

Investments in Clean Energy Support a Strong Economy

Position Statement in Support of House Bill 516

Given before the House Economic Matters Committee and the Environment and Transportation Committee

Climate change continues to pose an urgent threat to Maryland residents and our economy. Rising seas, extreme heat, and severe weather are already causing significant hardship for Marylanders of every background, living in every part of our state. At the same time, this damage is not evenly distributed, with Marylanders of color, families with low incomes, and people with serious health conditions facing an outsized share of these harms. Responding to the climate crisis will require additional public investments at a time when our policy choices are already leaving too many Marylanders' needs unmet. **The Maryland Center on Economic Policy supports House Bill 516 because it would enable the state to invest in clean energy and resilient infrastructure, and counter the disproportionate impacts of the climate crisis on Marylanders who face social and economic roadblocks.**

In 2022, Maryland passed the Climate Solutions Now Act which set forth ambitious goals of establishing net-zero statewide greenhouse gas emissions by 2045, and identifying communities disproportionately affected by climate impacts among other things. While these efforts place Maryland as a leader in climate action in decades to come, it is important that communities directly impacted by the climate crisis see speedy and tangible benefits. Climate change continues to put stress on Maryland's economy and Marylanders' health every year, and those harms will grow. Maryland is the 7th most densely populated state in the nation, and consumes about five times more energy than it produces.ⁱ

Moreover, both present and expected future impacts of climate change are unevenly spread across location, race and ethnicity, age, and other factors.ⁱⁱ For example, the risk of heart attack related to extreme heat is especially high for Black Marylanders, while the risk of severe asthma incidents is especially high for white Marylanders and school-age children.

House Bill 516 would mitigate climate change by reducing greenhouse gas emissions, enable the state to adapt more effectively to climate change impacts, and take important steps to counter the lopsided harms caused by the climate crisis:

- The greenhouse gas pollution fees established by HB 516 would drive down demand for fossil fuel-based energy and likely increase uptake of renewable alternatives.
- The Household and Employer Benefit Fund created under HB 516 would cushion the impact of pollution fees on Maryland families and provide greater protection to families struggling to make ends meet. It would also protect energy-intensive, trade-exposed employers in the state.

- The Infrastructure Fund created under HB 516 would support investments in clean energy and resilient infrastructure against climate change, with a focus on protecting historically pollution-burdened communities while strengthening their economies.

The smart revenue measures, public investments, and household benefits created under HB 516 would strengthen Maryland communities and our economy for decades to come.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the House Economic Matters Committee and the Environment and Transportation Committee make a favorable report on House Bill 516.

Equity and Impact Analysis: House Bill 516

Bill summary

House Bill 516 would levy fees on fossil fuels transported into the state and invest the resulting revenue in communities most affected by climate change, energy-intensive, trade-exposed employers, clean energy, and resilient infrastructure. The bill also requires state agencies to administer these programs, and identify measures and programs to ensure provision of low-income energy assistance and improvements in the energy efficiency of certain renter-occupied dwellings.

Background

In 2022, Maryland passed the Climate Solutions Now Act, which set forth ambitious goals of establishing net-zero statewide greenhouse gas emissions by 2045, and identifying communities disproportionately affected by climate impacts among other things. Climate change has brought extensive harms to communities across Maryland including severe flooding, dangerous summertime temperatures, and extreme weather events. These impacts threaten important industries in Maryland and increase the risk of serious health problems such as asthma and heart attack.

Equity Implications

Communities of color are more likely to be impacted by environmental changes due to existing health disparities,ⁱⁱⁱ in addition to a higher prevalence of living near an environmental hazardous area.^{iv} Research published by the Maryland Department of Health has found that Black Marylanders face a disproportionately high risk of heart attack due to extreme heat and that school-age children face an especially high risk of severe asthma complications due to heat and extreme precipitation.

Impact

House Bill 516 would likely **improve racial, environmental, and economic equity** in Maryland.

ⁱ Maryland Profile Analysis, U.S. Energy Information Administration, 2023, <https://www.eia.gov/state/analysis.php?sid=MD>

ⁱⁱ Maryland Department of Health and Mental Hygiene. (2016). Maryland climate and health profile report. <https://phpa.health.maryland.gov/OEHFP/EH/Climate%20Change%20Binder/a1-CHPR-Full.pdf>

ⁱⁱⁱ Berberian, A.G., Gonzalez, D.J.X., & Cushing, L.J. (2022). Racial disparities in climate change-related effects in the U.S. *Current Environmental Health Reports*, 9(3), 451-464. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9363288/>

ⁱHananel, J. (2022, January 14). A look at environmental justice issues in Maryland. *Climate Xchange*. <https://climate-xchange.org/2022/01/14/a-look-at-environmental-justice-issues-in-maryland/>