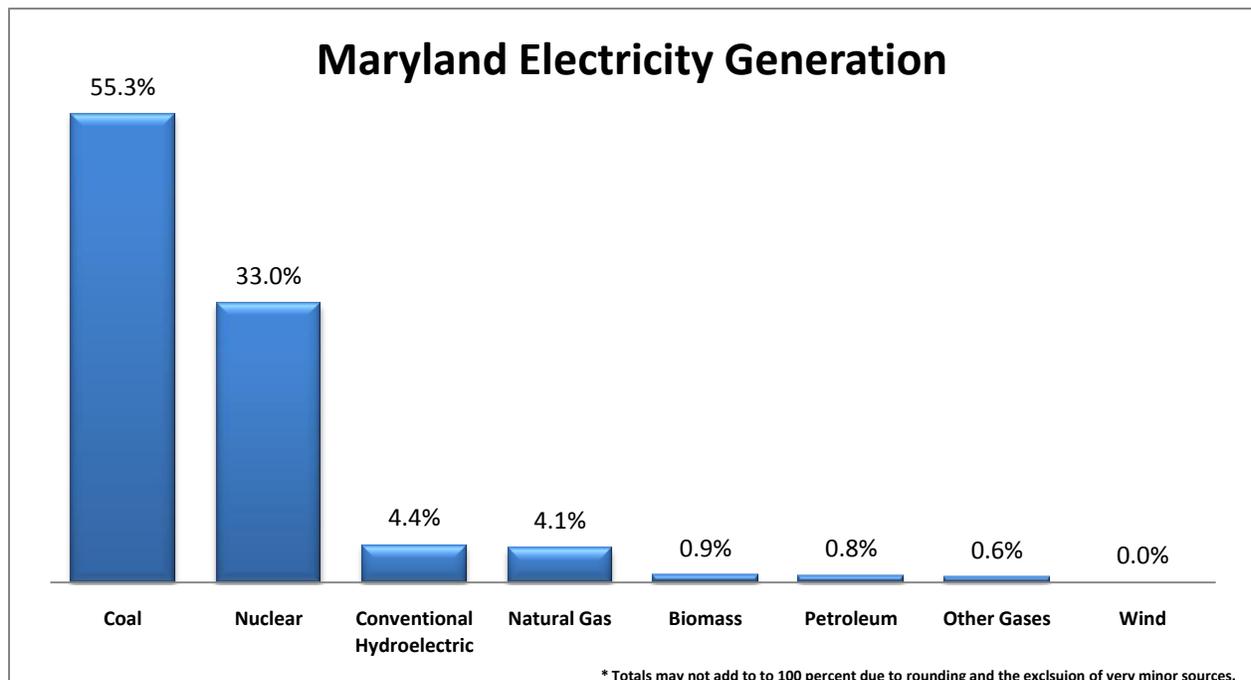




Maryland Energy Facts

Maryland – Select Economic and Energy Data [†]		State Rank
Real Gross Domestic Product, per capita	\$39,205	15th highest
Unemployment	7.7%	16th lowest
Gasoline Price, per gallon	\$2.81	24th highest
Electricity Price, per kWh	13.11¢	10th highest

Maryland has some of the most expensive electricity prices in the country. Although it produces only small amounts of coal from its Appalachian Mountains, the state generates 55 percent of its electricity from coal. Maryland’s one nuclear power plant, the dual-unit Calvert Cliffs Nuclear Power Plant, supplies more than 30 percent of the state’s electricity.



Maryland has few energy resources. The state has minor reserves of coal in the Appalachian Mountains but imports most of the resources for its energy. Coal is shipped to Maryland from West Virginia and Pennsylvania, while natural gas is delivered through several pipelines from the Gulf Coast. Maryland has one of the nation’s nine liquefied natural gas (LNG) import terminals at Cove Point, primarily importing natural gas from Trinidad and Tobago, Egypt, and Norway. Another LNG terminal in Baltimore County has been permitted.

Regulatory Impediments to Affordable Energy

Although affordable energy is a vital component of a healthy economy, regulations frequently increase energy costs. Regulations imposed in the name of reducing carbon dioxide and greenhouse gas emissions are especially costly. Carbon dioxide is a natural byproduct of the combustion of all carbon-containing fuels, such as natural gas, petroleum, coal, wood, and other organic materials. Today, there is no cost-effective way to capture the carbon dioxide output of the combustion of these fuels, so any regulations that limit carbon dioxide emissions will either limit the use of natural gas, petroleum, and coal, or dramatically increase their prices.

Below are some facts about Maryland's regulatory environment that are likely to affect the cost of energy or the cost of using energy.

- **Maryland does not cap** greenhouse gas emissions. However, as a member of the Regional Greenhouse Gas Initiative, it has imposed a cap on greenhouse gas emissions from power plants.
- **Maryland is a member** of the Regional Greenhouse Gas Initiative (RGGI), a regional agreement among ten Northeast states to limit greenhouse gas emissions. This agreement requires states to cap carbon dioxide emissions from the electrical generation sector and to reduce those emissions by 10 percent by 2018 through a cap-and-trade scheme.
- **Maryland requires** utilities to sell a certain percentage of electricity from renewable sources. The state's renewable portfolio standard requires utilities to provide 20 percent of retail electricity sales from renewable sources by 2022, of which 2 percent must be solar.¹
- **Maryland does not require** gasoline to be mixed with renewable fuels. However, motor gasoline blended with ethanol is required in the Baltimore and Washington, D.C. metropolitan areas.²
- **Maryland imposes** automobile fuel economy standards similar to California's, which include attempts to regulate greenhouse gas emissions from new vehicles. The Maryland Clean Cars Act of 2007 adopted California's vehicle emissions standards.³
- **Maryland requires** new residential and commercial buildings to meet energy efficiency standards. Residential and commercial buildings must meet the 2006 International Energy Conservation Code (IECC).⁴ State buildings also must meet energy efficiency standards. Senate Bill 267, enacted in 2006, requires energy use in state buildings to be reduced by 10 percent by 2010 relative to a 2005 baseline.⁵ New state construction, major renovations, and new schools constructed with state assistance must meet the silver LEED standard. The silver LEED standard is one level of the U.S. Green Building Council's Leadership in Energy and Environmental Design standards. For fiscal years 2010 through 2014, the state will pay 50 percent of the local share of extra costs incurred because of the LEED requirement for new schools.
- **Maryland imposes** state-based appliance efficiency standards. These standards apply to bottle-type water dispensers, commercial hot food holding cabinets, residential furnaces, and AC to DC power supplies. Executive Order 01.01.2001.02, issued by

Governor Parris Glendening in 2001, requires appliances purchased by state agencies to be Energy Star certified or be in the top 25 percent of energy efficiency when Energy Star products are unavailable.⁶

- **Maryland allows** utilities to “decouple” revenue from the sale of electricity and natural gas. By allowing utilities to decouple, Maryland enabled utilities to increase their revenue by selling less electricity or natural gas.

[†] Data Sources: Real GDP per capita 2008: Bureau of Economic Analysis, *News Release: GDP by State* (June 2, 2009), http://www.bea.gov/newsreleases/regional/gdp_state/gsp_newsrelease.htm; Unemployment: Bureau of Labor Statistics, *Regional and State Employment and Unemployment—February 2010* (Mar. 10, 2010); Gasoline Prices: American Automobile Association, *AAA Daily Fuel Gauge Report* (Mar. 30, 2010); Electricity Prices: Energy Information Administration, *Electric Power Monthly*, Table 5.6.B., Average Retail Price of Electricity, (March 15, 2010), http://www.eia.doe.gov/cneaf/electricity/epm/table5_6_b.html; Electricity Generation Data: Energy Information Administration, *Electricity Generation 2009*, http://www.eia.doe.gov/cneaf/electricity/epa/generation_state_mon.xls.

¹ Maryland Public Service Commission, Renewable Portfolio Standard Documents, http://webapp.psc.state.md.us/intranet/ElectricInfo/home_new.cfm.

² Energy Information Administration, *Maryland*, Apr. 8, 2010, http://tonto.eia.doe.gov/state/state_energy_profiles.cfm?sid=MD.

³ Maryland Clean Cars Act of 2007, S.B. 103 (Md. 2007), http://mlis.state.md.us/2007RS/chapters_noln/Ch_111_sb0103E.pdf.

⁴ Building Codes Assistance Project, Code Status: Maryland, <http://bcap-energy.org/node/73>.

⁵ Database of State Incentives for Renewables and Efficiency, Maryland Energy Conservation in State Buildings, http://dsireusa.org/incentives/incentive.cfm?Incentive_Code=MD12R&re=0&ee=1.

⁶ Md. Exec. Order No. 01.01.2001.02 (Mar. 13, 2001), <http://www.mde.state.md.us/assets/document/EO-0101200102.pdf>.