

Journeyman Pipe Fitters and Apprentices



Local Union No. 602

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TESTIMONY OF CHRIS MADELLO, BUSINESS MANAGER & FINANCIAL SECRETARY-TREASURER, UA STEAMFITTERS LOCAL 602

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

SB937 / HB1035 – PUBLIC UTILITIES - ELECTRICITY GENERATION PLANNING - PROCUREMENT, PERMITTING, AND CO-LOCATION (NEXT GENERATION ENERGY ACT)

FAVORABLE WITH AMENDMENTS

Dear Chairs Feldman and Wilson, and honorable members of the Senate Education, Energy, and Environment Committee, and the House Economic Matters Committee:

Thank you for the opportunity to present my testimony. My name is Chris Madello, and I have the privilege of representing UA Steamfitters Local 602, a leader in Maryland's skilled labor force, particularly within the energy sector. While we support SB937 / HB1035, we believe key amendments are necessary to align the legislation with Maryland's long-term energy and workforce needs.

Introduction to UA Steamfitters Local 602

UA Steamfitters Local 602 represents more than 6,000 Journeymen and 1,200 Apprentices, along with 205 signatory mechanical construction and service contractors in the heating, air conditioning, refrigeration, and process piping industry across the Washington, D.C. metropolitan area. In 2024 alone, our members performed over 9 million work hours. Our partnership with contractors through the Mechanical Contractors Association of Metro Washington (MCAMW) fuels local economies, generating approximately \$2 billion in annual revenue and contributing \$500 million in state, federal, and local taxes.

Our expertise extends to constructing and maintaining data centers, power plants, LNG facilities, and other major industrial projects throughout the tri-state region. Given this

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experience, we are uniquely positioned to contribute to discussions shaping Maryland's energy policies.

Data Center Restrictions Are Premature

The bill's restrictions on behind-the-meter (BTM) energy configurations for data centers are deeply concerning. There is no pressing justification for banning this model, particularly while regulatory discussions remain active at FERC. Testimony provided by Maryland Senator Katie Fry Hester at the FERC Colocation Technical Conference, which inaccurately suggested a unified stance on behalf of the State of Maryland, likely influenced both FERC and the Public Service Commission's report on co-location. This misrepresentation may have prejudiced the issue, which remains a subject of ongoing debate within the Maryland General Assembly, among states, and at FERC itself.

UA Steamfitters Local 602, through our regional Mid Atlantic Pipe Trades Association (UA), along with our partners at IBEW Local 26, the Ironworkers District Council of the Mid-Atlantic States, is actively engaged in two separate FERC proceedings on this matter, represented by our attorney Roger Manno. The stakes in these proceedings are high, with significant implications for the tens of thousands of union workers who are integral to the data center industry's expansion. Given the evolving nature of this issue and the ongoing litigation, Maryland should not take premature action to restrict BTM configurations. Instead, we strongly recommend removing this restriction entirely and allowing the federal process to reach a resolution before the state imposes limitations.

Strengthening the Nuclear Energy Procurement Framework

We strongly support Maryland's investment in nuclear energy, but the procurement model in SB937 / HB1035 requires further refinement. The OREC-like structure, modeled after offshore wind, lacks the necessary framework to attract significant nuclear investment. While we favor the approach outlined in Senator Brooks' Decarbonization Infrastructure Solutions Act (SB716), which elevates nuclear to Tier 1 of the Renewable Portfolio Standard (RPS), we also acknowledge the need for ongoing stakeholder engagement to improve the procurement structure in SB937 / HB1035.

Our partnership with Constellation has demonstrated the importance of structuring nuclear policy in a way that ensures economic feasibility and long-term viability. We strongly endorse an amendment proposed by Constellation that would establish a state-level financial safeguard should federal Production Tax Credits (PTCs) be reduced or eliminated. This measure would help ensure the continued viability of Maryland's existing nuclear assets, including Calvert Cliffs, and provide stability for future nuclear investments.

Utility Ownership Study Presents a Limiting Approach

While we have concerns about utilities entering power plant construction without prior experience, our primary objection is to the uncoded study language that narrowly

examines utility-owned generation. This study's scope is too restrictive and does not provide the comprehensive analysis needed to evaluate Maryland's energy future.

A better alternative is the approach outlined in the Hester/Crosby bill, which examines a range of procurement strategies to determine the most effective and cost-efficient solutions for Maryland. We urge the removal of this limited study language in favor of a broader, more inclusive assessment.

Conclusion

Maryland is at a critical juncture in shaping its energy future. SB937 / HB1035 is a step in the right direction, but thoughtful amendments are necessary to ensure that energy policies support reliability, affordability, and strong labor protections. By incorporating Constellation's proffered amendments and removing unnecessary restrictions on data centers, Maryland can develop a responsible, forward-thinking energy policy that benefits both workers and consumers.

We urge the committees to adopt these amendments to support Maryland's workforce and secure a sustainable energy future.

Thank you for your time and consideration. I am available for any further discussions or questions.

A handwritten signature in black ink, appearing to read "Chris Madello". The signature is fluid and cursive, with the first name "Chris" and last name "Madello" clearly distinguishable.

Chris Madello
Business Manager / Financial Secretary Treasurer
UA Steamfitters Local 602