A BILL FOR AN ACT

CONCERNING A JUST TRANSITION FROM A COAL-BASED ELECTRICAL ENERGY ECONOMY, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill creates the just transition office in the division of employment and training in the department of labor and employment. Beginning in 2025, the office, led by a director, will administer the following:

Benefits to coal transition workers to enable them to
support themselves and their families and to access and complete education and training, resulting in being hired for high-quality jobs; and

Grants to eligible entities in coal transition communities that seek to create a more diversified, equitable, and vibrant economic future for those communities.

An electric utility that proposes to retire a coal-fueled electric generating facility shall submit to the office a workforce transition plan at least 90 days before the retirement of the facility.

The bill creates a just transition advisory committee to advise the director regarding implementation of the bill.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, add part 4 to article 83 of title 8 as follows:

PART 4
JUST TRANSITION SUPPORT
FOR COAL-RELATED JOBS

8-83-401. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY:

(a) FINDS THAT:

(I) COAL PROVIDES MORE THAN HALF OF COLORADO'S NET POWER GENERATION, WHILE NATURAL GAS PROVIDES ALMOST ONE-FOURTH. THERE WERE APPROXIMATELY ONE THOUSAND THREE HUNDRED WORKERS EMPLOYED IN COLORADO COAL MINES AT THE END OF 2018, AND HALF OF THE DOMESTIC CONSUMPTION OF COLORADO'S MINED COAL IS FOR POWER GENERATION WITHIN THE STATE.

(II) COLORADO'S POWER SECTOR, AND THE NATION'S, IS MOVING AWAY FROM COAL AS A FUEL SOURCE BASED ON CONSUMER DEMAND FOR CLEANER POWER AND THE DECLINING COST OF NATURAL GAS AND RENEWABLE RESOURCES. ELECTRICITY GENERATED FROM RENEWABLE
SOURCES HAS DOUBLED SINCE 2010 TO APPROXIMATELY TWENTY-FIVE
PERCENT OF COLORADO'S POWER GENERATION IN 2017.

(b) DETERMINES THAT:

(I) IN ADDITION TO THE CHANGING ECONOMICS OF POWER
GENERATION, THERE IS A SCIENTIFIC CONSENSUS THAT GREENHOUSE GAS
EMISSIONS, WHICH ARE PRIMARILY THE RESULT OF FOSSIL FUEL
COMBUSTION, MUST BE REDUCED IN ORDER TO MITIGATE THE WORST
EFFECTS OF CLIMATE CHANGE. THESE EFFECTS ARE ALREADY BEING
EXPERIENCED BY COLORADANS IN FORMS THAT INCLUDE MORE EXTREME
WEATHER, SNOW PACK MELT, AND HIGHER TEMPERATURES.

(II) THE EFFECTS OF COAL PLANT CLOSURES ON WORKERS AND
COMMUNITIES HAVE THE POTENTIAL TO BE SIGNIFICANT AND
DEVASTATING IF NOT MANAGED CORRECTLY. THE JOBS ARE HIGH-QUALITY
JOBS, WHICH PROVIDE FAMILY-SUPPORTING WAGES AND BENEFITS. THEY
HAVE BEEN AMONG THE BEST JOBS IN THE COMMUNITIES IN WHICH THESE
WORKERS LIVE AND WORK, AND ARE EXTREMELY DIFFICULT TO REPLACE.
THE COMMUNITIES THAT HOST RETIRING POWER PLANTS LOSE PRINCIPAL
CONTRIBUTORS TO THEIR TAX BASE AND REVENUE FOR VITAL MUNICIPAL
SERVICES; FOR EXAMPLE, Nucla's SCHOOL AND FIRE DISTRICTS ARE
FACING A FIFTY-SIX-PERCENT REDUCTION IN THEIR BUDGETS AS A RESULT
OF THE RETIREMENT OF THE POWER PLANT AND THE COAL MINE THAT
SUPPLIED IT.

(III) THE CLOSURE OF COAL-FIRED PLANTS NATIONWIDE IS LIKELY
TO HAVE A SERIOUS IMPACT ON EMPLOYMENT IN THE STATE'S COAL MINES
AND THE TRANSPORTATION AND LOGISTICS SUPPLY CHAINS THAT MOVE
COAL FROM MINE TO MARKET.

(IV) WHILE COLORADO COMPANIES AND POLICYMAKERS HAVE

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WORKED TO DRIVE NEW INVESTMENT FROM THE CLEAN ENERGY ECONOMY INTO TRANSITIONING COMMUNITIES AND RURAL PARTS OF THE STATE, THERE DOES NOT EXIST AT THE STATE OR FEDERAL LEVEL SUFFICIENT RESOURCES TO ASSIST WORKERS AND COMMUNITIES IMPACTED BY CHANGES IN COLORADO'S COAL ECONOMY, AND THERE DOES NOT EXIST COORDINATED LEADERSHIP WITHIN COLORADO'S STATE GOVERNMENT TO ALIGN AND DELIVER ASSISTANCE TO THESE COAL COMMUNITIES AND WORKERS; AND

(c) DECLARES THAT:

(I) A STRONG AND COMPREHENSIVE POLICY IS ALSO NEEDED TO INVEST NEW FINANCIAL RESOURCES IN COAL COMMUNITIES THAT ARE SEEKING TO DIVERSIFY AND GROW THEIR LOCAL AND REGIONAL ECONOMIES IN A MANNER THAT IS BOTH SUSTAINABLE AND EQUITABLE; AND

(II) COLORADO MUST ENSURE THAT THE CLEAN ENERGY ECONOMY FULFILLS A MORAL COMMITMENT TO ASSIST THE WORKERS AND COMMUNITIES THAT HAVE POWERED COLORADO FOR GENERATIONS, AND TO THEREBY SUPPORT A JUST AND INCLUSIVE TRANSITION.

8-83-402. Definitions. As used in this Part 4, unless the context otherwise requires:

(1) "COAL TRANSITION COMMUNITY" MEANS A MUNICIPALITY, COUNTY, OR REGION THAT HAS BEEN AFFECTED IN THE PREVIOUS TWELVE MONTHS, OR THAT DEMONSTRATES IT WILL BE IMPACTED IN THE NEXT THIRTY-SIX MONTHS, BY THE LOSS OF FIFTY OR MORE JOBS IN TOTAL FROM A COAL MINE, COAL-FUELED ELECTRICAL POWER GENERATING PLANT, OR THE MANUFACTURING AND TRANSPORTATION SUPPLY CHAINS OF EITHER.

(2) "COAL TRANSITION WORKER" MEANS A COLORADO WORKER
LAID OFF FROM EMPLOYMENT ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION IN A COAL MINE, COAL-FUELED ELECTRICAL POWER GENERATING PLANT, OR THE MANUFACTURING AND TRANSPORTATION SUPPLY CHAINS OF EITHER.

(3) "DIRECTOR" MEANS THE DIRECTOR OF THE OFFICE.

(4) "ELIGIBLE ENTITY" MEANS THE FOLLOWING ENTITIES THAT SERVE A COAL TRANSITION COMMUNITY AND THAT MAY APPLY FOR A GRANT:

(a) AN ECONOMIC DEVELOPMENT DISTRICT;
(b) A COUNTY, MUNICIPALITY, CITY AND COUNTY, OR OTHER POLITICAL SUBDIVISION OF THE STATE;
(c) AN INDIAN TRIBE;
(d) AN APPRENTICESHIP PROGRAM THAT IS REGISTERED WITH THE UNITED STATES DEPARTMENT OF LABOR OR A STATE APPRENTICESHIP COUNCIL;
(e) AN INSTITUTION OF HIGHER EDUCATION; AND
(f) A PUBLIC OR PRIVATE NONPROFIT ORGANIZATION OR ASSOCIATION.

(5) "FUND" MEANS THE JUST TRANSITION CASH FUND CREATED IN SECTION 8-83-404.

(6) "GRANT" MEANS A JUST TRANSITION GRANT AWARDED PURSUANT TO SECTION 8-83-406.

(7) "OFFICE" MEANS THE JUST TRANSITION OFFICE CREATED IN SECTION 8-83-403 (1).

(8) "WAGE DIFFERENTIAL BENEFIT" MEANS SUPPLEMENTAL INCOME COVERING THE DIFFERENCE BETWEEN AN INDIVIDUAL'S PREVIOUS EMPLOYMENT IN A COAL MINE, COAL-FUELED ELECTRICAL POWER
GENERATING PLANT, OR THE MANUFACTURING AND TRANSPORTATION SUPPLY CHAINS OF EITHER AND NEW EMPLOYMENT OR SUPPLEMENTAL INCOME DURING JOB RETRAINING.

8-83-403. Just transition office - advisory committee - repeal.

(1) There is hereby created within the division a just transition office. The office shall exercise its powers and perform its duties and functions under the department as if the office were transferred to the department by a TYPE 2 transfer as defined in section 24-1-105.

(2) The director of the division shall appoint the director of the office. The director shall manage the operations of the office.

(3) It is the purpose of the office to:

(a) Identify or estimate, to the extent practicable, the timing and location of facility closures and job layoffs in coal-related industries and their impact on affected workers, businesses, and coal transition communities and make preliminary recommendations as to how the office can most effectively respond to these economic dislocations;

(b) Align and target state and federal resources and leverage additional resources into the fund to invest in communities and workers whose coal-related industries are subject to significant economic transition;

(c) Establish benefits pursuant to section 8-83-405 for coal transition workers to enable them to support themselves and their families and to access and complete education and training, resulting in being hired for high-quality jobs;
(d) Establish criteria and amounts for grants, pursuant to Section 8-83-406, to eligible entities in coal transition communities that seek to create a more diversified, equitable, and vibrant economic future for those communities; and

(e) Participate in the department's presentation to the general assembly during the "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" hearings, held pursuant to Part 2 of Article 7 of Title 2, regarding requirements for fully financing grants, benefits, and the administration of this Part 4 and the expected results.

(4) To further the purposes of the office created in this Part 4, the director shall engage in relevant administrative proceedings, such as matters before the public utilities commission and the air quality control commission.

(5) (a) There is hereby created the Just Transition Advisory Committee to advise the director regarding implementation of benefits, grants, and transition plans pursuant to this Part 4. The advisory committee consists of the following members:

(I) Ex officio members as follows:

(A) The executive director of the department of labor and employment or a designee;

(B) The director of the office of economic development or a designee;

(C) The director of the Colorado energy office or a designee;
(D) The Executive Director of the Department of Local Affairs or a Designee; and

(E) A Representative of the Office of the Governor;

(II) One Member of the Senate, appointed by the President of the Senate, and one Member of the House of Representatives, appointed by the Speaker of the House of Representatives; and

(III) The following Members appointed by the Director:

(A) Three Representatives of Coal Transition Workers;

(B) Three Representatives from different Counties that each have at least fifty coal-impacted Employees;

(C) Three Representatives of the General Public; and

(D) Two Representatives of Utilities that, on the Effective Date of this Section, operated a coal-fueled Electric Generating Unit.

(b) The term of appointment or designation is four years; except that the initial term of Members appointed pursuant to subsection (5)(a)(II) of this Section is two years and the initial term of Members appointed pursuant to subsection (5)(a)(III) of this Section is three years. Each Legislative Member is entitled to receive payment of a per diem and reimbursement for actual and necessary expenses as authorized in Section 2-2-326, appointed Members are entitled to the same per diem and expense reimbursement, and ex officio Members are entitled to the same expense reimbursement; except that all payments authorized by this subsection (5)(b) are at a rate fifty percent less than that authorized by law.

(c) The Advisory Committee shall elect a Chair from
AMONG ITS MEMBERS TO SERVE FOR A TERM NOT TO EXCEED TWO YEARS, AS DETERMINED BY THE ADVISORY COMMITTEE. THE ADVISORY COMMITTEE SHALL MEET AT LEAST ONCE EVERY QUARTER. THE CHAIR MAY CALL SUCH ADDITIONAL MEETINGS AS ARE NECESSARY FOR THE ADVISORY COMMITTEE TO COMPLETE ITS DUTIES.

(d) This subsection (5) is repealed, effective September 1, 2025. Before the repeal, this subsection (5) is scheduled for review in accordance with section 2-3-1203.

8-83-404. Just transition cash fund. (1) There is hereby created in the state treasury the just transition cash fund. The fund consists of money credited to the fund and any other money that the general assembly may appropriate or transfer to the fund. The director shall engage with other departments and agencies to obtain a sustainable source of revenue for the fund. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the fund to the fund. Subject to annual appropriation by the general assembly, the office may expend money from the fund for purposes specified in this part 4, including paying for the office’s direct and indirect costs in administering this part 4.

(2) The general assembly may appropriate money from the general fund for the purposes specified in this part 4. The office may seek, accept, and expend gifts, grants, or donations from private or public sources for the purposes of this part 4.

(3) The office and the director shall begin to take the actions specified in section 8-83-405 (3) and 8-83-406 (1) and (3) on the earlier of:
(a) JANUARY 1, 2023; OR
(b) THE DATE, AS DETERMINED BY THE DIRECTOR, WHEN
SUFFICIENT MONEY IS AVAILABLE IN THE FUND TO AWARD JUST
TRANSITION BENEFITS OR JUST TRANSITION GRANTS, AS APPLICABLE.

8-83-405. Just transition benefits for coal transition workers.

(1) THE OFFICE SHALL:

(a) TASK THE RAPID RESPONSE PROGRAM WITHIN THE DEPARTMENT
WITH EDUCATING DISLOCATED WORKERS WHO COULD BE ELIGIBLE FOR
JUST TRANSITION BENEFITS REGARDING HOW TO APPLY FOR THE BENEFITS;
IN COLLABORATION WITH EMPLOYERS OF DISLOCATED WORKERS AND
RELEVANT LABOR UNIONS;
(b) DETERMINE WHO QUALIFIES AS A COAL TRANSITION WORKER.
ONCE SUCH A DETERMINATION IS MADE, A COAL TRANSITION WORKER IS
ELIGIBLE, UPON APPLICATION TO THE OFFICE, FOR:
(I) JUST TRANSITION BENEFITS EQUIVALENT IN TYPE, AMOUNT, AND
DURATION TO FEDERAL BENEFITS AVAILABLE PURSUANT TO 20 CFR
617.20 TO 617.49, BASED ON FUNDING AVAILABLE WHEN SEPARATION
OCCURS; AND
(II) WAGE DIFFERENTIAL BENEFITS FOR THREE YEARS.
(c) PROVIDE EMPLOYMENT AND TRAINING SERVICES ASSOCIATED
WITH THE BENEFITS SPECIFIED IN SUBSECTION (1)(b) OF THIS SECTION.

(2) THE DIRECTOR SHALL ESTABLISH BENEFIT APPLICATION
REQUIREMENTS AND PROCEDURES AND FACTORS RELEVANT TO THE
DETERMINATION OF WHETHER AN INDIVIDUAL IS A COAL TRANSITION
WORKER.

(3) BEGINNING ON THE DATE DETERMINED PURSUANT TO SECTION
8-83-404(3), THE DIRECTOR SHALL AWARD JUST TRANSITION BENEFITS TO
COAL TRANSITION WORKERS TO THE EXTENT THAT MONEY IS AVAILABLE IN THE FUND.

8-83-406. Just transition grants to coal transition communities. (1) BEGINNING ON THE DATE DETERMINED PURSUANT TO SECTION 8-83-404 (3):

(a) The office shall annually determine the total amount of money in the fund that is available for grants after the office has calculated an estimate of the cost each year of providing benefits to coal transition workers pursuant to section 8-83-405; and

(b) If money from the fund is available as determined pursuant to subsection (1)(a) of this section, the office shall annually issue requests for proposals to eligible entities for the award of just transition grants to eligible entities.

(2) The director shall establish grant application requirements and procedures, review and selection criteria, and factors relevant to the determination of whether the office should award a grant, including at a minimum a demonstration that the grant proposal is:

(a) Consistent with local or regional economic development plans, such as a comprehensive economic development strategy; and

(b) Representative of a partnership of diverse stakeholders, including representatives of workers and low-income community members, who have collaboratively designed the proposal.

(3) BEGINNING ON THE DATE DETERMINED PURSUANT TO SECTION
8-83-404 (3), the Director shall competitively award grants to eligible entities that have applied for a grant for economic and workforce development projects and activities that will produce one or more of the following outcomes:

(a) Economic diversification of the commercial or industrial bases of local and regional economies;

(b) Creation of high-quality jobs in new or existing industries;

(c) Reemployment of coal transition workers;

(d) Economic development targeted to neighborhoods within coal transition communities that have been most disproportionately affected by coal-related pollution;

(e) Leveraging of new sources of public and private job and wealth-creating investment; and

(f) Provision of a range of workforce services and skills training, including on-the-job apprenticeship training, resulting in industry-recognized credentials for high-quality, in-demand occupations and accessible, defined career pathways for coal transition workers and low-income workers residing in coal transition communities.

(4) The Director shall ensure that each laborer and mechanic employed by a contractor or subcontractor in connection with a construction project financed, in whole or in part, by a Just Transition grant is paid wages at a rate of not less than the prevailing wages for the same type of work on similar construction in the immediate locality, as determined by the Federal Secretary of Labor in accordance with 40 U.S.C. sec.
3141 TO 3148.

8-83-407. Utility workforce transition plans - reemployment of affected workers. (1) No less than ninety days before the accelerated retirement of an electric coal-fueled generating unit that has a nameplate capacity of at least fifty megawatts, the owner or operating agent of that unit shall submit to the office a workforce transition plan.

(2) To the extent practicable, a workforce transition plan must include estimates of:

(a) The number of workers employed by the electric utility or a contractor of the utility at the coal-fueled electric generating facility, which number must include all workers that directly deliver coal to the electric utility;

(b) The total number of workers whose existing jobs, as a result of the retirement of the coal-fueled electric generating facility:

(I) will be retained; and

(II) will be eliminated;

(c) With respect to the workers whose existing jobs will be eliminated due to the retirement of the coal-fueled electric generating facility, the total number and the number by job classification of workers:

(I) whose employment will end without them being offered other employment;

(II) who will retire as planned, be offered early retirement, or leave on their own;

(III) who will be retained by being transferred to other
ELECTRIC GENERATING FACILITIES OR OFFERED OTHER EMPLOYMENT BY
THE ELECTRIC UTILITY; AND

(IV) WHO WILL BE RETAINED TO CONTINUE TO WORK FOR THE
ELECTRIC UTILITY IN A NEW JOB CLASSIFICATION; AND

(d) IF THE ELECTRIC UTILITY IS REPLACING THE COAL-FUELED
ELECTRIC GENERATING FACILITY BEING RETIRED WITH A NEW ELECTRIC
GENERATING FACILITY, THE NUMBER OF:

(I) WORKERS FROM THE RETIRED COAL-FUELED ELECTRIC
GENERATING FACILITY WHO WILL BE EMPLOYED AT THE NEW ELECTRIC
GENERATING FACILITY; AND

(II) JOBS AT THE NEW ELECTRIC GENERATING FACILITY THAT WILL
BE OUTSOURCED TO CONTRACTORS OR SUBCONTRACTORS.

(3) THIS SECTION DOES NOT APPLY TO AN ELECTRIC COAL-FUELED
GENERATING UNIT OWNED IN WHOLE OR IN PART BY A QUALIFYING RETAIL
UTILITY FOR WHICH THE QUALIFYING RETAIL UTILITY, AS THAT TERM IS
USED IN SECTION 40-2-124, HAS SUBMITTED A WORKFORCE TRANSITION
PLAN IN AN ELECTRIC RESOURCE PLAN FILED WITH THE PUBLIC UTILITIES
COMMISSION.

8-83-408. Report - recommendations - repeal. (1) No later
than January 1, 2024, the director shall provide written
recommendations to the general assembly and the governor
about changes to this part 4 that should be considered in order
to better achieve the purposes of this part 4. The director shall
also make recommendations regarding whether the office
should be enabled to provide benefits and grants to other
workers and communities affected by changes in Colorado's
energy economy.
(2) This section is repealed, effective September 1, 2025.

SECTION 2. In Colorado Revised Statutes, 2-3-1203, add (16)(a)(IV) as follows:

2-3-1203. Sunset review of advisory committees - legislative declaration - definition - repeal. (16) (a) The following statutory authorizations for the designated advisory committees will repeal on September 1, 2025:

(IV) The Just Transition Advisory Committee created in section 8-83-403 (5).

SECTION 3. Appropriation. (1) For the 2019-20 state fiscal year, $163,010 is appropriated to the just transition cash fund created in section 8-83-404, C.R.S. This appropriation is from the general fund. The department of labor and employment is responsible for the accounting related to this appropriation.

(2) For the 2019-20 state fiscal year, $163,010 is appropriated to the department of labor and employment for use by the division of employment and training. This appropriation is from reappropriated funds in the just transition cash fund under subsection (1) of this section and is based on the assumption that the division will require an additional 1.8 FTE. To implement this act, the division may use the appropriation for the just transition office.

(3) For the 2019-20 state fiscal year, $1,838 is appropriated to the legislative department for use by the general assembly. This appropriation is from the general fund.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.