



February 17, 2022

To: Senator Kathleen Taylor, Chair, Senate Committee on Labor and Business
Members, Senate Committee on Labor and Business
From: Diane Brandt, Oregon Policy Manager, Renewable Northwest
Re: **Support for HB 4059A**

Dear Chair Taylor and Members of the Committee:

Renewable Northwest is a regional, non-profit renewable energy advocacy organization based in Oregon, dedicated to decarbonizing the region by accelerating the transition to renewable electricity. Our members are a combination of renewable energy businesses and environmental and consumer groups. **Renewable Northwest fully supports HB 4059A, which clarifies certain labor standards from the 2021 Clean Energy for All bill (HB 2021). This bill is the result of a collaborative effort between labor and renewable energy industry representatives and clarifies two important compliance mechanisms for renewable energy projects in Oregon.**¹

HB 4059A is the result of continuing conversations on labor standards as outlined in HB 2021 (2021) Section 26, which was part of HB 2021's focus to bring as much benefit to Oregon as possible from building renewable energy projects to meet the clean energy mandate. Last session, Renewable Northwest was deeply involved in these labor standard conversations which we knew would need more clarification after the 2021 session² as there was simply not enough time to finish this work before the session's conclusion. A group of labor and renewable energy industry representatives³ did continue the work to add needed clarity and flexibility to the labor standards and arrived at the consensus language in HB4059A.⁴

¹ Prior testimony submitted February 7, 2022, to the House Committee on Environment and Natural Resources: <https://olis.oregonlegislature.gov/liz/2022R1/Downloads/PublicTestimonyDocument/37100>

² As noted in May 2021 oral and written testimony.

<https://olis.oregonlegislature.gov/liz/2021R1/Downloads/PublicTestimonyDocument/30290>

³ Labor representatives were the Blue Green Alliance, IBEW chapters, and LiUNA. Developer representatives were Oregon Solar + Storage Industries Association, Northwest and Intermountain Power Producers Coalition, and Renewable Northwest.

⁴ Please see coalition one-pager:

<https://olis.oregonlegislature.gov/liz/2022R1/Downloads/PublicTestimonyDocument/39068>

Needed Clarification on Apprenticeship “Good Faith Efforts” and PLAs

There were two key areas that Renewable Northwest had previously identified as potential barriers to renewable energy development in Oregon. **This bill resolves those two key questions: how the “good faith efforts” to meet apprenticeship standards are applied, and which labor standards a negotiated Project Labor Agreement (PLA) would satisfy.** HB 4059A refines these elements and adds needed flexibility for renewable energy projects to meet the labor standards without those standards becoming a barrier for projects to proceed.

The “good faith efforts” are discussed in HB 4059A Section 1 subsection (2)(a)(A)(ii) which follows the 15 percent apprenticeship requirement for covered projects and says:

Or, if less than 15 percent of total work hours on a given covered project is performed by apprentices in apprenticeable occupations, *(a covered project can)** demonstrate good faith with meeting the requirement described in sub-subparagraph (i) of this subparagraph by providing documented and verifiable information...

This clarifies that a project can meet the 15 percent apprenticeship standard, or, if the project is unable to find enough apprentices to meet that level, provide proof of the efforts made to reach 15 percent. This was an important clarification as the standards currently state a project must meet the 15 percent standard and provide proof of the “good faith efforts.” Allowing the alternative of “good faith efforts” adds flexibility to the standards as Oregon builds its skilled workforce for the inevitably increasing number of renewable energy projects. By having this flexibility, it allows projects to employ apprentices - key to building a skilled workforce - without the standard becoming a barrier to completing a renewable energy project should insufficient apprentices be available.

The bill also clarifies that a Project Labor Agreement (PLA) satisfies the apprenticeship and wage standard requirements in subsection (4)(a) saying:

In lieu of providing an attestation or declaration described in subsection (2) of this section⁵, the person may provide a copy of a project labor agreement, if a project labor agreement is used on the covered project and shall be exempted from the requirements described in subsection (2) of this section.

⁵ Subsection (2) addresses apprenticeship and wage standards in subsection (2)(A)(i) and subsection (2)(b)(A), respectively.

*Author’s addition for readability

The current language from HB 2021 (2021) only specifies that PLAs can serve to meet the apprenticeship standard. This new clarification allows project developers another layer of flexibility to meet the labor standards by allowing for a contract instrument (the PLA) to be negotiated to the satisfaction of both developer and labor parties, which meets the labor standards.

These two clarifications add much needed flexibility to the current labor standards. Without these changes, there would be no alternative compliance pathways nor “off ramps” for meeting labor standards which could present barriers to renewable energy project development – regardless of size. The “good faith efforts” and ability to use a PLA to meet all standards give project developers options that allow the project to move forward.

Changes to Project Standard Thresholds

It is important to note the changes presented in this bill that impact to which projects these standards apply. HB 2021 set the apprenticeship and wage standards for all projects 10 megawatts and above. **This bill maintains the 10 megawatt threshold for the wage standards (which includes benefits), reduces the apprenticeship threshold to two megawatt projects and above, and provides an exemption for community solar projects up to three megawatts.** Paired with the “good faith efforts” clarification, this offers a balance of supporting workforce development - by extending the apprenticeship standards to two megawatts to encourage the use of apprentices on all projects - while making sure it will not be a barrier to development.

On the community solar exemption for projects up to three megawatts in size, which is also the maximum allowable size for a community solar installation, it is important to note that the Oregon Community Solar Program’s goal is to increase access to clean-energy benefits for low-income ratepayers and is regulated distinctly by the Public Utility Commission. In an effort to minimize the regulatory burden these projects might face and to assist the broader access to clean energy which they offer, Renewable Northwest supports the exemption of community solar projects from the apprenticeship requirements.

Continued Support for Clean Energy Goals and Labor Standards

While there may be more necessary clarifications in the future as renewable energy projects move forward, HB 4059A resolves immediate issues remaining from the 2021 session. **Renewable Northwest strongly supports HB 4059A which represents carefully negotiated consensus language that provides important clarifications to HB2021 (2021) labor standards.** These clarifications will remove the potential barriers in the current labor standards

to building clean energy resources by offering flexibility for renewable energy projects of all sizes while supporting the expansion of a skilled, clean-energy workforce.

Sincerely,

A handwritten signature in black ink, appearing to read 'Diane Brandt', with a long horizontal stroke extending to the right.

Diane Brandt
Oregon Policy Manager
Renewable Northwest