

SUPPORT WITH AMENDMENTS – Senate Bill 905
Electric Companies, Gas Companies, and the Department of Housing and
Community Development Energy Efficiency and Conservation Plans Act of 2023
Senate Education, Energy and the Environment Committee

Columbia Gas of Maryland, Inc. supports Senate Bill 905, with amendments. Senate Bill 905 modifies the Public Utilities Section of the Code of Maryland to require each electric company, gas company and the Department of Housing and Community Development to propose and create cost-effective energy efficiency, conservation, and greenhouse gas emissions reduction programs and services for their customers. The goals of the legislation are reasonable -- to encourage and promote the efficient use and conservation of energy in support of greenhouse gas emissions reduction goals.

Columbia Gas is committed to these goals to improve energy efficiency of our customers, reduce the greenhouse gas emissions of our operations, and pursue opportunities to reduce customer emissions. The proposed legislation would accomplish this by requiring gas companies to establish conservation and greenhouse gas emission reduction programs and services that the Maryland Public Service Commission (PSC) determines to be appropriate and cost-effective. The legislation provides cost recovery and reasonable financial incentives for electric companies and gas companies to create and implement such programs.

While supporting the intent of SB 905, Columbia Gas believes the proposed legislation can be strengthened with several minor amendments related to modifying the consultation deadline with the PSC and other stakeholders, as well as plan filing timelines for electric companies or gas companies who have not previously filed energy conservation and greenhouse reduction plans. Specifically, the amendments would allow first-time filers slightly more time (three months) to complete their first consultation and first plan.

In addition, Columbia proposes amendment language clarifying the importance of the overall cost-effectiveness of a proposed energy efficiency and greenhouse gas emission reduction plan. Each electric and gas company in Maryland is unique, and each serves a unique area and customer base. Energy efficiency and greenhouse gas emission reduction plans proposed to the PSC must be realistic and not adversely impact an electric company's or gas company's ratepayers. The costs to ratepayers of proposed programs under this legislation must not exceed the benefits to ratepayers.

Columbia Gas believes the requirements of SB 905 are appropriately and reasonably crafted policies on energy conservation and greenhouse gas emission reductions and supports the legislation with the attached proposed amendments.

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Columbia Gas Proposed Amendment to SB 905

Amend page 7, line 15

6 (A) (1) ON OR BEFORE JULY 1, 2023, AND EVERY 3 YEARS THEREAFTER,
7 EACH ELECTRIC COMPANY, EACH GAS COMPANY, AND THE DEPARTMENT OF
8 HOUSING AND COMMUNITY DEVELOPMENT SHALL CONSULT WITH THE TECHNICAL
9 STAFF OF THE COMMISSION, THE OFFICE OF PEOPLE’S COUNSEL, THE MARYLAND
10 ENERGY ADMINISTRATION, AND THE DEPARTMENT OF THE ENVIRONMENT
11 REGARDING THE DESIGN AND ADEQUACY OF ITS PLANS FOR ACHIEVING THE
12 EFFICIENT USE AND CONSERVATION OF ENERGY IN SUPPORT OF THE GREENHOUSE
13 GAS EMISSIONS REDUCTION GOALS AND TARGETS SPECIFIED IN §§ 2–1201 AND
14 2–1204.1 OF THE ENVIRONMENT ARTICLE AND SET BY THE COMMISSION UNDER §
15 7–223(A) OF THIS SUBTITLE. **IF A COMPANY HAS NOT PREVIOUSLY FILED A PLAN
16 PURSUANT TO SECTION 7-211(H) (REPEALED BY HB 1035), IT SHALL CONSULT ON
17 OR BEFORE OCTOBER 1, 2023 AND THEN ON OR BEFORE JULY 1ST EVERY THREE
18 YEARS THEREAFTER.**

Amend page 7, line 25

22 (B) (1) ON OR BEFORE SEPTEMBER 1, 2023, AND EVERY 3 YEARS
23 THEREAFTER, AN ELECTRIC COMPANY, A GAS COMPANY, AND THE DEPARTMENT OF
24 HOUSING AND COMMUNITY DEVELOPMENT SHALL SUBMIT ITS PLAN TO THE
25 COMMISSION. **IF A COMPANY HAS NOT PREVIOUSLY FILED A PLAN PURSUANT TO
26 SECTION 7-211(H) (REPEALED BY HB 1035), IT SHALL BE DUE ON DECEMBER 1, 2023
27 AND THEN ON SEPTEMBER 1ST EVERY THREE YEARS THEREAFTER.**

Amend page 8, line 27

23 (I) THE COST–EFFECTIVENESS OF THE RESIDENTIAL AND
24 COMMERCIAL SECTOR SUBPORTFOLIOS BY USING THE PRIMARY STATE
25 JURISDICTION–SPECIFIC TEST, AS DEVELOPED, UPDATED, OR APPROVED BY THE
26 COMMISSION;
27 **(II) THE COST-EFFECTIVENESS OF THE PLAN OVERALL;**
27 **(III) THE IMPACT ON RATES OF EACH RATEPAYER CLASS;**
28 **(IV) THE IMPACT ON JOBS;**
29 **(V) THE IMPACT ON THE ENVIRONMENT; AND**
30 **(VI) THE IMPACT ON THE GREENHOUSE GAS EMISSIONS**
31 **REDUCTION TARGETS SPECIFIED IN §§ 2–1201 AND 2–1204.1 OF THE ENVIRONMENT**
32 **ARTICLE AND SET BY THE COMMISSION UNDER § 7–223(A) OF THIS SUBTITLE.**