



October 12, 2023

Dear Secretary McIlwain:

On behalf of the Maryland Coalition for Inclusive Energy Solutions, a coalition representing the interests of member companies and related stakeholders – including labor – in the natural gas, renewable gas, hydrogen, propane, and nuclear power sectors, we thank you for the opportunity to provide feedback on the Maryland Climate Pathway Report.

Our members are committed to addressing the impacts of climate change while ensuring grid reliability and affordability for Marylanders. We strongly believe that Maryland's energy future must maintain natural gas infrastructure to support Maryland's decarbonization goals and the state's transition from high carbon intensive fuel sources. Potential avenues include adopting low-carbon fuels like hydrogen and renewable natural gas, enhancing energy efficiency, and implementing thoughtfully directed electrification. As you know, emissions reductions within the state have largely been a result of the shift from coal to natural gas.

The Report recommends an economy-wide cap-and-invest program with a cap on greenhouse gas emissions. This will create a significant tax burden on Maryland businesses, disadvantaging our economy when compared to neighboring states. According to the Maryland Chamber of Commerce in 2023, Maryland ranks 44<sup>th</sup> in economic freedom, 24<sup>th</sup> in fiscal policy, and 47<sup>th</sup> in regulatory policy. High costs, together with burdensome and complex regulatory policies, are already dissuading businesses from locating, remaining, or expanding in the state. A cap-and-invest program will further impair efforts to create jobs and capital investment in Maryland.

Coalition members are especially concerned about the cost implications on residential utility ratepayers. In 2021, the Consumer Energy Alliance reported that in Baltimore, the average cost to convert a residential home to all-electric would exceed \$26,000. While grants and offsets will reduce costs to some, programs like this in other states have invariably increased costs on all ratepayers. Further, a cap-and-invest program will harm some of Maryland's most vulnerable communities. To provide some context, member company Columbia Gas offered the following as it relates to their service area:

- According to 2020/2021 US Census Data, poverty rates are 16.4% in Allegany County, 14.5% in Washington County, and 11% in Garrett County.
- Over 34,700 individuals in Columbia's tri-county service area are food insecure, according to Maryland Food Bank data. Columbia also supports around 2,600 customers annually through the Maryland Energy Assistance Program.

- United Way data indicates that over 26,000 households in our service territory fall under the ALICE (Asset Limited, Income-Constrained, Employed) threshold, struggling to meet basic needs despite being employed.

While cap-and-invest program revenues might be directed to aid these populations, fair distribution of these funds presents a complex challenge. Drawing on the experiences of states like Washington and New York, we recommend that Maryland look instead at policies like those adopted in Minnesota and Virginia.

The Report also recommends zero-emission appliance standards, which is also of concern, especially considering its potential cost implications. This aspect of the Report will also negatively impact employment for those who are trained to support current gas appliance standards.

We look forward to continuing the conversation about the importance of natural gas and a diversified energy portfolio to complement the state's efforts to reduce greenhouse gas emissions. Incorporating a broad spectrum of energy solutions with emerging technologies, such as gas heat pumps and fuel cells, Maryland can meet its climate goals while maintaining affordability and reliability for all.

To provide the most useful information, we also respectfully request additional community meetings and that those future meetings be available for virtual attendees.

Should you have any questions, please feel free to contact me at [george.anas@bhegts.com](mailto:george.anas@bhegts.com). Thank you for your consideration.

Respectfully,



George K. Anas  
President  
MD Coalition for Inclusive Energy Solutions