



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 1231, *An Act Concerning Climate and Community Investment Projects*

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Good morning Senator Hickman, Representative Sylvester and members of the Labor and Housing 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 1231. Over the last year, I've also had the pleasure of serving on the state's Climate Council and Economic Recovery Committee.

We start from a place of recognizing that we face twin crises of accelerating climate change and 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 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

We also 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

¹The 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.

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

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

⁴Could 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/>

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.

Our response to the climate crisis must be swift and bold. We have to rapidly reduce greenhouse gas emissions and decarbonize our economy. That change is coming and we have two options for how we pursue it. Do we build a clean, low-carbon economy built with low-wage, low-quality jobs or do we create tens of thousands of good paying, high road, often union jobs? Taking the high road will not just magically happen by itself. It 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 must do better.

LD 1231 is an attempt to move us in the direction of a high road, clean energy economy. It grows out of recommendations from Maine Won't Wait – our state's four year plan for Climate Action, which states:

“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

What LD 1231 Does:

LD 1231 places job quality and equity standards on large renewable energy projects that receive significant public assistance. For renewable energy projects over 2.5 MW that receive over \$50,000 in financial assistance, the bill puts basic standards in place. To give you a sense of this size threshold, 2.5MW is equal to roughly 8,000 – 10,000 solar panels. A recent 2.5MW solar project in Maine required a 15.5 acre site.⁸ So, to be clear these are large projects and non-residential projects.

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

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

⁸ Franklin Planning Board Oks Solar Project, Ellsworth American, by Rebecca Alley, Dec. 16, 2020 <https://www.ellsworthamerican.com/maine-news/franklin-planning-board-oks-solar-project/>

For projects of this size that also receive \$50,000 in economic assistance, they must meet three simple standards:

1) Payment of Prevailing Wages

Prevailing wages ensure that workers are paid wages and benefits that are customary for each occupation in an industry. The principle underlying prevailing wage laws is bipartisan and longstanding. It is that the government should not play an active role in driving wages for workers down. By establishing a uniform rate in alignment with the labor market, the law prevents a “race to the bottom” in which contractors lower wage and benefit rates to make their bids more competitive. For the federal government the Davis Bacon law – named after its Republican sponsors Sen. James J. Davis and Rep. Robert Bacon – was signed into law by Herbert Hoover in 1931.

Maine has long had a state prevailing wage law requiring payment of a prevailing wage rate on state “public works” construction projects over \$50,000, like roads, sewers, bridges, etc. The Maine Bureau of Labor Standards conducts an annual survey of wages and benefits in different construction related trades in various locations throughout the State to determine prevailing wage rates by trade for different counties.

LD 1231 extends prevailing wage rate requirements to larger renewable energy construction projects.

2) Training and Apprenticeship Utilization

This bill focuses on training our workforce of the future by requiring registered apprenticeship utilization for trades working on large renewable energy construction projects. For Maine to succeed in building a high road renewable energy economy we need to develop a local, highly trained, skilled workforce in the renewable energy sector. Apprenticeship is a proven tool to build a permanent, lasting, local trained workforce in all facets of the renewable energy sector. The apprenticeship language in this bill will help us build that workforce, ensure that these are high quality jobs and have tremendous ancillary benefit to our economy as these skilled trades will be around to work on other projects after the solar field, wind turbine or geothermal project is done. Under the Maine Apprenticeship program, apprentices earn while they learn and they are guaranteed increased earnings as their skills and training increases. This will also address a concern often heard from businesses that they need help finding additional trained workers.

3) Building a Diverse Workforce & Equity in Hiring

We know that construction trades need to do more to build a diverse workforce reflective of our communities. Doing this will strengthen our workforce, increase equity and decrease inequality. Through a Maine Department of Labor rulemaking process, employers on these renewable energy projects will be required or incentivized to develop a diverse workforce and hire people traditionally underrepresented in these jobs – Indigenous people, people of color, women and veterans. Employers must also seek to hire from areas with higher rates of poverty and individuals with traditional barriers to employment.

This bill does two other important things. First, for any future solicitations conducted by the Maine PUC under Maine's Renewable Portfolio Standard (RPS), the bill adds the existence of a Project Labor Agreement (PLAs) as one of the factors to meet the economic benefits standard under the program. Projects under the existing RPS are selected based on 70% benefit to rate payers and 30% benefit to Maine's economy. This bill adds Project Labor Agreements as one additional factor for consideration to meet that 30% level.

Project Labor Agreements were in the news this week in Maine as AquaVentus signed an MOU to move towards a PLA on its floating offshore wind projects (<https://www.pressherald.com/2021/04/07/contractors-developer-promote-offshore-wind-jobs-deal-for-maine/>). PLAs are a project management tool that allow developers and unions to come together to ensure a highly skilled workforce on a project so that it can be completed on time and under budget. A Project Labor Agreement is a pre-hire, project wide negotiated agreement that establishes ground rules that cover all contractors and all construction workers on a project.

Used since the 1930s, PLAs are an effective tool for ensuring timely, cost effective delivery of projects. The advantages of this business model are several:

- It provides contractors with access to a properly trained, highly skilled workforce
- It facilitates more accurate budgeting and cost forecasting for project owners and contractors by establishing set wage rates for all craft workers and apprentices on the project
- It helps ensure that projects are built correctly the first time, on time and as a result on budget for the end user. Additionally, future building maintenance costs are often lower.

Secondly, the bill seeks to ensure safety on solar installation projects by clarifying what already exists in state statute – that the installation of solar racking is an electrical installation to be done by an electrician. This is important to ensure solar projects are installed safely and correctly. The racking is a key part of the electrical system and should be installed by a trained electrician. This issue has not been properly enforced, the statute has at times been completely ignored and this seeks to clarify the issue.

We support the bill before you because in our response to the climate crisis we have a tremendous opportunity to build a more equitable, high road economy. That will not just happen on its own; it will not just happen through markets alone. Good jobs do not just fall from the sky. They typically correlate with workers' overall bargaining power. That can be built through organization in the workplace (unions), public policy or tight labor markets. LD 1231 is a smart effort to use public policy to ensure that large scale renewable energy projects benefit our communities and lead to good quality jobs, a highly trained workforce and economic opportunities for a diverse and broader set of workers.

That's good for our economy and it is also essential to the durability and viability of our response to the climate emergency. The climate crisis demands dramatic transformations. We can only achieve those if they are accompanied by shared economic benefit that people can see and touch and feel in their lives.

For all of these reasons, we urge you to vote ought to pass on LD 1231.