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MARYLAND ASPHALT ASSOCIATION



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January 25, 2024

Senator Brian Feldman, Chair
Senate Education, Energy, and the Environment Committee
2 West, Miller Senate Office Building
Annapolis, MD 21401

RE: SB 1 – UNFAVORABLE – Electricity and Gas – Retail Supply – Regulation and Consumer Protection

Dear Chair Feldman and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 1 would alter the retail energy program in Maryland in a variety of ways. This legislation is very concerning for our member companies. When they are bidding on major projects throughout Maryland, those bids require known inputs when establishing a price. One of those known inputs is energy. Currently, we are able to enter into long-term contracts anywhere from 18 to 36 months, which affords us stability with our pricing. This bill would limit those contracts to 12 months, leaving us with an unstable price structure. As a result, we would have to increase our bid prices or eat the cost when energy prices increase over the course of the project.

It is unclear the problem this legislation attempts to solve, but the increased risks and costs are extremely obvious. Our member companies have been very satisfied with the ability to shop for energy on the retail market. This bill would effectively eliminate the retail market, leaving a monopoly of only the utility companies as our resource for energy.

We appreciate you taking the time to review our testimony and respectfully request an **UNFAVORABLE** report on Senate Bill 1.

Sincerely,

A handwritten signature in black ink that reads "Tim Smith". The signature is written in a cursive, flowing style.

Tim E. Smith, P.E.
President
Maryland Asphalt Association