



**LOCAL UNION 410
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**

March 10th, 2026

Committee: Environment and Transportation Committee

Testimony on HB 1561 Affordable Energy Act 2026

Position: Unfavorable

Hearing Date: March 10th, 2026, at 1:00 PM

Dear Chair Korman and Members of the Committee:

On behalf of the more than 1,450 hardworking members of the International Brotherhood of Electrical Workers (IBEW) Local 410, who represent skilled utility workers at Baltimore Gas and Electric (BGE) and other employers throughout the Baltimore metropolitan area, I write to express our strong opposition to House Bill 1561. Our members build, operate, and maintain Maryland's electric infrastructure every day, and we are deeply concerned that HB 1561 would harm both ratepayers and the workers who keep the lights on.

At its core, HB 1561 is not an affordability bill; it is a risk-transfer bill. The cost-recovery framework in proposed § 7-219.2 allows investor-owned utilities to recover **100 percent of all prudently incurred costs**, including construction, operation, fuel, taxes, carrying costs, and even **stranded investments "for any reason."** On top of that, utilities are guaranteed a "reasonable" rate of return that can be no lower than the FERC-approved transmission return on equity, currently among the highest ROEs utilities earn.

Recent experience further underscores why this approach is deeply concerning. Exelon and its subsidiaries have embarked on an unprecedented expansion of capital spending across the PJM region, with multibillion-dollar infrastructure and energy investments that continue to grow in scale and cost. Public reporting and company filings show that these projects are increasingly complex, subject to supply chain pressures, rising financing costs, and changing market conditions. Under traditional competitive market rules, those risks fall on investors. Under HB 1561, however, those same risks would be shifted almost entirely onto ratepayers through guaranteed cost recovery and non-bypassable charges. When projects exceed initial budgets or assumptions prove wrong, Maryland families and businesses, not shareholders, would be required to absorb the consequences. That is precisely the outcome this legislation would lock into law.

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This structure reveals the bill's true intent. HB 1561 is carefully designed to preserve utility shareholders' highest returns while shielding them from virtually all downside risk. Costs are shifted to ratepayers through a **non-bypassable surcharge** on every customer's bill, even as utilities continue to retain net revenues from participation in the PJM wholesale market. In effect, utilities are guaranteed profits whether projects succeed or fail, while Maryland families and businesses are left holding the bag.

That is not how competitive energy markets are supposed to work. In PJM, independent generators bear real financial risk, and consumers benefit when lower-cost resources outperform higher-cost ones. HB 1561 flips that model entirely, socializing **losses, privatizing gains, and locking in utility profits at the expense of affordability**. If market conditions change, renewable costs continue to fall, or projects become uneconomic, ratepayers, not shareholders, will absorb every dollar of that risk.

Equally troubling, and of direct concern to our members, is what HB 1561 leaves out entirely: **worker protections**. Nowhere in the bill does it require prevailing wage standards for the construction, acquisition, or operation of utility-owned generation or front-of-the-meter storage projects. It includes no requirements for project labor agreements, community benefit agreements, local hiring, apprenticeship utilization, or targeted workforce development for Maryland workers.

Maryland has long recognized that large-scale energy and infrastructure investments should support family-sustaining jobs and skilled local labor. HB 1561 creates a sweeping new category of utility-owned assets, funded by ratepayers, while abandoning those long-standing labor standards. The result would be public-funded projects that fail to deliver the high road, union jobs our members perform every day at BGE.

IBEW Local 410 supports responsible investments in resource adequacy and energy storage. But we cannot support legislation that guarantees investor-owned utilities their highest returns, insulates them from market risk, and does so **without any enforceable labor standards** to protect workers or meaningful safeguards to protect ratepayers.

For all of these reasons, we respectfully request that the Environment and Transportation Committee **vote unfavorably on House Bill 1561**.

Respectfully,

International Brotherhood of Electrical Workers
Local 410