

Zeke Cohen President Baltimore City Council

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Re: Testimony on HB0419 Position: Favorable

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

As President of the Baltimore City Council, I support HB0419 because it puts cost controls on utility spending, ensures that spending prioritizes safety, and aligns utility investments with state climate goals.

Our public utility, Baltimore Gas and Electric (BGE), has received approval from the Public Service Commission (PSC) for gas distribution increases that are nearly three times the rate of inflation since 2010. The PSC has approved two-multi year rate increases for Baltimore Gas and Electric (BGE) since 2020, which have already increased gas distribution rates by 50% and electric distribution rates by 30%.

As currently structured, state law encourages irresponsible capital investment because it is profitable for utilities to replace gas infrastructure rather than consider more cost-effective alternatives. This not only raises rates for residents, who are <u>some of the most cost-burdened in the country</u>, but also locks in dependence on fossil fuels in a moment where we need to be transitioning away from them, in line with the State's ambitious climate goals.

I am grateful for this legislation, which addresses these issues directly by adjusting the standards which the PSC uses to consider rate increases. It addresses head-on the primary issues that drive up costs for ratepayers and harm the environment.

I ask that the committee report favorably on this bill.

Sincerely,

Zeke Cohen