

Support with Amendment
Economic Matters
2/16/2023

House Bill 513- Investor-Owned Utilities - Prevailing Wage – Enforcement

House Bill 513- Investor-Owned Utilities - Prevailing Wage – Enforcement would establish that the Maryland Public Service Commission (Commission) would enforce the requirement that utility contractors and subcontractors pay the prevailing wage rate determined by the Commissioner of Labor. While the Baltimore Gas and Electric Company (BGE) does not oppose the prevailing wage requirement, as drafted this bill would add a new, potentially distracting responsibility to the Public Service Commission.

BGE's relationship with its contractors is established through our contracts with them which specifically stipulate that they comply with all legal and regulatory requirements, which includes paying the prevailing wage in compliance with existing statute. BGE appreciates that this legislation establishes that the Commissioner of Labor must set the rate of the prevailing wage, to guide our contractors operating under contractual agreements with BGE. If an element of these contractual agreements is not met, BGE and other utilities have many options to ensure they are corrected.

The Public Service Commission has noted publicly on several occasions that it has neither the expertise nor the resources to enforce labor statutes. The Public Service Commission's role is to ensure safe, reliable, and economical public utility and transportation service to the citizens of Maryland. Adding a wage monitoring and enforcement role would be a distraction to their mission.

Therefore, if the legislature finds that such monitoring and enforcement is necessary, BGE suggests that the Department of Labor would be better equipped to perform this function and respectfully suggests adding the amendment listed below to assign this responsibility more appropriately.

Requested Amendment

AMENDMENT TO HOUSE BILL 513

(First Reading File Bill)

AMENDMENT NO. 1

On page 2, in line 3, strike "COMMISSION" and substitute "**DEPARTMENT OF LABOR**".

Interlineated AMENDMENT NO. 1:

(C) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE ~~COMMISSION~~ **DEPARTMENT OF LABOR** SHALL ENFORCE THE REQUIREMENT UNDER SUBSECTION (B) OF THIS SECTION FOR CONTRACTORS AND SUBCONTRACTORS TO PAY EMPLOYEES NOT LESS THAN THE PREVAILING WAGE RATE DETERMINED SOLELY BY THE COMMISSIONER OF LABOR AND INDUSTRY UNDER TITLE 17, SUBTITLE 2 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.2 million electric customers and more than 655,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's leading competitive energy provider.