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Response to the U.S. Department of Energy's (DOE) Request for Information on the Title XVII Innovative Technologies Loan Guarantee Program

The BlueGreen Alliance (BGA) is a partnership of national labor unions and environmental organizations, collectively representing millions of members and supporters. 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. Our partnership is firm in its belief that Americans don't have to choose between a good job and a clean environment—we can and must have both. We appreciate the opportunity to respond to the U.S. Department of Energy's (DOE) Request for Information on the Title XVII Innovative Technologies Loan Guarantee Program. As DOE considers program improvement and implementation of the Bipartisan Infrastructure Law (BIL), it must ensure that these investments address climate change and toxic pollution while ensuring funding translates into high-road, union jobs, and accessible jobs for workers of color and other segments of the population historically left behind. This includes supporting and growing pathways into good union jobs along the full supply chain.

Industrial Transformation

When evaluating Title XVII programs, DOE's Loan Programs Office (LPO) should prioritize projects that include the deployment of industrial technologies to reduce industrial emissions and health hazards. LPO should build on existing loan guarantee solicitations to launch a loan guarantee solicitation dedicated to supporting industrial emissions reductions. We encourage LPO to extend Title XVII loans to developers of commercial-scale industrial transformation projects—including non-power facilities in Emissions Intensive Trade Exposed industries—particularly when those loans could help access additional investment from the private sector. These recommendations were also identified by the House Select Committee on the Climate Crisis.[i] LPO should work with other DOE offices that administer industrial transformation loans and grants (e.g., the Advanced Manufacturing Office) to identify promising industrial candidates for Title XVII loans, such as facilities that: 1) show strong potential for reductions in emissions and health hazards, 2) are located in disadvantaged communities, 3) show strong potential for jobs retention and growth, and 4) meet the high road labor standards outlined below.

Domestic Content

As the Build America, Buy America (BABA) 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 Title XVII program will be further magnified. Policies like BABA increase domestic manufacturing and help support and create quality manufacturing jobs.

Buy America preferences must ensure that Title XVII funded projects source their iron, steel, construction materials and manufactured goods from U.S. manufacturers. On average, U.S. manufacturing of steel and aluminum produces fewer greenhouse gasses (GHGs) and pollutants than in most other countries that are major producers. Steel production in the United States is the 2nd cleanest in the world.[ii] Accordingly, ensuring domestic manufacturing for steel and aluminum in Title XVII funded projects would support not only U.S. manufacturing job growth, but also a reduction in global industrial emissions.

Supply chain reporting and disclosure should also be encouraged while incentivizing assembler/supplier commitments and accountability. DOE should also further establish preferences to ensure that the establishment or expansion of manufacturing facilities to produce steel, aluminum, or other materials for Title XVII funded projects will support the health, environmental, and economic needs of workers and fenceline communities. Early consultation with workers and fenceline communities is vital to ensure that they see benefits, not harm, from such projects.

High Road Labor Standards

DOE should ensure that the Title XVII program is aligned with Executive Order (EO) 14052[iii], which calls on all agencies to prioritize improving job opportunities specifically by focusing on high-road labor standards in the BIL. We encourage LPO to condition its loans and require applicants to submit a business plan based on high wages and the following high road labor standards.

High road wages

Any construction funded through LPO 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. Prevailing wage is essential where any construction work is funded. Many manufacturing related projects funded through LPO also include short-term construction work in building or retooling a factory—where prevailing wage should apply. However, prevailing wage provisions do not address—and are often inappropriate to address—labor standards for the long term manufacturing jobs in the manufacturing facilities themselves. For this reason, LPO should require applicants to submit or demonstrate a business plan based on high wages, benefits and working conditions, and a plan for monitoring and accountability.

Project Labor Agreements

Large construction projects, not subject to EO 14063[iv] requiring use of Project Labor Agreements (PLAs) for Federal Construction Projects over $35 million, can still benefit from a PLA. PLAs control the terms and conditions of employment of workers on specific construction projects, including wages, hours, working conditions, and dispute resolution methods. 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) is an enforceable contract, supplemental to a PLA or collective bargaining agreement that reflects community input and outlines benefits for the community where the project is happening. 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. LPO should consider loan conditions supporting the use of CBAs/CWAs and community engagement processes—in addition to PLAs and union neutrality—to ensure recipients of Title XVII loans are employing workers from local communities, and encouraging broader pathways into good, family-supporting jobs.

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 DOL. Registered apprenticeships are paid positions that combine on-the-job training with classroom instruction in a trade. Construction unions operate robust registered apprenticeship programs while industrial unions work with employers on joint labor-management training programs that also provide a combination of classroom and on-the-job skills training. 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 or other contractually agreed on-the-job training programs. DOE and LPO should prioritize funding projects connected to apprenticeship, pre-apprenticeship, and other union affiliated programs.

Union Neutrality

Loan and grant recipients should be required or incentivized—via preferable loan terms or larger federal cost shares—to follow practices that respect collective bargaining agreements and workers' organizing rights such as union neutrality agreements.

Schools

School districts should be able to access DOE's $40 billion loan program to reduce greenhouse emissions. In a single year, the country's K-12 public schools produce carbon dioxide equivalent to the electricity use of 14 million homes.[v]

A. Energy Act of 2020 (A-1), i. What fee structures should DOE consider to ensure equitable access to the Title XVII Loan Guarantee Program and responsible use of agency resources, and enable LPO to retain sufficient funds to advance the purposes of Title XVII?

DOE should ensure that its resources are widely available to projects that serve the public interest. Title XVII Loan Guarantee Program fee structures should not bar broad access to funds. LPO should not charge application fees for nonprofit organizations and public entities such as school districts and state housing authorities applying to the Title XVII Loan Guarantee Program. Nor should it charge application fees for applications in which the program's beneficiaries are public entities, nonprofit entities, or disadvantaged communities.

B. Infrastructure Investment and Jobs Act (IIJA) (B-1). What types of entities should be considered "state energy financing institutions" for the purposes of implementing these amendments to the Title XVII Loan Guarantee Program?

A "state energy financing institution" should be defined as a public entity with the authority to finance capital projects that reduce greenhouse gas emissions. As such, DOE should consider school districts "state energy financing institutions." School districts are local government units created by state law to administer public schools and facilities. Although most school districts have the authority to support energy efficiency and renewable energy projects financially, access to low-cost financing backed by the Title

XVII Loan Guarantee Program would allow more U.S. school districts to source resources to address climate change.

Conclusion

The Title XVII Innovative Technologies Loan Guarantee Program is a critical opportunity to improve the deployment of clean technologies that are vital to meeting our climate goals while providing high-quality jobs in construction, operations and maintenance, and manufacturing. We hope that these recommendations will help DOE ensure the success of this program and look forward to supporting the agency throughout this process.

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[i] House Select Committee on the Climate Crisis. *Solving the Climate Crisis: The Congressional Action Plan for a Clean Energy Economy and a Healthy, Resilient, and Just America*. Available online: https://climatecrisis.house.gov/sites/climatecrisis.house.gov/files/Climate%20Crisis%20Action%20Plan.pdf#page=237

[ii] BlueGreen Alliance. Four Questions: Cleaner Steel Here in the US, April 8th, 2022. Available online: https://www.bluegreenalliance.org/resources/four-questions-cleaner-steel-here-in-the-us/

[iii] Executive Order 14052: Implementation of the Infrastructure Investment and Jobs Act, November 15, 2021. Available online: https://www.federalregister.gov/documents/2021/11/18/2021-25286/implementation-of-the-infrastructure-investment-and-jobs-act

[iv] Executive Order 14063: Use of Project Labor Agreements for Federal Construction Projects, February 9, 2022. Available online: https://www.federalregister.gov/documents/2022/02/09/2022-02869/use-of-project-labor-agreements-for-federal-construction-projects

[v] EPA, Greenhouse Gas Emissions Calculator. Available online: https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results