



Lessons Learned from the Colorado Office of Just Transition

What is the Office of Just Transition?

In Colorado and around the country, workers and communities are facing the impacts of the transition away from coal energy to cleaner, more sustainable energy sources. As this transition takes shape, supporting the workers who have powered our nation for decades remains imperative. Predicting the far-reaching impacts of coal closures, Colorado established the Office of Just Transition in 2019 to transform the economics of rural Colorado coal towns while protecting workers before, during, and after coal closure deadlines.

As of September 2023, the Office operates with four full-time employees and the support of a 19-person advisory committee with representatives from local government, state government, organized labor, utility companies, and workforce and economic development. The Office has received \$32.5 million in legislative appropriations to-date, split between economic development (\$17.5 million) and worker support (\$15 million) efforts. Starting in 2021, the Office's Community and Economic Development Manager has created a variety of economic development programs and grants in conjunction with the Office of Economic Development and International Trade (OEDIT) to help coal communities diversify their economies and attract

new businesses. On the worker side, the Transition Workforce Program Manager has been gathering information on coal workers for a survey, conducting meetings and interviews with workers in Yampa Valley, and compiling a literature review on transition best practices and lessons to inform the Office's work.

The Office accomplished many of its initial goals, which included developing some of the first ever pre-transition supports in the country. However, many key policies, programs, and support mechanisms still need to be designed and implemented to improve worker transition outcomes. In order to assess these opportunities, the BlueGreen Alliance worked with Gianna De Filippis, a graduate student at UC Berkeley's Goldman School of Public Policy to author *Supporting Colorado's Coal Communities*, a report that analyzes the Office's impact on communities and implementation of worker support since its creation. The report reviews the Office's actions to date, identifies challenges and barriers to success, and provides recommendations for how it can continue to meet its objective of providing tangible support to coal transition workers and communities.

A Breakdown of the Just Transition Office in Colorado

Inputs	<ul style="list-style-type: none"> • 5 full-time employees • \$32.5 million • State government office within Colorado Department of Labor and Employment (CDLE) • 19-person advisory committee • Public Utilities Commission facilitation process
Activities	<ul style="list-style-type: none"> • Coordinating stakeholders and resources • Hosting investment and planning workshops • Funding projects and connecting communities to resources • Identifying all impacted workers, coal closures • Surveying impacted workers, making site visits • Negotiating with coal employers • Advocating for state and national policies • Researching best practices • Tracking outcomes and making improvements
Outputs	<ul style="list-style-type: none"> • Statewide Just Transition program covering both economic development and worker transition support • Federal energy community and worker policy
Outcomes	<ul style="list-style-type: none"> • Percent of tax revenue replaced • Percent increase in commercial property value • Increase in number of industries • Percent of displaced coal workers with new employment within x months • Percent of total wages retained • Percent of people who remain in the community

Former Coal Workers Need Support

Under current conditions, once coal facilities shut down, workers at coal mines and coal fired power plants are vulnerable to job loss and many will struggle to find comparable employment that aligns with their existing skills, experience, and compensation levels. To see the number of coal and coal-fired power plants, see Figure 1.

Former coal workers are a highly skilled, well-paid workforce with robust benefits, largely due to the presence of unions at many facilities. Worker survey data from the Office found that most Colorado coal workers have more than 10 years of experience in the industry, earn higher than local median wages with robust benefits, are between 35 and 55 years old, and

a majority have one or more children. Some of their main concerns remain the loss of health care benefits and salary when they lose their jobs. Coal transition puts workers involved in the coal industry at risk of losing not only their careers, but also the associated benefits, creating instability for both the future of individual workers and their families.

Recent worker survey data shows that workers are interested in opportunities to transition into careers in renewable energy, construction, and manufacturing. Although these industries align with worker skills

and job preferences, there are few local openings in these industries and none of the available jobs pay as much as past coal jobs. Without the option of high-road employment, or even jobs offering a comparable wage and benefits package, examples from other communities suggest that these workers are likely to leave their communities to seek better opportunities and higher wages. Large migrations of families out of energy communities can have cascading negative effects on local economies and a community's way of life.

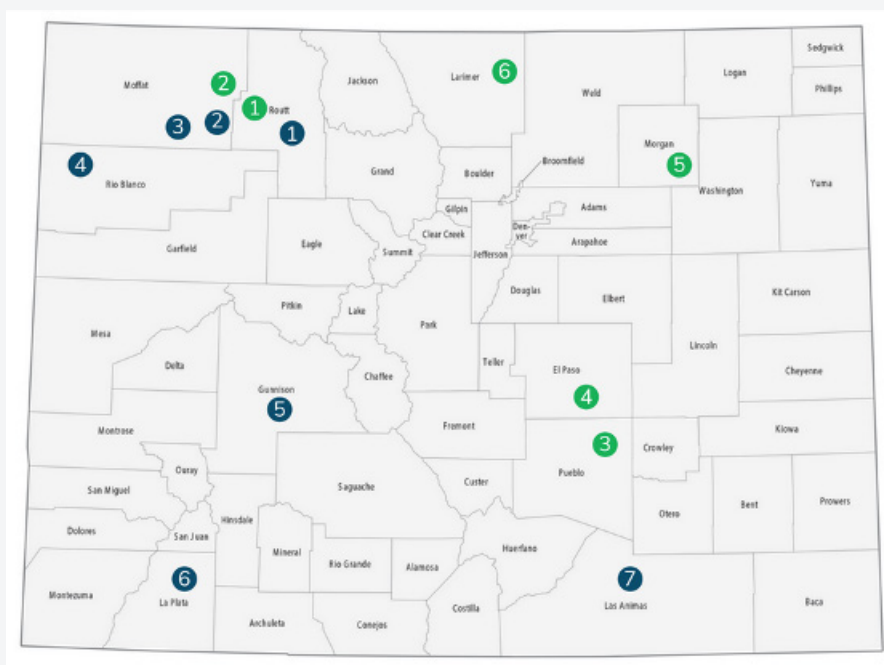
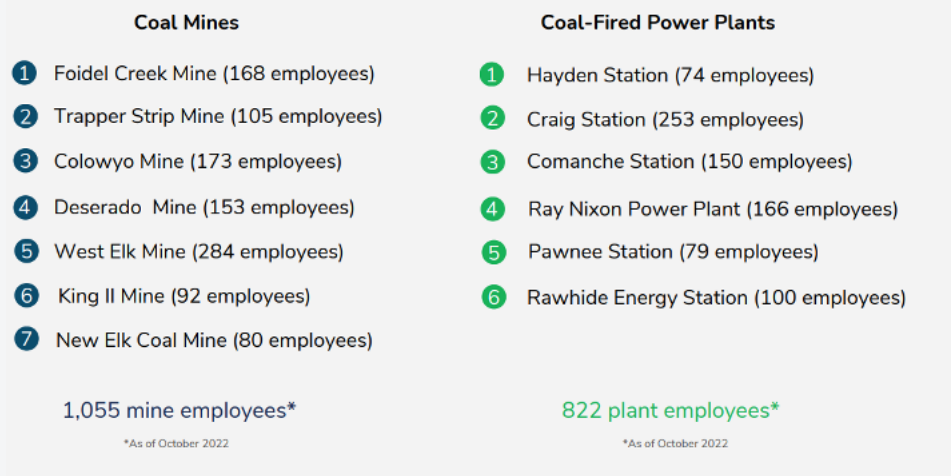


Figure 1: [Colorado Coal Mines and Power Plant Map](#)

Challenge One:

Limited coordination between economic development and worker support policy.

The Office has made progress on economic development via support for small businesses and entrepreneurship, but these initiatives have missed key opportunities to grow local, high-road jobs for former coal workers. Specifically, economic development looks at the community level and uses job growth as a metric. The quality of the job—such as the benefits offered like health insurance, a retirement plan, and workers' compensation benefits, or wage parity to previous employment—is not being considered in program development or implementation.

Recommendation: Integrate job quality into economic development policy goals.

- Create high-quality jobs that match workers' skills by targeting job creation in renewable energy, construction, and manufacturing. Although these industries may not always offer the same wages as coal, they overlap with worker's skills and preferences and have the potential to feature strong worker protections and benefits through existing unions.
- Add local, preferential hiring clauses and high-road labor standards to any state economic incentives for new industries or job creation efforts in former coal communities.
- Create pathways to high-quality jobs for all workers in these communities through the negotiation of Project Labor Agreements, Community Workforce Agreements, or Community Benefit Agreements on construction projects and at manufacturing facilities.

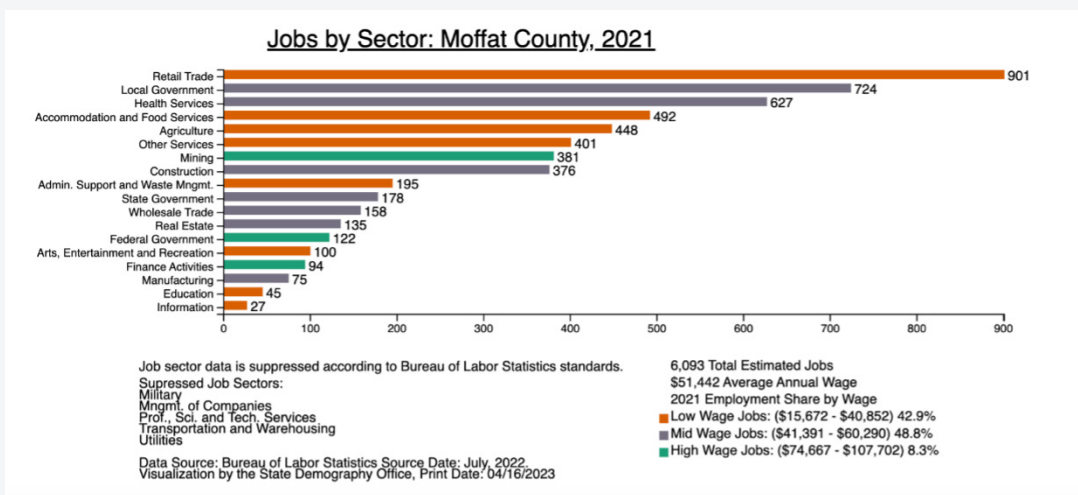


Figure 2: Colorado Moffat County Jobs by Sector, 2021

Note: Coal mining is listed as a high wage job with an average income range of \$74,667 - \$107,702.

Challenge 2:

Ongoing negotiations with mines, utilities, and other employers at different venues.

Utilities are regulated at the Public Utilities Commission and are subject to large amounts of public oversight. Mining companies, on the other hand, are privately owned and regulated through the Division of Reclamation, Mining, and Safety for specific activities, like site cleanup. As such, coal mine operators do not have a legal obligation to engage with the Office of Just Transition or create transition plans. Furthermore, supply chain companies have no legal obligation to interact with the Office and are harder to identify than mining companies. This hodgepodge of regulatory obligations, public oversight, and impacted workforce identification make it difficult for the Office to develop a holistic transition strategy for all coal workers.

Recommendation: The Office should prepare for limited employer support.

- Gather information on supply chain companies, conduct a total impacted worker assessment in each identified facility, and develop policies that support the full range of impacted workers.
- Engage union representatives as intermediaries between private companies and workers to improve information exchange.
- Coordinate with the state's Division of Reclamation, Mining, and Safety on creating post-closure opportunities at mines with prevailing wage rates and preferential hiring for displaced coal workers.



Challenge 3:

Difficulty navigating funding and resources.

The Office, its partners, and local coal communities struggle to track the different funding opportunities and resources available to support traditional energy workers facing transition.

There are several avenues of support at the federal, state, and local government levels as well as in the private sector. Opportunities include:

- Inflation Reduction Act and Bipartisan Infrastructure Law programs;
- 100+ Colorado state transition programs;
- programs within local governments, chambers of commerce, community organizations, workforce development centers, school districts, colleges, and infrastructure partners; and
- investors, philanthropies, and other private organizations looking to fund energy transition work.

The Office of Just Transition is tasked with coordinating these different resources without the staff capacity or tools to do so successfully. The Office's dual role as both a funder of communities through grant programs and a community partner providing support and guidance on programs further complicates the grant navigation process for applicants and the Office.

Recommendation: Hire a full-time Resource Manager.

Instead of having each team member at the Office track potential resources and manage the Office's various grant programs while also designing policy for workers and communities, the Office would benefit from hiring a Resource Manager. This position would:

- track, apply for, and manage funding opportunities for specific coal transition stakeholders;
- lend capacity to the Office's staff and to local governments; and
- take over the funding support and application tracking roles.



Overall Recommendations for the Office of Just Transition

- Incorporate worker skills and preferences into economic planning to ensure displaced coal workers have high-quality job options available after closures.
- Include preferential hiring clauses for former coal workers and high-road labor standards into job creation policies.
- Research coal closure impacts to workers at the power plants, mines, and along the supply chain using economic impact tools to define the full scope of impacted workers and identify their needs.
- Engage unions frequently, early, and often, especially within one year of closures, as they can serve as intermediaries between the state and coal companies.
- Partner with the Division of Reclamation, Mining, and Safety to create high-quality post-closure job opportunities in reclamation.
- Hire a full-time Resource Manager to identify, apply for, and track funding for the state's transition tasks and design a sustainable funding plan for long-term programming.

Staff members at the Office also suggested creating a centralized dashboard for programs “that can be filtered by type of support, level, eligibility requirements, and other important details during resource planning.” This tool could be created and managed by the Resource Manager.

The Office's work can be divided into seven components:

- economic development;
- worker support;
- negotiations with utilities;
- negotiations with mines and supply chain companies;
- legislative strategy;
- communications; and
- resource management.

These multiple, competing priorities threaten the Office's ability to support workers and communities by the time of planned closures if they do not act to coordinate their efforts.

BlueGreen Alliance policy staffers contributed heavily to Supporting Colorado's Coal Communities, authored by Gianna De Filippis. Colorado Policy Organizer Elena Santarella served as the Client Advisor for this research.