



# AMERICA'S ENERGY TRANSITION:

A Case Study on the Passage and  
Implementation of the Country's  
First Just Transition Bill

# INTRODUCTION

Across the United States, jobs in the coal industry are declining due to a combination of lower natural gas prices, rising coal costs, increased energy efficiency, and investments in renewable energy. At the same time, the need for meaningful action on the climate crisis has never been greater, with many states pursuing progressive climate policies in the absence of federal leadership. As states move to address the climate crisis, there is a growing need to ensure that this energy transition creates opportunities for impacted communities and workers—a need only exacerbated by the economic fallout of the COVID-19 pandemic and the growing calls to address systemic racism at all levels of American society.

This case study focuses on the passage of first-of-its-kind just transition legislation in Colorado,

which provides valuable lessons to advocates for coal communities and workers in other states and a glimpse into the challenges that lie ahead.

In 2019, labor and environmental advocates in Colorado joined forces to pass HB 19-1314, landmark legislation which established a Just Transition Office in the Colorado Department of Labor and Employment. The bill also created a Just Transition Advisory Committee, tasked with the development of a just transition plan for the State of Colorado.

This case study draws on research and interviews with key players involved with Colorado's just transition legislation to inform future advocates of key lessons learned and of the challenges and questions still on the horizon.

## THE PATH TO PASSING AMERICA'S FIRST JUST TRANSITION BILL

### WRITING COLORADO'S JUST TRANSITION BILL

In late 2018, the Colorado American Federation of Labor and Congress of Industrial Organizations (Colorado AFL-CIO) and other labor unions sat down with local environmental leaders in the first meeting of what would become the Colorado BlueGreen Alliance table. Over the years, these groups had often found themselves knocking on the same doors and petitioning the same leaders at the state Capitol, but they had never worked together. At the meeting, environmental leaders communicated their plans for upcoming climate legislation, and labor leaders recognized the urgency of supporting the Colorado coal workers and communities who would be impacted by it.

Over the next year, the Colorado AFL-CIO, the International Brotherhood of Electrical Workers (IBEW) Local 111, and the International Association of Sheet Metal, Air, Rail, and Transportation Workers (SMART) Transportation Division conducted extensive

research and consulted with the national BlueGreen Alliance organization to develop a plan to support Colorado coal communities through legislation.

They identified eleven Colorado counties that would be most affected by coal-fueled electricity generation facility closures. They set out to ensure that these communities and the coal workers in them would have access to good paying, family sustaining jobs long after power plant closures. Among other initiatives, they hoped Just Transition legislation would establish job retraining programs, wage differential or wage replacement for displaced workers, worker benefits similar to those provided through the Trade Adjustment Act, and policy drivers which would require utilities to transfer workers from retired coal plants to new generation facilities whenever possible. To implement these goals, they also hoped to establish a Just Transition Office, which would work directly with coal communities to support their needs.

Having agreed on specific measures to advocate for, the BlueGreen Alliance and labor union leaders worked collaboratively with the Speaker of the House in the Colorado Assembly to develop legislative language, which ultimately became HB19-1314: A Just Transition from Coal-based Electrical Energy Economy. The bill was introduced in the Colorado Assembly in late 2019, alongside a cyclical bill which would reauthorize the Colorado Public Utilities Commission and a climate bill, HB 19-1261, which would establish a more stringent greenhouse gas standard in the state.

## ADVOCATING FOR THE BILL

Lobbying for HB 19-1314 was a collaborative effort spearheaded by the Colorado AFL-CIO, BlueGreen Alliance, IBEW Local 111, and the SMART Transportation Division. Environmental members of the Colorado BlueGreen Alliance table, who were active on several environmental bills that session, also advocated for the bill, providing testimony in legislative sessions, lobbying legislators, and contributing to an op-ed in favor of the bill's passage.

In their initial conversations with lawmakers, labor leaders found that many well-intentioned Democratic

legislators had not been aware of the need for a Just Transition, but supported the bill as soon as they learned how climate action would impact coal communities. HB 19-1314 passed the Colorado House of Representatives relatively quickly, ushered through by newly supportive Democratic lawmakers and by the Speaker of the House, who was the bill's main sponsor.

Following a successful passage through the House, labor leaders met with the Office of Colorado Governor Polis to gain his support for the bill. Ultimately, the labor advocates and the governor reached an agreement: the bill would create a Just Transition Office and Just Transition Advisory Committee to develop future recommendations for the state. Despite not authorizing specific benefits, the bill would be clear about the kind of benefits the Just Transition Office should work with coal communities to develop.

The revised bill was met with overwhelming support from Democratic lawmakers, passed the Democrat-controlled Colorado Senate, and was signed into law by the governor to create the nation's first Just Transition Office and Advisory Committee.



# LOOKING BACK: KEY LESSONS LEARNED FROM AN ADVOCACY PERSPECTIVE

## KEY FACTORS THAT ALLOWED THIS TO HAPPEN

The advocates involved in HB 19-1314's passage attribute the bill's success to several key factors. One of the most critical is that HB 19-1314 was introduced in the same legislative session as HB 19-1261, climate legislation that would impact coal communities by setting a more stringent greenhouse gas emissions standard in Colorado. While Colorado BlueGreen Alliance advocates note that the just transition campaign worked remarkably well overall, they contend that it might not have been possible without the urgency and leverage generated by HB 19-1261.

Equally critical was the space that the BlueGreen Alliance table in Colorado provided for communication and trust-building among environmental and labor organizations. Early BlueGreen Alliance discussions gave environmental organizations the chance to share their plans for future climate legislation, enabling labor organizations to plan for complementary legislation. A BlueGreen Alliance table or a similar space for collaboration will likely be critical in any other state. The Colorado experience also highlights the importance of balance between collaboration and labor ownership of the bill: that HB 19-1314 was introduced as a stand-alone bill—shaped by what labor unions knew to be necessary but supported by environmental organizations—was key to gaining the trust and support of Colorado workers and union members.

Finally, the composition of Colorado's state government proved helpful to the bill's passage. The 2018 election gave Colorado Democrats control of the State General Assembly and governorship, with HB 19-1314 passing along partisan lines. West Virginia, however, recently passed similar legislation with bipartisan support—largely because the state's coal communities are represented by Republican legislators—suggesting that transition legislation might be promising in many other states.

## CHALLENGES FACED IN ADVOCATING FOR THE BILL

HB 19-1314's passage is regarded as highly successful, but advocates for coal communities and workers in Colorado faced several challenges that might appear in other states.

A main challenge stemmed from the fact that the Colorado BlueGreen Alliance table was young at the time the bill passed, about 75% up and running and lacking a director. While the national BlueGreen Alliance provided much needed support and guidance throughout the process, advocates for coal communities and workers agree that a more established local chapter might have facilitated better communication among environmental organizations and labor unions about the expectations each group held for the other.

Another prevalent challenge in Colorado was identifying ongoing funding to support transition efforts. Colorado is constrained by the most punitive state tax laws in the country. The Taxpayer Bill of Rights (TABOR) was passed as a constitutional amendment in 1992, and severely cripples Colorado's ability to retain and spend revenue to fund programs. Consequently, without an ability to establish additional revenue streams, transition funding in the original bill was pitted against K-12 education and other interests, prompting disagreement and debate from lawmakers. While TABOR is unique to Colorado, identifying funding sources may also be challenging in other states.

Some Colorado Republican lawmakers were vocal opponents to the bill for ideological reasons. The concept of creating state mechanisms to support workers and communities, in their opinions, represented Socialist or Soviet collectivism values. Other states may expect similar rhetorical argument from ultra-conservative lawmakers.



Finally, a challenge that any state might expect to face in the fight for a Just Transition is opposition from the coal lobby. In Colorado, coal companies viewed the bill and the accompanying greenhouse gas emissions reduction bill as an admission that the state would shift away from coal, and they lobbied hard against both. The partnership between environmental organizations and labor unions, which was a first in Colorado, helped both bills overcome this opposition.

### KEY TAKE-AWAYS FOR FUTURE JUST TRANSITION ADVOCACY WORK

The greatest pushback to HB 19-1314, and where the original bill underwent the most changes, was in conversations with the governor after HB 19-1314 passed the first chamber of the state legislature. Advocates for coal communities and workers in Colorado note that, to avoid some of those changes, it might have been good to engage the governor earlier in the advocacy process. The fact that the bill had already passed the State House of Representatives may have given labor leaders leverage in negotiations with the governor but engaging him earlier would have allowed them more time to negotiate.

In a similar vein, the labor organizations who led the charge believe they might have been more persuasive in negotiations if they had engaged local leaders from

coal communities, additional environmental justice groups, Native nations, and other stakeholders across Colorado. They note that the bill was introduced late in the legislative session, and that Colorado Counties, Inc., a non-profit association led by Colorado county commissioners, testified in opposition to the bill. They believe that earlier engagement of county leaders might have garnered their support, and that they could have proved valuable allies against concerns from Republican lawmakers. The advocates also note that leading with the stories of the workers and communities affected by climate legislation was key to effectively framing the Just Transition message.

Finally, it is worth revisiting how important a strong labor-environmental alliance is to Just Transition work. In Colorado, the BlueGreen Alliance table provided a space for this collaboration, and the then-newly installed director of the Colorado BlueGreen Alliance has further facilitated and strengthened this partnership—as well as assisting the Just Transition Advisory Committee to draft the statewide transition action plan. Communication, teamwork, and trust between these two groups was critical to the passage of this bill and will continue to be critical to the implementation of an effective just transition.

# REMAINING POLICY QUESTIONS AND CHALLENGES

HB 19-1314 tasked the Just Transition Advisory Committee, composed of labor leaders, state legislators, coal transition county commissioners, policy experts, electric utilities, and more, with the development and recommendation of a Just Transition Plan for the State of Colorado. The final action plan was released in December of 2020, outlining immediate, mid-term, and long-term actions. In addition to supporting coal transition workers, the committee considered input from local leaders, ensuring the plan uplifts each of Colorado's coal transition communities.

## JUST TRANSITION ACTION PLAN POLICY RECOMMENDATIONS

Overall, environmental and labor organizations in Colorado recognize the need to plan in advance of closing coal power plants, setting and sticking to an agreed-upon timeline, protecting workers affected by closures, reinvesting in the communities that rely on coal, and diversifying their economic opportunities. To this end, the Just Transition Action Plan recommends several key policies.

To support coal transition workers, the committee recommended four strategies for the state:

- ▶ State work to empower workers and their families to plan early for future success;
- ▶ Encourage the federal government to lead with a national strategy for energy transition workers;
- ▶ Prepare a detailed state program to help displaced workers build skills, find good jobs, or start businesses; and
- ▶ Explore strategies to protect family economic security through the transition.

To uplift the Colorado communities that rely on coal as the main driver of their economy, the Advisory

Committee's plan put forward policy considerations which center local leaders and empower them with the resources to plan for the future. Recommendations included six community-focused strategies for the state to pursue:

- ▶ Align state and federal programs to assist local strategies;
- ▶ Target early successes in business start-ups, expansions, retention, and attraction;
- ▶ Empower communities with resources to drive their own economic transitions;
- ▶ Coordinate infrastructure investments to support local and regional transition strategies;
- ▶ Identify and support state, regional, and local institutions to facilitate needed investments; and
- ▶ Attract grants and investments to power local economic growth;

Of particular note, the plan recognizes that coal communities desire to guide their own transitions. However, they lack the staff and funds to do so. Over the years, many Colorado coal communities had developed myriad economic development plans—but they never had adequate resources to fully enact them. Through their Just Transition Plan, the Advisory Committee called upon the immediate need for the state to equip local leaders with the training, funding, and resources necessary to strengthen their communities long after coal plants and mines are gone.

## WHAT OUTSTANDING QUESTIONS AND CHALLENGES REMAIN?

The Just Transition Office acknowledges it faces several remaining questions and challenges, including some exacerbated by the COVID-19 crisis. Chief among these is the funding challenge.

Colorado's plan recognized that the State's tight budget limits its ability to pay for comprehensive Just Transition programs. The plan specifically noted the need for the federal government to allocate funds for transition efforts across states. However, advocates in Colorado remain optimistic that creative funding mechanisms within the state are under consideration, and state-specific programs will be important to tailor federal supports to meet Colorado's unique needs.

Advocates also note that the COVID-19 crisis highlighted the importance of creating national social safety nets for all workers, including those in the coal industry. They recognized that consistent, nationwide support systems are important to ensure that all transition communities and workers, regardless of what state they live in, can get the support they need.

Finally, Colorado advocates for coal communities and workers note that, in a perfect world, it may take 20 years for economic development and diversification to happen—but many coal communities in Colorado might have as few as 3 to 10 years until coal power plants and mines close. As public pressure for climate action mounts, communities across the United States and the world might find themselves on similarly tight timelines. The fact that many small communities in Colorado do not currently have the resources or staff to plan for economic diversification and are far from the major airports and cities that draw private sector investments only heightens this challenge.

## HOW MIGHT THIS VARY STATE-TO-STATE?

In other states, Just Transition legislation might vary in its scope and path through the legislature. One potential difference from Colorado's legislation might be the way another state chooses to define a transition community.

In Colorado, transition communities were identified as the eleven Colorado counties that rely on coal jobs. In another state, policymakers might decide to focus not on counties, but on labor sheds: geographic areas surrounding a power plant or coal mine which could extend into multiple counties. Labor sheds might better identify coal transition workers and communities, but they don't always correspond to school districts, city governments, and other public infrastructure—potentially complicating the funding

and policy mechanisms necessary to support coal communities through legislation.

In identifying just transition communities, it is also incredibly important to note the potentially disparate impacts of coal plant closures and policy solutions on low-income and disadvantaged communities, and especially on communities of color. In some states, racial justice might be a large component of a just transition plan, and investing in coal communities of color must involve correcting existing issues of systemic racism, especially regarding the availability of loans and other funding to historically disadvantaged communities.

Finally, as mentioned before, Democratic control of the state government was key to just transition legislation passing in Colorado. However, it may be possible to garner the support of Republican representatives from coal communities in other states, and a strategic decision may be made to lead with labor unions, environmental leaders, other key stakeholders, or a combination in another state based on the state's policy priorities.

## THE NEED FOR FEDERAL LEADERSHIP

State just transition policies like Colorado's are necessary and foundational, but federal policy will be critical to ensuring a comprehensive, well-funded plan for transition communities across the country. Like state policies, a federal Just Transition program should be mindful of workers' needs following the COVID-19 pandemic and of the systemic economic inequality and racial injustices which are rightly at the forefront of the current political conversation. Additional considerations for a federal plan might include the fact that workers in one state might be affected by fossil fuel plant closures in a neighboring state, that many different communities will be affected by the transition to clean energy, and that many coal plants exist on the land of Native nations who deserve compensation.

The National Economic Transition Platform offers a comprehensive guide to an equitable transition in the context of the COVID-19 crisis. Published in July 2020 by the Just Transition Fund, in partnership with the BlueGreen Alliance and an array of tribal and labor organizations, the 7-pillar platform includes creating a federal Office of Economic Transition, investing in local leadership and economic development, and

protecting workers, taxpayers, communities, and the environment during bankruptcies. The full platform is available at <https://nationaleconomictransition.org/platform/>.

## CONCLUSION

The passage of HB 19-1314 in Colorado offers many lessons to advocates in other states about how to achieve a Just Transition, but it also provides a glimpse into the challenges that lie ahead. The coronavirus deficit, federal leadership, and a strong partnership among environmental, labor, and community advocates will all impact the success of Just Transition legislation in other states—and this legislation has never been more important.

Coal workers in Colorado, and across the country, have worked hard every day, sometimes for decades, in stable and family-sustaining jobs. They are proud of the work they do, and they do not want to quit or face uncertainty in the long run. But today, climate legislation is poised to pull decades of work out from under them, while their communities are already reeling from the economic impacts of COVID-19.

Coal workers are also people who live on this planet. They understand the necessity of climate legislation, they want to breathe clean air, and they want to leave their children and grandchildren with a livable future. But they also need to provide for their families today. Colorado has provided an example to the country by taking the groundbreaking step of ensuring that legislation helps them and their communities land on their feet—and it is possible and necessary for the rest of the country to do the same.



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