



FAVORABLE – Senate Bill 779
Climate Solutions Now Act Affordability Act of 2025
Senate Education, Energy and the Environment Committee

Columbia Gas of Maryland, Inc. (Columbia) supports Senate Bill 779. The legislation amends the Climate Solutions Now Act (CSNA) to require actions mandated by the CSNA to be carried out to “the extent economically practicable”.

This includes requirements concerning achieving certain direct greenhouse gas emissions reductions from buildings, measuring and reporting direct emissions data to the Department of the Environment – the Building Energy Performance Standards (BEPS) regulations, achieving certain greenhouse gas emissions reduction goals, achieving zero-emission vehicle goals relating to the State vehicle fleet and local school buses, and other provisions.

Columbia has been significantly engaged on and concerned with the financial impact to our customers of the BEPS regulations promulgated by the Maryland Department of the Environment (MDE) because of the CSNA. The estimated costs to those who own or operate buildings that are 35,000 square feet or larger in Maryland are staggering.

The MDE’s own estimate of economic impact in the final regulations calculate covered building owners will spend more than \$5.7 billion on efficiency and electrification measures to achieve \$1.2 billion in energy cost savings without an Energy Use Intensity (EUI) standard. Those estimates climb to more than \$15 billion to be spent on efficiency and electrification measures to provide approximately \$9 billion in energy savings with the addition of EUI standards.

These significant costs will ultimately be paid for by all Marylanders, such as residential rental tenants, small business owners who rent space, college students and parents, medical patients at hospitals and offices, parents with children enrolled in pre-school or daycare facilities, senior citizens in a senior living community or care facility, owners of condominium units and Marylanders who buy groceries – just to name some of those impacted by the billions of dollars in new costs that will be incurred due to the BEPS.

Furthermore, MDE’s economic impact study was done prior to the July 30, 2024, PJM Interconnection power market auction, which produced a \$269.92/MW-day price for most of the PJM footprint, compared to \$28.92/MW-day for the prior auction (a more than 800% increase). We are confident the MDE energy costs savings estimates are now overstated as a result of these increasing electricity costs, and the public and Maryland General Assembly should be aware of the new economic impact to building owners.

The amending of CSNA and its requirements to include “to the extent economically practicable” will reduce the cost increases to all Marylanders that will occur with the implementation of BEPS and other CSNA provisions.

Addressing climate change and reducing greenhouse gas emissions is a priority for a number of advocacy groups and policymakers. However, such a priority should not come at the expense of damaging the state’s economy and Maryland’s economic competitiveness. Senate Bill 779 is a commonsense approach on this issue.

Columbia believes the requirements of Senate Bill 779 are appropriately and reasonably crafted policies related to reducing the financial impact of CSNA and the BEPS regulations on Marylanders, and therefore supports the legislation.

February 27, 2025

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