

United States Nuclear Regulatory Commission Official Hearing Exhibit	
In the Matter of:	Entergy Nuclear Operations, Inc. (Indian Point Nuclear Generating Units 2 and 3)
	ASLBP #: 07-858-03-LR-BD01
	Docket #: 05000247   05000286
	Exhibit #: NYS000124-00-BD01
	Admitted: 10/15/2012
	Rejected: Other:
Identified: 10/15/2012	
Withdrawn:	
Stricken:	

**NYS000124**  
**Submitted: December 14, 2011**

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
Albany on June 18, 2009

COMMISSIONERS PRESENT:

Garry A. Brown, Chairman  
Patricia L. Acampora  
Maureen F. Harris  
Robert E. Curry, Jr.  
James L. Larocca

CASE 07-M-0548 - Proceeding on Motion of the Commission  
Regarding an Energy Efficiency Portfolio  
Standard.

ORDER AUTHORIZING WORKFORCE DEVELOPMENT INITIATIVES

(Issued and Effective June 22, 2009)

BY THE COMMISSION:

INTRODUCTION AND PROCEDURAL HISTORY

In the Order Establishing Energy Portfolio Standard and Approving Programs, issued and effective June 23, 2008 (June 23 Order), the Commission established a framework for the consideration and approval of energy efficiency programs to meet its jurisdictional portion of the State's 15 x 15 energy efficiency goal. In the June 23 Order, the Commission adopted specific targets for electric use reductions through 2011, approved fast-track programs, and established a process for consideration and approval of additional programs to meet the targets.

Responding to concerns of program administrators, the administrative law judges established a working group to examine the adequacy of the State's workforce to accommodate a rapid

expansion in energy efficiency programs (Working Group Seven).<sup>1</sup> Working Group Seven contained representatives of fourteen entities including utilities, customer advocates, efficiency providers, workforce development professionals, and government agencies and authorities.

On September 22, 2008, the New York State Energy Research and Development Authority (NYSERDA) filed an extensive set of energy efficiency proposals designed, among other things, to meet the targets established in the June 23 Order. Among the proposals in the September 22, 2008 NYSERDA filing was a proposal to spend approximately \$5.4 million per year<sup>2</sup> to support workforce development strategies.

On October 17, 2008, Working Group Seven submitted its report (Working Group Report) which recommended that the Commission approve NYSERDA's proposal. The working group further recommended that an additional \$2 million per year for three years be approved to provide energy efficiency skills training to low-income populations, in conjunction with the "pathway out of poverty" program to engage disadvantaged communities. On December 19, 2008, NYSERDA supplemented its proposal requesting an additional \$2 million per year for this purpose.

#### THE NYSERDA PROPOSAL

NYSERDA currently provides workforce training to implement efficiency programs under the System Benefits Charge (SBC). The training is provided largely on a per-program basis, and training funds are contained within efficiency program budgets.

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<sup>1</sup> The working group was initiated by the Procedural Ruling Concerning EEPS Design Issues (issued July 3, 2008).

<sup>2</sup> This figure is exclusive of evaluation and administration expenses.

In order to accommodate the rapid expansion of efficiency programs that is occurring pursuant to this proceeding, NYSERDA proposes to spend an additional \$8.3 million per year for the 2009-2011 period.<sup>3</sup> NYSERDA specifies the components of its proposal as follows:

1. Comprehensive Training Initiatives

NYSERDA proposes the following immediate actions:

- a. Expand the Center of Energy Efficiency and Building Science (CEEBS) Network which currently comprises 10 learning centers at community colleges. Expansion would consist of adding training locations, particularly in New York City, and developing additional courses and curriculum.
- b. Expand commercial and industrial efficiency training for contractors, providers, architects and engineers, building operators, and facility managers, with partners such as the City University of New York and the Lighting Research Center.
- c. Develop on-line courses and distance learning.
- d. Deploy "train-the-trainer" programs to support statewide building performance benchmarking.
- e. Work with manufacturers to develop supplemental curriculum.

2. Internships and Apprenticeships

NYSERDA would work with New York State Department of Labor (DOL) and the Workforce Development Institute to expand on-the-job training opportunities during profession development and continuing education.

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<sup>3</sup> This figure includes, on average, \$7.4 million per year for program expenses and \$0.9 million per year for evaluation and administration.

3. Promoting National Certifications and Standards

Some EEPS-funded programs may require that individuals are able to demonstrate a specific competency level in order to achieve desired levels of quality assurance. NYSERDA, in conjunction with other program administrators, would evaluate existing certification requirements and develop new certifications as needed. Existing certifications would also be evaluated.

4. Career Pathways in Energy Efficiency and Engaging Disadvantaged Communities

NYSERDA would cooperate with New York State Department of Labor's One-Stop Workforce Development System which targets workers to participate in training and certification programs. DOL programs would focus on training in the entry-level skills necessary for entry-level employment in the energy efficiency sector. These efforts would be focused on individuals in economically and environmentally disadvantaged communities. NYSERDA would target \$2 million per year to provide basic skills training, in cooperation with state agencies and community-based organizations, to prepare participants for more specialized training related to energy efficiency programs.

5. Evaluation

NYSERDA does not propose that its Workforce Development Program would result in separately counted direct energy savings. Rather, energy savings resulting from training efforts would be examined through evaluations conducted on associated end-use programs. Evaluation of the training programs themselves would be conducted using accepted techniques such as those described in the Journal for the American Society of Training Directors.

6. Professional Development and Continuing Education

NYSERDA will support curriculum development for courses offered through various organizations, and will administer continuing education unit credits for courses in High-Performance Design, Effective Lighting, Green Building Operations and Maintenance, and other efficiency technologies.

THE WORKING GROUP REPORT

The working group on workforce development consisted of 30 members representing program administrators, efficiency service providers, government agencies, and energy consumers. Members of the working group supported, without dissent, both the general principle that workforce development should be addressed through a statewide strategy, and NYSERDA's funding proposal in particular. Other detailed recommendations of the working group were supported by a majority, but opposed by one or more utility parties.<sup>4</sup>

Two principal reasons were identified for supporting workforce development through System Benefits Charge funding. First is the impact of workforce development investment on quality of efficiency program output. Investments in workforce development are justified when the cost of inferior work quality

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<sup>4</sup> These recommendations are:

1. Efficiency programs evaluations should assess the impacts of workforce development and training on energy performance and operation, over the life of the systems and measures funded through the EEPS.
2. Efficiency program evaluations should assess the degree to which the "low-bid" process may cause the use of unskilled workers, and result in inferior work quality.
3. Contractors, system designers, and building operators should be able to demonstrate that they have the technical knowledge and skills to properly design and install systems and measures to meet manufacturer specifications and industry "best practices."

attributable to an unskilled workforce is greater than the workforce development investment needed to remediate the associated skills gap. Investment in workforce development will contribute toward achieving the goals of the EEPS and minimize the inefficient use of public resources. Although this impact is impossible to quantify with great specificity, the working group identified numerous studies of the efficacy of workforce development, including one which found that training in the proper installation of air-conditioning and heat-pump equipment increased equipment performance by 24% in existing homes and up to 35% in new construction.

The second rationale for investing in workforce development is to mitigate bottlenecks that might present a barrier to accomplishing our energy efficiency targets. An assessment performed by the Department of Labor found that there would be shortages of specially trained workers in the majority of occupations in the energy efficiency sector. In particular, the Department of Labor identified potential shortages of electricians, plumbers, pipe fitters and steam fitters, and HVAC and refrigeration mechanics and installers, trained to implement energy efficiency programs.

Numerous barriers to the rapid enhancement of a skilled workforce were identified. These barriers include: the cost of training; lost-opportunity costs of time committed to training; wages paid to workers while being trained; availability of training infrastructure; cost of tools; and lack of basic skills training to prepare workers for technical training.

COMMENTS OF THE PARTIES

A schedule for commenting on the NYSERDA proposal and the Working Group Report was established on January 7, 2009.<sup>5</sup> No comments were received in opposition to the proposal. Staff stated that it generally supports the findings of Working Group Seven and its recommendations to the Commission, because workforce development is the foundation needed to successfully meet the energy efficiency goals adopted by the Commission. Staff suggested, however, that further information should be provided regarding program goals and the evaluation plan before NYSERDA's proposal was approved by the Commission.

Other comments in support of the proposal were submitted by the New York City Economic Development Corporation (NYC), New York State Department of Labor, New York State Electric & Gas Corp., Rochester Gas and Electric Corporation (NYSEG/RGE), and the National Grid companies. NYSEG/RGE stressed that training centers should be evenly distributed statewide. The National Grid companies stated that training programs must be tailored to the needs of specific efficiency programs. NYC stated that, although in the normal course of events the marketplace would provide qualified workers where demand exists, the schedule for achieving energy efficiency gains requires a more proactive approach. NYC emphasized that there is uncertainty over the number of jobs that will be created in fulfilling energy efficiency goals, and that realistic workforce estimates are needed in order to develop training programs.

NYSERDA replied to Staff's comments and interrogatories by providing a more detailed description of its proposed programs, including specific budget figures and goals for the number of persons to be trained in each program.

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<sup>5</sup> A Notice of Proposed Rulemaking was published in the State Register on December 31, 2008.

NYSERDA emphasized that the budget figures for specific programs were estimates, which may need to be revised depending on the types of efficiency programs eventually authorized, and the experience gained by NYSERDA in expanding its training programs. NYSERDA's estimate is that a total of 18,784 persons would receive training over a three-year period, assuming a funding level of \$33 million including \$11 million dedicated by the Department of Labor.

DEVELOPMENTS SUBSEQUENT TO THE PUBLIC COMMENT PERIOD

The federal American Recovery and Reinvestment Act of 2009<sup>6</sup>, (ARRA) popularly known as "federal stimulus", provides assistance for energy efficiency programs, including workforce development. Specifically, the ARRA allocates \$500 million nationwide for competitive projects to prepare workers in the energy efficiency and renewable energy fields, pursuant to section 171(e)(1)(B) of the federal Workforce Investment Act (WIA)<sup>7</sup>. This allocation is subject to a competitive process. The ARRA also allocates \$500 million to the states for undesignated training programs pursuant to section 134 (a) of the WIA.<sup>8</sup> Although this second source of ARRA funding could be available more quickly, it is accompanied by eligibility and priority restrictions that would prevent a seamless transition of NYSERDA's training programs into federally-funded status. In order to utilize funding under section 134(a), a substantial planning and coordination effort between NYSERDA and the Department of Labor would be needed, and eligibility requirements for NYSERDA programs would most likely require substantial revision.

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<sup>6</sup> Public Law 111-5 (2009)

<sup>7</sup> 29 USCS 2916 (2007)

<sup>8</sup> 29 USC 2864 (1997)

The Department of Housing and Community Renewal (DHCR) has also received an allocation of stimulus funding to support the Weatherization Assistance Program (WAP) for low-income households. Up to twenty percent of the stimulus funding can be used for training.<sup>9</sup>

#### DISCUSSION

As New York City observes in its comments, the demand for labor created by efficiency programs could be met with a supply provided by market forces, if time permitted.<sup>10</sup>

Because of the rapid expansion of efficiency programs under this proceeding and the ARRA - an expansion amply justified by the economic and environmental benefits that it produces - additional assistance is required in order to overcome barriers to workforce training in a timely manner that will allow our efficiency targets to be met in a cost-effective way. Rapid deployment of training resources is necessary to gain the greatest return from the investment that utility ratepayers are making in energy efficiency.

The reasons identified in the Working Group Report are persuasive. Accelerated workforce training will remove bottlenecks to implementation of efficiency programs while enhancing the benefit/cost experience of those programs. Increasing the amount of efficiency-related training will also enhance economic development benefits that will be enjoyed by all New York ratepayers.

We anticipate that federal funding will become available for all or a portion of the statewide training program proposed by NYSERDA. However, because the availability

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<sup>9</sup> 42 USCS 6866(2009); see also 10 CFR 440.23.

<sup>10</sup> Sole reliance on market forces to provide properly trained labor might also require that efficiency program administrators impose more stringent certification and/or quality control requirements than would otherwise be needed.

of federal stimulus funding for the types of activities proposed by NYSERDA is unclear, and the date of completion of federal competitive processes is also unclear, we find it reasonable to authorize System Benefits Charge (SBC) funding on a one-year basis at this time, as a bridging measure. NYSERDA, in cooperation with the Department of Labor, should seek reimbursement for the bridge funding authorized in this order, to the extent permissible under ARRA.

We take this action now in order to avoid bottlenecks in the delivery of energy efficiency services, and to maximize the effectiveness of programs that are ongoing and programs that are soon to be approved. Providing non-recurring funding at this time should also increase the likelihood of the State securing ARRA funding through the competitive process, because it will assist the State in presenting a well-developed proposal for federal funding.

NYSERDA's entire funding request will not be authorized at this time. We find it reasonable to authorize a total of \$6,600,114, which will include funding for program measures, evaluation and administration. Five percent of the total budget should be devoted to evaluation of training programs and training program results, and seven percent to administration.

The fact that we are authorizing a figure lower than requested by NYSERDA, on a one year basis, should not be interpreted as a finding that this sum is sufficient to satisfy all programmatic needs on a long term basis. Rather, as indicated above, it reflects a high likelihood that additional funding will be available from other sources.

Because DHCR has access to stimulus funding for training to implement the expansion of the WAP program, funds authorized under this Order will not be used for workforce training to implement the WAP program.

Based on NYSERDA's detailed description of the efforts that it proposes to undertake, accompanied by specific goals for the number of participants in each program, we project that 6,122 New Yorkers, including 650 estimated participants in the Department of Labor's Career Pathways program, will receive job training during the first year of the expanded program, assuming the funding level approved. This underscores the economic development benefits of energy efficiency investments.

NYSERDA shall, within 60 days of the issuance of this order, submit a supplemental revision to the SBC Operating Plan incorporating the Workforce Development Program, to be implemented as soon as Staff determines that it properly reflects this order. In the supplemental revision to the SBC Operating Plan, NYSERDA will allocate the funding across program components in the manner set forth in Appendix 1 attached hereto. We recognize that specific training needs will depend to some extent on the final portfolio of efficiency programs. For that reason, NYSERDA may reallocate funds among program components within the workforce measures budget (but not the 5% evaluation and 7% administration budgets), provided that such reallocations may not exceed ten percent for any program component.

We will not specify the geographic distribution of training resources. NYSERDA will cooperate with the Department of Labor and with electric and gas utilities to determine the optimal distribution of resources in a manner that best meets training needs on a statewide basis.

Funding for these programs will be provided through System Benefits Charge (SBC) surcharges collected by electric utilities. Gas SBC surcharges will not be utilized for this purpose; a subsidy of non-gas heating fuel customers by gas customers is thereby avoided. At this time, no increase in SBC

surcharges is needed to implement this order; funds that have already been collected from customers will be sufficient. Any change to SBC collection amounts or rates indicated by the budgets approved in this order will be considered by the Commission in the near future.

The Commission orders:

1. System Benefits Charge (SBC) funding for a Workforce Development Program to be administered by NYSERDA is authorized as set forth in Appendix 1 attached hereto. NYSERDA shall, within 60 days of the issuance of this order, submit a supplemental revision to the SBC Operating Plan incorporating the Workforce Development Program, to be implemented as soon as Staff determines that it properly reflects this order. The plan will include a budget delineating costs for marketing, outreach and education, evaluation and administration. The plan should include the associated metrics for each program component and an implementation schedule that reflects the commitment of all funds by September 1, 2010 and the disbursement of all funds prior to December 31, 2011. Subsequent reallocation of funding may only be performed in compliance with the terms of this order.

2. NYSERDA shall submit a status report, six months after the issuance of this order, detailing its efforts in cooperation with the Department of Labor to secure federal stimulus funding for the continuation of these programs. NYSERDA, in cooperation with the Department of Labor, shall seek reimbursement for the bridge funding authorized in this order, to the extent permissible under ARRA. Reimbursement, if it is obtained, will be held by NYSERDA and allocated to efficiency programs pursuant to a further order of the Commission.

3. NYSERDA shall incorporate reports on the Workforce Development Program into the periodic quarterly program and evaluation reports, annual program reports and evaluations, and monthly scorecard reports already required for the other Energy Efficiency Portfolio Standard (EEPS) SBC programs being administered by NYSERDA. Within sixty days of the issuance of this order, the Director of the Office of Energy Efficiency and Environment will provide to NYSERDA guidance on any specific periodic reporting requirements applicable to workforce development expenditures.

4. Each electric utility shall establish by contract with NYSERDA a payment to transfer SBC funds to NYSERDA by October 1, 2009, for NYSERDA to administer the Workforce Development Program, in the amounts set forth in Appendix 2 attached hereto.

5. The Secretary is authorized, in her sole discretion, to extend the scheduled deadlines.

6. This proceeding is continued.

By the Commission,

(SIGNED)

JACLYN A. BRILLING  
Secretary

**NYSERDA Workforce Development Program Components and Budget**

<b><u>Program Component</u></b>	<b><u>First Year Budget</u></b>	<b><u>Participants Trained</u></b>	<b><u>Number of Programs</u></b>
<b>1 NYSDOL Career Pathways<sup>11</sup></b>	<b>\$5,000,000</b>	<b>1,455</b>	
1.1 One-Stop Workforce Development System	\$4,090,909	1,455	
1.2 Financial Assistance for Training Initiatives	\$909,091	864	
<b>TOTAL DOL PROGRAM BUDGET</b>	<b>\$5,000,000</b>		
<b>NYSERDA:</b>			
<b>2 Career Pathways for Engaging Disadvantaged Communities</b>	<b>\$2,000,000</b>	<b>650</b>	
2.1 Basic Skills Training	\$400,000	650	
2.2 Train-the-Trainer	\$100,000	41	
2.3 Internship/Apprenticeship	\$750,000	406	
2.4 Annual Solicitation	\$750,000	609	
<b>3 Technical Training</b>	<b>\$2,050,000</b>	<b>1,802</b>	
3.1 Training Incentives/Curriculum Dev/Equipment, etc.	\$500,000	1,040	
3.2 Expand HVCC (Res/MF) CEEBS	\$300,000		3
3.3 CUNY and LRC Expansion	\$50,000		1
3.4 Labor Unions/Trades	\$150,000		3
3.5 Train - the - Trainer	\$200,000	55	
3.6 Coordinate with Manufacturers	\$100,000		8
3.7 Professional Development (CEU)	\$50,000	330	
3.8 Annual Solicitation	\$500,000	400	
3.9 Online/Distance Learning	\$200,000		8
<b>4 Internships/Apprenticeships</b>	<b>\$300,000</b>		<b>15</b>
4.1 Workforce Development Institute	\$75,000		
4.2 Colleges/Universities	\$75,000		
4.3 Trades/Unions	\$75,000		
4.4 Employer Partnerships	\$75,000		
<b>5 Certifications/Reimbursements</b>	<b>\$1,095,500</b>	<b>2,215</b>	
5.1 Building Analyst (BPI) - Participant Certification	\$450,000	900	
5.2 Energy Efficient Building Operations (BPI)	\$49,500	60	
5.3 Certified Energy/Facility Manager (AEE/IFMA)	\$71,000	355	
5.4 USGBC LEED AP	\$75,000	100	
5.5 Quality Building Modeler (ASHRAE)	\$0		
5.6 Quality Energy Auditor (ASHRAE)	\$0		
5.7 Building Operator Certification (BOC)	\$400,000	400	
5.8 Lighting Certification (NCQLP)	\$18,750	150	
5.9 HVACR Certification (NATE)	\$31,250	250	

<sup>11</sup> This Department of Labor expenditure is not within the jurisdiction of the Commission and is included for illustrative purposes.

**NYSERDA Workforce Development Program Components and Budget**  
**(Continued)**

<b><u>Program Component</u></b>	<b><u>First Year Budget</u></b>	<b><u>Participants Trained</u></b>	<b><u>Number of Programs</u></b>
<b>6 Marketing</b>	<b>\$362,600</b>		
6.1 Marketing Materials - Home Shows, Career Fairs	\$72,520		
6.2 Multi Media Campaign	\$108,780		
6.3 Integrated PR	\$0		
6.4 Web Portal	\$54,390		
6.5 Co - Op Advertising with Training Partners	\$126,910		
<b>TOTAL NYSERDA WORKFORCE MEASURES BUDGET</b>	<b>\$5,808,100</b>		
<b>7 Evaluation (5%)</b>	<b>\$330,006</b>		
7.1 Evaluation Plan Development	\$20,000		
7.2 Market Characterization/Assessment & Logic Model	\$205,006		
7.3 Process Evaluation	\$105,000		
<b>8 Administration (7%)</b>	<b>\$462,008</b>		
<b>TOTAL NYSERDA WORKFORCE DEVELOPMENT BUDGET</b>	<b>\$6,600,114</b>		

**SBC (EEPS) Transfers to NYSERDA by Service Territory**

	<b><u>2009</u></b>
Central Hudson	\$384,985
Con Edison	\$2,428,288
NYSEG	\$929,877
Niagara Mohawk	\$2,123,503
O&R	\$284,748
RG&E	\$448,713
TOTAL	\$6,600,114