

SB170 Support.pdf

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Position: FAV

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS - LOCAL UNION No. 24

AFFILIATED WITH:

Baltimore-D.C. Metro Building Trades Council — AFL-CIO

Baltimore Port Council

Baltimore Metro Council — AFL-CIO

Central MD Labor Council — AFL-CIO

Del-Mar-Va Labor Council — AFL-CIO

Maryland State - D.C. — AFL-CIO

National Safety Council



AFL-CIO-CLC

BALTIMORE, MARYLAND 21230

C. SAMUEL CURRERI, President

DAVID W. SPRINGHAM, JR., Recording Secretary

JEROME T. MILLER, Financial Secretary

MICHAEL J. McHALE, Business Manager

OFFICE:

2701 W. PATAPSCO AVE

SUITE 200

Phone: 410-247-5511

FAX: 410-536-4338

Written Testimony of

Rico Albacarys, Assistant Business Manager, IBEW LOCAL 24

Before the

Senate Finance Committee On

SB 170 Energy Generation Projects - Required Labor Standards

Support

February 8, 2023

Madame Chair Griffith and Committee Members,

Thank you for the opportunity to submit my testimony in **support** of Senate Bill 170.

My name is Rico Albacarys and I'm an employee and member of the International Brotherhood of Electrical Workers Local 24, in Baltimore.

Maryland is at a crossroads in its future of energy generation, transmission and storage. The State has the resources and foresight to improve our energy grid for future generations. This can and should be done, while considering the needs of working men and women in Maryland. SB 170 accomplishes all this and more.

The wage standards in the bill are crucial, making sure the energy jobs of the future will be the family sustaining jobs of the future. The apprenticeship standards ensure Marylanders

are receiving the quality training necessary to perform these very dangerous jobs. This legislation contains outreach goals to ensure all of our citizens take part and benefit from these projects. All of this while addressing Maryland's current and future needs for energy infrastructure.

This is why I'm asking you to give SB 170 a **favorable** report.

Sincerely,

A handwritten signature in blue ink, consisting of a stylized 'B' followed by a series of loops and a long horizontal stroke.

Rico Albacarys

Assistant Business Manager

SB 170 - Energy Generation Projects - Required Lab

Uploaded by: Donna Edwards

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Balto. (410) 269-1940 • Fax (410) 280-2956

President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

SB 170 - Energy Generation Projects - Required Labor Standards

Senate Finance Committee

February 9, 2023

SUPPORT

Donna S. Edwards

President

Maryland State and DC AFL-CIO

Madame Chair and members of the Committee, thank you for the opportunity to submit testimony in support of SB 170. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

As we move from a traditional energy economy to a clean energy economy it is vital that we are creating a policy and regulatory framework that ensures we are bolstering family-sustaining careers and not just creating dead-end jobs. We know that meeting Maryland's climate goals require expanding state electricity production by two to three times its current levels and expanding the grid's capacity by three to five times. This means a massive amount of work in energy generation over the coming decade. Renewable energy generation, transmission, and storage are the growth industries of the future. For these projects it is paramount that we apply labor standards. We must hold these new energy jobs to a high standard now, ensuring that we are setting up the next generation of workers to be as successful as the ones that precede them. Unfortunately not all of this work will be done by companies interested in creating high road jobs and careers for their workers. We already know first hand that some industries, like solar, have decided to focus on low-wage installation jobs and certificate training programs that offer no possibilities for career advancement.

SB 170 requires developers of new power generation projects to pay for and certify that their contractors and subcontractors are paying the prevailing wage rates on projects. This is essential to ensure that rate payer money and tax payer money is not being used to undermine the existing job standards of trained trades workers. Prevailing wage requirements do not even require workers to be members of a union or covered by a project labor agreement, it simply requires that employers pay fair wage rates in line with industry standards, preventing a race to the bottom on job standards and work quality.

We need to fight climate change and we need to create family-sustaining careers in clean energy. With SB 170 we have the opportunity to protect workers and their families, as we grow clean energy production in Maryland. We urge the committee to issue a favorable report on SB 170.

SB0170_Written Testimony_Favorable_MdPHA.docx.2.7.

Uploaded by: Ilona Kabara

Position: FAV



Mission: *To improve public health in Maryland through education and advocacy* **Vision:** *Healthy Marylanders living in Healthy Communities*

**TESTIMONY IN SUPPORT OF SENATE BILL 170
Energy Generation Projects – Required Labor Standards
Before the Senate Finance Committee
By: Maryland Public Health Association (MdPHA)
February 9, 2023**

Chair Griffith and Members of the Senate Finance Committee, thank you for this opportunity to testify in support of Senate Bill 170.

This bill will require that individuals who work to construct most energy generation projects with a capacity of two megawatts or more are paid no less than the prevailing wage rate (as determined under state law) or are working under a project labor agreement that satisfies the standards set forth in this bill. The covered energy projects of two megawatts or more include those that have received a Certificate of Public Convenience and Necessity (CPCN) from the Maryland Public Service Commission (PSC), and those exempted by the PSC from obtaining a CPCN pursuant to a specified state law provision; the covered projects do not include offshore wind projects.

The Maryland Public Health Association is committed to the principles of equity, justice, and inclusion, and are striving to put these principles at the center of environmental initiatives. These principles include respecting and supporting the rights of workers, which includes their ability to have good jobs, earn a decent living, and enjoy occupational health and safety protections.

Work is one of the key elements that can increase sufficient redistribution of wealth and income to communities and also promote social and economic security as well as basic equity.¹ As the future of Maryland's energy economy transforms, it is critical that the jobs created are good family wage or prevailing wage jobs with benefits, and that job training be provided for local residents, women, and minorities. Hence, Maryland should join other states which have passed laws to establish labor standards for energy projects.

We urge a favorable report on this bill.

¹ Berwick DM. The Moral Determinants of Health. JAMA. 2020;324(3):225–226.
doi:10.1001/jama.2020.11129

Sincerely,

The Maryland Public Health Association (MdPHA) is a nonprofit, statewide organization of public health professionals dedicated to improving the lives of all Marylanders through education, advocacy, and collaboration. We support public policies consistent with our vision of healthy Marylanders living in healthy, equitable, communities. MdPHA is the state affiliate of the American Public Health Association, a nearly 145-year-old professional organization dedicated to improving population health and reducing the health disparities that plague our state and our nation.

Maryland Public Health Association (MdPHA)
PO Box 7045 • 6801 Oak Hall Ln • Columbia, MD 21045-9998
GetInfo@MdPHA.org www.mdpha.org 443.475.0242

SB 170 Jami Kirila (FAV).pdf

Uploaded by: Jami Kirila

Position: FAV

February 9, 2023

The Honorable Melony Griffith, Chair
The Honorable Katherine Klausmeier, Vice Chair
Education, Energy, and the Environment Committee
2 West
Miller Senate Office Building
Annapolis, Maryland 21401

SB 170 – Energy Generation Projects – Required Labor Standards

Testimony of Jami Kirila

Position – Favorable

Thank you Chair Griffith, Vice Chair Klausmeier, and members of the Committee for the opportunity to testify on SB 170.

My name is Jami Kirila. I am the owner of Kirila Earthworks, a WBE and MBE small business contractor based out of Prince George's County, Maryland. We specialize in stormwater, utilities, and site development services for commercial, industrial, environmental, and residential projects throughout Maryland. We are proud to be a small company that helps create middle-class construction jobs for Maryland residents.

My company was in the first cohort of Prince George's Clean Water Partnership mentor/protégé program. We started with just two employees and today employ 8-10 construction workers. To-date, we have performed more than \$10 million worth of stormwater infrastructure work throughout the county.

As a small, Maryland-based construction contractor, I can tell you firsthand that requiring labor standards, especially prevailing wage, on energy generation projects will help my company compete and win work. That's because prevailing wage requirements level the playing field for reputable, high-road contractors like Kirila Earthworks. Prevailing wage prevents low-road contractors from undercutting high-road contractors committed to paying decent wages and benefits.

My company is a great example of how prevailing wage builds value into infrastructure investment. Prevailing wage promotes the success of local contractors and creates jobs for local residents – both of which help build Maryland's economy. Kirila Earthworks would love to grow our business in Maryland even more, and provide even more residents with quality, good-paying jobs. The passage of SB 170 will help us make that happen.

We are proud to be a small company that supports SB 170.

Please issue a favorable report on this bill.

Jason Ascher - Support - SB 170 - Energy Generati

Uploaded by: Jason Ascher

Position: FAV



Senate Finance Committee

To: Senator Melony Griffith, Chair; Senator Kathy Klausmeier, Vice-Chair; and Members of the Committee.
From: Jason Ascher, Political Director, Mid-Atlantic Pipe Trades Association.

On behalf of the Mid-Atlantic Pipe Trades Association and our 10,000+ United Association of Plumbers and Steamfitter members across Maryland, I ask you to **SUPPORT SB 170**.

The United Association of Plumbers and Steamfitters believes in an “all of the above” approach to energy production. Our members build and maintain infrastructure for fossil fuels, nuclear, and other less used or developing renewable energy sources such as Geothermal, Hydrogen, and Concentrated Solar. We want to see renewable energy infrastructure constructed, including more nuclear, while keeping natural gas and carbon capture in use to protect the grid from failing. Unfortunately, with the rush to build new infrastructure for renewable energy, the workers tend to be the ones left behind. **SB 170** will ensure that the workers are looked out for on these projects and that the workers on these projects are the highest skilled and best trained available.

Fossil Fuel infrastructure is commonly (but not always) built and maintained by union workers. These workers earn family-sustaining wages, with benefits such as health insurance, pensions, and retirement saving. Under union contracts, workers also get other worksite protection such as a safer worksite, apprentice training, and a set schedule. The renewable sector, aside from Nuclear, which operates more like the fossil fuel sector when it comes to workers, tends to do things as cheap as possible, starting with labor. These renewable energy companies would rather use cheaper labor that they can exploit than highly skilled and highly trained local workers. **SB 170** will require all energy generation, transmission, and storage projects to have labor standards and a community benefits agreement. It will be a requirement for Prevailing Wages, licensed workers, and workers trained in registered apprenticeship programs. This bill is how we ensure that all energy projects protect both the community and workers. These workers will be able to take care of themselves and their families, be set up for a successful career, and allow them to retire with dignity.

For these reasons, I ask that you support **SB 170**.

Sincerely,

Jason Ascher
Political Director
Mid-Atlantic Pipe Trades Association

BDCBT SB 0170 Testimony 02092023.pdf

Uploaded by: Jeffry Guido

Position: FAV



Maryland Senate - Finance Committee

Chair: Melony Griffith

Vice Chair: Katherine Klausmeier

Senate Bill 0170 - Energy Generation Projects – Required Labor Standards

Position: Support

Electrical Workers

Insulators

Boilermakers

United Association

Roofers

Cement Masons

Teamsters

Laborers

Bricklayers

Ironworkers

Sheet Metal Workers

Elevator Constructors

Painters

Operating Engineers

Carpenters

The Baltimore DC Metro Building Trades Council supports Senate Bill 170. The solar and wind energy industry does not currently provide family sustaining wages and benefits comparable to employment in the nuclear, natural gas, fuel oil or coal industry. As Maryland is intent on moving away from the use of fossil fuels and increasing its reliance on renewable energy it is imperative to set the labor standards and conditions for the installation and expansion of these utilities. All of the Building Trades apprenticeship training centers teach green installation and construction. Our members provide readily trained certified and licensed skilled crafts persons that will install these systems safely and economically. These standards include paying the area prevailing wage standard for each trade, including the wages and fringe benefits per trade, and be subject to all state reporting and compliance requirements. Participation in an apprenticeship program registered with the State of Maryland for each trade employed on the project. Contractors that have been compliant with federal and state wage and hour laws in the previous three years. The establishment and execution of a plan for outreach, recruitment, and retention of Maryland residents to perform work on the project—including residents who are returning citizens, women, minority individuals, and veterans—with an aspirational goal of 25 percent of total work hours performed by Maryland residents, including individuals in one or more of the groups identified. The application and protection of these standards will protect Maryland's working men and women.

We ask the committee for a favorable vote. Thank you.

Respectfully,

Jeffrey Guido

(E) consultingbyjlg@gmail.com (C) 240-687-5195

Value on Display... Everyday.



SB170_MultipleOrganizations_fav 9Feb2023.pdf

Uploaded by: Mark Posner

Position: FAV

Committee: Finance

Testimony on: SB170 “Energy Generation Projects – Required Labor Standards”

Position: Support

Hearing Date: February 9, 2023

The Maryland Chapter of the Sierra Club and the other organizations listed below respectfully urge a favorable report on SB170.

This bill will require that individuals who construct most energy generation projects with a capacity of two megawatts or more either be paid no less than the prevailing wage rate or work under a project labor agreement that satisfies the standards set forth in this bill. The covered energy projects include those that have received a Certificate of Public Convenience and Necessity (CPCN) from the Maryland Public Service Commission (PSC), as well as those exempted by the PSC from obtaining a CPCN pursuant to a specified state law provision; the covered projects do not include offshore wind projects.

Our organizations are committed to the principles of equity, justice, and inclusion, and are striving to put these principles at the center of environmental initiatives. These principles include respecting and supporting the rights of workers, and their ability to have good jobs, earn a decent living, and enjoy occupational health and safety protections.

We are proud to stand in solidarity with labor to advocate for strong labor standards in new energy generation projects larger than two megawatts.

As Maryland’s energy economy transforms, it is critical that the jobs created provide good family wages with benefits, and that job training be provided for local residents, women, and minorities.

Maryland should join other states that have passed laws to establish labor standards for energy projects. We urge a favorable report on this bill.

Sincerely,

Josh Tulkin
Chapter Director, Maryland Sierra Club
Josh.Tulkin@mdsierra.org

Chesapeake Bay Foundation
Indivisible Howard County Climate Action Team
Interfaith Power and Light (DC MD NoVA)
Maryland League of Conservation Voters
Maryland Legislative Coalition
Unitarian Universalist Legislative Ministry of Maryland

SB 170 Steve Lanning LiUNA (FAV) .pdf

Uploaded by: Steve Lanning

Position: FAV

February 9, 2023

The Honorable Melony Griffith, Chair
The Honorable Katherine Klausmeier, Vice Chair
Finance Committee
2 West, Miller Senate Office Building
Annapolis, Maryland 21401

**SB 170 – Energy Generation Projects – Required Labor Standards
Testimony of Steve Lanning, LiUNA**

Position – Favorable

Thank you Chair Griffith and Vice Chair Klausmeier and members of the Committee for the opportunity to testify in support of SB 170.

My name is Steve Lanning. I am the Business Manager of Laborers' Local 11, an affiliate of the Laborers' International Union of North America, or LiUNA for short. The Local 11 represents more than 3,500 members across Maryland, Virginia, and the District of Columbia. Our members are proudly employed on many infrastructure construction projects across the region. More than half of our members are Maryland residents.

LiUNA supports SB 170 and its establishment of prevailing wage on energy generation projects. As the state of Maryland shifts to a green economy and away from fossil fuels, it is essential that the jobs created by the transition are quality jobs with benefits. Prevailing wage standards are especially important because energy developers and construction contractors sometimes engage in business practices that do not promote quality jobs for local residents or opportunities for local businesses. These practices include: use of a traveling workforce, effectively boxing out opportunities for local employment; reliance on temporary staffing agencies whose workers are paid wages so low they receive federal food assistance and Medicaid benefits; and misclassification of workers as 1099 independent contractors to avoid payroll taxes.

Moreover, extending the state's prevailing wage to energy generation aligns with the General Assembly's goal to create quality infrastructure jobs. Economic analysis of the legislation reveals that labor costs are only 5% of the total cost of energy development projects. Those costs are capitalized over the useful life of the project. Consequently, this legislation will have no impact on retail energy rates. Attached to my testimony is a brief summary of a cost analysis prepared by Pinnacle Economics supporting the de minimis impact of prevailing wage on the costs of renewable energy projects.

If SB 170 becomes law, Maryland would be joining other states like Illinois, Connecticut, New Jersey, Oregon, Washington, Minnesota, and New York that have already passed laws to establish prevailing wages on energy projects. Finally, SB 170 aligns with President Biden's goals in the Inflation Reduction Act of 2022, which provides enhanced tax benefits for a range of clean energy projects that pay prevailing wage.

LiUNA urges the committee to vote favorably on SB 170.

The Impacts of Prevailing Wages on the Total Costs of Maryland Renewable Energy Projects

Executive Summary

Introduction

The Baltimore-DC Building Trades (“BDCBT”) retained Pinnacle Economics, Inc., (“Pinnacle”) to evaluate how a prevailing wage requirement for construction trades working on renewable energy projects in Maryland would affect total project costs on the following types of renewable energy projects: 1) utility-scale and commercial solar, 2) land-based wind, 3) geothermal, and 4) energy storage (batteries).

To provide maximum context and avoid any confirmation bias, this analysis includes a broad array of renewable energy technologies, regardless of whether they will be covered by labor standards or, in the case of offshore wind power, already are included or covered by labor standards.

Key Findings

The additional costs to ratepayers of extending Maryland’s prevailing wage law to non-residential solar, land-based wind, geothermal, and energy storage projects that are 2 MW or greater is negligible.

This is due, primarily, to the cost structure of renewable energy projects, where total project costs are most heavily influenced by equipment costs, including electrical and structural balance of system (“BOS”) costs,¹ and less influenced by install labor costs which generally represent 10 percent or less of total project costs. As shown in the first section (shaded in dark gray) of Table ES1, for example, install labor costs represent 3.02 percent of total project costs for a 50 MW geothermal binary plant and 10.89 percent of total project costs for a utility-scale solar (photovoltaic or “PV”) facility using one-axis solar technology. These cost estimates are derived using detailed, objective, industry-derived cost data from the National Renewable Energy Laboratory (“NREL”) and other government or industry sources.

The second section (shaded in light gray) of Table ES1 reports how changes in install labor costs affect total project costs. For example, install labor costs represent 6.21 percent of total project costs for utility-scale, land-based wind. Thus, every one percent increase in install labor costs translates into a 0.06 percent increase in total project costs. Based on a prevailing wage

¹ For example, for utility-based solar, modules, inverters, and BOS account for between 55-65 percent of total project costs, depending on the type of solar technology. For land-based wind, equipment costs (rotor, nacelle, and tower) account for 69 percent of total project costs.

² A hypothetical 30 percent increase in construction wages due to prevailing wage likely is a conservative estimate: 1) a November 2020 study entitled *Potential Impacts of Prevailing Wage on Solar Costs in Illinois* found that prevailing wage could increase solar labor rates from an average of 23 to 41 percent when accounting for total compensation packages including healthcare, pension and worker training contributions (see https://drive.google.com/file/d/13ZWw7rOilomG_mURNcmD0cw1p934FBSX/view); and 2) the Maryland General Assembly’s Department of Legislative Services has found that prevailing wages tend to be higher than non-prevailing wages, but that it is reasonable to expect that the prevailing wage requirement adds at most between 2% and 5% to Pinnacle Economics and BDCBT

law that results in a hypothetical 30 percent increase² in construction wages, Pinnacle estimates that total project costs would increase, depending on the size of the system, between:

- 2.90 and 3.19 percent for utility-scale, fixed-tilt solar
- 2.91 and 3.27 percent for utility-scale, one-axis solar
- 2.09 and 3.03 percent for commercial rooftop solar
- 2.58 and 2.75 percent for commercial ground-mount solar
- 1.86 percent for land-based wind
- 1.70 percent for energy storage

Table ES1: Install Labor Costs and Changes in Total Project Costs Attributed to Hypothetical Changes in Install Labor Costs, by Type of Renewable Energy (2019)

Resource / Technology	Install Labor Costs as % of Total Capital Costs	Percent % in Project Costs Associated with the Following % Changes in Labor Costs			
		1%	10%	20%	30%
Solar: Utility-Scale Fixed-Tilt (Low - 5 MW)	9.68%	0.10%	0.97%	1.94%	2.90%
Solar: Utility-Scale Fixed-Tilt (High - 100 MW)	10.64%	0.11%	1.06%	2.13%	3.19%
Solar: Utility-Scale One-Axis (Low - 5 MW)	9.70%	0.10%	0.97%	1.94%	2.91%
Solar: Utility-Scale One-Axis Solar (High - 100 MW)	10.89%	0.11%	1.09%	2.18%	3.27%
Solar: Commercial Rooftop (2 MW)	6.96%	0.07%	0.70%	1.39%	2.09%
Solar: Commercial Ground (2MW)	9.15%	0.09%	0.92%	1.83%	2.75%
Wind: Land-Based (2.6 MW Turbines)	6.21%	0.06%	0.62%	1.24%	1.86%
Wind: Fixed-Bottom Offshore (6.1 MW Turbines)	9.34%	0.09%	0.93%	1.87%	2.80%
Wind: Floating Offshore (6.1 MW Turbines)	10.32%	0.10%	1.03%	2.06%	3.09%
Battery Storage: Utility-Scale 60 MW Lithium-ion	5.67%	0.06%	0.57%	1.13%	1.70%
Geothermal: 50 MW Flash Plant (bottom exhaust)	8.03%	NA	NA	NA	NA
Geothermal: 40 MW Flash Plant (top exhaust)	7.58%	NA	NA	NA	NA
Geothermal: 50 MW Binary Plant	3.02%	NA	NA	NA	NA

Note: Changes in total project costs for geothermal projects not estimated because install labor costs are based on union workers receiving prevailing wages and benefits. Offshore wind energy included for context.

Sources: Pinnacle Economics using detailed NREL and EPRI project cost data.

These estimates are likely conservative given that:

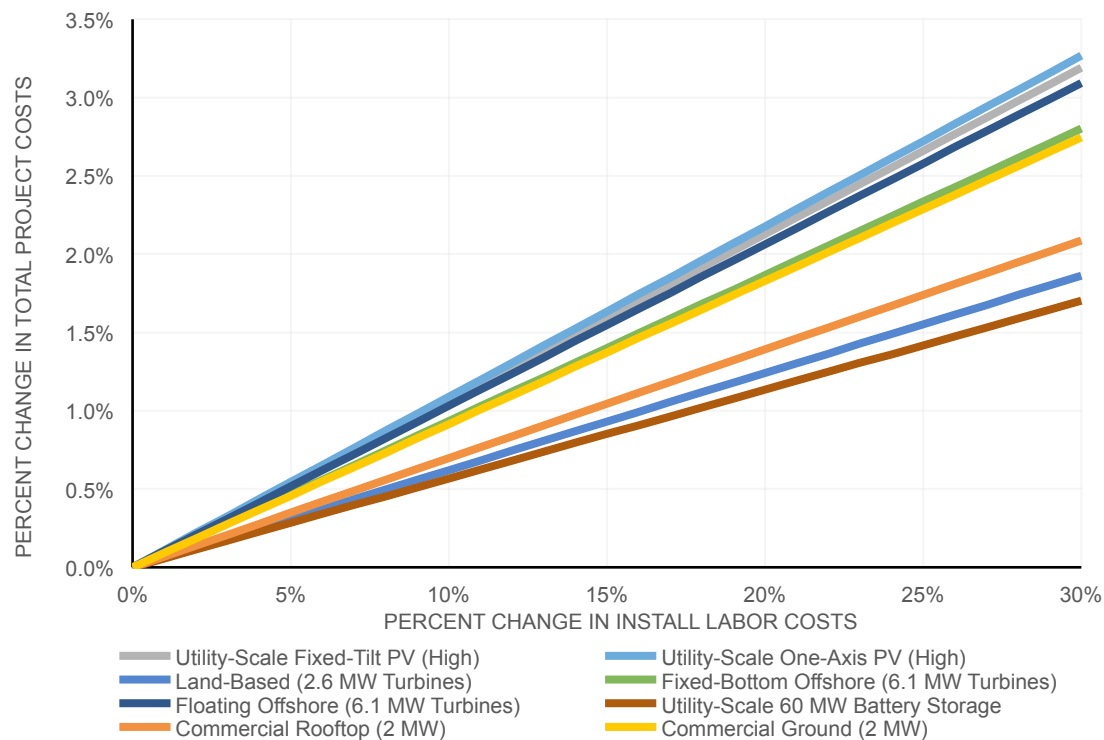
- 1) Install labor costs can include equipment, as well as occupations that are not directly affected by prevailing wages,
- 2) Economies of scale for some technologies that reduce average labor costs more than average total costs, thus reducing install labor's percentage of total costs,

² A hypothetical 30 percent increase in construction wages due to prevailing wage likely is a conservative estimate: 1) a November 2020 study entitled *Potential Impacts of Prevailing Wage on Solar Costs in Illinois* found that prevailing wage could increase solar labor rates from an average of 23 to 41 percent when accounting for total compensation packages including healthcare, pension and worker training contributions (see https://drive.google.com/file/d/13ZWw7rOilomG_mURNcmD0cw1p934FBSX/view); and 2) the Maryland General Assembly's Department of Legislative Services has found that prevailing wages tend to be higher than non-prevailing wages, but that it is reasonable to expect that the prevailing wage requirement adds at most between 2% and 5% to the cost of a public works project (see https://mgaleg.maryland.gov/2021RS/fnotes/bil_0005/sb0095.pdf).

- 3) NREL's benchmark costs are based on national averages, where California is overweighted and where that state's high cost of labor biases labor costs upward (labor costs in Maryland on commercial solar, for example, are 16 percent lower than the national average), and
- 4) This analysis does not include increases in worker productivity that linked to a higher prevailing wage, such as: lower worker turnover, better and more prevalent apprenticeship training programs, improved workplace safety, and more.

Lastly, these *de minimus* changes in total project costs should be viewed within the context that total install costs of renewable energy have fallen dramatically over the last ten years, and that costs are forecast to continue to decline over the next 30 years. Figure ES1 shows the sensitivity of total project costs to changes in install labor costs for the renewable energy projects considered in this analysis.

Figure ES1: Sensitivity of Total Project Costs to Changes in Install Labor Costs, by Type of Renewable Energy Project



Sources: Pinnacle Economics using detailed NREL and EPRI project cost data.

SB 170 Energy Projects-Labor Standards.pdf

Uploaded by: Tom Clark

Position: FAV



International Brotherhood of Electrical Workers

JOSEPH F. DABBS: Business Manager • THOMAS C. MYERS: President • RICHARD D. WILKINSON: Vice President
CHRISTOPHER M. CASH: Financial Secretary • RICHARD G. MURPHY: Recording Secretary • PAULO C. HENRIQUES: Treasurer



TESTIMONY IN SUPPORT OF SB 170 ENERGY PROJECTS – REQUIRED LABOR STANDARDS February 9, 2023

TO: Hon. Melony Griffith, Chair and members of the Senate Finance Committee
From: Tom Clark, Political Director, International Brotherhood of Electrical Workers, Local 26

Madam Chair and members of the Senate Finance Committee, please join me in **support of SB 170**, Energy Generation Projects-Required Labor Standards. A bill that addresses the issues of the hard-working Marylander before they are victims of wage theft or misclassification. A bill that addresses the unscrupulous contractor before they commit bad labor practices against our citizens and before they steal Maryland tax dollars from the state's coffers.

I salute the sponsors of this bill for attaching these labor standards in the draft of the bill, as opposed to waiting for the Pro Maryland worker lobby to add amendments. Adding amendments usually delays the passage of any bill, sometimes for years. Quite often the Maryland citizens that are harmed most by wage theft and mis-classification are those of the Hispanic community that are language challenged or afraid of the repercussions for speaking up.

I would like to note that 90% of the electrical utility companies that do state work, follow the rules and practice good faith business with it's employees and the state. However, it is the 10% of unscrupulous contractors that mis-classify workers and under pay employees that make it tough for the honest contractors to compete. I will use the example of Power Design a Florida based company that comes to the Freestate with Mis-classification and wage theft as a Business Model. They have been successfully sued by the District of Columbia for wage-theft, but they make so much money from stealing from construction workers that they stay in the area because cheating is profitable, even after being sued. SB 170 addresses such horrific business practices. This bill may use disbarment for habitual stealers. This forward thinking piece of legislation can put an end to horrible contractors like Power Design, but most importantly it will protect the paychecks of the men and women that do electrical utility work in our proud state.

Please join me in **supporting SB 170**, a bill that will fight wage theft and the mis-classification of Maryland workers. Thank you



SB0170-683027-01.pdf

Uploaded by: Brian Feldman

Position: FWA



SB0170/683027/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

07 FEB 23
08:25:05

BY: Senator Feldman
(To be offered in the Finance Committee)

AMENDMENT TO SENATE BILL 170
(First Reading File Bill)

On page 8, after line 18, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any covered projects, as defined in § 3–718 of the Labor and Employment Article, as enacted by Section 1 of this Act, that received approval of a certificate of public convenience and necessity before the effective date of this Act.”;

and in line 19, strike “2.” and substitute “3.”.

ACP_Infographic_Clean_Labor_Report.pdf

Uploaded by: Moira Cyphers

Position: FWA

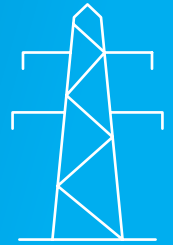


[bw] RESEARCH PARTNERSHIP

A Clean Power Future Will Jumpstart America's Next Generation Workforce



The 2021 *Clean Energy Labor Supply* report from BW Research Partnership, released by American Clean Power Association, details current clean energy employment and unionization rates, revealing how many Americans across the country are already working in good-paying, clean energy jobs. Based on two scenarios of renewables deployment — 50% and 70% of electricity generated from renewables by 2030 — the study projects the number of workers that will be needed to meet these goals and highlights those occupations where high demand for workers could result in labor gaps.



Accelerating the growth of clean energy is the best strategy to benefit American workers

Increasing clean energy and battery storage capacity to account for 50 or 70 percent of electricity over the next decade would:

- Create **5 to 6 million job-years*** during development and construction of clean power projects. (500K-600K jobs by 2030.)

Manufacturing sector jobs = **38%** of total job-years

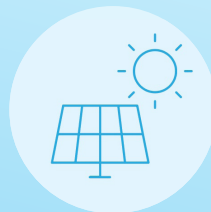
Construction jobs = **21%** of total job-years

- Provide 362,000 to 437,000 additional direct job-years in the long-term operations and maintenance (O&M) of projects
- Support 3.5 to 4.3 million additional job-years in the supply chain in the 25 years following construction

* A job-year represents one year of work for one person. For example, a new construction job that lasts five years is considered five job-years.

Clean Power = Jobs

over **415,000** people worked in wind, utility and distributed solar, and battery storage in 2020.



231,474
Solar* jobs



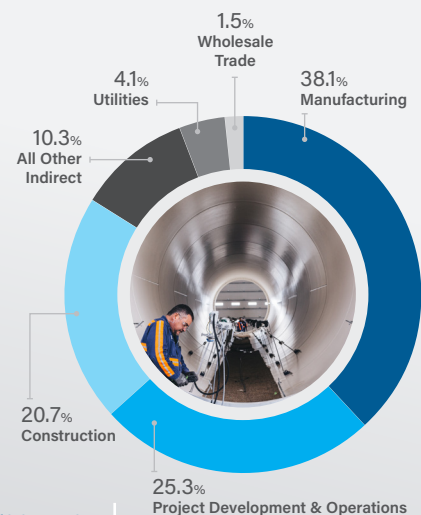
116,801
Wind jobs



66,749
Battery storage jobs

* Majority-time solar workers, those that spend 50 percent or more of their labor hours on solar-related work

Clean Energy job growth would be the highest among the manufacturing sector and those working in project development and operations



Average distribution of job creation by industry across both scenarios



Clean Energy Jobs are Quality Jobs That Pay Well

These jobs would be geographically spread across the country and will offer workers above-average wages.

Across the top 35 in-demand clean power occupations, a majority support an annual wage that is higher than the national average of **\$56,310**

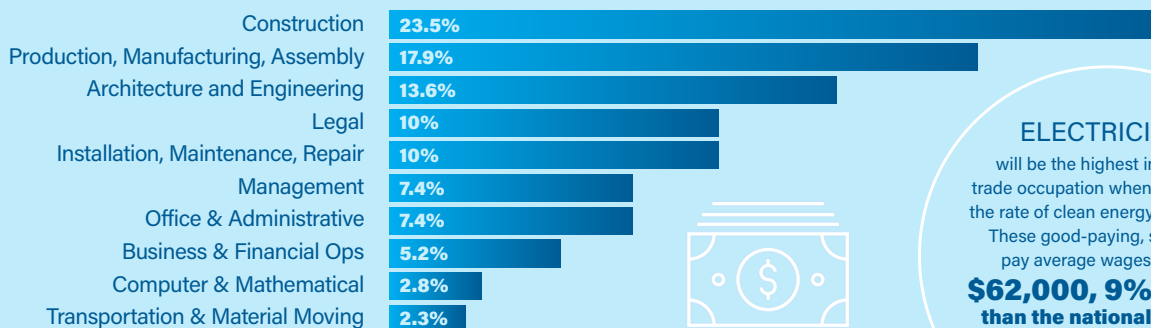


Clean Power Momentum Continues

Despite the pandemic, the clean power industry had its strongest year ever in 2020. There is **over 173,000 MW of clean power capacity operating in the U.S.**, more than double the U.S. capacity five years ago. Coupled with increased demand for clean energy, this growth will only continue as there's more than 84,000 MW of land-based and offshore wind, utility scale solar and battery storage in the near-term pipeline — which all require a variety of workers.

Clean Power Jobs Will Span 35 Different In-Demand Occupations

Thirty-five in-demand occupations will see increased job growth with a ramped up clean power buildout including:



ELECTRICIANS

will be the highest in-demand trade occupation when accelerating the rate of clean energy deployment. These good-paying, skilled jobs pay average wages of nearly **\$62,000, 9% higher than the national average.**

Unionization rates for solar, wind, and battery storage are higher than the national private sector average

Union rates are expected to grow when the need for more trade workers increases as additional renewables are deployed.

Clean Power Union Rates:
OVER 10%*
union coverage

Average Private Sector Union Rates:
7.2%
union coverage across the private sector

* Workers are counted as covered by a collective bargaining agreement if they are union members or if they are not members but say they are covered by a union contract.

Construction (13.4% union coverage) and **manufacturing** (9.3% union coverage) jobs have even higher unionization rates, suggesting an opportunity for labor.

Electricians (32.4% union coverage) and **metal fabricators and fitters** (21% union coverage) have among the highest rates of union coverage.

Offshore wind manufacturing and assembly will involve the use of many skilled trades workers, including many types currently used in the fossil fuel industry.

The collective challenge the nation will face will be filling these clean power jobs

Achieving America's decarbonization goals requires an "all-hands-on-deck" approach to recruit and train the next generation of the clean power workforce. Meeting the projected high demand for jobs will create numerous opportunities for the skilled labor workforce to flourish.

Over 40,000 electricians, nearly 9,000 welders, 7,000 wind turbine technicians, and many others across the trades will need to be trained this decade to meet America's decarbonization goals.

Filling these supply gaps will require efforts from across the workforce development system—community colleges, labor unions, non-profits, vocational training programs, and other providers.

SB 170 ACP FWA.pdf

Uploaded by: Moira Cyphers

Position: FWA

February 8, 2023



SB 170 – Favorable with Amendment

Chair Feldman, Vice Chair Kagan, and members of the Senate Education, Energy, and the Environment Committee:

The American Clean Power Association (ACP) is uniting the power of wind, solar, transmission and storage companies and their allied industries, to champion policies that enable the growth of renewable energy in the United States.

Recently passed legislation at the federal level – the Inflation Reduction Act (IRA) – has put America on a path to reducing economy-wide emissions 40 percent below 2005 levels by 2030 while creating 550,000 new clean energy jobs. The IRA is a critical part of creating America's clean energy future and keeps the U.S. within reach of President Biden's climate goals.

The once-in-a-generation opportunity to build out America's clean energy resources enabled by the IRA is also an investment in US workers. To access incentives like tax credits, project developers are required to pay prevailing wage, utilize apprenticeship programs, and more. Senate Bill 170 would bring Maryland in line with the recently passed federal legislation and further strengthens these requirements.

ACP supports this legislation with amendment. The amendment is important because it clarifies that for a small subset of projects which have already received a Certificate of Public Convenience and Necessity and are either under construction or in advanced development that those projects can proceed with construction and completion.

Reports show that the clean power industry will support a direct workforce of nearly 1 million Americans by 2030. These jobs will provide nearly \$300 billion in wages and benefits to hard-working Americans. In addition, once complete, these projects will support 125,000 permanent jobs in the operations and maintenance phase, providing nearly \$9 billion in wages and benefits each year.

These careers are some of the fastest growing occupations in the country – wind technicians are the country's #1 fastest growing role, and solar installers are #3. Clean energy workers make 30% more than the national median wage, ensuring that they have access to good paying jobs that support them and their families. The clean energy workforce is already highly unionized, with union coverage rates just above 10% compared to the average national private-sector union coverage rate of 7.2%. America's clean energy companies are proud of the good-paying, fast growing, and pro-labor careers that our sector has already built, and we are proud to support policies that will broaden these careers to many more workers.¹

The American Clean Power Association requests a Favorable with Amendment report on SB 170.

Moira Cyphers
Director, Eastern Region State Affairs
American Clean Power Association
(301) 318-4220
MCyphers@cleanpower.org

¹ The jobs numbers in this testimony are from a [report](#) prepared by BW Research using the NREL JEDI models for offshore and onshore wind, and an IMPLAN-by-parts analysis mapped against NREL research papers for solar and energy storage. The study also incorporated data from the 2020 U.S. Energy and Employment Report.

Ironworkers Testimony SB170 FWA.pdf

Uploaded by: Roger Manno

Position: FWA



TESTIMONY OF
WILLIAM BECKMAN, VICE PRESIDENT AND BUSINESS AGENT, IRONWORKERS
LOCAL 5
SB170 – ENERGY GENERATION PROJECTS – REQUIRED LABOR STANDARDS

FAVORABLE WITH AMENDMENT

Dear Chair Griffith and honorable members of the Senate Finance Committee:

As Vice President and Business Agent of Ironworkers Local 5, on behalf of our 1,000 Ironworkers, Journeymen, Apprentices and Retirees, I write to express our support for SB170 and the strong labor standards that it represents, with an amendment to include Offshore Wind, and to conform the bill with the federal Inflation Reduction Act.

As currently drafted, SB170 specifically exempts Offshore Wind (see Page 2, lines 13-14). Our understanding is that this specific provision was intended to be responsive to (a misunderstanding of) enabling Offshore Wind legislation (the Maryland Offshore Wind Energy Act of 2013, and the Clean Energy Jobs Act of 2019), and a supposed requirement of a Project Labor Agreement. To be clear, there is no statutory requirement for a Project Labor Agreement for Offshore Wind. Given the importance and the benefits of a Project Labor Agreement on both Round 1 and Round 2 of the Offshore Wind Targets, we strenuously urge the committee to strike lines 13-14 on Page 2 of the bill.

In addition, as currently drafted, SB170 specifically applies to projects over 2 Megawatt, which is overly restrictive, and conflicts with the federal standards of 1 Megawatt in the



Inflation Reduction Act. As such, we would urge the committee to replace “2 Megawatts” with “1 MEGAWATT” on line 6 on Page 2.

These changes are greatly needed, and we ask for the committee’s consideration of their adoption.

Thank you for your consideration, and we ask for a favorable committee report, with amendment.

Sincerely,

William Beckman,

William Beckman

Vice President & Business Agent
Ironworkers Local 5

sb170test- Energy Generation Projects – Required L

Uploaded by: Marcus Jackson

Position: UNF



The Voice of Merit Construction

February 9, 2023

Mike Henderson

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Beltsville, MD 20705
(T) (301) 595-9711
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TO: FINANCE COMMITTEE
FROM: ASSOCIATED BUILDERS AND CONTRACTORS
RE: S.B. 170 – ENERGY GENERATION PROJECTS – REQUIRED LABOR STANDARDS
POSITION: OPPOSE

Associated Builders and Contractors (ABC) opposes S.B. 170 which is before you today for consideration. This bill as written, would establish certain labor standards and certain certification, reporting, and record-keeping requirements related to the construction of a covered project.

ABC members are fully aware of the state's prevailing wage law and its requirement of contractors and subcontractors to pay their employees performing work on the public projects a prevailing wage rate that has been established by the Commissioner of Labor and Industry. However, this legislation would allow prevailing wage requirements to be put on non-public projects. We feel that this would be an intrusion into the private sector where the developers will have to pay prevailing wages or enter into a project labor agreement.

With that said, we have reviewed S.B. 170 and respectfully recommend the following amendments:

- "Misclassified" labor. page 4, line 5. Should be replaced with an objective government finding of a labor violation following a proceeding in which contractor was afforded due process.
- "Misclassify" labor. page 4, line 5. This is an impossible future-tense warranty. The state cannot police future intent as something punishable by debarment.
- "Has not Defaulted on any project". page. 3, line 25. "defaulted" is very ambiguous. "Default" could mean any breach of contract, no matter how immaterial. See *Siegfried Constr., Inc. v. Gulf Ins. Co.*, 203 F.3d 822 (4th Cir. 2000) ("In general, a default is defined as "the omission or failure to perform a legal or contractual duty." and "a builder's breach in the performance of his contract, i.e., a defective performance, also would be a 'default' in that contract.")

On behalf of the over 1,500 ABC business members in Maryland, we respectfully request an unfavorable report on S.B. 170.

Marcus Jackson, Director,
Government Affairs

SB 170_MAA_UNF.pdf

Uploaded by: Nicolae Copper

Position: UNF

CHAIRMAN:
Jeff Graf
VICE CHAIRMAN
David Slaughter

MARYLAND ASPHALT ASSOCIATION



TREASURER:
Paul Bramble
SECRETARY:
Curtis Hall
PRESIDENT:
G. Marshall Klinefelter

February 9, 2023

Senator Melony Griffith, Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

RE: SB 170 – UNFAVORABLE – Energy Generation Projects – Required Labor Standards

Dear Chair Griffith and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 18 producer members representing more than 47 production facilities, 24 contractor members, 24 consulting engineer firms and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 170 requires developers on covered energy generation projects to comply with several requirements relating to prevailing wage rates and contractor/subcontractor certifications and records, except when the covered project is subject to a project labor agreement that already dictates such terms and provisions. The Maryland Department of Labor is then charged with enforcing compliance with these requirements and any resulting new regulations.

Throughout its long history, MAA has steadfastly defended the right of open shop contractors to bid on and work on construction contracts in this state, regardless of the presence of a project labor agreement. Senate Bill 170 would unfairly tip the scales in favor of union contractors who will happily sign project labor agreement by imposing several costly, time-consuming, and unnecessary requirements on contractors seeking to bid on projects without such an agreement. We believe that all contractors should be able to compete on an equal playing field for all projects, but the additional requirements of Senate Bill 170 would make that impossible.

We appreciate you taking the time to consider our request for an UNFAVORABLE report on Senate Bill 170.

Sincerely,

Marshall Klinefelter
President
Maryland Asphalt Association

SB 170_MTBMA_UNF.pdf

Uploaded by: Nicolae Copper

Position: UNF



February 9, 2023

Senator Melony Griffith, Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

RE: SB 170 – UNFAVORABLE – Energy Generation Projects – Required Labor Standards

Dear Chair Griffith and Members of the Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

Senate Bill 170 requires developers on covered energy generation projects to comply with several requirements relating to prevailing wage rates and contractor/subcontractor certifications and records, except when the covered project is subject to a project labor agreement that already dictates such terms and provisions. The Maryland Department of Labor is then charged with enforcing compliance with these requirements and any resulting new regulations.

Throughout its long history, MTBMA has steadfastly defended the creation of open competition—a hallmark of any agency seeking to bring in more contractors. This bill opposes the 91% of open shop contractors in the state of Maryland. Senate Bill 170 would unfairly tip the scales in favor of union contractors who will happily sign project labor agreement by imposing several costly, time-consuming, and unnecessary requirements on contractors seeking to bid on projects without such an agreement. We believe that all contractors should be able to compete on an equal playing field for all projects, but the additional requirements of Senate Bill 170 would make that impossible.

We appreciate you taking the time to consider our request for an UNFAVORABLE report on Senate Bill 170.

Thank you,

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association

SB 170 - Energy Generation Projects - Required Lab

Uploaded by: Tom Ballentine

Position: UNF



February 8, 2023

The Honorable Melony Griffith, Chair
Senate Finance Committee
Miller Senate Office Building, 3 East
Annapolis, MD 21401

Oppose: SB 170 – Energy Generation Projects – Required Labor Standards

Dear, Chair Griffith and Committee Members:

The NAIOP Maryland Chapters represent more than 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate. NAIOP's member companies appreciate the opportunity to offer comments and concerns on SB 170.

Currently, investor-owned utilities are required to comply with prevailing wage rates, the contractor certifications, and records requirements in SB 170 on projects supported by federal funds and certain underground infrastructure projects. SB 170 would extend these wage and labor requirements to any power generating facility of 2-MW or larger without regard to ownership or funding source.

NAIOP is concerned that the provisions of SB 170 would apply to the construction of relatively small, privately owned power generating equipment that will be increasingly built on commercial real estate sites. We respectfully request that the committee reconsider and take steps to narrow the scope of SB 170.

As the transition to distributed energy resources (DERs) accelerates, more apartment, office, warehouse, and retail facilities will install power generating equipment to serve electric loads beyond the emergency backup power that is provided by on-site power generation today. DERs are small, modular, energy generation technologies that typically produce less than 10-MW of power. DER systems are made up of many different power-generating technologies including solar panels, wind turbines, fuel cells and microturbines.

An example today is Seneca Village, a 684-unit affordable apartment complex in Gaithersburg, Montgomery County. The complex recently received \$5 million from multiple sources to finance installation of a 2.18-MW rooftop solar array. Whether intended or not, it appears SB 170 would apply to future projects like Seneca Village.

The Fiscal Note on page four describes the small business impacts as follows: *"Complying with the bill's wage and labor standards record keeping and certification requirements is likely to meaningfully impact small contractors and subcontractors working on covered projects as well as small business renewable energy developers who may otherwise seek to construct a covered generating station."*

It is one thing to apply the provisions of SB 170 to a public utility that can socialize and recover the costs through user rates but applying the provisions of SB 170 to private projects of relatively small size would, in our opinion, be burdensome.

Many of NAIOP's member companies have in-house construction divisions, others have long-standing relationships with third-party construction contractors that would be disrupted by applying SB 170 to small generating facilities.

The 2-MW threshold was established as a limitation on the size of solar generating projects for reasons related to interconnection. We see no reason for public utility labor requirements to be applied to privately constructed facilities of this size.

The increased costs and reduced pool of eligible contracting firms would likely slow deployment of solar and other on-site power generating technologies making it more difficult for building owners to meet Maryland's energy and climate targets.

We respectfully request that the committee reconsider and take steps to narrow the scope of SB 170.

Sincerely,



Tom Ballentine, Vice President for Policy
NAIOP Maryland Chapters - *The Association for Commercial Real Estate*

cc: Finance Committee Members
Nick Manis – Manis, Canning Assoc.