

## **Overview of Opportunities for Most Impacted Communities in Clean Energy Jobs (SB 1070)**

Well-designed clean energy policies reduce pollution, create economic opportunity, provide resources, and reduce costs for impacted and underserved communities.

### **I. Definition of Environmental Justice**

In 1991, the People of Color Environmental Leadership Summit reaffirmed the connection of people of color to the land, and our understanding that environmental issues are linked to economic, racial and social justice.

The State of Oregon Environmental Justice Task Force: Environmental justice is equal protection from environmental and health hazards, and meaningful public participation in decisions that affect the environment in which people live, work, learn, practice spirituality and play. "Environmental justice communities" include minority and low-income communities, tribal communities, and other communities traditionally underrepresented in public processes.

When state agencies make decisions that affect our environment it is critical that low-income and minority populations are not disproportionately affected. The Environmental Justice Task Force (EJTF) was created by the Legislature to help protect Oregonians from disproportionate environmental impacts on minority and low-income populations. The EJTF encourages state agencies to give all people knowledge and access to improve decisions that affect environment and the health of all Oregonians.

### **II. Definition of Just Transition**

The "just transition" frame is being used by an increasing number of organizing networks, grassroots organizations, groups affiliated with organized labor, and environmental organizations.

We define just transition as a frontline community led shift away from extractive economies (an economy dependent on fossil fuels, ecological disruption, public health crises and economic impoverishment due to their industrialized extraction, production, pollution and waste practices) towards living economies, which take a holistic approach and foster equity, democracy, and ecological renewal.

The ITUC International Trade Union Confederation, campaigned for language embodying the just transition principle in the negotiating text of the Copenhagen climate agreement. It read: "An economic transition is needed that shifts global economic growth patterns towards a low emission economy based on more sustainable production and consumption, promoting sustainable lifestyles and climate-resilient development while ensuring a just transition of the workforce."

Similar language was included in the Preamble to the 2015 Paris climate agreement, though not in the body of the agreement itself. The ITUC said a just transition can be achieved:

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Through socially responsible and green investment, low-carbon development strategies, and by providing decent work and social protection for those whose livelihoods, incomes and employment are affected by the need to adapt to climate change and by the need to reduce emissions to levels that avert dangerous climate change.

While the ITUC recognized that just transition policies will be different in different countries and communities, it presented the basic elements as:

- Identification in advance of the employment effects of climate protection.
- Major public and private investment under long-term sustainable industrial policies to create green jobs and workplaces
- Advance planning to compensate for adverse effects of climate protection.
- Social protections, including social insurance, income maintenance, job placement, and secure access to health, energy, water, and sanitation.
- Training and education for new careers for those affected.
- Wide consultation among stakeholders.
- A “diversification and climate change adaptation plan” for every region and community at risk to provide an alternative to a “free-market adaptation” that will only lead to suffering and opposition to climate measures.
- Protection for the economic life of communities, including new energy technologies and economic diversification.

### **III. MOST IMPACTED COMMUNITIES**

Most impacted communities includes Environmental Justice communities and economically distressed areas. Similar tracts were identified when looking at criteria for most impacted communities and economically distressed areas.

SB 1070 specifies:

(12) “Impacted communities” includes, but is not limited to, the following communities most at risk of being disproportionately impacted by climate change: (a) Communities with a high percentage of people of color, low-income households, immigrants or refugees relative to other communities; (b) Linguistically isolated communities; (c) Communities with high exposures to pollution or toxics relative to other communities; and (d) Rural communities with unemployment rates that are above this state’s mean statewide unemployment rate.

Recognizing we have different pollution patterns and demographics than California, PSU conducted research into 1) how to define communities most vulnerable or impacted to climate change, 2) where these communities are located, and 3) these communities proximity to stationary sources of pollution.

**Naming the population:** PSU study identified “communities experiencing disparate impacts of climate change (“most impacted”)” as best descriptions

## **BENEFITS**

### **1. Addressing Disproportionate Impact of Pollution and Climate Change**

Communities of color and low-income communities (locally and globally) are hit first and worst by climate change and pollution from fossil fuels. This is reiterated throughout literature and research—just some examples include displacement, increased respiratory illness and cancer rates related to air pollution, heat related illness, cost increases. Environmental justice communities are also underrepresented in decision making and least able to mitigate and adapt to climate change.

### **2. Investments**

Invest proceeds from a price on climate pollution will be reinvested in clean energy solutions – like affordable solar and wind power, energy efficient homes and businesses, public transit, electric vehicles, and healthier communities. The bill directs investment to reduce pollution and grow opportunities for low-income and rural communities, communities of color, and impacted workers in Oregon.

Proceeds can be **reinvested** to further reduce climate pollution, assist industry, create benefits for disproportionately impacted communities, retrain workers, and advance clean economic development. The program reinvests in Oregon in the following ways:

- **Fees from transportation sector go to Highway Trust Fund:**
  - **To greatest extent feasible, must fund GhG reduction projects**
  - **Invests in most impacted communities**
    - **20% of dollars to fund projects in impacted communities**
    - **20% of dollars to benefit impacted communities**
- **Uses utility proceeds for the following.** SB 1070 leaves final rulemaking up to PUC; directive to prioritize uses of proceeds that benefit low-income residential customers.
  - Bill assistance for low-income residential customers.
  - Bill assistance for energy intensive industrial customers that, at the time the bill assistance is received, are not covered entities receiving allowances distributed directly and free of charge to address leakage
  - Residential or small business climate credits.
  - Energy efficiency/weatherization
- **Divides remaining funds into the:**
  - **15% to Just Transition:** Supports economic diversification, job creation, job training and other employment and mental health services for workers and communities in Oregon that are adversely affected by climate change or need transitional assistance.
  - **85% to Oregon Climate Investments Grant Fund.** These dollars must support: reducing greenhouse gas emissions and promoting adaptation and resilience by this state's communities and economy in the face of climate change. Moneys are dedicated this way:
    - 40% to projects/program located in rural economically distressed areas, with emphasis on job creation and job education and training opportunities.
    - 50% to projects/programs located in impacted communities
    - The above are not necessarily considered mutually exclusive.

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- Creates a Climate Investments in Disadvantaged Communities Advisory Committee

### **Grant Criteria**

- (a) Maximize multiple benefits in this state, including but not limited to environmental, social and economic benefits;
  - (b) Result in greenhouse gas emissions reductions that are cost effective or that are the product of business and research development interests in this state;
  - (c) Constitute investments in, and facilitate the development of, clean energy infrastructure and technologies in this state;
  - (d) Complement efforts to achieve and maintain federal and state air quality standards;
  - (e) Protect impacted communities and economically distressed areas from economic uncertainties associated with climate change or climate change policies;
  - (f) Make use of domestically produced products to the maximum extent feasible; or
  - (g) Promote job creation.
- (6) The grant program adopted under this section may:
- (a) To the extent feasible, require that a grant applicant provide matching funds for completion of the project or program for which a grant is awarded.
  - (b) Allow an applicant to appeal to the commission for reevaluation of any determination of grant funding.
  - (c) Allow for the provision of technical assistance during the grant application process to applicants that are businesses owned by women or members of minority groups.

### **REPRESENTATION**

- I. EQC to consult with Tribes; Environmental Justice Task Force**
- II. Grant Committee for Oregon Climate Investments Grant Fund:**

Appointed by the governor and members shall comprise of:

- (a) Appoint only members who are residents of this state and ensure that at least one member is appointed from each congressional district in this state;
- (b) Appoint members with experience in administering state grant programs;
- (c) Appoint members who reflect the racial, ethnic and economic diversity of experience and background necessary to support successful implementation of the grant program and who have a demonstrated interest in reducing greenhouse gas emissions and taking other actions to promote adaptation and resilience by this state's communities and economy in the face of climate change; and
- (d) Ensure that members of the grant committee have expertise in the following fields:
  - (A) Residential or commercial renewable energy;
  - (B) Promotion of civil rights or racial equality;
  - (C) Weatherization, energy efficiency and climate resilience for low-income residents;
  - (D) Water conservation;
  - (E) Financing tools for making renewable energy, energy efficiency and climate resilience strategies available to a broad spectrum of the public;
  - (F) Job training and contracting with businesses owned by women and members of minority groups;

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- (G) Climate justice or environmental justice; and
  - (H) Climate science, with particular expertise in quantifying greenhouse gas emissions reductions.
- (4) The commission shall determine the form and method of applying for grants from the grant program, the eligibility requirements for grant applicants and general terms and conditions of the grants

### III. **Climate Investments in Impacted Communities Advisory Committee**

Pg 15SECTION 17. (1)

consisting of 17 members appointed by the Governor, with at least one member from each congressional district in this state and as follows:

- (a) Eight members must be recommended by the Environmental Justice Task Force and have experience in working to support environmental justice in impacted communities;
- (b) Three members must represent labor interests;
- (c) Three members must have experience in sustainable development;
- (d) One member must represent the interests of cities;
- (e) One member must represent the interests of counties; and
- (f) One member must represent the interests of business.

2) The advisory committee shall consult with and make recommendations to the following public bodies regarding the investment of funds in projects and programs that are geographically located in impacted communities or that otherwise directly benefit households located in impacted communities:

- (a) The Department of Transportation with relation to the use of moneys in the Climate Investments Account; and
- (b) The grant committee appointed by the Governor under section 16 of this 2017 Act with relation to the award of grants under the Climate Investments Grant Program.

### **What are examples of projects that could be funded through CEJ?**

The Clean Energy Jobs bill reinvests proceeds in reducing GhG emissions while prioritizing projects that provide co-benefits (environmental, economic, social-cultural) to impacted communities. Examples of reinvestment strategies prioritizing impacted communities include the following:

- Fund job readiness and career opportunities (e.g., workforce development programs, on-the-job training, retraining for workers in a fossil fuel intensive industry)
- Reduce utility bills for low-income households by weatherizing homes and increasing energy efficient heating and cooling.
- Provide affordable options for travel to school and work, including increased access to public transit, safe walking and biking infrastructure, and reduced pollution through vehicle electrification.
- Bring jobs and housing closer together. Create jobs and reducing transportation costs by building affordable, energy-efficient housing near transit.
- Fund vanpools for rural farm workers to travel to work and reduce fuel and air pollution.

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- Provide low or no cost access for low-income communities to community solar projects, which allow people to own a portion of a solar power project.
  - Incentivize irrigation modernization technologies for farms across Oregon, which will save farmers and ranchers money on their electricity and water bills.
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- **(Potential) Restrictions on covered entities in EJ communities from using offsets**
  - Pg 9, 24-29: “Standards adopted under this subsection may place additional restrictions on the number of offset credits **that may be** used by a covered entity that is an air contamination source as defined in ORS 468A.005 if the building, premises or other property in, at or on which the air contamination source is located, or the facility, equipment or other property by which greenhouse gas emissions are caused or from which the greenhouse gas emissions come, is geographically located in an impacted community.”
  - High road agreements, Project Labor agreements and strategies for advancing goals on wage and benefits, workforces and business diversity, training, career development, environmental benefit.