

OPPOSE Senate Bill 76
Senate Bill 76 – Climate Crisis and Education Act
Senate Budget and Taxation Committee

Columbia Gas of Maryland, Inc. opposes Senate Bill 76. Senate Bill 76 is not an efficient policy to reduce greenhouse gas emissions in Maryland. The proposed tax would significantly increase the cost of heating, cooking, and clothes drying for the average natural gas customer without providing a clear, defined, and cost-effective greenhouse gas reduction benefit. The proposal would increase the average residential customer bill by an estimated 9% in 2022 and 28% by 2030. Furthermore, the costs for any education or infrastructure fund should be shared by all Marylanders and not paid for disproportionately by natural gas customers. These customer costs are all based on the presumption of recovery through distribution rates, as laid out in the bill. This recovery is far from assured as there is no guarantee that the PSC would approve what essentially is a tax on supply as appropriate distribution costs. It is therefore worth noting that the millions of dollars of owed taxes would likely exceed Columbia's net income in short order.

Natural gas is helping Maryland achieve the goals of the Greenhouse Gas Emissions Reductions Act (GGRA). Columbia Gas of Maryland, specifically, has reduced emissions from its main and service lines by more than 50% since 2005 through the replacement of priority pipe and the Strategic Infrastructure Development and Enhancement (STRIDE) program. Columbia Gas of Maryland has invested approximately \$86 million in STRIDE projects since 2014 to provide safe and reliable service and environmental benefits. Many jobs have also been added through the STRIDE program, and the company projects to invest approximately \$69 million more by 2023.

Columbia Gas of Maryland was a founding member of the Environmental Protection Agency's Methane Challenge, a voluntary program to recognize companies that make specific and transparent commitments to reduce methane emissions. Columbia also continues to discuss regulatory options with the Department of the Environment to reduce emissions from the natural gas supply chain, and is committed to offering energy efficiency programs to lower energy bills for customers and avoid future emissions.

Approximately 179 million Americans and more than four out of every ten Maryland households¹ rely on natural gas as an affordable, reliable, safe, efficient, and environmentally responsible energy source. Nationally, residential natural gas accounts for only 4% of total U.S. greenhouse gas emissions,² and American Gas Association utilities including Columbia are committed to reducing emissions through smart innovation, new and modernized infrastructure, and advanced technologies that maintain reliable, resilient, and affordable energy service choices for consumers.³

For the reasons set forth above, Columbia Gas opposes Senate Bill 76 and requests an unfavorable report.

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¹ <https://www.eia.gov/state/analysis.php?sid=MD#47>

² <http://playbook.aga.org/>

³ https://www.aga.org/globalassets/aga_climate-change-document_final.pdf