EXECUTIVE SUMMARY

This manual is intended for anyone—communities, unions, environmentalists, native tribes, public officials, and others—involved with or affected by the retirement of coal-fired power plants. It is designed as a guide for those who wish to make the transition away from coal in a way that is most beneficial and least threatening to ordinary workers, consumers, and community members.

In the past decade, a broad-based campaign has formed to move America beyond coal and power the nation with clean energy. The movement includes people from all walks of life—medical professionals, faith leaders, environmentalists, business people, workers, decision makers, and local residents—who are working to address the serious pollution problems caused by coal and to seize the economic opportunity offered by clean, safe, renewable energy.

This campaign has been remarkably successful, preventing the construction of more than 165 new coal-fired power plants, and thereby keeping energy markets open for clean energy. In state after state, as new coal proposals have stalled, advocates have launched campaigns to retire existing coal plants and replace them with clean energy, securing the retirement of more than 110 existing coal plants to date.

The coal industry and their allies regularly claim that jobs, workers, and unions benefit from coal plants and that transitioning away from coal will harm them. Industry claims about creating or protecting jobs have often proved fallacious or hugely exaggerated. Still, this message resonates powerfully in tough economic times and presents a real challenge to coal retirement efforts.

Several recent campaigns have demonstrated that coal retirements can be structured in ways that take care of affected workers and the area economy, and even win the support of organized labor and local decision makers. As the case studies described in this manual show, addressing these economic challenges is most effective when the concerns of workers and the local economy are built into the campaign objectives, messaging, proposals, action, and interventions in policy arenas.

As this manual explains, proposals for alternatives to coal-fired plants can be designed in ways that maximize job opportunities, and can often be shown to be more job- and worker-friendly than coal-based alternatives. Proposals to transition particular plants away from coal can be connected with a wide array of green job creation and economic development proposals that are already being developed and implemented in many states and communities.
Coal transition advocates should insist that the cost of transitioning to clean energy should not be borne by workers who, through no fault of their own, depend for their livelihoods on facilities that society decides to phase out. Meeting the legitimate needs of those workers should be part of the policy proposals coal transition advocates fight for. This manual shows that it can be and indeed has been done.

Organized labor plays an important role in energy policy discussions, and coal-retirement advocates should engage with unions directly to learn about—and address—labor’s concerns about existing jobs, future jobs, job quality, energy prices, energy security, and economic development. By being proactive in building these relationships, coal-retirement advocates will be better positioned to help ensure that the needs of workers and local communities are met as part of positive transition plans. This manual helps provide advocates with a road map for that important work.
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INTRODUCTION

A powerful movement aims to reduce and eventually eliminate the burning of coal and to encourage a transition to clean, environmentally viable renewable energy. This effort is opposed by many coal-producing and coal-using corporations, who see it as a direct threat to their bottom line. But it is also feared by many ordinary workers, consumers, and citizens who are apprehensive that it may have a negative effect on their jobs, energy costs, and local economies.

Jobs Beyond Coal: A Manual for Communities, Workers, and Environmentalists is a guide for those who wish to make the transition from coal—and to make it in a way that is most beneficial and least threatening to ordinary workers, consumers, and community members. It is intended for communities, unions, environmentalists, native tribes, public officials, and anyone involved in or affected by coal-retirement campaigns.

The goal of this manual is to help those campaigning for a transition from coal to renewable energy to design their proposals, frame their appeals, and conduct their campaigns in ways that are most likely to win support and reduce opposition from workers, unions, and community members.

Whenever there are challenges to the use of coal, the impact on jobs, workers, and unions is almost always part of the equation. There have been many creative and constructive efforts to transition beyond coal in ways that address concerns about present and future jobs and the workers whose lives they affect. But all too often coal-producing and -using companies and their allies have been able to frame the issue as jobs versus the environment, with clean-energy advocates cast as a threat to coal-dependent jobs.

Advocates of moving beyond coal need to be aware that, as Carl Wood of the Utility Workers Union of America put it, “Workers are used to being ground up and spat out by any change in society. In the U.S. there is no safety net for the victims.” He cited mechanics in a southeastern Ohio coal-fired power plant represented by his union whose jobs would be eliminated by the phasing out of coal as a very real example of how changes that might be socially beneficial could nonetheless threaten specific workers even if they result in more jobs in total.

Jobs Beyond Coal is designed to help make campaigns for clean, renewable energy simultaneously be campaigns for the expansion of future jobs and the protection of workers in existing jobs. It provides case studies and other information carefully...
selected and organized to be useful for that purpose. It also provides discussion and guidance on key strategic issues regarding jobs and the economy that need to be considered in planning and conducting campaigns around the transition beyond coal.

Transition Beyond Coal

The United States is in an era of conflict over the future role of coal in our energy system. This conflict is already well under way both at the level of national and state legislation and policy and in local communities and regions around the country.

The campaigns to transition away from coal have already stopped the building of more than 150 new coal plants. As of 2012 not a single new coal plant has broken ground in two years. Only a few states—notably Kentucky, Georgia, and Texas—are even considering building new coal plants.

But five hundred coal-fired power plants are still in operation; there are more than a hundred active campaigns aiming to convert or replace them with alternative clean energy.

A Jobs Strategy for the Transition Beyond Coal

It is possible to run campaigns to shut down coal plants or to prevent them from being built simply on the basis that they have harmful effects on health and the environment. But such campaigns are nearly always met by counterarguments that closing coal plants or preventing them from being built hurts jobs and the economy. The jobs-versus-the-environment frame is a crucial weapon of those who wish to profit from continued production and use of coal. That is likely to be even truer in today’s hard times, when people are desperate to hold on to any job if they have one and to secure any job if they do not. The coal-producing and -using interests will be able to mobilize fears about jobs and the economy to fight for preservation or even expansion of coal use unless those concerns are addressed.

Jobs Beyond Coal focuses on three strategies for countering those fears:

- Building jobs and economic development into transition plans
- Ensuring job security and livelihood guarantees for affected workers and communities
- Reaching out to engage workers and their organizations in dialogue, consultation, and cooperation for moving beyond coal

Jobs Beyond Coal explores how to build these strategies into every aspect of campaigns for coal retirement.
About This Manual

Planning and executing a successful campaign has many aspects. This manual does not aim to provide a comprehensive guide to running a campaign to close a coal plant. Rather, its purpose is limited to providing the background and understanding needed to address the jobs and labor dimensions of such campaigns. For that reason it does not address the important but distinct question of a clean-energy transition for coal miners and their communities, except when they are directly connected with a particular power plant.

This manual is largely based on case studies of how jobs and labor issues have been addressed in a variety of coal-retirement campaigns. The case studies have been constructed primarily from publicly available sources, with additional information and insight drawn from interviews with participants and observers. Their purpose is to illustrate some of the possible ways clean-energy campaigns can address issues of jobs, workers, and unions, and some of the dynamics that can result. They are not intended as evaluations of particular campaigns or even particular decisions and tactics, and we urge that they not be considered as such.

The manual also includes examples of materials that have been used in a variety of campaigns. While every campaign needs to develop its own materials, these examples can help provide a starting point for that process.

We would like to thank the many people and organizations that have contributed information and insight for this manual. Special thanks go to Jennifer Coken, formerly of Western Clean Energy Campaign; Chris Deisinger, of Syntropy Energy Solutions; K. C. Golden, of Climate Solutions; Charlie Higley, of Citizens Utility Board of Wisconsin; Mary Anne Hitt and Margrete Strand Rangnes, of the Sierra Club; Wahleah Johns, of Black Mesa Water Coalition; Burt Lauderdale and Sara Pennington, of Kentuckians for the Commonwealth; Dave Poklinkoski, of IBEW Local 2304; Justin Wilson, of Western Clean Energy Campaign; and Meredith Wingate, Rachel Golden, and David Wooley, of the Energy Foundation. None of them share any responsibility for the contents. Preparation of this manual was made possible by the Energy Foundation.
Over the course of the nineteenth century, the energy of falling water, animals, and humans was largely replaced by coal. Coal fueled nearly everything in the early industrial era, from locomotives to factories to the furnace in the basement of your home. But as oil, gas, and other fuels emerged during the twentieth century, coal came to be used primarily for generating electricity. Other fuels like natural gas increasingly replaced coal even for electricity, and by 1992 construction of new coal-fired power plants had virtually ceased.

Shortly after the inauguration of George W. Bush in 2001, Vice President Dick Cheney called together an “energy task force” composed principally of energy corporation executives. The task force’s final report recommended that 1,300 to 1,900 new power plants be built, with an emphasis on plants burning coal.

By 2007 there were 151 new coal plants in 38 states in various stages of completion, from initial proposal to operation, according to a list compiled by the Department of Energy.

In response to the spate of new plants, local organizations began springing up all over the country with names like Coloradoans for Clean Energy and Citizens Against the Mesaba Project, loosely linked by websites and email lists and supported by some large national environmental organizations.

Opponents of coal-fired power plants had a variety of arguments and motivations. Scientific evidence increasingly implicated coal plants in the epidemic of asthma and other respiratory diseases, as well as heart disease, cancer, and stroke. Areas around coal plants experienced devastating contamination of air, water, and land by such pollutants as sulfur dioxide, nitrogen oxide, and particulates. New coal-mining technologies, such as mountaintop removal, had a devastating effect on land and water, particularly in Appalachia. As awareness grew of the threat posed by the greenhouse gases that are causing climate change, so did awareness of the critical role of coal in producing them. America’s leading climate scientist James Hansen concluded that ending emissions from coal is “80 percent of the solution to the global warming crisis.”

Growing evidence indicated that energy alternatives were available and not only safer but potentially cheaper and more reliable. Google, for example, issued a highly publicized “Clean Energy 2030” plan indicating that the use of coal and oil
could be halted and the use of natural gas cut in half based on energy efficiency, wind, solar, and geothermal energy.

Clean-energy advocates used these arguments in a wide variety of arenas that influence policy. Federal energy and environmental agencies have been critical in determining the fate of coal-fired generators; not only the EPA but such agencies as the Department of Agriculture and the Department of Defense have encouraged or discouraged coal-fired plants. Electric companies are regulated by state utility agencies, and coal opponents have brought hundreds of actions before them. State environmental regulators and siting agencies often must also sign off—and have frequently been urged not to do so.

The president, Congress, governors, and state legislatures have been key players in utility policy decisions. Campaigns have aimed to influence mayors, city councils, and municipal utility districts. Energy corporation officials and industry associations have been a prime focus: fewer than twenty-five CEOs control more than 70 percent of all coal-fired power generation in the United States. Banks, other financial institutions, and investors have also been pressured. Courts and judges have been appealed to hundreds of times where laws and regulations were interpreted to favor coal plants. Coal plants have been challenged in referendums and fought over in elections. Media and civil society organizations have proved to be crucial arenas as well.

By the end of 2007, 59 proposed coal plants had been canceled, abandoned, or placed on hold. By 2012, 165 coal plants had been stopped; not one new plant has broken ground in nearly two years.

What accounts for this astonishing turnaround? Public opinion played a crucial role. A September 2007 Opinion Research Corporation poll found that when people were offered alternatives about which electricity source they would prefer, only 3 percent chose coal. Another poll showed that 75 percent of the public supported a five-year moratorium on coal plants and increased investment in alternatives like solar, wind, and efficiency measures.

The abandonment of coal plants and projects was the result of a mélange of economic, environmental, and political forces. For example, by the end of 2007 one entrepreneur, Warren Buffett, had canceled six new coal-fired power plants. Author Ted Nace closely examined these decisions and concluded that they resulted from an accumulation of pressure. State-level laws and policies were an important factor, including strict carbon dioxide emissions standards enacted in California and Washington; renewable portfolio standards in California and Washington; Oregon’s integrated resource planning process; and climate change legislation in Oregon, California, and Washington. Economic factors, such as rising construction costs for coal plants and the increased competitiveness of alternatives like wind power were also crucial. The prospect of national carbon legislation weighed heavily on business expectations.
Public participation also played a crucial role, including regulatory participation by mainstream environmental groups such as the Northwest Energy Coalition and litigation and the threat of litigation by groups such as the Sierra Club. Public participation also included “a medley of citizen actions that ‘raised the negatives’ for coal, including anticoal statements by mayors in several Rocky Mountain cities, direct action protests by groups such as Rising Tide, Alexander Lofft’s petition drive in Utah, personal advocacy by prominent figures such as James Hansen, and concerted campaigns to place a public stigma on coal, such as the Foolie awards” that mocked coal advocates.

Five hundred coal-fired power plants remain. But from 2009 through 2012 there has been a wave of closings and announcements of closings. Sourcewatch.org lists more than two hundred recent and likely future coal plant retirements and conversions in the United States. Many of the closing plants are old, decaying, and obsolete; the median age of a coal-burning unit is more than forty-two years.

The principal reasons for the recent closings are economic. According to Susan Tierney, former assistant secretary of energy, “[C]oal plants have been facing a perfect storm of falling natural gas prices, a continued trend of high coal prices, and weak demand for electricity.”

The recent retirement announcements are part of a longer-term trend that has been affecting both existing coal plants and many proposals to build new ones. The sharp decline in natural gas prices, the rising cost of coal, and reduced demand for electricity are all contributing factors in the decisions to retire some of the country’s oldest coal-fired generating units. These trends started well before EPA issued its new air pollution rules.

The low price of natural gas has made it cheap relative to coal. According to the Energy Information Agency (EIA), spot prices for natural gas were close to a ten-year low in March 2012. At the same time, coal prices have remained relatively high, partially because of booming coal exports. The plants being closed are often very old, making them both inefficient and expensive to run. An additional factor is the possibility of additional EPA regulations, such as the standards for mercury and other airborne toxins from power plants issued in December 2011 but still under challenge in Congress and the courts.

These aging, highly polluting plants have been the focus of an expanding clean-energy campaign. The Sierra Club’s Beyond Coal campaign, for example, has set a goal of retiring one-third of the nation’s aging coal fleet by 2020 and replacing them with clean energy. Its strategy is to make sure current environmental laws are enforced, help local communities that oppose existing plants, and encourage the use of alternative power sources. In July 2011 it received a $50 million grant from Bloomberg Philanthropies for this work, which it expects to spread to at least forty-five states.
One crucial aspect of transitioning beyond coal is its impact on jobs and workers. Workers in coal-producing and coal-using industries worry about this transition’s effect on their own jobs. Workers in other industries worry whether there will be reliable and affordable electricity for their employers and themselves. Coal advocates often take advantage of these fears to argue that closing coal plants will lead to job disaster. What can those who want to promote a transition to clean, renewable energy say—and do—to address the very real concerns of workers and the organizations that represent them?

TransAtlanta: Labor Backs a Transition Beyond Coal

In 2011 environmental, labor, and other groups reached an agreement to phase out the state of Washington’s only coal-fired power plant. The process by which they reached agreement embodies many of the key elements for including the concerns of workers and their unions in transitioning beyond coal.

For more than half a century, the state of Washington has received the bulk of its electricity from the Grand Coulee Dam and other hydroelectric sources. But in 1973 the Centralia Power Plant was opened and began burning coal from the nearby Centralia Mine. In 2000 the complex was bought by the Alberta-based TransAlta corporation, which closed the mine in 2006, laying off several hundred workers.

As early as 2004, Public Citizen ranked Centralia as the thirty-sixth most polluting power plant in the United States for carbon dioxide emissions. Stephanie Kodish of the National Parks Conservation Association noted that “Every year, millions of visitors to Mount Rainier and Olympic national parks are unable to see the postcard views they expect because they have been obscured by haze pollution largely caused by the TransAlta power plant.” Emissions from the plant were also an embarrassment to Gov. Chris Gregoire, who had staked out a national and international role as an advocate for clean energy and had promoted a pioneering state law restricting greenhouse gases.

In April 2009 TransAlta secretly negotiated a deal with Governor Gregoire and the state Ecology Department to modestly reduce mercury and nitrous oxide emissions. Washington environmentalists blasted the deal and even the National Park Service’s Don Shepherd, who reviews regulations for factories that pollute air near national parks, said, “We have some major concerns about this.” The Ecology Department promised hearings, but over the next year no hearings were held.

In September 2009 a coalition that included Earth Justice, the Sierra Club, the National Parks Conservation Association, and the Northwest Environmental Defense Center filed an appeal to pull an air pollution permit granted to TransAlta by state regulators. Calling the plant the number-one source of global warming, mercury, and haze pollution in Washington State, the coalition expressed dissatisfaction with the governor’s deal with the company.

Meanwhile, the Sierra Club, together with public health, labor, and faith-based groups, launched a campaign to close the plant by 2015, with job retraining for its three hundred workers. Doug Howell, director of the Sierra Club’s Coal-Free Washington campaign, proposed also to end a $5 million tax exemption for TransAlta and use the funds to retrain TransAlta workers in green-energy technology.
At an April 2010 forum in Vancouver, one of the speakers was longshoreman Cager Clabaugh, who worked at the Port of Vancouver. The port handles imported wind turbine components, and Clabaugh reported that the port’s International Longshore and Warehouse Union had gained nearly two hundred members since 1995 when the “wind rush” began.

Clabaugh also pointed out that clean-energy advocates needed to take into account the potential loss of three hundred jobs if the Centralia plant were to close. “There are three hundred workers that rely on that plant to provide for their families. They make two and a half times the county average wage. What I would like to see happen is get some infrastructure in place so those folks have some place to transition to.”

Another forum in Olympia drew two hundred people. According to a blog for the Sierra Club’s campaign,

Things got interesting during the Q&A session. There were about a dozen people from the Boilermakers Local, one of the unions represented at the plant, who asked some really good questions about the future of their jobs. It’s obviously something everyone is concerned about, and the discussion could have gotten ugly, but everyone remained respectful and there was a very lively, back-and-forth conversation about Centralia, green jobs, and what should be done to make sure that we meet our climate goals while also protecting jobs.

And even after the Q&A ended, the discussion continued, with clumps of Sierra Club activists and union members talking for a good hour, until we finally had to clear the room.

At the state legislature in February 2011, the environmental groups supported a bill that would transition the Centralia plant off coal by 2015. They also agreed to support a substitute bill that would push the deadline back to 2020.

The company asked to continue till 2025 to protect jobs and maintain the electricity supply. Bob Guenther, president of the Centralia Central Labor Council and a lobbyist for the International Brotherhood of Electrical Workers, which represented the largest group of the Centralia plant’s employees, was formerly a TransAlta mechanic for thirty-four years; he testified in support of the company’s position that the plant should be kept open. Several hundred Centralia area residents, plant employees, and union members rallied on the steps of the state capitol to support the company’s position. Centralia mechanic Patrick Conaway said he was worried about losing a good-paying job that supports his family. He said the company had added pollution controls and that “they’re doing everything they can on their part.”

In the face of potential deadlock, Governor Gregoire initiated negotiations between the environmental groups and TransAlta. The IBEW was not included in the negotiations—whereupon the environmentalists made a strategic decision to advocate for TransAlta’s workers. “They insisted that the plant’s workforce be retained throughout its closure and cleanup; that workers be trained in the technologies that would replace coal, especially energy efficiency, and that the company, not the taxpayers, subsidize the transition.” The result was an agreement that one of the plant’s coal boilers would be shut by 2020 and the other by 2025. Forty percent of the plant’s 250 employees will reach retirement age before the closing, and the rest will have at least eight years in their current jobs.
The company also agreed to provide $30 million to a community investment fund and $25 million for an energy-technology transition fund. TransAlta was allowed to sell long-term contracts for coal-fired power, but also agreed to install pollution control technology.

According to the Seattle Times, “Labor groups backed the deal because of the fifteen-year phaseout and the company’s financial contribution.” Guenther notes that “When we saw that a smooth transition was on the table and that we were going to keep this community healthy, we saw that as an opportunity to make this happen.” Without the transition guarantee, “we’d have been fighting that to the nth degree.”

A spokesperson for the Sierra Club observed, “We were pushing for a faster retirement, but this agreement allows for a smooth transition in the community and time to reconfigure the electrical grid to integrate the region’s abundant wind and solar resources instead of rushing to gas.” K. C. Golden of Climate Solutions called the plan an example of all parties agreeing to make the transition away from coal. “I’m delighted that it’s going to happen in a way that gives everybody time to make the right investments.”

What made the unexpected agreement possible? According to Kathleen Ridihalgh of the Sierra Club, it was in part because of relationship-building dating back to 1999, when the World Trade Organization protests in Seattle created “one of the first blue-green alliances.” Even while labor and green groups seemed to be at loggerheads over the Centralia plant, environmental, public health, religious, political, corporate, and labor representatives continued meeting and talking. According to Ridihalgh, “Having those discussions was very, very helpful.”

While environmentalists had initially pushed for worker retraining, they learned from these discussions that retraining was not what TransAlta workers—most of whom were fifty or older—wanted. Instead, union officials identified the crucial needs as job security, community reinvestment, and transition time—issues the environmental groups subsequently fought for in the negotiations. Participants in the process emphasize that the $30 million fund for local economic development was crucial to labor’s support for the final agreement.

When the legislature approved the Coal-Free Future for Washington bill embodying the agreement, its advocates stressed its benefits for both jobs and the environment. Doug Howell, director of the Coal-Free Future for Washington campaign said, “This is a win-win-win for our health, the environment, our economy, and the Lewis County community.” The legislation was the result of “environmentalists, labor unions, health experts, faith leaders, the local community, the corporation, the governor, and legislators all working together.” Earth Ministry executive director LeeAnne Beres said, “This bill will transition our state off of coal while providing much-needed investment in energy efficiency and economic development in Lewis County.” It was a step toward a future in which “all God’s children have clean air and water and the opportunity to earn a living wage.”

The success of the campaign to retire Washington’s TransAlta coal-fired power plant was aided by three critical strategies. It addressed the jobs and economic development needs of the affected local communities. It protected the livelihoods of the power plant workers directly affected. And it involved the affected workers and unions in forging a solution that would work for them. The rest of this manual explores how to implement these three strategies.
Chapter 2: Making Tomorrow’s Jobs

Opponents of coal-fired power plants often make a strong case for their devastating health, environmental, and climate effects. But coal advocates often try to trump those arguments with the claim that new coal plants will create new jobs and that closing old ones will kill jobs and have other devastating economic effects.

The jobs-versus-the-environment frame has been a crucial means to divide communities, stigmatize efforts to retire coal plants as job-killing and antiworker, and persuade the public that more coal means more jobs. But clean-energy advocates have begun developing strategies to counter these arguments—strategies which could help transform the future debate.

Refuting False Jobs Claims

The first strategy is refuting false claims about the job benefits of coal-fired plants. How common are such false jobs claims? A 2011 study by the Ochs Center for Metropolitan Studies in Chattanooga examined the impacts on jobs in their host county of the six largest new coal-fired power plants that opened between 2005 and 2009. It found that in only one case was the number of new construction jobs even close to what proponents had projected. In four of the six cases, barely a quarter of the promised jobs materialized.31

Any community faced with claims that jobs will be retained or created by burning coal should first of all secure the expertise to find the truth. For example, when communities in eastern Kentucky were told that the proposed Smith coal-fired power plant would produce thousands of new jobs, they brought in the Ochs Center to prepare a study that found such claims were wildly exaggerated (see “Power Studies”).

Coal plants can often have negative economic effects on nearby communities. For example, groups advocating the closure of the South Bay Power Plant in Chula Vista, California, effectively argued preservation of the plant impeded the city’s bay-front redevelopment plan. When the decision was made to close the plant, city councilwoman Pamela Bensoussan noted, “We can now attract viable businesses with the certainty of knowing that plant is going away. This is key to the redevelopment of Chula Vista.”32 Pollution can reduce the value of property in a wide area around a plant. Health effects can raise worker absenteeism and
require far higher costs for medical care. Coal-retirement advocates are using such negative effects to refute claims that coal burning is job-friendly.

**A Jobs Program of Our Own**

Clean-energy advocates are going beyond refuting false jobs claims to a second strategy: developing their own jobs programs based on clean, renewable energy.

Many studies show that in general renewable energy and conservation produce far more jobs than an equivalent investment in coal plants (see “The Jobs Story”). Now campaigns to block or close local coal plants are showing that in the areas around particular power plants, more jobs will be created by investment in conservation and renewable energy than in coal generation (see “The Navajo Nation” and “Renew Eastern Kentucky”).

Campaigns are now beginning to link efforts to block or shut down particular plants to plans not just for a clean-energy alternative, but for a long-term economic alternative that creates jobs rebuilding the local economy on a sustainable basis.

There are important reasons for such an approach. As K. C. Golden of Climate Solutions put it,

> While we always want transition plans to feature clean energy as much possible, it’s important to include a broader economic development scope. As conservationists, our standing in these communities and the trust we can win depends on supporting those communities and workers in achieving economic security. If we only focus on clean-energy elements of the transition, we run the risk that (a) the alternative plan won’t be sufficient to leave the communities and workers in good shape, and (b) we will reinforce the perception that all we care about is “our agenda,” rather than being committed to the economic well-being of affected communities.

In many communities, states, and regions there are already efforts under way that would create jobs in ways that would also reduce greenhouse gases and other forms of pollution and restoring ravaged natural and human environments. For example, New Energy Cities engages cities in the Northwest in promoting smart power grids, green intelligent buildings, plug-in electric vehicles, and energy storage, as well as renewable energy. And smart growth and regional planning groups throughout the country promote land-use policies that would reduce carbon and other emissions. All of these programs will take work—and create new jobs. Such activities can become part of a broad alternative program that strengthens the jobs case against coal plants—and defines clean-energy advocates as job-friendly.
Our Own Analysis

Crucial to such efforts are often studies that simultaneously expose the dubious jobs claims made for coal, show the jobs that will be created by alternative sources, and lay out economic development plans based on a transition to renewable energy.

Such plans can include new means of power generation; imaginative approaches to conservation; plans for training and transitioning the workforce; sources of funding; and ways to organize the people and institutions needed to make it all happen.

Such plans can include different levels. Some may be local initiatives that can be implemented immediately. Others may have to wait for changes in state or national policy. While the different aspects of such a plan may reinforce one another, they don’t have to move in lockstep; some can be started even though others are lagging behind.

While such studies require technical expertise, they can also serve as vehicles for gathering and articulating community opinion. For example, the study of the proposed Desert Rock power plant (see “Summary of Energy and Economic Alternatives to the Desert Rock Energy Project”) presented a well-documented case that renewable energy was a better economic option than coal, but it also incorporated interviews with thirty-nine stakeholders—Navajo reservation residents who would be directly affected by the proposed plan. Such participation can serve as a vehicle that a community can use to organize itself and find its own voice.

Sara Pennington and Randy Wilson of Kentuckians for the Commonwealth point out that an alternative economic development plan not only has tangible energy, economic, and job creation benefits, but can also begin to shift public perception toward transition, offer a proactive plan that all but the most fearful or coal-captive politicians can promote, and launch a new, growing sector of the national economy.  

Developing such a plan can lay the basis for concrete demands. For example, in the eastern Kentucky and Washington cases, utilities put up money for alternative economic development activities, and in the Delaware case the company agreed to adopt policies to encourage and support local economic development.
A variety of studies have found that renewable energy and conservation produce substantially more jobs than fossil fuels, although the precise numbers vary somewhat from study to study and each local situation is unique. Renewable energy and energy efficiency tend to be labor-intensive and local. They contribute to job growth in manufacturing, construction, operation, and maintenance. In addition, dollars saved through energy efficiency tend to be spent and respent locally, creating further jobs.

A study by the Political Economy Research Institute at the University of Massachusetts examined the number of jobs created by spending the same amount on different forms of energy. It found the following results for spending $1 million:

Fossil fuels like coal and natural gas are the least job-intensive energy solutions. A dollar invested in energy efficiency and alternative energy creates more than twice as many jobs as the same amount invested in coal or gas. Energy efficiency and alternative energy also produce little or no environmental pollution or climate-changing greenhouse gases.

Natural gas produces less pollution than coal. Their relative effect on climate is still under debate. Coal is slightly more job-intensive than natural gas.
There are many kinds of biofuels. Some cause serious environmental effects, do little to reduce greenhouse gases, and raise food prices by diverting crops from food production. Others, such as new algae-based fuels, provide promising alternatives.

The relative cost of different energy sources varies depending on location and the ups and downs of the markets. A 2012 study by the Michigan Public Service Commission found that new renewable energy generation is now cheaper than new coal generation in Michigan. Over time, renewable energy and energy efficiency will almost certainly become progressively cheaper relative to fossil fuels.

TVA Required to Fund Local Economic Development

After an eleven-year struggle by environmental groups and state governments, in April 2011 the Tennessee Valley Authority (TVA) reached agreement to phase out eighteen coal-fired power plant units and to install new pollution controls on thirty-six others. The agreement settled a suit brought by the National Parks Conservation Association, Our Children’s Earth Foundation, the Sierra Club, the states of Alabama, Kentucky, North Carolina, and Tennessee, and the U.S. Environmental Protection Agency.

The settlement requires TVA to spend $350 million on environmental mitigation projects to address the impacts of past emissions. Communities near TVA facilities will directly benefit from this investment in environmental projects designed to reduce harmful air pollution and advance environmental justice issues.

Under the settlement with EPA, TVA will spend $290 million for the following projects:

- **$240 million** as part of the Energy Efficiency Projects that are designed to increase efficiency in transmission and demand-side supply to displace utilization of coal-fired electricity generation.
- TVA’s Smart Energy Communities project will focus on energy efficiency, including: high-efficiency air-conditioning or water heating, lighting upgrades, and grid-integrated renewable energy.
- As part of the Smart Energy Communities, TVA will provide “Extreme Energy Makeovers” for at least two communities in the Tennessee Valley. This project will retrofit low-income housing with the most cost-effective energy-reduction packages, thereby reducing energy consumption by as much as 25 percent, and thus power generation and associated criteria and greenhouse gas emissions.
- Additionally, TVA is offering incentive programs for residential, commercial, and industrial energy efficiency projects.
- **$40 million** to reduce greenhouse gases and other pollutants through the Clean/Renewable Energy Projects. These projects include: waste heat recovery, electric vehicle and plug-in hybrid electric charging stations, solar photovoltaic (PV) installations, and landfill or waste treatment methane gas capture and generation.
- **$8 million** for a Clean Diesel Retrofit and Electric Vehicle Project that requires TVA to either retrofit in-service, public diesel engines with emission control equipment designed to reduce emissions of NOx and volatile organic compounds or to replace such vehicles with electric or hybrid-electric vehicles.
- **$1 million** each to the National Park Service and the National Forest Service to improve, protect, or rehabilitate park and forest lands that have been injured by emissions from TVA’s plants.
TVA will also distribute $60 million to Alabama, Kentucky, North Carolina, and Tennessee for these states to implement projects of their choosing from a list of categories in the consent decree.

EPA Administrator Lisa Jackson noted that in addition to saving lives and preventing billions of dollars in health costs, the agreement will “help create green job opportunities that will reduce pollution and improve energy efficiency.”

Delaware: Coal to Wind

A promising effort to integrate employee and community jobs needs with transition from coal to clean, renewable energy was about to reach fruition in Delaware when changes in federal energy law blocked their progress. While the plan is now on hold, it illustrates some of the key elements for a job-friendly transition beyond coal.

In July 2010 the state of Delaware announced a consent agreement with NRG Energy, Inc., that would permanently close the third of four coal-fired electrical generators at the Indian River Power Plant. NRG was already at work on the Bluewater Wind Project, and as part of the agreement, NRG committed to focus its negotiations for offshore wind turbines for the project on companies that present a significant economic development and manufacturing opportunity for Delaware.

NRG also agreed to develop job-training programs in partnership with Delaware colleges to provide training opportunities for current employees and the local labor force for clean-energy jobs, including the company’s planned offshore wind park, electric vehicle infrastructure, and solar technology. NRG said it expected to close the coal-fired plant without layoffs through retirements, retraining, attrition, and redeployment.

Gov. Jack Markell said, “This agreement will be a significant step forward for environmental quality and to restore the health of the Inland Bays. The agreement also includes a strong economic development component that provides critical workforce training for jobs in a clean-energy economy.”

Secretary Collin O’Mara of the Delaware Department of Natural Resources and Environmental Control added, “NRG’s plan for an offshore wind park, which will require five hundred construction jobs, and now their commitment to provide specialized training for current employees and local workers for those jobs and other alternative-energy programs, makes this a major step forward for Delaware’s improving public health and growing our clean-energy economy.”

The consent order included the following commitments by NRG:

1. Offshore Wind Manufacturing: NRG will be negotiating over the next six months with offshore wind turbine manufacturer(s) that would offer significant economic development and job opportunities for Delaware in connection with the NRG wind park or other offshore wind projects.
2. DelTech Training Program: In partnership with Delaware Technical and Community College, NRG will help develop and provide $150,000 for a Wind Turbine Technician training program in the construction and operation trades for any offshore wind project. Graduates will be trained in time for work on the Mid-Atlantic Wind Park.

3. Construction Training for NRG Wind Park: NRG will provide tuition reimbursement to qualified existing NRG employees who enroll in the DelTech technician training program to be developed. NRG employees will be offered wind park construction jobs first, to the extent possible and consistent with state and federal employment laws.

4. Electric Vehicle Infrastructure Jobs: NRG and the University of Delaware expect to develop a program to train electricians to install home, commercial, and public electric car charging stations as part of discussions for electric vehicle infrastructure development in Delaware.

5. Solar Infrastructure Jobs: NRG will work with DelTech, University of Delaware, and Delaware State University programs to train installers and service technicians of solar technologies. NRG will also evaluate developing large-scale solar projects with attention to supporting local job creation in the areas of production, installation, and maintenance.

In December 2011 NRG put all of its offshore wind development projects on hold for the near term. In explaining the decision, it noted:

Two aspects of the project critical for success have actually gone backwards: the decisions of Congress to eliminate funding for the Department of Energy’s loan guarantee program applicable to offshore wind, and the failure to extend the Federal Investment and Production Tax Credits for offshore wind which expire at the end of 2012 and which have rendered the Delaware project both unfinanceable and financially untenable for the present.

The company said it would “preserve its options by maintaining our development rights and continuing to seek development partners and equity investors. If and when market conditions improve and the company is able to find partners, NRG will look to deploy the Wind Park and explore other viable offshore wind opportunities in the Northeast.”

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The Navajo Nation: A Just Transition from Coal

The Navajo Nation is a Native American–governed reservation roughly the size of West Virginia located in northeastern Arizona, southeastern Utah, and northwestern New Mexico. Its economy has traditionally been based on agriculture, crafts, and extractive industries; average family income is $7,500 per year and the unemployment rate typically exceeds 40 percent.
The reservation, occupied by Navajo and Hopi Indians, includes some of the richest coal deposits in the world. A complex of mines and power plants provides the great majority of the Navajo and Hopi tribal budgets and is the main source of on-reservation jobs. They also provide high levels of air pollution, asthma, lung damage, water pollution, and chemical damage to farms and ranches.

**Desert Rock**

When plans became known to build a new coal-fired power plant at Desert Rock on the New Mexico side of the reservation, the proposal divided the reservation. The builder promised the Navajo Nation $50 million a year. The Tribal Council voted 66–7 for the deal. Many residents hoped the plant would be a source of good jobs. But grassroots opposition soon emerged. Local residents crowded public hearings to oppose the plant; the group Diné [Navaho] Citizens Against Ruining Our Environment (CARE) sued to prevent mine expansion for the plant; a new group called Dooda Desert Rock (No to Desert Rock) blockaded surveyors.

Opponents of the plant, and of the reservation’s dependence on coal, understood that it was not enough to oppose coal plants; they also had to address the economic and energy needs of the reservation’s impoverished, job-deprived, and culturally abused residents. Diné CARE worked with Ecos consultants to prepare a study that provided not only a critique of the Desert Rock proposal, but detailed alternatives for wind, solar, gas, and conservation (see “Energy and Economic Alternatives to the Desert Rock Energy Project”).

**Black Mesa**

Meanwhile in the Black Mesa region on the Arizona side of the reservation, the Black Mesa Water Coalition and other grassroots and environmental groups had successfully ended the abuse of reservation water resources by Peabody Coal. They recognized, however, that the economically deprived people of the Navajo Nation needed something more than simply blocking sources of pollution. So they established the Just Transition Coalition, whose purpose was to “justly transition Navajo employment sources off of coal mining and into renewable energy.” Composed primarily of Hopi and Navajo and environmental justice allies, including Indigenous Environmental Network, Honor the Earth Foundation, Apollo Alliance, Black Mesa Water Coalition, To’Nizhoni Ani, Grand Canyon Trust, and the Sierra Club, the coalition developed a plan for economic development based on tribally owned wind and solar projects.

The coalition took advantage of a unique situation. The closing of a highly polluting generating station had provided its owner, Southern California Edison, $30 million annually in pollution allowances which could be
sold under the U.S. Acid Rain Program. The Just Transition Coalition asked the California Public Utilities Commission, which regulates the company, to devote that money to implementing a just transition plan for the Navajo Nation and Hopi Tribe.

The plan would direct 30 percent of the pollution credits to local villages and tribal governments to invest in solar, wind, and ecotourism; 10 percent to job retraining; 40 percent to alternative-energy development and production; and 20 percent to tribal government programs previously supported by coal royalties. While the plan did not claim to replace the jobs already lost because of the plant shutdown, it did aim to provide jobs and economic development in the region around the plant.

The California Public Utilities Commission took the groundbreaking step of ordering that all proceeds from pollution allowance sales be put in a special account to fund renewable energy investment. It thereupon requested proposals from the Just Transition Coalition for how the funds should be spent. The outcome remains tied up in a lengthy regulatory and legal process.

The Just Transition Coalition revealed the need for a way for Navajo communities to build and support local green-job initiatives. The Black Mesa Water Coalition therefore launched a Navajo Green Jobs campaign to support green economic initiatives including both “traditional economic activities such as weaving, farming, and raising livestock” and “modern technologies such as wind and solar projects, energy efficiency, green construction, and green manufacturing.” That developed into Diné Binaaniish Yá’át’éehgo Noosééél (Navajo people working together to build positive and healthy jobs for all).

The Black Mesa Water Coalition developed and won passage of the first green-jobs policy to be adopted by a tribal nation. It defined green jobs as “well-paid jobs created by sustainable businesses and/or industries that are low- or nonpolluting; and green jobs respect the traditional Diné culture and Mother Earth.” In 2009 the Navajo Nation established two new agencies, the Navajo Nation Green Economy Commission and the Navajo Nation Green Economy Fund. They aim to work across tribal departments to help tackle unemployment and poverty through green-jobs creation.

Despite having established a green economy sector within the Navajo Nation’s government, the Navajo Green Jobs campaign decided to continue as a vehicle for community empowerment. Much of its work has involved presenting its green-jobs plan to local communities and getting their input to adapt it to their needs. The campaign has run summits for experts, community members, and youth; workshops for Tribal Council members; sustainability fairs with live music, sustainability demonstrations, and farmers markets; and a network to connect with tribal members at universities and off-reservation towns. It is also creating programs and materials to support the development of small-scale green enterprises on the reservation (see “Green Toolkit”).

The Black Mesa Water Coalition is now working on two green economic development pilot projects. The Navajo Wool Market pilot project is conducting a prefeasibility study on the traditional Navajo wool industry and case studies of applicable experiences from community enterprises elsewhere. The Black Mesa Solar Initiative is exploring the possibility of a community-owned solar energy cooperative. The project will begin with a solar photovoltaic installation that includes a community benefits agreement with a small equity ownership stake for the residents, local hire provisions, and home solar PV systems for families in the area. Much of the solar energy collection will take place on reclaimed land previously damaged by coal-mining processes.
The Future of Coal in the Navajo Nation

Today the reservation continues to be divided over the future role of coal in its economy. The EPA has proposed to require significant pollution reduction at the Navajo Generating Station, a major power plant with an associated coal mine whose owner has threatened to shut down the plant if the proposed regulations are implemented. The tribal governments and the local government in the community where the plant is located are asking that the proposed regulations be withdrawn. But the reservation’s environmental organizations argue for a transition to a sustainable alternative, preferably solar (see “Explaining the Power Plant Debate”).

In 2009 the EPA acknowledged that the air permit it had awarded to the Desert Rock project was based on an inadequate analysis of its particulate matter, mercury, ozone precursor, and carbon dioxide emissions, and a failure to consult with other agencies; in September 2009 the EPA withdrew the permit. Thereupon the Bureau of Indian Affairs withdrew an opinion in support of the plant; the Tribal Council declined to confirm investment in the project; industrial revenue bonds to finance the project expired; and the developer stated it has no plans to resubmit its air permit application to the EPA. Meanwhile opinion on the reservation had shifted: Both top candidates for president of the Navajo Nation opposed the project. In August 2010 Diné CARE treasurer Lori Goodman declared, “Desert Rock is dead.”

Alternatives for Desert Rock

Summary of Energy and Economic Alternatives to the Desert Rock Energy Project

Diné Citizens Against Ruining our Environment HC
63 Box 263 Winslow, Arizona 86047 505.801.0713 / 928.380.7697


Explaining the Power Plant Debate

Source: http://www.blackmesawatercoalition.org/resources/finalbrochure.pdf

The Cycle of Coal, Power, and Water

1. Kayenta Mine
   Peabody Coal runs this mine. The Navajo Tribe leases Navajo land to Peabody, and Peabody gives the tribe a percentage of the profits, about 10% of the money made from each ton of coal. This mine provides the $8 million tons of coal per year that is needed to run the NGS.

2. Navajo Generating Station (NGS)
   The NGS produces electricity by burning coal. It is also on the reservation, near Page. A lot of the electricity it produces goes to CAP, for a lower price than it is normally sold for. NGS is not owned by the Navajo tribe, but by a group of large power companies. It uses at least 28,000 acre feet/year of water. (This unit is the amount of water needed to cover an acre of land with one foot of water).

3. Central Arizona Project (CAP)
   This is the route that CAP pumps water from the Colorado River to about 80% of Arizona’s residents. CAP pumps 1.5 billion gallons of water/day with the electricity from the NGS. If the NGS closes, the price of water in Arizona is expected to rise 30–50% because cheap electricity to run CAP will no longer be available.

What’s going on with the Navajo Generating Station (NGS) and how does it affect all Navajos?

The EPA, the Environmental Protection Agency, an agency of the US government, has told the NGS that it is polluting too much. The EPA has told the NGS it must install BART.

What is BART?
   BART stands for Best Available Retrofit Technology. It means the NGS must install the best technology available for preventing the release of pollutants into the air. Right now, the EPA is trying to decide what technology the NGS needs to install. The technology will cost between $330 million to one billion dollars.

Could the NGS close sometime in the near future?
   It could. If it decides not to pay for BART because it feels BART is too expensive compared to the money it makes from selling electricity.

Why do some Navajos, including the tribal government, not want the NGS to transition?
   The NGS provides jobs, about 300 full-time positions, and money from the sale of its power and the land it leases to Navajos. However, many Navajos do not think these economic benefits are worth the harm the power plant causes.

Navajos should move towards a greener economy. This would mean that the Navajo people could make money and also maintain their health and that of the Navajo nation. The Navajo tribe should move towards renewable energy, creating electricity from the sun and wind, which does not harm the environment, or does so much less than burning the coal.

Burning coal on the reservation means it in Navajos that suffer the negative health effects of burning coal, even though they don’t use the majority of electricity it produces. Burning coal harms human and environmental health.
This webpage from the Michigan Sierra Club illustrates many of the ways that jobs and economic development can be framed as a positive part of the clean-energy message.


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**CLEAN ENERGY FUTURE**

The shift to clean energy in Michigan is well underway - our biggest challenge is to make sure that politicians in Washington, in Lansing and in our hometowns don’t block our clean energy future. Michigan became a national leaders in clean energy investments in recent years. More than **100,000 jobs have been created and $10 billion invested** in solar component manufacturing, advanced batteries, wind turbine construction, energy efficiency and more.

But Governor Snyder and Michigan Congressional and Legislative leaders seem determined to turn back the clock - threatening not only new and expanding good clean energy jobs and our competitiveness as a state, but promoting dirty energy like coal and nuclear power that threaten our children, the Great Lakes, and Michigan’s future.

Michigan needs a clean energy future that starts with increasing our **energy efficiency** so we can do more with less dollars. We need to **build more clean energy components** here, and deploy them here to **produce our own renewable energy here** instead of sending train car loads of dollars out of state to buy dirty coal and oil. Michigan has some of the best **wind power** opportunities in the country, and a huge potential for **solar power** as well. Our children need Michigan to **get Beyond Coal now**, from transitioning away from MSU's coal plant, the largest on-campus coal plant in the country, to dumping the expensive and dangerous plans for new coal plants in our state. And it is well past time for Michigan to "say no" to a **new nuclear power plant**.

Michigan has a good head start in making the transition to a clean energy economy that will eliminate toxic mercury and global warming gases and protect our health, while making our energy of the future affordable and keeping good jobs in Michigan. There are many ways for you to get involved, from adopting clean energy yourself to joining our lobby days at the state capitol!

*Please join us in the effort to build a clean energy future for Michigan.*
CAMPAIGNS

Holland Beyond Coal
Holland Board of Public Works is pursuing expansion of the municipal utility’s coal fired power plant. Sierra Club members in Holland are working to advance clean energy alternatives that will protect the health and well-being of the residents for generations to come. Learn more about our work here.

Biofuels and Biomass in Michigan
Sierra Club calls on state and federal agencies to stop funding the Frontier Renewable Resources project. Michigan is fortunate to have abundant forests and farmland. As such, our state is of keen interest to developers of biomass and biofuel projects. While our country needs to move forward with research and development of appropriate biofuel-based energy sources, it must be done with care and a guarantee of sustainability. Currently, however, Michigan is rushing forward to use tax dollars to subsidize projects that are both economically and environmentally unsustainable.
Stop the Michigan Coal Rush
Starting in 2007, Michiganders saw one of the most aggressive efforts to build new coal plants of any state in the nation. Through the extraordinary hard work of a wide coalition of energy, faith, tribal, health, and environmental organizations, in August of 2010 every one of the eight proposed coal plants was canceled, was put on indefinite hold, or had been denied a needed air pollution permit by the state of Michigan. Several proposals are back on the drawing board. Find out how you can help Michigan reject old, dirty coal, and to secure an efficiency-first renewable clean-energy future!

Clean Energy
In October Michigan took its first, long-overdue step toward a green-energy future and fighting climate change. Gov. Granholm signed into law Public Acts 286 and 295 establishing requirements for energy efficiency and renewable electric generation of all electric providers in Michigan. While this was a good start, Michigan has much more to do to assure that we are creating both a clean-energy future and the economic benefits this can bring. Find out more and how you can get involved in Energy 2!

Cool Cities Initiative
The Cool Cities campaign is a grassroots campaign designed to help citizens encourage their mayors to sign on to the U.S. Mayors climate protection agreement.

Clean, Renewable Energy
Michigan is currently at a crossroads to secure our economic and energy future. Bold, immediate leadership is required to bring new industries to Michigan—including clean, alternative energy sources like advanced batteries, wind and solar power—before other states position themselves as leaders and draw investment in these emerging industries. By acting now, we can make Michigan a leader and make clean energy the profitable kind of energy.

Michigan: Making a Clean-Energy Program for Jobs
This campaign platform for the Sierra Club’s ReEnergize Michigan campaign illustrates many ways that specific clean-energy initiatives can be presented as means to create jobs and economic development.

Source: http://michigan.sierraclub.org/issues/cleanenergy/renewableenergy.html
CLEAN, RENEWABLE ENERGY

During the 2007–2008 legislative session, a package of bills was passed that begin to put Michigan on a path to a cleaner energy future. However, Michigan’s incentives for clean-energy investments are not as strong as our Midwestern neighbors. Michigan has the resources to lead the nation in clean-energy innovations that have the power to transform our economy. But we must put stronger policies in place to encourage far greater investments. In addition, current law does not do enough to address the need for rapid investment in energy efficiency, which has proven to be a simple, cost-effective policy that spurs immediate job creation, reduces energy consumption, and saves business and residents money.

The ReEnergize Michigan! campaign champions progressive legislation to make Michigan a leader in the jobs of the future by investing in clean, alternative-energy industries, like advanced batteries, wind, and solar power. The campaign is also addressing the need to protect Michigan consumers from home foreclosures due to energy bill nonpayment and shutoffs, as well as increasing investment in low-income home-weatherization projects.

The public is hungry for bold policies that provide incentives for immediate job growth with an eye toward sustainability. Increasing investment in clean, alternative energy and energy efficiency demonstrates to the public that Michigan’s legislature is willing to do what it takes to change the direction of our state’s economy.

ReEnergize Michigan! Campaign Platform

Create powerful incentives for clean, alternative energy production and manufacturing:

Michigan must create and expand tax incentives for clean, alternative energy production and manufacturing, with the goal of luring clean-energy industries to the state and creating thousands of good jobs for our skilled workers. Michigan must also promote a clean-energy economy with groundbreaking programs helping residential customers and businesses become alternative-energy entrepreneurs. Utilities must pay a fair price, including a return on investment, for electricity generated and put onto the grid. This policy is often referred to as a feed-in tariff, but the bill that has been introduced to meet this policy objective is called the Renewable Energy Sources Act, HB 4137.
Encourage immediate investment in clean, alternative energy like wind and solar power:

Michigan must raise the Renewable Portfolio Standard (RPS) to at least 30 percent by 2025 to create the needed incentives for clean, alternative-energy industries to locate in Michigan. With one of the strongest and cleanest renewable-energy standards in the nation, our state will become a magnet for the development of advanced batteries, wind, and solar power. Michigan must send a signal to the rest of the world that Michigan will spearhead the new-energy economy while doing our part to reduce the impacts of global warming. This bill is currently being drafted—no bill number yet.

Make Michigan a leader in building “green”:

Michigan should improve building codes so that new construction is as efficient as possible. The state should also provide incentives and education to transform Michigan’s construction industry so that buildings become part of the solution to energy conservation and efficiency as well as energy production. A number of bills have been introduced to meet this objective, including HB 4756, which raises our building-efficiency standards, and HB 4575, which allows communities to set higher building-efficiency standards than the state.

Maximize investments in energy efficiency, saving money, and creating thousands of skilled jobs:

Michigan must continue to promote innovations in energy efficiency by increasing the energy savings requirements from energy efficiency to at least 2 percent annually. Energy efficiency is the cheapest energy resource and has the potential to create thousands of good jobs in all corners of the state that can’t be outsourced. Maximizing energy efficiency eliminates investment risks because of its proven effectiveness at capturing baseload power at the lowest possible cost. It also saves money for all ratepayers. This bill is currently being drafted.

Create incentives for sustainable biofuels and advanced battery production:

Michigan must enact a low carbon fuel standard (LCFS) to reduce the carbon-intensity of transportation fuels, on a life cycle basis, by 10 percent by 2020. An LCFS will pave the way for Michigan to become a leader in the advanced battery storage industry and sustainable biofuels. Environmental safeguards and sustainability standards for biofuel production must be enacted to ensure protection of air and water quality, biodiversity, wildlife habitat, soil fertility, and forest health. This bill is currently being drafted.

PROTECTING MICHIGAN RESIDENTS

Prohibit home foreclosures due to energy bill nonpayment:

The foreclosure crisis is hitting Michigan harder than other parts of the country. Michigan must protect homeowners from foreclosures resulting from nonpayment of electricity and gas bills.
Prohibit complete electricity shutoffs for vulnerable populations:

Michigan must not let vulnerable citizens, including seniors, people with disabilities, and low- or no-income householders, to be exposed to dangerous weather conditions by complete energy shutoff for bill nonpayment.

Fully invest in low-income home-weatherization projects:

Michigan must maximize weatherization of low-income homes to help families slash utility bills and stay comfortable in their homes. Michigan must take full advantage of weatherization funds made available to states by the federal government.

Numerous bills have been introduced to meet the above three policy objectives.

Coal Power vs. “New Power” in Eastern Kentucky

A significant portion of electricity in eastern Kentucky is provided by the East Kentucky Power Cooperative (EKPC), a rural electric co-op made up of sixteen distribution co-ops and serving eighty-seven counties.47

In 2005 the Kentucky Public Service Commission approved an EKPC proposal to build the Smith coal plant in Clark County.48

On October 29, 2009, a public interest coalition of individuals and organizations filed a formal complaint with the Kentucky Public Service Commission asking that the approval be revoked. They argued that changes in demand for energy and the development of renewable alternatives made the plant unnecessary. The coalition included Kentuckians for the Commonwealth (KFTC), the Sierra Club, and the Kentucky Environmental Foundation.49

The coalition knew that the issue of jobs and economic impacts would be crucial in impoverished eastern Kentucky. They therefore commissioned a study by the Ochs Center for Metropolitan Studies (see “Power Studies”) showing that far more jobs would be created and electric rates would be lower if EKPC invested instead in energy efficiency, weatherization, hydropower, and wind power.

KFTC, a group with chapters in communities throughout Kentucky, issued educational materials specifically directed to the impact of energy decisions on workers and their jobs (see “8 Reasons Workers Should Say ‘YES’ to Clean Energy and ‘NO’ to Smith ”). They held community meetings around the Ochs Center report. Community leaders attended air and water permit hearings. They met with EKPC board members to encourage them to support the alternative to the Smith plant.

In June 2010 the Kentucky Public Service Commission started an investigation of the need for the Smith plant and ordered the EKPC to provide extensive information regarding the plant.50

That set the stage for negotiations among the parties. On November 18, 2010, EKPC reached an agreement
with the public interest coalition. EKPC agreed to immediately halt plans to build the Smith plant and to stop seeking permits to proceed with construction. Even more remarkably, it committed $125,000 toward a collaborative effort in which EKPC and its member co-ops would work together with public interest groups to evaluate and recommend new energy-efficiency programs and renewable-energy options in Kentucky.  

The Clean Energy Collaborative is now meeting for quarterly roundtables. It involves a wide range of partners, including the EKPC and its member co-ops, the public interest coalition members, and housing and economic development groups.

**AN ANALYSIS OF THE ECONOMIC IMPACT OF ENERGY EFFICIENCY AND RENEWABLE ENERGY IN THE EAST KENTUCKY POWER COOPERATIVE REGION**

William Tharp, Ph.D. Lori Quillen Ochs Center for Metropolitan Studies July 2009

**SUMMARY**

As an alternative to building the proposed Smith #1 plant, an investment in a combination of energy efficiency, weatherization, hydropower, and wind power initiatives in the East Kentucky Power Cooperative (EKPC) region would generate more than 8,750 new jobs for Kentucky residents, with a total impact of more than $1.7 billion on the region’s economy over the next three years. This alternative approach would meet the energy needs of EKPC customers at a lower cost than the proposed coal plant.

Unlike projected economic activity that would result from construction of a new coal-burning power plant, investing in renewable energy, efficiency, and weatherization would result in jobs and benefits across the region rather than in a smaller geographic area around the site of the proposed coal-burning power plant.

Over a three-year period of construction and implementation, energy-efficiency and weatherization initiatives would create nearly $1.2 billion in economic activity and more than 5,400 jobs. The development of small-scale hydropower generation at 20 sites in the region would create more than $500 million in economic activity and more than 3,300 jobs.
8 Reasons Workers Should Say “YES” to Clean Energy and “NO” to Smith

- **A clean-energy solution will create thousands MORE JOBS**: An efficiency and renewables plan will create thousands of jobs, rather than only hundreds of jobs created by the Smith plant. Over a period of 3 years, a clean-energy job plan creates nearly 4,600 direct jobs. Smith will create only 700 temporary and 60 permanent jobs.
- **Jobs will be created FASTER**: Within the first three months of ramping up the clean-energy solution, more than 300 jobs could be created; the Smith Plant will create less than 100 jobs over this same period.
- **These are GOOD jobs**: Clean-energy jobs will be good, well-paying jobs for plumbers, carpenters, and electricians—resulting in over $370 million in new income for KY workers directly working these jobs.
- **These are LOCAL jobs**: Jobs in efficiency, weatherization, and renewables are safe, stable, and community-based. They can’t be shipped overseas, and are spread across many sectors.
- **The clean-energy jobs will BENEFIT KY’s ECONOMY**: The net economic benefits for Kentucky will total $1.7 billion over a 3-year period.
- **This is OUR OPPORTUNITY to create good green jobs in KY**: All around the country, plumbers, steelworkers, electricians are leading the charge for a new clean-energy agenda. They are retrofitting thousands of buildings in Boston and New York, installing wind and solar in Ohio, California, and elsewhere! Now’s our chance to fight for good, green jobs to ensure KY workers don’t get left behind.
- **Green jobs are the FUTURE of KY**: In KY green jobs are growing faster than other sectors of the economy. From 1998–2007 clean-energy jobs grew by 10 percent compared to 3.6 percent in overall job growth in KY.
- **The clean-energy solution will SAVE FAMILIES MONEY**: Cost of electricity from the Smith coal-burning plant: $74.73 per megawatt-hour. Cost from efficiency and renewables: $62.10 per MWh—17 percent less expensive.

Support Good, Green, Union Jobs for KY!

Renew Eastern Kentucky

Strengthened by the effort to block the Smith coal-fired power plant, Kentuckians for the Commonwealth (KFTC) began developing a broader economic plan for addressing the needs and utilizing the strengths of eastern Kentucky.

Eastern Kentucky is an economically depressed area. Some counties in eastern Kentucky have an official unemployment rate over 23 percent. Overall rural poverty is over 25 percent; some counties have poverty rates near 45 percent.

**To address these realities, KFTC calls for an “Appalachian transition”:**

a web of complementary efforts that will facilitate a deliberate transition to a new, sustainable, mixed
economy, driven by strategies rooted in interdependent sectors ranging from local agriculture to arts, sustainable forestry to new energy sources.

The East Kentucky Power Cooperative (EKPC) has agreed to collaborate to pursue new energy-efficiency programs and renewable energy options in eastern Kentucky. Kentuckians for the Commonwealth (KFTC) has started a campaign called “Renew Eastern Kentucky” to make such a new-energy strategy the basis for an “Appalachian transition” in eastern Kentucky.

The campaign is based on a Renew Eastern Kentucky plan for an “aggressive, well-funded, five-year initiative in the EKPC service area in cooperation with local, state, and national agencies and organizations.”

**Elements include:**

- investment in residential efficiency and weatherization programs
- local renewable energy projects, such as small-scale hydroelectric at existing dams
- on-bill “pay as you save” installment financing (see “On-Bill Financing”)
- funding through low-interest loans from the USDA’s Rural Utilities Service
- coordination with affordable housing efforts
- workforce development for green-energy jobs

The plan would produce thousands of job-years, far more than fossil fuel energy. And it would make energy more affordable. Jobs would be concentrated in eastern Kentucky communities, including some of the most impoverished.

The campaign also aims to help restore the democratic character of the energy co-ops by such reforms as contested elections, open meetings, and member access to records.

The campaign aims to develop a “cooperative leadership based on a vision of a brighter future” including partners “from community colleges to labor unions, housing nonprofits to community action agencies.”

**First steps are already under way:**

- KFTC is holding meetings between its local chapters and their local EKPC distribution co-ops.
- The Mountain Association for Community Economic Development (MACED) has initiated a pilot program for on-bill financing of residential energy efficiency for 200–300 houses in four co-ops. The program has won the approval of the Public Utilities Commission.
- KFTC members have met with members of Congress to encourage support for the Rural Star bill that would provide funding for such programs.
- KFTC has met with training and workforce development organizations to explore job training possibilities.
Renew East Kentucky is an organizing campaign to move Kentucky’s rural electric co-ops toward cleaner energy, increased energy efficiency, and more open and democratic governance.

Our goal is to create good, local jobs, ensure affordable electricity for those most vulnerable, and begin shifting power from the hands of the few to the hands of the many.

Renew East Kentucky will be an important step in transitioning our region to a sustainable and healthy economy that is good for all of us.

The 16 cooperatives in the East Kentucky Power Cooperative service area

We are Kentuckians. We love our families. We care about our communities. And we want what everybody wants: more affordable energy; good jobs that don’t do damage to our land, air, or water; a say in the important decisions that affect us; and healthy communities.

Today we have the best opportunity in generations to build the Kentucky we deserve. KFTC members are now at the table with electric co-ops, looking for ways to bring about more energy efficiency and renewable energy. Energy-saving pilot projects, including the new How$martKY program, are taking place throughout the area. And people are stepping up more and more to participate in the decisions their co-ops are making.

But we must keep working. We are facing real economic hardships. We have to organize our communities and convince the co-ops that helping their members save energy and save money should be a top priority. We need to lobby our decision-makers to get behind clean energy, energy efficiency, and job training. And we need to communicate a vision of what is possible: that together we can renew east Kentucky.

We have a vision. We’re taking action.

To renew east Kentucky, we propose that the East Kentucky Power Cooperative and its sixteen distribution cooperatives launch a strong energy-efficiency and renewable-energy program that is well-funded and long-lasting in the EKPC service area.

KFTC members are currently participating in the Clean Energy Collaborative with EKPC with a goal of developing and recommending a well-researched energy-efficiency and clean-energy plan to the EKPC Board of Directors.

Grants and loans from USDA’s Rural Utility Service (RUS) and other funders could fund a large part of this initiative, allowing the co-ops to implement these significant energy-efficiency and renewable-energy solutions.

On-bill financing is also an important part of the plan. How$martKY, a program now in the pilot (or testing) stage, will allow co-op members to upgrade their homes and pay for improvements with their utility savings.

Implementing this plan will also require its adoption by the EKPC board, approval by state regulators, as well as a region-wide commitment to workforce development.
And we will need **committed and energetic partners**, both established and unlikely, from the community colleges to labor unions, housing nonprofits to community action agencies.

Jackson Energy members meet with their co-op staff.

KFTC members have begun **taking action** and, over the coming years, we will work to [Renew East Kentucky](#) in the following ways:

- Organize in our communities by hosting house parties, talking with neighbors, etc.
- Participate in the Clean Energy Collaborative with EKPC & the co-ops
- Help promote the How$martKY on-bill financing program
- Work to reform the local distribution cooperatives
- Lobby for legislation to bring clean energy to Kentucky and funding for on-bill financing
- Develop leadership skills related to clean energy and democracy
- Create and use strategic communications tools and materials

### Renew Eastern Kentucky Petition

Renew East Kentucky is a campaign by [Kentuckians For The Commonwealth](#) to move Kentucky’s rural electric co-ops toward **cleaner energy**, increased **energy efficiency**, and more **open and democratic** governance. Our goal is to create good, local jobs, ensure **affordable electricity** for those most vulnerable, and begin **shifting power** from the hands of the few to the hands of the many. Renew East Kentucky will be an important step in transitioning our region to a **sustainable and healthy economy that is good for all people**.

Sign below if you want to learn more or get involved:

Name ________________________________
Address __________________________________________________________________________
City _____________________________ State _______ Zipcode __________
Phone ______________________________ Email __________________________
Electric Utility _____________________________________________________________________

**Optional:** Please answer the questions in this right-hand column if you are interested in energy-savings programs. KFTC may share this information with organizations who are working to provide affordable energy-efficiency and clean-energy options to utility customers.

House size in square feet? ____________________________
Highest bill amount? ___________ When? ________________
Type of heating system(s)? __________________________
How old is your heating system? ______________________
Do you stay comfortable in winter? __________________

Return this petition to: Kentuckians For The Commonwealth 140 Mini Mall Drive, Berea, KY 40403
For more information contact Sara Pennington at sara@kftc.org or (606) 276-9933
If residents can weatherize their homes or add solar hot water heaters, their monthly electric bill goes way down. But all too often they can’t afford to make the investment. With “on-bill financing,” residents get a low- or no-interest loan and pay it off out of what they save on their monthly electric bill. The proposed Rural Energy Savings Program Act would provide zero-interest loans from USDA for “pay-as-you-save” on-bill financing.

Such a program is already under way in rural western Kansas. Midwest Energy in Hays, Kansas, has developed a program called How$mart that provides money for energy-efficiency improvements such as insulation, air sealing, and new heating and cooling systems for residential and small business consumers. Customers—whether owners or tenants—don’t have to put up any money up front. Customers repay the funds through energy savings on their monthly power bills.

Customers start with an energy audit to determine potential savings. The power supplier develops an individualized conservation plan. Customers choose a contractor. If the customer moves or sells the property, the deal passes to the next customer at that location.

The program started with a pilot in four rural counties in the summer of 2008; it then spread through rural western Kansas. A year later it had invested $1 million in more than two hundred rural homes and businesses. It is estimated that customers will save more than 400,000 kilowatt hours per year, enough to power forty homes. That will put 13,000 fewer tons of carbon dioxide into the environment over the next twenty years. The Environmental Defense Fund recently recognized How$mart as one of America’s best energy innovations.

The Kansas Energy Office is using $37 million in stimulus money to start a statewide program called Efficiency Kansas based on the principles of How$mart. It is already creating new green jobs and training. The Wichita Area Technical College, for example, is offering scholarships for an energy-auditors program, and the state is offering $250,000 in scholarships for auditor programs. The state is also providing $250,000 in equipment that students can rent after graduation to get started in the business.

Coal-retirement advocates often point out that replacing coal with better alternatives is likely to produce far more new jobs in the future. But if your job produces or uses coal, that is indeed cold comfort. How should beyond coal advocates relate to the fact that their proposals may have adverse secondary effects for some communities and workers?

It is a basic principle of fairness that the burden of policies that are necessary for society—like protecting public health and the environment—shouldn’t be borne by a small minority who happen to be victimized by their side effects. Protecting workers and communities from the effects of socially and environmentally necessary economic change is often referred to as a just transition.
In some coal plant transitions, provisions have been made to protect the livelihoods of all or nearly all power plant workers. For example, in the elimination of coal burning at the Blount Street plant in Madison, the union and the company reached a transition agreement under which only one worker has so far been laid off, and in that case with his own consent (see “A Just Transition in Madison”).

Such provisions are a matter of elementary justice—it is unfair that workers who through no fault of their own happen to work in jobs that need to be eliminated to achieve a social good should bear the burden of that change by losing their jobs. In addition, whenever a worker loses a job as a result of the transition away from coal, that worker may well be held up as a poster child for the idea that coal plant opponents are job killers. For both reasons, clean-energy advocates should insist from the outset that part of any transition away from coal include protection for the well-being of workers whose jobs may be threatened.

To do so, the specific character of jobs in coal-fired power plants must be taken into consideration. The older plants that are prime targets for shutdown are generally labor-intensive, so conversion to natural gas or other alternatives usually means that the number of jobs will be reduced. Utility plant workers are often highly skilled, with quite specific knowledge that is necessary to run their plants safely, which can make it harder to find comparable jobs for them. Our old coal plants, however, have an aging workforce, so in a well-planned transition from coal, many workers will be eligible to retire.

Workers don’t have to burn coal in order to have jobs or livelihoods. The Delaware consent decree, for example, provided that the workforce would be reduced through “retirements, retraining, attrition, and redeployment”—not layoffs (see “Delaware: Coal to Wind”).

About one hundred power plants are owned by independent power producers, often called “merchant” companies, which sell power wholesale to other power companies. But the great majority of power plants are regulated public utilities that sell to consumers. Most of these are multiplant companies; when one plant is closed, they often have the possibility of finding jobs in other plants for the workers displaced. Many power companies are partnered with others through joint ventures and other networks, providing another avenue to find equivalent jobs for workers who would otherwise be laid off.
**Pursuing Just Transitions**

In addressing the impact of coal plant closings on current workers, there are several things coal-retirement advocates should keep in mind.

First, remember that you are dealing with a difficult and potentially tragic human situation. In contrast to blocking a new plant, downsizing or shutting an existing plant is not about hypothetical jobs in a hypothetical future; it impacts the lives of real, identifiable women and men. Utility-sector jobs are often secure, well-paid jobs with union representation. Unionized workers at the TransAlta power plant in the state of Washington, for example, made two and a half times the average wage in their county. Put yourself in the shoes of people who you are putting at risk of losing the only decent job they may ever have.

Reach out early to the unions or other organizations that represent threatened workers, and if possible to the workers themselves. You don’t have to start by asking them to support you in eliminating their jobs! Instead, make clear where you are coming from in approaching them: You believe that those who work in coal-producing and -using industries shouldn’t bear the cost of transitioning beyond coal. Find out their real situation and needs; for example, how many workers are close to retirement; what other jobs in the company might be appropriate for redeployment; what is the current practice for negotiating about job changes? Ask them what would be necessary, in the event of a transition away from coal, to protect their livelihoods. (This is much easier to do if you already have an on-going relationship through coalitions that include both environmentalists and trade unionists, like the Blue-Green Alliance.\(^{54}\))

If the company is playing a cooperative role in negotiating a transition from coal, you can ask it similar questions. But don’t consider a company to be the spokesperson for its workers. Recognize that workers are entitled to an independent voice accountable to them.

To be perceived as the allies rather than the enemy of current workers, coal-transition advocates should from the very beginning of a campaign include the demand that employers negotiate an employment-transition plan with the representatives of their workers (see “A Just Transition in Madison”). They should insist on this demand at every stage of their campaigns and include it in their proposals, communications, and submissions to regulators and other government bodies. They should demand that regulators and legislators incorporate this requirement in any plan for a transition from coal.

Some energy plants are directly associated with particular coal mines, either ones in the same area or ones owned by the same company, or both. This gives labor unions a further problem in protecting members’ jobs. In Colorado, for example, the shift from coal to natural gas was perceived as threatening the jobs not only of
power plant workers, but of Colorado miners—one of the reasons that organized labor initially opposed the shift (see “Colorado: Workers at the Table?”). Similar shutdowns of coal power plants on the Navajo reservation threatened the jobs of hundreds of miners (see “The Navajo Nation”). In Appalachia, the United Mine Workers is a leading opponent of coal-retirement efforts. If miners and others—such as truck drivers and railroad workers—are directly affected by a proposed power plant closing, you can use the same strategy for addressing their right to a just transition that you would for those who work in the plant itself.

A Just Transition in Madison

The importance and benefits of building a long-term relationship between energy industry workers and clean-energy advocates, even though their interests are not always identical, is illustrated by the way Madison, Wisconsin, is transitioning beyond coal.

In 2003 Madison’s Mayor Dave Cieslewicz convened the Mayor’s Energy Task Force and charged it with “making Madison a green capital city and creating a city that is a national leader in energy efficiency and renewable energy that also supports the city’s economic vitality.” One of the members of the task force was the president of Madison’s IBEW Local 2304, which represents workers in the Madison Gas & Electric company. The inclusion of utility worker representatives in the city’s planning process laid the groundwork for continuing cooperation in moving beyond coal in the city’s power generation.

MG&E’s century-old Blount Street power plant in downtown Madison was the largest single-point source of emissions in Dane County and among the most polluting power plants in the Midwest. By the mid-1990s, the company faced spending tens of millions of dollars to modernize pollution controls at the plant.

The plant was also a target of environmental protests. In December 2005 nearly two hundred residents attended a public meeting of the city’s Environmental Commission and complained that it was causing asthma and dangerous ozone levels.

In 2006 MG&E issued a ten-year plan titled “Energy 2015.” The plan would downsize the plant and stop using coal as a fuel source within six years and would increase its use of natural gas, wind energy, energy efficiency, and cleaner coal from more modern facilities. In the longer run it also planned to reduce use of natural gas to less than one-third by 2015.

The company told employees that about seventy jobs would be cut over the six-year downsizing and coal phaseout. Union president Dave Poklinkoski said that fifty-three of them would be union positions. However, the union did not oppose the plan and Poklinkoski noted the value of the extended timeline for the phaseout. “It’s not a sixty-day or a ninety-day notice, it’s a six-year notice. So we think both parties can put our heads together and figure out a humane way to address this.” He noted that the company and the union would discuss how to structure the job cuts as part of regularly scheduled collective bargaining.55

In fact, according to the IBEW local newsletter, the company and the union
reached an agreement in both 2006 and 2009 negotiations for a new contract on an employment and transition policy entitled “Energy 2015 Plan—Blount Employees.” Over the course of the last five years the plan largely successfully addressed IBEW members’ issues, as we went from approximately seventy-three members down to twenty-three. Given our collective history, that’s no small feat. Only one person was laid off, and he retired at sixty-one with supplemental unemployment benefits (see “Appendix: A Job-Protecting Labor Agreement”).

In March 2010 MG&E announced that it had converted the Blount St. plant to run on natural gas ahead of schedule. Although the company had warned in 2006 that seventy jobs would be lost, there were only five layoffs when the plant finally converted. The company also increased its wind capacity from 80 to 418 kW in the previous three years and expanded conservation programs for its customers. However, at the final stage of the transition in 2011 the company announced that four union members would be laid off; the union proposed instead that they be employed to fill positions that would soon be opening in the plant or elsewhere in the company. The issue is currently under negotiation.

Meanwhile, cooperation between utility worker unions and renewable energy advocates continued in other spheres. In 2008 Gov. Jim Doyle announced that two coal-fired heating plants would be shut down and replaced by cleaner-fueled cogeneration facilities. IBEW local president Poklinkoski stated,

This is a big step toward making Madison a model for an environmentally sound energy future. At the beginning of the process to find solutions for our aging power plants, I agreed with the University that we must take a transformational approach. Indeed, this is the first step toward an energy future where we create energy cleanly, use energy wisely, and provide family-supporting jobs for decades to come.

In September 2010 a coalition that included union, business, and renewable energy organizations called for building the 150-mile Badger Coulee Transmission Line to carry electricity, largely from renewable sources, from the LaCrosse area to Dane County. The group argued that the line would provide improved reliability, cost savings, and improved access to renewable energy resources, notably wind power from Iowa, Minnesota, and the Dakotas. The group included renewable-energy advocate RENEW Wisconsin, five local utility unions, and the Utility Workers Coalition, representing 28,000 workers in the Wisconsin energy industry.

When Gov. Jim Doyle, with strong support from renewable energy groups, submitted legislation for a shift to cleaner energy, the bill was framed as the Clean Energy Jobs Act. According to the Journal Sentinel, “supporters say that moving toward more energy efficiency and renewable energy is an economic-development strategy the state needs to take.” A state analysis found the bill would create a minimum of 15,000 jobs over the next ten years, mostly for constructing wind farms and retrofitting buildings for energy efficiency. When the bill was tweaked to provide even more investment in energy conservation, Wisconsin State AFL-CIO Secretary-Treasurer Phil Neuenfeldt wrote,

We are excited about the proposed modifications to the Clean Energy Jobs Act. The working families that we represent appreciate the improvements made to increase and to speed up job creation. The provisions added to allow job-creating conservation and efficiency to count toward the Renewable Portfolio Standard and the clarification to the nuclear language are both positive changes.
Wisconsin has no natural gas, no coal, and no oil. We currently send $16 billion out of our state every year to meet our energy needs.

The Clean Energy Jobs Act will create clean energy that works for Wisconsin, and is made in Wisconsin. This is a huge opportunity to reduce our dependence on foreign fuel and make sure that Wisconsin doesn’t lose green jobs to countries like China.

The jobs created by this legislation are good, family-wage jobs. This is the right choice for the environment and our economy.62

Wisconsin’s labor-environmental cooperation reached a high pitch in 2011 as both movements joined to protest Gov. Scott Walker’s savaging of both labor rights and the environment.

The Base-Closing Model

Job reductions often affect not just individual workers but whole communities, and a just transition needs to address those impacts. Coal transitions can emulate the highly successful process that helped local communities adjust to the disruption and job shifting that resulted from the closing of military bases under the Base Realignment and Closing Commission (BRAC). Those communities were provided a wide range of federal assistance, including planning and economic adjustment assistance, environmental cleanup, community development block grants, and community service grants.

Individual workers dislocated by base closings also received extensive support. The Department of Defense itself provided advance notification of a reduction in force; preseparation counseling; a hiring preference system with federal agencies to reemploy qualified displaced DOD employees; and financial incentives to encourage early retirement of those eligible. Workers affected by base closings were also eligible for help under national emergency grants, rapid response programs, comprehensive assessments and development of individual employment plans, and job training programs.

Communities and individuals affected by coal plant transitions could be similarly targeted for assistance from such existing programs as the Department of Labor’s Rapid Response Services and the national emergency grants of the DOL’s Employment and Training Administration, as well as funding for economic development and industrial efficiency and modernization from the Departments of Energy and Commerce.
Transition assistance in the past has often meant little more than an economic hospice for workers and communities threatened by the side effects of globalization, environmental protection, and other public policies. Without a clear program to protect workers from the effects of coal plant closures, the struggle for clean energy can all too easily come to be perceived as a struggle against American workers.

Perhaps surprisingly, some of the best ideas for protecting workers and communities hit by the side effects of public policy decisions were embodied in legislation championed in 1988 by Sen. John McCain to protect tobacco workers and farmers from tobacco control policy. McCain’s Universal Tobacco Settlement bill, which passed out of committee 19–1 but was defeated on the Senate floor, would have created an industry-funded $28 billion trust fund to help tobacco growers, cigarette factory workers, their families, and their communities adjust to the reduced purchase of American tobacco.\textsuperscript{63}

Workers and farmers would have received transition assistance from the fund if “the implementation of the national tobacco settlement contributed importantly to such workers’ separation” from their jobs. Several tobacco states subsequently developed their own programs to help with the transition away from tobacco, such as Kentucky’s Bill 611, which allocates half of the state’s tobacco settlement funds for agricultural diversification. Because the McCain bill received such wide bipartisan support, we will reference it where possible in this discussion as an instructive example.

**Protecting Individual Workers**

The principle that the cost of policies that benefit society shouldn’t be borne by those who are adversely affected by their side effects was recognized in the Trade Act of 1974 and subsequent programs for trade adjustment assistance, which provide compensatory benefits to workers who lose their jobs as a result of U.S. trade policies. The eligibility requirements, benefits, and administration of trade adjustment programs are widely recognized as inadequate, however.

A similar but better program can be developed for coal-fired generator workers and others affected by energy transition policies. Specifically, workers who lose their jobs because of coal transition should be eligible for:

- full wages and benefits for at least three years
- up to four years of education or training, including tuition and living expenses
- decent pensions with healthcare for those ready to retire

The opportunity for individuals to access higher education and advanced training will also mesh with the need to develop new labor force capabilities for the emerging green economy.

**Protecting Communities**

The McCain tobacco bill provided not just for individuals, but for hard-hit communities. It created a Tobacco Community Revitalization Trust Fund to offer economic development grants over a twenty-five-year period. They would support:

Business development and employment-creating activities “to provide a more viable economic base and enhance opportunities for improved incomes, living standards, and contributions by rural individuals to the economic and social development of their communities.”
Activities that “expand existing infrastructure, facilities, and services to capitalize on opportunities to diversify economies in tobacco communities that support the development of new industries or commercial ventures.”

Initiatives and technical assistance designed to “create or expand locally owned value-added processing and marketing operations in tobacco communities.”

Preference in employment under the program would be given to former tobacco workers and members of tobacco worker communities.

Chapter 4: Working with Labor

Struggles over coal power plants are usually conducted by coalitions, and unions are often significant players on one side or the other. Addressing the concerns of organized labor can therefore be a critical strategy for the transition beyond coal.

Even if unions do not actively support a transition away from coal, winning their neutrality and forestalling their active opposition can be an important part of a successful campaign.

Understanding Union Concerns

When faced with policy choices regarding coal-fired power plants, unions have a number of concerns that transition advocates can and should address.

Unions are of course concerned about the jobs of union members in coal plants and in related industries like mining and transportation who may be threatened by the closing or downsizing of power plants. Unions in affected industries have a direct responsibility to their members. Under the principle of labor solidarity—“an injury to one is an injury to all”—these unions can call on other unions to help them out when their vital interests are at risk. The measures described in “Chapter 3: Protecting Today’s Jobs” are critical for winning cooperation both from directly affected unions and from their allies in the labor movement.

Unions are also concerned about the secure supply of electricity. Nearly all employers are dependent on electricity and disruptions to supply can cause disruptions to jobs. Further, security of power supply is one of the factors employers consider when making decisions about where to locate their facilities. Transition advocates need to provide convincing answers to the question, will eliminating coal leave us to shiver in the dark? They need to show that renewable sources, which are likely to be far more secure in the long run, can be phased in with a transition that protects against risks in the meantime.
Unions also care about electrical rates. High and unstable rates are harmful to employers and tend to drive jobs elsewhere. This is of particular concern to unions in manufacturing, where energy is a major cost factor. While coal opponents often point out that the public is willing to pay more for clean energy, unions are concerned about the impact of high rates on low-income and fixed-income people. Transition advocates need to make a convincing case that rates will not go through the roof. They also should explore tax relief and other measures to protect the most vulnerable from rate increases.

Organized labor strongly supports new green jobs. This is particularly true of unions that represent workers in industries that may benefit. For example, the Sheet Metal Workers and the International Brotherhood of Electrical Workers unions have long been strong advocates for solar energy; the Laborers’ International Union and other construction unions strongly support green building retrofitting; United Steelworkers has been a leading advocate of wind energy. Plans for alternative energy and for alternative economic development more generally can benefit from trade union input and can be a tool for building bridges to unions.

Unions care not only about the number of jobs but also about the quality of jobs. They are not likely to be favorably impressed by a campaign to shut down a power plant that replaces highly paid good union jobs with minimum-wage contingent jobs without benefits or labor rights, however green they may be.

Unions are concerned to avoid a competitive “race to the bottom” in which low-paid, low-quality jobs drag down the standards for all workers. To avoid that, unions support rules like the Davis-Bacon Act, which requires employers to pay the locality’s prevailing wage. (Davis-Bacon Act protections were incorporated into the 2009 American Recovery and Reinvestment Act, which funded a wide range of green jobs and energy programs.) Many unions are also interested in job ladders that let those who have been excluded from good jobs learn the preapprenticeship skills and work habits that make them eligible for apprentice-track jobs. Finally, unions believe that the right to union representation is a basic human right that needs to be guaranteed for all workers and should be specifically guaranteed for programs promoting green jobs. Such policies to ensure that green jobs are good jobs can be made part of coal-transition programs and incorporated in regulatory and legislative requirements for utilities.

When local plants are threatened, unions are concerned not just about their members’ jobs, but about the broader impacts on the local communities. Closing a plant may have a significant impact on the local tax base, threatening the jobs of
public employees, the services provided to community members, and the rates charged to taxpayers. For example, the closing of a coal-fired power plant in Eastlake, Ohio, owned by FirstEnergy Corp, was expected to cut the city’s income-tax base by $600,000 and cause a loss of about $1.95 million in property tax paid annually by the company. Addressing such impacts, for example by finding new tax-generating ways to reuse closed power plant sites, can contribute to meeting the needs and concerns of workers and unions. Clean-energy advocates can work with unions to demand that energy companies and all levels of government contribute to restoring the local economic and tax base (see “The Base-Closing Model”). They can also cooperate to demand broader public policies to restore local economies (see “Just Transition Policies”).

Historically unions have a strong interest in health issues. Public health policies directly protect workers as they do other community members. Unions in the healthcare industry are generally supporters of strong public health policies. Unions are involved in health care policy and in negotiating health care plans for their members, who are directly affected by rising costs that result from community health threats. The devastating impact of coal plants on local health represents an area of common concern between unions and coal plant opponents.

Notwithstanding occasional highly publicized conflicts between particular unions and environmentalists, the labor movement has on the whole been a strong supporter of environmental protection. After all, workers, like everybody else, have to drink the water and breathe the air.

More recently the AFL-CIO has noted the dangers of climate change and has endorsed measures to combat it, although it has declined so far to support the targets and timelines climate scientists say are necessary to prevent climate catastrophe. The increase in extreme weather events caused by climate change is also beginning to have a devastating effect on workers and workplaces. Many trade unionists also believe in a basic human solidarity that leads them to be concerned about the effects of climate change not only on themselves but on people everywhere.

Finally, unions need allies. They are under constant attack both from their own employers and from right-wing political forces that seek to create a union-free environment. They also need allies to win contract campaigns, strikes, and public policies that benefit their members. Environmental groups have been important union allies—for example, in the 2011 struggles to prevent state Tea Party politicians from abolishing the rights of public employees to organize and bargain collectively. So have a wide range of progressive individuals and organizations that are likely to be sympathetic to transitioning beyond coal. This gives unions an interest in maintaining good relationships with environmental and progressive allies, provided they can do so without harming the core interests of their own constituents.
Unions and Transitions

Clean-energy campaigners need to build wide coalitions in support of their immediate and long-range goals, and they need to persuade those who might join opposing coalitions to instead remain neutral or at least not to campaign actively on their behalf. How can advocates of a transition from coal build such relationships with organized labor?

First, it is necessary to recognize organized labor as a legitimate and important voice in the energy discussion, representing both workers who are directly affected and working people more generally. In the case of the recent Colorado energy legislation (see “Colorado: Workers at the Table?”) unions stated that their initial opposition to a transition from coal was rooted in their exclusion from the decision-making process. The concerns of various unions and other labor organizations regarding job security, job quality, energy security, and utility rates need to be seriously addressed. (Many of the same concerns, like energy security, utility rates, and community impacts will need to be addressed for other constituencies as well.)

At the same time, unions’ positive interests in green jobs, economic development, health, environment, and a healthy progressive alliance provide the basis for genuine cooperation in many areas. It is best if relationships can be built before potentially divisive issues arise. The constructive role of the union in the transition from coal in the Blount Street power plant in Madison (see “A Just Transition in Madison”) resulted in part from the fact that the president of the local union had several years before been part of the mayor’s commission on clean energy, and had even once served on the board of a local environmental organization. It’s hard to substitute for trust, and trust isn’t won in a day.

Establishing a planned, orderly transition is critical for addressing labor’s concerns, as well as those of other groups, that can meet both the need for a just transition for those workers directly affected and the broader needs for economic development in the community as a whole. For example, when Seattle unions backed the phaseout of coal at TransAlta (see “TransAlta: Labor Backs a Transition Beyond Coal”) the Seattle Times reported that “Labor groups backed the deal because of the fifteen-year phaseout and the company’s financial contribution—a contribution of $30 million to a community investment fund for energy-efficiency projects and of $25 million for an energy technology transition fund to support innovative energy technologies and companies in Washington state.”

Cooperation between organized labor and those primarily concerned with the environment is never likely to be completely smooth. Each group has interests and responsibilities that it rightly believes it has an obligation to protect. There is no substitute for an aggressive effort to meet the interests and responsibilities of each in ways that are compatible with the interests and responsibilities of the other.
How Organized Labor Is Organized

American unions have a two-hundred-year history that has created a structure that can be difficult for outsiders to decode; indeed, even insiders often have detailed knowledge of only their own part of the forest. The best way to understand your local labor movement is to develop relationships with people in a variety of unions and allied institutions. Here are some things to be aware of.

Since the nineteenth century, the most powerful unit in organized labor has been the national union. The first unions represented workers in individual crafts, such as carpenters and printers, and such craft unions continue to this day. In the twentieth century, a new form of industrial union aimed to represent workers throughout a major industry, like the auto industry or the steel industry. More recently, unions mergers have resulted in many unions representing diverse workers in largely unrelated occupations and industries—what is sometimes called general unionism.

As a result, workers in the same occupation, industry, or workplace may be represented by many different unions. For example, utility workers are represented not only by the Utility Workers Union, but by the International Brotherhood of Electrical Workers, the Steelworkers, among others.

Although most unions are members of the large federation the AFL-CIO (56 affiliates unions) or the smaller Change to Win (with four affiliated unions), each national union is largely autonomous and sets its own policy, even if it differs from its federation. The federations play a role in speaking for the broader interests of their members and of working people in general, but they devote much of their work to providing support for their member unions. Both national and local union officials are elected by their individual members or their members’ representatives, but officials of the federations and their state and local affiliates are elected by their member unions.

At a local level, workers are represented by local unions, which are affiliates of national unions. A workplace may be represented by one local or by different locals from different unions. A local may represent workers in one workplace or in many. Local unions bargain with their employers and take public policy positions under the general guidance of their national union but often on their own initiative.

Most unions in a particular area belong to a central labor council (CLC). CLCs typically used to represent a single city, but they have increasingly merged to form regional councils. State labor councils represent most unions in each state. Local and state labor councils are affiliated with the national AFL-CIO, but they often also include unions that are members of Change to Win. Local and state labor councils speak for the broader interests of working people, but they also are responsible for mobilizing support for the particular concerns of their member unions. Often unions, especially the larger and more powerful ones, operate more on their own in the political and public policy arenas than they do through central labor councils.

What Unions Are Up Against

One reason unions fight so hard to hold onto existing jobs is the intense resistance they meet trying to organize in sectors where they are not already strong.
While as many as 58 percent of American workers would like to be represented by unions, less than 8 percent of workers in the private sector actually have union representation.⁶⁷

While American law guarantees workers the right to be represented by unions, when they try to form unions they are regularly met by harassment and intimidation. A study of 562 union election campaigns found that:

- 63 percent of employers interrogate workers in mandatory one-on-one meetings with their supervisors about support for the union
- 54 percent of employers threaten workers in such meetings
- 57 percent of employers threaten to close the worksite
- 47 percent of employers threaten to cut wages and benefits
- 34 percent of employers fire workers⁶⁸

**Ensuring Green Jobs Are Good Jobs**

To ensure that green jobs are also good jobs, the AFL-CIO recommends the following standards:

Neutrality in any union organizing campaign (companies agree to let workers decide without interference whether they want a union)

Comprehensive Davis-Bacon prevailing-wage coverage applied to all facets of federal construction assistance (wages aren’t cut below established local standards)

Bona fide apprenticeship programs with a record of compliance with apprenticeship hiring requirements (apprenticeships that meet established standards)

Joint labor-management partnerships (cooperation between management and union in addressing common concerns)

Health and retirement benefits

Employer-based training, including on-the-job training and skill upgrading

A record of compliance with federal laws, including prevailing wage laws, OSHA, antidiscrimination/antiharassment, and environmental laws

Compliance by subcontractors

(For further information on labor standards for green jobs, see the report “High Road or Low Road: Job Quality in the New Green Economy,” by Good Jobs First.)
Colorado provides an example of how a proposal to close a coal-fired power plant initially led to significant labor opposition, but an established pattern of cooperation between labor and environmental movements defused the conflict and ultimately supported a successful transition beyond coal.

As early as 2000, Colorado environmental groups began to push for renewable energy standards (RES) for electric utilities. In 2004 the first citizen-based ballot initiative in the country established a state RES. Soon after a coalition was formed under the aegis of the Colorado Apollo Alliance to bring together unions, environmental groups, farmer organizations, and business associations around the idea of linking clean energy and good jobs. In 2009 labor and environmental leaders held a dozen meetings “to brainstorm ideas, share needs and interests, and iron out differences.”

The result was proposed legislation to increase the RES to 30 percent, one of the highest in the nation. The bill included unusual provisions to ensure that green jobs were good jobs. For example, it required that a proportion of workers on solar installations be certified solar installers, creating a green career path. And it required the consideration of the availability of long-term career opportunities and wages, health care, and pension benefits in approving RES proposals. The bill passed in 2010. One advocate said it showed that “By working together, labor and the environmental community have proven that we can build a new cleaner energy economy and ensure that working families thrive at the same time.”

Colorado produces both coal and natural gas, and a more difficult issue arose in early 2010 when Gov. Bill Ritter proposed a bill that would encourage Xcel Energy, Colorado’s largest utility, to shift its aging coal plants to natural gas and renewables. The legislation was called the Clean Air Clean Jobs bill, and supporters emphasized its worker-friendly characteristics. In an op-ed supporting the bill, Roger Singer, of the Sierra Club, and Robert Richardson, M.D., of Physicians for Social Responsibility, wrote,

> The transition to lower carbon-emitting, cleaner sources of energy won’t just reduce pollution; it will create new green jobs in the design and construction trades and in plant operations. The job transitions will require highly skilled labor and working family wages, and we hope that the utilities will craft a work plan in collaboration with the power plant employees to ensure that workers are able to transition comfortably.

The proposal was supported by Xcel itself, the natural gas industry, and environmental groups. It was opposed by the coal industry, the railroads—and initially by organized labor. The International Brotherhood of Electrical Workers and the United Railway Workers Union, representing utility and railroad workers, opposed the bill in the House. They also won support from the Colorado AFL-CIO. Mike Cerbo, executive director, said the bill put 200–300 jobs at risk because gas-fired plants use fewer workers than coal-fired units. “Working families whose livelihoods are based on the existing economy weren’t at the table,” he testified. Despite framing the bill in terms of future jobs, clean-energy advocates apparently had not persuaded Colorado labor they had adequately addressed the jobs of those currently at work.
Cerbo’s statement was widely quoted in the media. But within a few days, organized labor’s position began to shift. By the time the bill came up in the Senate, the AFL-CIO had moved from opposition to neutrality—and the bill overwhelmingly passed.

Meanwhile, the community of allies that had supported previous clean-energy measures reached out to address labor concerns. A coalition that included the Sierra Club, the Colorado AFL-CIO, the Building and Construction Trades Council of Colorado, and the community group FRES: Good Jobs, Strong Communities began pressuring Xcel for a community workforce agreement that would provide labor protections similar to those in the RES legislation. A delegation brought handwritten testimony from dozens of unemployed construction workers supporting the proposal. Jonah Fruchter, of the Sierra Club, testified to the Public Utilities Commission (PUC) that “By negotiating a community workforce agreement to adequately address these jobs issues, Xcel can help uplift Colorado workers while at the same time addressing the environmental, air quality, and health needs of our state.”

Labor-environmentalist cooperation grew even stronger as the PUC held a series of hearings on implementation of the new law. In the PUC implementation process, the building trades encouraged a positive approach to a shift that would likely result in construction jobs. After Xcel reached an agreement with the union on relocation, retirement, and transitioning workers to new jobs, the IBEW likewise became a cooperative partner in implementing the change.

**Worker Protection Demands for Coal-Retirement Campaigns**

Here are key protections for workers and their communities that coal-retirement campaigns can demand from coal power plant employers and public officials and agencies who negotiate with them:

- Negotiate a jobs agreement with unions representing affected workers.
- Find jobs for affected workers who want them.
- Ensure job retraining for those who need it to fill new jobs.
- Provide decent pensions with healthcare for workers who are not provided other jobs and who do not opt for retraining.
- Create jobs restoring the site.
- Reutilize facilities to replace losses in the tax base.
- Fund job-creating community economic development.

Protections should apply to all affected workers, including those in supply and transportation.
Conclusion

Today we face a global climate crisis and at the same time a global economic crisis. The horrible result can be to pit jobs against the environment. But the transition to a clean, climate-friendly, environmentally sound economy and society is the solution to both.

The issue of coal-fired power plants is a perfect example. It can—and often has—become a battle over jobs versus the environment. That often translates into a battle between trade unionists and environmentalists. But this issue also provides a perfect example of how to move beyond that futile polarity. The solution is to create an energy and economic development alternative that creates jobs, putting our world on a sustainable basis.

Ultimately that will require a global green New Deal, in which the nations of the world cooperate to put millions of women and men to work, eliminating the threats to our common future. We are creating the building blocks of that new model locally as we transition from coal to renewable energy in a way that creates jobs, reconstructing our community energy systems and economies.

Learn more at: http://www.labor4sustainability.org/
Appendix

Energy 2015 Plan – Blount Employees

April 20, 2009

The Blount Generating Station (BGS) will eliminate burning coal as part of the Company’s Energy 2015 Plan. It is planned that this change will occur at the end of 2011 and another change, retirement of the 825# system, will occur in June of 2013 pending MISO approval. This Supplement also applies to these changes should they occur at a time other than the above-mentioned dates. The positions needed at the time of the change are in the following classification series:

82-133 Control Operator
82-129 – 82-132 Auxiliary Operator
84-162 – 84-166 Maintenance Mechanics and Apprenticeship
84-152 – 84-156 Industrial Electrician and Instrument Technician and Apprenticeship

The Company will make good faith and reasonable efforts to avoid layoffs by establishing the following provisions covering BGS employees who are employed prior to May 1, 2009.

On the basis of seniority, the top 25 IBEW-represented BGS employees in the above-mentioned classifications as of May 1, 2009, will be identified and guaranteed employment at BGS after the time of change. Employees, at the time of the changes, will be retained based upon seniority. The Company may retain additional employees based upon needs.

1. **Tuition Reimbursement** – Employees may use the Company’s Tuition Reimbursement Program for training to become qualified for IBEW-represented jobs in the Company or related jobs in other companies. In these instances, approval of the application for training and tuition reimbursement will be provided under the Company’s Tuition Reimbursement Program. Reimbursement for tuition will be at the time the employee pays for the training. An example of the type of training and tuition may include but is not limited to MATC classes, asynchronous EPCE on-line Electric Power Technology Program, etc. The Company, at its discretion, may pay for 100% of the costs for certain training programs. If an employee does not satisfactorily complete the training, he/she will no longer be eligible for up-front tuition reimbursement unless otherwise agreed to by the Company.

2. **Entry-level Positions** – The Company may post vacant positions at the entry-level classifications (e.g., Laborer, Groundman) and restrict bidding to BGS employees, in such instances, the Company has the discretion to select employees who are best qualified based on factors that include, but not limited to, completion of Company-identified training, work performance, history, attendance record, seniority, and safety record. Employees who participate in Company sponsored classroom and on-the-job training may be required to report directly to the training location and may have their schedule adjusted accordingly with 16 hours’ notice.

3. **Posting and Bidding** – BGS employees who bid on vacant positions covered under the Labor Agreement shall be given preference over other employees in the bargaining unit. In such instances,
the Company has the discretion to select employees who are best qualified based on factors that include, but are not limited to, completion of Company-identified training, work performance history, attendance record, seniority, and safety record.

4. **Company-Sponsored Training** – Training essential to meeting the minimum qualifications for Line Technician Apprentice jobs and entry-level jobs in Gas Distribution will be identified by the Company and shall be made available at no cost to BGS employees who may face layoff at the time that BGS eliminates the burning of coal and retires the 825# system. The Company shall determine the dates for employees to attend the training. Employees’ time in the training shall be without loss of pay. Training for other bargaining unit and MGE jobs in the Electric meter Shop, Meter and Connection, Gas Meter Shop, Network, Substation Maintenance, and any and all IBEW-represented areas of work may be made available consistent with paragraph 1 above. Employees must declare their intent to take this training, or the Line Technician or Gas Distribution training no later than October 31, 2009. For those employees transferring into the new classifications it is sufficient that their records allow them to obtain the necessary driver’s license and they are insurable under the existing Company auto policy.

5. **Selection Process** – Each employee may make a prioritized list of job preferences. The Employer will consider employees preferences in the selection process. A form/document will be developed by Human Resources to facilitate the employee’s indication of preferences.

6. **Employees Not Eligible for Training** – Employees hired after May 1, 2006, are not eligible for Company-sponsored training as provided for under 4 above unless the Employer determines otherwise. Employees hired after May 1, 2006 remain eligible for MGE’s standard tuition-reimbursement program. This provision is not subject to grievance.

7. **Wage Protection Outside of BGS** – Affected employees offered jobs in departments outside of BGS will be transferred to their new job at a rate no less than that of the Auxiliary Operator 2nd Year (job number 82-130). If employees are in a lower paid scale at the time of transfer, they will transfer at their existing rate of pay. Employees shall receive the negotiated pay raises and continue in this pay rate until their progression in the new job surpasses this pay rate at which time the new classification pay scale will prevail.

8. **Grievances** – The Union will retain the right to grieve issues related to the implementation of this Agreement.

9. **Retention** – In order to encourage employees to maintain employment with MGE in the BGS Department each employee in the BGS Department who is maintained as an employee as of January 2, 2012 will receive a bonus of $5,000. Any employee in the BGS Department as of September 1, 2012 shall be eligible for an additional retention bonus of $5,000. All retention benefits are contingent upon MISO approval. The Company will keep the Union updated and provide documentation of progress of lack-there-of on this issue.

10. **Layoff and Severance** – BGS employees who are laid-off due to either change will be eligible for the following:

    a. Employees who are employed at BGS at the time of change who are laid off will be provided
severance equal to 2 weeks of pay plus one week of pay for each year of service with a minimum of 10 weeks and a maximum of 26 weeks.

b. At the time of layoffs, employees who are employed at BGS who are age 55 or older will be eligible for severance in lieu of retaining employment with the Company. The employee will be eligible for contractual retirement benefits by making this decision.

c. Payout of vacation will be the same as for other similarly situated employees as referenced in the Labor Agreement under Article XI.

d. Employees accepting severance payments shall retain reinstatement eligibility for employment in BGS. Reinstatement eligibility means the Company may hire a former employee, affected by this change, at the same seniority rights as they had at the time of separation.

e. MGE will give first consideration to laid-off BGS workers for employment in other generating facilities owned or co-owned by MGE Energy where MGE is the controlling operator, provided the laid-off employee keeps the Union and the Company informed of their address or any changes in their address.

f. Payment will be made in a lump sum at the time employment ends.

g. For purposes of Unemployment Compensation, severance will be allocated to the period immediately following the cessation of employment.

h. The Company will provide employees who will be laid off with up to 3,000 in outplacement services.

i. The Company will offer the “Financial Planning Services for Union Employees” program at no cost to employees. The monetary value of the financial planning services is taxable income. The employee’s pay will be “grossed up” for the taxable value of their service based on federal, state, and FICA/Medicare rates (currently 25% federal, 6.5% state, and 7.65% FICA/Medicare).

j. At the time of the change, the Company, will retain at BGS, based upon seniority, certain numbers of employees who are qualified as Auxiliary Operators, control Operators, Maintenance Mechanics apprenticeship series, Industrial electrician and Instrument Technicians apprenticeship series. Employees in positions listed below will be allowed to transfer as indicated no later than April 30, 2007. The time allowed for transfer may be extended at the company’s discretion.

k. Individuals with a “Crane Operator” classification may be eliminated after the transition to burning all gas at BGS. The individuals in this position will be allowed to transition to the Auxiliary Operator classification and, subject to their seniority, thereby qualify for employment retention at BGS.
### Existing Position* | New Position**
--- | ---
Maintenance Working Foreman | Maintenance Mechanic Apprentice - 1st Year
Relief Shift Foreman | Control Operator***
Relief Shift Operator (Turbine and Boiler) | Control Operator***
Operator Turbine Class A | Control Operator***
Assistant Operator Turbine Class A | Auxiliary Operator - 4th Year
Assistant Operator Turbine Class B | Auxiliary Operator - 2nd or 3rd Year
Assistant Operator Turbine Class C | Auxiliary Operator - 1st Year
Operator Boiler Class A | Control Operator***
Assistant Operator Boiler Class A | Auxiliary Operator - 4th Year
Assistant Operator Boiler Class B | Auxiliary Operator - 2nd or 3rd Year
Assistant Operator Boiler Class C | Auxiliary Operator - 1st Year
I&C Serviceman and Repair | Industrial Electrician and Inst. Tech Apprentice - 1st Year
I&C Mechanic Class A & Electrician | Industrial Electrician and Inst. Tech Apprentice - 1st Year
I&C Mechanic Class B & Electrician | Industrial Electrician and Inst. Tech Apprentice - 1st Year
I&C Mechanic Class C & Electrician | Industrial Electrician and Inst. Tech Apprentice - 1st Year
Maintenance Mechanic Class A | Maintenance Mechanic Apprentice - 1st Year
Maintenance Mechanic Class B | Maintenance Mechanic Apprentice - 1st Year
Repairman Class A | Maintenance Mechanic Apprentice - 1st Year
Repairman Class B | Maintenance Mechanic Apprentice - 1st Year
Repairman Class C | Maintenance Mechanic Apprentice - 1st Year

### Existing Position* | New Position**
--- | ---
Storekeeper’s Helper Class A | No longer needed and no equivalent.
Storekeeper’s Helper Class B | No longer needed and no equivalent.
Storekeeper’s Helper Class C | No longer needed and no equivalent.
Crane Operator Class A | Auxiliary Operator consistent with experience.
Crane Operator Class B | No longer needed and no equivalent.
Crane Operator Class C | No longer needed and no equivalent.
Laborer Crane Operation and Maintenance | No longer needed and no equivalent.
Laborer Crane Operation | No longer needed and no equivalent.
Crane Operator - Operations and Maintenance - CL A | Auxiliary Operator consistent with experience.
Plant Electrician | No longer needed and no equivalent.
Electrician Class A & I&C Mechanic | Industrial Electrician and Inst. Tech Apprentice - 1st Year
Electrician Class B & I&C Mechanic | Industrial Electrician and Inst. Tech Apprentice - 1st Year
Electrician Class C & I&C Mechanic | Industrial Electrician and Inst. Tech Apprentice - 1st Year
Janitor | No longer needed and no equivalent.

*Following conversion, none of these positions or persons in them will be needed. These positions will be eliminated.
**Employees transferring to the new classifications will do so without loss of pay or responsibility and will be eligible for wage increases as provided for under the Labor Agreement.
***At this time, there are no more than 12 positions needed as Control Operators. In the event there are more employees interested than Control Operator positions available, the most senior employees will be chosen. The rest may move to the position of Auxiliary Operator - 4th Year.
11. Early Retirement – If the number of layoffs meets or exceeds the number of employees eligible for early retirement, as defined under this supplement only, the following applies:

   a. **Eligibility** – BGS bargaining unit employees hired prior to May 1, 2009, who are at least 60 years of age on the date that BGS discontinues the burning of coal or retires the 825# system, and who have declared their intent to retire at the time of change are eligible.

   b. **Social Security Supplement** – Eligible employees will receive $1,500 per month in addition to severance from the date of retirement to age 62. The supplement will be added to the retiree’s monthly pension benefit (and is taxable income).

   c. **Premiums** – Premiums for health and dental coverage shall be the same as those paid by similarly situated retirees as referenced in the Labor Agreement under Paragraph 17.1.12.

   d. **Vacation Payout** – Payout of vacation will be the same as for other similarly situated retirees as referenced in the Labor Agreement under Article XI.

   e. **Date of Retirement** – Employees who sign the declaration to retire shall select a retirement date concident with the date of change.

**Sunset Provision** – This Supplement will no longer be in effect after BGS eliminates burning coal and retires the 825# system and the provisions contained herein have been satisfied.

This supplement is applicable only under the implementation of the Energy 2015 Plan. It does not apply to any other program or set of circumstances. The parties recognize that this employment and security agreement represents a tremendous collective opportunity to facilitate the implementation of Energy 2015 and build an MGE workforce that is truly committed to serving our community.
BGS AND THE ENERGY 2015 PLAN

On Wednesday, October 26th, employees of MGE at Blount Generating Station (BGS) were informed that the 825# side of the power plant will be retired at the end of the year, at least two years earlier than MISO had indicated would be allowed when the Union and the Company last addressed the issue. This is approximately 90 MW and about half the capacity of the plant. The units being retired are some of the oldest in the fleet of generation in the state of Wisconsin. The Company and the Union had reached an agreement in both the 2006 and 2009 negotiations for a new Contract on an employment and transition policy entitled; Energy 2015 Plan – Blount Employees. Over the course of the last five years the plan largely successfully addressed IB EW member’s issues as we went from approximately 73 members down to 23. Given our collective history, that’s no small feat.

With the new timeline, the Company has announced that four IB EW members will be laid off: Nic Lelm, TR George, Alice Anderson and Matt Florhaus. These workers have 10, 7, 6, and 5 years with MGE respectively. While the Employer has claimed that these folks have had a lot of opportunity to transfer the facts remain that very little transfer opportunities were available as most of the few jobs that were posted in the last two years were actually posted at a skill level above their current qualifications.

MGE has filled only about a half dozen jobs over the last year in the IB EW bargaining unit when, as they reported to the Public Service Commission in their last rate case, they typically fill seventeen job openings. There are numerous job openings that need to be filled, yet those jobs have not yet been posted. If the Employer sticks to their lay-off plan, it is likely that many of these key jobs will not be filled until after our Brothers and Sister are out the door.

Previous MGE administrations have handled potential lay off situations differently. Ten years ago MGE and OPEIU were able to find employment for approximately 20 Meter Readers who were going to otherwise lose their jobs with the implementation of Automated Meter Reading. Before that, when the Gas Pressure House was automated, IB EW and MGE found employment for workers there in the Meter and Connection Department. Both of these situations ended up benefiting both the employees and the Company.

There have been communications between the Company and the Union on the subject of finding jobs for Nic, TR, Alice, and Matt. Based upon our study and discussion of retirements and contracting at the recent Labor Management Committee meeting, it would seem a simple task to identify four jobs when we need to fill nearly six times that number of potential job openings.

In the event that MGE jobs are not available, our Labor Agreement provides efforts at preferential hiring at generating facilities that are co-owned by MGE. Alliant, for example, is in a hiring mode at the Columbia Energy Center between now and the end of the year due to a significant wave of “Baby Boomer” retirements. IB EW Local 2304 and IB EW Local 965, which represents workers at Alliant, are discussing these opportunities with our respective managements should our members need to head in that direction.

The Union and the Company did a remarkable job handling the transitions at BGS with the Energy 2015 Plan – up until now. It is unfortunate, at best, that we have not yet seen this process through to a positive conclusion.
Endnotes

5 Ibid.
6 Ted Nace, *Climate Hope: On the Front Lines of the Fight Against Coal* (San Francisco: CoalSwarm, 2010), 96. Nace further evaluates financial causes of project abandonment on pp. 106–8.
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8 Dr. Robert Peltier, “Predicting U.S. Coal Plant Retirements,” *Power*, May 1, 2011.
16 Ibid.
17 Ibid.
18 “Let’s Move Washington Beyond Coal” blog.
21 Martelle, “Kick Coal, Save Jobs Right Now” (see n. 19).
23 Martelle, “Kick Coal, Save Jobs Right Now” (see n. 19).
25 Craig Welch and Mike Lindblom, “Agreement Reached to Stop Burning Coal at Centralia Power Plant,” *Seattle Times*, March 5, 2011.
26 Martelle, “Kick Coal, Save Jobs Right Now” (see n. 19).
27 Christie, “TransAlta to Phase Out Coal Boilers” (see n. 24).
29 Martelle, “Kick Coal, Save Jobs Right Now” (see n. 19).
30 Environmental Priorities Coalition, “Legislature Passes Landmark Legislation” (see n. 13).
33 Sara Pennington and Randy Wilson, “A Cooperative Approach to Renewing East Kentucky,” *Solutions* (July 2010).
34 Robert Pollin, James Heintz, and Heidi Garrett-Peltier, “Clean Energy Investments for the U.S. Economy,” discussion paper for 3/22/10 Surdna Foundation Conference, Table 2, “Total Employment Creation through Alternative Energy Sources: Direct, Indirect, and Induced Effects for $1 Million in Spending.”
39 Nace, *Climate Hope*, 136 (see n. 6).
40 Ibid., 140–42.
41 Black Mesa Water Coalition, “Navajo Green Jobs.”
42 Ibid.
45 Ibid.
47 Pennington and Wilson, “A Cooperative Approach” (see n. 33).
50 Sierra Club, “East Kentucky Power Cooperative Agrees” (see n. 48).
51 Ibid.
52 Pennington and Wilson, “A Cooperative Approach” (see n. 33).
53 Ibid.
54 For information on the Blue-Green Alliance, go to http://www.bluegreenalliance.org/
59 “BGS and the Energy 2015 Plan” (see n. 56).
65 Craig Welch and Mike Lindblom, “Agreement Reached to Stop Burning Coal at Centralia Power Plant,” Seattle Times, March 5, 2011.
66 Christie, “TransAlta to Phase Out Coal Boilers” (see n. 24).
**Labor Network for Sustainability** is dedicated to engaging trade unions, workers and our allies to support economic, social, and environmental sustainability. LNS provides a community for those in the labor and sustainability movements and their allies who care about economic justice, ecology, and equality. We advance the cause of sustainability within the labor movement, and the cause of labor within the movement for sustainability. We believe in sustaining livelihoods on a sustainable planet.

**Jeremy Brecher** is a writer, historian, and activist who is the author of more than a dozen books on labor and social movements. His book *Strike!* was described by Prof. Richard Flacks, UC Santa Barbara, as “the single most important book about the history of the American labor movement published in our time.” His book *Building Bridges: The Emerging Grassroots Coalition of Labor and Community* was described by Richard L. Trumka, then president of the United Mine Workers and now president of the AFL-CIO, as “a very helpful guide to the kind of coalition building unions will need in the struggles that lie ahead.” His three books on globalization helped jumpstart the movement for “globalization from below.” His new book *Save the Humans? Common Preservation in Action*, recently published by Paradigm Publishers, addresses how social movements make social change; it was described by Michael Pertschuk, former chair of the Federal Trade Commission, as “absolutely unique in its integration of engaging personal narratives of the author’s direct involvement in every significant social justice movement of the past four decades with his analytic history of previous movements.” He is the winner of five regional Emmy awards for his documentary movie work. Studs Terkel wrote that “Jeremy Brecher’s work is astonishing and refreshing; and, God knows, necessary.”