



February 23, 2021

Interim General Manager and Board of Directors
California Community Power

RE: Formation of California Community Power and Development of Policies

Dear Interim General Manager and Board of Directors:

The Sierra Club writes to express its support for California Community Power's (CCP) purpose to combine the buying power of multiple Community Choice agencies to procure new clean energy resources that will help meet local and state climate mandates. Unfortunately, we are also disappointed to learn that the formation of CCP was done without much transparency, and that the Sierra Club and its members, many of whom played a key role in supporting the growth of Community Choice, were not given an opportunity to provide feedback on the process and what an agency like this could look like.

However, Sierra Club and its members and supporters are still Community Choice customers, and we wish to work with CCP to ensure its success. To that end, we recommend the Board and the Interim General Manager work with environmental, labor, and community stakeholders to draft a proposal for Board consideration, rather than having the process be worked through CCP's internal discussions. This will go a long way in building trust between CCP and impacted stakeholders and communities, and create community buy-in for a CCP that reflects our values.

Echoing many of the points other stakeholders have made in which policies should be considered, the Sierra Club also suggests the following:

I. Environmental

- CCP must prioritize projects that demonstrate multiple benefits, such as public health, economic, or environmental benefits beyond the climate and greenhouse gas reduction benefits.
- CCP must prioritize projects located in areas designed as renewable energy zones, and have received required land use entitlement permits.
- CCP must avoid projects located in high conflict areas, projects that have not gone through review under the California Environmental Quality Act, or do not have their relevant land use permits approved.
- CCP must exclude unbundled renewable energy credits from any type of procurement.
- CCP must not purchase, even for the purposes of selling to other entities, fossil fuel or nuclear resources, including those considered backup resources.

II. Workforce Development

- CCP must procure, or at minimum prioritize, energy projects that use multi-trade project labor agreements, require prevailing wage, support and utilize state-certified apprenticeship programs, including the utilization of local apprentices and graduates of pre-apprenticeship programs, and targeted-hired.
- CCP must require all battery storage projects, whether they are paired by solar or another renewable resource or not, to utilize C-10 licensees as defined by the California Standards Licensing Board.

III. Environmental Justice

- CCP must prioritize projects that are located within environmental justice communities and can demonstrate public health, climate, workforce and other community benefits to environmental justice communities.

IV. Geographical Preference

- CCP shall first give a preference to projects that are located in a county or city that receives electric service from one or more of the CCP members, then to projects that are located in Northern California, and then to projects that are located within California.

V. Transparency and Public Engagement

- CCP must establish a meaningful, advisory committee that is composed of stakeholders and community members to ensure transparency and public engagement in CCP's operations and procurement practices.

These policies must be in place before CCP goes out and begins procuring power, and the relevant policies must be used as a way to evaluate the many different projects bids CCP would receive. The principles of many of the founding members, including the values of the community, are not something to be used as negotiating chips.

The Sierra Club appreciates the opportunity to comment. We urge you to move quickly in preparing a set of draft policies that reflect the above, and that the process between preparing a draft for Board consideration and Board approval is inclusive of impacted stakeholders.

Sincerely,

Luis Amezcua
Senior Campaign Representative

cc: Central Coast Community Energy, East Bay Community Energy, MCE, Peninsula Clean Energy, Redwood Coast Energy Authority, San Jose Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, CleanPowerSF

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March 16, 2021

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**Re: Letter on Behalf of IBEW Locals 6 and 617; March 17, 2021
Agenda Item 6(B): Discussion of Draft Policies Document**

Dear Chair and Board Members:

I am writing on behalf of International Brotherhood of Electrical Workers Union Locals 6 and 617 to comment on Agenda Item 6(B), the Discussion of Development of Draft Policies Document for California Community Power ("CC Power"). Local 6 and Local 617 support the adoption of formal California Community Power ("CC Power") policies to ensure that CC Power will seek to award contracts and negotiate contract terms that support local hire, support local business, support union labor and apprenticeship programs that create employment opportunities, support maintaining area construction wage standards, support inclusive business practices, and ensure consideration of environmental and equity impacts when entering into agreements that will result in the siting of new power plants and energy storage facilities. They also support having CC Power adopt policies against negotiating agreements for unbundled renewable energy credits.

While Locals 6 and 617 are pleased that the Draft Policies address a number of these issues, the proposed workforce policies are vague and leave out most projects that will be developed by CC Power. In particular, the Draft Policies fall short on what is needed to ensure that power and energy storage procurement agreements include provisions to support construction workers and construction workforce development.

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I. Prevailing Wage Policy Is Limited to Projects Already Required to Pay Prevailing Wages

The Draft Policy document states that CC Power will require prevailing wages and promote the use of a skilled and trained workforce in “direct hiring and contracting.” This proposal lacks meaning as currently drafted.

First, as a public agency, CC Power already has to pay prevailing wages to any construction work that it directly contracts out.

Second, it is unclear what CC Power means by “promote the use of a skilled and trained workforce.” A “skilled and trained workforce” is a term of art defined by state statute which ensures that a certain percentage of any construction workforce are highly trained apprentice school graduates. An agency either requires compliance with this requirement or it does not. A policy to “promote” the use of a skilled and trained workforce has no meaning.

Third, the vast majority of projects that CC Power is likely to develop are not projects that would involve CC Power *directly* contracting for construction work. Most projects are likely to be power purchase or energy storage procurement agreements in which a private entity will own and contract out for the construction of the power plant or energy storage facility. Construction of these projects would not be subject to prevailing wage unless CC Power adopts a policy requiring bidders on all power purchase agreements, energy storage agreements, or energy efficiency program agreements developed or negotiated by CC Power to agree to pay prevailing wages for construction work contracted in order to fulfil the terms of the procurement agreement.

In order to clarify that prevailing wage applies to procurement projects, the Draft Policy on prevailing wage should be amended to state:

CC Power shall require bidders on all CC Power projects to pay prevailing wages and employ a skilled and trained workforce for construction work, including any construction work contracted by third parties in order to fulfil the terms of the CC Power project. CC Power projects shall include, but not be limited to, power purchase agreements, energy storage agreements, or energy efficiency program agreements developed or negotiated by CC Power and entered into by more than one of CC Power’s individual CCA members.

II. Project Labor Agreement Policy Needs Further Clarity and Needs to Be Expanded to Cover More Projects

The Draft Policies include a policy that “CC Power-developed projects that are greater than 20 MW in size will be procured with a preference for projects constructed through a multi-trade project labor agreement or through multiple such agreements, and each construction contractor or subcontractor or sub-contractor performing work on any such CC Power-developed project shall use a combination of local labor, union labor or apprenticeship programs, and shall follow fair compensation practices, including proper assignment of work to crafts that traditionally perform work.” Locals 6 and 617 have several concerns with this provision.

First, the term “CC Power-developed projects” is currently undefined. This term should be expressly defined to clarify that such projects include any projects developed or negotiated by CC Power and entered into by more than one of CC Power’s individual CCA members, including power purchase agreements, energy storage agreements, or energy efficiency program agreements.

Second, the procurement “preference” for projects constructed under a multi-trade agreement or agreements should be clarified as applying to CC Power-developed projects *constructed by third parties* in order to fulfill the terms of a power purchase agreement, energy storage agreement, or energy efficiency program agreement. CC Power-developed projects that are owned, or whose construction is *directly* contracted by, CC Power or more than one of CC Power’s individual CCA members should be “required” to be constructed under a multi-trade agreement or agreements. Such a requirement is legally permissible under Public Contract Code section 2500.

Third, this provision requires clarification that the requirement to follow fair compensation practices is a requirement, not a procurement preference, and that fair compensation practices includes payment of prevailing wages.

Fourth, the 20 MW threshold needs to be eliminated or changed to a dollar threshold. Most utility scale solar projects are below 5 MW and it is unclear how that threshold would apply to energy storage projects or large-scale efficiency projects.

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III. Conclusion

Local 6 and Local 617 thanks CC Power staff for starting the discussion on these policy principles. These proposals are moving in the right direction, but require a few substantive changes to ensure they are meaningful, clear and do not provide loopholes and exceptions for energy and storage procurement projects.

Sincerely,

A handwritten signature in blue ink that reads "Thomas A. Enslow". The signature is written in a cursive style with a long horizontal line extending to the right.

Thomas A. Enslow

TAE:ljl



March 17, 2021

Andreas Cluver
Secretary-Treasurer
Alameda County Building & Construction Trades Council

Re: Agenda Item 6B – Ad Hoc Committee Report, Policy Development
Discussion on Draft Policies Document

Honorable Members of the Board of Directors:

Bill Whitney
CEO
Contra Costa County Building & Construction Trades Council

This letter is written on behalf of the Building Trades Councils located in San Francisco, San Mateo, Santa Clara, San Benito, Monterey, Santa Cruz, Alameda, Contra Costa, Napa, Solano, Marin, Sonoma, Mendocino, and Lake Counties (“Bay Area Building Trades Councils”). The Bay Area Building Trades Councils collectively represent over 100 different Building Trades Unions, and over 200,000 rank and file union construction workers living in the Bay Area. By this letter, the Bay Area Building Trades Councils address Agenda Item 6B on the California Clean Power (“CCP”) Board Meeting agenda for March 17, 2021, regarding a draft policy for renewable energy construction projects (hereinafter referred to as the “Policy”).

Cherie Cabral
CEO
Marin-Sonoma County Building & Construction Trades Council

The Bay Area Building Trades Councils commend CCP for its consideration of a policy that will apply to projects constructed by or for Community Choice Aggregation (“CCA”) energy providers. As you know, renewable energy projects in California provide an essential opportunity for workforce training and investment in the local economy. By adopting a robust and meaningful policy, CCP will ensure that covered projects employ local residents, use local businesses, and support union labor and apprenticeship programs that train the next generation of construction workers to build renewable energy projects.

Manuel Pinheiro
CEO
Monterey-Santa Cruz County Building & Construction Trades Council

Many CCAs that are members of CCP have already adopted robust community development initiatives and experienced successful results. For example, Peninsula Clean Energy, Marin Clean Energy, and East Bay Community Energy have adopted progressive policies that require payment of prevailing wages, use of community workforce agreements, and use of a “skilled and trained workforce” that has graduated from state-approved apprenticeship programs. The Bay Area Building Trades Councils now urge CCP to adopt a policy that builds upon these principles and advances the interests of working people in California.

Danny Bernardini
Business Manager
Napa-Solano County Building & Construction Trades Council

The Bay Area Building Trades Councils have reviewed the Draft Policies Document, and herein recommend certain changes and additions that will strengthen CCP’s community development goals. We have also reviewed the correspondence submitted by International Brotherhood of Electrical Workers Locals 6 and 617, affiliates of the San Francisco and San Mateo Building Trades councils, and strongly support the points and recommendations made therein.

Rudy Gonzalez
Secretary-Treasurer
San Francisco County Building & Construction Trades Council

I. Recommendations

James Ruigomez
Business Manager
San Mateo County Building & Construction Trades Council

First and foremost, the Bay Area Building Trades Councils propose inclusion of clear language at the outset of the Policy indicating that the Policy applies to all construction projects developed either by CCP or a CCA, or by a third party that has entered into a contract with CCP or a CCA, for example an energy purchase agreement, power purchase agreement, or professional service contract.

David Bini
Executive Director
Santa Clara & San Benito County Building & Construction Trades Council

Second, although payment of prevailing wages is required by law for projects funded in whole or in part by public funds,¹ it is important to clarify that all projects covered by the Policy will require payment of prevailing wages and compliance with the Public Works Laws in the Labor Code, including the employment of apprentices and submission of certified payroll records. Furthermore, in the unlikely event prevailing wages are not required by law for a particular covered project, this would ensure payment of prevailing wages as a matter of contract.

Third, the Policy should instruct the applicable contractor or third party to negotiate a community workforce agreement with the Building Trades Council in the area of the covered project. A community workforce agreement is a type of project labor agreement that includes provisions

prioritizing the employment of local residents and recruitment of targeted individuals into apprenticeship readiness programs. In particular, the Policy should require that the community workforce agreement create and/or facilitate a pipeline to apprenticeship from MC3-certified pre-apprenticeship programs.

Fourth, the Policy should require all contractors to use a “skilled and trained workforce,” as defined by Public Contract Code section 2601. This effectively ensures that all workers on covered projects either graduated from a state-approved apprenticeship program or have the equivalent number of hours experience in the trade. In addition, all apprentices must be enrolled in a state-approved apprenticeship program. This is both a workforce development policy and a safety standard, as a well-trained workforce will construct the project safely, competently, and efficiently.

The Bay Area Building Trades Councils support inclusion of the language proposed by Locals 6 and 617 in their correspondence dated March 16, 2021, to facilitate the above-mentioned policy goals.

II. Modifications to Draft Policy

In addition to incorporating the above-identified policy priorities, the Bay Area Building Trades Councils recommend the following specific changes to the Draft Policy contained in Agenda Item 6B.

Depending on how it is used, the term “local” should apply to the area of the covered project, rather than the service area. For example, where a community workforce agreement will be negotiated with the “local” Building Trades Council or there is a preference for “local” workers, the covered project location should be used.

The “Procurement” and “Geographical Preference” sections appear contrary to state law requirements. In addition, different policies and legal requirements apply depending on whether the project is publicly or privately owned. It would be best to simply refer to CCP’s procurement policies and the relevant statutes that apply.

The language referencing multiple trade agreements should be removed. It maximizes efficiency to have a single community workforce agreement with the appropriate Building Trades Council.

Finally, the limitation of the community workforce agreement or project labor agreement to projects “greater than 20MW in size” should be removed, as this would conflict with the above recommendations, and would also exclude the majority of covered projects and effectively render the requirement ineffective.

III. Conclusion

The Bay Area Building Trades Councils sincerely appreciate CCP’s efforts to develop a policy that will help working people and support the local construction industry. We encourage CCP to incorporate the above recommendations into its final Policy, including by requiring a community workforce agreement for covered projects.¹ We would be glad to work with CCP to finalize this effort.

Sincerely,

Andreas Cluver
Secretary-Treasurer, Alameda County Building & Construction
Trades Council

Bill Whitney
CEO, Contra Costa County Building & Construction Trades Council

Danny Bernardini
Business Manager, Napa-Solano County Building & Construction
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Manny Pinheiro
CEO, Monterey-Santa Cruz County Building &
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Rudy Gonzalez
Secretary-Treasurer, San Francisco County Building
& Construction Trades Council

¹ We recommend that CCP review the policy adopted by the Bay Restoration Authority as a potential model. The policy is available here: http://sfbayrestore.org/sites/default/files/2019-05/pla_resolution.pdf.