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RE: Comments of the Washington & Northern Idaho District Council of Laborers on Avista Corporation's d/b/a Avista Utilities 2023 Electric Integrated Resource Planning Progress Report, Docket UE-200301

Dear Chairman Danner, Commissioner Doumit, and Commissioner Rendahl,

Pursuant to the Notice of Opportunity to File Written Comments on Avista's 2023 Electric Integrated Resource Planning Progress Report, 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,

Stacy Martin

Business Manager & Secretary-Treasurer
Washington & Northern Idaho District Council of Laborers
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BEFORE THE STATE OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Avista Corporation's d/b/a Avista Utilities 2023 Electric Integrated Resource Plan Progress Report (Docket UE-200301)	COMMENTS OF WASHINGTON & NORTHERN IDAHO DISTRICT COUNCIL OF LABORERS

Avista's 2023 Electric Integrated Resource Plan ("IRP") Progress report covers Washington State and Idaho. Its IRP was filed on January 3, 2023 in Washington and on June 1, 2023 in Idaho. The Washington and Northern Idaho District Council of Laborers ("WNIDCL") represents construction workers who build our state's energy infrastructure. We are an affiliate of the Laborers International Union of North America ("LIUNA") which represents over 500,000 workers in the United States and Canada. LIUNA also represents construction workers in southern Idaho through the Oregon and Southern Idaho District Council of Laborers. We thank you for the opportunity to submit comments on Avista Corporation's 2023 IRP.

Comments

1. Avista should prioritize resources that maximize the creation of family-sustaining jobs.

In passing the Clean Energy Transformation Act ("CETA"), Washington State legislators mandated the state prioritize the maximization of family-wage job creation in meeting the state's clean energy goals of 100% carbon neutrality by 2030 and 100% carbon-free by 2045. At present, Avista's IRP lacks data regarding reporting of family-wage job creation metrics for individual resources, and its portfolio of preferred resources. WNIDCL believes the lack of reporting is inconsistent with legislative intent, and represents a critical missing data point necessary to determining the preferred resource strategy that best meets the state's policy goals of clean energy, safety and reliability, and quality job creation. Moreover, because many of our members who work for utilities are from vulnerable populations,[1] the reporting of job metrics also enables the Commission and stakeholders an opportunity to assess the impact of Avista's preferred resource strategy on these communities, and strategies to mitigate impacts to workers from vulnerable populations.

Recommendations:

[1] The Clean Energy Transformation Act defines "vulnerable populations" as " communities that experience a disproportionate cumulative risk from environmental burdens due to: (a) Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and (b) Sensitivity factors, such as low birth weight and higher rates of hospitalization."

1) WNIDCL recommends the Commission require Avista to report for its preferred resource strategy the following data: 1) number of annual construction jobs supported on a full-time equivalent ("FTE") basis, 2) the average hourly wages paid by occupation for construction jobs, 3) the percentage of FTEs who will be covered by employer-sponsored health insurance, 4) the percentage of FTEs receiving a retirement benefit, 5) the percentage of FTEs who are local and state residents, and 6) the percentage of FTEs from vulnerable populations. The report should also include any initiatives Avista or its counterparties have taken, or will take, to memorialize quality job creation commitments, such as a community benefits or project labor agreement.

2. **WNIDCL recommends Avista's owned natural gas facilities in Washington State be retired no sooner than Avista's proposed timeline**.

Avista is retiring approximately 864 MW of coal and natural gas powered resources between 2025 and 2044. This includes three Avista-owned natural gas facilities in Washington State slated for retirement between 2035-2040. Contractors affiliated with WNIDCL perform maintenance activities during plant shut downs. In order to ensure a diverse resource portfolio necessary for reliability, and to support the family-sustaining jobs at these facilities, WNIDCL urges the Commission to retain Avista's retirement timeline for these facilities. In addition, we believe Avista's planned retirement dates for its natural gas plants enable the utility, stakeholders, and the Commission an opportunity to develop an equitable transition for fossil fuel workers. The Laborers' union experience at Colstrip units 1 and 2 in Montana demonstrates that absent a plan to meaningfully transition all workers, including contractor employees, workers and the communities they support will be adversely impacted.[2]

Recommendations:

2) Should the Commission adopt an earlier retirement year for Avista-owned natural gas power plants than proposed by the Company, WNIDCL recommends the Commission require Avista to report for these facilities the following data: 1) number of annual construction and operational jobs supported on a full-time equivalent ("FTE") basis, 2) the average hourly wages paid by occupation for construction and operations jobs, 3) the percentage of FTEs who are covered by employer-sponsored health insurance, 4) the percentage of FTEs receiving a retirement benefit, 5) the percentage of FTEs who are local and state residents, and 6) the percentage of FTEs from vulnerable populations.
3) Avista should report in future IRP's the actions it will take to retire fossil fuel plants in a manner that supports family-sustaining jobs including activities to: 1) provide future work opportunities for affected workers to decommission the facilities, and 2) partner with worker representatives, such as labor unions, to transition its fossil fuel-related workforce to clean energy opportunities.

[2] A report by the University of Montana estimated the impacts of early retirement of Colstrip Units 3 & 4, and found 3,300 job losses between 2028-2043, income losses between $250-$350 million a year, declines in economic output of $12.5 billion between the 16-year period, and a decline of population as workers migrate to other areas. See: http://www.bber.umt.edu/pubs/econ/colstrip2018.pdf.

3. **Future wind and storage resources should be modeled based upon utility ownership as well as power purchase agreements as it relates to the creation of family-sustaining jobs. The analysis should also include job impacts should the resources be sited in-state versus out-of-state.**

Beginning in 2030, the IRP calls for investing in 400 MW of wind followed by long-duration storage resources using renewable liquid fuels and iron-oxide storage technologies beginning in 2036. Avista modeled renewable resource options as purchase power agreements ("PPAs") instead of utility ownership. In addition, Avista's preferred resource strategy includes the resource type, time period, capacity, and jurisdiction, but excludes information as to where the resources will be located. More information is needed to ensure the energy transition occurs in a manner that supports family-sustaining wages as required by CETA.

Recommendations:

4) In order to assess which ownership structures best support the creation of family-sustaining wages, Avista should report labor metrics per Recommendation 1 under a PPA and utility-ownership model.
5) Avista should report the range of labor metrics per Recommendation 1 if a resource is sited in-state versus out-of-state.

4. **Resource planning and acquisitions should include efforts by Avista to ensure the Company and its counterparties are compliant with labor requirements necessary for clean energy bonus credits/deductions in the Inflation Reduction Act ("IRA").**

The IRA includes bonus credits valued at 5 times the base rate if requisite labor standards are met, which include: 1) the payment of local prevailing wages for any laborers or mechanics employed by the taxpayer or any contractor or subcontractor to construct, alter, or repair a clean energy project, 2) apprenticeship labor hour requirements of 12.5% after January 1st 2023, and 15% after December 31, 2023, 3) apprentice-to-journey worker ratios per the Department of Labor or the applicable state apprenticeship agency, and 4) employment of 1 apprentice for every four workers employed on construction, alteration, or repair work. It is our experience that absent adequate monitoring by utility purchasers and regulators, contractors may attempt to skirt IRA labor requirements creating risks for customers.

Recommendations:

6) The Commission should require Avista and any bidders reliant on IRA bonus tax credits to report the following: 1) activities it will take to ensure compliance with labor requirements, 2) details of the prevailing wages to be paid associated with construction, alteration, or repair of the covered facilities, and 3) specific apprenticeship labor hour utilization requirements associated with the project.

Conclusion

WNIDCL's recommendations are intended to provide greater transparency as to labor impacts in order to ensure the state's clean energy goals are met in a manner that maximizes family-sustaining jobs. The Commission has adopted in other proceedings the reporting of certain labor metrics for electric resource acquisitions. Disclosing labor impacts will give stakeholders a richer picture of net benefits of certain resources, as well as help facilitate an equitable transition for workers who have built and maintained the state's fossil fuel infrastructure. We look forward to continued dialogue, and appreciate the Commission's consideration of our comments.