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Comments on CenterPoint Energy's Investments that May Assist in Minnesota's Economic Recovery from the COVID-19 Pandemic.

PUC Docket Numbers: G-008/M-20-889 & E,G-999/CI-20-492

LIUNA Minnesota & North Dakota appreciates the opportunity to offer comments on CenterPoint Energy's proposed Tranche 1 investments, their request for approval of deferred accounting, and possible additional reporting metrics.

LIUNA Minnesota & North Dakota represent 12,000 unionized construction workers statewide including many workers on various pipelines projects and other critical gas infrastructure. We believe that the proposed Tranche 1 investments can benefit both our members and the public at large by creating and sustaining high-quality construction and maintenance jobs at a time when workers urgently need work opportunities due to the economic crisis caused by the COVID 19 global pandemic. We appreciate CenterPoint's commitment to maximize the project's local benefits by ensuring that skilled local workers are hired to build their proposed projects.

The proposed Tranche 1 investments will provide critical job creation, while helping Minnesota achieve its clean energy goals by embracing innovative clean energy technologies. CenterPoint is proposing accelerated pipe replacement, innovative hydrogen projects, the development of a high-tech demonstration kitchen, workforce training and development, and a Hennepin County Renewable Natural Gas project.

We especially want to highlight four investments that align with the core goal of the utility stimulus docket to help Minnesota recover from the economic downturn caused by COVID 19. First, the accelerated pipe replacement will invest over $30 million in critical gas infrastructure, create approximately 122 FTE jobs in 2021, improve the safety and reliability of critical gas infrastructure and reduce greenhouse gas emissions. If approved, this project will contribute to Minnesota's economic recovery by creating good family-supporting construction jobs, while helping the State of Minnesota meet its ambitious decarbonization goals.

It is also important to highlight that based on research from New Jersey's utility stimulus program from the last Great Recession, we know that gas pipe and service jobs are among the most effective job creators.[1] On a dollar for dollar basis, gas pipe or service jobs created 62% more jobs compared to electric projects.[2] \

Second, the investment in new hydrogen infrastructure will create immediate jobs, while creating an opportunity to learn about the challenges and opportunities of this exciting technology. The pilot projects will have both immediate job creation benefits as well as long term benefits in helping Minnesota continue to lead the region in its implementation of low carbon energy sources.

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[1] Docket Nos. EO09010049, GO09010050, and ER09110936, Analysis of Appendix B, PSEG, https://www.nj.gov/bpu/pdf/boardorders/2011/20110706/7-14-11-2D.pdf
[2] Ibid.

Third, the investment in a high-tech demonstration kitchen will not only create immediate construction job opportunities, but the facility will provide a space to encourage the wide-scale adoption of high-efficiency natural gas equipment. Energy efficiency jobs, from the installation of high-efficiency energy products to work on home energy audits, provide a significant source of employment in Minnesota. Encouraging adoption of more energy efficient appliances has the potential to induce much greater job creation as major food service institutions embrace more efficient appliances and employ highly-trained workers to install the new equipment.

Fourth, and finally, we are especially excited about CenterPoint's workforce training and development proposals. We are particularly encouraged by the commitment to equity and workforce diversity as the heart of this proposal. We share CenterPoint's commitment to find new pathways into family-supporting careers in the skilled trades for BIPOC communities. We are proud to sponsor the state's largest and most diverse construction apprenticeship program along with our employer partners, but we know that much work remains to create a more diverse and inclusive construction industry.

We also appreciate CenterPoint's commitment to use the recommendations of the Energy Utility Diversity Group ("EUDG") stakeholder group to maximize the benefits of these economic recovery projecs. The EUDG has highlighted the need to strengthen education and outreach efforts, and to address barriers to employment that range from mobility to requirements related to education or criminal background.

Overall, we are excited and encouraged by CenterPoint's investment in new clean energy technologies - investments that will spur near-term job creation and help Minnesota meet its carbon reduction goals. LIUNA believes it would be reasonable for the Commission to approve the use of deferred accounting for the proposed investments in order to mitigate potential rate impacts in the near term. We recognize that deferred accounting is a tool that should be used sparingly in order to avoid unfairly burdening future ratepayers. But we also believe that deferred accounting is well-suited to the extraordinary circumstances in which we find ourselves today, facing a pandemic-induced economic recession that has already produced historic job losses, and that has the potential to create long-term economic scarring.

In simple terms, use of deferred accounting would allow CenterPoint to accelerate beneficial system investments in order to create jobs when they are most needed, while giving the Commission the flexibility needed to defer cost recovery until the economy can better afford it. By mitigating the worst impacts of the recession and putting people back to work, accelerated investments coupled with deferred recovery can not only help current ratepayers by delivering immediate jobs and system benefits, but also leave future ratepayers better off as a result of economic stimulus. We also believe that it would be appropriate for the Commission to authorize CenterPoint to recover what we see as modest carrying costs, in light of the benefits that acceleration would provide.

Finally, LIUNA supports the reporting metrics that we proposed in our October 16, 2020 comments in the 20-492 docket, as well as the reporting framework adopted by the Commission at its recent Feb. 11 agenda meeting on the same docket. We believe that such a framework will provide transparency with regard to acceleration and the public benefits of approved investment, including the equitable creation of high-quality jobs and career opportunities for local workers.

Thank you for the opportunity to comment.

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