



MARYLAND STATE & D.C. AFL-CIO

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HB 682 - Energy Generation Projects - Labor and Minority Business Enterprise Requirements House Economic Matters Committee February 15, 2024

SUPPORT

**Donna S. Edwards
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Maryland State and DC AFL-CIO

Chairman and members of the Committee, thank you for the opportunity to provide testimony in support of HB 682. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 300,000 union members in the state of Maryland, I offer the following comments.

HB 682 requires that energy generating projects over 1 megawatt must pay the prevailing wage rate and comply with minority business enterprise (MBE) participation goals. The bill conditions the approval of Certificates of Public Convenience and Necessity on meeting the prevailing wage and MBE requirements. 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 low road 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 strong labor standards and minority business participation requirements.

Unfortunately, not all of this work will be done by companies interested in creating high road jobs and careers for their workers without regulations that require them to do so. 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.

HB 682 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 require workers to be members of a union or covered by a project labor agreement. Prevailing wage requirements simply require that employers pay fair wage rates based on industry standards, preventing a race to the bottom on job standards, work quality, and lowball construction contracts.

With HB 682 we have the chance to protect workers and their families while expanding MBE business participation. Creating family sustaining careers in clean energy, providing MBE business opportunities, and addressing climate change is the goal. We cannot do one without the others.

We urge the committee to issue a favorable report on HB 682.