Testimony of Lonnie R. Stephenson
International President
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"Building a 100 Percent Clean Economy: Opportunities for an Equitable, Low-Carbon Recovery."
Before the Subcommittee on Environment and Climate Change
House Committee on Energy and Commerce
U.S. House of Representatives
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Chairman Tonko, Ranking Member Shimkus, and Members of the House Energy and Commerce Subcommittee on Environment and Climate Change, thank you for inviting me to today's hearing.

Background

My name is Lonnie Stephenson. I have the honor of serving as the International President of the International Brotherhood of Electrical Workers (IBEW). The IBEW is the largest energy union in the world. We represent more than 775,000 members in the United States, U.S. territories, and Canada who work in a variety of energy-related fields including utilities, construction, telecommunications, broadcasting, manufacturing, and transportation.

IBEW members are working on the frontlines of climate change. We are proud to be building and maintaining new, zero carbon power generation sources, from large-scale solar installations in the desert of California to offshore wind farms off the coast of Rhode Island. Our inside wiremen regularly retrofit older buildings with modern energy efficiency techniques that significantly reduce energy usage and lowers energy prices for consumers. In recent weeks, IBEW outside linemen from around the country have been deployed in response to power outages caused by severe weather events, such as Hurricane Laura, Tropical Storm Isaias, the

Midwest derecho wind storm and now the wildfires threatening communities along the West Coast.

Meeting the Jobs and Climate Challenge

The COVID-19 pandemic has taken a terrible toll on America's workers and labor unions. The Bureau of Labor Statistics (BLS) reported earlier this month that 13.6 million Americans are currently out of work, more than double since February.[1] This includes tens of thousands of IBEW members who lost work due to temporary shutdowns or are victims of the sharp decline in economic activity. Further troubling are the 2.1 million Americans who have permanently lost their jobs since this spring.[2]

IBEW-focused sectors of the economy, such as construction, manufacturing, and transportation, have been hard hit by the pandemic. The unemployment rate for workers in natural resources, construction and maintenance industries has nearly doubled from just four percent in August 2019 to 7.9 percent in August 2020.[3] The U.S. Energy Information Administration (EIA) recently reported that 18 percent of proposed electrical generation units this spring were delayed due to COVID-19, equaling over three gigawatts of capacity.[4] Domestic manufacturing has been particularly hard hit, losing 720,000 positions in the past seven months.[5] Since August 2019, unemployment in the transportation sector has more than doubled, from 4.9 percent to over 11 percent, losing over a million jobs.[6]

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[1] U.S. Bureau of Labor Statistics, *Employment Situation Summary – August 2020* (Sept. 4, 2020) (https://www.bls.gov/news.release/pdf/empsit.pdf).
[2] *Ibid*, at Table A-11.
[3] *Ibid*, at Table A-13.
[4] U.S. Energy Information Administration, *COVID-19 mitigation has delayed construction of some electric generators* (July 15, 2020) (https://www.eia.gov/todayinenergy/detail.php?id=44376).
[5] U.S. Bureau of Labor Statistics, *Employment Situation Summary – August 2020*, p. 4.
[6] *Ibid,* at Table A-13.

At the same time, the climate crisis is real and urgent and poses a threat to our nation's long-term prosperity. The federal government needs to develop a plan to mitigate the impacts of climate change and responsibly reduce emissions domestically to avoid the worst impacts of global warming.

For these reasons, the IBEW supports the United States Congress developing a stimulus plan that would create over a million family-supporting, union-friendly jobs to rebuild our nation's infrastructure, rejuvenate our manufacturing sector, lower greenhouse gas emissions and mitigate the impacts of climate change.

For the remainder of this testimony, I will focus on several policy areas of importance for IBEW members and our new partnership with the Energy Futures Initiative.

Strong Labor Standards

A key feature of any federal stimulus effort and transition to a lower emissions economy will require the inclusion of strong labor standards to ensure that taxpayers' money will create high-road jobs with living wages. The need for deliberate policies that would create shared prosperity for working families was made clear in a study recently published by California Workforce Development Board that examined the intersection of climate policy and workforce needs. To quote the study:

> Maximizing shared prosperity for … working families from these transformations requires specific and intentional labor policy. Workers will experience changes unequally; some good jobs will disappear, and without policy intervention, they could be replaced by low-wage jobs. This outcome has implications not only for the broader economy, but also for the climate policies themselves … [A]bsent deliberate efforts to incorporate workforce goals, the economic changes, produced by climate policy may simply replicate—or even exacerbate—deep-seated economy-wide trends of persistent wage inequality and disparities by race and gender.[7]

[7] California Workforce Development Board, *Putting California on the High Road: A Jobs and Climate Action Plan for 2030*, p. 4-5 (https://laborcenter.berkeley.edu/wp-content/uploads/2020/09/Putting-California-on-the-High-Road.pdf).

Among the policies needed to create the high-road, living wage jobs necessary to rebuild the middle class in a low carbon economy are:

- Prevailing wages, as defined by the Davis-Bacon Act;
- Project Labor Agreements (PLAs) for construction projects;
- Supporting apprenticeship and pre-apprenticeship programs;
- Strong rules against worker misclassification (falsely classifying employees as "independent contractors" in order to circumvent state and federal labor laws);
- Respecting workers' right to join a union;

On the final point, the evidence is overwhelming that labor unions raise wages and decrease inequality. Labor union have a "strong positive effect not only on the wages of union workers but also on the wages of comparable nonunion workers" and "unions makes wages among occupations more equal because they give a larger wage boost to low- and middle-wage occupations than to high-wage occupations."[8] Regarding issues of equity, the union wage boost is "larger for black and Hispanic workers than for white workers" and helps "raise the wages of women."[9]

While the Committee on Energy and Commerce is not the committee of jurisdiction regarding federal labor law, this committee does have the ability to require employers receiving funds under a low carbon infrastructure stimulus package or other authorized programs to abide by certain requirements, including requiring employers to remain neutral with respect to employees' right to organize and bargain. The IBEW requests that the committee look to the language included in the $80 billion broadband infrastructure program proposed in the Moving Forward Act (H.R. 2, Section 31301) as a model for protecting workers' right to organize and help address inequality and equity issues. Section 31301 not only requires employers that receive funds through the program to pay workers prevailing wages, but also requires employers to

[8] Economic Policy Institute, *How today's unions help working people* (August 24, 2017), p. 7 (https://files.epi.org/pdf/133275.pdf).
[9] *Ibid*., p. 7, 11.

remain neutral in workers' organizing efforts, require first-contract bargaining and binding arbitration, and prohibits subcontracting for the purpose of circumventing a collective bargaining agreement.[10]

Importance of Baseload Generation

The IBEW supports preserving key baseload energy sources, including natural gas, coal, and nuclear power. These baseload power sources are important to maintaining the security and reliability of our nation's electric grid. Supporting traditional baseload generation and reducing greenhouse gases are not mutually exclusive.

The IBEW sees existing and advanced nuclear generation as the cornerstones of a low carbon future. Based on EIA data, nuclear power accounts for 20 percent of the nation's total electrical generation and over half of all zero carbon emission generation in the country.[11] As the United States moves towards increasing reliance on renewable energy, such as solar and wind, the need for nuclear energy's reliability, the country's only carbon-free source that can ensure around-the-clock generation, even during inclement weather, has become even greater.

Over 14,000 IBEW members are permanently employed at nuclear facilities around the country, with thousands more who do construction work during nuclear facilities' periodic refueling outages. However, conventional nuclear energy is currently facing severe economic challenges. Ten reactors have closed prematurely over the past seven years, with additional reactors planning to close in the coming years. Most recently, Exelon announced three weeks ago it would prematurely retire the Byron and Dresden nuclear plants in Illinois due to market rules. The closure of Byron and Dresden will cost more than 1,500 full-time positions and 2,000

[10] U.S. House of Representatives, *Moving Forward Act,* HR 2, 116th Cong., 2nd sess., 2020, p. 1448-53.
[11] U.S. Energy Information Administration, *Electricity explained – Electricity in the United States*, March, 20, 2020 (https://www.eia.gov/energyexplained/electricity/electricity-in-the-us.php).

supplemental jobs in rural communities that cannot afford to lose these family-supporting union jobs. The IBEW asks the committee to consider policies that will help keep existing nuclear plants from prematurely retiring as part of its continuing legislative work on combatting climate change.

The development and deployment of advanced nuclear reactors is important for the United States to maintain its role as the global leader in nuclear technology and prevent nuclear proliferation. The IBEW is supportive of current efforts in Congress to pass legislation to support advanced nuclear research, development, and deployment. We hope advance nuclear technology, with the promise of smaller, cleaner, and cheaper reactors, has the potential to create thousands of family-supporting jobs and maintain the baseload generation we will need in a low carbon future.

The IBEW urges strong federal support for carbon capture, utilization, and sequestration (CCUS) and direct air capture as critical technologies to lower emissions in the power sector. We have endorsed the Utilizing Significant Emissions with Innovative Technologies (USE IT) Act (H.R. 1166/S. 383) as an important step in the development of direct air capture and CCUS technologies that will reduce emissions from coal- and gas-generating power plants and industrial facilities and help create a new technology that can be exported while creating jobs at home. Robust federal support for CCUS will allow coal and gas powerplants to stay on-line and protect the large economic ecosystem and the tens of thousands of IBEW members who work in these sectors. We are gravely concerned that a failure to develop CCUS or direct air capture as a viable technology will eventually result in the closure of nearly every coal-fired power plant in the country. This would have a devastated impact on the workers and communities that these plants support.

Advanced Manufacturing

Three decades ago, manufacturing was the largest industrial sector in the IBEW. At that time, the IBEW represented roughly 400,000 workers in the manufacturing sector who produced electrical consumer and industrial products. Today, our manufacturing department represents about 30,000 workers. The IBEW views the low carbon economy as one of our nation's best opportunities to turn this trend around and reinvigorate the manufacturing sector. A large percentage of green jobs that will be created in the low carbon economy will come from manufacturing, whether in the United States or elsewhere. For example, the International Renewable Energy Agency (IRENA) found that manufacturing of equipment offers "the bulk of job opportunities in the [offshore wind] sector" accounting for 59 percent of all jobs created.[12] Congress must take advantage of this opportunity and support targeted programs that will invest in American workers, research and domestic manufacturers to win this race. We cannot allow the manufactured goods that will be central to the green economy, such as solar panels, wind turbines, high capacity batteries and electric vehicles, and their connected supply chains, to be dominated by China and other foreign competitors.

Areas of opportunity the IBEW sees within this committee's jurisdiction includes the development of a national manufacturing policy across industrial sectors that will protect the public, workers, and our nation's economy security from vulnerable supply chains. We also support the creation of a national infrastructure or climate bank that would help provide financing for the American-made products necessary to rebuild our infrastructure with labor standards tied to financing.

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[12] International Renewable Energy Agency, *Renewable Energy Benefits – Leveraging Local Capacity for Offshore Wind*, 2018, p. 7 (https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/May/IRENA_Leveraging_for_Offshore_Wind_2018.pdf).

Other policies that would help strengthen domestic manufacturing would include strong Buy America provisions that ensure that taxpayers' money is going towards buying American-made goods for the clean economy. We also support using the tax code to incentivize employers to manufacture and assembly goods in the United States and eliminating tax benefits for those manufacturers who outsource American manufacturing jobs overseas.

Labor Energy Partnership

The AFL-CIO and the Energy Futures Initiative (EFI) recently announced the creation of the Labor Energy Partnership, an initiative to promote economic equity based on quality jobs and the preservation of workers' rights while also addressing the growing climate crisis. The IBEW is an enthusiastic partner in this initiative and I am proud to be on the partnership's joint steering committee with fellow union presidents and former Energy Secretary Ernest Moniz. The Labor Energy Partnership is guided by four main principles:

1. Energy policy must be based on solid scientific review that acknowledges that climate change is real, anthropogenic, and represents an existential threat to human society.

2. Successful social solutions to climate change must be based on an "all-of-the above" energy source strategy that is regionally focused, flexible, preserves optionality, and addresses the crisis of stranded workers.

3. An essential priority of all climate policy solutions is the preservation of existing jobs, wherever possible, and the creation of new ones that are equal to or better than those that are displaced.

4. Climate policy represents an economic opportunity to the United States when the benefits of new technology deployment result in the creation of quality jobs and the creation of competitive domestic supply chains.

I have included an outline of the partnership's goals with this testimony. We hope the Labor Energy Partnership will be able to help policymakers develop policies that are the subject of this hearing.

Conclusion

The IBEW hopes Congress can come together in a bipartisan effort to address the multiple crises impacting the American people today. I am confident that the United States can and will overcome the current pandemic and meet the challenges of rebuilding America's middle class and climate change. With thoughtful consideration and bringing the relevant stakeholders to the table, we can successfully develop a greener, cleaner economy that creates millions of family-supporting jobs.

ENERGY FUTURES INITIATIVE

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Fact Sheet: Labor Energy Partnership

Commitment. The Labor Energy Partnership (LEP) is based on a shared commitment of the AFL-CIO and the Energy Futures Initiative to federal, regional and state energy policies that promote economic equity based on quality jobs and the preservation of workers' rights while also addressing the growing climate crisis.

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3. An essential priority of all climate policy solutions is the preservation of existing jobs, wherever possible, and the creation of new ones that are equal to or better than those that are displaced.
4. Climate policy represents an economic opportunity to the United States when the benefits of new technology deployment result in the creation of quality jobs and the creation of competitive domestic supply chains.

Activities. The Partnership will be implemented through a joint steering committee consisting of Richard L. Trumka, President, AFL-CIO; Cecil E. Roberts, President, UMWA and Chair, AFL-CIO Energy Committee; Lonnie R. Stephenson, President, IBEW and Vice-Chair, AFL-CIO Energy Committee; Ernest J. Moniz, President, Energy Futures Initiative; Melanie A. Kenderdine, Principal, Energy Futures Initiative; and Joseph S. Hezir, Principal, Energy Futures Initiative.

The LEP has identified an initial action agenda of energy and policy analyses over the next two years that includes, but is not limited to, the following focus areas:

1. A national action plan for the deployment of carbon capture, utilization, and sequestration technology.
2. A priority energy infrastructure analysis that provides a roadmap for key energy infrastructure needs, financing mechanisms, and approval and permitting pathways.
3. Policies needed to site and permit new electricity transmission projects in the near-term.
4. Options for safe, affordable preservation of the existing nuclear fleet and the deployment of next generation nuclear technologies.
5. Development of technology and policy pathways for the use of natural gas consistent with meeting climate goals.
6. An exploration of the economic challenges and cost benefits of the development of hydrogen fuels' alternatives for the transportation and industrial sectors.
7. The expansion of energy efficiency finance mechanisms and policy recommendations to enable the full utilization of energy efficient technologies in commercial and residential buildings, industrial processes, and transportation.
8. An assessment of the domestic capacity of the United States to mine, process, and manufacture the critical minerals and materials necessary for the domestic production of low-carbon technologies including rare earths, lithium, cobalt, copper, nickel, palladium, and other essential minerals.
9. An analysis of the offshore wind supply chain, including its raw material requirements, manufacturing technologies, and geographical differences between the East Coast, West Coast, and Great Lakes' resources and policy options to encourage domestic development

10. A roadmap for implementing carbon dioxide removal at scale.

This agenda will be flexible, as specific work projects are developed.

About the AFL-CIO Energy Committee

The Energy Committee of the AFL-CIO Executive Council was formed in 2013. The committee is chaired by Cecil E. Roberts, who has been president of the United Mine Workers since 1995 and is a sixth-generation coal miner. The committee's vice-chair is Lonnie R. Stephenson, International President of the International Brotherhood of Electrical Workers, who began his IBEW career in 1975 as an apprentice wireman in Rock Island IL. The committee also includes the Laborers International Union of North America, the United Association of Plumbers, Fitters, Welders & Service Techs, the International Union of Operating Engineers, the United Steelworkers, the Utility Workers Union of America, the International Brotherhood of Boilermakers, the International Federation of Professional and Technical Engineers, the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Union, and North America's Building Trades Unions.

AFL-CIO Resolution on Climate Change, Energy and Union Jobs: At its 2017 Convention, the AFL-CIO adopted Resolution 55, which calls for workers and unions to be at the center of creating solutions that reduce emissions while ensuring that millions of Americans have a "right to a strong, viable economic future, which includes good jobs at union wages and benefits." Read Resolution 55 in its entirety here.

AFL-CIO President Richard Trumka Speech to the Global Climate Action Summit: In September 2018, AFL-CIO President Richard Trumka delivered a keynote speech to a global audience calling for investments in technology, workers and communities that can build a sustainable economy of broadly shared prosperity.
Read the speech here.

About the Energy Futures Initiative

The Energy Futures Initiative advances solutions to the climate crisis through building coalitions, thought leadership, and evidence-based analysis. Under the leadership of Ernest J. Moniz, EFI analysis is published, and publicly available. Information about EFI, its mission, and analytical reports are available at energyfuturesinitaitive.org.

EFI Reports and Analyses: The Energy Futures Initiative conducts in-depth, unbiased analysis of energy and deep decarbonization in a decarbonized world. A sampling of its reports follows:

1. 2020 U.S. Energy and Employment Report and Five-Year Report, 2016-2020 (March 2020)
2. Regional Clean Energy Innovation (February 2020)
3. Clearing the Air: A Federal RD&D Initiative and Management Plan for Carbon Dioxide Removal Technologies (Sept. 2019)
4. Optionality, Flexibility, and Innovation: Pathways for Deep Decarbonization in California (May 2019)
5. 2019 U.S. Energy and Employment Report (May 2019)
6. Advancing the Landscape of Clean Energy Innovation (Feb. 2019)
7. Advancing Large Scale Carbon Management: Expansion of the 45Q Tax Credit (May 2018)
8. Leveraging the DOE Loan Program: Using $39 Billion in Existing Authority to Help Modernize the Nation's Energy Infrastructure (Mar. 2018)
9. The U.S. Nuclear Energy Enterprise: A Key National Security Enabler (Aug. 2017)

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