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**Rising Sun Comments on CEC Equitable Building Decarbonization Program**

*Additional submitted attachment is included below.*



January 20, 2023

California Energy Commission  
Dockets Office, MS-4  
Re: Docket No. 22-DECARB-03  
1516 Ninth Street  
Sacramento, CA 95814-5512

Via Electronic Commenting System

**Re: Docket No. 22-DECARB-03; Comments of Rising Sun Center for Opportunity on the California Energy Commission Equitable Building Decarbonization Program Request for Information**

Rising Sun Center for Opportunity (Rising Sun) respectfully submits our comments in response to the California Energy Commission (CEC) Equitable Building Decarbonization Program Request for Information (RFI).

**Background and Introduction**

Rising Sun Center for Opportunity is a workforce development nonprofit building careers for economic equity and climate resilience in the California Bay Area and San Joaquin County. With offices in Oakland and Stockton, our training and employment programs specialize in preparing youth, women, and individuals in reentry for high road careers and green pathways that offer family-sustaining wages, including careers in union construction. Since our founding in 1994, Rising Sun has worked with more than 3,000 youth and adults while helping over 52,700 households reduce their carbon footprint.

At Rising Sun, we believe that the investments California makes to address climate change can and should simultaneously offer economic mobility for individuals and families most in need of opportunity. For this reason, Rising Sun is the lead convener of the Bay Area High Road to Building Decarbonization Partnership, funded by the California Workforce Development Board. High Road Training Partnerships ([HRTPs](#)) are regional, industry-based, worker-focused partnerships that convene management, workers, government, and community to address critical issues of equity, job quality, worker voice, industry efficiency, and environmental sustainability and to build skills for California's high road employers. Our Bay Area H RTP, co-led by labor, convenes over 20 partners ranging from regional cities and government agencies, unions, employers, and equity advisors with the vision of a residential building decarbonization industry that supports quality jobs, engages a qualified workforce, and provides stable career pathways for disadvantaged workers while simultaneously reducing greenhouse gas emissions and building more resilient communities.

The Bay Area Building Decarbonization H RTP is specifically focused on increasing job quality, equitable access, and worker power in the residential decarbonization sector. Previous climate investments in the U.S. have often failed to create jobs that offer livable and dignified wages, employer-provided benefits,

and opportunities for advancement. Given the challenging nature of the residential construction sector, this could happen again without strategic coordination and intention.

Rising Sun strongly supports the development of the Equitable Building Decarbonization program and is happy to see Workforce Standards specifically referenced in the RFI. We appreciate the diligent efforts by the CEC to learn from community and practitioner knowledge to ensure the intentional design of the program in order to maximize equity and climate co-benefits. Rising Sun has joined the comments of the National Resource Defense Council and the Greenlining Institute via the Energy Efficiency for All Coalition to provide overall feedback on the RFI. Here, we would like to offer our direct experience as a workforce development service provider regarding worker considerations, job quality, and job access. In addition, we offer additional resources and ideas that we're currently exploring with our HRTTP partners that may prove useful in the development of the Equitable Building Decarbonization program. We are joined in our comments by HRTTP partners the Building Electrification Institute, the City of Berkeley, the Construction Training Workforce Initiative, the Center for Sustainable Neighborhoods, Emerald Cities Collaborative, and Nomada coaching & consulting.

Our joint response below focuses on questions 1a, 5b, and 11b put forth in the RFI, along with our general recommendations. Rising Sun welcomes any further conversations and collaboration on this topic that the CEC might find useful. Overall, we strongly advise the inclusion of job quality standards, including but not limited to prevailing wage, in the CEC's Equitable Building Decarbonization program, with incentives aligned accordingly, to maximize the benefits of this historic investment.

### **General Recommendations**

Rising Sun makes the following general recommendations related to workforce standards:

- Program design should, at minimum, require a prevailing wage. While individual projects funded by the Equitable Building Decarbonization Program may at times fall under the threshold for public works construction projects, the total program represents a public investment of nearly \$1B, and could arguably be considered an aggregation of construction projects. Requiring prevailing wage would also align with federal requirements in the Inflation Reduction Act and prevent misalignment of incentives should funding be combined.
- The program should include some form of industry-appropriate labor standards beyond wages (see examples in the response to 5b); wages are just one aspect of a high road or high-quality career.
- Program metrics and targets should appropriately value the quality of work as a product of employing a skilled and adequately compensated workforce, rather than traditional cost-effectiveness quantity metrics. Research shows that installations and decarbonization work performed by a skilled workforce results in maximized emissions reductions.
- Incentive levels should be set high enough to enable the employment of a high road workforce and utilization of contractors willing to provide quality jobs so that these costs are not passed on to consumers and so as not to unfairly disadvantage contractors willing to provide better compensation and working conditions for their employees.

- Include targeted hire provisions in addition to local hire. Targeted hire more specifically points to those who have been marginalized and historically excluded from the workforce and economic opportunities, such as women, BIPOC individuals, residents of low-income communities, veterans, and system-impacted people. Partnerships with workforce development providers and trainers, including Multi-Craft Core Curriculum (MC3) pre-apprenticeship programs, can provide a pipeline for these workers.
- Increase opportunities for Minority, Women, and Disadvantaged Business Enterprises (MWDBEs) to participate in the growing residential decarbonization industry via mechanisms such as targeted procurement processes, providing additional technical assistance services, and equitable community engagement.
- Any workforce development aspects of program design should consider careers that offer economic mobility and advancement pathways, not just one-off jobs.

### **RFI Responses**

- **1a. - What criteria should be weighed more heavily or prioritized when scoring program proposals?**

We recommend including prioritization criteria related to workforce standards to ensure job quality, job access, and worker voice.

Including these tenets are important because intentional policy intervention is critical to ensure job quality and access for workers. As public investments such as the Equitable Building Decarbonization Program go into effect, they will exponentially increase the demand for a building decarbonization workforce. Without intervention, the sudden growth of the building decarbonization market could entrench the current standards of a residential construction industry reliant on low-wage, low-quality jobs, exacerbating poverty and economic inequity in California. As the AB 398 report [\*Putting California on the High Road: A Jobs and Climate Action Plan for 2030\*](#) states, the outsized importance and predominance of blue-collar construction workers in California’s climate policy implementation “underscores the importance of marrying climate investments to workforce strategies that promote job quality” (16). While workforce development has been more closely tracked, less intention has been given to ensuring quality rather than just quantity of new jobs.

As the Program’s investments will be a trailblazing force in developing the emerging residential decarbonization industry, the CEC is perfectly positioned to instate job quality standards that prioritize workers as a co-benefit of public climate investment. We provide several case studies and policy levers that can be explored as a means to do so in response to question 5b, below.

- **5b. - What opportunities for workforce development should be considered, encouraged, or leveraged?**

Rising Sun appreciates the consideration of workforce development as an important element of the Program’s design, and we support the comments regarding workforce standards that other advocates such as Emerald Cities Collaborative, Greenlining via the Energy Efficiency for All

Coalition, and NRDC have shared in the Docket. The following lists some successful tools for operationalizing job quality and access, as well as a list of resources for and examples of workforce and labor standards our High Road Training Partnership, has been considering for application in the residential decarbonization sector.

### Successful Tools to Support Job Quality

- *Project Labor Agreements (PLAs)*

PLAs are pre-hire, collective bargaining agreements that detail labor-management relations in the workplace. They typically apply to a specific construction project and last for the length of that project, and define the wages, fringe benefits, and binding procedures to navigate labor disputes.

  - See Estolano Advisors' [Improving the Effectiveness of Project Labor Agreements](#)
- *Community Workforce Agreements (CWAs)*

CWAs are likewise pre-hire collective bargaining agreements and can be an integrated aspect of a PLA, that specifically delineate targeted and local hiring provisions, and incorporate specific community interests. The aim is to create employment and career paths for local community members, low-income community members, and those who have historically been excluded from the workforce such as women or re-entry individuals.

  - See Kirwan Institute's [Guide to Community Workforce Agreements](#)
  - Emerald Cities Collaborative holds a CWA with the City of San Francisco for its Renew multifamily decarbonization program. For more information, contact Neha Bazaj [nbazaj@emeraldcities.org](mailto:nbazaj@emeraldcities.org).
- *Community Benefit Agreements (CBAs)*

CBAs are enforceable, legally binding agreements between community representatives and a developer/employer. The agreement identifies the community benefits that the developer/employer agrees to deliver in return for community support of the project. Community benefit groups are coalitions of local stakeholders representing the interests of local groups who will be impacted by the project or development, and the agreement works to ensure measurable local benefits.

  - See the US DOE Office of Economic Impact and Diversity [Guide to Advancing Opportunities for Community Benefits through Energy Project Development](#)
  - Jobs to Move America holds CBAs with several manufacturers and transit agencies. See details on their CBA with EV Bus manufacturing company Proterra [here](#).

### Examples of High Road Labor Standards

Through the Bay Area H RTP's work, we've uncovered various approaches and examples of labor standards in public climate investment programs. We provide the following examples as different potential standards to be considered for adaptation and adoption to best fit the current nuances of the residential retrofit market.

- *Bay Area Building Trades Council Labor Standards*

The following labor standards were drafted and approved by the Bay Area's union building trades affiliates. They are the gold standard of job quality that can be individually negotiated and adopted by local governments and public agencies via official labor negotiations. These standards are being used to guide the development of the City of Berkeley's Pilot Existing Building Electrification Installation Incentives and Just Transition Program RFP, which may serve as a potential model for an aggregated direct installation program.

- "Require prevailing wages at every contracting tier
- Healthcare portable and available to dependents and should meet Covered California's Silver Level
- Portable retirement benefits
- Participating in a State-approved apprenticeship program that trains a skilled workforce
- Attainment of industry-appropriate certifications
- Regional targeted hire requirements to ensure the participation of disadvantaged workers and/or graduates from MC3 pre-apprenticeship programs
- A history of abidance with building code and labor laws
- Adopting a Multi-Craft Community Workforce Agreement or Project Labor Agreement negotiated with the Building Trades"

- *City of Denver CASR Department Labor Standards*

The Climate Action, Sustainability, and Resiliency Department of the City of Denver developed a labor standard language guide to provide sample hiring and employment requirements for the City's project managers to use when developing contracts and RFPs to ensure that labor standards are upheld to meet the City's equity goals. Some elements include:

- Prevailing wage requirements
- Targeted and local hire requirements with specific benchmarks delineated
- Specific recruitment and retention efforts
- Preferred contractor qualifications such as union signatory; Minority, Women, Disadvantaged Business Enterprise (MWDBE); and/or DSBO Certified, contribution to state-approved apprenticeship programs, OSHA certifications, and more.

For more information, contact Shannon Jahn at [shannon.jahn@denvergov.org](mailto:shannon.jahn@denvergov.org).

### Examples of Program Design/Structure

- *Inflation Reduction Act Tiered Incentive Structure*

Investing heavily in clean energy and climate resilience (including residential decarbonization), the IRA bill effectively marries the co-benefits of climate investments and workforce standards, incentivizing job quality by tying labor standards to tax credits.

To earn the maximum tax credits (which are about five times as high as the base credits), companies must pay prevailing wages and employ apprentices for a certain percentage of hours. Much of the funding is designed for small contractors and projects, providing additional incentives for those firms to advance on the high road. Some exemptions are available depending on the tax credit and based on the size of a project and start date. (Additional details on these requirements can be [found here](#).) Overall, this structure provides a reward and incentive for meeting defined high road standards, rather than establishing a mandate (though there are requirements to reach the maximum incentive).

- *Jobs to Move America CBA and U.S. Employment Plan (USEP)*

The USEP is a policy outline that was developed specifically for transit agencies to use as sample language when crafting their Request for Proposals. The goal is to encourage manufacturers contracted to fulfill agency work to create high-quality career opportunities and establish pathways into the industry for people facing barriers to employment. The USEP can be tailored to fit the needs of different agencies and manufacturers. It works by creating a scoring structure for procurement processes that helps prioritize outcomes such as job quality, job creation, strengthening training and other provisions rather than just considering cost competitiveness. The scoring criteria *reward* companies for including robust commitments to creating good U.S. jobs, advancing workforce development, and investing in U.S. factories and levels the playing field for high road contractors to be able to compete. Read more about the JMA USEP [here](#).

#### Past CA Examples

There are past examples of other statewide energy programs that have incorporated some form of labor or contractor standards. For instance, the Single-Family Low-Income Weatherization Program (LIWP) RFP from 2017 required entry-level employees performing work on LIWP to be paid, at minimum, the hourly wage floor pegged to the highest minimum wage standard set anywhere in a given county. The Solar on Multifamily Affordable Housing (SOMAH) program fell short of requiring prevailing wage but did use wage floors set at the city minimum wage x 1.4.

We would argue that these programs demonstrated progress at the time, but fell short of their potential to move the needle by offering high road career opportunities for California's workers. The CEC has an opportunity to go further and to blaze a trail for advancing economic equity through Equitable Building Decarbonization through the inclusion of competitive job quality and workforce standards that include prevailing wage as a baseline, but that also prioritize and incentivize employer-provided benefits, a safe and healthy work environment, and the right to organize. Not only will this approach support equity and workers, but ensuring a qualified, well-trained, retained workforce also supports the quality of work performed and guarantees the desired climate benefits.



- **11b. - What criteria or factors beyond the reduction of direct GHG emissions should be considered when evaluating incentive options? How do these considerations benefit residents living in under-resourced communities?**

Rising Sun strongly supports the inclusion, consideration, and valuing of non-energy benefits in this program. This might include things such as the demographics of customers served, reduced shutoffs, improved air quality, fire safety, home health and comfort, affordability, quality of the work performed, and overall energy security. From a workforce perspective, it might include the number of jobs created, workers employed and retained, average wages earned, benefits provided, the percentage of union contractors utilized, the percentage of women-owned and BIPOC-owned contractors utilized, etc. What should be avoided is a cost-benefit analysis that solely evaluates the per-dollar value of GHG emissions, which has the consequence of making low cost the sole competitive driver for programs.

### **Conclusion**

Rising Sun Center for Opportunity appreciates the CEC for its commitment to this topic, for the inclusion of workforce standards in the RFI, and for the opportunity to comment and engage in this process. We welcome future conversations, as useful and appropriate, to explore the topic of workforce standards more in-depth.

Sincerely,

/s/ Chiara Arellano  
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Rising Sun Center for Opportunity

/s/ Julia Hatton  
President & CEO  
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/s/ Beli Acharya  
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/s/ Avni Jamdar  
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Emerald Cities Collaborative, Bay Area

/s/ Neha Bazaj  
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/s/ Billi Romain  
Manager of the Office of Energy and Sustainable Development  
City of Berkeley

## Appendix A: Further Resources

[High Road Framework Overview Brief](#), California Workforce Development Board, June 2018.

*This brief provides the definitions that the CWDB has developed to further the core tenets of equity, climate, and jobs. It outlines a demand and supply side strategy approach for bolstering ‘high road’ employers and equitably training high road workers. It lastly provides a brief overview of High Road Training Partnership at the date of publishing (now out of date).*

[High-Road Workforce Guide for City Climate Action](#). Inclusive Economics, prepared for the American Cities Climate Challenge, March 2021.

*A report developed to provide best practices and policy insights for leveraging City scale climate action to further economic equity through high road workforce development. Outlines clear steps to develop a high road workforce plan.*

[Putting California on the High Road: A Jobs and Climate Action Plan for 2030](#). Carol Zabin & UC Berkeley Labor Center, September 2020.

*Assembly Bill 398 required that the California Workforce Development Board present a report to the legislature on strategies “to help industry, workers, and communities transition to economic and labor-market changes related to statewide greenhouse gas emissions reduction goals”, the result of this being this report commissioned by the Center for Labor Research Center at UC Berkeley. One of the leading reports providing guidance on the “high-road” framework, with key data backing the decarbonization transition and guidance on how to enact such Just Transition strategies.*

[California Building Decarbonization Workforce Needs and Recommendations](#). Inclusive Economics & The UCLA Luskin Center, November 2019.

*This is the first study to estimate the potential impacts of building decarbonization policies on employment. The scope of the research and quantitative estimates are for the state of California.*

[The Public Cost of Low-Wage Jobs in California’s Construction Industry](#). Ken Jacobs & Kuochih Huang, UC Berkeley Labor Center, June 2021.

*The Labor Center’s state-level brief highlights the public cost of low wages/lack of benefits and the subsequent stress placed on the social safety net to compensate for these shortcomings in job quality. Modeled after a [national report](#) released prior, these briefs examine participation in safety net programs among construction working families. These reports find that working families in the construction industry are more likely than all working families to participate in one or more means-tested safety net programs. Additionally the rate at which construction workers in these states lack health insurance is 2 to 3 times the rate of all workers.*

[Energize Denver Building Decarbonization Recommendations](#), Inclusive Economics, Aug 2021.

*Prepared for the City of Denver to advise on the design of their building decarbonization program development, this report provides recommendations including Section 5. Workforce Training Recommendations (job creation, equitable access, and training programs and pathways). Suggestions help advise on creating job pathways as well as steps to support current workers.*

[Equitable Building Electrification Report: A Framework for Powering Resilient Communities](#). Greenlining Institute, September 2019.

*In this report the Greenlining Institute, a key City partner in local equity driven decarbonization, clearly outlines the need for an intentional and planned electrification transition in order to ensure socially, economically and environmentally equitable outcomes that center community empowerment. A broader report scope with one section focused on workforce.*

[Advancing Equity in California Climate Policy: A New Social Contract for Low-Carbon Transition](#). Center for Labor Research and Education, Donald Vial Center on Employment in the Green Economy UC Berkeley, Sept 2016.

*A foundational analysis of the environmental-labor intersection to create a climate equity framework, or an agenda that centers the connections of environmental justice, economic equity and public accountability in climate policy formation and execution.*

[Building a Statewide System of High Road Pre-Apprenticeship in California: Lessons from the California Clean Energy Jobs Act](#). California Workforce Development Board: High Road Construction Careers, July 2019.

*A report analyzing the best practices and lessons learned from the pre-apprenticeship programs of the California Clean Energy Jobs Act to help create a coherent system of training and regional resources and partnerships to best match the training of workers with actual employment opportunities.*

[Pre-Apprenticeship: Advancing Equity & Access to Good Careers](#). National Employment Law Project, May 2021.

*Providing insight on one of the key tools used to create equitable access to high road careers, this report outlines how intentionally crafted pre-apprenticeship programs can powerfully counter patterns of exclusion and discrimination, specifically providing career pathways for those re-entering the workforce after incarceration.*

*For information on prevailing wage, skilled and trained workforce requirements, and apprenticeship requirements, see the Department of Industrial Relations.*