



LARRY HOGAN
GOVERNOR

STATE OF MARYLAND
OFFICE OF THE GOVERNOR

October 1, 2021

The Honorable Adrienne A. Jones
Speaker of the House of Delegates
H-101, State House
100 State Circle
Annapolis, MD 21401

The Honorable Bill Ferguson
President of the Senate
H-107 State House
100 State Circle
Annapolis, MD 21401

Dear Madam Speaker and Mr. President:

As the Maryland General Assembly prepares for its 2022 legislative session, I remain committed to bipartisan environmental success. I'd like to share with you my principles for key legislation needed in the coming session regarding the Chesapeake Bay, climate change, and clean and renewable energy.

For nearly seven years now, our state has been setting an example for the nation of strong environmental leadership. We have fully funded the Chesapeake and Atlantic Coastal Bays Trust Fund and Program Open Space. We have led the fight to protect and restore federal funding for the Bay, and our administration has committed an historic \$6.5 billion toward wide-ranging Bay initiatives.

We also pushed for landmark legislation to cement our state's position as a global leader in combating greenhouse gas emissions, and we set a bold goal to reduce greenhouse gas emissions by 50% by the year 2030. We expanded the Maryland Commission on Climate Change, and enacted the Clean Water Commerce Act, the Clean Cars Act, and several other bills to grow clean energy investment and green jobs.

We are leading the way when it comes to safeguarding our environment, but there is more work to be done that requires legislative action.

Chesapeake Bay: Financing For Tomorrow.

Since January 2015, our administration has worked closely with you and your colleagues to provide record funding, resources, and support for environmental restoration even beyond the Chesapeake Bay. Although we are already a national leader in delivering dedicated funding, programs, and projects on the environmental front, we must continue building on that record with more innovation and progress to ensure the Bay's environmental health and our state's economic prosperity for the future.

Last session, the Senate passed a promising and thoughtful bill on comprehensive conservation finance, but the House failed to move it. My cabinet stands ready to work with your committees on legislation to boost funding and accountability for cleaner water through partnerships and "pay for performance" procurement mechanisms. The key to success is robust public funding for public projects, paired with innovation to grow private sector partnerships. Procurement reforms and market-based strategies contemplated in last session's bill will help Maryland invest in the green and blue infrastructure needed to meet our Bay restoration commitments by 2025, and to fund even more progress and resiliency in the coming decades.

Now is the time to make a real down payment on our future environmental and restoration priorities by supporting a robust public-private funding mechanism. Let's leverage the power of private capital for the public good—it will be good for the Bay and good for the bottom line.

A Climate for Clean and Renewable Energy

Our administration has consistently supported science-based, bipartisan, and bold solutions to reduce greenhouse gas emissions and to increase the resiliency of our communities, economies, and ecosystems.

Maryland has one of the nation's most comprehensive, detailed, and balanced plans to address and mitigate climate change, and much of it will be implemented by our agencies, businesses, communities, and our citizens. Our state won national recognition over the last few years for slashing carbon emissions while growing our economy through leadership in the Regional Greenhouse Gas Initiative and the U.S. Climate Alliance, tackling super pollutants like hydrofluorocarbons and methane with phase-down and leak detection and reduction requirements, banning fracking, embracing energy efficiency upgrades, and enhancing resilient green infrastructure to reduce the risk of flooding and sea level rise. Our comprehensive plan to slash emissions by 50% by 2030, achieve 100% clean electricity by 2040, and strive for net zero emissions by 2045 is one of the most ambitious climate change plans in the nation, and is a global model for mitigation.

However, we need bipartisan legislative support to achieve our bold climate goals in the most cost-effective and equitable manner. Setting unilateral mandates without gaining the confidence or support of our communities or stakeholders is destined to falter.

Our Clean And Renewable Energy Standard (CARES) legislation, introduced in the last two legislative sessions, supports the state's aggressive renewable energy program. CARES also incorporates competition and economic incentives to further boost homegrown clean energy through innovation and efficiency at lower cost. I encourage you to lead the legislative effort to advance a forward-thinking clean energy package that includes aspects such as battery storage, combined heat and power, renewable natural gas, solar and wind, and newer technologies such as small modular nuclear reactors and micro hydropower. We need to recognize the important role that nuclear power continues to play in our current energy portfolio because it produces reliable, clean, zero-carbon electricity.

As you know, our state faces exciting opportunities with offshore wind development and job growth in the broader related supply chain in Baltimore and the Eastern Shore. We must continue working closely with the federal government and regional partners to advance the clean energy economy. This partnership includes the SMART-POWER agreement I signed with Virginia and North Carolina. Together we can position Maryland as a regional power player for the entire Atlantic Coast.

Outdoor Recreation: Access for All

Providing Marylanders with equitable access to public lands, green spaces, parks, and outdoor recreation areas is another priority of our administration. The need for this became even more apparent during the COVID-19 pandemic, when an unprecedented number of visitors looked to federal, state, and local parks for safe and affordable recreation for their family and friends. It also means ensuring inclusive outdoor recreation options for all Marylanders.

It is essential to expand land conservation efforts to accommodate the public's demand and desire for outdoor recreation, and to dedicate adequate financial and personnel resources for the maintenance and operations of these cherished public lands.

The outdoor recreation economy in Maryland generates 109,000 direct jobs, \$14 billion in consumer spending, \$4.4 billion in salaries and wages, and \$951 million in state and local tax revenue. The Maryland Outdoor Recreation Economic (MORE) Commission made several important recommendations to expand economic development opportunities to grow those numbers. I recently announced a new Office of Outdoor Recreation to support and enhance outdoor recreation opportunities and the economic benefits they produce.

With that in mind, I urge the General Assembly to work with the Maryland Department of Natural Resources and the Chesapeake Bay Cabinet to remove funding restrictions within state

law so we can better manage and use existing revenue sources to accomplish our collective goals.

Equitable and Just Transition

Our administration looks forward to working with the General Assembly and federal, state, and local partners to ensure a just and equitable transition to cleaner and greener solutions. This is particularly important as coal-fired power plants continue to close or significantly retool, disrupting communities and displacing workers.

It is important for the General Assembly to continue following through on the recommendations from my Renewable Energy Development and Siting (REDS) task force created in 2019. We need more community collaboration and creativity to ensure homegrown energy is located in places that serve our citizens and communities without unacceptable trade-offs to sensitive ecosystems, valuable green space, or prime farmland.

Managing state lands, working with local zoning officials, and incentivizing use of brownfields, waste sites, and other underutilized locations continues to offer great potential if we strike the right balance of responsible deregulation and reasonable incentives. Both of these comprehensive legislative initiatives—the conservation financing bill and the CARES bill—will spur real progress on our collective climate and environmental efforts.

Our administration looks forward to working with you and your colleagues to continue our progress on growing our green economy, restoring the Chesapeake Bay, and addressing climate change. These concerns are too important to lose this opportunity to act now.

Sincerely,



Larry Hogan
Governor