

ASSEMBLY THIRD READING
AB 2204 (Boerner Horvath)
As Amended May 19, 2022
Majority vote

SUMMARY

Establishes the Office of Clean Energy Workforce (OCEW) within the Labor and Workforce Development Agency (LWDA), until December 31, 2045, to coordinate with relevant state agencies to track the progress of the state moving toward one-hundred percent (100%) clean energy and create or coordinate programs with relevant state agencies to retrain and upskill workers for clean energy jobs.

Major Provisions

- 1) Finds and declares, among other things, that despite the state's greenhouse gas reduction achievements, California lacks a robust workforce development strategy to shift to a clean energy economy and transition to a zero-emissions future.
- 2) Defines "clean energy" as renewable energy resources and zero-carbon resources, as specified.
- 3) Provides that an executive director shall be appointed by the Governor, with the consent of the Senate to oversee the OCEW.
- 4) Requires the OCEW to coordinate with relevant state agencies, as specified, to do the following:
 - a) To the extent possible, identify the timing and location of fossil fuel facility closures and workforce transition needs, including projected impacts on workers, businesses, and communities.
 - b) Establish timelines for workers to transition from fossil fuel-based jobs to clean energy jobs.
 - c) Track clean energy jobs and projects and the transition of workers from fossil fuel-based jobs to clean energy jobs.
- 5) Requires the OCEW to create or coordinate programs with other state agencies, as specified, to retrain and upskill workers for clean energy jobs, by doing both of the following:
 - a) Identify training needs and gaps in current state programs.
 - b) Determine what skills will be needed in the state's clean energy workforce over the next 25 years.
- 6) Requires the OCEW on or before January 1, 2025, and annually thereafter, to submit a report to the Legislature on the transition and the OCEW's progress, and make recommendations that address any findings.

COMMENTS

A recent report by the University of California, Berkeley, Center for Labor Research and Education found that worker displacement often occurs in resource intensive regions that lack overall economic diversity, when the region's major industry is in decline or is projected to be due to the resource itself running out, or more broadly due to global trends in automation, globalization, and climate change.¹ Just transition programs can offer resources for both immediate short-term assistance to workers and communities directly affected by these trends, and long-term assistance to communities and workers as they retool and adapt to a carbon-neutral economy.²

California's oil and gas jobs currently offer significant compensation and benefits, providing workers in these jobs with security for themselves and their families. As California moves to meet its existing climate commitments – to cut greenhouse gas emissions by 50% by 2030 and to reach net zero emissions by 2045 – the oil and gas industries will contract, and it is critical to invest in a strong, ongoing relief program to take care of displaced workers, their families and their communities.³

According to a recent report by the Political Economy Research Institute (PERI) there are nearly 113,000 people employed in the fossil fuel-based industries in California, amounting to 0.6% of the state's workforce in 2019.⁴ The total job figure includes oil and gas extraction operations, as well as support activities for all oil and gas projects, and other ancillary sectors, such as fossil fuel-based power generation. The PERI report estimates that about 3,200 workers per year will be displaced in these industries in California between 2021 and 2030 while another roughly 2,500 will voluntarily retire each year.⁵

According to the Author

"With California facing the increasing impacts of the climate crisis, [this bill] keeps California leading on moving away from fossil fuel dependence and to a carbon-neutral future by creating the Office of Clean Energy Workforce. The Office [OCEW] and its Board will ensure the transparency and accountability that renewable projects are being built, the workforce is prepared, and that we will, in fact, be able to meet our ambitious climate goals."

Arguments in Support

The California Environmental Voters, in support, state, "[This bill] seeks to establish the Office of Clean Energy Workforce, which, in coordination with relevant state agencies and stakeholders, would monitor and track carbon-neutral projects and create a workforce development strategy to support workers, families, and communities as they transition to a sustainable and equitable clean energy economy. This bill would equip California with a powerful tool in helping us reach our zero emissions goal and, would set a precedent for other states to follow.

¹ Zabin, Carol. *Putting California on the High Road: A Jobs and Climate Action Plan for 2030*. University of California, Berkeley Center for Labor Research and Education, June 2020.

² Ibid.

³ Pollin, Robert. *A Program for Economic Recovery and Clean Energy Transition in California*. Department of Economics and Political Economy Research Institute (PERI), June 2021.

⁴ Ibid.

⁵ Ibid.

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, General Fund (GF) or Greenhouse Gas Reduction Fund (GGRF) costs of an unknown, but definitely significant amount, in excess of \$150,000, to LWDA to establish the Office and execute specified duties. The author is requesting an appropriation to fund the Office in the 2022-23 state budget.

VOTES**ASM LABOR AND EMPLOYMENT: 5-0-1**

YES: Kalra, Flora, Jones-Sawyer, Reyes, Ward

ABS, ABST OR NV: Seyarto

ASM UTILITIES AND ENERGY: 13-1-1

YES: Eduardo Garcia, Bauer-Kahan, Carrillo, Chen, Cunningham, Cristina Garcia, Holden, Irwin, Mayes, Quirk, Reyes, Santiago, Ting

NO: Patterson

ABS, ABST OR NV: Muratsuchi

ASM APPROPRIATIONS: 13-3-0

YES: Holden, Bryan, Calderon, Carrillo, Davies, Mike Fong, Gabriel, Eduardo Garcia, Levine, Quirk, Robert Rivas, Akilah Weber, Wilson

NO: Bigelow, Megan Dahle, Fong

UPDATED

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