

March 13, 2020

Mr. Daniel Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101-2147

Re: 2020-2034 Upper Midwest Integrated Resource Plan of Northern States Power Company, d/b/a/ Xcel Energy. Docket No. E-002/RP-10-368.

We write to you, on behalf of the membership of IBEW Locals 23, 160, and 949 to express our *tentative* support for Xcel's 2020-2034 Upper Midwest Integrated Resource Plan (hereinafter "Plan"). We fundamentally concur with Xcel's commitment and path towards reducing carbon emissions and moving to carbon-free energy by 2050. The scientific evidence is clear that we need to dramatically accelerate efforts to reduce greenhouse gas emissions. Doing so is essential to the health, security, and livelihood of our members, as it is to all inhabitants of our fragile planet. And we reject the all-too-common narrative that organized labor stands in the way of necessary progress on reducing carbon emissions. Rather, as many in the labor movement have said before us, *there are no jobs on a dead planet*.

With this goal in mind, we wish to bring particular attention to the way the IRP addresses workers' issues. In its current form, it barely touches upon the challenges that Xcel's changing energy mix will pose for workers, while offering only scant detail on solutions. Without more deliberate planning, clear formulation and articulation of objectives, and resource allocation, the burden of Xcel's move to carbon-free energy will fall disproportionately on the skilled workers who have dedicated their careers to operating and maintaining Xcel's coal plants, and also on the communities in which they reside. The IBEW believes, however, that with adequate commitment, consideration, and compassion, this adverse impact on workers and their communities can be largely avoided. Therefore, insofar as the PUC has the power to facilitate a **just transition** from the good union jobs in the old energy economy to good union jobs in the new energy economy, we implore you to do so.

**A. Impact of Transition to Non-Carbon Energy Sources on Good Union Jobs**

First, to understand why Xcel's transition to greener energy must be carefully managed to avoid excessive burdens on its fossil-fuel workers, we must first identify the risks.

IBEW Locals currently represent approximately 217 workers at the Sherburne County Generating Station ("Sherco Plant"), and 70 workers at the Allen S. King Generating Station

(“King Plant”). Through negotiations with Xcel, the IBEW Locals have secured good wages for these highly skilled workers. In addition, employees at both plants have quality health benefits, pension and retirement benefits, as well as much-needed vacation and sick leave policies. Moreover, these have been dependable, long-term jobs. Many workers spend their entire careers at the Sherco and King Plants, developing skills and moving up the ranks while earning a good living for themselves and their families. In turn, these workers and their family members release their solidly middle class spending needs and habits into their communities. As important consumers, they buy cars, houses, clothes and food and thereby create a ripple of more jobs that are so vital to our communities.

Because of the critical importance of these jobs, it is not enough to merely assume that these steady, well-paying carbon-based generation jobs will be replaced by steady, well-paying green-energy jobs. Such a transition is possible, but not without active investment and planning from Xcel and the PUC. The scale of the planned closures is unlike any in recent memory, and Xcel’s past successes in rehoming and/or transitioning workers is no guarantee of success. Among the core problems that must be addressed is that, although utility scale wind and solar generation facilities tend to create a boom of work during the construction phase, the number of post-construction maintenance and operation jobs seem to be few.

Moreover, we are deeply concerned about the quality of the replacement jobs for several reasons. First, the current IRP does not make clear who will operate these new facilities. Will it be Xcel, which has long demonstrated at least a basic respect for workers’ right to organize and the importance of paying fair wages and benefits, or will it be some unknown third-party with no such history? Second, solar and wind workers are currently unionized at less than 1/2 the rate of coal and natural gas workers, and far below the national workforce average.<sup>1</sup> If this trend continues in Minnesota, we can surely anticipate the predictable depressive effect on energy-sector wages and benefits. Other growing sectors of the energy economy offer particularly inadequate replacement jobs. For example, solar installation is notoriously unstable, and pays sub-standard wages.<sup>2</sup> And third, we are not comforted by Xcel’s suggestion that a Google data center with energy powered by an on-site wind facility will replace some of the jobs lost at the Sherco Plant.<sup>3</sup> Google has a reputation for being hostile to workers’ right to organize for better

---

<sup>1</sup> U.S. DEPT. OF ENERGY, U.S. ENERGY AND EMPLOYMENT REPORT (January 2017), *available at* [https://www.energy.gov/sites/prod/files/2017/01/f34/2017%20US%20Energy%20and%20Jobs%20Report\\_0.pdf](https://www.energy.gov/sites/prod/files/2017/01/f34/2017%20US%20Energy%20and%20Jobs%20Report_0.pdf).

<sup>2</sup> Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook*, Solar Photovoltaic Installers, <https://www.bls.gov/ooh/construction-and-extraction/solar-photovoltaic-installers.htm> (visited Feb. 6, 2020).

<sup>3</sup> Xcel Energy, Upper Midwest Integrated Resource Plan, 2020-2034, Dkt No. E002/RP-19-368, July 1, 2019 (hereinafter “IRP”), at Appendix M, pg. 31 of 126.



wages and working conditions, so we have little confidence in the quality of these purported replacement jobs.<sup>4</sup>

In short, without careful management, we fear that the jobs lost by the planned closures of the Sherco and King Plants will not only fail to be replaced by jobs in the new energy economy, but that the jobs that are created will lack the stability, pay and benefits, and room for growth that we have worked so hard to secure for our members. These concerns, we should note, would be exponentially more serious without Xcel's ongoing commitment to nuclear power as a reliable component of its non-carbon energy profile, and which provides particularly specialized and skilled jobs to our members in both Monticello and Prairie Island.

### **B. Integrated Resource Plan Must Consider Cost of A Just Transition**

The preamble of the Paris Climate Agreement states that the signatories are “[t]aking into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities.”<sup>5</sup> Xcel appears to recognize the concept of a fair and just transition, and asserts that the IRP is generally consistent with this principle.<sup>6</sup> Yet the voluminous Plan contains scant details on how Xcel intends to achieve this goal, much less how the transition will be paid for. Nor does it acknowledge that supporting a just transition for workers at the closing plants is actually essential to its goal of providing safe and reliable electric service. We believe that if the PUC wants a truly comprehensive IRP, it must insist on more than lip-service to principles. There must be detailed plans that address the steps that Xcel intends to take to ensure the just transition that it supports in principle, including the costs of such plans, and also address how a well-managed transition actually supports the safety and reliability of power generation and transmission.

As the IRP notes, the new generation resources Xcel plans to add “come at some cost,” and this cost is figured into estimates of modest rate increases.<sup>7</sup> When considering customer cost and rate impacts, the IRP should also address the cost impact of the just transitioning of Xcel's workers to meaningful new jobs and careers (ideally in the energy economy) or, for those at the end of their work life, to a dignified retirement. For reasons articulated in the following section, the IBEW urges Xcel to articulate and define the necessary elements of a just transition plan but also the cost of those elements, so that rates are fashioned to incorporate the true cost of the just transitioning of workers. While Xcel has indicated it will negotiate with the unions on some

---

<sup>4</sup> Noam Scheiber and Daisuke Wakabayashi, *Google Hires Firm Known for Anti-Union Efforts*, N.Y. TIMES, Nov. 20, 2019, <https://www.nytimes.com/2019/11/20/technology/Google-union-consultant.html>

<sup>5</sup> Paris Agreement, U.N. Doc. FCCC/CP/2015/L.9/Rev/1 (Dec. 12, 2015), [https://treaties.un.org/doc/Treaties/2016/02/20160215%2006-03%20PM/Ch\\_XXVII-7-d.pdf](https://treaties.un.org/doc/Treaties/2016/02/20160215%2006-03%20PM/Ch_XXVII-7-d.pdf).

<sup>6</sup> IRP, at Appendix H, pg. 13 of 27.

<sup>7</sup> IRP, at Ch. 1, pg. 18 of 139.

relevant transition issues,<sup>8</sup> consideration of costs is a necessary precondition to any fruitful negotiations. Xcel's promises to negotiate in the future would be hollow if their response to our proposals is always some variation of "we can't afford that." Xcel should be as clear as possible about the cost implications of a just transition, and about which costs are appropriate to pass on to ratepayers.

Moreover, the IRP's stated priority of preserving the reliability and stability of its system dovetail with just transition issues. Reliability is a function not only of the infrastructure Xcel uses to generate, transmit, and distribute electricity, but also of the *people* it relies on to ensure these resources are properly built, maintained, and operated. The IBEW Locals have been expressing their concerns about understaffing in various departments for years, including the distribution and gas departments. In its drive to reduce headcount, to operate with fewer employees, Xcel has increased its overtime expectations on its IBEW workers, while also turning more frequently to expensive contractors in order to supplement its reduced workforce. Understaffing is felt particularly acutely during storm restoration efforts, when workers are stretched thin on long overtime assignments. These concerns are likely to be exacerbated in coming years, with an ageing workforce and large waves of retirement on the horizon. We believe Xcel has a crucial opportunity to ensure that the dedicated, competent workers Xcel *already has* will be able to fill understaffed departments. This will require further discussion with the Unions on ensuring training, competitive wages and benefits, and relocation assistance to enable workers to transition into new Xcel careers. But we believe this is an issue that falls squarely in the scope of the IRP, and requires further exploration.

### **C. Elements of a Just Transition**

As its written now, the IRP makes only the vaguest of representations about how displaced workers will be transitioned. It notes that when plants have been closed or converted in the past, Xcel provided resume writing service, support for interview practice, job training, and job shadowing.<sup>9</sup> And they note that they plan to negotiate with unions on "multiskilling" for the impacted plants. These representations are a start, but only a start, and we certainly welcome the opportunity to work with Xcel on the specific terms and conditions of moving affected employees into other positions. But there are other things we should address now in order for a just transition of workers to be viable. We propose that Xcel and its IBEW partners immediately devise a task force for the purpose of assessing what steps, and at what cost, must be taken to ensure that Xcel's espoused commitment to a just transition of its workforce becomes policy backed by practice. Below are some of the issues that the IBEW believes warrant consideration:

- *Fully fund apprenticeship and training programs.*

---

<sup>8</sup> IRP, at Ch. 2, pg. 37 of 139 (noting its intent to "negotiate multiskilling for our impacted sites" to "position our employees for other job opportunities within Xcel Energy.").

<sup>9</sup> IRP, at Ch. 2, pg. 36—37 of 139.



- Xcel should ensure that every affected employee who wants to pursue a new career within Xcel is promptly enrolled in an existing apprenticeship program, and to the extent current programs don't train workers for newly-created jobs, create and fully fund the necessary apprenticeship programs.
- This is a major way Xcel can "create fair access to clean energy programs, jobs and economic development opportunities."<sup>10</sup>
- *Skills inventories.*
  - Xcel should immediately initiate a process of assessing the skills and interests of employees in affected plants, with the goal of finding them new employment within Xcel.
  - Engaging in a formal skills inventory may also help employees find work outside of Xcel. Many long-time employees have worked their way up from the bottom and may lack formal credentials or educational markets that demonstrate the professional competencies they would bring to new jobs. A skills inventory could make it easier for them to present their talents to prospective employers.
- *Relocation assistance.*
  - Workers who find new careers within Xcel may not find them in their home communities. Wind farms, for example, may be disproportionately located in the Southeast quadrant of the state, requiring relocation for Sherco and King Plant employees. Xcel should provide fair relocation assistance to anyone who chooses to move for a new career with Xcel or affiliated organizations.
- *Retention bonus for workers who stay at the plant through closure.*
  - Xcel should reward those workers who choose to remain in the plant until the bitter end rather than pursuing other jobs with meaningful retention bonuses. This will provide an especially helpful cushion for older workers who will be retiring sooner than desired, and can help ensure that the plants will be adequately staffed by knowledgeable workers during the wind-down phase.
- *Early retirement.*
  - The affected workers at the Sherco and King Plants are disproportionately older. Many of them haven't applied for a job in decades, and they are worried about new employers' willingness to retrain them.
  - Employees who participate in Xcel's traditional pension plan and who leave Xcel employment even a few before fully vesting can lose hundreds of thousands of dollars in benefits.
  - Therefore, Xcel should negotiate an equitable option for bridging affected employees who are close to full retirement.
- *Use plant workers for decommissioning work, rather than hiring outside contractors.*
  - Xcel should prioritize the use of current plant workers for all decommissioning activities, rather than hiring outside contractors, and provide appropriate

---

<sup>10</sup> IRP, at Ch. 2, pg. 37 of 139.

incentives and retraining where necessary. Doing so may also allow older workers to continue accruing years of service for purpose of achieving full retirement benefits.

- *Support for workers seeking education and training.*
  - The IRP notes that announcing plans to retire Sherco and King plants gives employees time to build additional skills to transition to other parts of the Company before the closure.<sup>11</sup> Xcel should allow job flexibility to any employee who chooses to pursue education or training while continuing to work part time for Xcel, regardless of whether or not they are studying for a new job within Xcel.
  - Xcel should also provide wage and benefit assistance to those who have already left Xcel employment to pursue training, so these former employees can sustain themselves until completing their degrees or certifications.
- *Create local transition centers staffed by local residents and experts.*
  - Some employees will inevitably struggle to find new positions in their local communities, and may be unable to relocate due to personal or familial obligations.
  - Xcel should create and fund transition centers that act as a single hub for a wide range of services to displaced workers: reemployment support (resume skills, small business start-up assistance, literacy and technical training); social support (mental health and financial counseling); and a connection to regional employment opportunities.
- *Recruit skilled workers to the distribution and gas departments.*
  - As noted above, Xcel's distribution and gas departments are already spread thin. But as we see it, this problem is likely be exacerbated on two ends. One, the predicted increase in powerful storms caused by climate change means more outages. This will require more skilled line workers to maintain and repair Xcel's existing infrastructure. And two, grid modernization projects will require technical skill, planning, data analysis, and construction talent. These facts pose unique hiring challenges for Xcel and opportunities for displaced workers.
  - Xcel should support training programs that will enable affected plant workers to find new jobs in distribution and gas departments, as well as in electricity generation.
- *Commit to using union workers.*
  - While maintenance and operations jobs in wind, solar, and other growing renewable energy sources may not entirely replace the jobs lost at the Sherco and King plants, there will be at least some new jobs in these developing fields. Over the years, we have negotiated a series of good collective bargaining agreements with Xcel and its predecessor, NSP. Some of these negotiations may have been contentious, but we believe that Xcel understands the key principal that to attract

---

<sup>11</sup> IRP, at Ch. 4, pg. 89 of 139.

and retain good workers capable of providing reliable service, they must pay good wages and benefits, and treat their workers with respect. For that reason, Xcel should commit to using union workers to build, operate, and maintain the infrastructure it will use to generate, transmit, and distribute energy to its customers. Doing so, we believe, creates the best opportunity for the green energy jobs of the future to provide the same economic security as the carbon energy jobs of the past.

- *Create a just transition plan and a standing task force to assess over time.*
  - As Xcel moves forward on the transition away from carbon-based energy, the impacts of the transition on workers will become clearer, and their needs may change. We suggest that Xcel creates a standing task force between management and labor to address ongoing challenges and opportunities for Xcel's workers, always with the goal of ensuring that the burdens of the necessary transition to non-carbon energy be shared as equitably as possible on Xcel, on ratepayers, and on workers.

Dated: March 16, 2020

Respectfully submitted,



**Robert Boogren**  
**Business Manager - Financial Secretary**  
**IBEW Local 160**



**Rick Oakes**  
**Business Manager - Financial Secretary**  
**IBEW Local 949**



**Duane Peters**  
**Business Manager - Financial Secretary**  
**IBEW Local 23**



**Rick Bartz**  
**Business Representative**  
**IBEW Local 949**





**Mark Kaufman**  
**Business Representative**  
**IBEW Local 949**



**Luke Lallemont**  
**Business Representative**  
**IBEW Local 949**



**Kurt Zimmerman**  
**Business Representative**  
**IBEW Local 160**