



LIUNA!

EASTERN MISSOURI LABORERS DISTRICT COUNCIL

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Data Center
Missouri Public
Service Commission

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BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of Ameren Missouri's 2017
Integrated Resource Plan Annual Update
2019-0314

Case No. EO-

COMMENTS OF THE EASTERN MISSOURI LABORERS DISTRICT
COUNCIL, AN AFFILIATE OF THE LABORERS INTERNATIONAL UNION
OF NORTH AMERICA ("LIUNA")

Dated: June 6, 2019

Feel the Power

Introduction

The Eastern Missouri Laborers District Council, an affiliate of the Laborers International Union of North America (“LIUNA”), submits these comments on Case No. EO-2019-0314. The Eastern Missouri Laborers District Council represents over 8,000 thousand members in Missouri, and is an affiliate of LIUNA which represents over half a million members primarily employed in the construction industry. Our members rely on policy makers and regulators to make smart policy decisions in the energy sector that lead to both economic opportunities in terms of job creation but also reasonable energy costs for consumers. As an example, in 2008, we supported the Missouri Clean Energy Act which has led to Ameren’s plans for three separate wind farms as outlined in the IRP-the High Prairie Wind Farm, the Brickyard Hills Wind Farm, and the recently announced Outlaw Wind Farm.

Comments

Ameren’s Integrated Resource Plan charts a vision for Missouri’s energy future. However, Missouri should look at best practices from other states to ensure that quality job creation and economic opportunities for Missouri residents are part of the equation during any discussion of changing a states’ energy mix. Thus far there has been little consideration to these factors even though they could be a huge driver of economic growth in Missouri.

Specifically, IRPs can benefit all parties if the correct performance incentives and safeguards are put in place. Utilities can meet state mandated renewable goals, customers could see lower rates, and Missouri residents could have a pathway into the middle class through the creation of family supporting (not minimum wage) jobs.

This will not be a natural outcome though unless proper consideration is given to these issues.

Examples from other States:

We point to the experience in other jurisdictions that can offer best practices for Missouri to follow when it comes to promoting quality job creation in a state’s energy transition. (However, we note that the inclusion of family wages jobs in Missouri’s energy sector has been done. For example, members of the Eastern Missouri Laborers District Council and other building trades unions are building Ameren’s Mark Twain Transmission Line, and have worked on maintaining and upgrading the Callaway Nuclear Facility.)

- In 2018 Minnesota Building Trades Unions contested the supposed socio-economic benefits of the proposed Bitter Root wind farm which would be “substantially diminished” by a lack of Minnesota workers on past projects done by the same developer. The Minnesota Public Utilities Commission (PUC) decided the unions’ claims deserved investigation. The PUC tabled its vote on a certificate of need for Bitter Root, which is

necessary for the project to move forward. Instead, the PUC voted 5-0 to make the project a contested case “This really requires contested case proceedings to examine the social and economic impacts of the project,” said PUC Commissioner Dan Lipschultz¹.

- In 2019, the state of Colorado passed legislation that not only increased its renewable energy standards, but also recognized the role of the new energy economy in creating quality employment opportunities. When evaluating electric resource acquisitions and requests for a certificate of convenience and necessity for construction or expansion of generating facilities, including but not limited to pollution control or fuel conversion upgrades and conversion of existing coal-fired plants to natural gas plants, the Colorado Public Utility commission shall consider, on a qualitative basis, factors that affect employment of Colorado residents. To this end, the commission shall require utilities to obtain and provide to the Commission the following information regarding "best value" employment metrics: The availability of training programs, including training through apprenticeship programs registered with the United States department of labor, employment of Colorado workers as compared to importation of out-of-state workers; long-term career opportunities; and industry-standard wages, health care, and pension benefits².

- In 2011, Illinois passed the Energy Infrastructure Modernization Act establishing formula rates to spur multi-billion dollar infrastructure investment and modernization by the state’s largest utilities. The legislation included specific construction job creation targets and transparency and reporting requirements for both direct and contracted-out job creation goals. Section 16-108.5 of the Illinois Power Agency Act states: “During the infrastructure investment program's peak program year, a participating utility other than a combination utility shall create 2,000 full-time equivalent (“FTE”) jobs in Illinois, and a participating utility that is a combination utility shall create 450 full-time equivalent jobs in Illinois related to the provision of electric service, including direct jobs, contractor positions, and induced jobs.”³ The legislation demonstrates that utility capital investment and job creation can occur without a significant impact to customer rates. Since the passage of the legislation, ComEd has successfully invested over a billion dollars, and created 2,000 FTE jobs. These jobs pay family supporting wages, and provide workers family health insurance

¹ <http://www.startribune.com/state-regulators-table-wind-farm-project-after-out-of-state-worker-concerns/502117821/>

² <https://legiscan.com/CO/text/SB236/id/2024489>

³ ComEd, *Illinois General Assembly Enacts Energy Infrastructure Modernization Act Landmark legislation will modernize grid and deliver tangible benefits to consumers*, October 27, 2011, <https://www.prnewswire.com/news-releases/illinois-general-assembly-enacts-energy-infrastructure-modernization-act-132681088.html> and Sec. 16-108.5. Infrastructure investment and modernization; regulatory reform, <http://www.ilga.gov/legislation/publicacts/97/097-0616.htm>.

and retirement benefits. At the same time, the total average rate increase to the customer was less than 2.5% annually.⁴

Recommended Principals and Safeguards for Ameren's Integrated Resource Plan

- 1) Levelized cost of electricity (LCOE) assumptions shouldn't drive poor outcomes for Missouri's workforce. LCOE assumptions that reward cost-cutting in the capital or O&M budget based on projects built with non-local labor should be discounted. **True LCOE assumptions should be modeled on the assumption the Missouri energy projects will be built by Missouri residents.**
- 2) **Ameren's IRP's updates should include job creation (or destruction) reporting requirements.** Ameren's plans to retire over half of its coal-fired generating capacity, including the Meramec Energy Center in south St. Louis County, will mean a change in the state's employment mix. Significant amounts of wind and solar power will come online over the next two years as well. It is unclear whether Ameren has committed to build those facilities using local workers during construction.
- 3) **Advancing social and economic advancement should be a goal of any Integrated Resource Plan framework in Missouri.**

The Eastern Missouri Laborers District Council supports incentives to create quality local jobs for Missouri residents. Employing Missouri residents on energy projects grows the local economy and assures a pool of highly skilled and experienced workers is ready to build and maintain vital energy infrastructure. The creation of family sustaining careers with employer-sponsored health insurance and retirement benefits supports the local community, helps eradicate poverty, and promotes economic and racial diversity.


Conclusion:

Missouri has the opportunity to be a leader, and join other states who have adopted strong labor protections that promote quality job creation and workplace safety as the energy mix in the state changes. These efforts have not only spurred significant capital spending to modernize energy infrastructure, but the projects have helped to raise the standard of living for thousands of workers, and spur economic growth in local communities. The Eastern Missouri Laborers District Council

⁴ Illinois Commerce Commission, *Report On The Energy Infrastructure Modernization Act's Infrastructure Program And Performance-Based Formula Rate*, December, 2017, <https://www.icc.illinois.gov/downloads/public/ga/Energy%20Infrastructure%20Modernization%20Act%20Report%20Dec%202017.pdf> and Commonwealth Edison Company's Infrastructure Investment Plan 2018 Annual Update, March 31, 2018, <https://www.icc.illinois.gov/downloads/public/ComEdInfrastructureInvestmentPlan2018Update.pdf>.

urges the Commission and Ameren to incorporate strong labor protections in its implementation of any Integrated Resource Plan. We appreciate the Commission's consideration of these comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Flinn', written in a cursive style.

Brandon Flinn
Business Manager
Eastern Missouri Laborers District Council