

Economic Matters Committee Hearing February 6, 2025 House Bill 419 Natural Gas- STRIDE Reform FAVORABLE

Hello Mr. Chairman, Vice Chair Crosby and ECM members.

Our coalition strongly supports HB 419.

Maryland Energy Advocates Coalition advocates for affordable low-income family utility bills through advocacy, reporting, and education.

Heating a home has turned into a luxury. Today, a BGE family who heats their home with gas will spend about \$1.82 per therm on delivery. In 2021, it was about \$1.38 / therm. OPC estimates this delivery figure could be \$2.00 in the near future. The chart on page 2 illustrates how customers now spend 1/3 on the commodity and 2/3 to BGE to deliver the gas to their homes. A decade ago, it was the opposite.

In four short years because of BGE's extraordinary gas capital investment, the average low-income family that uses 940 therms gas in the winter mostly, will pay about **\$436 more** to pay for BGE to rebuild a gas system. And it's estimated to increase every single year going forward.

This is unsustainable and is causing terminations. Coupled with the extraordinary electricity supply rates, the average BGE bill for 660,000 families on gas increased from **\$2,400 in 2021 to \$3,500 in 2025.**

You can see the math for yourself here: <https://docs.google.com/spreadsheets/d/1zbnqQ4VnZrWX25JNtU08YMxIS0kencks2YgApxHnXO0/edit?gid=0#gid=0>

Future gas capital spending needs to be more balanced and HB419 begins that process.

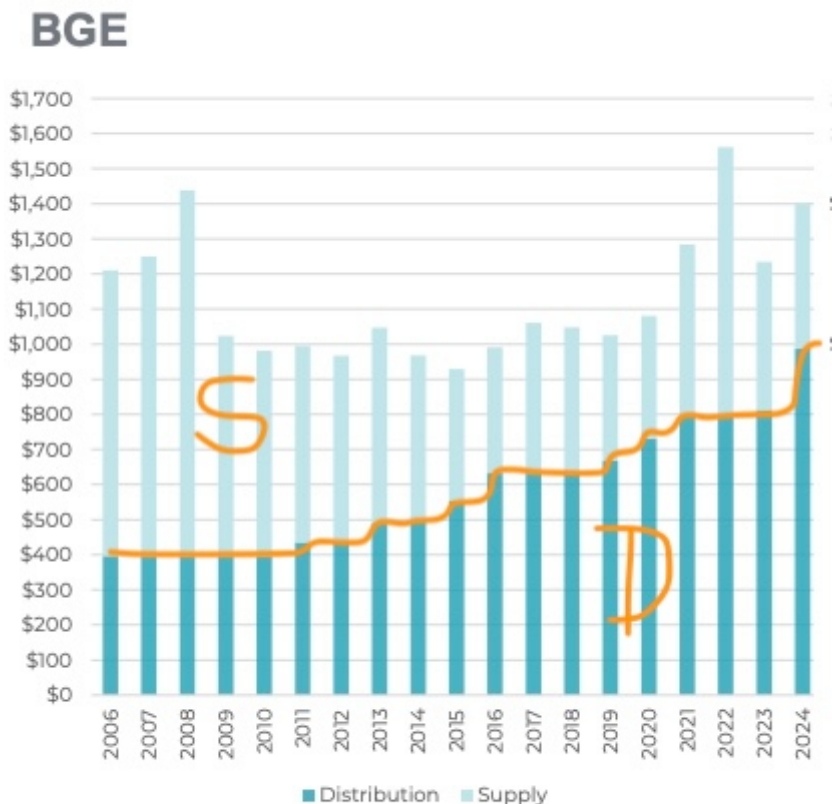
HB419's benefits are:

- 1. Reduce future gas delivery rates.
- 2. Reduce the likelihood of high terminations due to gas heating.
- 3. Reduce stranded costs as families migrate to electric heat pumps.
- 4. Gives the PSC tools to focus gas rate case decisions on pipeline leaks, safety and repair.

It's time for a more balanced gas system rebuild. As energy costs continue to rise, it is crucial for policymakers to balance necessary infrastructure improvements with the financial well-being of Maryland residents.

Legislative measures like HB419 represent practical steps toward achieving this balance and providing much-needed relief to consumers.

We ask for a favorable report.



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*Delivery charges e