

Enbridge Energy, Limited Partnership
Line 3 Replacement Project
Tribal Economic Opportunity and Labor Education Plan

August 2018

MPUC Docket No. PL-9/PPL-15-137

Tribal Economic Opportunity and Labor Education Plan

1. INTRODUCTION

In its June 22, 2018, filing to the Minnesota Public Utilities Commission (“Commission”), Enbridge Energy, Limited Partnership (“Enbridge”) stated that it was targeting \$100 million in economic opportunities for tribal businesses and members on the Line 3 Replacement Project in the United States (“Project”):

Enbridge is targeting the creation of \$100 million (USD) in economic opportunities for tribal businesses and members on our Line 3 Replacement Program in the United States, including surveys prior to construction, construction of the Line 3 Replacement, deactivation of existing Line 3, removal of segments of existing Line 3, restoration following construction, and other related activities.

Tribal economic spending is a broad term, representing the expenditure of project capital through the use of tribal-owned contractors, purchasing of materials and equipment through tribal-owned suppliers, as well as the training and hiring of tribal members as part of the construction work force. Often this training leads to continued employment in the construction and maintenance fields.

This commitment represents a substantive and ambitious target, but one that is achievable based on our assessment of the existing and potential capacity of tribal member-owned businesses, tribal-owned businesses and tribal members and their demonstrated capacity on past projects. We’re also able to draw on our own experience in hiring individuals and businesses for project and maintenance work in Minnesota. As well, our experience with construction of the Canadian portion of our Line 3 Replacement Program over the past year – and our investment to date of \$84 million (CAD) in Indigenous economic opportunities during the first year of the project – also provides us with confidence in our ability to meet this target.

While preference will be given to Minnesota-based tribal members and businesses, non-Minnesota based tribal members and businesses are included in the \$100 million target.

Enbridge commits to report quarterly to the Commission on tribal socio-economic results for Line 3 Replacement.

The Commission accepted this commitment as part of its approval of the Project in Minnesota, and, as part of that commitment, required Enbridge to develop a Tribal Economic Opportunity and Labor Education Plan (“Plan”) that complies with the following requirements:

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1. Develop a specific regional Native American Training Program in cooperation with local labor councils regularly engaged in the applicant's construction and integrity projects, regional Native American tribes and educational institutions capable of providing programs to train workers. The program should be committed to recruiting and training Native Americans in the region to qualify for a broad spectrum of employment opportunities within the pipeline industry.

2. Identify specifically how Minnesota-based tribal members and businesses will be given preference under the committed target.

3. Identify that there will be a selected commission appointed a tribal liaison, what the role of the liaison will be with regards to this plan and the description of the liaison's auditing authority to confirm compliance with the plan.

4. By August 30 the applicant shall produce a draft of the plan in a compliance filing to the Commission. After submission of the proposed draft the Executive Secretary will set a schedule for information requests, party comments and applicants reply comments. As soon as practicable after reply comments are submitted the Executive Secretary shall set the matter for final approval by the Commission.

This Plan describes how Enbridge will meet its commitment and comply with the specific requirements imposed by the Commission.

2. PLAN DEVELOPMENT

a. ENBRIDGE'S COMMITMENT.

Enbridge is committed to working with Tribes and their members to provide economic opportunities related to Enbridge's work. This commitment is evidenced in Enbridge's *Indigenous Peoples Policy*, which outlines the key principles that guide Enbridge's engagements with Indigenous Nations and groups in areas in North America potentially affected by Enbridge's operations. The purpose of *Indigenous Peoples Policy* is to:

- Acknowledge the history and diversity of Indigenous Peoples and recognize their distinct rights as protected by Canadian and U.S. laws;
- Commit to consultation, engagement and the creation of positive, long-lasting mutually beneficial relationships (social, cultural, economic and environmental);
- Recognize the importance of the United Nations Declaration on the Rights of Indigenous Peoples and the role it plays in guiding Enbridge's approach; and
- Frame all commitments as a shared responsibility involving Enbridge and its affiliates, employees and contractors.

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Related to this policy, Enbridge has incorporated socio-economic requirements into its contracting process that require all contractors performing work for Enbridge to develop a socio-economic plan to facilitate and document each contractor's activities relating to economic participation of tribal and local communities and businesses. This contracting process is discussed in more detail in Section 3(b)(i) below.

Enbridge is implementing its *Indigenous Peoples Policy* in Canada and the United States to support Indigenous communities in gaining long-term, sustainable benefits from the Line 3 Replacement Program. For example:

- In the United States in 2017, Enbridge spent approximately \$3.2 million with tribal- or tribal member-owned businesses, with \$1.9 million being spent in relation to the Project. To date in 2018, Enbridge spent approximately \$4.5 million with tribal- or tribal member-owned businesses, with \$2.2 million being spent in relation to the Project.
- Training programs in Canada have to date resulted in equipment and “pipeline 101” training for approximately 256 Indigenous individuals, with additional training ongoing. These training programs focus on transferrable skills. Other areas for skills development opportunities include welding and environmental monitoring and management.
- Enbridge has secured agreements covering 70 Indigenous communities or groups for the Line 3 Replacement Program in Canada, and approximately 350 Indigenous businesses have been connected to potential work opportunities through the Enbridge's Canadian Indigenous Contractors database.

Enbridge's *Indigenous Peoples Policy* and information related thereto is available at <https://www.enbridge.com/about-us/indigenous-communities>.

Specific to the Project in Minnesota, Enbridge has evaluated and/or engaged tribal- and tribal member-owned businesses regarding their existing and potential capacity for pipeline-related work. Enbridge has also reviewed current training provided by Minnesota Tribes, training provided by the Line 3 Replacement Program in Canada, and potential training opportunities available through labor unions. This analysis informed Enbridge's target to create \$100 million (USD) in economic opportunities for tribal businesses and members on the Project in the United States, which was accepted by the Commission and integrated into the Commission's approval of a Certificate of Need for the Project.

b. PLAN BACKGROUND & DEVELOPMENT.

Enbridge strives for regular engagement and coordination with all stakeholders, including Tribes. This engagement preceded the Commission's directive that Enbridge prepare this Plan, and Enbridge utilized what it learned from prior engagement and coordination to develop an initial draft of this Plan.

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More specifically, Enbridge has spent considerable time working with Tribes in northern Minnesota to better understand each Tribe's workforce, development programs, and Tribal Employment Rights Ordinance ("TERO"). Although the specifics of a TERO vary among Tribes, a TERO typically requires employers who operate a business on tribal lands give preference to qualified tribal members in all aspects of employment; some TEROs also require a percentage of construction costs of a project be paid as a fee to the Tribe. Tribes typically use TERO fees to support tribal training programs, and TERO directors and their staff monitor and enforce TERO programs. For Enbridge, following TEROs is a required element of doing business in Minnesota. As part of Enbridge's prior engagement with Tribes, Enbridge worked with Tribes to identify economic opportunities for tribal- and tribal member-owned businesses and collaborate on training programs. For example:

- Collaboration among Enbridge, Minnesota Tribes, and the International Union of Operating Engineers, Local 49, resulted in a training program for tribal members in 2017 and 2018. Eight tribal members graduated in 2017, and all have full-time employment in Minnesota. Five members graduated in July 2018.
- Enbridge supported a large-scale training program developed by Minnesota Tribes and the Minneapolis Building Trades in April-June 2018. Enbridge assisted in hosting a job fair at the Fond du Lac Reservation, provided a \$100,000 donation, and asked key contractors to also contribute to the program. In total, over \$225,000 was raised for the training program from the energy industry. Fifteen tribal members graduated from the program, and nearly all have employment. The 11-week program included the following components: empowerment training (interpersonal communications, financial literacy, leadership development, and career planning); construction overview (core skills, history of the trades, tool identifications, blueprint reading, and more); several days per trade with hands-on specific training; and certifications for OSHA 30, flagger (Minnesota – traffic control), CPR, first aid, automated external defibrillator, and Naloxone training.
- Enbridge's Line 4 Nushka Lake Segment Replacement (November 2017-March 2018) provided opportunities for training and employment to Leech Lake Band of Ojibwe members. Sixteen members participated in a project-specific training program provided by Enbridge's contractor and then worked on the project. Enbridge also paid more than \$1 million in TERO fees through this project.

After developing a draft of this Plan, Enbridge continued its engagement efforts. Specifically, Enbridge presented the draft Plan for review and comment to the Great Lakes Region TERO ("Great Lakes TERO") organization¹ and TERO directors in Minnesota. The Great Lakes TERO is a private, non-profit organization of TERO directors from Minnesota, Wisconsin, and Michigan that is focused on building TERO awareness and providing training and professional

¹ Enbridge presented a draft of this Plan at the Great Lakes TERO meeting on August 15, 2018.

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development to members and contractors. TERO directors have a wealth of knowledge regarding their tribes' workforce opportunities and training needs. Feedback received from those stakeholders was incorporated into this version of the Plan. In addition, Enbridge has committed to continuing coordination with the Great Lakes TERO and TERO directors. This includes providing the Great Lakes TERO with the same quarterly reports it submits to the Commission under this Plan.

Enbridge also presented a draft Plan to labor representatives and has had discussions with representatives from the Laborers Union, United Association of Plumbers and Pipefitters, International Union of Operating Engineers, and the International Brotherhood of Teamsters regarding how Enbridge will work with each union to deliver training with respect to the Project and this Plan.

3. TRIBAL ECONOMIC OPPORTUNITY AND LABOR EDUCATION PLAN

a. TRAINING PROGRAM.

Enbridge is committed to working with Minnesota Tribes to continue to provide opportunities for pipeline construction training and employment. As described below, Enbridge will work closely with tribal and union representatives to develop a training program that will best fit the needs of Tribes, unions, and native workers. As discussed previously, Enbridge has previously implemented and/or supported collaborative training programs and will use this experience to develop and implement a training program for the Project.

Enbridge will work closely with TERO directors from Minnesota Tribes to implement a tribal/union training program that will focus on providing tribal members with the training they need to be employed on the Project and develop skills that may continue to be used after Project construction is complete. Minnesota Tribes without a TERO and/or TERO director can designate an official to serve as their representatives and participate in the training program. TERO directors will be a key resource in the development and implementation of the training program and will be actively involved in recruitment, communications with tribal citizens and leadership, and training logistics.

Enbridge has conducted or will conduct outreach to each of the eleven Minnesota Tribes on economic engagement, including business and training opportunities. Enbridge will also collaborate with the Great Lakes TERO throughout Project construction to seek advice on training program implementation, request assistance in recruitment and promotion, and coordinate on other training-related topics.

The curriculum for the training program will be based on Enbridge's experience with similar, successful training programs in Canada and the United States and will use the Multi-Trades Training as its foundation. For example, Enbridge led 12-day training sessions (called "Pipeline 101") in Canada in 2017 that provided pipeline readiness training for candidates interested in obtaining employment in future construction projects like the Line 3 Replacement Program. This training included seven days of hands-on work and five days of safety ticket training in the classroom and online. Among the topics covered were: health and safety requirements; pipeline-specific instruction, such as ground disturbance and fencing; basic theory and practical

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fundamentals of pipeline construction; and specialty skills training, including ATV operation, chainsaw safety, and surveying. Prior programs have been successful in creating sustainable employment skills, and Enbridge will leverage its experience there for the training program in Minnesota. Enbridge aims to have curriculum for the training program developed by the end of 2018.

In addition to training and recruitment described previously and already underway, to aid in recruitment of potential job seekers and training participants, Enbridge will host at least one job fair in each Reservation in Minnesota within 50 miles of the Project right-of-way prior to and during construction. Currently, Enbridge aims to hold these jobs fairs in February-March 2019 and will advertise the fairs in the preceding weeks. Job fairs would be held at tribal casinos, colleges, or other locations on or near tribal communities. Enbridge representatives, contractors, and union officials will be on hand to discuss the training program, the Project, and future pipeline maintenance projects and opportunities. Enbridge will also produce a Jobs and Qualifications Book, developed in coordination with labor representatives, that identifies all job opportunities for the Project and the qualifications required for each job. This book will assist potential workers and TERO directors by providing information to aid in job planning. Enbridge plans to share a draft of this book with the Great Lakes TERO at its November 2018 meeting and publish the final version of the book shortly thereafter.

Enbridge will hire a training program coordinator (who will be a tribal or native-owned contractor) to coordinate the recruitment process, assist with program logistics (i.e., training locations), and manage administrative duties (i.e., per diem payments, lodging). The coordinator will also be responsible for developing and delivering empowerment training to all trainees, which is a critical component of a successful training program. The empowerment training will cover financial literacy, general construction knowledge, and cross-cultural communications skills. Enbridge is seeking input on the training program coordinator from Great Lakes TERO and will share the scope of the proposed coordinator position with the Great Lakes TERO for feedback, with the goal of contracting with the selected coordinator by December 2018. Unions will be responsible for providing training to their specific trade.

Enbridge understands that there may be barriers to participating in such a training program. Enbridge will provide per diem expenses (limit of \$300/person/week) to all trainees, provided they pass standard industry drug tests. Training program participants may be eligible for lodging expenses and assistance, depending upon training location. Enbridge will also pay union initiation fees for new union members upon graduation from the training program.

Enbridge plans to start the training program in May 2019 to ensure a smooth transition from training to work on the Project. Enbridge will coordinate with tribal nations and unions to provide training locations in northern Minnesota.

b. OTHER ECONOMIC OPPORTUNITIES.

i. Contracting.

Enbridge has made a commitment to include Indigenous business and employment opportunities in the Project's Supply Chain Management process. As discussed previously, Enbridge has an

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Indigenous Peoples Policy that guides Enbridge's engagement with Indigenous communities. As part of that policy, Enbridge is committed to working with Indigenous communities so they are able to achieve benefits from its projects. Enbridge has implemented an Indigenous contracting strategy that is designed to direct work opportunities to Minnesota Tribes, tribal members, and tribal- or tribal member-owned businesses. Enbridge has staff dedicated to supporting business development and working internally to provide opportunities for tribal-owned businesses. Enbridge's approach to fulfilling its commitment will include a mixture of direct and indirect hiring of Minnesota tribal- and tribal member-owned businesses for services and materials.

Enbridge has developed a process for the inclusion of Indigenous economic participation that is being utilized on the Project and other work in Minnesota and Wisconsin. Specifically, Enbridge includes the Socio-Economic Requirements of Contractors ("SERC") in its contracting documents, which outlines to contractors Enbridge's expectations on how contractors will engage Indigenous businesses. Contractors are required to submit a socio-economic plan ("SEP") as part of a response to a request for proposal or pre-work activities. Every contract for all aspects of the Project has been subject to this requirement since January 2017. The purpose of the SEP is to facilitate and document each contractor's activities relating to economic participation of tribal- and tribal member-owned businesses that are adjacent to the Project location. Contractors are made aware of the importance of involving Minnesota Tribes and tribal members in Enbridge's work. The process of preparing, submitting, negotiating, and finalizing a SEP is as follows:

- Contractors prepare a draft SEP utilizing all information provided by Enbridge, including the principles outlined in Enbridge's *Indigenous Peoples Policy* and Enbridge's Tribal Business database, as well as the contractor's own information.
- Contractors submit draft SEP to Enbridge for review and negotiation. The evaluation of the SEP is part of the contractor evaluation and selection process.
- Contractor prepares a final SEP for submission to Enbridge. For contractors who are successful and are awarded work, the final SEP will become a binding contractual requirement.

The SEP must, at a minimum, contain the following information:

1. Description of the contractor's ownership as tribal-owned, tribal member-owned, or other.
2. Detailed information about the tribal- and tribal member-owned businesses the contractor intends to utilize as subcontractors and what work will be performed. This includes business addresses, operating area, and experiences with specific work types.
3. Detailed information about any partnerships, joint ventures, or other business arrangements the contractor has with any Tribes and/or tribal- or tribal member-owned businesses.

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4. Where a tribal- or tribal member-owned business was consulted, but not selected to perform work, reasons that decision was made.
5. Plans, if any, to train or mentor tribal members within the contractor's organization.
6. An estimate of the value of business or service opportunities that will be dedicated to tribal- or tribal member-owned businesses.
7. Enbridge expects contractors to communicate these requirements for socio-economic engagement to all subcontractors.
8. An estimate of the total contractor workforce that will be recruited from tribal communities as part of the contractor's total workforce for the project and estimate the percentage of that workforce attributable to tribal or local residents.
 - a. Unionized contractors should provide details of the Native American/Alaska Native/Native Hawaiian workforce present available at the union hall they intend to draw from and provide details of collaborative steps that could be taken to increase the percent of Native American/Alaska Native/Native Hawaiian workforce at pertinent union halls.
9. Identification of the single point of contact with the contractor's organization responsible for tribal engagement, including resolution of any issues that may arise.
10. A detailed history of the contractor's historical tribal business engagement and employment involvement on previous projects.
11. Describe the protocol and approach to regular and consistent engagement with tribal- or tribal member-owned businesses, including a copy of any policies the contractor has in this area.

Enbridge utilizes the following criteria to evaluate contractors' SEPs:

- Comprehension of Enbridge's socio-economic requirements and how these contribute to the overall success of the Project.
- Percentage of tribal ownership/control of the contractor.
- Quality and quantity of subcontracting opportunities afforded to tribal- or tribal member-owned businesses.
- Anticipated percentage of direct-hire Native American/Alaska Native/Native Hawaiian workers.

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- Anticipated percentage of local direct-hire Native American/Alaska Native/Native Hawaiian workers.
- Education, training, and other skills development initiatives implemented, or planned.
- Adequacy of contractor's systems in place to satisfy the reporting requirements.
- Creative and innovative approaches that will support successful socio-economic outcomes.

Enbridge requires contractors to track their socio-economic engagement as they perform work, and Enbridge will monitor plans for compliance during Project construction. Contractors are required to submit statistics that include spend to businesses owned in full or in part by Tribes or tribal members. This information must be gathered at the contractor and sub-contractor level.

To help contractors meet these requirements and expectations, Enbridge provides contractors with information on tribal communities and businesses within and near the Project and operating areas. Specifically, Enbridge has created a tribal business database consisting of tribal- and tribal member-owned businesses. The database includes information on tribal and tribal member-owned businesses that provide services in the construction and hospitality (hotels, casinos, restaurants, and caterers) industries. It also includes tribal- and tribal member-owned suppliers (construction materials, safety equipment, fuel, aggregate, and office products). Enbridge has identified approximately 100 Minnesota-based tribal and tribal member-owned businesses in the database; it also includes several hundred tribal and tribal member-owned businesses in Wisconsin and Michigan. The database is shared with contractors during the bid process and with TERO directors. Businesses may contact Michelle Johnson (Specialist, Enbridge Supply Chain Management Indigenous Engagement) at 218-522-4875 to inquire about being included in this database.

ii. TERO Fees & Wages.

For any construction (including decommissioning work) within the Leech Lake Reservation or Fond du Lac Reservation, Enbridge will work closely with contractors and the Bands to ensure compliance with the applicable TERO, including hiring expectations and the payment of fees. TERO fees and all wages paid to members will be reported to Enbridge and included in Enbridge's quarterly reports to the Commission.

iii. Support of the Hospitality Industry.

Enbridge is committed to supporting all aspects of tribal economic opportunities, including businesses outside of the construction industry. Enbridge will develop and distribute information to every Project worker on tribal business opportunities for meals, fuel, lodging, groceries, etc., in northern Minnesota. This will include sharing information on tribal hospitality businesses during preconstruction meetings and developing and distributing a brochure with contact and location information for tribal businesses. Businesses may contact Michelle Johnson (Specialist,

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Enbridge Supply Chain Management Indigenous Engagement) at 218-522-4875 to inquire about being included on this brochure.

c. LIAISON.

Enbridge anticipates that the Commission will appoint a tribal liaison, to be funded by Enbridge, who will serve as the liaison among Enbridge, the Commission, and Minnesota Tribes, both with respect to this Plan and other requirements of the Certificate of Need and Route Permit. With respect to this Plan, Enbridge and the training program coordinator will work with the tribal liaison to keep him/her informed of the status of development and implementation of the Plan, including job fairs, training opportunities, and contracting opportunities.

d. REPORTING.

Enbridge requires contractors to track compliance with their SEPs as they perform work and report on a monthly basis. Enbridge has a tribal socio-economic reporting tool in place to measure direct and indirect spending with tribal- and tribal member-owned businesses and wages paid to tribal members. Beginning with Fourth Quarter 2018, Enbridge will submit quarterly reports to the Commission in a form similar to that which it uses to track spending in Canada, a sample of which is attached as **Exhibit A**. This form will also include the number of self-declared Native American/Alaska Native/Native Hawaiian workers who have worked on the Project.

