


FROM	NAME & TITLE	Robert Cename, Budget Director <i>R. C. Cename</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4774		
	SUBJECT	City Council Bill 21-0161 – City Operations-Net-Zero Emissions of Greenhouse Gases		

DATE:

TO

The Honorable President and
Members of the City Council
City Hall, Room 400

March 15, 2022

Position: No Position

The Department of Finance is herein reporting on City Council Bill 21-0161, City Operations-Net-Zero Emissions of Greenhouse Gases, the purpose of which is to require the Office of Sustainability to establish a plan for developing, implementing, and coordinating City policies to achieve net-zero emission for all City operations by January 1, 2050. In addition, this legislation requires the Commission on Sustainability to include achieving net-zero emission for all City operations as part of the Commissions’ Comprehensive Sustainability Plan.

Background

Climate change is intensifying and there is growing urgency for leaders across the world to take actions to drastically reduce greenhouse gas (GHG) emissions to limit the impacts of global warming. The Intergovernmental Panel on Climate Change (IPCC) issued a report in August 2021 that stated the world will probably reach or exceed 1.5 degrees Celsius of warming within the next two decades. Efforts to reduce emissions and address the climate crisis are taking place across industries and at all levels of government. Organizations like C40 and Carbon Neutral Cities Alliance highlight the work of local governments working to reduce carbon emissions and even achieve carbon neutrality. In the United States, cities doing this work include New York City, Boston, Houston, and Washington, DC.

The Baltimore Office of Sustainability develops and advocates for programs, policies, and actions by government, residents, businesses, and institutions to improve the long-term environmental, social, and economic viability of Baltimore City. The Office of Sustainability issues various plans and reports as part of their work, including the Baltimore Sustainability Plan, Climate Action Plan (CAP), and Disaster Preparedness Project Plan. The 2019 Sustainability Plan outlines citywide greenhouse gas reduction goals and energy efficiency priorities, specifically calling for an update to the CAP, which is currently underway and anticipated to be completed in June 2023. The CAP is intended to demonstrate a roadmap to carbon neutrality for the whole city. The CAP process is informed by the Greenhouse Gas Emissions Inventory, which provides an analysis of the GHG emissions resulting from activities occurring within the City and is conducted every two years.

On January 18th, 2022, Mayor Scott and the Office of Sustainability committed to reaching carbon neutrality by 2045 for the City, with GHG reduction targets of 30% by 2025 and 60% by 2030 compared to 2007 levels. The 2019 Sustainability Plan set goals of reducing GHG emissions by 25% by 2020 and 30% by 2025 relative to 2007 emissions levels. As of 2017, the City had reduced emissions by 13% and anticipates seeing a reduction of 15-20% for 2020.

Fiscal Impact

The Department of Finance is unable to provide a fiscal impact for achieving net-zero emission emissions of City operations. In order to be able to provide a fiscal impact analysis, Finance would need to understand the specific scenarios and measures the City might pursue to reach this target. The CAP, which is currently being updated, will be the basis for such an analysis and Finance is working with the Office of Sustainability to assess the development of a fiscal analysis and plan in coordination with the completion of the CAP update.

There will be investment costs in order to achieve these goals, such as costs for installing and using new technology, as well as possible savings down the road. However, Finance does not have the information needed to conduct this analysis currently. It should also be noted that the CAP plan and GHG emissions inventory that are currently being completed focus on the City as a whole. In order to fully understand the costs specific to meeting the goal of reducing emissions from City operations, there may be additional resources needed, such as a contractor, to separate the emissions resulting from City operations and those resulting from other entities.

Other Considerations

This legislation establishes a certain goal for achieving net-zero emissions of City operations, which generally aligns with the City's carbon neutral goals, since achieving carbon neutrality for Baltimore City would include the impact of City operations. However, there are a few things to consider when establishing this goal, such as what is defined as "City operations" and the difference between being carbon neutral versus reaching net-zero emissions, considering the different goals that have announced.

Conclusion

This legislation requires the Office of Sustainability to establish a plan for developing, implementing, and coordinating City policies to achieve net-zero emission for all City operations by January 1, 2050, as well as the Commission on Sustainability to include achieving net-zero emission for all City operations as part of the Commissions' Comprehensive Sustainability Plan. The Office of Sustainability has already begun the process of developing a plan, the update to the Climate Action Plan (CAP), for achieving more aggressive carbon neutral goals established by the Mayor, which is likely be completed in 2023.

The resulting plan will provide a path forward for the City to achieve carbon neutrality and will require a large investment of City resources in order to implement the strategy. However, the Department of Finance is unable to provide a fiscal analysis or implementation and operations costs, as well as possible future savings, at this time without clear measures to review. Without this analysis, Finance is unable to take a position on the bill. Finance is working with the Office of Sustainability to develop a fiscal analysis in coordination with the completion of the CAP to inform on the fiscal costs and benefits for the City. Mayor Scott's goal of achieving carbon neutrality by 2045 is ambitious and aligns with the work of cities across the world working to address the climate crisis. Addressing the climate crisis is extremely important to the City and its residents and Finance will work with the administration and the Office of Sustainability to ensure that the City faces this challenge in a fiscally responsible and responsive manner.

For the reasons stated above, the Department of Finance takes no position on City Council Bill 21-0161.

cc: Henry Raymond
Natasha Mehu
Nina Themelis