



June 16, 2023

TO: Illinois Power Agency

FR: Climate Jobs Illinois (CJI)

RE: May 26 Request for Stakeholder Feedback on the IPA's 2024 Long-Term Renewable Resources Procurement Plan

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

Background

On May 26, the Illinois Power Agency (IPA) posted a series of Requests for Feedback on [Chapter 3](#), [Chapter 4](#), [Chapter 5](#), [Chapter 6](#), and [Chapter 9](#) of the IPA's 2024 Long-Term Renewable Resources Procurement Plan. On behalf of our coalition members and their rank-and-file union members, Climate Jobs Illinois submits the following recommendations for Chapter 5 and Chapter 6, which pertain to clean energy labor standards.

Chapter 5: Competitive Procurements

Topic 6: Labor Requirements in the Agency's Competitive Procurements

1. *What challenges do utility-scale or brownfield project developers face in implementing these labor requirements?*
 - a. *What impact, if any, is there upon bidder participation in competitive procurements as a result of prevailing wage requirements and project labor agreements?*

Response: Section 1-75(c)(1)(Q)(1) of the IPA Act provides that RECs procured from new utility-scale wind, utility-scale solar, and brownfield site photovoltaic projects are subject to requirements for prevailing wage and Project Labor Agreements (PLAs) during project development. These labor requirements should not have a long-term impact on bidder participation.

Project Labor Agreements are a form of pre-hire agreement covering the terms and conditions of employment during project development and have been employed on state and municipal construction projects across Illinois for decades. The implementation of these labor standards is consistent with procurement practices in other Illinois state agencies, including the Illinois Capital Development Board and the Illinois Department of Transportation.

Furthermore, enforcement of these labor requirements is in the best interest of individual developers, the state of Illinois, and renewable energy workers across the state. Prevailing wage and Project Labor Agreements stabilize construction wages, increase the hiring of local contractors, boost worker productivity, control construction costs, and ensure timely completion of projects.¹

2. *Currently, the IPA requires project labor agreements to be submitted to the Agency within the later of 60 days prior to project construction, 30 days after the execution of the project labor agreement, or 30 days after the execution of the REC Contract.*
 - a. *Are these guidelines sufficient to ensure the compliance with the requirements of 1- 75(c)(1)(Q)(2)?*

Response: Yes, these guidelines are sufficient to ensure compliance with Section 1-75(c)(1)(Q)(1) of the IPA Act. Project Labor Agreements are a cost-effective way to provide long-term project stability and protect taxpayers from costly delays. PLAs for renewable energy projects must be submitted in a timely manner to ensure compliance with this statute and ease the state's clean energy transition.

- b. *For bidders seeking REC Contracts for projects that have commenced construction prior to the solicitation of bids, should the Agency require the submission of the project labor agreement with the bid qualification materials?*

¹ Illinois Economic Policy Institute, 11/15/2022, retrieved at <https://illinoisepi.files.wordpress.com/2023/01/prevailing-wage-one-pager.pdf>;
Fred B. Kotler, Cornell University School of Industrial and Labor Relations, 3/2009, retrieved at https://ecommons.cornell.edu/bitstream/handle/1813/74340/Project_Labor_Agreements5_26_091.pdf?sequence=1&isAllowed=y

Response: Yes, the IPA should require these bidders to present evidence of a completed Project Labor Agreement along with the bid qualification materials. This will promote transparency and accountability for developers and streamline project reporting.

Chapter 6: Self-Direct Program

Topic 2: Labor and DEI Requirements

1. *Should potential participants in the Self-direct Program be required to submit Project Labor Agreements and MES Compliance Plans to the Agency prior to applying a project for participation in the Program?*
 - a. *If no, how can the Agency ensure that Self-direct Program participants have met labor and equity standards at the time of the project application?*

Response: Yes, the IPA should require potential Self-Direct participants to present evidence of a completed Project Labor Agreement and MES Compliance Plans prior to application. It is important to have these labor and equity standards established at the time of application, to help ensure transparency and accountability.

2. *What other methods of reporting not yet considered to ensure that labor and equity standards are incorporated into the project development and construction prior to the commencement of those activities to meet compliance?*

Response: The Agency could require reporting of DEI recruitment strategies, apprenticeship targets, local hiring plans, and other data points that demonstrate engagement with the community. The IPA will then be able to compare these projections to the actual workforce during construction of the project.

- a. *Recognizing that projects may be applied to the Self-direct Program after the completion of construction, should there be alternative opportunities for Self-direct Program participants to demonstrate compliance with MES requirements, such as through a compliance report on the makeup of the project workforce or other means?*

Response: This may be appropriate, given the timing of applications to the Self-Direct Program. If such alternative reporting is established, it should be granted on a case-by-case basis and require all the same disclosures made by Self-Direct applicants that apply before or during construction. The IPA must ensure that this does not become a vehicle for non-compliance.

3. *The Long-Term Plan currently requires Self-direct Program participants to meet the Minimum Equity Standard that is in place at the time of approval of the application in the Self-direct Program as the standard applicable to the construction of the project from which that customer receives and retires RECs. Given that the percentage of an equity-eligible workforce that is required to meet the MES is set to increase over time, the Agency recognizes it is possible that a developer may not know the percentage of an equitable workforce necessary to meet the MES at the time of project development and construction.*

a. *Should the Agency develop separate MES requirements for the Self-direct Program to provide certainty to developers of these projects?*

Response: No, the IPA should not develop a separate set of MES requirements for Self-Direct Program. The IPA provides ample resources to help developers meet the equity standards established by the current Long-Term Plan. It is the developer's responsibility to meet these requirements and make use of IPA resources to stay in compliance.

b. *Should the Agency apply the applicable MES for the year of construction that is established through the Long-Term Plan, or should another standard be utilized?*

Response: The Agency should apply the MES standard for the year of construction that is established in the Long-Term Plan.

c. *If the Agency applies MES for the year of construction that is established in the Long-Term Plan, would this standard then vary over the course of the construction of the Project if it is split across multiple program years?*

Response: Yes. In cases where construction spans multiple program years, the IPA should apply the MES standard established in the Long-Term Plan for each year of construction. The developer will be responsible for meeting these successive MES standards in order to stay in compliance with program requirements.