

U-210590

February 2, 2023

VIA ELECTRONIC MAIL

State of Washington Utilities and Transportation Commission  
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COMMISSION

**RE: Comments of the Washington & Northern Idaho District Council of Laborers on Commission proceeding to develop a policy statement addressing alternatives to traditional cost of service ratemaking (Phase 2A), Docket U-210590**

Dear Chair Danner, Commissioner Rendahl, and Commissioner Doumit:

Pursuant to the Notice of Opportunity to File Written Comments in the above-referenced proceeding, please see the written comments of the Washington & Northern Idaho District Council of Laborers. Should you have any questions, do not hesitate to contact me at the information below.

Sincerely,

  
/s/ Stacy Martin

Stacy Martin  
Business Manager Secretary-Treasurer  
Washington & Northern Idaho  
District Council of Laborers  
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Enclosure

*Feel the Power*

**BEFORE THE STATE OF WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION**

Commission proceeding to develop  
a policy statement addressing alternatives to  
traditional cost of service ratemaking  
(Phase 1 – Performance Metrics),  
Docket U-210590

COMMENTS OF WASHINGTON  
& NORTHERN IDAHO DISTRICT  
COUNCIL OF LABORERS

The Washington and Northern Idaho District Council of Laborers (“WNIDCL”) represents thousands of construction workers who build our state’s energy infrastructure. The majority of our membership identifies as Black, Indigenous, or people of color (“BIPOC”). We are an affiliate of the Laborers International Union of North America (“LIUNA”) which represents over half a million workers in the United States and Canada. We previously submitted comments in this proceeding on September 7, 2022, and December 29, 2022.

Consistent with our filing in December, it is our view the proposed metrics discussed at the November 7, 2022 workshop do not meet the state’s legislative goal directing the Commission to establish performance based ratemaking that considers various public interest benefits, including the creation of good quality jobs for utility workers.<sup>1</sup> Of the 32 proposed metrics, there are none that directly relate to utility workforce compensation or labor practices. We urge the Commission to adopt the proposed performance metrics in our most recent filing, and convene a working group of utilities and labor stakeholders to discuss strategies to create high quality jobs.

**Recommendations**

In response to the Commission’s inquiry regarding Phase 2A of the proceeding, we have the following recommendations:

- 1) It is premature for the Commission to assign metrics to utilities without finalizing the metrics.
- 2) The proposed metrics do not measure fair compensation or labor standards. The absence of labor metrics is inconsistent with legislative intent, and a missed opportunity for the Commission, utilities, and stakeholders to assess whether performance based ratemaking enhances quality job creation
- 3) The Commission should establish labor-based performance metrics before moving to the next phase of this proceeding.

<sup>1</sup> Revised Code of Washington (RCW) 80.28.425, Legislative directive—2021 c 188 states: "1) To provide clarity and certainty to stakeholders on the details of performance-based regulation, the utilities and transportation commission is directed to conduct a proceeding to develop a policy statement addressing alternatives to traditional cost of service rate making, including performance measures or goals, targets, performance incentives, and penalty mechanisms. As part of such a proceeding, the utilities and transportation commission must consider factors including, but not limited to, lowest reasonable cost planning, affordability, increases in energy burden, cost of service, customer satisfaction and engagement, service reliability, clean energy or renewable procurement, conservation acquisition, demand side management expansion, rate stability, timely execution of competitive procurement practices, attainment of state energy and emissions reduction policies, rapid integration of renewable energy resources, and fair compensation of utility employees."

- 4) The Commission should require utilities to disclose any comparable labor metrics they have proposed in other proceedings. For example, in Puget Sound Energy’s Clean Energy Implementation Plan before the Commission in Case UE-210795, the company has proposed four customer benefit indicators to measure the quality and quantity of clean energy jobs. These metrics include: 1) the number of jobs created in historically marginalized communities, 2) the number of jobs created for local workers, 3) the range of wages paid to workers, 4) additional benefits offered such as apprenticeship utilization or use of a project labor agreement or community benefits agreement, and 5) total full-time and part-time jobs created.<sup>2</sup> By compiling any relevant labor metrics across utilities and cases, the Commission and stakeholders can identify which metrics and data sources would be most appropriate for consideration in this case.
- 5) In designing labor performance metrics, the Commission, utilities, and parties should define “fair compensation for utility employees.” WNIDCL recommends the Commission rely on prevailing wage and fringe benefits data to establish the wage and benefits baseline. These data represent what skilled construction workers actually earn on infrastructure projects in the state. For utilities reliant on a majority union construction workforce, the collective bargaining rates and benefit levels for those workers can also be used as a baseline to measure fair compensation.
- 6) The Commission should emphasize that labor metrics apply to the contracted-out construction workforce. Because construction contractors build the bulk of utilities’ capital projects across the state, it is vital any proposed labor metrics apply to this workforce.

**Conclusion**

The Commission has proposed to temporarily postpone this proceeding in order to balance other competing needs. WNIDCL encourages the Commission to provide additional opportunities for public comment after the metrics have been finalized, and prior to moving to subsequent phases of the plan. We urge the Commission to adopt our recommended labor metrics, and at a minimum, ensure labor metrics are included in this phase of the proceeding.

Thank you for your time and consideration.

Sincerely,



Stacy Martin,  
Business Manager Secretary-Treasurer  
Washington and Northern Idaho District Council of Laborers

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<sup>2</sup> <https://www.cleanenergyplan.pse.com/>