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CENTER FOR GLOBAL
SUSTAINABILITY



Maryland
Department of
the Environment

Energy Industry Revitalization - Required Study

Working Group Meeting
May 21, 2024

Agenda

- Statutory requirements
- Background: previous CGS analysis
- Proposed approach
- Discussion and input

Statutory Requirements under CSNA

Energy Generation Facilities:

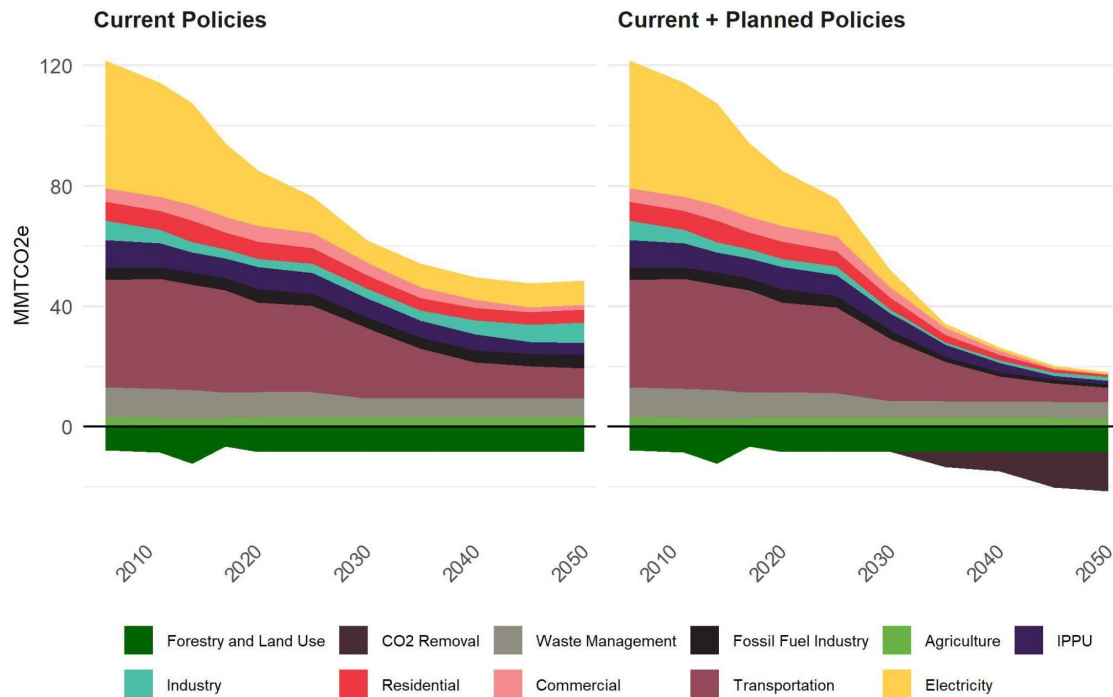
- An analysis that identifies energy generating facilities that may close as a result of a transition to renewable energy, including issues and opportunities related to repurposing the sites; and
- An analysis that identifies or estimates, to the extent practicable:
 - The timing and location of facility closures and layoffs in nonrenewable energy industries;
 - The impact of facility closures and layoffs on affected workers, businesses, and communities; and
 - How the commission can most effectively respond to the impact of facility closures and layoffs, including the potential to:
 - Compensate businesses that closed due to the effects of the transition to renewable energy; and
 - Incentivize businesses to transition to renewable energy through subsidies.

Small businesses:

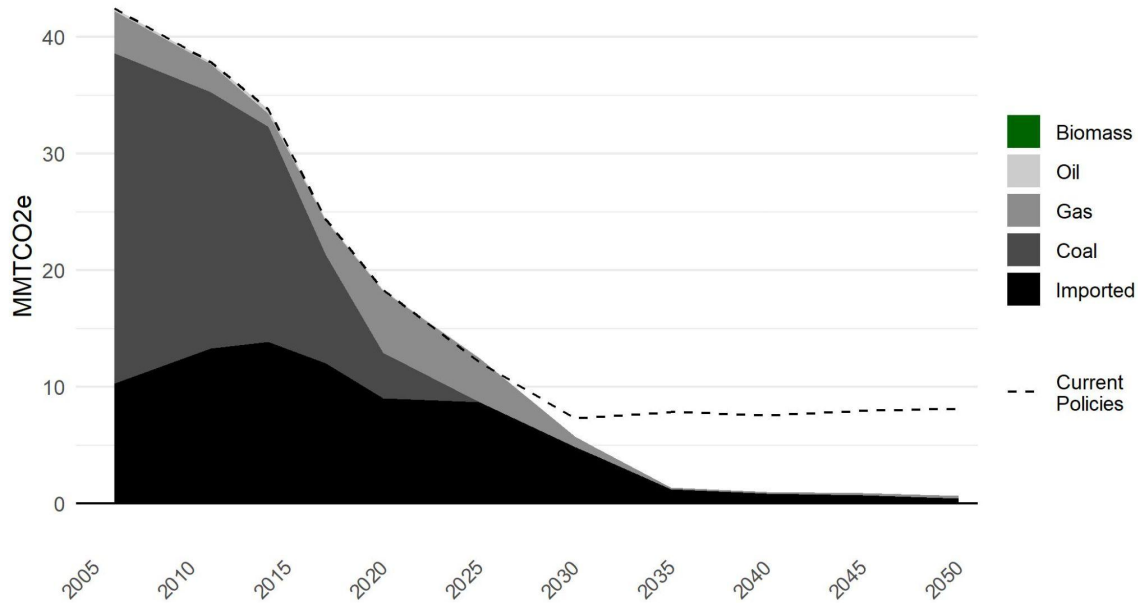
- The number of small businesses impacted by the transition to renewable energy
- The projected cost of transitioning existing small businesses to renewable energy
- The economic impact of the transition to renewable energy and new energy sources, including supply chain impacts

CGS previously provided modeling for Maryland's Climate Pollution Reduction Plan

- Current Policies achieve 50% reductions by 2031
- Current + Planned Policies reach goals of 60% gross emissions reduction in 2031 and net-zero in 2045

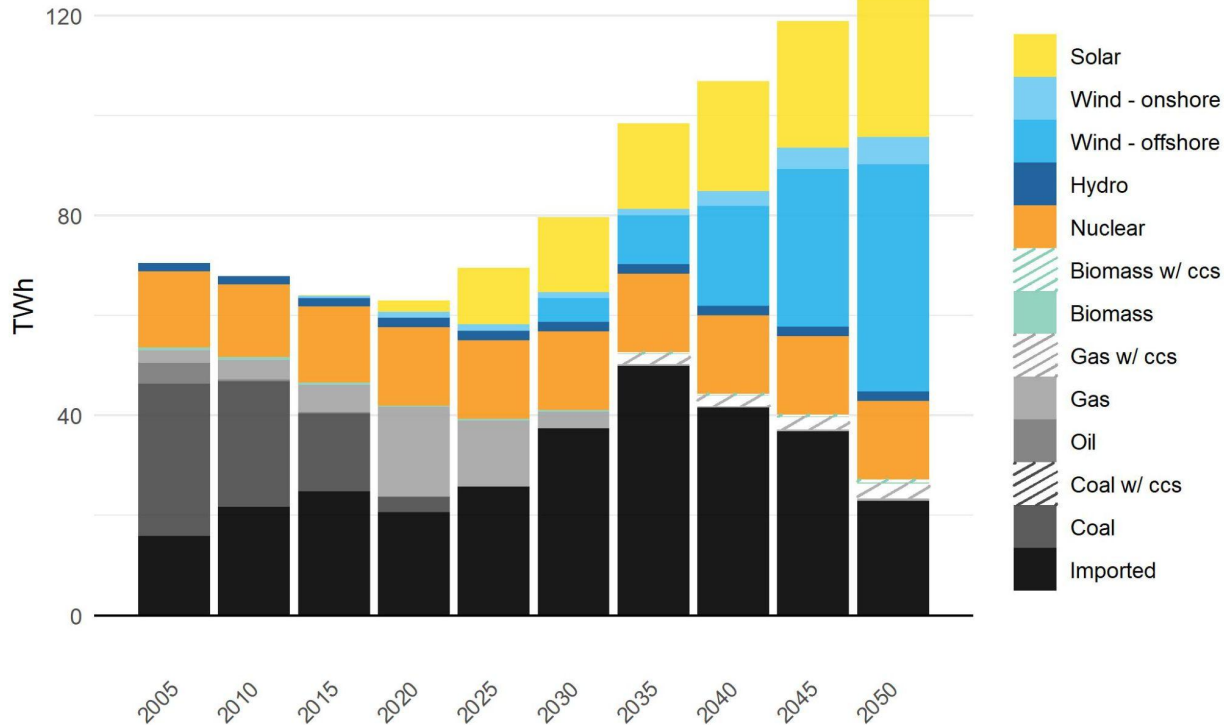


Electricity sector achieves 89% reductions by 2031, with solar and wind rapidly replacing fossil technologies



- **Key policies included:**
 - *Current:* RPS, planned coal retirements, renewal of nuclear licenses, IRA tax credits
 - 100% clean electricity by 2035
 - RGGI goes to zero by 2035

Electricity sector achieves 89% reductions by 2031, with solar and wind rapidly replacing fossil technologies



Proposed Approach - Energy Facilities

- Leverage analysis already developed for the state Climate Pollution Reduction Plan to estimate timelines for facility closures through **2035**
- CGS will gather publicly available data on facilities expected to close, and reach out to the facilities directly when possible for additional details
- Review:
 - Number of employees at each facility
 - Plans to repurpose the facility
 - Likely secondary impacts from facility closures
- Recommend:
 - Ways to leverage state and federal policy to support impacted workers and communities
 - Proven methods of incentivizing the transition to renewables in Maryland and other jurisdictions

Proposed Approach - Small Businesses

- Review:
 - Number of small businesses and employees per sector
 - Distribution of activities by metropolitan statistical area
 - Other publicly available data through federal and state databases
 - Areas of activity likely to be impacted by the transition to renewables and electrification
 - Estimates of costs associated with these transitions, to the extent possible based on available data
- Recommend:
 - Ways to leverage state and federal policy to support small businesses through the transition
 - Policy approaches to ensure small businesses participate in expected benefits of the transition

Discussion and Input

Priorities

- Areas of small business activity that we should prioritize in the study?
- Specific challenges for small businesses or energy facilities that you want to make sure we address?

Resources

- Any data resources you can share on these topics?
- Examples of successful approaches the report should highlight?

Thank you!

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