

# **Climate Change Statutes**

## STATE OF MARYLAND

This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit <u>Climate Change Statutes.</u>

Current through the 2010 Legislative Session of the Maryland General Assembly.

#### Title 2: Greenhouse Gas Emissions Reductions

#### § 2-1201. Legislative findings

The General Assembly finds that:

- (1) Greenhouse gases are air pollutants that threaten to endanger the public health and welfare of the people of Maryland;
  - (2) Global warming poses a serious threat to the State's future health, well-being, and prosperity;
- (3) With 3,100 miles of tidally influenced shoreline, Maryland is vulnerable to the threat posed by global warming and susceptible to rising sea levels and flooding, which would have detrimental and costly effects;
- (4) The State has the ingenuity to reduce the threat of global warming and make greenhouse gas reductions a part of the State's future by achieving a 25% reduction in greenhouse gas emissions from 2006 levels by 2020 and by preparing a plan to meet a longer-term goal of reducing greenhouse gas emissions by up to 90% from 2006 levels by 2050 in a manner that promotes new "green" jobs, and protects existing jobs and the State's economic well-being;
- (5) Studies have shown that energy efficiency programs and technological initiatives consistent with the goal of reducing greenhouse gas emissions can result in a net economic benefit to the State;
- (6) In addition to achieving the reduction established under this subtitle, it is in the best interest of the State to act early and aggressively to achieve the Maryland Commission on Climate Change's recommended goals of reducing greenhouse gas emissions by 10% from 2006 levels by 2012 and by 15% from 2006 levels by 2015;
- (7) While reductions of harmful greenhouse gas emissions are one part of the solution, the State should focus on developing and utilizing clean energies that provide greater energy efficiency and conservation, such as renewable energy from wind, solar, geothermal, and bioenergy sources;
- (8) It is necessary to protect the public health, economic well-being, and natural treasures of the State by reducing harmful air pollutants such as greenhouse gas emissions by using practical solutions that are already at the State's disposal;
- (9) Cap and trade regulation of greenhouse gas emissions is most effective when implemented on a federal level:

- (10) Because of the need to remain competitive with manufacturers located in other states or countries and to preserve existing manufacturing jobs in the State, greenhouse gas emissions from the manufacturing sector are most effectively regulated on a national and international level; and
- (11) Because of the need to remain competitive with other states, greenhouse gas emissions from certain other commercial and service sectors, including freight carriers and generators of electricity, are most effectively regulated on a national level.

#### § 2-1202. Definitions.

- (a) In general. -- In this subtitle the following words have the meanings indicated.
- (b) Alternative compliance mechanism. -- "Alternative compliance mechanism" means an action authorized by regulations adopted by the Department that achieves the equivalent reduction of greenhouse gas emissions over the same period as a direct emissions reduction.
- (c) Carbon dioxide equivalent. -- "Carbon dioxide equivalent" means the measurement of a given weight of a greenhouse gas that has the same global warming potential, measured over a specified period of time, as one metric ton of carbon dioxide.
- (d) Direct emissions reduction. -- "Direct emissions reduction" means a reduction of greenhouse gas emissions from a greenhouse gas emissions source.
- (e) Greenhouse gas. -- "Greenhouse gas" includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.
- (f) Greenhouse gas emissions source. -- "Greenhouse gas emissions source" means a source or category of sources of greenhouse gas emissions that have emissions of greenhouse gases that are subject to reporting requirements or other provisions of this subtitle, as determined by the Department.
- (g) Leakage. -- "Leakage" means a reduction in greenhouse gas emissions within the State that is offset by a corresponding increase in greenhouse gas emissions from a greenhouse gas emissions source located outside the State that is not subject to a similar state, interstate, or regional greenhouse gas emissions cap or limitation.
- (h) Manufacturing. --
- (1) "Manufacturing" means the process of substantially transforming, or a substantial step in the process of substantially transforming, tangible personal property into a new and different article of tangible personal property by the use of labor or machinery.
- (2) "Manufacturing", when performed by companies primarily engaged in the activities described in paragraph (1) of this subsection, includes:
  - (i) The operation of saw mills, grain mills, or feed mills;
- (ii) The operation of machinery and equipment used to extract and process minerals, metals, or earthen materials or by-products that result from the extracting or processing; and
  - (iii) Research and development activities.
  - (3) "Manufacturing" does not include:
    - (i) Activities that are primarily a service;

- (ii) Activities that are intellectual, artistic, or clerical in nature;
- (iii) Public utility services, including gas, electric, water, and steam production services; or
- (iv) Any other activity that would not commonly be considered as manufacturing.
- (i) Statewide greenhouse gas emissions. -- "Statewide greenhouse gas emissions" means the total annual emissions of greenhouse gases in the State, measured in metric tons of carbon dioxide equivalents, including all emissions of greenhouse gases from the generation of electricity delivered to and consumed in the State, and line losses from the transmission and distribution of electricity, whether the electricity is generated in-State or imported.

### § 2-1203. Statewide greenhouse gas inventory.

- (a) In general. -- On or before June 1, 2011, the Department shall publish:
  - (1) An inventory of statewide greenhouse gas emissions for calendar year 2006; and
- (2) Based on existing greenhouse gas emissions control measures, a projected "business as usual" inventory for calendar year 2020.
- (b) Inventory to be published every three years beginning in 2011. -- The Department shall review and publish an updated statewide greenhouse gas emissions inventory for calendar year 2011 and for every third calendar year thereafter.

### § 2-1204. Reduction of statewide greenhouse gas emissions.

The State shall reduce statewide greenhouse gas emissions by 25% from 2006 levels by 2020.

# § 2-1205. Adoption of plan, regulations, and programs to reduce greenhouse gas emissions.

- (a) In general. -- The State shall develop a plan, adopt regulations, and implement programs that reduce statewide greenhouse gas emissions in accordance with this subtitle.
- (b) Proposed plan to be submitted by end of 2011. -- On or before December 31, 2011, the Department shall:
  - (1) Submit a proposed plan to the Governor and General Assembly;
  - (2) Make the proposed plan available to the public; and
- (3) Convene a series of public workshops to provide interested parties with an opportunity to comment on the proposed plan.
- (c) Adoption of final plan. --
- (1) The Department shall, on or before December 31, 2012, adopt a final plan that reduces statewide greenhouse gas emissions by 25% from 2006 levels by 2020.
- (2) The plan shall be developed as the initial State action in recognition of the finding by the Intergovernmental Panel on Climate Change that developed countries will need to reduce greenhouse gas emissions by between 80% and 95% from 1990 levels by 2050.
- (d) Contents. -- The final plan required under subsection (c) of this section shall include:

- (1) Adopted regulations that implement all plan measures for which State agencies have existing statutory authority; and
- (2) A summary of any new legislative authority needed to fully implement the plan and a timeline for seeking legislative authority.
- (e) Consulting. -- In developing and adopting a final plan to reduce statewide greenhouse gas emissions, the Department shall consult with State and local agencies as appropriate.
- (f) Requirements for regulations. --
- (1) Unless required by federal law or regulations or existing State law, regulations adopted by State agencies to implement the final plan may not:
  - (i) Require greenhouse gas emissions reductions from the State's manufacturing sector; or
  - (ii) Cause a significant increase in costs to the State's manufacturing sector.
- (2) Paragraph (1) of this subsection may not be construed to exempt greenhouse gas emissions sources in the State's manufacturing sector from the obligation to comply with:
- (i) Greenhouse gas emissions monitoring, recordkeeping, and reporting requirements for which the Department had existing authority under § 2-301(a) of this title on or before October 1, 2009; or
- (ii) Greenhouse gas emissions reductions required of the manufacturing sector as a result of the State's implementation of the Regional Greenhouse Gas Initiative.
- (g) Construction of regulations. -- A regulation adopted by a State agency for the purpose of reducing greenhouse gas emissions in accordance with this section may not be construed to result in a significant increase in costs to the State's manufacturing sector unless the source would not incur the cost increase but for the new regulation.

### § 2-1206. Factors in adoption of final plan.

In developing and implementing the plan required by § 2-1205 of this subtitle, the Department shall:

- (1) Analyze the feasibility of measures to comply with the greenhouse gas emissions reductions required by this subtitle;
- (2) Consider the impact on rural communities of any transportation related measures proposed in the plan;
- (3) Provide that a greenhouse gas emissions source that voluntarily reduces its greenhouse gas emissions before the implementation of this subtitle shall receive appropriate credit for its early voluntary actions;
- (4) Provide for the use of offset credits generated by alternative compliance mechanisms executed within the State, including carbon sequestration projects, to achieve compliance with greenhouse gas emissions reductions required by this subtitle;
- (5) Ensure that the plan does not decrease the likelihood of reliable and affordable electrical service and statewide fuel supplies;
- (6) Consider whether the measures would result in an increase in electricity costs to consumers in the State;

- (7) Consider the impact of the plan on the ability of the State to:
  - (i) Attract, expand, and retain commercial aviation services; and
  - (ii) Conserve, protect, and retain agriculture; and
- (8) Ensure that the greenhouse gas emissions reduction measures implemented in accordance with the plan:
  - (i) Are implemented in an efficient and cost-effective manner;
- (ii) Do not disproportionately impact rural or low-income, low- to moderate-income, or minority communities or any other particular class of electricity ratepayers;
  - (iii) Minimize leakage;
  - (iv) Are quantifiable, verifiable, and enforceable;
  - (v) Directly cause no loss of existing jobs in the manufacturing sector;
- (vi) Produce a net economic benefit to the State's economy and a net increase in jobs in the State; and
- (vii) Encourage new employment opportunities in the State related to energy conservation, alternative energy supply, and greenhouse gas emissions reduction technologies.

### § 2-1207. Independent study by institution of higher education.

- (a) In general; task force. --
- (1) An institution of higher education in the State shall conduct an independent study of the economic impact of requiring greenhouse gas emissions reductions from the State's manufacturing sector.
- (2) The Governor shall appoint a task force to oversee the independent study required by this section.
  - (3) The task force shall include representatives of:
    - (i) Labor unions;
    - (ii) Affected industries and businesses;
    - (iii) Environmental organizations; and
    - (iv) Low-income and minority communities.
- (4) To the extent practicable, the members appointed to the task force shall reflect the geographic, racial, and gender diversity of the State.
- (b) Date for completion and submission of study. -- On or before October 1, 2015, the institution of higher education responsible for the independent study shall complete and submit the study to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

### § 2-1208. Credits for implementation of voluntary greenhouse gas emissions reduction plan.

- (a) In general. -- A greenhouse gas emissions source in the State's manufacturing sector that implements a voluntary greenhouse gas emissions reduction plan that is approved by the Department on or before January 1, 2012, may be eligible to receive voluntary early action credits under any future State law requiring greenhouse gas emissions reductions from the manufacturing sector.
- (b) Contents. -- A voluntary greenhouse gas emissions reduction plan may include measures to:
  - (1) Reduce energy use and increase process efficiency; and
- (2) Facilitate industry-wide research and development directed toward future measures to reduce greenhouse gas emissions.

### § 2-1209. Progress report.

- (a) In general. -- On or before October 1, 2015, the Department shall submit a report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly that includes:
- (1) A summary of the State's progress toward achieving the 2020 emissions reduction required by the plan under § 2-1205 of this subtitle;
  - (2) An update on emerging technologies to reduce greenhouse gas emissions;
- (3) A review of the best available science, including updates by the Intergovernmental Panel on Climate Change, regarding the level and pace of greenhouse gas emissions reductions and sequestration needed to avoid dangerous anthropogenic changes to the Earth's climate system;
- (4) Recommendations on the need for science-based adjustments to the requirement to reduce statewide greenhouse gas emissions by 25% by 2020;
- (5) A summary of additional or revised regulations, control programs, or incentives that are necessary to achieve the 25% reduction in statewide greenhouse gas emissions required under this subtitle, or a revised reduction recommended in accordance with item (4) of this subsection;
- (6) The status of any federal program to reduce greenhouse gas emissions and any transition by the State from its participation in the Regional Greenhouse Gas Initiative to a comparable federal cap and trade program; and
- (7) An analysis of the overall economic costs and benefits to the State's economy, environment, and public health of a continuation or modification of the requirement to achieve a reduction of 25% in statewide greenhouse gas emissions by 2020, including reductions in other air pollutants, diversification of energy sources, the impact on existing jobs, the creation of new jobs, and expansion of the State's low carbon economy.
- (b) Public comment and hearing process. -- The report required under subsection (a) of this section shall be subject to a public comment and hearing process conducted by the Department.

### § 2-1210. Action by General Assembly on review of study and report.

On review of the study required under § 2-1207 of this subtitle, and the report required under § 2-1209 of this subtitle, the General Assembly may act to maintain, revise, or eliminate the 25% greenhouse gas emissions reduction required under this subtitle.

### § 2-1211. Monitoring implementation of plan; report

The Department shall monitor implementation of the plan required under § 2-1205 of this subtitle and shall submit a report, on or before October 1, 2020, and every 5 years thereafter, to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly that describes the State's progress toward achieving:

- (1) The reduction in greenhouse gas emissions required under this subtitle, or any revisions conducted in accordance with § 2-1210 of this subtitle; and
- (2) The greenhouse gas emissions reductions needed by 2050 in order to avoid dangerous anthropogenic changes to the Earth's climate system, based on the predominant view of the scientific community at the time of the latest report.