

**Subcommittee on Energy**  
**Hearing on**  
**“Clean Energy Infrastructure and the Workforce to Build It”**  
**February 27, 2019**

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The Honorable Joseph P. Kennedy III (D-MA)

1. The transition to a green economy presents the U.S. with incredible workforce opportunity but also, of course, workforce disruption.
  - a. How should Congress be proactively thinking about support for workers, families, and communities that have depended on the fossil fuel industry for jobs and economic development for generations?

**RESPONSE:**

Workforce training is key to supporting an employment transition to a green economy in the U.S. The Blue Collar to Green Collar Jobs Development Act of 2019 would create the opportunity to retrain fossil fuel workers across the country for careers in energy efficiency and clean energy and would encourage local economic development by supporting small businesses in these industries.

Energy efficiency is an important piece in our country’s energy transition. Already, energy efficiency is the fastest growing jobs sector in energy, accounting for half of the entire energy industry’s job growth (133,000 jobs) in 2017 according to a report by E4TheFuture.[1] Energy efficiency employs twice as many workers in the U.S. as all fossil fuel sectors combined. These are local jobs across the country that cannot be outsourced. Congress should proactively support the development of local workforces for these job opportunities, especially in communities that have been negatively impacted by the loss of coal jobs.

Efficiency has ability to lower energy expenses while strengthening the energy grid and lowering our dependency on fossil fuels. Efficiency is a proven job creator. I have had the opportunity to train displaced workers for efficiency jobs in my own state. At Energy Efficiencies Solutions we have trained over 100 people for efficiency jobs in Connecticut. These job seekers found us through the jobs funnel and participated in on the job training (OJT) funding. This allowed us to train them and invest in their required certifications. Four of these trained staff have started their own companies and the rest are working in the Connecticut building science and efficiency industry.

When training for efficiency jobs the core jobs skills are the same as any other industry. Building on existing skill sets and bringing employers to the table while developing the training was a critical part of our success. This allowed us to know the specific jobs skills needed and provide training that resulted in rapid job placement. There is a large need for additional trained efficiency workers in my state. We still have difficulty locating trained workers for the available efficiency and building science jobs. In Connecticut there are over 34,000 efficiency jobs. In Connecticut we have partnered with the Department of Labor and the Department of Energy and Environmental Protections to create apprenticeship programs as a first step to building training which could fill these open roles and expand Green career opportunities for at risk populations and career changers. While we have the programs,

we do not have the funding resources needed to support small and large business for the training and its associated costs.

**Energy efficiency is an engine for economic development, and is experiencing rapid growth.** Energy efficiency employed 2.35 million Americans, in whole or in part, in the design, installation, and manufacture of Energy Efficiency products and services, adding 76,000 net jobs in 2018 (3.4%), an increase over the 67,000 jobs added in 2017.

The Appalachian region has been one of the most impacted by our changing energy economy. According to Appalachian Regional Commission (ARC) research, from 2011 to 2015 the U.S. lost more than 25,000 coal jobs and nearly 90 percent of these losses were in Appalachia.[2] To support coal-impacted communities in Appalachia and other parts of the country Congress should be thinking about opportunities for sustained economic development and revitalization. For example, studies have shown that energy efficiency investments in Appalachia could create 77,000 net new jobs in the region by 2030 and cut projected energy use by 24 percent, resulting in energy savings of over \$21 billion for the region.[3]

There is immense opportunity in the energy efficiency sector to provide sustainable jobs and new economic opportunities, as well as generating energy savings for all income levels. A 2017 report by the Home Performance Coalition describes this potential and identifies opportunities to increase collaboration between private contractors and the national Weatherization Assistance Program, which supports energy efficiency measures for low-income homes and also provides many societal and other non energy benefits.[4] Importantly, a robust local energy efficiency workforce can deliver significant benefits to the community. Energy efficiency retrofits can help address the high household energy burdens in rural America by reducing utility bills,[5] while also “making homes healthier, safer and more comfortable and making businesses more profitable.”[6]

Recommendations for how to proactively address this energy and workforce transition, and its impact on communities, have also been brought up in other recent committee hearings:

- **The House Subcommittee on Environment and Climate Change held a hearing entitled “Time for Action: Addressing the Environmental and Economic Effects of Climate Change” on February 6, 2019.** In his testimony, Michael Williams, Deputy Director of BlueGreen Alliance, said, “We must inject justice into our nation’s economy by ensuring that the economic and environmental benefits of this transformation support first and foremost those workers and communities that have been hardest hit by the unjust status quo.” He said that Congress’s strategy must include “enhanc[ing] workforce training and development programs to expand the number of skilled workers in new and existing industries [and] increas[ing] pathways to economic opportunities for communities and local workers, especially for people of color and low-income communities.”[7] This is addressed in the Blue Collar to Green Collar Jobs Development Act, which would give priority to eligible businesses that recruit employees from local communities, minorities, women, foster children, persons who are transitioning from fossil energy sector jobs, and veterans.

- At the same hearing, Richard Duke, Principal of Gigaton Strategies LLC, testified, “We also need to invest in coal mining communities and others on the frontlines of this transition to ensure all Americans benefit, including through programs like the Power Plus initiative.”[8] One component of Power Plus (or POWER+) is the congressionally-funded POWER (Partnerships for Opportunity and Workforce and Economic Revitalization) Initiative which is implemented through the Appalachian Regional Commission, Economic Development Administration, and other federal agencies. The POWER Initiative targets resources to help communities affected by job losses in the coal industry.

· **The House Subcommittee on Energy and Mineral Resources held a hearing entitled “Climate Change: Preparing for the Energy Transition” on February 12, 2019.** In his testimony, Brandon Dennison, Founder and CEO of Coalfield Development Corporation, said, “POWER funding created opportunities that allowed people to stay—being Appalachian is our culture and our identity. We just have to make sure that jobs exist for the miners and affected community members that have been trained. That’s why Coalfield Development has worked closely with a solar company, Solar Holler, which has recently hired 8 of the workers we’ve trained. These programs work if the private sector (and other potential job creators) are engaged from the beginning.”[9]

b. How do we ensure a ‘just transition’ for those communities and workers as well?

## **RESPONSE:**

Detailed below are strategies currently underway that can help paint a roadmap for ensuring a just transition for these communities and workers. These strategies entail supporting local efforts for economic revitalization, helping workers effectively prepare for jobs in emerging sectors, and helping communities rebuild in a sustainable way.

(1) The Appalachian Regional Commission (ARC) has invested over \$148 million through the POWER Initiative in 185 projects to strengthen and diversify the economy in 312 Appalachian coal-impacted communities. These investments are projected to create or retain more than 17,500 jobs, create or improve more than 7,200 businesses, and leverage more than \$772 million in additional private investment into Appalachia's economy.[10] [Attached](#) is the full list of ARC POWER Project awards to date, which includes the following notable energy efficiency workforce initiatives:

- **\$1,000,000 ARC grant to the Federation of Appalachian Housing Enterprises, Inc., in Berea, KY, for the Appalachian HEAT Squad project.** ARC’s investment will be utilized to improve the energy efficiency of low-income homes in coal-impacted communities across a nine-county region in eastern Kentucky—while also creating entrepreneurial and skills-based training opportunities in the area. The project will create or retain 119 jobs, increase the quality, affordability, and performance of over 270 homes, and leverage \$525,000 in private investment.
- **\$2,022,133 ARC grant to the Mountain Association for Community Economic Development (MACED) in Berea, KY, for the Economic Transition for Eastern Kentucky (ETEK) Initiative.** The ARC award will expand fast-track retraining and entrepreneurial technical assistance services targeted to dislocated coal workers; establish an intern program aimed at placing former coal workers in the energy efficiency sector; and increase access to capital through a \$1,000,000 venture capital loan fund. The project will create 200 new jobs and 100 new enterprises, serve 500 existing businesses, and bring \$12,000,000 in leveraged financing to a 54-county region in Eastern Kentucky.

(2) The Mountain Association for Community Economic Development (MACED) in Berea, KY, coordinates community-led just transition efforts and employs an economic transition model that “recognizes that investment in key sectors can not only generate economic activity but also results in additional benefits to the community and the people who live there,” according to testimony from MACED President Peter Hille at the February 12, 2019 House Energy and Mineral Resources Subcommittee Hearing.[11] [Attached](#) is MACED’s 2013-2018 Impact Report which details three key programs to support the growth of an energy efficiency workforce and a new economy in the region:

- **New Energy Internship program** targets former coal industry workers and provides on-the-job training in energy efficiency contracting.
- **HowSmartKY program** enables on-bill financing for residential energy efficiency. Innovative financing programs like HowSmartKY allow homeowners of all income levels to afford energy-efficiency retrofits in their homes. In addition to saving ratepayers money on their bills and making their homes more comfortable, these programs create jobs for energy auditors, contractors and the construction trade.
- **Energy Efficient Enterprises (E3)** promotes energy efficiency and renewable energy sources by helping commercial enterprises in distressed communities save money through reduced energy costs.

***Please do not hesitate to contact me Leticia Colon, CEO, Energy Efficiencies Solutions at 860-580-9076 or the Home Performance Coalition, Vice President of Government Affairs, Kara Saul Rinaldi, at kara@anndyl.com; 202.276.1773 with any additional policy questions.***

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[1] <https://e4thefuture.org/wp-content/uploads/2018/09/EE-Jobs-in-America-2018.pdf>

[2] [http://www.arc.gov/assets/research\\_reports/coalindustrypowergenerationandsupplychainreport.pdf](http://www.arc.gov/assets/research_reports/coalindustrypowergenerationandsupplychainreport.pdf)

[3] [https://www.arc.gov/assets/research\\_reports/EntrepreneurialAppalachiaCaseStudiesinEvolvingEconomicSectors.pdf](https://www.arc.gov/assets/research_reports/EntrepreneurialAppalachiaCaseStudiesinEvolvingEconomicSectors.pdf)

[4] <http://www.homeperformance.org/sites/default/files/Weatherization%20%26%20HP%20Recommendations%20Report2.pdf>

[5] <https://aceee.org/research-report/u1806>

[6] Testimony of Peter Hille, President of the Mountain Association for Community Economic Development, before the House Energy and Mineral Resources Subcommittee hearing entitled, "Climate Change: Preparing for the Energy Transition," February 12, 2019.

<https://naturalresources.house.gov/imo/media/doc/Testimony%20-%20Peter%20Hille%20-%20202.12.19.pdf>

[7] [https://energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/documents/02.06.19%20Testimony\\_Williams.pdf](https://energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/documents/02.06.19%20Testimony_Williams.pdf)

[8] <https://energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/documents/Rick%20Duke%20Testimony%20E%26C%20Subcommittee%20on%20Environment%20and%20Climate%20Change%20%286%20February%202019%29.pdf>

[9] <https://docs.house.gov/meetings/II/II06/20190212/108873/HHRG-116-II06-Wstate-DennisonB-20190212.pdf>

[10] <https://www.arc.gov/funding/power.asp>

[11] <https://naturalresources.house.gov/imo/media/doc/Testimony%20-%20Peter%20Hille%20-%20202.12.19.pdf>

[12] <https://www.naseo.org/issues/energy-jobs/employment-report>