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**Before the North Dakota Public Service Commission** NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

**Laborers District Council of Minnesota and North Dakota  
(LIUNA Minnesota & North Dakota)**

**Badger Wind Farm**

**Case No. PU-22-86**

**Pre-filed testimony of Kevin Pranis**

**on behalf of LIUNA Minnesota & North Dakota**

**June 22, 2022**

Q. Please state your name, the name of your employer, and your business address:

A. My name is Kevin Pranis. I currently serve as the Marketing Manager for LIUNA Minnesota & North Dakota, an affiliate of the Laborers International Union of North America, on behalf of my employer, the LIUNA Great Lakes Organizing Committee. My organization represents more than 13,000 skilled construction laborers engaged in the construction of building, civil, and energy infrastructure projects across Minnesota and North Dakota. My business address is 81 East Little Canada Road, St. Paul, Minnesota 55117.

Q. Please describe your qualifications:

A. For the past seven years, I have managed LIUNA's strategic growth programs and energy policy portfolio in Minnesota and North Dakota, including directing and conducting extensive research on a wide range of energy issues and projects. Prior to accepting my current position with LIUNA, I served as a directed national research and growth initiatives for LIUNA and the Change to Win Labor Federation.

I earned a Master of Arts degree in Social Sciences from the University of Chicago and have conducted quantitative and qualitative research on topics ranging from criminal justice policy to workforce to energy over the past 25 years. During that time, I have authored and participated in the development of numerous published reports and white papers.

Q. What is the purpose of your testimony?

A. First, I will summarize the findings of a research analysis that my colleague, Lucas Franco, and I produced to explore the likely socioeconomic impact of reliance on a local and non-local workforce to build the Badger Wind project, which is provided as Attachment A.

Second, I will discuss the feasibility of building the Badger Wind project and similar large wind projects in North Dakota using a construction workforce that consists of a majority local workforce.

Third, I will discuss the potential consequences of the approval of wind energy projects that employ few local construction workers to local workers, communities and the industry as a whole.

Fourth, I will discuss actions that the North Dakota Public Service Commission could take, consistent with its legal authority and the public interest, to maximize local benefits and minimize negative socioeconomic impacts of the Badger Wind project and similar wind energy projects.

Q. Please describe the analysis that you and Mr. Franco produced on the potential economic impact of construction hiring on the proposed Badger Wind project and explain the major findings of your analysis.

- A. Lucas Franco, our organization's Research Manager, and I undertook an analysis of the potential construction employment and associated economic impacts of the Badger Wind project. We replicated a methodology that Mr. Franco developed with researchers from the North Star Policy Institute (NSPI) to examine the employment impacts of wind energy development in Minnesota. Our findings from the Badger Wind project analysis are as follows:

First, we found that a project such as Badger Wind that employs local workers can positively impact local residents and communities by generating career opportunities and injecting tens of millions of dollars in construction payrolls into the local economy. We project that building such a facility with a 70% local construction workforce would create 280 jobs for local workers and generate roughly \$36 million in local economic activity associated with construction payrolls.

Wind energy projects have the potential to create high-quality job opportunities for both experienced construction workers and new entrants to the industry. Our research indicates that North Dakota construction workers employed on wind energy construction projects will earn approximately \$54,000 in wages, roughly \$14,000 in health benefits and approximately \$14,000 in retirement benefits.

We find that the average local worker employed on a wind energy project can be expected to contribute roughly \$54,000 in direct local spending over the short term, after deducting taxes and savings and adding spending associated with health coverage. The same worker could contribute an additional \$14,000 over the long term as retirement savings are converted into retirement income. After applying a local spending multiplier, we expect each such job to generate over \$93,000 in short-term economic activity and over \$118,000 when retirement benefits are included.

Second, we found that employment of local construction workers to build a project like Badger Wind Farm can be expected to deliver significant socioeconomic benefits

compared to the employment of non-local workers. We find that the typical local worker employed on a wind farm can be expected to contribute over three times more than a non-local worker in terms of local spending (\$54,000 vs. \$15,600), and their contribution can be four times greater over the long term (\$68,000 vs. \$15,600).

When this incremental difference is applied to a project similar to Badger Wind Farm, we find utilization of a largely local workforce (50% to 70% local) is associated with roughly \$10.6 million in incremental short-term economic activity compared to utilization of a largely non-local workforce (10% to 30% local) -- a figure that grows to \$14.4 million over the long term as retirement savings become retirement income.

Third, we found that thousands of North Dakota residents could benefit from new construction career opportunities created by a large energy project such as Badger Wind. There are more than 31,370 workers employed in food preparation and serving related jobs that pay an average of \$14 per hour and typically offer few, if any, fringe benefits. Further, there are thousands of construction workers who could gain higher pay, better benefits, and career opportunities by working on the project. A job on the Badger Wind project could be an opportunity for career advancement for such workers. Finally, Badger Wind could provide opportunities for workers who build and maintain conventional coal and gas-fired power plants to expand their skill sets and maintain stable employment as North Dakota's energy supply becomes more diverse.

Like large pipeline projects, wind energy can create opportunities for new entrants and advancement in the construction industry. These projects do so directly in the form of entry-level jobs on a project, and indirectly, by attracting local workers from other sectors of the construction industry whose positions must be backfilled. These opportunities are only generated, however, to the extent that contractors employ local rather than non-local construction workforce.

The construction of large energy facilities such as the proposed Badger Wind project can offer unique opportunities for current construction workers to advance their careers and for new workforce to get a foot in the door. Wind and other large energy projects create jobs with skill and experience requirements ranging from a small number of entry-level positions that can be filled by men and women with no background in the industry who are willing to show up on time, work hard, and follow directions; to positions that can be filled by men and women with some experience working on building or highway projects; to positions that can only be filled by men and women who have extensive wind industry experience.

Q. Do you conclude that it is feasible for a project such as Badger Wind can be built using a largely local workforce? And if so, what is the basis for your conclusion?

- A. We are confident that Badger Wind can be built using local workers because our members have participated in construction of similar projects where locals made up a majority of the workforce. We also know from past experience with other large energy projects, including the Dakota Access Pipeline, that our union and our brothers and sisters in other crafts are capable of recruiting and training local workers to fill positions that do not require extensive industry experience.

Tatanka Wind, which I helped to build right here in McIntosh County, are good example of a project that showcased the ability of local workers to deliver a safe and successful wind energy project. Tatanka Wind is just one of several projects that have relied on a local workforce.

LIUNA has a roster of skilled local construction workers, including members with wind industry experience. The same is true of unions that represent Operating Engineers, Iron Workers, Millwrights, and Electricians. In addition to current membership, our organizations have a proven ability to recruit new workforce and to deliver state-of-the-art classroom and hands-on training to both new members and current members learning specialized skills ranging from concrete placement to the operating and rigging of the heavy cranes used to install wind turbines. There are also thousands of lower-paid construction workers in North Dakota who might welcome the opportunity to work on such a project.

Badger Wind could draw from a pool of experienced construction workers in North Dakota, including Bismarck-area workers that have historically performed coal-plant maintenance, but who could benefit from a chance to expand their skills and employment opportunities. We have seen wind developers step up to the plate and deliver projects that employ majority-local workforce in rural areas of Southwest Minnesota and believe the same could be done in North Dakota. Xcel Energy has committed to do so for the repowering of the Border Wind project in Rugby, and we hope other project owners will follow suit.

Q. What is the basis for your concern about the potential reliance on non-local workers to build the Badger Wind project?

- A. Two recent wind energy projects, Northern Divide Wind and Aurora Wind, have expanded North Dakota's wind generation capacity by 499 megawatts (MW) and yet

each created relatively few local job opportunities based on our research. These projects had the potential to create hundreds of jobs for local residents in the midst of a COVID-induced economic crisis. Instead, they appear to have created just a handful of local jobs while employing hundreds of workers from across the country.

We estimate based on field observations that North Dakotans account for fewer than 10% of construction workers on each project. Two-thirds of the Aurora construction workforce apparently came from at least 1,000 miles away, while North Dakota and neighboring states (South Dakota, Minnesota and Montana) accounted for just 14%. Collectively, we estimated that the use of less than 10% local workers on these two projects cost North Dakota communities \$20-\$29 million in economic investment. We hope that Badger Wind will significantly improve on the performance of these projects with respect to local construction hiring.

Q. Why is the employment of a local workforce on wind energy construction projects a concern for your organization and your members, and why should it be a concern for the Commission?

- A. Our organization is concerned about employment of local workers on wind energy projects for two key reasons. First, we believe that outsourcing construction of wind energy jobs undercuts benefits to North Dakota residents causing local workers to miss out on good family-supporting jobs and local communities to miss out on millions in socioeconomic investment. Second, we believe that a reliance on non-local workers undercuts community support for wind energy development.

We are confident that the project developer can work with their EPC contractor to employ a majority local workforce because we have seen projects like Tatanka and Sunflower Wind successfully employ a majority local workforce. Unfortunately, this commitment to local communities is not always the case. In a 2019 investigation, we found that local workers accounted for fewer than 20 percent of wind energy construction jobs on large wind projects under construction in 2018, while a more recent analysis found that local workers accounted for less than 10% of the workforce on Northern Divide Wind and Aurora Wind.

This reliance on non-local labor represents more than just a missed opportunity. We are in the midst of a transmission capacity crunch across the upper Midwest. It is unlikely that all of the proposed projects in North Dakota will be about to move forward given this limited transmission capacity, as well as the limited investor capital available to finance projects. Under these conditions, approval of one project can “crowd out” other projects that must compete for customers, financing or transmission.

Approving a project with limited local employment not only has short-term negative impacts by undercutting the socioeconomic benefits of the project, but it can end up hurting local workers and communities down the road by crowding out better projects that could have delivered many more jobs and much greater economic stimulus. Additionally, we are worried that the approval of projects that create few local jobs could undermine public support for wind energy development and confidence in the permitting process.

Q. To what extent does the use of non-local workers impact displaced coal industry workers?

- A. The wind energy industry's continued reliance on non-local workers comes at a time when the future is uncertain for many conventional energy workers. North Dakota coal and oil industries have historically created a significant number of high-quality local jobs. The decline of the coal industry in particular could displace thousands of workers. The Lignite industry currently provides employment to approximately 15,000 North Dakotans. While the innovative investment in Coal Creek Station by Rainbow Energy is a major win for North Dakota workers, we fear it could be the exception and not the rule. Coal has declined from 67% of total power production to just 19% over the past decade.

As the reliance on coal declines in North Dakota, North Dakota workers will lose family-supporting jobs. It is critical that these workers have opportunities to work on major renewable energy projects. This is particularly true in the case of Badger Wind due to the project's proximity to Bismarck, which is home to many workers who have historically made their living building and maintaining coal-fired coal plants.

Q. What can the North Dakota Public Service Commission do, consistent with its legal authority, to maximize the local benefits and minimize unintended consequences of wind energy development?

- A. The North Dakota Public Service Commission has authority to consider local workforce impacts, including utilization of local construction labor, when evaluating the suitability of proposed wind energy projects for a site permit under Title 69, Article 6, Chapter 8 of the North Dakota Administrative Code. The Commission is further authorized under Chapter 68 to condition the issue of a permit, in proper cases, on the adoption of policies and practices that the Commission finds necessary to maximize such benefits. We believe that the Commission can and should exercise its authority where it finds local job impacts to be relevant to its consideration of site permit applications.

Q. Have any neighboring states taken similar steps to maximize the local employment benefits and increase transparency in wind energy development?

- A. Minnesota's Public Utilities Commission has recently taken action in both areas. In late 2018, Minnesota's Commission began requiring successful applicants for permits to build or retrofit wind energy facilities to submit quarterly reports on the number of Full-Time Equivalent workers (FTE) or hours worked by local workers -- including both Minnesota residents and residents of neighboring states living within 150 miles of the project -- and non-local workers.

Minnesota's Commission recognized that it made little sense to require collection of detailed information on environmental impacts, but no information on how many local residents were eventually employed on projects that promised to create hundreds of new construction jobs. Permits have been issued for multiple wind and solar energy construction projects since the Commission began requiring local hire reporting.

In December of 2018, Minnesota's Commission also made employment of local construction workers an explicit consideration in a case where the Commission referred applications for a Certificate of Need and Site Permit to contested case hearings based on concerns over expected reliance on non-local construction labor. The proposed project was subsequently sold to another different developer and is expected to create many more employment opportunities for local workers.

Use of local workforce has increased substantially in Minnesota since 2018 according to MPUC Chair Katie Sieben who testified before a U.S. Senate Subcommittee on Rural Development and Energy in 202 that local participation in utility-scale wind and solar installation had jumped "from 20 to upwards of 70 percent".

Q. Does this conclude your testimony?

- A. Yes