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House Economic Matters
02/04/2021

House Bill 379 – Public Utilities – Low-Income Housing – Energy Performance Targets

POSITION: OPPOSE

Thank you for the opportunity to comment on HB379.

This bill was introduced in 2020 and had a hearing, but did not move out of this Committee.

As we expressed last year, the goals of the bill are laudable but the funding source is inappropriate.

In 2018, AltaGas and WGL received 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 HB379.

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. The grants will be awarded on a competitive basis. Those are the dollars this bill seeks to divert.

While the 2020 legislation was not acted on, the sponsor presented a budget amendment as the General Assembly was working rapidly to adjourn because of COVID. This budget amendment repurposed the funds in the same way the failed legislation was attempting.

As a result, MEA will be unable to offer grants in fiscal year 2021 and is looking to develop potential program offerings in fiscal year 2022.

With almost half a million customers in Maryland, we take pride in our company's ability to provide energy to families and businesses throughout the state.

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

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