

TO: THE CALIFORNIA AIR RESOURCES BOARD

FROM: THE UC BERKELEY DONALD VIAL CENTER ON EMPLOYMENT IN THE GREEN ECONOMY

RE: COMMENTS ON THE DRAFT AB 32 CAP-AND-TRADE AUCTION PROCEEDS INVESTMENT PLAN: FISCAL YEARS 2013-14 THROUGH 2015-16

April 24, 2013

To Whom It May Concern:

Thank you for the opportunity to present comments on the Draft AB32 Cap-and-Trade Auction Proceeds Investment Plan: FY 2013-14 through 2015-16. The Don Vial Center carries out research on the emerging green economy and climate change policy in California as these relate to labor markets, workforce development, and workforce policy. We offer the following comments to guide the next phase of development of the Investment Plan.

The Plan includes these principles for cap-and-trade investments: first, state agencies should seek to maximize investments in and benefits to disadvantaged communities; and second, investments should foster job creation, including opportunities for training to amplify investment benefits, and maximize economic benefits for California (page 33). While the implementation principles instruct the agencies receiving investment funds to track information on the quantity of jobs created (page 34), we also urge ARB to pay attention to the quality of jobs created by investments, as well as access to those jobs by disadvantaged communities. This will help ensure that investments from cap-and-trade auction proceeds create good jobs in California with family-supporting wages and benefits, and that disadvantaged workers have access to these career pathways.

The Investment Plan offers a summary of the areas of priority investment. The area of energy efficiency and clean energy includes a focus on residential energy efficiency and clean energy financing and retrofits for low-income households, along with public and industrial/agricultural efficiency upgrades (page 25). Investment in residential energy efficiency, in particular, can result in a wide range of outcomes for jobs. As we pointed out in our *2011 WE&T Needs Assessment*, the residential retrofit sector is subject to many of the same “low-road” pressures facing the residential construction industry at large, which can result in low wage, dead-end jobs, and a lack of formalized training leading to career advancement.¹ There are a few examples of residential energy efficiency programs that include strong workforce development components and worker outcomes, which should be used as models for cap-and-trade investments in residential EE.

One model of a successful residential retrofit program that also creates quality jobs and pathways is Los Angeles Department of Water and Power’s (LADWP) low-income weatherization initiative. The initiative includes the Utility Pre-Craft Trainee (UPCT) program, jointly operated by LADWP and the International Brotherhood of Electrical Workers (IBEW) Local 18.² UPCT is an earn-while-you-learn, pre-apprenticeship

¹ http://www.irle.berkeley.edu/vial/publications/WET_Part1.pdf (page 103)

² This program is highlighted in our recent report:
http://laborcenter.berkeley.edu/greenjobs/training_future.shtml

in which trainees work full time weatherizing the homes of low-income utility customers while also learning other skills and preparing for the civil service exams and career opportunities in the utility, in particular for jobs that will face shortages as workers retire. The program includes a wage standard of \$16 per hour plus benefits, considerably more than most workers earn doing residential weatherization, and works with community groups to help connect low-income communities to weatherization services and job opportunities. Another successful residential retrofit program with good workforce outcomes is Clean Energy Works Oregon (CEWO).³ CEWO is a residential retrofit initiative that includes a high-road agreement to establish workforce goals and minimum labor standards for participating workers and contractors carrying out the retrofits, including a wage floor and targeted and local hiring quotas.⁴

We urge the ARB and the implementing agencies to look to examples like UPCT and CEWO for their investment projects in the residential sector, and to consider ways to send clear signals about job quality and job access throughout the cap-and-trade investment projects.

Thank you,

Dr. Carol Zabin, Chair

UC Berkeley Donald Vial Center on Employment in the Green Economy

³ <http://www.cleanenergyworksoregon.org/>

⁴ http://www.irle.berkeley.edu/vial/publications/WET_Part1.pdf (page 111)