

Creating Good Jobs and Supporting Communities in Transition

Wind and solar are the [fastest growing jobs](#) in the nation, and clean energy industries employ nearly [3.4 million](#) Americans across every county. Clean energy is an opportunity to put people back to work, invest in rural America, and become a leader in a growing industry. State policies can help unlock this growth, set high labor standards, and support workers and communities in economic transition.

Create high-quality jobs

Legislative Action	What is it?	Benefits	Examples
<p>Invest in clean energy to unlock a growing industry</p>	<p>Simply put, clean energy leads to widespread, high-quality job creation. Policies that set standards, align incentives, and stimulate investment can accelerate growth, put Americans back to work quickly, and rebuild a cleaner, more resilient and more equitable economy.</p>	<ul style="list-style-type: none"> - Creates new jobs, fast: Wind and solar are the fastest growing jobs in the nation. Federal stimulus can create almost a million clean energy jobs and generate \$330 billion in economy activity (GDP) over the next five years. States will have a large role in allocating stimulus funding. - Creates high-quality, high-paying jobs: In 2019, workers in clean energy earned a median hourly wage of \$23.89 compared with the national median wage of \$19.14. Jobs in many clean energy sectors are more likely to be unionized and come with health care and retirement benefits than other private sector jobs. - Boosts rural economies: Solar and wind projects generate billions of dollars annually in rural tax revenue and direct landowner payments for farmers and ranchers. The clean energy industry employs more than 430,000 rural workers nationwide. - Protects public health: Air pollution causes about 200,000 premature deaths every year. Clean energy and electric vehicles provide power free of air pollution. - Addresses racial justice: Black Americans are 75% more likely to live near polluting industrial facilities, and to bear the health burdens of fossil fuels. Transitioning to clean energy and cleaning up toxic oil and gas sites is a necessary step towards addressing environmental health disparities. 	<p>Examples of job growth and community investment:</p> <ul style="list-style-type: none"> - The current utility-scale renewable fleet in Texas is expected to (1) generate up to \$5.7 billion in new tax revenue to local communities (over 70% in rural communities) and (2) pay Texas landowners \$5-7 billion in lease payments over the project lifetime. - Rural renewable projects in eastern Colorado have generated \$9.4 billion in construction and investment activity and resulted in 6,334 eastern Colorado jobs employed by 366 businesses. - In North Carolina, solar facilities resulted in a nearly 2000% increase in property tax revenue for local communities.
<p>Create and support job-training programs</p>	<p>States can invest in and encourage hiring from apprenticeship, pre-apprenticeship, and workforce development programs in clean energy, sustainable infrastructure, clean water, and more.</p>	<ul style="list-style-type: none"> - Ensures a sufficient pipeline of skilled workers to adapt to and work on the rapidly-evolving clean energy technologies. - Supports clean energy workers and ensures high labor standards. 	<ul style="list-style-type: none"> - Washington's 100% clean energy law (SB5116 2019-2020) provides a tiered system of tax exemption for clean energy projects that meet certain workforce requirements. - Maine HP924 (2019) requires employers constructing generation facilities to hire a certain percentage of apprentices, with the percentage increasing over time. The bill was strongly supported by labor unions, including an affiliate of the AFL-CIO. - Maryland's 50% clean energy law (SB516 2019) provides funding for certain job training and apprenticeship programs. It also supports small businesses and women-, minority- and veteran-owned businesses. - New Mexico's 100% clean energy law (SB489 2019) requires 10% of workers on the construction of new electricity generation facilities be qualified apprentices in 2020, increasing to 17.5% in 2024-2026, and 25% thereafter.
<p>Support clean energy projects that meet high-quality workforce requirements</p>	<p>States can provide financial incentives to clean energy companies that meet prevailing wage and high-quality job standards, use union labor, make community labor agreements, and are veteran- or minority-owned.</p>		

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Support fossil fuel workers in economic transition

Legislative Action	What is it?	Benefits	Examples
<p>Establish securitization for retiring facilities</p> <p><i>Most useful for regulated markets</i></p>	<p>Securitization allows coal plants to economically retire by permitting utilities to refinance the debt on their coal and natural gas plants at a lower interest rate. The savings can be used to facilitate the transition to clean energy, compensate workers, and invest in impacted communities.</p>	<ul style="list-style-type: none"> - Allows uneconomic facilities to retire early while supporting fossil fuel communities in economic transition. - Frees up money that can be used to invest in communities and transition to clean energy. 	<ul style="list-style-type: none"> - Colorado SB236 (2019) authorizes the securitization of coal plants and uses some of the millions of dollars in savings from securitization to reinvest back in workers and vulnerable communities impacted by the plant retirement. - Montana HB467 (2019) authorizes the securitization of energy infrastructure, including coal plants. - New Mexico's 100% clean energy law (SB489) (2019) includes securitization provisions to help recover costs of coal plant retirements and uses low-interest bonds to finance economic relief, such as severance pay and job training, for communities affected by coal plant closures.
<p>Support impacted fossil fuel workers</p>	<p>The clean energy transition is inevitable and is already underway. States can enact just policies to support impacted fossil fuel workers in the process. These policies include dedicated funding to workers and communities transitioning off fossil fuels, job-transition programs, secured retirement benefits, and direct investments from loss of local tax base.</p>	<p>Ensures a just, economically-sound future for fossil fuel communities</p>	<ul style="list-style-type: none"> - Colorado HB19-1314 (2019) creates the state Office of Just Transition, with the support from Colorado AFL-CIO and environmental groups, to deliver targeted programming and funding to communities affected by a transition from coal. In addition, a utility that proposes accelerated retirement of a coal plant must submit a workforce transition plan at least six months before the facility retirement. West Virginia is considering similar legislation. - Minnesota HF1842 (2020) establishes the Community Energy Transition Grants Program, a transition grant program for impacted fossil fuel communities "to address the economic dislocation associated with the closing of a local electric generating plant."

Case Study

<p>Washington's 100% Clean Energy Law SB5116 (2019)</p> <p><i>Working with labor unions; Creating incentives for high-quality clean energy jobs</i></p>	<ul style="list-style-type: none"> • Supported by building and construction unions and renewable energy developers, among other groups. • Provides a tiered system of state tax exemptions for clean energy projects: <ol style="list-style-type: none"> 1. 50% tax exemption for projects that make a good-faith effort at "procurement from and contracts with women, minority, or veteran-owned businesses; procurement from and contracts with entities that have a history of complying with federal and state wage and hour laws and regulations; apprenticeship utilization; and preferred entry for workers living in the area where the project is being constructed." 2. 75% tax exemption for projects that meet the above criteria and also "compensate workers at prevailing wage rates determined by local collective bargaining." 3. 100% tax exemption for projects "developed under a community workforce agreement or project labor agreement," as certified by the Department of Labor and industries.
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