

OPPOSE  
Montgomery County Council  
07/22/2022

## Re: Bill 13-22 – Comprehensive Building Decarbonization

Baltimore Gas and Electric Company (BGE) respectfully submits this statement in opposition to *Bill 13-22 Buildings – Comprehensive Building Decarbonization*. BGE supports and would like to partner with the county and the state in their efforts to meet their decarbonization goals. Montgomery County's goals to address climate change are laudable. **However, this legislation would implement a significant change in energy usage, prior to the issuance of a critical electric grid readiness study mandated by state law and without the understanding of the readiness of the electric grid to accommodate such change.** Pursuant to a recently enacted state law (Climate Solutions Now Act of 2022), the Maryland Public Service Commission (PSC) – the agency tasked with regulating the state's electric utilities and ensuring the reliability of the electric grid for Maryland customers – is scheduled to release a study that analyzes grid-readiness for building electrification by the end of 2023.

BGE is an electric and gas delivery company, whose key responsibilities are to deliver energy, regardless of whether it is electricity or gas, in a manner that is safe, reliable, and affordable. As part of our commitment to decarbonization, we have announced our commitment through our *Path to Clean*, a commitment to cut our own operational emissions by at least 50% by 2030 and achieve net-zero operations-driven emissions by 2050, in line with the ambitions of the nation. To achieve these goals, BGE will implement a series of initiatives designed to modernize our energy delivery systems; reduce energy use in our offices and buildings; increase our use of renewable-powered energy; and electrify our company's vehicle fleet.

Over the past few months, BGE has demonstrated support for other key aspects of the suite of policies aimed at reducing emissions in the transportation sector, which makes up about 45% of Maryland's greenhouse gas emissions, relative to building emissions, which account for 13%. In addition, BGE's Empower Maryland programs have been highly successful in lowering energy usage and GHG emissions for residential and commercial customers, generating over 5 million MWh of energy savings valued at approximately \$6 billion in lifecycle customer bill savings, and reducing over 4 million metric tons of GHG emissions. BGE's STRIDE (gas delivery modernization) program has also supported greenhouse gas reductions. Since 2014, pipe replacements have reduced the emission of about 55,000 metric tons of greenhouse gas. When BGE's accelerated gas asset replacement programs are complete, GHG emissions will have been reduced by 210,000 metric tons per year compared to 2013.

BGE is supportive of fully-informed efforts to decarbonize in the building sector as one of the many means to address climate change. However, as first noted above, buildings represent only 13% of sector-wide greenhouse gas emissions, and there are multiple pathways that can be embarked upon to support decarbonization efforts. Any pathway that is selected should be affordable, equitable, manageable, and compatible with electric system reliability, security, and resiliency. Such a meaningful shift in energy policy should be undertaken with all these factors in mind.

Moreover, it should be noted that while a building electrification policy may be implemented at the local level in Montgomery County, its effects are not localized in nature. The needs of the electrical grid are not planned for Montgomery County alone, and such a transition will require time for electric system planning and implementation. Electrification will drive a requirement for significant incremental investments in electric infrastructure to serve the resulting load reliably and with resilience in mind. This is exactly what the PSC was directed to study. Montgomery County should await the outcome of this study, so it has the necessary and best information to inform its climate policies.

For the foregoing reasons, BGE respectfully submits its opposition.