



Chair Delores Kelley
Vice-Chair Brian Feldman
Members
Senate Finance Committee
3 East Miller Ofc Bldg
Annapolis, MD 21401

January 26, 2021

SB 83 – Utility Regulation - Consideration of Climate and Labor Testimony
Position – Favorable

Good afternoon Chairwoman Kelley and members of the Senate Finance Committee. My name is Rick Binetti, here on behalf of LiUNA's Baltimore Washington District Council. Thank you for the opportunity to provide testimony in support of SB 83.

The committee heard a very similar form of this bill during the 2020 session. The committee voted favorably, and it ultimately passed the Senate. The difference in this year's bill would simply add utility reporting requirements provided to the MD Public Service Commission about the trade classification, wage and benefits information paid to the contracted-out construction workers that are used on utility infrastructure projects.

In Maryland, BWLDC has about 800 members who work on these projects for contractors employed by Washington Gas, BGE and Pepco. Just as they are on many Maryland public infrastructure projects, our members provide a highly skilled and safe workforce for contractors doing utility work.

In 2019 and 2020, LiUNA participated in the MD Public Service Commission's (PSC) Workgroup on Alternative Rates (Case PS51). Throughout the discussion of what MD's multiyear ratemaking should look like, it became abundantly clear that the PSC does not consider information about labor standards - like wage rates, health care coverage and benefits, worker classification – for the state's contracted-out utility workforce.

Because the regulated utilities are such an important part of the state's economy, and its contracted-out construction workforce is so large, it is in Maryland's best interest that our regulated utilities use contractors that prioritize worker safety and skills training, pay family sustaining wages, and provide them access to meaningful healthcare.

Other states, like Colorado, have already recognized that a procurement model that prioritizes a price per kilowatt hour or price per therm above all other factors is flawed. "Best Value Employment Metrics" are now used by the Colorado Public Utilities Commission to evaluate new resource acquisitions. When utility proposals are brought to the Colorado Commission for review,

the Commission considers the availability of training programs, employment of Colorado workers, competitive wages, and benefits offered to workers on those projects.

By considering labor standards as part of its duties, the Commission can ensure state's ratepayers are getting the safest and best-skilled utility construction workforce possible by reducing turnover, improving workplace safety, and increasing the productivity of the contractor workforce.

As Maryland enters into an era of multi-year ratemaking, utilities are likely to experience reduced regulatory lag and lower borrowing costs. Maryland has the opportunity to be a leader and join other states that have adopted strong labor protections that promote quality job creation and workplace safety in their utility reform efforts.

I have attached with this testimony, LIUNA's Final Comments on PSC Case PC51 which make the case that Maryland should leverage new forms of ratemaking to fortify and expand opportunities for more construction workers to work their way into our state's middle class.

We urge for a favorable report on SB 83. Thank you.

