



Maryland

Energy Administration

TO: Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee
FROM: MEA
SUBJECT: HB 419 Natural Gas - Strategic Infrastructure Development and Enhancement
(Ratepayer Protection Act)
DATE: February 6, 2025

MEA Position: FAVORABLE

The bill is a modest approach to the problem of accelerated gas infrastructure cost recovery under Maryland's decade-old Strategic Infrastructure Development and Enhancement (STRIDE) law. STRIDE has contributed to significant increases in ratepayer bills that have exceeded the cost of inflation, but has not required utilities to demonstrate that they can keep Marylanders safe with effective, least costly alternatives.

STRIDE allows utilities to benefit from accelerated cost recovery for methodically replacing or rehabilitating potentially leak-prone pipes. STRIDE programs are largely about prevention, not cure. **The Maryland Energy Administration (MEA) supports cost-reducing strategies for natural gas infrastructure safety.** And while there are viable, proven, safe and cost-effective alternatives to full-scale pipe replacement, Maryland utilities have used them very little—in large part because there is no explicit requirement for them to even consider them.

Non-pipelines alternatives include, for example: a joint encapsulation robot that can seal joints in cast iron pipe—where future leaks are most likely to occur—and may avoid or delay the need to replace an entire section of pipe; a cured in place pipe liner that can rehabilitate “leak-prone” pipe such as cast iron or bare steel, lasts up to 70-90 years, causes minimal disruption to businesses, traffic, and homes, and costs half as much as replacement; and targeted electrification, where gas utilities coordinate their pipe replacement plans with an electric utility to assess whether customers in a certain neighborhood have already electrified their homes and businesses, or plan to do so imminently.

This bill simply asks utilities to demonstrate that they have fully analyzed viable non-pipeline alternatives before they are permitted to benefit from STRIDE's up-front cost recovery. As utility rates continue to rise, it is more imperative than ever to ensure careful consideration of these less costly options for the benefit of ratepayers.

MEA urges the committee to issue a **favorable report**. Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Joyce Lombardi, Energy Policy Manager, at Joyce.Lombardi1@maryland.gov, or at (443) 401-1081.