## House Bill 1545 as amended by HB1545/963820/1 (03/04/20 at 4:02 p.m.)

MLIS "Instant Reprint" System (version 5.0) - NOTE: This is not an official copy of the bill

### **UNOFFICIAL COPY OF HOUSE BILL 1545**

HOUSE BILL 1545

M5, M3, C8 0lr1377 CF SB 887

By: Delegates Barve, Fraser-Hidalgo, Korman, Lierman, Mosby, Palakovich Carr, Pendergrass, Stein, and Wilkins

Introduced and read first time: February 7, 2020

Assigned to: Economic Matters

### A BILL ENTITLED

-	A 3. T	A OF	
1	AN	ACT	concerning
_	7 7 T A	1101	COLLCCITILLE

2	Electric Generation - Transition From Fossil Fuels - Carbon Dioxide Emissions
3	Rate and Transition Account

4	FOR the purpose of prohibiting the carbon dioxide emissions rate for certain affected
5	electric generating units from exceeding a certain amount; establishing the Fossil
6	Fuel Community Transition Account; specifying the purpose and of, authorized uses of . and
	allocation of funds from
7	the Account; requiring the Department of Commerce to establish certain policies and

- 8 procedures for the administration of the Account; providing for the funding of the
- Account; <u>requiring an individual responsible for a certain project to hire certain subcontractors or sign a certain agreement;</u> establishing the Fossil Fuel Community Transition Account Advisory
- 10 Board; providing for the composition, chair, and staffing of the Board; providing for
- the term of a Board member; requiring the Board to meet a certain minimum number
- of times each year; prohibiting a member of the Board from receiving certain
- 13 compensation, but authorizing the reimbursement of certain expenses; requiring the
- 14 Board to review the Department's proposals for grant awards from the Account and
- make certain recommendations; requiring the Department to consider certain
- 16 recommendations of the Board when making certain decisions about awarding
- 17 grants from the Account; <u>requiring the Board to develop a certain standard</u>; requiring the Department to report, on or before a certain
- date each year, to the Governor, the Board, and the General Assembly; <u>requiring an owner of an affected electric generating unit to report, on or before a certain date each year, to the Board on certain information regarding employee layoffs;</u> requiring the
- 19 Maryland Energy Administration to use the Maryland Strategic Energy Investment
- Fund to provide funding for certain grants awarded under the Account; altering the
- 21 allocations of certain proceeds received by the Maryland Strategic Energy
- 22 Investment Fund from the sale of certain allowances under the Regional Greenhouse
- 23 Gas Initiative; providing for the application of certain provisions of this Act; defining
- 24 certain terms; and generally relating to the transition from fossil fuels for electric
- 25 generation.
- 26 BY adding to
- 27 Article Environment
- 28 Section 2-10A-01 through 2-10A-03 to be under the new subtitle "Subtitle 10A.
- 29 Carbon Dioxide Emissions"

2	UNOFFICIAL COPY OF HOUSE BILL 1545
1	Annotated Code of Maryland
2	(2013 Replacement Volume and 2019 Supplement)
3 4 5 6 7 8	BY adding to    Article - Economic Development    Section 5-1701 through 5-1704 to be under the new subtitle "Subtitle 17. Fossil Fuel    Community Transition Account"    Annotated Code of Maryland    (2018 Replacement Volume and 2019 Supplement)
9 10 11 12 13	BY repealing and reenacting, without amendments, Article - State Government Section 9-20B-01(a), (b), (e), and (f) Annotated Code of Maryland (2014 Replacement Volume and 2019 Supplement)
14 15 16 17 18	BY repealing and reenacting, with amendments, Article - State Government Section 9-20B-05(f) and (g) Annotated Code of Maryland (2014 Replacement Volume and 2019 Supplement)
19 20	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
21	Article - Environment
22	SUBTITLE 10A. CARBON DIOXIDE EMISSIONS.
23	2-10A-01.
24	HN (A) IN THIS SUBTITLE, "AFFECTED ELECTRIC GENERATING UNIT".
$\frac{25}{26}$	(1) MEANS MEANS AN ELECTRIC GENERATING UNIT IN THE STATE THAT PRIMARILY BURNS COAL AS FUEL; AND $\underline{}$
27	(2) INCLUDES (B) "AFFECTED ELECTRIC GENERATING UNIT" INCLUDES:
28	(1) (1) Brandon Shores Units 1 and 2;
29	(H) (2) CHALK POINT UNITS 1 AND 2;
30	(HH) (3) DICKERSON UNITS 1, 2, AND 3;
31	(W) (4) H.A. WAGNER UNITS 2 AND 3;

SUBTITLE 17. FOSSIL FUEL COMMUNITY TRANSITION ACCOUNT.

THE PERMANENT RETIREMENT OF AN ELECTRIC GENERATING UNIT.

"Affected county" includes:

ANNE ARUNDEL COUNTY;

**ALLEGANY COUNTY;** 

"ACCOUNT" MEANS THE FOSSIL FUEL COMMUNITY TRANSITION

"AFFECTED COUNTY" MEANS A COUNTY THAT IS IMPACTED BY

16

18

20

22

23

24

17 **5-1701.** 

19 ACCOUNT.

(A)

**(B)** 

**(1)** 

**(I)** 

(II)

**(2)** 

			ЪΠ
4	1	UNOFFICIAL COPY OF HOUSE BILL 1545 (III) CHARLES COUNTY;	
	2	(IV) MONTGOMERY COUNTY; AND	
	3	(V) PRINCE GEORGE'S COUNTY ; AND	
		(VI) ANY OTHER COUNTY WITH RESIDENTS WHO HAVE BECOME UNEMPLOYED AS A DIRECT OR INDIRECT RESULT OF THE PERMANENT RETIREMENT OF AN ELECTRIC GENERATING UNIT.	
		(C) "Affected electric generating unit" has the meaning stated in § 2-10A-01 of the Environment Article.	
	$\frac{4}{5}$	(C) (D) "BOARD" MEANS THE FOSSIL FUEL COMMUNITY TRANSITION ACCOUNT ADVISORY BOARD.	
		(E) "DISPLACED WORKER" MEANS A RESIDENT OF THE STATE WHO:	
		(1) WITHIN THE PREVIOUS 12 MONTHS, WAS TERMINATED FROM EMPLOYMENT, OR WHOSE CONTRACT WAS TERMINATED, DUE TO THE PERMANENT RETIREMENT OF AN ELECTRIC GENERATING UNIT THAT RESULTED IN THE DISPLACEMENT OF AT LEAST 20 WORKERS;	
		(2) HAD AT LEAST 75% OF THE RESIDENT'S NET INCOME DERIVED FROM WAGES FROM THE RETIRED ELECTRIC GENERATING UNIT;	
		(3) (I) HAS NOT BEEN ABLE TO REPLACE THE WAGES LOST FROM THE RETIREMENT OF THE ELECTRIC GENERATING UNIT; OR	
		(II) HAS ANNUAL WAGES THAT ARE AT LEAST 25% LESS THAN WHEN THE RETIRED ELECTRIC GENERATING UNIT WAS OPERATING; AND	
		(4) DOES NOT QUALIFY FOR FULL BENEFITS UNDER A PENSION OR RETIREMENT PLAN.	
	6 7	(D) (F) "ELECTRIC GENERATING UNIT" MEANS AN ELECTRIC GENERATING UNIT IN THE STATE THAT PRIMARILY BURNS FOSSIL FUEL.	
		(G) "WAGE DIFFERENTIAL BENEFIT" MEANS SUPPLEMENTAL INCOME THAT COVERS ALL OR PART OF THE DIFFERENCE BETWEEN AN INDIVIDUAL'S PREVIOUS EMPLOYMENT WITH AN ELECTRIC GENERATING UNIT, A COAL MINE, OR THE TRANSPORTATION SUPPLY CHAIN OF AN ELECTRIC GENERATING UNIT OR A COAL MINE, AND THE INDIVIDUAL'S NEW EMPLOYMENT OR SUPPLEMENTAL INCOME DURING JOB RETRAINING.	
	8	5-1702.	
	9	(A) THERE IS A FOSSIL FUEL COMMUNITY TRANSITION ACCOUNT.	
1	0	(B) THE PURPOSE OF THE ACCOUNT IS TO PROVIDE GRANTS TO SUPPORT:	
1	1	(1) INDIVIDUALS DISPLACED WORKERS WHO ARE TRANSITIONING FROM EMPLOYMENT AND THE PROPERTY OF TH	NT
1	2	WITH AN ELECTRIC GENERATING UNIT; AND	

(3) PROGRAMS THAT ASSIST DISPLACED WORKERS TRANSITIONING FROM EMPLOYMENT WITH AN ELECTRIC GENERATING UNIT, A COAL MINE, OR THE TRANSPORTATION SUPPLY CHAIN OF AN ELECTRIC GENERATING UNIT OR A COAL MINE.

COMMUNITIES THAT ARE IMPACTED BY THE PERMANENT

14  $\,$  RETIREMENT OF AN ELECTRIC GENERATING UNIT  $\underline{;\,AND}$ 

17 **(1)** THE GRANT APPLICATION PROCESS; AND 18 **(2)** CRITERIA FOR AWARDING GRANTS UNDER THIS SECTION. 19 THE ACCOUNT SHALL BE FUNDED IN ACCORDANCE WITH § 9-20B-05(F) 20 OF THE STATE GOVERNMENT ARTICLE. THE ACCOUNT MAY BE USED ONLY FOR AWARDING GRANTS 21 (E) 22 CONSISTENT WITH THE PURPOSES OF THE ACCOUNT<del>, INCLUDING GRANTS FOR</del> AND SHALL BE ALLOCATED AS **FOLLOWS**: 23(1) 40% FOR: (I) WORKER RETRAINING OR OTHER ASSISTANCE PROGRAMS, 24 INCLUDING INDUSTRY- AND UNION-SPONSORED APPRENTICESHIP PROGRAMS, AND 25 PROGRAMS WITHIN THE DEPARTMENT, AND; PAYMENTS TO DISPLACED WORKERS WHO ARE WITHIN 3 YEARS OF RETIREMENT AGE FOR SUPPLEMENTAL RETIREMENT SECURITY; <u>(III)</u> WAGE DIFFERENTIAL BENEFITS FOR DISPLACED WORKERS; **AND** (IV) PAYMENTS TO DISPLACED WORKERS ENROLLED IN ANY OF THE FOLLOWING RETRAINING, EDUCATION, OR APPRENTICESHIP PROGRAMS: PRE-APPRENTICESHIP JOBS TRAINING PROGRAMS UNDER § 11-708.1 OF THE LABOR AND EMPLOYMENT ARTICLE; YOUTH APPRENTICESHIP TRAINING PROGRAMS AND REGISTERED APPRENTICESHIP JOBS TRAINING PROGRAMS UNDER § 11-708.1 OF THE LABOR AND EMPLOYMENT ARTICLE; ANY OTHER APPRENTICESHIP JOBS TRAINING PROGRAM <u>3.</u> APPROVED BY THE BOARD; OR 4. PROGRAMS AT HISTORICALLY BLACK 26 COLLEGES AND UNIVERSITIES; AND PAYMENTS TO DISPLACED WORKERS ENROLLED IN RETRAINING, EDUCATION, OR APPRENTICESHIP PROGRAMS FOR THE FOLLOWING OCCUPATIONS: COMPUTER NUMERICALLY CONTROLLED MACHINE TOOL PROGRAMMERS, METAL AND PLASTIC (BUREAU OF LABOR STATISTICS CODE 51-4012); HEAVY AND TRACTOR TRAILER TRUCK DRIVERS (BUREAU OF LABOR STATISTICS CODE 53-3032); FIRST-LINE SUPERVISORS OF MECHANICS, INSTALLERS, AND <u>3.</u>

THE DEPARTMENT SHALL ESTABLISH POLICIES AND PROCEDURES FOR

OPERATING ENGINEERS AND OTHER CONSTRUCTION EQUIPMENT OPERATORS (BUREAU OF LABOR STATISTICS CODE 47-2073);

FIRST-LINE SUPERVISORS OF CONSTRUCTION TRADES AND

ENGINEERING TECHNICIANS, EXCEPT DRAFTERS, ALL OTHERS

EXTRACTION WORKERS (BUREAU OF LABOR STATISTICS CODE 47-1011);

REPAIRERS (BUREAU OF LABOR STATISTICS CODE 49-1011);

(BUREAU OF LABOR STATISTICS CODE 17-3029);

(C)

16 THE ADMINISTRATION OF THE ACCOUNT, INCLUDING:

15

- 7. LIFE, PHYSICAL, AND SOCIAL SCIENCE TECHNICIANS, ALL OTHERS (BUREAU OF LABOR STATISTICS CODE 19-4099);
- - 9. ANY OTHER JOBS TRAINING PROGRAM APPROVED BY THE

**BOARD**;

27 (2) 20% FOR CLEAN ENERGY OR ENERGY EFFICIENCY PROJECTS, OR A PROJECT FOR THE

NEW CONSTRUCTION OF LEED (LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN) CERTIFIED OR ENERGY

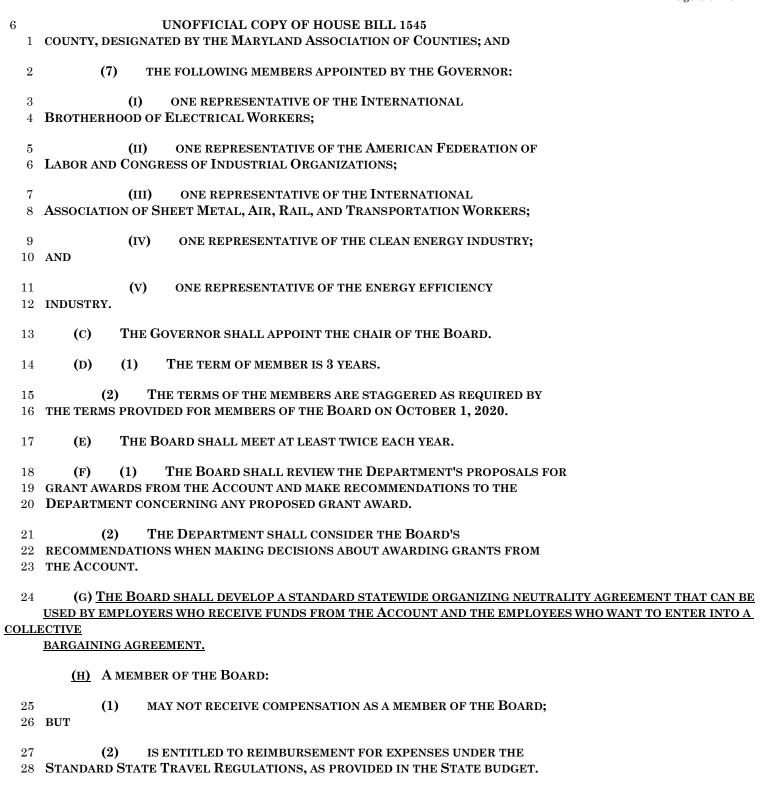
EFFICIENT

**BUILDINGS**, IF THE

			iii i ag
5	1	UNOFFICIAL COPY OF HOUSE BILL 1545 PROJECT:	
	2	(I) IS LOCATED IN AN AFFECTED COUNTY; AND	
	3	(II) EMPLOYS INDIVIDUALS WHO HAVE COMPLETED AN	
	4	APPROVED RETRAINING OR OTHER ASSISTANCE PROGRAM	
		1. <u>CREATES AND MAINTAINS JOBS WITH A HIRING PREFERENCE</u> FOR DISPLACED WORKERS; AND	
		2. PROMOTES:	
		A. FAMILY-SUSTAINING WAGES;	
		B. EMPLOYER-PROVIDED HEALTH CARE WITH AFFORDABLE DEDUCTIBLES AND COPAYS;	
		C. CAREER ADVANCEMENT TRAINING;	
		D. FAIR SCHEDULING;	
		E. EMPLOYER-PAID WORKERS' COMPENSATION AND UNEMPLOYMENT INSURANCE;	
		F. A RETIREMENT PLAN;	
		G. PAID TIME OFF; AND	
		H. THE RIGHT TO BARGAIN COLLECTIVELY FOR WAGES AND BENEFITS;	
		(3) 20% FOR PROJECTS INVOLVING THE DECOMMISSIONING OF AN ELECTRIC GENERATING UNIT OR THE REMEDIATION OR RETROFIT OF AN ELECTRIC GENERATING UNIT SITE IF PROJECT EMPLOYS INDIVIDUALS WHO HAVE COMPLETED AN APPROVED RETRAINING OR OTHER ASSISTANCE PROGRAM; :	тне
		(I) CREATES AND MAINTAINS JOBS WITH A HIRING PREFERENCE FOR DISPLACED WORKERS; AND	
		(II) PROMOTES:	
		1. FAMILY-SUSTAINING WAGES;	
		2. EMPLOYER-PROVIDED HEALTH CARE WITH AFFORDABLE DEDUCTIBLES AND COPAYS;	
		3. CAREER ADVANCEMENT TRAINING;	
		4. FAIR SCHEDULING;	
		5. EMPLOYER-PAID WORKERS' COMPENSATION AND UNEMPLOYMENT INSURANCE;	
		6. A RETIREMENT PLAN;	
		7. PAID TIME OFF; AND	
		8. THE RIGHT TO BARGAIN COLLECTIVELY FOR WAGES AND	

BENEFITS; AND

	OF AN ELECTRIC GENERATING UNIT, $\underline{20\%}$ For payments to an affected county to offset losses in tax revenue due to the permanent retirement of the unit; $\underline{.}$
12 13	(5) PAYMENTS TO INDIVIDUALS WHO ARE WITHIN 3 YEARS OF RETIREMENT AGE TO PROVIDE SUPPLEMENTAL RETIREMENT SECURITY; AND
14 15	(6) PAYMENTS TO INDIVIDUALS TO FILL WAGE GAPS DURING THE TRANSITION TO NEW EMPLOYMENT.
	(F) AN INDIVIDUAL RESPONSIBLE FOR A PROJECT THAT RECEIVES A GRANT UNDER THIS SECTION SHALL:
	(1) HIRE SUBCONTRACTORS THAT OPERATE UNDER A COLLECTIVE BARGAINING AGREEMENT WITH THE SUBCONTRACTOR'S EMPLOYEES; OR
	(2) SIGN THE ORGANIZING NEUTRALITY AGREEMENT DEVELOPED BY THE BOARD UNDER § 5-1703(G) OF THIS SUBTITLE.
16	5-1703.
17	(A) THERE IS A FOSSIL FUEL TRANSITION ACCOUNT ADVISORY BOARD.
18	(B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:
19	(1) THE SECRETARY, OR THE SECRETARY'S DESIGNEE;
20 21	(2) THE SECRETARY OF THE ENVIRONMENT, OR THE SECRETARY'S DESIGNEE;
22 23	(3) THE CHAIR OF THE COMMISSION ON ENVIRONMENTAL JUSTICE AND SUSTAINABLE COMMUNITIES, OR THE CHAIR'S DESIGNEE;
24 25	(4) ONE MEMBER OF THE SENATE, APPOINTED BY THE PRESIDENT OF THE SENATE;
26 27	(5) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY THE SPEAKER OF THE HOUSE OF DELEGATES;
28	(6) TWO MEMBERS OF A LOCAL GOVERNING BODY OF AN AFFECTED



24

25

mitigating the effects of climate change; and

(iv)

### **UNOFFICIAL COPY OF HOUSE BILL 1545**

1 (H) (I) THE DEPARTMENT SHALL PROVIDE STAFF FOR THE BOARD. 2 **5-1704.** ON (A) ON OR BEFORE JANUARY 1 EACH YEAR, THE DEPARTMENT SHALL REPORT TO 3 THE GOVERNOR, THE BOARD, AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE GRANTS AWARDED FROM THE ACCOUNT DURING THE PRIOR FISCAL YEAR, INCLUDING: 7 **(1)** THE NUMBER OF GRANTS AWARDED; **(2)** THE AMOUNT OF EACH GRANT AWARDED; 9 **(3)** THE NAMES OF THE RECIPIENTS OF THE GRANTS; AND 10 **(4)** THE SPECIFIC PURPOSE OF EACH GRANT AWARDED. ON OR BEFORE DECEMBER 1 EACH YEAR, AN OWNER OF AN AFFECTED **(B)** ELECTRIC GENERATING UNIT SHALL REPORT TO THE BOARD ON THE TOTAL NUMBER OF EMPLOYEE LAYOFFS AND THE TITLES OF THE POSITIONS LAID OFF. 11 **Article - State Government** 9-20B-01. 1213 (a) In this subtitle the following words have the meanings indicated. 14 (b) "Administration" means the Maryland Energy Administration. "Fund" means the Maryland Strategic Energy Investment Fund. 15 (e) 16 (f) "Program" means the Maryland Strategic Energy Investment Program. 9-20B-05. 17 18 (f) The Administration shall use the Fund: 19 (1) to invest in the promotion, development, and implementation of: 20 cost-effective energy efficiency and conservation programs, projects, or activities, including measurement and verification of energy savings; 21 22(ii) renewable and clean energy resources; 23 (iii) climate change programs directly related to reducing or

demand response programs that are designed to promote

8 **UNOFFICIAL COPY OF HOUSE BILL 1545** 1 changes in electric usage by customers in response to: 2 1. changes in the price of electricity over time; or 2. incentives designed to induce lower electricity use at times 3 of high wholesale market prices or when system reliability is jeopardized; to provide targeted programs, projects, activities, and investments to 6 reduce electricity consumption by customers in the low-income and moderate-income 7 residential sectors; 8 (3) to provide supplemental funds for low-income energy assistance through the Electric Universal Service Program established under § 7-512.1 of the Public 9 10 Utilities Article and other electric assistance programs in the Department of Human 11 Services: 12 to provide rate relief by offsetting electricity rates of residential 13 customers, including an offset of surcharges imposed on ratepayers under § 7-211 of the Public Utilities Article; 15 to provide grants, loans, and other assistance and investment as 16 necessary and appropriate to implement the purposes of the Program as set forth in § 9-20B-03 of this subtitle: 18 to implement energy-related public education and outreach initiatives 19 regarding reducing energy consumption and greenhouse gas emissions; 20 to provide rebates under the Electric Vehicle Recharging Equipment Rebate Program established under § 9-2009 of this title; 2122(8)to provide grants to encourage combined heat and power projects at 23industrial facilities; 24(9)subject to subsections (f-1) and (f-3) of this section, to provide \$7,000,000 in funding for access to capital for small, minority, women-owned, and 25veteran-owned businesses in the clean energy industry under § 5-1501 of the Economic Development Article, allocated in annual increments as follows: 28 (i) \$200,000 in fiscal year 2021; (ii) \$500,000 in fiscal year 2022; 29

\$500,000 in fiscal year 2023;

\$1,000,000 in fiscal year 2024; and

\$1,200,000 in each fiscal year from 2025 through 2028;

30

31

32

(iii)

(iv)

(v)

# UNOFFICIAL COPY OF HOUSE BILL 1545

1 2 3 4	(10) subject to subsections (f-2) and (f-3) of this section, to invest in pre-apprenticeship, youth apprenticeship, and registered apprenticeship programs to establish career paths in the clean energy industry under § 11-708.1 of the Labor and Employment Article, as follows:
5 6 7	(i) $$1,500,000$ for grants to pre-apprenticeship jobs training programs under $$11-708.1(c)(2)$ of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent; and
8 9 10 11	(ii) \$6,500,000 for grants to youth apprenticeship jobs training programs and registered apprenticeship jobs training programs under § 11-708.1(c)(4) of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent; [and]
12 13 14	(11) TO PROVIDE FUNDING FOR GRANTS AWARDED UNDER THE FOSSIL FUEL COMMUNITY TRANSITION ACCOUNT ESTABLISHED UNDER § 5-1702 OF THE ECONOMIC DEVELOPMENT ARTICLE; AND
15	[(11)] (12) to pay the expenses of the Program.
16 17	(g) Proceeds received by the Fund from the sale of allowances under § 2-1002(g) of the Environment Article shall be allocated as follows:
18 19 20	(1) at least 50% shall be credited to an energy assistance account to be used for the Electric Universal Service Program and other electricity assistance programs in the Department of Human Services;
21 22 23 24 25	(2) at least [20%] 10% shall be credited to a low and moderate income efficiency and conservation programs account and to a general efficiency and conservation programs account for energy efficiency and conservation programs, projects, or activities and demand response programs, of which at least one-half shall be targeted to the low and moderate income efficiency and conservation programs account for:
26 27	(i) the low-income residential sector at no cost to the participants of the programs, projects, or activities; and
28	(ii) the moderate-income residential sector;
29 30	(3) at least [20%] $10\%$ shall be credited to a renewable and clean energy programs account for:
31	(i) renewable and clean energy programs and initiatives;
32	(ii) energy-related public education and outreach; and

1	(iii) climate change and resiliency programs; [and]
2	(4) AT LEAST 20% TO AWARD GRANTS FROM THE FOSSIL FUEL
3	COMMUNITY TRANSITION ACCOUNT ESTABLISHED UNDER § 5-1702 OF THE
4	ECONOMIC DEVELOPMENT ARTICLE; AND
5	[(4)] (5) up to 10%, but not more than \$5,000,000, shall be credited to an
6	administrative expense account for costs related to the administration of the Fund,
7	including the review of electric company plans for achieving electricity savings and demand
8	reductions that the electric companies are required under law to submit to the
9	Administration.
10 11 12	SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial appointed members of the Fossil Fuel Transition Account Advisory Board shall expire as follows:
13	(1) four members in 2022; and
14	(2) four members in 2023.
15 16	SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, $2020$ .

UNOFFICIAL COPY OF HOUSE BILL 1545

10