

# **BGE Comments**

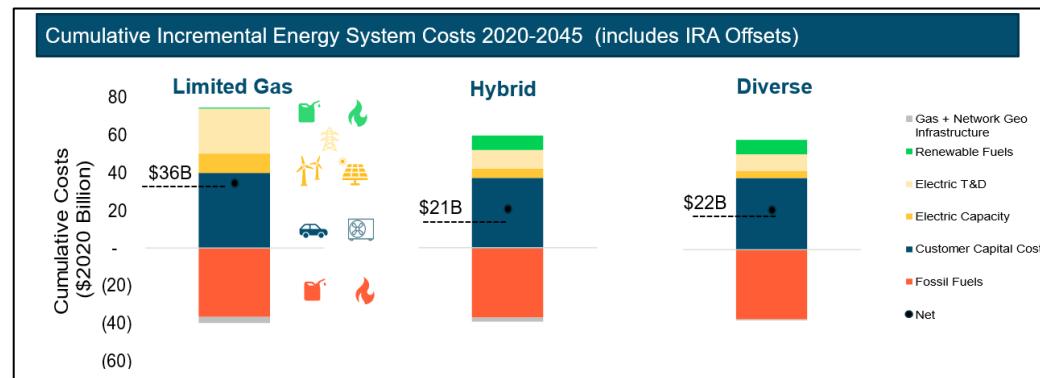
## **Mitigation Working Group (MWG)**

October 19, 2023

# There Is a Legitimate and Necessary Role for Gas In Maryland's Energy Future

E3 Pathways Analyses – conducted for the MCCC in 2021 and for BGE in 2022/2023 – finds that “Integrated Electric and Gas Pathways” can meet Maryland’s climate goals at a far lower cost than “electrification-only” approaches.

- ~75% cost premium -- \$15 billion to BGE customers alone – to pursue a predominately-electrified pathway
- Significant “constructability” and other real-world challenges to choosing all-electric pathway
  - Increase in BGE peak electric demand estimated at 150% or more, determined through 2 separate studies
  - Transmission and distribution Infrastructure, potential need for 200+ new substations & 1,500+ new feeders
  - Required growth of clean generation resources
  - Highest degree of customer disruptions, on top of affordability challenges
  - Diminished energy diversity and resiliency
- In contrast, a pathway of electrification and hybrid heating (heat pumps w/gas backup), combined with a transition to lower carbon fuels, can meet Maryland’s goals at a far lower cost, and with more realistic and achievable outcomes.



# OPC's Proposals re STRIDE are Bad Policy and Inadvisable

---

- BGE and other Maryland Gas Utilities making real progress in eradicating outmoded infrastructure under the STRIDE law:
  - New pipe lowers the risk of leaks by a factor of more than 80-to-1
  - Hazardous leaks reduced by 39% on BGE's system since STRIDE began 9 years ago, GHG emissions also reduced
- BGE currently employs a systematic risk-based and transparent approach to selecting replacement jobs, which also considers factors such as the engagement/input of municipalities, customer impacts, and equity.
  - Repairs are considered as an alternative to replacement in the limited instances where it is cost-effective
  - Targeted electrification is neither cost-effective nor plausible as a broad solution
- PHMSA, the federal agency which oversees pipeline safety, has been INCREASING its calls for states to address the issue of outmoded materials – NOT decreasing the emphasis!
- OPC's proposal would make Maryland an extreme outlier among states with significant amounts of cast iron and bare steel pipe
  - Other states, such as NY, with ambitious climate goals are not stepping away from their commitment to gas system replacements and improved public safety
- BGE has a continuing obligation to our more than 700,000 gas customers to serve them through a safe and reliable system, meeting all federal and state regulatory standards