

**In the Matter of Xcel Energy's 2020-2040 Integrated Resource Plan**

**PUC Docket Number(s):  
E002/RP-19-368**

LIUNA Minnesota & North Dakota appreciates the opportunity to offer comments on Xcel Energy's Integrated Resource Plan (IRP).

LIUNA Minnesota & North Dakota represent 12,000 unionized construction workers statewide. Our members work on a variety of Xcel Energy assets from the Sherburne County Generating Station, to Prairie Island Nuclear Power Plant, to wind farms in southwest Minnesota. Many of our members are also ratepayers in Xcel's service territory. They are worried about losing work in coal fired power facilities, the quality of jobs on new renewable energy projects, the reliability of new energy infrastructure, and the cost of their energy rates.

We are writing to support Xcel Energy's IRP because it balances a commitment to achieve ambitious carbon reduction goals, while ensuring affordable rates, reliable energy resources and investments in high quality jobs for workers displaced by the transition to clean energy sources. We commend Xcel Energy on its bold commitment to forge a just energy transition by addressing climate change, while creating family-support jobs for Minnesota workers.

**Forging a Just Energy Transition**

Many of our members have worked in coal fired power plants like Sherco for generations. Jobs at these conventional energy facilities have been lifelines for our members providing family-supporting jobs, health insurance and retirement benefits. These plants also provide a critical source of tax revenue for the communities in which they are located. Sherco, for example, employs approximately 300 workers and provides roughly 75% of Becker's tax base.<sup>1</sup> During shutdowns for maintenance, the facility employs as many as 800 workers.

While it's difficult for our members that are losing these good jobs, we appreciate Xcel's efforts to ease the transition for plant workers and host communities. Xcel has worked hard to create economic development opportunities like the new Google data center in Becker which will create thousands of construction jobs.

Xcel has also committed to ensuring new clean energy jobs in solar and wind provide middle-class wages and benefits. To meet its carbon reduction goals, Xcel plans to add nearly 6,000 MW of new renewables to their system. They have taken important steps to ensure that new renewable energy development in Minnesota will be built by a majority local workforce and that new construction jobs will create family-supporting jobs with good wages, healthcare and

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<sup>1</sup> Kristi Marohn, *In Becker, little shock over news of coal plant's early demise*, MPR New, May 28, 2019, available here: <https://www.mprnews.org/story/2019/05/28/becker-absorbs-news-of-sherco-coal-plant-early-closure>

retirement benefits. We've seen far too many examples of new wind and solar projects built by largely out-of-state workers often making substandard wages.<sup>2</sup>

Xcel has committed to doing it right by prioritizing projects that employ local workers and support the development of a next-generation energy workforce through partnership with registered apprenticeship programs. Registered apprenticeship programs offer both a pathway to family-supporting trades careers and a proven strategy for producing the skilled workforce that is needed to ensure the safe, efficient, and reliable operation of our energy utilities.

Registered apprenticeship programs also serve as a key pathway to advance Xcel's equity goals. LIUNA is proud to sponsor the state's largest and most diverse construction apprenticeship program along with our employer partners. We also participate in workforce initiatives that are designed to expand construction career awareness and access for women and for communities of color, including programs like the Construction Careers Foundation, Construct Tomorrow, Helmets to Hardhats, and Building Strong Communities as well as the Five Skies Tribal Training Program. Xcel's commitment to put apprentices to work and support workforce and business development in low-income communities of color is an important pathway to achieve their equity goals.

We worry, however, that a push by some commenters in this docket to expand distributed energy production and even broadly rethink and reorganize the delivery of regulated utility service would undermine efforts to increase equity. Such an undertaking would also be wrong-headed because our energy utility system actually works quite well -- or at a minimum far better than any other major public or private institution -- in terms of equity.

A report that was submitted to the Minnesota Legislature at the culmination of the Energy Utility Diversity Group ("EUDG") stakeholder process illustrates why Minnesota's regulated utility system is well-suited to support advancements in workforce and supplier diversity for the same reasons the system is well-designed to provide equitable energy services. The report also highlights the risk posed to equity efforts by less regulated and unregulated energy development.

*The impact of diversity efforts in the regulated electric utility sector may be greatest where generation and transmission assets are owned by utilities because third-party owners are not currently held to the same equity and transparency standards.*

To be clear, there are areas where Minnesota's regulated utility system could improve, especially in the areas of workforce and supplier diversity which have been the subject of extensive stakeholder engagement through the EUDG process. Even in the area of workforce and supplier diversity, it is important to recognize that the regulated system provides a level of transparency and accountability that can be difficult if not impossible to find elsewhere in private industry, including semi-regulated and unregulated energy firms that operate independently-owned and operated generation assets from wind farms to community solar gardens.

## **Maintaining Reliability**

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<sup>2</sup> Lucas Franco and Katie Hatt, 2018, *Catching the Wind: The impact of local vs. non-local hiring practices on construction of Minnesota wind farms*, The North Star Policy Institute.

Xcel's IRP strikes a critical balance between reducing carbon emissions and maintaining service reliability. Renewable energy resources will eventually allow for a full transition to carbon free electricity generation, but these remain variable energy sources. Without vast improvements in battery technology, we need supplemental sources of energy to maintain system reliability. Xcel's IRP recognizes the importance of investing in alternative zero to low carbon energy sources like nuclear and natural gas.

Like the Sherco plant, work at the Monticello Nuclear Generating Plant has provided family-supporting jobs for our members for decades. Our members have been proud to work on upgrading the power plant to make it safer and more efficient. Monticello provides a safe source of carbon-free electricity for times when the sun isn't shining or the wind isn't blowing enough to meet energy demand. Xcel's plan to keep Monticello operating until 2040 is the best way for Minnesota to meet our carbon goals without sacrificing reliability.

Additionally, Xcel's investments in natural gas is another critical component of their plan to reduce carbon emissions. Natural gas plays a vital role in our energy system. Natural gas provides a rapidly dispatchable energy source to maintain the reliability of Xcel's energy system. Natural gas facilitates the development of new renewable energy sources by preventing any lapses in reliable service.

### **Preserving Affordability**

Xcel's IRP proposal takes important steps to preserve affordable energy through substantial investments in utility scale wind and solar projects. Xcel's IRP has been criticized for a lack of distributed generation and community solar. Several commentators have suggested that Xcel should increase the amount of distributed generation in its IRP proposal. We worry that increases in distributed generation will increase costs to ratepayers, reduce transparency and hinder the advancement of workforce development and equity goals.

We know from the available data that Xcel's residential customers disproportionately bear the burden of subsidizing the Community Solar Garden (CSG) program, for example. In 2019, residential customers were responsible for roughly 30% of cost recovery for CSGs while receiving just 15% of bill credits, while Corporate & Industrial ("C&I") customers received 85% of credits and paid just 70% of the cost.<sup>3</sup> As the program grows, so does the burden it places on low-income customers.

We also know that the corporate beneficiaries of the program are not limited to C&I customers that are given an opportunity to meet renewable energy goals at subsidized rates. CSG developers also get the chance to earn unregulated profits off the program, as do the ultimate asset owners, which include giant corporations like Berkshire Hathaway Energy.

At the same time, there is much we do not know about unregulated CSG projects, including to what degree the program serves, or largely excludes, low- and middle-income customers, and to what degree it actually delivers local economic benefits. Our preliminary workforce research strongly suggests that CSG developers have relied excessively on use of out-of-state contractors and construction labor. And while the Commission's Labor Statistics Reporting requirement has

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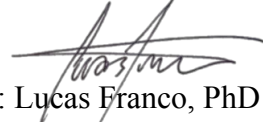
<sup>3</sup> Relevant data available in the following: Docket 13-867, NSP 2019 Annual Report for CSG, Page 25 & Docket No. E002/M-13-867

encouraged utility-scale developers to prioritize creation of high-quality local jobs, the lack of similar transparency for CSGs has left the public in the dark, and too many workers out in the cold.

In summary, we support Xcel Energy's ambitious carbon reduction plan outlined in their IRP. We believe that the plan balances the effort to reduce carbon emissions, maintain affordable rates and advanced critical workforce goals. We ask the Public Utilities Commission to approve Xcel Energy's IRP.

Dated: February 11, 2021

Respectfully Submitted,  
LIUNA Minnesota & North Dakota

A handwritten signature in black ink, appearing to read 'Lucas Franco', is written over the printed name.

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