MEMORANDUM IN OPPOSITION AS WRITTEN

TO

A.1261 (Bronson) / S.1947 (Ramos)

Extends Prevailing Wage Provisions to Projects Financed by the State

March 2019

The Alliance for Clean Energy New York (ACE NY) opposes A.1261/S.1947 as written. This bill would extend the Prevailing Wage law to cover all projects paid for or financed with public funds and would change the definition of a public entity to include authorities and Industrial Development Authorities (IDAs). In addition, it expands the law to include off-site fabrication.

As currently written, the bill will severely limit the construction of small, distributed renewable energy projects across the State, endangering the investment and jobs the expansion of renewable energy will bring to our State. Further, the bill could have a dramatic impact on efforts to improve the energy efficiency of buildings and drive up the price of efforts to weatherize and improve building efficiency, especially residential buildings.

New York has a 50% by 2030 renewable electricity mandate established by the Public Service Commission. Achieving this goal will require use of the full range of renewable technologies – both grid-scale and smaller, distributed solar projects. We need policies that support the construction and financing of projects to ensure adequate investment to meet these ambitious energy and climate change goals, including rooftop and community solar.

ACE NY is supportive of a fair and just wage. The prevailing wage law currently applies to any offshore wind projects and to other large-scale renewable projects that receive NYSERDA contracts under the Clean Energy Standard, including all grid-scale wind and solar. These projects support union and non-union labor in construction and installation, especially in areas of the State where these jobs are limited.

New York also has a new and aggressive energy efficiency goal. If implemented, the current bill language would adversely impact the state’s ability to meet that goal by affecting the many small firms that constitute much of the current energy efficiency market. Most of these locally-owned companies are unlikely to become unionized, given their small numbers of employees. Further, the firms offer entry-level jobs into the energy efficiency industry, often providing opportunities for skills development and wage increases over time. Rather than add obstacles to job growth in this sector, we need policies that help foster a robust energy efficiency contractor network, including workforce development and small business support. The state’s affordable housing sector is of special concern. Given the makeup of the companies that provide retrofits (heating and cooling systems, air sealing and insulation projects, etc.) in that sector, many of them non-profit and community organizations, the bill could end up adding costs to programs that serve lower and middle income households, thus reaching fewer households and lessening energy efficiency’s beneficial impacts, such as energy affordability, safety and comfort.

For all the reasons stated above, ACE NY opposes this legislation and urges lawmakers to work on language to improve the implementation of these worthy goals. For more information contact Anne Reynolds or Zack Dufresne at 518.432.1405.