



CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

May 6, 2022

## **Response to Request for Information: Designing Equitable, Sustainable, Sustainable, and Effective Revolving Loan Fund Programs**

**Docket No. DE-FOA-0002716**

On behalf of the BlueGreen Alliance (BGA), a coalition of the nation's largest labor unions and environmental organizations, collectively representing millions of members and supporters, we thank the President and his administration for prioritizing good jobs, climate change, and racial equity. Additionally, we thank the U.S. Department of Energy (DOE) for seeking input on the implementation of the Energy Efficiency Revolving Loan Fund program as established by the Bipartisan Infrastructure Law (BIL).

BGA partners unite to solve today's environmental challenges in ways that create and maintain quality jobs and build a clean, thriving, and equitable economy. The establishment of the DOE Energy Efficiency Revolving Loan Fund, to provide state capitalization grants, is an opportunity to address several administration priorities including: tackling climate change, creating quality jobs, and reducing racial inequity. This is especially true when considering the potential of energy efficiency in the buildings sector.

According to the Environmental Protection Agency (EPA), the buildings sector accounts for 31% of U.S. greenhouse gas emissions.<sup>i</sup> Public buildings, in particular, have the potential to greatly reduce greenhouse gas emissions. These types of buildings, also known as Municipal, University, Schools, Hospitals (MUSH) tend to be the most energy intensive because they are typically large, old and have high electricity demand. For example, the EPA found that approximately a quarter of energy used in U.S. schools is wasted and facilities in low income areas are often the least efficient.<sup>ii</sup>

Below we have responded directly to RFI questions around labor (Category 4) and have provided additional relevant information (Category 5) on equity levers and health criteria that are applicable to the buildings sector programs and that will receive significant funding from the Bipartisan Infrastructure Law.

#### **Category 4: Job Quality, Buy America, and Climate Impact**

*17. In what ways, if any, might this RLF impact a region's workforce? For example:*

*a. To what extent might the RLF impact job growth and changes in job quality?*

*b. To what extent might the RLF impact construction jobs? Non-construction jobs?*

*c. How should RLF program managers ensure compliance with Davis Bacon prevailing wage requirements over time?*

Energy efficiency investments support existing and create new quality, family-sustaining jobs. There are currently over 2.3 million jobs in the energy efficiency sector. The BlueGreen Alliance estimates that for every \$250 million invested in energy efficient public buildings—more than 16,700 jobs are created over 10 years.<sup>iii</sup> This breaks down to 6,562 direct, 4,225 indirect and 5,937 induced job years. Done right, these will be good, family-sustaining jobs created in domestic manufacturing, construction and professional trades.<sup>iv</sup>

Furthermore, moving policies to increase domestic manufacturing of energy efficiency retrofit products can also help to support and create quality manufacturing jobs. The BlueGreen Alliance Foundation's Building Clean program works to identify these products and advance energy efficiency retrofits, particularly for multi-family housing. Our database at BuildingClean.org lists roughly 4,500 local manufacturing facilities in nearly every state across the country.<sup>v</sup>

As DOE works to implement the revolving loan fund program, it must ensure that these investments support workers and communities and translate into quality, family-sustaining, union jobs as well as accessible jobs for workers of color and other segments of the population historically left out of these jobs. This includes supporting and growing pathways into good union jobs in construction, operations and maintenance, and along the supply chain.

To demonstrate a broad and strong commitment to these considerations, DOE should include the following measures in its implementation of the program:

#### **Ensure Use of Domestic Content.**

As the Build America, Buy America provisions in the BIL come into effect and strengthen the Buy America requirements associated with federal investments, the positive market and employment effects of the revolving loan program will be further magnified. Supply chain reporting and disclosure should also be encouraged while incentivizing assembler/supplier commitments and accountability.

## **Support and Create Family-Sustaining, Union Jobs Across the Building Sector and Associated Manufacturing Supply Chain.**

Any construction funded under the Program must adhere to Davis Bacon prevailing wage provisions in the BIL. At the same time, Davis Bacon should be considered the floor of what DOE can do to ensure job quality through this program. **DOE should establish a Memorandum of Understanding with the Department of Labor (DOL)** to ensure it is aligned with DOL's Good Jobs Initiative to improve job quality and support and create access to good union jobs for all workers and job seekers.<sup>vi</sup> DOE should also ensure this funding opportunity is aligned with Executive Order 14052, which calls on all agencies to prioritize improving job opportunities specifically by focusing on high-road labor standards in the BIL.<sup>vii</sup> Lastly, DOL can help guide DOE on implementing the additional high-road labor standards outlined below. The application of these standards, where feasible and appropriate, should be promoted throughout DOE program guidance, technical assistance, best practices and reporting requirements.

We recommend that DOE consider the following additional high-road labor standards:

### **Project Labor Agreements (PLA):**

Large construction projects, not subject to Executive Order 14063 requiring use of Project Labor Agreements For Federal Construction Projects over \$35 million, can still benefit from a PLA.<sup>viii</sup> PLAs control the terms and conditions of employment of workers on specific construction projects, including wages, hours, working conditions and dispute resolution methods.<sup>ix</sup> These agreements can be utilized at the state and local level to ensure high-road labor standards and timely projects.

### **Community Workforce Agreement or Community Benefit Agreement:**

A Community Workforce Agreement (CWA) or Community Benefit Agreement (CBA) consists of a PLA that additionally reflects community input and outlines benefits for the community where the project is happening. In addition to the collective bargaining aspects of a PLA, CWAs frequently include local hire provisions, targeted hire of low-income or disadvantaged workers, and the creation of pre-apprenticeship pathways for careers on the project.

### **Registered Apprenticeship, Pre-Apprenticeship, and Labor Management Partnerships:**

One of the main mechanisms for building career pathways is through registered apprenticeship, pre-apprenticeship, and other union-affiliated training programs. Apprenticeships are registered through a state apprenticeship agency or through the Department of Labor. Registered apprenticeships are paid positions that combine on-the-job training with classroom instruction in a trade. Utilizing

registered apprentices ensures a high standard of training that will result in proper installation and fully realized energy efficiency savings. Industry, government, and academic studies show that poor installation of EE measures often results in energy savings losses of up to 50% compared to projected savings goals.<sup>x</sup>

Strong, democratic unions can play a key role in promoting diversity, equity, justice, and inclusion within these programs. Pre-apprenticeship programs, in particular, have become a key tool to improving diversity in the building trades. Such programs aim to ensure that workers can qualify for entry into an apprenticeship program and have the skills and support they need to succeed. These programs are generally designed to target certain populations or demographics such as low-income workers, workers of color, women, and other marginalized communities. Additionally, many unions offer training throughout a member's career to enable them to stay up to date with changes in technology. The most successful pre-apprenticeship programs are those affiliated with registered apprenticeships.

#### **Category 5: Open Response on Revolving Loan Fund Program Design**

*21. Is there anything else DOE should be aware of as it develops RLF program design guidance?*

In addition to high-road labor standards, there are opportunities in the Energy Efficiency Revolving Loan Fund to promote equity and health through RLF program design guidance which are outlined below. We also would recommend meeting federal agency peers such as the EPA's Office of Water staff who have significant experience guiding state revolving loan funds and would likely have lessons learned and best practices to share.

#### **EQUITY LEVERS**

The whole-of-government Justice40 Initiative calls for a minimum of 40% of all benefits of climate and clean energy federal investments to go to disadvantaged communities that are marginalized, underserved and overburdened by pollution. Executive Order 14052 on the Implementation of the BIL highlights this priority calling on all agencies to invest public dollars equitably.<sup>xi</sup> Below are equity levers that can be applied to DOE programs to meet the above requirements.

We recommend that DOE:

- Ensure implementation of Justice40 through program guidance, technical assistance, and reporting requirements
- Provide guidance for states that include:
  - Grant applications with a section describing how the proposed program will provide Disadvantaged Workers with improved access to career opportunities in energy efficiency. This may include:

- Requiring or incentivizing local or targeted hire or other hiring and procurement policies that benefit low-income communities, people of color, and women in Justice40 communities, as identified by CEQ Screening Tool
- Requiring or incentivizing community benefit/community workforce agreements that increase economic opportunities for communities and local workers—especially for people of color and low-income communities.
- Requiring or incentivizing pre-apprenticeship opportunities targeting Justice40 communities that are linked to registered apprenticeship programs
- Integrating training programs with community-based “wrap around” services to maximize retention of disadvantaged and underrepresented workers as they enter careers
- Omitting or limiting drug testing or background checks, except for employees with access to customer premises
- Identifying existing community networks for recruitment of disadvantaged workers
- Creation of a community task force for monitoring and enforcement of a local hire provision or CWA. Such use of an oversight committee is an emerging strategy for ensuring equity on public works projects, with clearly defined roles for members, and composition drawing from relevant stakeholder organizations<sup>xii</sup>
- Grant applications that include a section describing how the proposed program benefits disadvantaged communities”. This may include:
  - Projected energy efficiency savings in disadvantaged communities
  - Projected health benefits of the project to disadvantaged communities
  - Evidence of Justice40/Environmental Justice community engagement and/or endorsement of proposed project

## HEALTHY BUILDING MATERIALS

Potentially harmful chemicals are often embedded in building materials commonly used in weatherization and retrofits. Building Clean is a database to help identify healthy residential building materials and minimize exposure of harmful chemicals to both installers and occupants. Below is Building Clean criteria that can be used to guide procurement of healthy building materials by DOE applicants.<sup>xiii</sup>

We recommend that DOE: Promote the use of healthy building materials for all construction projects used with federal funding from DOE.

- Provide guidance on minimizing exposure to harmful chemicals by using the following Building Clean criteria:
  - Good: Interior building products with the potential to emit volatile organic compounds should have a low-volatile organic compound (VOC) emissions certification.
  - Better: Utilize product certifications and labels that limit some of the most hazardous content.
  - Best: Utilize product certifications and labels that are free of some of the most hazardous content.
- Include Best Practices in Program Guidance:
  - Best Practices: Prohibit the use of insulation materials containing respiratory sensitizers, specifically two-part spray polyurethane foam insulation which is linked to debilitating respiratory diseases.<sup>xiv</sup>
  - Best Practices: Prohibit the use of funds for recycled vinyl flooring or wall-coverings which may contain a number of legacy toxics including lead.<sup>xv</sup>

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## Conclusion

BGA recognizes and supports the efforts already underway by DOE to implement this administration's priorities to create good union jobs, reduce emissions, and support disadvantaged communities. Our hope is that these recommendations will provide additional support in the realization of those priorities and we look forward to supporting DOE throughout the process.

- i U.S. EPA , Greenhouse Gas Emissions by Electricity End-Use. Available online: <https://www.epa.gov/sites/default/files/2021-04/total-2021-caption.png>
- ii United States Green Building Council, *Green School Buildings are Better for Budgets*, 2018. Available online: <https://www.centerforgreenschools.org/green-schools-are-better-budgets>
- iii BGA, *The Build Back Better Act is a Jobs Bill*, 2021. Based on internal calculations: <https://www.bluegreenalliance.org/site/build-back-better-investments-will-create-jobs-across-the-country/methodology/>
- iv BGA, *Making the Grade*, 2017. Available online: <https://www.bluegreenalliance.org/wp-content/uploads/2017/09/MakingTheGrade-2.pdf>
- v BlueGreen Alliance Foundation, Building Clean database. Available online: <https://www.buildingclean.org>
- vi U.S. Department of Labor, *News Release*, 2021. Available online: <https://www.dol.gov/newsroom/releases/osec/osec20220121>
- vii National Archives, *Implementation of the Infrastructure Investment and Jobs Act*, 2021. Available online: <https://www.federalregister.gov/documents/2021/11/18/2021-25286/implementation-of-the-infrastructure-investment-and-jobs-act>
- viii The American Presidency Project, Executive Order 14063—Use of Project Labor Agreements for Federal Construction Projects. Available online: <https://www.presidency.ucsb.edu/documents/executive-order-14063-use-project-labor-agreements-for-federal-construction-projects>
- ix Proskauer, *Labor Relations Update*, 2022. Available online: <https://www.laborrelationsupdate.com/uncategorized/president-biden-signs-executive-order-requiring-project-labor-agreements-for-large-scale-federal-construction-projects-35-million/>
- x UC Berkeley Labor Center, *Evidence of Work Quality Affecting Energy Savings*, 2014. Available online: <https://laborcenter.berkeley.edu/pdf/2014/WET-Plan-Appendices14.pdf>
- xi National Archives, *Implementation of the Infrastructure Investment and Jobs Act*, 2021. Available online: <https://www.federalregister.gov/documents/2021/11/18/2021-25286/implementation-of-the-infrastructure-investment-and-jobs-act>
- xii Policy Link, *Strategies for Addressing Equity in Infrastructure and Public Works*, 2015. Available online: [https://www.policylink.org/sites/default/files/pl\\_brief\\_nola\\_infrastructure\\_FINAL\\_0.pdf](https://www.policylink.org/sites/default/files/pl_brief_nola_infrastructure_FINAL_0.pdf)
- xiii Ibid.
- xiv Natural Resources Defense Council, “Federal Relief Should Support Healthier Energy Efficiency.” Available online: <https://www.nrdc.org/experts/veena-singla/federal-relief-should-support-healthier-energy-efficiency>
- xv Building Clean, “Beware Recycled, Older Flooring.” Available online: <https://buildingclean.org/harmful-chemicals/flooring/beware-recycled-older-flooring>