



CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

March 1, 2023

Maryland General Assembly
Economic Matters Committee
House Office Building, Room 231
Annapolis, Maryland 21401

RE: Testimony in Support of the Promoting Offshore Wind Energy Resources Act

Dear Chair Wilson, Vice Chair Crosby, and Honorable Members of the Economic Matters Committee:

The BlueGreen Alliance unites labor unions and environmental organizations to solve today's environmental challenges in ways that create and maintain quality jobs and build a clean, thriving, and equitable economy.

In the United States, we face the dual crises of climate change and increasing economic inequality, and for far too long, we've allowed the forces driving both crises to create a wedge between the need for economic security and a livable environment. We know that this is a false choice—we can and we must address both crises simultaneously, and offshore wind energy presents an unequivocal opportunity to do so.

That is why the Biden administration has committed to deploying 30 gigawatts of offshore wind by 2030 and unlocking a pathway to 110 gigawatts by 2050 in a way that advances equity, maximizes the creation of family-sustaining union jobs, strengthens domestic supply chains, and protects natural resources.

For the BlueGreen Alliance, responsible development means that projects are developed in an equitable and environmentally responsible manner, with high-road labor standards and attention to equity and environmental justice. This includes five key criteria:

- First, projects maximize the creation of safe, high-quality, and accessible union jobs over the project's lifetime. This includes commitments to union neutrality for manufacturing, operations, and maintenance jobs and utilizing Project Labor Agreements for construction.
- Second, projects expand domestic manufacturing along robust domestic, regional, and local supply chains, by maximizing the use of U.S.-made content.
- Third, projects deliver community benefits with attention to environmental justice and improving access to disadvantaged communities.

- Fourth, fisheries, wildlife, and marine ecosystems are protected during all stages of project development by utilizing data sharing, the best available science and data, and adaptive management strategies to avoid, minimize, mitigate, and monitor environmental impacts;
- And fifth, projects are guided by robust and inclusive stakeholder engagement. This includes labor organizations, Tribal nations, historically underrepresented or disadvantaged communities, low-wealth communities, communities of color, and impacted ocean users.

The Promoting Offshore Wind Energy Resources (POWER) Act would ensure that Maryland contributes to our national offshore wind goals at the scale necessary to combat the climate crisis while benefiting state residents and ensuring development occurs in an equitable, high-road, and environmentally responsible manner. Key to this is solidifying the use of Project Labor Agreements (PLAs) for the construction of offshore wind projects. PLAs benefit workers by ensuring that wages and benefits are defined and protected at local standards. PLAs also reduce project costs for developers, save public funds in the long run, and increase economic benefits for the local economy.ⁱ Further, PLAs often lead to safer working conditions due to a more skilled workforce. Data suggests that accidents, including death, are more common in states with low-road contractors.ⁱⁱ PLAs can also provide opportunities and benefits for communities by offering hiring opportunities to historically marginalized communities, including racial minorities, women, and veterans.

The POWER Act would also ensure that Maryland achieves the maximum creation of quality jobs by prioritizing in-state manufacturing and ensuring workers' rights to organize and bargain collectively are protected both in the supply chain and operations and maintenance. Offshore wind jobs in manufacturing and operations and maintenance provide high-quality long-term careers for Maryland residents. Manufacturing jobs in particular provide the largest job creation opportunity in the offshore wind sector, with the National Renewable Energy Laboratory estimating that utilizing 100% domestic content to achieve the national goal to deploy 30 GW of offshore wind by 2030 would create an additional 49,000 jobs annually.ⁱⁱⁱ According to Princeton University, even a modest increase in domestic content across renewables produces an additional 36,700 good manufacturing jobs per year and an additional \$5 billion in wages through the 2020s, as the U.S. continues greening its electricity grid. These increased benefits are also not likely to come at additional cost.^{iv}

Furthermore, accessing the cost-saving potential of the 10% domestic content bonus in the Production Tax Credit (PTC) and Investment Tax Credit (ITC) within Inflation Reduction Act (IRA) requires that projects utilize at least 25% by 2026, 45% by 2027,

and 55% by 2028. Setting a domestic content preference for offshore wind projects will help to ensure that projects maximize job creation as well as cost savings of the PTC and ITC. Issuing waivers has been a proven method for ensuring projects aren't slowed down when these requirements cannot be met.^v

Ensuring labor peace for manufacturing, operations, and maintenance jobs helps to ensure that workers can enjoy fair, safe, and equitable benefits by ensuring workers can bargain collectively and exercise their right to organize an union. The Bureau of Labor Statistics reports that non-union workers earn 83% of what unionized workers earn and that when workers have unions, wages rise for union and nonunion workers.^{vi} A White House report, "Working Organizing and Empowerment" states that union approval is at its highest since 1965, with 68% of Americans approving of labor unions. Support rates increase to 74% for workers aged 18 to 24, 75% for Hispanic workers, 80% for Black workers, and 82% for Black women workers.^{vii} Furthermore, these provisions would advance equity, as data shows that decline in U.S. manufacturing has been devastating to the middle-class, especially for Black and Hispanic workers and other workers of color who disproportionately do not hold college degrees and who experience discrimination limiting access to better-paying jobs.^{viii} Manufacturing wages are substantially larger for median-wage, non-college-educated employees, with Black workers in manufacturing earning 17.9% more than in non-manufacturing industries; Hispanic workers earning 17.8% more, Asian American Pacific Islander (AAPI) earning 14.3% more; and white workers earning 29% more.^{ix}

In 2022, Maryland passed the Climate Solutions Now Act, which sets ambitious goals for climate pollution reduction (60% reduction by 2031). Additionally, Maryland has a renewable energy goal of 50% by 2030, including at least 1200 MW of offshore wind, set by the Clean Energy Jobs Act of 2019. In order to meet those goals, we must prioritize the rapid deployment of renewable energy and investments in infrastructure to support that transition and offshore wind energy has a key role to play.

Increasing the state offshore wind goal, initiating a state process to coordinate transmission infrastructure, and investing in the full build-out of existing lease areas, all with strong labor standards, is both crucial for meeting our climate goals and creating good jobs that workers and communities need. The POWER Act is necessary for Maryland to achieve its goals and access the numerous benefits of this promising clean energy resource and we urge you to support its passage.

Signed,

Dan Taylor
Regional Field Organizer
BlueGreen Alliance
dtaylor@bluegreenalliance.org

Endnotes

ⁱ Frank Manzo et al., *Efficiencies of Project Labor Agreements*, 2015. Available online: <https://illinoisepi.org/site/wp-content/themes/hollow/docs/wages-labor-standards/Illinois-PLAs-in-CDB-Projects-FINAL.pdf>

ⁱⁱ Donald Vial et al., *Workforce Issues and Energy Efficiency Programs: A Plan for California's Utilities*, 2014. Available online: <https://laborcenter.berkeley.edu/pdf/2014/WET-Plan-Appendices14.pdf>

ⁱⁱⁱ Shields, Matt et al. 2022. *The Demand for a Domestic Offshore Wind Energy Supply Chain*. Golden, CO: National Renewable Energy Laboratory. Page vii. Available Online: www.nrel.gov/docs/fy22osti/81602.pdf

^{iv} Erin N. Mayfield and Jesse D. Jenkins, Working Paper: *Influence of High Road Labor Policies and Practices on Renewable Energy Costs, Decarbonization Pathways, and Labor Outcomes*, April 13, 2021. Available online: https://netzeroamerica.princeton.edu/img/Working_Paper-High_Road_Labor_and_Renewable_Energy-PUBLIC_RELEASE-4-13-21.pdf

^v For more information on waivers, see “DOT’s Identification of Federal Financial Assistance Infrastructure Programs Subject to the Build America, Buy America Provisions of the Infrastructure Investment and Jobs Act,” January 2022, Available Online: www.transportation.gov/sites/dot.gov/files/2022-01/DOT%20Report%20on%20Financial%20Assistance%20Infrastructure%20Programs.pdf

^{vi} U.S. Department of Labor, *The Union Advantage*. Available Online: <https://www.dol.gov/general/workcenter/union-advantage>

^{vii} White House Task Force on Worker Organizing and Empowerment, *Report to the President*. Available Online: www.whitehouse.gov/wp-content/uploads/2022/02/White-House-Task-Force-on-Worker-Organizing-and-Empowerment-Report.pdf

^{viii} Robert E. Scott, Valerie Wilson, Jori Kandra, and Daniel Perez: *Botched policy responses to globalization have decimated manufacturing employment with often overlooked costs for Black, Brown, and other workers of color*, at page 2. (January 31, 2022). Available online: <https://files.epi.org/uploads/239189.pdf>

^{ix} *Ibid*, page 3