



September 17, 2024

Ms. Kim Coble, Co-Chair  
Mr. Michael Powell, Co-Chair  
Mitigation Working Group  
Maryland Commission on Climate Change  
C/O The Maryland Department of the Environment  
1800 Washington Blvd.  
Baltimore, MD 21230

***Via Electronic Mail – mark.stewart1@maryland.gov***

**Re: New Tax Recommendations By the Mitigation Working Group**

Dear Chairs Powell and Coble:

We understand the Mitigation Working Group (MWG) will meet on September 18, 2024, to consider recommendations of significant new taxes to the full Maryland Commission on Climate Change (MCCC) as part of their 2024 recommendations to Maryland General Assembly.

We have reviewed the draft recommendations which include an economy-wide cap-and-invest program; a fossil fuel transport fee; and a fee for historical emissions. On behalf of the tens of thousands of our customers who are classified as low and moderate-income residents, we oppose the recommendation of implementing these new taxes which would burden all Maryland residents and businesses with more than \$1 Billion per year in new taxes, with the greatest negative impact to those with limited incomes.

As outlined in the Climate Solutions Now Act (CSNA), “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 achieving net-zero statewide greenhouse gas emissions by 2045 in a manner that promotes new “green” jobs, **and protects existing jobs and the State’s economic well-being;**”. Implementing more than \$1Billion in new taxes in Maryland will not protect existing jobs and the State’s well-being.

Numerous recent economic reports and indicators have Maryland’s economy struggling currently. Adding an additional \$1 Billion+ in new taxes on Maryland residents and business will make the state less competitive, prevent economic growth and create additional tax burdens on those least able pay such new taxes.

Maryland’s CSNA goals are very ambitious, but they are just that...goals. Pursuit of the goals and related actions to attempt to reach the goals should not be undertaken if they adversely affect the economic well-being of Maryland’s residents and businesses.

We note new challenges the state is facing since passage of CSNA: A growing state budget deficit with competition for limited financial resource towards major initiatives including transportation, education and climate; delays in the implementation of new solar and wind projects in Maryland to provide needed renewable intermittent electricity for growing energy demands; the closure of base load electric generation facilities providing electricity to Maryland; local opposition to building out electric infrastructure in areas of the state; and recently an estimated 800% increase in the capacity auction price of electricity for the PJM market and Maryland for 2025-2026 which will most likely lead to increased costs for electricity in Maryland next year.

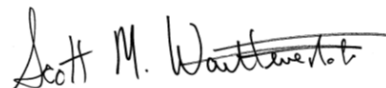
With these and other dynamics taking place, there is growing concern the CSNA goals are not achievable or realistic and to push forward with initiatives to attempt to reach them will lead to dire consequences for the state of Maryland including increased utility bills, increased tax burdens on residents that increase tax burdens disproportionately on low and moderate-income residents, increased costs to businesses, and Maryland becoming less economically competitive.

We respectfully request members of the MWG to vote no on the proposed recommendations to implement an economy-wide cap-and-invest program; a fossil fuel transport fee; and a fee for historical emissions. Thank you for your consideration of our request.

Sincerely,



Steve Baccino  
Director, Regulatory & Government Affairs  
Affairs  
Chesapeake Utilities



Scott Waitlevertch  
Manager, Government & Public  
Columbia Gas of Maryland



Manuel Geraldo, Esq.  
Maryland Area Manager,  
State Government Relations and Public Policy  
Washington Gas