



Unions Set Goals

DEALING WITH RETIREMENT SURGE

BY GARY M. STERN

➤ COMPARED WITH THE PLIGHT OF the United Automobile Workers, which has seen its membership cut in half to 140,000 in three years, the two major utility unions have been bastions of calm and stability. Both the International Brotherhood of Electrical Workers (IBEW) and the Utility Workers Union of America (UWUA) have seen steady membership and limited downsizing since linesmen and other employees must be on site to conduct their jobs, which can't be easily outsourced. Since Barack Obama was elected president and Democratic presidents tend to support unions, will these unions see a rise in membership? Indeed, how will the labor landscape change in 2009?

Despite the stable environment, labor unions have been affected by utilities looking

to grow revenue while reducing costs. Faced with pressure to cut costs, utilities are "putting less money into maintenance, construction of new plants, renovation of existing ones. Hence there's rising demand and greater pressure on utility workers," said Jeff Grabelsky, the director of the construction industry program at Cornell University's School of Industrial and Labor Relations.

Rather than downsizing, utilities have been trimming staffs by attrition and not replacing retiring baby boomers. "Given the rising demand on utilities and the aging workforce, we have a potential for labor shortages," Grabelsky noted.

Indeed, Tim Hunter, director of the utility department at IBEW, said the two major issues on its agenda are "the workforce issue and climate change." Regarding the workforce, Hunter said about 40 percent of its 220,000 union members will retire in the next five years. Retirement is across the board, affecting workers in "generation, transmission, distribution, linemen and substations," he noted. Despite this potential loss of employees, "Companies are still putting employment on the back burner" to save money, he said. Furthermore, neophytes who can take five years to reach a journeyman's level are replacing staff with 40 years of experience.

Mike Langford, president of the UWUA, also said skills training and dealing with an aging workforce – 50 percent of its 50,000 union members will likely retire in five years – is uppermost on the union's agenda. He attributes the decline of on-the-job training to deregulation, which forced utilities to slash their training budgets.

Taking an active role, IBEW and UWUA are initiating their own training programs, sometimes in partnership with utilities. IBEW works with the Center for Energy Workforce Development to develop joint training programs with four utilities – Kansas City Power & Light, Florida Power & Light, Detroit Edison and Tucson Electric Power – to train workers to replace aging baby boomers. Similarly, UWUA has joint training programs with National Grid, Entergy and Detroit Edison. But the training is still relatively small since UWUA is reaching only about 300 people a year.

KCP&L, for example, has been working with IBEW on a training program that starts with linemen. The program lasts six weeks and trains about 25 linemen, who would also be available for nearby utilities Empire District, Westar Energy and Ameren. The impetus for working with IBEW was to "foster a good safety culture. We want to make sure people are well trained and less susceptible to accidents in the field," said Bill Herdegen, a vice president of transmission and distribution at KCP&L. But the training also enables KCP&L and the other utilities to keep their training costs down because companies pay IBEW, which provides the training, a fee for the number of linemen needed just as they pay a community college for training future employees. If this training proves successful, it could be extended in the future to train generation staff, underground splicers and meter people as the need arises.

Another major issue affecting unions, climate change, can also

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have a direct effect on workers. IBEW contends that introducing renewables alone won't meet rising energy demand. "We need to include all technologies including clean coal, nuclear, conservation and renewables. If we're going to be serious about renewables, we need to be serious about large investments in transmission," Hunter said.

Unions could see a spike in membership if Congress passes the Employee Free Choice Act, which Obama co-sponsored in the Senate. Grabelsky said that, if passed, the bill would "change the dynamics of union organizing," in three ways. Workers could opt to join a union by signing a demonstration card and no longer could employers demand a secret ballot, which discourages union membership. Penalties for violating an employee's right to unionize would substantially increase. Once workers vote to join a union, employers could not delay signing a contract, which often led to undermining union membership. If the bill passes, Grabelsky expects that unions would target independent power producers to increase membership.

One area of contention between unions and utilities has been the increase in merger activity.

Looking into the future, Grabelsky of Cornell University wonders, "What are the prospects of utility unions getting ahead of the curve on the future of renewables?"

Hunter said that IBEW has established a joint training program with Sharp Solar to train members to install solar panels, and Langford said that UWUA is working with solar and wind turbine manufacturers to train staff in installing renewables. "We want to be part of the solution," Langford said. If President Obama is preaching transformational change in energy, unions will have to step up and introduce more breakthrough programs on a larger scale to keep pace, observers said.

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MISSISSIPPI CAPTURE

Mississippi Power would like to build a 582-megawatt integrated-gasification combine-cycle power plant that would allow for carbon capture.

The utility has filed its plans for the \$2.2 billion plant with state regulators.

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Land Partners

A NEW APPROACH TO WIND DEVELOPMENT

BY PAM RADTKE RUSSELL

➤ THE IMAGE OF A SOLITARY WIND TURBINE rising above a farm in a lone prairie is a romantic idea – but usually not a profitable one. Yet the idea of dozens or hundreds of turbines owned by a corporation that profits from the wind over their land is appalling to many landowners.

One wind developer is trying to marry the two visions of independence and profitability for landowners in the West, and so far, appears to be successful. Rather than simply offering landowners lease payments for putting wind turbines on their land, Minneapolis-based National Wind gives landowners a share of the profits and works with them to develop the large-scale projects.

"They have a good business model, they have community equity and there's a lot of potential for that," said Michael Goggin, an analyst with the American Wind Energy Association.

National Wind's motives aren't all altruistic. The company benefits with the model because it can attract and work with a greater number of willing landowners, says Leon Steinberg, CEO of National Wind. Community opposition is almost nonexistent, he said.

"We get calls from communities, we get calls from farmer groups ... we get opportunities that other developers don't have. We get to pick the farms we want to work. That is a huge value, from a competitive standpoint," Steinberg said.

National Wind also can get projects going more quickly because its landowners want the wind farm to go up and often do much of the legwork for the