



# Maryland

## Department of the Environment

Larry Hogan, Governor  
Boyd K. Rutherford, Lt. Governor

Ben Grumbles, Secretary  
Horacio Tablada, Deputy Secretary

February 9, 2022

Mr. Adam Ortiz  
Regional Administrator  
U.S. Environmental Protection Agency, Region III  
1560 Arch Street (3RA00)  
Philadelphia, PA 19103-2029

Dear Adam:

First, a heartfelt welcome to you in your new role as EPA Region III Director. We look forward to working together to achieve the pollution reductions required by the federal government in the landmark effort to restore the Chesapeake Bay.

Maryland shares EPA's determination to bring the Conowingo Watershed Implementation Plan (CWIP) to fruition with an implementable path forward. With EPA's leadership and jurisdictional assistance to date, over \$2 million has already been invested in CWIP development. Through the collective efforts of the partnership, we have been able to finalize the CWIP and develop milestones to set us on a trajectory to achieve the 2025 Conowingo restoration goals.

Governor Hogan put the exclamation point on Maryland's strong environmental leadership by budgeting \$25 million to support the Conowingo WIP and \$6 million for Conowingo dredging solutions in his FY 2023 budget. In addition, Maryland will invest almost \$13 million in Conowingo settlement monies over the next 3 years for nutrient reduction, ecosystem restoration and climate resiliency projects.

Governor Hogan reiterated his commitment to bipartisan environmental success in a [2021 letter to legislative leaders](#). The Governor has invested \$6.5 billion in Maryland's Bay restoration during his tenure. This year, the Governor's budget includes \$313 million of capital funding to protect the Chesapeake Bay and water quality. The \$25 million targeted to the CWIP addresses the added pollution resulting from sediment trapped behind the Conowingo Dam while building new and innovative tools for conservation and climate change.

In December, the Chesapeake Executive Council acted on climate change by signing a [Climate Directive](#) that commits the Chesapeake Bay Program to address increasing threats from climate change in all aspects of the partnership work. The directive included language to "utilize conservation finance where appropriate to leverage public and increase private investments, including emerging carbon markets in Chesapeake Bay restoration."

The CWIP is an important opportunity to energize the conservation finance directive. The CWIP is perfectly positioned to use conservation finance tools to combine robust public funding for public projects with private sector partnerships. Building a market-based strategy with the CWIP will ensure investments in green and blue infrastructure across the watershed.

The Chesapeake Bay is the region's largest investment in climate resilience. A restored Bay protects against flooding and acidification while ensuring productive communities with access to recreation and fisheries. By advancing regional conservation financing tools, EPA will build a bipartisan solution to achieve and sustain the 2025 Bay restoration targets. The federal administration's [May 2021 executive Order](#) told the Treasury secretary to develop a strategy regarding "(c) areas in which private and public investments can play complementary roles in meeting these financing needs — while advancing economic opportunity, worker empowerment, and environmental mitigation, especially in disadvantaged communities and communities of color." Further, its [roadmap](#) to achieve this order requires the federal government to "strategically deploy public finance and policy in ways that catalyze private finance at scale"

We urge you to stand with Maryland and commit federal funding to the CWIP financing plan to achieve shared goals of climate response, nutrient reductions and the restoration economy. By matching state contributions, starting with Governor Hogan's \$25 million dedicated to the CWIP, the EPA can strategically catalyze private finance at scale.

To move forward in partnership with the other Bay jurisdictions, Maryland seeks clarification from the EPA on the following points:

1. **State-specific load reductions:** Each state needs current and specific nitrogen and phosphorus allocations by EPA should they choose not to participate in the CWIP along with the requirement that lack of participation requires an updated statewide Phase III WIP to include those load additions. We are all in this together.
2. **Conservation financing:** Given the looming 2025 restoration deadline, the CWIP can begin a pay-for-pounds strategy to ensure nutrient reductions are implemented sooner.
3. **Innovation:** The federal government can implement federal policy with the CWIP to pursue innovative solutions to demonstrate cost-effective environmental and climate successes. Make the CWIP a national example of innovative financing and true private-public partnership.

With these clarifications, we believe the Bay jurisdictions will be able to take action on the CWIP.

Sincerely,

Ben Grumbles  
Secretary