

Illinois Extends Prevailing Wage Mandates to ALL Work Performed on Illinois Solar Projects!

Labor & Employment Law Update

By Jeffrey Risch on August 23, 2023

On June 30, 2023, Governor Pritzker signed HB 3351 into law, which amends the Illinois Power Agency Act (IPAA) to require certain projects under the Illinois Solar For All Program to be subject to the prevailing wage requirements of the Illinois Prevailing Wage Act (IPWA). Effective June 30, 2023, all workers performing work on such projects must be paid in accordance with the IPWA. Of course, all owners, developers and contractors must become intimately familiar with the IPWA mandates. Since such work has been historically not covered by the IPWA, there is likely a giant learning curve. The IPWA sets forth very detailed and nuanced requirements well beyond simply paying workers in accordance with the local area wide collective bargaining agreement.

There are some limited exceptions. Projects that (i) serve single-family or multi-family residential buildings, or that (ii) have an aggregate capacity of less than 100 kilowatts and serve houses of worship, are not included with this new expansion. Further, the Illinois Power Agency may adjust renewable energy credit prices to account for the additional labor costs --- thereby increasing the costs altogether for solar projects performed in Illinois.