CHAPTER 323

LABOR AND INDUSTRY

HOUSE BILL 19-1314

BY REPRESENTATIVE(S) Becker and Galindo, Bird, Buckner, Cutter, Duran, Esgar, Froelich, Gonzales-Gutierrez, Hansen, Herod, Hooton, Jackson, Lontine, Michaelson Jenet, Roberts, Singer, Sirota, Sullivan, Weissman, Jaquez Lewis, Kennedy, Kraft-Tharp, Mullica, Titone:

also SENATOR(S) Winter and Donovan, Bridges, Danielson, Fenberg, Ginal, Gonzales, Pettersen, Rodriguez, Story, Todd, Zenzinger.

AN ACT

CONCERNING A JUST TRANSITION FROM A COAL-BASED ELECTRICAL ENERGY ECONOMY, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **add** part 5 to article 83 of title 8 as follows:

PART 5 JUST TRANSITION SUPPORT FOR COAL-RELATED JOBS

8-83-501. Legislative declaration. (1) The General assembly hereby:

- (a) FINDS THAT:
- (I) Coal provides more than half of Colorado's net power generation. There were approximately one thousand three hundred workers employed in Colorado coal mines at the end of 2018, and half of the domestic consumption of Colorado's mined coal is for power generation within the state.
- (II) Colorado's power sector, and the nation's, is moving away from coal as a fuel source based on consumer demand for cleaner power and the declining cost of natural gas and renewable resources. Electricity generated from renewable sources has doubled since $2010\,$ to

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

APPROXIMATELY TWENTY-FIVE PERCENT OF COLORADO'S POWER GENERATION IN 2017.

(b) DETERMINES THAT:

- (I) In addition to the changing economics of power generation, there is a scientific consensus that greenhouse gas emissions, which are primarily the result of fossil fuel combustion, must be reduced in order to mitigate the worst effects of climate change. These effects are already being experienced by Coloradans in forms that include more extreme weather, snow pack melt, and higher temperatures.
- (II) THE EFFECTS OF COAL PLANT CLOSURES ON WORKERS AND COMMUNITIES HAVE THE POTENTIAL TO BE SIGNIFICANT IF NOT MANAGED CORRECTLY. THE CLOSURE OF COAL-FIRED PLANTS NATIONWIDE IS ALSO LIKELY TO HAVE A SERIOUS IMPACT ON EMPLOYMENT IN THE STATE'S COAL MINES AND THE TRANSPORTATION AND LOGISTICS SUPPLY CHAINS THAT MOVE COAL FROM MINE TO MARKET. MANY OF THESE JOBS PROVIDE FAMILY-SUPPORTING WAGES AND BENEFITS. THE COMMUNITIES THAT HOST RETIRING POWER PLANTS MAY LOSE PRINCIPAL CONTRIBUTORS TO THEIR TAX BASE AND REVENUE FOR VITAL LOCAL GOVERNMENT SERVICES. THE ENACTMENT OF THIS PART 5 WILL HELP ALLEVIATE THESE IMPACTS.
- (III) WHILE COLORADO COMPANIES AND POLICYMAKERS HAVE WORKED TO DRIVE NEW INVESTMENT FROM THE CLEAN ENERGY ECONOMY INTO TRANSITIONING COMMUNITIES AND RURAL PARTS OF THE STATE, THERE DOES NOT EXIST AT THE STATE OR FEDERAL LEVEL SUFFICIENT RESOURCES TO ASSIST WORKERS AND COMMUNITIES IMPACTED BY CHANGES IN COLORADO'S COAL ECONOMY, AND THERE DOES NOT EXIST SUFFICIENT COORDINATED LEADERSHIP WITHIN COLORADO'S STATE GOVERNMENT TO ALIGN AND DELIVER ASSISTANCE TO THESE COAL COMMUNITIES AND WORKERS; AND

(c) DECLARES THAT:

- (I) A STRONG AND COMPREHENSIVE POLICY IS ALSO NEEDED TO INVEST NEW FINANCIAL RESOURCES IN COAL COMMUNITIES THAT ARE SEEKING TO DIVERSIFY AND GROW THEIR LOCAL AND REGIONAL ECONOMIES IN A MANNER THAT IS BOTH SUSTAINABLE AND EQUITABLE; AND
- (II) COLORADO MUST ENSURE THAT THE CLEAN ENERGY ECONOMY FULFILLS A MORAL COMMITMENT TO ASSIST THE WORKERS AND COMMUNITIES THAT HAVE POWERED COLORADO FOR GENERATIONS, AS WELL AS THE DISPROPORTIONATELY IMPACTED COMMUNITIES WHO HAVE BORNE THE COSTS OF COAL POWER POLLUTION FOR DECADES, AND TO THEREBY SUPPORT A JUST AND INCLUSIVE TRANSITION.

8-83-502. Definitions. As used in this part 5, unless the context otherwise requires:

(1) "COAL TRANSITION COMMUNITY" MEANS A MUNICIPALITY, COUNTY, OR REGION THAT HAS BEEN AFFECTED IN THE PREVIOUS TWELVE MONTHS, OR THAT DEMONSTRATES IT WILL BE IMPACTED IN THE NEXT THIRTY-SIX MONTHS, BY THE LOSS OF FIFTY OR MORE JOBS IN TOTAL FROM A COAL MINE, COAL-FUELED

ELECTRICAL POWER GENERATING PLANT, OR THE MANUFACTURING AND TRANSPORTATION SUPPLY CHAINS OF EITHER.

- (2) "COAL TRANSITION WORKER" MEANS A COLORADO WORKER LAID OFF FROM EMPLOYMENT ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION IN A COAL MINE, COAL-FUELED ELECTRICAL POWER GENERATING PLANT, OR THE MANUFACTURING AND TRANSPORTATION SUPPLY CHAINS OF EITHER.
 - (3) "DIRECTOR" MEANS THE DIRECTOR OF THE OFFICE.
- (4) "DISPROPORTIONATELY IMPACTED COMMUNITY" MEANS ANY COMMUNITY OF COLOR, LOW-TO-MIDDLE INCOME COMMUNITY, OR INDIGENOUS COMMUNITY THAT IS OR HAS BEEN DIRECTLY IMPACTED BY COAL POLLUTION.
- (5) "ELIGIBLE ENTITY" MEANS THE FOLLOWING ENTITIES THAT SERVE A COAL TRANSITION COMMUNITY AND THAT MAY APPLY FOR A GRANT:
 - (a) AN ECONOMIC DEVELOPMENT DISTRICT;
- (b) A COUNTY, MUNICIPALITY, CITY AND COUNTY, OR OTHER POLITICAL SUBDIVISION OF THE STATE;
 - (c) AN INDIAN TRIBE;
- (d) An apprenticeship program that is registered with the United States department of labor or a state apprenticeship council;
 - (e) AN INSTITUTION OF HIGHER EDUCATION; AND
 - (f) A PUBLIC OR PRIVATE NONPROFIT ORGANIZATION OR ASSOCIATION.
- (6) "Fund" means the just transition cash fund created in section 8-83-504.
- (7) "Just transition plan" means the plan, in draft or final form, prepared by the just transition advisory committee as outlined in section 8-83-503 (6) and submitted by the director as outlined in section 8-83-503 (4).
- (8) "Office" means the just transition office created in section 8-83-503 (1).
- (9) "Wage differential benefit" means supplemental income covering all or part of the difference between an individual's previous employment in a coal mine, coal-fueled electrical power generating plant, or the manufacturing and transportation supply chains of either and new employment or supplemental income during job retraining.
- **8-83-503. Just transition office advisory committee repeal.** (1) There is hereby created within the division a just transition office. The office shall exercise its powers and perform its duties and functions under the

Department as if the office were transferred to the department by a **type 2** transfer as defined in section 24-1-105.

- (2) THE DIRECTOR OF THE DIVISION SHALL APPOINT THE DIRECTOR OF THE OFFICE. THE DIRECTOR SHALL MANAGE THE OPERATIONS OF THE OFFICE.
 - (3) It is the purpose of the office to:
- (a) Identify or estimate, to the extent practicable, the timing and location of facility closures and job layoffs in coal-related industries and their impact on affected workers, businesses, and coal transition communities and make recommendations to the just transition advisory committee, as part of its work outlined in subsection (6) of this section, as to how the office can most effectively respond to these economic dislocations;
- (b) Provide administrative, logistical, research, and policy support to the just transition advisory committee's work as outlined in subsection (6) of this section; and
- (c) Participate in the department's presentation to the general assembly during the "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" hearings, held pursuant to part 2 of article 7 of title 2, regarding requirements for financing components of the just transition plan, the administration of this part 5, and the expected results.
- (4) Based on the draft just transition plan recommended by the advisory committee pursuant to subsection (6) of this section, and with the approval of the executive director of the department and the executive director of the department of local affairs, on or before December 31, 2020, the director shall submit to the governor and the general assembly a final just transition plan for Colorado. This final plan must include, at a minimum:
- (a) Benefits, grants, and other components that the office, the department, or the department of local affairs shall coordinate and implement under existing authority;
- (b) Benefits, grants, and other components that require additional legislative authority to implement;
- (c) Sources of funding that may be accessed from federal, state, local, and other sources without additional legislative authority or approval; and
 - (d) Sources of funding that require legislative or voter approval.
- (5) To further the purposes of the office created in this part 5, the director shall engage in relevant administrative proceedings, such as matters before the public utilities commission and the air quality

CONTROL COMMISSION.

- (6) (a) There is hereby created the just transition advisory committee to develop and recommend a just transition plan for the state of Colorado.
- (b) On or before July 1, 2020, the advisory committee shall present a draft just transition plan to the executive director of the department and the executive director of the department of local affairs.
- (c) IN DEVELOPING THE DRAFT JUST TRANSITION PLAN, THE ADVISORY COMMITTEE SHALL CONSIDER OPTIONS TO:
- (I) ALIGN AND TARGET LOCAL, STATE, AND FEDERAL RESOURCES AND LEVERAGE ADDITIONAL RESOURCES TO INVEST IN COMMUNITIES AND WORKERS WHOSE COAL-RELATED INDUSTRIES ARE SUBJECT TO SIGNIFICANT ECONOMIC TRANSITION;
- (II) ALIGN AND TARGET EXISTING LOCAL, STATE, AND FEDERAL PROGRAMMING AND ESTABLISH ADDITIONAL PROGRAMMING TO SUPPORT COMMUNITIES AND WORKERS WHOSE COAL-RELATED INDUSTRIES ARE SUBJECT TO SIGNIFICANT ECONOMIC TRANSITION;
- (III) ESTABLISH BENEFITS FOR COAL TRANSITION WORKERS, INCLUDING CONSIDERATION OF:
- (A) Benefits similar in type, amount, and duration to federal benefits available pursuant to 20 CFR 617.20 to 617.49; and
- (B) WAGE DIFFERENTIAL BENEFITS FOR AFFECTED WORKERS, INCLUDING CONSIDERATION OF ELIGIBILITY AND THE DURATION OF THE BENEFITS;
- (IV) Educate dislocated workers, in collaboration with employers of dislocated workers and relevant labor unions, regarding how to apply for just transition benefits; and
- (V) ESTABLISH AND STRUCTURE A GRANT PROGRAM AND OTHER POTENTIAL PROGRAMMATIC SUPPORT FOR COAL TRANSITION COMMUNITIES AND ORGANIZATIONS THAT SUPPORT COAL TRANSITION COMMUNITIES, INCLUDING ELIGIBLE ENTITIES.
- (d) In developing the draft just transition plan, the advisory committee shall identify and consider:
- (I) The projected short-term and long-term costs and benefits to the state of each plan component, including worker benefits, grant programs, and other supports;
- (II) POTENTIAL SOURCES FOR SUSTAINABLE SHORT-TERM AND LONG-TERM FUNDING FOR A JUST TRANSITION PLAN AND ITS COMPONENTS;
- (III) THE POTENTIAL FISCAL, ECONOMIC, WORKFORCE, AND OTHER IMPLICATIONS OF EXTENDING COMPONENTS OF THE JUST TRANSITION PLAN TO OTHER SECTORS AND

INDUSTRIES AFFECTED BY SIMILAR ECONOMIC DISRUPTIONS; AND

- (IV) WHICH COMPONENTS OF THE JUST TRANSITION PLAN CAN BE IMPLEMENTED BY THE DEPARTMENTS UNDER EXISTING AUTHORITY AND WHICH REQUIRE ADDITIONAL LEGISLATION.
 - (e) THE ADVISORY COMMITTEE CONSISTS OF THE FOLLOWING MEMBERS:
 - (I) Ex officio members as follows:
- (A) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LABOR AND EMPLOYMENT OR A DESIGNEE;
 - (B) THE DIRECTOR OF THE OFFICE OF ECONOMIC DEVELOPMENT OR A DESIGNEE;
 - (C) THE DIRECTOR OF THE COLORADO ENERGY OFFICE OR A DESIGNEE;
- (D) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS OR A DESIGNEE; AND
 - (E) A REPRESENTATIVE OF THE OFFICE OF THE GOVERNOR;
- (II) One member of the senate, appointed by the president of the senate, and one member of the house of representatives, appointed by the speaker of the house of representatives; and
 - (III) THE FOLLOWING MEMBERS APPOINTED BY THE DIRECTOR:
 - (A) THREE REPRESENTATIVES OF COAL TRANSITION WORKERS;
 - (B) THREE REPRESENTATIVES FROM COAL TRANSITION COMMUNITIES;
- (C) Two representatives with professional economic development or workforce retraining experience;
- (D) Two representatives of disproportionately impacted communities; and
- (E) Two representatives of utilities that, on the effective date of this section, operated a coal-fueled electric generating unit.
- (f) The term of appointment or designation is four years; except that the initial term of members appointed pursuant to subsection (6)(e)(II) of this section is two years and the initial term of members appointed pursuant to subsection (6)(e)(III) of this section is three years. Each legislative member is entitled to receive payment of a per diem and reimbursement for actual and necessary expenses as authorized in section 2-2-326, appointed members are entitled to the same per diem and expense reimbursement, and ex officio members are entitled to the same expense reimbursement; except that all payments authorized by this subsection (6)(f) are at a rate fifty percent less than that authorized by

LAW.

- (g) The advisory committee shall elect a chair from among its members to serve for a term not to exceed two years, as determined by the advisory committee. The advisory committee shall meet at least once every quarter. The chair may call such additional meetings as are necessary for the advisory committee to complete its duties.
- (h) The advisory committee May Engage additional nonvoting members or advisors to provide additional expertise as needed.
- (i) This subsection (6) is repealed, effective September 1, 2025. Before the repeal, this subsection (6) is scheduled for review in accordance with section 2-3-1203.
- **8-83-504. Just transition cash fund.** (1) There is hereby created in the state treasury the just transition cash fund. The fund consists of money credited to the fund and any other money that the general assembly may appropriate or transfer to the fund. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the fund to the fund. Subject to annual appropriation by the general assembly, the office may expend money from the fund for purposes specified in this part 5, including paying for the office's direct and indirect costs in administering this part 5.
- (2) The general assembly may appropriate money from the general fund for the purposes specified in this part 5. The office may seek, accept, and expend gifts, grants, or donations from private or public sources for the purposes of this part 5.
- (3) Each construction project financed through the fund must comply with sections 24-92-115 and 24-92-201.
- **8-83-505.** Utility workforce transition plans reemployment of affected workers. (1) Within thirty days after the approval to accelerate retirement of a generating unit by the utility's governing body and in no case less than six months before the retirement of an electric coal-fueled generating unit that has a nameplate capacity of at least fifty megawatts, the owner or operating agent of that unit shall submit to the office and to the affected community a workforce transition plan.
- (2) To the extent practicable, a workforce transition plan must include estimates of:
- (a) The number of workers employed by the electric utility or a contractor of the utility at the coal-fueled electric generating facility, which number must include all workers that directly deliver coal to the electric utility;
- (b) THE TOTAL NUMBER OF WORKERS WHOSE EXISTING JOBS, AS A RESULT OF THE RETIREMENT OF THE COAL-FUELED ELECTRIC GENERATING FACILITY:

- (I) WILL BE RETAINED; AND
- (II) WILL BE ELIMINATED;
- (c) WITH RESPECT TO THE WORKERS WHOSE EXISTING JOBS WILL BE ELIMINATED DUE TO THE RETIREMENT OF THE COAL-FUELED ELECTRIC GENERATING FACILITY, THE TOTAL NUMBER AND THE NUMBER BY JOB CLASSIFICATION OF WORKERS:
- (I) Whose employment will end without them being offered other employment;
- (II) Who will retire as planned, be offered early retirement, or leave on their own;
- (III) WHO WILL BE RETAINED BY BEING TRANSFERRED TO OTHER ELECTRIC GENERATING FACILITIES OR OFFERED OTHER EMPLOYMENT BY THE ELECTRIC UTILITY; AND
- (IV) Who will be retained to continue to work for the electric utility in a new job classification; and
- (d) If the electric utility is replacing the coal-fueled electric generating facility being retired with a new electric generating facility, the number of:
- (I) Workers from the retired coal-fueled electric generating facility who will be employed at the new electric generating facility; and
- (II) JOBS AT THE NEW ELECTRIC GENERATING FACILITY THAT WILL BE OUTSOURCED TO CONTRACTORS OR SUBCONTRACTORS.
- (3) This section does not apply to an electric coal-fueled generating unit owned in whole or in part by a qualifying retail utility for which the qualifying retail utility, as that term is used in section 40-2-124, has submitted a workforce transition plan in an electric resource plan filed with the public utilities commission.
- **8-83-506.** Report recommendations repeal. (1) No later than January 1, 2024, the director shall provide written recommendations to the general assembly and the governor about changes to this part 5 that should be considered in order to better achieve the purposes of this part 5.
 - (2) This section is repealed, effective September 1, 2025.
 - **SECTION 2.** In Colorado Revised Statutes, 2-3-1203, add (16)(a)(V) as follows:
- **2-3-1203.** Sunset review of advisory committees legislative declaration definition repeal. (16) (a) The following statutory authorizations for the designated advisory committees will repeal on September 1, 2025:

- (V) The just transition advisory committee created in section 8-83-503 (6).
- **SECTION 3. Appropriation.** (1) For the 2019-20 state fiscal year, \$155,758 is appropriated to the department of labor and employment for use by the division of employment and training. This appropriation is from the general fund and is based on an assumption that the division will require an additional 1.8 FTE. To implement this act, the division may use this appropriation for the just transition office.
- (2) For the 2019-20 state fiscal year, \$920 is appropriated to the legislative department for use by the general assembly. This appropriation is from the general fund.
- **SECTION 4. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 28, 2019