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February 15, 2021

The Honorable Paul G. Pinsky, Chair, and  
The Honorable Cheryl C. Kagan, Vice Chair  
Maryland Senate Education, Health, and Environmental Affairs Committee  
Miller Senate Office Building, 2 West Wing  
11 Bladen St., Annapolis, MD 21401-1991

**Re: SB0737 The Comprehensive Conservation Finance Act of 2021**

Dear Chairman Pinsky, Vice Chairwoman Kagan, and Members of the Committee,

RES writes in support of the Comprehensive Conservation Finance Act (CCFA). As the nation's leading provider of ecological restoration and water resources solutions, with dedicated operations in Maryland, we appreciate the opportunity to lend our voice in support of the programs and policies in discussion for inclusion in the CCFA.

In reviewing the legislative text, we believe the bill will advance policies and programs that will create enabling conditions for delivering innovative projects at scale, make critical adjustments to existing programs, and reinforce Maryland's commitment to developing and incorporating ecological best practices for future infrastructure development. The CCFA will give Maryland agencies and restoration practitioners a set of tools that will preserve the state's leadership in water quality restoration while setting the stage for further market-based innovations.

**Enabling Conditions for Scaling Innovative Projects**

By codifying Pay-For-Success contracting, the CCFA will help ensure restoration project succeed by only paying as critical milestones are achieved. By partnering with the private sector to implement projects today and manage payments over a longer period, government agencies will be able to more effectively manage funding constraints in the near term. Pay-For-Success procurement will provide a cost-effective mechanism for agencies to develop innovative projects while maximizing the benefits of their restoration programs.

Additionally, provisions related to the Conowingo Dam restoration efforts will increase investment in the areas most essential for reducing dissolved oxygen in the Bay, namely by allowing Maryland to purchase reductions from restoration projects across state lines. By creating enabling conditions for innovative restoration projects, the CCFA will provide confidence for firms like RES to reliably invest resources in projects benefitting the health of the Bay and the local economy.

**Critical Adjustments to Existing Programs**

The CCFA builds on the state's restoration successes by adjusting existing programs to ensure their intended outcomes are achieved more efficiently and intentionally. For example, state programs are currently funding more than 6,000 linear feet of stream restoration in Harford County, which RES is fully delivering. In addition to expanding authorizations for full delivery contracting through Pay-For-Success, changes in the draft CCFA will ensure that DNR Trust Fund-supported, MDOT, and other projects will provide additionality over baseline conditions and continue to support innovation in nutrient reduction.

Furthermore, key changes to forest conservation provisions will modernize programs around the state, namely by elevating forest banks as the top priority for offsetting tree impacts and updating antiquated in lieu fee rates. Currently, outdated policies have diminished the viability of investing in forest conservation banks while also



limiting our collective ability to accurately offset tree impacts. As a restoration practitioner, RES has long identified areas for improvement in these programs and the CCFA takes great strides in creating a better environment for private investment in restoration projects.

### **Environmental Best Practices for Future Infrastructure Development**

As mobilization continues towards a proactive approach to climate change, voluntary carbon markets will play a key role in connecting investments to outcomes. By instituting a carbon market working group, Maryland can learn from existing carbon markets how best to implement a market-based reduction program tailored to the State's environmental goals. Meanwhile the CCFA would create a Policy Advisory Commission focused on ramping up the speed and scale of green infrastructure projects such as wetland restorations and blue infrastructure projects such as oyster reef restoration, which have proven to be cost-effective in the long-term and provide multiple co-benefits for water quality, air quality, and carbon sequestration. The CCFA would provide ample opportunities to convene environmental, industry, and governmental leaders to chart an achievable path towards meeting restoration and conservation goals.

The passage of this bill, the first of its kind in the nation, will demonstrate Maryland's leadership in developing innovative financing mechanisms and delivery approaches for ecological restoration projects in support of the state's environmental goals and promote a sustainable economy. RES fully supports the CCFA and urges the Committee and the legislature's passage of the bill.

Thank you for your support for and consideration of this critical legislation.

Sincerely,

Michael Hare  
Director, Government Affairs & Communication  
RES

CC: Senator Jim Rosapepe  
Senator Guy Guzzone  
Senator Sarah Elfreth  
Senator Will Smith  
Senator Ron Young