



February 12, 2023

TO: Illinois Power Agency

FR: Climate Jobs Illinois (CJI)

RE: December 22 Request for Public Comments on IPA Draft Policy Study

Please direct questions and comments to:

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About Us

Climate Jobs Illinois is a coalition of labor organizations advocating for a pro-worker, pro-climate agenda in Illinois. Our mission is to advocate for a clean energy economy at the scale climate science demands, create good union jobs and support more equitable communities. Our coalition represents hundreds of thousands of Illinois working men and women who are the best trained and skilled to build Illinois' new clean-energy economy from the ground up. By focusing on the construction of clean energy sources as a way to combat the climate crisis, Climate Jobs Illinois offers a compelling new approach to creating an equitable and clean economy. Building a clean energy economy is an opportunity for labor to lead on climate by creating high-quality family-sustaining jobs that spur economic development while reducing carbon emissions.

Climate Jobs Illinois is a state affiliate of the Climate Jobs National Resource Center. Climate Jobs Illinois is directed by a coalition representing hundreds of thousands of union members across Illinois, and our Executive Committee is comprised of leadership from:

- Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Union Chicago & St. Louis
- Mid-American Carpenters Regional Council
- International Brotherhood of Electrical Workers Local 134
- International Brotherhood of Electrical Workers State Council
- Illinois Education Association
- Illinois Federation of Teachers
- International Union of Operating Engineers Local 150
- Midwest Region of Laborers International Union of North America
- Great Lakes Region Laborers International Union of North America
- Service Employees International Union State Council
- International Association of Heat and Frost Insulators and Allied Workers
- Illinois Pipe Trades Association

Background

On January 22, the Illinois Power Agency (IPA) [solicited public comments](#) on its [Draft Policy Study](#) evaluating three energy policy proposals required by SB 1699 of Illinois' 102nd General Assembly. SB 1699 was signed into law by Governor J.B. Pritzker on December 8, 2023. On behalf of our coalition members and their rank-and-file union members, Climate Jobs Illinois submits the following comments pertaining to this study of statewide energy storage deployment, utility-scale offshore wind in Lake Michigan, and the proposed Soo Green high-voltage direct current (HVDC) transmission line.

Energy Storage

Our coalition is pleased with the results of the Agency's study on energy storage development, as we believe this policy could position Illinois as a leader on renewable energy implementation and create tens of thousands of high-quality jobs across the state. According to the IPA's analysis, widespread implementation of utility-scale and distributed energy storage solutions would positively impact power generation, improve grid resiliency, and reduce the wholesale cost of energy by \$850.2 million over 20 years.

With the potential to for up to 115,329 FTE in jobs creation and up to \$16.3 billion in total value added to the state, we believe utility-scale and distributed energy storage should be a key component of Illinois' renewable energy strategy. Based on requirements for Project Labor Agreements and prevailing wage during the construction of these projects, the General Assembly can also be assured that these projects will produce good-paying, union jobs for

workers across the state. Our coalition can attest to the positive impact that high-road labor standards have on local economies, workplace safety, and project efficiency.¹ Large-scale energy storage solutions provide a unique opportunity to jumpstart progress towards the state's climate goals under the Climate & Equitable Jobs Act – and create tens of thousands of good jobs in the process.

Offshore Wind

Although the Agency's analysis of the potential for offshore wind generation on Lake Michigan uncovered significant barriers related to project capital costs, interconnection, and port infrastructure, we would encourage the IPA to dig further into the economic and equity benefits of developing this pilot project in Illinois' territorial waters. We believe this pilot program presents a unique opportunity for Illinois to pursue its climate goals while creating good jobs and investing in low-income and environmental justice communities. The integration of a robust Project Labor Agreement, prevailing wage requirements, and a thorough equity and inclusion plan will also help ensure positive benefits in the region for years to come. As in previous comments, we would like to underscore the importance of these protections for workers, taxpayers, and local communities.

It is our understanding that the IPA's evaluation of offshore wind in Lake Michigan was modeled on a 200 MW wind turbine project, assuming a fixed bottom substructure with a turbine size of about 6 MW and an interconnection point in the Lake Calumet region. We also understand that the IPA is considering a procurement structure based on its existing Indexed REC pricing for land-based projects. Given the pilot nature of this project, we would encourage the IPA to consider the costs and benefits of the offshore wind proposal without direct comparison to the other two proposals, which are significantly larger in scale. This is not an apples-to-apples comparison and does not capture the potential for added offshore wind capacity once a pilot project has been established on the Lake.

Given that capital project costs are the largest barrier for this project's success, we would also encourage the IPA to explore ways that Illinois could invest in technological advances that are likely to drive down the cost of offshore wind technology over time, including those identified in the NYSERDA study referenced in Section 6 of the policy study. These include: "the ability to

¹ Illinois Economic Policy Institute. (n.d.). Prevailing Wage. <https://illinoiseipi.org/focus-areas/prevailing-wage/>

install larger turbines (greater than 6MW), increased plant size (closer to 1 GW), improved supply chain synergies, additional industrialization, and greater economies of scale” (p 129). Each of these advances would create high-quality jobs for Illinois workers, speed the implementation of offshore wind technology across the Great Lakes, and make our state a leader in renewable energy technology.

HVDC Transmission

Our coalition was also pleased with the IPA’s analysis of the proposed Soo Green high-voltage direct current (HVDC) line, which would harness renewable energy generation in Iowa to meet increased demand from retail electricity customers in Northern Illinois. Overall, the agency’s findings support our understanding that Soo Green will create at least 1,000 union construction jobs in Illinois over the project’s three-year construction period and deliver significant economic investments in our state. Additionally, we were happy to learn that the project could save ratepayers \$3.25 billion in wholesale energy costs over 25 years and virtually eliminate the chance of a loss load event occurring in 2030 or 2040.

It is our understanding that the project will be built under a robust project labor agreement, which would help ensure that the 3,470 construction and operations jobs created by this project are high-quality, career-path positions. We would like to take the opportunity to highlight the importance of these labor standards, not only for Illinois construction workers, but also for the equitable and efficient rollout of this first-of-its-kind interregional transmission line.

We would also like to underscore the impact Soo Green will have on low-income and environmental justice communities throughout Illinois. Although the project does not pass through any environmental justice communities, the study notes that by “creating employment opportunities for residents of nearby environmental justice communities, [the] project could stimulate the local economy and provide opportunities for community investments to help address the historical negative impacts of pollution” (p 185). We would encourage the IPA to dig into this project’s potential to revitalize low-income and environmental justice communities throughout our state.