



Testimony of Serena McIlwain

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Regarding the U.S. Environmental Protection Agency’s Proposed Rule “New Source Performance Standards for Greenhouse Gas Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions from Existing Electric Generating Units; and Repeal of the Affordable Clean Energy Rule”

Before the U.S. House Energy and Commerce Committee

Subcommittee on Environment, Manufacturing, and Critical Materials

November 14, 2023

Good morning Chair Johnson, Ranking Member Tonko, Representative Sarbanes, and members of the Committee. My name is Serena McIlwain and I am the Secretary of the Maryland Department of the Environment, or MDE. Thank you for inviting me here today to discuss this important proposed rule by the Environmental Protection Agency

to limit carbon pollution from coal and natural gas-fired power plants. The rule will protect public health, reduce pollutants, and deliver billions of dollars of climate and public health benefits.

The timing of the proposed rule is crucial. Maryland, like many other states in the country, is experiencing increased climate change impacts including sea level rise, flooding, drought, and poor air quality due to wildfires in other states. While our State has made significant strides to reduce carbon pollution across various sectors, federal limits on power plants across the country are necessary to further protect public health and avoid even more serious climate change impacts.

The proposed rule would reduce carbon pollution by deploying cost-effective low carbon technologies at power plants. Much of the implementation would be left to the states, who would produce plans to meet the emissions guidelines, with flexibility to use different technologies and measures that work best in their area. Maryland would like to provide the Committee with some information on what we have addressed already in our state and how we plan to comply with the proposed rule.

Maryland has made our electrical grid cleaner while continuing to make it reliable.

Our state has been a member of the Regional Greenhouse Gas Initiative (RGGI) since

its inception. RGGI is a cooperative effort by twelve northeast and mid-Atlantic states to reduce carbon pollution from fossil fuel-fired power plants. The program benefits the regional economy while maintaining electricity affordability and reliability. Guiding the program are the shared commitments to reduce carbon pollution and allow flexibility and autonomy among the states. RGGI is structured as a "cap and invest" program, with a regional cap or limit on carbon pollution that declines every year. The states establish individual pollution budgets and sell the allowances that constitute the cap at regional quarterly auctions, and auction proceeds then fund various state and local programs that promote consumer benefits like energy efficiency, renewable energy, and bill assistance.

RGGI is a central component of Maryland's GHG reduction strategy. Maryland and the other RGGI states have reduced our power plant carbon pollution faster than the rest of the country while growing our economies and raising billions of dollars for clean energy investment. Maryland's RGGI auction revenue is primarily invested in keeping electricity in Maryland clean, affordable, and reliable for all Marylanders. Investments include projects such as energy efficiency upgrades for low-to-moderate income families and direct bill assistance.

Having clear regulations requiring carbon pollution reduction at power plants provides regulatory certainty and a goal around which everyone can plan for the future. We have had that for 15 years in the RGGI states. EPA's proposal is not structured as a carbon cap the way RGGI is, but it would expand similar benefits nationwide.

The proposed rule gives states flexibility to meet their state needs and ensure grid reliability

This proposed rule allows for considerable flexibility in state plans to reduce carbon pollution while maintaining reliability. Maryland supports the flexibility for states under the rule, with the assurance that the state plan still achieves the pollution reductions called for under the rule. Flexibility for states to craft their own plans is an important aspect of carrying out electricity resource planning and continuing to provide reliability. The proposed rule will also provide coal and natural gas-fired power plants with sufficient time and options for long-term investment and planning.

Maryland also supports EPA allowing existing or future trading programs, such as RGGI, to be included as an option for state plan compliance, as long as the trading program provides the equivalent or more stringent level of emissions control as the proposed emission guidelines in the rule. Through RGGI and other trading programs,

states have demonstrated that these types of programs reduce pollution while maintaining reliable operation of the electrical grid.

Federal Investment will make the Power Sector Even Cleaner

The proposed rule builds on the multiple actions at federal and state levels to make the power sector cleaner. According to EPA's GHG Inventory, since 2005 the power sector has reduced CO₂ emissions over 30% percent.¹ The Inflation Reduction Act (IRA) builds on this momentum by providing investments and tax credits for control technologies, such as CCS and hydrogen, in addition to renewable energy. Those investments, particularly the ones in the control technologies that EPA based the rule upon, will help keep electricity costs affordable while we make this transition.

Conclusion

In closing, Maryland supports EPA's rule as an achievable and reasonable approach to addressing CO₂ pollution in the power sector while continuing to ensure grid reliability and affordable electricity for consumers.

¹ EPA Greenhouse Gas Inventory Data Explorer, <https://cfpub.epa.gov/ghgdata/inventoryexplorer/#electricitygeneration/entiresector/allgas/category/all>

Thank you for this opportunity to testify. I look forward to the discussion.