# **Climate & Environment Policy Memo**

Prepared for: Climate and Environment Policy Committee

Prepared by: The 2023 Project, Sierra Club Maryland Chapter, Interfaith Power & Light, MD League of Conservation Voters, Chesapeake Climate Action Network, MLC Climate Justice Wing, HoCo Climate Action, Sustainability Committee at University of Maryland, Maryland PIRG, Environment Maryland, Unitarian Universalist Legislative Ministry of Maryland, MD American Institute of Architects, Elders Climate Action Maryland and Climate Reality Maryland, Indivisible HoCo, Elder Climate Action, Greater Maryland Climate Reality Project, Takoma Park Mobilization Environment Committee, National Housing Trust

#### A STRATEGY TO ADVANCE THE MOORE-MILLER CLIMATE PRIORITIES.

A group of Maryland climate stakeholders, met to identify strategic policies and actions to assist the Moore-Miller Administration and the state of Maryland with meeting its climate goals and establishing Maryland as a national leader in state-level climate action. The strategies identified align with the Moore-Miller administration's climate priorities of:

"LEVERAGE A COMPREHENSIVE AND INCLUSIVE APPROACH TO COMBAT CLIMATE CHANGE"

"REDUCE EMISSIONS AND TRANSITION TO 100% CLEAN ENERGY"

"COMBAT THE EFFECTS OF CLIMATE CHANGE AND PRIORITIZE ENVIRONMENTAL JUSTICE"

"PROTECT OUR WATERWAYS"

"DRIVE ECONOMIC GROWTH AND CREATE THOUSANDS OF NEW JOBS IN THE GREEN ECONOMY"

#### **KEY TAKEAWAYS FROM THIS MEMO**

Addressing climate change will require a "whole-government" approach beginning with an administration-wide vision and cross-agency coordination. Maryland has taken important legislative steps in recent years, but implementation remains crucial. Maryland's state agencies will be the key to successful climate mitigation strategies, climate resilience, reducing energy burdens, transitioning to renewable energy, reducing emissions, and utilizing federal funding. Agency responsibilities include:

#### **Maryland Department of the Environment**

- Implementing Climate Solutions Now Act (CSNA), including writing Maryland's climate action plan, which is critical for meeting the greenhouse gas (GHG) reduction goal of 60% by 2031, and net zero emissions by 2045.
- Centering environmental justice and overburdened and underserved communities in all climate related decision making.
- Expanding and improving Maryland's Renewable Energy Portfolio.

#### **Maryland Department of Transportation**

- Utilizing and distributing federal funds to lower emissions from the transportation sector and building the energy infrastructure needed to support an electrified transportation system.
- Improving Maryland's public transportation system to reduce vehicle miles traveled while providing low to zero emission public transportation services.

#### **Maryland Public Service Commission**

- Promoting grid decarbonization, including by approving new renewable generation sources, energy efficiency measures, and widespread electrification.
- Directing and approving utility investments in transportation electrification such as federal funding for highway charging infrastructure and electric transit and school buses.
- Overseeing elements of building electrification and the wind-down of gas utilities and gas appliances.
- Reducing the energy burdens borne by low- and middle-income Marylanders.

#### **Maryland Energy Administration**

- Distributing federal funds, including funds for building electrification, building energy efficiency, and transmission improvements.
- Evaluating proposed renewable energy and storage resources and incentivizing the adoption of those clean resources.
- Assisting other agencies with transmission funding and PPA negotiations.
- Overseeing the final recipients of federal funds for the buildout of high-speed charging infrastructure on Maryland's highways and in rural areas.

#### **Maryland Department of Housing and Community Development**

- Ensuring that low to moderate income (LMI) households receive an equitable share of energy
  efficiency and decarbonization resources.
- Aligning construction standards to advance decarbonized affordable housing.

# STRATEGY RECOMMENDATIONS

Moore-Miller Administration Priority: "LEVERAGE A COMPREHENSIVE AND INCLUSIVE APPROACH TO COMBAT CLIMATE CHANGE"

- → "Employ an entire-government approach."
- → "Rely on the expertise of climate scientists, experts and stakeholders."
- → "Prioritize Equity, Labor and Justice."

## Why These Priorities are Important

Throughout Maryland's history, infrastructure policies and investments (or lack thereof) have cemented inequities in housing, educational and economic opportunities, and disparities in health and environmental pollution. Moving forward, equity should be a major factor in determining how to spend federal and state infrastructure investments in communities that need funding the most, and key state agencies in Maryland must comprehensively consider the environmental and climate impacts of their decisions on communities, and factor those considerations into their overall decision making process. Justice40, federal legislation created by President Joe Biden's Executive Order 14008, establishes a whole-of-government effort to ensure that at least 40 percent of overall climate-related benefits from federal investments are made in overburdened and underserved communities. This program can serve as a model for Maryland for an "entire-government approach," while also providing valuable federal funding to bring investments to overburdened and underserved communities.

#### **Key Strategies**

- Require all Maryland agencies pursuing <u>federal funding</u> under the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) to adopt policies to ensure that at least 40 percent of the climate-related benefits of those federal investments go to overburdened and underserved communities.
- Direct all Maryland agencies to study and evaluate how their policies and programs could be improved to more equitably serve overburdened and underserved communities across the state.
- Direct the Maryland Department of Environment (MDE) to adopt a climate equity labor test when
  deciding on key permits for projects that pollute or degrade the environment. Extend the climate
  equity labor test to other state agencies that make key decisions that affect climate change,
  environmental justice and health, and the social and economic well-being of residents in
  overburdened and underserved communities.
- Apply for federal funding through the IRA's equity-focused grant provisions.

# **Moore-Miller Administration Priority:** "REDUCE EMISSIONS AND TRANSITION TO 100% CLEAN ENERGY"

- → "Ensure Maryland generates 100% clean energy by 2035."
- → "Achieve a 60% reduction in emissions by 2030 and net-zero emissions by 2045."
- → "Expand solar, wind and battery storage in Maryland."
- → "Incentivize the electrification of personal and public vehicles."
- → "Invest in cleaner public transit."
- → "Promote sustainable agriculture and forestry practices."

# Why These Priorities are Important

Maryland's 2030 Greenhouse Gas Reduction Act model relies on significant increases in clean energy production in the state. Maryland's participation in RGGI and successful implementation of the Clean Energy Jobs Act achieves approximately 50% reduction in GHG emissions by 2030, but it's still not enough to reach the 60% reduction by 2031 goal set by the Climate Solutions Now Act. In order to reach 60%, and to eventually reach 100%, Maryland must take ambitious, bold action to expand the state's use of renewable energy sources and implement policies that reduce emissions.

# **Key Strategies**

- Create a blueprint to implement and meet the goals of the Climate Solutions Now Act:
  - Review agency budgets, evaluate whether additional or different staffing and funding are required to ensure agencies can implement the Climate Solutions Now Act, meet the deadlines set forward in that statute, and fully leverage the opportunities provided by federal IIJA and IRA funding. If staffing is needed, allocate funds to hire agency staff directly working to meet climate goals.
- Utilize offshore wind to attain the targets in Maryland's Renewable Portfolio Standard by adding additional offshore wind targets and exploring the use of power purchase agreements to expand offshore wind capacity.

- Department of Labor, Codes Administration, should enact an all-electric building code for new construction to improve indoor air quality and reduce greenhouse gas emissions, pending PSC study which will demonstrate viability.
- The PSC, working under new legislative directives, should reform its EmPOWER energy efficiency
  program to target reduced greenhouse gas emissions; remove subsidies for gas appliances and gas
  power plants; urge utilities and their customers to take advantage of the rebates, tax credits, and
  grants provided in the IIJA and IRA; and prepare the grid for increased electrification and a large
  increase in the deployment of renewable energy resources.
- MEA should support emissions reductions by:
  - Providing more public education and technical support to both local governments and the general public to assist with local solar siting decisions, especially for large-scale solar projects. By providing support, siting decisions can be made more equitably and efficiently.
  - Administering the home rebate program in support of energy efficiency upgrades for lower-income households.
  - Immediately cease providing grants or any other funding designed to expand natural gas infrastructure or incentivize the purchase of fossil-fuel burning equipment.
- MDOT can invest in cleaner transit by:
  - Developing a <u>Carbon Reduction</u> Plan on or before the November 15, 2023 federal deadline and include recommendations for EV charging infrastructure.
  - Adopting the <u>Advanced Clean Truck Rule</u> rule.
  - Expanding the use of zero-emission buses for schools and transit service.
  - Allocating adequate funding and adopting regulations to support Maryland's electric vehicle transportation commitments.
  - More details on transportation investments can be found in the <u>Transportation Memo</u>.
- Strengthen the MD Forest Conservation Act through legislative action to expand MDE and DNR regulatory authority to hold developers accountable to the MD Forest Conservation Act.

# Moore-Miller Administration Priority: "COMBAT THE EFFECTS OF CLIMATE CHANGE AND PRIORITIZE ENVIRONMENTAL JUSTICE"

- → "Take immediate action to mitigate the effects of sea level rise."
- → "Address urban heat islands."
- → "Appoint a Statewide Sustainability, Mitigation and Resilience Officer to support local Resilience Authorities."
- → "Reduce air pollution to improve health outcomes."

# Why These Priorities are Important

Maryland is home to 3,190 miles of coastline and a wide variety of topographies, habitats, ecosystems, and wetlands. Our state will not be spared from the environmental and public health threats associated with climate change, which will be greatest for our most vulnerable populations—young children, the elderly, individuals with underlying health issues, and individuals with lower socioeconomic status who already bear a disproportionate share of our pollution burdens. As a result, it is critical that Maryland adapt to the impacts of climate change in a manner that is just, equitable, and protective of public health.

## **Key Strategies**

- Create a high level staff position for an appointee who can oversee agency actions on climate and hold regulatory agencies accountable to the goals established in the Climate Solutions Now Act.
- Restore Chesapeake and Atlantic Tidal Marshes.
- Fully implement the Tree Solutions Now Act of 2021, the plan for growing 5 million trees in Maryland.
- Utilize federal funding to reduce air pollution, including:
  - Environmental Justice Block Grants (IRA § 60201) funds will remain available until September 30, 2026.
  - Climate Pollution Reduction Grants Greenhouse Gas Air Pollution Planning Grants for at least one eligible entry per state to develop a plan to reduce GHG air pollution.
  - Justice 40 to direct federal investments involving climate benefits to underserved and overburdened communities.
  - Inflation Reduction Act for energy supply infrastructure, business and consumer tax credits for clean energy and related investments, and natural climate solutions.
  - Fenceline Air Monitoring (IRA § 60105) for improving air pollution monitoring, with a priority on sites in "low-income and disadvantaged communities."
  - Air Pollution at Schools (IRA § 60106) for monitoring and reducing greenhouse gas emissions at schools in "low-income and disadvantaged communities," as well as technical assistance to improve environmental quality at schools in "low-income and disadvantaged communities."
  - The Federal Highway Administration's Congestion Mitigation and Air Quality program ("CMAQ"), the U.S. Environmental Protection Agency's Diesel Emission Reduction Act program ("DERA"), the Federal Transit Administration's Low/No NOx program ("Low/No") to address air pollution.

## Moore-Miller Administration Priority: "PROTECT OUR WATERWAYS"

- → "Preserve the Chesapeake Bay."
- → "Restore the Inner Harbor."
- → "Invest in wastewater management and water treatment systems."

## Why These Priorities are Important

Reducing pollution across Maryland's waterways is critical for protecting drinking water, marine biodiversity, public health, and recreation, among other important values for Marylanders. The Chesapeake Bay and its watershed comprise the <u>largest estuary</u> in the United States, and the third largest estuary in the world. The Bay provides water filtration services for the millions of individuals in Maryland and nearby states who live in its watershed. Unfortunately, the Bay is <u>contaminated</u> with pollutants from power plants, vehicles, agricultural facilities, and wastewater treatment plants, among other point and nonpoint sources of pollution. Baltimore's harbor and rivers contain toxic industrial <u>pollutants</u>, as well as bacteria from wastewater and nutrient runoff from farms. Maryland's water resources should be cleaned and protected in order to improve public health, especially in vulnerable communities, and to increase Maryland's resilience to the effects of climate change.

### **Key Strategies**

- Implement critical legislation passed by the General Assembly to protect natural resources:
  - DNR should implement, accelerate, and fully resource the recently passed <u>HB 784/CH420</u>
     Irreplaceable Natural Areas Act, and the Maryland Great Outdoors Act <u>HB 727/SB 541</u>.
  - Enact and accelerate the recently passed required study <u>HB 869/SB 945</u> by increasing permitting staff at MDE and DNR.
- Partner with Federal Agencies through the Sentinel Landscapes Partnership to restore and conserve habitats, improving ecosystems' resilience to a changing climate and providing test cases for conservation techniques and projects that could be put into practice across the state.

# Moore-Miller Administration Priority: "DRIVE ECONOMIC GROWTH AND CREATE THOUSANDS OF NEW JOBS IN THE GREEN ECONOMY"

- → "Expand clean energy research and commercialize it."
- → "Create new educational and career training opportunities for clean energy jobs."

#### Why These Priorities are Important

The <u>Clean Energy Jobs Act</u> (CEJA) established bold renewable energy goals for Maryland that will spur the creation of thousands of jobs across the state in offshore wind and the solar industry alone. Many more jobs will be created as the Climate Solutions Now Act (CSNA) is implemented and electrification efforts are expanding. In order to fully realize the economic and workforce benefits of CEJA and CSNA, Maryland should act as soon as possible to utilize newly available <u>Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA)</u> competitive grant funding for climate-related infrastructure. Remaining American Rescue Plan Act (ARPA) funds, and IRA tax credits and consumer rebates, should also be directed toward the highest-priority projects and programs that are mandated by CEJA and CSNA. Top priorities include comprehensive health, safety, efficiency, and electrification retrofits for affordable housing and establishing policies to ensure that any new federal funds will not be used to support the expansion or installation of new fossil fuel infrastructure or appliances.

# **Key Strategies**

- Ensure the state maximizes available federal funding under the IIJA and IRA.
  - This includes the \$200 million the IRA provides for training contractors "involved in the installation of home energy efficiency and electrification improvements."
- Encourage clean energy research and workforce development by establishing prevailing wage requirements:
  - For the construction and maintenance of solar, wind, and other renewable energy generation sources, as well as for existing fossil fuel plants. Explore strategies to incentivize project labor agreements on the construction of energy generation facilities and post-construction labor peace agreements on the maintenance of these facilities.
  - For state-funded energy efficiency and electrification programs, including businesses certified to carry out work incentivized by EmPOWER Maryland.
- Facilitate power purchase agreements for the state's purchases of renewable energy, and utilize prevailing wage and project labor agreements.

Thank you for considering these recommendations. For more details related to these ideas please contact: Josh Tulkin, Josh.tulkin@mdsierra.org

#### PREPARED BY:





















HOUSING







# **Maryland PIRG**







