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**COMMITTEE:** ENVIRONMENT AND TRANSPORTATION

**TESTIMONY ON:** HB 1134 MARYLAND BUILDING PERFORMANCE STANDARDS – FOSSIL FUEL USE AND ELECTRIC-READY STANDARDS

**POSITION:** OPPOSE

**HEARING DATE:** MARCH 8, 2023

Washington Gas respectfully submits this statement in **OPPOSITION** to **House Bill 1134 - Maryland Building Performance Standards – Fossil Fuel Use and Electric-Ready Standards**.

Washington Gas strives to be one of the safest and most innovative energy companies in the region, and the United States. We work daily on fulfilling our longstanding commitment to ensure we deliver energy safely, reliably and affordably to our customers. We embrace our role in helping the communities we serve and are supportive of efforts to reduce greenhouse gas emissions.

Washington Gas is focused on innovation to identify emerging technologies that may create new pathways for efficiency and reduced emissions and to implement the best solutions in a way that achieves greenhouse gas emissions at the least cost while enhancing the resilience of energy supply. This requires a multi-pronged approach. Helping customers use less energy to deliver the same comfort and convenience is a major contributor. We are also exploring opportunities to reduce the carbon content of our fuel supply, by securing commitments from our natural gas suppliers, integrating locally produced renewable natural gas, and preparing for a hydrogen future. Natural gas distribution systems provide a potential solution to utilize fugitive sources of methane – food waste, wastewater, landfills and agriculture operations - by converting these sources to energy and preventing their release into the atmosphere.

Climate change is a defining challenge across Maryland, and natural gas, natural gas utilities, and the existing delivery infrastructure are essential to meeting the state's greenhouse gas emissions reduction goals in an affordable manner. Maryland can continue to achieve significant emissions reductions by accelerating the use of tools available today, including high-efficiency natural gas applications, renewable gases, combined heat-and-power, and enhanced energy efficiency initiatives. This vision is outlined in Washington Gas's [Climate Business Plan](#). House Bill 1134 would limit Maryland residents and businesses from saving money and impede the state's ability to optimize all available resources towards reducing emissions.

House Bill 1134 does not allow for the wide variety of low-cost decarbonization methods and technologies beyond electrification. While Washington Gas strongly support efforts to decarbonize and combat climate change, by requiring all new buildings meet all energy demands without natural gas, House Bill 1134 is not an appropriate, realistic, or efficient way to advance emissions reductions for customers in Maryland. It will require substantial investments by Maryland's residents and businesses, increase utility bills, and reduce the diversity, reliability, and resilience of Maryland's supply of energy.

Pursuant to the Climate Solutions Now Act of 2022, the PSC is scheduled to study the Maryland's electric grid infrastructure to determine if it can accommodate the additional load of building electrification and analyze grid-readiness for building electrification by the end of 2023. Careful and sensible planning is required before the state makes any decision that would fundamentally overhaul how Maryland residents heat their homes and cook their meals. The physical characteristics of the natural gas system make it incredibly resilient and reliable, a key asset to keep in mind during the energy evolution. For example, electric distribution systems have an average of one outage per year per customer whereas unplanned outages affect only about 1 in 800 natural gas customers per year. The PSC's study is slated to be completed later this year, and the results will be useful for Maryland customers as they contemplate their energy choices. It would be prudent to await the PSC's pending study before voting on House Bill 1134.

Electrification by itself is not decarbonization. The majority of the electricity available on Maryland's grid today is supplied by fossil fuels so electrification could be just shifting the point source of the emissions particularly on the coldest days of the year when the gas distribution system is relied on the most. There are also significant workforce development, supply chain, and land use issues that would need to be addressed before undertaking the requirements in House Bill 1134. Furthermore, House Bill 1134 fails to address the need for a diverse and robust energy portfolio, necessary to maintain stability in the grid and rates in the commercial and residential sectors across Maryland. Maryland has a safe and reliable natural gas infrastructure system that is critical to delivering cleaner fuel today, and the state should leverage it to deliver new low and no-carbon fuels in the future. House Bill 1134, by prohibiting natural gas, eliminates an affordable way for Maryland customers to heat their home, cook their meals and operate their business.

For the above reasons Washington Gas respectfully requests an unfavorable vote on House Bill 1134. Thank you for your consideration of this information.

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