

S.B. NO. 3103

JAN 24 2024

A BILL FOR AN ACT

RELATING TO ENERGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 196, Hawaii Revised Statutes, is
2 amended by adding to part III a new section to be appropriately
3 designated and to read as follows:

4 "§196- Project labor standards for large-scale
5 renewable energy projects; attestation or declaration. (a) A
6 person who constructs a covered project sited in the State
7 shall, within thirty days from the date construction begins,
8 provide a signed attestation or declaration to the department
9 stating to the best of that person's knowledge and belief, under
10 penalty of perjury, that during all periods of construction all
11 contractors and subcontractors working on the covered project
12 shall:

- 13 (1) Use apprentices enrolled in or graduated from an
14 apprenticeship program pursuant to chapter 372;
15 (2) Have policies in place that are designed to limit or
16 prevent workplace harassment and discrimination and
17 that promote workplace diversity, equity and
18 inclusion;

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- 1 (3) Be licensed, be in good standing to perform the work,
2 and remain eligible to receive a contract or
3 subcontract for public works under chapter 104;
- 4 (4) Demonstrate a history of compliance in the previous
5 seven years, or provide available history for new
6 businesses, with the rules and other requirements of
7 state agencies with oversight regarding workers'
8 compensation, building codes, and occupational safety
9 and health;
- 10 (5) Demonstrate a history of compliance in the previous
11 seven years, or provide available history for new
12 businesses, with federal and state wage and hour laws;
- 13 (6) Provide quarterly reporting and recordkeeping to the
14 covered project's owner or applicable electric utility
15 and respond to records requests and verification;
- 16 (7) Comply with chapter 104; and
- 17 (8) Offer health care and retirement benefits to the
18 employees performing the labor on the covered project.
- 19 (b) In addition to the requirements described in
20 subsection (a), the attestation or declaration shall include the
21 following information:

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1 (1) The megawatt capacity and physical footprint in acres
2 of the project;

3 (2) The geographic location of the project;

4 (3) The estimated workforce requirements of the project;

5 (4) A collated list of good faith effort documentation
6 regarding use of apprentices; and

7 (5) A description of any policies in place for ensuring
8 the person meets the requirements in this section.

9 (c) A contractor constructing a covered project shall
10 notify the purchaser of the project or the purchaser of the
11 energy from the project of the existence of the signed
12 attestation or declaration required pursuant to subsection (a).

13 (d) The department shall retain in a manner consistent
14 with the department's record retention rules the attestation or
15 declaration required under this section.

16 (e) The attestation or declaration provided to the
17 department pursuant to this section shall be subject to public
18 records disclosure pursuant to chapter 92F, and the department
19 shall provide a copy of the attestation or declaration upon
20 request.

21 (f) An attestation or declaration filed under this section
22 shall be for reporting purposes only and the department shall

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1 not use an attestation or declaration to investigate, regulate,
2 or enforce matters addressed in the attestation or declaration.

3 (g) Nothing in this section shall prohibit the inclusion
4 of labor standards in addition to those required by subsection
5 (a) in contracts that are subject to this section.

6 (h) As used in this section:

7 "Apprentice" shall have the same meaning as that term is
8 defined in section 372-2.

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

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

18 "Covered project" means a renewable energy generation, such
19 as carbon sequestration, or storage facility with a capacity
20 rating of one megawatt or greater.

21 "Department" means the department of business, economic
22 development and tourism."

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1 SECTION 2. New statutory material is underscored.

2 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: 

5

BY REQUEST

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Report Title:

Renewable Energy Projects; Labor Standards

Description:

Requires attestation or declaration regarding project labor standards for large-scale renewable energy projects, including state-approved apprenticeship programs and prevailing wage requirements.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: GOVERNOR

TITLE: A BILL FOR AN ACT RELATING TO ENERGY.

PURPOSE: To require an attestation or declaration regarding project labor standards for large-scale renewable energy projects (one megawatt or more), including state-approved apprenticeship programs and prevailing wage requirements.

MEANS: Add a new section to part III of chapter 196, Hawaii Revised Statutes.

JUSTIFICATION: The deadline for the Hawaii Clean Energy Initiative's goal of 100 percent renewable energy by 2045 is fast approaching. As the State continues to work towards this goal, there remains a significant need for expansion of jobs and opportunities within the renewable energy and construction industries. This bill would help to provide a much-needed infusion of long-term career opportunities for Hawaii residents looking to support the construction of large-scale renewable energy projects, while paying them a living wage to remain in Hawaii instead of having to look for employment outside of the State.

Additionally, over the last few years, the U.S. Congress passed important legislation such as the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA), resulting in an increase in available federal funding opportunities for states across the country. Specifically, the IRA includes certain requirements and incentives regarding prevailing wages and apprenticeships to obtain certain renewable energy tax credits under the bill and passage of this bill will help the State qualify for some of the federal funding.

Impact on the public: Passage of this bill will help to stimulate Hawaii's economy and provide economic stability, and ensure that projects covered under this bill would pay workers the prevailing wage, which will help employees earn a living wage, while also being able to ensure that certain requirements for federal tax credits or funding are being met. In addition, the apprenticeship requirement will provide training opportunities, allowing for growth and creating a pipeline in the construction industry.

Impact on the department and other agencies: The Department of Business, Economic Development and Tourism would be required to retain the attestation or declaration.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: BED 120.

OTHER AFFECTED
AGENCIES: Department of Labor and Industrial Relations; Department of Land and Natural Resources, and Department of Taxation.

EFFECTIVE DATE: Upon approval.