

Helping Legacy Energy Workers and Communities Impacted by the Move to Clean Energy



New Jersey's clean energy transition will create significant employment opportunities for good paying, union jobs as well as environmental and public health improvements. However, as we make the transition to clean and renewable energy technologies, we need to have worker and community-based policies in place to protect oil and gas workers and their communities. The transition to clean energy cannot come at the expense of legacy energy workers whose efforts helped build a thriving economy.

The NJ 2019 Energy Master Plan has a goal of 100% clean energy consumption by 2050 and NJ has a 50% renewable portfolio standard (RPS) by 2030 already in law. Nuclear power currently makes up just under 40% of the state's electricity. As energy use increases, this percentage will become smaller since production is not anticipated to increase at any significant rate but will still be between 37 and 38% in 2030. Between nuclear and the RPS, in 2030, NJ will be at about 88% clean energy. While

consumption, which is what the RPS regulates, and in-state production are not the same, the state's express desire is to move away from fossil fuels in favor of clean power sources. Clean energy, such as solar, offshore wind, nuclear, and storage, has huge benefits for both the economy and society but does raise the question - what does this move mean for legacy energy workers who lose their jobs in the transition to a clean energy economy?

Workers in the fossil fuel industry or related professions that lose their current job because of the closure of a facility are often termed "displaced workers." There will be both direct and indirect jobs lost in the transition to a clean energy economy. While some current workers in the fossil fuel industry and supporting industries will be able to obtain jobs in the clean energy sector, there will be workers for whom this transition is difficult, impractical, or impossible. The latter, which can be labeled "primary displaced workers," will need to be a focus of state policy to ensure a just transition

to the clean energy economy. Other workers who may lose their job, but will have an easier time transitioning to a similar position within the clean energy economy or another industry completely (eg, truck driver who currently delivers to a natural gas plant), are “ancillary displaced workers,” and will also need support, but likely to a lesser extent.

While all analysis of the economic impacts of the transition to clean energy shows significant benefits

and overall job growth, the state must not ignore the challenges that will be faced by workers in affected industries and their communities, as a result of their adopted policies. Oil and gas workers, many who have spent decades in the industry, may face significant challenges in finding new employment opportunities, especially positions that offer similar salaries and benefits. Putting in place policies that facilitate their transition or directly make them whole is an economic and moral imperative for the state.

RECOMMENDATIONS

Create an office within the Department of Labor (DOL) to analyze the impact of the clean energy transition on workers and administer a Displaced Workers Fund for “primary displaced workers” who lose their jobs because of the closure of fossil fuel plants. The office should also create:

- A displaced workers bill of rights that will provide benefits, both financial and non-financial, to workers after they lose their position.
- A fund to be used for re-training mid-career professionals to be able to reduce barriers to entry into the clean energy economy
- A fund to pay workers as they are being re-trained
- A fund to help off-ramp late career workers, which would pay union workers full salary that have lost their jobs because of a plant closure or layoffs who have five years or less until they can retire and collect their pension
- A scholarship fund for children of displaced workers who lose their job at a fossil fuel plant and are unable to find a job where they make at least 85% of their previous salary, which would provide full tuition for up to 4 years at any NJ state university, community college, or NJ based trade school

Study the impact of the move to clean energy to create a more holistic picture of the potential job losses, needs of workers, and transition opportunities

- Create a working group with key stakeholders to develop and make specific recommended actions the state should take

- Direct the DOL to study and release a report on the comprehensive labor impacts of the clean energy economy that includes industry and regional breakdown in order to better develop and target policies

Facilitate new employment opportunities and provide training resources to displaced workers

- Direct the DOL to create resources and training materials specifically designed for former fossil fuel and related industry workers
- Provide incentives for clean energy companies to hire displaced workers
- Work with unions to develop and implement re-training programs for their members
- Require any facility to give two-year notice of full closure to all employees, including non-direct employees who regularly work in and around the facility

Prioritize and incentivize investment in communities where the fossil fuel industry is currently a major employer

- Facilitate community reinvestment and support by allocating funding for local infrastructure projects, small business support, and social services to stabilize affected communities
- Create tax incentives for clean energy development that set up operations in former fossil fuel dependent areas, ensuring economic continuity