

# Clean Power Plan Promises More Jobs and More Justice

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It goes without saying that the release of the **Clean Power Plan** was celebrated by the environmental community and media coverage nearly burst at the seams. It's a major win in the fight against climate disruption, has strong legal underpinnings, and provides clear pathways for states to address their carbon pollution. What wasn't covered as heavily, however, are the compelling aspects of the policy that will help workers, especially those in vulnerable communities.

While crafting the final version of the Clean Power Plan, the **Obama Administration** took the time to meet with unions, economic justice advocates, and their environmental allies to hear their concerns and suggestions, and based on what was released in August, the administration listened.

The final Clean Power Plan is structured to create thousands of new jobs in clean energy and energy efficiency, and includes incentives to create good jobs in vulnerable communities as well. It recommends robust standards to ensure that the new jobs lead to quality careers and contains vital protections for coal workers and other communities affected by the shift away from fossil fuels.

What's more, the **EPA** and **DOE** have both acted to help ensure that unions, affected workers, and their communities will be treated as stakeholders whose views are heard and reflected in the state processes to create implementation plans. And to top it all off, the Clean Power Plan addresses concerns from affected unions about power system reliability, the compliance timeline, and emissions reduction credits for manufacturing processes such as combined heat and power.

Let's now go into further detail on how all this came together and how it's going to work.

## **New careers in renewable and efficient energy:**

Overall, the Clean Power Plan anticipates considerably greater clean energy growth than the previous version did--28 percent of generating capacity by 2030 as compared to 22 percent under the initial, proposed version. In addition, although energy efficiency was removed as a "building block" for setting state carbon reduction targets, the final Clean Power Plan still provides strong incentives for states and regions to deploy energy efficiency as a compliance mechanism.

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This is good news, because, according to independent studies, clean energy investments are more labor intensive than equivalent fossil fuel investments, meaning they create more jobs. They also use a higher proportion of US labor. A recent study of the combined impact of renewable energy standards and “high road” job standards (see below) in California found that these policies together resulted in thousands of new well-paid jobs with solid health and pension benefits.

### **Incentives to create good jobs in vulnerable communities:**

The Clean Power Plan establishes a “Clean Energy Incentive Program” to incentivize early expansion of renewable energy and energy efficiency. Even though states are required to begin compliance in 2022, power plants can get credit for renewable energy and energy efficiency projects that begin earlier, and EPA is especially encouraging projects in low-income areas. Thus, EPA will give credits for wind and solar and energy efficiency projects that result in carbon reductions in 2020 and 2021, as long as those projects begin construction or deployment after the date that states submit their final implementation plans. In addition, EPA is providing additional incentives to create jobs in vulnerable communities through this program by giving double credit for energy efficiency projects in low-income communities during this same period.

### **High road job creation standards:**

Every worker knows there’s a world of difference between a “job” and a quality career. [Robust training and certification standards generally lead to well-paid, highly skilled workers who produce a quality product that lasts.](#) One of the most important and little-noticed elements of the the Clean Power Plan is that the EPA will look favorably on state plans that prepare workers for the new renewable and energy efficiency careers with registered union apprenticeship programs (as well as community and technical college programs) that result in validated skill certifications.

What’s more, EPA is encouraging states to make sure that the skills of workers who install renewable energy or energy efficiency projects or do energy audits are certified by a third party (such as an apprenticeship program registered with the Department of Labor or state agency, or an accrediting entity recognized by the Department of Energy) that develops certification programs based on consensus-based standards.

“High road” job standards like these tend to lead to more union jobs. That is particularly important because 1) having a union is one of the best indicators of a “good job,” and 2) these standards will help [raise union density in the types of clean energy jobs likely to be created](#) under the Clean Power Plan, which is currently lower than in types of jobs likely to be lost.

### **Net increase in jobs totaling several hundred thousand:**

Research from the Economic Policy Institute, the [Industrial Economics and the Interindustry Economic Research Fund](#), the Department of Commerce, and several other research institutions suggest job creation will be significantly more robust than EPA’s conservative estimates of up to 83,000 “demand-side” (energy efficiency) jobs created by 2025.

For example, the Economic Policy Institute, using EPA and Department of Labor data from the initial version of the Clean Power Plan before the more robust clean energy and energy efficiency job creation standards of the final plan were adopted - predicted direct new jobs created by Clean Power Plan implementation by 2020 would total 120,000, while only 24,000 would be lost, for a net of 96,000 new direct jobs. When indirect and supply chain jobs are taken into account, the net increase

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in number of jobs by 2020, after jobs lost, will be 360,000, according to the EPI.

## **Protection for Coal Industry Workers and Communities**

Even though the Clean Power Plan will create far more jobs than it displaces, it is likely that some jobs will be lost. This is particularly [true in coal mining and coal-fired electric utilities](#), which have for several years experienced losses due to the changing economics of the coal market. Implementation of the Clean Power Plan, as well as related agency and legislative initiatives, will help ensure that affected workers and their communities do not unfairly bear the burden of climate protection policies that benefit everybody.

The Obama Administration's "[POWER + Plan](#)" is the cornerstone of the all-out federal, state and local public policy effort that we need to provide a "just transition" that protects the livelihoods of coal communities.

In addition to the federal POWER initiative, which will provide \$55 million this year alone for coal communities to chart healthier economic futures, under the Clean Power Plan, EPA is encouraging states to provide employment and training to affected workers and economic development assistance to affected communities. The goal is to diversify economies, attract new sources of investment, and create new jobs.

On top of federal agency and state funding, there are several bipartisan measures currently under consideration in Congress to implement the federal legislative elements of the POWER+ Plan. They include 1) \$1 billion over five years from the Abandoned Mine Lands (AML) fund to support restoration of land and water polluted by coal mining in ways that support economic development; and 2) \$3.9 billion over 10 years to shore up health and pension benefits for retired coal miners.

Moreover, labor advocates and their allies, including the BlueGreen Alliance, a nationwide partnership of 15 unions and environmental organizations representing 16 million people, are treating the POWER+ plan as a floor, not a ceiling. They are pressing for implementation of even more robust and comprehensive "just transition" measures that build new infrastructure and create quality careers both within and outside the clean energy sector.

## **Participation of Labor as Key Stakeholder**

The robust labor participation in the creation of the Clean Power Plan had at least two key benefits. First, EPA expressly recognized that stakeholders in the state implementation processes may include unions, workers and affected communities. This is significant because, among other reasons, states seeking extension of the one-year deadline to submit their plans must demonstrate "meaningful engagement" with stakeholders and describe the opportunities stakeholders were given to comment on the proposed state plans.

Second, the Department of Energy (DOE) and three unions have announced a DOE-Labor Working Group that will help unions maximize job creation as states develop their implementation plans. The three unions, the United Steelworkers (USW), the Utility Workers Union (UWUA), and the International Brotherhood of Electrical Workers (IBEW), all represent workers in both coal-related and clean energy industries.

As the DOE noted in its news release announcing the working group, "[m]any of the options available to states in designing their State Implementation Plans are major job creators for America's workers

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such as . . . installing combined heat and power units in manufacturing plants, updating energy infrastructure, or installing renewable energy and energy efficiency equipment.”

### **State-based implementation provides other opportunities to shape plans to create quality careers for people who need them**

The EPA designed the Clean Power Plan to be implemented via state and regional processes. This means local, state, and regional coalitions for environmental and economic justice will have excellent opportunities over the next one to three years to use the implementation process to create hundreds of thousands of good jobs for people who need them. Through our partnership in groups like the BlueGreen Alliance (BGA), the Sierra Club is working hard to build on these opportunities. The BGA partners have agreed on core principles for working together on the Clean Power Plan in the states which include the following:

- Maximize job creation at family sustaining wages and support the right to organize;
- Minimize and reduce the impact of job loss; and
- Include low-income, communities of color to ensure they receive their fair share of benefits and aren't unfairly burdened.

The BGA partners have also agreed on a policy approach, consistent with what the EPA is proposing, to make sure that the jobs that are created by implementing the Clean Power Plan in the states lead to quality careers. These strategies include:

- Directing public and private investment in higher wage, more union-friendly parts of the clean energy economy;
- Incorporating strong labor standards as part of mandates and public investments; and
- Incorporating complementary policies that maximize good upstream jobs, particularly in manufacturing.

### **Other union concerns met: Reliability, Compliance Timeline, Combined Heat and Power**

Some changes to the final Clean Power Plan should alleviate concerns raised by affected unions about reliability of the energy grid as we move to clean power, the compliance timeline, and the availability of credits for combined heat and power (CHP) units in manufacturing plants. EPA is giving states more time to develop their implementation plans by pushing the beginning of the compliance period from 2020 to 2022, and adjusting the state goals eliminate concerns about a compliance “cliff.”

The Clean Power Plan also requires states to address reliability in their state plans, and clarifies how those plans are to be reviewed by energy regulatory agencies and reliability entities. EPA allows for changes in state plans if reliability issues arise and provides a safety valve in the extremely unlikely event of a plant-specific issue.

Finally, manufacturing unions are pleased that the Clean Power Plan recognizes CHP, a technology that produces both heat and electricity from a single fuel source, as an option to help reduce carbon emissions by replacing electricity generation from power plants covered by the Plan.

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**Not a silver bullet, but the plan sets us on the right track**

The Clean Power Plan isn't a panacea for all that ails our society, or even for all the potential effects of climate disruption and the transition from coal to clean energy can have, but it is a step in the right direction. It's clear that the administration heard the concerns of workers and their representatives, and acted on them in its final version of the Clean Power Plan. This policy sets us off on the right track on the rapid journey we must take towards power generation that helps protect our climate with quality clean energy careers for people who need them and vital protections for coal families and their communities.

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