Putting California on the High Road: A Jobs and Climate Action Plan for 2030

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Carol Zabin, UC Berkeley Labor Center

Contributors: Roxane Auer, J. Mijin Cha, Robert Collier, Richard France, Jenifer MacGillvary, Holly Myers, Jesse Strecker, Steve Viscelli
Legislative Mandate for Report

• Mandated in AB 398, asked the CA Labor Agency to make recommendations on worker supports.

• First time legislature has explicit focus on job quality and job access, not just “net job growth”.

• Recommends complementary job policy levers that can be incorporated into existing and future climate policies.
Tracing CA climate policies to jobs

CLIMATE POLICY

**Mandates**
- RPS
- Clean Truck Rules

**Public Investment**
- High-Speed Rail
- Clean Buses

**Incentives**
- EV Rebates
- Energy Efficiency Incentives

**Market**
- Cap-and-Trade

INDUSTRIES

- Construction
- Trucking
- Vehicle Manufacturing
- Transit
- Oil & Gas

JOBS

1/3 of California workers are in low-wage jobs
## High % Blue Collar Jobs in Top 3 Climate Sectors

<table>
<thead>
<tr>
<th>Scoping Plan Sector</th>
<th>Main Policies</th>
<th>Subsector</th>
<th>Industry by NAICs</th>
<th>% Blue Collar Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>Renewable Portfolio Standard Mandate</td>
<td>Utility Scale Renewables</td>
<td>Utility System Construction</td>
<td>73%</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Electric Power Generation, Transmission</td>
<td>38%</td>
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<tr>
<td></td>
<td>Incentives for home and business owners</td>
<td>Distributed Generation</td>
<td>Residential Construction</td>
<td>69%</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Nonresidential Construction</td>
<td>59%</td>
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<td></td>
<td></td>
<td></td>
<td>Nonresidential Construction</td>
<td>59%</td>
</tr>
<tr>
<td></td>
<td>Mandates</td>
<td>Natural Gas Leakage Abatement</td>
<td>Natural Gas Distribution</td>
<td>42%</td>
</tr>
<tr>
<td>Transportation</td>
<td>Fuel standards and other clean vehicle mandates</td>
<td>Cleaner Vehicles</td>
<td>Motor Vehicle Manufacturing</td>
<td>87%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Vehicle Repair &amp; Maintenance</td>
<td>78%</td>
</tr>
<tr>
<td></td>
<td>Public funding</td>
<td>Public Transit</td>
<td>Transit and Ground Passenger Transportation</td>
<td>86%</td>
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<tr>
<td></td>
<td>Public funding and incentives</td>
<td>Clean Fuel Infrastructure</td>
<td>Electrical Contractors</td>
<td>75%</td>
</tr>
<tr>
<td></td>
<td>Public funding</td>
<td>Transit Infrastructure</td>
<td>Other Heavy and Civil Engineering Construction</td>
<td>73%</td>
</tr>
<tr>
<td></td>
<td>Incentives and local urban and regional land use and transportation planning</td>
<td>Infill and Transit-oriented Development</td>
<td>Nonresidential Construction</td>
<td>59%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Residential Construction</td>
<td>69%</td>
</tr>
<tr>
<td>Industry</td>
<td>Cap and trade, pollution mandates</td>
<td>Manufacturing</td>
<td>Various</td>
<td>58%</td>
</tr>
<tr>
<td></td>
<td>Cap and trade, pollution mandates</td>
<td>Fossil fuel production, refining, and distribution</td>
<td>Crude Petroleum and Natural Gas</td>
<td>41%</td>
</tr>
<tr>
<td></td>
<td>Reduction in demand for fossil fuel products from all the other policies</td>
<td></td>
<td>Petroleum Refining and Hydrogen Production</td>
<td>55%</td>
</tr>
</tbody>
</table>
Impact on Job Quality and Access Varies by Policy and Industry

High road success: Renewable Portfolio Standard--drove increase in renewable sources of electricity, AND good jobs, with good career training and inclusion of disadvantaged workers.

Low Road challenges: Misclassification in trucking industry means that low wage immigrant truck drivers, who are forced to carry the cost of the trucks, are responsible for climate policy, rather than the trucking companies they work for. This hurts these truck drivers AND, emissions reductions aren’t fully realized because these truck drivers can’t afford to comply.

We have to be intentional about protecting workers and creating good jobs or improving bad jobs, can’t just do climate policy and leave job outcomes to the market, because we will just perpetuate the growth of low wage jobs.
Structure of Report follows Scoping Plan

• Three “tools” chapters with policy recommendations on:
  • Labor standards for mission-critical climate industries
  • Training strategies based on CWDB strategy
  • How to support workers in declining industries

• 6 sector chapters following CARB scoping plan, energy, transportation, industrial, waste, water, and lands.
Low wage trouble spots where labor standards can improve job quality

- Distributed generation, rooftop solar
- Energy efficiency
- Trucking
- Ride-sourcing/Transportation Network Companies
- Waste management
- Fire prevention and forest management
- Agriculture
- Manufacturing
Climate agencies can promote good jobs by adding labor policy levers

• Construction:
  • Project Labor Agreements with Targeted Hire (CWAs)
  • Skilled and Trained Workforce
  • Prevailing Wage
  • Responsible Contractor Requirements

• Non-construction
  • Inclusive Procurement Requirements
  • Wage and Benefit Standards
  • Skill Standards
  • Community Benefit Agreements

• Climate Agencies Need T.A. from Labor Agency
Training is needed but must be connected to family-supporting career track jobs

- Start with the jobs, partner with employers, and customize by industry
- Support and enhance apprenticeship and other labor-management partnerships, don’t create new niche “green” jobs training programs.
- Fund comprehensive training that prepares workers for careers, not one technology.
- You can’t improve inclusion without job quality
Planning is needed to address potential job loss

- Just transition for workers and communities
  - Retraining not enough
  - Need negotiated package to keep workers whole
  - Community economic development and diversification
  - Labor, business, and community engagement
  - Firm, region and state roles
  - Examples: Germany, military base closures, Diablo Canyon nuclear plan

- Necessary for fossil fuel industries but alternatives likely exist for heavy emitting manufacturing
Recommendations for Fossil Fuel Industries

**Short Term:** Fully explore alternatives to plant closures when there are other strategies available that will achieve greenhouse gas emissions reductions and local pollution abatement.

- Avoid leakage—don’t end up importing oil or gas because you haven’t successfully reduced demand.
- Support and deploy industrial energy efficiency, Best Available Retrofit Technology, fugitive methane capture and other pollution abatement.

**Longer-term:** Transition—CARB predicts 40% reduction in demand for petroleum in CA by 2030

- Identify priority transition assistance needs to keep workers WHOLE.
- Create industrial planning process that includes labor, industry, and local communities.
1. CLIMATE POLICIES
   EXAMPLES:
   - Renewable Portfolio Standard
   - IOU EE Incentive Programs
   - EV Infrastructure and Rebates
   - CAP and TRADE PROGRAM

2. POLICY MECHANISMS THAT AFFECT LABOR DEMAND
   EXAMPLES:
   - Public Investment
   - Mandates
   - Public Enterprises
   - Incentives
   - Pricing Policies
   - Procurement

3. IMPACT OF POLICIES ON # OF JOBS, JOB QUALITY, AND JOB ACCESS
   EXAMPLES:
   - Construction
   - Manufacturing
   - Transportation
   - Utilities

HIGH ROAD APPROACH

DEMAND-SIDE LEVERS FOR CLIMATE AGENCIES:
- Skilled workforce standards
- Wage standards
- Community workforce agreements
- Procurement for the public good
- Targeted/local hire mechanisms

SUPPLY-SIDE STRATEGIES FOR EDUCATION AND TRAINING INSTITUTIONS:
- Pre-apprenticeship and pipeline training
- Industry training partnerships
- Curricula upgrades in post-secondary institutions

JUST TRANSITION:
- Planned industrial phase-out
- Displaced worker supports
- Community economic development
- Displaced worker assistance

OUTCOMES:
- Skill needs are met
- Quality workmanship is the norm
- Job quality is improved
- Access for workers from DACS into quality jobs is broadened
- Displaced workers maintain their livelihood
- Communities diversify their economies

LABOR DEMAND MANAGED

LABOR SUPPLY MANAGED

TRANSITION MANAGED

LOW ROAD APPROACH

- No labor standards
- Training unconnected to jobs
- No advanced planning for displaced workers

OUTCOMES:
- Low wage job trends permeate low-carbon economy
- Recruitment & retention of skilled workers is low
- Problems of quality workmanship persist, undermining market adoption
- Disadvantaged workers have limited access to career training and middle class jobs
- Workers lose jobs and income

UC BERKELEY LABOR CENTER GREEN ECONOMY PROGRAM
Thank you

Carol Zabin
zabin@berkeley.edu
laborcenter.berkeley.edu