

What is AB 2143 / PUC §769.2? How to Stay in Compliance

Tuesday, March 25, 2025, 12:30 PM (Microsoft Teams Webinar)





The Solar-Utilities Reporting, Guidance, and Education (SURGE) is an initiative directed by the California Public Utilities Commission.

Disclaimer

- SURGE is an initiative that is directed by the California Public Utilities Commission (CPUC).
- This presentation will go over a **summary** of the compliance requirements for Assembly Bill 2143 (AB 2143) and Public Utilities Code (PUC) 769.2.
- This workshop <u>will not cover</u> how to determine prevailing wages or prepare certified payroll records. For information on these topics, please visit the California Department of Industrial Relations (DIR) website at https://www.dir.ca.gov/Public-Works/PublicWorks.html.
- The following presentation has been provided for informational purposes and may be subject to change based on legislation or regulatory requirements.
 Please refer to official sources from the CPUC or contact SURGE for the most up-to-date information.

Workshop Ground Rules



Webinar is being recorded and will be available for review.

Microphones will be muted throughout the presentation.





Use Q&A feature for submitting your questions.

Be respectful of other participants and presenters. We are here to share and learn information together.





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What is SURGE?



- SURGE was developed to help contractors navigate compliance requirements for AB 2143 / PUC 769.2.
- The SURGE website (<u>www.cpucsurge.org</u>) has resources and information for contractors subject to AB 2143 / PUC 769.2.
- Dedicated email address (info@cpucsurge.org) and phone number (1-800-549-2143) to help answer contractor questions.
- SURGE has its own system, SURGE Compliance Portal, where contractors must submit digital copies of certified payroll records to the CPUC.





General Information

What is AB 2143 / PUC 769.2?
Requirements
Eligibility Exceptions

What is AB 2143 / PUC 769.2?

- **Purpose:** Ensure construction workers and apprentices involved in qualified customer-sited renewable electrical generation (largely solar and solar with storage) facilities are paid prevailing wages.
- Effective Date: Starting January 1, 2024
- Renewable Energy Facility Qualifications:
 - Any renewable energy generation facility, and any associated battery storage, that seeks to use the contract or tariffs pursuant to PUC 2827.1 will constitute as public works. (PUC 769.2(a))
 - The PUC 2827.1 tariffs include the net energy metering and net billing tariffs.

Ensures that Contractors are paying workers prevailing wages on qualified solar projects.

AB 2143 / PUC §769.2 Requirements

All contractors (including Prime and lower-tier subcontractors) working on eligible renewable energy (solar) projects must meet AB 2143 / PUC §769.2 requirements.



✓ Pay construction workers & apprentices prevailing wages (PUC 769.2(b)(1))



✓ Maintain and verify certified payroll records through the California Department of Industrial Relations. (PUC 769.2(b)(2))



✓ Submit digital copies of certified payroll records to the Commission twice a year on July 1 and December 31 of each year. (PUC 769.2(b)(3))

Eligibility Exceptions PUC 769.2(f)(1-4)

The following projects **do not apply** to AB 2143 / PUC 769.2:

- Residential facilities with a maximum generating capacity of 15 kilowatts or less or installed on a single-family home.
- Projects already classified as a public work under existing law.
- ◆ Facilities serving only a modular home, a modular home community, or multiunit housing with 2 or fewer stories.



How to Stay Compliant with a Solar Project Subject to AB 2143 / PUC 769.2

Step by Step

Prime Contractor: How to Stay Compliant with a Solar Project

- 1. Complete Required Forms for Interconnection with IOUs
- 2. Follow DIR Regulations for Awarding Bodies and Public Works Contractor Responsibilities
- 3. Register as a Contractor with SURGE

4. Register Project with SURGE (Primes only)

5. Report Payrolls to DIR & SURGE



1. Complete Required Forms for Interconnection with IOUs

- Complete your Interconnection Application with the appropriate IOU
- IOUs include Pacific Gas & Electric (PG&E), Southern California Edison (SCE), or San Diego Gas & Electric (SDG&E)
- Customers with projects subject to AB 2143 will need to review, complete, and sign the AB 2143 Disclosure Form
- If a different party is completing the Interconnection Application, they need to ensure that the Contractor installing the solar system is aware of these AB 2143 compliance requirements

AB 2143 Disclosure Form included in Interconnection Applications (PG&E Example)





PREVAILING WAGE DISCLOSURE FORM

California's prevailing wage law (Public Utilities Code section 769.2) applies to the contractor(s) constructing this Renewable Generating Facility. This Disclosure Form provides PG&E's customer installing such a facility with information about the customer for the contractor's obligations and the consequences to the customer for the contractor's failure to comply with the prevailing wage law. If, for instance, the contractor does not pay prevailing wages to its workers during the construction of this facility, this facility will be ineligible for service on any Net Energy Metering and Net Billing Tariffs, also known as Solar Billing Plan (SBP), and this facility will be transferred to another tariff for the purpose of compensating the customer for exports from the facility.

Contractor Company Name:	
Contact Name:	CSLB # (required)
Project Name:	
Project ID	PG&E Service Account #
Generating Facility (Service Account) Address:	
Estimated Work Start Date:	
Estimated Work Completion Date:	

Compliance with Prevailing Wage Law

. Requirements:

- a. Contractors seeking to interconnect new or modified renewable generating facilities with or without paired energy storage systems¹ on or after January 1, 2024, must:
- i. Pay each of its workers a prevailing wage as defined by Public Utilities Code § 769.2;
- ii. Maintain and bi-annually supply payroll records to the CPUC on July 1 and December 31;
- iii. Maintain and supply payroll records to the Department of Industrial Relations in accordance with the Labor Code § 1771.4
- b. Customers installing and interconnecting such facilities must, as part of the interconnection application, execute and submit this Prevailing Wage Disclosure Form before PG&E will interconnect the facility.
- I understand that if the contractor of record on this interconnection request has previously failed to submit required payroll records to the CPUC in connection with its work on my or other customers' facilities, permission to operate the proposed Generating Facility will be delayed until that deficiency is corrected. More information can be found at: https://cpucsurge.org
- Penalties: Violations of the above will result in PG&E imposing the following penalties on the customer:
- a. If after PG&E has issued permission to operate (PTO) and interconnected the customer's facility the Department of Industrial Relations determines that in connection with the construction of the customer's facility the contractor willfully failed to pay its workers a prevailing wage, PG&E will:
- i. Discontinue serving that facility on a Net Energy Metering or Net Billing Tariff;
- ii. Transfer the customer's generating facility identified in the willful wage violation to a new tariff, which will compensate the customer for exports from the facility under that tariff. The generating facility shall be subject to Departing Load and Standby tariffs.
- iii. PG&E shall provide notification to the Customer in accordance with the following:
 - a. 30 calendar days prior to removing the customer account from service on the Net Energy Metering or Net Billing Tariff if the facility is metered by a single meter;

Please complete this agreement in its entirety
† Information collected on this form is used in accordance with PG&E's Privacy Policy.

The Privacy Policy is available at pge.com/privacy.

Automated Document, Preliminary Statement, Part A.

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PREVAILING WAGE DISCLOSURE FORM

b. 60 calendar days prior to removing the customer account from service on the Net Energy Metering or Net Billing Tariff if the facility is metered by multiple meters (i.e., Virtual or Aggregation customers).
iv. Perform an account true-up after the time periods referenced in 2.a.iii have expired.

b. Removal of Penalties: If the Department of Industrial Relations or California courts have conclusively reversed the willful wage violation against the customer's contractor, PG&E, shall restore the facility's service on the applicable Net Energy Metering or Net Billing Tariff the first billing cycle after PG&E learns of the reversal. The legacy period will be based on the original permission to operate per the applicable NEM or NBT Schedule.

By signing this disclosure, I acknowledge that I have read and understand the requirements, and risk of being subject to the penalties, set forth herein.

(Print Customer Name as it appears on the PG&E Bill)				
(First Sustainer Hame as it appears on the Foar Bill)				
(Customer Signature)				
(Print name and title of signee, applicable if customer is a Company)				
(e.g. John Doe, Manager)				
(Date)				

READ THE REQUIREMENTS & PENALTIES

Please complete this agreement in its entirety

Automated Document, Preliminary Statement, Part A.

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¹ These requirements do not apply to certain public works projects, residential customers with systems sized 15 kilowatts or less, residential seeking customers to interconnect such facilities that the customer has installed on a single-family home, a Modular Home (for definitions please refer to the apolicable Net Reprov Meterina and Net Billino Tariffs). a Modular Home Community, or multiput housing that has two or fewer stories.

2. Follow DIR Regulations for Awarding Bodies and Public Works Contractor Responsibilities

Awarding Bodies

- Awarding Body = Project
 Owner
- Set up account with the DIR
- Register the eligible project
- Provide DIR Project
 Registration Number to
 Contractor

Public Works Contractors

- Register as a public works contractor
- Pay <u>prevailing wages</u>
- Follow <u>apprenticeship</u> <u>requirements</u>
- Maintain and submit certified payroll records

3. Register as a Contractor with SURGE

- Navigate to the SURGE Compliance Portal.
 - If you haven't done so, create a free Submittable account.
 - SURGE Compliance Portal is hosted on Submittable.
- All Primes and Subcontractors must register as a contractor.
 - You only have to do this once.
- Fill out and complete the Contractor Registration form.
 - Once approved, you will receive a Contractor Identification Number (CIN).
 - Keep this CIN as you will need it to register for projects and submit copies of certified payrolls.

4. Register Project with SURGE

- Only the Prime Contractor needs to complete the SURGE Project Registration.
- Each eligible project should be registered separately.
- Answer the questionnaire to ensure projects are subject to AB 2143 requirements.
- Once approved, you will receive a Project Identification Number (PIN).
- Primes Contractors will need to share this PIN with Subcontractors as they will need it to submit copies of certified payrolls.

5. Report Payrolls to DIR and SURGE

DIR

- Monthly submissions
- Submit electronic certified payroll records (eCPRs)*
- Link to DIR's Certified Payroll
 Reporting

*Please note that the requirement to submit eCPRs is separate and distinct from the obligation to maintain certified payroll reports under Labor Code Section 1776.

SURGE

- Bi-annual deadline submissions (July 1st and December 31st)
- Submit copies of certified payroll records
- Link to SURGE Certified
 Payroll Submission

Certified Payroll Records

What are Certified Payroll Records?

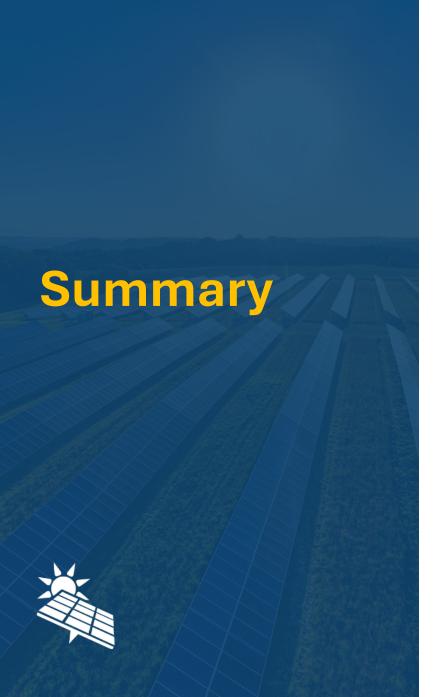
- Labor Code Section 1776(b)
 requires that payroll records must
 be "certified" which means it must
 be accompanied by a signed
 Statement of Compliance
- You may also reference Section
 3.1.1 of the Public Works Manual for additional information:
 https://www.dir.ca.gov/dlse/pwmanualcombined.pdf

What format does SURGE require for certified payroll uploads?

- PDF document
- May use the DIR A-1-131 payroll reporting form or house payroll reporting form
- Must contain all required information (name, address, social security number, work classification, straight time/overtime hours worked, hourly rate of pay, etc.)
- Must include a *signed* Statement of Compliance

Non-Performing Weeks

- What is a non-performing week?
 - Refers to a week where no work was performed on a project
- Do we have to report for non-performing weeks?
 - Yes, for non-performing weeks, please upload a Statement of Non-Performance form
 - Contractors can also use the A-1-131 form and write "No Work Performed" on it







Perform Work



Report CPRs to DIR & SURGE

Pay Prevailing Wages





Maintain





Frequently Asked Questions

I am new to DIR requirements for Public Works Projects, how do I get started?

DIR Support Center

How-To Guides			
Subject	Audience	Steps	
Search for a Project	Awarding Bodies, Contractors	Guide	
Search for a Contractor	Awarding Bodies, Contractors	Guide	
Search for an eCPR	Awarding Bodies, Contractors	Guide	
Create a User Account	Awarding Bodies, Contractors	Guide	
Reset-Your-Password	Awarding Bodies, Contractors	Guide	
Create an Account for an Awarding Body or Development Proponent	Awarding Bodies	Guide	
Link Your User Account to an Awarding Body or Development Proponent	Awarding Bodies	Guide	
Use the Awarding Body Project Dashboard	Awarding Bodies	Guide	
Export a Project from the Awarding Body Project Dashboard	Awarding Bodies	Guide	

Upcoming Trainings (TBD)

The Labor Commissioner's Office offers educational seminars across the state to provide an overview of prevailing wage and apprenticeship standards compliance and public works enforcement. Discussions will include awarding body responsibilities, coverage determinations, and prequalification of contractors, contractor registration and Project Registration (formerly known as PWC-100). Some seminars are focused on requirements for specific groups such as contractors or public agencies.

Subject	Date and Time	Location	Audience	Registration
FFC Seminar	March 13	Online Webinar	Contractors and Awarding Bodies	Register ♂
Labor Management Compliance Council	May 27-28	Anaheim, CA	Contractors and Awarding Bodies	Register &
FFC Seminar	June 4-5	Napa, CA	Contractors and Awarding Bodies	Register ♂

I have a commercial project under 15kW, is this subject to AB 2143?

- Yes, a commercial project under 15kW is subject to AB 2143 reporting requirements.
- The 15kW exception only applies to residential facilities.
- Per PUC 769.2(f)(1-4), AB 2143 does not apply to "Residential facilities with a maximum generating capacity of 15 kilowatts or less or installed on a single-family home."

My project is privately funded, is it subject to AB 2143?

- If your project is privately owned or funded, it still may be subject to AB 2143.
- AB 2143 applies to privately funded projects that involve installation of solar panels and/or batteries for commercial enterprises.
- Unless your commercial project falls within one of the Eligibility Exceptions under PUC 769.2(f)(1-4), it is likely subject to AB 2143.
- Projects that fall under AB 2143 are considered public works (even with private funding) and are required to conform with all public works regulations, including apprenticeship (DAS 140/DAS 142), prevailing wage, and other DIR requirements.

What is defined as a Public Works Project under AB 2143?

- Under AB 2143/PUC 769.2., a public works project is defined as follows: paragraph (1) of subdivision (a) of Section 1720 of the Labor Code, construction of any renewable electrical generation facility, and any associated battery storage, after December 31, 2023, that receives service pursuant to the standard contract or tariff developed pursuant to Section 2827.1, shall constitute a public works project for purposes of Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code, except as specified in subdivision (f). This section does not apply to a project that is a public work, as defined in Section 1720 of the Labor Code, and that is subject to Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code.
- For further context, of the definition of a public works project outside of the AB 2143/PUC 769.2 regulations, please consult Section 1720 definition of public works: <u>Codes Display Text (ca.gov)</u>

Other Possible Exemptions from AB 2143 Requirements

- Contractors must provide "Verifiable Evidence" of relevant project dates for the following project examples to qualify for review and possible exemption:
 - Project completed in 2023 (or earlier) with an approved Interconnection Application on or before December 31, 2023.
 - Project started in 2023 (or earlier) and completed or ongoing in 2024, with an Interconnection Application submitted and approved on or before December 31, 2023.
 - Project completed in 2023 (or earlier), with an Interconnection Application filed with an IOU in 2023, but still pending approval on or after January 1, 2024.
 - Project completed in 2023 (or earlier), but Interconnection Application filed with an IOU on or after January 1, 2024.
 - Project contract executed and work started in 2023, but extended into 2024, with the Interconnection Application subsequently submitted in 2024.

Verifiable Evidence

Examples of verifiable evidence include:

- Final approved Inspection Record/Building Permit (or equivalent)
- Affidavit attesting contract execution and project start date in 2023, accompanied by:
 - A copy of the executed contract (personal information may be redacted)
 - Any other documentation identifying the project details and start date

Evidence must include:

- Proof that all required inspections are final
- Proper signatures
- All final clearances have been approved

Does the DIR's temporary pause apply to SURGE and AB 2143 reporting?

- The DIR website notifies users of the temporary pause between 6/22/2024 to 6/22/2025 to submit to submit electronic certified payroll records (eCPRs) to the Labor Commissioner using DIR's online eCPR system.
- The DIR temporary pause does NOT apply to SURGE and AB 2143 reporting.
- Contractors are still able to complete registrations and upload copies of certified payrolls on the SURGE Compliance Portal by the appropriate deadlines.

What are the SURGE Payroll Submission Deadlines?

• Contractors and subcontractors must provide certified payroll records at least biannually but are encouraged to report more frequently (i.e., monthly). Below are the reporting deadlines for 2025:

Tuesday, July 1, 2025, at 5:00 pm (PST/PDT)

Submit certified payroll records from December 1, 2024, to May 31, 2025.

Wednesday, December 31, 2025, at 5:00 pm (PST/PDT)

Submit certified payroll records from June 1, 2025, to November 30, 2025.

What if I do not submit certified payroll records to SURGE?



- Failure to submit certified payroll records to SURGE may result in the following:
 - If the DIR finds a willful wage violation, then there may be a loss of service to net metering or net billing tariffs for the affected renewable energy facility (PUC 769.2(d))
 - Interconnection applications may be placed on hold, preventing you from applying for any new projects until the issue is resolved
- Ensure timely submission to avoid disruptions!

Contact Us



Email Us info@cpucsurge.org



Call Us 1-800-549-2143



Resources



Visit the SURGE Website www.cpucsurge.org



Mailing List (Email only) Sign Up https://cpucsurge.org/signup/



Follow Us on LinkedIn www.linkedin.com/in/surgeoutreach



Subscribe to YouTube
https://www.youtube.com/@cpucsurge



SURGE & DIR Informational Webinar

Wednesday, April 16, 2025

11:00 AM - 12:30 PM

Microsoft Teams Webinar

Register on https://cpucsurge.org/happenings/

