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Comments of the LiUNA Midwest Region to the Illinois Power Agency
Regarding Implementation of PA 102-0662
Residential and House of Worship Prevailing Wage Act Requirements

The enactment of Public Act 102-0662 establishes new labor standards for renewable energy facilities that are the subject of future renewable energy credit delivery contracts, specifically the application of Prevailing Wage Act (PWA) requirements. These requirements do not apply, however, to all projects that are the subject of a renewable energy credit delivery contract.

PA 102-0662 amends Section 1-75 of the Illinois Power Agency (IPA) Act stating that renewable energy facilities "for which a renewable energy credit delivery contract... signed after the effective date of this amendatory Act... shall be subject to the prevailing wage requirements included in the Prevailing Wage Act..." That same section (1-75(c)(1)(Q)(1)(vii) & (viii)) makes exceptions to this requirement for "projects that serve single-family or multi-family residential buildings" and "houses of worship where the aggregate capacity including collocated projects would not exceed 100 kilowatts".

Residential Classification

While determining whether renewable energy facilities are located at single-family residences will generally be straightforward, there could be instances where non-residential activities, such as a business located on site, may also occur. Therefore, we agree with the IPAs proposed approach allowing for construction of facilities without application of PWA requirements if those facilities supply power "predominantly" for (i.e., where the largest use of that power is for) single-family residential purposes.

The IPA proposes to establish a standard whereby the PWA would apply to mixed use sites if residential electrical usage is equal to or less than 75 percent of the location's total electrical consumption. We also agree with this approach as the square footage of the commercial, office, etc. portion of a mixed-use building may represent a smaller share of the building's overall square footage, yet use more electricity than the residential portion of the building. We also agree that larger distributed generation facilities (i.e., those in excess of 25 kW) that seek a residential classification should have to furnish documentation that they are, in fact, residential buildings.

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House of Worship Classification

The IPA asks stakeholders whether "there are specific considerations that should be included in the affidavit that the facility is used *exclusively* for religious exercise or religious worship?" (emphasis added).

There are several parts to the test that triggers the religious exception to PWA requirements under PA 102-0662 and most are straightforward. However, the IPA should make it clear that a renewable energy facility of 100 kW or less must *exclusively* service a property tax exempt house of worship or place of religious exercise in order for its construction to not be subject to PWA requirements.