



Colorado Office of Just Transition
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Minnesota Energy Transition Advisory Committee

October 25, 2022

Outline

- Coal in Colorado and Impacts of Closures
- Creation and Purpose of Office of Just Transition
- Overview of first three years
- Lessons and suggestions

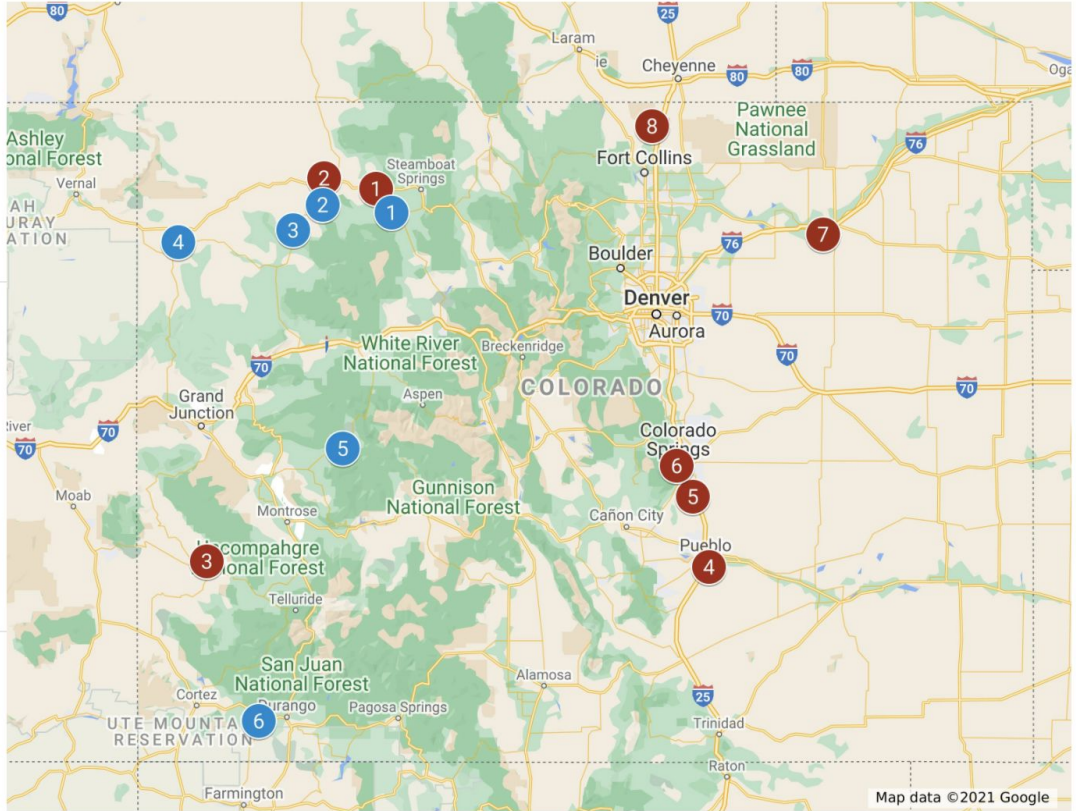
Coal in Colorado and Impact of Closures

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

Collective Impacts (2019)

Property taxes

- 15 generating units with combined nameplate capacity of 4,758 MW
- 6 mines/13.6 million tons (down from 12 mines/40 m tons in 2004)
- \$3.2 billion in commercial property value (90% from power plants)
- 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

Job losses

- 900 +/- Power Plant Workers
- 1,100 +/- Miners
- Est. 1,000 “supply chain” workers
- Multiplier effect in smaller communities

Creation and Purpose of Office of Just Transition

2019 Legislative Session

Climate Focus

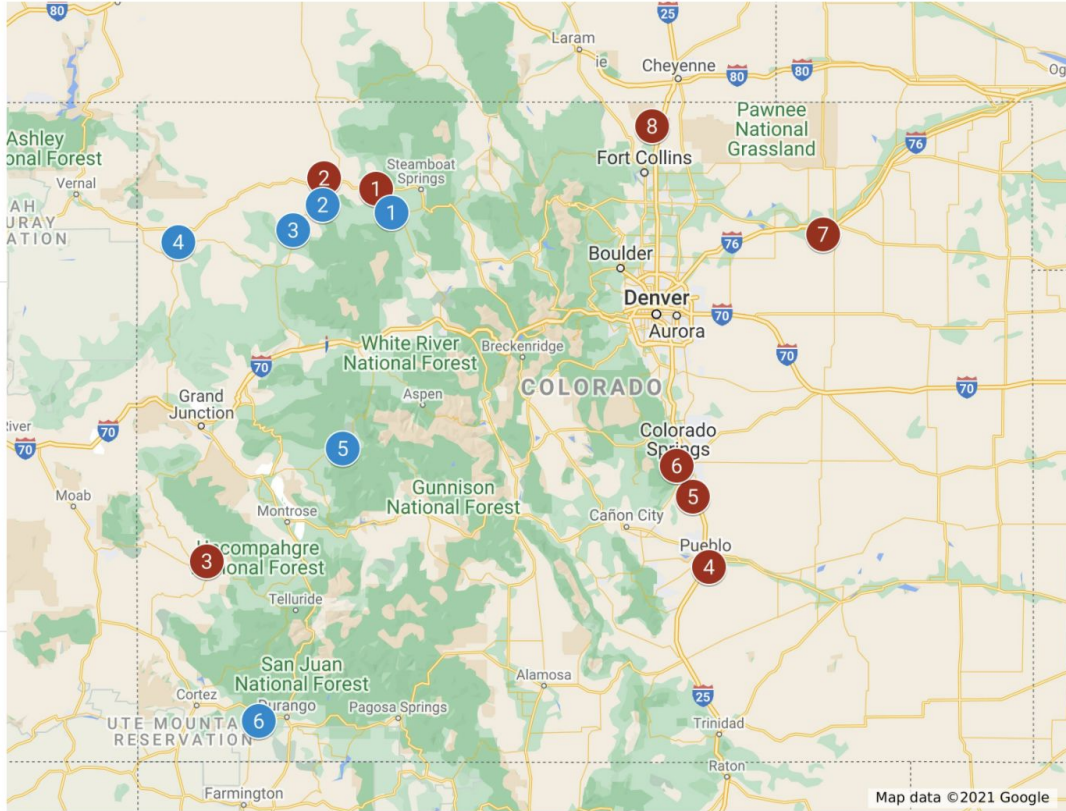
- Target of 50% reduction in GHG emissions by 2030 (2005 base)
- Only way to achieve was elimination of coal-burning to generate electricity, among other strategies

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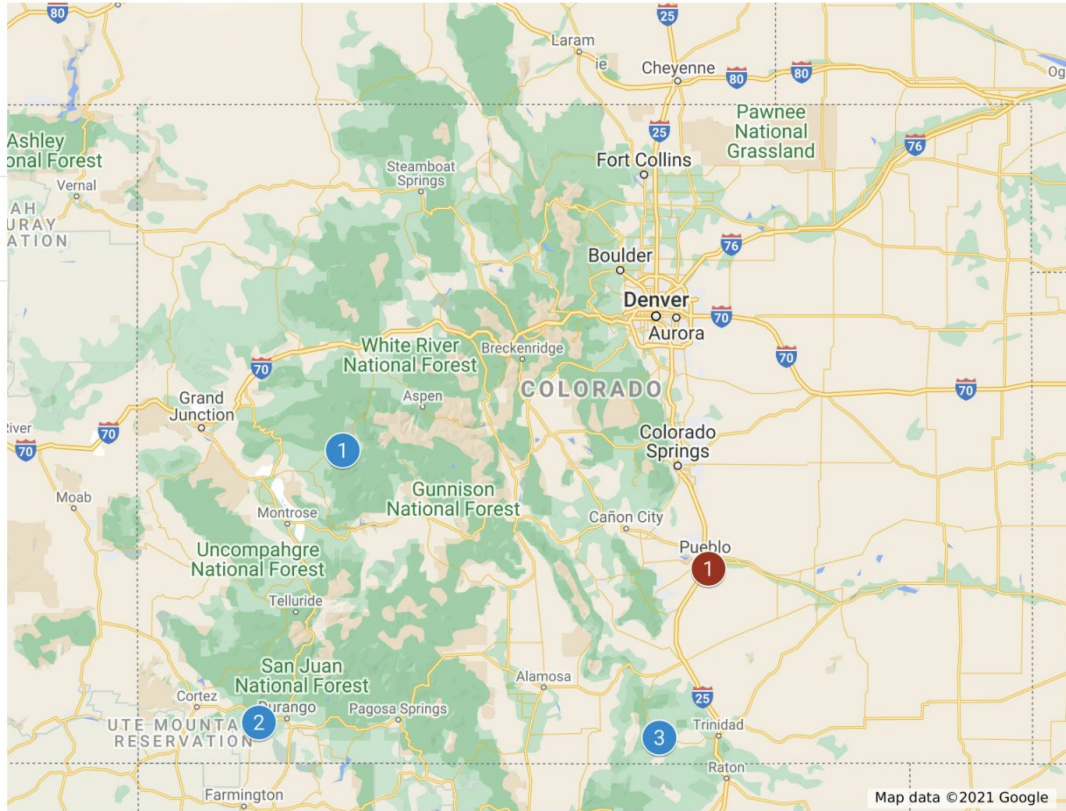
Coal in Colorado, 2019

Coal Mines

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

Power Plants

- 1 Comanche Station



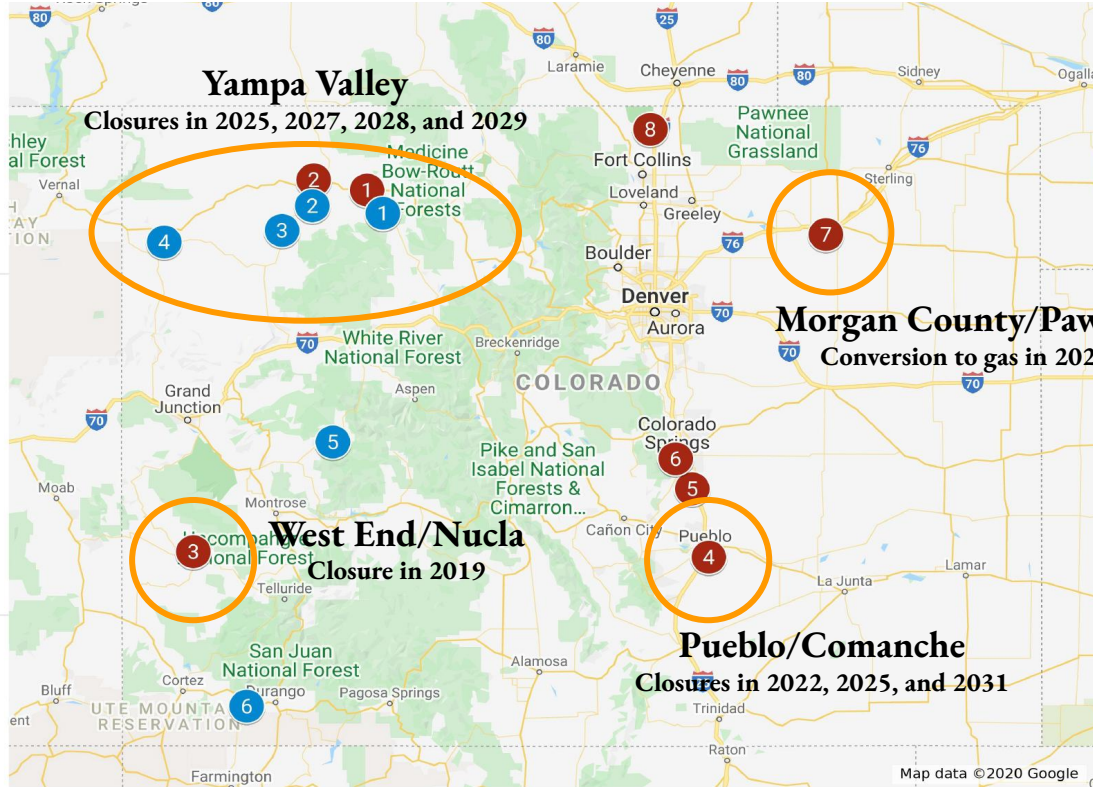
Coal in Colorado, 2030

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2019 Legislative Session

House Bill 19-1314

- First state-level just transition office
- Union-led effort
- Original version had heavy focus on workers, committed to untested concepts (wage differential benefits, etc.)
- Communities not organized on issue
- EDI provisions

Office of Just Transition

- One person
- Department of Labor and Employment
- Purposes
 - Identify communities and workers
 - Develop state plan
 - Coordinate state implementation of plan
- Challenge hiring – took 8 months to get director

Just Transition Advisory Committee

- Representation from departments of Labor and of Local Affairs; Governor's Office; state offices of energy and economic development; workers; utilities; communities; economic development and and workforce expertise; “disproportionately impacted communities.”
- Submitted draft plan with recommendations (“final” plan then drafted by OJT)

OJT's First Three Years 2019-2022

CO Just Transition Action Plan

Long-term goals

- For each community:
 - Replace jobs and property tax base
 - Create measurably more economic diversity
- For each laid-off worker:
 - a good new job at a family-sustaining income, achieved without sacrificing family economic security, or
 - a secure retirement for older workers who may not wish to stay in the workforce
- *Note – task is not to replace energy*

COVID = Austerity

- Funding options from public, non-profit, and private sources

State Funding (surprise!)

Action Plan and Communities

- \$15 million (2022-2026)
- 75% in grants – almost \$5 million in first 10 months of grant program
- Grants leveraging significant additional resources
- Remaining 25% of funds for wide range of activities serving communities, including intervention at PUC, data collection, investor workshops, facilitation of Tri-State process, peer-to-peer network, and more

State Funding

Transition Workers

- \$15 million (2022-2027)
- Proposed strategy by June, 2023.
- Current employer programs key

Severance Taxes

- \$2+ million per year by 2027

Office of Economic Development and International Trade

- \$5 million to Strategic Fund

Utility commitments

Xcel

- Six years of property taxes for Routt and Morgan
- Ten years of property taxes for Pueblo
- Total commitment more than \$275 million

Tri-State

- Facilitated Community Assistance program involving OJT, Craig, Moffat County and others

Collaboration

Inter-agency

- Economic Development
- Local Affairs (roadmaps, etc.)
- Energy Office
- Workforce Programs

Philanthropy and investors

- Major state and regional foundations
- Investor workshops (national groups)

Lessons and Suggestions

Understand the Challenge

- *Unique to each state and region*
- Loss of jobs, taxes and economic vitality
- Not about loss of energy

Understand the Solution

- *Unique to each state and region*
- Replace what is lost while diversifying for future stability
- Workers finding own pathways
- Not about finding new energy

Understand the Timing

- *Unique to each state and region*
- In Colorado, most closures and job losses 5 years or more away

Understand the Communities and Workers

- *Unique to each state and region*
- History and heritage
- Go to them, listen to them, center solutions on them
- Show respect and earn trust

Understand the Context

- *Unique to each state and region*
- Overlay of larger divisions
 - Rural – Urban/West Slope – Front Range
 - Conservative – Progressive
 - Environment/Climate – Traditional Uses
- No need to win arguments

Communicate, communicate, communicate

- *Unique to each state and region*
- No surprises
- Be clear about audiences – legislators, community leaders, business, workers, advocates

Integrity

- Do what you say you will do
- Keep moving forward

Buckle up and Settle in

- People won't agree
- This will take a while

Questions?

Thank you!