BLUEGREEN ALLIANCE

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

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Response to Request for Information: Defense Production Act to Accelerate Manufacturing and Deployment of Energy Technologies

The BlueGreen Alliance (BGA) unites labor unions and environmental organizations to solve today's environmental challenges in ways that create and maintain quality jobs and build a stronger, fairer 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 provide input to shape implementation of the Defense Production Act (DPA). President Biden's authorization of Title III of the DPA in June for manufacturing of: solar photovoltaics; insulation materials; electrolyzers, platinum group metals, and fuel cells for clean hydrogen; and heat pumps offers a once-in-a-generation opportunity. When paired with additional manufacturing investments in the Inflation Reduction Act and Bipartisan Infrastructure Law (BIL), it will dramatically reduce greenhouse gas (GHG) emissions, as well as toxic air, water, and land pollution, while providing good union jobs in the clean economy, driving growth in U.S. manufacturing, and securing our clean energy industrial base.

As the U.S. Department of Energy (DOE) develops its implementation strategy, it should view DPA funding as part of a holistic industrial strategy. Importantly, awards should reflect the value-added role of the DPA. We urge DOE, and other relevant agencies and offices, to publicly outline such a strategy after incorporating stakeholder input, building on DOE's Industrial Decarbonization Roadmap. This holistic industrial strategy should specify the comparative advantage of the various Inflation Reduction Act, BIL, and other federal funding streams and incentives for achieving the goals of reduced industrial emissions and expanded clean technology manufacturing. This strategy should explain how the Inflation Reduction Act and BIL programs complement each other in achieving an array of objectives. For example, these objectives could include broadly deploying existing technologies; launching transformative, first-at-scale technologies; offsetting manufacturers' capital expenses;

lowering manufacturers' operating costs; incentivizing the construction of new facilities; sustaining the operations of existing, at-risk facilities; reducing industrial emissions; expanding manufacturing of clean technologies; and more.

Across such dimensions, this industrial strategy should name the particular priorities of the various industrial programs in the Inflation Reduction Act, BIL, and other federal policies, including: the 48C and 45X tax credits; the domestic content bonus for the clean energy tax credits in the Inflation Reduction Act; the Advanced Industrial Facilities Deployment Program in the Inflation Reduction Act; the Industrial Emissions Demonstration Projects in BIL; the clean procurement funding in the Inflation Reduction Act for the General Services Administration, Federal Highway Administration, and the U.S. Environmental Protection Agency (EPA); and the DPA.

DOE should ensure DPA funding goes towards investments that reduce our dependence on production overseas that is often marred by labor abuses, higher levels of pollution, national security risks, and shipping bottlenecks. These investments are essential not only to achieve our climate goals and grow domestic supply chains, but also to counter the racial and economic inequality fed by manufacturing job losses. Along with the authority invoked by President Biden for clean technology manufacturing, the DPA can also serve as a resource for cutting industrial emissions—a leading source of climate and air pollution.

These investments offer win-win potential. By getting the details right, DOE can facilitate the creation of good union jobs, grow domestic manufacturing, support public health and environmental justice, and build a cleaner, stronger, and more equitable economy for all. To this end, BGA offers the following responses to the DOE's Request for Information.

Area 1 – Technology Supply Chain Challenges and Opportunities.

(1) For which of the technology areas covered in this RFI, or products therein, do you think most urgently require support from DPA tools and why? Please fill out the chart below for the technology(ies) for which you are providing input (among transformers and grid components; solar; insulation;

and/or hydrogen components).
(2) What are the greatest barriers (e.g., financing or market constraints) to U.S. manufacturing, development, and deployment that the DPA tools described in the background can help address? Please respond for one or more technology areas below:

The DPA offers a flexible toolbox across multiple technology options presented in this RFI. In particular, the DPA has potential as a short term funding mechanism, particularly for projects where a one-time injection of federal funding will have large impacts across the clean technology supply chain. DOE should guide its funding choices across technology areas on a planned basis, by fully mapping out supply chains, and then examining the highest value-added opportunities, with a focus on those that ensure meaningful community and labor engagement; the creation of high-quality jobs; deep reductions in emissions; and greater economic, racial, and environmental equity.

In particular, DOE should prioritize projects that do not qualify for programs included in the Inflation Reduction Act and BIL, or those where a DPA award could then prepare a facility to pursue additional federal funding opportunities. The toolbox the DPA offers provides opportunities to not only support the growth of new domestic supply chains, but also to shore up existing industrial assets. Directing DPA awards to the most at-risk facilities, regardless of technology, whose closure would present the biggest setback to the development of a clean energy industrial base would be beneficial to workers, communities, and the entire clean technology supply chain. Recently closed facilities and others that are attempting to reopen could benefit from the flexibility the DPA offers, particularly those that are not eligible for other federal funding sources. DOE will need to expand on the recent supply chain mapping work completed by the agency to have a full understanding of clean technology supply chains.

<u>Aluminum</u>

Aluminum is the second most used metal in the world and is an integral ingredient for achieving our climate, jobs, and national security goals. As a primary component of solar panels, power lines, and other clean energy

goods, aluminum is a building block for multiple technologies recently authorized for DPA funding. As we take on climate change and build a clean energy industrial base, we need to produce more aluminum. However, there are currently only five aluminum smelters left in the entire country, a decline from 23 smelters that were operational in the 1990s.[1] The Alcoa Intalco Works aluminum smelter located in Washington is attempting to reopen to produce "green aluminum" through procurement of clean hydroelectricity. Intalco has faced challenges securing a contract to procure electricity from the Bonneville Power Administration, impacting their ability to reopen, and in the process the ability of the U.S. to onshore its aluminum supply chain. In the meantime, the price of aluminum has skyrocketed due to the Ukraine War, as a result of concentrated supply chains located in Russia. DPA funding could be particularly fitting in this type of situation where a recently closed facility attempting to reopen provides significant value as a matter of national security.

Transformers and Electric Grid Components

DPA funding should support the production of transformers and electric grid component parts that are not currently manufactured domestically, or do not have a strong market presence. According to a WIRES/Brattle Group report, nearly 65% of the steel associated with transmission towers, structures, and related components are currently sourced domestically, while 35% of the aluminum and other components for transmission wires are sourced domestically. An estimated 70% of substations—including circuit breakers and transformers—are made domestically. Towers, wires, and transformers make up about 95% of the materials cost for any given project.[2] DPA funding should identify and address weak points and gaps in the supply chain and work with manufacturers and developers on ways to address the gap.

[1] U.S. Geological Survey (USGS), Aluminum Statistics and Information: Annual Publications - Minerals Yearbook 1990-2020. Available online: https://www.usgs.gov/centers/national-minerals-information-center/aluminum-statistics-and-information

[2] Brattle, *Employment and Economic Benefits of Transmission Infrastructure Investment in the U.S. and Canada, July 23, 2013. Available online: https://www.brattle.com/insights-events/publications/brattle-economists-prepare-study-on-the-benefits-of-new-high-voltage-transmission-investments-2/*

Insulation

Insulation products are relied on to reduce energy costs and make our building stock more energy-efficient. In recent years, updated building codes like the International Energy Conservation Code (IECC) administered by the International Code Council require a building to have a tighter envelope and more insulation. Weatherization programs funded through BIL, as well as additional investments in the Inflation Reduction Act have further increased the demand for energy efficient upgrades. Insulation currently has a large manufacturing presence in the United States, even offering the ability to serve both domestic and export markets with various insulation product choices. The supply chain, which is very short and consists of mainly chemical inputs, is also, for the most part, domestically sourced.

Insulation manufacturers offer a wide range of insulation materials but many common materials have health concerns due to chemical components. As a result, some manufacturers are developing advanced materials like aerogels or non-toxic products like natural fibers or mycelium. The BlueGreen Alliance Foundation's Building Clean program works to identify manufacturers of building materials and products to 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.[3] A recent analysis from the Building Clean program found that although the share of insulation produced domestically has decreased since 2010, it still has a domestic share over 90%.[4] Similarly to other technologies discussed in this RFI, DOE should prioritize projects that have the largest value-add to the entire supply chain. Particularly, investments in advanced materials could serve to expand their market share.

Clean Hydrogen

Development of a clean hydrogen supply, particularly manufacturing of electrolyzers, will be essential for successful industrial decarbonization. Currently, the industry faces several barriers to scaling up production of electrolyzers. There are not yet enough industrial end users of clean hydrogen to justify the investments that will be required to build a domestic supply

[3] BlueGreen Alliance Foundation, Building Clean database. Available online: https://www.buildingclean.org

[4] BlueGreen Alliance Foundation, "Upcoming Report: Domestic Manufacturing Shares Of Common Energy Remodeling Products"

chain. The clean hydrogen tax credit included in the Inflation Reduction Act should begin to transform the economics of clean hydrogen and increase demand for electrolyzers. However, there is a lack of clear, consistent, and supportive policies and regulations at the state level that would grow the industry—including challenges with permitting.

Also contributing to the difficulties of building a domestic clean hydrogen supply chain is insufficient infrastructure, particularly in storage and transportation. Additionally, there are not enough renewables and transmission capacity currently on the grid to provide energy for electrolytic hydrogen. All of these challenges could be supported through strategic usage of the DPA. In particular, the DPA could utilize purchase commitments of electrolyzers to support a demand-pull and then sell them at a discount to end users. This would give industry the push needed to begin investing in a domestic supply chain for clean hydrogen. Clean hydrogen development serves additional ends that we urge DOE to consider, particularly its importance to industrial transformation.

(3) Which DPA tool(s) and contracting vehicles would best help address the barriers identified in Question #2, to strengthen U.S supply chains: purchases, purchase commitments, financial assistance, subsidy payments, or other (e.g. use of Other Transactions Authority or a Partnership Intermediary Agreement)? Please respond for one or more technology areas below:

a. **Transformers and electric grids components**
b. **Solar photovoltaics**
c. **Insulation**
d. **Clean hydrogen (electrolyzers, platinum group metals, and fuel cells)**

For all technologies considered in this request for information, each of the available DPA tools may address particular situations and challenges. DOE should keep each tool at its disposal as it initiates its award process. For example, already robust domestic industries—such as insulation manufacturing—as well as industries that are on the brink of commercialization—such as electrolyzers—could benefit from the added market certainty that a purchase commitment offers. The overall impact of such an award will be dependent on the supply chain and how DOE

approaches the planning process.

In the case of the Intalco facility highlighted above, there is less need for a purchase commitment and more need for financial assistance in the form of bridge funding, in order to restart operations. Another tool from DPA for facilities—such as Intalco—that are attempting to reopen, that could have outsized importance is the purchase of equipment to enable them to restart idled production. Equipment purchases could also serve as an accelerant to decrease emissions and other factory pollutants. It is important for DOE to be proactive in its outreach and technical assistance to fully highlight the range of financing vehicles that it has available.

(8) What criteria/requirements/procedures should the government consider for selecting qualifying projects for DPA support? Please fill out technology(ies) for which you are interested in providing input.

a. **Transformers and electric grids components**
b. **Solar photovoltaics**
c. **Insulation**
d. **Clean hydrogen (electrolyzers, platinum group metals, and fuel cells)**

For all technologies considered in this request for information, DOE should encourage the inclusion of specific labor, equity, and environmental criteria for DPA awards. We recommend these factors be given significant weight as selection criteria for this funding round, as detailed below, including:

1. Equipping labor unions, community-based organizations, Tribes, disadvantaged communities, and other stakeholders impacted by a project with the tools and resources to engage early and meaningfully in the design of the project;
2. Demonstrating active support from these impacted stakeholders for the project;
3. Requiring or incentivizing applicants to use community benefit agreements (CBAs)/community workforce agreements (CWAs) that increase economic opportunities for communities and local workers—especially for people of color and low-income communities;
4. Requiring or incentivizing manufacturing companies to submit or

demonstrate a business plan based on high wages, benefits, and working conditions, along with a plan for monitoring and accountability, and requiring construction contractors or subcontractors to abide by the high-road labor standards outlined below (prevailing wages, Project Labor Agreements (PLAs), registered apprenticeship programs, and pre-apprenticeship programs);
5. Ensuring implementation of Justice40 through program guidance, technical assistance, and reporting requirements;
6. Targeting investments to hard-hit communities, with a focus on low-income communities, communities of color, and communities facing deindustrialization, environmental injustice, or energy transition;
7. Favoring applicants who utilize hiring and procurement policies that benefit low-income communities, people of color, women, and formerly incarcerated people;
8. Ensuring investments are in line with the scale of change needed to meet global climate targets by prioritizing projects that will result in the greatest decrease in GHG emissions; and
9. Prioritizing projects that maximize reductions in air, water, and land pollution and toxic substances that could impair the health of workers and communities—with a particular focus on environmental justice communities.

These criteria serve several overarching goals: ensuring community and labor engagement in project selection and design; promoting high-road labor standards to create and support quality jobs; advancing economic, racial, and environmental justice; and maximizing emissions reductions.

Area 2 – Domestic Manufacturing, Including Small and Medium-Sized Scale.

(13) Historically, what barriers have U.S manufacturers faced in accessing federal support through the DPA or otherwise? What technical assistance or other support can DOE provide to overcome these barriers?

Previously, federal support for manufacturing has been limited and lacked a strategic direction. Until BIL, the Inflation Reduction Act, CHIPS and Science Act (CHIPS), and authorization of the DPA are fully implemented—the policies and programs have not been put in place to incentivize and support the kind

of investments needed to build a clean energy industrial base. Manufacturers have also faced barriers with respect to not knowing what opportunities exist to apply for federal funding, challenges with the complexity of the federal application and reporting process, and a lack of communication with federal agencies. As stated above, DOE will need to be proactive in reaching out to communities to ensure investments from the DPA align with already established economic development goals and plans. In particular, DOE should target technical assistance to disadvantaged communities who would most benefit from DPA funding, equipping them to negotiate CBAs and other agreements with manufacturers that guarantee worker and community buy-in and predetermined economic, health, and environmental benefits. Additionally, DOE should work with states to set up their own manufacturing technical assistance offices and councils. For example, Washington recently established a Manufacturing Council consisting of representatives from labor, industry, non-profits, and the public sector. DOE should actively work with the council and similar entities in other states to align investments with state and local goals.

Area 3 – American Workforce Investment.

(17) What specific labor standards and project selection criteria should guide the federal government in deciding which manufacturing firms benefit from DPA actions? These could include worker wages and benefits, access to unions, training opportunities, labor-management training programs, health and safety committees, or recruitment programs. What kinds of programs or partnerships do you participate in (or would you recommend) to support worker recruitment and retention in regarding the technology areas covered in this RFI?
(18) How can the federal government ensure that the jobs supported by any DPA actions in these clean energy technology sectors offer good wages and benefits and access to unions?

We recommend that DOE include the following high-road labor standards as selection criteria for the DPA. These standards primarily apply to jobs in the construction sector, unless otherwise noted:

- Prevailing wage: Projects should require all construction contractors

and subcontractors to comply with the Davis-Bacon Act and Related Acts (DBRA). Contractors and subcontractors shall therefore agree that all employees shall be paid the local prevailing wages and receive accompanying benefits as identified under DBRA in the construction of projects funded by this program. Compliance with DBRA should be the minimum accepted standard with applicants encouraged to offer wages higher than the local prevailing wage. Applicants should also be encouraged to include healthcare and retirement benefits when they are not offered in required prevailing fringe benefits.

- Project Labor Agreements (PLA): Large construction projects, not subject to Executive Order 14063 requiring the use of 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 highroad labor standards, a qualified workforce, and timely projects.
- Registered apprenticeship programs 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. Only apprenticeships that are registered through a state apprenticeship agency or through the U.S. Department of Labor should qualify. 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. Additionally, many unions offer training throughout a member's career to enable them to stay up to date with changes in technology. Wraparound services such as transportation and childcare also help with recruitment and retention of underrepresented and disadvantaged workers, as well as increase graduation rates.
- Pre-apprenticeship programs: Pre-apprenticeship programs have become a key tool for improving equitable access to jobs 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 support certain populations or demographics such as low-income workers, workers of color, women, and other marginalized communities. The most successful pre-apprenticeship programs are those affiliated with registered apprenticeships or other contractually agreed on-the-job training programs. Wraparound services such as transportation and childcare referenced in the apprenticeship section are also essential for pre-apprenticeship programs.

DOE also should consider additional high-road labor standards, such as: union neutrality, high-road wages and benefits, occupational health and safety standards and programs, avoidance of misclassification, and avoidance of excess use of contracted or temporary employees.

Area 4 – Energy Equity, Community Access, and Economic Benefit.

(22) How can DPA authority support "regional clusters" for clean energy manufacturing in underserved communities and communities where the economy is currently highly dependent on fossil fuel production (such as coal communities) to transform their economy in the next 5 to 10 years? If possible, please include information explaining your answer.

As coal-fired power units and coal mines close, local governments often lose significant tax revenue, putting everything from schools to water treatment facilities in danger of being severely underfunded. For every direct coal job that has been lost, four other jobs have disappeared in these communities—meaning a quarter of a million jobs already have been lost.[5] This leads to devastating impacts on communities, workers, and their families. For example, over the last decade in Central and Northern Appalachia, poverty levels have either remained stagnant or increased in around 95 counties.[6] These same areas experience a high prevalence of abandoned (coal) mine lands. New investments in energy communities can help replace some of that revenue, potentially reviving these communities. In particular, investments in

[5] Union of Concerned Scientists and Utility Workers Union of America, *Supporting the Nation's Coal Workers and Communities in a Changing Energy Landscape*, 2021. Available online: https://www.ucsusa.org/sites/default/files/2021-05/Supporting-the-Nation%27s-Coal-Workers-%28report%29.pdf

[6] Appalachian Regional Commission (ARC), Income and Poverty in Appalachia, 2021. Available online: https://www.arc.gov/income-and-poverty-in-appalachia/

deindustrialized communities have the potential to revive stranded assets and serve as new sources of employment for local residents. DOE should target DPA investments towards workers and communities experiencing the economic impacts of energy transition as part of a broader set of investments to build a clean and equitable economy for all with a focus on hiring dislocated workers from previously closed facilities. This is consistent with other provisions of the Inflation Reduction Act and BIL that DOE and other federal agencies will be implementing, such as the Advanced Energy Manufacturing and Recycling Grants program, Energy Infrastructure Reinvestment Program, clean energy bonus tax credits for energy communities, and funding reserved for energy communities in the 48C tax credit. Targeting DPA funding to these communities will multiply the impact of awards and enhance the regional linkages of projects. Through the SolSmart program, DOE has already begun to identify areas, including coal communities, that are developing and implementing plans to develop renewable energy industry clusters. The Appalachian Regional Commission and the Economic Development Administration have also recently funded projects intended to bring segments of the renewable energy supply chain to coal communities.

See "Community and Labor Engagement" below for examples of how DOE can support existing community economic development strategies and projects through the Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization (IWG).

(23) How could securing the national supply chain and increasing manufacturing and deployment in these technology areas impact underserved, overburdened, and frontline communities ("disadvantaged communities")?

a. **What could be the positive impacts of manufacturing initiatives supported by DPA authority? (For example: jobs, community enrichment, research opportunities).**

The growing demand for clean energy goods creates enormous potential to create quality manufacturing jobs that on average have higher pay and stronger union density than other available jobs. Manufacturing workers earn 13% more in wages and benefits than comparable workers in the rest of the

private sector,[7] and energy-specific manufacturing pays an additional premium of 13% over the entire manufacturing industry and 20% over the national median wage.[8] By harnessing DPA funding to create and retain clean energy manufacturing jobs in disadvantaged communities, we can boost economic security and build broader support for the climate action we need.

Numerous studies find that the decline in U.S. manufacturing under unfair trade policies has contributed to income inequality.[9] Laid-off manufacturing workers have been forced to compete for lower-paying service sector jobs, putting downward pressure on middle class wages across the economy. Less reported is the fact that the manufacturing decline and resulting pay cuts have disproportionately impacted Black workers. Black manufacturing employment has fallen more than 30% since the late 1990s, contributing to the Black-white wage gap.[10] As a result, targeted manufacturing investments in disadvantaged communities through DPA could result in the creation of thousands of quality jobs and along with additional federal investments begin to reverse decades of job losses in service of a more equitable economy.[11]

b. What could be the negative impacts of manufacturing initiatives supported by DPA authority, and how can DOE alleviate these negative impacts? (For example: pollution, potential exacerbation of existing harms to communities hosting these industries).

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[7] Economic Policy Institute, "Yes, manufacturing still provides a pay advantage, but staffing firm outsourcing is eroding it," March 2018. Available online: https://www.epi.org/publication/manufacturing-still-provides-a-pay-advantage-but-outsourcing-is-eroding-it/

[8] NASEO, EFI, and BW Research, *Wages, Benefits, and Change: A Supplemental Report to the Annual U.S. Energy and Employment Report*, April 2021. Available online: https://static1.squarespace.com/static/5a98cf80ec4eb7c5cd928c61/t/606d1178a0ee8f1a53e66206/1617760641036/Wage+Report.pdf

[9] International Monetary Fund, *Manufacturing Jobs and Inequality: Why is the U.S. Experience Different?*, September 2019. Available Online: https://www.imf.org/en/Publications/WP/Issues/2019/09/13/Manufacturing-Jobs-and-Inequality-Why-is-the-U-S-47001

[10] Economic Policy Institute, "Botched Policy Responses to Globalization have Decimated Manufacturing Employment with Often Overlooked Costs to Black, Brown, and Other Workers of Color," January 2022. Available Online: https://www.epi.org/publication/botched-policy-responses-to-globalization/?emci=87bbc266-0ad2-ec11-b656-281878b8c32f&emdi=ea000000-0000-0000-0000-000000000001&ceid=

[11] Political Economy Research Institute, *Job Creation Estimates Through Proposed Inflation Reduction Act*, August 2022. Available Online: https://peri.umass.edu/publication/item/1633-job-creation-estimates-through-proposed-inflation-reduction-act

The industrial sector represents a large and growing share of emissions with far less progress made to date in GHG emissions reduction than in many other sectors. Industrial sector emissions now account for nearly one-third of GHG emissions in the United States.[12] Industry is one of the only sources of U.S. greenhouse gas emissions that is projected to rise in the coming decades.[13] Additionally, climate pollution is not the only byproduct of heavy industry that poses an existential threat. Toxic air pollution from U.S. industry spells high cancer risks for a quarter million people who live near industrial facilities.[14] Decades of environmental injustice mean that predominantly Black neighborhoods bear twice as much cancer risk from industrial air pollution as primarily white neighborhoods. At the same time, these industries are essential to produce the materials and components necessary for clean technology and infrastructure—and to modern life.

In order to reduce existing harms and prevent additional burdens, projects should be evaluated and selected based on their contribution to reduced or avoided emissions, as well as on their potential to avoid or reduce air, water, and land pollution—particularly pollution that would impact or has impacted environmental justice and other fence line communities. In addition, priority should be given to projects that avoid or reduce exposure to toxic substances that threaten worker safety and community health. In particular, DOE should provide outreach and technical assistance to environmental justice and other disadvantaged communities on the development of community benefit agreements included in project applications. DOE should ensure these agreements have clear guardrails related to worker health and pollution reduction, as well as economic benefits for impacted communities.

c. Are there any legal, policy, economic, or environmental barriers that would prevent disadvantaged communities from benefiting from DPA activities?

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[12] U.S. Environmental Protection Agency, "Sources of Greenhouse Gas Emissions," November 2022. Available Online: https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions

[13] U.S. Energy Information System, *Annual Energy Outlook 2022*, March 2022. Available Online: https://www.eia.gov/outlooks/aeo/pdf/AEO2022_ReleasePresentation.pdf

[14] ProPublica, "Poison in the Air," November 2021. Available Online: https://www.propublica.org/article/toxmap-poison-in-the-air

Historically, disadvantaged communities have been denied equal access to federal investments, much less *equitable* access. Even though the Black unemployment rate has remained about twice as high as the white unemployment rate since the U.S. Bureau of Labor Statistics (BLS) started collecting data in 1972, federal investments have failed to account for these discrepancies.[15] This has factored into a wealth gap where white families have on average eight times the wealth of a typical Black family and eight times the wealth of a typical Hispanic family.[16]

Additionally, disadvantaged communities are more likely to be located in areas most vulnerable to flooding and other climate change-related weather events. However, federal funding for local communities and systems to build the foundations necessary to deal with the scale of such challenges has been hampered due to implicit and explicit segregation laws and policies. In addition, a 2021 analysis of all major emission source sectors found that nearly all of them consistently affect people of color more.[17] Hazardous waste facilities and polluting industries are more likely to be located in predominantly communities of color and low-income communities. People of color are 1.5 times more likely to live in an area with poor air quality than white people, leading to more asthma, heart attacks, strokes, lung cancer, reproductive harm, premature birth and low-birth weight, and even early death.[18] Black people have a three times greater risk of death compared to white people due to PM2.5 air pollution exposures.[19]

All of these confounding factors present challenges for disadvantaged communities to fully benefit from DPA investments. As a result of income and wealth gaps, local governments and businesses located in these communities

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[15] Center for American Progress, "On the Persistence of the Black-White Unemployment Gap," February 24, 2020. Available online: https://www.americanprogress.org/issues/economy/reports/2020/02/24/480743/persistence-blackwhite-unemployment-gap

[16] Board of Governors of the Federal Reserve System, *Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances*, September 28, 2020. Available online: https://www. federalreserve.gov/econres/notes/feds-notes/disparitiesin-wealth-by-race-and-ethnicity-in-the-2019-survey-ofconsumer-finances-20200928.htm

[17] Science Advances, *PM2.5 polluters disproportionately and systemically affect people of color in the United States*, April 28, 2021. Available online: https://advances.sciencemag.org/content/7/18/eabf4491.full

[18] American Lung Association, *Addressing the Burden of Air Pollution*, August 26, 2020. Available online: https://www.lung. org/blog/environmental-justice-air-pollution

[19] New England Journal of Medicine, "Air Pollution and Mortality in the Medicare Population." Available online: https://www.nejm. org/doi/full/10.1056/NEJMoa1702747

struggle with capacity-related challenges for applying for and managing federal grants. DOE and other federal agencies have also struggled to establish successful outreach programs and policies to deal with the scope of these issues.

(24) What project selection criteria and qualifying requirement(s) should the government consider or embed in DPA funded projects to ensure the DPA funded projects benefits the American public, support underserved communities, and do not cause unintended harm to the environment or communities?
(25) What equity standards should guide the government in carrying out DPA actions for the covered technologies?

Community and Labor Engagement

Communities often already have a clear vision for economic development goals, but are often marginalized and deprived of resources that would enable them to lead implementation of those plans, build the financial resources necessary to start and sustain community-wide efforts, or attract expertise and resources needed to champion efforts and successfully navigate complex and politically charged environments. DOE should provide technical assistance and financial support for groups seeking to attract DPA funding to their communities, and should provide points of contact that can advise businesses that apply for this program on procedures, deadlines, and implementation requirements.

Similar to other provisions within the Inflation Reduction Act, DOE should prioritize funding for communities facing recent closures of coal mines or coal-fired power plants. The Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization (IWG) offers some infrastructure for offering technical assistance. With additional resources, the IWG could be the one-stop-shop for businesses and organizations in coal communities to receive technical assistance.

Prioritizing public input and community and labor participation is key in determining which projects are chosen and how they are implemented. With community buy-in, these sites can create long-term, permanent jobs and help

diversify the economies of communities. The RECLAIM Act (H.R.1733/S.1455, 117th Congress) offers a potential model to follow. The bill requires local stakeholder collaboration in development of goals and planning.

DOE should particularly prioritize early consultation with workers and fence line communities to ensure that the manufacturing facilities benefiting from this program support their environmental, health, and economic needs. It is imperative that DOE incorporate input from Tribes, communities of color, low-income communities, labor unions, and communities that have suffered from deindustrialization, energy transition, and environmental injustice into the selection and design of projects. In particular, community-based organizations' (CBO) input should be sought on matters regarding local hire; labor unions should be consulted on training opportunities and all of the labor standards outlined above; and disadvantaged communities, Tribes, and CBOs should be engaged to ensure that the goals of Justice40 are fulfilled.

The DPA should require or incentivize the use of CWAs and CBAs as a clear means of ensuring meaningful community and worker engagement in—and benefits from—projects. A CWA reflects a common pledge between labor and the community to work together to build a high-road path to economic revitalization that includes good jobs. 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. A CBA typically includes more than economic benefits and utilizes a community input process to develop an agreement with the community for a broader array of benefits (i.e., housing or transportation priorities).

It is also important to link projects funded by the DPA to community-driven economic development efforts to ensure that the projects actually meet the needs of the community. For coal communities, the IWG could again play a role in helping communities build on existing efforts by connecting them to other complementary programs at DOE and other key agencies, such as the Economic Development Administration), Appalachian Regional Commission, and the U.S. Department of Agriculture.

Economic, Racial, and Environmental Justice

Projects should be prioritized in low-income communities, communities of color, and communities enduring deindustrialization, energy transition, or environmental injustice, so long as these communities actively support the projects. We offer the following suggestions for defining these communities:

- Environmental justice communities: Government tools such as the Council on Environmental Quality (CEQ) screening tool, DOE mapping tool, and/or state-specific environmental justice screening tools should be used to help identify environmental justice and other disadvantaged communities where the project benefits should be concentrated. The DPA should support implementation of Justice40 through program guidance, technical assistance, and reporting requirements.
- Energy communities: To ensure these targeted investments adequately address the needs of coal communities, DOE should align funding with IWG mapping.
- Projects also should demonstrate how the proposed program will offer disadvantaged workers improved access to career opportunities in manufacturing. This may include:
    - Requiring or incentivizing local or targeted hire or other hiring and procurement policies that benefit low-income communities, people of color, women, and formerly incarcerated people in disadvantaged communities, as identified by CEQ's screening tool or DOE's mapping 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;
    - Creating a community task force to monitor and enforce a local hire provision or CWA/CBA;
    - Requiring or incentivizing pre-apprenticeship opportunities that are linked to registered apprenticeship programs and that target disadvantaged communities;
    - Integrating training programs with community-based "wrap around" services to maximize retention of disadvantaged and underrepresented workers as they enter careers (e.g., child care

services and transportation);
- Omitting or limiting drug testing or background checks; and
- Identifying existing community networks for recruitment of disadvantaged workers.