SENATE BILL 696

C5, K3, M5

4lr1725

CF HB 682

By: Senator Feldman

Introduced and read first time: January 29, 2024

Assigned to: Finance

A BILL ENTITLED

AN ACT concerning

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Energy Generation Projects – Labor and Minority Business Enterprise Requirements

4 FOR the purpose of requiring the developer of a covered project, on the approval of a 5 certificate of public convenience and necessity for the construction of a certain 6 generating station or qualified generator lead line or approval for the construction of 7 a certain generating station, to meet certain labor standards and reporting 8 requirements; establishing certain labor standards and certain certification, reporting, and record-keeping requirements related to the construction of a covered 9 10 project; subjecting a developer, contractor, or subcontractor to debarment for 11 knowingly submitting a certification with false, misleading, or materially inaccurate 12 information; requiring the Public Service Commission to condition certain approvals 13 on compliance with the requirements of the State's Minority Business Enterprise Program; requiring the Governor's Office of Small, Minority, and Women Business 14 Affairs, in consultation with the Office of the Attorney General, to establish a certain 15 16 plan for setting reasonable and appropriate minority business enterprise 17 participation goals and procedures for a covered project; requiring the Maryland 18 Department of Labor to enforce certain provisions of this Act; and generally relating 19 to energy generation projects.

20 BY adding to

21 Article – Labor and Employment

22 Section 3–718

23 Annotated Code of Maryland

24 (2016 Replacement Volume and 2023 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article – Public Utilities

27 Section 7–207(a) and 7–207.1(a)

28 Annotated Code of Maryland

29 (2020 Replacement Volume and 2023 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



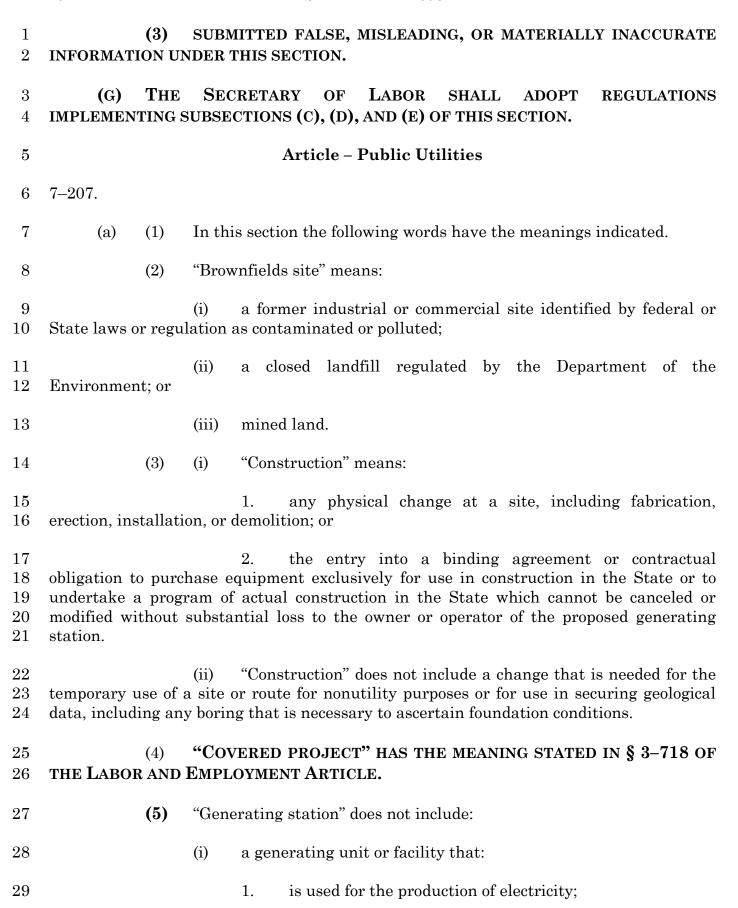
1 2 3 4 5	BY repealing and reenacting, without amendments, Article – Public Utilities Section 7–207(b)(1)(i) and (ii) and 7–207.1(b) and (c)(1) Annotated Code of Maryland (2020 Replacement Volume and 2023 Supplement)								
6 7 8 9 10	BY adding to Article – Public Utilities Section 7–207(i) and (j) and 7–207.1(h) and (i) Annotated Code of Maryland (2020 Replacement Volume and 2023 Supplement)								
11 12	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:								
13	Article – Labor and Employment								
14	3–718.								
15 16 17	(A) (1) IN THIS SECTION, "COVERED PROJECT" MEANS A GENERATING STATION WITH A CUMULATIVE NAMEPLATE CAPACITY OF 1 MEGAWATT OR MORE FOR WHICH THE PUBLIC SERVICE COMMISSION HAS APPROVED:								
18 19	(I) A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER § 7–207 OF THE PUBLIC UTILITIES ARTICLE; OR								
$\frac{20}{21}$	(II) CONSTRUCTION UNDER § 7–207.1(C) OF THE PUBLIC UTILITIES ARTICLE.								
22 23	(2) "COVERED PROJECT" DOES NOT INCLUDE AN OFF-SHORE WIND PROJECT UNDER § 7–704.1 OF THE PUBLIC UTILITIES ARTICLE.								
$\frac{24}{25}$	(B) THIS SECTION APPLIES ONLY TO THE CONSTRUCTION OF A COVERED PROJECT.								
26 27 28 29	(C) THE DEVELOPER OF A COVERED PROJECT SHALL ENSURE THAT WORKERS ARE PAID NOT LESS THAN THE PREVAILING WAGE RATE DETERMINED UNDER TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE UNLESS THE COVERED PROJECT IS SUBJECT TO A PROJECT LABOR AGREEMENT THAT:								

31 (1) BINDS ALL CONTRACTORS AND SUBCONTRACTORS ON THE 32 COVERED PROJECT THROUGH THE INCLUSION OF SPECIFICATIONS IN ALL 33 RELEVANT SOLICITATION PROVISIONS AND CONTRACT DOCUMENTS;

- 1 (2) ALLOWS ALL CONTRACTORS AND SUBCONTRACTORS TO COMPETE
- 2 FOR CONTRACTS AND SUBCONTRACTS ON THE PROJECT WITHOUT REGARD TO
- 3 WHETHER THEY ARE OTHERWISE PARTIES TO COLLECTIVE BARGAINING
- 4 AGREEMENTS:
- 5 (3) ESTABLISHES UNIFORM TERMS AND CONDITIONS OF
- 6 EMPLOYMENT FOR ALL CONSTRUCTION LABOR EMPLOYED ON THE PROJECTS;
- 7 (4) GUARANTEES AGAINST STRIKES, LOCKOUTS, AND SIMILAR JOB
- 8 DISRUPTIONS:
- 9 (5) ESTABLISHES MUTUALLY BINDING PROCEDURES FOR RESOLVING
- 10 LABOR DISPUTES; AND
- 11 (6) INCLUDES ANY OTHER PROVISIONS NEGOTIATED BY THE PARTIES
- 12 TO PROMOTE SUCCESSFUL DELIVERY OF THE COVERED PROJECT.
- 13 (D) (1) THE DEVELOPER OF A COVERED PROJECT SHALL ENSURE THAT
- 14 EACH CONTRACTOR AND SUBCONTRACTOR INVOLVED IN THE CONSTRUCTION OF
- 15 THE PROJECT COMPLETES A CERTIFICATION THAT THE CONTRACTOR OR
- 16 SUBCONTRACTOR:
- 17 (I) HAS THE NECESSARY RESOURCES TO PERFORM THE
- 18 PORTION OF THE COVERED PROJECT TO WHICH THE CONTRACTOR OR
- 19 SUBCONTRACTOR IS ASSIGNED, INCLUDING THE NECESSARY TECHNICAL,
- 20 FINANCIAL, AND PERSONNEL RESOURCES;
- 21 (II) HAS ALL REQUIRED LICENSES, CERTIFICATIONS, OR
- 22 CREDENTIALS REQUIRED UNDER STATE OR LOCAL LAW;
- 23 (III) FOR EACH CONSTRUCTION TRADE EMPLOYED ON THE
- 24 COVERED PROJECT, PARTICIPATES IN APPRENTICESHIP TRAINING THROUGH AN
- 25 APPRENTICESHIP PROGRAM REGISTERED WITH THE MARYLAND DEPARTMENT OF
- 26 LABOR OR A FEDERALLY RECOGNIZED STATE APPRENTICESHIP AGENCY;
- 27 (IV) DURING THE IMMEDIATELY PRECEDING 3 YEARS:
- 28 1. HAS NOT BEEN DEBARRED BY ANY GOVERNMENT
- 29 AGENCY;
- 30 2. HAS NOT DEFAULTED ON ANY PROJECT;

- 3. HAS NOT HAD ANY LICENSE, CERTIFICATION, OR OTHER CREDENTIAL RELATING TO THE BUSINESS REVOKED OR SUSPENDED; AND
- 4. HAS NOT BEEN FOUND IN VIOLATION OF ANY LAW
- 4 APPLICABLE TO THE BUSINESS OF THE CONTRACTOR OR SUBCONTRACTOR THAT
- 5 RESULTED IN THE PAYMENT OF A FINE, BACK PAY DAMAGES, OR ANY OTHER
- 6 PENALTY IN THE AMOUNT OF \$10,000 OR MORE;
- 7 (V) WILL PAY INDIVIDUALS EMPLOYED ON THE PROJECT NOT
- 8 LESS THAN THE APPLICABLE WAGE AND FRINGE BENEFIT RATES FOR THE
- 9 CLASSIFICATION IN WHICH EACH INDIVIDUAL IS EMPLOYED; AND
- 10 (VI) HAS NOT MISCLASSIFIED AND WILL NOT MISCLASSIFY
- 11 EMPLOYEES AS INDEPENDENT CONTRACTORS.
- 12 (2) (I) THE DEVELOPER OF A COVERED PROJECT SHALL SUBMIT
- 13 TO THE MARYLAND DEPARTMENT OF LABOR A CERTIFICATION OF COMPLIANCE
- 14 WITH THE REQUIREMENTS OF THIS SUBSECTION NOT LATER THAN 30 DAYS BEFORE
- 15 COMMENCEMENT OF CONSTRUCTION OF THE PROJECT.
- 16 (II) IF A COVERED PROJECT IS SUBJECT TO A PROJECT LABOR
- 17 AGREEMENT DESCRIBED IN SUBSECTION (C) OF THIS SECTION, THE DEVELOPER OF
- 18 THE COVERED PROJECT SHALL SUBMIT A COPY OF THE PROJECT LABOR
- 19 AGREEMENT WITH THE CERTIFICATION OF COMPLIANCE.
- 20 (3) If a certification contains false, misleading, or
- 21 MATERIALLY INACCURATE INFORMATION, THE DEVELOPER, CONTRACTOR, OR
- 22 SUBCONTRACTOR THAT EXECUTED THE CERTIFICATION SHALL, AFTER NOTICE AND
- 23 OPPORTUNITY TO BE HEARD, BE SUBJECT TO DEBARMENT FROM ENTERING INTO A
- 24 CONTRACT WITH A PUBLIC BODY.
- 25 (4) EACH CONTRACTOR AND SUBCONTRACTOR ON A COVERED
- 26 PROJECT SHALL BE SUBJECT TO ALL REPORTING AND COMPLIANCE REQUIREMENTS
- 27 OF THIS SECTION AND OTHER STATE LAW.
- 28 (5) A CONTRACTOR OR SUBCONTRACTOR THAT VIOLATES THIS
- 29 SUBSECTION SHALL BE SUBJECT TO PENALTIES ESTABLISHED BY THE MARYLAND
- 30 DEPARTMENT OF LABOR BY REGULATION.
- 31 (E) (1) THIS SUBSECTION DOES NOT APPLY TO A COVERED PROJECT FOR
- 32 WHICH THERE IS A PROJECT LABOR AGREEMENT DESCRIBED IN SUBSECTION (C) OF
- 33 THIS SECTION.

- 1 (2) EACH DEVELOPER, CONTRACTOR, AND SUBCONTRACTOR SHALL
- 2 MAINTAIN RECORDS RELATING TO THE WAGES AND HOURS WORKED BY EACH
- 3 INDIVIDUAL PERFORMING THE WORK ON A COVERED PROJECT, INCLUDING:
- 4 (I) A SCHEDULE OF THE OCCUPATION OR WORK
- 5 CLASSIFICATION OF EACH INDIVIDUAL WORKING ON THE PROJECT; AND
- 6 (II) A SCHEDULE OF THE WORK HOURS THAT EACH INDIVIDUAL
- 7 WORKING ON THE PROJECT PERFORMED WITH SUFFICIENT DETAIL THAT THE
- 8 MARYLAND DEPARTMENT OF LABOR REQUIRES TO ENSURE THE PROPER
- 9 PAYMENTS OF WAGES WERE MADE.
- 10 (3) THE RECORDS SHALL INCLUDE A STATEMENT SIGNED BY THE
- 11 DEVELOPER, CONTRACTOR, OR SUBCONTRACTOR THAT INDICATES:
- 12 (I) THE RECORDS ARE CORRECT;
- 13 (II) THE RATE OF WAGES PAID TO EACH INDIVIDUAL IS NOT LESS
- 14 THAN THE PREVAILING WAGE FOR THAT INDIVIDUAL'S TRADE;
- 15 (III) THE AMOUNT OF WAGES PAID IS NOT LESS THAN THE
- 16 AMOUNT REQUIRED BY THE CONTRACT TO BE PAID;
- 17 (IV) THE DEVELOPER, CONTRACTOR, OR SUBCONTRACTOR HAS
- 18 COMPLIED WITH THE APPLICABLE PROVISIONS OF THIS SECTION; AND
- 19 (V) THE DEVELOPER, CONTRACTOR, OR SUBCONTRACTOR DOES
- 20 NOT RECEIVE KICKBACKS FROM AN EMPLOYEE OR EMPLOYEE WELFARE FUND.
- 21 (4) THE PAYROLL FOR A COVERED PROJECT SHALL BE CONSIDERED
- 22 A PUBLIC RECORD AND EVERY PERSON HAS THE RIGHT TO INSPECT AND COPY THE
- 23 RECORDS.
- 24 (F) THE MARYLAND DEPARTMENT OF LABOR SHALL DISTRIBUTE A LIST TO
- 25 ALL UNITS, DEPARTMENTS, AND POLITICAL SUBDIVISIONS OF THE STATE
- 26 PROVIDING THE NAMES OF INDIVIDUALS OR FIRMS THAT THE MARYLAND
- 27 DEPARTMENT OF LABOR HAS FOUND TO HAVE:
- 28 (1) FAILED TO MEET THE REQUIREMENTS OF SUBSECTIONS (C), (D),
- 29 AND (E) OF THIS SECTION;
- 30 (2) BEEN DEBARRED BY FEDERAL OR STATE GOVERNMENT; OR



$\frac{1}{2}$	alternating current; and	2.	has the capacity to produce not more than 2 megawatts of				
3 4	electricity to the electric ş	3. grid du	is installed with equipment that prevents the flow of aring time periods when the electric grid is out of service; or				
5	(ii)	a com	abination of two or more generating units or facilities that:				
6 7 8	1. are used for the production of electricity from a solar photovoltaic system or an eligible customer–generator that is subject to the provisions of § 7–306 of this title;						
9		2.	are located on the same property or adjacent properties;				
10 11 12	3. have the capacity to produce, when calculated cumulatively for all generating units or facilities on the property or adjacent property, more than 2 megawatts but not more than 14 megawatts of alternating current; and						
13		4.	for each individual generating unit or facility:				
14 15	alternating current;	A.	has the capacity to produce not more than 2 megawatts of				
16		B.	is separately metered by the electric company; and				
17 18	under an agreement with	C. n PJM	does not export electricity for sale on the wholesale market Interconnection, LLC.				
19 20	[(5)] (6) in which surface mining ((i) operat	"Mined land" means the surface or subsurface of an area ions will be, are being, or have been conducted.				
21	(ii)	"Mine	ed land" includes:				
22 23	any surface mining area;	1.	private ways and roads used for mining appurtenant to				
24		2.	land excavations;				
25		3.	workings; and				
26		4.	overburden.				
27 28 29 30	out-of-state Tier 1 or Tie	carry er 2 rer	lified generator lead line" means an overhead transmission a voltage in excess of 69,000 volts and would allow an newable source to interconnect with a portion of the electric ned by an electric company.				

- 1 (b) (1) (i) Unless a certificate of public convenience and necessity for the 2 construction is first obtained from the Commission, a person may not begin construction in 3 the State of:
- 4 1. a generating station; or
- 5 2. a qualified generator lead line.
- 6 (ii) If a person obtains Commission approval for construction under 7 § 7–207.1 of this subtitle, the Commission shall exempt a person from the requirement to obtain a certificate of public convenience and necessity under this section.
- 9 (I) (1) ON APPROVAL OF A CERTIFICATE OF PUBLIC CONVENIENCE AND
 10 NECESSITY FOR THE CONSTRUCTION OF A PROPOSED GENERATING STATION THAT
 11 IS A COVERED PROJECT, THE DEVELOPER OF THE PROPOSED GENERATING STATION
 12 SHALL MEET THE REQUIREMENTS OF § 3–718 OF THE LABOR AND EMPLOYMENT
 13 ARTICLE.
- 14 **(2)** THE MARYLAND DEPARTMENT OF LABOR SHALL ENFORCE THIS 15 SUBSECTION.
- 16 (J) (1) THE FINDINGS AND EVIDENCE RELIED ON BY THE GENERAL
 17 ASSEMBLY FOR THE CONTINUATION OF THE MINORITY BUSINESS ENTERPRISE
 18 PROGRAM UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND
 19 PROCUREMENT ARTICLE ARE INCORPORATED IN THIS SUBSECTION.
- 20 (2) TO THE EXTENT PRACTICABLE AND AUTHORIZED BY THE UNITED
 21 STATES CONSTITUTION, THE COMMISSION SHALL CONDITION APPROVAL OF A
 22 CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE CONSTRUCTION
 23 OF A PROPOSED GENERATING STATION THAT IS A COVERED PROJECT IN
 24 COMPLIANCE WITH THE REQUIREMENTS OF THE STATE'S MINORITY BUSINESS
 25 ENTERPRISE PROGRAM.
- 26 (3) (I) ON OR BEFORE DECEMBER 1, 2024, THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, IN CONSULTATION WITH THE OFFICE OF THE ATTORNEY GENERAL, SHALL ESTABLISH A CLEAR PLAN FOR SETTING REASONABLE AND APPROPRIATE MINORITY BUSINESS ENTERPRISE PARTICIPATION GOALS AND PROCEDURES FOR A PROJECT SUBJECT TO THIS SUBSECTION.
- 32 (II) TO THE EXTENT PRACTICABLE, THE GOALS AND 33 PROCEDURES SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE 34 BASED ON THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE STATE FINANCE

1 2	AND PROCUREMENT ARTICLE AND THE REGULATIONS IMPLEMENTING THAT SUBTITLE.						
3	7–207.1.						
4 5	(a) (1) In this section[, "generating] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.						
6 7	(2) "COVERED PROJECT" HAS THE MEANING STATED IN § 3–718 OF THE LABOR AND EMPLOYMENT ARTICLE.						
8	(3) "GENERATING station" does not include:						
9	[(1)] (I) a generating unit or facility that:						
10	[(i)] 1. Is used for the production of electricity;						
11 12	[(ii)] 2. Has the capacity to produce not more than 2 megawatts of alternating current; and						
13 14	[(iii)] 3. Is installed with equipment that prevents the flow of electricity to the electric grid during time periods when the electric grid is out of service; or						
15	[(2)] (II) a combination of two or more generating units or facilities that:						
16 17 18	[(i)] 1. Are used for the production of electricity from a solar photovoltaic system or an eligible customer–generator that is subject to the provisions of § 7–306 of this title;						
19	[(ii)] 2. Are located on the same property or adjacent properties;						
20 21 22	[(iii)] 3. Have the capacity to produce, when calculated cumulatively for all generating units or facilities on the property or adjacent property, more than 2 megawatts but not more than 14 megawatts of alternating current; and						
23	[(iv)] 4. For each individual generating unit or facility:						
24 25	[1.] A. has the capacity to produce not more than 2 megawatts of alternating current;						
26	[2.] B. is separately metered by the electric company; and						
27 28	[3.] C. does not export electricity for sale on the wholesale market under an agreement with PJM Interconnection, LLC.						

(2)

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1	(b)	This	section	applie	es to a person who:		
2		(1)	const	ructs a	generating station:		
3			(i)	design	ned to provide on—site generated electricity if:		
4 5	megawatts;	and		1.	the capacity of the generating station does not exceed 70		
6 7 8 9	generating station to the electric system is sold only on the wholesale market pursuant to an interconnection, operation, and maintenance agreement with the local electric company						
10			(ii)	that p	produces electricity from wind if:		
11				1.	the generating station is land-based;		
12 13	megawatts;			2.	the capacity of the generating station does not exceed 70		
14 15 16					the electricity that may be exported for sale from the ic system is sold only on the wholesale market pursuant to nd maintenance agreement with the local electric company;		
17 18	comment at	a publ	lic hear	4. ring as	the Commission provides an opportunity for public provided in subsection (g) of this section; and		
19 20 21 22 23	5. the generating station's wind turbines are not located within a distance from the Patuxent River Naval Air Station that is determined by regulations adopted by the Commission in coordination with the Commander, Naval Air Warfare Center Aircraft Division, provided that the distance requirement under the regulation is:						
24 25 26	which utility	=			not greater than is necessary to encompass an area in es could create Doppler radar interference for missions at tation;		
27 28	38.29667N,	76.376	868W; a	B. and	not greater than 46 miles, measured from location		
29 30 31	missions or technology;		logy at	C. the Pa	subject to modification if necessary to reflect changes in atuxent River Naval Air Station or changes in wind energy		

constructs a generating station if:

- 1 (i) the capacity of the generating station does not exceed 25 2 megawatts;
- 3 (ii) the electricity that may be exported for sale from the generating 4 station to the electric system is sold only on the wholesale market pursuant to an 5 interconnection, operation, and maintenance agreement with the local electric company; 6 and
- 7 (iii) at least 10% of the electricity generated at the generating station 8 each year is consumed on—site.
- 9 (c) (1) The Commission shall require a person that is exempted from the 10 requirement to obtain a certificate of public convenience and necessity to obtain approval 11 from the Commission under this section before the person may construct a generating 12 station described in subsection (b) of this section.
- (H) (1) ON APPROVAL FOR THE CONSTRUCTION OF A PROPOSED GENERATING STATION THAT IS A COVERED PROJECT UNDER SUBSECTION (C) OF THIS SECTION, THE DEVELOPER OF THE PROPOSED GENERATING STATION SHALL MEET THE REQUIREMENTS OF § 3–718 OF THE LABOR AND EMPLOYMENT ARTICLE.
- 17 **(2)** THE MARYLAND DEPARTMENT OF LABOR SHALL ENFORCE THIS 18 SUBSECTION.
- 19 (I) (1) THE FINDINGS AND EVIDENCE RELIED ON BY THE GENERAL 20 ASSEMBLY FOR THE CONTINUATION OF THE MINORITY BUSINESS ENTERPRISE 21 PROGRAM UNDER TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND 22 PROCUREMENT ARTICLE ARE INCORPORATED IN THIS SUBSECTION.
- 23 (2) TO THE EXTENT PRACTICABLE AND AUTHORIZED BY THE UNITED
 24 STATES CONSTITUTION, THE COMMISSION SHALL CONDITION APPROVAL FOR THE
 25 CONSTRUCTION OF A PROPOSED GENERATING STATION THAT IS A COVERED
 26 PROJECT UNDER SUBSECTION (C) OF THIS SECTION ON COMPLIANCE WITH THE
 27 REQUIREMENTS OF THE STATE'S MINORITY BUSINESS ENTERPRISE PROGRAM.
- 28 (3) (I) ON OR BEFORE DECEMBER 1, 2024, THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, IN CONSULTATION WITH THE OFFICE OF THE ATTORNEY GENERAL, SHALL ESTABLISH A CLEAR PLAN FOR SETTING REASONABLE AND APPROPRIATE MINORITY BUSINESS ENTERPRISE PARTICIPATION GOALS AND PROCEDURES FOR A PROJECT SUBJECT TO THIS SUBSECTION.
- 34 (II) TO THE EXTENT PRACTICABLE, THE GOALS AND 35 PROCEDURES SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE 36 BASED ON THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE STATE FINANCE

1 AND PROCUREMENT ARTICLE AND THE REGULATIONS IMPLEMENTING THAT 2 SUBTITLE.

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 either received approval of a certificate of public convenience and necessity under § 7–207 of the Public Utilities Article, as enacted by Section 1 of this Act, or approval for construction under § 7–207.1(c) of the Public Utilities Article before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect 11 October 1, 2024.