DOCKETED

Docket Number:	16-OIR-02
Project Title:	SB 350 Barriers Report
TN #:	213850
Document Title:	CA IBEW NECA LMCC comments on draft SB 350 Barriers Report
Description:	N/A
Filer:	System
Organization:	LMCC
Submitter Role:	Public
Submission Date:	9/29/2016 3:52:35 PM
Docketed Date:	9/29/2016

Comment Received From: Thomas Enslow
Submitted On: 9/29/2016
Docket Number: 16-OIR-02

CA IBEW NECA LMCC comments on draft SB 350 Barriers Report

Additional submitted attachment is included below.

ADAMS BROADWELL JOSEPH & CARDOZO

DANIEL L. CARDOZO
CHRISTINA M. CARO
THOMAS A. ENSLOW
TANYA A. GULESSERIAN
LAURA E. HORTON
MARC D. JOSEPH
RACHAEL E. KOSS
NATALIE B. KUFFEL
LINDA T. SOBCZYNSKI

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

520 CAPITOL MALL, SUITE 350
SACRAMENTO, CA 95814-4721

TEL: (916) 444-6201
FAX: (916) 444-6209
tenslow@adamsbroadwell.com

SO. SAN FRANCISCO OFFICE

601 GATEWAY BLVD., SUITE 1000
SO. SAN FRANCISCO, CA 94080

TEL: (650) 589-1660
FAX: (650) 589-5062

September 29, 2016

VIA EMAIL ONLY

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 16-OIR-02
1516 Ninth Street
Sacramento, CA 95814-5512
Docket@energy.ca.gov

Re: Docket No. 16-OIR-02; Comments on the draft SB 350 Barriers Report

Dear Commissioners and Commission Staff:

On behalf of the State Labor Management Cooperation Committee for the International Brotherhood of Electrical Workers and the National Electrical Contractors Association ("LMCC") we respectfully submit the following comments regarding the SB 350 Barriers Study Draft Report. The LMCC represents over a 1,000 electrical contractors who are members of the National Electrical Contractors Association and over 30,000 electrical workers who are members of the IBEW.

The LMCC has been engaged throughout the SB 350 Barriers Study process and served as panelists during the SB 350 Barriers Study Workshop held on August 12, 2016[1]. The LMCC appreciates the level of effort that went into compiling the Draft Report and for the opportunity to comment. Our contractors and our electricians do a tremendous amount of energy efficiency and renewable energy work and training.

We offer the following comments about the nexus between the development of a skilled and trained workforce and the delivery of these programs to low-income communities:

[1] Bernie Kotlier, IBEW/NECA LMCC; Johnny Simpson, International Representative, IBEW.

Creating Opportunities for Workers from Disadvantaged Communities

The Draft Report states that "As California increases access to clean energy technologies in disadvantaged and low-income areas, it is important to also promote well-paying, family-sustaining clean energy job opportunities for residents in these communities." In addition, "…..Energy agencies could look for opportunities to collaborate with state labor agencies…on targeted workforce training and job placement initiatives to create strategies that drive clean energy job opportunities in low-income and disadvantaged communities."[2] However, the Draft Report fails to mention opportunities to partner with labor organizations and their state-approved apprenticeship programs.

In 2010, the California Public Utilities Commission commissioned the University of California Berkeley, Don Vial Center for Employment to do two back to back studies over three years.[3] The final study was published in 2014, and about $1.5 million of public money was spent to finance these two studies. The recommendations included in these studies are very applicable to the SB 350 Barrier Draft Report regarding the creation opportunities for workers for disadvantaged communities. Specifically, the effective way that apprenticeship programs helps to deal with the barriers that people from low-income communities and under-represented groups face while attempting to enter into clean energy jobs. The Don Vial Center Study explains the nexus between workforce development and delivery of energy efficiency services and how these intersect. When we do workforce education and training well, we also address critical issues in terms of the quality and delivery of those services, especially to low-income and disadvantaged communities.

As an example, a person entering a labor and management sponsored, state-approved electrical apprenticeship program has a job as soon as they become an apprentice. The on-the-job training is part of their education from their first days in school. They work about 8,000 hours over the course of their apprenticeship in on-the-job training and about 1,000 hours in classroom training. They graduate a

[2] SB 350 Barriers Draft Report, page 71.
[3] Zabin, et al, University of California Berkeley, Don Vial Center on Employment in the Green Economy, *California Workforce Education and Training Needs Assessment* (2011): *Workforce Issues and Energy Efficiency Programs* (2014).

five-year apprenticeship program, which is essentially a college education in the craft that is at least 97% privately funded in California, with a solid career and no debt. This is a way that underserved and underprivileged community members can get an education, training, and a great career, because they earn while they learn, they're paid right from the start, and because we have over 1,000 employers that are built into the system.[4]

The Draft Report also fails to emphasize that job training and employment opportunities for low-income or disadvantaged communities should be focused on jobs that will create transferrable skills and long-term employment opportunities. It is not enough to bring someone out of a low-income area and give them a job for a few months, or even a few years, and when that industry job is over they go right back to where they started.

Apprenticeship programs are a key way to avoid this. For example, the IBEW-NECA apprenticeship programs not only teach how to work on solar and energy efficiency projects; they also teach how to work on schools, high-rises and every other aspect of the electrical industry. As a result, if certain industries begin to decline, these trained workers will still have a future in other aspects of the electrical industry. We make sure that these workers go on into high-paying jobs and have a path to the middle class going into the future.[5]

The Report also fails to address the inherent barrier created by programs that solely focus on low cost services, rather than low cost quality services. By solely focusing on the cost of service, investment in training is discouraged. While lower costs may increase participation in these types of programs, they won't necessarily increase results. Nor will a myopic focus on costs be particularly helpful in disadvantaged and low-income communities. Numerous studies have shown that the current low bid framework for energy efficiency work has resulted in poor installation outcomes that fail to achieve intended energy savings. Moreover, the low bid framework is antithetical to the goal of leveraging energy efficiency and renewable energy projects into the creation of career pathways for disadvantaged

[4] Bernie Kotlier, IBEW/NECA LMCC, "SB 350 Barriers Study Workshop Public Comments," August 12, 2016.
[5] John Simpson, International Representative, IBEW, "SB 350 Barriers Study Workshop Public Comments," August 12, 2016

workers. Contractors who invest in their workers training and skill development necessarily have greater costs and thus cannot compete with low-cost bidders who undercut bids by investing as little as possible in labor.

Furthermore, it is the low-cost communities that are least able to suffer poor quality work. Low prices based on little or no training and poor quality workmanship do not help disadvantaged communities. Someone who has a higher income and receives poor work from a contractor will often have the means to get a better quality contractor to correct the work. Someone from a low-income community who receives poor quality work may not have the means to rectify the poor quality work. They can least afford to gamble and least afford to receive poor quality work, so it really falls hardest on them. Moreover, poor quality installation by poorly trained workers does not just result in lost energy savings, it can also create fire and other safety hazards for occupants. Emphasizing low cost installation over quality installation may increase the savings estimates claimed by energy efficiency programs by utilities and state agencies, but will not actually achieve the desired energy efficiency savings outcomes. The Report should be amended to reflect these concerns.

The Report should also more clearly caution that simply providing disadvantaged workers training is not enough if they are not also provided employment opportunities. Energy efficiency and renewable energy projects need to include measures that reward contractors that support workforce education and training programs for workers of color and workers from low-income and disadvantaged communities – such as through participation in apprenticeship programs. However, job opportunities for apprentices and apprenticeship program graduates will be limited as long as the vast majority of energy efficiency projects are awarded to lowest-cost contractors who do not invest in their workers and do not support education and training programs.

Similarly, education and training programs alone will not effectively address the lost energy savings and safety risks associated with poorly installed energy efficiency measures without a corresponding requirement, incentive or inducement to actually hire contractors who use a skilled and trained workforce.

A key step toward linking education and training programs to employment opportunities and increased installation quality is to adopt a meaningful

responsible contractor definition for use in energy efficiency programs as required by SB 350. SB 350 requires the adoption, implementation and enforcement of a "responsible contractor policy for use across all ratepayer-funded energy efficiency programs that involve installation or maintenance, or both installation and maintenance, by building contractors *to ensure that retrofits meet high-quality performance standards and reduce energy savings lost or foregone due to poor-quality workmanship*." (Emphasis provided.) SB 350 thus contemplates a responsible contractor requirement that goes beyond just requiring compliance with licensing requirements. In order to ensure consistency with the workforce training and employment goals for disadvantaged workers, the SB 350 definition should also identify responsible contractors as contractors that are investing in training programs and providing opportunities to disadvantaged workers – such as through participation in apprenticeship programs.

We also recommend that the report call for the establishment of metrics and specific target numbers to ensure that energy efficiency and renewable energy work is actually leading to job opportunities for disadvantaged workers.

We appreciate the opportunity to comment on the draft Report.

Sincerely,

Thomas A. Enslow

TAE:ljl

2698-090j