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**SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT**  
**Senator Dave Cortese, Chair**  
**2021 - 2022 Regular**

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**Bill No:** AB 2204 **Hearing Date:** June 22, 2022  
**Author:** Boerner Horvath  
**Version:** May 19, 2022  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Glenn Miles

**SUBJECT:** Clean energy: Office of Clean Energy Workforce

**KEY ISSUE**

Should the state establish the Office of Clean Energy Workforce (OCEW) within the Labor and Workforce Development Agency (LWDA) to coordinate statewide efforts to track the progress of the state moving to 100% clean energy and to create or coordinate programs with state agencies to retrain and upskill workers for clean energy jobs, as specified?

**ANALYSIS**

**Existing law:**

- 1) Establishes the Labor and Workforce Development Agency (LWDA) to serve California workers and businesses by improving access to employment and training programs; enforcing California labor laws to protect workers and create an even playing field for employers; and administering benefits that include workers' compensation, unemployment insurance, disability insurance, and paid family leave. (Government Code § 15550 et seq.)
- 2) Establishes the California Global Warming Solutions Act of 2006 (AB 32 (Núñez), Chapter 488, Statutes of 2006), which requires the California Air Resources Board (CARB) to adopt a statewide greenhouse gas (GHG) emissions limit equivalent to 1990 levels by 2020 and to adopt rules and regulations to achieve maximum technologically feasible and cost-effective GHG emission reductions. Requires CARB to ensure that statewide GHG emissions are reduced to at least 40% below the 1990 level by 2030. (Health and Safety Code § 38500 et seq.)
- 3) Requires the California Workforce Development Board (CWDB) to publish a report outlining recommendations on workforce development and training to help communities adapt to the economic and labor-market changes resulting from California's transition to a carbon neutral economy. (HSC § 38591.3)
- 4) Establishes the 100 Percent Clean Energy Act of 2017 which increases the Renewables Portfolio Standard (RPS) requirement from 50% by 2030 to 60%, and creates the policy of planning to meet all of the state's retail electricity supply with a mix of RPS-eligible and zero-carbon resources by December 31, 2045, for a total of 100% clean energy. (Public Utilities Code § 454.53)
- 5) Establishes the Greenhouse Gas Reduction Fund (GGRF) and requires all moneys, except for fines and penalties, collected by CARB from the auction or sale of allowances pursuant to a market-based compliance mechanism to be deposited in the GGRF and available for appropriation by the Legislature. (GC §16428.8)

- 6) Establishes the California Jobs Plan Act of 2021, which requires CARB to work with the LWDA to update, by July 1, 2025, the funding guidelines for administering agencies to ensure that all applicants to grant programs funded by the GGRF meet fair and responsible employer standards and provide inclusive procurement policies. (GC § 38599.10 et seq.)

**This bill:**

- 1) Establishes the Office of Clean Energy Workforce (OCEW) within LWDA and mandates that the OCEW’s executive director be appointed by the Governor with the consent of the Senate.
- 2) Requires OCEW to:
  - a. Coordinate with LWDA, the California Energy Commission, the Office of Planning and Research (OPR), the California Environmental Protection Agency, the California Natural Resources Agency, the State Lands Commission, the California Geological Survey, the California Public Utilities Commission, CARB, and any other relevant state agency, to track the progress of the state moving to 100% clean energy. This shall include identifying the timing and location of fossil fuel facility closures and workforce transition needs, establishing timelines for workers to transition from fossil fuel-based jobs to clean energy jobs, tracking clean energy jobs and projects, and tracking the transition of workers from fossil fuel-based jobs to clean energy jobs.
  - b. Create or coordinate programs with other state agencies to retrain and upskill workers for clean energy jobs, including identifying training needs and gaps in current state programs, and determining what skills will be needed for the workforce over the next 25 years.
  - c. Submit a report to the Legislature by January 1, 2024 on the clean energy transition and OCEW’s progress in meeting that transition.
- 3) Repeals OCEW on December 31, 2045.
- 4) Defines the following:
  - a. “Office” means the Office of Clean Energy Workforce.
  - b. “Clean energy” means renewable energy resources and zero-carbon resources as described in the state’s 100% clean energy policy established under SB 100 (De León, Chapter 312, Statutes of 2018).
  - c. “Energy Commission” means the State Energy Resources Conservation and Development Commission.

- 5) Finds and declares, among other things, that despite the state’s GHG reduction achievements, California lacks a robust workforce development strategy to shift to a clean energy economy and transition to a zero-emissions future.

## **COMMENTS**

### **1. Need for this bill?**

The author states the following:

“According to a 2021 report, there are about 113,000 people employed in the 14 fossil fuel and ancillary industries in California. It is estimated that in a steady closure of the fossil fuel sector, about 3,200 workers per year will be displaced and require re-training.”

“At the state level, recent efforts have been made to prioritize a just transition. In September 2020, Governor Newsom signed Executive Order N-79-20, which directed OPR to design the state’s first Just Transition Roadmap to provide a framework for the state’s economic recovery that recognizes global and statewide shifts in key industries and regional economies likely to result from a transition to carbon neutrality. The roadmap has yet to be published.”

“In 2021, a budget trailer bill was enacted that establishes the Community Economic Resilience Fund (CERF) Program to build an equitable and sustainable economic recovery from the impacts of COVID-19 on California’s industries, workers, and communities, and to provide for the durability of that recovery by fostering long-term economic resilience in the overall transition to a carbon-neutral economy.”

“There are different efforts happening statewide to work on “just transition” projects. There should be one entity who is specifically responsible for coordinating, monitoring, and reporting on these activities and the funding approved by the State for these purposes.”

### **2. Proponent Arguments**

According to the California Environmental Voters:

“One of the major hurdles of transitioning away from fossil fuels towards clean energy is the economic impact to workers and communities in those industries. Tasking a specific entity to plan, set goals, and conduct ongoing assessments of clean energy projects and programs will ensure an equitable transition to a carbon-neutral economy while bringing transparency and accountability to the process.”

### **3. Opponent Arguments:**

None received.

### **4. Dual Referral:**

The Senate Rules committee referred this bill to the Senate Labor, Public Employment and Retirement Committee and the Senate Energy, Utilities and Communications committee.

**5. Prior / Related Legislation:**

AB 1634 (Boerner Horvath, 2022) would declare that it is the Legislature’s intent to enact subsequent legislation to create the Office of Just Transition in the Labor and Workforce Development Agency to help communities and workers transition to carbon neutrality jobs that build a robust clean economy in which all Californians prosper. The Assembly Rules Committee has not referred the bill.

AB 1966 (Muratsuchi, 2022) would declare that it is the Legislature’s intent to subsequently amend this measure to include provisions that would establish the California Equitable Just Transition Fund to assist fossil fuel-dependent workers with wage replacement, wage insurance, pension guarantees, health care, retraining, peer counseling, and relocation support for fossil fuel workers who face layoffs due to closure of operations. The Assembly Rules Committee has not referred the bill.

AB 680 (Burke), Chapter 746, Statutes of 202, established the California Jobs Plan Act of 2021 which requires the CARB to work with the LWDA to update, by July 1, 2025, the funding guidelines for administering agencies to ensure that all applicants to grant programs funded by the Greenhouse Gas Reduction Fund meet fair and responsible employer standards and provide inclusive procurement policies.

AB 1453 (Muratuchi, 2021) would have established the Just Transition Advisory Commission and tasked it with developing and adopting a Just Transition Plan, containing recommendations to transition the state to a climate-resilient and low-carbon economy while protecting specified workers and communities. The Assembly Appropriations Committee held the bill in committee.

AB 398 (E. Garcia), Chapter 135, Statutes of 2017, among its many provisions, required CWDB to publish a report outlining recommendations on workforce development and training to help communities adapt to the economic and labor-market changes resulting from California’s transition to a carbon neutral economy.

**SUPPORT**

California Environmental Voters  
Central Coast Energy Services  
City of Riverside  
San Francisco Peninsula Coast Energy Services

**OPPOSITION**

None received.

**-- END --**