

State of Minnesota

Court of Administrative Hearings
For the Public Utilities Commission

In the Matter of the Application for a Certificate of Need for the PowerOn Midwest 765
kV and 345 kV High Voltage Transmission Line Project
MPUC Docket No. E002, ET2, ET6675/CN-25-117

CAH Docket No. 28-2500-41617

Direct Testimony of Lucas Franco

on behalf of LIUNA Minnesota and North Dakota

August 2026

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

3
4 **A.** My name is Lucas Franco. I currently serve as the Research Manager for LIUNA
5 Minnesota & North Dakota, an affiliate of the Laborers International Union of
6 North America, on behalf of my employer, the LIUNA Great Lakes Organizing
7 Committee. My organization represents skilled construction laborers engaged in
8 the construction of building, civil, energy, and other infrastructure projects across
9 Minnesota and North Dakota. My business address is 81 East Little Canada
10 Road, St. Paul, Minnesota 55117.

11
12 **Q. Please describe your qualifications:**

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14 **A.** For the past several years, I have managed LIUNA's strategic research in
15 Minnesota and North Dakota and have conducted research for the organization
16 on a wide range of energy infrastructure projects, including analysis of the
17 socioeconomic impacts of pipelines, wind and solar energy installations, and
18 other major construction projects.

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20 Prior to accepting my current position with LIUNA, I spent seven years at the
21 University of Minnesota completing a PhD in Political Science. My primary fields
22 of interest were comparative industrial relations and comparative politics. I
23 focused on the changing landscape of American and Scandinavian employment
24 relations, with particular attention to the impact of nonstandard forms of labor,
25 including independent contracting and subcontracting, on workers and
26 employment conditions.

27
28 I have conducted quantitative and qualitative research on the political economy
29 of international trade, employment relations, immigration, and the socioeconomic
30 impacts of energy infrastructure. I completed extensive training in quantitative

and qualitative research methods through my PhD program at the University of Minnesota and through a master's program at the University of Oslo, Norway.

I have authored and participated in the development of numerous published reports, including research on the socioeconomic impact of wind energy development and the economic effects of local versus non-local construction hiring.

Q. What is the purpose of your testimony?

A. My testimony addresses the construction employment and local economic benefits that can be generated by the proposed PowerOn Midwest transmission project. First, I will summarize my analysis of the potential economic impact of employing local construction workers on PowerOn Midwest. Second, I will discuss whether a majority-local construction workforce is achievable, drawing on workforce results from large Minnesota energy projects. Third, I will discuss the role Minnesota's skilled construction trades can play in supplying the trained workforce needed to construct a project of this size. Finally, I will explain why LIUNA supports the project and how coordination among key stakeholders can maximize benefits for Minnesota workers and communities.

Q. Please briefly describe the PowerOn Midwest project and its potential construction impact:

A. PowerOn Midwest is a major proposed investment in Minnesota's electric transmission system. According to the Applicants' Certificate of Need application, the project includes approximately 271 miles of new 765 kV transmission facilities across southern Minnesota, approximately 69 miles of new 345 kV second-circuit facilities, and major substation expansions.

The Applicants estimate a project cost of approximately \$3.3 billion to \$4.3 billion and project that approximately 650 personnel may be needed for construction. The Applicants also state that applicable construction positions will be paid no less than Minnesota prevailing wage rates.

A project of this scale presents a significant opportunity to create family-supporting construction employment, generate health and retirement benefit contributions, and inject construction earnings into communities across southern Minnesota.

Q. Please describe the analysis that you produced on the potential economic impact of construction hiring on PowerOn Midwest and explain the major findings:

A. I undertook an analysis of the potential construction employment and associated local economic impacts of PowerOn Midwest. The analysis replicates a methodology I have used in prior energy-infrastructure research, including recent Benton Solar analysis and various reports from North Star Policy Action, while adapting the wage assumptions to high-voltage transmission construction.

For wages, I identified five primary construction classifications likely to perform work on a major transmission project: laborers, equipment operators, lineworkers, truck drivers, and electricians. I calculated a simple average of the applicable Minnesota Highway/Heavy prevailing wage and fringe rates for those crafts across Regions 6 through 10, which collectively cover the PowerOn Midwest Project Study Area.

88 That analysis produces an average wage of approximately \$44 per hour and an
89 average fringe-benefit rate of approximately \$24.85 per hour. Assuming 1,000
90 straight-time hours and 500 overtime hours, I estimate that a worker employed
91 for a standardized 1,500-hour construction period would earn approximately
92 \$77,000 in wages and generate approximately \$37,000 in fringe-benefit
93 contributions.

94
95 I then compared the local economic contribution of a worker who lives within
96 commuting distance of the project with that of a traveling worker who temporarily
97 resides near the project and whose local spending is largely represented by per
98 diem. Under the assumptions used in my analysis, I estimate that a local worker
99 will generate approximately \$72,000 in near-term local spending compared with
100 approximately \$15,600 for a traveling worker. That is a difference of
101 approximately \$56,000 per worker.

102
103 At the project level, using the Applicants' estimate of approximately 650
104 construction personnel as 650 standardized worker-equivalents, I estimate that a
105 workforce that is 70% local would generate approximately \$62.2 million in
106 near-term economic activity after applying the same earnings multiplier used in
107 my prior research. A 30% local workforce would generate approximately \$36.7
108 million. The difference is approximately \$25.5 million in near-term economic
109 activity.

110
111 When the long-term value of deferred fringe benefits is included, the modeled
112 difference between a 70% local workforce and a 30% local workforce increases
113 to approximately \$33.4 million.

114

These figures are standardized scenarios rather than a final forecast of project payroll. The Applicants provide an early estimate of approximately 650 construction personnel but do not provide total project labor hours.

Q. Why does local hiring make such a significant difference in the economic impact of the project?

A. Local and traveling workers may receive similar wages and benefits for performing the same work, but the local socioeconomic impacts of those earnings are substantially different. A local worker will likely spend a substantial share of their wages on housing, groceries, transportation, health care, services, and other household expenses in the regional economy. Health and retirement contributions also support workers and their families over time.

A traveling worker also contributes to the local economy, particularly through temporary lodging, meals, fuel, and other per-diem expenditures. However, a substantial portion of that worker's household income ultimately returns to the community where the worker permanently resides.

Maximizing local employment can therefore significantly increase the socioeconomic benefits of a major energy infrastructure project.

Q. Do you conclude that a majority-local workforce is achievable on PowerOn Midwest?

A. Yes. Available experience from major energy construction projects in Minnesota shows that strong local workforce utilization is achievable.

For example, the workforce data pulled from submission to the Public Utilities Commission summarized in my PowerOn Midwest analysis show local workforce utilization of approximately 92.0% on Louise Solar, 84.3% on Sherco Solar I & II, 74.9% on Nobles 2 Wind, 76.2% on Mower Wind, and 78.3% on Walleye Wind. Other Minnesota projects in the dataset include Zephyr Wind at 43.4% and Buffalo Ridge Wind at 39.9%.

Solar and wind construction are not identical to transmission construction. Nevertheless, these projects demonstrate that Minnesota's skilled construction workforce can be mobilized at significant scale for major energy infrastructure projects, including projects located in the same southern and southwestern Minnesota regions through which PowerOn Midwest will be constructed.

I therefore believe a strong majority-local workforce is a realistic outcome for PowerOn Midwest when local recruitment and dispatch are made a priority.

Q. What role can Minnesota's Building Trades Unions play in maximizing the benefits of PowerOn Midwest?

A. Major transmission construction requires a large number of workers with specialized training who can safely perform complex work across hundreds of miles of new transmission line construction. The PowerOn Midwest application describes construction activities involving cranes, backhoes, digger-derrick line trucks, drill rigs, dump trucks, front-end loaders, bucket trucks, bulldozers, flatbed tractor-trailers, concrete trucks, helicopters, and other specialized equipment.

The application also describes foundation excavation, reinforcing-steel and anchor-bolt installation, concrete placement, structure assembly and erection, installation of insulators and hardware, and conductor and shield-wire stringing.

Minnesota's lineman and Building Trades unions maintain excellent registered apprenticeship programs and training infrastructure designed to supply workers for these types of tasks. These programs provide access both to experienced journey-level workers and to apprentices who are building careers while receiving structured classroom and on-the-job training.

LIUNA and our union peers also have experience recruiting new workers into construction careers and upgrading the skills of existing workers. Partnering with this workforce infrastructure can help the project meet its labor needs while maximizing the number of Minnesota workers who benefit from the investment.

Q. What is the significance of the prevailing wage commitment for the project?

A. The Applicants state that applicable construction positions will be paid no less than Minnesota prevailing wage rates. That is an important component of the project's economic benefit.

Prevailing wage helps ensure that the jobs created by a major publicly regulated infrastructure investment provide family-supporting wages and meaningful benefits. It also supports contractors that compete based on productivity, safety, quality, and effective project management rather than by driving down construction wages.

For purposes of my analysis, the prevailing wage schedules also provide transparent and publicly available basis for estimating the compensation associated with the principal crafts likely to construct the project.

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201 **Q. Why is PowerOn Midwest important to LIUNA and its members?**

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203 **A.** LIUNA members build the infrastructure that Minnesota depends on, including
204 energy, transportation, utility, and civil infrastructure. PowerOn Midwest
205 represents an opportunity for our members and other skilled tradespeople to
206 build a major piece of Minnesota's next generation of electric infrastructure while
207 earning family-supporting wages and benefits.

208

209 Our interest is not simply in the number of jobs associated with the project. We
210 want the project to translate a major infrastructure investment into durable
211 benefits for Minnesota workers and all ratepayers.

212

213 Based on our engagement with the project developers, I am optimistic that
214 PowerOn Midwest can deliver those benefits. We look forward to continuing to
215 work with the Applicants and their contractors to maximize local employment
216 opportunities and help ensure that the project is built safely, efficiently, and to a
217 high standard.

218

219 **Q. What is your overall conclusion regarding PowerOn Midwest?**

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221 **A.** PowerOn Midwest has the potential to deliver substantial construction-phase
222 economic benefits to Minnesota in addition to the reliability and electric-system
223 benefits described by the Applicants.

224

225 My analysis demonstrates that the way the project is staffed matters. A local
226 worker is expected to generate substantially more economic activity in Minnesota
227 than a traveling worker, and maximizing local workforce utilization can translate
228 into tens of millions of dollars in additional economic activity.

229

230 Minnesota has a skilled construction workforce capable of performing this work,
231 and past major energy projects demonstrate that strong local workforce utilization
232 is achievable. The prevailing wage commitment further helps ensure that the jobs
233 created by the project are family-supporting jobs.

234

235 LIUNA supports PowerOn Midwest and looks forward to partnering with the
236 Applicants, contractors, and peer unions to deliver a quality project while
237 maximizing employment and economic opportunities for Minnesota workers and
238 communities.

239

240 **Q. Does this conclude your testimony?**

241

242 **A.** Yes.

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