



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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MARK B. GLICK
CHIEF ENERGY OFFICER

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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
**HOUSE COMMITTEES ON ENERGY & ENVIRONMENTAL PROTECTION
AND
LABOR & GOVERNMENT OPERATIONS**

Tuesday, February 13, 2024
9:00 AM
State Capitol, Conference Room 325 and Videoconference

In Support of
HB 2414

RELATING TO ENERGY.

Chairs Lowen and Matayoshi, Vice Chairs Cochran and Garrett, and Members of the Committees, the Hawai'i State Energy Office (HSEO) supports HB 2414, 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, HB 2414 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.

HB 2414 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 HB 2414 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.

HB 2414 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. HB 2414 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 HB 2414.

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

February 13, 2024

To: The Honorable Nicole E. Lowen, Chair,
The Honorable Elle Cochran, Vice Chair, and
Members of the House Committee on Energy & Environmental Protection

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 13, 2024

Time: 9:00 a.m.

Place: Conference Room 325, State Capitol

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

Re: H.B. 2414 RELATING TO ENERGY

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR strongly supports** this Governor's Package measure requiring an attestation or declaration regarding project labor standards for large-scale renewable energy projects. HB2414 supports the intent of labor laws under the department's jurisdiction including apprenticeship, prevailing wages, workers' compensation, occupational safety and health, and employment discrimination.

HB2414 will help ensure workers can earn a living wage and pursue a good career in Hawaii's renewable energy sector, a sector that is forecast 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, HB2414 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.

Testimony of
Pacific Resource Partnership

House Committee On Energy & Environmental Protection
Representative Nicole E. Lowen, Chair
Representative Elle Cochran, Vice Chair

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

HB 2414—Relating To Renewable Energy
Tuesday, February 13, 2024
9:00 A.M.

Aloha Chairs Lowen and Matayoshi, Vice Chairs Cochran and Garrett, 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 HB 2414, which requires attestation or declaration regarding project labor standards for large-scale renewable energy projects, including state-approved apprenticeship programs and prevailing wage requirements.

HB 2414 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 HB 2414 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.

HB 2414 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)

HB 2414 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.



**HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION
HOUSE COMMITTEE ON LABOR AND GOVERNMENT OPERATIONS**

February 13, 2024 at 9 AM
Conference Room 325

TESTIMONY IN SUPPORT OF HB 2414

Aloha Chair Lowen, Chair Matayoshi, and members of the Committees:

Blue Planet Foundation **supports HB 2414**, which focuses on providing 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. HB 2414 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.



**TESTIMONY BEFORE THE HOUSE COMMITTEES
ON ENERGY & ENVIRONMENTAL PROTECTION
AND
LABOR & GOVERNMENT OPERATIONS**

**HB 2414
Relating to Energy**

Tuesday, February 13, 2024
9:00 AM
State Capitol, Conference Room 325

Greg Shimokawa
Director, Renewable Acquisition
Hawaiian Electric

Dear Chair Lowen and Chair Matayoshi, Vice Chair Cochran and Vice Chair Garrett 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 HB 2414**, Relating to Energy.

HB 2414 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 HB 2414 and we request that the Committees accept our requested amendments to ensure we can continue to meet the state's renewable portfolio standards.

February 13, 2024

House Committee On Energy & Environmental Protection

Representative Nicole E. Lowen, Chair
Representative Elle Cochran, Vice Chair

House Committee On Labor & Government Operations

Representative Scot Z. Matayoshi, Chair
Representative Andrew Takuya Garrett, Vice Chair

Testimony: **HB 2414—Relating to Renewable Energy**

Aloha Chairs Lowen and Matayoshi, Vice Chairs Cochran and Garrett, and Members of the Committees:

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. Moss's labor force, which are compensated by current state of Hawai'i prevailing wage rates, provide the skilled trades needed to execute and deliver these and future projects.

Moss is in strong support to HB 2414, which requires attestation or declaration regarding project labor standards for large-scale renewable energy projects, including state-approved apprenticeship programs and prevailing wage requirements.

HB 2414 establishes labor standards for the construction of renewable energy projects, which will provide long-term career opportunities for Hawai'i's residents and ensure that reputable contractors are building renewable energy projects within the State of Hawai'i.

The prevailing wage requirement in HB 2414 will provide Hawai'i's residents and Moss's labor force with an opportunity to earn a living wage with benefits to keep up with Hawai'i's high cost of living. Prevailing wages help keep residents off welfare and other government assistance programs, stimulate Hawai'i's economy, and provide economic stability for workers and their families.

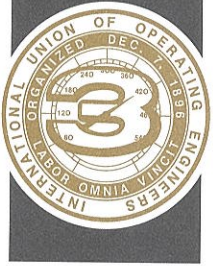
HB 2414 also includes provisions requiring contractors and subcontractors to demonstrate a history of compliance with labor laws and building codes. These provisions are important to ensure that our subcontractors have the same access to the skilled labor that Moss benefits from and comply with HB 2414 if passed.

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

Respectfully,



Jonathan Kam
Business Development Director
Moss and 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, Nicole E. Lowen, House Committee on Energy & Environmental Protection, Chair
Honorable, Scot Z. Matayoshi, House Committee on Labor & Government Operations, Chair
Honorable Members of the House Committee on Energy & Environmental Protection and Labor & Government Operations

RE: HB 2414 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 HB 2414**, 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 HB2414 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, HB 2414 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 HB 2414.

Sincerely,

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

HB-2414

Submitted on: 2/13/2024 7:00:04 AM

Testimony for EEP on 2/13/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nathaniel Kinney	Hawaii Regional Council of Carpenters	Support	Remotely Via Zoom

Comments:

HRCC is in support of this important measure that will ensure job site safety as well as allow energy projects developed in Hawaii to access the full tax credit allowance in the federal Inflation Reduction Act. These tax credits are only available to developers who utilize contractors who pay prevailing wages and who participate in state approved apprenticeship programs. Given the extraordinary value that these tax credits pose, and the dramatic reduction in cost that they lend to a project...why wouldn't the state ensure that consumer/ratepayer enjoy the benefits of those savings...? Isn't it the consumer/ratepayer who ultimately pays for each project?

HB-2414

Submitted on: 2/3/2024 10:58:22 AM

Testimony for EEP on 2/13/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Oppose	Written Testimony Only

Comments:

I see several problems with HB2414, which seems designed to intimidate and discourage any contractor bidding on a renewable energy project. Why should labor standards on renewable energy projects be any different from any other type of enterprise? Furthermore "large-scale" is not defined, so nobody could know if the project they are considering would be affected by this measure or not. Since this is written to apply to any such project within Hawaii, including non-governmental jobs, there is the question of why these projects should need to comply with Chapter 104, which governs only government contracts. The lack of authorship of this measure is also highly suspicious. The introducer is listed as "SAIKI (Introduced by request of another [unnamed] party)". Hmm. Sure looks like some special interest to me. Don't the people of Hawaii deserve more transparency regarding proposed legislation that will affect all of us?