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2024 Board of
Directors

Support HB731 - Natural Gas - Strategic Infrastructure Development and Enhancement (Ratepayer Protection Act)

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Dear Mr. Chairman and Members of the Committee:

Maryland LCV supports HB731 - Natural Gas - Strategic Infrastructure Development and Enhancement (Ratepayer Protection Act), and we thank Delegate Embry for her leadership on this issue.

The 2013 Strategic Infrastructure Development and Enhancement (STRIDE) Act was passed in Maryland in response to national safety concerns following a large natural gas pipe explosion in California. STRIDE has not served its intended purpose. STRIDE has more than doubled Maryland's previous average investment in gas infrastructure, yet has not led to improved safety outcomes related to natural gas accidents the legislation was passed to mitigate and prevent.

A 2023 [report](#) from the Abell Foundation found that in the nine years prior to STRIDE, there were no serious injuries or deaths due to natural gas incidents in Maryland. But in the 10 years since the STRIDE Act passed, there have been nine deaths and 58 serious injuries. Utilities have not changed their investment strategy, with no targeting of infrastructure upgrades that will result in improved safety outcomes. HB731 directs funds allocated through STRIDE to safety-related improvements of at-risk infrastructure, effectively addressing the program's intent.

Maryland's current strategy for gas utility spending is not in alignment with our state's climate goals. Without the direction provided in HB731, STRIDE will conclusively lead to stranded costs during Maryland's transition to clean energy. Maryland's Office of People's Counsel (OPC) projected that STRIDE investments will total \$206 billion in stranded costs between 2024 and 2100.

In addition, increased gas infrastructure costs will be more burdensome to low-income Marylanders. According to the OPC, homes that heat with bulk fuels and gas have higher energy burdens than homes with electric as their primary fuel type. As homes transition away from natural gas, low-income households will likely be among the last to electrify. This leaves these households to bear the cost of gas utility investments.

It is for these reasons the Maryland Commission on Climate Change has also suggested the state restrict STRIDE to emergency spending in its [2023 report](#). As the Maryland General Assembly and Administration implement Maryland's Climate Solutions Now Act, power system infrastructure spending priorities must change. 21st century priorities include decarbonizing transportation and generation, increasing energy efficiency in the building sector, and developing a workforce skilled in electrification, clean energy, and efficiency.

HB731 is the start to a gas infrastructure transition strategy that supports Maryland's climate targets. **Maryland LCV urges a favorable report on this important bill.**