



Legislation Text

File #: 23-0183R, Version: 0

* **Warning:** This is an unofficial, introductory copy of the bill.
The official copy considered by the City Council is the first reader copy.

Introductory*

City of Baltimore Council Bill R (Resolution)

Introduced by: Councilmember Cohen

A Resolution Entitled

A Council Resolution concerning
Request for State Action - Reject Baltimore Gas and Electric Company's Proposed Multi-Year Rate Plan
For the purpose of calling on the Maryland Public Service Commission to reject the multi-year rate plan proposed by the Baltimore Gas and Electric Company.

Recitals

Whereas, in 2020, the Public Service Commission (PSC) approved a pilot program to implement multi-year rate plans (MYPs) and the Baltimore Gas and Electric Company (BGE) was granted an MYP to implement a series of rate increases over 3 years on December 16, 2020, less than 3 years ago;

Whereas, BGE has subsequently submitted an application to PSC for a new MYP in February 2023 and PSC will hold an evidentiary hearing on the application from August 30 to September 8, 2023;

Whereas, BGE proposes to increase gas distribution rates by 61 percent and electric distribution rates by 31 percent over a 3-year period, relative to 2023 rates;

Whereas, the Maryland Office of People's Counsel estimates that the MYP would raise the average gas customer's monthly winter bill by 70 percent between 2020 and 2026 and would raise the average electric customer's monthly bill by 44 percent over the same period;

Whereas, a 2023 report by Physicians, Scientists, and Engineers for Healthy Energy and the Institute for Energy and Environment Research revealed that nearly 30 percent of Baltimore City residents have energy bills that are more than 6 percent of their income, posing a high financial burden, and Maryland residents with incomes below the federal poverty line have energy bills that average 20 percent of their income;

Whereas, BGE does not formally prioritize pipeline replacement projects by risk or cost-effectiveness, nor does it adequately account for changing policy and market conditions in the face of climate change;

Whereas, gas pipeline replacement work in Baltimore City by BGE and its contractors has involved

numerous disruptions to neighborhoods, poor communication, sloppy workmanship, and illegal gas shutoffs to homeowners who refuse external gas regulators;

Whereas, BGE justifies its substantial gas distribution rate increase by the reported need to replace legacy infrastructure in its entirety, despite, in many cases, being able to repair the existing system, a method that is less profitable, but equally effective in insuring safety and reducing greenhouse gas emissions;

Whereas, the 2013 Strategic Infrastructure Development and Enhancement (STRIDE) legislation enacted by the Maryland General Assembly encourages gas utilities to replace aging gas infrastructure by allowing for accelerated cost recovery through a surcharge on customer bills;

Whereas, the STRIDE legislation includes a \$2 monthly surcharge cap for residential customers;

Whereas, BGE is proposing to use its new MYP as a vehicle to recover costs in excess of those covered by capped STRIDE surcharges;

Whereas, BGE proposes to profit from electrification rebates and require customers to maintain backup natural gas heating systems as part of conversions from gas furnaces to heat pumps, which would increase customer costs and insure indefinite reliance on fossil fuels under the guise of sustainability;

Whereas, the 2022 Maryland Climate Solutions Now Act sets targets of 60 percent reduced greenhouse gas emission by 2031 and net zero greenhouse gas emissions by 2045 for the State; and

Whereas, the City has set goals for 30 percent reduction in carbon emissions by 2025, 60 percent reduction in carbon emissions by 2030, and full carbon neutrality by 2045, relative to 2007 levels;

Now, therefore, be it resolved by the City Council of Baltimore, that the City Council calls on the Maryland Public Service Commission to reject the multi-year rate plan proposed by the Baltimore Gas and Electric Company.

And be it further resolved, That a copy of this Resolution be sent to the Chair and Commissioners of the Maryland Public Service Commission, the President and Chief Executive Officer of the Exelon Corporation, the President and Chief Executive Officer of the Baltimore Gas and Electric Company, the Baltimore City delegation to the Maryland General Assembly, the Baltimore City Director of Sustainability, and the Mayor's Legislative Liaison to the City Council.