



TESTIMONY OF AARON BAST, BUSINESS MANAGER & FINANCIAL SECRETARY-
TREASURER, IRON WORKERS LOCAL 5
BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE
AND THE HOUSE ECONOMIC MATTERS COMMITTEE

SB931 / HB1036
FAVORABLE WITH AMENDMENT

Chair Feldman, Chair Wilson, and Members of the Senate Education, Energy, and Environment Committee, and the House Economic Matters Committee:

Thank you for the opportunity to testify on SB931 / HB1036, which directs the Public Service Commission (PSC) to study the feasibility of partnerships between electric utilities and electricity suppliers for electricity generation projects. While I appreciate the intent behind this study, I urge a Favorable with Amendment position on this bill to ensure that all cost-effective and market-based solutions—rather than just utility ownership models—are properly considered.

Ensuring Cost-Effective Solutions for Ratepayers

The study proposed in SB931 / HB1036 places undue emphasis on utility-owned generation as a preferred solution to Maryland's energy needs. However, history has shown that utility-owned generation is among the most expensive options for consumers, often burdening ratepayers with excessive costs. A truly effective study must take a comprehensive approach, considering competitive procurement processes and market-driven solutions that have already proven to deliver lower costs, greater efficiency, and enhanced grid reliability.

Supporting the Broader Approach in SB909 / HB1037

Maryland already has a more thorough and well-structured study proposal in SB909 / HB1037, which directs the PSC to assess various generation procurement strategies, including competitive solicitations, merchant investment, and other private-sector solutions. This broader approach avoids duplicative efforts while ensuring that Maryland's energy strategy prioritizes reliability, affordability, sustainability, and competition.

Given that SB909 / HB1037 already mandates a comprehensive evaluation of energy procurement options, the study in SB931 / HB1036 is redundant and unnecessary unless amended to align with the broader framework. A limited study focused only on utility partnerships ignores more cost-effective and market-driven solutions that could better serve Maryland ratepayers.



Avoiding Market Disruptions & Protecting Competition

Reintroducing local distribution utilities into the generation sector through mandated partnerships would disrupt Maryland's competitive energy market, deterring private investment and innovation. Maryland's existing competitive energy model has successfully driven down costs and encouraged job growth in the private sector, particularly in advanced nuclear, clean energy, and grid modernization efforts.

Forcing utilities back into the generation business could undermine competitive investments from independent power producers and merchant generators, ultimately increasing costs for consumers and distorting the market. The state should focus on fostering competitive procurement rather than giving an artificial advantage to utilities.

Supporting the Approach Advanced by Constellation

I support the approach outlined by Constellation, which prioritizes competitive, market-based energy solutions that allow for private-sector investment in Maryland's energy future. Rather than returning to utility-owned generation, Maryland should focus on expanding proven competitive procurement models, which attract private investment, promote innovation, and lower costs for consumers.

Constellation's position aligns with a market-based approach that ensures Maryland's energy future is reliable, cost-effective, and sustainable—without undermining competition or forcing ratepayers to bear unnecessary costs. This approach should be incorporated into any PSC study to ensure a fair and accurate evaluation of all options.

Amendments to Strengthen SB931 / HB1036

To ensure Maryland pursues the best and most cost-effective energy solutions, I urge the committee to amend SB931 / HB1036 to:

- Align with SB909 / HB1037, ensuring a comprehensive review of all energy procurement strategies, not just utility partnerships.
- Fully evaluate competitive procurement models and merchant investment as viable alternatives.
- Assess long-term consumer costs associated with utility-owned generation versus market-driven energy solutions.
- Ensure Maryland's competitive energy market is not undermined by unnecessary regulatory interference.

Conclusion

Maryland's energy strategy must be built on competition, cost efficiency, and reliability. While I support efforts to explore new generation options, this study should not assume utility



ownership as the default solution. Instead, it should fairly evaluate all market-based options, including those advanced by Constellation and other private-sector leaders.

For these reasons, I urge the committee to adopt amendments to align SB931 / HB1036 with the broader study approach in SB909 / HB1037 and ensure that Maryland ratepayers receive the best possible energy service at the lowest cost.

Thank you for your time and consideration. I welcome any questions.

Aaron Bast
Business Manager & Financial Secretary-Treasurer
Iron Workers Local 5