



Independent Electrical Contractors of New England, Inc.



Testimony
Brian Bonner
President
IEC-NE

Labor and Public Employees Committee
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The Independent Electrical Contractors of New England (IEC-NE) **strongly opposes** HB-6705 which would extend the state's prevailing wage requirements to private construction projects. By extending the prevailing wage requirements to private construction projects receiving a broad range of financial assistance from the state, HB-6705 will take jobs away from Connecticut's contractors.

IEC-NE's opposition to this bill relates to its very broad impact of which needs to be considered. The large majority of energy projects constructed in CT receive some sort of funding through a quasi government agency, ie CEFIA (CT Green Bank), C-PACE or CT Innovations. The financial models that make these projects feasible will now be negatively impacted. For example, XYZ Manufacturing contracts with a solar contractor for a Solar PV system on their business, this project is going to receive funding (incentive or "financial assistance") from CEFIA, a sales tax abatement from DRS, and a property tax abatement from the local municipality that the business is located in. The solar contractor will now be required to pay prevailing wages to install XYZ's system. The same would hold true for an energy conservation project at their facility involving new LED lighting, upgrades to their heating system, including conversion to Natural Gas, and building envelop insulation measures all of which will receive funding (incentive or "financial assistance") from the CT Energy Efficiency fund or a guaranteed loan through the C-PACE program. If XYZ now needs to pay prevailing wage, then the financial model is negatively impacted and the project an associated jobs, will be negatively impacted.

The bill also does not speak to existing projects that may have already been approved or in progress prior to the proposed enactment date of Oct 1, 2015. Will these projects now need to be revised to incorporate the prevailing wages, at what cost to the Connecticut businesses?

Energy incentives are designed to encourage purchase and implementation of systems that will help CT be more energy efficient, expand the Energy Portfolio and create jobs. Economic development incentives are designed to encourage employers to expand or relocate to Connecticut - to let employers know that Connecticut is a good place to do business. **HB-6705 undermines the progress that Connecticut has recently made. IEC-NE therefore urges lawmakers to reject HB-6705 and instead, help Connecticut-based small contractors compete for jobs by updating the prevailing wage thresholds on state and federally funded projects to reflect current market prices.**

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