



**TESTIMONY OF BLUEGREEN MINNESOTA POLICY ORGANIZER ABBY
HORNBERGER ON HF 2336
MINNESOTA HOUSE LABOR AND INDUSTRY FINANCE AND POLICY
COMMITTEE
MARCH 22, 2023**

Thank you Chair Nelson and committee members and to Rep. Greenman for bringing HF 2336 forward.

For the record my name is Abby Hornberger, the MN Policy Organizer for the BlueGreen Alliance. Our organization brings together labor unions and environmental advocates to solve today's environmental challenges in ways that create and maintain quality jobs and build a clean, prosperous, and equitable economy.

BGA supports the establishment of the Minnesota Climate Innovation Finance Authority (MnCIFA) to invest in mid-sized clean energy projects that are currently underfunded—at a pace that meets the needs of communities.

Making sure the jobs we create are good-paying jobs is vital to an endeavor like this. We thank the author for including language that ensures workers are paid a prevailing wage and recognizing the right to organize and form a union.

Researchers from Princeton University studied the influence of high-road labor policies on renewable energy project costs and found a 20% increase in domestic labor costs in turn increases installed capital costs for wind and solar power by only 2% to 4%. This is because labor costs are only a small part of the capital costs of a whole project. There is historical evidence that unionized labor is more productive, and “while [prevailing wage] requirements may increase wages, total

labor costs may not increase; worksite productivity is 14-33% higher.”¹

Additionally, recommending that Project Labor Agreements (PLAs) be used on large-scale projects will make sure there are terms and conditions of workers on specific construction contracts—including wages, hours, working conditions, and dispute resolution methods. These agreements are utilized to ensure high-road labor standards and timely projects.

MnCIFA would be eligible to capture important funds from the greenhouse gas reduction fund in the Inflation Reduction Act and creates a funding authority that is able to roll out investments in the clean energy economy at the speed and scale that overburdened communities desperately need.

We ask members to support HF 2336.

Thank you.

¹ Jesse Jenkins and Erin Mayfield, *Influence of high road labor policies and practices on renewable energy costs, decarbonization pathways, and labor outcomes*, 2022. Available online: https://netzeroamerica.princeton.edu/img/Working_Paper-High_Road_Labor_and_Renewable_Energy-PUBLIC_RELEASE-4-13-21.pdf