ADAMS BROADWELL JOSEPH & CARDOZO

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

651 GATEWAY BOULEVARD, SUITE 900 SOUTH SAN FRANCISCO, CA 94080

TELEPHONE (650) 589-1660 FACSIMILE (650) 589-5062

144

THOMAS R. ADAMS ANN BROADWELL OF COUNSEL

DANIEL L. CARDOZO MARC D. JOSEPH

KATHERINE S. POOLE

LIZANNE REYNOLDS

May 7, 1999

VIA FEDERAL EXPRESS

California Energy Commission Docket Unit, MS/4 1516 Ninth Street Sacramento, CA 95814-5512

> Re: Docket No. 98-AFC-1

Dear Madam or Sir:

Enclosed are the following documents:

Original + 13 copies of Opening Brief of California Unions for Reliable Energy.

Please file the original, endorse copies and return in the enclosed, stamped, self-addressed envelope provided for your use.

Thank you for your assistance in this matter.

Very truly yours,

/bh **Enclosures**

STATE OF CALIFORNIA

Energy Resources Conservation and Development Commission

In the Matter of:

The Application for Certification for the Pittsburg District Energy Facility

Docket No. 98-AFC-1

OPENING BRIEF OF CALIFORNIA UNIONS FOR RELIABLE ENERGY

May 10, 1999

Marc D. Joseph Katherine S. Poole Adams Broadwell Joseph & Cardozo 651 Gateway Boulevard, Suite 900 South San Francisco, CA 94080 (650) 589-1660 Voice (650) 589-5062 Facsimile kpoole@adamsbroadwell.com

Attorneys for CURE

I. INTRODUCTION

CURE supports approval of the Pittsburg District Energy Facility ("PDEF" or "the project") because of the socioeconomic benefits that it will bring to the local community.

II. SOCIOECONOMIC BENEFITS

PDEF's decision to hire highly-qualified union workers to construct, operate and maintain the project will provide many socioeconomic benefits. First, the wages and benefits that these workers earn on the project will be spent in the local economy. Second, these workers support local training and employment programs that have proven effective at improving employment opportunities in the region. Third, these workers are highly trained in safe, efficient and effective construction techniques, which will contribute to safe and timely project completion. For these reasons, CURE supports approval of the PDEF.

A. Wages and Benefits Will Be Spent Locally

During evidentiary hearings, witnesses for Staff and CURE confirmed that a sufficient number of workers live within a one-hour commute of the PDEF project site to supply the project with its labor needs. These workers have roots in the local community and will spend their wages and benefits locally, to the benefit of the local economy.

In addition, CURE's witness testified that PDEF has agreed to pay workers adequate wages and to contribute to multi-employer benefit programs. Adequate wages and benefits provide workers with the resources to maintain their roots in the community and to contribute positively to the local economy.

B. Training and Placement Programs Benefit the Local Economy

CURE's witness also presented testimony that the unions that will supply workers for the project support outreach, training and placement programs that have proven effective at enhancing employment opportunities for local residents. These programs will be supported by workers on the PDEF.

Each union employee on the PDEF will contribute up to \$0.85 an hour in wages to support local union training and apprenticeship programs. Union apprenticeship programs are open to any qualified applicant.

Apprenticeships vary from craft to craft, but generally require three to five years of on-the-job training and a minimum of 144 hours of classroom instruction per year. For the apprentice, this translates into an "industry scholarship" worth up to \$40,000 in some crafts.

Over the last several decades, union apprenticeship programs have demonstrated a high degree of success at training and maintaining a highly skilled workforce. In contrast, many non-union local apprenticeship programs have failed to graduate a single trainee over nearly a decade of enrollment. (See Exhibit 38.)

Union training efforts have also proven pivotal to the success of local efforts to improve job prospects for underemployed local residents. For example, under the City of Richmond's First Source Agreement, the City obtained employment for over 460 local residents who participated in a union-sponsored training program. (See Feere Testimony at 6.) The City placed only 12 residents who did not receive union training. (*Id.*)

C. Training Programs Contribute to Safe, Accurate and Timely Plant Construction

In addition to enhancing local employment opportunities, union training programs ensure that members are highly competent in their chosen field, familiar with the most efficient materials and techniques of their trade, and operate in a safe manner.

Technology changes rapidly in the construction industry, as it does in many sectors of the economy. The unions that will supply workers for the PDEF continually update their training programs and facilities to reflect changing technology. They offer journeyman upgrade and certification programs, as well as apprenticeship training, to keep members apprised of new developments in the industry. They also stress safety in all aspects of the trades, providing courses in such subjects as OSHA requirements, CPR and hazardous materials handling.

For the PDEF and the local community, these training programs mean that a highly-skilled workforce will contribute to completing the project in a safe and timely manner.

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CONCLUSION III.

Because of the socioeconomic benefits described above, CURE supports approval of this project.

Dated: May 7, 1999

Respectfully submitted,

Marc D. Joseph

Katherine S. Poole

Adams Broadwell Joseph & Cardozo 651 Gateway Boulevard, Suite 900 South San Francisco, CA 94080 (650) 589-1660 Voice

(650) 589-5062 Facsimile kpoole@adamsbroadwell.com

Attorneys for CURE

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STATE OF CALIFORNIA

Energy Resources Conservation and Development Commission

In the Matter of:

Application for Certification for the Pittsburg District Energy Facility (FDEF) Docket No. 98-AFC-1

PROOF OF SERVICE

I, Bonnie Heeley, declare that on May 7, 1999, I deposited copies of the attached **Opening Brief of California Unions for Reliable Energy** in the United States mail in South San Francisco, California with first class postage thereon fully prepaid and addressed to all parties on the attached service list.

Dated at South San Francisco, California this 7th day of May, 1999. I declare under penalty of perjury that the foregoing is true and correct.

Bonnie Heelev

Service List & Labels for Docket No. 98-AFC-1
Fung District Energy Facility

California Energy Commission Docket Unit, MS-4 Attn: Docket No. 98-AFC-1 1516 Ninth Street Sacramento, CA 95814-5512 By Federal Express Samuel L. Wehn
Project Director
Attn: Pittsburg Energy Facility
Enron Capital & Trade Resources
Corporation
101 California St., Suite 1950
San Francisco, CA 94111

Allan J. Thompson, Esq. 21 "C" Orinda Way, No. 314 Orinda, CA 94563

Robert Ray Project Manager URS Greiner Woodward Clyde 130 Robin Hill Rd., Ste. 100 Santa Barbara, CA 93117 William V. Manheim, Esq. Kelly M. Morton, Esq. Law Department PG&E Company P.O. Box 7442 San Francisco, CA 94120

Calpine Corporation Attn: Maura Hernandez 6700 Koll Center Prkway Suite 200 Pleasanton, CA 94566

Christopher Ellison, Esq. Ellison & Schneider 2015 H Street Sacramento, CA 95814 City of Antioch Attn: William R. Galstan City Attorney Third & "H" Streets P.O. Box 5007 Antioch, CA 93431-5007

Thomas M. Barnett, VP
P' Desert Power Project
3 Jamoree Rd., S. Tower
Ste. 606
Newport Beach, CA 92660

Jeffrey C. Kolin, City Manager City of Pittsburg 2020 Railroad Avenue Pittsburg, CA 94565 Michael Ramsey City Manager City of Antioch P.O. Box 5007 Antioch, CA 94531-5007

Ray Menebroker ARB Stationary Source Div. Project Assessment P.O. Box 2815 Sacramento, CA 95815-2815

Paul Causey Delta Diablo Sanitation District 2500 Pittsburg-Antioch Highway Antioch, CA 94509-1373 John Waithman California Department of Fish & Game 7329 Silverado Trail Napa, CA 94558

Dennis Jang Bay Area Air Quality Management District 939 Ellis Street San Francisco, CA 94109

Matt Haber, Chief of Permits Office U.S.E.P.A.
75 Hawthorne Street
San Francisco, CA 94105-3901

Ed Wylie U.S. Army Corps of Engineers 333 Market Street San Francisco, CA 94105-2197

Figure 1 and Corey

And Stationary Source Division

Project Assessment

P.O. Box 2815

Sacramento, CA 95815-2815

Jeff Miller California Independent System Operator 151 Blue Ravine Road Folsom, CA 95630

CAP-IT Paulette Lagana P.O. Box 1128 Pittsburg, CA 94565