

TO: Jim Zolnierek at jim.zolnierek@illinois.gov, Illinois Commerce Commission

FR: Climate Jobs Illinois (CJI)

RE: Climate Jobs Illinois Comments on Thermal Energy Network Round 3 Comments

Please direct questions and comments to:

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About Us

Climate Jobs Illinois is a coalition of labor organizations advocating for a pro-worker, pro-climate agenda in Illinois. Our mission is to advocate for a clean energy economy at the scale climate science demands, create good union jobs and support more equitable communities. Our coalition represents hundreds of thousands of Illinois working men and women who are the best trained and skilled to build Illinois' new clean-energy economy from the ground up. By focusing on the construction of clean energy sources as a way to combat the climate crisis, Climate Jobs Illinois offers a compelling new approach to creating an equitable and clean economy. Building a clean energy economy is an opportunity for labor to lead on climate by creating high-quality family-sustaining jobs that spur economic development while reducing carbon emissions.

Climate Jobs Illinois is a state affiliate of the Climate Jobs National Resource Center. Climate Jobs Illinois is directed by a coalition representing hundreds of thousands of union members across Illinois, and our Executive Committee is comprised of leadership from:

- Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Union Chicago & St. Louis
- Mid-American Carpenters Regional Council
- International Brotherhood of Electrical Workers Local 134
- International Brotherhood of Electrical Workers State Council
- Illinois Education Association
- Illinois Federation of Teachers
- International Union of Operating Engineers Local 150
- Midwest Region of Laborers International Union of North America
- Great Lakes Region Laborers International Union of North America
- Service Employees International Union State Council
- International Association of Heat and Frost Insulators and Allied Workers
- Illinois Pipe Trades Association

Background

The Illinois Commerce Commission has commenced a workshop process, as directed within Senate Bill 1699 House Amendment 3, in order to develop a regulatory structure for utility thermal energy networks that scale with affordable and accessible building electrification, protect utility customers and promote the successful planning and delivery of thermal energy networks.

As part of this process, the ICC has invited stakeholders to submit comments on approaches to promote the training and transition of utility workers to work on thermal energy networks. On behalf of our coalition members and their rank-and-file union members, Climate Jobs Illinois (CJI) submits the following feedback.

Introduction

Climate Jobs Illinois believes that the work required to decarbonize buildings can and must center on the existing, expertly trained, and unionized utility workforce, guard the state's interests in reliable electrical power, and protect the state's proprietary interest in promoting efficient projects to deliver renewable energy.

1. The decarbonization of buildings must be pursued in a manner that is affordable, accessible, preserves and creates living-wage jobs, and retains and applies the knowledge and experience of the existing utility union workforce.

The successful decarbonization of buildings, including with thermal energy networks, will require that the ICC ensure that these projects are affordable and accessible. A key aspect of ensuring that the projects are affordable and accessible lies in ensuring that these projects retain the knowledge, experience and expertise of the existing utility union workforce. Decarbonization projects can benefit greatly by employing the utility and building trades unionized workforce who already possess many of the same skills that will be used in the construction of thermal energy networks.

The use of workers in the existing utility union workforce can help not only with the transition of workers to thermal energy networks in and of itself, but also alleviates training by building on a workforce with an already-developed, necessary skill set. We represent many workers with expertise who are not only ready to do that work, but are experienced and skilled at a level not otherwise accessible.

As such, we urge these projects be required to hire for these positions from a priority pool consisting of transitioning utility workers who have lost, or are at risk of losing, their employment with a utility that is downsizing its gas transmission and distribution system. The Illinois Department of Labor should be required to maintain such a list, updated and provided to gas, electric, or combination gas and electric corporations 90 days prior to the purchase, acquisition or construction of any thermal energy network. In doing so, these projects will be able to utilize the preexisting skills from a workforce to ensure that decarbonization of buildings is accessible and affordable.

2. This State has a strong interest in ensuring an adequate supply of reliable electrical power and must promote the development of alternative power sources while taking steps to assure reliable deliverability.

One important element of promoting the proper training of a workforce for thermal energy networks is to require the use of appropriate quality craft labor policies that can help ensure the development of and access to an adequate supply of highly skilled craft persons needed to

support that these are timely, reliable, high-quality projects. By ensuring that the projects utilize appropriate craft labor policies, these high-quality workers will be drawn to these new projects.

Specifically, to promote proper training of a workforce for thermal energy networks it will be highly important to ensure that the investment of ratepayer, state and local resources are protected by the establishment of effective contractor qualification and performance standards, including requirements for prevailing wage rates, bona fide apprenticeship criteria, promoting the use of pre-apprenticeship programs with systematic outreach efforts to recruit and assist persons from underrepresented and low income communities, and the utilization of project labor agreements in construction. These kinds of labor standards are all the more important because the construction industry is highly skilled and labor intensive, and the installation of modern thermal energy networks involves particularly complex work. Retaining highly-skilled workers in the industry is thus paramount to ensure that the projects are done efficiently and reliably, while also streamlining the training process.

Effective qualification standards for craft labor personnel employed on these projects can be further bolstered by requiring the application of progressive State labor and employment policies that ensure public utility investments and related State subsidies to create unparalleled skill training and employment opportunities in the sector. With the promotion of this strong economic development and creation of good jobs for local residents in the expanding decarbonized sector the State can ensure that it maintains an adequate supply of reliable electrical power to rely on built by properly trained workers.

3. This State must protect its proprietary interest in the reliable delivery of energy and the energy infrastructure of the State by utilizing labor peace agreements.

To promote the transition of utility workers to work on thermal energy network projects, it is imperative that the State take steps to safeguard its proprietary interest in the efficient and reliable ongoing delivery of energy and maintenance of the energy infrastructure of the State. Importantly, that proprietary interest is acknowledged throughout the Public Utilities Act¹. Moreover, utility corporations and other power suppliers share the interest in uninterrupted work, and have a separate interest in protecting their proprietary interests in the projects they fund. By encouraging or requiring that covered projects utilize labor peace agreements, Illinois can

¹ 220 ILCS 5/ Public Utilities Act.

promote the transition of workers and protect its proprietary interest in the continuous, reliable delivery of energy by utilizing labor peace agreements in its development of thermal energy networks.

Thus, contractors and subcontractors developing thermal energy networks with public funds should be required to demonstrate that the gas, electric or combination gas and electric corporation developing the project has entered into a labor peace agreement with a bona fide labor organization of jurisdiction that is actively engaged in representing or seeking to represent gas, electric, and combination gas and electric corporation workers— including with respect to employees engaged in the maintenance and operation of such thermal energy networks.

Conclusion

It is imperative that the State of Illinois prioritizes proper training and transition of workers while safeguarding the state's access to the reliable delivery of energy, and promoting good union jobs alongside new economic development. They can do so by ensuring that the investment of ratepayer, state and local resources go to good-paying union jobs in building thermal energy networks.