



March 10, 2026

The Honorable Marc Korman, Chair
The Honorable Michele Guyton, Vice Chair
Environment and Transportation Committee
250 and 251 Taylor House Office Building
Annapolis, MD 21401

**Testimony of Julio Palomo, President & Assistant Business Manager of the
Philadelphia/Baltimore/Washington Laborers' District Council on
HB 1561: Electricity Generation and Storage - Investor-Owned Electric Companies and Front-of-the-Meter Storage
(Affordable Energy Act)
Position: FAVORABLE WITH AMENDMENTS**

Thank you Chair Korman, Vice Chair Guyton, and members of the committee for the opportunity to provide written testimony on HB 1253. My name is Julio Palomo. I am the President and Assistant Business Manager of Philadelphia/Baltimore/Washington Laborers' District Council. We are an affiliate of LiUNA – the Laborers' International Union of North America.

On behalf of the Laborers' International Union of North America (LiUNA) and its members across the State of Maryland, we write in strong support of House Bill 1561, the Affordable Energy Act. LiUNA represents working men and women in the construction, public works, and energy sectors throughout Maryland. Our members build and maintain the infrastructure of this State — including its energy infrastructure — and they have a direct and material interest in both the reliability of Maryland's power grid and the affordability of electricity for working families. LiUNA supports House Bill 1561 and urges this Committee to report the bill favorably.

The Problem Is Structural and Urgent

Maryland's current regulatory framework prohibits regulated utilities from building generation capacity to meet surging demand — even as those same utilities bear statutory responsibility for keeping the lights on. The consequences of this structural misalignment are measurable and severe:

- Capacity prices in the PJM regional market have increased nearly **600%**, driven by tightening supply and driving up electricity costs for households, businesses, and public institutions across Maryland.
- PJM's most recent capacity auction **failed to procure sufficient power to meet reliability targets**, leaving the system more than **6,600 megawatts short** — the equivalent of approximately six nuclear plants.
- Maryland now **imports roughly 40% of its electricity**, frequently at the highest prices available in the regional market, exposing ratepayers to volatility entirely outside the State's control.
- Despite record-high capacity prices, **new generation investment is not materializing** at the pace required to meet demand growth driven by electrification, economic expansion, and data center load.

Why This Matters for LiUNA Members

The energy affordability crisis is a labor issue. When electricity costs rise, working families bear a disproportionate share of the burden. Fixed and low-income households spend a larger percentage of their income on energy than higher-income households. Persistent price volatility erodes real wages and household purchasing power in ways that do not show up in wage negotiations but are felt at the kitchen table every month.

Beyond affordability, HB 1561 creates direct workforce benefits. The construction of new in-state renewable generation and battery storage assets will generate **skilled craft jobs** for LiUNA members and other building trades workers. Utility-scale construction projects — planned years in advance under regulatory oversight — provide the kind of **stable, long-lead project pipelines** that support workforce planning, apprenticeship utilization, and sustained employment in the construction trades.

When Maryland imports 40% of its electricity, it also exports the jobs associated with generating that power. HB 1561 begins to reverse that equation.

It is worth noting that organized labor has a long and documented history of building this nation's energy infrastructure. From the construction of hydroelectric dams and coal-fired power plants in the early twentieth century, to nuclear generating stations, natural gas facilities, and the modern buildout of utility-scale wind and solar, it has been union craftworkers — operating engineers, laborers, ironworkers, pipefitters, and electricians — who have physically constructed the generation assets that power American homes, businesses, and industries. Maryland's energy future should be built the same way: by a skilled, trained, and fairly compensated workforce.

Labor Standards — Recommended Amendment

Should this Committee report HB 1561 favorably, LiUNA strongly encourages the Committee to consider amending the bill to include enforceable labor standards applicable to the construction of any generation or storage assets authorized under the Act. Specifically, LiUNA recommends the Committee consider amendments that would require:

- Payment of **prevailing wages** on all publicly authorized or ratepayer-funded construction projects under the Act, consistent with Maryland's prevailing wage law;
- Use of **registered apprenticeship programs** meeting standards established by the Maryland Apprenticeship and Training Council for a defined percentage of craft labor hours;
- **Project labor agreement (PLA) authority**, granting the PSC or utilities the discretion to require PLAs on large-scale projects to ensure labor peace, workforce coordination, and compliance with applicable standards; and
- **Reporting requirements** to the PSC on workforce composition, wage rates, and apprenticeship utilization for projects constructed under the Act.

These standards would ensure that the public investment authorized by HB 1561 delivers commensurate public benefit — not only in the form of grid reliability and cost savings, but in the form of quality jobs that support Maryland's working families and strengthen the State's construction workforce pipeline.

Conclusion

The Maryland General Assembly has an opportunity to address one of the most consequential infrastructure and affordability challenges facing the State. The Affordable Energy Act is a measured, well-structured response grounded in the experiences of thirty peer states and supported by independent economic analysis demonstrating substantial customer savings and reliability gains.

LiUNA respectfully urges this Committee to report House Bill 1561 favorable with amendments and advance it to the full chamber for passage. Should you have any questions or wish to discuss our position further, please contact our lobbyist, William Kress.