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COMMITTEE: SENATOR BRIAN FELDMAN, CHAIR, EDUCATION, ENERGY & ENVIRONMENT

TESTIMONY ON: SB0256 Building Energy Performance Standards - Compliance and Reporting

POSITION: OPPOSE

HEARING DATE: February 13, 2025

Washington Gas respectfully submits this statement in **OPPOSITION** to **Senate Bill 0256-Building Energy Performance Standards - Compliance and Reporting**

Washington Gas Light Company (“the Company”) provides safe, reliable natural gas service to more than 1.2 million customers in Maryland, Virginia, and the District of Columbia. Washington Gas has been providing energy to residential, commercial, government, and industrial customers for more than 175 years, and currently serves more than 500,000 Maryland customers in Montgomery, Prince George’s, Charles, St. Mary’s, Frederick, and Calvert Counties. The Company employs over 400 people within Maryland, including contractors, plumbers, union workers, and other skilled tradespeople. The Company strives to improve the quality of life in our communities by maintaining a diverse workforce, working with suppliers that represent and reflect the communities it serves, and giving back through its charitable contributions and employee volunteer activities. The Company, together with other natural gas distribution utilities, are responsible for delivering the primary source of heat to Maryland residential energy consumers, serving approximately one half of all Maryland households while providing critical energy services to residential, commercial, and industrial customers at one-third the cost of electricity on a per unit basis.

The Company supports Maryland’s climate goals and believes that Maryland’s gas infrastructure can help the State meet those goals while providing a wide range of benefits to Maryland customers. However, Senate Bill 0256 (“SB 0256”) imposes fees on energy usage by building owners (including both large buildings and condominiums) if they fail to meet efficiency standards that the Department will not propose until 2027. By imposing these fees – which are not capped in the bill as filed – the Department of the Environment imposes additional penalties on building and condominium owners who are already struggling with escalating energy costs.

The Department’s own estimate, published in the Maryland Register on December 13, 2023 – is that complying with the draft energy use intensity (EUI) standard will cost building and condominium owners approximately \$8.8 billion between now and 2040. Maryland building owners cannot afford these costs when clean, reliable, natural gas is available.

The Company is committed to working with stakeholders to help achieve Maryland's GHG emissions reduction targets. SB 0256, by penalizing natural gas, eliminates an affordable way for Maryland customers to heat their homes, cook their meals, and operate their businesses. Electrification is not the sole solution to climate change in Maryland and should not be treated as such. There is a role for existing and future technology innovation to support diverse pathways to decarbonizing Maryland, and the State's existing natural gas infrastructure can and should be leveraged to preserve affordability, reliability, safety, and security of energy delivery.

For the above reasons Washington Gas respectfully requests an unfavorable report on Senate Bill 0256. Thank you for your consideration of this information.

Contact:

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