



February 7, 2022

To: Representative Pam Marsh, Chair, House Committee on Environment and Natural Resources  
Members, House Committee on Environment and Natural Resources  
From: Diane Brandt, Oregon Policy Manager, Renewable Northwest  
**Re: Support for HB 4059-3**

Dear Chair Marsh and Members of the Committee;

Renewable Northwest is a regional, non-profit renewable energy advocacy organization based in Oregon, dedicated to decarbonizing the region by accelerating the transition to renewable electricity. Our members are a combination of renewable energy businesses and environmental and consumer groups. **Renewable Northwest supports HB 4059 with the -3 amendments, which clarifies certain labor standards from the 2021 Clean Energy for All bill (HB 2021).**

HB 2021 (2021) not only set a mandate of 100% clean electricity for investor-owned utility customers in Oregon by 2040, but it also outlined ways this clean energy transition should benefit Oregonians, including in providing economic benefits through job creation in support of renewable energy project development. Renewable Northwest was closely involved in the passage of HB 2021 during the 2021 legislative session, which included discussions on the Section 26 labor standards, which we noted needed additional work.<sup>1</sup> Unfortunately, the session ended before these areas for clarification could be addressed. These discussions were reconvened after session and produced the current HB 4059 with -3 amendment (hereinafter “bill”). **This bill is a result of a collaborative effort between labor and renewable energy industry representatives**, including Renewable Northwest,<sup>2</sup> where only consensus supported language moved forward.<sup>3</sup>

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<sup>1</sup> As noted in May 2021 oral and written testimony.

<https://olis.oregonlegislature.gov/liz/2021R1/Downloads/PublicTestimonyDocument/30290>

<sup>2</sup> Labor representatives were the Blue Green Alliance, IBEW chapters, and LiUNA. Developer representatives were Oregon Solar + Storage Industries Association, Northwest and Intermountain Power Producers Coalition, and Renewable Northwest.

<sup>3</sup> Please see coalition one-pager:

<https://olis.oregonlegislature.gov/liz/2022R1/Downloads/PublicTestimonyDocument/35236>

## Needed Clarification on Apprenticeship “Good Faith Efforts” and PLAs

Renewable Northwest is pleased to support this bill and would like to highlight two areas we had previously identified as potential barriers to renewable energy development in Oregon. **This bill resolves two key questions: how the “good faith efforts” to meet apprenticeship standards are applied, and which labor standards a negotiated Project Labor Agreement (PLA) would satisfy.** Both of these refinements offer needed flexibility for renewable energy projects to meet the required labor standards without those standards being a barrier for projects to proceed.

On the “good faith efforts,” HB 4059-3 Section 1 subsection (2)(a)(A)(ii) follows the 15 percent apprenticeship requirement for covered projects:

Or, if less than 15 percent of total work hours on a given covered project is performed by apprentices in apprenticeable occupations, *(a covered project can)*\* demonstrate good faith with meeting the requirement described in sub-subparagraph (i) of this subparagraph by providing documented and verifiable information...

This clarifies that a project can meet the 15 percent apprenticeship standard, or, if the project is unable to find enough apprentices to meet that level, provide proof of the efforts made to reach 15 percent. This was an important clarification as the standards currently state a project must meet the 15 percent standard and provide proof of the “good faith efforts.” Allowing the alternative of “good faith efforts” adds flexibility to the standards as Oregon builds its skilled workforce for renewable energy projects, and as the number of projects in Oregon are certain to increase in order to meet the HB 2021 clean energy benchmarks. By having this flexibility, it allows projects to employ apprentices - key to building a skilled workforce - without the standard becoming a barrier to completing a renewable energy project.

The bill also clarifies that a Project Labor Agreement (PLA) satisfies the apprenticeship and wage standard requirements in subsection (4)(a) saying:

In lieu of providing an attestation or declaration described in subsection (2) of this section<sup>4</sup>, the person may provide a copy of a project labor agreement, if a project labor agreement is used on the covered project and shall be exempted from the requirements described in subsection (2) of this section.

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<sup>4</sup> Subsection (2) addresses apprenticeship and wage standards in subsection (2)(A)(i) and subsection (2)(b)(A), respectively.

\*Author’s addition for readability

The current language from HB 2021 (2021) only specifies that PLAs can serve to meet the apprenticeship standard. This new clarification allows project developers another layer of flexibility to meet the labor standards, and allows space for a contract instrument (the PLA) that will be negotiated to the satisfaction of both developer and labor parties to satisfy the labor standards.

### **Changes to Project Standard Thresholds**

It is important to note other changes presented in this bill that impact to which projects these standards apply. HB 2021 set the apprenticeship and wage standards for all projects 10 megawatts and above. **This bill maintains the 10 megawatt threshold for the wage standards, reduces the apprenticeship threshold to two megawatt projects and above, and provides an exemption for community solar projects up to three megawatts.** Paired with the “good faith efforts” clarification, this offers a balance of supporting workforce development - by extending the apprenticeship standards to two megawatts - while making sure it will not be a barrier to development.

On the community solar exemption for projects up to three megawatts in size, which is also the maximum allowable size for a community solar installation, it is important to note that the Oregon Community Solar Program’s goal is to increase access to clean-energy benefits for low-income ratepayers and is regulated distinctly by the Public Utility Commission. In an effort to minimize the regulatory burden these projects might face and to assist the broader access to clean energy which they offer, Renewable Northwest supports the exemption of community solar projects from the apprenticeship requirements.

While there may be more necessary clarifications revealed as renewable energy projects move forward, HB 4059-3 resolves immediate issues remaining from the 2021 session. **Renewable Northwest strongly supports HB 4059-3 which represents carefully negotiated consensus language that provides important clarifications to HB2021 (2021) labor standards.** These clarifications will remove barriers to building clean energy resources by offering flexibility for renewable energy projects while supporting the expansion of a skilled, clean-energy workforce.

Sincerely,



Diane Brandt  
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Renewable Northwest