

CONCURRENCE IN SENATE AMENDMENTS

AB 2204 (Boerner Horvath)

As Amended August 22, 2022

Majority vote

SUMMARY

Establishes, upon appropriation by the Legislature, the position of Deputy Secretary for Climate within the Labor and Workforce Development Agency (LWDA) to assist in the oversight of California's workforce transition to a sustainable and equitable carbon neutral economy.

Senate Amendments

- 1) Delete the requirement to establish the Office of Clean Energy Workforce within the LWDA.
- 2) Require the Deputy Secretary to coordinate with relevant state agencies to track the progress of the state moving toward 100% 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) Require the Deputy Secretary, on or before January 1, 2025, and annually thereafter, to submit a report to the Legislature on key findings and recommendations regarding the development and implementation of the workforce transition to a sustainable and equitable clean energy economy, as specified.
- 4) Repeal these provisions on January 1, 2046.

COMMENTS

A recent report by the University of California (UC), 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

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.

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

"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."

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."

Arguments in Opposition

None on file.

FISCAL COMMENTS

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.

⁴ Ibid.

⁵ Ibid.

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**ASSEMBLY FLOOR: 63-11-4****YES:** 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**NO:** Bigelow, Megan Dahle, Fong, Gallagher, Kiley, Lackey, Patterson, Seyarto, Smith, Voepel, Waldron**ABS, ABST OR NV:** Berman, McCarty, O'Donnell, Villapudua**UPDATED**

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