



Testimony on: HB1253 – Gas Companies - Infrastructure Investments - Cost Recovery and Customer Notification (Break STRIDE Act)

Committee: Environment & Transportation

Organization: Maryland Legislative Coalition Climate Justice Wing

Submitting: Monica Oconnor, Co-Chair

Position: Favorable

Hearing Date: March 10, 2026

Dear Chair Korman, Vice Chair Guyton and Committee Members:

We are providing our testimony today in support of HB1253 - Break STRIDE Act. The Maryland Legislative Coalition Climate Justice Wing is a statewide coalition of 32 grassroots and professional organizations focused on climate justice and we urge you to vote favorably on HB1253.

The Break Stride Act (HB1253) repeals the 2013 Strategic Infrastructure Development and Enhancement Plan (STRIDE) law; ending a program intended to incentivize gas utilities to fix aging pipeline infrastructure, but has instead led to overinvestment in costly capital project expenditures. These investments, along with a profit, are paid back to utilities by ratepayers over many decades - driving huge rate increases, without measurably improving gas utility service. The Maryland legislative Coalition- Climate Justice Wing strongly supports HB1253.

Despite utilities' legal obligation to provide safe service, the Maryland legislature passed the 2013 STRIDE law providing gas utilities with a financial incentive (i.e., advanced cost recovery through a ratepayer surcharge) to proactively replace aging gas pipes and equipment. But nothing in the law required that utilities target leaks, prioritize safety, or be cost effective in their work. For more than a decade gas utilities have taken advantage of STRIDE, prioritizing capital investment in gas system replacement - a huge moneymaker - over fixing the riskiest pipes and utilizing cost effective alternatives. The Maryland Office of the People's Counsel found that since 2014, gas utilities have spent more than \$2 billion under the STRIDE law on new gas infrastructure, and without intervention, Maryland gas utilities are expected to spend nearly \$8 billion more on STRIDE related projects. Maryland ratepayers are on the hook to cover these costs, as well as the additional return on investment profits for utilities, amounting to over \$41.5 billion over the life of the program.

Skyrocketing utility bills in 2025 pushed the General Assembly to pass the Ratepayer Protection Act as part of the Next Generation Energy Act. The Ratepayer Protection Act of 2025 directs gas

pipeline spending to prioritize safety and be cost effective and requires gas utilities to consider alternatives to replacement including repair, relining, and non-pipeline alternatives. However, since the law went into effect, Washington Gas, and BGE have both argued at the Public Service Commission (PSC) that they do not have to comply with the law or that the law does apply to them until they file a new STRIDE program or rate case. The PSC has been unwilling to stop the 2026 project work for either utility.

Maryland gas ratepayers need meaningful relief now. The Break STRIDE Act repeals the surcharge for gas capital spending (which is currently being used by WGL) and prohibits the use of Multi-Year Rate Plans, forecasted rates and other forms of “advance recovery” for gas capital work (which is being used by BGE). It requires gas utilities to prioritize safety, be cost effective and to demonstrate spending is just and prudent before charging customers by prohibiting forecasted ratemaking and advanced recovery for gas pipeline replacements.

HB1253 makes a clean break from STRIDE, protects gas customers from excessive utility bills and improves pipeline safety. For these reasons we request a FAVORABLE report.

350MoCo

Cedar Lane Unitarian Universalist Church Environmental Justice Ministry

Chesapeake Earth Holders

Chesapeake Physicians for Social Responsibility

Climate Law and Policy Project

Climate Communications Coalition

Climate Parents of Prince George’s

Climate Reality Greater Maryland

ClimateXChange

Coming Clean Network, Union of Concerned Scientists

DoTheMostGood Montgomery County

Echotopia

Elders Climate Action Maryland

Fix Maryland Rail

Glen Echo Heights Mobilization

Greenbelt Climate Action Network

HoCoClimateAction

Howard County Indivisible

Maryland Legislative Coalition

Maryland Energy Advocates

Maryland Third Act

Mizrahi Family Charitable Fund

Mobilize Frederick

Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Mountain Maryland Movement
Nuclear Information & Resource Service
Progressive Maryland
Safe & Healthy Playing Fields
Takoma Park Mobilization Environment Committee
The Climate Mobilization MoCo Chapter
Unitarian Universalist Legislative Ministry of Maryland