



# Facts About...

## FACTS ABOUT THE GREENHOUSE GAS REDUCTION ACT OF 2009

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### ***What does the Greenhouse Gas Reduction Act of 2009 require?***

The bill requires the State to achieve a 25 percent reduction in Statewide greenhouse gas (GHG) emissions from 2006 levels by 2020. It requires the Department of Environment to develop a proposed Statewide GHG reduction plan by 2011, to solicit public comment on the proposed plan from interested stakeholders and the public, and to adopt a final plan by 2012.

The bill also requires the State to demonstrate that the 25 percent reduction can be achieved in a way that has a positive impact on Maryland's economy, protects existing manufacturing jobs and creates significant new "green" jobs in Maryland.

### ***How will this bill affect the State's economy, particularly in view of the current economic downturn?***

The bill requires the Department of Environment to develop a GHG reduction plan that will not adversely impact the State's economy. Under the bill's provisions, the GHG reduction plan must ensure no loss of existing jobs in the State's manufacturing sector, a net increase in State jobs and a net economic benefit to the State.

Transitioning to a low carbon economy is expected to have a positive net economic benefit to the State valued at approximately \$2 billion by 2020 as the result of savings from energy efficiency and conservation programs and new "green" job opportunities in the energy, carbon technology and related sectors of the economy.

### ***How can a greenhouse gas reduction program create new jobs? How many new jobs could be created?***

An independent study done for the State found that by developing clean energy industries, Maryland could create between 144,000 and 326,000 in-state jobs over the next 20 years, generating \$5.7 billion in wages and salaries, boosting State and local tax revenues by \$973 million and increasing gross state product by \$16 billion. The study concluded Maryland is well-positioned to attract clean technology businesses, but is lagging behind other states already investing in the \$50 Billion/year worldwide clean technology industry. *Source: DBED and MEA funded study: "Economic Development Potential of Clean Energy Technology in Maryland and Feasibility Study for a Maryland Clean Energy Center", International Center for Sustainable Development, Inc., December 31, 2006.*

### ***How will the State's manufacturing sector be affected by the bill?***

Under the Bill, the manufacturing sector may only be regulated through a federal or regional program ("RGGI.")

### ***Why is the State's manufacturing sector not required to reduce GHG emissions under the bill?***

GHG emissions from the State's manufacturing sector are a relatively small contributor to the State's total GHG emissions. Most of Maryland's greenhouse gas emissions come from power plants and mobile sources—cars and trucks. Manufacturing sector emissions constitute approximately 4 percent of the State's total GHG emission inventory and are not expected to increase significantly by 2020.



GHG emissions from the manufacturing sector are most effectively regulated at the federal level through market based measures.

Maryland continues to advocate for a strong federal GHG reduction program. This bill also provides incentives to the manufacturing sector to voluntarily reduce its GHG emissions where possible by providing for early reduction credits that will be applicable in any future State GHG reduction program to which the manufacturing sector becomes subject.

***How will we know whether the State is on track to achieve the 25 percent GHG reduction by 2020 and what happens if the State is not making adequate progress?***

The bill requires the Department to update its GHG emissions inventory every three years, and in 2015 to evaluate and report to the General Assembly on the State's progress toward achieving the 25 percent reduction, as well as the impact on the State's economy, the need for adjustments to the 25 percent required reduction and the status of any federal GHG program. In 2016, the General Assembly will conduct a mid-course review and act to continue on the current path or to make any necessary adjustments to the program.

***The Intergovernmental Panel on Climate Change has found that developed countries will need to reduce their greenhouse gas emissions by between 80 percent and 95 percent from 1990 levels by 2050 in order to avoid dangerous anthropogenic changes to the earth's climate system. How does this bill address the need for much greater longer term reductions?***

Early GHG emission reductions are critical to avoiding the most devastating impacts of climate change. This bill does not require further reductions beyond 2020. Rather, the bill moves the State forward on a path toward greater reductions that will be needed in the long term by securing these critical early reductions. In its 2016 mid-course review, the General Assembly will consider and act on the need for additional GHG emission reductions.

***What is the basis of the bill's requirement to reduce Statewide greenhouse gas emissions 25 percent by 2020?***

The Intergovernmental Panel on Climate Change has concluded that developed countries need to reduce greenhouse gas emissions by a minimum of 25 percent below 1990 levels over the short term in order to avoid dangerous changes to the earth's climate system. Its finding is based on the scientific community's current understanding of climate change. The bill would require Maryland to reduce emissions 25 percent below 2006 emission levels, which equates to about 4 percent below 1990 levels. Maryland's recent actions such as RGGI, the Clean Cars and EmPOWER Maryland programs, and its 2008 energy legislation, already get Maryland 60 percent of the way to the 25 percent requirement. Adding the 42 measures recommended in the Governor's Climate Action Report, Maryland could achieve the IPCC reduction levels by 2020.

***Last year's Global Warming Solutions bill would have required the Department to get legislative approval for its greenhouse gas reduction plan and implementing measures. What kind of legislative oversight does this bill provide for plan development?***

A year before the Department adopts a final GHG reduction plan in 2012, it must submit the proposed plan to the General Assembly. The final plan must summarize any new legislative authority needed to implement the plan and provide a timeline for seeking legislative authority. The bill preserves, but does not expand, the Department's existing regulatory authority.

***Why should Maryland act now to reduce greenhouse gases at the state level when the incoming Obama administration has made climate change regulation a top priority?***

Maryland is at great risk from climate change. We are the fourth most vulnerable state to sea-level rise. Based on this, Maryland has developed a Climate Action Plan. The scientific assessment included in the plan clearly states that earlier reductions are more efficient and cost effective.

Second, there are economic opportunities associated with transitioning to a low carbon economy. Through setting a legislative requirement for reductions, Maryland will position itself to attract investment in clean energy related businesses and create new green jobs

Finally, it is likely, based on the 2008 climate change bills introduced in Congress, that “early action” states will be rewarded with more control over programs within their borders and allocations of carbon allowances or auction revenues from a federal cap and trade program.

***Global warming is a global problem. Maryland’s emissions are very, very small compared to global emissions. It makes no sense for Maryland to move ahead until the rest of the world – at least the rest of the Country – does the same thing. Why do we need to act now?***

All jurisdictions will be required to act to solve this global problem. The earlier reductions begin, the less costly and difficult they will be. Maryland will also position itself to benefit economically. Maryland is among those states that will be most severely impacted by rising sea levels. By demonstrating leadership on climate change, we encourage action by other states and the federal government.

***The bill does not include a federal preemption provision. If a federal climate change program is implemented, shouldn’t Maryland’s program be preempted?***

Reducing greenhouse gas emissions can not currently be accomplished through end of stack technology. The solutions range from cap and trade programs to land use and building code changes. While certain programs like a cap and trade program are clearly most effectively implemented at the federal level, others, such as building code changes, must be implemented at the local level. The legislation recognizes this and the fact that there are still many aspects of a federal program being discussed. The legislation allows the legislature to make an informed decision on this issue in 2016, after a federal program has been designed and implemented.