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**RE Comment on California Zero Emission Vehicle Battery
Manufacturing Block Grant Program**

Additional submitted attachment is included below.



Region 6

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - UAW

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September 12, 2023

Chair David Hochschild
Zero Emissions Vehicle Block Grant Program
California Energy Commission
Docket No. 23-TRAN-03
715 P Street
Sacramento, CA 95814-5512

RE: Comment on California Zero Emission Vehicle Battery Manufacturing Block Grant Program

Dear Chair Hochschild,

The United Auto Workers represents over 100,000 active and retired members on the west coast. We are happy to provide feedback on the proposed application for the California Energy Commission Zero Emission Vehicle Battery Manufacturing Block Grant program. If structured correctly, this program could catalyze the growth of tens of thousands of high-quality manufacturing jobs in California while ensuring that California meets its climate goals. To achieve this critical outcome, the program must include high road workforce and job quality standards that uplift workers and help California avoid supply chain disruptions caused by labor disputes or issues retaining a skilled workforce. This will ensure that California's investments of tens of millions of taxpayer dollars in private companies help the state reach its climate goals while growing high quality jobs for the workers who will power the transition to a sustainable green economy in California.

UAW members are fighting for a just transition to ensure that changes in the American automotive industry result in quality jobs that benefit workers and their communities. UAW is one of the fastest growing industrial unions and we are committed to creating high quality jobs for the next generation of workers who will build the solutions to solve the climate crisis. UAW members have been working in all aspects of the auto, aerospace, and agricultural implement supply chains for over 80 years. Our members build batteries, assemble vehicles, make vehicle parts, build engines, do warehouse and logistics work, perform maintenance and skilled trades work in plants, and do research and development.

California's investments in EV and battery manufacturing offer a critical opportunity to revitalize California industry and transition workers who build ICE vehicles or whose jobs are in the ICE supply chain to jobs in the EV and battery supply chains. For California to capitalize on this once in a generation opportunity to grow the middle class, the state must require that companies applying for millions in taxpayer dollars take the high road and implement just and equitable workforce and job quality standards for EV workers. UAW recently announced a national neutrality agreement with Sparkz Inc. to develop high quality jobs in battery manufacturing in California and nationwide. This landmark agreement shows how battery manufacturers can lead the transition to a just and sustainable future *and* support the growth of California's middle class.

There are four components of the ZEV Battery Manufacturing Block Grant that will ensure that the ZEV Battery Manufacturing Grant Program capitalizes on taxpayer's investments for workers and the climate: 1) creating grants that are large enough to live up to the grant program's name and encourage ZEV manufacturing in California 2) advancing high road workforce and job quality standards by adopting a workforce application 3) supporting workforce development so that manufacturers have access to a skilled workforce that will help the state meet its climate goals 4) increasing the overall amount of grant funding to support a green manufacturing ecosystem in California.

The best list of high road workforce standards and job quality standards for this grant are included in SB 322 (Becker), a bill which has been vetted by the California Legislature's policy committees. We urge the California Energy Commission to voluntarily adopt the standards laid out in SB 322 (Becker) and to create a workforce application that will be scored separately from other criteria and necessary for eligibility in the program. By voluntarily adopting these standards, the Energy Commission can ensure that high quality jobs will be the standard for California battery manufacturing industry and be a national leader in the just transition that will build the middle class while fighting climate change.

Making grants that are sufficiently large to support manufacturing operations

To catalyze manufacturing and turn California's taxpayer dollars into an engine for high quality jobs, grant amounts from the ZEV Battery Manufacturing Block Grant must be sufficiently large to scale up manufacturing, even if this means issuing fewer grants overall. Grants should prioritize companies that are looking to conduct large scale manufacturing rather than companies that are looking to conduct R&D activities.

Supporting workforce development to grow the industry at pace

The workforce shortage in the electric vehicle and battery supply chains is well documented, as are the disruptions that these supply chains are susceptible to. In order to limit supply chain disruptions and take advantage of the investment of millions of dollars in taxpayer funding to diversify California's manufacturing workforce, this program should support the use of registered apprenticeship programs and support the training and hiring of workers who have historically faced barriers to employment. Registered apprenticeship programs ensure that applicants will plan to use worker-led training programs to train workers in manufacturing skills, occupational safety and workers' rights, and can include community partnerships that can connect employment opportunities to workers with barriers to employment. The best way to achieve this goal is to require applicants to commit to offering employment to workers who are engaged in apprenticeship programs approved by the Division of Apprenticeship Standards or contractually mandated training and to require that applicants commit to 30% of their employees being individuals with employment barriers.

Advancing high road employment principals through workforce requirement and job quality goals

Priority must be given to applicants that are committed to high road employment principles. CEC should require that companies meet minimum workforce standards, including compliance with health and safety and labor law, anti-discrimination laws, laws pertaining to leave both paid and unpaid, anti-retaliation laws, the Americans with Disabilities Act, and the California Fair Employment and Housing Act. In addition to minimum workforce standards, CEC should prioritize applicants based on high road job quality standards. Companies receiving CEC funding must offer family-supporting wages, and they must offer workers opportunities to advance through clearly defined career ladders. CEC should give priority to companies that have either pre-existing collective bargaining agreements or neutrality agreements with labor partners.

CEC should also prioritize companies that pay their workers a living wage, defined as 167% of the current minimum wage. By implementing these requirements and priorities California can lead in implementing federal priorities following the Biden-Harris administration's recent commitment to high road union jobs for battery manufacturing as exemplified by the August 30th announcement under the [Bipartisan Infrastructure Law 40207\(b\) Battery Materials Processing and 40207\(c\) Battery Manufacturing Grants Round II](#) program.

Increasing overall funding from \$25,000,000 to \$100,000,000

The California Energy Commission has the discretion to increase the amount of available funding from \$25,000,000 to \$100,000,000 pending future budget allocations. CEC should use this authority to ensure that California makes critical investments in our economy and workforce. Other states do not shy away from big investments in manufacturing. For example, Alabama, which has a very large auto manufacturing and auto parts manufacturing sector, spends hundreds of millions of dollars on incentives for companies that locate there. To build its own competitive automotive sector, California must make investments of a similar scale.

For an example of the kind of company that should be prioritized for this funding, CEC should consider Sparkz, Inc. Sparkz is a next-generation lithium battery producer that is setting up operations in Rancho Cordova, California. Sparkz is committed to being a high road employer and has agreed to a labor peace agreement to remain neutral in the event that their workforce chooses to form a union. Sparkz is also developing a joint labor-management training program with the United Auto Workers Center for Manufacturing a Green Economy (UAW-CMGE) to ensure that future jobs go to the community members who need them most, and that their facility has workers who are highly trained. Sparkz will eventually employ over 1,000 workers at their facility.

This is the exact type of company CEC should be supporting with this grant program. The economic impact that 1,000 good jobs in green manufacturing will have on the Sacramento community that hosts them cannot be overstated, and this will likely catalyze further investment in the region, especially with its developing manufacturing workforce and growing workforce development programs.

As the organization that represents manufacturing workers, the UAW believes that companies should commit to high road workforce and job quality standards throughout the battery production process. This is the only way to ensure the jobs that are created in California's battery manufacturing sector are high quality careers that can permanently lift workers and their families into the middle class.

In conclusion, we thank the California Energy Commission for the opportunity to submit this comment on behalf of our 100,000 active and retired members on the west coast. If you have any questions about our input, please do not hesitate to contact Tom Hintze at thintze@uaw.net.

Sincerely,



Mike Miller
Director
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International Union, UAW

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