



# BLUE GREEN CANADA CONFERENCE BACKGROUND

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## JUST TRANSITION AND GOOD GREEN JOBS: UPDATE AND PROGRESS

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**Please see Blue Green Canada's complete set of Fact Sheets:**

- Just transition and good green jobs - update and progress
- Context: Alberta coal and other transitions
- Worker transitions - training and green jobs
- Financial security for workers in transition
- Community transitions

**See also:**

- Blue Green Canada, "Just Transition and Good Green Jobs for Alberta - Edmonton 2016 Conference Summary"
- Alberta Coal Transition Coalition, "Getting it Right: A Just Transition Strategy for Alberta's Coal Workers."

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**Blue Green Canada** is an alliance between Canadian labour unions, environmental and civil society organizations to advocate for working people and the environment by promoting solutions to environmental issues that have positive employment and economic impacts

FOR MANY YEARS, **BLUE GREEN CANADA** AND OTHER ORGANIZATIONS HAVE WORKED TO FOSTER DISCUSSION AND ADOPTION OF JUST TRANSITIONS AND GOOD GREEN JOBS PROGRAMS, INCLUDING IN THE CONTEXT OF THE CLOSURE OF COAL-FIRED ELECTRICITY GENERATION IN ALBERTA.

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## JUST TRANSITION AND GOOD GREEN JOBS - PRINCIPLES

While Canadian implementation has been disappointing over that time, key principles have been established in Canada and around the world:

- When an industry is wound down for broad social purposes, the cost should be shared broadly across society, and not be shouldered by specific workers and communities.
- A just transition is essential not only for fairness, but also to build necessary political support for the winding down of an industry.
- Workers and communities need to be directly and actively involved in transition planning as early as possible, working in partnership with government and industry.
- Government must take a leadership role in ensuring that a just transition is planned and implemented, bringing together the various parties.

Good green jobs also have been discussed for many years. Labour and environmental organizations have pointed out that the “jobs vs. the economy” myth does

not stand up to the facts, and hundreds of thousands of good jobs around the world have been created by the facts, and hundreds of thousands of good jobs around the world have been created by greening the economy. Good green jobs typically share some or all of the following characteristics:

- jobs that are low-carbon or carbon-reducing, or that have other beneficial environmental impacts
- jobs that pay decently and have benefits, whether peak-career or entry level
- jobs in new and familiar occupations, in new and familiar industries
- jobs that are spread across communities, that allow people to live in a variety of places

While good green jobs could appear in any sector, they often appear in the following sectors: renewable energy; energy efficiency; low-carbon transportation; and good water and wastewater management.

# THE ALBERTA COAL TRANSITION

Coal-fired electricity generation capacity has been winding down for years across North America, primarily due to competition from natural gas, which is now cheap due to fracking technology. These market pressures have been bolstered by government emission reduction policies adopted at both the federal and provincial levels, and from all major parties - Conservative, Liberal, and NDP.

Of the 18 Alberta coal-fired generation units, Federal regulations imposed by the Harper Conservative government in 2012 required the majority (12 of 18) to close<sup>1</sup> by 2029 at the latest -- eight by the mid-late 2020's, and four by 2019. The remaining six units were required by Alberta's Climate Leadership Plan to cease pollution by the following year, 2030.

On October 17, 2016, Blue Green hosted a conference, Just Transition and Good Green Jobs for Alberta. As noted in the [conference summary](#), workers, environmentalists, government representatives, and other decision makers discussed 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.



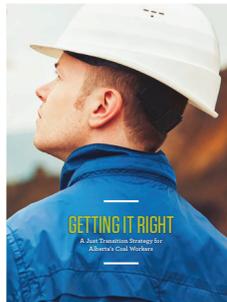
Key conclusions that emerged included the following:

- Job losses are an increasingly pressing issue that needs to be addressed;

- Just Transition is about fairness, and a strong economy;
- We need to learn from the successes and failures elsewhere;
- Unions are a vital partner;
- There is an enormous opportunity in good green jobs; and
- A Just Transition is affordable.

Participants discussed the fact that the Alberta NDP government has made commitments (e.g in the Climate Leadership Plan) to helping workers and communities through the transition, and to expanding good green jobs sectors that will help absorb laid off workers and assist communities through the transition.

The government has not yet provided details on what that will look like.



The Alberta Coal Transition Coalition, a broad coalition of unions that represent workers affected by these changes, released a [report](#), "Getting it Right: A Just Transition Strategy for Alberta's Coal Workers" Among other things, the report proposes an Alberta Economic Adjustment Agency

that would develop and implement a just transition plan that includes, among other things, programs for:

- Job Readiness - training, education, career counselling, job search;
- Job Movement - job pools, preferential hiring, placement and relocation allowances, housing value-loss compensation;
- Interim Support - EI top-up and extension, pension bridging for early retirement;
- Fair Departure - ensuring employers provide severance, health insurance and pensions;
- Community Economic Development - helping coal communities to transition and diversify their economies; and,
- Community Facilities and Services - funding for communities to maintain facilities and services in the short term.

These are all useful programs, and the need for them just got more urgent.

## RAPID INDUSTRY CHANGES

The industry has changed significantly over the last year.

First, Federal coal policy backstopped Alberta policy. The Harper Conservative coal phase-out policy was amended in November 2016 to move the national deadline to 2030

This backstopping provided additional certainty and predictability to industry. The federal government also announced that it would work with labour and communities to provide them with assistance in the coal transition.

A more important change happened in April and May of 2017, when private sector coal plant owners announced accelerated phase-outs for the majority of Alberta's operational coal units (13 out of 18). As stated by company representatives, this accelerated phase-out is not due to government policy, but instead is due to low natural gas and electricity prices and the expiry of PPAs.

At least 12 of these plants will be converted to natural gas by 2023, leaving only Capital Power operating four coal-fired units after 2023.<sup>2</sup> On the mining side, after the accelerated plant closures, no thermal coal will be required from any mines other than Genesee and Highvale, and Highvale at about 15% of its current capacity (assuming mining operations aren't consolidated into one of the two mines).

Note that Capital Power could also follow the lead of TransAlta, Maxim and ATCO, and announce early shutdowns of the remaining four units, given the price of gas and its expiring PPAs.<sup>3</sup> In its recent Investor Meetings, Capital Power has been discussing the timing of the decision for a coal-to-gas conversion.

Accelerated closure decisions by companies will affect far more workers and communities, and several years sooner, than Alberta policy. And if Capital Power follows the lead of ATCO and TransAlta on an accelerated phase-out, then a ll coal fired units and associated mining operations will shutter before Alberta's 2030 deadline.

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## RECENT ACTIVITIES



The Government of Alberta's Advisory Panel on Coal Communities has been conducting outreach around the province, and is about to release a report on their findings (expected Fall 2017). Meanwhile, Alberta's Minister of Economic Development and Trade has also conducted an outreach tour of affected communities.

Telephone town halls were held for coal communities of Hanna, Forestburg, and Leduc and Parkland Counties with Minister of Municipal Affairs. The government recently launched a Coal Community Transition Fund, which will provide economic development grants to the communities affected by the coal phase-out (see Fact Sheet on Community Transitions)

In the lead-up to the Advisory Panel report and the Government's response, Blue Green Canada's conference aims to push the conversation further, and faster - examining best practices worldwide, considering the state of government and company negotiations, and identifying priority policies for the provincial and federal governments.

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1 The regulation requires that new and 50-year old coal units emit no more than 420 tonnes of CO<sub>2</sub>e /GW/h, which is normal for high-efficiency Natural Gas Combined Cycle (NGCC) technology, and currently impossible for conventional coal-fired generation. Environment and Climate Change Canada, "Coal-Fired Electricity Generation Regulations - Overview" <https://ec.gc.ca/cc/default.asp?lang=En&n=C94FABDA-1> .

2 H.R. Milner suspended operations in 2017, and Battle River 3 is scheduled to close in 2019.

3 Genesee 1 is actually older than Sheerness 2. Also, TransAlta owns 50% of Keephills 3 and Genesee 3, and has clearly signalled its move away from coal.