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Rep. Scott Cuddy's Testimony in Favor of LD 1231 An Act Concerning Climate and Community Investment Projects

Senator Hickman, Representative Sylvester, and members of the Joint Standing Committee on Labor and Housing my name is Scott Cuddy and I live in Winterport. I represent House District 98 which is comprised of Frankfort, Searsport, Swanville, and Winterport. I'm here before you today to speak in favor of my bill LD 1231.

At the outset, I want to be clear that the sponsors amendment that was distributed to the committee and the interested parties list **replaces** the original bill in it's entirety. My testimony will only be referring to the presented amendment.

First I want to lay out the reason this bill exists. As a state, a nation, and a world, we've recognized that climate change is an existential threat. Here in Maine we've taken steps to do our part in response to this threat. It is the law of the State of Maine that by 2030, nine years from now, 80% of our energy will be generated by renewable sources. By 2050 it will be **100%**. I'm proud that we've adopted the aggressive approach.

This has led to an exceptional amount of construction of renewable energy generation. According to a story in the Bangor Daily News from April 6, 2021 there have been requests to put more than 2,000 MW of power onto the grid in the last two years. That's 300 MW more than the current peak our grid sees. This is an exceptional amount of generation and will take a lot of work by the women and men of Maine to make it a reality. My bill seeks to ensure that those women and men benefit appropriately from that work.

The amendment before you has four main parts:

1. Renewable energy projects that meet the definition of an assisted project and are 2.5MW or larger will have to meet certain basic labor standards such as prevailing wage and workforce development.
2. The work performed on those projects should benefit disadvantaged communities, and should be done in a way that encourages or requires the hiring of groups that aren't currently well represented on construction sites, specifically Native Americans, persons of color, women, and veterans.

3. The work performed on those projects must utilize registered apprenticeship programs. This is necessary to ensure that we build a workforce in the trades at the same time that we perform the work.
4. An entity that signs a Project Labor Agreement will receive a beneficial consideration during the PUC's procurement process.

There are some elements of this that I want to define for people who might not be familiar with them. First is Prevailing Wage. Prevailing Wage is the minimum hourly rate that can be paid to a particular trade on a job to which the Prevailing Wage applies. It does take benefits into account, as well. Prevailing Wage applies right now to state funded jobs that cost \$50,000 or more, and it is set by MDOL.

MDOL surveys contractors to find out what they're paying their people in different trades, i.e. electricians, laborers, flaggers, etc. Then MDOL crunches the numbers for a particular trade and comes up with an average (I'm not certain it's an exact average, but it takes every survey response into account and average is the best word I know for it). The average is done on a county by county basis. Prevailing Wage for a plumber in Washington County might be different than that of a plumber in Cumberland County.

The idea behind it is that the state is the largest procurer of construction services, and if it were to participate in a "race-to-the-bottom" bid war, then it would have effect of driving wages down. Prevailing Wage isn't the highest wage in the area, nor is it the lowest, it's literally set to be the wage that prevails. This rationale also applies to our current renewable construction boom. Through government created instruments like Net Energy Billing, Renewable Energy Credits, and other programs we've created an incredibly hot market and an extraordinary amount of work. Attaching the Prevailing Wage will protect working people.

The second element that I want to help define is a Project Labor Agreement (PLA). This is a pre-hire collective bargaining agreement between a customer and a group that represents the building trades. These agreements supercede union contracts and can help assure costs, quality, availability of people, and can even include items such as minority hiring goals. It's up to the customer and the building trades to agree before both parties sign. It's also important to note that **any** contractor can bid on a PLA job. Every contractor who bids knows the terms before the bid and has to agree to live up to them, but PLA's do not limit participation to union contractors or unionized employees.

Additionally, the bill will help resolve an ongoing confusion around what is an "electrical installation". Currently law says that "Electrical installations" includes complete installations related to photovoltaic, fuel cell and wind power generation systems." Yet the racks that solar panels sit upon, and that are used as the raceway and grounding/bonding paths, aren't considered part of that "complete" installation. As a construction electrician I can tell you that if I'm going to pull wires through it and use it to ground and bond my equipment, I want a licensed, qualified person doing the installation.

We've all heard the promises that we can both solve the dilemma of Global Climate Change AND build a better economy at the same time. That's true, we can. But won't happen by accident. We need to ensure that we do it in a thoughtful way. LD 1231 is a great step in the right direction and I hope the committee will support the working men and women of Maine and vote this bill Ought To Pass.