

ENERGY STORAGE PROCUREMENTS & LABOR PEACE AGREEMENTS



A **Labor Peace Agreement** is an agreement between an entity operating an energy storage facility and a bona fide labor organization that prohibits labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with the entity operating an energy storage facility. The agreement covers the ongoing operations and maintenance of an energy storage facility and is entered into upon project commercial operations date (COD).

- Existence of a Labor Peace Agreement means that the entity operating an energy storage facility has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the energy storage facility's employees.
- The Labor Peace Agreement shall provide a bona fide labor organization access at reasonable times to areas in which the energy storage facility's employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under State law, and terms and conditions of employment.
- This type of Labor Peace Agreement shall not mandate a particular method of election or certification of the bona fide labor organization.



Who is required to enter into a Labor Peace Agreement?

As required by the Clean & Reliable Grid Adorability Act (P.A. 104-0458), an entity operating an energy storage facility that wins a bid through an IPA procurement shall demonstrate that it has entered into a Labor Peace Agreement with a bona fide labor organization that is actively engaged in representing the employees necessary for the ongoing maintenance and operation of the energy storage facility.



What employees should be covered under the Labor Peace Agreement?

Labor Peace Agreement coverage is limited to employees that are necessary for the **onsite** ongoing operations and maintenance of the facility. This excludes employees that are required for off-site activities such as, but not limited to: scheduling and dispatch, interconnection and permitting, and engineering and design.



How To Comply with the Labor Peace Agreement Requirement

1. First, a Seller must provide the Illinois Power Agency with a copy of the fully-executed Labor Peace Agreement **within 10 days of project Commercial Operations Date (COD)**.
2. Annually on **May 1st** until the contract term is complete, the Seller must provide a valid and current LPA (inclusive of any amendments/modifications) that demonstrates compliance with the requirement for the coming Delivery Year.
3. If the Labor Peace Agreement fails to be effective during the contract term, the Seller shall disclose this fact to the IPA and Buyer as soon as practicable, which shall be **no later than 10 business days after such occurrence**.



Consequences of Noncompliance with the Labor Peace Agreement Requirement

Under the Clean and Reliable Grid Affordability Act, the existence of a Labor Peace Agreement shall be an **ongoing material condition** of an entity's authorization to maintain and operate the energy storage facility and receive incentive payments under the ISC contract. As such, compliance with the Labor Peace Agreement requirement will be due at project COD and annually throughout the contract term.

Failure to remain in compliance with this ongoing requirement throughout the term of the contract constitutes an **Event of Default**. If Seller falls out of compliance with this requirement, there will be a 60-day cure period wherein a compliant Labor Peace Agreement can be filed. If a compliant agreement is not filed within 60 days, the noncompliance constitutes an Event of Default.



Minimum Requirements for a Compliant Labor Peace Agreement

Labor Peace Agreements must contain the below listed items at minimum*:

1. Name, occupation, and contact information of storage facility owner/operator
2. Name, occupation, and contact information of the bona-fide labor organization that represents the employees
3. Employees covered under agreement
4. Term length of the agreement
5. Language that includes:
 - a. Prohibition for labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with the entity operating an energy storage facility
 - b. Agreement from the entity operating an energy storage facility that it will not disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the energy storage facility's employees.
 - c. Agreement from the entity operating an energy storage facility that it shall provide a bona fide labor organization access at reasonable times to areas in which the energy storage facility's employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under State law, and terms and conditions of employment.
6. The agreement should not include:
 - a. This agreement shall not mandate a particular method of election or certification of the bona fide labor organization.
7. Dated signatures of both owner/operator and labor organization representing the employees of the facility as proof agreement is in effect.

**Please note that this list is solely a list that enables a Labor Peace Agreement to be compliant only for IPA Energy Storage Procurements. The IPA's acceptance of a LPA should not be construed as a determination that the instrument is valid or otherwise legally enforceable.*