



The Office of
Just Transition

Early Lessons from Colorado's Coal Transition

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- In 2019, new Polis Administration Commits to 100% Renewable Electricity Grid by 2040
 - Along with market forces, this means earlier-than-expected closures of coal-fired power plants
 - Which means quicker decline in coal production and likely closure of coal mines
 - Collectively, this means significant impacts on supply chain businesses
 - This all means the loss of high- paying jobs and other multiplier effects
 - *Legislation (also in 2019) creates Office of Just Transition and commits Colorado to ensuring “the clean energy economy fulfills a moral commitment to assist the workers and communities that have powered Colorado for generations, as well as the disproportionately impacted communities who have borne the costs of coal power pollution for decades”*

OJT Structure

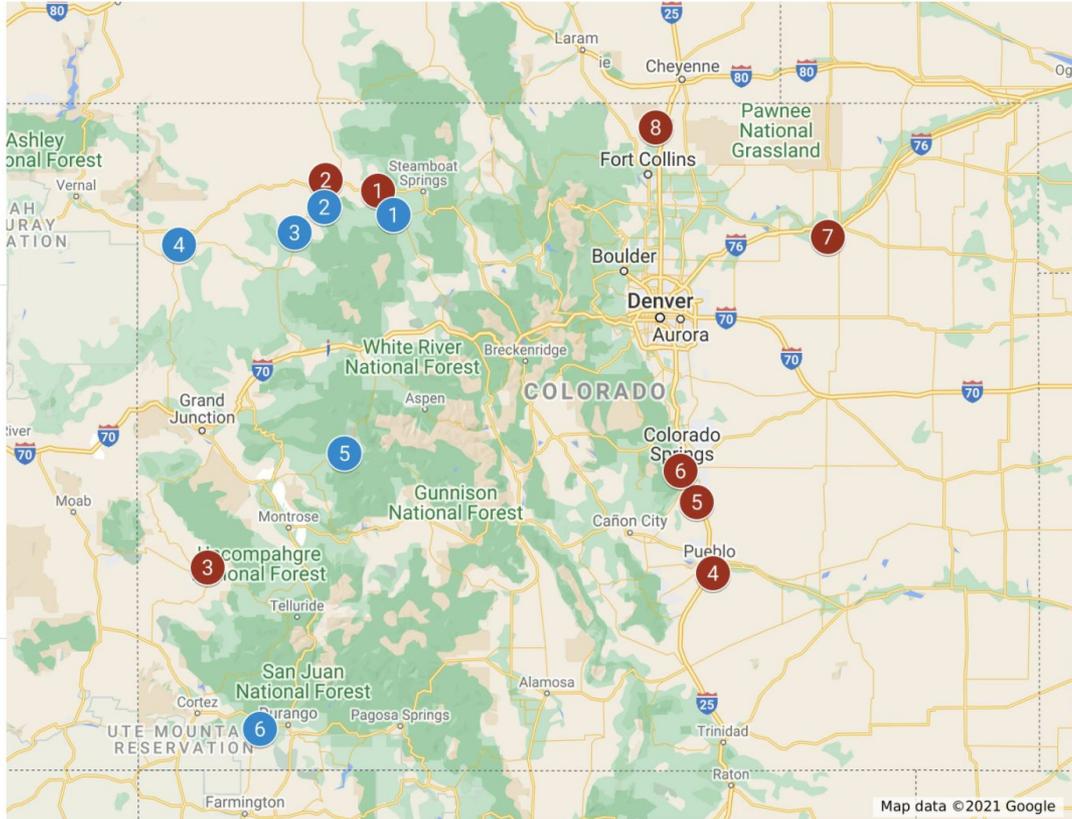
- OJT – 6 employees (may reach 9-10), housed in department of labor and employment
- Governed by legislation and Action Plan (now being updated)
- Just Transition Advisory Committee - 19 members

Coal Mines

- 1 Foidel Creek Mine
- 2 Trapper Strip Mine
- 3 Colowyo Mine
- 4 Deserado Mine
- 5 West Elk Mine
- 6 King II Mine

Power Plants

- 1 Hayden Station
- 2 Craig Station
- 3 Nucla Station (closed)
- 4 Comanche Station
- 5 Ray Nixon Power Plant
- 6 Martin Drake Power Plant
- 7 Pawnee Station
- 8 Rawhide Energy Station



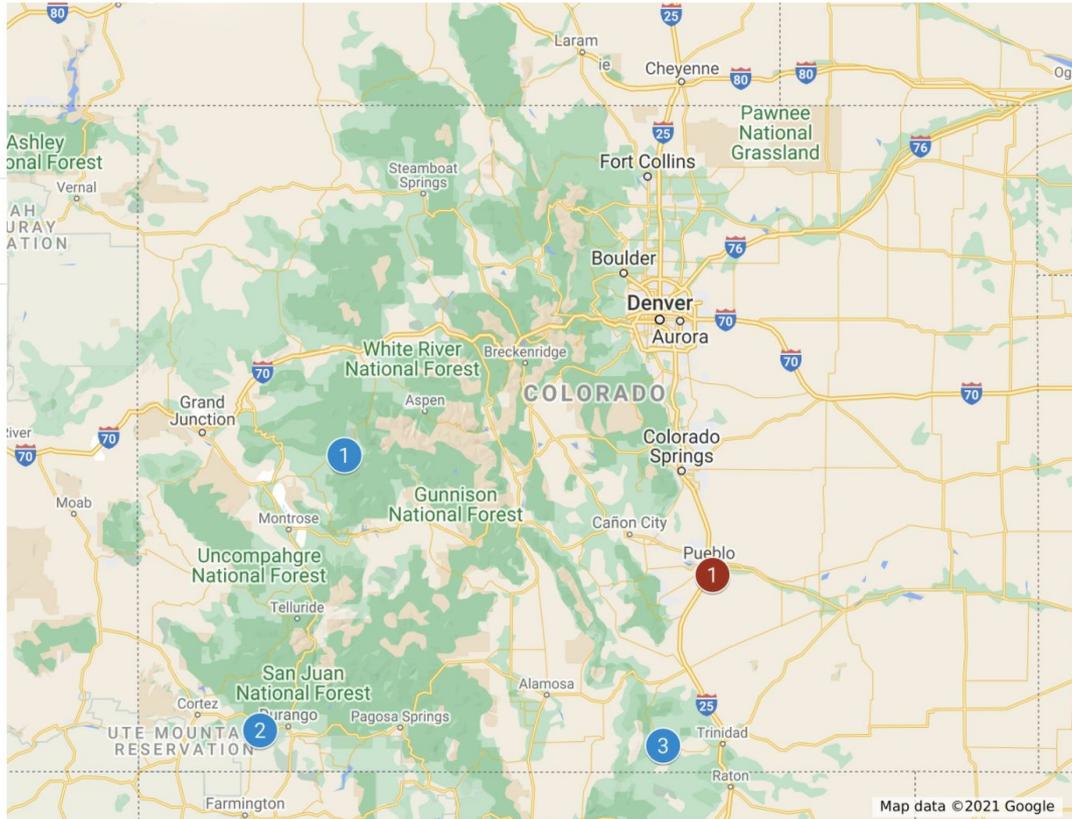
Coal in Colorado, 2019

Coal Mines

- 1 West Elk Mine
- 2 King II Mine
- 3 New Elk Coal Company

Power Plants

- 1 Comanche Station



Coal in Colorado, December 31, 2030

Comanche 3 in Pueblo scheduled to close no later than January 1, 2031

Collective Impacts – Property Taxes

- Loss of \$3.2 billion in commercial property value
 - >\$60 million in annual property taxes
- Over 95 districts, including:
 - 18 fire protection districts
 - 16 school districts
 - 14 water conservation districts
 - Counties, library districts, hospital districts, municipalities, water and sanitation districts, area colleges, and more
- Property tax impacts a surrogate for understanding broader economic disruption
- **Impacts likely to peak between 2028-2031**

Collective Impacts – Job Losses

- 825 Power Plant Workers
- 866 Miners
- Est. 1,000 “supply chain” workers
- Multiplier effects, especially in small communities
- 2026-2030 (est. peak in 2028)

OBSERVATION #1

These overall job and property tax numbers in Colorado are relatively modest when measured at the state level (State-level impacts in Wyoming, for example, are probably two orders of magnitude higher than Colorado).

But because coal facilities and jobs in Colorado are largely concentrated in a handful of mostly small and isolated rural communities, the local and regional impacts of most power plant or mine closures are likely to be very significant, on par with the impacts in other states.

Next to potentially catastrophic climate consequences, these are likely to be the most significant negative impacts associated with the climate challenges we face.



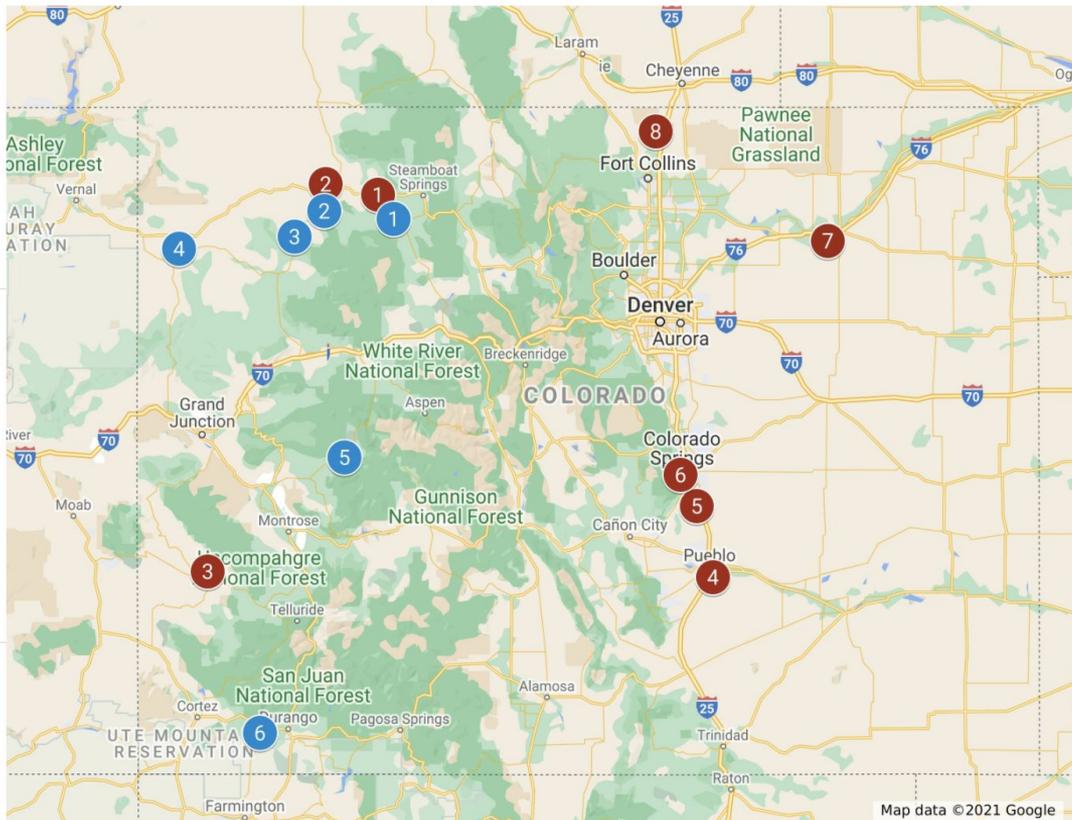
Communities

Coal Mines

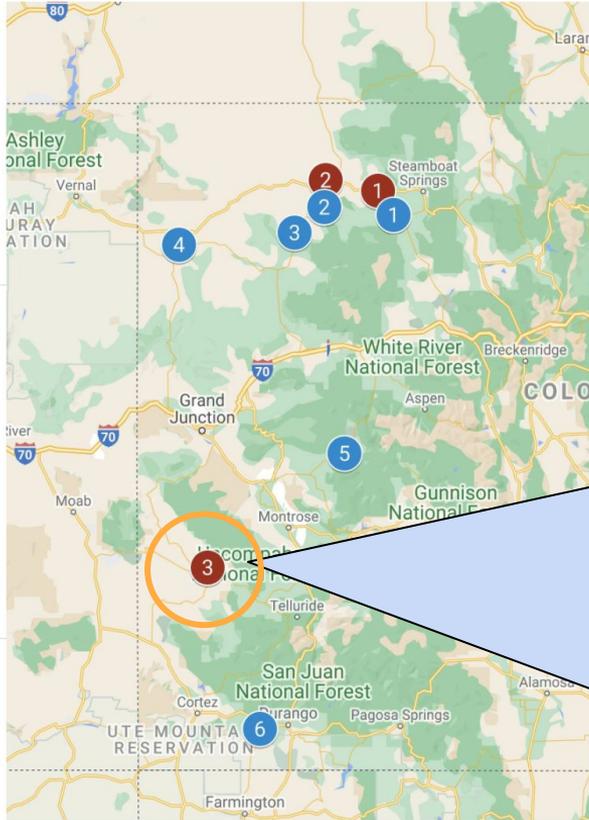
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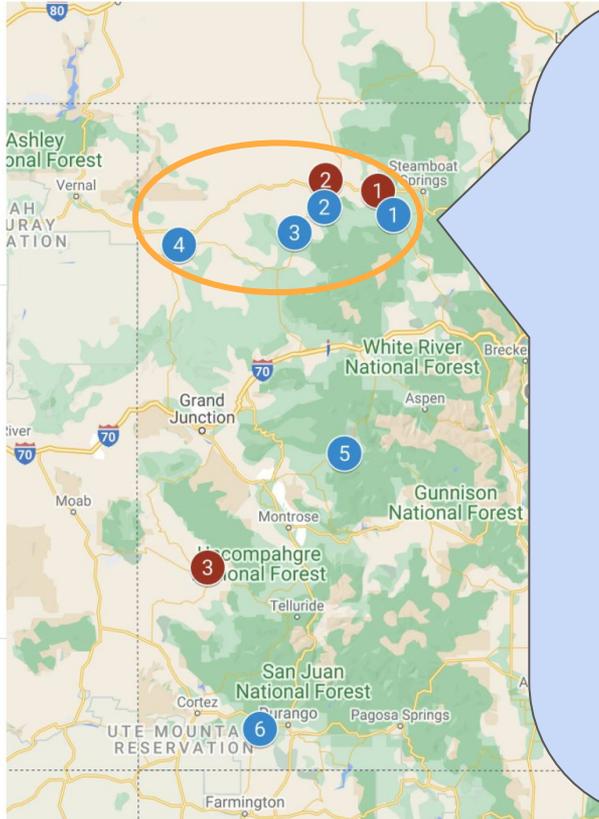
Coal in Colorado, 2019



The West End

- Very small and isolated communities, with total population under 4,500.
- History of mining (inc. uranium) and agriculture as well as outdoor recreation.
- Coal mine closed in 2017, power plant closed in 2019
- School district lost 58% of its property tax base, and fire district lost 65%
- Approximately 80 direct jobs lost from a very small regional workforce
- A similar magnitude event in the Denver Metro area would entail the loss of more than 136,000 jobs

Tier One Transition Communities



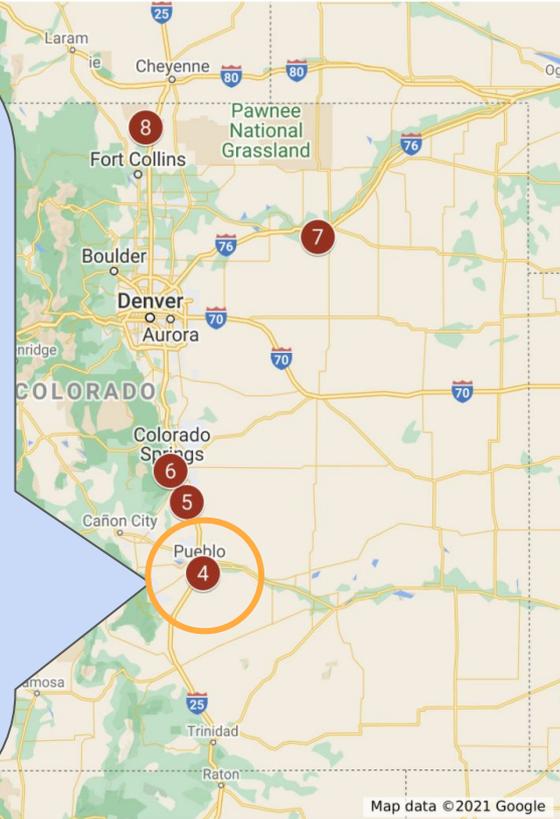
The Yampa Valley

- Three-county region with rich agriculture, mining and outdoor recreation history. Total population around 50,000.
- 2 power plants
 - 3 Craig units closing in 2025 and 2028 (2)
 - 2 Hayden units closing 2027 and 2028
- 4 coal mines, most (all?) closing by 2030
- 45% of property taxes in Moffat County (inc. schools, college, water and fire)
- Approximately 900 direct jobs (over 5% of non-resort regional workforce)
- Average salaries over \$90k, plus benefits

Tier One Transition Communities

Pueblo

- Largest transition community in Colorado (county population just under 170,000). More diverse and accessible community with strong industrial history.
- Colorado's largest power plant. Also it's newest (Unit 3 built in 2010 with original retirement date of 2070).
- Two of three units closing by 2025. Third unit closing January 1, 2031
- Total property taxes around \$30M annually - over 16% of county total



Tier One Transition Communities

Communities

If we can address the challenges in these three communities:

- **The West End**, which is extraordinarily isolated and where the closures have already occurred;
- **The Yampa Valley**, where a very high percentage of the economy depends on coal;
- **And Pueblo**, where the State's largest power plant will close 40 years early,

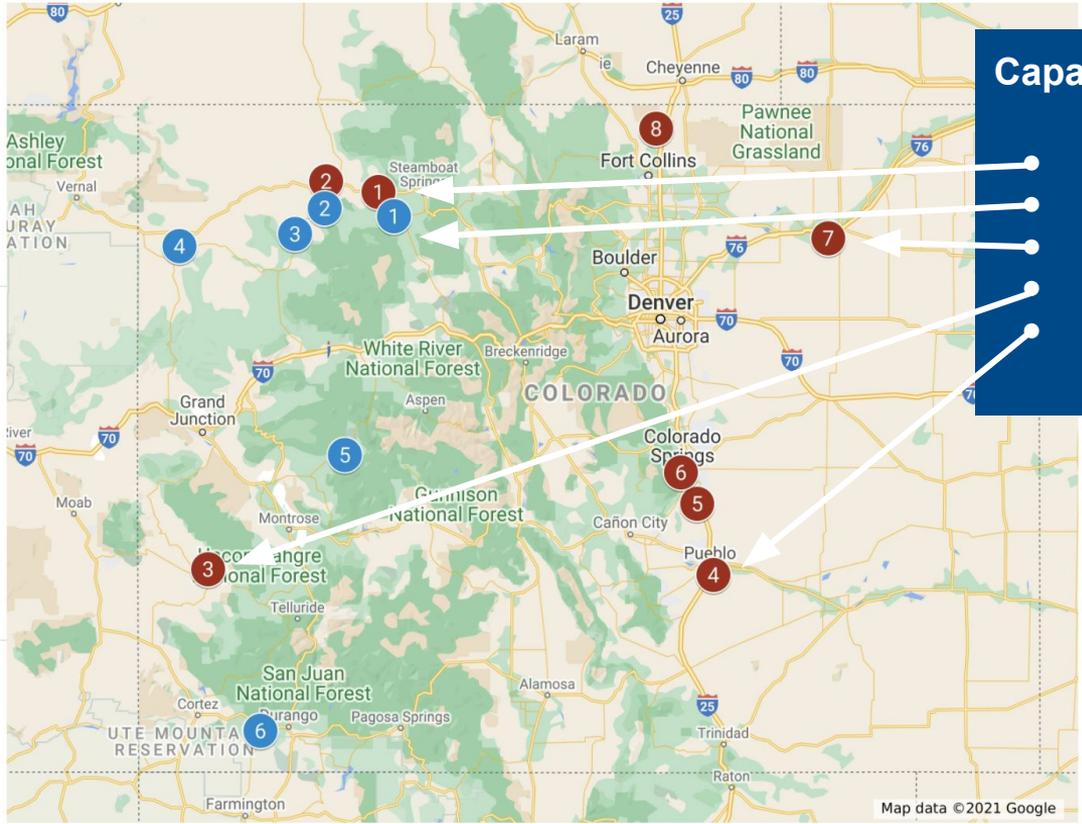
*we have a good chance of achieving a Just Transition
from coal throughout Colorado.*

OJT's Role

- Assist communities in replacing property tax, developing family sustaining jobs, and increasing economic diversity
- Assist workers in transitioning to new family-sustaining jobs, maintaining economic security or attaining a secure retirement

Community Assistance

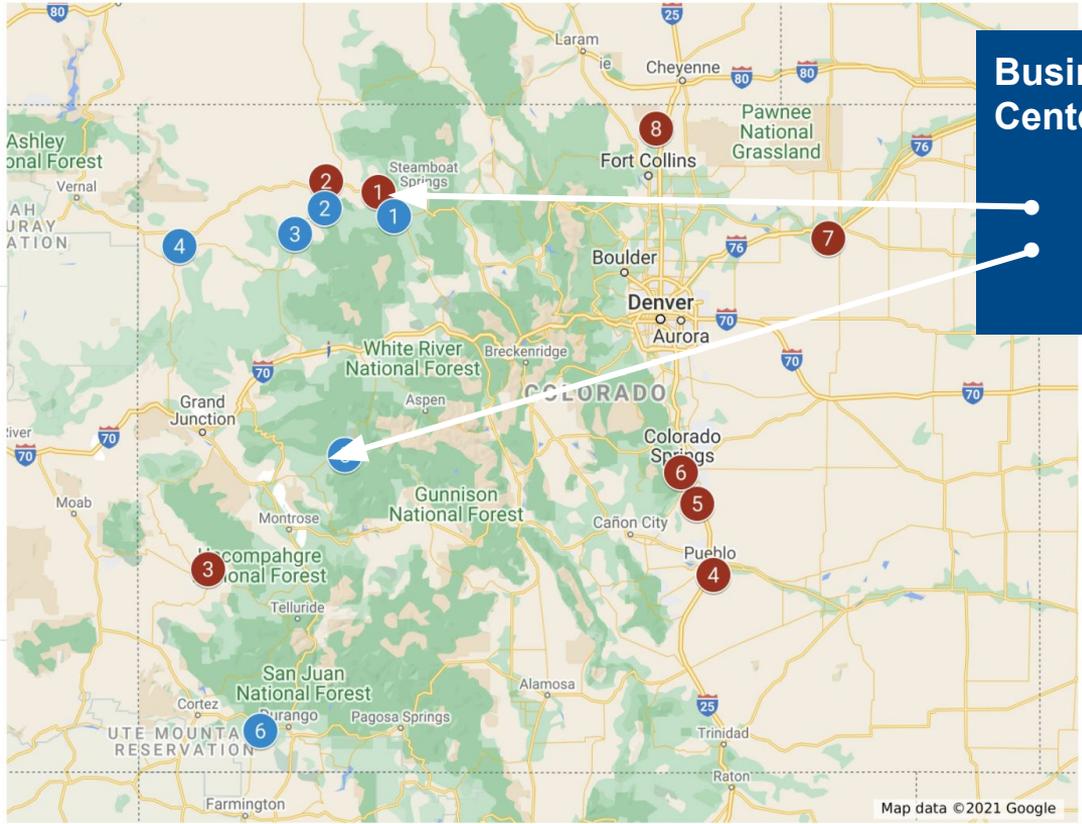
- Guiding Principle – To be driven by local visions and priorities, within parameters set by legislation
- \$15M in General Funding Appropriated by Legislature for Action Plan Implementation and Community Assistance
 - \$11.46M (>75%) Allocated for Community Assistance Grant Programs
 - [\\$6.2M currently encumbered](#)
 - Over 20 individual grants (>80% approval rate)
 - Business park development, town infrastructure improvements, river infrastructure improvements, capacity building (planning); business retention and expansion
 - Non-grant support
 - PUC Engagement: OJT and Communities
 - Technical Assistance for Economic Development Strategies
 - Outside investment connections
 - Grant Writer Program
 - State Energy Study (HB22-1247)
 - Federal Agency relationships
 - State Agency liaison



Capacity-Building Grants (\$1.35M)

- Yampa Valley (2 totalling \$502,000)
- Town of Yampa (\$100,000)
- Morgan County (\$140,000)
- West End (\$141,000)
- Pueblo (\$462,000)

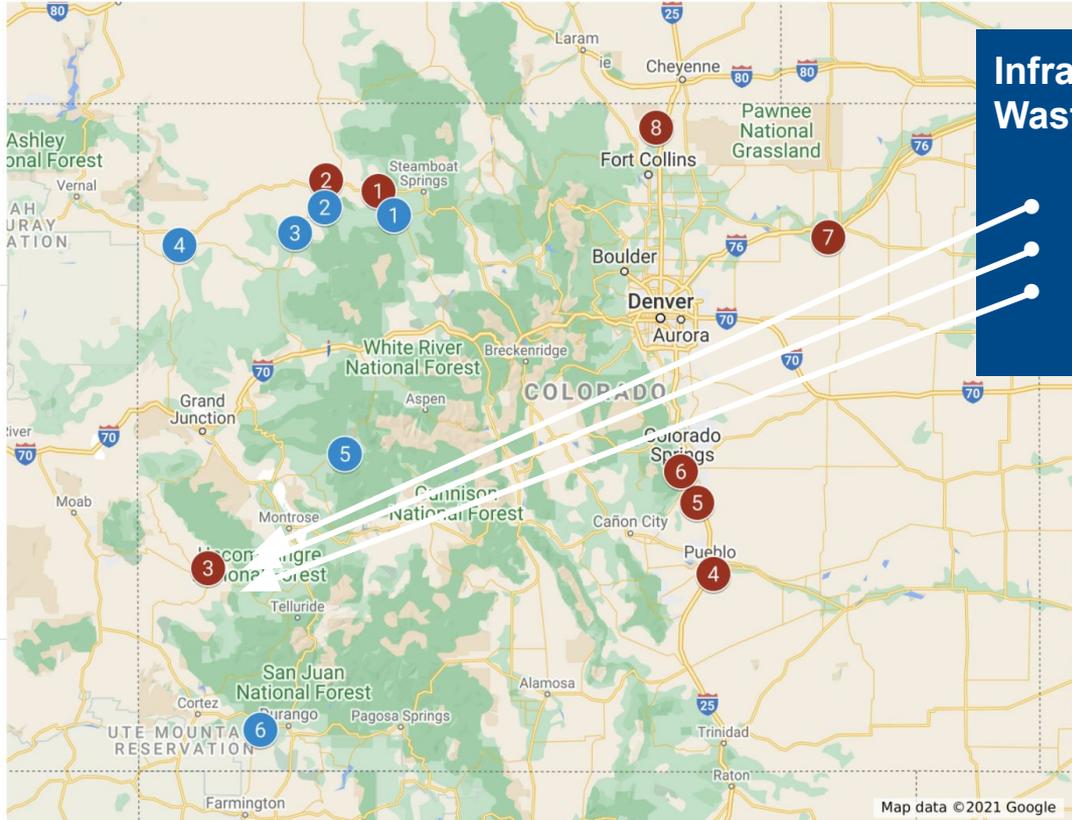
Community Assistance Grants



Business Parks and Innovation Centers (\$1.63M)

- Hayden (2 totalling \$1.3M)
- Delta (\$330,000)

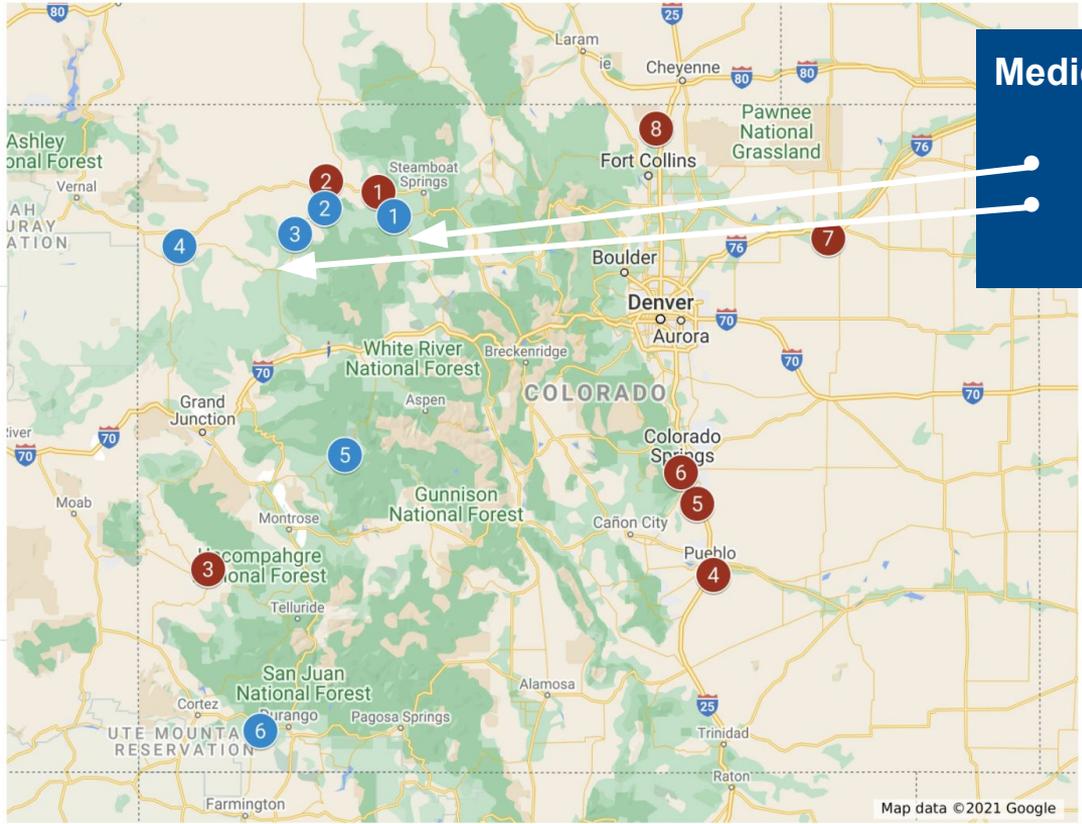
Community Assistance Grants



Infrastructure Grants – Water and Wastewater (\$1.75M)

- Nucla (\$721,000)
- Naturita (\$711,000)
- Norwood (\$314,000)

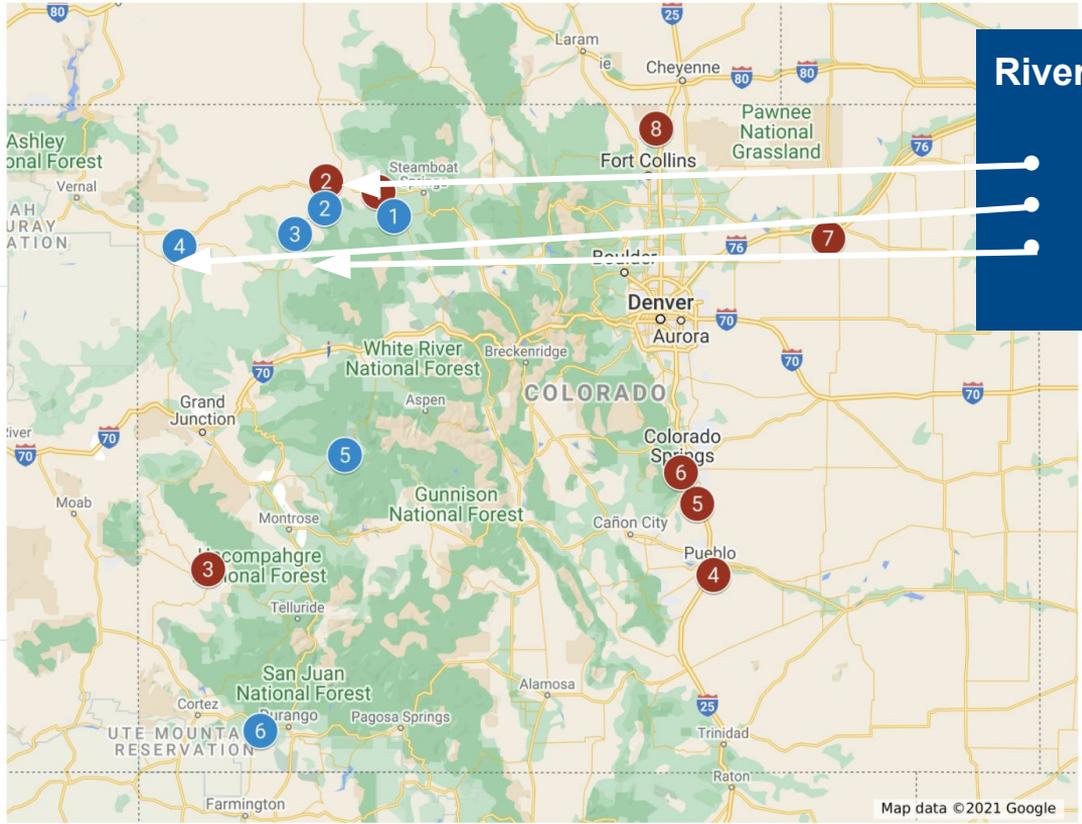
Community Assistance Grants



Medical/Medical Tourism (\$907,000)

- Oak Creek (\$307,000)
- Meeker (\$600,000)

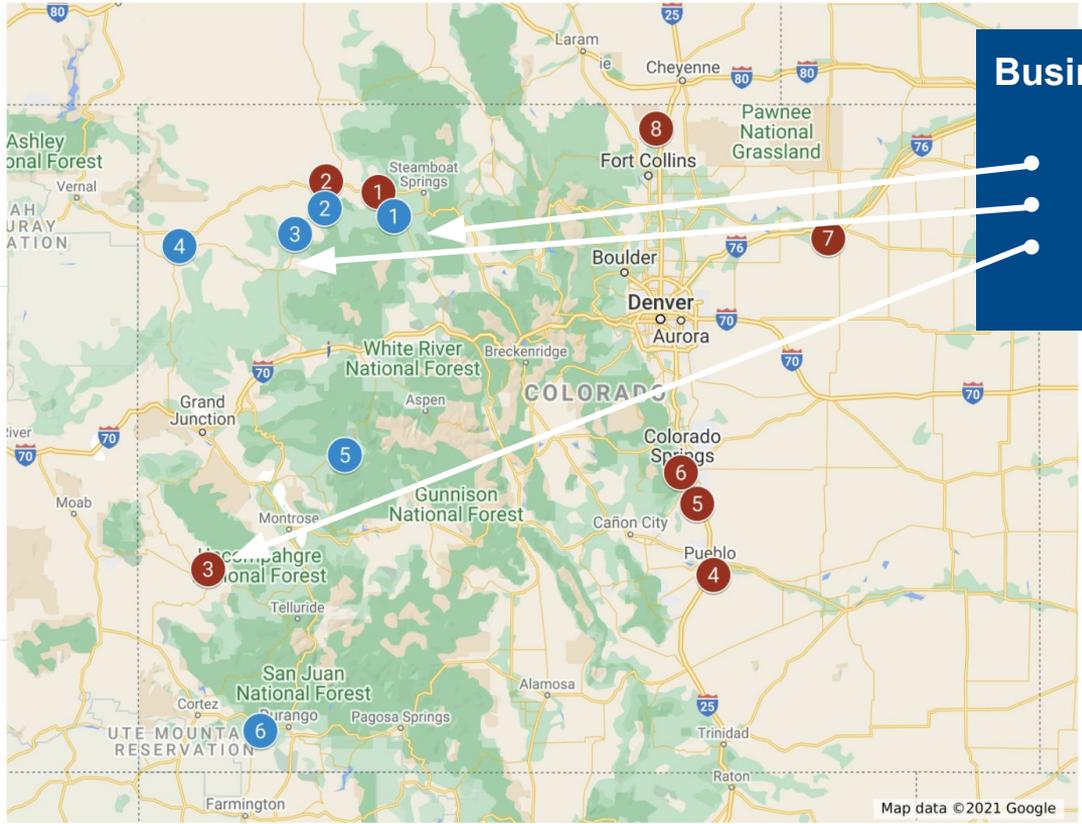
Community Assistance Grants



River Access/Recreation (\$1M)

- Moffat/Craig (\$398,000)
- Rangely (396,000)
- Meeker (\$220,000)

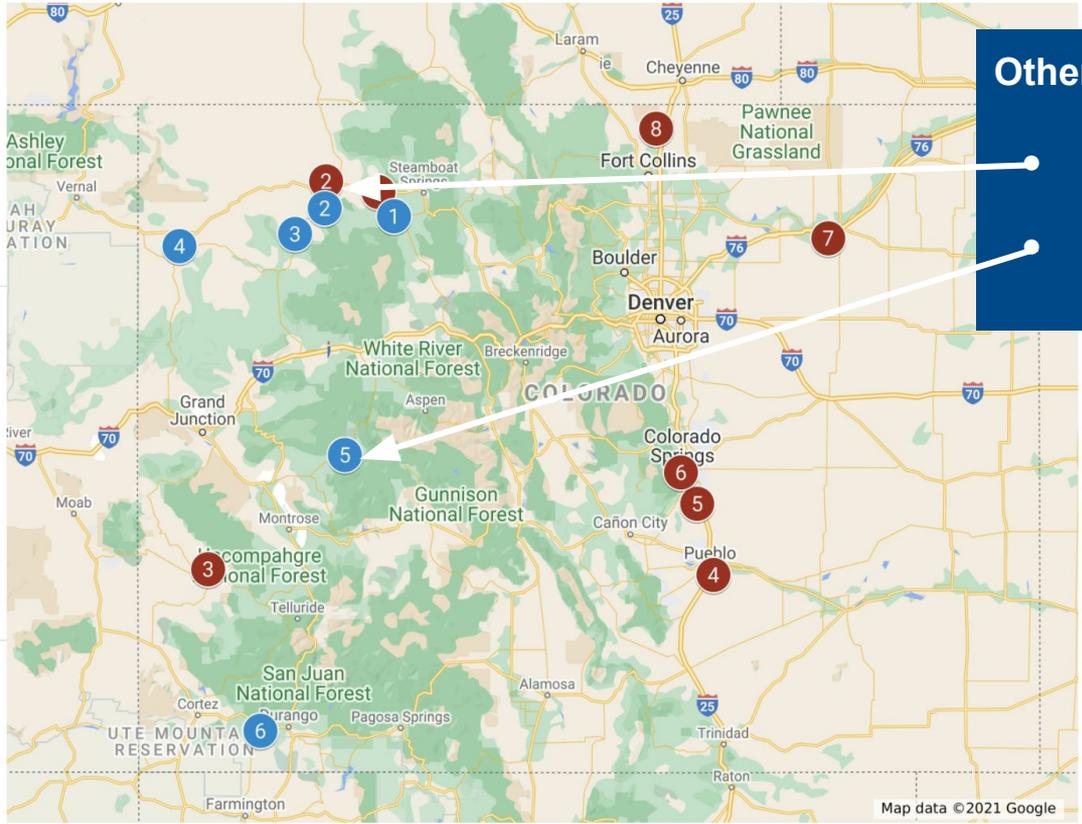
Community Assistance Grants



Business Support (\$204,500)

- Town of Yampa (\$105,000)
- Meeker (\$24,500)
- West End (\$75,000)

Community Assistance Grants



Other (\$282,000)

- Moffat – Pumped Storage Study (\$150,000)
- Delta – Workforce Housing (\$132,000)

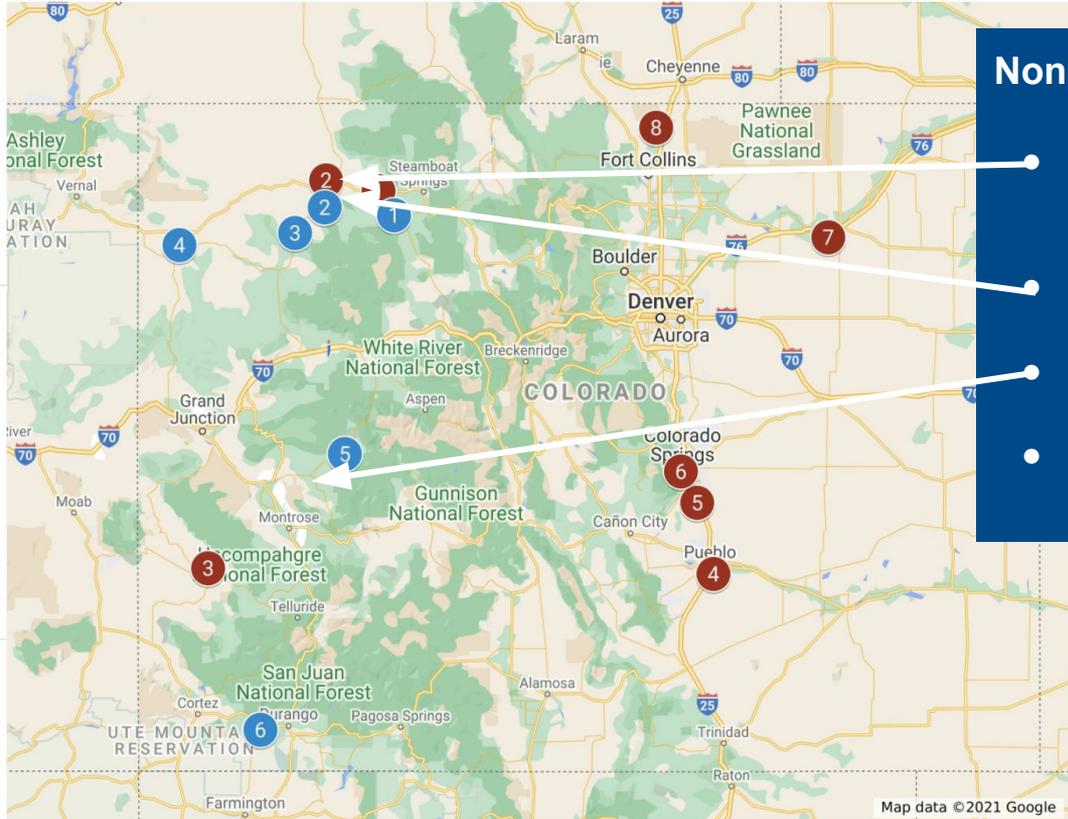
Community Assistance Grants

OBSERVATION #2

Of 23 community assistance grants, only ONE is for an energy project (pumped storage). This is because we are NOT trying to replace megawatts with megawatts. We are trying to replace property taxes with property taxes and jobs with jobs.

The pumped storage project may bring up to 30 good-paying jobs and significant property tax. In contrast, two of the three applications we turned down were for renewable energy projects that created few jobs and little in property taxes.

For communities, a Just Transition is about business development, economic diversification, and job creation, not energy.



Non-Grant Community Support

- Moffat – Facilitated project with Tri-State re: Community Assistance (\$100,000)
- Moffat – Funding attorney for PUC intervention (\$50,000)
- Region 10 – Grant-writer pilot program (\$50,000)
- Statewide Energy Study (\$50,000)

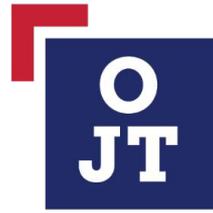
Community Assistance Grants

OBSERVATION #3

Some of our smallest investments have built the most trust, because they were the ones that have helped communities take more control of their own transitions. This includes the grant writer program and, especially, the funding that has allowed Craig and Moffat County to hire a team of attorneys to represent them at the Public Utilities Commission's (PUC) procedure considering Tri-State G&T's Electric Resource Plan.

The PUC is where some of the most consequential decisions are made about the futures of these communities, and yet only the largest communities have been able to afford to participate.

Helping communities have their own voices in matters related to their own futures, rather than having those futures decided for them, is the best thing we have done so far.



The Office of
Just Transition

Workers

Worker Transitions

- Guiding Principle – To be driven by the individual visions of workers and their families for economic security and prosperity after coal
- \$15M in General Funding Appropriated by Legislature for Coal Transition Workforce Assistance Program
- [Worker Survey Preliminary Results](#)
- Recommendations from Just Transition Advisory Committee
 - Pre-Closure program to be rolled out during 2024
 - Post-Closure program still under review and development

Worker Transitions – Pre-Closure Program

1. Transition Navigators to connect directly with individual workers and families

OJT hired the first Navigator in Craig in January, and we expect to hire more as demand grows in communities throughout Colorado. All navigators will be community-based and work directly with workers and families to develop their transition plans and connect them to resources and services.

2. Financial Planning, retirement planning, career coaching and other planning services

Services will be at reduced or no cost, providers will be professionally certified, and worker and family participation will be voluntary.

OBSERVATION #4

Statutes usually require government agencies to wait until something bad happens before they can intervene. This limits their options to mitigating impacts rather than preventing them. It's the FEMA model, coming in after the flood.

But we have the opportunity to do something before the bad stuff happens, before the flood. With at least two years lead time, we can be like the Army Corps of Engineers and do things to prevent the flood. We know who is likely to lose their jobs, and we know if we start working with them now we have the potential to decrease the impact of closures, increase their options for the future, and save them and taxpayers a lot of money.

**The old wisdom applies to the energy transition as it does to so many other things
– an ounce of prevention is worth a pound of cures.**

Worker Transitions – Pre-Closure Program

3. Tuition, education, training, and trade assistance to help workers, spouses, and family members guild new career opportunities

OJT will build on benefits from existing employers to help workers and family members develop new or improved skills and competencies to support new careers and sustain family incomes.

4. Credit and certification for existing skills and expertise in trades or other occupations

Coal workers have a wide range of skills that are transferable to other good jobs. OJT will help identify these skills and help fill any gaps to make them more marketable to future employers.

5. Small business start-up assistance for workers, spouses, and family members

When surveyed, many coal workers told us they want to start or expand their own businesses in the communities where they live. OJT will provide technical assistance and funding (such as buying down interest rates or paying closing costs on loans) to help make this happen.

OBSERVATION #5

A family's economic future does not depend on one worker alone. The ability of the household – of spouses, partners, and other family members – to contribute to household income can be an important factor in preserving a family's economic security through and after the transition.

Spouses may also be the ones with the time and ability to take the most advantage of these pre-closure options while coal workers continue to earn great incomes at the mines and power plants.

It is all up to the choice of the workers and their families. But where there is interest, we intend to provide the opportunity for the transition to be a family matter. After all, two good-paying jobs might be just as helpful as one great-paying job (and easier to find).

Worker Transitions – Pre-Closure Program

6. Peer coaching and other wellbeing support

Major work and life transitions can be very stressful. Peer coaches have been effective in other transitions and will be part of our approach. When asked, OJT will connect workers and families to these coaches and to other services that support workers' wellbeing and resilience.

7. Transition Hubs in impacted communities

Local transition Hubs provide a comfortable place for workers and families to find services such as re-employment, training, and social support and to leverage local, state and federal resources.

OBSERVATION #6

This is not all about economics. It is about community, heritage, and identity. For many, mining is like ranching – a way of life passed down through generations. It is not just a job.

It is also a matter of pride – pride in fueling this nation’s prosperity. These workers provided the energy for great things to happen. After all, the information age runs on a lot of electricity, as we all are reminded when we can’t find the cord for charging our phones.

The loss of a way of life, of a job with purpose, can be extraordinarily disruptive. So we plan to help them tend to more than just their economic well being.

Just Transition is NOT About . . .

- Replacing energy sources
- Backfilling lost revenues
- Finding one big new employer or economic driver
- Transitioning coal workers *en masse*
- Creating dependency
- The State making decisions for local communities or workers



Just Transition IS About . . .

- Following the lead of local communities and workers
- Helping diversify local economies
- Helping expand local property tax bases
- Helping expand existing or attract good new businesses
- Helping communities access federal and philanthropic funding
- Helping create good, family-sustaining jobs
- Helping individual workers and their families find their own path for the future
- Helping communities and workers have a voice in policy and regulatory processes



Stepping back a bit . . .

Colorado's efforts reflect a definition of Just Transition that is limited largely to mitigating the impacts to specific communities and workers of the closure of specific facilities related to one fossil fuel – coal.

There are other, often much broader definitions. They address the transition as:

- A global challenge
- An equity challenge
- A systemic economic challenge
- A systemic workforce challenge
- A systemic political challenge
- A challenge for rural communities
- More



The Office of
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DONE
