

Written Comments of Washington Gas Light Company
Submitted to the U.S. House Oversight and Government Reform Committee Subcommittee
on Economic Growth, Energy Policy, and Regulatory Affairs

“No Flame, More Pain: How State and Local Bans on Natural Gas Increase Costs”

September 1, 2026

Chairman Burlison, Ranking Member Frost, and members of the Subcommittee, thank you for the opportunity to provide written comments.

About Washington Gas

Washington Gas Light Company has safely delivered affordable and reliable natural gas service to the National Capital Region for more than 175 years. Washington Gas was founded in 1848 through a Congressional charter signed into law by President James K. Polk. The newly chartered company installed gas lights in the House and Senate chambers, the White House, and along Pennsylvania Avenue. Around the dawn of the 20th century, again at the direction of Congress, Washington Gas expanded into Virginia and Maryland.

Today, Washington Gas plays a critical role in supporting the daily lives of over 1.2 million customers across the District of Columbia, Maryland, and Virginia (DMV) region. Everything we do at Washington Gas revolves around our customers. They have told us what matters most: safe, affordable, and reliable energy, and the freedom to choose natural gas for their homes and businesses. From heating homes or offices to cooking meals for families and customers, natural gas is an affordable and reliable choice.

Among our customers are the Capitol complex, the White House, the Pentagon, and hundreds of other federal agency buildings, operation centers, military installations, embassies, and other critical infrastructure that are central to our nation’s security.

Approximately 20 percent of our natural gas delivered serves the federal government. Washington Gas provides natural gas service to federal customers through an Area Wide Public Utility Contract (AWC) managed by the General Services Administration (GSA). The AWC covers natural gas, transportation, energy management, and other services.

The DMV Region Must Maintain an Affordable, Diverse, Reliable, and Resilient Energy Mix

This hearing is timely. Our nation is confronting rapidly rising energy demand, driven by new technologies and economic growth, and we must recognize that energy security is inseparable from national security. Without a resilient and diverse energy system, our economy, critical infrastructure, and defense capabilities will be vulnerable. Maintaining an affordable, diverse, reliable, and resilient energy mix, featuring natural gas, is vital for addressing the increasing energy needs of our economy and ensuring energy security.

At the same time, we need to ensure that consumers, whether in the public or private sector, can choose what energy type fits their budget and needs. When customer choice is threatened, so is their access to affordable, reliable energy. Policies that limit access to certain forms of energy, like unrealistic Building Energy Performance Standards (BEPS) and gas bans, result in a less reliable energy system, increasing costs for consumers, and further straining our nation's electricity grid. And, when we speak of driving up costs for consumers, we are not just talking about the electric bills themselves, but the high costs to upgrade home electric infrastructure, purchase new appliances and replace gas furnaces in homes. These costs are paid for by American consumers.

Our mission is simple but essential: to ensure that energy delivery to our customers in the National Capital Region is safe, reliable, and affordable, because energy security is national security.

Energy Security is National Security

At Washington Gas, we carry out our mission with the knowledge that the region's energy security is national security. Reliable and resilient energy delivery to the National Capital Region is essential not only to daily life, but to the functioning of the federal government, the defense of our nation, and the safety of our citizens. For example, military bases regularly rely on natural gas, and this energy resource can also help reduce our reliance on foreign energy.

Interruptions in energy supply within the National Capital Region would have consequences far beyond just the local community, potentially disrupting federal agency operations, emergency response, and national defense readiness. Additionally, foreign interference against critical infrastructure is not just a threat but a reality, as evidenced by the recent

cyberattacks targeting over 100 U.S. water systems this past July.¹ That is why we continue to make strategic investments in pipeline safety, leak reduction, and modernization programs that support the long-term reliability of our delivery infrastructure.

Energy Demand in our Region is Skyrocketing

Electric market pressures across the National Capital Region have continued to intensify. In July 2026, the Pennsylvania-New Jersey-Maryland Interconnection (PJM)—the largest U.S. regional electric grid, which includes the National Capital Region—saw capacity auction prices surge to a temporary price cap of \$325 per megawatt-day for the 2028-2029 delivery year, representing over a 1,000% increase compared to the price for the 2024-2025 delivery year.² PJM calculated that, without the temporary price cap, the auction would have cleared at approximately \$554.72 per megawatt-day across most of the region.³

The auction's reliability results are even more concerning. Including resources obtained outside the auction, PJM procured 6,831 megawatts less capacity than its stated reliability requirement—the second consecutive auction in which PJM failed to procure its target reserve margin.⁴

Rapidly growing electricity demand from data centers is a major contributor to this imbalance. PJM forecasts approximately 32 gigawatts of additional peak demand between 2024 and 2030, with approximately 30 gigawatts—more than 90%—attributable to data centers.⁵ ICF's latest analysis projects that total electricity demand in PJM will increase 43% between 2026 and 2035.⁶ Additionally, ICF has previously projected that residential electricity rates across PJM could increase between 30% and 60% by 2030, driven largely by higher capacity costs.⁷

¹ Zack Whittaker, *CISA confirms hackers targeted over 100 US water systems during July*, (Aug. 26, 2026), <https://techcrunch.com/2026/08/26/cisa-confirms-hackers-targeted-over-100-us-water-systems-during-july/>.

² PJM Interconnection, *2028/2029 Base Residual Auction Report*, 3-4 (July 14, 2026), <https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2028-2029/2028-2029-bra-results-report.pdf>.

³ *Id.* at 17.

⁴ *Id.* at 3.

⁵ PJM Interconnection, *PJM Proposes Framework To Connect Data Centers Without Compromising Reliability, Affordability*, (Aug. 13, 2026), <https://insidelines.pjm.com/pjm-proposes-framework-to-connect-data-centers-without-compromising-reliability-affordability>.

⁶ ICF, *Electricity Demand Growth: How Will the Grid Keep Pace?*, (2026), <https://www.icf.com/insights/energy/impact-rapid-demand-growth-us>.

⁷ Laila Kearney & Tim McLaughlin, *Power Costs Soar in PJM Region as Data Center Demand Spikes*, Reuters (Aug. 7, 2025), <https://www.reuters.com/business/energy/power-costs-soar-pjm-region-data-center-demand-spikes-2025-08-07>.

Electricity consumers in the National Capital Region are already experiencing cost pressures. Effective July 1, 2026, the District of Columbia Public Service Commission approved Pepco Standard Offer Service rates that increased the total monthly bill of an average residential customer by approximately 7%, or \$9.56 per month.⁸ The Commission specifically identified regional power plant retirements, new reliability requirements, and increased demand from data centers among the factors contributing to the increase.⁹ In Pepco’s Maryland service territory, the residential electricity-supply rate increased from approximately 10.4 cents per kilowatt-hour in summer 2025 to 11.6 cents in summer 2026—an increase of approximately 11.5%.¹⁰ Moreover, average real-time wholesale electricity costs across PJM increased from \$51.75 per megawatt-hour during the first half of 2025 to \$72.54 during the first half of 2026, while transmission congestion costs reached approximately \$6 billion.¹¹ These costs ultimately flow through to consumers.

Natural gas remains indispensable to the operation of the regional electric grid today and as it continues to expand. According to PJM’s Independent Market Monitor, natural gas-fired resources produced 42.8% of PJM’s electricity during 2025, the latest year for which full-year data are available.¹² And natural gas represents approximately 46% of the capacity committed through PJM’s most recent capacity auction.¹³

In other words, the region’s grid is already heavily dependent on natural gas to balance supply and meet peak demand. Moving to “electric-only” solutions without sufficient capacity is neither technically feasible, nor reliable in the near- to medium-term, and ignores that we would simply be largely switching from natural gas used directly by our customers to natural gas generation.

Pursuing major new investments to expand electric transmission and distribution and generation projects are costly and will take years to complete. In the meantime, expanding, fortifying, and modernizing the natural gas infrastructure in the National Capital Region is critical.

⁸ D.C. Public Service Commission, *Electricity Standard Offer Service (SOS) Rates*, [https://dcpsc.org/Utility-Information/Electric/Electricity-Standard-Offer-Service-\(SOS\)-Rates.aspx](https://dcpsc.org/Utility-Information/Electric/Electricity-Standard-Offer-Service-(SOS)-Rates.aspx) (last visited Aug. 28, 2026).

⁹ *Id.*

¹⁰ Maryland Office of People’s Counsel, *Why is My 2026 Summer Pepco Bill So High?*, (2026), <https://opc.maryland.gov/Why-is-my-2026-summer-Pepco-bill-so-high>.

¹¹ Tim McLaughlin, *Largest U.S. Grid’s Transmission Constraint Costs Surge to \$6 Billion in 2026*, Reuters (Aug. 21, 2026), <https://www.reuters.com/business/energy/largest-us-grids-transmission-constraint-costs-surge-6-billion-2026-2026-08-21/>.

¹² Monitoring Analytics, *2025 State of the Market Report for PJM, Section 3: Energy Market*, 135, 207-08 (2026), https://www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2025/2025-som-pjm-sec3.pdf.

¹³ PJM Interconnection, *2028/2029 Capacity Auction Results*, at 12.

Strengthening our distribution system and capacity supports a reliable fuel supply to enable natural gas-fired generation. This will directly bolster electric grid resilience, protecting households and critical facilities from the risks of an overstrained electric system, while still enabling economic growth.

State and Local Gas Bans and Building Energy Performance Standards (BEPS)

Across the country, state and local governments are adopting building laws and regulations banning the use of natural gas in new or substantially renovated buildings, as well as building energy performance standards which will force private property owners to pay millions of dollars for electrification retrofits on existing buildings. Gas bans and similar laws prohibit homeowners and businesses from using efficient gas-powered ranges, furnaces, water heaters, boilers, and other appliances. These measures are being adopted in the National Capital Region and will exacerbate the existing housing crisis. The impacts are particularly acute given they come at a time when electricity costs have increased dramatically.

For example, the Clean Energy DC Building Code Amendment Act of 2022 mandates the adoption of a net-zero energy building code and applies to new construction and substantial improvements of buildings. This law essentially bans natural gas and forces the electrification of qualifying buildings without regard to private property owners' energy preferences, affordability, or prior investments in natural gas equipment.

Maryland has also adopted a state-wide building energy performance standard (BEPS) as of 2024. The Maryland BEPS regulations force covered building owners to incur major costs to replace fossil fuel appliances or face penalties, regardless of whether their appliances are due for replacement or not. The Maryland BEPS does not consider electricity cost increases. Rising electricity costs mean these measures are even less cost-effective. For example, the Maryland Department of the Environment estimates that property owners will spend more than \$5.7 billion on efficiency and electrification measures to achieve \$1.2 billion in energy cost savings without BEPS. Those estimates climb to more than \$15 billion spent on efficiency and electrification measures to provide approximately \$9 billion in energy savings with the addition of BEPS. Maryland's BEPS also does not consider whether the grid can even handle additional load created through electrification.

Additionally, within Maryland, Montgomery County has a BEPS regulation and gas ban ordinance designed to ban the use of gas appliances. These gas bans will increase the cost of new homes and commercial real estate as buildings are forced to comply with expensive all-electric building standards.

Notably, these gas bans violate the federal Energy and Policy Conservation Act (EPCA), which already regulates gas appliances. Gas bans contradict EPCA's purpose, which is meant to establish uniform appliance standards nationwide to avoid a confusing patchwork of regulation for manufacturers and consumers.¹⁴

That is why Washington Gas is part of a broad coalition of organizations, including but not limited to the Restaurant Law Center, the National Apartment Association, the National Association of Home Builders of the United States, the Maryland Building Industry Association, the National Federation of Independent Business, condominium associations, and unions, in challenging these policies in federal courts in Maryland and D.C. Washington Gas and many of these organizations have also consistently made efforts to engage with state and local officials to help them understand the negative impacts of these policies on our customers before they were enacted. Additionally, the U.S. Department of Justice agrees that EPCA preempts gas bans and has filed amicus briefs in many of these same lawsuits supporting our position. By joining these lawsuits, Washington Gas is standing on the side of our customers to fight for their freedom to choose the reliable and affordable energy that meets their needs, preferences, and budget.

In summary, gas bans will strain an already stretched electric grid that is not ready to accommodate the demands widespread electrification would require. They drive up costs while driving down resilience and safety.

Section 433 and the Federal Building Energy Performance Standards Rule

The Biden Administration's promulgation of federal building energy performance standards issued under Section 433 of the Energy Independence and Security Act of 2007 (codified at 10 CFR, parts 433 and 435), constitutes an enormous threat to the affordability, resilience, and reliability of natural gas service in the National Capital Region. These rules mandate that new and

¹⁴ Furthermore, gas bans conflict with Washington Gas's Congressional charter, which the Public Service Commission of the District of Columbia has determined gives the Company the right to offer customers natural gas service. Formal Case No. 1167, *In the Matter of the Implementation of Electric and Natural Gas Climate Proposals*, Order No. 21593, ¶ 8 (Apr. 6, 2023).

renovated federal buildings slash their on-site fossil fuel-generated energy consumption by 90% by 2025 and achieve a complete 100% reduction by 2030. While framed as an efficiency measure, this is, in effect, a government-driven mandate to electrify federal facilities at tremendous cost to federal taxpayers in the form of both dollars and reliability.

Gas bans and limitations on federal facilities harm the public. They compromise the reliability of our energy system by shifting reliance to a single electric grid. They undermine energy resilience by eliminating options for on-site power generation, including at critical federal facilities. And they contravene the wishes of millions of Washington Gas customers, who choose our service month after month and year after year.

Furthermore, the financial and operational implications of this mandate on the National Capitol Region energy systems are severe. Anti-gas policies discourage investment in critical infrastructure and are thus antithetical to maintaining safety and reliability standards.

Washington Gas's business model relies on a diverse and stable customer base to support the costs of our extensive and highly regulated distribution network. The systematic removal of Federal buildings from our network forces the fixed costs of maintaining the system onto a smaller pool of remaining residential and commercial customers.

Conclusion

In summary, Washington Gas urges the committee to adopt three basic principles in considering legislation to maintain and enhance our gas and electrical grids: affordability, national security, and energy choice. Affordability in particular must remain at the forefront of energy policy. American families and businesses are already struggling with rising energy costs, and policies that force premature electrification or ban natural gas will only compound this burden. The long-term reliability and safety of our energy infrastructure are under threat from federal, state, and local regulations that wish to undermine reliable access to affordable gas energy services. Gas bans and building energy performance standards require consumers to bear billions of dollars in conversion costs while electricity rates continue to climb. It is a critical imperative that policy at the federal, state, and local levels be aligned to support, not hinder, our efforts to modernize and protect the vital gas energy network. By moving toward a collaborative framework that recognizes the essential role of natural gas and supports infrastructure investment, we can ensure the

uninterrupted flow of affordable energy crucial to our citizens' daily lives, our government's activities, and our nation's security.