

February 6, 2025

To: Members of the House Economic Matters Committee

From: Independent Electrical Contractors (IEC) Chesapeake

Re: **Letter of Information HB398 - Abundant Affordable Clean Energy -
Procurement and Development (AACE Act)**

Independent Electrical Contractors (IEC) Chesapeake represents approximately 200 electrical contractors who employ approximately 15,000 workers in the mid-Atlantic region. In addition, IEC Chesapeake has nearly 1,000 electrical apprentices. IEC Chesapeake would like to provide the Committees with informational comments opposing the required use of Community Benefit Agreements in HB398.

The required use of Community Benefit Agreements has the potential to create a disadvantage for merit shop contractors in Maryland. More than eighty percent (80%) of construction in Maryland is performed by non-union contractors. It is unwise public policy to put merit shop contractors at a competitive disadvantage on construction projects in Maryland. Most certified MBE contractors are non-union.

In addition, the mandated requirement of Community Benefit Agreements may significantly drive up the costs of projects at time when the state is facing significant budgetary challenges. We respectfully ask that the Committees eliminate the requirements for the use of Community Benefit Agreements.

Thank you for your consideration. If you have any questions, please contact Grant Shmelzer, Executive Director of IEC Chesapeake, at 301-646-0197 or at gshmelzer@iec-chesapeake.com or Kevin O’Keeffe at 410-382-7844 or at kevin@kokeeffelaw.com.

About Us

Independent Electrical Contractors (IEC) Chesapeake represents members throughout Delaware, Maryland, Virginia, West Virginia, and Washington, D.C. Our headquarters are located in Laurel, Maryland. IEC Chesapeake has an extensive apprenticeship program for training electricians. In addition, IEC Chesapeake promotes green economic growth by providing education and working with contractor members, industry partners, government policy makers and inspectors to increase the use of renewable energy.