



# Oakland Workforce Development Stakeholder Engagement Series

Session 3: Workforce Perspectives in Decarb

Date: Tuesday, August 10, 2021 from 10:00-12:00pm Online via Zoom

Hosted by: City of Oakland

Facilitated by: Common Spark Consulting

On Tuesday August 10, 2021, the City of Oakland hosted a forum to hear from decarbonization experts and professionals in the field, highlighting perspectives on workforce needs and opportunities. Two panels showcased the diversity, desired and required skill sets, opportunities, and challenges in the industry. The objective of the meeting was to gain insight from the living and working experiences of those directly involved with decarbonization and electrification; this objective was highlighted as a need by attendees of the first two sessions in this stakeholder series. Perspectives and lessons learned will inform forthcoming City reports and plans.

#### Attendees and Panelists

More than 50 participants attended Session 3, including nonprofits, community organizers, workforce and training providers, utility and energy service providers, and advocates. Shayna Hirshfield-Gold (City of Oakland, Sustainability) and Marisa Raya (City of Oakland, Economic & Workforce Development) led the Session, with Michelle Vigen Ralston (Common Spark Consulting) serving as lead facilitator.

Mick Penn, Northern California Regional Community Relations Liaison at <u>Swinerton</u> (an employee-owned building company), moderated the *Workers of Decarb* Panel. Panelists included:

- Paul Francis, CEO & Co-Founder at KIGT
- Keith O'Hara, President & CEO of <u>ECO Performance Builders</u>
- Alex Lantsberg, Research & Advocacy Director at <u>San Francisco Electrical Construction Industry</u> (SFECI)
- A special appearance by Jenny Fothergill at <u>NorCal National Electrical Contractors Association</u> (NECA) and Jason Gumataotao at International Brotherhood of Electrical Workers (IBEW) 595

Beckie Menten, Program Manager for Building Electrification and Energy Efficiency at <u>East Bay Community Energy</u> (EBCE), moderated the *Recruiters for Decarb* Panel. Panelists included:

- Julina Bonilla, Workforce Development Manager at Port of Oakland
- Stephen Gribble, Project Manager at <u>Association for Energy Affordability</u> (AEA)
- Tony Sciarra, Workforce Development and Educational Programs at <u>Tesla</u>





## **Meeting Summary**

The workforce series offers the City insights from stakeholders on how to engage local employment in plans relating to Building Decarbonization and Electrification, Zero-Emission Vehicle Adoption, General Plan Updates, and the City's Economic Development Strategy, among others. The recorded session can be viewed on <u>our website</u>.

#### Panel: Workers in Decarb

Mick Penn (Moderator) introduced the panel and began panelist presentations. Keith O'Hara provided an overview of ECO Performance Builders, which specialises in electric retrofits, HVAC, and general contracting. The company offers in-house apprenticeship training to guide employees through skills training and upward career movement. Paul Francis of KIGT followed with insights into the challenges of the current trajectory of decarbonization. KIGT leads programs to train high school students and those previously incarcerated to gain the necessary skills for clean tech careers. Francis called out infrastructure inequity, highlighting opportunities to include those at risk of such inequity to benefit from the economic growth of decarbonization. Alex Lantsberg, of SFECI, discussed the importance of centering workers and creating policy that makes the least disruption in the transition to clean tech. Lantsberg stressed that unionization is important to lift up worker experiences, that *thrivable* wages are more important than livable wages, and that a high-road transition should be the path forward. Penn concluded the panel with a series of questions from a participant-driven Q&A and invited union leadership in the area to introduce themselves.

Jennifer Fothergill and Jason Gumataotao addressed the role of unions in the decarbonization transition. Fothergill provided an overview of NorCal NECA and the training facilities they created for apprentices and journey-people to learn energy-saving techniques. Gumataotao discussed Oakland's Measure N, which provides funding for high school education preparing students to pursue a career in the trades.

#### Panel: Recruiters of Decarb

Beckie Menten (Moderator) welcomed the panel with an introduction to panelist Stephen Gribble from AEA. Gribble provided an overview of the workforce training programs offered at Marin Clean Energy (MCE), with particular focus on the paid training program. Gribble described the program design, which was developed based on feedback from employers and workers alike. Julina Bonilla, of the Port of Oakland, presented the objectives and efforts of the Port of Oakland's Social Responsibility Division. Bonilla stressed the engagement the Port conducts with local affected communities and the ways in which the Port engages workers. Bonilla emphasized Lantsberg's call for *thriving* wages. Tony Sciarra closed the panelist presentations with a brief overview of the Tesla START program. The 12-16 week program outputs mid-level technicians for service center and factory careers at Tesla. Sciarra noted that Tesla is partnering with educational institutions in a cross-beneficial way that aligns the skills learned and the employer-desired characteristics for a successful career in clean technology. Menten concluded the panel with a series of questions from a participant-driven Q&A.

To adjourn the meeting, Shayna Hirshfield-Gold and Marisa Raya described a few next steps for the City, including an Economic Development Strategy and an Informational Council Report.





## **Appendix**

The forum included a Q&A session for each panel. A list of all questions and responses (italics) given during the meeting or provided after is included below.

### **Workers in Decarb Panel Questions**

- Is it easier for people with gas-HVAC experience to transition into doing heat pump work, or does coming from a gas-system background make it harder?
  - O It makes it easier. If you have experience, it's a much easier transition. The heat pump isn't complicated to install, it's just more detailed. [O'Hara]
- How many of your KIGT students have finished different levels of education?
  - Most of our team are High School grads, and half are college grads. We're blended there. In the training program, we have folks at 45 and some college students that are getting degrees and want the supplementary training. [Francis]
- With folks with little experience, have they come to you with obstacles of employment?
  - Yes! With LACI (Los Angeles Cleantech Incubator), they have issues for previously incarcerated folks. These folks are focused, disciplined, and motivated. The're open and vulnerable with the experiences they've had, which made it easier to teach them trade. [Francis]
  - Yes. We've had people come and try out other places and not get the job. We had people come to ours for the apprenticeship. [O'Hara]
- Are policy makers dropping the ball? How can policies support them?
  - O I don't think "dropping the ball" is accurate; it's too harsh. Policy makers have a lot of competing priorities. They have to balance status quo with the needs of transformation. That's hard. But what they can do is keep certain things in mind and keep their eyes on the "main thing". They need a coherent view of what is going on. Need to center workers. Things are happening because of a pipeline. There's plenty of work, but we have to keep the wheel turning. Local governments have direct and indirect ways to promote this work (ordinances, public funds, partnership programs, etc). [Lantsberg]
- Are there any policy or permitting hurdles in electrifying?
  - Yes. I have 18 business licenses and need permits when installing heat pumps in each jurisdiction. Some jurisdictions are good, affordable and timely and others are terrible to deal with, very expensive and can take months to approve a simple heat pump installation. [O'Hara]
- For all panelists, have you ever used On the Job Training subsidies from the Oakland Workforce Development Board (or other Workforce Board in your area)?
  - We have not but I would like to know more. [O'Hara]
  - The key thing to remember with union apprenticeships is that they're "self-funded" through hourly contributions by employers. [Lantsberg]
- Are public-private partnerships effective? Challenging? How might the local government support high-road job growth?
  - The best support for our business would be to help with funding in house apprenticeship training [O'Hara]
  - One could call Project Labor Agreements on public works "public private partnerships."
     The training is done by the appropriate apprenticeships that are organized as private non-profit orgs while the hiring is done directly by private sector contractors. [Lantsberg]





- For Keith and Paul: for the folks that come to you with little previous experience, do they
  mention any obstacles they have faced securing employment in the past?
  - Yes. People have had issues because of lack of experience. We typically hire people without experience. [O'Hara]
- What is the difference between a "surviving" wage and a "thriving" wage?
  - O Maybe when you're at the point of saving 15% of your wage for retirement and putting some aside for homeownership, you are then at a thriving wage. [O'Hara]
  - O At the core, a thriving wage allows people to meet their basic needs, have disposable income to enjoy life today, and enough to save for their future. Look at how that plays in housing: According to HUD the wage needed to afford "fair market rent" for a studio in the Bay Area while only paying 30% of your income is \$35-40/hr. Someone earning less may be able to get by paying a higher % of their income on housing or having roommates, but their ability to thrive is no doubt hampered. [Lantsberg]
- How do we move the electrification market development to get things going quickly? Any tips/suggestions about the most effective efforts?
  - I think the free market is doing this effectively. Demand is outpacing supply for a lot of things like electrifying homes. [O'Hara]
  - Public policy is key. For example, a retrofit on resale ordinance could start transforming the current building stock while putting the cost of the transition on those wealthy enough to be buying homes. [Lantsberg]
- Who pays for the training?
  - O I (Eco Performance Builders) pay for our training. [O'Hara]
  - Apprenticeships are "self financing" in that they're paid by contributions by employers for every hour worked. [Lantsberg]
- How much prior training and experience is needed to get a job and the training into this work?
  - None but it certainly helps. [O'Hara]
  - Electrical apprenticeships are very competitive. For example, here in SF we can only admit less than 10% of our applicants. Taking advantage of "local hire" programs or something like Cypress Mandela helps applicants get a leg up. [Lantsberg]
- Alex: Why do you think there's a divide between workers/labor and decarb/clean energy advocates?
  - O This is worthy of a long conversation but as someone who's had his feet in both worlds, I'd say it's a combination of techno-fetishist ignorance by environmentalists, class issues, and the different institutional perspectives of the respective orgs. For the first, there's a lot of thinking that green jobs will just happen because they're good, without an understanding of the economic dynamics that come into play. With regards to class, I've heard a great deal of labor leaders gripe that the work their members do isn't taken seriously and that labor becomes an afterthought to many policy ideas. As for the differing institutional imperatives, well that's inevitable when both groups are engaged in what they consider existential debates; enviros about the continued livability of this planet in the near future, and labor about the livability of this place in the immediate present. This inevitably leads to tensions. [Lantsberg]
- Alex: what does the high road mean to you?
  - O High wage, high skill, high investment. [Lantsberg]
- Do policy makers understand that we need around 100,000 electricians to electrify buildings and transportation? Are they preparing policies to achieve this?





- O If we're thinking of the same study (<u>authored by Betony Jones from the Luskin Center in 2019</u>) then I think we have a slightly different interpretation of her findings; the 100,000 was about total labor needed for the work, but that could be done by existing electricians. Electricians have been steadily increasing since the great recession and will continue to grow. Ensuring continued demand for their work with public policy backstops to promote the high road will keep the cycle going. [Lantsberg]
- Betony Jones is actually a subcontractor for our MCE WE&T program and has served as a wealth of knowledge and insight. [Gribble]
- How would a homeowner find a NECA contractor for this work?
  - They can contact our NECA office @ (925) 828-6322. [Fothergill]
- Jennifer, are there plans to create more zero-net energy buildings, like the one in San Leandro?
  - O It is certainly trending this way with over 20 electrical apprenticeship training facilities in California. The Los Angeles Electrical Training Institute just completed an amazing net zero plus facility. Check it out at: <a href="http://nzp-eti.com">http://nzp-eti.com</a>. [Fothergill]
- NECA: Major priority now = retrofitting existing buildings to be efficient & all-electric. Jason mentioned big projects like Brooklyn Basin; what about retrofits?
  - Work is dictated by developers, engineers, and architects. Our contractors are skilled and versed in this type of work and are currently working on both new projects as well as retrofits. [Fothergill]

#### **Recruiters in Decarb Panel Questions**

- Some of us experienced the workforce efforts of 2008/09 and found that there weren't many
  jobs after training. What recommendations are there to make sure that the training is relevant
  and that work is available?
  - O I am a product of those years. One of the key differences from that experience to now is that the support for the work is different. Back then, it was driven by incentives. Now it's being driven by building codes and policies. Berkeley, Oakland, and San Francisco created gas bans to shift off gas in new buildings. San Jose has reach codes to require electric-ready new construction. At the state level, Title 24 requires mandatory solar readiness. The point is that policy and code is driving the demand for this round of workforce development, which is probably more sustainable. [Gribble]
  - O I think that the private sector needs to put more skin in the game. They need to be working with schools to identify what skills are needed. It's not easy, but being a shepherd in the community means building programs with organizations. The schools we work with benefit significantly with these partnerships. [Sciarra]
  - O The work that we're training for is for boots on the ground, getting things done, and skilled trade jobs. There will be movement into the trades for decarbonization. The real good people with the great skills don't really lose those jobs. There's a need for programs that don't niche. [O'Hara]
- What's the average starting wage and how long do grads stay in the program?
  - O Students make \$19/hr with benefits, but no equity. Their graduation wage is determined by their success in the program, and includes equity and benefits. [Sciarra]
- Stephen, does MCE also support the development of women and minority-owned enterprises for your more entrepreneurial-minded participants?





- None of the contractors we have currently hit that note. That's something we'd like to improve on and build or support their endeavors. There are requirements in MCE to do more of that (working in disadvantaged communities). [Gribble]
- Julina, what percent of Port of Oakland employees are union-represented? What percent are contingent/temp workers?
  - O There are 13K employees at the Port. The Port has 400 direct employees in collective bargaining agreements. Port-related employees is a little more complex. [Bonilla]
- What are high road jobs to you? How does workforce education and training support them?
  - We generally think of high road jobs as those that pay family supporting wages, have benefits, provide safe working conditions, and transparent career advancement opportunities. They also address issues related to environmental sustainability, particularly climate change. And finally they address equity by taking a systematic approach to generating greater opportunity for Californians who have been left out of the mainstream economy, are under-represented in high-wage occupations and industries, and/or face multiple barriers to quality in employment. [Gribble]
- What is the difference between a "surviving" wage and a "thriving" wage?
  - O I don't know if there is an exact definition here, but to me a living wage is one that allows me to comfortably meet my and my families physiological needs. I think a thriving wage is then one that goes beyond that and provides people with disposable income such that they can live a satisfying and meaningful life, while being able to plan for retirement. [Gribble]
- Policy/codes mostly impact new construction. How to get to the existing building challenge of electrification?
  - O Cost is a huge issue. Few people will spring for the heat pump water heater that is 3x the cost of the gas one that they know works, even if over its lifetime, the heat pump will provide considerable savings. Thinking in terms of lifecycle cost is common in business, but a luxury for many individuals. So the industry needs to achieve relative cost parity with their gas-based alternatives. That could be through incentives to buy down the retail cost, manufacturing improvements to reduce list prices, or something else all together. Either that, or legislate the gas alternatives out of existence the way we've done with incandescent light bulbs. [Gribble]
- Julina, what percent of Port of Oakland employees are union-represented? What percent are contingent/temp workers?
  - The majority of Port staff (those who work directly for the Port of Oakland) are covered by collective bargaining agreements. [Bonilla]
- Julina: Does the Port offer training, or partner with trade associations, colleges, training centers?
  - O Through the Community Investment Program, the Port provides grants to organizations that promote small business development, job training, and environmental stewardship. This grant program intends to benefit the communities in the Port's local impact area (Oakland, San Leandro, Alameda, and Emeryville). The Port also operates an internship program (paused during COVID) that serves local high school and college students with on-the-job summer opportunities. [Bonilla]
- Does the Port directly hire workers to carry out projects related to these initiatives, or do contracted firms with specialized qualifications employ workers?
  - As a public agency responsible for the management of the seaport, airport and commercial real estate, and utilities, the Port has over 400 staff that oversee the day-today operations. This means that the Port has tenants that serve as seaport terminal





- operators, airline operators who lease the Port's public lands these tenants, e.g. Southwest Airlines and other Port operators, hire their own workers. [Bonilla]
- The Port of Oakland has its own policies (procurement policies) separate from the City? Or what is the connection?
  - Although the Port is a department of the City of Oakland, it's operational structure is governed by a Charter that gives the Board of Port commissioners exclusive control and management. This means that policies, initiatives, and overall operations are separate from the City of Oakland. [Bonilla]
- Is the MCE program focused on a certain type of building residential (single family, multifamily) or commercial?
  - While many of the MCE programs have a specific building type that they focus on, the workforce education and training (WE&T) program does not have a particular building type focus. That being said, while there are a few commercial and industrial contractors, the majority of the participating contractors are single family and multifamily residential contractors. [Gribble]
- Does MCE also support the development of women and minority-owned enterprises for your more entrepreneurial-minded participants?
  - O We wholeheartedly do and make specific efforts in that direction for contractors in the program, but we've struggled to gain traction. If there are any women or minority owned business enterprises that might be a good fit for the program, I'd love to hear from them (workforcedevelopment@mcecleanenergy.org). On the job seeker side, our training partners themselves consistently engage and enroll large numbers of minority and female participants as part of their core missions. [Gribble]
- What would a contractor with 20 employees need to be able to pay \$35 an hour to compete with that refinery job?
  - O I think what that contractor would need to pay in order to be competitive depends on a variety of factors, but if we want to continue to develop this industry and drive new entrants into the workforce in this direction, based on my discussions with folks in trades training programs, it needs to be more than what it currently is. [Gribble]
- Could companies like Keith's partner with a program like this? What are the potential connections?
  - Keith's company is one of our partners, and we've placed two workers with them!
     [Gribble]
- Are trainees in the MCE program entry-level or folks doing re-training or continuing training (building upon past trade experience)?
  - Generally speaking these trainees are entry level folks just getting started in their careers, but we do not exclude participants based on that criteria. [Gribble]
- How long are the programs that pay \$18/hour?
  - O I believe you're referring to the training programs themselves, which generally provide stipends and supportive services like bus/BART passes, child care, or tools and work boots, but not a wage. Those are known as MC3 pre-apprenticeship programs. They range from 10-16 weeks depending on content and focus, but all cover the same baseline skills (jobsite safety, tools training, construction math, etc). The \$18/hr is what trainees who've been matched with a contractor through MCE WE&T receive during their 160 hour internship. After completion of the 160 hours, the pay rate is determined by the contractor and trainee as in a typical hiring process. [Gribble]





- What is the average starting wage and benefits package after completing START? How long do graduates stay in the industry (@ Tesla?) after completing START?
  - O Depending on the geographic location and the level they graduate at, it is a range of \$19-\$29 along with Medical, Dental, and Vision, and a set amount of equity. We've decreased our attrition rate to below 10% because more than 85% of our graduates stay with us for more than 2 years. [Sciarra]
- Is placement rate about placement with Tesla?
  - Yes, the placement rate is within Tesla for Full Time Employment. Some folks don't get placed after graduation because they either don't want to relocate or there wasn't a headcount in the exact location they wanted. [Sciarra]
- Is there a concerted effort internally at Tesla to address these DEI rates? Can you talk more about these efforts?
  - o It's become our Northstar and now we always look at diversity-first programming and organization for our pipelines. We've developed a Pathway Program that was just piloted with a focus on Technicians who are Female and from underrepresented communities, and put them through an 8 week training to prepare them for our START program in an effort to even the playing field. The program is somewhat an industry first and tackles the very male-centric transportation industry. [Sciarra]
- Are you recruiting for START specifically in Oakland? Also: Can folks without GED, or with only GED, enroll in START?
  - We don't necessarily target location, but as long as they're applying to the program with a strong technical background and a willingness to either commute or relocate for the program they'll get an outreach from the team. You'll most likely need GED as the program is an advanced training requiring baseline knowledge in electrical and mechanical fundamentals. The majority of our candidates are coming from a 2 year program out of Community Colleges. [Sciarra]
- For START grads that aren't placed, what jobs/industries are they going to?
  - O We've seen them go into myriad industries. Anyone with a START certificate has mastered the fundamentals to go into Energy-focused roles like Charging or Solar Installation, Equipment Maintenance, Process Technicians, Product Testing, Durability and Reliability of electro-mechanical products, etc. We've seen them go into those roles with other companies as well as in Tesla outside of our service org. [Sciarra]
- Is Tesla open to hiring justice system-involved individuals? Or is a criminal record a disqualifier?
  - We've discussed this thoroughly and we do we want to make sure that the candidate has the proper support system to be a successful and thriving employee. Currently specific criminal records are considered a disqualifier for employment. [Sciarra]
- Is Tesla planning on using more wind energy in vehicle production? What would that look like?
  - O I imagine if there was a way for us to do that, we would. I'm not on that side of the business, but I do know that our factory in Nevada utilizes varying methods of generation, because we are great at the storage part. [Sciarra]
- Cost of participating in the Tesla workforce program?
  - O That varies based on the cost per unit per the host school we work with. The 2 schools in California are both under \$900 to participate in the program. Some schools it's a lot higher and even higher when out of state. [Sciarra]