Workforce Transition for a Carbon Neutral Economy by 2045

CARB’s Carbon Neutrality Workshop: July 15, 2020
Overview

- Illustrative example: building decarbonization
- Expanding high-road jobs
- Guiding principles workforce transition
Deep energy efficiency retrofits
All-electric new construction
End use electrification
Decarbonized district energy for building heating and cooling
Repair methane leaks in gas distribution system
Renewable natural gas or hydrogen
EXAMPLE: BUILDING ELECTRIFICATION
Job impacts span several industries

*Bars represent average annual job impacts (high estimates)
High Road Jobs Vs. Low Road Jobs

**HIGH ROAD**
- Competition is driven by skill, experience and qualifications; worker pay tends to be higher; turnover is lower.
- 3 of every 5 jobs
  - large building retrofits; district energy, new renewables; utilities

**LOW ROAD**
- Competition is driven by low-cost; worker pay tends to be lower and jobs are more precarious.
- 2 of every 5 jobs
  - residential and small commercial retrofits

Source: https://innovation.luskin.ucla.edu/california-building-decarbonization/
Maintaining and expanding the ‘high-road’ takes intention and leadership

How can we attract and retain a skilled workforce?

• Carrots
  • Tie incentives or direct public investment to labor standards (wage standards, targeted hire, etc.)
  • Performance-based incentives based on the quality of work performed

• Sticks
  • Require strong licensing criteria and skill certifications
  • Improve enforcement of building code, labor and wage law, etc.
New thinking is required to support worker transition

- FROM: Lowest upfront cost is the optimal path
  - TO: How do we achieve best value, and get more from our upfront investments?

- FROM: Any job is a good job, especially now.
  - TO: No one wants or deserves a bad job.

- FROM: We need jobs, so let’s train more people.
  - TO: We need good jobs; how can we develop new high-road industries?

- FROM: There aren’t that many gas workers affected
  - TO: Behind every job lost is a person, and often a family, whose livelihood is dependent on that work.

- FROM: Jobs matter— the more the better
  - TO: The types, quality, and distribution of jobs matter
Principles to Support Workforce Transition

**Long-term planning** to avoid industry destabilization and worker displacement and retain workers to safely manage the retreat

- **Expand the High Road**
  - Comprehensive industrial planning to support new high-road opportunities

- **Social Dialogue**
  - Engage with affected industry, worker, and community representatives

- **Assess Skill Requirements**
  - Map skills/occupations in fossil fuel industries to skills needed in clean industries

- **Inter-jurisdictional coordination**
  - Align efforts between state and local government; one-size does not fit all

- **Just Transition Funding**
  - Identify financial resources for transition assistance
There is still time to manage a responsible workforce transition.
About Inclusive Economics

Economic research on the employment impacts of climate policy

Advising on high-road climate policy and workforce development

www.InclusiveEcon.com
Twitter @BetonyJones
Email betony@InclusiveEcon.com