


LABOR AND COMMUNITY BENEFITS BEST PRACTICES FOR LONG-TERM RENEWABLE ENERGY CONTRACTS

T&E Committee Meeting, 10/4/21

Presenters:

Lori Mitchell, Director of Community Energy

Jeanne Sole, Deputy Director of Power Supply

SAN JOSE 
CLEAN ENERGY
A Program of the City of San José

AGENDA

- SJCE Long-term renewable contracts
 - Summary of contracts
 - Workforce development funds
 - Labor provisions
- Labor policies of other CCAs



SJCE LONG TERM RENEWABLE AGREEMENTS

| Developer / Project | Term | Technology | MW | Date Signed | Online Date | Location |
|-----------------------------|----------|-----------------|----------|-------------|-------------|------------|
| EDPR Sonrisa | 20 years | Solar + Storage | 100 + 10 | 8/6/19 | 12/31/2022 | Fresno, CA |
| Terra-Gen Edwards V | 15 years | Solar | 100 | 12/16/19 | 12/31/2022 | Kern, CA |
| Terra-Gen Edwards IV (7x16) | 12 years | Solar | 62 | 4/22/20 | 12/31/2021 | Kern, CA |
| Pattern Clines Corner | 15 years | Wind | 225 | 8/31/20 | 12/31/2021 | New Mexico |

EXISTING AGREEMENT LABOR PROVISIONS

- All signed PPAs require that contractors meet applicable laws including prevailing wage requirements.
- SJCE has been informed that all suppliers are using union labor for at least a portion of each project.
- All suppliers have contributed community benefits/workforce development funding resulting in a total fund of \$870,000.

TERRA-GEN EDWARDS IV & V

Edwards IV: 62MW Solar (Online Date: 12/31/2021)

Edwards V: 100MW Solar (Online Date: 12/31/2022)



Terra-Gen intends to use union labor via a Project Labor Agreement:

- Southern California District Council of Laborers
- Laborers Local 220
- Southwest Regional Council of Carpenters
- International Brotherhood of Electrical Workers, Local 428
- Ironworkers Local 416.



EDPR – SONRISA

100 MW Solar w/ 10 MW Battery (Online Date: 12/31/2022)

EDPR must use union labor as follows:

- Power Purchase Agreement requires use of union labor for primary Engineering, Procurement and Construction contractor (EPC).
- EPC contractor is not selected at this stage of development, so there is not a Project Labor Agreement yet.
 - Local union chapters are not known at this time.



renewables



SAN JOSE
CLEAN ENERGY

PATTERN – CLINES CORNER

225 MW New Mexico Wind (Online date: 12/31/2021)

- **Wind Farm:** located in New Mexico, paying local prevailing wages.
 - Supported 650 jobs at peak construction.
- **Transmission:** using union labor organized through Local Albuquerque NM IBEW 611.
 - Supports 156 jobs.



COMMUNITY INVESTMENTS

- Workforce development / community investment funds included in all contracts
 - Total commitments to date are \$870,000
 - First round of funding directed to SJ Works
 - Initial funding received \$275,000
 - covers ~150 participants
- SJCE is working with Office of Economic Development to identify additional uses of the remaining committed funds
- Use of funds must be connected to energy issues

CCA LABOR POLICIES

- CCAs are all governmental entities, either JPAs or single jurisdictions and their labor policies are governed by local, state and federal labor agencies and laws, including the California Labor Department.
- CalCCA is a trade organization that does not have enforcement authority over CCA labor practices and policies.
- Several CCAs have board adopted labor policies:
 - [Peninsula Clean Energy](#)
 - [MCE Clean Energy](#)
 - [San Diego Community Power](#)

CCA BOARD ADOPTED LABOR POLICIES – SELECT HIGHLIGHTS

- PCE requires bidders to provide information on their labor practices and scores bids on whether or not comply:
 - *“Relevant information submitted by proposers will be used to evaluate potential workforce impacts of proposed projects with the goal of promoting fair compensation, fair worker treatment, multi-trade collaboration, and support of the existing wage base in local communities where contracted projects will be located.”*
- MCE encourages use of union members from multiple trades
 - Has an agreement with IBEW Local 302 to use union labor for solar plants built in Contra Costa County (part of its service territory).
- SDCP policy of neutrality between union and non-union labor.

CALIFORNIA COMMUNITY POWER

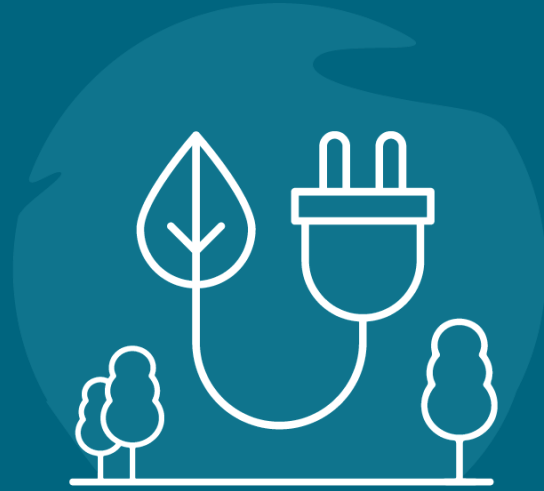
- Adopted a labor policy applicable to two specific solicitations.
 - Includes a preference for a Project Labor Agreement (PLA) allowing up to 5 points out of 100 in scoring rubric.
 - For projects that do not implement a PLA, requires an audit to ensure compliance with payment of prevailing wages and to evaluate use of apprenticeship programs.
 - Encourages the use of local labor.
- Will consider a broadly applicable labor and environmental policy later this year.

CCA RFP BEST PRACTICES

- Ask developers to provide information on their labor practices and efforts to support disadvantaged communities.
- Include supplier contributions to community benefits/workforce development in their agreements.
- Flexibility allows CCAs to balance labor considerations alongside other important factors such as project value, counterparty creditworthiness, impact on the environment and communities, etc.

SUMMARY

- SJCE has followed CCA best practices and continues collaborate with other CCAs to improve practices.
- All PPAs require that contractors meet applicable laws including prevailing wage requirements.
- Successfully negotiated favorable labor characteristics in long-term power purchase agreements.
- Successfully negotiated for \$870,000 in community benefits/workforce development funding.



Q&A