

OFFICE OF INFORMATION PRACTICES

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To: House Committee on Labor & Government Operations

From: Cheryl Kakazu Park, Director

Date: February 7, 2023, 9:00 a.m.
State Capitol, Conference Room 309

Re: Testimony on H.B. No. 187
Relating to Renewable Energy

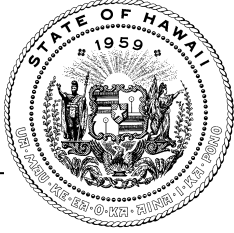
Thank you for the opportunity to submit testimony on this bill, which would establish labor standards for large-scale renewable energy projects. The Office of Information Practices (OIP) takes no position on the substance of this bill, but **offers a technical amendment** on a public disclosure requirement.

Proposed subsection 196-__(f) at bill page 4, lines 7-12, requires attestations, declarations, or project labor agreements submitted under this proposal to be public records “[n]otwithstanding chapter 91[.]” Since chapter 91 does not address public record disclosure, it seems likely that the reference to chapter 91 is an error. OIP recommends this Committee delete the phrase “[n]otwithstanding chapter 91” and **instead refer to disclosure pursuant to the Uniform Information Practices Act, chapter 92F. Proposed subsection 196-__(f) would then read as follows:**

(f) An attestation or declaration and, if applicable, a project labor agreement provided to the department of labor and industrial relations pursuant to this section shall be subject to public records

disclosure pursuant to chapter 92F and the department shall provide a copy of the attestation or declaration upon request.

Thank you for considering OIP's testimony.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

JOSH GREEN, M.D.
GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON LABOR & GOVERNMENT OPERATIONS

Tuesday, February 7, 2023
9:00 AM
State Capitol, Conference Room 309 and Videoconference

Providing COMMENTS on
HB 187

RELATING TO RENEWABLE ENERGY.

Chair Matayoshi, Vice Chair Garrett, and Members of the Committee, the Hawai'i State Energy Office (HSEO) offers comments on HB 187.

HSEO strongly supports the use of local labor for renewable energy projects in Hawai'i and the intent of this measure towards that end. HSEO, however, recommends additional analysis and discussion be conducted prior to establishing labor requirements for the construction of renewable energy projects with a capacity rating of ten (10) megawatts (MW) or greater to prevent unintended consequences.

The intent of this measure may also benefit from an upcoming partnership of HSEO and the University of Hawai'i Community Colleges to launch a multi-year Good Jobs Hawai'i workforce development initiative funded by a grant from the U.S. Economic Development Administration. With clean energy as one of four sector focus areas, the Good Jobs Hawai'i initiative seeks to identify and meet current and future needs of Hawai'i's clean energy workforce.

HSEO also notes that the renewable energy tax credits provided under the Inflation Reduction Act contain prevailing wage and apprenticeship requirements and incentives, while the most recent request for proposals issued by Hawaiian Electric for new

renewable energy projects on Maui and O'ahu require a detailed Community Outreach Plan addressing local labor and prevailing wage commitments (if any).¹

Should this measure move forward, HSEO would also encourage further discussion on whether 10 MW is the appropriate threshold for local labor requirements.

Thank you for the opportunity to provide these comments.

¹ [Docket 2017-0352 \(dms.puc.hawaii.gov\)](https://dms.puc.hawaii.gov), Page B-22 (pdf page 128) and I-21 (pdf page 319).

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WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

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

February 7, 2023

To: The Honorable Scot Z. Matayoshi, Chair,
The Honorable Andrew Takuya Garrett, Vice Chair, and
Members of the House Committee on Labor & Government Operations

Date: Tuesday, February 7, 2023

Time: 9:00 a.m.

Place: Conference Room 309, State Capitol and Via Video Conference

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

Re: H.B. 187 RELATING TO RENEWABLE ENERGY

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR offers comments** on this measure. This proposal requires the submission of a signed attestation or declaration or a project labor agreement to the DLIR for a person constructing a large-scale renewable energy project that certain labor standards, benefits, or rights are met.

II. COMMENTS ON THE HOUSE BILL

The bill does not appear to require oversight, investigation, regulation or enforcement of the depositor/project by the DLIR beyond the pre-existing functions of the department—DLIR would just be the record holder of the attestation, declaration, or project labor agreement. As such, the DLIR does not foresee the measure requiring significant resources to carry out.

HB-187

Submitted on: 2/2/2023 3:32:51 PM

Testimony for LGO on 2/7/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nathaniel Kinney	Hawaii Regional Council of Carpenters	Support	Written Testimony Only

Comments:

We are generally supportive of this bill which would create labor standards for large scale renewable energy projects.

We would however like to suggest changing the definition of "covered project" to capacity rating of 1 megawatt rather than 10 megawatts in order to follow the Inflation Reduction Act (which places federal prevailing wages and apprenticeship program requirements on projects over 1 megawatt).



February 7, 2023

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To: Committee on Labor and Government Operations
Rep. Scot Z. Matayoshi, Chair
Rep. Andrew Takuya Garrett, Vice Chair

From: Malcolm Barcarse, Jr. ABC Hawaii Board Legislative Committee Chair

Associated Builders and Contractors Hawaii Chapter Testimony in **OPPOSITION** to HB 187

Chair Matayoshi, Vice Chair Garrett and members of the Committee:

Thank you for the opportunity to testify, my name is Malcolm Barcarse, Jr. I am the Chair of the Legislative Committee of Associated Builders and Contractors, Hawaii Chapter which represents over 150 member companies in the Construction Industry in Hawaii. We also have a State Approved Trade Apprenticeship Program in the trades of Carpentry, Electrical, Painting, Plumbing and Roofing. Our national organization has over 21,000 members across 69 chapters.

With the State scrambling to meet its renewable energy goals, we find it puzzling that this bill will be introduced that increase administrative burdens on renewable energy projects which could limit the labor force working on these projects. This bill by requiring all contractors and subcontractors to pay the prevailing wage on these projects basically put the requirements of HRS Chapter 104 on projects that would not normally have these requirements. This will lead to an increase in the costs of these projects which will influence the development of future projects thereby putting in danger the State renewable energy goals. We also oppose the exemption of projects that have project labor agreements from compliance with this bill. These agreements which exclude most of the construction industry and workers a particular project should not be given a free pass if this bill were to become law. The rest of the provisions of this bill are requirements that exist under other federal and state laws. Therefore, we believe all this bill does is create administrative barriers to the completion of these projects as opposed to ensuring compliance with laws concerning vocational licensing and labor requirements.

For the reasons stated above we ask that this bill be HELD. Thank you for the opportunity to testify.

Testimony of
Pacific Resource Partnership

House Committee On Labor & Government Operations
Representative Scot Z. Matayoshi, Chair
Representative Andrew Takuya Garrett, Vice Chair

HB 187—Relating To Renewable Energy
Tuesday, February 7, 2023
9:00 A.M.

Aloha Chair Matayoshi, Vice Chair Garrett, and Members of the Committee:

Pacific Resource Partnership (PRP) is a non-profit market recovery trust fund which represents approximately 7,000 men and women union carpenters and 240 large and small contractors. With our expertise in research, compliance, marketing, and project advocacy, we are committed to building a stronger, more sustainable Hawaii in a way that promotes a vibrant economy, creates jobs, and enhances the quality of life for all residents of Hawaii.

PRP writes in **support with amendments** to HB 187, which establishes labor requirements for the construction of renewable energy projects with a capacity rating of ten megawatts or greater.

HB 187 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 Bill 187 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.

Bill 187 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.

Bill 187 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.



(Continued From Page 1)

In addition to PRP's support for this measure, we offer the following amendments for the Committee's consideration:

- 1) Amend the definition of "Covered project" to require labor standards to apply for renewable energy projects "... more than 1 megawatt (MW) in size. . .", which is required by the Federal government's Inflation Reduction Act of 2022.

- 2) Amend Section 1, subsection a(7) to reference the State's prevailing wage statute, Chapter 104, HRS: "Pay no less than the prevailing wage rate reflected in the Hawaii prevailing wage statute, Chapter 104, Hawaii Revised Statutes for an hour's work in the same trade or occupation in the county where the labor is performed . . ."

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