



ILLINOIS DEPARTMENT OF LABOR

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GOVERNOR

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CLEAN ENERGY SECTOR ANNUAL WORKFORCE REPORT **Pursuant to the Energy Transition Act, Public Act 102-0662**

Introduction

The Illinois Department of Labor is charged with various responsibilities pursuant to the Energy Transition Act, Public Act 102-0662 (“the Act”). Among other things, the Act requires the Department to publish and make available on the Department’s website a report summarizing the racial and gender diversity of the workforce on clean energy sector projects by county. 20 ILCS 1505/1505-215(e). This report shall be presented to the Energy Workforce Advisory Council and Illinois Power Agency and is due annually on April 15th. 20 ILCS 1505/1505-215(e). This document is the Department of Labor’s filing for April 15, 2022.

Background

Signed into law on September 15, 2021, the Energy Transition Act is landmark legislation intended to move the State of Illinois to move toward 100% clean energy by 2050. The Act amended the Illinois Power Agency Act to significantly increase the State’s investment in renewable energy and established certain labor standards for nearly all such projects receiving State incentives in the form of Renewable Energy Credits (RECs). Specifically, the Act ensures that all utility-scale wind and solar projects are built with project labor agreements and that prevailing wages are paid on all other non-residential wind and solar projects.

The Illinois Department of Labor enforces the Illinois Prevailing Wage Act, 820 ILCS 130 *et seq.*, and annually ascertains the hourly prevailing wage rate for each building trade classification by county. Contractors are obligated to submit certified payroll records to demonstrate that they paid such prevailing wages to workers on covered projects. These records typically contain information on hours worked, wages paid, as well as the race and gender of all individuals performing work on a covered project.

In 2019, Public Act 100-1177, amended the Prevailing Wage Act to require that certified payroll records filed by contractors on public works projects be filed in an electronic database with the Department of Labor. Before that requirement took effect, all local and State-level public bodies separately collected certified payroll records. This statutory change meant that, for the first time, all certified payroll records for all covered public works projects should be filed with the Department. This centralized database can be used by the Department to run various reports and analyze data concerning the workforce on public works projects covered by Prevailing Wage Act requirements, including those in the clean energy sector.

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Process

To determine how to begin analyzing the racial and gender diversity on covered clean energy sector projects, the Department of Labor has conducted various meetings with the Illinois Power Agency, Department of Commerce and Economic Opportunity, and the Illinois Commerce Commission. The goal of the meetings has been to (1) understand the universe of clean energy projects covered by the labor requirements of the Energy Transition Act; and (2) establish a mechanism by which contractors would know and could indicate in their certified payroll reporting if the project they are undertaking is funded by the Energy Transition Act.

At this point, the Department has identified, and is in the process of programming, a means by which contractors can indicate when the certified payroll they are electronically filing is for a clean energy project. This will allow the Department of Labor to build a data set from which it can analyze race, gender, and wages paid on covered clean energy projects by county and prevailing wage classification, as required by statute.

The Energy Transition Act became effective September 15, 2021. As of April 15, 2022, approximately 40 projects have been awarded RECS pursuant to the Act. These projects are at different stages, and many have not actually begun construction work. While the Department has worked with sister agencies to manually identify and flag those projects for future certified payroll filings, because these filing requirements are relatively new and, given the small number of projects overall, the Department does not have sufficient data to report this year.

Implementation and Opportunities for Input

Once a programming mechanism is established to identify certified payroll records pertaining to clean energy projects, the Department of Labor will partner with other relevant agencies, contractor associations, unions, and trade organizations to begin educating clean energy contractors on how to identify -- and the importance of identifying -- covered clean energy projects in their certified payroll filings. The Department will already be conducting prevailing wage trainings and providing compliance assistance for new or smaller contractors pursuant to this Energy Transition Act and will incorporate this education into this ongoing work as well. The Department will continue to work with other state agencies, including the Illinois Power Agency, to spot check whether we have records for all clean energy projects that we are aware of and that should be covered.

We are actively working to ensure that we will be able to gather the data on covered projects in the coming year to produce a substantive report in 2023 and will provide opportunities for public input on the report structure in the coming months.