

January 19, 2021

**Testimony on HB 199 –
Utility Regulation - Consideration of Climate and Labor
Economic Matters**

Position: Favorable

Climate Parents of Prince George's County, supports HB 199, Utility Regulation - Consideration of Climate and Labor.

To frame this we want to point to a 2019 report titled "Clear, Present and Underpriced: The Physical Risks of Climate Change" by the Rhodium Group, a leading nonpartisan consulting firm. The report states "Climate change is here and exposing individual assets, industries, and entire regional economies to new risks. Heat waves, hurricanes, high tide flooding, and other extreme weather events have become more severe—and more costly. Investors have been slow to understand and respond to these physical climate risks and their economic and market implications. With new data and tools, better risk management is possible."

When it comes to this consideration of these risks, one of the most important decision makers in Maryland is the Public Service Commission (PSC). They evaluate projects that can both have an effect on exacerbating climate change and can become stranded financial assets if the proper evaluation of the future is not conducted. The PSC must consider the climate risks associated with expanding the natural gas pipeline network, of building and maintaining fossil-fuel power plants, and of limiting renewable development. And it isn't just about evaluating how energy is produced either. If climate is not considered, major projects could be built in areas prone to flooding or face other consequences from natural phenomena that are worsening under climate change.

If the PSC is not required to consider climate we risk building power plants and pipelines with large capital costs that will go underutilized or become stranded assets that we are paying for years to come, we risk placing assets in the way of floods and other natural disasters possibly rendering them unusable, we risk underbuilding the assets we need for a 21st century economic in Maryland, and worst we risk destroying the planet that future generations will need to live on.

As parents of children that are growing up in this time we know that the PSC will need to be directed by the Maryland General Assembly through its legislation how to properly evaluate its decision making in light of their future. Do we want Maryland children to have skyrocketing energy costs because they have to pay off natural gas infrastructure that could only be used for ten years? Do we want Maryland children to have to pay to replace a five year old solar facility because the siting did not include an evaluation of the risks of climate induced flooding? More importantly do we want Maryland children to live in a world where the PSC did not consider whether their future planet would be livable in favor of short term interests? We need the MDGA to act and direct the PSC to make these considerations when examining projects.

We encourage a FAVORABLE report for this important legislation.