Washington Gas
A WGL Company

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House Economic Matters
02/27/2020

House Bill 982 – Public Utilities – Low-Income and Middle-Income Housing – Energy Performance Targets

POSITION: OPPOSE

Thank you for the opportunity to comment on HB982. While the goals of the bill are laudable, the funding source is inappropriate.

In April of 2018, AltaGas and WGL received positive regulatory approval from the Maryland Public Service Commission to the proposed merger of the two companies. The 4:1 favorable decision by the PSC followed a comprehensive public process and contained a number of conditions. PSC Order 88361 was the Commission's formal ruling on the merger and is the one referenced in HB982.

In addition to a variety of other conditions that were found to be in the public interest, PSC Order 88361 provided the Maryland Energy Administration (MEA) funding to incentivize natural gas infrastructure expansion within Maryland. Listed in the Direct Customer Benefits section, is "$33 million to the Maryland Gas Expansion Fund (MGEF) to be administered by the MEA for the expansion of natural gas infrastructure". The grants will be awarded on a competitive basis, with priority given to applicants who own and/or operate State facilities on the Lower Eastern Shore.

This year, MEA is offering three platforms under the Maryland Energy Infrastructure Grant Program with a budget of up to $3.7 million to assist with energy projects. For 2021, MEA has requested $6.5 million.

With almost half a million customers in Maryland, we take pride in our company's ability to provide energy to families and businesses in six counties throughout the state. The MGEF should remain in a subaccount of the Strategic Energy Investment Fund and be used as intended—to expands Maryland's infrastructure and broaden access to reliable and affordable natural gas.

Thank you and please don't hesitate to reach out with specific questions.

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