



February 27, 2025

**SENATE EDUCATION, ENERGY AND THE ENVIRONMENT COMMITTEE**  
**SB 779 – Climate Solutions Now Act Affordability Act of 2025**

**Statement in Support**

Chesapeake Utilities Corporation ("Chesapeake Utilities") **SUPPORTS** the provisions contained in SB 779, which specifies that certain requirements under the Climate Solutions Now Act of 2022 ("CSNA") are 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.

Chesapeake Utilities operates natural gas local distribution companies that serve approximately 32,000 customers on Maryland's Eastern Shore in Caroline, Cecil, Dorchester, Somerset, Wicomico, and Worcester Counties. These public utilities are regulated by the Maryland Public Service Commission and have provided in the coldest months of the year safe, reliable, resilient, and affordable service in the state for decades. As a company, Chesapeake Utilities serves as a positive and informed resource in the ongoing energy and climate change discussions and a driver of economic development and increased employment opportunities. Moreover, Chesapeake Utilities is committed to continuing being part of the solution as Maryland addresses greenhouse gas emissions.

**SB 779 Can Help Balance the Costs Relating to the State's Climate Goals.** Addressing climate change and reducing greenhouse gas emissions is a priority for the State. SB 779 can help balance the environmental objectives and costs relating to the State's net-zero statewide greenhouse gas ("GHG") emissions reduction goals with economic realities. Including the language "to the extent economically practicable" to the CSNA will reduce the cost increases of the CSNA, specifically the BEPs requirements, for all Maryland citizens. This will prevent undue financial strain on individuals and businesses, and allow for adjustments based on economic conditions, technological advancements, and resource availability.

**The Costs of BEPS is Significant.** The significant costs of BEPS is in the billions of dollars and will ultimately impact all Marylanders. 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. This cost estimate is without an Energy Use Intensity ("EUI") standard. In addition, this estimate 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).



On behalf of Chesapeake Utilities Corporation, and our thousands of employees and their families who contribute every day in the communities where they live, work and serve, we respectfully request an favorable vote on SB 779.

Sincerely,

Chesapeake Utilities Corporation  
Steve Baccino, Governmental Affairs Director  
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