

A Clean Energy Jobs Act for Maryland:

Creating a Diverse Workforce by Investing \$40 Million in Jobs Training and Minority- and Woman-Owned Business Growth

A \$40 Million Clean Energy Fund is Available to Lawmakers

There is a \$40 million funding account available to state lawmakers to invest in clean energy jobs training and minority- and woman-owned business development. This funding, comprised of unallocated contributions to Maryland's Strategic Energy Investment Fund, has been established to invest in clean energy and greenhouse gas reduction programs. That funding can and should be targeted to ensure that our energy workforce more fully reflects the diversity and strengths of Maryland.

Legislation to expand the state's Renewable Portfolio Standard (RPS) will simultaneously invest millions of dollars of new funding each year in critically needed and targeted clean energy workforce training and minority, and women-owned business growth.

Background

Maryland has enacted clean energy policies that distinguish our state as a national leader when it comes to fighting climate change and investing in clean technology. The clean energy sector—inclusive of wind energy, solar energy, energy efficiency, advanced batteries, and other clean technologies—is an important and growing sector of our state's economy.

But more must be done to make the industry more diverse. There is a 34.6% gap in employing women and a 9.3% gap in employing African Americans in Maryland's solar industry relative to their representation in Maryland's overall workforce.

Similarly, there are not enough minority- and women-owned businesses participating in Maryland's clean energy economy today. Without a diversity of people who actively engage in the energy economy, Maryland will lack a diversity of thought, missing the right people at the table to address challenges, ask questions, and expand our knowledge in the clean energy field.

The Strategic Energy Investment Fund

Maryland's "Strategic Energy Investment Fund" (SEIF), is a special, non-lapsing fund established by lawmakers for low-income rate assistance and clean energy and energy efficiency investments. The primary source of funding for SEIF comes from carbon allowance auctions through Maryland's participation in the Regional Greenhouse Gas Initiative—a multi-state effort to reduce carbon emissions from power plants.

This fund has \$40 million of unallocated contributions as a result of a 2014 order by the Maryland Public Service Commission. The order required Dominion Resources to pay into the SEIF as a condition of its construction permit for a natural gas export facility in Calvert County.

Workforce Development

Legislation to expand Maryland's RPS will direct \$10 million into the Maryland Employment Advancement Right Now (EARN) Program to create a Clean Energy Workforce Account. The account would support pre-apprenticeship, apprenticeship, and other workforce programs to establish career pathways in the clean energy industry.

The Maryland EARN Program, established by law in 2013, provides grant funding for industry-led partnerships to advance the skills of the State's workforce, grow the state's economy, and increase sustainable employment for working families.

A recent survey of the solar industry in Maryland found that 86.4% of solar employers find it somewhat or very difficult to find qualified applicants for their open positions. Maryland also recently ratcheted up its energy efficiency goals, which means that there will be an increased need for those services. Better workforce training is increasingly needed, and through EARN, lawmakers can set aside funding and establish criteria to guide these workforce investments toward high-need areas across the state.

Priority within the competitive grant process for this EARN funding can be given to strategic industry partnerships that seek to advance employment opportunities and provide necessary job readiness training to individuals from economically distressed areas that have high rates of unemployment and/or low median household income. Priority can also be given to partnerships that seek to provide employment opportunities and job readiness training to workers with barriers to employment.

Minority- and Woman-Owned Business Development

\$30 million will be dedicated to financing a Clean Energy Business Development Fund within Maryland's Small, Minority and Women-Owned Business Account. The account, administered by the Comptroller of Maryland under the authority of the Board of Public Works (BPW), makes grants to eligible "fund managers" to provide investment capital and loans to small, minority, and women-owned businesses in the state.

While independently financed, the Clean Energy Business Development Fund could be administered like the rest of the account. Funding should be made available to minority- and woman-owned businesses located throughout Maryland to help them enter and grow within the clean energy economy.

Conclusion

Maryland should enact policies that encourage the clean energy industry to grow, while also putting in place funding mechanisms to increase the diversity of business owners and employees.

By increasing the Renewable Portfolio Standard (RPS) to 25% by 2020 and investing \$40 million into clean energy workforce training and minority, and women-owned business growth, Maryland can combat climate change, create and sustain jobs where they're needed most, and start to unlock the full talent of our state's clean energy entrepreneurs.

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