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Delegate C.T. Wilson, Chair
House Economic Matters Committee
230 Taylor House Office Building
Annapolis, Maryland 21401

Re: **FAVORABLE** – HB419 – Natural Gas - Strategic Infrastructure Development and Enhancement (Ratepayer Protection Act)

Dear Chairman Wilson and Members of the Committee:

On behalf of the Green & Healthy Homes Initiative (GHHI), I submit for the record our testimony in support of HB419. GHHI is a 501(c)(3) national nonprofit organization headquartered in Baltimore, Maryland. Our mission is to address the social determinants of health, opportunity and racial and health equity through the creation of healthy, safe and climate resilient homes.

GHHI is the nation's lead authority on the benefits of a whole-house approach that aligns, braids and coordinates energy efficiency, health and safety to create an integrated home repair and retrofit delivery model to improve health, economic and social outcomes in line with the state's climate goals. The GHHI model has been supported by the US Department of Energy (DOE) and the US Department of Housing and Urban Development (HUD) as well as numerous states, cities and counties throughout the US. By delivering a standard of excellence, GHHI's work aims to eradicate the negative impact of historic disinvestment, the legacy of ill-conceived and unjust housing by creating holistically healthy housing for children, seniors and families in Maryland's low wealth communities. GHHI's work has been recognized through national best practice awards from the US Environmental Protection Agency (EPA) and HUD. In 2023, GHHI was awarded the Buildings Upgrade Prize award from the DOE in recognition of its proposed initiative to complete electrification of low-income households in East Baltimore through a community-driven, whole home initiative with health and safety, workforce, and efficiency benefits.

GHHI supports the passing of HB 419 because it will help ensure that Maryland families can live in healthy, safe, and affordable housing by taking a more thoughtful approach to utility planning.

GHHI's "10 Elements of a Green and Healthy Home" champions principles of a whole-house that include energy efficiency, thermal control and electrification—helping families consume less energy while creating a home free of health and safety hazards. Currently the STRIDE program and state utility planning pose a risk to these three elements for low-income households.

Concerns about energy affordability and impacts on low-income households

We have significant concerns about unnecessary and expensive investments in the gas infrastructure negatively impact energy affordability for low-income households. We have followed the reports from the Maryland Office of People's Council and advocates that have drawn attention to how gas delivery costs have increased dramatically in recent years. Since 2020, BGE gas delivery rates have increased 43%.¹ BGE infrastructure costs from pipeline replacement threaten to continue this trend into coming decades, even while Maryland climate planning suggest most—if not all – homes will move off gas.

We know that these increases hit low-income families hardest, especially when the winter comes and heating needs increase. A February 2023 report from PSE Energy found that around 400,000 Marylanders have an energy burden of over 6%, which is the threshold researchers use to define high burden.² As utility bills rise, this is becoming an increasing concern for many residents.

GHHI completes weatherization and energy efficiency work in low-income households in Baltimore City through DHCD and MEA programs. These measures help seniors stay in their homes, kids go to school without asthma symptoms, and families save some extra money each month to spend on necessities. However, when utility rates increase, clients cannot enjoy these benefits. Instead, they need to look for energy assistance programs, sacrifice other needs, or even look to live elsewhere.

This trend is likely to intensify in coming years if utilities continue replacing gas pipes at the same rate, while the rate of new customer acquisition slows or more households transition from gas to cheaper and cleaner electric energy. This bill is a step towards ensuring that Maryland takes a thoughtful approach to energy planning with a direct impact on households being able to meet their needs to keep their homes comfortable, thermally controlled, and energy efficient.

The case for an electric future

Building decarbonization provides health, economic and climate benefits that support the move to electric buildings. GHHI expects electric buildings to be an increasingly popular option for families and businesses. As a result, the investment in replacing our gas pipe system will become increasingly expensive and unnecessary if shared by a smaller customer base.

GHHI advances decarbonization as a health measure based on research finding that gas stoves are associated with a 43% increased risk of childhood asthma and fossil fuel space and water heating equipment contributes significant nitrous oxide and particulate matter pollution to Maryland communities. In September 2023, GHH, CASA, CCAN, and RMI published the report

¹ Upgrade Maryland Coalition, “Maryland advocates lambast latest BGE rate hike, call on state leaders to intervene.” <https://www.upgrademaryland.org/news-announcements/bge-rate-hike>

² Arjun Makhijani, et al, Energy Affordability in Maryland: Integrating Public Health, Equity and Climate, Executive Summary (Feb. 2023), available at https://www.psehealthyenergy.org/wp-content/uploads/2023/02/Energy-Affordability-in-Maryland-2023_-Final-Report-1.pdf.

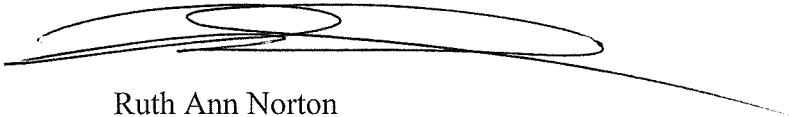
*Cutting Through the Smog*³ which highlighted that fossil fuel furnaces, HVAC systems, water heaters and other equipment emit more than three times as much health-harming nitrogen oxides as the Maryland's power plants. This disproportionately affects low-income residents and residents of color where pollution and environmental health impact issues are most likely to compound. The report highlights that outdoor pollution from fossil fuel equipment in Maryland caused an estimated 163 premature deaths in 2017 alone, driving about 3,500 cases of respiratory symptoms, 6,500 lost workdays, and \$1.3 billion in public health impacts per year. That is just based on outdoor air pollution.

Electrification eliminates these pollution sources from our homes and neighborhoods. Heat pumps and induction stoves are highly efficient, clean, and effective in Maryland. GHHI has seen these results in our Baltimore electrification program where we have delivered electrification interventions to over 20 Baltimore homes. We have also seen the state of Maryland take leadership action through the Governor's executive order from June 2024 which called on the Maryland Department of Environment to develop and Zero-Emission Heating Equipment Standard⁴. Maryland can have an electrified future that benefits all. The state does not need to make unnecessary investments in gas infrastructure to make that future more expensive.

Summary

This bill takes an important step in adding discretion to the process of replacing gas infrastructure so that the state is only making smart investments. We think the future of housing in Maryland will be (and should be) all electric for the health, economic, and climate benefits. Already utility costs are placing an undue burden on low-income households across the state. This may get worse in the future if the state does not plan thoughtfully. I urge the Committee to support the passage of HB419.

Respectfully Submitted,



Ruth Ann Norton
President and CEO

³ CASA, Green & Healthy Homes Initiative, Chesapeake Climate Action Network, and RMI, *Cutting Through the Smog: How Air Quality Standards Help Solve the Hidden Health Toll of Air Pollution From Maryland's Homes and Businesses* (September 2023), available at <https://www.greenandhealthyhomes.org/publication/cutting-through-the-smog/>

⁴ Governor Moore Signs Executive Order to Advance Maryland's Pollution Reduction Plan. <https://governor.maryland.gov/news/press/pages/governor-moore-signs-executive-order-to-advance-maryland%E2%80%99s-pollution-reduction-plan.aspx>