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COMMITTEE: ENVIRONMENT AND TRANSPORTATION COMMITTEE

TESTIMONY ON: CLIMATE SOLUTIONS AFFORDABILITY ACT OF 2026

POSITION: SUPPORT

HEARING DATE: FEBRUARY 4 AT 1:00 PM

WASHINGTON GAS RESPECTFULLY SUBMITS THIS STATEMENT IN **SUPPORT TO HOUSE BILL 79 – CLIMATE SOLUTIONS AFFORDABILITY ACT OF 2026**

I. Purpose and Importance of HB 79

HB 79 provides essential flexibility in the implementation of Maryland’s Climate Solutions Now Act of 2022 by ensuring its requirements are carried out only to the extent economically practicable. The bill applies this standard to several key mandates, including:

- Requirements for direct greenhouse gas emissions reductions from certain buildings
- Requirements for measuring and reporting direct emissions data to the Maryland Department of the Environment
- Statewide greenhouse gas reduction goals
- Zero emission vehicle goals for the State fleet and local school buses
- Adoption of advanced building and construction codes
- Prevailing wage requirements for contractors on certain utility projects

This clarification is both necessary and timely. According to the Maryland Department of the Environment’s most recent inventory, the state has achieved only a 28% reduction in greenhouse gas emissions from 2006 to 2023, and preliminary projections for 2035 show little additional progress, indicating that the 60 percent reduction target remains far from reach. While the Climate Solutions Now Act is an ambitious and important framework for reducing emissions, its implementation must be financially sustainable for Maryland families, businesses, schools, and local governments.

II. HB 79 Protects Ratepayers and Affordability

Many of the mandates included in the 2022 climate law require substantial capital investment from property owners, school systems, local governments, and utility customers. HB 79 recognizes the practical realities of rising construction costs, supply chain constraints, inflationary pressures, and technological limitations.

By conditioning implementation on economic practicability, the bill ensures Marylanders are not burdened by:

- Cost prohibitive building retrofits

- Premature turnover of vehicle fleets
- Unfunded mandates that disproportionately impact disadvantaged communities

Affordability is a core principle of climate equity. HB 79 protects low- and moderate-income households from bearing disproportionate costs while still allowing the state to pursue meaningful and achievable emissions reductions.

III. HB 79 Supports Practical Climate Progress

HB 79 does not roll back climate commitments, weaken emissions standards, or reject the state's long term decarbonization goals. Instead, it ensures:

- Implementation aligns with available technology
- Compliance timelines reflect real world constraints
- Local governments and schools are not forced to choose between climate investments and essential services
- Ratepayer dollars are spent efficiently and responsibly

When mandates are feasible, they move forward. When they are not, HB 79 allows the state to adjust implementation without abandoning overall climate objectives. This approach increases the likelihood of durable and sustained progress toward Maryland's emissions goals.

IV. HB 79 Balances Environmental Stewardship with Economic Realities

Maryland can and should continue leading on climate policy. But leadership must balance ambitious emissions targets with practical and cost-conscious pathways to achieve them. HB 79 provides that balance by:

- Allowing flexibility in adopting advanced building codes
- Avoiding rushed or financially unviable electrification measures
- Supporting school districts' transition to zero emission buses when technologies and budgets align

This bill does not undermine climate action. It strengthens it by ensuring long term public support and fiscal sustainability.

V. HB 79 Protects Customer Choice in Energy Options

An additional and important benefit of HB 79 is the protection of customer choice as Maryland navigates a complex and rapidly evolving electricity crisis. Conditioning climate mandates on economic practicability ensures that residents, businesses, and institutions retain the ability to choose energy solutions that best meet their financial, operational, and environmental needs.

As the state works toward long term emissions reduction goals, Marylanders should not face situations where:

- Electrification mandates move faster than market ready technologies
- Energy options become cost prohibitive for households or small businesses
- Building owners are required to make premature or unnecessary fuel switching investments

- Local governments and school systems must reduce service quality in order to comply with inflexible requirements

HB 79 maintains room for a balanced and customer centered approach by ensuring that climate compliance pathways remain flexible, financially realistic, and scaled to economic circumstances. This protects consumer autonomy and ensures that the state's climate strategy does not narrow choices or create undue cost burdens for families and communities already managing high energy and housing costs.

VI. Conclusion

For Maryland to meet its climate goals, we need policies that are not only environmentally sound but also economically viable. HB 79 makes the Climate Solutions Now Act more realistic, more affordable, and more achievable. I respectfully urge the Committee to give a favorable report on House Bill 79.

About Washington Gas

Washington Gas Light Company provides safe, reliable natural gas service to more than 1.2 million customers in Maryland, Virginia, and the District of Columbia. Washington Gas has been providing energy to residential, commercial, government, and industrial customers for more than 177 years, and currently serves nearly 520,000 Maryland customers in Montgomery, Prince George's, Charles, St. Mary's, Frederick, and Calvert Counties. The Company employs over 600 employees in Maryland, and hundreds of outside contractors, plumbers, union workers, and other skilled tradespeople. The Company strives to improve the quality of life in our communities by maintaining a locally-based workforce, working with suppliers that represent and reflect the communities we serve, and giving back through its charitable contributions and employee volunteer activities. The Company, together with other natural gas distribution utilities, are responsible for delivering the primary source of heat to Maryland residential energy consumers, serving approximately one half of all Maryland households while providing critical energy services to residential, commercial, and industrial customers at one-third the cost of electricity on a per unit basis.

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