

IBEW LOCAL 292



HF 826 PW requirements on RDA funded construction projects. House Labor Committee.

February 28, 2023

Thank you Chair Nelson and members of the House Labor Committee. for allowing us to testify in regard to HF 826 the bill that will provide additional requirements of prevailing wages and benefits on funds spent from the Renewable Development Account for the purpose of construction projects.

My name is Andy Snope, I am the Legislative Director for IBEW Local 292. We represent 5000 electrical workers in our jurisdiction, as well as today I am speaking on behalf of the 14,000 IBEW workers who work throughout the state of Minnesota in the electrical industry. We are here today to speak in support of House File 826 as amended.

As state in state statute: 177.41

It is in the public interest that public buildings and other public works be constructed and maintained by the best means and highest quality of labor reasonably available and that persons working on public works be compensated according to the real value of the services they perform. It is therefore the policy of this state that wages of laborers, workers, and mechanics on projects financed in whole or part by state funds should be comparable to wages paid for similar work in the community as a whole.

This policy has long been in place for state of Minnesota public funds spent on construction projects. We believe it is long past due that this same policy is applied to construction type projects funded from the Renewable Development Account.

The Renewable Development Fund was originally established through legislation in 1994 as a deal worked out between the Prairie Island Community, then NSP and the State of Minnesota in exchange to allow Xcel Energy to store spent fuel in casks at their facility near the Prairie Island Community. Legislation which began as a one paragraph statute has since become a full page of a program that has been used to fund Renewable Energy research and projects not only in Xcel Energy territory, but throughout the State.

In more recent times, this fund has become a legislative discretionary spending source for renewable energy "ideas". Almost every renewable energy project and incentive program proposed has a Renewable Energy Account spending mechanism. The RDA fund walks and talks like general fund money spending and for that reason we think that is long overdue for this fund to carry the same public works wage and hour policy that comes with general fund spending.

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The 2013 legislative session was the year that the State Legislature began a stronger focus on renewable energy and carbon reduction, enacting legislation to promote and incentivize the development of alternative, moving from legacy energy sources. More Solar and Wind, less coal and natural gas. Well-paying and great benefited jobs began to disappear as legacy power plants began to shut down. While the IBEW's well trained and diverse construction workforce evolved through this planning phase and are always able to meet the challenge of changing industries, we also so a lot of job loss suffered by our brothers and sisters in the legacy power producing industry.

While we watched those in our industry lose their jobs, more frustration came for workers in the electrical construction industry when, driven by incentives and grants; out of state renewable energy developers flooded the state of Minnesota in search of high profits. This resulted in a race to the bottom for wages and benefits in the renewable energy market. The contractors we work for, found it difficult to compete. These out of state developers were, able to dominate the industry with low paying wages and benefits that they paid traveling workers from other economic markets around the country. These workers and developers took these investments and left the state of Minnesota's economy to spend their money elsewhere.

Just in the last few years, we have been able to draw more attention to this issue, we have worked with the PUC and legislators to recognize; local hiring, apprenticeship training and legacy plant job loss that has shifted though our industry. Further providing a proven public policy of prevailing wage requirements around renewable energy development account spending is just another piece of the puzzle to promote great careers and a strong economy when we promote renewable energy.

Please support HF 826 as amended. Please support good public policy around jobs. Please help keep local investments local and help spur the States economy.

Thank you for your time today, I am always available to answer any questions.

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