

B-Engrossed House Bill 4080

Ordered by the House March 1
Including House Amendments dated February 15 and March 1

Sponsored by Representatives GRAYBER, GOMBERG; Representatives ANDERSEN, BOWMAN, DEXTER, EVANS, HOLVEY, HUDSON, LEVY E, LIVELY, MARSH, PHAM K, TRAN, WALTERS, WRIGHT, Senators CAMPOS, DEMBROW, FREDERICK, GOLDEN, PATTERSON, TAYLOR (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: States a state policy on offshore wind energy. Tells the state agency on energy to make a road map on standards for offshore wind energy. Makes a person involved in an offshore wind energy or port project meet certain labor and supply chain standards. Tells the state agency on land use to assess state policies that may be used in federal reviews of offshore wind leasing decisions. (Flesch Readability Score: 61.0).

Declares a state policy to support engagement between offshore wind developers and impacted organizations, communities and tribes. Declares a state policy regarding offshore wind energy development and labor and supply chain standards. Declares a state policy that the interconnection of offshore energy projects be carried out in a manner that promotes electric grid reliability and resilience. Directs the Land Conservation and Development Commission to exercise its rulemaking authority to support these state policies.

Directs the State Department of Energy to develop an Offshore Wind Roadmap that defines standards to be considered in the processes related to offshore wind energy development and approval.

Requires a developer or contractor involved in an offshore wind energy project, port development project that is necessary for the development of an offshore wind energy project or project related to manufacturing or supply chain that is located on port property and that facilitates the construction, operation or maintenance of an offshore wind energy project to meet certain labor and supply chain standards. Allows a developer or contractor to use a workforce development agreement to comply with the requirements.

Directs the Department of Land Conservation and Development to conduct an assessment of the state enforceable policies that may be used in the federal consistency review of offshore wind leasing decisions and related actions. Directs the department to submit a report on the department's activities to the interim committees of the Legislative Assembly related to marine renewable energy and coastal resources not later than September 1, 2025.

Modifies certain biennial appropriation made from the General Fund to the Department of Land Conservation and Development.

Modifies limitation on expenditures for certain biennial expenses for the Bureau of Labor and Industries.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to offshore wind energy development; and declaring an emergency.

3 Whereas Oregon will benefit from an Offshore Wind Roadmap that is developed in consultation
4 with a broad group of stakeholders; and

5 Whereas an Offshore Wind Roadmap should consider all benefits and ramifications of offshore
6 wind energy development to this state; and

7 Whereas Oregon's state agencies are poised to best facilitate the development of an Offshore
8 Wind Roadmap and should be adequately funded, supported and engaged in the development of an
9 Offshore Wind Roadmap so that Oregon's interests are fully considered in decision-making processes;
10 and

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 Whereas the interconnection of offshore energy projects to the electric grid along the Oregon
2 coast should be carried out in a manner that promotes the reliability and resilience of this state's
3 electric system; and

4 Whereas the jobs created from offshore wind energy development should meaningfully sustain
5 and support local Oregon workers and align with Oregon's existing labor standards, including sup-
6 port of registered apprenticeship programs that ensure the highest quality of work and career-
7 supporting jobs, outreach to historically marginalized communities to perform those jobs, living
8 wages, compliance with state and federal laws and use of domestic supply chains whenever possible;
9 now, therefore,

10 **Be It Enacted by the People of the State of Oregon:**

11 **SECTION 1. State policy. It is the policy of the State of Oregon to support ongoing en-**
12 **gagement between offshore wind energy developers and:**

13 **(1) The Southwestern Oregon Workforce Investment Board;**

14 **(2) The Oregon International Port of Coos Bay;**

15 **(3) The Port of Brookings Harbor;**

16 **(4) The Port of Newport;**

17 **(5) The Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, the Coquille**
18 **Indian Tribe and other Indian tribes impacted by offshore wind energy development that**
19 **want to engage in the offshore wind energy development process; and**

20 **(6) Communities and organizations impacted by offshore wind energy development that**
21 **want to engage in the offshore wind energy development process.**

22 **SECTION 2. State policy. It is the policy of the State of Oregon that the interconnection**
23 **of offshore energy projects to the Oregon coast electric grid be carried out in a manner that**
24 **promotes the reliability and resilience of this state's electric system.**

25 **SECTION 3. Offshore Wind Roadmap. (1) The Department of Land Conservation and De-**
26 **velopment shall develop an Offshore Wind Roadmap that defines standards to be considered**
27 **in the processes related to offshore wind energy development and approval. The standards**
28 **defined in the Offshore Wind Roadmap must support:**

29 **(a) Effective stakeholder engagement;**

30 **(b) Local and regional coastal communities;**

31 **(c) The creation of economic opportunities and sustainment of existing local and regional**
32 **economies;**

33 **(d) The creation of an offshore wind energy workforce that is local, trained, housed and**
34 **equitable;**

35 **(e) Protection of tribal cultural and archaeological resources, culturally significant**
36 **viewsheds and other interests of Indian tribes;**

37 **(f) Protection of the environment and marine species; and**

38 **(g) Achievement of state energy and climate policy objectives, including energy resource**
39 **diversity, reliability and resilience of state and regional energy systems.**

40 **(2) The department shall conduct outreach and engagement with state agencies, local**
41 **governments and affected communities to support development of the Offshore Wind**
42 **Roadmap.**

43 **(3) The department may solicit and accept gifts, grants, donations and other moneys**
44 **from public and private sources for the purpose of covering the costs of carrying out the**
45 **provisions of this section. Moneys received as provided in this subsection are continuously**

1 appropriated to the department for carrying out the provisions of this section.

2 (4) The Land Conservation and Development Commission may adopt rules as necessary
3 to carry out the provisions of this section.

4 **SECTION 4. Assessment of enforceable policies.** (1) The Department of Land Conserva-
5 tion and Development shall conduct an assessment of the state enforceable policies that may
6 be used in the federal consistency review of offshore wind energy leasing decisions and any
7 other actions related to offshore wind energy development off of the Oregon coast.

8 (2) The assessment must focus on the adequacy of existing enforceable policies and
9 agency capacity to address reasonably foreseeable effects to state coastal uses and resources
10 that would result from offshore wind energy development.

11 (3) The Land Conservation and Development Commission may adopt rules as necessary
12 to carry out the provisions of this section.

13 **SECTION 5. Report to Legislative Assembly.** The Department of Land Conservation and
14 Development shall draft a report that summarizes the department's activities in carrying out
15 sections 3 and 4 of this 2024 Act. The department shall submit the report in the manner
16 provided by ORS 192.245, and may include recommendations for legislation, administrative
17 policy and budget, to the interim committees of the Legislative Assembly related to marine
18 renewable energy and coastal resources no later than September 1, 2025.

19 **SECTION 6. Sunset.** Section 5 of this 2024 Act is repealed on January 2, 2026.

20 **SECTION 7. State policy.** It is the policy of the State of Oregon to promote economic
21 diversification and resilience in offshore wind energy development by ensuring that all de-
22 velopers and contractors involved in the construction, operation or maintenance of offshore
23 wind energy projects and the construction of a port development project that is necessary
24 for the development of offshore wind energy projects follow industry-leading strong labor and
25 supply chain standards.

26 **SECTION 8. Covered projects; standards.** (1) As used in this section:

27 (a) "Covered project" means:

28 (A) An offshore wind energy project.

29 (B) A port development project necessary for the development of an offshore wind energy
30 project.

31 (C) A project related to manufacturing or supply chain that is located on port property
32 and facilitates the construction, operation or maintenance of an offshore wind energy
33 project.

34 (b) "Lockout" means any refusal by a developer or contractor to permit workers to work
35 as a result of a labor dispute with such workers.

36 (c) "Port" means a port formed under ORS 777.005 to 777.725 and 777.915 to 777.953 or
37 ORS chapter 778.

38 (d) "Public moneys" means moneys drawn from the State Treasury or any special or
39 trust fund of the state government, including any moneys appropriated by the state govern-
40 ment and transferred to any public body, as defined in ORS 174.109.

41 (2) A developer or contractor that is involved in the construction, operation or mainte-
42 nance of a covered project shall:

43 (a) Participate as a training agent, as defined in ORS 660.010, in an apprenticeship pro-
44 gram registered with the State Apprenticeship and Training Council to provide on-the-job
45 training opportunities for apprentices in apprenticeable occupations to perform work on the

1 covered project such that at least 15 percent of the work hours of each apprenticeable oc-
2 cupation is performed by apprentices;

3 (b) Establish and execute a plan for outreach, recruitment and retention of women, mi-
4 nority individuals and veterans to perform work on the covered project, with the aspirational
5 target of having at least 15 percent of total work hours performed by individuals in one or
6 more of those groups;

7 (c) Pay wages to workers who perform work on the covered project at a rate that is no
8 less than the greater of:

9 (A) The living wage for the locality or region where the work is performed;

10 (B) The prevailing rate of wage that the Commissioner of the Bureau of Labor and In-
11 dustries determines under ORS 279C.815 for the trade or occupation in the locality where the
12 work is performed;

13 (C) The minimum wage specified under the Service Contract Act (41 U.S.C. 351-401) for
14 the work, or similar work, in the locality where the work is performed; or

15 (D) The wage specified under an applicable collective bargaining agreement, if any;

16 (d) Offer employer-paid family health insurance and retirement benefits to workers who
17 perform work on the covered project;

18 (e) Demonstrate a history of material compliance in the previous three years, or provide
19 available history for a new business, with federal and state wage and hour laws; and

20 (f) Demonstrate a history of material compliance in the previous three years, or provide
21 available history for a new business, with the rules and other requirements of state agencies
22 with oversight regarding occupational safety and health.

23 (3)(a) A developer or contractor that is involved in the construction, operation or main-
24 tenance of a covered project shall require, in each contract entered into under the covered
25 project that uses \$250,000 or more in public moneys, that steel, iron, coatings for steel and
26 iron and manufactured products that a developer or contractor purchases for or uses under
27 the contract, and that become part of a permanent structure, must be produced in the
28 United States.

29 (b) The requirements set forth in paragraph (a) of this subsection do not apply if:

30 (A) The requirement is inconsistent with the public interest;

31 (B) Steel, iron, coatings for steel and iron or manufactured products required for the
32 covered project are not produced in the United States in sufficient and reasonably available
33 quantities and with satisfactory quality; or

34 (C) Using steel, iron, coatings for steel and iron or manufactured products produced in
35 the United States for the project will increase the cost of the covered project by more than
36 25 percent.

37 (4) The developer or contractor shall periodically submit proof of compliance with the
38 requirements described in subsections (2) and (3) of this section. A copy of an executed
39 workforce development agreement, as described in subsection (5) of this section, may be
40 submitted as proof of compliance and shall be prima facie proof of compliance.

41 (5) A developer or contractor may comply with the requirements described in subsections
42 (2) and (3) of this section by entering into a workforce development agreement that covers
43 the work performed on the covered project. The workforce development agreement must
44 provide for and include, at a minimum, the following:

45 (a) A project labor agreement, as defined in 48 C.F.R. 52.222-34, as in effect on the ef-

1 fective date of this 2024 Act. The project labor agreement must cover all workers who per-
2 form work on the covered project who are covered by the Davis-Bacon Act (40 U.S.C. 3141
3 et seq.). The terms and conditions of the project labor agreement must meet or exceed the
4 requirements provided in subsection (2) of this section.

5 (b) A labor peace agreement that covers all workers who perform work on the covered
6 project who are not covered by a project labor agreement described in paragraph (a) of this
7 subsection. The labor peace agreement must be signed by the developer or contractor and
8 one or more bona fide labor organizations. The terms and conditions of the labor peace
9 agreement must be binding and meet or exceed the requirements provided in subsection (2)
10 of this section and:

11 (A) Provide that the developer or contractor will refrain from declaring or initiating a
12 lockout and that the bona fide labor organization will refrain from engaging in picketing,
13 work stoppages or boycotts against the covered project;

14 (B) Guarantee the labor organization's right to obtain recognition as the exclusive col-
15 lective bargaining representative of the workers through a process of having a majority of
16 the workers in a unit sign authorization cards; and

17 (C) Require the developer or contractor to remain neutral with respect to any efforts by
18 a labor organization to represent the workers.

19 (c) An agreement to utilize or develop domestic supply chains for the manufactured
20 products used in the construction, maintenance or operation of the covered project. The
21 terms and conditions of the agreement must meet or exceed the requirements provided in
22 subsection (3) of this section.

23 (6) The Land Conservation and Development Commission may adopt rules as necessary
24 to carry out the provisions of this section.

25 **SECTION 9. Rulemaking.** The Land Conservation and Development Commission may ex-
26 ercise its rulemaking authority under ORS 197.040 to support the state policies described in
27 sections 1, 2 and 7 of this 2024 Act.

28 **SECTION 10. Appropriation.** Notwithstanding any other provision of law, the General
29 Fund appropriation made to the Department of Land Conservation and Development by sec-
30 tion 1 (1), chapter 455, Oregon Laws 2023, for the biennium ending June 30, 2025, for the
31 planning program, is increased by \$998,072 for the purpose of carrying out the provisions of
32 sections 1 to 9 of this 2024 Act.

33 **SECTION 11. Expenditure limitation.** Notwithstanding any other law limiting expen-
34 ditures, the limitation on expenditures established by section 2, chapter 471, Oregon Laws
35 2023, for the biennium ending June 30, 2025, as the maximum limit for payment of expenses
36 from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery
37 funds and federal funds, collected or received by the Bureau of Labor and Industries is in-
38 creased by \$199,192, for workload related to apprenticeship and prevailing wage as related to
39 offshore wind energy development.

40 **SECTION 12. Section captions.** The section captions used in this 2024 Act are provided
41 only for the convenience of the reader and do not become part of the statutory law of this
42 state or express any legislative intent in the enactment of this 2024 Act.

43 **SECTION 13. Effective date.** This 2024 Act being necessary for the immediate preserva-
44 tion of the public peace, health and safety, an emergency is declared to exist, and this 2024
45 Act takes effect on its passage.

