



Montgomery County

Office of Intergovernmental Relations

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SB 998

DATE: March 13, 2025

SPONSOR: Senator M. Washington

ASSIGNED TO: Education, Energy, and the Environment Committee

CONTACT PERSON: Garrett Fitzgerald (garrett.fitzgerald@montgomerycountymd.gov)

POSITION: Favorable (Department of Environmental Protection)

Natural Gas - Strategic Infrastructure Development and Enhancement (Ratepayer Protection Act)

As energy costs continue to rise, it is critically important that future investments in our energy infrastructure are made as cost-effectively as possible while balancing State priorities. This legislation represents an important step in ensuring that future utility infrastructure investments in Maryland are made in the public interest from the standpoint of public safety, cost, and alignment with State climate policy.

This bill would require natural gas utilities filing infrastructure investment and cost-recovery plans with the Maryland Public Service Commission to demonstrate that they are prioritizing projects based on public safety risk and cost-effectiveness. Those plans would also be required to include an analysis comparing the costs of gas line replacement with alternatives such as leak repair or the targeted retirement of portions of the gas system in conjunction with the installation of electric equipment. High efficiency electric appliances such as heat pumps and heat pump water heaters are now widely available on the market, and it is possible to meet building energy needs without the continued use of gas. Analyzing these alternatives would be a prudent step in the public interest.

This bill would also require the Public Service Commission, in approving plans filed by the gas utilities, to consider whether the proposed investments are: required to improve the safety of the gas system after considering alternatives to line replacement; consistent with the need to reduce the use of natural gas in light of State climate policy; and consistent with the availability and cost-effectiveness of natural gas alternatives.

These are small and reasonable requirements that will aid the Public Service Commission in ensuring that future ratepayer-funded investments in natural gas infrastructure are made with appropriate consideration of alternatives to costly gas line replacement.

We respectfully request that the Education, Energy, and the Environment Committee give Senate Bill 998 a favorable report.