BLUEGREEN ALLIANCE

HOW BUILD BACK BETTER WILL HELP WORKERS AND COMMUNITIES EXPERIENCING ENERGY TRANSITION

Working people have too often felt the pain of shifts in technology. As America transitions to a new, cleaner economy, we can't leave workers or communities behind. **The Build Back Better Act will make critical investments in workers and communities experiencing the economic impacts of energy transition as part of a broader set of investments to build a clean, prosperous, and equitable economy for all.**

A transition that is fair for workers and communities isn't something that will happen organically. We have to choose to invest in keeping communities and workers whole and in the economic development and diversification of regions impacted by this shift. We have to do so with a recognition that the best approach to energy transition among workers and communities not already impacted is one that prevents economic disruption and employment loss in the first place.

The Build Back Better Act (BBBA) will invest over $15 billion in economic development (see Table 1), growing renewable energy and energy efficiency in impacted communities, revitalizing American manufacturing, and targeting new jobs to workers dislocated by America's energy shift. While the legislation falls short in some areas—most notably by not providing direct financial assistance to laid off energy workers—the provisions that it does include represent an unprecedented level of federal investment in the workers and communities most impacted by this transition.

KEY INVESTMENTS IN THE BUILD BACK BETTER ACT

Targeting New Manufacturing and Energy Investment in Energy Transition Communities

- Revives the 48C Advanced Energy Project Credit with a $25 billion total investment—**with $4 billion set aside for investments in communities where coal mines or coal power plants have closed.** This investment will help establish, expand, or retool clean and advanced energy, vehicle, and technology factories in states and regions—like West Virginia, Pennsylvania, and Colorado—that have faced job loss and economic devastation due to plant or mine closures. This provision will also prioritize the hiring of workers dislocated in the energy sector so we can put coal miners or power plant workers to work in good jobs.

- Establishes a new tax credit to drive clean energy investments to energy communities where a coal mine or coal-fired power plant has recently closed. This new tax credit layers on top of the existing and extended Production Tax Credit (PTC) and Investment Tax Credit (ITC) for clean energy projects like wind and solar. **The new tax credit provides a 10% bonus credit for projects located in an energy transition community.** Energy communities are defined as those where a coal mine has closed (after December 1999) or a coal fired generating facility has been retired (after December 2009).

TABLE 1: Build Back Better Investments for Workers and Communities Experiencing Energy Transition

Program Name	Funding Amount
48C Advanced Energy Project Credit	$4 billion
Economic Development Administration: Regional Economic Growth Clusters	$3.36 billion
Economic Development Administration: Economic Adjustment Assistance Program	$240 million
Economic Development Administration: RECOMPETE Pilot Program	$1.2 billion
Rural Partnership Program	$1 billion
4-Year Extension: Black Lung Disability Trust Fund	$536 million
Energy Community Reinvestment Financing Program	$5 billion
Civilian Conservation Corp: Outreach/Recruitment Funding	$49.5 million
Total:	**$15,385,500,000**

Boosting Economic Development and Capacity Building in Rural and Energy Transition Communities

- **$3.36 billion to the U.S. Economic Development Administration (EDA) to invest in regional economic growth clusters to create and grow new regional industries.** These funds will help communities identify promising industries already present in their region, and help them develop projects to grow those industries (and create new industries) by investing in workforce re-skilling, offering access to financial support and technical assistance for business development, improving infrastructure, and more. Industry clusters strengthen regional economies by keeping skilled workers in their communities, and giving those communities a diverse, healthy economic base in the long term.
- **$240 million to the EDA's Economic Adjustment Assistance program, targeted to energy and industrial transition communities.** These communities will receive grants that offer the flexibility, technical assistance, and planning support for communities to pursue locally driven infrastructure, workforce development, entrepreneurship and public works projects that will help communities diversify and redevelop their local economies while creating jobs for workers dislocated by energy transition.
- **$1.2 billion to EDA to establish a new RECOMPETE pilot program that provides grants to economically distressed communities to support long-term economic growth and boost local job creation.** The program will assist communities in developing 10-year, "bottom-up"

economic development plans to create good, local jobs. It also provides funding that communities can direct towards local economic development activities such as small business guidance, land remediation and redevelopment, infrastructure and housing construction, job training programs, workforce outreach programs, and job retention programs.

- **$1 billion for a new Rural Partnership Program that provides flexible, need-based grants for long term, locally-driven economic development planning and project implementation in distressed rural communities.** Housed in the U.S. Department of Agriculture (USDA), the program helps communities and tribes more easily access much-needed federal resources, and provides technical assistance from nonprofits, government entities, higher education institutions, and others serving rural areas. Funding can be used for a wide variety of economic development projects, such infrastructure improvements, community facility improvement, public safety, and more.

Vital Investments and Policies to Support Energy Workers

- **$536 million generated by an extension of the Black Lung Excise Tax through December 31, 2025 to support workers that suffer from Black Lung Disease and their families.** The Black Lung Excise Tax is paid by coal companies, and supports the Black Lung Disability Trust Fund (BLDTF). This program provides medical benefits and a monthly living stipend to coal miners who are disabled by black lung disease, and to their surviving dependents. Because the Build Back Better Act was not passed by the end of 2021, the Black Lung Excise tax rate has been cut by over 50%, threatening the modest benefits and stipend paid to disabled miners and their families.
- **$5 billion for a new Energy Community Reinvestment Financing program at the U.S. Department of Energy (DOE) to provide financing to utilities and other entities involved in energy production for low-carbon reinvestments in energy communities without raising rates for customers.** Most importantly, this financing explicitly supports the training and reemployment of dislocated workers, economic redevelopment in communities, and accelerating land remediation efforts. Reinvestment criteria is broad, including nearly any activity lowering emissions— everything from emissions from continuing operations, to fully redeveloping energy facilities for a different economic purpose in an energy community.
- **$30 billion, spread across multiple agencies, to form a new Civilian Conservation Corps (CCC), including $49.5 million for outreach to, and recruitment of, workers dislocated by energy transition.** This funding will put more than 300,000 people to work building healthier and more resilient communities, with conditions for labor and domestic content standards and career pathways. The CCC will offer immediate work building healthier and more resilient communities by cleaning up pollution in abandoned mine lands and brownfields, restoring healthy wetlands and forests, and building climate resilience through flood control, wildfire mitigation, energy efficiency retrofits, clean energy installation, and more.
- **New financial penalties for employers that deny workers their rights to form a union on the job.** This is critical to restore the right to organize in America—leveling the playing field for workers against union-busting by employers.

Lifting up workers and communities so they are not left behind should be a central focus of a move to a cleaner economy. This has to go hand-in-hand with efforts to grow and retain quality jobs across the economy, including in clean energy sectors, where the BBBA—for the first time—attaches standards in place to promote unionization to increase job quality and safety for workers. This can be done through a real, robust investment in bringing our infrastructure into the 21st century, investing in clean technology manufacturing to build up supply chains and make America's energy future in America, ensuring strong job quality standards and growing worker rights and power, and implementing other policies to grow good jobs.

We can do that by baking a fair and equitable transition and the creation of good-paying, union jobs into our solutions on climate change—like the investments in the BBBA, which link transition efforts to community-driven economic development to ensure that projects actually meet the needs of the community.

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