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Air Quality Control Advisory Council Meeting Minutes September 15, 2025 @ 9:00 am In person meeting held by MDE

AQCAC MEMBERS PRESENT

Todd Chason, Esq, Chair
Ben Hobbs, PhD, Vice Chair
Anne Klase
Megan Latshaw, PhD
Sania Amr, MD, MS
Sunhee Park, PE, BCEE
Thomas Dernoga, JD
Weston Young, PE
Anna Marshall, AICP
Ross Salawitch, PhD
Rebecca Rehr
Nicole Cook, JD
Arielle Wharton

MDE

Chris Hoagland
Gabby Leach
Roger Thunell
Randy Mosier
Carolyn Jones
Kelsey Sisko
Scott Zacharko
Justin Smith
Kathryn Seaman
Mark Stewart
Allison Tjaden

VISITORS

Sari Amiel
Micah Anglin
Rachel Clark
Jose Coronado Flores
Cynthia Herrera
Chris Stix
Tom Weissinger

AQCAC MEMBERS ABSENT

Larry Schoen, PE
Thomas Killeen

Zach Berzolla
Eddie Durant
Julianne Hilton
Kara Dorr
Scott Thompson
Karl Munder
Luke Wisniewski
John Artes
Suna Sariscak
Jennifer Roelke
Noble Smith

Edward Werkheiser
Allen Schaeffer
Bobbie James
Chris Pendley
Brittany Sullivan
Sheila R. Howard

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This is a summary of the September 15, 2025, Air Quality Control Advisory Council Meeting and serves as a record of the Council's vote on regulatory action items. The meeting is recorded, and the digital file is maintained by MDE/ARA. This digital file is considered public information and may be reviewed in its entirety by anyone who is interested in the details of the discussions.

MDE website: <http://mde.maryland.gov/programs/workwithmde/Pages/AQCACmeetingminutes.aspx>

Mr. Chris Hoagland, Director of the Air and Radiation Administration, MDE, began the meeting at 9:09 a.m. by informing the Council that the end of the ozone season is near. Ozone is the only National Ambient Air Quality Standard (NAAQS) that Maryland is not attaining statewide. Maryland has exceeded the ozone NAAQS on five dates in 2025, two of which were related to wildfire smoke. There were near record-breaking occurrences of wildfires in Canada this summer, which typically result in large amounts of wildfire smoke blowing into Maryland. However, weather patterns did not carry as much wildfire smoke from Canada into Maryland as we have seen in previous ozone seasons. Additionally, the weather in Maryland this summer was exceptionally humid, which seemed to help keep ozone levels down on the hottest summer days. Maryland remains right on the margin of attaining the ozone standard, official attainment determinations for 2025 will come in the spring or summer of 2026.

The new EPA administration has continued to take many actions related to air pollution regulation over the summer. Maryland has continued to participate in EPA's regulatory processes by providing comments, writing letters, and partnering with other states. Many of EPA's recent decisions are currently in litigation and many others are likely to result in litigation. Recent Maryland actions and the proposed actions brought forth to the Council today are important to help the state build resilience against federal policy changes. This past Friday, EPA took another step to remove greenhouse gas (GHG) reporting requirements for certain industries. At the last AQCAC meeting, MDE staff presented the Heating Fuel Provider Reporting Program. One of the purposes of this program is to remove MDE's reliance on federal data, so this information can consistently remain available using Maryland data. This data availability is essential for Maryland and our partner states to continue air pollution progress despite federal rollbacks and deregulatory actions.

Mr. Hoagland then informed the Council of this meeting's action items: Amendments to MDE's fees for Permits and Building Energy Performance Standard (BEPS) required by recent legislation, an amendment to the Anti-Tampering regulations, and updates to the Regional Greenhouse Gas Initiative (RGGI). Mr. Hoagland also introduced a returning member of Council, Ms. Rebecca Rehr. Mr. Hoagland then handed the meeting off to Mr. Todd Chason, AQCAC Chair.

MEETING MINUTES

Mr. Chason asked if Council members reviewed the June 16, 2025 meeting minutes and if there were any questions or comments before approval. No comments were made by the Council.

The Chairman motioned for approval of the meeting minutes. A motion to approve the meeting minutes as presented was made by Dr. Benjamin Hobbs and seconded by Dr. Megan Latshaw. All members voted in favor to approve the meeting minutes from June 16, 2025, at approximately 9:13 a.m.

ACTION ITEMS

MDE Fee Amendments

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Ms. Suna Sariscak, Manager of the Air Quality Permits Program, presented updates to Maryland permit emissions-based fees. MDE must collect sufficient fees to support air programs. When the Permitting Program began, EPA recommended a presumptive fee of \$25 per ton of emissions. In 1997, the fee for Maryland permits was \$25 per ton of emissions, which then increased to \$50 per ton in 2008. It is estimated that MDE's Air and Radiation Administration (ARA) collected \$1.5 million annually at this time, but then began to collect less each year. On May 13, 2025, Senate Bill 250, or the *Department of the Environment - Fees, Penalties, Funding, and Regulation Act*, was enacted. This bill requires an increase of the emissions-based fee from \$50 to not exceeding \$200 per ton. This increase is necessary as facilities have closed down, switched fuel types, or installed better emissions controls, resulting in less emissions-based fees collected by MDE over recent years. The current fees collected are no longer sufficient to support air programs. At \$200 per ton, MDE ARA is estimated to collect about \$1.9 million per year. MDE staff conducted research on other state's permit fees and found that neighboring states such as Virginia, Pennsylvania, and Delaware are also looking to increase their fees.

The act also removes the \$2 million cap on carrying over unused funds from the Clean Air Fund at the end of each fiscal year. The cap started at \$750,000, was increased to \$2 million, and is now being removed altogether. This means that all of the unused funds that MDE ARA collects in the Clean Air Fund now stay in the Clean Air Fund. The emissions-based fee can be adjusted in the future to reflect changes to the Consumer Price Index.

Mr. Mark Stewart, Manager of the Climate Change Program, presented the second part of the fee proposal: the creation of a reporting fee in the Building Energy Performance Standard (BEPS) program. House Bill 49 of 2025 requires MDE to update COMAR 26.28 to include a \$100 annual reporting fee for each building subject to BEPS. This fee is indexed to the Consumer Price Index and, as such, is adjusted for inflation each year. The fee covers the administrative costs of implementing BEPS. The reporting fee would become applicable to covered buildings beginning in 2026.

Mr. Chason asked if the Climate Change Program has received any questions, concerns, or comments from stakeholders about the reporting fee. Mr. Stewart responded that there was some debate in front of the legislature on all the parts of the bill. Dr. Zach Berzolla, Climate Change Program Building Decarbonization Division Chief, added that the program received some clarifying questions about the reporting fee and how it applies, specifically to campuses. Ms. Sariscak stated that the Permits Program notified stakeholders in June that the fee increase was effective and they did not receive any pushback. Dr. Ben Hobbs asked how many staff the fee increase will be supporting and how current staffing levels compare to past staffing levels. Ms. Sariscak responded that the Air Quality Permits Program has 11 staff engineers and three division chiefs for the entire state of Maryland. When Maryland's Title V program was reviewed by EPA, it was determined that MDE was not collecting enough fees to support MDE's air programs. There are over 500 operating permit sources in the state. Compared to 2008, MDE is falling \$1.6 million short of fee collections. This fee increase is to recover that shortfall. Many other states are running into this issue as an emissions-based fee model inevitably leads to money shortfalls due to improvements in emission controls and reduced emissions over time. Dr. Hobbs asked if Air Administration staffing levels are similar to staffing levels in the past 10-20 years. Ms. Sariscak stated that the Permits Program has been as large as 25 people, and it is currently at 19 people due to vacant positions being removed. Mr. Hoagland stated that the entire MDE Air and Radiation Administration has grown by around 50 people in recent years. The programs funded by permit fees have decreased somewhat from historical staffing levels. The fees from permitted sources cover a portion of ARA expenses, while federal grants and the General Fund cover most of the rest. As the funding from fees has

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decreased, the air programs have become increasingly dependent on federal funds. One of the main reasons this bill was introduced into legislation is to reduce MDE's reliance on the General Fund, which is part of the state's current budget deficit.

Ms. Sariscak stated that MDE did not receive any pushback from stakeholders because neighboring states such as Virginia and Pennsylvania currently collect more fees than Maryland, including added fees such as a permit application fee and a maintenance fee. Maryland does not collect these additional fees, so even with the increased emissions-based fee, facilities will be paying more in other states than Maryland facilities. Overall, this fee increase does not make a significant difference in the permitted facilities' budgets.

Dr. Ross Salawitch asked what pollutants, aside from carbon monoxide and carbon dioxide, are in discussion for permitted sources, specifically what two primary pollutants are released from these sources. Dr. Salawitch noted that this is relevant as the increase in fees will continue to motivate sources to reduce emissions. Ms. Sariscak stated that the primary pollutants are sulfur oxides, nitrogen oxides, volatile organic compounds, hazardous air pollutants, and particulate matter. Dr. Salawitch asked if the Department was aware of what primary pollutant is the main contributing factor of the permit fees in regard to tonnage. Ms. Sariscak stated that nitrogen oxides are likely the largest contributing pollutant from permitted sources.

At 9:26 a.m., a motion to approve the regulation as presented was made by Dr. Megan Latshaw and seconded by Ms. Rebecca Rehr. All members present voted in favor of the regulation amendments.

Anti-Tampering Amendments

Ms. Kathryn Seaman, a Natural Resources Planner in the Air Quality Regulations Division, presented the Anti-Tampering amendments to the Council. Tampering can take two basic forms: removing hardware, filters, and catalysts in the stock emission control system or through replacing or altering the software or calibrations that control engine operation, which is sometimes referred to as tuning. Tuning may increase engine emissions, allow a vehicle or engine to operate without emissions controls, or prevent the onboard diagnostic system from recognizing that the vehicle or engine is functioning differently than originally designed and certified. Tampering with vehicles results in excess emissions of nitrogen oxides, particulate matter, and other pollutants.

Tampering with a vehicle's emissions control system is illegal under existing state regulations, COMAR 26.11.20.02, and the federal Clean Air Act. Both existing Maryland and federal law prohibit the removal, alteration, or otherwise tampering with a vehicle's pollution control equipment. Maryland regulations also currently prohibit the operation of a motor vehicle that has had its air pollution control equipment tampered with or removed. In February 2022, MDE adopted an amended regulation that clarified and expanded Maryland's existing COMAR 26.11.20.02 pertaining to tampering with vehicle emission controls, selling vehicles with inoperable emission control systems, and selling devices that prevent emission control systems from operating as designed. Further, the regulation required a vehicle dealer or business that sells, auctions, or transfers a motor vehicle to maintain records confirming all air pollution control systems are in operating condition during the time of sale.

The purpose of this proposed action is to repeal section F of COMAR 26.11.20.02 that requires a vehicle dealer or business to maintain records confirming all air pollution control systems are in operating condition at the time of sale. MDE staff were notified by dealers during the stakeholder process that since

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they do not necessarily perform safety inspections, they do not always have the ability to determine if an air pollution control system is in place or if a vehicle has been tampered with. However, Maryland vehicle safety inspections are managed by a Maryland State Police certified program, and these safety inspections include checks of emission control equipment. In Maryland, vehicles are required to pass a safety inspection when being registered, sold, or transferred or when a resident moves to Maryland from another state.

Generally, the seller or transferor of the vehicle is required to obtain the inspection certification. To obtain an inspection certification, a seller must have their vehicle inspected at a licensed vehicle safety inspection station in Maryland. After a vehicle inspection is conducted, records of the inspection are submitted digitally to the Maryland Vehicle Administration (MVA). The MVA records of inspection are housed on a server-based system developed by Tyler Tech. All inspections, as of July 1st, 2020, are of a digital format. Currently, MVA receives the vehicle certification when the vehicle passes for registration purposes. As of now, the system does not provide fail rate statistics for component areas. The Maryland State Police are in the process with the developer to work these statistics into the system for future needs. MDE's Compliance Program will continue to work closely with MVA and the State Police with the development of the system to ensure that tampering data needed for compliance determinations are accessible to the Department.

Mr. Chason clarified that vehicles in Maryland go through multiple checkpoints throughout their life to ensure that their emissions controls have not been tampered with. The amendment presented removes one specific piece of the regulation that involves vehicle dealers, and the Department believes that the amendment will not result in any additional tampering. Ms. Seaman confirmed that removing the record-keeping requirements for vehicle dealers should not result in additional tampering because vehicles cannot be sold, transferred, or registered in Maryland without a state certificate of inspection. Dealers don't necessarily have the ability to conduct safety inspections, and they must obtain a state certificate of inspection for a vehicle before selling the vehicle. These state inspection records are held by MVA and the State Police.

Dr. Megan Latshaw asked if there was a way to roll back the requirements for the dealers until the Maryland State Police data is available. Ms. Seaman replied that MDE asked the State Police if they had a timeline on when the updated system would be available and the State Police responded that their developer has begun the process, however there is no specific timeline for when it will be completed. Mr. Randy Mosier, Deputy Program Manager of the Air Quality Planning Program, stated that this amendment was requested by vehicle dealers during the most recent Anti-Tampering regulation amendment. There are 1,600 facilities throughout the state that perform these vehicle inspections, but vehicle dealers may not be certified to complete these inspections, specifically smaller scale dealers. The current record-keeping requirement makes the dealers responsible for something they are not all capable of doing. Dr. Latshaw responded that the reasoning for the amendment makes sense, however the uncertainty of the data availability timeline is undesirable. Mr. Mosier stated that though the statistics are not yet available in the system, the inspections are taking place, and the digital records are being sent to the MVA. If the Compliance Program becomes aware of a specific vehicle that may have been tampered with, they are able to search the VIN and run it through a system to determine if the vehicle has passed the state inspection. Though the results will not provide detailed information on the vehicle, MDE still has access to this aspect of the MVA system.

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Mr. Hoagland clarified that MDE currently has access to whether a vehicle has passed the safety inspection, however why a vehicle failed is not available. Mr. John Artes, a Regulatory Compliance Engineer in the Air Quality Compliance Program, stated that though the current system does not provide reasons for failure, the vehicle dealer or owner needs to repair or replace their emissions controls in order to receive their certification. This effectively will keep tampered vehicles off the road because they cannot be registered without passing the safety inspection. Mr. Mosier stated that there are other back-up systems that can catch tampered vehicles, such as the Vehicle Emissions Inspection Program (VEIP). The EPA has been aggressive with fining and shutting down manufacturers and sellers of installable emission control defeating devices. MDE identified companies that were advertising defeat devices in Maryland and required these companies to cease the sale of the devices. With fewer tampering devices on the market, the issue appears to be diminishing. Additionally, State Police are trained to identify and pull over vehicles that appear to be tampered with or leave a trail of black smoke and can have these vehicles inspected.

Mr. Thomas Dernoga asked if MDE staff knew what the current tampering rate is through the MVA and State Police system. Ms. Seaman responded that the State Police have stated that they see occasional inspection failures due to tampering, however they are not prevalent. Mr. Dernoga asked what the enforcement process is for vehicles that fail at an inspection. Mr. Karl Munder, a Natural Resources Planner in the Mobile Sources Program, stated that when a car fails the VEIP, the vehicle owner is given a set period of time to repair their vehicle and then complete the VEIP test again. If the vehicle fails a second time, the timeline to repair the vehicle and get it tested again is decreased. Mr. Dernoga clarified that his question was specifically about vehicles that fail the safety inspection rather than VEIP. Mr. Mosier replied that a vehicle that has failed won't receive their certification, meaning they are generally unable to register or operate their vehicle. Mr. Munder added that the enforcement mechanism is that vehicles with inoperable emission controls cannot be registered in the state of Maryland. If you operate your vehicle while it is unregistered, you can receive fines, tickets, and even criminal charges. Ms. Seaman added that when she moved to Maryland and took her vehicle in for the state inspection, it failed due to missing caliper bolts. Ms. Seaman was unaware the vehicle had been sold to her without the bolts just a few months prior. The inspection facility required Ms. Seaman to sign a release form if she left the facility with her vehicle. Ms. Seaman kept her vehicle at the facility and once they had repaired it, she received a passing safety certification and was able to register her car.

Dr. Latshaw asked if someone could just avoid registering their car in Maryland as there are many Virginia plates in Maryland. Mr. Mosier stated that individuals who do keep their car registered in another state run the risk of getting pulled over and would eventually be forced to register their car in Maryland because they would need multiple proofs of address.

At 9:46 a.m., a motion to approve the regulation as presented was made by Dr. Sania Amr and seconded by Mr. Thomas Dernoga. All members present voted in favor of the regulation amendments.

Regional Greenhouse Gas Initiative (RGGI) Amendments

Mr. Chris Hoagland presented an overview of the Regional Greenhouse Gas Initiative (RGGI) to the Council. RGGI is Maryland's most successful and enduring multistate partnership on climate change. RGGI launched in 2009 after several years of coordination and is the first of its kind "Cap and Invest" program for carbon dioxide (CO₂) emitting power plants. Cap and Invest requires CO₂ sources to retire

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allowances equal to their emissions, which sources may trade. Allowances are auctioned and proceeds from the auction are invested into energy programs and community projects. RGGI states have cut power plant CO₂ emissions in half since the program began in 2009. Maryland has decreased power plant CO₂ emissions by 68% within the state. The RGGI region has seen a more rapid decline in CO₂ emissions than the rest of the country. RGGI covers most of the CO₂ emissions from the power sector in Maryland, though there are some small power plants that it does not apply to. RGGI proceeds are raised through quarterly RGGI auctions and go to the Strategic Energy Investment Fund administered by the Maryland Energy Administration (MEA). MEA then uses a formula to distribute the proceeds to various programs. Half of the RGGI funds raised go towards bill payment assistance for low-income households, while the other half is split between energy efficiency and clean energy programs. Many different Maryland programs are funded by RGGI, including MDE's Air Program. Each RGGI state publishes an annual report detailing how the proceeds are invested each year. RGGI has been running for 15 years and is a well-studied and transparent program. RGGIprojectseries.org is a useful website where you can find independent assessments of RGGI.

RGGI has been very successful in reducing CO₂ emissions from power plants as well as improving economic activity and reducing bill payments. RGGI states periodically convene for program reviews to assess program performance and develop changes. The first program review concluded in 2013, the second in 2017, and the third concluded this summer. Program reviews end when all of the RGGI states reach a consensus on how the program should move forward. MDE will then amend RGGI regulations to reflect the broader regional approach. All ten of the RGGI states are starting their regulatory processes to make the same changes to their programs. Three priorities were established during the most recent review: Energy affordability, stability and certainty, and long-term commitment. RGGI states also created a plan during their last program review to reduce CO₂ emissions by 30% during the 2020s. The new CO₂ emissions cap would start reducing emissions more rapidly and would have scheduled reductions through 2037. RGGI has stability mechanisms, which are provisions built into the regulations where the RGGI program will automatically adjust to outside circumstances that the states did not foresee. Many external trends can affect the value of the RGGI allowance.

RGGI states analyzed how much the allowance prices could vary based on a set of external factors. They created two scenarios that projected prices until 2038: A pessimistic scenario where RGGI was more expensive and an optimistic scenario where RGGI was less expensive. The analysis showed that the stability mechanisms would reduce price volatility to be within price trajectories in the regulation. There is an existing Cost Containment Reserve (CCR) that has been in place for about ten years. The proposed regulation strengthens this mechanism by adding a second CCR. Dr. Hobbs asked how the CCR would function if more allowances were demanded than projected with the second CCR in place. Could the number of allowances exceed the CCR? Mr. Hoagland responded that the maximum number of allowances that the RGGI states make available cannot be increased. The advantage of a cap is that the worst-case emissions will not go above the second CCR.

RGGI states analyzed the impacts of these proposed changes on various factors. The projected regional emissions of CO₂ from the whole RGGI region show that with the added stability mechanisms, the emissions will decrease more than if the program stayed the same. The RGGI states evaluated impacts to the average residential, commercial, and industrial electricity bills under the optimistic and pessimistic scenarios and under different versions of the program. The overall conclusion revealed no material impact on electricity bills from RGGI in this analysis. This is a minor projected decrease in bill costs due to how RGGI is invested. Detailed tables of this analysis and other information are publicly available at

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RGGI.org. RGGI states also analyzed the potential economic impacts of RGGI. This included evaluating the impact on employment, gross state product, and disposable personal income across the region. This analysis came to a similar conclusion, with positive but small impacts.

Dr. Hobbs asked for specification on how the allowance prices have changed over time. Mr. Hoagland responded that when RGGI came into effect in 2009 there was a financial crisis that the states did not foresee, as well as a fracking boom. In these early years of the program, the price for allowances was set very low because the sector was reducing pollution more quickly than the RGGI caps required. RGGI allowance prices had a floor of just over \$2 to prevent the price from falling to \$0. In 2013, the first program review concluded, and prices rose to approximately \$5 to \$8 per ton. Prices started to lower again during President Obama's administration due to increased pollution decline. The second program review occurred in 2015, and in 2016 the states updated the program, and prices began to increase again. Due to recent changes in the federal government, the energy sector, and increased inflation, the value of RGGI allowances has continued to increase. Currently, the price is approximately \$20 per ton, which is considered a high price. This is approximately where the new CCR will be set, so the program will intervene and reduce prices by increasing supply.

Mr. Scott Zacharko, a Natural Resources Planner in the Air Quality Planning Program Regulations Division, presented the 26.09 RGGI amendments. The amendments include implementing the stability mechanisms, changing the cap itself, removing offsets, eliminating obsolete accounting mechanisms for industrial sources and long-term contracts, and clerical changes such as adding or removing definitions and references. The regulation reduces the cap from just under 75,717,784 tons to just under 69,806,919 tons. As mentioned previously, these amendments add a second-tier CCR. CCR is a reserve of allowances made available at auction if the clearing price exceeds a trigger price. CCR tier one and tier two are both 2,130,856 allowances annually. After the materials for the AQCAC meeting were sent to the Council, the MDE Attorney General's Office brought to the attention of MDE staff that clarifying language was necessary. This means that some of the clarifying language on CCR tier one and two allowance definitions were added that the Council had not yet seen.

The second stability mechanism is the Emissions Containment Reserve (ECR). These amendments increase the minimum reserve price, which replaces the ECR. The ECR is a reserve of allowances that are withheld if the price falls too low to maintain the range of prices for allowances. Beginning in 2027, this will be removed and replaced with an increased minimum reserve price which matches the existing trigger price. The new minimum reserve price will be \$9 in 2027 and increases 7% annually thereafter.

The updated RGGI Model Rule eliminates language regarding offset allowances. Beginning in 2027, offset allowances will no longer be awarded for any offset project category. Any offset allowances that were awarded in the past will still be eligible to be used for compliance. Sources cannot use more than 3.3% of offset allowances for compliance. The amendment also replaces the Limited Industrial Exemption Set-Aside Account. The amendments still provide opportunities for CO2 budget sources to apply for exemption from compliance requirements and submit a climate action plan to MDE. Sources are still required to have an annual electrical output to the electrical grid of no more than 10% of annual gross generation. MDE will no longer allocate or retire CO2 allowances on behalf of exempt CO2 budget sources.

MDE is removing the Long-Term Contract Set-Aside Account by adding an expiration date of January 1, 2027. This program was developed for specific sources at the onset of the CO2 budget trading program. Sources that utilized the set-aside account have ceased operation. The clerical changes that are in this

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amendment include additions and updates to several term definitions that match corresponding updates throughout the Model Rule. Off-set related documents are being removed, and monitoring, reporting, and recordkeeping language have been streamlined. Certain references have been updated or corrected throughout for clarity and consistency.

Mr. Todd Chason brought to attention that RGGI is a larger agreement between northeast states, which means Maryland has limited ability to alter state regulations in any way that is different from the RGGI Model Rule. Ms. Rebecca Rehr asked if RGGI funds are protected from being repurposed for the state's general fund. Mr. Hoagland responded that since the funds are required by statute to go to specific areas, the statute would have to change for the funds to be repurposed. Ms. Rehr asked for more information on the success of RGGI in regard to the state's Climate Pollution Reduction Plan. Mr. Hoagland responded that RGGI is one of several programs that has contributed to reducing pollution in the electricity sector. RGGI has been an important part of the Climate Pollution Reduction Plan for both the regulatory side of the program and the investment side of the program. Billions of dollars from the RGGI program have been invested into energy efficiency programs such as the electric vehicle program. Looking at the EPA's national GHG inventory, Maryland is number one out of all 50 states in GHG reduction pace since 2005. RGGI is a large contributor to this progress and a crucial part of the Climate Pollution Reduction Plan.

Ms. Rehr asked if there has been any analysis into how the program has changed electricity bills or household cost. Mr. Hoagland replied that the impact analysis shown in the earlier presentation provided general averages and did not break it down into any more detail than that because of how Maryland spends the revenue proceeds. Among the other spending categories, the focus on energy efficiency is important because when you look at the energy burden across income households, the lower income households are going to spend fewer dollars on their energy bill. Energy bills for low-income houses make up a larger proportion of their income. Ms. Rehr asked, given the success of RGGI, what is the status of expanding it economywide given how critical the program is for achieving the mandates that the state has for GHG pollution. Mr. Hoagland responded that Maryland has considered an economywide cap and invest program, however, expanding RGGI would be a challenge because every state operates on a consensus and independent state programs. The states are all sovereign and choose to be consistent with one another. Dr. Hobbs asked about the EPA announcements regarding the ceasing of CO2 emissions monitoring and if there are any thoughts or concerns from MDE? Mr. Hoagland responded that the EPA announcement is a concern and will have repercussions that affect Maryland. The RGGI Model Rule requires regulated sources to report their emissions to their regulator. Each of the states has their own reporting programs but generally all of the states should be monitoring CO2 emissions.

Dr. Salawitch congratulated everyone at MDE who has been involved with RGGI over the last few decades and asked for an update on which RGGI states have begun the process to update their regulations since the program review concluded. Mr. Hoagland responded that other states have not proposed their amendments yet, and it is likely Maryland will be among the first to propose. Every state has a different process and different timelines, and Maryland is the only state with an AQCAC. If the Maryland RGGI amendments are approved at this meeting, the amendments will be made effective in spring or summer of next year. Dr. Latshaw asked for clarification on the section of the regulation that says the Department will no longer allocate or retire CO2 allowances on behalf of the sources. Mr. Hoagland replied that there's an industrial exemption within RGGI where any facility that uses at least 90% of what it generates on site can qualify for this exemption. The pollution from those sources was in Maryland's budget when the program was launched. The exemption was an accounting mechanism where Maryland would take the emissions allowances equal to their emissions every year and instead of auctioning those and putting them in the market, they would be retired. The two Maryland sources that this applied to have since shut down

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and the exemption program is no longer needed. Dr. Latshaw asked for additional clarification on what the offset change is for this RGGI update. Mr. Hoagland responded that the offsets are being removed because the offset program is underutilized.

At 10:35 a.m., a motion to approve the regulation as presented was made by Dr. Megan Latshaw and seconded by Mr. Thomas Dernoga. All members present voted in favor of the regulation amendments.

CLOSING DISCUSSIONS

Mr. Chason adjourned the meeting at 10:37 a.m.

The next AQCAC meeting is scheduled for December 8, 2025.