

OPPOSE

Economic Matters Committee

3/6/2025

**House Bill 1362 - Eminent Domain - Just Compensation - Fees and Costs**

Baltimore Gas and Electric Company (BGE) opposes *House Bill 1362 - Eminent Domain - Just Compensation - Fees and Costs*. House Bill 1362 expands the damages awarded to a defendant in condemnation actions to include legal, expert, and other associated fees or costs.

As a utility providing electricity to 1.3 million customers and natural gas to more than 700,000 customers in Central Maryland, BGE is concerned this legislation would economically disadvantage Maryland ratepayers, impede progress in addressing regional resource adequacy challenges, and jeopardize the State's climate goals.

BGE opposes this legislation for several reasons. First, the bill incentivizes landowners to negotiate for higher compensation amounts prior to initiating condemnation proceedings. This could substantially increase the costs associated with these negotiations, as landowners may leverage the threat of additional legal and associated fees to secure higher settlements.

Additionally, the bill removes the requirement for defendants to prevail in order to receive payment for legal and other associated costs, including reasonable attorney's fees on appeal. The bill encourages more defendants to challenge condemning authorities in condemnation proceedings, regardless of the merits of their case. Consequently, BGE ratepayers will bear these additional and potentially imprudent costs.

Finally, House Bill 1362 incentivizes attorneys to pursue litigation in condemnation actions, creating additional obstacles for the State's energy transition. Maryland's ambitious decarbonization goals require significant investments in electric infrastructure to reliably serve current and future loads. Essential infrastructure components, such as new transmission lines, substations, and feeder lines, are necessary to achieve full electrification. House Bill 1362 will hinder the construction of these critical projects, exacerbating resource adequacy challenges. The exponential growth in energy demand, coupled with the retirement of generating plants, necessitates the fortification of grid reliability and resiliency. Increased litigation could lead to significant delays or cancellations of important projects, as utilities grapple with the heightened costs and extended timelines associated with these legal challenges.

BGE remains committed to supporting Maryland's energy transition and supports policies that keep affordability, resiliency, and reliability a priority. For these reasons, BGE firmly opposes House Bill 1362 and requests an unfavorable report.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship, and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

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