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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, February 28, 2024
10:01 AM
State Capitol, Conference Room 211 & Videoconference

In Support of
SB 3103, SD1

RELATING TO ENERGY.

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 3103, SD1, an Administration bill which would establish labor standards for renewable energy projects one megawatt or larger. SB 3103, SD1 will help ensure workers can earn a living wage and pursue a good career in Hawai'i's utility renewable energy construction sector. To replace Hawai'i's aging fossil fuel infrastructure and achieve Hawai'i's 100% renewable energy mandate by 2045, a succession of large renewable energy projects will be needed over the next 20 years. In addition, maintaining modernized and reliable renewable energy electric grids in Hawai'i will require the maintenance and replacement of utility energy projects for the foreseeable future.

Apprenticeships are entry level positions that provide the foundation for workforce growth and longevity. Developing a workforce through a registered apprenticeship program as required by this measure can build Hawai'i's long-term labor capacity by providing workers supervised on-the-job training (at lower rates than journey workers) and diverse skills for all types of projects. Requiring use of registered apprentices with minimum labor standards that can increase the standard of work on critical energy infrastructure.

This measure can also support lower project costs through consistency with the maximum federal tax credits available for renewable energy projects under the Inflation Reduction Act (IRA) which require prevailing wages and apprenticeships; savings that can be passed down to Hawai'i ratepayers. Hawaiian Electric's most recent Stage 3 Request for Proposals gives preference to developers committing that eighty percent (80%) of the workforce during all periods of construction is paid at prevailing wage equivalent to that indicated in HRS 104.

HSEO has experience filing records for energy efficiency and renewable energy programs and has the capacity to keep the records (e.g., attestations, declarations) required by SB 3103, SD1, and would coordinate with the Department of Labor and Industrial Relations on enforcement as needed.

HSEO appreciates the testimony provided by other stakeholders and welcomes further discussion on this measure.

Thank you for the opportunity to testify.