

May 29, 2018

Mr. Steven V. King  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

VIA E-FILING

State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

05/29/18 12:46

Received  
Records Management

**Re: Puget Sound Energy's Proposed Request for Proposals, Dockets UE-180271 and UE-180272**

Dear Mr. King:

The Washington and Northern Idaho District Council of Laborers "WNIDCL" submits this comment letter on Puget Sound Energy's Proposed Request for Proposals, Dockets UE-180271 and UE-180272. As one of the single largest sources of unionized construction workers in the state of Washington, we are directly affected by this proposal.

On March 29, 2018, Puget Sound Energy ("PSE") filed with the Washington Utilities and Transportation Commission ("Commission") Draft Request for Proposals ("RFPs") regarding All Generation Sources in Docket UE-180271, and Demand Response Programs in Docket UE-180272. According to Section 1 of its Draft RFP, PSE will need 272 MW of electric resource capacity in 2022 after the retirement of Colstrip 1 and 2. Additionally, PSE must have renewable resources online by the end of 2022 to meet a substantial need for 671,000 renewable energy credits ("RECs") starting in 2023. According to Section 2 of the Draft RFP, PSE will consider electric generation, capacity, storage and REC-only product proposals from a wide variety of technologies and fuel sources. Below, we discuss our recommendations regarding the Draft RFP, and the draft evaluation process used to screen and rank individual proposals.

PSE outlines a process for evaluating, screening, and ranking individual proposals according to five primary criteria: 1) compatibility with resource need, 2) cost minimization, 3) risk management, 4) public benefits, and 5) strategic and financial considerations. According to the Draft RFP, "Proposals that best meet PSE's resource need at the lowest reasonable cost and least risk to the Company will be placed on a short list for further discussion with the respondent(s)."<sup>1</sup>

- 1. WNIDCL supports an evaluation, screening, and ranking process that advances the development of renewable energy resources while also maximizing local socioeconomic impacts. Projects should be evaluated based upon a comprehensive set of criteria, with resource costs being one of several criteria. PSE should prefer projects that create quality jobs and maximize local socioeconomic benefits. Working with WNIDCL and other local building trades unions to prioritize local hiring on renewable projects is a way to achieve this goal.**

<sup>1</sup> Puget Sound Energy, "2018 RFP for All Generation Sources," March 29, 2018 Draft, at P. 9.

May 29, 2018

Mr. Steven V. King  
Executive Director and Secretary  
Washington Utilities and Transportation Commission

VIA E-FILING

Page 2

In 2010, the state of Colorado passed legislation that not only increased its renewable energy standards, but also saw the role of the new energy economy in creating quality employment opportunities as part of its transition away from coal. As a result, "Best Value Employment Metrics" are used by the Colorado Public Utilities Commission to evaluate new resource acquisitions. At the time, the Governor's Energy Office issued the following statement regarding the purpose and goals of Best Value Employment Metrics:

*The Best Value language is about keeping our utility construction jobs in Colorado. It is a directive to the Public Utilities Commission to consider a set of factors that will be evaluated when utility proposals are brought to the Public Utilities Commission for review, including: availability of training programs, employment of Colorado workers, competitive wages, and benefits offered to workers.*

*The Best Value language means we are going beyond simply selecting projects based upon delivering the cheapest Mega Watt of power, and instead looking at a more comprehensive sets of costs and benefits to the bill payer.<sup>2</sup>*

WNIDCL encourages PSE to adopt even stronger principles by implementing clear union labor requirements for its renewable solicitation. The construction of renewable energy projects, when properly managed, can deliver significant local employment and economic benefits to workers and communities, in addition to delivering clean, reliable, and affordable power to ratepayers. For example, a large-scale wind project employs several hundreds of workers during construction. Construction of the Lower Snake River Wind Facility required up to 250 workers during its 2-year construction timeline.<sup>3</sup> In WNIDCL's experience, the typical construction laborer employed on a 200 MW wind project can log up to 1,500 work hours. After construction, these projects can continue to support local communities by employing workers in operations and maintenance jobs, as well as the payment of property taxes to support public schools and other public services. PSE should prefer proposals by developers who demonstrate a commitment to quality job creation and maximizing local socioeconomic benefits. Project proposals should detail job creation goals, the availability of training programs, local hiring targets, and wage and benefit standards. Developers should discuss how they will accomplish these goals.

- 2. With respect to development projects, PSE should include in its minimum criteria that bidders must satisfy to be eligible for consideration in the ranking procedure, a project's workforce development plan and resources. An executed PLA would satisfy in full the workforce development criteria.** Bidders should describe the workforce needs of a proposed project, detail worker training or qualification requirements, and discuss the availability of local contractors or a local labor pool to satisfy project needs. Sound workforce development planning reduces risks and assures a high-quality construction product. The draft RFP should be amended to account for workforce development planning with respect to development projects.

---

<sup>2</sup> <http://cnee.colostate.edu/wp-content/uploads/2015/11/HB10-1001-Colorados-30-percent-Renewable-Energy-Standard.pdf>

<sup>3</sup> [https://pse.com/aboutpse/PseNewsroom/MediaKit/099\\_Wind\\_Power\\_web.pdf](https://pse.com/aboutpse/PseNewsroom/MediaKit/099_Wind_Power_web.pdf)

May 29, 2018

Mr. Steven V. King  
Executive Director and Secretary  
Washington Utilities and Transportation Commission

VIA E-FILING

Page 3

- 3. WNIDCL supports an RFP process and schedule that promotes transparency and encourages public input.** WAC 480-107-015 details the solicitation process, which includes a 60 day period for interested parties to submit written comments to the commission on the RFP. According to the Notice of Opportunity to File Written Comments issued by the Commission in this proceeding, written comments are due no later than May 29<sup>th</sup>, 2018, and the draft RFP is scheduled for Commission decision at the Commission's Open Meeting to be held on Thursday, June 14, 2018. To date, one public comment has been filed with the Commission in this proceeding.<sup>4</sup> In order to promote transparency and encourage ongoing public input in this proceeding, LIUNA encourages the Commission to order PSE to make available to the public a summary of all proposals received and schedule a hearing in whereby the public can provide input on proposals. The Commission should encourage PSE to consider public comment on proposals when selecting its final short list.

Washington state families will be left behind if the new energy economy and transition to renewable energy creates construction jobs that can't support a family.

Sincerely yours,



Jerraine Smiley  
Business Manager &  
Secretary-Treasurer

cc: Robert F. Abbott, Vice President & Regional Manager, LiUNA  
Rey Espinoza, Assistant Regional Manager, LiUNA  
Erin Hutson, Head of Corporate Affairs, LiUNA  
May Va Lor, Research Manager, LiUNA Corporate Affairs

JS:bb  
opeiu#8

---

<sup>4</sup> See the Comments of James Adcock in regards to UE-180271 Filed on April 4, 2018.