



MAINE AFL-CIO

*A Union of Unions Standing for Maine
Workers*

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Testimony of Maine AFL-CIO Executive Director, Matt Schlobohm, in Support of LD 1350, *An Act to Expand Maine's Clean Energy Economy*

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Good morning Senator Lawrence, Representative Berry and members of the Energy, Utilities and Technology committee. My name is Matt Schlobohm. I'm the Executive Director of the Maine AFL-CIO. We are a labor federation representing 160 local unions and 40,000 working people in Maine. We work to improve the lives and working conditions of our members and all working people. We testify in support of LD 1350 and also encourage the committee to explore ways to strengthen the job quality and labor standards provisions in this bill, section of statute and overall as we develop our clean energy economy in Maine. Over the last year, I've also had the pleasure of serving on the state's Climate Council and Economic Recovery Committee.

We support this legislation because we recognize the stark reality of accelerating climate change and the profound ways that it threatens our ecosystems, our economy and much that we love about Maine. We know that climate change is warming our oceans, raising sea levels, changing our seasons, increasing extreme weather, jeopardizing the integrity of our ecological systems and moving people, animals and pests into motion. Climate instability impacts the future of work – what jobs people do, how they do those jobs and what their working conditions are – whether its firefighters battling ever expanding wildfires, park rangers dealing with increased ticks and lyme disease or construction workers facing ever hotter summers. And, of course, we know time is of the essence.

Maine has been a leader in its response to the climate crisis. Our response to the challenges of climate change present meaningful economy opportunities to build out new economic sectors, industries and jobs as we move to rapidly decarbonize our economy. We've seen a tremendous increase in renewable energy projects in Maine. We support this bill because we believe there's more work to do to transition to clean energy sources and to facilitate the creation of clean energy jobs and the time to do it is now. We applaud the legislation's emphasis encouraging the siting of these projects in economically depressed areas of the state.

We also recognize that the climate crisis exists within a crisis of deepening inequality – inequality of wealth, income, opportunity and power. Of course, these inequalities cut deeply along lines of race, gender and

geography. This pandemic has only deepened these inequalities and also laid them painfully bare for us to take full stock of.

We know that economic inequality is skyrocketing. The top 1% own more wealth than the bottom 90% of Americans.¹ The three wealthiest Americans own more wealth than the bottom 50% of our population – 165 million people.² In Maine, median real wages only grew twenty-three hundred dollars from 2001 to 2018, a rate of 6.6% over 19 years.³ And, as of 2018, 45% of Mainers could not afford an emergency unexpected \$400 expense.⁴

Our response to the climate crisis must be swift and bold. It must also seek to tackle the inequality crisis we face through the creation of high quality jobs. We have differing options before us for how we reduce greenhouse gas emissions and decarbonize our economy. We could pursue a clean, low-carbon economy built with low-wage, low-quality jobs or we can seek to create tens of thousands of good paying, high road, often union jobs. Taking the high road will not just magically happen by itself. Good jobs don't just fall from the sky. They typically correlate with workers bargaining power which can be built through organization in the workplace (unions), public policy choices or tight labor markets. Getting to the kind of clean energy economy we all want requires that we make deliberate policy choices and that we directly address – and not reproduce or exacerbate - existing economic, racial and gender inequalities.

To date, the quality of jobs in the renewable energy economy has been very uneven. In 2019, the median wage in Maine for weatherization installers and technicians was \$14.34,⁵ for floor, ceiling and wall insulation workers in Maine in 2020 the median wage was \$16.14 and for solar photovoltaic installers it was \$19.09.⁶ When you factor in often mediocre benefits – and that median wage rates inherently mean lots of jobs pay significantly less than the median - its very clear that we can and should do better.

Maine Won't Wait – our state's four year plan for Climate Action – recommends that we explicitly pair job quality standards to our clean energy investments as a means to achieve high quality job creation. The report states:

¹*The richest 1 percent now owns more of the country's wealth than at any time in the past 50 years*, Washington Post, December 6, 2017 by Christopher Ingraham.

² *The 3 Richest Americans Hold More Wealth Than Bottom 50% of the Country, Study Finds*, Forbes, Nov. 9, 2017 by Noah Kirsch.

³ Data from annual median wages from the Quarterly Census of Employment and Wage of the Bureau of Labor Statistics for Maine.

⁴ *Could you Cover an Unexpected \$400 Expense? Nearly half of Mainers could not.* Maine Center for Economic Policy, June 26, 2018. Accessed at: <https://www.mecep.org/blog/could-you-cover-an-unexpected-400-expense-nearly-half-of-mainers-could-not/>

⁵U.S. Department of Labor, Employment Training Administration, O*NET Online, 2019; <https://www.onetonline.org/link/localwages/47-4099.03?st=ME&p=annual>

⁶ U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2020 State Occupational Employment and Wage Estimates, Maine; https://www.bls.gov/oes/current/oes_me.htm#00-0000

“The Strengthen Maine’s Clean Energy Economy Plan highlights the importance of encouraging efforts to target the creation of these high-quality jobs through strategies that pair job quality standards with clean-energy investments. Some of these may include prevailing wages, project labor agreements, safety and health protections, community benefit agreements, registered apprenticeship utilization, and local-hire provisions. Domestic content requirements (guarantees of components and contracting with Maine workers and businesses) can also assist in building local supply chain opportunities. These and other related requirements should be considered when developing clean-energy projects and relevant policies.”⁷

Including Job Quality & Labor Standards on Clean Energy Projects:

In looking at the seven explicitly named factors – pasted below – that the PUC is directed to consider under the RPS solicitation process for the 30% weight given to benefits to the economy, it is notable that there is not a single factor related to the quality of jobs created or direct benefits to workers employed on these projects through things like wages and benefit levels, retirement security, etc. This means that from a public policy perspective we are not seeking to shape this process in any way that explicitly encourages high quality job creation, consideration of the people doing this work, and the pursuit of shared prosperity from these projects. I think we would all agree that workers are an integral part of our economy and should be more explicitly considered in how we consider “benefits to the economy.”

C. In conducting a solicitation and selecting Class IA resources for contracts under this section, the commission shall weigh the benefits to ratepayers and the benefits to the State's economy as follows:

- (1) A weight of 70% must be given to the benefits to ratepayers; and
- (2) A weight of 30% must be given to benefits to the economy, which may include, but are not limited to:
 - (a) Capital investments by the Class IA resource to improve long-term viability of an existing facility;
 - (b) Payments by the Class IA resource for the harvest of wood fuel;
 - (c) Employment resulting from the Class IA resource;
 - (d) Payments by the Class IA resource to a host community, whether or not required by law or rule;
 - (e) Excise, income, property and sales taxes paid by the Class IA resource;
 - (f) Purchases of goods and services by the Class IA resource; and
 - (g) Avoided emissions resulting from the operation of the Class IA resource.

We would encourage this committee to explore policy provisions within the Renewable Portfolio Standard framework and more broadly to move us towards high quality clean energy jobs and shared prosperity. There are a number of policy tools available to do that – prevailing wage rates, training and apprenticeship utilization provisions, project labor agreements, community benefit agreements, local-hire provisions, equity in hiring provisions, domestic content requirements, consideration of domestic supply chain build out and more. We would be happy to work with the committee to develop these further.

I also wanted to flag for this committee that there is a bill before the Labor & Housing committee, LD 1231, sponsored by Rep. Cuddy that, through a sponsor’s amendment, seeks to achieve many of these goals, and intersects directly with LD 1350. It would be worth being mindful of that bill in the context of considering LD 1350.

⁷ Maine Won’t Wait: A Four Year Plan for Climate Action, pg. 72. https://www.maine.gov/future/sites/maine.gov.future/files/inline-files/MaineWontWait_December2020.pdf

We support the bill before you and encourage you to explore ways to strengthen the job quality standards and economic benefits dimensions of it. We can build a clean energy economy in Maine based on high quality jobs, a highly trained workforce and economic opportunities for a diverse and broader set of workers, but it won't happen by accident.