



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone:  
Web:

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR

MARK B. GLICK  
CHIEF ENERGY OFFICER

(808) 451-6648  
energy.hawaii.gov

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

before the  
**SENATE COMMITTEES ON  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
AND  
LABOR AND TECHNOLOGY**

Wednesday, February 14, 2024  
3:00 PM  
State Capitol, Conference Room 224 and Videoconference

In Support of  
**SB 3103**

**RELATING TO ENERGY.**

Chairs DeCoite and Aquino, Vice Chairs Wakai and Moriwaki, and members of the Committees, the Hawai'i State Energy Office (HSEO) supports SB 3103, an Administration bill which seeks to establish labor standards for new renewable energy projects in Hawai'i with a capacity of one (1) megawatt or greater. Specifically, SB 3103 requires project developers to provide an attestation or declaration to the Department of Business, Economic Development, and Tourism (DBEDT) through the HSEO that during all periods of construction all contractors and subcontractors shall:

- Use apprentices trained through an apprenticeship program per HRS 272 (Department of Labor and Industrial Relations registered apprenticeship program).
- Have policies in place regarding harassment, discrimination, and diversity.
- Be licensed, in good standing, and eligible for work per HRS 104.
- Demonstrate compliance with state requirements regarding workers' compensation, building codes, and occupational safety and health.

- Demonstrate compliance with federal and state wage and hour laws including HRS 104.
- Offer health care and retirement benefits; and provide quarterly reporting to the project developer or applicable utility.

SB 3103 will help ensure workers can earn a living wage and pursue a good career in Hawai'i's utility renewable energy sector. To replace Hawai'i's aging fossil fuel infrastructure and achieve Hawai'i's renewable energy mandate by 2045, a succession of large renewable energy projects will be needed over the next 20 years.

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 SB 3103 can build Hawai'i's long-term labor capacity by providing workers on-the-job training at lower rates than journey workers, diverse skills for all types of projects, and minimum labor standards that can increase the standard of work on critical energy infrastructure.

SB 3103 can also support lower project costs through consistency with federal incentives for renewable energy projects (Inflation Reduction Act) which include certain requirements and incentives regarding prevailing wages and apprenticeships. SB 3103 is also in line with Hawaiian Electric's most recent Stage 3 Request for Proposals which 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 (attestations, declarations) required by SB 3103.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR



JADE T. BUTAY  
DIRECTOR

WILLIAM G. KUNSTMAN  
DEPUTY DIRECTOR

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
KA 'OIHANA PONO LIMAHANA

**LATE**

February 14, 2024

To: The Honorable Lynn DeCoite, Chair,  
The Honorable Glenn Wakai, Vice Chair, and  
Members of the Senate Committee on Energy, Economic Development,  
and Tourism

To: The Honorable Henry J.C. Aquino, Chair,  
The Honorable Sharon Y. Moriwaki, Vice Chair, and  
Members of the Senate Committee on Labor and Technology

Date: Wednesday, February 14, 2024  
Time: 3:00 p.m.  
Place: Conference Room 224, State Capitol

From: Jade T. Butay, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: S.B. 3103 RELATING TO ENERGY**

**I. OVERVIEW OF PROPOSED LEGISLATION**

The **DLIR strongly supports** this Governor's Package measure that requires an attestation or declaration regarding project labor standards for large-scale renewable energy projects. SB3103 supports the intent of labor laws under the department's jurisdiction including apprenticeship, prevailing wages, workers' compensation, occupational safety and health, and employment discrimination.

SB3103 will help ensure workers can earn a living wage and pursue a good career in Hawaii's renewable energy sector, a sector forecasted to grow to meet the State's renewable energy mandate by 2045. Moreover, Congress recently has passed legislation (Infrastructure Investment and Jobs Act, Inflation Reduction Act) that contain requirements and incentives involving prevailing wages and apprenticeship for renewable energy tax credits that if enacted this measure will facilitate.

Bolstering registered apprenticeship benefits employers by offering a cost-effective way for employers to train their employees while fostering worker productivity, loyalty and reliability. Apprenticeships also benefit workers, who can earn while they learn. Given that many people cannot afford to quit working to pursue training or education, apprenticeships can also help address inequities in the labor market.

In conclusion, SB3103 supports adherence to bedrock labor standards and bolsters apprenticeship which is critical to ensuring Hawai'i's businesses and workers are equipped with the talent and skills needed to accomplish the State's visionary renewable mandate.

**LATE**

**SB-3103**

Submitted on: 2/13/2024 8:29:02 PM

Testimony for EET on 2/14/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nathaniel Kinney	Testifying for Hawaii Regional Council of Carpenters	Support	In Person

Comments:

HRCC is support of this measure which is a valuable workforce development tool, and will help deliver energy projects that will be more affordable for rate payers.



**SENATE COMMITTEE ON LABOR AND TECHNOLOGY  
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

February 13, 2024 at 3 PM  
Conference Room 224

**TESTIMONY IN SUPPORT OF SB 3103**

Aloha Chair Aquino, Chair DeCoite, and members of the Committees:

Blue Planet Foundation **supports SB 3103**, which provides good jobs in the construction of large-scale renewable energy projects and promotes local workforce development, prevailing wages, social equity, and other benefits in Hawai'i's transition to a clean energy economy.

As Hawai'i continues to make progress towards its climate goals, including producing 100% renewable electricity by 2045 (Act 97 of 2015) and becoming carbon-negative by 2045 (Act 15 of 2018), there is a growing need to provide planning and funding to expand education, training, and workforce development in support of a clean energy future. Our state should prioritize the development of a local, skilled workforce with good-paying jobs in the areas of clean energy, energy efficiency, zero-emission vehicles, and other related industries.

Additionally, we must ensure a "just transition," so that Hawai'i workers currently employed in carbon-intensive jobs are given resources and opportunities to transition to careers that advance climate resiliency through livable wages, worker rights, and workplace safety. A just transition requires diversity, equity, and inclusion in our developing clean energy workforce. We see HB 2414 as a welcome step to provide assurance to the Department of Business and Economic Development that the electricity sector is committed to creating these types of jobs.

Climate change impacts—such as extreme weather events, human health effects, food and water insecurity, forced displacement, and other related risks—will have a disproportionate impact on economically disadvantaged communities and communities of color. SB 3103 helps to address social equity and uplift local workforce in our climate change mitigation and adaptation efforts, so that we can collectively create a more sustainable and resilient economic future where all of Hawai'i's people can thrive.

Thank you for the opportunity to provide testimony in support.

February 13, 2024

Senator Henry J.C. Aquino, Chair  
Senator Sharon Y. Moriwaki, Vice Chair  
Committee On Labor And Technology

Senator Lynn DeCoite, Chair  
Senator Glenn Wakai, Vice Chair  
Committee On Energy, Economic Development, And Tourism

RE: **SB 3103 – RELATING TO ENERGY**

Aloha Chairs Aquino and DeCoite, Vice Chairs Moriwaki and Wakai, and Members of the Committees:

Thank you for the opportunity to submit testimony in **STRONG SUPPORT** of SB 3103 – RELATING TO ENERGY, which requires attestation or declaration about project labor standards for large-scale renewable energy projects, including state-approved apprenticeship programs and prevailing wage requirements.

The prevailing wage and apprenticeship program requirements in SB 3103 will incentivize Hawaii residents to join the labor force and make a career out of building renewable energy projects within the state. We want to make sure that the people working on these projects receive good pay to afford Hawaii's high cost of living and receive the proper training through a state-approved apprenticeship program. These types of requirements will attract workers who are dependable, consistent, well-trained, and committed to building the renewable energy projects we need to meet the State's clean energy goals by 2045.

Moss & Associates is one of the top EPC (Engineering, Procurement, & Construction contractors) in the United States. To-date Moss has constructed over 200 MW of utility solar power plants in Hawai'i. We are quite proud to be a part of the state of Hawai'i efforts to meet its goal of 100% clean energy by 2045. The successful project outcomes are in part due to the apprenticeship programs Moss has access to, which provide the skilled labor needed to execute and deliver these and future projects.

For these reasons, I strongly urge this committee to pass SB 3103. Thank you for this opportunity to submit written testimony.

Respectfully,



Jonathan Kam  
Business Development Director  
Moss & Associates





# OPERATING ENGINEERS LOCAL UNION No. 3

2181 LAUWILIWILI STREET, KAPOLEI, HI 96707 • (808) 845-7871 • FAX (808) 682-0906  
Jurisdiction: Northern California, Northern Nevada, Utah, Hawaii, and the Mid-Pacific Islands

---

February 12, 2024

Honorable, Henry J.C. Aquino, Senate Committee on Labor and Technology, Chair  
Honorable, Lynn DeCoite, Senate Committee on Energy, Economic Development, and Tourism, Chair  
Honorable Members of the Senate Committee on Labor and Technology and Labor & Government Operations

## RE: SB 3103 RELATING TO ENERGY

Chair Lowen and Chair Matayoshi,

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**, 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 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 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.

Sincerely,

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



February 14, 2024

TO: Chair Henry J.C. Aquino  
Vice Chair Sharon Y. Moriwaki  
Members of the Committee on Labor and Technology

Chair Lynn DeCoite  
Vice Chair Glenn Wakai  
Members of the Committee on Energy, Economic Development, and Tourism

FR: Noelani Derrickson  
Public Policy & Business Development

RE: SB3103 Relating to Energy. - **OPPOSE**

---

Aloha Chair Aquino, Chair DeCoite, and Members of the Committees:

Thank you for the opportunity to provide testimony regarding SB3103.

Tesla **opposes SB3103 unless amended** as the current bill language far exceeds federal labor requirements recently added in the Inflation Reduction Act for large energy projects. The bill also includes subjective and duplicative requirements and fails to appreciate the complexity of subcontractors required for large energy installations.

We respectfully offer several amendments to improve and further clarify requirements in SB3103. The proposed amendments and rationale, found in the Appendix, include key recommendations to:

1. Include "Good faith effort" provision similar to the federal Inflation Reduction Act;
2. Limit "Construction" to only on-site work and not fabrication; and
3. Exclude original equipment manufacturer inspecting and testing from definition of "Contractor".

Thank you,

*Noelani Derrickson*

## APPENDIX

**1. Add “good faith effort” clause from Inflation Reduction Act.**

Suggested Language:

Section 1. §196 (a)

(1) Use apprentices enrolled in or graduated from an apprenticeship program pursuant to chapter 372;

(a) A person who constructs a covered project sited in the State shall be deemed to have satisfied the requirements under this paragraph if such person has requested qualified apprentices from an apprenticeship program, and either:

(i) Such request has been denied, provided that such denial is not the result of refusal by the person or any contractors or subcontractors engaged in the performance of construction with respect to such covered project to comply with the established standards and requirements of the apprenticeship program, or

(ii) The registered apprenticeship program fails to respond to such request within 5 business days after the date on which such registered apprenticeship program received such request;

Rationale: The “good faith effort” clause is pulled directly from the federal [Inflation Reduction Act](#). It should be similarly applicable for covered projects in Hawaii.

**2. Limit “Construction” to only on-site and remove fabrication.**

Suggested Language:

Section 1. §196 (b)

"Construction" includes on-site ~~and off-site~~ construction ~~and fabrication~~, and shall be effective thirty days after project completion.

Rationale: The proposed definition of construction is extremely broad and far exceeds standard definitions of construction work. It is problematic because it could create differentiated requirements for between federal and state workforce obligations under the varied definitions of what constitutes construction work. Importantly, activities occurring off-site, whether they be off-site at a port, on another island, or out-of-state, are inappropriately captured in the proposed definition of construction. Additionally, fabrication, depending on the definition, can cover an expansive number of production activities from the factory manufacturing of equipment to fabrication facilities to onsite product compilation. To define fabrication as construction is inaccurate and misaligned with federal definitions.

3. Clarify “Contractor” does not include equipment inspection, testing, or commissioning.

Suggested Language:

Section 1. §196 (b)

"Contractor" means any person furnishing construction under a contract with any person, governmental contracting agency, general contractor, subcontractor, individual, partnership, firm, corporation, joint venture, or other legal entity, acting directly or through an agent, employee, consultant, corporate officer, or corporate director.

**Contractor does not include any person that inspects, tests, or commissions equipment on behalf of an original equipment manufacturer.**

Rationale: Original equipment manufacturers, such as a battery energy system provider or transformer manufacturer, may offer inspection, testing, and commissioning of their provided equipment on site to ensure it is installed correctly and operating effectively. This work should not be considered construction.



**TESTIMONY BEFORE THE SENATE COMMITTEES ON  
ENERGY, ECONOMIC DEVELOPMENT, & TOURISM  
AND  
LABOR & TECHNOLOGY**

**SB 3103  
Relating to Energy**

Wednesday, February 14, 2024  
3:00 PM  
State Capitol, Conference Room 224

Greg Shimokawa  
Director, Renewable Acquisition  
Hawaiian Electric

Dear Chair DeCoite and Chair Aquino, Vice Chair Wakai and Vice Chair Moriwaki, and Members of the Committees,

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

SB 3103 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 7 solar plus storage projects from the Company'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 and we request that the Committees accept our requested amendments to ensure we can continue to meet the state's renewable portfolio standards.

Testimony of  
Pacific Resource Partnership

Senate Committee On Labor And Technology  
Senator Henry J.C. Aquino, Chair  
Senator Sharon Y. Moriwaki, Vice Chair

Senate Committee On Energy, Economic Development, And Tourism  
Senator Lynn DeCoite, Chair  
Senator Glenn Wakai, Vice Chair

SB 3103—Relating To Renewable Energy  
Wednesday, February 14, 2024  
3:00 P.M.

Aloha Chairs Aquino and DeCoite, Vice Chairs Moriwaki and Wakai, and Members of the Committees:

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 240 diverse contractors ranging from mom-and-pop owned businesses to national companies.

PRP writes in **strong support** to SB 3103, 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 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 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 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.





**(Continued From Page 1)**

SB 3103 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.