



Committee: Finance

Testimony on: SB418 “Energy Generation, Transmission, and Storage Projects – Required Community Benefit Agreement and Labor Standards”

Position: Favorable with Amendment

Hearing Date: February 15, 2022

The Chesapeake Chapter of Physicians for Social Responsibility (CPSR) submits this testimony in conditional support of SB418. CPSR absolutely agrees with the requirement that all energy projects (taking into account the sponsor amendment) of the sizes stated should be required to establish and observe the fair labor standards and practices that are included in this bill.

We also support the concept of “Community Benefits Agreements” for all such energy projects to define benefits and appropriate mitigation efforts, building on the efforts that most solar projects already make to inform and get input from local communities and authorities.

However, the bill as written has two significant structural problems, identified below, that require substantive amendment; we therefore can support the bill only if amended as suggested below.

It is inappropriate to negotiate important labor practices as “Community Benefits.”

The bill presently places a number of important and appropriate fair labor practices –

- opportunities for local, small, minority, women- and veteran-owned businesses;
- occupational safety and health;
- career training opportunities for disadvantaged groups;
- minority inclusion in the workforce; and,
- “a 21st century labor-management approach”

into Section C (3)-(7), regarding the negotiation of a “Community Benefits Agreement” with the local community.

These appropriate labor practices should not be negotiated on a locality-by-locality basis – they should be included with the other fair labor practices in Section D, or as a separate section.

The criteria and determining authority for “reasonable efforts” need clear definition.

The problem with fair labor practices in negotiation of a “Community Benefits Agreement” also connects with the second problem – the bill offers no definition of what constitutes “*all reasonable efforts to enter into a Community Benefits Agreement,*” or who decides when that condition is satisfied.

Reasoned local deliberation is essential; the benefits of clean renewable energy projects to localities include substantial tax revenue for the local jurisdiction itself, affordable locally generated clean energy, and often personal income security for local citizens.

Unfortunately, experience in Maryland has shown that in some cases, small numbers of vocal opponents can use local processes to generate protracted obstruction of otherwise feasible projects,

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leading to the ultimate loss of several projects. This has substantially contributed to the state's slow rate of clean renewable energy development, despite our ambitious goals and targets.

Creating an obstacle that results in fewer projects is not beneficial to workers in the clean renewable energy sector. It's also not supportive of Maryland's greenhouse gas reduction and clean energy goals.

So the "reasonable effort" requirement needs much greater specificity.

Considering these points, CPSR proposes the amendments below to address these two problems:

1. Move items (3) through (7) from Section C to Section D, or to a new separate section:

(3) PROMOTES INCREASED OPPORTUNITIES FOR LOCAL BUSINESSES AND SMALL, MINORITY, WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES IN THE ENERGY INDUSTRY;

(4) PROMOTES SAFE COMPLETION OF THE PROJECT BY ENSURING THAT AT LEAST 80% OF THE CRAFT WORKERS ON THE PROJECT HAVE COMPLETED 24 AN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION 10-HOUR OR 30-HOUR 25 COURSE;

(5) PROMOTES CAREER TRAINING OPPORTUNITIES IN THE CONSTRUCTION INDUSTRY FOR LOCAL RESIDENTS, VETERANS, WOMEN, AND MINORITIES;

(6) PROVIDES FOR BEST EFFORTS AND EFFECTIVE OUTREACH TO OBTAIN, AS A GOAL, THE USE OF A WORKFORCE INCLUDING MINORITIES, TO THE EXTENT PRACTICABLE, AS SUPPORTED BY A DISPARITY STUDY; AND

(7) REFLECTS A 21ST-CENTURY LABOR-MANAGEMENT APPROACH 33 BASED ON COOPERATION, HARMONY, AND PARTNERSHIP.

2. Provide clear definition of the criteria by which "all reasonable efforts to enter into a Community Benefits Agreement" on Items (1) and (2) of Section C will be determined.

3. Specify which state agency or authority shall determine whether an energy project's efforts to achieve a Community Benefits Agreement meet those criteria.

CPSR supports SB418 with Amendment if these or equivalent amendments are made.

Respectfully,

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