

## Climate XChange Maryland Recommendations: Maryland Climate Pathway Plan

Implementing a state carbon fee and dividend policy such as the [Climate Crisis and Environmental Justice \(CCEJ\) Act](#) is a solid pathway for Maryland to reach the new statewide, greenhouse gas emission reduction goals set by the Climate Solutions Now Act of 2022: 60% by 2031; 100% by 2045; and Zero emissions after 2045 using 2006 emission levels as a baseline.

The Climate Pathways model expects a carbon pricing program to pick up the remaining slack in the state to achieve 4.8 MMTCO<sub>2</sub>e in additional annual reductions by 2031. According to our analysis, the CCEJ has the ability to exceed this number, achieving reductions of up to 5.3 MMTCO<sub>2</sub>e by 2031 while creating net-positive economic outcomes for disproportionately affected communities and industries.

The CCEJ raises up to \$8.8 billion in green investment revenue between 2025-2034, with an annual average budget of \$880 million.

Our analysis finds that a healthy balance of green investment and revenue recycling (50% each) allows the state to achieve a 4.8 MMTCO<sub>2</sub>e reduction by 2031 while still rendering net-positive economic outcomes for LMI and disproportionately affected communities. Our analysis suggests that about half of CCEJ's GHG reductions will come from the Infrastructure Fund.

The destructive impacts of climate change to Maryland's lands, history, and economy, as well as to the health, traditions, and prospects of its people, now constitute an existential climate crisis. The [CCEJ](#) addresses these threats to Maryland with transformative, market-based solutions.

Two separate funds will be established from the CCEJ fossil fuel fee:

1. **A Green Infrastructure Fund** – Revenue from the CCEJ fossil fuel fee will generate billions of dollars for investment in clean energy infrastructure, help fund actions to reduce emissions, enhance resilience to climate impacts, and provide assistance to county and municipal governments to develop and implement qualified local Climate Action Plans.

- At least 50% of the Infrastructure Fund shall be invested in projects that are directly located within and provide meaningful benefits to disproportionately affected communities.

- Up to 5% of the infrastructure account shall provide technical assistance, capacity, and planning tools to county and municipal governments to develop qualified local climate plans and investment proposals.

- Up to 50% of the Infrastructure Fund shall be disbursed to qualified county and municipal governments for projects to mitigate GHG's and build resilience.

- The CCEJ fee revenue can be a funding tool for projects outlined in the Climate Solutions Now Act of 2022.

2. **A Household and Employee Benefits Fund** – Revenue from the fossil fuel fee will provide protective benefits to Maryland's most vulnerable populations: households in disproportionately affected communities and energy-intensive trade-exposed (EITE) small businesses.

- 50% of the total revenue will go to the Household and Employee Benefits Fund with 80% of the Fund directed to LMI households, and 20% to EITE businesses.

Our taxpayers shouldn't be burdened with the cost of the State reaching net zero carbon emissions. The CCEJ charges the polluters for the damage caused by carbon emissions and uses the revenue to mitigate the damage while uplifting disproportionately affected communities. The CCEJ is designed to leave no Marylander behind.