

**OPPOSE – House Bill 516  
Establishing the Climate Crisis Initiative in the Department of the Environment  
to provide for the assessment of greenhouse gas fees  
House Economic Matters Committee**

Columbia Gas of Maryland, Inc., serving more than 34,000 customers in western Maryland, opposes House Bill 516, which creates and implements a new greenhouse gas (GHG) pollution fee collected on all fossil fuels brought into the state for combustion. This legislation places a **new significant tax burden** on Marylanders who use natural gas to heat their homes, cook their food, bathe and shower, clean their clothes and homes, and energize their businesses.

The proposed tax on homes and businesses using natural gas will place additional financial burdens on more than 1.2 million Maryland natural gas customers. The legislation penalizes the role natural gas can continue to play in achieving GHG emissions reductions and energy reliability in Maryland.

HB 516 explicitly exempts from the new tax natural gas electric generators emitting GHG in the generation of electricity and places the burden of paying the fee on a local distribution company (gas utility) for all the natural gas the company distributes for combustion in the state regardless of whether the company is the actual natural gas supplier to the customer. The potential cost increase on our customers is enormous.

Columbia has estimated the possible financial impact to our residential, commercial and industrial customers per year, and the new tax has a staggering negative impact to Marylanders.

	<b>Cost to each residential Columbia Gas customer per year</b>	<b>Cost to each commercial Columbia Gas customer per year</b>	<b>Cost to each industrial Columbia Gas customer per year</b>
2025	\$ 118	\$992	\$80,501
2026	\$142	\$1,190	\$96,601
2027	\$166	\$1,388	\$112,701
2028	\$189	\$1,586	\$128,801
2029	\$213	\$1,785	\$144,901
2030	\$237	\$1,983	\$161,001
2031	\$260	\$2,181	\$177,101
2032	\$284	\$2,380	\$193,201
2033	\$308	\$2,578	\$209,302

As the chart above outlines, the impact to Columbia's residential customers – prior to any proposed household benefit payment for low to moderate income households – rises to more than \$300 per year. Based on

Columbia's reading of the legislation, there is no guarantee that a low to moderate income household will receive a household benefit payment.

The financial impact to western Maryland businesses is even more significant. The cost to our commercial customers rises to more than \$2,500 per year and industrial customers will be taxed more than \$200,000 per year by 2033.

Columbia believes that we will and must be part of a clean energy future that benefits all of Maryland and its residents. Diversity ensures the strength and resilience of any system. That is why it is essential for Maryland's energy industry to leverage a diverse array of energy sources to ensure an equitable energy future for all. Columbia's infrastructure positions us to deliver those diverse energy sources, including low-carbon alternative fuels, to our customers safely and economically. We can also be a strong partner to deliver emissions reductions and utility bill savings through enhanced energy efficiency programs. However, punitive new taxes on our energy product chosen and used by more than 34,000 customers in our western Maryland service territory and more than a million Maryland customers throughout the state reduces its affordability and is not reasonable public policy.

Columbia Gas wishes to make clear that its company leadership believes climate change is real, and we are committed to reduce the greenhouse gas emissions of our operations and pursue opportunities to reduce customer emissions. However, that change must happen within the confines of the reality with which our energy is produced, delivered and consumed.

The requirements of HB 516 are not in line with affordability and an equitable energy future for all Marylanders, and consequently Columbia Gas cannot support HB 516 as appropriately crafted policy on greenhouse gas emission reductions, and therefore urges an unfavorable report.

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