



BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE & HOUSE ECONOMIC
MATTERS COMMITTEE

FAVORABLE WITH AMENDMENT – SB931 / HB1036

Chair Feldman, Chair Wilson, and Members of the Committees,

I appreciate the opportunity to provide testimony on SB931 / HB1036, legislation directing the Public Service Commission (PSC) to study partnerships between utilities and electricity suppliers for new generation projects. On behalf of the Mechanical Contractors Association of Metropolitan Washington (MCAMW), which represents 200 construction contractors and a workforce of 10,000 skilled professionals and 1,000 apprentices across the DMV region, I submit this testimony in Favorable with Amendment.

While I understand the desire to explore solutions for Maryland's energy future, this bill takes too narrow of an approach by focusing solely on utility-led generation projects, rather than considering the broader competitive marketplace that has long benefited consumers, businesses, and workers alike.

Our Industry's Economic Impact

The MCAMW represents a critical sector of Maryland's economy, working in partnership with local unions, hiring halls, and apprenticeship programs within the Mid-Atlantic Pipe Trades Association, as well as our Building Trades affiliates that operate additional training programs throughout the state.

Our industry is not only a major employer but also a driving force in Maryland's economy, generating \$2 billion in annual revenue and contributing \$500 million in tax revenue at the local, state, and federal levels. The success of our contractors and workforce depends on a fair, competitive energy market that prioritizes cost-effectiveness, reliability, and efficiency.

Competitive Procurement Ensures Cost-Effective Energy Solutions

SB931 / HB1036, as currently written, emphasizes utility-controlled generation without fully considering competitive procurement models that have historically resulted in lower costs for ratepayers.

Maryland's existing competitive energy market has fostered innovation, investment, and job creation while ensuring affordable and reliable electricity for businesses and residents.

Reintroducing utility ownership of generation risks undoing decades of market-driven progress by stifling competition and increasing long-term costs. Merchant generators and private-sector energy developers have demonstrated time and again that they can deliver cost-effective energy solutions without burdening ratepayers with higher utility-backed expenses.

A More Comprehensive Study is Already Underway

The issues raised in SB931 / HB1036 are already being thoroughly examined in SB909 / HB1037, which requires the PSC to evaluate a wide range of procurement strategies, including competitive bidding, merchant generation, and other private investment models.

Rather than creating a duplicate study that only explores utility partnerships, Maryland should expand SB931 / HB1036 to align with SB909 / HB1037, ensuring that all procurement pathways are analyzed with a focus on delivering the best long-term value for consumers and businesses.

Maintaining a Level Playing Field for Private Investment

The mechanical contracting industry, along with other construction trades, relies heavily on private-sector investment in infrastructure and energy projects. Competitive energy procurement ensures that our contractors and workforce have access to job opportunities driven by diverse market participants—not just a handful of utility-controlled projects.

If Maryland moves toward utility-led generation ownership, it could disincentivize private investment, reducing opportunities for skilled labor, apprenticeship programs, and unionized workforce participation in energy projects. Instead, maintaining a strong, open energy marketplace will promote continued investment in modern infrastructure while preserving job opportunities across the state.

Supporting the Market-Driven Approach Advanced by Constellation

The Constellation model, which supports market-based procurement rather than government-driven utility partnerships, is the right approach for Maryland's energy future. Market-driven investment fosters competition, attracts private capital, and results in a more efficient, resilient grid—all while creating stable, long-term jobs for the skilled workforce our contractors employ.

Any PSC study on new generation procurement must include Constellation's competitive framework, which has already delivered affordable, reliable, and job-creating energy solutions across Maryland and beyond.

Proposed Amendments to Strengthen SB931 / HB1036

To ensure SB931 / HB1036 delivers the most effective and equitable outcomes, I strongly urge the committee to amend the bill to:

- Expand the study's scope to align with SB909 / HB1037, which evaluates all available procurement models, not just utility partnerships.
- Include a comparative cost analysis to ensure ratepayers are not burdened with the higher costs typically associated with utility-controlled generation projects.
- Preserve Maryland's competitive energy market by preventing unnecessary regulatory interventions that could disrupt private-sector investment and job growth.



Conclusion

The mechanical contracting industry plays a vital role in Maryland's infrastructure and economic strength. To continue fostering a competitive, efficient, and job-creating energy market, Maryland must take a broad, comprehensive approach to energy procurement rather than narrowing its focus to utility-owned generation partnerships.

SB931 / HB1036 should be amended to align with SB909 / HB1037, ensuring a full evaluation of all options, including market-driven solutions that benefit ratepayers, businesses, and workers alike.

Thank you for your time and consideration. I am happy to answer any questions.

A handwritten signature in black ink, appearing to read "T. Bello", is positioned above the printed name.

Thomas Bello
Executive Vice President
Mechanical Contractors Association of Metropolitan Washington (MCAMW)