

**HB 419 – SUPPORT**

Jeff Mauk

Ceres

jmauk@ceres.org

**HB 419: Natural Gas - Strategic Infrastructure Development and Enhancement
(Ratepayer Protection Act)**

Economic Matters Committee

February 4th, 2025

Dear Chair Wilson, Vice Chair Crosby, and members of the Economic Matters Committee;

I write today on behalf of Ceres to urge a favorable report from the Committee on HB 419 - the Ratepayer Protection Act. Ceres advances leadership among investors, companies, and capital market influencers to drive solutions and take action on the most pressing sustainability solutions. We organize the Business for Innovative Climate and Energy Policy Network (BICEP), a coalition of more than 85 major employers – including several with operations or business interests in Maryland - committed to advocating for stronger climate and clean energy policies at the state and federal levels.

HB419 presents a critical opportunity to protect Maryland businesses and ratepayers from escalating gas infrastructure costs. The current STRIDE law creates perverse financial incentives that drive unnecessary infrastructure spending, ultimately harming both consumers and economic competitiveness.

Business Impact of Current Gas Infrastructure Spending:

- BGE gas delivery rates have tripled since 2010, with utility profits jumping from \$147 million to \$485 million
- Utility infrastructure projects effectively function like high-interest mortgages that customers cannot avoid
- One home's infrastructure upgrade costs \$24,000 upfront but ultimately charges customers \$75,000 over the equipment's lifetime
- Projected total infrastructure costs could reach \$40 billion without intervention

Key Business-Friendly Provisions of HB419:

- Requires cost-effective infrastructure investments
- Mandates modern leak detection technology
- Prioritizes repair over replacement when economically viable
- Provides customers two years' notice before home infrastructure work
- Enables Public Service Commission to control excessive capital spending

By implementing these reforms, Maryland can:

- Control rising energy costs for businesses and ratepayers
- Improve infrastructure efficiency
- Reduce unnecessary ratepayer expenses
- Maintain critical infrastructure safety

This legislation represents a commonsense approach to balancing infrastructure needs with economic prudence, protecting both utility customers and the broader business ecosystem. We respectfully request a favorable report for HB 419 from this committee.

Thank you for your consideration.

Sincerely,

Jeff Mauk

Director, State Policy, Eastern Region, Ceres