



AFL-CIO

## **RESOLUTION SUPPORTING A LABOR FRIENDLY COMMUNITY CHOICE AGGREGATION PROPOSAL FOR SAN MATEO COUNTY**

**WHEREAS**, electric utilities have long been a source of unionized workers for working Californians: Union members are directly employed by the utilities, union members work for the contractors hired by utilities, and third party energy generators whose electricity is purchased by utilities sign project labor agreements to build their generation facilities; and

**WHEREAS**, in 2002, the California Legislature passed and Governor Gray Davis signed AB 117 creating the Community Choice Aggregation (CCA) concept which permits the procurement of electricity by local governments for its residents and businesses; and

**WHEREAS**, CCA agencies face a significant risk that consultants and venture capitalists will manipulate the newly established CCA agency for their own financial benefit and against the interest of workers and consumers; and

**WHEREAS**, the Marin CCA contracted to purchase power from a large fossil fuel company/energy trading company, headquartered in Texas. This company makes its money buying and selling electricity and seeks high profit margins by purchasing low cost, nonunion power from out of state; and

**WHEREAS**, despite repeated promises of local jobs and local build-out of renewable energy generation facilities, in the four years the Marin CCA has been purchasing out of state power, only one local renewable energy facility had been built in Marin and that facility was built non-union; and

**WHEREAS**, California law requires Utilities and CCAs to increase renewable generated electricity to constitute 33% of their portfolio by 2020. Consequently, every customer in California will receive the same amount of renewable energy from State certified renewable sources, whether they are served by existing Utilities or a new CCA; and

**WHEREAS**, the high demand for renewable energy is creating opportunities for work in the development of new renewable energy generation through the building of renewable energy generation facilities in California and labor is united in providing as much of this work to union members as is possible: and

**WHEREAS**, aggregation of energy customers will produce the good, green jobs desired ONLY IF specific elements are established in writing and the San Mateo County CCA agrees in advance to these objectives. Without each one of these elements, no good, green jobs will be created.

**THEREFORE, BE IT RESOLVED**, that the San Mateo County Central Labor Council hereby formally urges San Mateo County Board of Supervisors and those entities participating in the development of an San Mateo County CCA to adopt the following principles to ensure that the project will create fair wage, union jobs with benefits fulfilling a major goal of the green economy in the Bay Area:



## **Principles for Implementation of Labor Friendly Community Choice Aggregation**

In order to ensure the greatest opportunity for workers to benefit from local electric customers investment in a Community Choice Aggregation agency and protect the interests of union members, the San Mateo Labor Council has determined that the following Principles must be established in writing PRIOR to Labor providing any support for a proposed San Mateo CCA. This includes identifying funding or likely funding sources required to successfully implement the CCA in advance.

### **1. Power Purchase Agreements (PPAs) from union generating companies/agencies:**

The power procured by the CCA must be sourced from generators who employ union workers. Such generators should also be located in State. Today, dozens of utilities in California generate and purchase electricity generated here and California generates nearly 80% of all the electricity that it uses. This increases the buying power of the customers while using the Utilities' infrastructure and power generated and delivered by union workers.

### **2. PLAs Covering Renewable Energy Generation:**

The CCA shall purchase renewable power from generating plants that have been built under a Project Labor Agreement or from plants that will be built under the CURE model. Currently, this is universal in California, where Utilities who generate and purchase green power do so from generating facilities that have been built under a CURE PLA. But funding for these new renewable generation projects must be in place before San Mateo County launches its CCA because no funding means no construction and no work. Instead, the new CCA will contract for out of state power and use Renewable Energy Certificates (RECs) to greenwash dirty, fossil fuel power.

### **3. PLAs Covering Energy Efficiency Work:**

The San Mateo County CCA shall agree upfront to perform necessary energy efficient work on their customers' building under a Building Trades PLA. This work must create sufficient energy savings to pay for these improvements and the energy efficiency work must be performed under a Project Labor Agreement. A wide variety of financing strategies are available from Energy Service Companies (ESCOs) to Property Assessed Clean Energy (PACE). The work is performed by trained union workers ensuring high wage and benefits to the workforce; and

### **4. Community Benefits Agreements.**

CCA projects that have community benefits provisions requiring local construction and local hiring should have priority over projects without such commitments.

The San Mateo CCA shall agree upfront to Community Benefit Agreements with provisions requiring local construction and local hiring have priority over projects without such commitments prioritize projects to assure workers residing in San Mateo County will benefit from the CCA: and

**BE IT FURTHER RESOLVED**, that upon adoption of these principles by San Mateo County Board of Supervisors, including identified financing for local renewable generation development in San Mateo County and throughout the State of California, the San Mateo Labor Council will support fully the implementation of the San Mateo County CCA; and

**BE IT FINALLY RESOLVED**, that the San Mateo County Board of Supervisors, all participating Cities and other entities should also endorse the principles for CCA creation to ensure that the jobs created will be the good, green jobs long promised by the green economy.

Adopted by the San Mateo County Central Labor Council on March 9, 2015