

CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

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TO: Administrator Regan U.S. Environmental Protection Agency RE: Docket No: EPA-HQ-OAR-2023-0072

## BlueGreen Alliance Comment on the Proposed Carbon Pollution Standards for Power Plants

The BlueGreen Alliance (BGA) unites labor unions and environmental organizations to solve today's environmental challenges in ways that create and maintain quality jobs and build a clean, prosperous, and equitable economy. We thank you for the opportunity to comment on the proposed carbon pollution standards for power plants.

We are in the midst of a massive energy transition. The world's leading scientific organizations have been unambiguous that climate change is a dire and urgent threat and that the longer we delay, the stronger the action required. Over the last decade, we have witnessed the worsening impacts climate change is having on our communities. To avoid the increasingly catastrophic consequences of climate change, we must ensure rapid greenhouse gas emissions (GHG) reductions—based on the latest science and in line with our fair share—to put the United States on a pathway of reducing its emissions to net zero emissions by 2050, and to ensure we are solidly on that path by 2030. Reducing emissions from the power sector must be a key part of this strategy. At the same time, any strategy to reduce emissions from this sector must benefit working people and communities across the country.

As the U.S. Environmental Protection Agency (EPA) finalizes its carbon pollution standards for power plants, BGA urges the consideration of the following principles and recommendations.

# 1) Technology deployed to meet these standards must slash air pollution and GHG emissions and support and create good jobs in the clean economy.

The power sector is the second largest contributor to climate-warming GHG emissions in the United States.<sup>i</sup> In addition to non-polluting, combustion-free, energy and storage options, technology— including Carbon Capture, Utilization, and Storage (CCUS) and clean hydrogen—exists that can reduce stack carbon dioxide (CO2) emissions at these facilities. While the Biden

administration's clean power sector goals could be met in a number of ways, a significant component of the proposed Carbon Pollution Standards is premised on the deployment of these technologies. Furthermore, CCUS and/or clean hydrogen have potential applications for reducing emissions in other hard-to-decarbonize sectors like steel and cement production and long-haul shipping. The Intergovernmental Panel on Climate Change (IPCC) has included CCUS as a key technology in many of its projected pathways for keeping global warming below 1.5°C.<sup>ii</sup> Their report calls for the "minimal use of unabated fossil fuels and use of CCS in the remaining fossil system." The IPCC also includes "low-emissions hydrogen" as part of the energy system that would help keep global warming below 1.5°C.

Deploying carbon-reducing technologies like CCUS and clean hydrogen can also deliver tangible economic benefits for the workers involved in the projects. These industries can support and create jobs that utilize similar skill sets as those possessed by incumbent energy workers, providing a natural opportunity to support existing skilled trades as well as employ displaced fossil fuel workers in the clean economy. Many workers in the construction, operations, and maintenance sectors already possess the necessary skill sets for CCUS and hydrogen technology deployment. These economic and job quality benefits can be maximized by ensuring that new CCUS and hydrogen infrastructure are built with a skilled, well-trained, union workforce, thereby ensuring the timely and efficient buildout of retrofits. Utilizing domestic manufacturing of these technologies will also support additional economic and job benefits throughout the supply chain.

At the same time, the build out of associated infrastructure must ensure an equitable distribution of benefits and risks and avoid recreating or exacerbating injustices that frontline communities have historically faced because of inequitable siting practices, inadequate air and water quality standards, and unenforced worker and community protections. In order to faithfully avoid recreating or exacerbating these injustices, technology deployed to meet these standards must not increase nor prolong climate emissions and air pollution in fenceline communities. This can be aided by ensuring that early and ongoing community engagement is a core tenet of the development of state implementation plans as well as training and empowering workers to keep their worksite and fenceline communities safe. The equitable and sustainable buildout of associated infrastructure will be vital to ensuring positive project outcomes as well as the long-term success of these technologies. Projects must also emphasize community input, emissions reductions, environmental safeguards, and climate benefits at every step. To maximize emissions

reductions, job quality, and equity gains from this rulemaking, we urge the EPA to operationalize the following guiding principles.

- EPA should require robust, early, authentic, and consistent **stakeholder engagement** using an expanded framework to ensure impacted workers and communities meaningfully engage in state plan development. Relevant stakeholders include Tribes, communities of color, low-income communities, labor unions, and communities impacted by deindustrialization, energy transition, and environmental injustice.
- EPA should provide resources to support meaningful engagement in this process, including training, technical assistance, and other resources for states and communities to facilitate meaningful engagement; recommendations to states on best practices for engaging with vulnerable communities; and information on its publicly available environmental justice screening and mapping tools, including the U.S. Council on Environmental Quality's (CEQ) Climate and Economic Justice Screening Tool (CEJST) EPA's Environmental Justice Screening and Mapping Tool (EJSCREEN), and any relevant state-level environmental justice screening tools.<sup>iii,iv</sup>
- State plans should include an analysis of the impacts of their proposals, including potential benefits and risks. These should include clearly defined **community and workforce benefits** in the form of emissions reductions, good local jobs, local revenue, training pathways, improvements to local infrastructure, and a means of avoiding zero-sum conflicts with these communities around water, land, and energy use. All promised benefits should be measurable, verifiable, and enforceable.
  - EPA should encourage states to evaluate the effects of their plans on vulnerable communities and to take the steps necessary to ensure that all communities benefit from the implementation of this rule.
  - EPA should encourage states to incorporate best practices and approaches already used by other states to help low-income communities share in investments in infrastructure, job creation, and other benefits and minimize any adverse impacts that their plans could have on communities.<sup>v</sup>
- EPA and states should use all the tools in their toolbox to ensure these standards are paired with:
  - Job quality and workforce standards that ensure that construction, operations, and other skilled work undertaken pursuant to state plans is performed to specifications, is effective, safe, and timely, and ensures that emission reductions are

realized. This could be done by: encouraging or requiring the use of Project Labor Agreements (PLAs); registered apprenticeship, pre-apprenticeship, labor-management training programs, or other recognized skill certification programs; targeted hiring; and prevailing wage standards, and encouraging the use of additional wage standards that ensure workers get paid family-sustaining living wages and benefits. EPA should also encourage states to mobilize existing education and training resources, including those of community and technical colleges and registered apprenticeship programs.

- Strong health and safety standards that protect workers inside 0 the fenceline of facilities, communities outside the fenceline of these plants, and people working on and living next to CO2 or hydrogen transport and storage infrastructure associated with these plants. These action plans should include requirements for the inclusion of union-contract protected rank and file workers and their representatives in the design and implementation ofand training on-safety and health strategies that identify all potential toxic emissions and other risks and that mandate management actions to limit and mitigate those risks. Workers at facilities that undergo CCUS or hydrogen retrofits should be offered training and retraining programs to ensure they can safely operate all new equipment. States should require and enforce worker protections, including monitoring harmful emissions inside and outside affected facilities, and deploying leak detection equipment for hydrogen storage and transport.
- Environmental safeguards that ensure injection sites for carbon are thoroughly monitored, pipelines are effectively regulated, emissions are significantly reduced, and enforcement avenues exist to ensure environmental safety.
- Robust reporting and monitoring, including independent, thirdparty verification and monitoring of the full life cycle emissions for hydrogen and CCUS projects. With the potential rise in permanent underground storage of CO2, EPA must play the leading role in monitoring Class VI wells to prove they are safe for permanent storage and that there is legal certainty defining liable parties for damages associated with any leaks.

### 2) Standards must clearly account for and prioritize impacted workers and communities.

Working people too often feel the pain of shifts in technology. As the United States transitions to a new, cleaner economy, we must not leave workers or communities behind. EPA's carbon pollution standards must consider the workers and communities experiencing the economic impacts of energy transition as our nation strives 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 must choose to keep our communities and workers whole and to invest in the economic development and diversification of regions impacted by energy transition. The best approach is one that prevents economic disruption and employment loss.

Lifting up workers and communities should be a central focus of a cleaner economy. Energy workers have always been the backbone of our economy. Along with their communities, they have dealt firsthand with over a century of boom-and-bust cycles, union busting, and air and water pollution. But as coal mining jobs continue to decrease, coal-fired power plants continue to shutter, and the world moves away from fossil fuels, energy workers and communities are losing jobs, tax revenue, and union membership. They need and deserve dedicated federal support that builds on community-driven economic development and diversification efforts.

EPA must more intentionally center these workers and communities in writing the final rule. EPA should ensure the final rule and state implementation plans are developed in consultation with affected workers and communities. The rule, and the rulemaking process, should help them plan for any impending power plant closures—regardless of the economic and regulatory causes of such closures—and build a more resilient economic future.

We therefore urge the EPA to consider the following recommendations.

#### Stakeholder Engagement

Meaningful stakeholder engagement should be a requirement for all state plans, and where applicable, must include both communities and workers who could be affected by power plant closures. The proposed rule states that "states may choose to take energy communities into consideration as part of meaningful engagement." This brief guidance—the only mention of energy communities in the entire proposed rule—is thoroughly inadequate. While some states may not have power plant workers, coal mines, or energy communities likely to be affected by the final rule, those that do should provide ample opportunity for community members near power plants to comment and engage on state implementation planning. At the same time, it would be entirely insufficient for states to engage communities without doing deliberate and dedicated outreach to power plant workers and coal miners, as well as their worker representatives, to ensure their state implementation plan is influenced by the people it may affect most immediately.

The importance of engaging with power plant workers is not limited to plants that are scheduled to retire. Efforts to comply with the proposed rule, whether by fuel switching, installing CCUS or clean hydrogen technology, or closing units, should be informed by the individuals who are actually doing that work. States should engage with workers and their representatives to get a clear, practical understanding of how different compliance options would be implemented.

#### Prioritizing Impacted Communities and Workers in State Plan Development

The final rule should include language encouraging states to consider the impacts of coal plant closures on communities. EPA should encourage states to consider the effects of their implementation plans on employment and economic development. States should try to ensure that any communities expected to experience job losses as a result of our nation's energy transition are able to take advantage of new opportunities for federal investments.

States should coordinate with utilities in the development of state plans to identify units that are expected to retire in the coming years and plan for the economic impacts of those impending closures. They should also examine the ways in which they can incorporate affected areas into their economic development plans and take advantage of federal investments that are available and, in some cases, targeted to areas with coal power plant or coal mine closures.

EPA should encourage states to use economic and labor market analysis to provide targeted employment and training assistance to any dislocated energy workers and economic development assistance to any communities likely to be affected by changes in the power sector. States should look to include employment and training opportunities for impacted workers in any state or regional plans to grow existing or emerging industry clusters in impacted communities, and mobilize existing education and training resources, including community and technical colleges and registered apprenticeship programs. States that, for public employment, prioritize the hiring of certain groups—such as members of low-income communities or other vulnerable communities should also prioritize the hiring of dislocated energy workers. States should also incentivize the hiring of dislocated workers by the private sector, particularly when those jobs are connected to state decision making, including projects that receive tax incentives, grants, loans, or receive state administered contracts.

Furthermore, the EPA should encourage states to share best practices and new approaches while also considering regional impacts and opportunities for collaboration. EPA should also go beyond encouraging the cross pollination of ideas and should take the initiative to facilitate the sharing of successful state approaches and the development of new approaches.

One state approach that should be highlighted is that of Colorado. In 2019, the Colorado state legislature passed a law requiring electric utilities to provide, among other things, workforce data, which we see as good approach for the EPA to take with utilities.<sup>vi</sup>

Colorado has required utilities to create workforce transition plans for workers impacted by power plant closures that go beyond simply providing data. In complying with the law, Xcel Energy created a workforce transition plan that serves as a model for other utilities, and both the EPA and states should encourage utilities to create similar plans in close coordination with their workers and worker representatives.

Additionally, to assist EPA and other agencies in maintaining electric reliability in the event of an electric generation unit (EGU) closure, state plans should include detailed plans explaining how the electricity from a shuttered power plant is no longer necessary to meet electric power supply needs, and how and when other sources of electricity will be deployed to replace the production from a closing EGU.

#### Accurate Data for Planning

This rulemaking can provide workers and communities with an additional, largely unaccounted for benefit, which is a better ability to plan for coal plant closures.

In line with the proposed rule, the final rule should require each utility to submit a closure date for each EGU in order to fit into the categories set forth by EPA. Many states require utilities to submit resource plans that include expected retirement dates for all EGUs, but few states have sufficient authorities to hold utilities accountable for their estimated closures dates, or to ensure that the dates provided are fully accurate. In addition, many states have no required resource plans for utilities. The lack of a required plan results in dozens of coal power plants providing no public timetable for retirement, even in cases where the plants are over 50 years old.

Power plant workers and surrounding communities are directly harmed by inaccurate or undisclosed retirement dates. Planning for a plant closure takes many years. In the event of a closure, localities need time to prepare economic development plans, counties need to prepare for anticipated property tax shortfalls, and workers and their families need to prepare for a major change in employment that may involve new training and education, or in some cases, force them to relocate. Additionally, federal agencies, such as those participating in the Interagency Working Group on Coal and Power Plant Communities (IWG), can use accurate closure dates to target federal resources to the workers and communities that need them most urgently.

Public reporting of power plant retirement dates is a key aspect of the proposed rule. We encourage EPA to require all power plant owners to report their estimated retirement dates as precisely and accurately as they possibly can, which we see as consistent with the milestones listed in Section XII.D.3.b of the proposed rule. Accuracy, particularly for anticipated closures by 2032, is crucial for planning. Without accurate dates, choices are stripped away from workers and communities. For instance, while planning is made easier knowing that a coal plant is closing by 2032 rather than having no date at all, there is an enormous difference in the planning process for both the workers and community members if the estimated closure date is 2027 rather than 2032. Five fewer years of operation can affect the decisions a town makes around both expenditures and economic development opportunities. If a coal plant is publicly reported to be closing in 2032, that timeline could allow a local government to make long-term investments while advancing projects that are expected to take years to develop. If the plant owners were to then announce a closure date of 2027 after the local government had made decisions based on a 2032 timeline, the town may be stuck facing budget deficits and an economic development plan that lacks the urgency they are then facing.

Likewise, workers and their families could make significantly different choices based on an accurate retirement date. A power plant worker may view an additional five years of employment as sufficient to stay at their job and maintain their current role. Those years of employment may be enough to get them sufficiently close to retirement, provide them with the income they need to get their kids through college, or give them time to build their own local business. However, if they are then given notice that the facility is closing within 12 months, the control they have over their own lives will have been partly stripped away. They may be forced to find whatever work they can get, even if it means accepting large cuts to their pay and benefits.

In Section XII.D.3.b of the proposed rule, EPA has proposed that affected EGUs' submit an annual Milestone Status Report. While the primary purpose of these reports may be to ensure EGU's are meeting their goals by their stated deadlines, reports can also help keep workers and communities informed if a utility is accelerating closure plans. Transparency is especially important for imminent closures. For EGU's within three years of their proposed closure dates, EPA should require utilities to submit biannual reports as opposed to annual reports. This will provide workers and communities with additional information in any cases in which an EGU is exceeding their originally stated timeline.

In addition to getting accurate retirement dates from states and utilities, EPA should collaborate with utilities to provide workforce data to workers and communities. Power plants play a crucial role in communities. They provide electricity, jobs, and in many cases, a significant portion of the local tax revenue. The Biden administration has recognized this economic reality and created the IWG to help spur job growth in communities facing coal plant closures. However, there are many barriers to economic revitalization in coal and power plant communities. Through this rulemaking process, EPA can help eliminate some of those barriers by collaborating with utilities and states to gather valuable information for skills mapping, retraining, and local economic planning and development.

For example, utility workers are skilled professionals, many of whom possess decades of experience. Their skills, which differ greatly depending on their roles within a utility, are typically applicable to other professions. However, the process of identifying which jobs match well, locating those job openings, and filling any skills gaps they may have is extremely difficult. Workers at retiring facilities should not be left to navigate these challenges alone.

Additionally, surrounding communities preparing for plant retirements face challenges recruiting companies and growing emerging or existing industry clusters to help replace the economic benefits of a power plant. Project

developers and private companies need to know what sort of workforce they can rely on when investing in a new location. Local governments and economic development entities are burdened with providing workforce information, but in many cases are themselves operating off only partial information.

Utility companies retiring a plant have information on their workforce that would help workers and local economic developers navigate these challenges. EPA should work with utility companies with retiring units to provide workers and communities with:

- 1. The total number of employees for whom employment will end without being offered other employment by the utility;
- 2. The total number of workers who will retire as planned, be offered early retirement, or leave voluntarily;
- 3. The total number of workers who will be retained by being transferred to other electric generating facilities or offered other employment by the utility; and
- 4. A job description for each category of worker affected by a closure, complete with a full list of required skills, years of experience, and certifications.

### Federal Agency Collaboration

As part of the rulemaking process, EPA should work closely with the IWG and other offices and staff at U.S. Department of Energy, U.S. Department of Labor, and other relevant agencies to provide states, workers, and utilities with information and to coordinate the delivery of federal opportunities for energy communities.

EPA is currently administering funds through multiple channels including, but not limited to, the Greenhouse Gas Reduction Fund, Climate Pollution Reduction Grants, Environmental and Climate Justice Block Grants, and Brownfields grants. EPA should describe in-depth how communities impacted by a coal plant closure can take advantage of these funds, and how they can be paired with additional federal resources within EPA or other agencies, such as technical assistance, tax credits, loans, and workforce development grants.

It is critical that EPA coordinates with the IWG to identify the plants most likely to close by 2030, identify the mines directly affected by those plant closures, and engage those workers and communities to help them understand and navigate federal funding opportunities, and then find ways to target resources to those workers and communities.

<sup>ii</sup> United Nations Intergovernmental Panel on Climate Change, *AR6 Synthesis Report: Climate Change 2023*. Available online: https://www.ipcc.ch/report/sixth-assessment-report-cycle/

<sup>iii</sup> Council on Environmental Quality, Climate and Economic Justice Screening Tool. Available online: https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5

<sup>iv</sup> EPA, EJScreen: Environmental Justice Screening and Mapping Tool. Available online: https://www.epa.gov/ejscreen

<sup>v</sup> BlueGreen Alliance, *State-Based Policies to Build a Cleaner, Safer, More Equitable Economy: A Policy Toolkit.* Available online:

https://www.bluegreenalliance.org/resources/state-based-policies-to-build-a-cleaner-safermore-equitable-economy-a-policy-toolkit/

<sup>vi</sup> Colorado Legislature, *Senate Law 19-236.* Available online: https://leg.colorado.gov/sites/default/files/2019a 236 signed.pdf

<sup>&</sup>lt;sup>i</sup> U.S. Environmental Protection Agency (EPA), Sources of Greenhouse Gas Emissions. Available online: <u>https://www.epa.gov/ghgemissions/sources-greenhouse-gas-</u> <u>emissions#:~:text=Electricity%20production%20(25%25%20of%202021,use%20sectors%20(</u> <u>e.g.%20industry).</u>