SENATE BILL 148

M5, M3, K3

(Pre–Filed)

CF HB 66

By: Senators West and Feldman

Requested: October 31, 2020

Introduced and read first time: January 13, 2021

Assigned to: Finance and Education, Health, and Environmental Affairs

A BILL ENTITLED

AN ACT concerning

Electric Generation – Transition From Fossil Fuels – Carbon Dioxide Emissions Rate and Transition Plan and Fund

(Maryland Coal Community Transition Act of 2021)

FOR the purpose of prohibiting the carbon dioxide emissions rate for certain affected electric generating units from exceeding a certain amount; establishing the Fossil Fuel Community Transition Fund as a special, nonlapsing fund; specifying the purposes of, authorized uses of, and allocation of funds from the Fund; requiring the Maryland Department of Labor to establish certain policies and procedures for the administration of the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; requiring an individual responsible for a certain project to hire certain subcontractors or sign a certain agreement; establishing the Fossil Fuel Transition Advisory Council; providing for the composition, chair, and staffing of the Council; providing for the term of a Council member; requiring the Council to meet a certain minimum number of times each year for certain purposes; prohibiting a member of the Council from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Council to review the Department’s proposals for grant awards from the Fund and make certain recommendations; requiring the Department to consider certain recommendations of the Council when making certain decisions about awarding grants from the Fund; requiring the Council to develop a certain standard; requiring the Council to develop a certain statewide fossil fuel transition plan in a certain manner and to submit certain plans to the General Assembly on or before certain dates; requiring the Department to report, on or before a certain date each year, to the Governor, the Council, and the General Assembly; requiring an owner of an affected electric generating unit to report, on or before a certain date each year, to the Council on certain information regarding employee layoffs; requiring the Maryland Energy Administration to use the Maryland Strategic Energy Investment Fund to provide a certain funding amount for certain fiscal years for the Fund; providing for the application of certain provisions of this

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.
Act; defining certain terms; and generally relating to the transition from fossil fuels for electric generation.

BY adding to
Article – Environment
Section 2–10A–01 through 2–10A–03 to be under the new subtitle “Subtitle 10A. Carbon Dioxide Emissions”
Annotated Code of Maryland
(2013 Replacement Volume and 2020 Supplement)

BY adding to
Article – Labor and Employment
Section 11–1401 through 11–1405 to be under the new subtitle “Subtitle 14. Transition From Fossil Fuels”
Annotated Code of Maryland
(2016 Replacement Volume and 2020 Supplement)

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 2020 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section 9–20B–05(f)
Annotated Code of Maryland
(2014 Replacement Volume and 2020 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Environment

Subtitle 10A. Carbon Dioxide Emissions.

2–10A–01.

(A) In this subtitle, “affected electric generating unit” means an electric generating unit in the state that primarily burns coal as fuel.

(B) “Affected electric generating unit” includes:

(1) Brandon Shores Units 1 and 2;
(2) **Chalk Point Units 1 and 2**;

(3) **H.A. Wagner Unit 3**;

(4) **Morgantown Units 1 and 2**; and

(5) **Warrior Run Unit 1**.

2–10A–02.

**This subtitle applies to:**

1. **On and after June 1, 2021, Chalk Point Units 1 and 2**;

2. **On and after October 1, 2024, Morgantown Units 1 and 2**;

3. **On and after December 31, 2025, Brandon Shores Units 1 and 2 and H.A. Wagner Unit 3**; and

4. **On and after March 1, 2030, Warrior Run Unit 1**.

2–10A–03.

**The carbon dioxide emissions rate for an affected electric generating unit may not exceed 180 pounds per million British thermal units.**

**Article – Labor and Employment**

**Subtitle 14. Transition From Fossil Fuels.**

11–1401.

(A) **In this subtitle the following words have the meanings indicated.**

(B) (1) **“Affected county” means a county that is impacted by the permanent retirement of an electric generating unit.**

(2) **“Affected county” includes:**

   (i) **Allegany County;**
(II) ANNE ARUNDEL COUNTY;

(III) CHARLES COUNTY;

(IV) MONTGOMERY COUNTY;

(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.

(D) “COUNCIL” MEANS THE FOSSIL FUEL TRANSITION ADVISORY COUNCIL ESTABLISHED UNDER § 11–1403 OF THIS SUBTITLE.

(E) “DISPLACED WORKER” MEANS A RESIDENT OF THE STATE WHO:

(1) ON OR AFTER MAY 15, 2020, 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.

(F) “ELECTRIC GENERATING UNIT” MEANS AN ELECTRIC GENERATING UNIT IN THE STATE THAT PRIMARILY BURNS FOSSIL FUEL.

(G) “FUND” MEANS THE FOSSIL FUEL COMMUNITY TRANSITION FUND ESTABLISHED UNDER § 11–1402 OF THIS SUBTITLE.
(H) "Plan" means the statewide fossil fuel transition plan developed by the Council in accordance with § 11–1405 of this subtitle.

(I) "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.

11–1402.

(A) There is a Fossil Fuel Community Transition Fund.

(B) The purpose of the fund is to provide grants to support:

1. Displaced workers who are transitioning from employment with an electric generating unit;

2. Communities that are impacted by the permanent retirement of 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.

(C) The Department shall establish policies and procedures for the administration of the fund, including:

1. The grant application process; and

2. Criteria for awarding grants under this section.

(D) (1) The fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

2. The State Treasurer shall hold the fund separately, and the Comptroller shall account for the fund.

(E) The fund consists of:

1. Revenue distributed to the fund under § 9–20B–05(f) of
the State Government Article;

(2) money appropriated in the State budget to the Fund; and

(3) any other money from any other source accepted for the benefit of the Fund.

(F) The Fund may be used only for awarding grants consistent with the purposes of the Fund, and shall be allocated as follows:

(1) 50% for:

   (I) Worker retraining or other assistance programs, including industry– and union–sponsored apprenticeship programs, and programs within the Department;

   (II) payments to displaced workers who are within 3 years of retirement age for supplemental retirement security;

   (III) wage differential benefits for displaced workers;

   (IV) payments to displaced workers enrolled in any of the following retraining, education, or apprenticeship programs:

      1. pre–apprenticeship jobs training programs under § 11–708.1 of this title;

      2. youth apprenticeship training programs and registered apprenticeship jobs training programs under § 11–708.1 of this title;

      3. any other apprenticeship jobs training program approved by the Council; or

      4. programs at historically black colleges and universities; and

   (V) payments to displaced workers enrolled in retraining, education, or apprenticeship programs for the following occupations:

      1. computer numerically controlled machine tool programmers, metal and plastic (Bureau of Labor Statistics code
2. HEAVY AND TRACTOR TRAILER TRUCK DRIVERS (BUREAU OF LABOR STATISTICS CODE 53–3032);

3. FIRST-LINE SUPERVISORS OF MECHANICS, INSTALLERS, AND REPAIRERS (BUREAU OF LABOR STATISTICS CODE 49–1011);

4. FIRST-LINE SUPERVISORS OF CONSTRUCTION TRADES AND EXTRACTION WORKERS (BUREAU OF LABOR STATISTICS CODE 47–1011);

5. ENGINEERING TECHNICIANS, EXCEPT DRAFTERS (BUREAU OF LABOR STATISTICS CODE 17–3029);

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

7. LIFE, PHYSICAL, AND SOCIAL SCIENCE TECHNICIANS (BUREAU OF LABOR STATISTICS CODE 19–4099);

8. STATIONARY ENGINEERS IN BOILER OPERATORS (BUREAU OF LABOR STATISTICS CODE 51–8021); OR

9. ANY OTHER JOBS TRAINING PROGRAM APPROVED BY THE COUNCIL;

(2) 30% FOR CLEAN ENERGY OR ENERGY EFFICIENCY PROJECTS, OR A PROJECT FOR THE NEW CONSTRUCTION OF LEED–CERTIFIED (LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN) OR ENERGY–EFFICIENT BUILDINGS, IF THE PROJECT:

(I) IS LOCATED IN AN AFFECTED COUNTY; AND

(II) 1. CREATES AND MAINTAINS JOBS WITH A HIRING PREFERENCE 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; AND

(3) FOR UP TO 3 YEARS FOLLOWING THE PERMANENT RETIREMENT OF AN ELECTRIC GENERATING UNIT, 20% FOR PAYMENTS TO AN AFFECTED COUNTY TO OFFSET LOSSES IN TAX REVENUE DUE TO THE PERMANENT RETIREMENT OF THE UNIT.

(G) 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 COUNCIL UNDER § 11–1403(f) OF THIS SUBTITLE.

11–1403.

(A) THERE IS A FOSSIL FUEL TRANSITION ADVISORY COUNCIL.

(B) THE COUNCIL CONSISTS OF THE FOLLOWING MEMBERS:

(1) THE SECRETARY OF LABOR, OR THE SECRETARY’S DESIGNEE;

(2) THE SECRETARY OF THE ENVIRONMENT, OR THE SECRETARY’S DESIGNEE;

(3) THE CHAIR OF THE COMMISSION ON ENVIRONMENTAL JUSTICE AND SUSTAINABLE COMMUNITIES, OR THE CHAIR’S DESIGNEE;
(4) One member of the Senate, appointed by the President of the Senate;

(5) One member of the House of Delegates, appointed by the Speaker of the House;

(6) Two members of a local governing body of an affected county, designated by the Maryland Association of Counties; and

(7) The following members appointed by the Governor:

   (I) One representative of the International Brotherhood of Electrical Workers;

   (II) One representative of the American Federation of Labor and Congress of Industrial Organizations;

   (III) One representative of the International Association of Sheet Metal, Air, Rail, and Transportation Workers;

   (IV) One representative of the clean energy industry; and

   (V) One representative of the energy efficiency industry.

(C) The Governor shall appoint the chair of the Council.

(D) (1) The term of a member is 3 years.

   (2) The terms of the members are staggered as required by the terms provided for members of the Council on June 1, 2021.

(E) (1) The Council shall meet at least twice each year to review the Department's proposals for grant awards from the Fund and make recommendations to the Department concerning any proposed grant award.

   (2) The Department shall consider the Council's recommendations when making decisions about awarding grants from the Fund.

(F) The Council shall develop a standard statewide organizing
NEUTRALITY AGREEMENT THAT CAN BE USED BY EMPLOYERS WHO RECEIVE FUNDS FROM THE FUND AND THE EMPLOYEES WHO WANT TO ENTER INTO A COLLECTIVE BARGAINING AGREEMENT.

(G) THE COUNCIL SHALL DEVELOP A STATEWIDE FOSSIL FUEL TRANSITION PLAN IN ACCORDANCE WITH § 11–1405 OF THIS SUBTITLE.

(H) A MEMBER OF THE COUNCIL:

1. MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE COUNCIL; BUT

2. IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(I) THE DEPARTMENT SHALL PROVIDE STAFF FOR THE COUNCIL.

11–1404.

(A) ON OR BEFORE JANUARY 1 EACH YEAR, THE DEPARTMENT SHALL REPORT TO THE GOVERNOR, THE COUNCIL, AND, IN ACCORDANCE WITH § 2–1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE GRANTS AWARDED FROM THE FUND DURING THE IMMEDIATELY PRECEDING FISCAL YEAR, INCLUDING:

1. THE NUMBER OF GRANTS AWARDED;

2. THE AMOUNT OF EACH GRANT AWARDED;

3. THE NAMES OF THE RECIPIENTS OF THE GRANTS; AND

4. THE SPECIFIC PURPOSE OF EACH GRANT AWARDED.

(B) ON OR BEFORE DECEMBER 1 EACH YEAR, AN OWNER OF AN AFFECTED ELECTRIC GENERATING UNIT SHALL REPORT TO THE COUNCIL ON THE TOTAL NUMBER OF EMPLOYEE LAYOFFS AND THE TITLES OF THE POSITIONS LAID OFF.

11–1405.

(A) THE COUNCIL SHALL DEVELOP A STATEWIDE FOSSIL FUEL TRANSITION PLAN IN ACCORDANCE WITH THIS SECTION.

(B) THE COUNCIL SHALL:
(1) CONDUCT AT LEAST 10 PUBLIC INFORMATIONAL MEETINGS ON THE PLAN; AND

(2) HOLD THE MEETINGS IN COMMUNITIES THAT HAVE BEEN:

   (I) TRADITIONALLY ECONOMICALLY RELIANT ON FOSSIL FUELS; AND

   (II) HISTORICALLY OVERBURDENED BY POLLUTION FROM FOSSIL FUELS.

(C) AT A MINIMUM, THE PLAN SHALL:

   (1) (I) 1. IDENTIFY OR ESTIMATE, TO THE EXTENT PRACTICABLE, THE TIMING AND LOCATION OF FACILITY CLOSURES AND JOB LAYOFFS IN FOSSIL FUEL INDUSTRIES AFFECTING AT LEAST 50 WORKERS AT A SINGLE SITE OF EMPLOYMENT; AND

            2. THE IMPACT OF THE CLOSURES AND LAYOFFS ON AFFECTED WORKERS AND BUSINESSES; AND

            (II) ADDRESS HOW THE STATE CAN MOST EFFECTIVELY RESPOND TO THE ECONOMIC DISLOCATIONS IDENTIFIED UNDER ITEM (I) OF THIS PARAGRAPH;

   (2) IDENTIFY FUNDING OPPORTUNITIES TO FULFILL THE GOALS OF THE PLAN, INCLUDING THE ALIGNMENT OF FEDERAL, STATE, AND LOCAL RESOURCES;

   (3) IDENTIFY BENEFITS, GRANTS, AND OTHER COMPONENTS THAT:

            (I) THE COUNCIL AND THE DEPARTMENT MAY IMPLEMENT UNDER EXISTING AUTHORITY; AND

           (II) REQUIRE ADDITIONAL LEGISLATIVE AUTHORITY TO IMPLEMENT;

   (4) IDENTIFY SOURCES OF FUNDING THAT MAY BE ACCESSED FROM FEDERAL, STATE, LOCAL, AND OTHER SOURCES:

            (I) WITHOUT ADDITIONAL LEGISLATIVE AUTHORITY; AND
(II) that require additional legislative authority or voter approval; and

(5) identify programs and projects that will advance economic development opportunities in communities historically overburdened by pollution from fossil fuels.

(D) (1) On or before December 31, 2021, the Council shall submit a draft plan to the General Assembly, in accordance with § 2–1257 of the State Government Article.

(2) On or before December 31, 2022, the Council shall submit a final plan to the General Assembly, in accordance with § 2–1257 of the State Government Article.

Article – State Government

9–20B–01.

(a) In this subtitle the following words have the meanings indicated.

(b) “Administration” means the Maryland Energy Administration.

(e) “Fund” means the Maryland Strategic Energy Investment Fund.

(f) “Program” means the Maryland Strategic Energy Investment Program.

9–20B–05.

(f) The Administration shall use the Fund:

(1) to invest in the promotion, development, and implementation of:

   (i) cost–effective energy efficiency and conservation programs, projects, or activities, including measurement and verification of energy savings;

   (ii) renewable and clean energy resources;

   (iii) climate change programs directly related to reducing or mitigating the effects of climate change; and

   (iv) demand response programs that are designed to promote changes in electric usage by customers in response to:

       1. changes in the price of electricity over time; or
2. incentives designed to induce lower electricity use at times of high wholesale market prices or when system reliability is jeopardized;

(2) to provide targeted programs, projects, activities, and investments to reduce electricity consumption by customers in the low–income and moderate–income residential sectors;

(3) to provide supplemental funds for low–income energy assistance through the Electric Universal Service Program established under § 7–512.1 of the Public Utilities Article and other electric assistance programs in the Department of Human Services;

(4) to provide rate relief by offsetting electricity rates of residential customers, including an offset of surcharges imposed on ratepayers under § 7–211 of the Public Utilities Article;

(5) to provide grants, loans, and other assistance and investment as necessary and appropriate to implement the purposes of the Program as set forth in § 9–20B–03 of this subtitle;

(6) to implement energy–related public education and outreach initiatives regarding reducing energy consumption and greenhouse gas emissions;

(7) to provide rebates under the Electric Vehicle Recharging Equipment Rebate Program established under § 9–2009 of this title;

(8) to provide grants to encourage combined heat and power projects at industrial facilities;

(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 veteran–owned businesses in the clean energy industry under § 5–1501 of the Economic Development Article, allocated in annual increments as follows:

(i) $200,000 in fiscal year 2021;

(ii) $500,000 in fiscal year 2022;

(iii) $500,000 in fiscal year 2023;

(iv) $1,000,000 in fiscal year 2024; and

(v) $1,200,000 in each fiscal year from 2025 through 2028;

(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:

(i)  $1,250,000 for grants to pre-apprenticeship jobs training programs under § 11–708.1(c)(3) of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent;

(ii)  $6,000,000 for grants to youth apprenticeship jobs training programs and registered apprenticeship jobs training programs under § 11–708.1(c)(5) of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent; and

(iii)  $750,000 for the recruitment of individuals, including veterans and formerly incarcerated individuals, to the pre-apprenticeship jobs training programs and the registered apprenticeship jobs training programs under § 11–708.1 of the Labor and Employment Article starting in fiscal year 2021 until all amounts are spent; [and]

(11)  TO PROVIDE $13,300,000 in funding for each of fiscal years 2022 through 2024 for the fossil fuel community transition fund established under § 11–1402 of the Labor and Employment Article; and

[(11)](12)  to pay the expenses of the Program.

SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial appointed members of the Fossil Fuel Transition Advisory Council shall expire as follows:

(1)  three members in 2023;

(2)  three members in 2024; and

(3)  three members in 2025.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2021.