

Education, Health, and Environmental Affairs
01/28/2021

Senate Bill 414 – Climate Solutions Now Act of 2021
POSITION: OPPOSE

While this legislation would impact just about every corner of Maryland’s economy, we’d like to focus on the proposed social cost of carbon on page 18, which would be “at least \$50 per ton of carbon dioxide equivalent”.

For this Committee’s review, we projected the impact on natural gas customers by using the average annual natural gas used from October 2018 through September 2019 by Washington Gas customers. We used this figure to calculate the associated carbon emissions (in metric tons). From there, we placed a \$60 per metric ton cost to determine the impact on Maryland homes and businesses:

	\$60/metric ton carbon tax impacts	
	<i>\$ Annual Increase</i>	<i>% Annual Increase</i>
Residential	\$250	29.9%
Commercial	\$5,786	35.1%
Interruptible	\$206,875	50.9%

As the Committee can see from the chart above, for the average homeowner and business this will increase their energy costs significantly.

Sustainability is a core value at WGL, as is the need to provide affordable and resilient energy. We strive to be responsible stewards of the environment, be active members of the communities we serve and provide clean energy solutions to customers. We believe that making sound investments today can help consumers find a better path tomorrow.

For example, through our Maryland Strategic Infrastructure Development and Enhancement Plan (STRIDE), we are authorized to accelerate replacement of targeted pipes for safety and environmental reasons reducing emissions throughout Maryland. We currently have 14 STRIDE projects underway across the state of Maryland. As of 2018, Washington Gas has replaced 21,657 miles of mains and services and will have reduced state GHG emissions by 32,000 metric tons because of these infrastructure enhancements.

That is equivalent to:

- 3,579,000 gallons of less gasoline used
- 6,752 fewer passenger vehicles on the road
- 3,810 homes’ energy use avoided per year

- 73,640 barrels of oil avoided

With almost half a million customers in Maryland, we take pride in our company's ability to provide energy to families and businesses in six counties throughout the state. On behalf of our employees and customers across Maryland, we ask for an unfavorable report on SB 414.

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