



The Voice of Merit Construction

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TO: ECONOMIC MATTERS COMMITTEE

FROM: ASSOCIATED BUILDERS AND CONTRACTORS

RE: H.B. 398 – ABUNDANT AFFORDABLE CLEAN ENERGY –
PROCUREMENT AND DEVELOPMENT (AACE ACT)

POSITION: FAVORABLE WITH AMENDMENT

On behalf of the Associated Builders and Contractors of Maryland, we appreciate the opportunity to opine on H.B. 398, the Abundant Affordable Clean Energy (AACE) Act. We believe this legislation has the potential to significantly advance Maryland's clean energy goals, and we applaud the bill's focus on promoting diverse clean energy resources, including energy storage, offshore wind, and solar power. With that said, we respectfully ask for the removal of the Community Benefit Agreement (CBA) requirements as currently drafted.

We strongly believe in the expansion of clean energy in Maryland. The AACE Act's provisions regarding distribution-connected energy storage, zero-emission credits for nuclear facilities, coordinated offshore wind transmission development, and the establishment of new programs for solar energy development are all positive steps towards a cleaner energy future. We particularly support the emphasis on cost-effectiveness and the inclusion of various technologies to achieve our clean energy targets.

However, the inclusion of mandatory CBAs presents significant concerns. While we understand the desire to ensure community benefits from these projects, mandating CBAs through legislation can create unnecessary burdens and complexities that may hinder project development and ultimately increase costs for ratepayers. These mandated agreements can lead to protracted negotiations, introduce uncertainty into the project timeline, and potentially discourage investment in Maryland's clean energy sector.

We believe that community engagement and benefits are important, but they should be addressed through a more flexible and collaborative approach. Existing mechanisms, such as local permitting processes and voluntary agreements, can effectively address community needs without the rigid mandates of a legislative CBA requirement. Removing the mandatory CBA provisions will streamline the project development process, reduce costs, and ultimately accelerate the deployment of clean energy technologies in Maryland.

Therefore, we urge you to amend the AACE Act by removing the mandatory Community Benefit Agreement requirements. With this modification, we believe

the bill will be a powerful tool for achieving Maryland's clean energy objectives in a timely and cost-effective manner. We are confident that a balanced approach, promoting clean energy development while respecting community interests, will best serve the long-term energy needs of Maryland.

On behalf of the over 1,500 ABC members in Maryland, we respectfully request an unfavorable report on H.B. 398.

Marcus Jackson, Director of
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