



Committee: House Economic Matters

Testimony on: House Bill 419 – Ratepayer Protection Act

Organization: Mobilize Frederick

Submitting: Karen Cannon, Executive Director

Position: Favorable

Hearing Date: February 6, 2025

Dear Chair Wilson, Vice-Chair Crosby, and Committee Members:

Thank you for the opportunity to comment on House Bill 419 – the Ratepayer Protection Act. Mobilize Frederick urges the Committee to issue a **favorable** report on this bill, which would amend the Strategic Infrastructure Development and Enhancement law (STRIDE) to protect ratepayers from costly unnecessary utility investments in replacement of natural gas pipelines.

Mobilize Frederick is a nonprofit community advocacy organization formed to assist with implementing the recommendations of the 2021 Climate Response and Resilience Report (CRRR). The CRRR is a comprehensive climate action plan chartered by the City of Frederick and Frederick County designed to put Frederick City and County on the path to safer, healthier, and more resilient communities through innovative and effective local solutions to address climate change.

Natural gas is primarily methane. As a greenhouse gas, methane is 28 times more potent than an equivalent unit of CO₂. According to the International Energy Agency, the energy sector accounts for more than one-third of anthropogenic methane emissions.

Transitioning away from the use of natural gas to heat homes and power appliances is imperative to meet Maryland's climate goals.

STRIDE was enacted in 2013 and authorizes natural gas utilities to recover pipeline replacement expenditures through monthly surcharges on customer bills instead of seeking cost recovery authorization from the Public Service Commission through periodic rate proceedings. The practice of replacing natural gas infrastructure, regardless of whether targeted repairs could more cost effectively address safety issues, has led to significant rate increases for customers of several Maryland utilities. In addition, upgrading gas pipelines extends the system's useful life beyond the time when use of natural gas will need to be phased out in order to meet State greenhouse gas reduction targets. As a consequence, a

diminishing number of natural gas customers will be forced to shoulder the cost burden of these infrastructure investments.

House Bill 419 amends STRIDE to require that utility plans submitted to the PSC for replacement of natural gas pipelines: (1) prioritize infrastructure replacement investments based on risk to the public and cost effectiveness; (2) contain an analysis comparing the costs of replacement with alternatives, including leak detection and repair or abandonment in conjunction with electrification. House Bill 419 further requires utilities to provide customers with at least two years notice before commencing pipeline construction work, giving customers the option to transition off natural gas and electrify their homes.

House Bill 419 would help to ensure that future investments in natural gas infrastructure are prudent, aligned with State climate policy, and do not unnecessarily burden ratepayers.

For all the foregoing reasons, we urge the Committee to issue a **favorable** report on House Bill 419.

Karen Cannon
Executive Director

cc: Kathy Kinsey
Chair, Government Affairs and Policy Committee