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## **SB 998 - Natural Gas: Strategic Infrastructure Development and Enhancement**

### **(Ratepayer Protection Act)**

**Education, Energy, and the Environment Committee Hearing Date: March 13, 2025**

### **FAVORABLE**

Good afternoon, Chair Feldman and Members of the Senate Education, Energy, and the Environment Committee. I am Laurel Peltier, a volunteer at AARP Maryland, representing over 850,000 members, and I appreciate the opportunity to provide testimony in **support of SB 998 Natural Gas: Strategic Infrastructure Development and Enhancement - the Ratepayer Protection Act**. This legislation is crucial in ensuring fairness and accountability in the process of upgrading Maryland's natural gas infrastructure, particularly for older Marylanders living on fixed or limited incomes. We thank Senator Washington for sponsoring this legislation.

### **The Importance of Ratepayer Protections for Older Marylanders**

Older Marylanders are uniquely vulnerable to the rising costs of utility services, as many live on fixed incomes that do not adjust quickly or sufficiently to accommodate utility rate hikes. The existing process for approving a Strategic Infrastructure Development and Enhancement also known as STRIDE surcharges—which are additional fees added to utility bills for gas infrastructure replacement—has placed a significant burden on this demographic. As utility rates continue to rise, many older adults find themselves making difficult trade-offs between paying their bills and meeting essential needs, such as food, healthcare, or medication.

### **SB 998 provides critical protections by:**

#### **1. Requiring Greater Transparency and Accountability**

Gas companies would need to provide comprehensive and detailed plans when requesting infrastructure project approval, allowing the Public Service Commission (PSC) to fully evaluate whether the proposed projects are necessary for cost-effective, and in the public's best interest. This protects ratepayers, including older adults, from unnecessary or inflated costs.

#### **2. Mandating Justification for Rate Increases**

The bill ensures that gas companies must demonstrate clear evidence of safety improvements and infrastructure need before receiving approval for surcharge increases. This provision benefits older residents by prioritizing affordability and preventing unwarranted utility expenses that could disproportionately harm those on limited budgets.

#### **3. Adding Additional Criteria for Approval**

By requiring PSC to evaluate broader criteria, including cost-effectiveness, necessity, and long-term impact, SB 998 safeguards older Marylanders from being forced to shoulder the financial burden of projects that provide minimal public benefit or could be deferred without compromising safety.

### **Ensuring Equitable Treatment for Vulnerable Populations**

Many older Marylanders live in homes that rely on natural gas for heating, cooking, and other essential services. Ensuring that infrastructure investments are well-planned and fiscally responsible is critical to preventing sudden and unaffordable rate increases that could push them into financial hardship. Without these safeguards, older adults are at risk of falling behind on payments or having to seek assistance from public programs already facing high demand.

### **Conclusion**

AARP Maryland supports SB 998 because it introduces much-needed reforms that protect ratepayers from unchecked gas rate hikes while ensuring that any approved gas infrastructure upgrades are necessary and beneficial. This bill strikes a balance between safety and affordability, making it an essential step toward supporting Maryland's aging population and ensuring that natural gas services remain within reach for all.

We respectfully urge a **favorable report** on SB 998 and thank the committee for considering this important legislation. If you need follow up or questions, please email [tbresnahan@aarp.org](mailto:tbresnahan@aarp.org) or by calling 410-302-8451.