

HB 4080 -1, -5 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/7, 2/14

WHAT THE MEASURE DOES:

Creates state policy to bring groups together to form a policy for offshore wind farms. Directs DLCD to review plans about offshore wind farm. Sets labor and building standards for wind farms.

Detailed Summary: Establishes as policy of State to support engagement between offshore wind developers and impacted organizations, communities, and tribes in the development of Offshore Wind Roadmap. Requires State Department of Energy to develop Offshore Wind Roadmap to define standards to be considered in the development process for offshore wind energy. Specifies standards. Requires Department of Land Conservation and Development (DLCD) to conduct, or support, consistency reviews on offshore wind leasing decisions and actions related to offshore wind energy development of Oregon Coast made by federal Bureau of Ocean Energy Management. DLCD must report on actions taken. Establishes labor and supply-chain standards for offshore wind energy development projects. Requires developer or contractor involved in construction, operation, or maintenance of offshore wind energy project or port development project to: (1) participate as training agency in Registered Apprenticeship program in order to provide opportunities for apprentices to perform at least 15 percent of the work hours for each apprenticeable occupation; (2) conduct outreach, recruitment, and retention of women, minority individuals, and veterans to reach aspirational target of 15 percent of total work hours performed by individuals within each group; (3) pay wages that are no less than greatest of one of the following for locality where project is being done: living wage; prevailing wage rate for trade or occupation; minimum wage under federal Service Contract Act; wage calculated under Massachusetts institute of Technology living wage calculator; wage under collective bargaining agreement (CBA) if CBA provides employer-paid retirement and family and medical insurance benefits; and (4) demonstrate 3-year history of compliance with federal and state wage and hour laws and occupational safety and health requirements. Requires developer or contractor involved in construction, operation, or maintenance of offshore wind energy project or port development project with estimated contract value of \$250,000 or more, to use iron, steel, coatings for iron and steel and manufactured products that are purchased for or used in project and become part of permanent structure to be made United States. Establishes exceptions to supply-chain requirements. Developer or contractor may enter into workforce development agreement in lieu of complying with labor and supply-chain standards for offshore wind energy development projects. Specifies minimum requirements of workforce development agreement. Declares emergency, effective upon passage.

NOTE: Measure has subsequent referral to Committee on Ways and Means

ISSUES DISCUSSED:

- Potential benefits of offshore wind power generation
- Similar efforts in other states
- Role of Department of Land Conservation and Development on coastal management
- Potential impacts on ecosystem, natural and cultural resources
- Role of federal government in offshore wind power projects
- Impact of wage and labor agreements on project cost
- Role of wind energy in meeting Oregon's climate goals

EFFECT OF AMENDMENT:

-1 Replaces original measure. Outlines state policy to support ongoing engagement between offshore wind developers and affected organizations and entities, including local governments, tribes, ports, and others impacted by the development, as well as interconnection of offshore wind energy with the Oregon Coast electrical grid. Directs the Oregon Department of Land Conservation and Development to develop an Offshore Wind Roadmap to support enumerated goals and policies related to communities, economic opportunity, protection of tribal resources, offshore wind workforce development, environmental protection, and state energy and climate objectives. Authorizes DLCD to solicit and accept moneys from public and private sources, and to adopt rules, to carry out provisions of measure. Directs DLCD to conduct assessment of state policies that may be used, with focus on adequacy of existing enforceable policies and agency capacity. Requires DLCD to report on progress to interim legislative committees by September 1, 2025. Establishes state policy for strong labor and supply chain standards for offshore wind projects. Requires developers and contractors involved in offshore wind and related projects to participate as training agent for apprentices; establish outreach and recruitment plan for women, minorities, and veterans; and comply with specified wage standards, hours worked, and occupational safety and health. Sets requirements for domestically-produced construction materials for projects over \$250,000. Allows for workforce development agreements to comply with provisions. and specifies such agreement must include a project labor agreement, a labor peace agreement, and an agreement to use or develop domestic supply chains. Declares emergency, effective on passage.

FISCAL: Fiscal statement issued on measure w/the -1 amendment

REVENUE: No revenue impact on measure w/the -1 amendment

-5 Adds definitions of "covered project" and "port." Revises requirements for developer or contractor of offshore wind energy projects and related port development projects to include pay to workers employed by the develop/contractor at no less than prevailing wage, and to employ apprentices in a manner consistent with respective training programs on at least 15 percent of work hours. Adds provision requiring that projects that receive at least \$250,000 of public moneys shall ensure that steel, iron, and related products purchased or used be produced in the United States; provides exceptions for public interest, lack of materials produced domestically, and additional cost exceeding 25 percent.

BACKGROUND:

Offshore wind is a renewable energy technology being deployed in shallow waters across the world and is advancing into deeper waters by affixing wind turbine technology to floating platforms. In 2022, the Oregon Department of Energy issued the Floating Offshore Wind: Benefits and Challenges for Oregon report (Report). According to the Report, technical modeling has shown potential to develop dozens of gigawatts of offshore wind energy along the southern Oregon and northern California coast.

House Bill 4080 establishes state policy regarding the implementation of the Offshore Wind Roadmap. The policy includes support for the engagement between offshore wind developers and impacted organizations, communities, and tribes in the development of an Offshore Wind Roadmap. As well as to promote economic diversification and resilience in offshore wind energy development by ensuring labor and supply chain standards.