

WEST VIRGINIA LEGISLATURE

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Introduced

House Bill 4574

FISCAL
NOTE

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[Introduced January 28, 2020; Referred to the
Committee on Small Business, Entrepreneurship and
Economic Development then Government
Organization]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article
2 designated §5B-2J-1, §5B-2J-2, §5B-2J-3, §5B-2J-4, §5B-2J-5, §5B-2J-6, and §5B-2J-7,
3 all relating to establishing a program to facilitate the recovery of areas of the state that
4 have been impacted by the reduction of coal production and consumption; providing
5 legislative findings; establishing a Just Transition Office to administer the program;
6 providing for a Just Transition Advisory Committee to study and advise the office; defining
7 terms; requiring submission of plans to the Legislature; providing that certain coal
8 operations and electric utilities provide information to the office relating to job losses when
9 a facility is closing; and providing for expiration of the article.

CHAPTER 5B. ECONOMIC DEVELOPMENT ACT OF 1985.

ARTICLE 2J. JUST TRANSITION SUPPORT FOR COAL-RELATED JOBS.

§5B-2J-1. Legislative findings.

1 (a) Since employing 63,000 workers in 1978, employment in West Virginia's coal industry
2 has declined. In 2018, only 12,000 workers were employed at West Virginia coal mines.

3 (b) The nation's power sector is moving away from its reliance on coal. Since 2010,
4 approximately 300 coal-fired power plants have shut down. While coal powered approximately
5 half of the nation's electricity generation for decades, it only powered 27 percent of generation in
6 2018. According to Moody's, coal-based electricity generation may fall to 11 percent of the
7 nation's total generation by 2030. The closure of coal-fired power plants nationwide is likely to
8 have a serious impact on employment in West Virginia's coal mines and the transportation and
9 logistics supply chains that move coal from mine to market.

10 (c) The effects of coal mine and coal-fired power plant closures on workers and
11 communities have already been significant and have the potential to become even more
12 significant if not managed correctly. Many of these jobs provide family-supporting wages and
13 benefits. The communities that host closing coal mines and retiring power plants may lose

14 principal contributors to their tax base and revenue for vital local government services.

15 (d) Coordinated leadership within West Virginia’s state government is essential to align
16 and deliver assistance to these impacted communities and workers.

17 (e) A strong and comprehensive policy is also needed to invest new financial resources
18 in communities affected by the decline of the coal economy that are seeking to diversify and grow
19 their local and regional economies in a manner that is both sustainable and equitable.

20 (f) West Virginia will thrive when all of its regions, counties, and communities offer diverse
21 employment opportunities with family-supporting wages and benefits.

§5B-2J-2. Definitions.

1 As used in this article, unless the context otherwise requires:

2 “Advisory committee” means the Just Transition Advisory Committee established pursuant
3 to section four of this article;

4 “Coal-related employment” means employment in the coal industry, or an industry
5 dependent on coal production, consumption or distribution;

6 “Impacted community” means a county that has been determined by the Director to have
7 had significant loss of coal-related employment that has not exhibited signs of recovery from the
8 loss of jobs, taxes and population that resulted from the loss of coal-related employment;

9 “Impacted worker” means a West Virginia worker laid off from coal-related employment
10 who has not found employment with similar wages or benefits;

11 “Department” means the Department of Commerce;

12 “Director” means the director of the Just Transition Office;

13 “Just Transition Plan” means the plan outlined in section five of this article, in draft or final
14 form, prepared by the Advisory Committee and submitted by the Director as provided in section
15 four and section three of this article;

16 “Office” means the Just Transition Office created in section three of this article;

17 “Secretary” means the Cabinet Secretary of the Department of Commerce; and

18 “Workforce Transition Plan” means a plan submitted by a coal mining operation or electric
19 utility, as outlined in section six of this article.

§5B-2J-3. Just Transition Office established.

1 (a) There is hereby created within the Department of Commerce, a Just Transition Office.

2 (b) The Secretary of the Department shall appoint the Director of the Office. The Director
3 shall manage the operations of the office.

4 (c) It is the purpose of the office to:

5 (1) Identify or estimate, to the extent practicable, the timing and location of facility closures
6 and job layoffs in coal-related employment in impacted communities, and their effect on impacted
7 workers, businesses, and communities, and together with the Advisory Committee provide
8 planning and make recommendations to the Legislature as to how the office, the department, and
9 other state agencies can most effectively respond to these economic dislocations;

10 (2) Provide administrative, logistical, research, and policy support to the Advisory
11 Committee's work as established pursuant to section four of this article.

12 (3) Based on the draft Just Transition Plan recommended by the Advisory Committee,
13 pursuant to section four and section five of this article, and with the approval of the Director and
14 the Secretary, on or before December 31, 2021, the Director shall submit to the Governor and the
15 Legislature a final Just Transition Plan for West Virginia.

16 (d) After the final Just Transition Plan is submitted, the office shall continue to conduct
17 studies and facilitate resources for impacted communities to:

18 (1) Facilitate new and diverse economic activities;

19 (2) Facilitate planning for the management and redevelopment of former coal mines,
20 former coal-fired power plants, and residential housing, and commercial building stock in the
21 impacted community;

22 (3) Offer any other appropriate activities to assist impacted communities in the
23 preservation, renewal, and removal of underutilized and dilapidated buildings; and

24 (4) Provide assistance to local governments to facilitate economic development and
25 diversification, planning, and the preservation and revitalization of local community assets and
26 resources.

§5B-2J-4. Just Transition Advisory Committee established.

1 (a) There is hereby created the “Just Transition Advisory Committee” to develop and
2 recommend a Just Transition Plan for the State of West Virginia.

3 (b) The Advisory Committee consists of the following members:

4 (1) The Commissioner of the Division of Labor or a designee;

5 (2) The Director of the Office of Economic Development or a designee;

6 (3) The Director of the Department of Commerce or a designee;

7 (4) One representative of the Office of the Governor;

8 (5) One member of the Senate appointed by the president of the Senate, and one member

9 of the House of Delegates, appointed by the Speaker of the House; and

10 The following members, to be appointed by the Director:

11 (6) Two representatives of labor unions;

12 (7) Three representatives of impacted workers from impacted communities;

13 (8) Two representatives with professional economic development or workforce retraining
14 experience; and

15 (9) Two representatives of utilities that, on the effective date of this section, operated one
16 or more coal-fueled electric generating units.

17 (c) The Advisory Committee shall elect a chairperson from among its members to serve
18 for a term not to exceed two years, as determined by the Advisory Committee. The Advisory
19 Committee shall meet at least once every quarter. The chairperson may call such additional
20 meetings as are necessary for the Advisory Committee to complete its duties.

21 (d) Each member of the Advisory Committee is entitled to receive reimbursement for
22 actual and necessary expenses pursuant to §4-2A-6 of this code.

23 (e) The Advisory Committee may engage additional nonvoting members or advisors and
24 provide additional expertise as needed.

5B-2J-5. Just Transition Plan.

1 (a) The Just Transition Plan drafted by the Advisory Committee shall include, at a
2 minimum:

3 (1) Grants and other local, state, federal, and other sources of funding that the office shall
4 identify, coordinate, and implement pursuant to the authority of this article to provide assistance
5 to impacted communities, including the establishment of grant programs to help impacted
6 communities, and recommendations to align and target existing local, state, and federal funding
7 resources and leverage additional funding resources to support impacted communities and
8 impacted workers;

9 (2) Other programs and activities that the office shall coordinate and implement pursuant
10 to the authority of this article to provide assistance to impacted communities, and
11 recommendations to align and target existing local, state, and federal programs and activities and
12 establish additional programs and activities to support impacted communities and impacted
13 workers; and

14 (3) Recommendations for legislation, studies and other activities at the initiative of the
15 office and under the direction of the Legislature that require additional legislative authority or
16 appropriation to implement; and

17 (4) Planning of and facilitation of innovative land use and economic development activities
18 that impacted communities can use to diversify their economies.

19 (b) In developing the draft Just Transition Plan, the Advisory Committee shall identify and
20 consider:

21 (1) The projected short-term and long-term costs and benefits to the state of each plan
22 component, and other supports;

23 (2) Potential sources for sustainable short-term and long-term funding for a Just Transition

24 Plan and its components:

25 (3) The potential fiscal, economic, workforce, and other implications of extending
26 components of the Just Transition Plan to other sectors and industries affected by similar
27 economic disruptions; and

28 (4) Which components of the Just Transition Plan can be implemented under existing
29 authority and which require additional legislation.

30 (c) Prior to final adoption of the Just Transition Plan, the Advisory Committee shall hold at
31 least three public hearings in the state, with at least one hearing held in each congressional district
32 of the state.

33 (d) On or before July 1, 2021, the Advisory Committee shall present its draft Just Transition
34 Plan to the Director of the Office.

5B-2J-6. Coal mine and electric utility Workforce Transition Plans ; reemployment of
affected workers.

1 (a) The following entities shall submit to the office and to the affected community a
2 Workforce Transition Plan within the specified time period:

3 (1) Coal mining operations, within 60 days of submission of a federally mandated WARN
4 notice of pending closure of an any surface or underground coal mining operation pursuant to
5 United States Code 29 U.S.C. §2101 et seq., or

6 (2) Electric utilities, within 30 days after the approval to accelerate retirement of a
7 generating unit by the utility's governing body and in no case less than six months before the
8 retirement of an electric coal-fueled generating unit that has a nameplate capacity of at least 50
9 megawatts.

10 (b) To the extent practicable, a Workforce Transition Plan must include estimates of:

11 (1) The number of workers employed at the facility or any contractor operating at the
12 facility;

13 (2) The total number of workers whose existing jobs, as a result of the closure of the

14 surface or underground coal mine, or retirement of the coal-fueled electric generating facility:

15 (A) Will be retained; and

16 (B) Will be eliminated;

17 (c) With respect to the workers whose existing jobs will be eliminated, the total number

18 and the number by job classification of workers:

19 (1) Whose employment will end without them being offered other employment;

20 (2) Who will retire as planned, be offered early retirement, or leave on their own;

21 (3) Who will be retained by being transferred to other facilities or offered other employment

22 by the operator; and

23 (4) For any coal-fueled electric generating facility, the number of workers who will be

24 retained to continue to work in a new job classification; and if the electric utility is replacing the

25 coal-fueled electric generating facility being retired with a new electric generating facility, the

26 number of:

27 (A) Workers from the retired coal-fueled electric generating facility who will be employed

28 at the new electric generating facility; and

29 (B) Jobs at the new electric generating facility that will be outsourced to contractors or

30 subcontractors.

§5B-2J-7. Expiration of article.

1 The provisions of this article shall expire and be of no force or effect, effective January 1,

2 2026.

NOTE: The purpose of this bill is to establish the Just Transition Office to assist areas of the state where the coal industry has receded to assist those communities to rebuild their economies by diversifying the economic base of those areas; to address the impacts of the loss of coal related employment and economic activities on the local economy including the effects to housing, the tax base and the loss of population; and establishing a Just Transition Advisory Committee to advise the office to conduct studies and to facilitate innovative and new ideas to revise these areas of the state.

Strike-throughs indicate language that would be stricken from a heading or the present law underscoring indicates new language that would be added.