

In the Matter of the Application of Benton Solar, LLC for Site Permits and a Route Permit a 100 MW Solar Energy Generating System, a 100 MW Battery Energy Storage System, and associated High-Voltage Transmission Line in Benton County, Minnesota.

PUC Docket Numbers: IP7115/GS-23-423, ESS-24-283 and TL-23-425

**OAH Docket Number: 25-2500-40508** 

LIUNA Minnesota and North Dakota ("LIUNA") appreciates the opportunity to provide exceptions to the report filed by Administrative Law Judge Megan McKenzie concerning the application of NextEra Energy Resources subsidiary Benton Solar, LLC ("NextEra") for Site Permits and a Route Permit for a 100 MW megawatt ("MW") solar generation and battery storage projects along with an associated generation tie-line in Benton County ("Benton Solar"). LIUNA appreciates Judge McKenzie's work in this matter, and largely supports the Findings of Fact, Conclusions of Law and Recommendations contained in her report.

LIUNA was a party to the contested case proceeding ordered by the Minnesota Public Utilities Commission ("Commission") to fully evaluate the local socioeconomic impacts of Benton Solar with a focus on construction jobs. The record considered by Judge McKenzie includes testimony and analysis from expert witnesses provided by LIUNA along with documentary evidence, including information on impacts associated with past NextEra projects that was obtained through the discovery process.

LIUNA strongly support Judge McKenzie's conclusions that the magnitude of local socioeconomic benefits associated with a large energy project such as Benton Solar correlates with use of local construction labor, which is in turn strongly associated with use of union labor and performance of work under a Project Labor Agreement ("PLA") or equivalent Collective Bargaining Agreement with local building trades unions. This turned out to be an area of consensus with NextEra, which agreed that local construction hiring is a key driver of local economic benefits, and that use of union labor is associated with use of local labor. We also support Judge McKenzie's recommendation that the Commission require NextEra to follow through on the company's promises with respect to labor in the Site Permit.

While we generally agree with the report, LIUNA would like to propose modest changes that we believe better align the report with the evidentiary record, and ensure that the Commission's final order provides adequate support for a new permit condition. In particular, we believe that it is important that the factual basis for the permit condition be incorporated into the Findings of Fact and corrected or supplemented where Judge McKenzie's proposed findings do not fully reflect the record..

## **Findings of Fact**

LIUNA supports findings 219, 221, 222, 223, 226 and 230 as proposed by Judge McKenzie, all of which accurately reflect the evidentiary record and are directly relevant to the Commission's determination regarding the suitability of the project for site and route permits. Proposed changes to other relevant findings are presented below, with findings in italics, and changes in red with additions underlined and deletions struck through.

224. LIUNA filed testimony expressing concern that the Project may not be constructed using a significant amount of local labor based on the lack of local labor use by other NEER subsidiaries in North Dakota and Minnesota.291

Finding 224 should reflect that past failure to maximize local workforce also extends to Minnesota, which further supports the need for the proposed permit condition. The record shows that NextEra's Benton 2 project, which was built with a partially nonunion workforce, also significantly underperformed Minnesota renewable energy built with union labor as shown in Attachment A, which is referenced in the existing footnote.

225. Benton Solar has committed, in a letter filed on the docket and in response to several public comments, to utilizing an EPC contractor to construct the Project who will utilize union labor.292 Based on testimony in the record, utilization of union labor is strongly correlated with significant utilization of a local workforce.293 Benton Solar's intended EPC contractor has already executed a Project-specific PLA with unions including LIUNA that ensures the Project will utilize union and local workers inif constructed by the aforementioned contractor. Benton Solar and LIUNA provided testimony that many other projects constructed by NEER subsidiaries in Minnesota have utilized a significant amount of local labor.294

There appears to be a typo in Finding 225 where "local workers in constructed" should read "local workers if constructed" as proposed in LIUNA's Reply Brief in this matter.<sup>1</sup> The record shows that the PLA will take effect only *if* the project is built by the EPC contractor with which it has been signed.

226A. The record demonstrates that, for at least three projects in North Dakota, the Applicant used less than 15 percent local labor, while one project in Minnesota was built with less than 30 percent local labor.<sup>2</sup> Few local workers were employed on the Applicant's North Dakota project despite the fact that the Applicant made public statements which suggested that many jobs would be filled by North Dakotans, including

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<sup>&</sup>lt;sup>1</sup> LIUNA Reply Brief, P. 3

<sup>&</sup>lt;sup>2</sup> Ex. 400 (Comment on Application Completeness) at 2; Evid. Hrg. Tr. at 58-59.

those associated with "basic infrastructure and site development". The record provides little evidence that the Applicant made efforts to encourage, monitor or evaluate efforts by EPC contractors and subcontractors to employ local construction labor in North Dakota or elsewhere, except where the company was legally or contractually obligated to do so. 4

The preceding proposed finding, which is fully supported by the evidentiary record, provides important context for LIUNA's concerns and for Judge McKenzie's recommendation that the Commission add a permit condition to ensure that NextEra follows through on commitments to use local, union labor. Judge McKenzie observes in her memo that "for at least two projects in North Dakota, the Applicant used as little as 10 percent local labor", but this information is absent from the proposed Findings of Fact which should provide a foundation for the final order.

LIUNA recommends that the information be incorporated into the Findings of Fact and expanded to include relevant evidence which shows that at least three projects in North Dakota were built with less than 15 percent local labor ("as little as" suggests no less than 10 percent when in fact two projects were below 10 percent and three below 15 percent). Once again, we would note that there is also evidence of underperformance in Minnesota on Benton 2 which underscores the need to adequately protect the public interest on a Minnesota project.

Further, the record does not merely show that NextEra failed to deliver significant local job benefits on projects in a neighboring state. Instead, the record also shows that the company repeatedly led regulators and the public to believe that such benefits would be delivered; and that once projects were permitted, the company made little or no effort to ensure that promised employment benefits materialized. These facts provide strong evidentiary support for Judge McKenzie's recommended permit condition.

227. Based on the evidence in the record, Benton Solar will be constructed with a significant amount of local labor <u>if built under PLA</u>, which will have direct and indirect positive economic impacts in Benton County and the region around the Project. There is <u>sufficient</u> evidence in the record that Benton Solar has committed to having its EPC utilize union labor, that the use of union labor will result in the use of local labor, and that the <u>intended</u> EPC has agreements with unions to staff the construction jobs for the Project.

231. The record shows that, particularly if built under an appropriate PLA, the Solar Facility and the BESS will have a significant positive impact on the socioeconomics of the region by increasing employment opportunities, stimulating economic activity, and

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<sup>&</sup>lt;sup>3</sup> Ex. LIUNA-413 (Franco Direct) at 6; Evid. Hrg. Tr. at 43

<sup>&</sup>lt;sup>4</sup> Ex. 168; Ev. Hrg. Trans. at 51-53

providing additional tax revenue.300 Any adverse socioeconomic from the loss of agricultural land and income will be mitigated through lease payments to landowners over the lifespan of the Project.301

The proposed Findings of Fact recognize the critical linkage between local employment benefits and use of union labor, all of which is contingent on a PLA to which NextEra acknowledges the company is not bound. In the absence of a proposed new permit condition, none of the benefits are assured, and we believe the findings should reflect the contingent relationship between the findings related to benefits and the conditions that ensure them.

## Memorandum

:LIUNA agrees with Judge McKenzie's conclusion that the Commission should incorporate a permit condition to enforce NextEra's commitment to use local union labor, but we would suggest modifications to the proposed condition to make it enforceable, and also want to correct an apparent misunderstanding concerning the relationships between local labor utilization and state law.

First, the memo incorrectly asserts that North Dakota law does not "highlight "local" considerations for labor," citing N.D.C.C. 49-22-09(1)(g) which requires consideration of direct and indirect economic impacts" without specific reference to jobs. However the relevant section of the North Dakota Administrative Code which governs implementation of N.D.C.C. 49-22 specifically requires consideration of impacts on "Temporary and permanent skilled and unskilled labor." North Dakota's Administrative Code further designates "training and utilization of available labor in this state for the general and specialized skills required" as a potential benefit that can be considered by the Commission when granting or denying a site permit.

Second, the memo mistakenly attributes NextEra's local hiring poor performance in North Dakota to the absence of state prevailing wage protections, while missing the fact that the successful projects NextEra has completed in Minnesota (Mower Wind, Buffalo Ridge WInd and Walleye Wind) were built before state legislators enacted a state prevailing wage requirement and strengthened consideration of local jobs in the site permitting process as part of the state's 100% by 2040 law.

Finally, the memo fails to address record evidence that supports a simpler explanation of NextEra's failure to deliver significant local employment benefits – lack of demonstrable efforts on the part of the company and its EPC contractors to ensure that construction jobs were available to local residents. Testimony filed by LIUNA and information submitted by NextEra in response to information requests provides virtually no evidence that the company made efforts to encourage, monitor or evaluate efforts by EPC contractors and subcontractors to employ local

construction labor on the North Dakota projects in question. To the contrary, NextEra stated that the company "does not collect or maintain information related to those practices unless it is required for compliance with local, state, or federal requirements". NEER was specifically unable to provide evidence that a single local recruitment activity was completed by the company's wind EPCs to recruit local construction workforce on four recent North Dakota projects. 5

LIUNA supports Judge McKenzie's proposed permit condition with the following modification:

The Permittee shall notify the Commission in writing if the Permittee intends to deviate from its commitment to build the project under a PLA in order to select a contractor that will maximize use of local, union construction employees to the greatest extent feasible. This notification shall include a detailed explanation of the rationale for the deviation. The Commission shall determine within ten business days whether to accept the Permittee's explanation.

Without the proposed modification, the new condition would be effectively unenforceable because the Applicant would seem to have sole discretion to determine whether use of local union employees had been "maximize[d]... to the greatest extent feasible." Judge McKenzie's Findings of Fact make clear that certain delivery of the benefits in question hinges on use of the PLA, and NextEra has promised the project will be built under a PLA, so it would be more prudent for the Commission to establish use of a PLA, rather than a subjective determination regarding maximization of benefits, as the trigger for notice and consideration by the Commission.

We thank Commissioners for their thoughtful consideration.

Dated: November 24, 2025 Respectfully Submitted,

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<sup>&</sup>lt;sup>5</sup> Ex. 168; Ev. Hrg. Trans. at 51-53