Maryland's Climate Ambitions in Question After Turbulent Legislative Session

Amid budgetary and political pressure, Maryland's latest legislative session delivered some moderate wins while weakening or delaying key mandates.

By Aman Azhar

April 26, 2025



Maryland Gov. Wes delivers a speech at the Maryland State House in Annapolis on Feb. 5. Credit: Jonathan Newton/The Washington Post via Getty Images

Environmental leaders in Maryland are reeling from a challenging 2025 legislative session that left them questioning whether the state can still meet its clean energy and emissions reduction targets in the wake of policy rollbacks and carve-outs approved by lawmakers.

The 90-day General Assembly session ended earlier this month amid a flurry of compromises. Some policies, like accelerating utility-scale solar development, mandating

battery storage and preserving building standards, were met with cheers. But other consequential actions, supported by top lawmakers, weakened state climate policies.

Some examples: Enforcement of Maryland's zero-emission vehicle rules was delayed. New gas plants got a procedural greenlight. Hospitals were exempted from the state's building decarbonization mandate. And nuclear power was incentivized as a "clean" energy source.

For environmental advocates who supported the passage of Climate Solutions Now Act in 2022, which mandated a 60 percent reduction in greenhouse gases by 2031 and net-zero by 2045, the session ended with a sense of unease.

"I think the word I keep coming back to is 'disappointed,'" said Kim Coble, executive director of the Maryland League of Conservation Voters (MLCV).

Coble described this year's legislative session as one of the most difficult in her career, marked by significant challenges including budget deficits, federal policy chaos and rising energy costs. "You're up against money for school lunch programs, developmentally disabled, and all that ... It's really hard to manage," she said.

To her, the path forward seems daunting.

"We've got five years until 2031 and we just made it a whole lot harder on ourselves. The journey became much more difficult," she said. "It isn't impossible, no, but the door to the burning of fossil fuel opened wider, no progress made on transportation and buildings of any significance and so we stay flat at best."

Josh Tulkin, director of the Maryland chapter of the Sierra Club, felt environmental concerns were pushed to the sidelines during budget and policy discussions.

"My feeling is frustration. My feeling is that ... in the heat of intensity of the budget discussions and addressing federal rollbacks, I think climate largely got sidelined," Tulkin said.

In an emailed comment, Brittany Marshall, senior press secretary to Gov. Wes Moore, wrote: "Maryland is committed to advancing our climate and clean transportation goals in the face of state fiscal challenges and a targeted assault on the environment from the Trump administration on established science, clean energy and public health policies."

The statement said that in this year's legislative session, "the Moore administration advanced initiatives to decarbonize buildings, diversify our energy portfolio, and make critical infrastructure investments.

"Gov. Moore's FY26 budget invests \$100 million for climate change reduction efforts, including \$50 million for solar energy projects and \$50 million for local government clean

energy projects. Those investments will help build net-zero schools, combat methane emissions and expand solar infrastructure."

Economic, Political Headwinds Challenged Lawmakers Early On

The General Assembly session opened with a projected \$3 billion budget shortfall for fiscal year 2026, forcing \$2 billion in spending cuts.

At the same time, the Trump White House enacted sweeping policy changes and cuts to federal funding for environmental and clean energy programs, hitting Maryland hard. Among the most disruptive moves were the Environmental Protection Agency's <u>freeze on a \$20 billion clean energy fund</u>, and threats to cut hundreds of millions of dollars for clean energy projects benefiting states and localities.

In the face of mounting pressures, Senate President Bill Ferguson <u>warned</u> in February that Maryland did "not have the funds to backfill those potential cuts" and legislators would need to scan the budget items "line by line" for any potential cuts. "The federal support around the national climate agenda is going to be more challenging. And so we have to adapt," Ferguson said during budget negotiations.



Maryland Senate President Bill Ferguson speaks to state lawmakers on Jan. 8. Credit: Jonathan Newton/The Washington Post via Getty Images

The economic and political headwinds moved Moore, who entered office promising bold climate action and even issued a 2024 executive order mandating a whole-of-government approach to climate action, to reconcile with new realities.

As a result of the budgetary squeeze, Maryland's six-year transportation capital plan saw a \$1.3 billion reduction back in September 2024. The transition to all-electric buses was

slowed to save money despite a state law requiring all new bus purchases to be zero-emission from 2022. Utility compliance payments, meant to spur growth in energy efficiency and renewables, were <u>redirected</u> into energy bill rebates for ratepayers in the FY2026 budget.

Experts said the shift in tone—away from the earlier messaging about climate urgency and toward economic pragmatism—set the stage for the 2025 session.

Energy and Electricity Legislation Prioritizes Nuclear Generation

The session concluded with the passage of a sweeping energy bill that made room for controversial elements like natural gas and nuclear power.

The Next Generation Energy Act, supported by the leaders of both chambers, was approved on the final day of the session amid extensive haggling and revisions. Initially, the bill faced early criticism from environmental advocates alarmed by permitting provisions that could open the door to new gas-fired plants under the pretext of "dispatchable" power.

"The Next Generation Energy Act, the way it started, was one of the worst bills I've ever read, and it was to expedite the burning of fossil fuels in Maryland by cutting out environmental justice, environmental site review and any regulatory action that might impair the timeline. I have never seen anything like that in Maryland," said LCV's Coble.

Faced with a wave of pushback, the legislation was amended to include stricter guardrails. The final version requires utilities to pursue at least 150 megawatts of battery storage and justify any proposed gas infrastructure to regulators. It also removes trash incineration from the state's Renewable Portfolio Standard, ending Maryland's <u>questionable practice</u> of subsidizing highly polluting trash burning as "renewable" energy.

And while it aims to expedite permitting for up to 10 "dispatchable" power projects to address reliability concerns, it also mandates that for every one fossil fuel project approved, four zero-carbon projects must also be fast-tracked. The legislation also states that any approved fossil fuel project must have lower emissions than coal or oil.

Sierra Club's Tulkin rejected some lawmakers' argument that limited gas use could be justified as a transitional tool. "I'm concerned that the state has decided that it wants to promote gas, or even risk the promotion of gas," he said. "It is antithetical. It is completely inconsistent with our climate plan."

The legislation also takes a significant step toward expanding nuclear power. It creates a state procurement process for potential new nuclear projects and codifies nuclear energy as "clean" under Maryland law. The move potentially allows Calvert Cliffs, Maryland's only

nuclear plant, to count toward the state's 100 percent clean electricity target by 2035, giving the state an instant 20 to 25 percent credit toward that goal.



Workers walk past a turbine inside the Calvert Cliffs nuclear power plant in Lusby, Md. Credit: Marvin Joseph/The Washington Post via Getty Images

The reclassification was welcomed by some lawmakers but environmental groups sharply criticized the decision.

"This is a gut punch to the environmental community," said Food & Water Watch in a <u>statement</u>. "Every dollar diverted to expensive nuclear projects is a dollar not spent on wind, solar, or efficiency."

The group accused the administration of greenwashing, warning that counting nuclear toward clean energy goals could blunt the urgency to build renewable resources.

"Essentially, we passed a number of bills that we've been trying to get passed for years now," said Coble. "But the cost of that was that leadership included them in their bill that will encourage gas plants and a nuclear plant."

She said advocates attempted to offer amendments limiting gas expansion but were rebuffed. "There was no interest in having any discussion around increasing or expediting fossil fuel burning in Maryland, and that was surprising for me," she said.

Executive Order Relaxes Tailpipe Emissions

The Moore administration also opted to delay enforcement of the state's zero-emission vehicle rules during the legislative session.

Modelled on California's aggressive zero-emission standards, Maryland's Advanced Clean Cars II and Advanced Clean Trucks rules require vehicle manufacturers to steadily increase electric vehicle delivery beginning in model year 2027. The policies are considered critical to achieve the emissions reduction targets laid out in the Climate Solutions Now Act.

But amid funding cuts and pressure from auto dealers and manufacturers, a <u>late-session</u> <u>bill</u> proposed a two-year delay in enforcing the rules. Though the legislation didn't pass, Moore preempted the move by issuing an <u>executive order</u> directing the Maryland Department of the Environment to use discretion and suspend penalties for non-compliance in 2027 and 2028.

"This weakens our programs for clean cars and trucks," said the Chesapeake Climate Action Network (CCAN) in a <u>statement</u>, noting that Maryland would be the first state to backtrack on its clean vehicle mandate. "Even if this is slightly better than the legislation that would have delayed the program outright, the damage to momentum is done."

Susan Miller, a senior attorney with the environmental litigation group Earthjustice, echoed that concern. "Maryland is the first state to backtrack on that [clean cars initiative]," she said. "They just accepted the manufacturer saying, 'Oh, we're not going to sell in Maryland because we can't do this,' with no real evidence."

Transportation is Maryland's single largest source of greenhouse gas emissions. According to state climate modeling, a rapid EV adoption through the late 2020s is critical to hitting its 2031 emissions reduction targets. The two-year delay is expected to push back that timeline, allowing higher levels of tailpipe emissions than the MDE's climate plan had anticipated for 2027 and 2028.



Vehicles travel in traffic westbound on I-695 in Baltimore, Md. Credit: Kevin Dietsch/Getty Images

Tulkin warned the delay could have long-term consequences. "The legislature and the administration paused or delayed programs that were essential parts of their climate strategy and have not posed alternatives yet," he said. "Unless they come up with ambitious alternatives, it is hard to see how the state can get back on track."

Moore defended the move, citing fears that aggressive mandates might lead manufacturers to deprioritize Maryland in their distribution networks.

Aside from the clean car rules, the 2025 legislative session saw little progress on transportation emissions. No major legislation was introduced to expand public transit, pedestrian or biking infrastructure tied to climate goals.

Lawmakers Soften Building Emissions Standards

Legislators also approved a series of changes to the state's building climate law, diluting the program designed to drive down carbon emissions from large buildings but stopping short of a full retreat.

The state's Building Emissions Performance Standards (BEPS), enacted under the Climate Solutions Now Act, requires large existing buildings—over 35,000 square feet—to cut onsite greenhouse gas emissions and achieve net-zero direct emissions by 2040 or face financial penalties.

But during the 2025 legislative session, the program came under pressure as some lawmakers, voicing industry concerns, questioned the cost and feasibility of retrofitting buildings, particularly for all-electric heating.

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In response, the Maryland Department of the Environment introduced <u>legislation</u> that included a waiver process, which then evolved into talks about broader rollbacks including proposals to exempt entire building categories from the BEPS mandate such as hospitals and multi-family residential complexes.

In the final version, hospitals were officially exempted from BEPS, marking a first-in-thenation carveout for medical facilities.

The Maryland Hospital Association, which successfully lobbied for the carve outs, argued that hospitals need more flexible standards to ensure patient safety and operational resilience. The hospital exemption extends to emissions from certain medical equipment, like steam sterilizers and backup generators.

The revised bill also clarified that counties with stricter building performance ordinances, such as Montgomery County, can allow local compliance to substitute for state-level requirements. Environmentalists and developers both agreed to that provision.

Still, some advocates worry about the cumulative impact of exemptions granted under the final legislation.

"The state's aggressive building decarbonization strategy was absolutely weakened this year," said Tulkin. "And it's the second year in a row that the state's building decarbonization strategy was weakened while still leaving it unresolved."

Tulkin criticized the legislature for inserting additional studies and exemptions even as the state is supposed to be implementing the policy. "They exempted several new categories of buildings, added more exemptions and directed the Department [of the Environment] to

study alternatives to what is literally in law," he said. "What makes this program successful is clarity and certainty and then support systems to help people be successful. Right now the legislature's indecision about its policy objectives is going to harm the ability to achieve the goals."

"Constant weakening and perpetual indecision are detrimental to achieving environmental objectives."

- Josh Tulkin, Sierra Club Maryland

A separate bill that would have advanced building electrification—the <u>Better Buildings</u> <u>Act</u>—failed to advance. The proposal would have required new construction to meet all electric standards and deny gas hookups in most new residential and commercial buildings.

"I'm disappointed that the legislature did not pass the Better Buildings Act this year," said DeMarco. "It means we'll have another year where new buildings are being built with gas furnaces that at some point in the next two decades someone is going to have to pay to retire before the useful lifetime. That is unfortunate."

Moore's climate executive order, issued last year, instructs state agencies to begin planning for zero-emission heating standards in government buildings. But that directive may face implementation delays, advocates worry.

"There's space for reasonable adjustment," Tulkin said. "But constant weakening and perpetual indecision are detrimental to achieving environmental objectives."

Other Climate Measures That Passed

RENEW Act Study

Maryland approved a landmark study to assess the full economic cost of greenhouse gas emissions on the state's economy, taking a step closer toward holding fossil fuel companies financially responsible for damages.

Environmental advocates celebrated the law as a breakthrough in accountability. "This is the first step to 'Making Polluters Pay,'" CCAN said in a <u>statement</u>. Maryland joins New York and Vermont in charting a way to impose climate liability and potentially develop new funding sources for climate mitigation and emissions reductions.

Renewable Energy Siting

Lawmakers passed legislation to speed up solar energy development. It streamlines permitting for suitable sites and requires state agencies to identify public lands that could

host renewable energy infrastructure. The law also adds new consumer protection standards for rooftop solar installers.

Environmental groups and clean energy developers welcomed the law, which is expected to accelerate solar growth.

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Source: https://insideclimatenews.org/news/26042025/maryland-legislative-session-climate-ambitions-in-question/ (accessed 4/29/2025)