



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Testimony of  
**MARK B. GLICK, Chief Energy Officer**

before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Wednesday, February 28, 2024  
10:01 AM  
State Capitol, Conference Room 211 & Videoconference

In Support of  
**SB 3103, SD1**

**RELATING TO ENERGY.**

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 3103, SD1, an Administration bill which would establish labor standards for renewable energy projects one megawatt or larger. SB 3103, SD1 will help ensure workers can earn a living wage and pursue a good career in Hawai'i's utility renewable energy construction sector. To replace Hawai'i's aging fossil fuel infrastructure and achieve Hawai'i's 100% renewable energy mandate by 2045, a succession of large renewable energy projects will be needed over the next 20 years. In addition, maintaining modernized and reliable renewable energy electric grids in Hawai'i will require the maintenance and replacement of utility energy projects for the foreseeable future.

Apprenticeships are entry level positions that provide the foundation for workforce growth and longevity. Developing a workforce through a registered apprenticeship program as required by this measure can build Hawai'i's long-term labor capacity by providing workers supervised on-the-job training (at lower rates than journey workers) and diverse skills for all types of projects. Requiring use of registered apprentices with minimum labor standards that can increase the standard of work on critical energy infrastructure.

This measure can also support lower project costs through consistency with the maximum federal tax credits available for renewable energy projects under the Inflation Reduction Act (IRA) which require prevailing wages and apprenticeships; savings that can be passed down to Hawai'i ratepayers. Hawaiian Electric's most recent Stage 3 Request for Proposals gives preference to developers committing that eighty percent (80%) of the workforce during all periods of construction is paid at prevailing wage equivalent to that indicated in HRS 104.

HSEO has experience filing records for energy efficiency and renewable energy programs and has the capacity to keep the records (e.g., attestations, declarations) required by SB 3103, SD1, and would coordinate with the Department of Labor and Industrial Relations on enforcement as needed.

HSEO appreciates the testimony provided by other stakeholders and welcomes further discussion on this measure.

Thank you for the opportunity to testify.

Testimony of  
Pacific Resource Partnership

Senate Committee On Ways And Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Sharon Y. Moriwake, Vice Chair

SB 3103 SD1—Relating To Renewable Energy  
Wednesday, February 28, 2024  
10:01 A.M.

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Pacific Resource Partnership (PRP) is a nonprofit organization that represents the Hawai'i Regional Council of Carpenters, the largest construction union in the state with approximately 6,000 members, in addition to more than 250 diverse contractors ranging from mom-and-pop owned businesses to national companies.

PRP writes in **strong support** to SB 3103 SD1, which requires attestation or declaration regarding project labor standards for large-scale renewable energy projects, including state-approved apprenticeship programs and prevailing wage requirements.

SB 3103 SD1 establishes labor standards for the construction of renewable energy projects, which will provide long-term career opportunities for Hawaii's residents and ensure that reputable contractors are building renewable energy projects within the State of Hawaii.

The prevailing wage requirement in SB 3103 SD1 will provide Hawaii's residents with an opportunity to earn a living wage with benefits to keep up with Hawaii's high cost of living. Prevailing wages help keep residents off welfare and other government assistance programs, stimulate Hawaii's economy, and provide economic stability for workers and their families.

SB 3103 SD1 requires contractors and subcontractors working on a project to use apprentices enrolled in or graduated from a state-approved apprenticeship program. This requirement will provide valuable training opportunities to Hawaii's residents allowing them to pursue a long-term career path building renewable energy projects. These training programs will strengthen the overall skill levels of Hawaii's workforce to be compatible with the renewable energy industry, providing Hawaii with a workforce that can help meet its clean energy goals.

SB 3103 SD1 also includes provisions requiring contractors and subcontractors to demonstrate a history of compliance with labor laws and building codes. These provisions are important to ensure that contractors play by the rules and do not take advantage of workers and evade laws that protect the public.

As such, we respectfully request your favorable decision on this measure. Thank you for this opportunity to submit written testimony.





**TESTIMONY BEFORE THE SENATE COMMITTEE ON  
WAYS AND MEANS**

**SB 3103, SD1  
Relating to Energy**

Wednesday, February 28, 2024  
10:01 AM  
State Capitol, Conference Room 211

Greg Shimokawa  
Director, Renewable Acquisition  
Hawaiian Electric

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

My name is Greg Shimokawa and I am testifying on behalf of Hawaiian Electric and offer comments on SB 3103, SD1, Relating to Energy.

SB 3103, SD1 proposes to amend HRS Chapter 196 to add a new section which would require any person constructing a large-scale renewable energy project to submit a signed attestation or declaration regarding project labor standards to the Department of Business, Economic Development, and Tourism.

Hawaiian Electric understands the importance of encouraging the use of local labor and payment of prevailing wages to support the sustainable development of renewable energy projects in Hawaii. To help with achieving this goal, Hawaiian Electric incentivizes developers to work with contractors that utilize local labor and prevailing wage rates through the Request for Proposals (RFP) process. Hawaiian Electric also notes that renewable energy tax credits available under the Inflation Reduction Act contain requirements and incentives for prevailing wages and apprenticeships.

However, requiring contractors to meet all the compliance and reporting requirements proposed in this bill may deter bidders from participating in RFPs for large-scale renewable energy projects by introducing additional regulatory and administrative burdens. Additionally, we have concerns that this bill may leave Hawaiian Electric and its developers with no options to support the volume of projects required to meet our renewable energy and decarbonization goals. For example, Hawaiian Electric has approximately 16 large scale renewable energy projects selected from its Stage 3 procurement expecting to start construction sometime in 2025, as well as 7 community solar projects slated to start construction by 2025, and currently there are still 9 solar plus storage projects from Hawaiian Electric's Stage 1 and Stage 2 projects in construction. In addition, there are larger efforts across the state, such as rebuilding Lahaina, and a need for more housing, that will also stress the local labor pool. Hawaiian Electric is wary of any unintended negative consequences that implementing this bill might have on the renewable energy sector.

To remedy potential union labor shortages under this bill, Hawaiian Electric proposes amending the bill by adding an exception to the requirements of subsection (a), on Page 4, Line 6:

**(h) If persons under subsection (a) are unable or unwilling to meet the requirements set forth in subsection (a), and enforcing such requirements will prevent the completion of work in accordance with an existing or new contract, and all reasonable attempts have been made to procure persons who are able and willing to meet the requirements of subsection (a), then those persons may be exempt from the requirements of subsection (a).....**

(h) **(i)** As used....

This exception process provides a path for the hiring of project labor, which

would otherwise not meet the requirements of the proposed section 1 of Chapter 196, HRS, only if it is determined union labor could not meet the contractual deadlines in such projects.

In summary, while Hawaiian Electric fully encourages the use of local labor and payment of prevailing wages for renewable energy projects and has maintained in its RFPs to provide preferences for the same, we are concerned that this bill could adversely affect the development of renewable energy projects in Hawaii, should an exception process not be added.

Thank you for this opportunity to comment on SB 3103, SD1.



# OPERATING ENGINEERS LOCAL UNION No. 3

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Jurisdiction: Northern California, Northern Nevada, Utah, Hawaii, and the Mid-Pacific Islands

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February 27, 2024

Honorable, Donovan M. Dela Cruz, Chair  
Honorable, Sharon Y. Moriwaki, Vice Chair  
Honorable Members of the Senate Committee on Ways and Means

**RE: SB 3103 SD1 RELATING TO ENERGY**

Chair Dela Cruz

My name is Ana Tuiasosopo. I am the District Representative and Trustee for Operating Engineers Local 3. We are the largest Construction Trades Local in the United States. **I and the members of Operating Engineers Local 3 support SB 3103 SD1**, requiring attestation or declaration regarding project labor standards for large-scale renewable energy projects, including state-approved apprenticeship programs and prevailing wage requirements.

The prevailing wage requirement in SB 3103 SD1 will provide Hawaii's residents with an opportunity to earn a living wage with benefits to keep up with Hawaii's high cost of living. Prevailing wages help keep residents off welfare and other government assistance programs, stimulate Hawaii's economy, and provide economic stability for workers and their families.

It also requires contractors and subcontractors working on a project to use apprentices enrolled in or graduated from a state-approved apprenticeship program. This requirement will provide valuable training opportunities to Hawaii's residents allowing them to pursue a long-term career path building renewable energy projects. These training programs will strengthen the overall skill levels of Hawaii's workforce to be compatible with the renewable energy industry, providing Hawaii with a workforce that can help meet its clean energy goals.

Lastly, SB 3103 SD1 also includes provisions requiring contractors and subcontractors to demonstrate a history of compliance with labor laws and building codes. These provisions are important to ensure that contractors play by the rules and do not take advantage of workers and evade laws that protect the public.

We humbly ask for your support and approval of SB 3103 SD1.

Sincerely,

Ana Tuiasosopo  
Hawaii District Representative, Trustee  
Hawaii Operating Engineers Local 3

**LATE**

**SB-3103-SD-1**

Submitted on: 2/28/2024 7:24:11 AM

Testimony for WAM on 2/28/2024 10:01:00 AM

| <b>Submitted By</b> | <b>Organization</b>  | <b>Testifier Position</b> | <b>Testify</b>            |
|---------------------|--|---------------------------|---------------------------|
| Nathaniel Kinney    | Testifying for Hawaii<br>Regional Council of<br>Carpenters | Support                   | Written Testimony<br>Only |

Comments:

HRCC is in strong support of this vital measure which ensures that rate payers get energy projects at the best possible price, increases safety and training for all covered projects, and will help to create and train a new workforce.