

HB 4059 B STAFF MEASURE SUMMARY

Carrier: Sen. Findley

Senate Committee On Labor and Business**Action Date:** 02/22/22**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)**Vote:** 5-0-0-0**Yeas:** 5 - Hansell, Jama, Knopp, Lieber, Taylor**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Wenzel Cummings, LPRO Analyst**Meeting Dates:** 2/17, 2/22**WHAT THE MEASURE DOES:**

Redefines a "large-scale project" involving a renewable energy generation, sequestration, or storage facility as a "covered project" for purposes of contractor labor standards. Defines a "covered project" as: a facility with a capacity rating of at least ten megawatts, or a community solar project with a capacity rating above three megawatts. Clarifies that a good faith exception applies to the requirement that 15 percent of total work hours must be performed by apprentices. Requires a person who constructs a covered project with a capacity rating of at least ten megawatts to pay at least the prevailing wage rate. Permits the inclusion of labor standards in addition to those required by the measure and the use of labor project agreements to meet the minimum standards. Exempts contracts and subcontracts with a tribal government, agent, or instrumentality of an Oregon Indian tribe for a covered project located in whole or in part on the tribe's reservation or on land held in trust by the United States for the benefit of the tribe, unless the tribal government elects to adopt the standards. Requires an electric company's request for resource procurement proposals subject to competitive bidding requirements adopted by the Public Utility Commission (PUC) to include specified information regarding labor standards, and that the successful bidder must provide a copy of the attestation or declaration or executed project labor agreement to the Oregon Department of Energy (ODOE) within 30 days from the date construction begins. Requires ODOE to provide a copy of the attestation or declaration or project labor agreement to the PUC upon request. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Applicable megawatt capacity rating for covered projects
- Size of projects requiring labor agreements
- House Bill 2021 (2021)
- Impact on Public Utility Regulatory Policies Act projects of 9.9 megawatts or less
- Need for increase in apprenticeship program
- Types of standards that apply to projects based on megawatt capacity rating
- Adoption of -A4 amendment as compromise

EFFECT OF AMENDMENT:

Removes provision that reduced the capacity of a covered non-solar renewable energy facility from 10 megawatts to two megawatts.

BACKGROUND:

House Bill 2021 (2021) established targets for certain utilities and electricity suppliers to provide emissions-free electricity by 2040. The measure also outlined contractor labor standards related to large-scale renewable energy generation, sequestration, or storage facility projects with a capacity rating of 10 megawatts or greater. Those standards require, among other standards, a person who constructs or repowers large-scale projects to: ensure that 15 percent of total work hours is performed by apprentices; establish and execute an outreach, recruitment,

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and retention plan for women, minorities, veterans, and people with disabilities to aspire toward at least 15 percent of total work hours performed by individuals in one or more of those groups; and have policies in place to prevent workplace harassment and discrimination. The measure provided a good faith exception to these three specific standards. The labor standards outlined in House Bill 2021 (2021) also required a person who constructs or repowers large-scale projects to require all contractors and subcontractors pay the area wage standard for an hour's work.

First enacted in 1959, Oregon's Prevailing Wage Law (PWL) is designed to ensure that contractors compete on the ability to perform work competently and efficiently while maintaining community-established compensation standards. These rates include fringe benefit wages to encourage employers to purchase health insurance and other benefits for their workers. The Bureau of Labor and Industries (BOLI) administers and enforces the PWL and educates contractors, subcontractors and public agencies about its requirements. The rate for a specific locality may be identified through BOLI's website, which is updated yearly, using the highest rate in a bona-fide collective bargaining agreement for an applicable occupation.

House Bill 4059 B clarifies that the good faith exception applies only to the 15 percent work hour requirement for apprentices. The measure also redefines "large-scale project" as "covered project," and adds community solar projects with a capacity rating above three megawatts. Finally, the measure requires payment of the prevailing wage rate for work on a covered project with a capacity rating of at least ten megawatts.