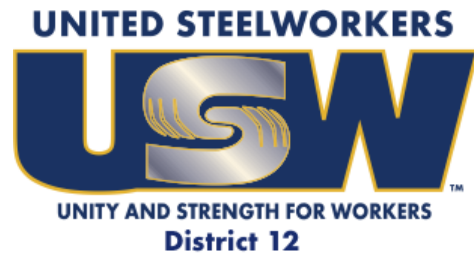


DOCKETED	
Docket Number:	17-MISC-01
Project Title:	California Offshore Renewable Energy
TN #:	255868
Document Title:	CWA District 9 Comments - CWA Comments AB 525 draft Strategic Plan
Description:	N/A
Filer:	System
Organization:	CWA District 9
Submitter Role:	Public
Submission Date:	4/22/2024 4:59:43 PM
Docketed Date:	4/22/2024

*Comment Received From: CWA District 9
Submitted On: 4/22/2024
Docket Number: 17-MISC-01*

CWA Comments AB 525 draft Strategic Plan

Additional submitted attachment is included below.



April 22, 2024
California Energy Commission (CEC)
715 P Street
Sacramento, Ca 95914

Submitted Electronically via CEC website to Docket 17-MISC-01

RE: AB525 Offshore Wind Development Strategic Plan, Docket # 17-MISC-01

Introduction

On behalf of the Communication Workers of America, District 9 (“CWA”), United Steelworkers District 12, and United Auto Workers Region 6, and California Labor for Climate Jobs (collectively “respondents”) we submit the following joint comments to the California Energy Commission regarding the AB525 Offshore Wind Development Strategic Plan (“strategic plan”).

The development of offshore wind (OSW) in California presents three critical opportunities that can be realized through robust planning and investment; 1) secure, affordable and reliable renewable energy, 2) workforce development to create thousands of high road careers, and 3) community economic development. Research has confirmed that offshore wind is necessary to meet the state’s goal of 100 percent carbon free electricity by 2045. The CEC’s ambitious offshore wind generation goals of up to 5,000 MW by 2030 and 25,000 MW by 2045 commits California to large-scale infrastructure development, as well as the operation and maintenance of these new assets. However, these goals should also lead to the creation of a manufacturing and industrial supply chain that will; 1) ensure California is not overly reliant on importing products and services, and 2) can position the state as a potential supplier of offshore wind components across the Pacific coast.

Failure to properly invest and plan in California’s offshore wind manufacturing and supply chain potential will result in significant job and economic loss. As referenced in the strategic plan, relying on supply exports instead of fully developing our in-state manufacturing capacity could

equate to nearly 12,000 lost manufacturing and supply chain related careers in the context of the 2045 goals.

We support the strategic plan's analysis that offshore wind development has the potential to produce thousands of high road careers and additional economic benefits, especially with the inclusion of manufacturing and supply chain sectors. As stated, studies estimate that over time two thirds of the offshore wind workforce will fall in the supply chain and manufacturing sector, with multifold economic benefits at local, regional and state levels. However, it is also noted that the manufacturing and supply chain sectors are currently the most underdeveloped and we understand will take the largest amount of concerted industrial planning and investment to reach its full potential. As unions that represent thousands of highly skilled U.S. manufacturing workers who are ready to partner in training, skill development, and deployment, we provide the following recommendations to help strengthen and clarify an approach towards the fullest realization of California's offshore wind development potential.

Recommendations

Offshore Wind Industrial Policy

- a. **In-State Manufacturing Requirements:** In order to support the development of a west coast based manufacturing economy for offshore wind components, implement a minimum floor of 65% in-state manufacturing percentage requirements for nacelles, turbines and towers, as well other offshore wind components. This is in alignment with the in-state assembly and manufacturing thresholds that are outlined in the required feasibility study as proscribed by AB3.
- b. **State-Mandated ESP Demand Commitments:** In order to drive in-state manufacturing development, CA Electric Service Providers (ESP) must communicate a secure commitment for demand capacity. This is best achieved through a state-mandate for offshore wind production usage by ESPs as well as an adequate guaranteed minimum rate per MWh delivered.
- c. **Public Investment, Financing and Industrial Policy Supports:** As is evidenced by New York's approach to cultivating a state-centered OSW manufacturing and supply chain, we advocate for a similarly sized public investment to ensure California is best positioned as the hub for the west coast's OSW industry. We support the creation of a supply chain investment fund with a dedicated initial allocation of at least \$500M. In accordance with best practice deployed in fellow OSW states, all bidders to the supply chain investment fund program should submit a supply chain investment plan which encompasses direct jobs thresholds, stakeholder engagement plans, jobs and workforce plans and economic benefits plans.

Development of public investment and financing initiatives should draw upon CA's current administrative infrastructure including the expertise, capacity and

authority of institutions such as the California Infrastructure and Economic Development Bank and the Governor's Office of Business and Economic Development, among others. We need to bring all resources to bear in the development of a CA OSW supply chain and ensure maximum coordination of our public agencies.

A coordinated set of statewide public partners would be paramount in deploying a more comprehensive strategy to build the OSW industry in CA, including efforts to secure out of state and international contracts for OSW components manufactured in CA, leveraging public resources to support development projects such as long-term, low cost leases to build manufacturing plants at or near the to-be redeveloped ports, and dogged pursuit of public-private partnerships. We also support the consideration of partial or full state ownership of offshore wind developments and manufacturing facilities.

High Road Labor Standards

- a. We support the use of a high road framework for all aspects of CA's OSW workforce development and employment strategy. There is strong precedence across multiple CA programs and agencies, particularly in the developing renewable energy sector, of enforceable and effective workforce standards and strategies. These strategies are particularly effective when applied to public funding and incentives programs. Strategies that include prioritization criteria for scoring applications and workforce consideration have been shown to be particularly comprehensive and effective. Scoring should be evaluated based on mandatory submission requirements including workforce and training plans, as well as commitments to sign PLAs, CBAs, labor peace agreements, provide quality wages and benefits, and pursue local and targeted hire. We believe a similar approach should be adopted in the award of future lease contracts, and contracts for OSW power purchase agreements (PPAs).

Of course, all prospective lessee, subcontractors, and supply chain providers should hold a demonstrated record of and plans to be in compliance with Federal labor and employment laws. New entrants without a record of labor and employment law compliance may be permitted to mitigate this fact by making specific, forward-looking commitments to strong labor and employment standards and protections with respect to California OSW projects

- b. **Clawbacks**
We support the inclusion of potential clawback provisions for leasee and subcontractors using any state monies who fail to meet their commitments. A model of enforceable language can be found in the US Employment Plan including provisions such as job and training plan reporting, payment suspension, corrective action and predetermined liquidated damages.

Conclusion

We support the CEC's laudable efforts to ensure California meets its fullest potential for OSW development, and therefore realize our broader goals in energy security, climate mitigation and high road job creation. In line with these goals, we offer ourselves as partners in the ongoing development of the AB525 offshore wind development strategic planning process. Together we can meet the diverse needs of California's energy future while also ensuring dignity and voice for CA workers and affected communities.

Respectfully,

Frank Arce, Vice President
CWA District 9

Catherine Houston, Political and Rapid Response Coordinator
USW District 12

Mike Miller, Director
UAW Region 6

Jim Miller
CFT Labor and Climate Justice Education Committee and AFT Climate Committee
Coalition Representative,
California Labor for Climate Jobs