGGI revenue in energy efficiency and clean energy. Communities are breathing easier, families and businesses are saving money, and the economy has benefited.

We have identified several guiding principles regarding the adoption of market-based climate programs, two of which especially stand out:

- Climate policies must be carefully designed to ensure they will help achieve the greenhouse gas reductions science says are necessary to effectively minimize the impacts of climate disruption.
- Policies should ensure that those who are most overburdened by pollution and underserved by our current energy and economic systems are better off as a result of actions taken to stabilize the climate. This includes: communities that are most at risk from rising seas, higher temperatures, and/or more extreme weather events as a result of climate disruption.; communities that have large sources of pollution, or poor air and water quality, and whose economic prosperity may currently be disproportionately dependent on facilities that produce greenhouse gases; and workers whose livelihoods and families have been dependent on jobs and money from dirty energy companies.

In 2018, the Maryland Department of the Environment conducted a robust analysis of a Maryland-based, economy-wide price on carbon with 50 percent of the generated revenue dedicated to investment in additional pollution-reduction and economic equity programs. The analysis evaluated greenhouse gas reduction potential as it relates to meeting our Greenhouse Gas Reduction Act (GGRA) goals as well as the economic impact of such a policy. The study concluded that:

- The policy scenario will result in Maryland exceeding our GGRA goals by 2030.ⁱ
- The policy scenario will result in economic growth for the state year-by-year.ⁱⁱ

Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 75,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

This legislation, appropriately, revises Maryland's greenhouse gas reduction targets to a 60 percent reduction by 2030, and achieving net-zero emissions by 2045. In order to accomplish this, and ensure that overburdened and underserved constituencies can and do benefit, substantial investments will be needed. These include, but are not limited to: increasing energy efficiency and deploying electric heat pumps to lower costs and pollution from heating and cooling our buildings; increasing the amount of clean, renewable energy generated in, and consumed in, Maryland; increasing access to and use of affordable, rapid, frequent, and clean transportation options like electric vehicles, public rail transit, and electric buses; alleviating electricity ratepayer impacts on low-income residents; improving infrastructure in impacted communities; and providing job training opportunities in clean energy generation for individuals working in the fossil-fuel industry.

As a consequence, it is the Sierra Club's position that funds raised by a greenhouse gas emissions fee should be prioritized for programs that promote climate change mitigation and adaptation efforts. This bill takes a different approach and, in that respect, we believe that the bill should be amended.

In conclusion, we agree that carbon cost collection is a viable, proven path for addressing and limiting climate change, and hope that our testimony on this legislation will be productive in continuing the conversation regarding the distribution of funds from carbon cost collection.

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ⁱ https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/MWG/E3_PathwaysPolicyScenario3.pdf.

ⁱⁱ https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/MWG/RESI_EconomicImpactsPolicyScenario3.pdf.