



September 19, 2020

Mr. Mark Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE, Lacey, WA 98503
P.O. Box 47250, Olympia, WA 98504-7250

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COMMISSION

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Re: Washington State Labor Council and Washington Building Trades comments on second draft rules in Amending, Adopting, and Repealing WAC 480-107, Relating to Purchases of Electricity, Docket UE-190837.

Dear Mr. Mark Johnson,

Thank you for the opportunity to provide comments on the Commission's updated Purchase of Electricity rule proposal. The Washington State Labor Council ("WSLC") is the largest labor organization in the state, representing over 550,000 workers from all fields, including those that work at utilities, build utility assets, and, of course, customers of regulated utilities. The Washington State Building and Construction Trades Council ("Building Trades") is the voice of building trades workers before state government, representing those workers that are most likely to build resources in the state selected under this rule and required by the Clean Energy Transformation Act ("CETA").

Both WSLC and the Building Trades were strong supporters of CETA's passage and we continue to track the implications of the legislation for resource and infrastructure investment in our state. We supported CETA because we understand the increasing urgency of addressing climate change and recognize that the transition to renewable and non-emitting energy offers the prospects of creating new, family-sustaining, organized jobs in our state. For this reason, we were encouraged that the Legislature included numerous references to job creation in the legislation, including specifically identifying the need for those jobs to be "family wage" and "high-quality". CETA also includes tax incentive provisions that directed the Department of Labor and Industries to define the scope and meaning of "high-quality jobs" when it comes to clean energy construction, an important guideline for the Commission to refer to as it seeks to implement its own regulations.

The Commission, the Department of Commerce, and all other implementing agencies have a duty to pursue this clear legislative intent. While the proposed rules include many protections for environment, equity, customers, resource developers and others, we note the conspicuous absence of labor protections within these rules. This deficit does not meet statutory direction and we urge the Commission to incorporate these protections when it next issues draft rules.

Specifically, we recommend the addition of a new subsection (3) under WAC 480-107-025:

(3) The RFP must request information identifying the bidder's past performance in utilization of the office of minority and women's business enterprises certified businesses to the extent permitted by law, the bidder's past performance in utilizing veteran-, and disabled-owned businesses, a bidder's intent to follow the labor standards established in rules pursuant to RCW 82.08.962 and RCW 82.12.962, number of jobs created and over what duration and other information necessary to ascertain economic and job impacts.

In addition, this assembled data should form a part of utility's bid scoring process. Under CETA, it is not sufficient to merely procure clean resource, we must do so in ways that serve the public interest, a concept defined to now include public health, risks and benefits to vulnerable populations and highly impacted communities and workers. We recommend updating WAC 480-107-035 to reflect all three core missions of the legislation, and ensure that these legislative charges are incorporated in every part of utility planning, procurement, and operations:

(1) At a minimum, a utility's RFP ranking criteria must recognize resource cost, market-volatility risks, demand-side resource uncertainties, resource dispatchability, resource effect on system operation, credit and financial risks to the utility, the risks imposed on ratepayers, public policies regarding resource preference and requirements adopted by Washington state or the federal government, including environmental effects inclusive of but not limited to those associated with resources that emit greenhouse gases. The ranking criteria must recognize differences in relative amounts of risk and benefit inherent among different technologies, fuel sources, financing arrangements, and contract provisions, including risks and benefits to vulnerable populations and highly impacted communities, a bidder's intent to follow the labor standards established in rules pursuant to RCW 82.08.962 and RCW 82.12.962, and other job quantity and quality criteria. The ranking criteria must also be consistent with the avoided cost methodology developed in the integrated resource plan the utility uses to support its determination of its resource need. The utility must consider the value of any additional net benefits that are not directly related to the specific need requested.

Thank you for your work and attention to these requests. We stand ready to address questions on these elements.

Sincerely,

Vlad Gutman-Britten

Climate & Infrastructure Advisor, Washington State Labor Council

Mark Riker

Executive Secretary, Washington State Building and Construction Trades Council