



IBEW POLICY BRIEF

Chapter 5: A Just Transition for Energy Workers

The IBEW supports federal legislation that would incentivize employers to keep displaced fossil fuel workers working.

The IBEW is the largest labor union in the power sector. Approximately 85,000 members in the U.S. work at coal and natural gas power plants. As a result of efforts to limit climate change, many fossil fuel workers today are vulnerable to potential displacement due to the transition to other forms of electrical generation, such as solar and wind power. The U.S. Energy Information Administration has found that between 2011 and 2021, nearly 89 gigawatts of coal-fired electric generation capacity were retired in the United States. That equates to about a third of the total coal-fired generation capacity. The Government Affairs Department aims to protect fossil fuel workers from displacement, especially IBEW workers who find themselves unemployed through no fault of their own and who are often among best paid blue-collar workers in their communities. Congress needs to take action and ensure these workers are made whole.

Recent Developments

Worker Retention

The IBEW supports a policy that would incentivize fossil fuel employers, primarily electrical utility companies, to keep displaced fossil fuel workers on their payroll. This policy proposal would also include provisions for utility companies to redirect displaced workers to perform other duties at the company. Lawmakers can model such an incentive after the Employee Retention Tax Credit (ERTC) created under the The Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The ERTC, initially designed for small employers, gave these businesses a tax credit of \$7,000 per annual quarter for a total of \$28,000 in annual tax credits for keeping an employee on their payroll. Lawmakers can use a modified version of the ERTC to support the significant number of fossil fuel workers vulnerable to displacement in the coming years. Prioritizing the protection of the workers in this industry is a must, considering that the U.S. has increasingly focused greater attention on reducing carbon emissions in the power sector.

The American Energy Worker Opportunity Act

Another policy proposal intended to provide a transition to traditional energy workers is the AFL-CIO-endorsed American Energy Worker Opportunity Act. This legislation would create a worker transition program with wage supplements, health care benefits, education and training funds, and additional help for children of laid-off workers. It would include the following:

- Eligibility if the employer terminates them through a layoff from a coal mine, coal-fired power plant, coal transport, or oil refinery, provided that the worker was employed continuously and full-time for at least 12 months before the layoff
- Wage replacement or supplement and assistance to maintain health benefits and contribute to retirement
- Eligibility for grants for allowable education and training up to and including a four-year degree
- Direct educational grants for the children of dislocated workers deemed eligible by the program for allowable education and training up to and including a four-year degree
- A prioritization of employers who plan to hire eligible workers for the clean energy grants created under the Inflation Reduction Act

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