

STATE OF MAINE OFFICE OF THE GOVERNOR 1STATE HOUSE STATION AUGUSTA, MAINE 04333-0001

JANET MILLS GOVERNOR DAN BURGESS DIRECTOR OF GOVERNOR'S ENERGY OFFICE

TESTIMONY BEFORE THE LABOR AND HOUSING COMMITTEE

An Act Concerning Equity in Renewable Energy Projects and Workforce Development L.D. 1969

GOVERNOR'S ENERGY OFFICE February 28, 2022

Senator Daughtry, Representative Sylvester and Members of the Joint Standing Committee on Labor and Housing: My name is Dan Burgess and I am the Director of the Governor's Energy Office (GEO).

The GEO testifies neither for nor against LD 1969.

This legislation, at a high level, sets standards for certification and evaluation of preapprenticeship training programs by the Maine Apprenticeship Program. It requires entities involved in renewable energy projects that are at least 2 megawatts (MW) in size and receive state assistance to meet certain workforce requirements. It requires contractors and subcontractors working on the project to either pay prevailing wage or enter into a project labor agreement. It establishes additional criteria for Public Utilities Commission (PUC) consideration for certain procurements, including whether or not the entity is employee-owned or has a project labor agreement.

The GEO has been and remains a staunch advocate for growing Maine's clean energy industry, including the creation of good jobs for Maine people. In November 2020 the GEO and Governor's Office of Policy Innovation of the Future (GOPIF) released a report called *Strengthening Maine's Clean Energy Economy*¹ which offers a detailed analysis of the momentum within Maine's clean energy economy, and how the sector is a source of economic growth and workforce opportunities. The report provided detailed strategies for expanding Maine's clean energy workforce, supporting innovation, and training opportunities in renewable power generation and energy efficiency. The Maine Climate Council included recommendations from this report in their four-year Climate Action Plan.

¹ <u>https://www.maine.gov/energy/sites/maine.gov.energy/files/inline-</u> files/StrengtheningMainesCleanEnergyEconomy_Nov92020.pdf

Upon the release of the Maine Climate Council's four-year Climate Action Plan, *Maine Won't Wait*,² Governor Mills announced her goal of doubling Maine's clean energy workforce to 30,000 clean energy jobs by 2030. Since then, the GEO, in coordination with the Department of Labor, has received more than \$6.5 million in federal funding to launch clean energy workforce and business support programs to aid in pandemic economic recovery. Further, the GEO is working with a consultant to conduct analysis of jobs in the clean energy sector and opportunities for filling gaps in related training and workforce development. These efforts will be supported by an advisory group under the forthcoming Clean Energy Partnership, which will include experts from the clean energy industry, training, innovation, and education sectors.

The GEO appreciates the intent of this legislation and the bill sponsor's willingness to engage on these important issues of ensuring that jobs created as a result of growth in the clean energy sector are good quality jobs and that there are adequate training pathways for those interested in pursuing clean energy careers. There remain a few areas of the legislation where we have outstanding questions.

Cost Implications & Benefits to Maine Workers: The GEO wants to ensure that this legislation would help to provide the greatest benefit to Maine clean energy workers, and that there maintains a balance of ensuring high-quality jobs with overall ratepayer costs and benefits as the State transitions to a clean energy economy.

Northern Maine: Given the current status of the already released Northern Maine procurement RFP required by LD 1710 signed into law last year, the GEO would like to confirm that this bill will be further amended to ensure those projects are not retroactively required to meet these standards.

Contractors & Subcontractors: The GEO wants to better understand the implications of these requirements applying to contractors and subcontractors, including how these requirements may impact small businesses across the state that are engaged in the development of these types of projects. Also, what are the relevant challenges for entities responsible for an assisted project to "take reasonable steps to ensure that all contractors and subcontractors working on the assisted project meet the requirements of this subsection" as defined in the legislation (§3701, 2-B)?

Enforcement: The GEO seeks some clarification about enforcement mechanisms, particularly around the requirements that are situated at the PUC.

² http://climatecouncil.maine.gov/reports

Beyond New Projects: These requirements apply not only to new projects, but also to those that are undergoing retrofitting or demolition. The GEO seeks some clarity around the implications of that requirement, and whether or not this would also apply to the operation of these renewable energy projects. If so, this could inadvertently include industries beyond the intended scope of this legislation.

§3210-G Procurement Considerations: Competitive procurements conducted by the PUC in 35-A MRSA §3210-G would require the PUC to include additional considerations if this legislation moves forward. The PUC would be required to consider whether the entity has either a project labor agreement or is employee-owned. The GEO would like to hear from the PUC how they would handle the comparison of these differing, and in some ways competing, requirements when reviewing bids in any future procurement within this section.

The GEO appreciates the overall intent of this legislation and looks forward to working with the bill sponsor and committee members in further refining the language of this bill to provide additional clarity.

Thank you for your consideration.

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Dan Burgess, Director Governor's Energy Office