

JOINT COMMITTEE ON TELECOMMUNICATIONS, UTILITIES, AND ENERGY

BILL SUMMARY

BILL NO. H.3475

TITLE: An Act promoting a just transition and clean energy workforce standards

SPONSOR: Representative Marjorie C. Decker

COMMITTEE: Telecommunications, Utilities, and Energy

HEARING DATE: October 16, 2025

PRIOR HISTORY: 2021-2022: H.1955, referred to the Joint Committee on Labor and Workforce Development, sent to study. H.4439 accompanied a new draft and was reported favorably to HWM, where no further action was taken.

2023-2024: H.1864 & H.1865 referred to HWM, no further action taken

CURRENT LAW:

Chapter 164 of the General Laws pertains to the Department of Public Utilities (DPU) and its oversight of the manufacture and sale of gas and electricity in the commonwealth.

Section 1E of Chapter 164 of the General Laws authorizes the DPU to promulgate rules and regulations to establish and require performance-based rate schemes for each distribution, transmission, and gas company doing business in the commonwealth. This section also directs the DPU to promulgate regulations relative to labor displacement or reductions, as well as relative to the mediation of small damage claims by customers.

Section 145 of Chapter 164 of the General Laws pertains to gas companies' plans for replacement or improvement of aging or leaking natural gas infrastructure (known as Gas System Enhancement Program, or GSEP).

Chapter 23 of the General Laws pertains to the Executive Office of Labor and Workforce Development (LWD).

Chapter 25A of the General Laws pertains to the Department of Energy Resources (DOER).

Chapter 149 of the General Laws pertains to the commonwealth's oversight of labor and industries. Section 2 of Chapter 23J of the General Laws pertains to the Massachusetts Clean Energy Technology Center (MassCEC). Section 3 of said chapter pertains to MassCEC's powers and duties. Section 12 of said chapter pertains to the application of other laws (including the Executive Office of Housing and

Economic Development (EOHED)'s regulation of quasi-public agencies, as well as EOHED's Department of Business Development).

SUMMARY:

SECTION 1

Adds additional service quality standards for the DPU's consideration when establishing and promulgating performance-based rate schemes for electric distribution, transmission, and gas companies doing business in the commonwealth. These additional service quality standards are focused on public safety, occupational safety, training and certifications for both in-house and contractor employees, map and record accuracy, and in-house staffing benchmarks sufficient to ensure pipeline safety and reliability through the commonwealth's period of transition to net-zero emissions.

Directs the DPU to open a docket within 60 days of this legislation's effective date, for the purpose of developing additional just transition workforce service quality indicators. Such indicators may include the training and utilization of the gas companies' residual workforce as the companies adopt and invest in non-pipeline alternatives and other renewable energy resources.

Also clarifies that gas, electric, and transmission companies who make performance-based rate filings with the DPU after this legislation's effective date will not be allowed to engage in labor displacement or reductions below staffing levels in existence on January 1, 2025 (current statute has a threshold of November 1, 1997 staffing levels), unless such reductions are fully compliant with any laws supporting a just transition to net-zero emissions and are part of collective bargaining agreements between the companies, labor unions, and have been approved by the DPU following an evidentiary hearing. At this DPU hearing, the burden will be on the company to demonstrate that such staffing reductions will not adversely disrupt service quality standards or public safety, and that the companies will remain able to maintain reliable service through the transition to net-zero emissions. Early retirements and severances negotiated with labor unions before January 1, 2025 are still allowed.

SECTION 2

Directs the DPU to require each regulated gas company to, as part of performance-based ratemaking, submit a just-transition plan every 2 years for DPU approval. This plan will address workforce development, maintenance, and attrition. It will provide the following information:

- Proposed chronology for projected energy supply and distribution as part of the transition to net-zero emissions, to be set through performance-based ratemaking.
- Detailed plans for hiring, retention, and training of a sufficient number of maintenance workforce until 2050 or until the complete retirement of the utility's gas pipeline.
- Sufficient in-house staffing levels to ensure the safety and reliability of the utility's gas service through the time-period in which the performance-based rates are being sought before the DPU.
- Training and workforce development plans providing for gas company workforce needs on residual natural gas, non-pipeline alternatives, and renewable energy sources through the time period in which the performance-based rates are being sought before the DPU.

- Mitigation measures proposed or implemented to address the impacts of the transition on the gas company's workforce.
- Any collective bargaining or other agreements reached with labor unions representing the gas company's in-house workforce or outside contractors to ensure a just workforce transition.
- In the event of a gas company's anticipated substantial, partial, or complete cessation of gas service in MA, the company must report to the DPU:
 - The means by which the company intends to avoid burdening the commonwealth, ratepayers, or taxpayers with the social welfare costs resulting from cessation of gas service.
 - Measures to ensure the solvency of the gas company's pension system.
 - Measures to stem the displacement of gas companies unemployed as a result of MA's energy transition.

SECTION 3

Directs gas companies to include provisions in their GSEP program plans to ensure that the company trains a sufficiently skilled workforce to repair and maintain the safety and reliability of its gas pipeline for the duration of its useful life.

SECTION 4

Requires that gas companies' GSEP plans include the following information:

- How the company intends to utilize its in-house workforce and outside contractor crews to perform construction.
- All oversight and quality assurance measures implemented by the gas company on construction during the course of the GSEP plan.
- All funds to be expended by the gas company on training for its in-house workforce and contractors on the construction and maintenance of its gas pipeline.
- Any plans for utilization of the gas pipeline to satisfy the commonwealth's net-zero emissions goals, including the exploration of renewable natural gas and hydrogen, and aggregated data reflecting the projected impact of such plans on the commonwealth's net-zero emissions goals.

SECTION 5

Directs every gas utility company doing business in Massachusetts, as part of performance-based ratemaking before the DPU, to develop and periodically amend a comprehensive just transition plan for the hire, retention and training of a sufficient operations and maintenance workforce through 2050, or until the complete retirement of the utility company's gas pipeline is achieved. This plan will address the gas utility company's plans to both meet the commonwealth's net-zero emissions goals and fulfill statutory requirements to provide safe and reliable service while complying with all other state and federal regulatory requirements.

These plans will be amended every 2 years and must be filed with the DPU beginning July 1, 2026. The plans must be amended whenever the gas utility company files a request for performance-based ratemaking with the DPU.

Each company plan must provide projections for any attrition amongst its in-house workforce and the utilization of outside contractors over both the biennial (2 year) period and over the course of the company's transition to net-zero emissions or the complete retirement of its gas pipeline.

All dual-fuel companies (distributing natural gas and other forms of energy) must additionally include in their biennial plans information about any opportunities and initiatives to provide training and employment opportunities on the other forms of energy it distributes to workers who may be displaced by the gas company's compliance with state emissions reductions mandates.

Allows the DPU – either on its own or initiated by a motion of the Attorney General – to initiate an investigation to determine the sufficiency of gas company and dual-fuel companies' plans with regards to meeting the commonwealth's climate goals and maintaining safety, reliability, and appropriate staffing levels.

Also directs EEA and the Executive Office of Labor and Workforce Development (LWD) to jointly administer programs, provide technical assistance, and develop regulations to create a training fund to support the establishment of apprenticeship programs to train gas and dual-fuel company employees on alternative energy generation and distribution. Grants from this training fund may be provided to such companies on a competitive basis. Labor organizations representing such workers may also apply for funding. Alternative energy companies (generate energy with lower carbon emissions than conventional gas or electric technologies) may apply for training grants from this fund.

SECTION 6

Establishes a Just Transition Office within the Executive Office of Labor and Workforce Development (LWD), for the purposes of ensuring that energy sector workers who are displaced due to the commonwealth's and private sector's efforts to transition from fossil fuels and/or reduce greenhouse gas emissions have access to employment and training opportunities in the clean energy industry. This office will also serve residents of EJ communities.

The Secretary of Labor and Workforce Development will appoint the director of the Just Transition Office.

Also establishes a Just Transition Advisory Committee, comprised of the following membership:

- Director of the Just Transition Office
- Secretary of Labor and Workforce Development
- DOER Commissioner
- Secretary of Energy and Environmental Affairs (EEA)
- The President of the MA Building Trades Council
- A representative of employers in the gas utility sector (appointed by the Governor)
- A representative of employees in the gas utility sector (appointed by the President of the MA AFL-CIO)
- A representative of employers in the electric power generation sector (appointed by the Governor)

- A representative of employees in the electric power generation sector (appointed by the President of the MA AFL-CIO)
- A representative of employers in the renewable electricity sector (appointed by the Governor)
- 2 representatives of employees in the clean energy sector (appointed by the President of the MA AFL-CIO)
- A representative of employers in the energy efficiency sector (appointed by the Governor)
- A representative of employers in the clean transportation sector (appointed by the Governor)
- A representative of employees in the transportation sector (appointed by the President of the MA AFL-CIO)
- A representative of employers in the clean heating sector (appointed by the Governor)
- 2 representatives of EJ communities (appointed by the EEA Secretary)

The Just Transition Advisory Committee will be tasked with developing a just transition plan for the energy sector. This plan will identify workers currently employed in the energy sector by industry, trade, and job classifications. It will contain relevant information related to current wage and benefit packages, and current licensing, certification and training requirements. Through the plan, the advisory committee will recommend education and training programs to enhance re-employment opportunities for workers displaced by the transition off of fossil fuels, in collaboration with MassCEC's initiatives, incentives, funding opportunities and projects. The plan will also include recommendations for increasing clean energy industry employment opportunities for residents of EJ communities.

As part of the just transition plan, the advisory committee will evaluate options for the establishment of a fund to implement the plan and its components, including potential sources of short-term and long-term funding. The plan will also develop requirements, including the submission of a workforce transition plan, for energy sector employers that are closing their facility or significantly reducing their workforce as a result of the transition away from fossil fuels.

Energy sector employers that are identified in the just transition plan as being involved or likely to be involved in transitional steps away from fossil fuels must submit a workforce transition plan to the Office of Just Transition, which will be subject to the public records law.

SECTION 7

Requires that every request for proposal (RFP), grant application, or solicitation offering funding from the commonwealth or another public entity for all commercial projects and residential projects (in excess of 3 units) for the purpose of furthering MA's net-zero emissions goals be performed in accordance with the commonwealth's statute governing wage classifications and schedules, preferential hiring for veterans and citizens on public works projects, and employee and payroll records.

To be awarded funding or contracts by the commonwealth, applicants must provide information and disclosures including:

- Documentation reflecting a demonstrated commitment to workforce development and economic development in MA, as well as the applicant's demonstrated commitment to expand workforce diversity, equity and inclusion in its past projects in MA.
- A statement of intent concerning efforts that the applicant (along with its contractors and subcontractors) will take to promote workforce and economic development on the project, as well

as efforts that will be taken to expand workforce diversity, equity and inclusion on the project, if successful.

- A disclosure on whether the applicant and each of its contractors and subcontractors on the project have previously contracted with a labor organization in MA or elsewhere.
- A statement on whether the applicant and each of its contractors and subcontractors on the project participates in a state or federally certified apprenticeship program, and the number of apprentices such program has trained to completion in the last 5 years.
- A statement of intent concerning the extent to which the applicant, its contractors, and subcontractors intend to utilize apprentices on the project.
- Certification that the applicant and each of its contractors and subcontractors on the project have complied with state and federal anti-discrimination laws for the last 3 years and will remain in compliance for the duration of the project.
- Detailed plans for assuring labor harmony during all phases of the construction, reconstruction, renovation, development and operation of the project.

Applicants (and/or one of their contractors or subcontractors on the project) that cannot meet the certification requirements above must submit proof of a wage bond or a comparable form of insurance, in an amount equal to the aggregate of one year's gross wages for all workers projected to be employed by the applicant/contractors/subcontractors. This wage bond will be maintained for the life of the project.

Failure to provide the certifications and documentations outlined above will result in suspension from the project for a period of 30 days to provide the applicant an opportunity to address application deficiencies. Failure to address such deficiencies will result in termination.

Every RFP, solicitation, or advertisement for funding issued by the commonwealth under this section will notify applicants that they will be disqualified from the project if they have been debarred by the federal government of the commonwealth of MA for the entire term of debarment.

Wherever the commonwealth of MA (or any political subdivision thereof) sells, leases, or sub-leases land within its control for the construction, operation, and/or maintenance of a manufacturing, marshalling, or staging facility that will provide goods and services for renewable energy generation, distribution, transmission, those leases must be conditioned upon the lessees' agreement to enter into fully executed labor peace agreements with labor organizations that seek to represent the employees working on the awarded project.

Any funding, including grants and loans made by the commonwealth or by MassCEC to support the construction, operation, and/or maintenance of a supply chain facility that will provide goods or services to be used in construction and maintenance of renewable energy generation, distribution, or transmission facility must be conditioned upon the recipient's agreement to enter into fully executed labor peace agreements with labor organizations that seek to represent the recipient's employees working on the awarded project as their exclusive bargaining representative.

The AGO will enforce the provisions of this section.

SECTION 8

Establishes labor standards for all construction, reconstruction, installation, alteration or repair on natural gas utility infrastructure performed by gas utilities; electrical utility infrastructure; and renewable energy generation, transmission, and distribution infrastructure. All construction on such infrastructure that is not performed by workers directly employed by public utility companies is to be performed and procured under the new §27I (natural gas utility infrastructure), §27J (electrical utility infrastructure), and §27K (renewables) of MGL c.149 created by this legislation.

Public authorities can only permit or agree to construction if the agreement with the utility company contains a stipulation requiring prescribed rates of wages for non-company workers, as determined by the Commissioner of the Department of Labor Standards. Every 6 months the commissioner will provide the distribution companies, together with the DPU, in a schedule containing the classification of jobs and the rate of wages to be paid for each job, which includes payments to health and welfare plans. No entities may pay less than the rate of wages established by the commissioner, and no entity (employer, contractor, or subcontractor) may accept for their own use or for the use of another person any part or portion of such wages. Violators will be punished or will be subject to a civil citation or order.

Employees claiming to be aggrieved by violations of this statute may prosecute a civil action against alleged violators for injunctive relief within 3 years of the violation. Such employees may only pursue such prosecution 90 days after filing a complaint with the attorney general, or sooner if the attorney general assents to such prosecution in writing. An aggrieved party who prevails in such civil action will be awarded treble damages for any lost wages or other benefits, along with the costs of litigation and attorneys' fees.

SECTIONS 9 & 10

Adds 4 new labor-oriented members to MassCEC's board of directors:

- The president of the Massachusetts AFL-CIO
- A representative of employees in the gas utility sector (appointed by the president of the Massachusetts AFL-CIO)
- A representative of employees in the electric power generation sector (appointed by the president of the Massachusetts AFL-CIO)
- The president of the Massachusetts Building Trades Council

SECTION 11

Clarifies that MassCEC's purpose of investing in and promoting the clean energy industry includes collaboration with state and federally licensed apprenticeship and pre-apprenticeship programs providing training in the commonwealth.

SECTION 12

Subjects MassCEC to the commonwealth's statute governing contracts for construction and materials, and the manner of awarding such contracts (see MGL c.30 Section 39M), and to the commonwealth's statute governing competitive bids for construction of public works (see MGL c.149 Secs 44A through 44H).

Also directs MassCEC to comply with the Secretary of State's requirements for independent public authorities to publish contract information in the central register.

For all clean energy and climate change remediation construction projects that are funded, owned, or leased by the commonwealth (including MassCEC projects), the commonwealth must ensure that applicants, along with their contractors and subcontractors, fulfill certain labor and workforce participation criteria, including:

- Meeting workforce participation goals for the utilization of minority and women workers.
- Participating in state or federally accredited apprenticeship programs, and utilizing apprentices at a certain percentage set by the commonwealth pursuant to its labor and workforce development goals.
- Bidding all applicable construction, reconstruction, installation and alteration work performed on the project consistent with the commonwealth's statute governing construction contracts, statute governing competitive bids for construction of public works, and statute governing the trade contractor selection process.
- Compensating all work at a minimum in accordance with the commonwealth's statute governing wage classifications and schedules, preferential hiring for veterans and citizens on public works projects, and employee and payroll records.
- If a project labor agreement (PLA) is selected as the project delivery method, the commonwealth (and MassCEC) must be signatories to said PLA.

SECTION 13

Directs MassCEC, in collaboration with the MassHire Department of Career Services, to develop and implement successive 5-year clean energy workforce development plans for the commonwealth.

MassCEC will engage with relevant stakeholders throughout the planning process and will coordinate its workforce development planning and research within the Executive Office of Labor and Workforce Development's Office of Just Transition (established in Section 6 of this legislation).

These plans will include:

- Outreach and recruitment into the clean energy industry for existing workers in fossil fuel intensive industries, environmental justice (EJ) populations, and individuals living within municipalities at a high risk of climate change.
- Development of technical assistance, grants, loans, and demonstration projects facilitating the creation of construction, operations, and maintenance jobs in the clean energy industry.
- Measures to expand training capacity in the clean energy industry (existing workforce development facilities, apprenticeship programs, licensure and degree programs).
- Specific goals for the utilization of the residual workforce in fossil fuel intensive industries.
- Recommendations, programs, and technical assistance to ensure that the clean energy industry develops and maintains working terms and conditions for all workers.
- Requirements for minimum working conditions on clean energy projects owned, leased, or financed by MassCEC through the Renewable Energy Trust Fund, or otherwise by the commonwealth.

SECTION 14

The effective date for this legislation is January 1, 2026.