

# **Economic Development in U.S. Coal Communities in Transition**

***Sustainable Indiana County***

**Sustainable Economic Development Summit III**

**Friday, October 4, 2019**

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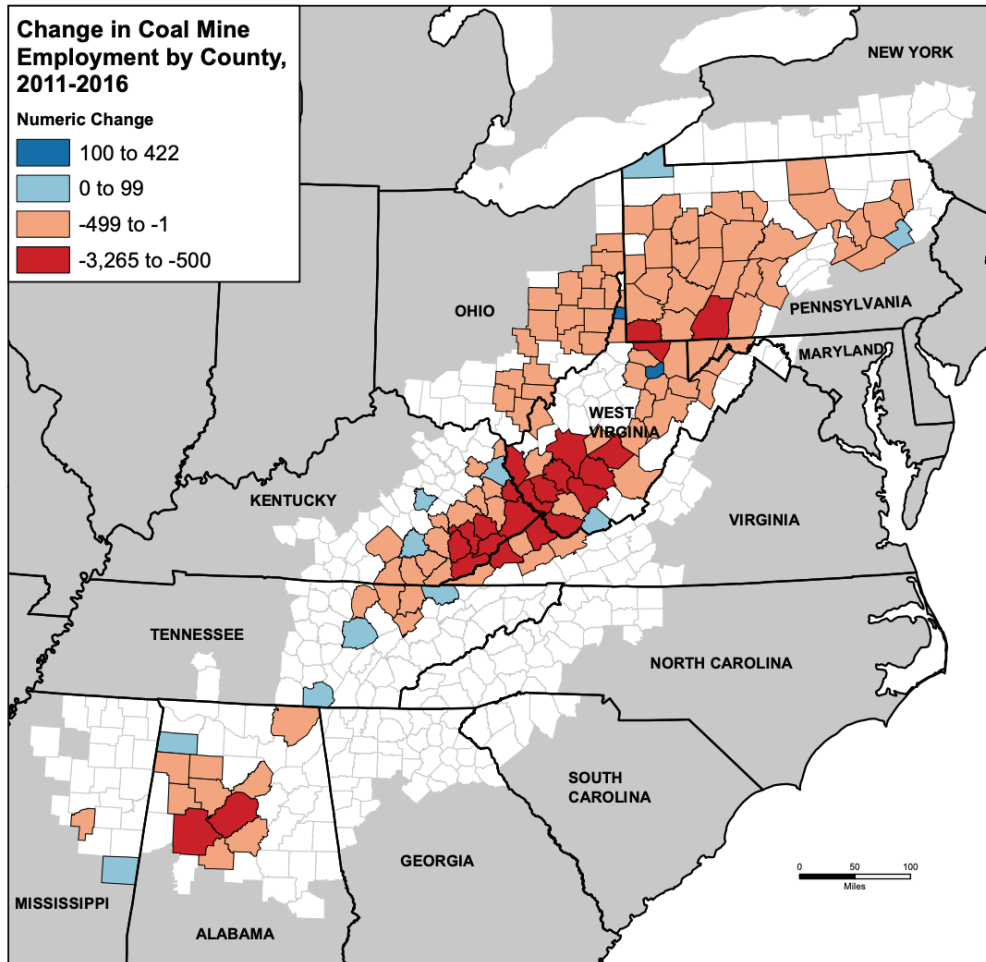
**Just Transition Fund**

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# The Changing Coal Economy

Appalachia has experienced 82% of the country's coal-related job loss.

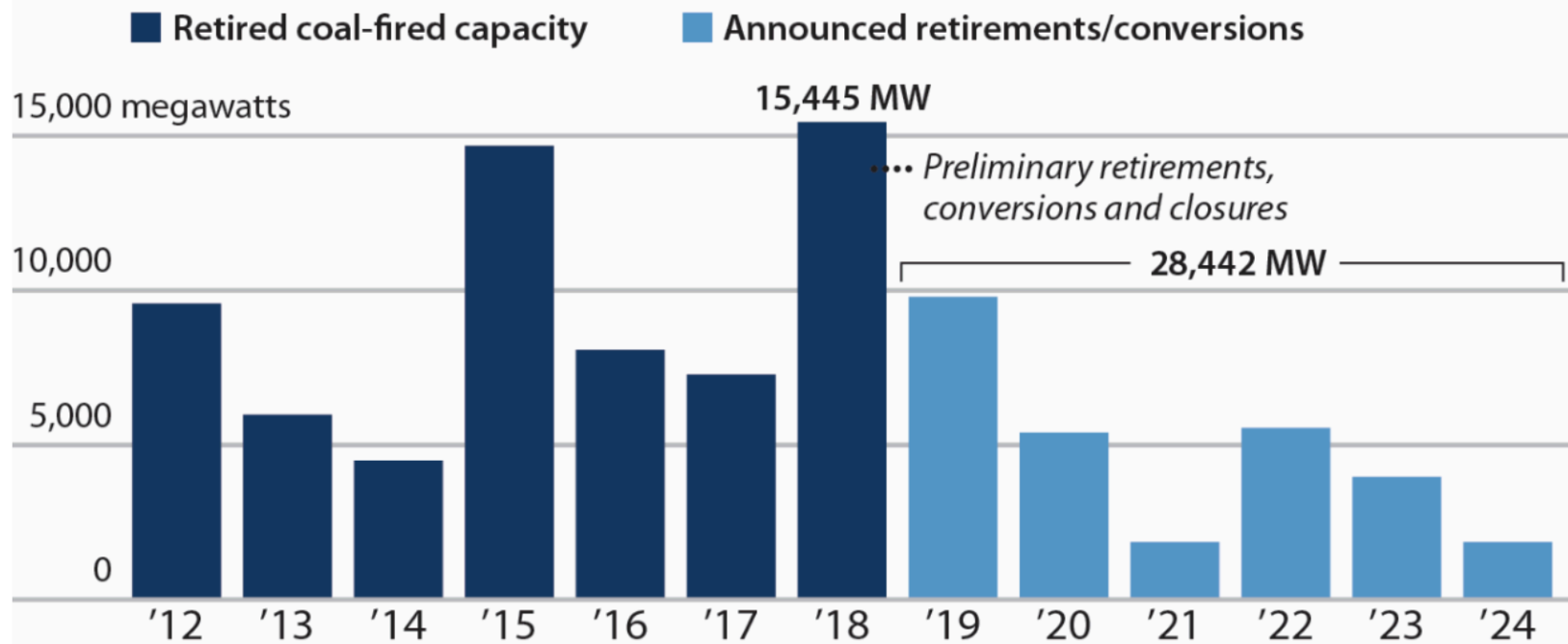


- Coal industry employment fell 27% between 2005-2015
- Overall coal production fell by 20 million tons in 2018

# The Changing Coal Economy

**Figure 4: Coal-Fired Electric Generation Retirements and Conversions**

Preliminary figures show that in 2018, nearly 15.4 gigawatts of coal-fired capacity retired or was converting to natural gas. New announcements continue to add to the list of closures expected over the next six years.



As of March 12, 2019. Sources: EIA; PJM; S&P Global; IEEFA research (2017-2024).

# The Problem: Economic Distress

## Economic distress

- **Direct job loss (and resulting income loss)**
- **Indirect job loss (4x per direct job lost)**
- **Erosion of the tax base (severance tax, property tax, royalty taxes on federal land)**

**Coal mines and coal plant communities: Distress is the same!**

# Who We Are



**In places most economically disadvantaged by the energy transition, the Just Transition Fund works to build resilient communities by advancing economic solutions that are equitable, inclusive, and low-carbon.**

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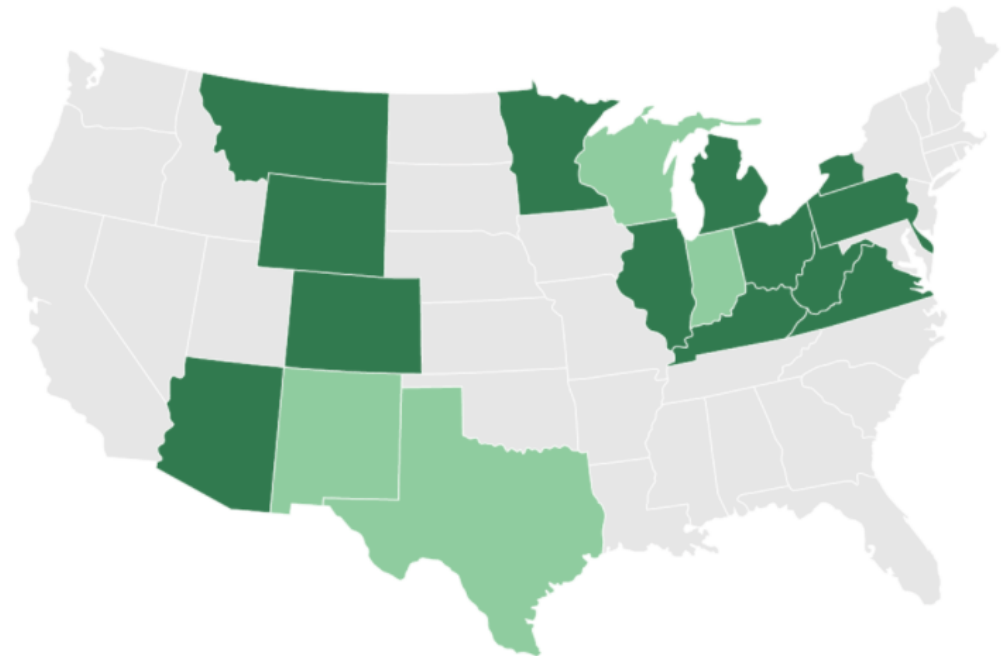
# Our Approach

- Approach the problem as a *hybrid*
- Target our investments on communities *economically hardest hit with the most vulnerable populations*
- Apply a *just transition framework* to the problem, partial solutions don't work!



# Where We Work

- **Assessment: Priority communities in AZ, CO, IL, KY, MN, MT, OH, PA, VA, WV**
- **What do these communities look like?**
  - **85% rural**
  - **Plagued with persistent poverty**
  - **Systemic problems (health, low-educational levels)**



*The Just Transition fund is working in key coal-impacted communities in dark green states and is exploring supporting communities in light green states.*

# What is a Just Transition?

*“There is no silver bullet to solve this, but there could be a thousand silver BBs.”*

- **Strengthen and diversify local economies**
- **Promote inclusive and equitable growth**
- **Build resilience of low-income workers and prepare for the jobs of tomorrow**
- **Accelerate development of low-carbon solutions**

**Context matters. Solutions vary. Think holistically.**



# Appalachian Sustainable Development



# Ohio



# Colstrip, Montana

## Northern Plains Resource Council



# Organizing the Process

## Plan Early

- Who can provide leadership to move the process forward?

## Engage Diverse Stakeholders

- Who is impacted?
- Who is not at the table?
- Who benefits?

## Identify Funding

- What funding resources align with your goals/vision?
- What assets already exist that can be leveraged?

## Plan for the Long-term

- What are the short- and long-term *fiscal* impacts?
- *Who* will be impacted & what assistance will they need?
- What will become of the *physical* site?

# Funding Resources

- **Federal:**
  - The Appalachian Regional Commission (ARC)
  - Economic Development Administration (EDA)
  - Environmental Protection Agency (EPA)
  - United States Department of Agriculture, Rural Development (USDA)
  - Department of Labor
  - Small Business Administration
- **State and Local:**
  - Departments of Workforce Development
  - Departments of Economic Development
- **Private/Non-profit:**
  - Just Transition Fund
  - Community Development Financial Institutions
  - Utility funding – *do you have a utility that will engage proactively?*

# Thank you!

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