



Department of the Environment

HB 315

**The Greenhouse Gas Reduction
Act of 2009**

February 27, 2009

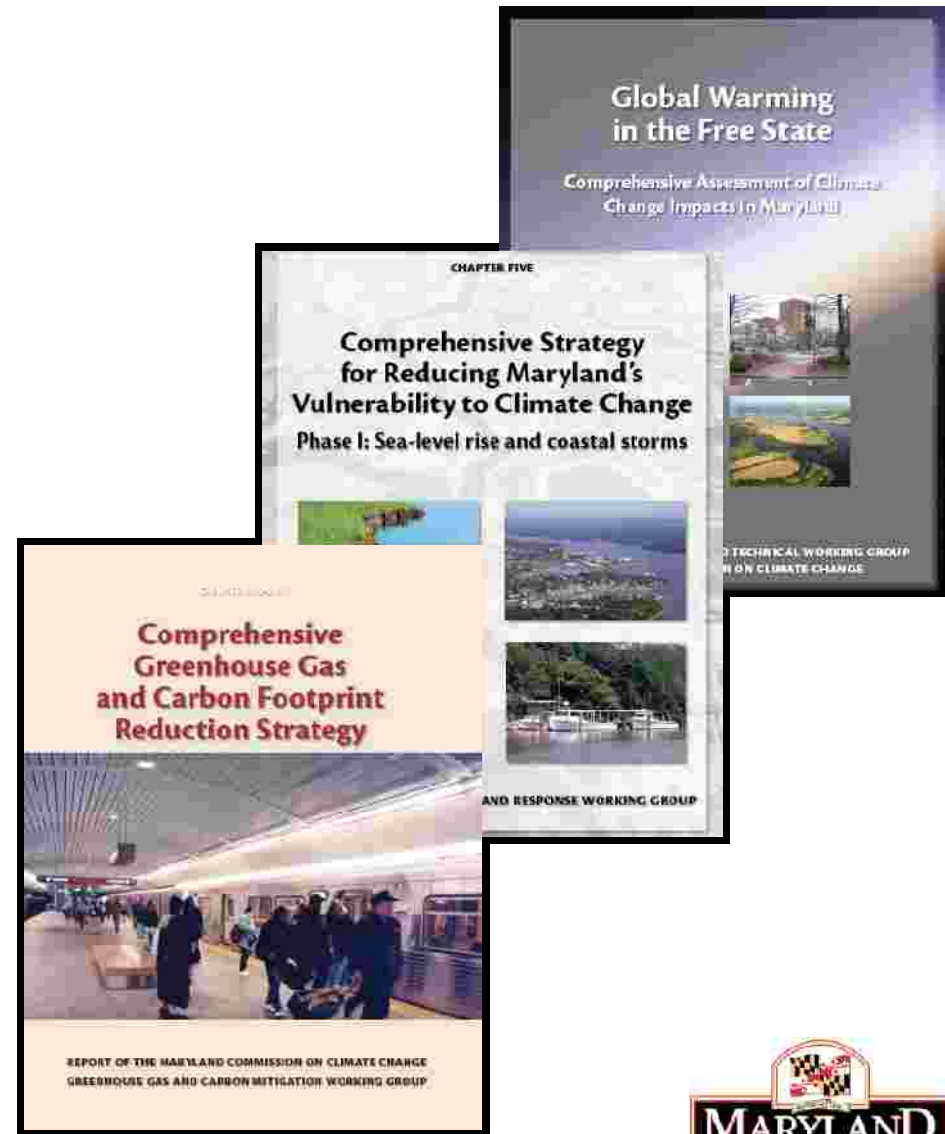
Shari Wilson, Secretary
Maryland Department of the Environment





The 2008 Climate Action Plan

- Three Issues
 - Science
 - Adaptation
 - Greenhouse Gas Reduction
- 42 Reduction Options
 - \$2B Net Economic Benefit by 2020
 - Protect existing jobs
 - Up to 55% Reduction by 2020





Goals of Proposed Bill

Legislative Framework for Emissions Reductions

Set Timeframe for Early Reductions

Net Positive Economic Impact

Protect Existing Manufacturing Jobs

Protect All Sectors Affected

Recognize Need for National Program

Provide for Major Adjustment If Needed





Key Components of the Bill

2020: 25% Reduction of Emissions

- State Plan by 2012
- 2 Reports to Legislature in 2015
- Requires 2016 Legislative Action
- Manufacturing Provisions
- Other Sector Provision





State Plan

SCHEDULE

- 2011: Draft Plan to reduce GHG emissions 25% by 2020 from a 2006 base year
- 2011 Public Workshops
- 2011 Submitted to General Assembly October
- 2012 Plan Finalized
- 2015 Report to General Assembly on Status of Plan

REQUIREMENTS

- Protect existing jobs
- Net positive effect on Maryland's economy





2 Reports to Legislature in 2015

MANUFACTURING

- Independent Study

MDE STATUS REPORT

- Are reductions on schedule?
- Are jobs being protected?
- Is Plan having a positive impact on Maryland's economy?
- What Are Requirements of Federal Program, if any?
- Should Maryland keep, change or eliminate the 25% Reduction by 2020 Requirement?





Mid-Course Correction in 2016

25% REDUCTION BY 2020 REQUIREMENT:

Legislature *Must Act* to Continue 25% Reduction

Renew, Change, Lapse: How is the law working?

- *Are existing jobs being affected?*
- *Is the Plan having a positive impact on economy?*
- *Is there now a federal program?*
- *Should the Maryland program be changed or eliminated?*





Manufacturing Provisions

Manufacturing Regulated Only Through:

- Federal program
- RGGI
- Voluntary action

Acknowledges Concern of Unlevel Playing Field

- Can shift business and jobs to other states while not achieving real reduction in GHG emissions

Supports Need for Effective Federal Program

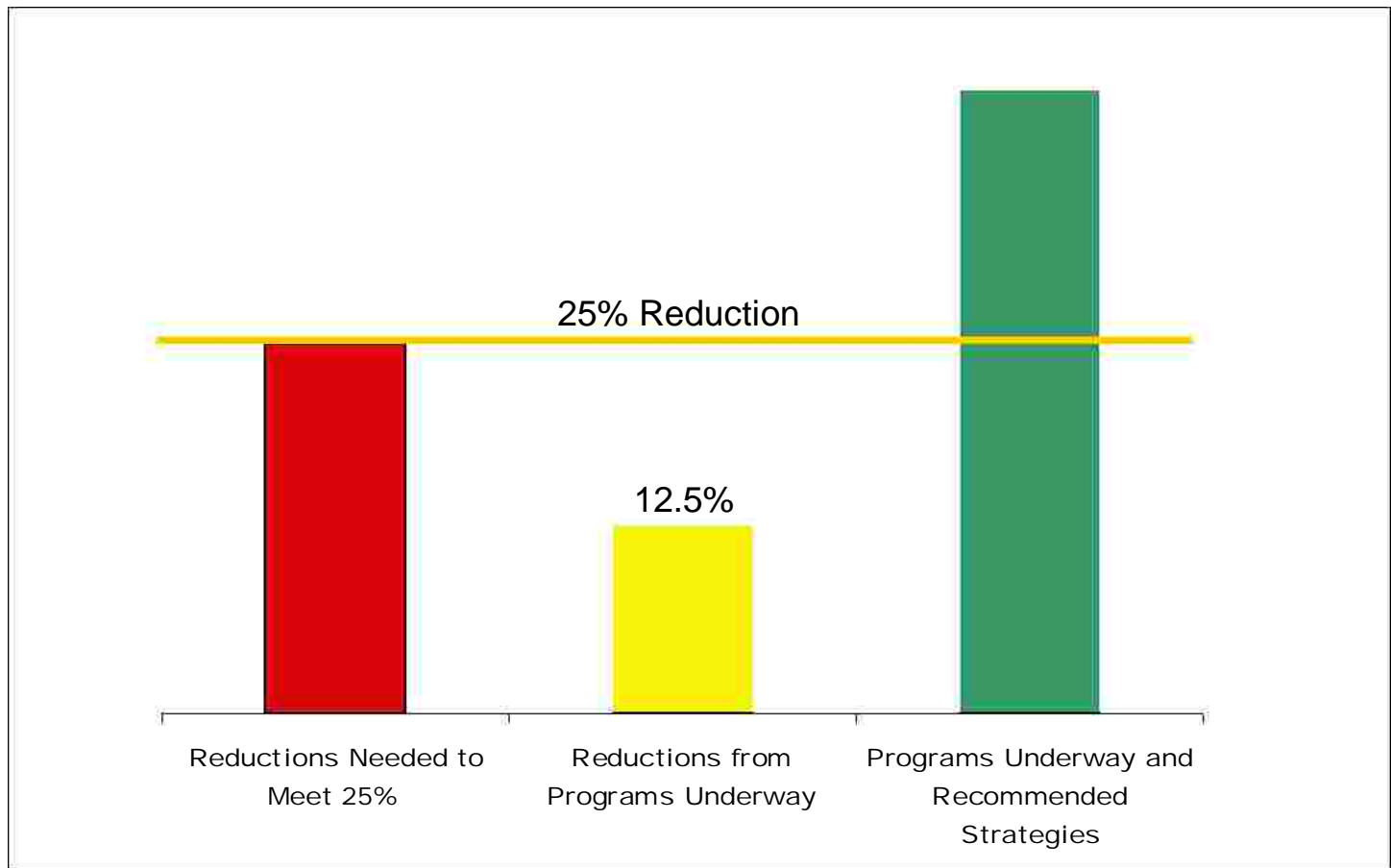




Projected Reductions from the Plan

- Plan based on at least a 25% reduction by 2020
- Programs underway achieve 12.5% reduction by 2020
- Programs underway and 42 strategies projected to exceed 25% reduction

Can Emissions be Reduced 25% by 2020?



* Emission reduction projections under review





Reductions

<i>Reduction Programs</i>	<i>Projected 2020 Emission Reductions in MMT of CO2</i>
RGGI	8.7
CALEV	6.2
EmPOWER Maryland	6.8
Renewable Portfolio Standard	12.2
Other 2008 Actions	2.1
Recommended Energy Supply Programs	12.4
Recommended Residential, Commercial, Industrial Programs	11.2
Recommended Transportation and Land Use Programs	16
Recommended Agricultural, Forestry and Waste Programs	7.5

- The existing programs above (in blue) will achieve over half of the reductions needed to meet the 25% by 2020 reduction requirement





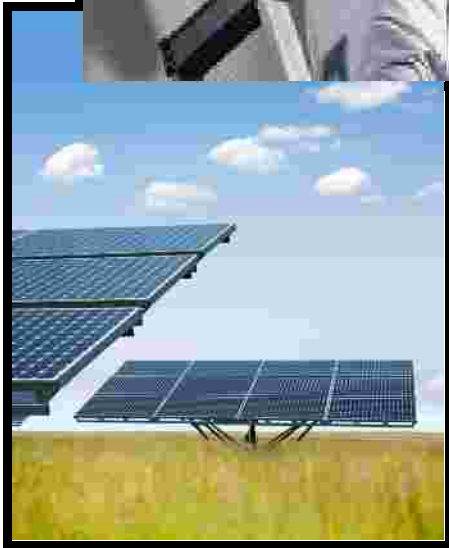
Other Programs Underway

- **Low Cost Energy Efficiency Loans (SB 885/ HB 1301)**
- **High Performance Buildings (SB 208)**
- **Solar Easements (HB 117)**
- **Solar/ Geothermal Grants (HB 377)**
- **Maryland Clean Energy Center (HB 1337)**
- **Bio-heating Oil Credit (SB 565)**
- **Transit Oriented Development (SB 204)**
- **Project Open Space (SB 259)**
- **No Net Loss Forestry (SB 431)**





Impact to Existing Jobs



Existing Manufacturing Jobs

Climate Action Plan: no new impact

GHG Reduction from manufacturing

Federal Program

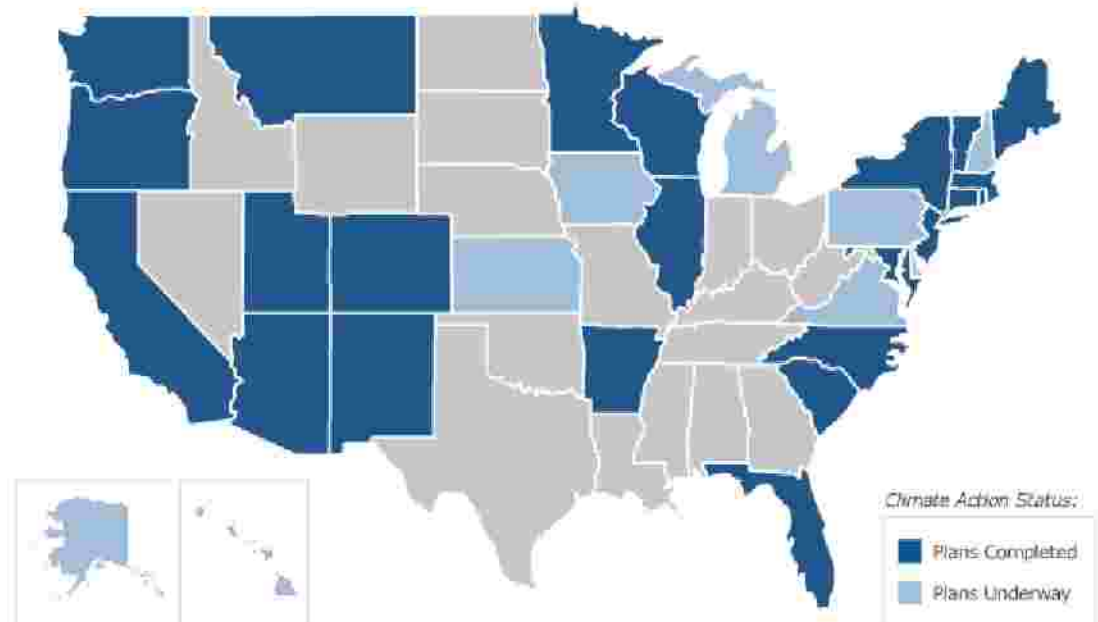
RGGI expansion





Other States

- 9 States Have Statutory Reduction Goals
 - Range from 1990 levels by 2020 (CA, NJ, WA, HI) to at least 10% below 1990 levels by 2020 (MA, CN, ME, OR)
 - Comparable to MD's "25% below 2006 levels by 2020" (about 4% below 1990 levels by 2020)
- CA, MA, MN require agency to *adopt* reduction plan and implementing regulations
- NJ, OR require agency to *recommend* statutory and regulatory reductions
- Maryland Climate Action Plan completed by the Commission considered a "plan" in this illustration

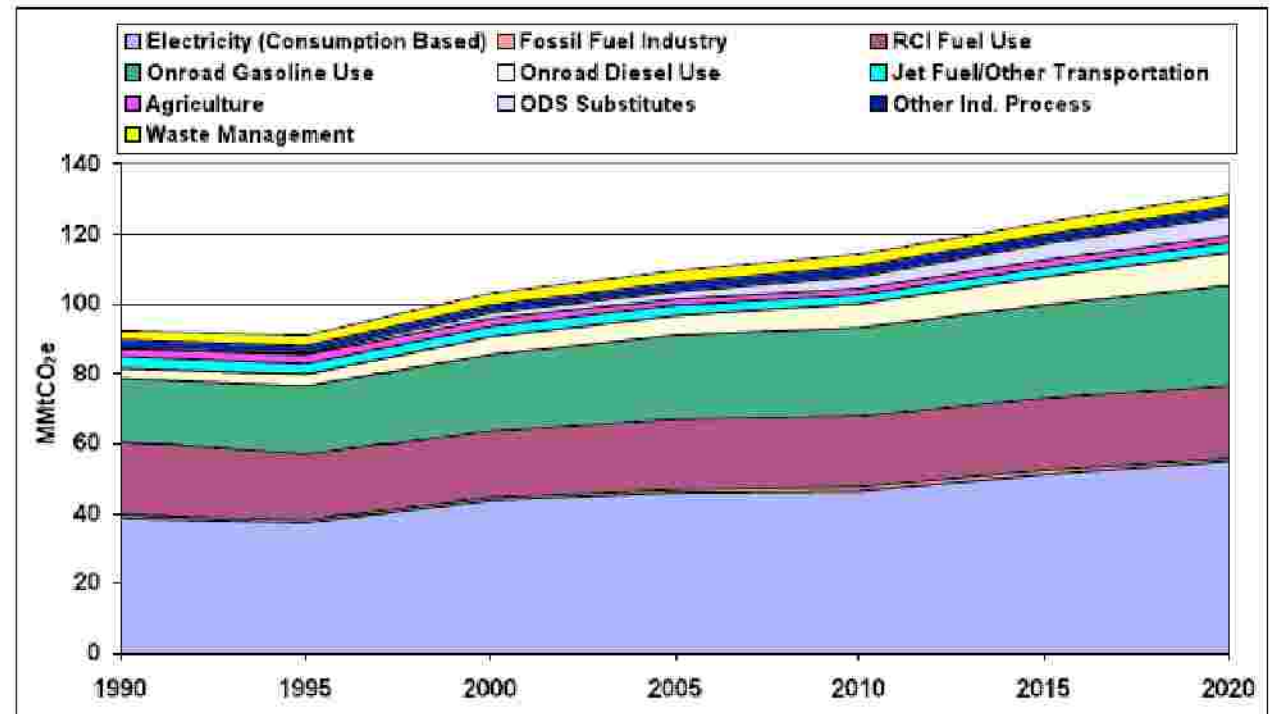




Importance of Early Actions

- 1 ton of GHG reduction now is more valuable than 1 ton of reduction in 2050
- Implementing 42 Options Estimated Economic Benefit of \$2B in 2020
- More greenhouse gases accumulate and stay in the atmosphere each year

Greenhouse Gas Emission Trends in Maryland





Transitioning Into a Federal Program

- HB 315 already contains provisions that allow Maryland to transition into a federal program
 - In 2015, MDE owes the general Assembly a report that will include the status of any federal program
 - In 2016, The General Assembly, as part of the mid-course review, may change or eliminate the 25% reduction requirement to insure consistency with any federal program that exists.
 - Maryland has, as part of RGGI, already committed to an approach for transitioning the RGGI program into a comparable federal cap-and-trade program

Quote from the RGGI MOU - Signed by Maryland and 10 other states

"Federal Program. When a federal program is proposed, the Signatory States will advocate for a federal program that rewards states that are first movers. If such a federal program is adopted, and it is determined to be comparable to this Program, the Signatory States will transition into the federal program."

