



LABORERS' INTERNATIONAL UNION OF NORTH AMERICA

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July 13, 2010

Via Electronic Mail - records@utc.wa.gov

Mr. David Danner, Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

Re: U-100522

Dear Mr. Danner,

Attached below, please find the response of the Northwest Region of the Laborers International Union of North America to the Commission's July 2nd Notice of Opportunity to File Written Comments on the four options presented.

Thank you for giving our Union this opportunity to respond.

Sincerely

Steve Marquardt
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**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

In the Matter of the)	Docket No. U-100522
)	
Conservation Incentive Inquiry)	NW LIUNA comments in
)	response to the
)	Commission's July 2
)	Notice of Opportunity to
)	File Written Comments
_____)	

The Laborers International Union of North America, Northwest Region (NW LIUNA) respectfully submits the following comments in response to the Washington State Utilities and Transportation Commission's July 2 Notice of Opportunity to File Written Comments (Notice).

NW LIUNA strongly supports option 4: transfer of conservation services now provided by gas and electric utilities from these utilities to an independent conservation provider, such as the Energy Trust of Oregon (ETO). In the absence of this step, we would oppose all but option 2, limiting lost margin adjustment for declines in sales to those proven to be the result of company sponsored conservation efforts. We are in very strong opposition to option 1: full decoupling.

Our Union has established high quality energy efficiency training for our members as well as for low income, disadvantaged workers and veterans for jobs leading to family wage construction careers. We support measures that will lead to healthy growth for the emerging energy efficiency industry.

We believe that this growth can best be achieved by eliminating the inherent conflict between conservation goals and utilities' core mission of raising revenue by selling energy. In a contest between shareholder desire to maximize profits from sale of energy to ratepayers, and bureaucratic imperatives to achieve conservation goals, utility-sponsored conservation will always be characterized by half-heartedness and foot-dragging. This is particularly likely in situations such as that of Puget Sound Energy, where ownership is no longer accountable even through public trading of shares, and the utility must finance heavy debt burdens resulting from its acquisition.

The creation of an independent, publicly accountable conservation entity such as the Energy Trust of Oregon is the best solution to this dilemma. While ETO is not perfect, the experience of

over ten years since its creation would allow Washington State stakeholders to improve on the ETO model. The separation of energy provision from conservation through a new conservation trust can establish stable, consistent, and unconflicted funding, as well as programmatic assistance to help Washingtonians invest in energy efficiency and renewable resources.

While many of our members work in energy conservation, they are also ratepayers, and they do not support policies such as decoupling, that amount to a “blank check” for utilities to raise rates. Our experience with investor owned utilities, particularly those whose shares are no longer publicly traded, lead us to have little confidence that measures such as option 1, “full decoupling,” would result in any increase in utility sponsored conservation. We are certain, however, that utilities would exploit their rate-raising opportunities to the detriment of our members, and of Washington State’s low-income ratepayers. The arguments of utilities that they should be allowed to recover costs resulting from conservation activities they had nothing to do with reinforces our skepticism.

NW LIUNA appreciates the opportunity to submit comments in this proceeding. We and our allies in organized labor will be following the Commission’s deliberations closely while this matter is under consideration.