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Chair Marsh, Vice-Chair Bobby Levy, Vice-Chair Emerson Levy and the other members of the House Committee on Climate, Energy, and the Environment,

March 30, 2023

Re: Support for HB 3579 with Additional Recommendations

I am writing today on behalf of Consolidated Oregon Indivisible Network (COIN) to express our support for the HB 3579 with the accompanying -1 amendment. COIN is a network of nearly 50 grassroots Indivisible groups located in every part of Oregon that collaborate to protect democracy and implement progressive values through voter outreach and education, campaigns, and elections, holding our elected leaders accountable, and advocating for legislation that best reflects our values.

There are many things we like about this bill. At the same time, we have some suggestions for improvement that we hope your committee might still consider or, if this is too late in the process, that might be taken up by your colleagues on the Senate side.

As others who presented testimony on this have noted, the Inflation Reduction Act includes \$60 billion in incentives for domestic manufacturing across the clean energy supply chain. Additional potential funding support could come from the CHIPS and Science Act and the Bipartisan Infrastructure Investment and Jobs Act. Unfortunately, Oregon is behind some other states when it comes to leveraging these incentives and proactively attracting, expanding, and sustaining clean energy technology companies and manufacturers in Oregon.

HB 3579 and the -1 amendment seeks to leverage historic investments in domestic clean energy manufacturing to help strengthen Oregon's economic vitality, workforce development, and climate-smart manufacturing goals in the following ways:

1. **Incentives:** It establishes a fund within Business Oregon to award loans, grants, or incentives to eligible entities to provide financial assistance to support companies in re-equipping, expanding, or establishing clean technology manufacturing facilities in Oregon. This fund will initially focus on clean energy technologies without existing domestic manufacturing bases (such as electric heat pumps), with opportunity to expand.
2. **Procurement:** It directs the Department of Administrative Services (DAS) to develop a statewide policy and plan for procuring zero-emission technologies that (1) Promotes domestic and regional manufacturing, (2) leverages state and regional resources for bulk purchases and price agreements to attract regional clean tech manufacturing.

3. **Task Force:** It creates a Task Force with representatives from relevant state agencies, clean technology manufacturers and innovators, labor, and economic development and climate experts to identify new, strategic policy mechanisms and tools for Oregon to attract and grow clean technology manufacturers and support clean energy job growth.
4. **Living wages, diverse workforce, apprenticeship, and training:** It provides both procurement and incentives to promote high skilled living wage job creation and diverse workforce hire of women, BIPOC, and veteran workers while promoting apprenticeship, pre-apprenticeship. We understand that grants and other support offered through this program would use an innovative tool created by **Jobs to Move America-Public Goods for the Most Public Good** (<https://jobstomoveamerica.org> .) This overall policy tool, known as the **U.S. Employment Plan**, incorporates good jobs and equity into the public purchasing process. It includes a proposal tool (grant applicants can earn extra credit by creating or retaining jobs for who workers facing significant barriers), an evaluation tool, and a compliance and implementation tool. We think this is a great idea.

Suggestions for Improvement

Workforce Development: The appears to be little thought in the bill toward workforce development. An educated, nimble, and flexible workforce will be key to the success of this program. Most people already working in this field are nearing retirement age. Training programs need to be developed and expanded dramatically at the high school, community college, undergraduate, and graduate school levels.

Most people already working in this field are nearing retirement age. Leaders in the clean energy industry have urged state universities and community colleges to “up their game”, but these public institutions are in terrible financial shape due to the pandemic and dwindling attendance. Rather than creating vitally needed new instructor positions, Oregon universities currently have no choice but to reduce their budgets dramatically.

For example, for many years, the graduate level power engineering programs in our region were designed primarily to support the development of nuclear power plants, fossil fuel plants, and, in the Northwest, hydroelectric dams. Some significant progress has been made in recent years to begin the critical transition to a workforce that is appropriate for a clean energy economy, but so much more needs to be done. Community colleges and universities have proposed excellent ideas for new workforce development programs, but funds are not available to implement them.

Not too many decades ago, universities in Oregon would receive about 80% of their funding from the State of Oregon with most of the remainder coming from student tuition. According to the recently released **State Higher Education Finance Report**, student tuition dollars now provide more than half (54%) of revenue at Oregon’s public colleges and universities. While this is better than the 64% share that student tuition dollars contributed in 2015, it is far behind our neighboring states and most of the rest of the country. Only 35% of Washington’s higher education revenue and 20% of California’s revenue come from student tuition.

Oregon also comes up short when it comes to providing state financial aid for students. Financial aid allocations in 2021 amounted to \$574 per full-time student, compared to the national average of

\$921, according to the report. Washington allocated more than three times as much as Oregon in financial aid per full-time student, at over \$1,900 in 2021.

Not surprisingly, student enrollment is way down among community colleges and universities and these institutions are facing what experts call a **financial cliff**, with depleted enrollment and uncertain state funding. Given this funding crisis, it is essentially impossible for community colleges and universities to offer new and expanded education and workforce development to prepare students to become productive future employees of clean energy technology companies and manufacturers in Oregon. State and federal support will be essential.

We know it is possible to secure government support for this sort of effort if government leaders like you and others decide give workforce development the attention it deserves. Why do we know this? Because back in 2009 some COIN members played a major role in securing support from all four Northwest governors, all eight Northwest Senators, and all but one Northwest Representative (only because he was in the hospital) when we created two closely related regional applications that led to the creation of the Pacific Northwest Center of Excellence for Clean Energy through a Department of Energy Recovery Act Workforce Training for the Electric Power Sector Funding Opportunity. These letters of support are available upon request.

The result was \$12 million in federal funds to help community colleges and universities in our region revamp their curricula to address the new clean energy economy workforce development needs associated with a clean and just energy economy. We made great strides over the three-year period of this federal grant, but it is not easy to “turn a battleship around” as quickly as we would have liked. We are confident that our effort would have received additional federal support had it not been for the election of a new President who was less interested in a clean and just energy economy. As a result, federal funding dried up. With the passage of IRA and related legislation significant new funding opportunities have emerged. We should take advantage of them.

We were hopeful that the clean energy workforce development issues would be addressed in expanded version of HB 3518, co-sponsored by Representatives Rayfield and Noose, that would have focused specifically on workforce development in the clean energy sector. After all, HB 3579 already has a “heavy load” to carry. However, HB 3518 did not receive a hearing, so the options are limited.

At the very least we recommend that the Task Force established by the bill include an instructor from one of the community colleges that are preparing future employees for the clean energy jobs, and an instructor from one of the state university power engineering or related programs that are preparing future employees with more advanced skills.

New Facilities Siting. As previously noted, we are excited by the policy tools available under the U.S. Employment Plan that can incorporate good jobs and equity into the public purchasing process. However, it is not clear if the U.S. Employment Plan tools can address environmental justice issues associated with facilities siting and the emissions and water pollution these manufacturing facilities might create. Of course, we will want all facilities to be as eco-friendly as possible no matter where they are located. We certainly want to support the construction of more facilities building heat pumps. But we also want to ensure that the manufacturing facility will have an excellent environmental record and will not exacerbate already existing environmental justice issues.

The other facilities siting related recommendation came for COIN's biologists and ecosystem experts. They recommend that the Task Force include a representative selected by the Oregon Department of Fish and Wildlife to assess if the proposed location of new facility conflicts with the objectives of the Oregon Conservation Strategy.

These COIN members go on to recommend that "the property locations of production facilities must be determined in consultation with Oregon Department of Fish and Wildlife, so as not to destroy or degrade lands and waters identified as important habitats for "Species of Greatest Conservation Need" [Strategy Species – Oregon Conservation Strategy](#), as identified in the Oregon Conservation Strategy (OCS) [Oregon Conservation Strategy – A Blueprint for Conservation in Oregon](#).

They explain that "land use changes have been one of the biggest impacts to natural lands and habitats critical to the long term survival of species at risk as designated by the OCS [Land Use Changes – Oregon Conservation Strategy](#). The Task Force should have a representative selected by ODFW to ensure actions do not conflict with the objectives of the OCS. In this era of an extinction crisis in our country [Biodiversity in Focus: United States Edition | NatureServe](#), conservation of biological diversity must not be negatively affected by efforts to attain a clean energy future."

In conclusion, while COIN supports this bill, we hope the committee and others will refine and expand its scope further to make it even better.

Respectfully,

Jeff Hammarlund on behalf of the
COIN Legislative Team and the
COIN Climate Energy and Environment (CEE) Team

