

## TOPIC 6: Prevailing Wage and Job Trainee Requirements

### Background

Prevailing wage is a minimum compensation level by county set by the Illinois Department of Labor for construction activities related to public works. House Bill 3351, passed on May 17, 2023, but not yet signed into law, would amend Section 1-56 (b-15) of the IPA Act (20 ILCS 3855) to require that individuals engaged in the construction of applicable projects submitted to the Illinois Solar for All that obtain a REC contract are paid the prevailing wage.

The provisions would apply to Illinois Solar for All projects submitted after the effective date of the legislation, *except* 1) projects serving single- or multi-family residential buildings and 2) projects with an aggregate capacity of less than 100 kilowatts that serve houses of worship. Effectively, this would impact community solar projects and Non-profit and Public Facilities projects (excepting projects under 100 kW that are serving houses of worship).

Section 1-56(b)(2) of the IPA Act contains two provisions that are designed to ensure that the job trainees supported by the job training programs participate in the installation of photovoltaic projects supported by the Program, thus making job trainees participant of construction activities related to public works and subject to Prevailing Wage.

On September 16, 2022, [H.R. 5376](#) (known as the “Inflation Reduction Act” or “IRA”) became Public Law 117- 369. The IRA features several solar related tax incentives. More specifically, the Business Energy Investment Tax Credit (ITC) which includes base credits and additional bonus credits such as the Energy Community Bonus, Low-Income Community Bonus, Low-Income Residential Building or Low-Income Economic Benefit and/or Domestic Content Bonus. Additionally, the IRA established prevailing wage and apprenticeship requirements for the qualification of larger systems to receive the full base credit. The Agency is interested in exploring the IRA further and examining how its implementation will affect ILSFA stakeholders and/or be considered within the ILSFA program.

### Questions

1. Now that the prevailing wage requirement will likely apply to many Illinois Solar for All projects, how should prevailing wage requirements be considering a job trainee’s entry-level experience? Should job trainees be subject to the requirement at all?

Job trainees should not be subject to prevailing wage requirements. Additionally, we believe it will become increasingly cumbersome and cost-prohibitive for Approved Vendors to comply with both IRA prevailing wage and apprenticeship requirements and ILSFA prevailing wage and job training requirements. It should be one or the other, as the federal requirements attempt to accomplish the same goal while enabling developers to obtain the financing needed to make projects possible. With that in mind, we would propose an additional limitation on applicability of ILSFA prevailing wage and job training requirements to address this concern – such requirements should **not** apply to any project above 1 MW ac. Projects above 1 MW ac generally have to satisfy the

IRA prevailing wage and apprenticeship requirements, and so it is not necessary – and is unduly burdensome for Approved Vendors attempting to make solar broadly accessible and financeable – for such projects to have to satisfy both sets of requirements.