

Committee: EEE
Testimony: Ratepayer Protection Act, SB 548
Position: Support
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Enacted in 2013, the Strategic Infrastructure Development and Enhancement Plan (STRIDE) law aims to encourage gas utilities to replace certain aging gas infrastructure by allowing for accelerated recovery of infrastructure investment costs.

The intention was to maintain an aging underground gas piping system.

The effect has been that STRIDE has made it much easier for the utility to make capital investments. Instead of prioritizing fixing the riskiest pipes, it's become clear that the gas utilities are spending wastefully to boost profits.

All this spending is locking in reliance on methane gas for years to come. Methane gas is what is known as a short-lived climate pollutant. It is 86 times more potent a greenhouse gas than carbon dioxide over a 20-year period. Investing billions of dollars in new infrastructure to deliver methane gas for decades to come does not make sense for our climate goals.

Maryland's Climate Solutions Now Act of 2022 directs the state to shift away from fossil fuels to power our homes. By law, the state must reach net-zero emissions by 2045. Yet gas companies are planning to make significant fossil fuel investments from now through 2045.

Every dollar we spend on new gas infrastructure is a dollar not spent on clean, renewable energy. And the spending is significant.

According to the Office of the People's Counsel ("OPC"), Maryland gas utilities have spent more than \$2 billion on new gas infrastructure under the STRIDE program since 2014, and will spend nearly \$10 billion total to complete the program. When you factor in additional profits for the company, the program will add more than \$40 billion to customer utility bills over its lifetime.

Gas utility spending does not stop at STRIDE. From now until 2100, utilities plan to spend \$206 billion on new infrastructure, [according to OPC](#). The ratepayer impact of this spending is daunting. At this rate, a BGE customer's bill will grow from an average of \$220 in 2021-2023 to \$450 by 2035 (a 104-percent increase) and \$575 by 2050 (a 160-percent increase). These rate impacts will likely be substantially larger as customers electrify their home appliances and depart the gas system, leaving a shrinking rate base to foot the bill.

The Ratepayer Protection Act is a step towards reining in infrastructure spending through STRIDE. It modifies the STRIDE program to prioritize highest risk pipes. It is a commonsense reform that codifies recommendations from the Maryland Commission on Climate Change and the [Building Energy Transition Implementation Task Force](#) to protect ratepayers from STRIDE's ballooning costs.

We urge you to support SB 548.