



MARYLAND STATE & D.C. AFL-CIO

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HB 554 - Public Utilities - Investor-Owned Utilities - Prevailing Wage House Economic Matters Committee February 5, 2024

SUPPORT

**Donna S. Edwards
President**

Maryland State and DC AFL-CIO

Chairman and members of the Committee, thank you for the opportunity to submit testimony in support of HB 554. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

HB 554 removes the word “underground” from the section of the 2022 Climate Solutions Now Act that required gas, electric, and investor-owned electric companies to pay prevailing wage on their infrastructure projects. The 2022 law established an arbitrary distinction between above ground and below ground utilities. The federal Infrastructure Investment and Jobs Act (IIJA), competitive grants for Grid Resilience and Innovation Partnerships (GRIP) require Davis Bacon provisions to apply to all work funded with federal money. Federal GRIP grants explicitly judge applicants based on “community and labor engagement” and “investing in the American workforce.”¹ Since these are competitive grants, Maryland should give its utilities an advantage being used by other states by requiring all of them to use common sense labor protections like prevailing wage requirements.

As we move from a traditional energy economy to a clean energy economy it is vital that we are creating a policy and regulatory framework that ensures we are building family-sustaining careers. We know that meeting Maryland's climate goals requires expanding state electricity production multiple times its current levels and expanding the grid's capacity by similar amounts. This means a massive amount of work in energy generation, transmission, and infrastructure over the coming decade. Renewable energy generation, transmission, and storage are the growth industries of the future. For these projects it is paramount that we create high road jobs for Maryland's economy to grow the middle class. Applying labor standards holds these new energy jobs to a high standard now, ensuring that we are setting up the next generation of workers to be as successful as the ones that precede them.

¹ “Frequently Asked Questions on the Grid Resilience and Innovation Partnerships (GRIP) Program.” U.S. Department of Energy. October 18, 2023.

The Maryland State & DC AFL-CIO is fully dedicated to ensuring that climate jobs are good middle class jobs. At our 2022 Convention, delegates unanimously passed a resolution in support of these efforts, attached to this testimony. We urge the committee to issue a favorable report for HB 554.

Resolution on Climate Change and Jobs

WHEREAS, numerous studies suggest that there is major job creation potential from tackling the climate crisis, reducing greenhouse gas emissions, and transitioning to a low-carbon, sustainable economy; and

WHEREAS, the overall lack of high-road jobs in the green economy and the prevalence of non-union jobs in the limited existing green sectors, such as solar and residential retrofitting, have dampened enthusiasm for the long-promised “clean, green economy” among workers and labor organizations that are anxious to address the climate crisis and build a pro-worker, equitable green economy; and

WHEREAS, the growing clean energy sector, driven by the dictates of its investors, in many cases does not provide the high-quality union jobs that exist in traditional energy and manufacturing industries, and it is highly reliant on imported goods

WHEREAS, the fossil fuel industries have high rates of unionization. The high-quality jobs held by union members across our economy in sectors producing or using fossil energy are at risk, as well. Fossil-fuel production and use has not only provided the energy that made our modern economy, but also supports union jobs in a broad range of sectors— energy production, manufacturing, transportation and more; and

WHEREAS, strong job and training quality standards are needed in the clean and renewable energy sector, among them being prevailing wage, state-approved apprenticeship job training requirements, project labor agreements, and labor peace agreements; and

WHEREAS, a functioning jobs pipeline could ensure that local workers from our communities have a path to career employment by offering access to training programs such as direct-entry pre-apprenticeship programs and other skill-building opportunities; and

WHEREAS, these job and training quality standards should be central to all “climate jobs” proposals; and

WHEREAS, climate efforts should include funding and guaranteed protection for workers and communities who are displaced or negatively affected by the transition to a low-carbon economy; and

WHEREAS, the AFL-CIO has developed strong policy proposals for protecting workers who are impacted by climate protection policies. These proposals provide a just transition, including 70% wage replacement and 80% health benefit replacement for up to three years, as well as “bridge to retirement” funding for workers who are near retirement.

THEREFORE, BE IT RESOLVED, the Maryland State and District of Columbia AFL-CIO supports measures that ensure that energy infrastructure development creates good jobs and builds our industrial base by requiring project labor agreements, prevailing wage, apprenticeship job training requirements, Buy Union and Buy America provisions, labor peace, card check neutrality, robust training requirements for all projects, and includes all the labor requirements passed in the Clean Energy Jobs law.

THEREFORE, BE IT FURTHER RESOLVED, the Maryland State and District of Columbia AFL-CIO in facing the challenge of impacting energy policies embraces a balanced and just approach for workers, communities, manufacturers, businesses and consumers and will continue to work with community, business and environmental allies committed to recognizing the need for worker protections, rights, and sustainable wages and benefits, to maintain a wide range of energy sources, traditional and newer, to secure Maryland’s and the District of Columbia’s competitiveness.

THEREFORE, BE IT FURTHER RESOLVED, that the Maryland State and District of Columbia AFL-CIO will, in every forum, demand that clean energy technologies be mined, produced, constructed, and operated under union contracts. The growth of the clean energy economy cannot provide cover for employers that want to operate nonunion and must provide the high-quality jobs that Americans want and deserve.

THEREFORE, BE IT FINALLY RESOLVED, that the Maryland State and District of Columbia AFL-CIO will advocate for legislation, administrative rules, and the development of an initiative to enable a transition that is just for workers and communities directly affected by the transition to a clean energy economy by providing income, benefit, and retraining for comparable wage jobs, as well as a bridge to retirement, as part of the just transition and concurrently support the creation of these policies in an equitable fashion.