

Participant Backgrounder - Just Transition & Good Jobs for Alberta 2018

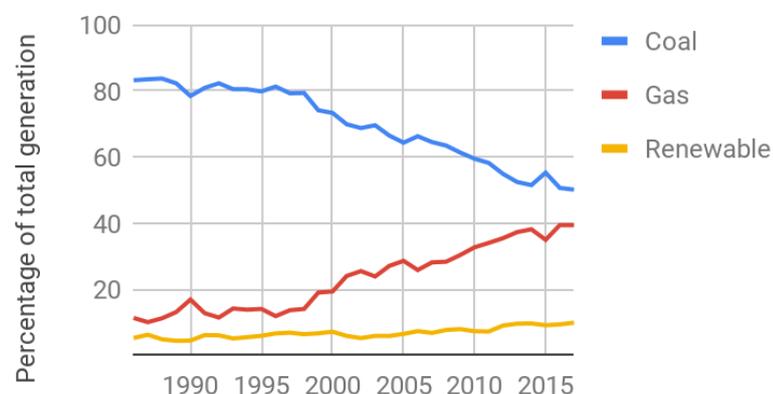
This backgrounder is intended to help advance the conversation at Blue Green Canada's third annual Just Transition and Good Jobs for Alberta Conference. It provides an update on the coal and jobs transition, what governments have been doing and need to be doing to ease that transition, and other transitions that are coming and need to be prepared for. See also materials and summaries for the first and second annual conferences on the Blue Green Canada website.¹

The Alberta coal transition - uncertain timing

Provincial and federal governments of all parties - Conservative, Liberal, and NDP - have set deadlines for eliminating pollution from coal-fired electricity generation plants. The final deadline for all plants is by 2030, but coal plant owners have been announcing closures and conversions from coal to natural gas several years ahead of government deadlines.²

Alberta electricity generation by fuel source %

Alberta Utilities Commission data



Fracking dramatically reduced the price of natural gas, making it a more profitable investment for the privately-owned generators; in the US, gas-fired generation already has overtaken coal-fired generation.³

Other causes of job losses include mothballing of plants, and the decades-long practice of owners replacing workers with capital.

Market forces are creating uncertainty about the dates of

upcoming layoffs. Some may happen sooner than currently anticipated, and it is possible that all plants could end up closed or converted to gas years before the 2030 deadline.

Discussion questions

- Will companies announce any further acceleration of plant closures / conversions and layoffs beyond current timelines?

¹ 2016 <http://bluegreencanada.ca/alberta>, 2017 <http://bluegreencanada.ca/alberta2017>,

² E.g. TransAlta, "TransAlta Announces Accelerated Transition to Clean Energy Dec 6, 2017" <https://www.transalta.com/newsroom/news-releases/transalta-announces-accelerated-transition-clean-energy/>, G. Morgan, "Alberta could be coal-free years ahead of deadline as ATCO plans natural gas transition by 2020" Calgary Herald, May 22, 2017 <https://calgaryherald.com/business/energy/alberta-could-be-coal-free-years-ahead-of-deadline-as-atco-plans-transition-to-natural-gas-by-2020>.

³ Alberta gas generation capacity has already overtaken coal. Renewables reached about 10% of generation by 2012 and have remained at that level. Numbers are as of 2017, the most recent available from AUC, "Annual electricity data" www.auc.ab.ca/pages/annual-electricity-data.aspx.

- Will companies adopt technologies such as automation that further accelerate job losses in coal mining, or in coal or gas plants?

Government action on just transitions

The uncertain timing of closures, conversions and layoffs means that both governments need to take action, and implement just transition plans quickly.

Despite decades of talk about just transitions, mainly by labour and environmental organizations, it is rare for governments to engage in just transition planning. The fact that the Alberta and federal governments have done so is remarkable, and has caught the attention of observers around the world. The questions revolve around whether the action will be adequate, and quick enough.

Alberta government action – underway, but how impactful?

The Alberta government carried out its consultations,⁴ and in 2018 implemented a set of supports to affected workers and communities, similar to what Blue Green Canada had proposed in 2017.⁵

Alberta's supports include:⁶

- Bridge to re-employment grant, topping up EI to 75% of previous salary for up to 45 weeks;
- Bridge to retirement grant of up to 75% of previous salary for up to 72 weeks, for workers not yet eligible for employer pensions;
- Up to \$5,000 relocation grant for workers who moved over 40 km to take up employment;
- Coal and Electricity Transition Tuition Voucher of up to \$12,000 to pursue post-secondary education to train for new careers;
- Onsite career counselling services, including one-on-one or group meetings to develop individualized plans on job-finding, applications and interviews and to help access government retraining programs;
- Onsite transition to employment services, including individualized planning, identification of skills and potential fit with new jobs, and skills development courses;
- Offsite employment services and training programs;
- First Nations, Metis and Indigenous training to employment;
- Workforce Adjustment support to help workers, employers and unions develop worksite transition committees and strategies, obtain labour market information, access existing supports and services, arrange specialized training and job fairs, and match people to job openings;
- Financial assistance for employers to train new and existing employees;
- Financial assistance for affected communities (Coal Community Transition Fund) to undertake economic development initiatives; and,
- Investments in creating green jobs in renewable power generation.

It remains to be seen what impact the above provisions will have. To some extent, this will depend on demand, e.g. how many affected workers need financial support between jobs and for how long.

⁴ Government of Alberta, "Advisory Panel on Coal Communities" <https://www.alberta.ca/coal-communities.aspx#toc-1>.

⁵ Blue Green Canada, 2017 Just Transitions Workshop Fact Sheets <http://bluegreencanada.ca/alberta2017>.

⁶ Government of Alberta, "Support for workers affected by coal phase out" <https://www.alberta.ca/support-for-coal-workers.aspx#form6183>.

It will also depend on the design of the provisions, and whether there are gaps that some workers could fall through.

Discussion questions

- Are the levels of support in the above (e.g. 75% of income) adequate, and lengthy enough?
- Are there gaps in the supports that the Alberta government could fill?
- Are there gaps that other levels of government could fill?
- Has the government ensured that the private sector plant owners will provide preference in other jobs for affected workers?⁷
- Will the worker supports be available under future Alberta governments?

Federal government action - need to see plans and implementation

The federal government announced the creation of a Task Force on Just Transition for Canadian Coal Power Workers and Communities, with significant representation of the labour movement.⁸ The mandate of this Just Transition Task Force (JTTF) is essentially to consult widely and provide recommendations for federal policy:

- *“engage with relevant stakeholder groups, provinces, & municipal governments... on:*
 - *the scale and types of impacts ... on directly affected workers and communities*
 - *opportunities to transition affected workers and communities toward new economic opportunities (for example, to the renewables sector)*
 - *leveraging existing allocations of infrastructure funds, economic development funds, employment and training supports, and any other programs...*
 - *gaps in policy and programs to support the transition*
- *... provide options and recommendations to the Minister on*
 - *what could be included in a just transition plan for coal power workers and communities...*
 - *how to structure a subsequent phase of consultation and analysis concerning just transition, specifically ... the global transition to clean growth and a low-carbon economy.”*

The JTTF is to report its findings to the Minister of the Environment and Climate Change in December 2018. It is uncertain what policies the federal government will adopt in response to the recommendations of the JTTF and recommendations of others. The Alberta government has asked the federal government to amend the EI program to enable workers to receive Alberta’s income supports without reducing their EI payments, and to extend the duration of EI benefits for coal workers.⁹

⁷ Companies can find other jobs, rather than laying off workers, e.g. Construction, Forestry, Mining and Energy Union, "AGL Liddell Plan Ensures Job Security for Over 300 Workers" Dec 2017. <https://me.cfmeu.org.au/news/agl-liddell-plan-ensures-job-security-over-300-workers>.

⁸ Government of Canada, "Task Force: Just Transition for Canadian Coal Power Workers and Communities" <https://www.canada.ca/en/environment-climate-change/services/climate-change/task-force-just-transition.html>.

⁹ Government of Alberta, "New transition supports for Alberta coal workers" <https://www.alberta.ca/release.cfm?xID=48946866B1DC2-B873-AEB5-FC07E467C571A5AF>.

Discussion questions

- What policy changes will the JTTF likely recommend? E.g. EI changes, CPP/OAS expansions?
- Will federal government action be quick enough for the near-term layoffs?
- Will levels of support be adequate?
- Will there be gaps that other levels of government can fill?
- Will the supports be available under future federal governments?

Pushing for GOOD jobs

Previous Blue Green Canada conferences have noted the need for workers to be able to transition into *good jobs* - jobs with decent pay, good working conditions, and the ability to organize.

Many of the good jobs created in the past were made good and kept good through union bargaining, which also served to raise standards in non-union jobs. Unfortunately Canada's unionization rate is low compared to many developed economies. And since 1980 Canada's unionization rate has declined, along with the decline¹⁰ in middle incomes.

Alberta has taken steps to improve employment standards and labour relations, in order to improve existing jobs. However, the province's unemployment rate is still high; more jobs are needed. The provincial government has announced job creation policies, e.g. renewable electricity generation RFPs,¹¹ and economic development support in transition-affected communities.

Discussion questions

- Could the government expand its good-job-creation efforts, for example:
 - In future rounds of renewable generation RFPs, add criteria for building Alberta's manufacturing base, and for quality of jobs;
 - Invest (e.g. from carbon tax revenues) in public transit and publicly-owned, utility-scale renewable generation facilities; and,
 - Build good jobs in the methane emissions mitigation and oil site reclamation industries by setting higher regulatory standards.¹²
- Are there labour standards and labour relations policies that could be further improved, e.g. sectoral bargaining, hiring halls?
- Is the government setting targets and tracking the number and quality of positions available to, and being entered by, affected workers?
- Should indirectly affected workers, some of whom may be marginalized - e.g. in retail and food services in affected communities - be covered?
- Are there other measures that could be taken to ensure that more of the green jobs being created are good jobs?

¹⁰ C. Beach, "What Has Happened to Middle-Class Earnings in Canada? IRPP, March 2017. <http://irpp.org/research-studies/what-has-happened-to-middle-class-earnings-in-canada/>.

¹¹ Government of Alberta, "Renewable Electricity Program" <https://www.alberta.ca/renewable-electricity-program.aspx>.

¹² See Blue Green Canada, "Don't delay: methane emission restrictions mean immediate jobs in Alberta."

Being prepared for other transitions

The coal transition will affect thousands of Alberta jobs, and it appears that other transitions could affect tens or hundreds of thousands of Alberta jobs. These job losses will arise from government policy, and from changes in the private sector. For example:

- Driverless vehicle technology will soon eliminate at least 400 positions in the oil sands;
- Driverless vehicle technology will eliminate tens of thousands of positions elsewhere;
- The shift from oil sands mining to in-situ extraction, and adoption of other technologies, will mean fewer jobs in the long-term;
- Trade deals will continue to incent companies to hire workers in low-wage jurisdictions - outsourcing the jobs and importing the services and goods;
- A potential reduction in global oil consumption - whether due to policies of various importing country government, or technological change such as electric vehicles - could reduce demand for Alberta oil.

The Alberta coal transition had a long warning time; as of 2012 the Harper conservative government had already regulated retirement dates for most of Alberta's coal plants. Some of the above transitions are predictable, but the dates of others are unclear. In order for these to be humane transitions, it is essential to be prepared - to develop scenarios for the probability, scope, scale, and timing, and to develop strategies for managing them and their impact on workers and communities.

Discussion questions

- Do we have the necessary information to be prepared to manage these transitions?
- Are federal and provincial social policies (EI, CPP/OAS, social assistance, education and training, childcare, affordable housing, etc) strong enough to enable employment changes and provide a safety net for those who need it?

Prepared for [Blue Green Canada](#) by David Thompson, [PolicyLink Research and Consulting](#). October 2018.