



TESTIMONY OF THOMAS BELLO, EXECUTIVE VICE PRESIDENT
MECHANICAL CONTRACTORS ASSOCIATION OF METROPOLITAN WASHINGTON

ON BEHALF OF THE MECHANICAL CONTRACTORS ASSOCIATION OF METROPOLITAN WASHINGTON

HOUSE BILL 940 / SENATE BILL 596 – **FAVORABLE WITH AMENDMENTS**

BEFORE THE SENATE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE
AND THE HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

Dear Chair Feldman, Chair Korman, and Honorable Members of the Committees:

On behalf of the Mechanical Contractors Association of Metropolitan Washington (MCAMW), I respectfully submit this testimony in support of House Bill 940 / Senate Bill 596, with amendments.

MCAMW represents approximately 200 union mechanical contractors employing roughly 10,000 skilled workers and more than 1,500 apprentices across the region. Our member companies perform complex mechanical, piping, HVAC, and process work on large commercial and industrial projects, including hyperscale data centers and other large-load facilities that are among the most significant drivers of construction activity and private investment in Maryland.

We support responsible electric system planning and the State's interest in ensuring grid reliability as large-load demand grows. However, from the perspective of contractors who must bid, bond, finance, and deliver these projects, House Bill 940, as currently drafted, introduces material uncertainty that risks chilling large-load industrial development in Maryland.

Large-scale industrial projects require predictable regulatory frameworks in order to secure financing, establish construction schedules, and assemble a qualified contractor workforce. Mandatory capacity procurement requirements, undefined clean-energy compliance obligations, and state-specific demand response mandates create uncertainty that directly affects project underwriting and the ability of contractors to responsibly price work, obtain bonding, and commit labor and capital.

When large-scale construction projects do not advance to execution, union construction jobs do not materialize—and the career pathways created through Maryland's high-caliber, state-registered apprenticeship programs, particularly for locally hired workers, fail to materialize as well.

MCAMW is particularly concerned that the bill front-loads costs and compliance obligations at the earliest stages of project development, before interconnection outcomes and timelines are known. For contractors, delays or uncertainty at this stage can result in cancelled procurements, deferred bid packages, or projects being redirected to neighboring states with more predictable interconnection and regulatory processes.



The association is also concerned that the bill may unintentionally place Maryland at a competitive disadvantage by imposing requirements on large-load customers that go beyond established PJM market structures and regional utility planning practices. Grid reliability objectives can be achieved without creating bespoke regulatory frameworks that complicate project delivery and increase risk for owners and contractors alike.

Accordingly, MCAMW urges the General Assembly to amend House Bill 940 / Senate Bill 596 to:

- Remove mandatory capacity procurement and demand response participation as conditions precedent to interconnection;
- Clearly define eligible compliance resources and allow flexibility through PJM-qualified mechanisms;
- Avoid duplicative or conflicting regulatory requirements that undermine financing and construction certainty; and
- Preserve predictable timelines that allow contractors to bid, bond, and staff projects responsibly.

With these amendments, House Bill 940 / Senate Bill 596 can support grid reliability while maintaining Maryland's competitiveness for large-load industrial projects that sustain union contractors, create thousands of skilled construction jobs, and support long-term apprenticeship training pipelines.

For these reasons, the Mechanical Contractors Association of Metropolitan Washington respectfully requests a favorable report with amendments.

Sincerely,

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

Thomas L. Bello
Executive Vice President
Mechanical Contractors Association of Metropolitan Washington