

INTERNATIONAL UNION OF OPERATING ENGINEERS

LOCAL NO. 49, 49A, 49B, 49C, 49D, 49E, 49L
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To: Minnesota Public Utilities Commission (MN PUC)
From: Nathaniel Runke- Regulatory & Political Affairs Coordinator, Int'l Union of Operating Engineers, Local 49
Date: June 22, 2021
RE: Docket Number. **E002/RP-19-368**

In the Matter of Xcel Energy's 2020-2034 Upper Midwest Integrated Resource Plan

On behalf of the over 14,000 heavy equipment operating engineers represented by the International Union of Operating Engineers, Local 49 ("Local 49") across Minnesota, North Dakota, and South Dakota, I am thankful for the opportunity to comment in support of Xcel Energy's Integrated Resource Plan (IRP).

Xcel Energy facilities have played an important role in the lives of our members and the communities they call home. Many of our members have concerns about the loss of traditional energy generation facilities along with the stability and the job opportunities they represented as Minnesota endeavors to achieve a decarbonized energy sector. The practices of many renewable developers over recent years, using out-of-state contractors and low-wage labor for the construction of their projects rather than regional contractors utilizing highly trained and fairly compensated union labor, have only deepened these concerns. However, this IRP and its associated projects have continued to demonstrate Xcel Energy's commitment to utilizing local union labor for the construction of its renewable energy projects. This commitment combined with their strong history of utilizing local contractors and union labor at legacy facilities has given our members and their families a hopeful view of Minnesota's energy transition.

Xcel Energy's IRP proposal uses a responsible approach to transitioning its asset mix to meet Minnesota's carbon reduction goals. It lays out a path for the transition of utility generation resources away from fossil fuels while maintaining reasonable costs and a dependable energy supply for its ratepayers. As many of our members are a part of this ratepayer group, we greatly appreciate the concern paid to them in this docket. The transition is achieved through a thoughtful process of retirement of coal fired power plants, coupled with the extensive addition of renewable facilities and corresponding firm generation peaking facilities, and the extension of licensed use of nuclear facilities. The IRP accounts for potential future breakthroughs in energy sector technology and methods by leaving some solutions to long-range changes open-ended. It addresses the negative effects that will come with the closure of legacy fossil fuel plants up front

through the addition of new Xcel Energy facilities and the fostering of other employment opportunities sited near retiring legacy facilities. It is apparent when reading Xcel Energy's IRP that they have considered both the need to push Minnesota's energy transition forward while not abandoning the communities and workers of our legacy energy facilities, and have worked diligently to balance them as equitably as possible. Xcel Energy is leading the efforts to accelerate the decarbonization of their system and as they have laid out, in Attachment E of the IRP, they are working to minimize the transition's effect on host communities and employees of legacy generation facilities.

A great example of this is the proposed continued operation of the Monticello Nuclear Plant 10 years beyond its current license. This continuation of use will provide a buffer between the closure of the Sherco Power Plant in Becker, MN, and closure of the Monticello Nuclear Plant in neighboring Monticello, MN. The proposed extension will allow the highly skilled men and women that work at and maintain the Monticello Nuclear Plant to continue that work at least through 2040. This extra decade of operation will create substantive employment opportunities. From January 1st, 2018 through April 30th, 2021 20 Local 49 members and 4 Operating Engineers from other locals have worked a cumulative 14,415 hours. This equated to over \$640,000 paid to IUOE members. Based on the historic frequency that this facility conducts major maintenance projects the additional decade of facility usage would conservatively provide our members with over 36,000 hours of work translating into over \$1.6 million in compensation. The benefits earned by our members and others employed to maintain or operate the facility will be used in the economies of the host community, Monticello, and across the state of Minnesota as they bring their earnings back to their homes. These financial and societal benefits are complimented by the continued access to a reliable and carbon free energy source available to the grid.

Xcel Energy is working to ensure the energy transition is fair and just through its commitment to using labor covered by collective bargaining agreements for the projects associated with this IRP. With this commitment Xcel Energy ensures that the workforce utilized for these projects will be highly trained, efficient, well compensated, and local. For the men and women who will build these projects this commitment comes as no surprise, as Xcel Energy has proven its support for utilizing local skilled labor in its projects time and time again. However, it is not a commitment shared by all utilities and developers and its value to Minnesota should not be taken for granted. Xcel Energy's continued support of union labor, from their legacy generation facilities forward into their building and maintenance of renewable energy facilities, has ensured that Minnesota's strong building trades workforce is utilized across all these proposed projects.

Xcel Energy's IRP Attachment C conveys their strategy to promote an inclusive and diverse workforce, and how they will ensure an equitable workforce transition. Xcel Energy's commitment to utilizing local union labor to build, staff, and maintain their facilities advances this strategy. Local 49 and our signatory contractors strive to diversify and grow our membership through our Operating Engineer Pathway in the OE High School Pathway Program. A 4-course virtual high school curriculum that works to create opportunity for all Minnesota high school students to find a career as an Operating Engineer. Local 49 also co-administers the Building Strong Communities (BSC) Program, a multi-trade apprenticeship preparatory program. Over 80% of BSC program participants are women and/or from BIPOC communities and 42% of the participants in the current 2021 cohort are female. Women Building Success, of which our Local 49 Women's group is a partner, financially sponsors females through the Building Strong

Communities program. Finally, we work in partnership with Five Skies Training Program and the Indigenous Communities to build pathways to careers in our industry. Xcel Energy's internal efforts and its use of union labor for the projects covered by this IRP, will ensure that the opportunity to embark on a career in the energy construction sector will continue to become more inclusive and equitable for all Minnesotans.

The comments in this docket illustrate the diverse and passionate interests around the future of Minnesota's energy system. Xcel Energy has brought forward a plan that maximizes the inclusion of as many of these varied philosophies as possible. Xcel Energy's proposed IRP attempts to push decarbonization efforts forward strongly while still accounting for and working with those involved in the loss of legacy energy facilities. Local 49 applauds the work and consideration Xcel Energy has put into minimizing and mitigating the localized negative effects of this IRP's proposed actions to the workers and communities of their legacy energy facilities. Our members also look forward to continuing our work with Xcel Energy to build and maintain the facilities that power our region. We are thankful for the opportunity to comment on this docket and would like to again convey our strong support for Xcel Energy's proposed 2020-2034 Upper Midwest Integrated Resource Plan.

Thank you for your time and consideration.



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