

**DOCKETED**

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# ADAMS BROADWELL JOSEPH & CARDOZO

A PROFESSIONAL CORPORATION

## ATTORNEYS AT LAW

601 GATEWAY BOULEVARD, SUITE 1000  
SOUTH SAN FRANCISCO, CA 94080-7037

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

rkoss@adamsbroadwell.com

SACRAMENTO OFFICE

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

TEL: (916) 444-6201  
FAX: (916) 444-6209

KEVIN T. CARMICHAEL  
CHRISTINA M. CARO  
THOMAS A. ENSLOW  
KELILAH D. FEDERMAN  
ANDREW J. GRAF  
TANYA A. GULESSERIAN  
KENDRA D. HARTMANN\*  
DARIEN K. KEY  
RACHAEL E. KOSS  
AIDAN P. MARSHALL  
TARA C. RENGIFO  
MICHAEL R. SEVILLE

*Of Counsel*

MARC D. JOSEPH  
DANIEL L. CARDOZO

\*Not admitted in California.  
Licensed in Colorado.

March 11, 2022

California Energy Commission  
1516 9<sup>th</sup> Street  
Sacramento, CA 95814  
**Electronically Filed to Docket**

Amanda Lefton, Director  
Bureau of Ocean Energy Management  
Department of the Interior  
**Via Email:** [amanda.lefton@boem.gov](mailto:amanda.lefton@boem.gov)

**Re: Offshore Wind (17-MISC-01) – AB 525 and BOEM Lease  
Auctions Multiple Factor Bidding**

Dear California Energy Commission and Ms. Lefton:

We are writing on behalf of the Coalition of California Utility Employees (CUE) to provide input on the Energy Commission's implementation of AB 525 and to reiterate the need for a Multiple Factor Bidding system for the Morro Bay and Humboldt offshore wind lease auctions.

CUE is coalition of labor unions whose approximately 40,000 members work at most of the electric utilities in California. The utility employees of CUE's union members help solve California's energy problems by building and maintaining electric infrastructure, including the state's electric transmission systems. This work includes marine cable work and the interconnection of clean energy projects to the electric grid. The International Brotherhood of Electrical Workers, Local 1245 is a CUE member and represented workers who performed the marine cable work on the Trans Bay Cable project. The skills necessary to successfully and safely perform this work are fundamental to the IBEW's trained professionals, including those who construct and maintain utility distribution and transmission systems and those who construct renewable energy projects. IBEW members have been instrumental in the skilled construction of land-based wind installations for decades. Whether on or offshore, the work of wiring, assembling, cabling and grid connection is an extension

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of the construction and linework that the IBEW's trained professionals have been performing for more than 100 years. While offshore wind projects occur in the marine environment and involve different materials than onshore wind, the basic work is the same and the skills required to perform this work are fundamental aspects of the IBEW training program.

While CUE strongly supports the development of offshore wind to meet our state's clean energy goals, create thousands of jobs for Californians and bring economic benefits to the state, these benefits won't be realized without requiring workforce and training standards and a Multiple Factor Bidding system for lease auctions.

#### **A. AB 525 Implementation**

In 2021, the California Legislature and Governor enacted AB 525 (Chiu) requiring the Energy Commission, in coordination with several federal, state and local agencies, to develop a strategic plan for offshore wind energy to be developed off the California coast. The plan must consider, among other factors, economic and workforce development. AB 525 requires the Energy Commission, by June 1, 2022, to evaluate and quantify the maximum feasible offshore wind capacity to achieve reliability, ratepayer, employment and decarbonization benefits and to establish offshore wind energy planning goals for 2030 and 2045. By December 31, 2022, AB 525 requires the Energy Commission to provide to the Legislature an assessment of the economic benefits of offshore wind as they relate to seaport investments and workforce development needs and standards.

To ensure California realizes the economic and workforce benefits from offshore wind, the Energy Commission should consider the following in its planning efforts:

- The use of project labor agreements for all aspects of onshore and offshore construction and installation. These agreements will ensure construction is performed by a highly skilled and appropriately trained workforce and carried out in a safe and expeditious manner. Members of the IBEW and other building trades unions come to these projects after completing high-level apprenticeships and possessing most of the skills required to construct all segments of an offshore wind project, including the onshore fabrication, the offshore erection and the on- and offshore energy infrastructure.

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- Requiring developers to use a skilled and trained workforce, as defined in California Public Contract Code section 2600, which requires training via state-certified apprenticeship and pre-apprenticeship programs. This requirement ensures the projects will be developed by a qualified workforce and provides protection for the employment of California-based construction workers. In addition, this requirement provides additional opportunities for young Californians. Of the 70,000 apprentices enrolled in construction apprenticeship programs, more than 70% are people of color and 20% come from the foster care system, are emancipated youth, or are from the criminal justice system. Apprenticeship programs provide the opportunity for career path, middle class jobs.
- To facilitate the necessary workforce preparedness for working in the marine environment, developing training programs should be top priority. Developers should have concrete plans for workforce training and commit to provide funding for training associated with specialized work needed for offshore wind equipment assembly and installation. Workers should not bear the cost burden of additional training.
- To ensure economic benefits for local communities and California, developers should have a local high-road employment model and should create a domestic (and in-state to the extent feasible) supply chain. Note that project labor agreements often include disadvantaged worker and local hiring targets for priority populations. These goals are consistent with state workforce policies as implemented by the California Workforce Development Board.

## **B. BOEM Lease Auctions – Multiple Factor Bidding**

Offshore wind is in its infancy in California and developers face significant competitive market pressures. In California, there are no suitable port facilities for floating offshore wind, there is limited coastal transmission and no existing supply chain. Offshore wind projects will cost billions of dollars and auction bids are expected to exceed \$100 million each. Developers will need to make as many cost cuts as possible to make their bids competitive. As a result, some developers will be inclined to import labor at a lower cost rather than create good local jobs, at the expense of worker safety and project quality. Those developers that choose to take the jobs high road will have a competitive disadvantage in the bidding process

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unless the BOEM levels the playing field by implementing a Multiple Factor Bidding system.

To realize good jobs and economic benefits for California workers and communities, the Multiple Factor Bidding criteria should include project-wide labor agreements covering all phases of onshore and offshore construction and installation, concrete plans for workforce training, and a plan for using local supplies and services. These criteria will ensure that developers who take the jobs high-road and commit to creating local economic opportunities for communities have a chance at making a winning bid.

Sincerely,



Rachael E. Koss

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