



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

JOSH GREEN, M.D.  
GOVERNOR

MARK B. GLICK  
CHIEF ENERGY OFFICER

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

Telephone: (808) 587-3807  
Web: energy.hawaii.gov

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

before the  
**HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

Wednesday, March 1, 2023  
2:00 PM  
State Capitol, Conference Room 329 and Videoconference

Providing COMMENTS on  
**HB 187, HD1**

## **RELATING TO RENEWABLE ENERGY.**

Chair Nakashima, Vice Chair Sayama, and Members of the Committee, the Hawai'i State Energy Office (HSEO) offers comments on HB 187, HD1. HB 187, HD1, adds reference to H.R.S. 104 (Wages and Hours of Employees on Public Works) in Section 1 (a) (7), adds reference to H.R.S. 92F (Uniform Information Practices Act Modified) in Section 1 (f), blanks out the megawatt (MW) threshold in Section 1 (i), and makes other changes including the effective date.

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 utility-scale renewable energy projects to prevent unintended consequences.

The intent of this measure may also benefit from an existing partnership between HSEO, the University of Hawai'i Community Colleges, the Hawai'i Chamber of Commerce, and other stakeholders 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 for and 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 (RFP) 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).<sup>1</sup>

Should this measure move forward, HSEO would also encourage further discussion on the appropriate MW threshold for local labor requirements under Section 1 (i) and has no recommendation at this time.

Thank you for the opportunity to provide these comments.

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<sup>1</sup> <https://dms.puc.hawaii.gov/dms/DocumentViewer?pid=A1001001A22L23B15755B00375> Docket 2017-0352, Page B-22 (pdf page 128) and I-21 (pdf page 319). "Hawaiian Electric has also included the following modifications to the procurement process in response to community feedback: ... Prioritization of local labor and prevailing wage for proposed projects[.]"

# OFFICE OF INFORMATION PRACTICES

STATE OF HAWAII  
NO. 1 CAPITOL DISTRICT BUILDING  
250 SOUTH HOTEL STREET, SUITE 107  
HONOLULU, HAWAII 96813  
TELEPHONE: 808-586-1400 FAX: 808-586-1412  
EMAIL: oip@hawaii.gov

To: House Committee on Consumer Protection & Commerce

From: Cheryl Kakazu Park, Director

Date: March 1, 2023, 2:00 p.m.  
State Capitol, Conference Room 329

Re: Testimony on H.B. No. 187, H.D. 1  
Relating to Renewable Energy

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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) previously suggested a technical amendment to a public disclosure requirement in this bill. That amendment was made in the H.D. 1 and **OIP has no further concerns regarding this bill.**

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

March 1, 2023

To: The Honorable Mark M. Nakashima, Chair,  
The Honorable Jackson D. Sayama, Vice Chair, and  
Members of the House Committee on Consumer Protection and  
Commerce

Date: Wednesday, March 1, 2023

Time: 9:00 a.m.

Place: Conference Room 329, State Capitol and Via Videoconference

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

**Re: H.B. 187 HD1 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.

The department notes that “apprenticeship” is referenced on Pg.1 Line 15—to maintain consistency with Chapter 372, HRS, the DLIR suggests using “apprenticeship program” instead.



**Kevin Schmid**

Oceanic Companies, Inc.  
Chairman

**Canaan Shon**

Hawaii Geophysical  
Services, LLC  
Past Chairman

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Integrated Security  
Technologies, Inc.  
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A&B Electric Co., Inc.

**Ralph Sakauye**

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**Paulina Baker**

Redhammer LLC

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Hawaiian Building  
Maintenance



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**Jeff Waiblinger**

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**Christopher Lee**

Ayko Group, LLC

March 1, 2023

To: Committee on Consumer Protection & Commerce  
Rep. Mark M. Nakashima, Chair  
Rep. Jackson D. Sayama, Vice Chair

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

Associated Builders and Contractors Hawaii Chapter Testimony in **OPPOSITION** to HB  
187 HD1

Chair Nakashima, Vice Chair Sayama 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 from 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 will do 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 Consumer Protection & Commerce  
Representative Mark M. Nakashima, Chair  
Representative Jackson D. Sayama, Vice Chair

HB 187 HD1—Relating To Renewable Energy  
Wednesday, March 1, 2023  
2:00 P.M.

Aloha Chair Nakashima, Vice Chair Sayama, 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 an amendment** to HB 187 HD1, which establishes labor requirements for the construction of renewable energy projects with a capacity rating of ten megawatts or greater.

HB 187 HD1 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 HD1 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 HD1 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 HD1 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 amendment for the Committee's consideration:

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.

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



March 1, 2023

TO: HONORABLE MARK NAKASHIMA, CHAIR, HONORABLE JACKSON SAYAMA, VICE CHAIR, COMMITTEE ON CONSUMER PROTECTION & COMMERCE

SUBJECT: **OPPOSITION OF H.B. 187 HD1, RELATING TO RENEWABLE ENERGY.** Establishes labor requirements for the construction of renewable energy projects with a capacity rating of \_\_\_\_\_ megawatts or greater. Effective 6/30/3000.

HEARING

DATE: Wednesday, March 1, 2023  
TIME: 2:00 p.m.  
PLACE: Capitol Room 329

Dear Chair Nakashima, Vice Chair Sayama and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of approximately five hundred (500) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. Our mission is to elevate Hawaii's construction industry and strengthen the foundation of our community.

GCA is in **opposition** of H.B. 187 HD1, which establishes labor requirements for the construction of renewable energy projects with a capacity rating of \_\_\_\_\_ megawatts or greater.

GCA is concerned that this measure imposes wage requirements on private party contracts by law. This measure seeks to have the government insert itself into the contracts of private parties by mandating the requirements of Chapter 104, which applies only to public work projects.

The State is currently attempting to reach its renewable energy goals and this measure would hinder the process. Not only will this measure increase the cost of these projects and limit the workforce, but it could jeopardize the development of future renewable energy projects. The administrative requirements of this measure will force some contractors out of the marketplace, which ultimately limits competition and leads to increased costs.

Thank you for the opportunity to provide testimony in opposition to this measure.





**Hawaiian  
Electric**

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON  
CONSUMER PROTECTION & COMMERCE**

**H.B. 187 H.D. 1**

**Relating to Renewable Energy**

Wednesday, March 1, 2023

2:00 p.m., Agenda Item #2

State Capitol, Conference Room 329 & Video Conference

Greg Shimokawa

Director, Renewable Acquisition

Hawaiian Electric

Chair Nakashima, Vice Sayama, and Members of the Committee:

My name is Greg Shimokawa and I am testifying on behalf of Hawaiian Electric and offer comments on H.B. 187 H.D. 1, Relating to Renewable Energy.

H.B. 187 H.D. 1 proposes to amend HRS Chapter 196 to add a new section which would ensure certain labor standards and prevailing wage statutes are met by requiring a signed attestation, declaration, or project labor agreement to be submitted to the Department of Labor and Industrial Relations, for any person constructing a large-scale renewable energy project.

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 Hawai'i. To help with achieving this goal, Hawaiian Electric has modified its Request for Proposals (RFP) process, requiring proposers to submit a community outreach plan which incentivizes developers to work with contractors that utilize local labor and prevailing wage rates. 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 utilize prevailing wage rates and meet all the compliance and reporting requirements proposed in this bill may increase costs and deter bidders from participating in RFPs for large-scale renewable energy projects due to the regulatory and administrative burdens. Therefore, Hawaiian Electric is wary of any unintended negative consequences implementing this bill may have on the renewable energy sector.

In summary, while Hawaiian Electric fully encourages the use of local labor and payment of prevailing wages for renewable energy projects, and has modified its RFPs to provide preferences for the same, it is concerned this bill could adversely affect the development of renewable energy projects in Hawai`i. Furthermore, with the recent modifications made to the RFPs stated above, Hawaiian Electric is unsure of the necessity of this bill.

Thank you for this opportunity to comment on H.B. 187 H.D. 1.



# 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

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February 28, 2023

Honorable, Mark M. Nakashima, House Committee on Consumer Protection & Commerce, Chair  
Honorable, Jackson D. Sasayama, House Committee on Consumer Protection & Commerce, Vice Chair  
Honorable Members of the House Committee on Consumer Protection & Commerce

**RE: HB 187- ESTABLISHES LABOR REQUIREMENTS FOR THE CONSTRUCTION OF RENEWABLE ENERGY PROJECTS WITH A CAPACITY RATING OF MEGAWATTS OR GREATER. EFFECTIVE 6/30/3000. (HD1)**

Chair Nakashima,

My name is Ana Tuiasosopo. I am the District Representative and Trustee for Operating Engineers Local 3. We are the largest construction union in the United States. I and the members of Operating Engineers Local 3 **STRONGLY SUPPORT** House Bill 187 HD1.

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 HD1 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 HD1 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.

We humbly ask for your support and approval of HB 187.

Sincerely,

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

**HB-187-HD-1**

Submitted on: 2/28/2023 10:07:36 PM

Testimony for CPC on 3/1/2023 2:00:00 PM

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

Comments:

This bill is necessary for workforce development for alternative energy projects and creates pathways into apprenticeship programs for workers.

Projects covered by this law should pay a living wage and will help developers qualify for extensive federal tax credits in the newly passed Inflation Reduction Act.

This bill needs to cover projects 1MW and above, again outlined in the Inflation Reduction Act and IRS administrative rules.

**Chair Mark Nakashima**  
**Vice Chair Jackson Sayama**

**House Committee on Consumer Protection & Commerce**

**Wednesday, March 1, 2023**  
**2:00 PM**

**TESTIMONY IN SUPPORT OF HB187 HD1 RELATING TO RENEWABLE  
ENERGY**

Aloha Chair Nakashima, Vice Chair Sayama, Members of the House Committee on Consumer Protection & Commerce,

My name is Jun Shin. I am a recent graduate of the University of Hawai'i at Mānoa, a labor activist, and member of the Hawai'i State Youth Commission. I am testifying as an individual in **SUPPORT** of **HB187 HD1**, Relating to Renewable Energy.

The legislature needs to make sure that the state's transition to renewable energy actually helps working class families have a better life than they do now, and doesn't lead to the loss of union jobs and/or the ability of workers to exercise their rights to collectively take action for better pay, benefits, and working conditions without fear of retaliation. Making sure that the union standard exists in some renewable energy projects is a great step in that direction.

ALL workers deserve the rights and protections that a union brings, which includes the right of a worker to have a say in their workplace and how it is run. Please **PASS House Bill 187 HD1** out of your committee.

Mahalo for the opportunity to testify,

Jun Shin,  
State House District 23 | State Senate District 12  
Cell: 808-255-6663  
Email: junshinbusiness729@gmail.com