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THIRD READING

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Bill No: AB 2204  
Author: Boerner Horvath (D), et al.  
Amended: 8/22/22 in Senate  
Vote: 21

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SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-0, 6/22/22  
AYES: Cortese, Durazo, Laird, Newman  
NO VOTE RECORDED: Ochoa Bogh

SENATE ENERGY, U. & C. COMMITTEE: 11-2, 6/27/22  
AYES: Hueso, Becker, Bradford, Dodd, Eggman, Gonzalez, Hertzberg, McGuire,  
Min, Rubio, Stern  
NOES: Dahle, Grove  
NO VOTE RECORDED: Borgeas

SENATE APPROPRIATIONS COMMITTEE: 4-2, 8/11/22  
AYES: Portantino, Bradford, Laird, Wieckowski  
NOES: Bates, Jones  
NO VOTE RECORDED: McGuire

ASSEMBLY FLOOR: 63-11, 5/26/22 - See last page for vote

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**SUBJECT:** Clean energy: Labor and Workforce Development Agency: Deputy  
Secretary for Climate

**SOURCE:** Author

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**DIGEST:** This bill establishes, upon appropriation by the Legislature, the position of Deputy Secretary for Climate within the Labor and Workforce Development Agency (LWDA), as specified.

*Senate Floor Amendments* of 8/22/22 make a technical change to correct an erroneous reference to the statutory division from “part” to the correct reference “chapter”.

**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 the state reduces California GHG emissions 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, upon appropriation by the Legislature, the position of Deputy Secretary for Climate within LWDA, appointed by the Governor, to assist in the oversight of California's workforce transition to a sustainable and equitable carbon neutral economy.
- 2) Requires the Deputy Secretary to coordinate with relevant state agencies to track the progress of the state moving toward 100 percent clean energy, as defined, and create or coordinate programs with other state agencies to retrain and upskill workers for clean energy jobs and jobs in related fields.
- 3) Provides that the chapter established by this bill shall become operative only upon an appropriation by the Legislature in the annual Budget Act or another statute for the purposes of implementing the chapter.
- 4) Repeals these provisions on January 1, 2046.
- 5) Makes legislative findings and declarations and defines "Agency", "Clean energy", "Deputy secretary", and "Energy commission", as specified.

## Comments

*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.”

### **Related/Prior Legislation**

AB 1634 (Boerner Horvath, 2022) declares 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) declares 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 2021) 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

**FISCAL EFFECT:** Appropriation: No    Fiscal Com.: Yes    Local: No

According to the Senate Appropriations Committee, this bill would result in an annual cost pressure of \$250,000 to LWDA to create and fund the new position.

**SUPPORT:** (Verified 8/23/22)

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

**OPPOSITION:** (Verified 8/23/22)

None received

**ARGUMENTS IN SUPPORT:** 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.”

**ASSEMBLY FLOOR:** 63-11, 5/26/22

**AYES:** Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Bloom, Boerner Horvath, Mia Bonta, Bryan, Calderon, Carrillo, Cervantes, Chen, Choi, Cooley, Cooper, Cunningham, Daly, Davies, Flora, Mike Fong, Friedman, Gabriel, Cristina Garcia, Eduardo Garcia, Gipson, Gray, Grayson, Haney, Holden, Irwin, Jones-Sawyer, Kalra, Lee, Levine, Low, Maienschein, Mathis, Mayes, Medina, Mullin, Muratsuchi, Nazarian, Nguyen, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Stone, Ting, Valladares, Ward, Akilah Weber, Wicks, Wilson, Wood, Rendon

**NOES:** Bigelow, Megan Dahle, Fong, Gallagher, Kiley, Lackey, Patterson, Seyarto, Smith, Voepel, Waldron

**NO VOTE RECORDED:** Berman, McCarty, O'Donnell, Villapudua

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8/23/22 13:23:10

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