



JUST TRANSITION and GOOD GREEN JOBS for ALBERTA

bluegreencanada.ca/alberta

Blue Green Canada Conference
Oct 17, 2016 | Edmonton AB

CONFERENCE SUMMARY

BLUEGREEN
CANADA

Blue Green Canada is an alliance between Canadian labour unions, environmental and civil society organizations that advocates for working people and the environment by promoting solutions to environmental issues that have positive employment and economic impacts. Our membership includes the United Steelworkers, Unifor, Environmental Defence, the Columbia Institute, Clean Energy Canada, the Broadbent Institute, and the Pembina Institute.



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This report summarizes the key themes and points of conversation at the **Just Transition and Good Green Jobs for Alberta** conference organized by Blue Green Canada on October 17, 2016 at the Chateau Lacombe Hotel in Edmonton.

This summary report was prepared by Diana Gibson, PolicyLink Research and Consulting.
Report design by Jason Ulrich.





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INTRODUCTION

This is a brief summary of the Just Transition and Good Green Jobs for Alberta conference held by Blue Green Canada on October 17th 2016 at the Chateau Lacombe hotel in Edmonton.

The conference brought together more than 150 workers, environmentalists, government representatives, and other decision-makers to discuss key issues including the impacts of the phase-out of coal-fired electricity generation, what is needed for a just transition, job training opportunities, the growth potential of renewable energy, the importance of energy efficiency, and the opportunity to create good green jobs for Albertans.

Alberta is at the beginning of a new chapter in its economic history, with new jobs and new industries

available for development. Existing occupations will continue, and new opportunities will open up.

The government needs to take advantage of these opportunities and at the same time, the government must address the challenges posed by these economic changes by meeting the needs of workers, families, and communities for support during the transition.

This document lists the speakers and presentations, and then discusses key themes. The detailed agenda is attached as Appendix A.

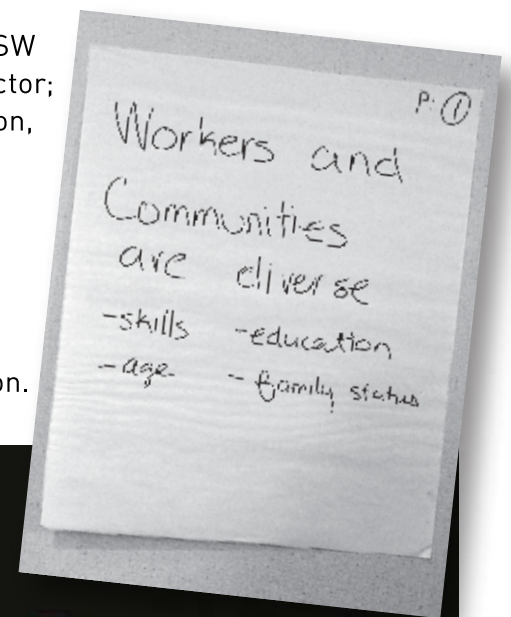
For more conference materials visit:
www.BlueGreenCanada.ca/Alberta

"Training and EI without an end goal [decent job] is useless."



SPEAKERS AND PRESENTATIONS

- Call to Order with Ken Neumann, USW National Director and Joie Warnock, Unifor Western Director
- Welcome and Remarks by The Honourable Margaret McCuaig-Boyd, Minister of Energy
- Agenda Review and Remarks by Mark Rowlinson, Assistant to USW Director and Blue Green Canada President.
- Keynote Address on Climate Change, the Need for Action, and Just Transition by Diana Gibson, PolicyLink Research and Consulting
- Presentation on Alberta Coal Transition Coalition outreach and town halls by Gil McGowan, AFL President
- Panel Session on Just Transition and Alberta's 2030 Coal Phase-out. Featuring: moderator: Charley Beresford, Columbia Institute and Blue Green Canada Chair; Recording moderator: Susan Cake, AFL; Panelists: Gil McGowan AFL President; Dale Marshall, Environmental Defence; Ken Smith, President, Unifor Local 707A; and Roy Milne, President, USW Local 1595.
- Presentation on Creating Opportunities for Albertans as We Transition to a Greener Economy, by The Honourable Deron Bilous, Minister of Economic Development and Trade
- Panel Session on Training for Green Jobs and What is Needed for these Opportunities. Moderated by Brandi Thorne, United Brotherhood of Carpenters; recording moderator, Jonathan Sas, Broadbent Institute; Panelists: Kevin Lecht, Insulators Local 110; Scott Crichton, IBEW 424; Randall Benson, GridWorks Energy Group; and Lana Payne, Unifor Atlantic Regional Director
- Presentation on Renewable Power's Potential impact on Jobs for Alberta by Binnu Jeyakumar, Pembina Institute
- Panel Session on Renewable Power, 30% by 2030, and Good Green Jobs in Alberta. Moderated by Dan Woynilowicz, Clean Energy Canada; recording moderator, Cori Longo, CLC; Panelists: Binnu Jeyakumar, Pembina Institute; Brian Campbell, Unifor Energy Director; Scott Lunny, Assistant to USW District 3 Director; and Evan Wilson, CanWEA.
- Wrap up and Summary of Key Lessons Learned with Mark Rowlinson.



KEY THEMES

Below are key themes from the Presentations and Panels, with some illustrations.

JOB LOSSES ARE AN INCREASINGLY PRESSING ISSUE THAT NEEDS TO BE ADDRESSED

Commodity trends have been hitting the coal sector hard. Coal prices have been on a downward trajectory since 2011, and plunged again this year. Two main trends have been behind this:

1. Demand for metallurgical coal – the kind used in making steel – has been weakened as China's appetite wanes and India increasingly produces its own. Grande Cache Coal, which mines metallurgical coal temporarily shuttered its coal mine in Grande Cache, Alberta in late 2015. There were also plans for the export of thermal coal by this and other companies in Alberta that have also been moth-balled because of low prices.¹
2. The second major trend that is affecting coal demand is the unlocking of alternative sources of energy at lower prices. Fracking and shale gas has resulted in lower prices for natural gas while prices for solar and wind have also been falling with increasing economies of scale as markets grow. This has made it hard for coal fired electricity to compete and gas is taking over in electricity generation. By June 2016 natural gas installed capacity was 44% of the Alberta grid, and coal 39%.

In addition, international, national and provincial regulations and climate policies have been changing the landscape for coal. For example, federal GHG regulations passed by the Harper conservative government in 2012, the air quality regulations passed by the Alberta conservative government, and more recent provincial and federal climate policies.

Alberta has 18 coal-fired electricity generating units. The capital stock retirements due to the natural end of life of older plants as well as the conservative government policies means that 12 of these units were planned for closure by 2029. The Alberta Government Climate Leadership Plan

accelerates that phase out schedule with the planned closure of the six remaining units by 2030.

See Figure 1: Coal units in Alberta.

JUST TRANSITION IS ABOUT FAIRNESS AND A STRONG ECONOMY

Transitioning off of coal-fired electricity generation will benefit all of society through reduced greenhouse gas emissions, and improved air quality and health.

If implemented properly, a Just Transition for workers can also benefit Albertans by:

- reducing long term social assistance needs and costs;
- increasing long term income tax revenues through higher employment incomes for workers, successful community transitions and the resultant greater general economic stimulus; and
- improving overall well-being for workers and communities.

The core principle of Just Transition is that when policy changes benefit society broadly, the costs of those changes must be shared, and not imposed disproportionately on workers in the affected sectors or on the affected communities.

A Just Transition involves broader conversations and a focus on the economy

- It needs to address not only workers, but whole communities as there are spin off effects across the community, particularly in smaller rural communities. There needs to be a commitment to avoid creating ghost towns which will require advanced investment and work in community planning and economic diversification.

Coal Units, Owners and Associated Mines in Alberta

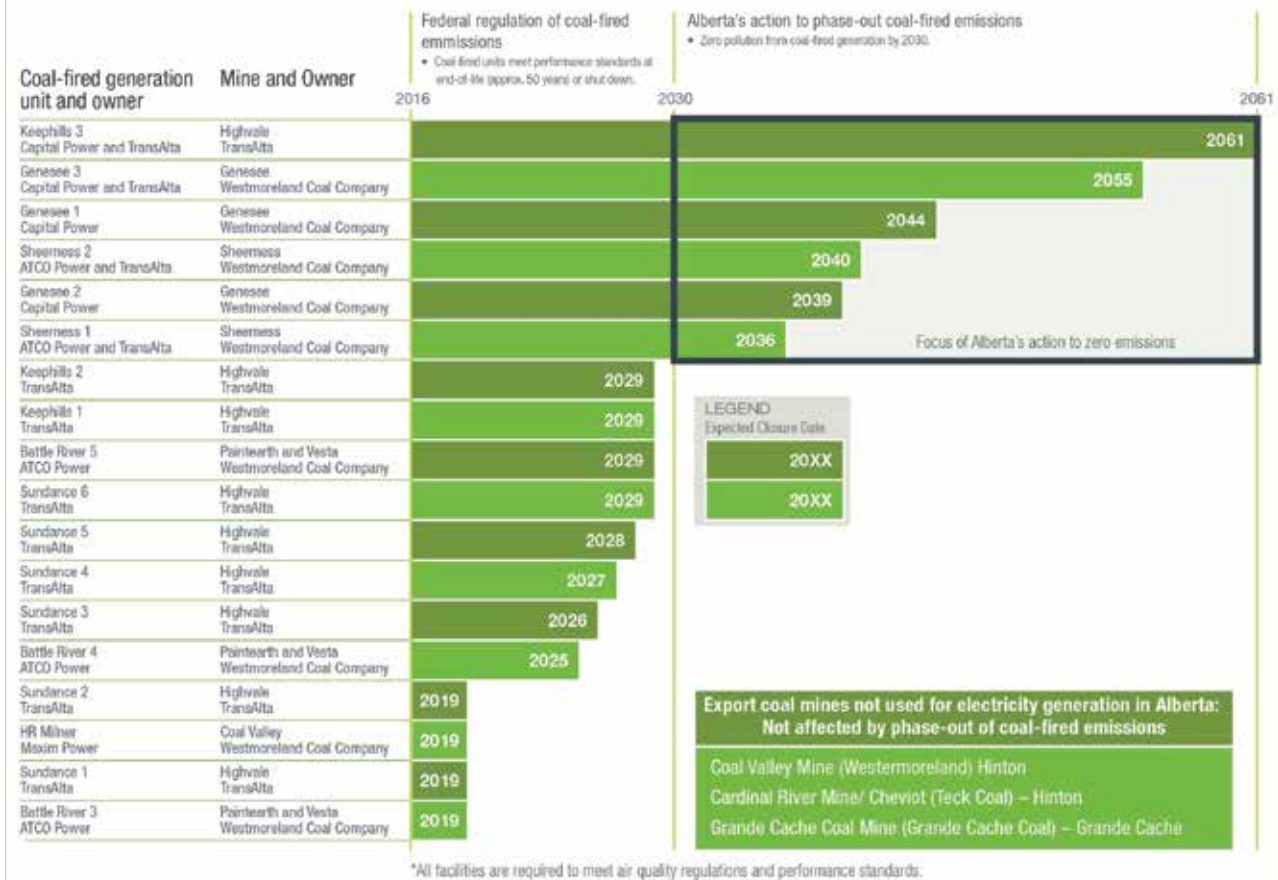


Figure 1: Coal units in Alberta. For more information on the Alberta Government's plans to phase out coal pollution visit: <https://www.alberta.ca/climate-coal-electricity.aspx>

- Workers and their communities are diverse in terms of skills, age, family status, education and local economic diversity and sustainability. This means that they are varied in terms of capacity and need, and so just transitions will need to be tailor-made, with ongoing and active engagement of workers, unions, and communities as leaders in the design and implementation processes. Some communities are relatively isolated, and some can weather the changes better than others. Also, community impacts will be borne out over the longer term and may be more general.
- We need to be thinking about changes in the broader economy, not just changes due to public policy. Where will work be growing, and where it will be shrinking due to broader forces such as technological change and commodity price fluctuations?
- A Just Transition is about transitioning workers to quality jobs or to retirement;
 - Quality jobs are jobs that are meaningful, with good wages, benefits packages and pensions, jobs that are safe and meet the necessary codes, and with similar incomes. This requires broader government policy that protects and builds a quality jobs economy in addition to the more targeted measures discussed below.
 - For those who are close to the age of retirement, we need to provide a suitable transition to retirement and protect and enhance pensions and benefits.

WE NEED TO LEARN FROM THE SUCCESSES AND FAILURES ELSEWHERE

We have lessons from the past with the East coast fisheries, the forestry sector and mining communities where we got it wrong (see text box on fisheries below).

- One of the most obvious mistakes, particularly in the cod fisheries was the failure to engage in advance and in partnership with the unions, workers, and communities impacted.
- Also, the training was not targeted to jobs that existed and ended up with young people needing to head out west to find work.
- The Forestry sector transition was slightly better in that there was union engagement, however, the transition was too limited, and only those directly affected were helped, meaning many towns became ghost towns.

Alberta is in the position of being able to learn from the mistakes, borrow the best ideas from other jurisdictions, and to innovate at home.

LESSONS FROM THE COD FISHERY

Experience with community collapse after the cod fishery collapse taught many lessons in what not to do.

Experience shows us that the response needs to be:

- **Collective;**
- **Tied to a viable longer term vision that gives hope; and**
- **Adjustable with flexibility to be adapted as needs and circumstances change.**

Below are some of the lessons learned from other transitions:

On collectivity:

- It is important to pro-actively engage with the unions that have been part of previous processes as well as the broader communities.
- Proper engagement of the unions and workers will require a more coordinated and proactive approach. This could include: Labour Market Partners Council (CLC) and/or Labour market development agreements.
- Unions and communities will need to be partners in all stages of the transition. This engagement has to be an ongoing dialogue and not a one-off. It has to be process built and be consistent and ongoing. Government members do not have the worker experience and may not understand why policies that look good on paper will not work.
- Union engagement will need to persist through all phases (early development through implementation and program reviews) to ensure that the transition is appropriate and adequately implemented.
- Engagement needs to be at multiple levels (local to national) and resources will need to be made available to enable all stakeholders to participate effectively.
- Flexibility will be needed such that programs can be adapted throughout implementation.

On training and education:

- We saw that training without the end goal of a decent job can be pointless, demoralizing and damaging. Training needs to be targeted to areas where there are employment opportunities in a similar level of job (e.g. in solar installation and other areas where there are real jobs) and provide adequate bridging to a different job at a similar income level. It is not adequate to provide short term low quality training for low end service jobs and consider that a transition as has been seen in other cases.

- Training needs to be high-quality and with properly qualified trainers. Whether it is energy efficiency, solar installation, or another area, it is important to ensure the trainers are well qualified, that high standards of safety are taught and followed, and that individuals are trained to the appropriate level. The province also needs to set and enforce standards that require appropriately trained individuals are doing the work (i.e. solar installation).
- In addition to job-specific training, access to educational programs is required; education allows for greater career flexibility. Funding needs to be longer term and broader, allowing for an adequate education to qualify for an equivalent job in another sector. There is a need for fully funded adult basic upgrading as well as adequate, fully funded, longer term post secondary education and overall greater investment in public education.
- Adequate income support is needed for the duration of the necessary education and training.

On income security:

- There needs to be a proper bridge to pensions;
- A guaranteed annual income was discussed but this does not replace quality employment, or training and education commitments.
- Employment Insurance needs to be extended to ensure it supports the transition to a similar quality of job, not just any job. Support should not hinge on individuals accepting a job at lower quality, or in an inappropriate field or location as has been the case in prior transitions.
- Health insurance bridging and programs are needed to ensure that subsequent employment is a quality job with similar benefits.
- There needs to be enforcement and support for the implementation of pension and other income programs.

"We cannot bank on government promises, we have to also be there to make sure it is done."

On community transitions:

There needs to be proactive local engagement and investment in broader and long term community transition and development work to ensure there are quality jobs elsewhere and to prevent ghost towns.

- Each community will be unique and programs need to be tailored to needs.
- This needs to be accompanied by broader industrial policy that actively protects and creates quality jobs in a more diverse economy,
- Investing in the community transition and a broader and longer term plan for affected local economies.
- Repurposing capital is also something done in other transitions. For example, converting nuclear sites to solar power sites. This may help to keep jobs in the community.

There is an abundance of experience regarding transition and adjustment programs. Much of that experience has not been positive. But, there is no excuse for not getting it right this time.

LABOUR'S ROLE

Unions are a vital partner - unions have membership with the needed expertise, they raise the standards for all workers, and help reduce inequality. Unions are working now not to just protect but to improve lives and jobs. Part of the union's job is to bring this experience to the table. This means:

- Actively demanding engagement and a role at the table to bring experience and worker perspectives to the table;
- Telling the stories of people, families and communities;
- Helping to provide education for workers about the whole transition (perhaps using existing labour structures for this);
- Organizing together to help education all of labour and to address member concerns; and
- Actively engaging not only in the transition planning but implementation.

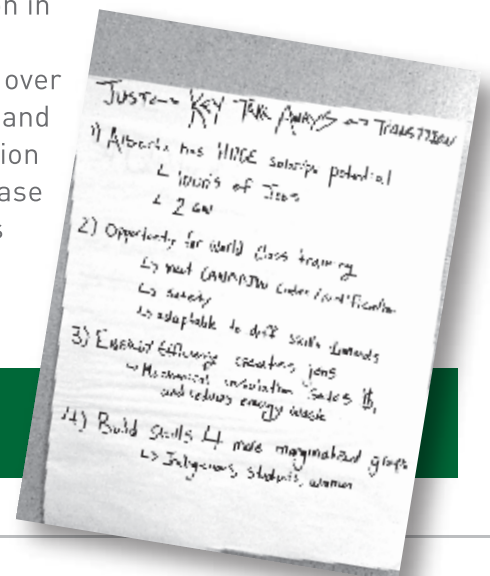
Unions are already actively engaged in training workers for the new economy. For example, the IBEW has a training centre that includes courses on photovoltaic installation and electrical vehicle charging stations. Members are already trained and working in that sector. Insulation is another area where Alberta has trained workers as was described by the representative from the International Association of Heat and Frost Insulators and Allied Workers. These two examples, shared by panelists at the conference, demonstrate the benefits of partnering with unions to broaden and expand their successful training programs.

THERE IS AN ENORMOUS OPPORTUNITY IN GOOD GREEN JOBS

Good green jobs can help address the need for employment options as we transition to a green economy.

- **Good green jobs exist across many sectors.** They include jobs in construction, manufacturing, trades, and other fields. And when we speak of a green economy, we are not talking about a portion of the economy, but rather working toward an economy-wide transition to a resource efficient, lower carbon, socially inclusive paradigm. Good green jobs are jobs with benefits and good, fair wages that support workers, families, and communities.
- **A good green jobs program can create thousands of jobs in Alberta.** According to an analysis conducted by the Pembina Institute², investments in renewable sources of electricity and energy efficiency alone would generate more jobs than those lost through the retirement of coal-fired electric power. (See Figure 2) In the US, solar energy jobs have already surpassed oil and gas jobs, and worldwide renewable energy employment has outstripped oil and gas.³ In Alberta there is significant employment potential. Creating 5,000 MW of new wind in Alberta would result in:⁴

- \$11 billion in investment
- 5,800 construction jobs
- 450 permanent jobs
- \$1.3 billion in rural tax revenues over 25 years, and
- \$500 million in land lease payments



JOBS GROW IN ALBERTA WITH THE TRANSITION TO CLEAN ENERGY

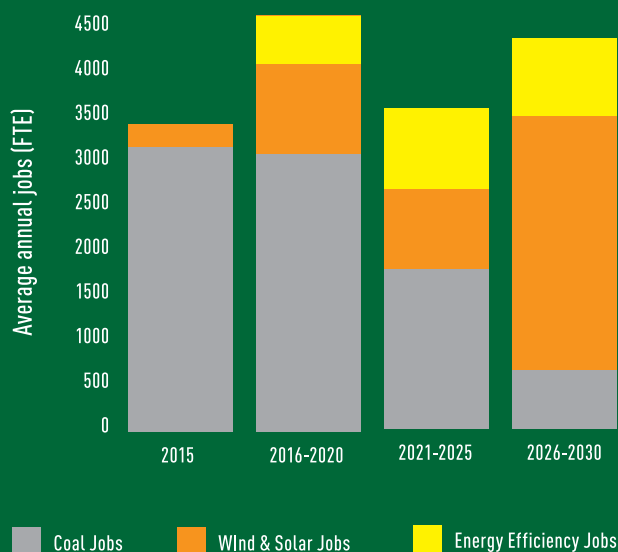


Figure 2: Jobs with coal-fired electricity phase-out of 5,000 MW of renewable energy by 2030, and investment in energy efficiency.

- Good green jobs can be created with investments in a greener economy such as:
 - energy efficiency (e.g. insulation, appliances) that will reduce energy use and costs for individuals and businesses;
 - renewable energy that will reduce emissions, while taking advantage of a huge potential;
 - sustainable transportation (transit, active transport infrastructure, electric car charging infrastructure) that will de-carbonise the transportation system while providing healthier and less costly means of transportation; and
 - water and wastewater management, environmental monitoring and remediation and other areas that will protect the environment, and diversify the economy.
- Proactive - Starting sooner rather than later increases the opportunities for Alberta to expand up the supply chain, including manufacturing. It is time for thoughtful planning and careful investment. There is still an opportunity for localizing the manufacturing of solar panels and turbines.

"Our job is to do the best we can for our members."

- Training capacity is available in Alberta - and it is world class. There are companies, qualified individuals, labour organizations and educational institutions that bring together real-world experience in relevant industries, safety knowledge, apprenticeship structures and more. Training needs to be sensitive to, and build capacity in, Indigenous peoples, women, people of colour, and other traditionally disadvantaged or excluded groups. It needs to be linked to real, good jobs - not training for the sake of training.

A JUST TRANSITION IS AFFORDABLE

The Alberta carbon levy is the key piece of the Climate Leadership Plan which is to help pay for the transition to a more diversified economy. The carbon levy is not only going to reduce emissions; it is going to bring in very large revenues - far more than would be needed to provide an excellent, innovative, and just transition for coal workers and communities. Over the next five years the carbon levy is expected to raise \$9.6 Billion which is to be reinvested in the economy and rebated to Albertans.

At the federal level there is plenty more revenue available to support a just transition more broadly, if the federal Government becomes seriously engaged in supporting a just transition to a low carbon economy. Reinstating corporate taxes alone would bring in \$18 billion; cancelling income splitting would bring in \$6 billion, closing the stock options loophole would bring in \$2 billion. An inheritance tax on the wealthy would generate \$6 billion. That's \$32 billion, and there are numerous other revenue options.

To date the Alberta Government has agreed to pay out \$1.36 Billion from the carbon levy to Alberta power companies in connection with the Government's decision to close coal-fired electricity facilities by 2030.⁵ This funding is to be dispersed in \$97 million installments over 14 years, beginning in 2017. It is not clear if the negotiated agreement for these funds contains any requirements that they be directed to support coal communities or to help with worker transition, retraining, or pension support. It is very important that the Alberta Government clearly demonstrate its commitment to the affected workers and communities by making substantial funds available for the transition.

The Alberta Government has identified \$195 million over five years to "assist coal communities, Indigenous communities and others transition to a cleaner economy."⁶ However, details on the plans for these funds and the potential for their continuance beyond the initial five year period are not known at this time.

Funding the transition is not the only lever. The government can and should also use regulation. For example, stipulate that any company that is shutting a coal plant and starting a gas plant has to give first right of refusal on jobs and training to the laid off workers and give preference to those impacted workers in hires elsewhere in the company in jobs of similar level and compensation.

NEXT STEPS

The Alberta government struck a three-member Advisory Panel on Coal Communities that began meeting in the fall with community, labour and industry leaders in regions affected by the transition away from coal-fired electricity generation. The panel has been holding discussions with municipalities, community economic development organizations, small businesses, affected workers and Indigenous communities. The panel presents an opportunity for identifying challenges and opportunities as well as sharing information and resources to ensure that the government is building on the best practices and lessons learned for a just transition. Alberta's coal transition is a tremendous opportunity to get it right.

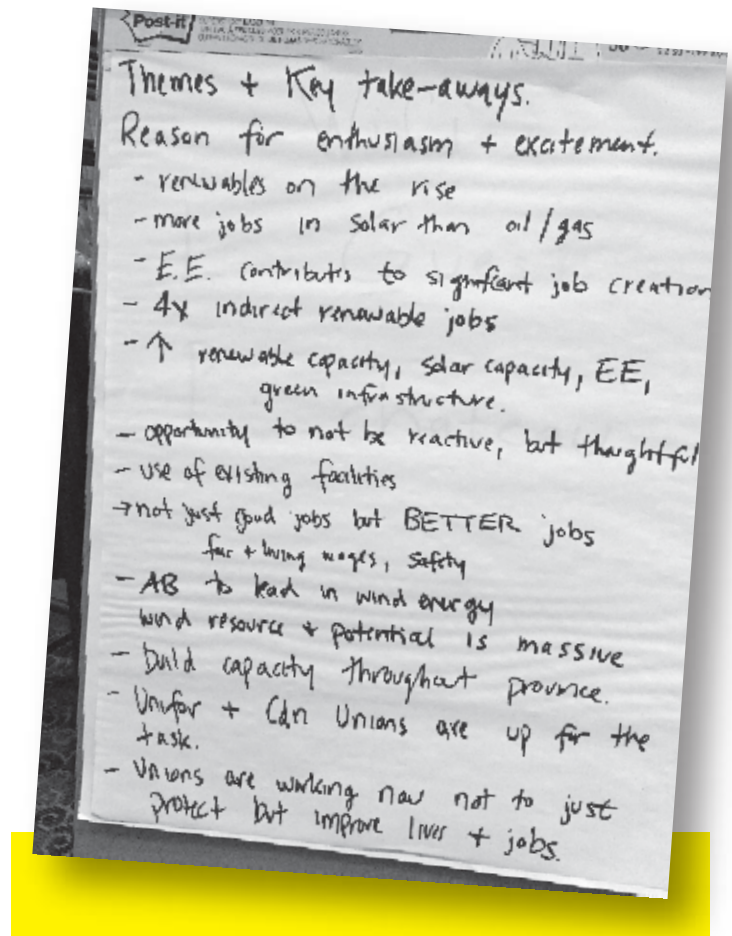
Coal workers - miners and power plant workers - have a long history of fighting for change and protection from the health impacts of coal in their workplaces and their communities to fights for health and safety standards in the workplace and workers compensation. Coal miners were also instrumental in building a strong labour movement, fighting for the 8 hour day, fights against company towns and company police. Many of Canada's most famous labour activists came out of coal mining. This is the movement that is now at the forefront of fighting for just transitions. And just as those early unionists brought so much protection for workers, families and communities, the unions today are working with the broader movement to ensure that there is a just transition.

Thanks to Alberta's carbon levy and the federal promise of a rising carbon price, Alberta and the Federal Government have the money. We should

not let our imaginations be limited by resources. The only challenge is in stoking our creativity and passion to identify and tap into the best examples worldwide of progressive just transitions policy and be creative. We have 14 years but to do it right, we must start now.

NOTES AND REFERENCES

- 1 Note that the Alberta government's 2030 coal phase-out does not apply to metallurgical coal.
- 2 B.Jeyakumar, "Job Growth in Clean Energy: Employment in Alberta's emerging renewables and energy efficiency sectors." The Pembina Institute, 2016, <http://www.pembina.org/pub/job-growth-clean-energy>
- 3 A. Hirtenstein, "Clean-Energy Jobs Surpass Oil Drilling for First Time in U.S.", Bloomberg, May 25, 2016, <https://www.bloomberg.com/news/articles/2016-05-25/clean-energy-jobs-surpass-oil-drilling-for-first-time-in-u-s>.
- 4 Investment figures and employment data presented by the Canadian Wind Energy Association (CanWEA) during panel discussions at the conference.
- 5 "Alberta reaches \$1.36B deal to shut down coal plants," The Calgary Herald, November 24, 2016, <http://calgaryherald.com/business/energy/alberta-reaches-1-36b-deal-to-shut-down-coal-plants>
- 6 Government of Alberta - Environment and Natural Resources - Carbon levy and rebates <https://www.alberta.ca/climate-carbon-pricing.aspx>





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CHATEAU LACOMBE HOTEL | OCTOBER 17, 2016

- 7:30** • Registration Tables will be set up outside of **Salon A**
- 8:30** • Call to Order with **Ken Neumann**, USW National Director and **Joie Warnock**, Unifor Western Director
 - Welcome and Remarks by The **Honourable Margaret McCuaig-Boyd**, Minister of Energy
 - Agenda Review and Remarks by **Mark Rowlinson**, Assistant to USW Director and Blue Green Canada President.
- 9:00** • Keynote Address on Climate Change, the Need for Action, and Just Transition by **Diana Gibson**
- 9:35** • Presentation on Alberta Coal Transition Coalition outreach and town halls by **Gil McGowan**, AFL President
- 10:00** • Panel Session on Just Transition and Alberta's 2030 Coal Phase out. Featuring: **Charley Beresford**, Columbia Institute and Blue Green Canada Chair, **Susan Cake**, AFL, **Gil McGowan**, AFL President, **Dale Marshall**, Environmental Defence, **Ken Smith**, President, Unifor Local 707A, and **Roy Milne**, President, USW Local 1595
- 12:15** • Lunch buffet in **Salon A**
- 1:30** • Presentation on Creating Opportunities for Albertans as we Transition to a Greener Economy by The **Honourable Deron Bilous**, Minister of Economic Development and Trade
- 2:00** • Panel Session on Training for Green Jobs and What is Needed for these Opportunities. Featuring **Brandi Thorne**, United Brotherhood of Carpenters, **Jonathan Sas**, Broadbent Institute, **Kevin Lecht**, Insulators Local 110, **Scott Crichton**, IBEW 424, **Randall Benson**, Gridworks Energy Group, and **Lana Payne**, Unifor Eastern Director
- 3:30** • Presentation on Renewable Power's Potential impact on Jobs for Alberta by **Binnu Jeyakumar**, Pembina Institute
- 3:45** • Panel Session on Renewable Power, 30% by 2030, and Good Green Jobs in Alberta. Featuring **Dan Woynillowicz**, Clean Energy Canada, **Cori Longo**, CLC, **Binnu Jeyakumar**, Pembina Institute, **Brian Campbell**, Unifor Energy Director, **Scott Lunny**, Assistant to USW District 3 Director, and **Evan Wilson**, CanWEA.
- 5:15** • Wrap up and Summary of Key Lessons Learned with **Mark Rowlinson** and **Joie Warnock**
- 5:30** • Reception in **Salon C**

