

October 16, 2006

California Energy Commission  
Docket  
1516 Ninth St., MS# 4  
Sacramento, CA 95814-5512

**DOCKET**  
**04-SIT-02**

DATE Oct 16 2006

RECD. Oct 16 2006

**Re: Docket #04-SIT-02 – Proposed Revisions**

Associated Builders and Contractors of California recommends two changes to “Appendix B: Information Requirements for an Application: (7) Socioeconomics” as part of the proposed revisions to the Rules of Practice and Procedure and Power Plant Site Certification Regulations (Docket No. 04-SIT-2).

We recommend the deletion of “construction and” in Section (7)(A)(iv) regarding the applicant’s submission of information concerning the availability of skilled workers by craft required for construction and operation of the project.

(iv) Availability of skilled workers by craft required for ~~construction and~~ operation of the project;

There are problems with Section (7)(A)(iv) as it is now included in the regulations:

1. There is no indication in law that the availability of skilled workers is meant to be a part of a socioeconomic analysis of the vicinity and region affected by construction of a power plant. Therefore, the question is misplaced. In addition, there is evidence that general contractors and subcontractors that obtained workers for recent power plant construction through a union hiring hall dispatching procedure employed many workers from outside the state and even outside the country, and not from the vicinity and region of the power plant. This is not surprising, since skilled labor that specializes in large industrial projects such as power plant construction tends to be mobile, and general contractors specializing in large industrial construction tend to work nationally or even internationally. If the potential workforce pool encompasses the country, or even other countries, there will always be an adequate supply of skilled labor to construct the plant. Therefore, the question is absurd as well as misplaced.
2. For applicants not seeking approval under expedited review, the applicant has not necessarily selected a general contractor (with its subcontractors) when it seeks power plant site certification. Therefore, how could an applicant legitimately claim to know about the availability of skilled workers for the contractor (and its subcontractors)?

For example, the California Energy Commission issued its final permit on April 13, 2005 to Roseville Electric for the Roseville Energy Park Power Plant. On June 1, 2005 – 48 days later – the Roseville City Council approved an \$80 million engineering procurement construction contract with Gemma Power Systems California, Inc., a California-licensed Class A general engineering contractor/Class B general building contractor based in Glastonbury, Connecticut that builds power plants throughout the country. How could Roseville Electric legitimately claim to know about the availability of skilled workers for the contractor (and its subcontractors) when the out-of-state general contractor had not been selected yet?

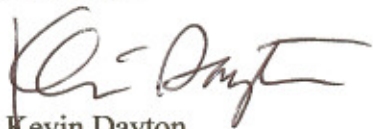
For similar reasons, Section (7)(B)(ii) should be changed to specify that “work on the project” refers to the operation of the project:

- (ii) An estimate of the percentage of non-local workers who will relocate to the project area to ~~work on~~ operate the project;

As stated above, an applicant not seeking expedited review does not have to contract with a general contractor (with its subcontractors) when it seeks power plant site certification. If the applicant has not yet selected a general contractor (with its subcontractors) during the power plant site certification process, and if the applicant does not intend to perform the construction itself as a licensed contractor, the question of the percentage of non-local workers in construction of the proposed power plant is unanswerable and theoretical.

In its April 2005 final decision approving the Roseville Energy Park Power Plant, the CEC contended that “the bulk of the construction workers are expected to come from Sacramento and Placer Counties...” with references to a November 2004 staff report contending that no more than 10 percent of the workforce at its peak would be non-local. How would the CEC even have a rough estimate in April 2005 of the number of non-local workers if the applicant had not yet contracted with the general contractor (with its subcontractors)? Noting that a worker is not necessarily “local” even though he or she is dispatched from a “local” union hiring hall, Associated Builders and Contractors of California is interested to know if the construction workforce for this power plant was truly 90 percent “local” in the end, or if the workforce was composed largely of itinerant industrial construction workers. Since the CEC would not have any credible way of predicting the geographical origins of the future construction workforce without knowing the identities of the general contractors (with their subcontractors), Section (7)(B)(ii) should be changed to specify that “work on the project” refers to the operation of the project.

Sincerely,



Kevin Dayton  
Government Affairs Director