

Testimony on SB 784

Chris Hewitt

March 9, 2021

Good afternoon Chair Beyer and members of the Committee. Thank you for the opportunity to testify today on Senate Bill 784. My name is Chris Hewitt, and I am the Political Director for the Oregon and Southern Idaho District Council of Laborers or “LIUNA” for short. We represent about 4,000 construction workers many of whom work for utility contractors who build and maintain the state’s electric and gas facilities. Our members in Oregon and nationally have built and maintained energy infrastructure for over a century.

LIUNA supports Senate Bill 784. The legislation not only facilitates a more distributed, resilient, dynamic, and clean electric system, but it also enables municipalities to partner with utilities to better serve the interests of local communities. Importantly, passage of this legislation and the amendments proffered will make Oregon a leader in advancing an equitable transition for the state’s legacy energy workforce and help assure that the clean energy careers of tomorrow are high-quality and family-supporting, in parity with many of today’s conventional energy jobs.

The legislation advances just transition goals in two ways. First, construction workers who build these projects will be paid no less than the prevailing wage for similar work in the local area. Requiring the payment of prevailing wages, and the provision of healthcare and retirement benefits assures that local labor standards built over decades are not undermined by a lowest cost procurement model. This is a critical consideration in the energy transition because with most clean energy projects, almost all the new jobs are created during the construction phase. If construction jobs are low-wage jobs with the potential to be performed by non-local workers, the project’s benefits to the local and state economies are significantly reduced. Moreover, workers who receive family-supporting wages and benefits are often more productive than their lower-wage, under-insured counterparts. Indeed, independent studies have found that workers are more productive in states with prevailing wage standards.¹ In addition, states like California demonstrate that the clean energy economy can support high quality jobs without slowing the pace of solar development.² In fact, California is the largest producer of solar energy nationally hosting one-third of the nation’s solar power.³

In addition to prevailing wages and benefits, Senate Bill 784 will help to create a new pool of clean energy workers to meet the state’s future workforce demands by elevating the participation of apprentices. A forthcoming amendment would set a benchmark of 15 percent apprenticeship utilization for total work hours on covered projects. Apprenticeship is critically important to advancing social equity because it provides a pathway to the middle class for blue-collar workers, many of whom lack a college education or other opportunities for advancement. In addition, apprentices are recruited from the local region, and reflective of the local community, thereby expanding construction opportunities to BIPOC, female, and historically

¹ <https://www.americanprogress.org/issues/economy/reports/2020/12/22/494144/prevailing-wages-frequently-asked-questions/>

² <https://laborcenter.berkeley.edu/prevailing-wage-in-solar-can-deliver-good-jobs-while-keeping-growth-on-track/>

³ <https://www.nrdc.org/experts/robert-harding/these-states-are-winning-clean-energy>

underrepresented populations. Furthermore, the use of apprentices on these jobs will enhance the quality of construction because state-registered apprenticeship programs like ours adhere to a rigorous array of training, educational, safety, and oversight standards. There are thousands of workers in Oregon today employed in low wage occupations who could benefit from expanded apprenticeship opportunities created by this legislation.

Lastly, LIUNA supports the additional impending amendment that will allow the option for project labor agreements to be adopted on large scale renewable projects as a means to demonstrate that contractors are meeting the minimum labor and workforce requirements. Other states, such as Washington, have similar provisions in place. Project labor agreements are a common industry best practice for sourcing skilled local labor on major infrastructure projects.

LIUNA is encouraged by the proactive inclusion of high road workforce and contracting standards in this bill, and we are heartened by and appreciate the continuing collaborative process with utility industry stakeholders that has taken place over the last several months to help develop these important provisions in the policy. The transition from conventional to clean energy presents us with an historic opportunity to build a more just and sustainable society. We have the opportunity today to shape Oregon's energy future, and to ensure that the energy workers of tomorrow can thrive, work with dignity, and support their families and communities while building a cleaner, sustainable, and resilient electric grid.

Thank you for your consideration of these comments.