



FAVORABLE – House Bill 1258
Consumer Goods – Restrictions Based on Energy Source - Prohibition
House Environment and Transportation Committee

Columbia Gas of Maryland, Inc., a natural gas utility providing energy to more than 34,000 customers in Maryland's western counties of Allegany, Garrett and Washington, supports House Bill 1258.

The legislation is designed to ensure Maryland residents can continue to purchase and utilize consumer goods regardless of the type of energy used to power the consumer good. In addition, the legislation repeals provisions of law related to a low emission vehicle program and provisions of law related to a zero-emission medium- and heavy-duty vehicle sales program.

Columbia's comments are focused on the "energy choice" provisions of the legislation. Columbia is informed, 26 states have adopted similar "energy choice" legislation to ensure residents can continue to use goods and products powered with the energy source that best matches their lifestyle. Columbia understands other state's "energy choice" legislation was passed with bipartisan support.

Columbia is further informed more than 100 localities across the country and several states have undertaken efforts to prohibit or severely restrict an energy source to its citizens. These bans have taken many forms either via ordinance or building code and many times have been adopted with little public awareness or input. These bans deprive consumers of choice, increase costs, threaten energy reliability and resilience, and significantly impact economic development.

Maryland natural gas consumers enjoy natural gas because it is affordable and reliable when needed the most. Polling conducted on behalf of the American Gas Association (AGA) found Americans oppose banning the use of natural gas by a two-to-one margin. It is notable Columbia sees continued interest in using natural gas in our service territory. Since 2016, the share of homes using natural gas for space heat has grown from 35% to 40%, compared to a decline in homes using electricity for heat from 38% to 36%. And although the number of our customers has been increasing, natural gas emissions have been declining. From 2005 through 2022, our total number of customers has grown by 9.7%, yet our customers' emissions have declined by 5.7%.

The natural gas system is strong and reliable, particularly during times of peak demand. Efforts to prohibit natural gas in Maryland would result in both immediate and long-term cost increases that would adversely affect energy affordability in the state.

Based on a recent study by Columbia Gas examining annual operating costs for customers in our service territory that compared current electric rates with our natural gas rates, natural gas is a lower cost heating fuel. A customer using a natural gas furnace can save more than 60%, compared to a similar customer using an electric resistance furnace. Customers using a modern gas furnace can save 10% - 34% compared to similar electric heat pumps. Prohibiting energy choice will increase costs to Marylanders.

Continuing to utilize the existing natural gas system is an affordable option for Maryland homes and businesses and a pathway for energy reliability. The preservation of natural gas gives residents the ability to stay warm on the coldest days of the year – like we experienced in mid-January 2025. With some areas of our service territory experiencing single digit daily high temperatures and temperatures as cold as -9 degrees at night our customers were provided the energy they needed when they needed it. On an energy equivalent basis, the gas system provides three times the energy as that of the electric sector during peak winter months.

Overreliance on any one source of energy can jeopardize overall energy system reliability and resilience and ultimately result in greater costs for all consumers. The natural gas distribution system is an incredibly reliable energy delivery system with unplanned outages affecting only about 1 in 800 natural gas customers per year. By comparison, electric distribution systems have an average of one outage per year per customer.

Preserving consumer energy options also ensures Maryland can take full advantage of a wide range of new and innovative technologies that can utilize the gas distribution system. The greater use of renewable natural gas and hydrogen can reduce greenhouse gas (GHG) emissions in Maryland, but efforts seeking to ban natural gas infrastructure and hook ups would severely limit Maryland's ability to be innovative and reduce GHG emissions.

Columbia Gas of Maryland believes the requirements of House Bill 1258 are appropriately and reasonably crafted policies related to Maryland's energy policies and supports the legislation.

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