A JUST AND FAIR TRANSITION
FOR CANADIAN COAL POWER
WORKERS AND COMMUNITIES

Task Force on Just Transition for Canadian Coal Power
Workers and Communities

December 2018
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ABOUT THE TASK FORCE

ON JUST TRANSITION FOR CANADIAN COAL POWER WORKERS AND COMMUNITIES

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TERMS OF REFERENCE

ACKNOWLEDGMENTS

First and foremost, we would like to thank every person who welcomed us into their community, took the time to meet with us, or to write us. Our report would not be possible without the contributions of Canadian coal workers and communities. Hearing directly from workers, their family members, community leaders, employers, government officials, and other stakeholders has been an eye-opening, instructive, and moving experience. We thank everyone for their constructive advice, heartfelt accounts, and support for a just transition.

We would like to express our gratitude to Canada’s labour movement for advocating for the creation of our Task Force. Because of their foresight and dedication, the Government of Canada now has the advice it needs to implement a just transition plan for Canadian coal power workers and communities.

We would like to acknowledge the Honourable Catherine McKenna, P.C., M.P., Minister of Environment and Climate Change for launching our Task Force. Her decision to do so demonstrates her commitment to finding practical ways to support workers and communities affected by the Government of Canada’s climate change policies, including the phase-out of traditional coal-fired electricity.

We would also like to recognize the Task Force’s Co-Chairs, Hassan Yussuff and Lois Corbett. As Co-Chairs, they showed exemplary leadership and unwavering dedication throughout our mandate.

Lastly, we would like to thank our Secretariat, based at Environment and Climate Change Canada, for their commitment, hard work, and professionalism throughout our mandate.
The Government of Canada’s decision to phase out traditional coal-fired electricity by 2030 applies to the production and use of thermal coal. It does not impact metallurgical coal. All references to coal in this report exclude metallurgical coal, unless otherwise stated.

As a Task Force, we were not asked to advise on the merits of the coal phase-out. That is the Government of Canada’s decision. Our mandate was to identify possible solutions that could support a just and fair transition for Canadian coal power workers and communities.

For the purposes of this report, including its recommendations:

- **Affected workers** means workers who have permanent jobs (full-time or part-time) at a coal mine or a coal-fired generating station, now and throughout the transition including those workers who were laid off from these facilities starting in 2017;

- **Affected communities** means communities that depend on a coal mine or a coal-fired generating station for employment, tax or royalty revenue, services, impact benefit agreements, or economic activity.
REMARKS TO THE FEDERAL MINISTER OF ENVIRONMENT AND CLIMATE CHANGE

Dear Minister,

When first convened as a Task Force, we all agreed to meet with affected Canadians as soon as possible. The concerns and hopes of those we met underscore the immense challenge of, and need for, a just transition. When the Government of Canada says it is going to “phase out coal,” coal workers and communities hear that Canada is phasing out their future, livelihood, stability, and identity. The impacts of the Government’s decision illustrate that taking action on climate change may come with any number of unintended consequences, including to the mental health of individuals, personal and family finances, and the economic stability of communities.

When putting in place environmental policies that impact Canadian workers and communities, governments must take responsibility for these adverse impacts and collaborate with stakeholders to find ways to minimize them. During our mandate, we heard loud and clear that the Government of Canada needs to actively support those negatively affected by the transition to a low-carbon economy. Just transition will be critical to building a broad consensus for taking action on climate change and reassuring Canadians that they will not be left behind.

There are many things the Government of Canada can do to better share the costs—and benefits—of a transition to a low-carbon economy. Consistent with what we heard, this report provides our advice on how best to ensure that individuals, families, and communities directly affected by the coal phase-out are supported throughout this transition.

Some of our recommendations are time sensitive, in particular our advice on how to prioritize spending from Budget 2018 and how to support the workers and communities in Alberta that are already experiencing impacts and layoffs due to the coal phase-out. Communities and workers require funding assistance in the short term, consistent with their needs and priorities. The establishment of new local supports will demonstrate that the Task Force and Government heard these workers and communities and respect their needs.

The federally-mandated Task Force on Just Transition for Canadian Coal Workers and Communities is the first of its kind and is an opportunity for Canada to demonstrate leadership here at home and abroad on how to take climate action that is fair and just.

We look forward to reviewing the Government of Canada’s response to our report.

Yours sincerely,

The Task Force on Just Transition for Canadian Coal Power Workers and Communities
EXECUTIVE SUMMARY

The devastating impacts of climate change are becoming clearer each year. More frequent and intense floods, storms, fires, heat waves, and droughts are destroying communities and homes, and putting the lives and futures of Canadians at risk. The Intergovernmental Panel on Climate Change’s 2018 report on global warming of 1.5°C shows that our window to prevent the worst-case scenario is quickly closing.

We do know what is causing climate change and we can do something about it. We need to reduce the amount of greenhouse gas (GHG) emissions released into our environment. There are several ways in which we can accomplish this, including wasting less energy and investing in cleaner energy sources. Businesses, scientists, governments, communities, and individuals in Canada and around the world are beginning to prove that you can reduce GHG emissions, invest in reliable and affordable clean energy, create decent jobs, and have stable economies.

Although coal-fired electricity has contributed significantly to Canada’s economic past and present—and provided Canadians with affordable and reliable electricity and heat for many generations—it produces significant amounts of air pollutants and GHG emissions. It has well documented costs to human health and is a major contributor to climate change: approximately 20% of all GHG emissions in the world came from coal-fired electricity in 2013.

Recognizing these facts, and supported by commitments in the 2015 Paris Agreement, Canada and other countries are intent on replacing coal-fired electricity with cleaner sources of fuel over the coming years and decades. In 2016, Canada committed to the phase-out of traditional coal-fired electricity across the country by 2030.

Phasing out coal-fired electricity, however, will have direct and indirect impacts on thousands of workers, dozens of communities, and four provinces, including:

- Alberta, Saskatchewan, New Brunswick, and Nova Scotia;
- Nearly 50 communities with nearby coal mines or generating stations;
- 3,000 to 3,900 workers at coal-fired generating stations and domestic thermal coal mines;
- Over a dozen generating stations, owned by six employers;
- Nine mines, owned by three employers.

In reality, the phase-out of coal-fired electricity generation is already underway, especially in Alberta.

The extensive personal and societal impacts of the phase-out of coal-fired electricity are reasons why the labour movement has been advocating for a just transition alongside Canada’s efforts to reduce GHG emissions. We cannot leave affected workers and communities behind during the transition to a low-carbon economy. They too must have hope for the future.

In light of the impacts of the coal phase-out policy on workers and communities, Canada’s Minister of Environment and Climate Change appointed and launched our eleven-person Task Force in April 2018. Our Task Force was given a mandate to:

- Engage workers and communities in the provinces affected by the coal phase-out;
- Provide options and recommendations to the Government of Canada, via the Minister, on:
  - What could be included in a just transition plan for coal power workers and communities; and,
  - How to structure a subsequent phase of consultation and analysis concerning just transition.
To deliver our mandate, members of the Task Force travelled to all of the affected provinces. We visited 15 affected communities, met with more than 80 stakeholders, hosted eight public engagement sessions to hear from the general public in affected areas of the country; and toured five generating stations, two coal mines, and one port.

**KEY MESSAGES FROM THIS PUBLIC ENGAGEMENT**

- Affected workers and communities must be at the heart of decision-making during the transition to a low-carbon economy.
- Unions and employers have a key role in supporting a successful transition.
- Those affected by this public policy decision need to be well informed. Providing them with accurate and timely information as soon as it is available will help them to make informed decisions, and develop personal strategies for transition.
- Dedicated and timely Government actions will support workers staying in the labour market to find new employment opportunities, and allow for other workers to retire with dignity.
- The phase-out of coal-fired electricity generation will cause ripple effects throughout affected communities. These impacts may include the loss of tax revenue, the closure of subsidiary business, and the loss of local services.
- The phase-out of coal-fired electricity must be done thoughtfully and with full recognition that there is a duty to care for affected workers and communities.
- A successful just transition for coal workers signals to everyone that there is a path forward as Canada takes action on climate change.

Using both the stories that we heard during our community visits, and our individual and collective expertise as members of the Task Force, we have developed ten recommendations which we hope will contribute positively to a fair and just transition for affected workers and communities (see page ix for a summary). We also identified seven principles for a just transition:

1. Respect for workers, unions, communities, and families;
2. Worker participation at every stage of transition;
3. Transitioning to good jobs;
4. Sustainable and healthy communities;
5. Planning for the future, grounded in today’s reality;
6. Nationally coherent, regionally driven, locally delivered actions; and,
7. Immediate yet durable support.

Recognizing that the Government of Canada has already committed $35 million to this task, we believe it will need to invest considerably more funding, potentially in the hundreds of millions of dollars, through Budget 2019 and subsequent budgets to implement our recommendations. It would be prudent for the Government to reprioritize and reallocate existing funding, as much as possible, including from infrastructure funds, so that decisions reflect the views of affected communities and workers.
Taking actions to ensure a fair and just transition for Canadian coal workers and communities is critical to creating hope, sustaining the middle class, ensuring good jobs into the future, taking action on climate change, and building public support for these and future actions.

This is an opportunity to demonstrate national and global leadership and best practices in just transition.

The Government of Canada should seize it.

**SUMMARY OF RECOMMENDATIONS**

**Embed Just Transition Principles in Planning, Legislative, Regulatory, and Advisory Processes to Ensure Ongoing and Concrete Actions Throughout the Coal Phase-out Transition:**

1. Develop, communicate, implement, monitor, evaluate, and publicly report on a just transition plan for the coal phase-out, championed by a lead minister to oversee and report on progress.

2. Include provisions for just transition in federal environmental and labour legislation and regulations, as well as relevant intergovernmental agreements.

3. Establish a targeted, long-term research fund for studying the impact of the coal phase-out and the transition to a low-carbon economy.

**Ensure Locally Available Supports:**

4. Fund the establishment and operation of locally-driven transition centres in affected coal communities.

**Provide Workers a Pathway to Retirement:**

5. Create a pension bridging program for workers who will retire earlier than planned due to the coal phase out.

**Transition Workers to Sustainable Employment:**

6. Create a detailed and publicly available inventory with labour market information pertaining to coal workers, such as skills profiles, demographics, locations, and current and potential employers.

7. Create a comprehensive funding program for workers staying in the labour market to address their needs across the stages of securing a new job, including income support, education and skills building, re-employment, and mobility.

**Invest in Community Infrastructure:**

8. Identify, prioritize, and fund local infrastructure projects in affected communities.

**Fund Community Planning, Collaboration, Diversification, and Stabilization:**

9. Establish a dedicated, comprehensive, inclusive, and flexible just transition funding program for affected communities.

10. Meet directly with affected communities to learn about their local priorities, and to connect them with federal programs that could support their goals.
A JUST AND FAIR TRANSITION
FOR CANADIAN COAL POWER WORKERS
AND COMMUNITIES
PART 1: INTRODUCTION

CALL TO ACTION FOR A JUST TRANSITION

Climate change is the challenge of our time. A 2018 report of the Intergovernmental Panel on Climate Change set off alarm bells around the world and across Canada with calls for action to stop climate change.\textsuperscript{ii} It is widely recognized that without concerted efforts to minimize global temperature rises, future generations will live in a much different world.

Not only is action on climate change the right thing to do, it is the smart thing to do. Global climatic shifts are already negatively impacting Canadians. More frequent and severe storms, droughts, floods, and forest fires are causing damage to homes, farms, and communities. Rising sea levels are threatening coastal communities across the country. More frequent heat waves are putting the lives of vulnerable Canadians at risk. Climate change is also putting pressure on the livelihoods of workers.

The evidence is clear: we all need to accelerate efforts to reduce greenhouse gas (GHG) emissions. Everyone and every country can, and must, participate. Acting now will help to minimize devastating impacts. Taking action on climate change is ultimately about protecting the wellbeing and security of Canadians today and for generations to come.

If implemented effectively, through a combination of policy reform and coordinated action, efforts to reduce GHG emissions can also result in new economic opportunities for Canadians. As some countries are already demonstrating, good green jobs linked to technological innovations are resulting in robust new economic sectors. Canadians have the skills, knowledge, and motivation to thrive during this transition and seize these opportunities.

Yet we cannot overlook the economic and social costs to those who have made a good living working in traditional resource sectors. Governments, along with employers and unions, must ensure that workers are not left behind as we transition to a cleaner, low-carbon economy.

What the future looks like will differ worker by worker, family by family, and community by community—but there is one common denominator. All will need new economic opportunities to replace traditional industries. A successful transition will mean good jobs, strong communities, and a bright future for workers and their families.

That is what just transition can accomplish.

\textbf{WHAT IS JUST TRANSITION?}

Just transition means that society shares the costs of transitioning to a low-carbon economy. It would be unjust for workers and communities in affected sectors to shoulder the full cost of transition. These workers and communities, like all Canadians, have earned a better future.

In practice, just transition requires cooperation and collaboration among workers, unions, employers, communities, families, and all levels of government. Together, they actively identify and implement opportunities to develop skills, secure decent work, sustainably develop their communities, and enhance social protections.
Just transition is about more than supporting workers and communities affected in the short term; it requires a long-term path to prosperity.

**Principles for a Just Transition:**
1. Respect for workers, unions, communities, and families;
2. Worker participation at every stage of transition;
3. Transitioning to good jobs;
4. Sustainable and healthy communities;
5. Planning for the future, grounded in today’s reality;
6. Nationally coherent, regionally driven, locally delivered actions; and,
7. Immediate yet durable support.

Unions and civil society have been fighting for a global commitment to a just transition for those affected by the movement towards a low-carbon economy. The 2015 Paris Agreement, a historic international effort to reduce GHG emissions, strengthen adaptation efforts, and provide climate financing, also recognizes the need for a just transition.

**Paris Agreement**
"Taking into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities..." parties to this agreement agreed to strengthen the global response to the threat of climate change, including by “holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.”

Yet the Paris Agreement is only the start. It will take serious, deliberate, and ongoing effort to see it through. Over 180 Parties have ratified the Paris Agreement, including China, India, the United Kingdom, Germany, and Canada. Each country must do their fair share to reduce GHG emissions and support affected workers and communities.

Since coal-fired electricity is a source of significant GHG emissions, it is widely recognized that all countries will need to phase out coal-fired electricity to avoid the worst impacts of climate change. Analysis shows that to meet the Paris Agreement’s objectives, coal phase-out is needed no later than 2030 in the OECD and EU28, and no later than by 2050 in the rest of the world.

**GHG emissions from Coal-fired Electricity Generation**
- Coal-fired electricity was responsible for approximately 20% of global GHG emissions in 2013 and nearly 9% of GHG emissions in Canada in 2015.
- In 2015, coal was used to generate 11% of Canada’s electricity and was responsible for 78% of the electricity sector GHG emissions.
- Compared to coal, five major industries collectively produced fewer GHG emissions: pulp and paper, iron and steel, cement, lime and gypsum, and chemicals and fertilizers.

In response to economic trends, health and environmental concerns, the use of coal to generate electricity has been declining in Canada for decades.

In 2012, the Government of Canada set limits on GHG emissions from coal-fired generating stations. This decision meant that the majority of stations would close earlier than planned. In 2016, the Government of Canada made the decision to accelerate the coal phase-out, setting a 2030 deadline for all traditional units.
The 2016 decision has started to directly affect coal miners and employees of generating stations, their families, communities, and employers. It is also anticipated that the phase-out will have a ripple effect, impacting not only the workers at the generating stations and mines, but also those who work with the coal power sector, such as contractors and suppliers, railways, and ports. It may also, in some jurisdictions, be felt by electricity consumers who have relatively more affordable electricity rates from coal-fired electricity generation. Phasing out coal-fired electricity will disrupt people’s lives, cause families to experience financial stress and uncertainty, and threaten the existence of whole communities. For those most affected, taking action on climate change means risking the wellbeing of their families and communities.

The Government of Canada cannot afford to ignore the wide-ranging impacts on affected workers and communities of its actions on climate change. The Government must acknowledge people’s anxieties and fears that reducing GHG emissions will negatively affect the livelihoods of some Canadians, and take the steps needed to secure a just transition. We cannot replace stable, good-paying jobs with precarious, low-wage work and leave workers and communities behind if we are to successfully transition to a sustainable, low-carbon economy.

Under these circumstances, it is of the utmost importance that the Government of Canada—working closely with provinces, communities, employers, unions, and workers—put in place measures that will help both workers and their communities successfully navigate through the challenges imposed by the coal phase-out. Indigenous communities will be among those affected by the transition. Beyond providing economic opportunities and benefits to all communities, just transition can also contribute to reconciliation with Indigenous peoples, consistent with calls for more equitable prosperity.

We are confident that other countries will be looking to Canada’s leadership on just transition actions as an example of how to put people at the center of progressive climate policy.

As important, if this first just transition plan is developed and implemented effectively, it will help to strengthen public support within Canada for future climate action. Concrete and effective just transition supports will help build the broad consensus needed for ambitious climate change action.

Just transition must become an integral part of climate action plans, in Canada and internationally, as the world transitions to a low-carbon economy. Without just transition, we risk increased polarization on this issue and eroding public support for action on climate change.

To transition successfully, all governments must be leaders for just transition: federal, provincial, and municipal. Employers, workers, spouses, youth, community members, and civil society also need to buy into, and ultimately embrace, the transition to a low-carbon Canada.

Now is the time to act, invest, plan, collaborate, partner and communicate to ensure Canada delivers on a just transition for Canadian coal power workers and communities.
HOW WE DEVELOPED THIS REPORT

Following the direction set out in our mandate, the Task Force engaged directly with stakeholders to gather information on: the context for coal-fired electricity in each province; the known and anticipated impacts of the Government of Canada’s policy to accelerate the phase-out of coal generated electricity; transition planning that is underway; the strengths and weaknesses of existing funding and support systems available to provide transition supports to workers and communities; and any gaps in planning, policies, and programs.

We travelled to all four affected provinces in the spring and summer of 2018.

Across Alberta, Saskatchewan, New Brunswick and Nova Scotia, we visited fifteen affected communities, held eight public engagement sessions, toured five generating stations, two mines, one port, and, met with as many employers of coal workers and businesses that rely on the coal industry as possible.

During these meetings we heard directly from affected workers and their families, employers, labour union representatives, municipalities, community members, business representatives, and economic development and non-governmental organizations. Everyone was both generous with their time and heartfelt with their insights.

We met with officials from provincial and federal governments. We also received written input from over two dozen individuals and organizations.

A separate report provides a summary of what we heard by province and theme.
BACKGROUND AND OVERVIEW OF COAL-FIRED ELECTRICITY IN CANADA

Coal has been used in Canada for centuries and is currently used for two main purposes: thermal coal to generate electricity; and metallurgical coal to produce steel, as summarized in Figure 3. The Government of Canada’s policy to accelerate the phase out of traditional coal-fired electricity by 2030 will affect only thermal coal production and use. Canada will continue to mine, use, and export coal for metallurgical processes.

In 2005, coal was being used to generate approximately 16% of electricity in Canada. By 2016, that number had dropped to 9%, largely attributable to Ontario’s closure of all of its coal-fired generating stations.\textsuperscript{xii}

COAL PHASE-OUT IN ONTARIO\textsuperscript{xii}

In 2003, 25% of electricity in Ontario was generated from coal. From 2003-2014, Ontario phased out its five remaining coal-fired generating stations, which had 19 units and employed more than 1,400 workers. Two coal-fired generating stations were converted to biomass. Environment and health concerns, including a record number of smog advisories, helped to drive the Government of Ontario’s commitment to find alternatives to coal-fired electricity.

As shown in Figures 1 and 2, Alberta, Saskatchewan, Nova Scotia, and New Brunswick are the only provinces that continue to use coal to generate a significant percentage of their overall daily electricity generation. Alberta has the largest percentage of coal-fired generating capacity. Manitoba has a single coal-fired unit, for emergency use only that is slated to close before 2030. Manitoba Hydro plans to keep the workers impacted by this closure employed within its operations.\textsuperscript{xiii}

As shown in Figures 1 and 2, Alberta, Saskatchewan, Nova Scotia, and New Brunswick are the only provinces that continue to use coal to generate a significant percentage of their overall daily electricity generation. Alberta has the largest percentage of coal-fired generating capacity. Manitoba has a single coal-fired unit, for emergency use only that is slated to close before 2030. Manitoba Hydro plans to keep the workers impacted by this closure employed within its operations.\textsuperscript{xiii}

**Figure 1 Coal-fired generating capacity by province, 2017**\textsuperscript{xiv}

Circumstances in these four provinces vary greatly, which has and will impact the way any just transition plan is developed and implemented. Their differences influence relationships with workers, unions, communities, and governments—and the phase-out itself. Alberta has multiple private companies competing in an open electricity market. Nova Scotia has a single publicly-traded utility. Saskatchewan and New Brunswick each manage their electricity needs through crown corporations.

This said, all of these provinces have, to varying degrees, reduced the amounts of coal mined and used in their generating stations over the past decade. These reductions are due in large part to economic factors in the energy sector, but also because of environmental targets and regulations prompted by a growing recognition of the environment and health impacts of coal-fired electricity.
Figure 2 Map of coal-fired generating stations and thermal coal mines in Canada
Figure 3 Select History of Coal in Canada

Includes the mining and use of both metallurgical and thermal coal

- First Nations identify deposits → Used for various tasks, including burning and trading

- Industrial mining begins in Canada and makes major contributions to Canada’s industrialization → Shipping and transportation infrastructure is built

- Use grows, as coal-fired steam engines become common
  - Workers and unions’ advocacy strengthen labour laws → Canada’s trade union movement is established

- Alberta becomes the largest producer in Canada
  - Deadly mine disasters occur, including at the Hillcrest mine, AB, and in Springhill, NS
  - Mining shifts from underground to surface
  - New export markets emerge, particularly in Asia in the 1990s

- 2000
  - Serious labour strikes occur, including in Cape Breton, NS, and Estevan, SK
  - The post-war period sees a drop in the supply and demand for coal, as many consumers switch to petroleum
  - Use grows as coal becomes more competitive following the collapse in oil prices in the 1970s

- 2030
  - Ontario phases out coal-fired electricity
  - In 2014, the Boundary Dam Generating Unit #3 near Estevan, SK, becomes the first commercial-scale unit with operational CCS technology
  - Canada commits to the phase-out in 2012 and decides to accelerate it in 2016, with a 2030 end date

TRADITIONAL COAL-FIRED ELECTRICITY WILL BE PHASED-OUT ACROSS CANADA, WHILE CANADIANS WILL CONTINUE TO MINE, TRADE, AND USE METALLURGICAL COAL FOR INDUSTRIAL PURPOSES LIKE STEEL MAKING
ECONOMICS

Contributions to Canada’s GDP
In 2016, mining, processing, and related services from thermal and metallurgical coal contributed an estimated $4 billion to Canada’s economy, or roughly 0.2% of Canada’s GDP. Approximately half of this GDP contribution was from metallurgical coal. In comparison, clean energy accounted for 1.3% of Canada’s GDP.

Provincial, national, and international economic and environmental trends suggest that coal-fired electricity generation will continue to decline in Canada in the coming years.

Canada’s Energy Future: Energy Supply and Demand Projections to 2040
Energy Futures makes projections about possible energy futures over the long term using assumptions from past and recent trends related to technology, energy and climate policies, human behaviour, and the structure of the economy. In all its projections, traditional coal-fired capacity falls considerably by 2040 and is replaced by a combination of renewables, natural gas, and coal equipped with carbon capture and storage technology.

In some jurisdictions such as Alberta, natural gas can be a viable alternative to coal. Between 2014 and 2018 the price of natural gas fell by approximately 66% in Canada. Combined with efforts to reduce GHG emissions, the lower price of natural gas and associated reduced labour costs has made switching from coal to natural gas more economically viable in the long-run for some generating stations.

Renewable energy is also becoming an increasingly viable and cost-effective option. Wind energy is now among the lowest-cost options for new electricity supply in most Canadian provinces. Canadian utilities are actively exploring ways to deploy more renewables and recent infrastructure investments in hydroelectric prove that they are dedicated to following through. For example, Nalcor Energy’s Lower Churchill Project (also commonly known as the ‘Muskrat Falls’) in Newfoundland and Labrador is expected to help create employment and economic benefits in the province and to transmit power to Nova Scotia to help them achieve their renewable energy targets. From 2005 to 2015, electricity generation from renewable sources grew by 17% in Canada.

When looking at the future of coal, some projections assume that Canada will increase its use of carbon capture and sequestration (CCS) technology for coal-fired electricity generation. Research to date has shown that deploying this technology increases the cost of using coal. While coal-fired units with CCS are often not yet economically viable, the next generation of CCS may be deployable on a smaller scale and used by different types of industrial facilities.

Global Coal Trends in 2017
The use of coal remains below its 2014 global peak. Demand for coal energy fell by 1.6% in the United States in 2017. After two years of decline, 2.3% in 2015 and 2.1% in 2016, global coal demand rose by 1% in 2017. This increase is attributable to greater coal-fired generation in Asia, specifically China. At the same time, China’s official policy to “make China’s skies blue again” is driving efforts to phase out coal in industrial boilers and to reduce coal used in residential heating. Coal usage in China today remains below its 2013 peak. By comparison, renewables exhibited the highest rate of growth of any energy source in 2017. Renewable energy met around 25% of global energy demand growth in 2017. China and the United States together accounted for half of the increase in renewables-based electricity generation. Renewables now account for 25% of global electricity generation.
HEALTH AND ENVIRONMENT

Research shows that using coal to generate electricity produces air pollutants and GHG emissions that are harmful to human health and the environment, including:

- sulphur dioxide
- nitrogen oxides
- particulates
- mercury
- carbon dioxide
- methane

Breathing these pollutants can contribute to lung cancer, asthma, other respiratory and cardiovascular illnesses, and premature death.\textsuperscript{xxiii}

**Estimated health benefits to Canadians from phasing out coal\textsuperscript{xxiv}**

**2012 Regulations (2015 to 2035)**
- $4.2 billion in health benefits from reduced air pollutant exposure associated with reduced risk of mortality, and avoided emergency room visits and hospitalization for respiratory or cardiovascular problems
- Prevention of 900 premature mortalities and 800 emergency room visits and hospitalization
- 120,000 fewer asthma episodes, and 2,700,000 fewer days of breathing difficulty and reduced activity

**2018 Amendments to establish 2030 as the new phase out date for all coal-fired units (2019 to 2055)**
- $1.2 billion in health benefits from reduced air pollutant emissions and avoided human exposure to mercury
- Prevention of almost 260 premature mortalities
- 40,000 fewer asthma attacks and 190,000 fewer days of breathing difficulty and reduced activity

Pollution from coal can also negatively impact Canadians and their communities by causing acid rain, haze and smog. For people with asthma or cardiovascular illnesses, smog can prevent them from going outside or cause them to go to the emergency room. For children, smog alerts can mean staying inside during recess instead of playing outside.

**Smog in Ontario**

In 2005, there were 15 smog advisories covering 53 days. In 2014, when the last coal-fired generating station closed, there were zero smog advisories.\textsuperscript{xxv}

Using coal for electricity emits GHGs that contribute to climate change. Changes to Canada’s climate will have long-term negative impacts on the health, wellbeing, and wallets of Canadians, due to factors including more severe and frequent heatwaves, storms, and floods.

**Insurance Bureau of Canada**

The financial impacts of climate change and extreme weather events are being felt by a growing number of homeowners and communities across Canada. The increase in property and casualty insurance losses is indicative of the growing costs associated with these events. These losses averaged $405 million per year between 1983 and 2008, and $1.8 billion between 2009 and 2017.\textsuperscript{xxvi}
**Federal Approach to Phasing Out Coal-Fired Electricity**

In 2012, the Government of Canada, under Conservative leadership, put in place the *Reduction of Carbon Dioxide Emissions from Coal-fired Generation of Electricity Regulations.* This was the first set of regulations towards the phase-out of coal-fired electricity, requiring coal-fired electricity generating units in Canada to limit emissions to no more than 420 tonnes of carbon dioxide per gigawatt hour.

As a result of the 2012 regulations, most of Canada’s coal-fired units will close before their end-of-life date, unless they are equipped with technology to meet the performance standard or are located in a province that has an equivalency agreement with the Government of Canada.

In December 2018, the Government of Canada amended the 2012 regulations to accelerate the phase-out of traditional coal-fired electricity by 2030. The amended regulations are now in force.

<table>
<thead>
<tr>
<th>Negotiating an Equivalency Agreement</th>
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<tbody>
<tr>
<td>The <em>Canadian Environmental Protection Act, 1999</em>, is the federal law that allows for the regulation of GHG emissions from coal-fired electricity and for equivalency agreements.</td>
</tr>
</tbody>
</table>

In the context of the coal-fired electricity regulations, an equivalency agreement between the federal government and a provincial government effectively stops Canada’s coal-fired electricity regulations from applying in that province.

A province can request to negotiate an agreement to continue using coal-fired electricity after 2030. For Canada to negotiate an agreement, the province must meet certain conditions, for example by reducing the same or a greater amount of GHG emissions from other sources. The alternative actions must have equivalent or better environmental results.

<table>
<thead>
<tr>
<th>Meeting the Performance Standard</th>
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</thead>
<tbody>
<tr>
<td>Coal-fired units equipped with CCS or units co-firing with a low-carbon fuel that meet the performance standard will be able to continue operating under the existing and amended regulations.</td>
</tr>
</tbody>
</table>
**PROVINCIAL APPROACHES TO COAL-FIRED ELECTRICITY**

Each province has unique circumstances and considerations. As a result, the coal phase-out is not unfolding in a uniform way across the country.

**ALBERTA**

The phase-out of coal is already well underway in Alberta. In November 2015, the Government of Alberta released its *Climate Leadership Plan*, which included commitments to phase out coal-fired electricity and to increase its power generation mix to 70% natural gas and 30% renewables by 2030.xxviii Given the availability of natural gas, some companies have begun switching coal-fired generating stations over to this lower-carbon emissions and reduced labour option, well in advance of 2030. As a result, layoffs have begun and more are anticipated in the near future.

In 2016, the Government of Alberta concluded a $1.1 billion compensation agreement with TransAlta, ATCO, and Capital Power, the major utilities in Alberta that use coal. In 2017, a provincial panel, the Advisory Panel on Coal Communities, examined the effects of the coal phase-out on workers and communities and released its recommendations for the provincial government.xxiv

**ALBERTA’S COAL TRANSITION COALITION**

Following the release of Alberta’s *Climate Leadership Plan*, the Alberta labour movement immediately organized a coalition of the coal-affected unions in the province to form the Coal Transition Coalition (CTC). This allowed affected unions to pool their resources and to speak with one voice. The work of the CTC was instrumental in defining the supports that Alberta coal-affected workers would need as part of the transition. This is a concrete example of how ensuring worker involvement throughout the process leads to better policy decisions and ultimately better outcomes.

In response to the Advisory Panel’s report and other considerations, the Government of Alberta has implemented programs to mitigate, to some extent, the impacts on workers and communities. In November 2017 the Government of Alberta announced two funding programs: a $5 million *Coal Community Transition Fund* to municipalities for economic diversification plans and feasibility studies; and, a $40 million *Coal Workforce Transition Fund* to assist laid-off workers.

**ALBERTA’S APPROACH TO SUPPORTING AFFECTED WORKERS**

In November 2017, the Government of Alberta announced a $40 million program of income supports and retraining assistance for workers in coal-fired generating stations and coal mines who will be laid off as a result of the coal phase-out. It included:

- Employment Insurance (EI) enhancements: workers to receive 75% of previous weekly earnings to a maximum of 45 weeks;
- Income enhancement for workers approaching retirement: workers to maintain 75% of their previous weekly earnings until they are eligible for employer pensions (to a maximum of 72 weeks);
- Payment of up to $5,000 in expenses for workers who relocate at least 40 kilometres to start a new job;
- A maximum of $12,000 in tuition vouchers for any post-secondary education and career retraining initiated within five years of the lay-off.

In addition to individual worker funding, the province offers: career counselling and job-search skills training at affected worksites; transition services to help develop individualized plans, identify existing skills, and administer short-term courses in skills development; help in establishing worker adjustment committees to arrange training or match skills to job openings; and partnerships and labour force training for Indigenous communities.
SASKATCHEWAN

Since 2014, Saskatchewan has been operating the world’s first CCS system on their Boundary Dam Unit 3 generating unit near Estevan. Canada and Saskatchewan co-signed an agreement-in-principle in November 2016 to work together on an equivalency agreement for the federal 2012 regulations for the pre-2030 period. In 2017 the Government of Saskatchewan released its Prairie Resilience: A Made-in-Saskatchewan Climate Change Strategy, referencing the merits of an equivalency agreement with the Government of Canada that would enable them to continue using coal-fired electricity. The Strategy also committed to determine the viability of extending CCS technology to all its coal plants. Since the release of the Strategy, SaskPower and the Government of Saskatchewan have announced that they are not planning to deploy additional CCS technology on Unit 4 and Unit 5 at the Boundary Dam Generating Station, but SaskPower is evaluating the feasibility of implementing CCS on their newest unit at the Shand Power Station.

NEW BRUNSWICK

The Government of New Brunswick adopted its Transitioning to a Low-Carbon Economy: New Brunswick’s Climate Change Action Plan in 2016. In that plan, the province committed to coal phase-out as quickly as possible, while respecting the province’s economic reality. New Brunswick Power, the provincially-owned utility, plans to eliminate coal from its energy mix by 2030 by replacing it with a new, cleaner energy source to keep the Belledune Generating Station in operation. The utility is investing up to $7 million to investigate alternative fuel sources for the generating station, including the use of hydrogen fuel sources, while also looking at biomass and natural gas.

NOVA SCOTIA

The Province of Nova Scotia has its own climate change strategy, Toward a Greener Future: Nova Scotia’s Climate Change Action Plan. Adopted in 2009, it focuses on making energy in Nova Scotia cleaner overall instead of specifically targeting coal. This policy is backed by the province’s Greenhouse Gas Emissions Regulations, which established GHG emission caps on the electricity sector. Nova Scotia’s Renewable Electricity Plan also supports the Action Plan by setting renewable electricity generation targets of 25% by 2015 and 40% by 2020. Nova Scotia exceeded its 2015 target by 2% and reports being on track to reach 40% by 2020. Recognizing these outcomes, the Governments of Nova Scotia and Canada signed an equivalency agreement to exempt the province from Canada’s 2012 coal-fired electricity regulations. That agreement came into effect in July 2015. The governments have also recently established an agreement in principle to work on a new equivalency agreement for the amended coal-fired electricity regulations.

Table 1 Utilities with coal-fired assets

<table>
<thead>
<tr>
<th></th>
<th>Publicly Traded Utilities</th>
<th>Crown Corporations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Alberta</td>
<td></td>
</tr>
<tr>
<td>TransAlta</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>ATCO</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Capital Power</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Nova Scotia Power</td>
<td>83%</td>
<td></td>
</tr>
<tr>
<td>New Brunswick Power</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>SaskPower</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>Percent of provincial generating capacity owned (all capacity, including coal)</td>
<td>32%</td>
<td>12%</td>
</tr>
<tr>
<td>Percent of provincial generating capacity owned that is coal-fired</td>
<td>22%</td>
<td>10%</td>
</tr>
<tr>
<td>Number of coal-fired generating stations majority owned</td>
<td>2.5**</td>
<td>1.5**</td>
</tr>
<tr>
<td>Coal-fired units (wholly or co-owned units)</td>
<td>12</td>
<td>5</td>
</tr>
</tbody>
</table>

*Includes petroleum coke units
** TransAlta and ATCO co-own (50/50 share) the Sheerness Thermal Generating Station in Alberta
**Affected Workers**

Workers at coal mines and generating stations are highly skilled and uniquely qualified for the work they perform. They include engineers, welders, mechanics, electricians, heavy equipment operators, and maintenance staff. Most of the positions offer full-time employment, a higher than average wage based on the local costs of living, health benefits, and a pension plan consistent with their collective agreement (Figure 4 provides some illustrative examples). In 2017, these workers generally earned considerably more than Alberta’s and Nova Scotia’s average wage of $30.01 and $23.35 per hour, respectively.\(^{xxxiii}\)

Based on the best available data, there are between 1,880 and 2,400 people working at coal-fired generating stations and between 1,200 and 1,500 working at thermal coal mines. It is anticipated that a significant number of these workers will lose their jobs by 2030—and some already have.

While nearly all thermal coal mine employees will be affected, some coal miners will continue to supply the Boundary Dam CCS unit and the Shand CCS research facility in Saskatchewan. For generating stations that convert to natural gas, employment in the station will be reduced by an estimated 60-70%. These percentages will vary for generating stations that convert to biomass or other alternatives.

**Figure 4** Examples of what a unionized coal worker can earn in Alberta and in Nova Scotia based on their respective collective agreements. These unionized workers receive a pension and benefits package in addition to their wages.

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Workers represented by United Steelworks Local 1595 (Highvale Mine in AB)
- Trades such as welders, mechanics, electricians and millwrights make from $35 per hour for a first-year apprentice to $47 per hour for a certified journeyman.
- Heavy equipment operators, coal handling plant operators, truck drivers, drill operators and road maintenance workers earn wages in the $40 per hour range.
- General labourers, janitors, and wash bay attendants earn between $34 and $37 per hour.

Workers represented by IBEW Local 254 (Sunhills and Keephills generating stations in AB)
- Operators, power engineers, equipment and instrument maintenance staff make from $27 to $55 per hour, depending on the level of certification and experience.
- Equipment and instrumentation maintenance staff and equipment operators make between $37 and $42 per hour.
- Labourers make between $32 and $35 per hour.

Generating station workers represented by IBEW Local 1928 in NS
- Power engineers and technicians earn from $21 per hour for first-year apprentices up to $45 per hour for a supervisor with trade certification.
- Electricians, mechanics, and maintenance staff earn in the range of $21 to $41 per hour.
- Storekeepers earn $23 to $33 per hour.
Considering Gender and Single Income Families

Men represent the large majority of those facing job losses in the coal sector. While women are underrepresented in both mining and power generation industries, they will also be affected by layoffs. A benchmark 2016 labour market study determined that women made up 17% of the Canadian mining workforce. Women comprised the majority of positions in human resources, finance, and support roles for mining companies, but they only accounted for 4% of trades and 20% of technical occupations. In jobs related to coal-fired generating stations, the 2016 census has 6% of power engineers, 4.7% of power system electricians, and 1.1% of millwrights and industrial mechanics as women.

The impact of job loss in the coal sector is greater for families where the coal worker is the sole earner. Prolonged unemployment or accepting work far from home can lead to stress and frustration, which may negatively influence the health and wellbeing of workers, their spouses, and children. In the latter case, the stay-at-home partners bear the burden of running a family household with less support, money, and time. Additionally, children are affected by absent parents and disrupted routines.

Affected Communities

In relation to thermal coal mines and coal generated electricity, there are nearly 50 affected communities in Canada, each with its own unique history, population, geography, economic circumstance, and overall landscape. Despite their distinct characteristics, these communities share strong cultural ties to the coal industry.

Canadian coal communities are small cities, towns, or villages with populations ranging from 650 to 34,000 residents. There are a number of regions where groupings of neighboring communities rely on the coal industry to support their economy. In places like Cape Breton, NS, coal has helped sustain the region for hundreds of years. In Saskatchewan, impacts may be felt up to 100 kilometres away from towns such as Coronach, as many residents commute long distances for work in the mine and generating station.

The western and maritime coal provinces have distinct economic circumstances and demographics. Alberta and Saskatchewan have oil-dependent economies subject to economic shocks, such as the 2008 recession, and volatile oil prices, as demonstrated by the 2014 oil crash. Communities in Nova Scotia and northern New Brunswick have a history of industry collapse or turnover and continue to face long-term impacts from the decline of industries such as mining, manufacturing, and pulp and paper.

Unemployment in coal communities in both the western and maritime coal provinces is higher than the national average, reaching double digits in Cape Breton, NS, and the Campbellton-Miramichi region, NS. The median age is more than 50 years, well above the national average, in coal communities in the maritime provinces and in a number of small Alberta coal towns. Their demographic profile poses unique challenges, particularly with regards to healthcare and retirement security. In nearly all coal communities, young families are difficult to attract and retain, influencing the economic outlook of these communities.

While the sense of urgency varies, all coal communities in Canada are discussing transition. A number of factors influence community-level discussions and approaches, including the degree of impact on their municipal tax bases, businesses and services, and population growth. Some communities rely significantly, or entirely, on the coal industry and are more vulnerable to the phase-out. Residents in communities that are further from urban centres and more isolated, such as Hanna, AB, will not easily be able to access services and opportunities offered in larger cities should their local services decline as a result of the phase-out of coal.
PART 2: RECOMMENDATIONS FOR A JUST AND FAIR TRANSITION FOR CANADIAN COAL POWER WORKERS AND COMMUNITIES

Our Recommendations for a Just and Fair Transition for Canadian Coal Power Workers and Communities provide advice to the Government of Canada to ensure that the country as a whole bears the costs associated with phasing out coal-fired electricity.

The Task Force calls on the Government of Canada to act immediately and provide just transition supports in three areas: **Foundational, Workers, and Communities**.

Taking action on these three fronts will affirm the Government’s commitment to a just transition, protecting workers’ rights, supporting families, and enabling local economic growth. These objectives can and indeed must be advanced in step with Canada’s efforts to mitigate climate change.

While our recommendations cannot eliminate all the uncertainties and changes coal workers and communities are facing, the Government’s implementation will demonstrate that it can act swiftly, with purpose, and in the best interests of Canadians. Support is needed in all affected provinces. Of these, there is particular urgency for action to support workers and communities in Alberta, where the coal phase-out is well underway.

**CANADA’S INITIAL $35 MILLION INVESTMENT**

To complement our Task Force’s work, Budget 2018 dedicated $35 million over five years to support skills development and economic diversification activities, to help workers and communities in the west and in the Atlantic region adapt to Canada’s transition to a low-carbon economy.

We welcome the Government of Canada’s initial investment of $35 million to support affected workers and communities as a necessary first step. Based on what we heard and consistent with our broader recommendations, we advise that this funding be prioritized in two ways:

- To support economic development and diversification projects in affected communities that will stimulate new employment opportunities; and,
- To invest in transition centres for affected workers, families, and communities that will improve access to government services and programs.

The $35 million committed in 2018 should be the beginning of a longer plan. Based on what we heard, the direct and indirect costs of the phase-out will stretch well into the hundreds of millions of dollars and the timeframe will go beyond 2030. While there are opportunities to reprioritize, reallocate and dedicate some existing funding, including for infrastructure, achieving a just transition will require additional and more substantial investments in Budget 2019 and budgets thereafter.

The Government of Canada is investing billions of dollars to mitigate and adapt to climate change, including historic investments in infrastructure. If the Government is strategic with these existing funds and commits to new support extended over the several years of transition planning, affected workers will see new economic opportunities in their communities that can employ and sustain them, their families, and their neighbours for years to come.
FOUNDBATIONAL JUST TRANSITION SUPPORTS

KEY MESSAGES

- Taking action to embed the principles of just transition in the Government of Canada’s processes and planning will establish the foundation upon which future targeted just transition measures can be built. This will enable enduring and effective action over the long term, which is essential to support workers, families and communities in the transition to a low-carbon economy.

- By putting foundational support measures in place, the Government can begin to change public perception and build trust.

- Doing so is of the utmost importance because coal workers and communities can become future leaders and advocates for the successful transition to a low-carbon economy.

- The Government of Canada can start now by building goodwill through the development and implementation of flexible and durable supports, open communication, and collaborative planning processes.

WHAT WE HEARD

Coal workers, their families, and communities fear that without careful and inclusive planning, they may face devastating impacts from the coal phase-out. Workers and community members expressed their dissatisfaction with how the Government decided and announced the phase-out in the first place, pointing to limited or no consultation about the impacts for both provincial power grids and for the coal mine and electricity-generation workforces.

Going forward, stakeholders ask that the Government of Canada structure the transition process in ways that allow for considerate, collaborative, and transparent decision-making that accommodates the unique circumstances of each province to the greatest extent possible. They called for both the monitoring and evaluation of the short and long-term results of all government spending and other actions taken. They want to see new solutions put in place, through increased and improved planning, new supports for those affected, and a commitment to doing better—immediately and over the long term. They acknowledged that predictable and durable policies, programs, and services are necessary in order to plan sound futures. When governments change, coal workers and communities do not want their supports rolled back or cancelled.

Additionally, coal workers, their families and communities are hoping for and need a suite of solutions that are, to the greatest extent possible, driven by local conditions. It was clear in our meetings with stakeholders in all four provinces that every community and workplace is different. They emphasized repeatedly that there is no “one-size-fits-all” set of programs and services that could work without built-in mechanisms to allow flexibility and adaptability.

Ten years is not a lot of time to find an alternative option, considering all of the decisions that need to be made and steps that need to be taken.

– Municipal representative, Belledune, NB
Coal workers and community members have many questions about when, if, and how the coal transition will affect them personally as well as professionally. Furthermore, many expressed sincere doubt about the ability of government to support them through a transition, and mistrust of government’s intentions and capabilities. Given worker and community suspicion of government, some representatives called for ongoing external oversight and advice. A lack of confidence, given past transition failures, is driving anxiety and fears that the government will not deliver on just transition.

We are still waiting for answers – we want to know what is happening. Is coal done or not?

– Community member, Estevan, SK

In travelling across the country, we heard not only about the fears and concerns of workers and communities, but also about what has worked in some previous workforce transitions. We learned how locally-run transition centres that opened following the closure of other industries were an important resource and space to facilitate information sharing and service delivery. Workers, governments, and community representatives recognized these centres as a proven model to deliver consistent yet context-appropriate and flexible services and information, covering everything from re-employment opportunities and skills recognition, to educational and financial services, and healthcare. We heard how important it is that these centres be locally driven and adequately resourced to offer a broad range of services delivered by qualified personnel that understand and appreciate local conditions.

One of the key concerns we heard was a lack of information that would allow coal workers to effectively plan for what is to come. Workers, families, and communities struggle to find examples of successful transitions that they can use as a road map. While some were hopeful about the future, many more were pessimistic. Timely, accurate, and trustworthy information from employers and governments would help to reduce anxiety and give workers greater assurances when making decisions for themselves and their families.

Transition centres have been used in North America in numerous instances to provide active support to people affected by rapid labour market changes. These centres are designed to ensure that individuals already under stress from job loss or displacement receive personalized, one-on-one, face-to-face assistance to navigate the complex and often depersonalizing challenges of government programs and service delivery. Transition centres have some unique characteristics, including that they are:

- Located within the communities or at job sites that are impacted by the labour disruption they seek to address;
- Staffed preferably by people from the impacted industry sector or the community;
- Inclusive spaces that are able to offer support and assistance with all relevant programs and services under one umbrella;
- Put in place preferably before, but at least as soon as, the impacts are announced; and,
- Remain open for three to five years or until the effects of the disruption have dissipated.

As a single entry point, transition centres become live hubs, where people can find one another, receive support for their next-stage-of-life planning, and foster a sense of community.
Transition Programming Lessons Learned from “Community Fisheries Development Centres” in BC

When the Government of Canada first introduced the Pacific Salmon Revitalization Strategy in 1996, affecting approximately 2,200 workers in the commercial fishing industry in British Columbia, the government did not initially include a transition package for affected fishermen and communities. By working together, unions and communities were able to negotiate a package of support measures.

Through strong local advocacy, the Native Brotherhood of BC, the United Fishermen and Allied Workers Union, and the Government of British Columbia established a network of eleven Community Fisherman Development Centres (CFDC) in coastal communities across the province. This model proved successful for several reasons: it pooled the funding available from several federal departments; the CFDCs received the mandate to propose how funds would be dispersed; and, people from fishing communities and the industry were actively engaged in both the design and delivery of the transition program.

This approach built on the strong position of unions to ensure affected workers received employment opportunities and spurred community buy-in and accountability. Over five years, the local CFDC offices created a bridge between federal funding and local opportunities, knowledge, and skills. Programs and services included employment insurance top-ups, extended employment insurance benefits, post-employment insurance benefits, training and education, and habitat restoration and infrastructure projects designed with targeted employment and skills-training opportunities for displaced workers.

Based on what we heard, we recommend that the Government of Canada:

Embed Just Transition Principles in Planning, Legislative, Regulatory, and Advisory Processes to Ensure Ongoing and Concrete Actions throughout the Coal Phase-out Transition


- Building on our report, the Government of Canada would initiate a multi-stage planning process for this transition in close collaboration with provinces, employers, workers, unions, municipalities, and economic development organizations.
- The lead minister would be responsible for the plan and would be held accountable for its overall success. To ensure short and long-term accountability, the plan would clearly define and assign responsibility to all other ministers who are responsible for implementing parts of the plan. Key to the ultimate success of the plan will be the ability for federal departments and agencies to coordinate service delivery and prioritize expenditures in their respective areas of responsibility.
- While the plan would have concrete and time-bound actions, it also needs to have the necessary flexibility to evolve as new transition options and opportunities emerge over the next decade.
- An independent multi-stakeholder advisory council, comprised of trusted representatives, would provide advice and oversight to the Government on just transition. Through such a body, unions could continue to play an important role in policy development and delivery, respecting their deep knowledge of the issues, relationship with workers, existing networks, and long-term commitments to the workers, families, and communities.
- The Government of Canada would work with partners to evaluate, assess, and report on the effectiveness of the plan and the phase-out’s actual impacts on workers and communities—from 2019 to 2030 and beyond.
• Annual public reporting and a detailed report to Parliament every five years would ensure accountability and transparency.

2. **INCLUDE PROVISIONS FOR JUST TRANSITION IN FEDERAL ENVIRONMENTAL AND LABOUR LEGISLATION AND REGULATIONS, AS WELL AS RELEVANT INTERGOVERNMENTAL AGREEMENTS.**

• New government actions must be robust and difficult to reverse, grounded by new legislative, regulatory, or intergovernmental obligations.

• Including just transition provisions in relevant agreements between federal and provincial governments would demonstrate clear commitment and transparency, for example:
  o Equivalency agreements under the *Canadian Environmental Protection Act, 1999*;
  o Infrastructure Bilateral Agreements; and,
  o Labour Market Development Agreements.

• Widespread support for continued climate change action is at risk of eroding if strong just transition provisions are not embedded in climate change and labour policy.

3. **ESTABLISH A TARGETED, LONG-TERM RESEARCH FUND FOR STUDYING THE IMPACT OF THE COAL PHASE-OUT AND THE TRANSITION TO A LOW-CARBON ECONOMY.**

• Academic studies can provide essential longitudinal analysis of phase-out impacts, transition support outcomes, and help ensure that best practices are widely shared.

• The focus would be on longitudinal, socioeconomic research to assess the effectiveness of governmental planning and programming, in addition to the impacts on workers, their families, and their communities.

• Such studies would support a multi-disciplinary and multi-stakeholder network to encourage sharing of information.

4. **ENSURE LOCALLY AVAILABLE SUPPORTS**

4. **FUND THE ESTABLISHMENT AND OPERATION OF LOCALLY-DRIVEN TRANSITION CENTRES IN AFFECTED COMMUNITIES.**

• The Government of Canada would work with provinces, municipalities, regional organizations, employers, and unions to establish transition centres.

• Based on the lessons learned from earlier transition centres, affected workers would benefit the most from transition centres that:
  o Are launched before job losses;
  o Are open for at least two years post phase-out;
  o Involve a wide range of stakeholders in their management and operation;
  o Are staffed with local residents and experts, who can build face-to-face relationships with workers and families;
  o Create a single hub that provides a wide range of services, such as re-employment support (e.g., improving numeracy and literacy, writing resumes, starting a small business), training, and social support services;
  o Provide workers, families, and communities with the information they need to make sound decisions;
  o Provide financial advice and social and health services, including programs and counselling for families and youth, substance-abuse and addiction, and mental health;
  o Serve to connect affected workers with employment opportunities stemming from regional economic development and diversification.
**JUST TRANSITION SUPPORTS FOR WORKERS**

**KEY MESSAGES**

- Workers made responsible decisions to work in the coal industry based on information available to them at the time about the planned lifespan of generating stations or mines. They chose to work in this sector because of the anticipated stability. Coal workers made long-term financial and life decisions based on what they understood to be a sound career choice.

- A just transition will require the Government of Canada to provide targeted programs and services to coal workers whose timelines to retirement have changed, and to workers who will need to find new employment.

- Federal and provincial governments have shared responsibilities in these areas and must work together to ensure that workers have the supports needed both before and after job losses.

- Supports must be flexible and enable workers to make the decisions that are most appropriate for their circumstances. The timing of supports, for example, will need to be context specific, as some job losses will happen closer to or after 2030, while some workers, predominantly in Alberta, are already losing their jobs.

- Affected workers need to be able to access transition measures with ease, and eligibility should be inclusive. Excessive complexity in support-program application processes and eligibility criteria can be overwhelming and burdensome. Employers must also provide sufficient flexibility to ensure that workers can access some types of support (e.g., training) while still employed in their current job.

**WHAT WE HEARD**

Many of Canada’s coal workers are the second or third generation in their family to work in the coal industry. They are not only proud of this legacy, which helped build a prosperous nation, but are proud of their current contributions to providing affordable and reliable electricity in their home province. Many are now frustrated that the coal sector is not only being phased out but also disparaged as “dirty”.

Supporting workers close to retirement will be a significant challenge, as most employers reported a significant proportion of workers over the age of fifty. Older workers emphasized what the phase-out means for their planned retirement. Many feel vulnerable in the job market—often having not applied for a new job in decades—and are not in a position to retire early. While workers approaching retirement recognize that their employers will be hesitant to retrain them, many are hopeful that, if they must retire early, there will be ways to do so without penalty.

One worker looked at the lifespan of the generating station and how many years he had to retirement as factors in a decision to take on more debt to expand his family farm, and thus sustain his family in retirement. To pay off the debt on his farm, he needs the ten years of income that he would have received if the generating station were allowed to continue to its expected end-of-life date.

For those workers who will need to find new jobs, many indicated they will require income support. Through emotional and personal stories, workers shared their hardships following previous industry closures, including the hardship of sudden and unexpected job loss, receiving bad financial advice, and experiencing
pension problems. Workers called for adjustments to how the Government of Canada views and delivers Canada’s Employment Insurance (EI) program. They believe that existing income programs may not be enough to help them succeed through the transition. Workers also commented on the complexity and inequity of EI.

They fear that if they lose their jobs, they will face penalties on their severance packages and lose their health plan benefits. Workers in the prairies who are also farmers are concerned that EI will penalize them for having multiple sources of income. For many, working in the coal industry effectively keeps their farms viable. Some suggested that EI is too complicated and that it works for government and not the people it was meant to support. Adverse financial outcomes of the coal phase-out are inconsistent with a just transition. Through improved support programs, workers could and should remain financially secure.

**REGULAR EI BENEFITS**
- EI provides regular benefits to individuals who lose their job through no fault of their own when they are available for and able to work, but are unable to find a job.
- The basic rate is 55% of the recipient’s average insurable weekly earnings, up to a maximum amount ($51,700 annually, as of January 1, 2018).
- Recipients can receive EI from 14 weeks to a maximum of 45 weeks.
- EI benefits are taxable, no matter what type of benefits received; federal and provincial or territorial taxes, where applicable, are deducted from payments.

Affected workers are likely to face challenges getting retrained or furthering their education. Ideally, they would use their existing skills and earn comparable wages and benefits. If they need to gain additional skills, they face significant barriers, including the financial and personal costs of leaving their families and jobs for extended periods to retrain or go to school. Workers called for support to retrain and receive education in their communities, preferably before they are laid off.

> There are a number of new jobs that can be created with the development of new power-generating facilities such as wind, solar, tidal and geothermal. These new renewable energy projects should be encouraged through infrastructure investment specific to the affected communities.

> – Building and skilled-trades representative from NS

Some workers are now looking to gain the necessary skills to prepare for careers in different sectors. Workers are also looking for accreditation for their existing skills, which will make it easier to transition into other jobs. Workers who have only ever had one employer and did not receive external training or education called for ways to have their many hard-earned skills formally certified, as their training and skills are often not recognized outside the company.

> We all wish that we won't have to go down this road, but it will happen. It must be done with the least amount of preventable negative impact to everyone involved.

> – Generating Station Worker from Cape Breton, NS

We also heard about opportunities to build relationships with unions and educational institutions, such as creating specialized educational programs, full or part-time, at community colleges, universities, or through distance education.
Moreover, information is not readily available about the skillsets of affected workers, or local and regional job prospects. This frustrates attempts to match laid-off workers with future employers. Workers and community and labour representatives called for better and more accessible labour market information, to help workers and employers identify viable options for what jobs they should transition into, as well as opportunities for communities and local employers to make the most of a highly-skilled workforce. Workers being laid off have a set of unique skills that could be more effectively matched with workforce opportunities.

Coal workers have a good skill set. We need to connect them to an industry that sees the potential of a displaced, highly skilled workforce.

– Representative from Hanna, AB

We were also reminded by many stakeholders that employers must play a key role in a successful transition for workers. In addition to ensuring that every employee has access to current and accurate information as the transition progresses, employers can provide their current workers with the ability to have their skills recognized or modify work hours to support employees who want to upgrade their skills prior to layoff. Employers must also play an active role in ensuring that older workers can have a successful path to a dignified retirement.

Workers likewise face difficulties navigating the rapidly evolving labour market. Some workers have only had one employer since finishing their education. Repeatedly, workers emphasized they are hoping for good, unionized jobs that will ensure stability and certainty for themselves and their families. Many workers expressed uncertainty about what jobs to apply to or to retrain for, particularly if their mobility is limited by spousal employment, or farm or community commitments. Affected workers have a strong work ethic and are highly motivated, but need better access to the tools and supports that will guide them to new opportunities.

While workers had innovative ideas about jobs in the new economy, particularly in retrofits and environmental assessment, they also called for support to pursue jobs outside of the low-carbon economy since there are not always direct linkages to jobs in the clean growth sector. Wind and solar facilities create jobs in the construction phase, but there are very few ongoing, permanent jobs when these facilities are operational. To illustrate this point, we received comments about how there are no parking lots at wind farms, but coal-fired generating stations have large, full parking lots every day of the week.

There will, however, be new employment opportunities in some affected communities when converting power plants to burn natural gas, reusing fly ash, reclaiming mines, and decommissioning generating stations.

Many workers expressed frustration at the prospect of uprooting their families for jobs elsewhere or travelling long distances to work. They are attached to their communities, their spouses are employed in the community, and they are often volunteers for essential services (e.g., firefighting) in their local area. The devastating loss on the value of a worker’s home in a coal community facing economic downturn is also a major worry. Workers are calling for ways to either continue living in their communities or relocate without facing devastating financial losses.

What will we do for work? Where will we live? What are our options? We are afraid the town will die.

– Community member, Coronach, SK
Based on what we heard, we recommend that the Government of Canada:

Provide Workers a Pathway to Retirement

5. Create a Pension Bridging Program for Workers Who Will Retire Earlier Than Planned Due to the Coal Phase Out.

- This program would provide a financial bridge to retirement without compromising workers’ earnings and retirement benefits.
- How this program approaches pension bridging will vary depending on the type of each workplace plan. The program will need to be developed in close collaboration with unions, provincial governments and employers.

Transition Workers to Sustainable Employment

6. Create a Detailed and Publicly Available Inventory with Labour Market Information Pertaining to Coal Workers, Such as Skills Profiles, Demographics, Locations, and Current and Potential Employers.

- A broad inventory would serve two main purposes:
  - Provide a baseline of labour market information;
  - Be the starting point for a job bank to help match workers’ existing skillsets with potential new employment opportunities, thereby helping workers make informed decisions about retraining or additional education.
- This inventory, or products based on it, would be developed in partnership with employers, unions, provinces, and municipalities, and be made available to workers, employers, transition centres, and researchers studying coal phase-out transition, while respecting privacy restrictions.
- By using this inventory, affected workers would have access to important information to assess future needs and opportunities, as well as to facilitate connections with potential employers.

7. Create a Comprehensive Funding Program for Workers Staying in the Labour Market to Address Their Needs Across the Stages of Securing a New Job, Including Income Support, Education and Skills Building, Re-Employment, and Mobility.

- This fund could be a federal program or the Government could provide funding to the provinces to administer.
- A single window would provide workers with multiple streams of support to address a broad range of needs.
- An income support stream would address workers’ concerns about receiving adequate support as they transition to new employment:
  - Provide affected workers with EI benefits of up to 75% of income for two years, regardless of home province.
  - Exclude severance and income support benefits that affected workers receive when calculating EI benefits.
  - Provide wage top-ups of up to 90% of previously earned income for up to two years for affected workers who go back to work but in lower-wage jobs.
- Provide funding to continue private healthcare plan coverage for up to two years. An education and skills building stream would provide workers up to $20,000 for a maximum of two years to retrain, upgrade skills, and pursue additional education.
This could be delivered by a university, community college, or union-affiliated training centre.

The funding would be available to workers while they are still working and cover a variety of expenses, such as tuition, books, and travel.

- A re-employment stream would connect affected workers with employers, using the inventory developed as part of Recommendation 6 and prioritizing jobs in the new economy whenever possible.
  - This action could include renewed support for sector councils to facilitate the recognition of affected workers’ current skills, including through formal certificates. This could be done through transition centres, working in partnership with employers, unions, and others.

- A mobility stream would compensate those who relocate or travel long distances for new work. This program would help to offset the expenses of having to travel or relocate for new employment:
  - Provide up to $10,000 to those who relocate permanently; or, cover mileage for those who travel long distances for work (more than 250 km one way), consistent with the National Joint Council’s allowances or the Canada Revenue Agency’s non-taxable allowances, for up to two years.
  - If a provincial government also provides travel or relocation assistance, any additional federal support should not replace or reduce the provincial assistance provided.
JUST TRANSITION SUPPORTS FOR COMMUNITIES

KEY MESSAGES

- Affected families and communities need local supports in place to address their transition-related needs—everything from business parks, bypasses and other infrastructure investments, to better financial, social, and health supports, and funding for economic planning and stabilization. Diversifying these communities through sound planning and investments will be key to their long-term prosperity.

- Impacts on communities will vary based on local circumstances, such as proximity to other cities or industries, relative dependency on coal for their tax base, timing of the coal phase-out, and community capacity. Flexible, community-based supports are essential for all affected communities to plan and achieve success.

- Given their respective jurisdictions, the federal, provincial, and municipal governments must work together to ensure that a broad range of social services are fully funded and effectively delivered.

- The Federation of Canadian Municipalities is a trusted partner that can work within and bring together affected communities.

- First Nation and Métis communities may also be affected. Given Canada’s commitment to reconciliation and advancing nation-to-nation relationships, it will be important to work in partnership with affected Indigenous communities to minimize any adverse impacts the phase-out may have.

- With care and support, affected communities and families can be the spokespersons of a successful and effective transition to the low-carbon economy. Otherwise, they will face hardships and likely oppose other efforts to reduce GHG emissions.

- Leadership and innovation from affected community and family members, especially youth, will be essential to drive economic diversification, strengthen networks, and promote overall community wellbeing.

WHAT WE HEARD

Community members are proud of where they live. They told us that their ties to these places and their connection to coal help keep their villages, towns, and cities thriving. Many coal workers and their spouses are volunteer firefighters and hockey coaches, and contribute considerably to their municipal tax base through property taxes, as do coal mines and generating stations. Workers and families want to stay together in the communities where they live. While some workers may have to travel long distances for alternate work, this is not the preferred solution. It is not enough to point to locations where jobs exist; ideally, workers should have good jobs in the communities where they live.

People do not want to commute to jobs out west. They will miss out on watching their children grow up. There are social implications to this.

— Community member in Trenton, NS
Rural and remote communities face added challenges due to fewer economic opportunities and distance from amenities and services. Community members openly shared many common challenges that they face including:

- Understaffed municipalities;
- Attracting and keeping youth and young families;
- Decreasing values of homes;
- Loss of public services, directly tied to overburdened municipal tax bases, such as emergency services, parks, and recreational facilities;
- Infrastructure maintenance and upgrading;
- Retention of health and social service professionals; and,
- Keeping schools and hospitals open.

Many people talked about the added burden that the coal transition will place on their communities. Economic development officers face challenges combating negative perceptions of communities in transition that deter investment and business development. They are afraid they will lose local services when revenue from coal is gone forever, which can be up to 75% of a community’s tax base. With declining revenues, some coal communities will struggle to maintain and upgrade the infrastructure necessary to both attract and retain residents and industry.

**How can we attract young families and entrepreneurs if some areas still use dial-up? We need broadband.**

— Municipal representative, Bathurst, NB

To attract new residents, industries, and businesses, communities recognize that they need to be sustainable, with vibrant and increasingly diverse economies, and modern infrastructure and services. Many municipal officials acknowledged that coordinated action within and across regions will be important to achieving these outcomes, as will partnerships with civil society and non-governmental organizations.

Ripple effects of the coal phase-out are pervasive in coal communities. Impacts on workers and communities are entangled with impacts on families and home life.

Financial hardships stemming from decreased or lost income and decreased home values add to the suffering of workers and their families. People expressed concerns with financial advice and services, and stressed the importance of support options and flexibility in the face of unforeseen job losses.

**The company [I worked for] brought in financial advisors [to give advice on] what to do with severance. They advised me to put it in RRSPs. Shortly afterwards, I have a tax bill: $22,000. The next year: $44,000. So, where did you think the money came from? Back to the severance, back to the RRSPs. It was bad advice.**

— Former Coal Worker, Sydney, NS, reflecting on a transition he went through nearly two decades ago

We heard grave concerns about how uncertainty and stress will negatively affect mental health and wellbeing, including children. In the eyes of coal communities, increased levels of substance abuse, poor mental health, family violence and divorce are directly correlated to the phase-out and exacerbated by limited access to mental health and social supports.
To address these challenges, communities see opportunities in transition centres, broadband internet connectivity, tourism, recreation centres, small-business supports like incubators, increased capacity for planning and delivering locally-driven ideas, and regional planning. Additional resources will help them innovate and find ways of developing and diversifying their economies. Respondents stressed the importance of community-specific and community-driven analysis in order to truly understand the impacts and opportunities of the coal phase-out. Ultimately, municipalities want decision makers to understand the breadth of these impacts and help residents to thrive through this upcoming transition.

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Transition support should simultaneously consider job creation in the clean economy, opportunities to reduce poverty and increase equality, and the integration of Indigenous reconciliation.

– Labour representative, Dartmouth, NS

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Based on what we heard, we recommend that the Government of Canada:

Invest in Community Infrastructure

8. Identify, Prioritize, and Fund Local Infrastructure Projects in Affected Communities.

- Working with municipal, Indigenous, and provincial governments, the Government of Canada should look for ways to fund local infrastructure projects, including through existing programs like the Investing in Canada plan.
- New local infrastructure projects should help offset employment losses from the coal phase-out in the short term and support economic growth over the medium to long term.
- Wherever possible, and likely through local transition centres, connect affected coal workers and families to new employment opportunities from infrastructure projects.

Fund Community Planning, Collaboration, Diversification, and Stabilization

9. Establish a Dedicated, Comprehensive, Inclusive, and Flexible Just Transition Funding Program for Affected Communities.

- Communities need new funding for a variety of purposes, including undertaking planning activities like feasibility studies, community workshops, and action plans.
- A dedicated fund could provide bridge funding to municipalities experiencing tax-base shortfalls and lost economic activity caused by the coal phase-out. Doing so would enable continued local services, support communities to diversify, and incentivize communities to work together, whenever possible.
- Managed by a trusted partner like the Federation of Canadian Municipalities, this fund would offer a single window for communities to access supports, with multiple streams that address the range of needs:
  - Capacity funding to enable affected communities to plan for the future, including funding for communities or regions to hire transition coordinators;
  - Stabilization funding to help affected communities continue to deliver essential services, diversify their economies, create new job opportunities, and realize their economic potential; and,
  - Collaboration funding to bring affected communities together, possibly through a series of in-person workshops, and create a network of municipalities to share information, best practices, and lessons learned.
10. **Meet directly with affected communities to learn about their local priorities and to connect them with federal programs that could support their goals.**

- Affected communities would benefit from government-initiated discussions regarding opportunities to access existing funds, services, and programs. Doing so would help address the administrative burden of identifying, understanding, and applying for dozens of distinct initiatives.
- Wherever possible, multiple departments should travel together to meet with affected communities. This will reduce consultation fatigue and be the best use of communities’ time, given limited resources.
- Representatives of the Government of Canada’s Clean Growth Hub, which provides centralized advice on clean technology programs and services, should visit all the affected communities to explore how the Government’s clean technology programs could fund local priorities.
PART 3: A SUBSEQUENT PHASE OF CONSULTATION AND ANALYSIS ON JUST TRANSITION

More than ever before, Canada and countries around the world are finding ways to become cleaner and greener. The transition away from coal-fired electricity is only one piece. Projections suggest that Canada will decrease its use of fossil fuels starting as early as 2020.\textsuperscript{xxxvi} Wood Mackenzie, a global leader in energy data and research, projects that global demand for oil will peak in 2036.\textsuperscript{xxxvii}

At the same time, countries, sub-nationals like provinces and cities, and businesses are all taking serious action to reduce emissions in the face of the devastating impacts of climate change. The Government of Canada is implementing over 50 measures to fight climate change, increase resilience to the impacts of a changing climate, and support economic clean growth.\textsuperscript{xxxviii}

These efforts will provide concrete economic opportunities for Canadians.

**OPPORTUNITIES IDENTIFIED BY CANADA’S GENERATION ENERGY COUNCIL**\textsuperscript{xxxix}

The Generation Energy Council’s recent report identifies four main pathways to reach a low-carbon future and associated opportunities:

1. **Wasting less energy** will result in thousands of new jobs in the energy efficiency sector and could significantly contribute to Canada’s emissions reduction target.
2. **Switching to clean power** will attract businesses that put a premium on clean power, including technology companies, and support the creation of manufacturing jobs related to electric vehicles and batteries in Canada.
3. **Using more renewable fuels** will support the growth of Canada’s renewable fuel sector, creating new jobs and export opportunities that take advantage of Canada’s plentiful natural resources.
4. **Producing cleaner oil and gas** will help garner public support in Canada for new infrastructure projects that will result in local jobs and economic growth, while also renewing the reputation of Canadian oil and gas abroad.

The global and Canadian transition away from fossil fuels will impact all Canadians, but particularly those workers and communities who directly rely on the fossil fuel industry. To do so, the Government of Canada could undertake a subsequent and broader phase of consultation and analysis on just transition in Canada with industries beyond coal. This process could take several forms, including on a policy-by-policy basis—following our Task Force’s approach—or on a sector-by-sector basis. Any approach should involve Indigenous peoples, consistent with Canada’s commitment to renewing nation-to-nation relationships.

Establishing an independent task force of experts is a model to consider going forward. Many representatives saw us as fair and sincere brokers, who would report back to government openly and honestly. The creation of our Task Force, and our engagement approach, was valuable and important. It should be considered as a model going forward.

While workers and communities appreciated meeting with our Task Force, there were repeated calls to also meet with the Government of Canada, including before a decision is made and as actions are taken.

In moving forward on just transition the Government of Canada can take different approaches, including another Task Force. Regardless of the process, any further consultation and analysis must follow the Task Force’s Seven Principles for a Just Transition. Doing so will put us on the right path to prosper throughout the global transition to clean growth and a low-carbon economy.
PART 4: CONCLUSION

Climate change is happening now and we need to take serious action if we are to prevent catastrophic impacts. Canada is not alone in experiencing the impacts of climate change or in taking action to reduce the GHG emissions that are causing these changes. Over 180 countries are committed to doing their part to limit climate change, including countries that use coal to generate electricity.

Coal-fired electricity is one of the largest contributors to climate change, both globally and within Canada. It also has serious human health and local environmental impacts. That is why the Government of Canada is phasing it out and investing in the adoption of innovative clean energy solutions.

Actions on climate change, like the phase-out of coal, must however acknowledge and minimize the real-life impacts on workers, their families, and their communities. Additional and dedicated supports are needed in order for affected workers and communities to succeed throughout and beyond the transition. Some workers and communities, namely those in Alberta, are already urgently in need of federal support to complement their province’s initiatives.

By creating this Task Force, the Government of Canada has set expectations that it is serious in its commitment to support a just and fair transition for Canadian coal power workers and communities. Hearing directly from coal workers, their families, and communities underscored the need for just transition.

We urge the Government of Canada to turn commitment into action and advance our recommendations by providing just transition supports in three areas: Foundational, Workers, and Communities.

We expect the Government to go beyond the funding announced in Budget 2018 and provide increased and targeted investments in Budget 2019 and future budgets to achieve the Government of Canada’s goal of a truly just transition.

The Government of Canada has a window of opportunity, as well as the tools, authorities, and resources to not only adopt and implement our recommendations, but to demonstrate global leadership in “just transition” to a low-carbon economy.
A. RECOMMENDATIONS FOR THE GOVERNMENT OF CANADA

For the purposes of our recommendations:

**Affected Workers** means workers who have permanent jobs (full-time or part-time) at a coal mine or a coal-fired generating station, now and throughout the transition, including those workers who were laid off from these facilities starting in 2017;

**Affected Communities** means communities that depend on a coal mine or a coal-fired generating station for employment, tax or royalty revenue, services, impact benefit agreements, or economic activity.

**Embed Just Transition Principles in Planning, Legislative, Regulatory, and Advisory Processes to Ensure Ongoing and Concrete Actions throughout the Coal Phase-out Transition**

1. **Develop, Communicate, Implement, Monitor, Evaluate, and Publicly Report on a Just Transition Plan for the Coal Phase-out, Championed by a Lead Minister to Oversee and Report on Progress.**

   - Building on our report, the Government of Canada would initiate a multi-stage planning process for this transition in close collaboration with provinces, employers, workers, unions, municipalities, and economic development organizations.
   - The lead minister would be responsible for the plan and would be held accountable for its overall success. To ensure short and long-term accountability, the plan would clearly define and assign responsibility to all other ministers who are responsible for implementing parts of the plan. Key to the ultimate success of the plan will be the ability for federal departments and agencies to coordinate service delivery and prioritize expenditures in their respective areas of responsibility.
   - While the plan would have concrete and time-bound actions, it also needs to have the necessary flexibility to evolve as new transition options and opportunities emerge over the next decade.
   - An independent multi-stakeholder advisory council, comprised of trusted representatives, would provide advice and oversight to the Government on just transition. Through such a body, unions could continue to play an important role in policy development and delivery, respecting their deep knowledge of the issues, relationship with workers, existing networks, and long-term commitments to the workers, families, and communities.
   - The Government of Canada would work with partners to evaluate, assess, and report on the effectiveness of the plan and the phase-out’s actual impacts on workers and communities—from 2019 to 2030 and beyond.
   - Annual public reporting and a detailed report to Parliament every five years would ensure accountability and transparency.

2. **Include Provisions for Just Transition in Federal Environmental and Labour Legislation and Regulations, as well as Relevant Intergovernmental Agreements.**

   - New government actions must be robust and difficult to reverse, grounded by new legislative, regulatory, or intergovernmental obligations.
   - Including just transition provisions in relevant agreements between federal and provincial governments would demonstrate clear commitment and transparency, for example:
     - Equivalency agreements under the *Canadian Environmental Protection Act, 1999*;
     - Infrastructure Bilateral Agreements; and,
     - Labour Market Development Agreements.
• Widespread support for continued climate change action is at risk of eroding if strong just transition provisions are not embedded in climate change and labour policy.

3. **Establish a Targeted, Long-term Research Fund for Studying the Impact of the Coal Phase-out and the Transition to a Low-carbon Economy.**

• Academic studies can provide essential longitudinal analysis of phase-out impacts, transition support outcomes, and help ensure that best practices are widely shared.
• The focus would be on longitudinal, socioeconomic research to assess the effectiveness of governmental planning and programming, in addition to the impacts on workers, their families, and their communities.
• Such studies would support a multi-disciplinary and multi-stakeholder network to encourage sharing of information.

**Ensure Locally Available Supports**

4. **Fund the Establishment and Operation of Locally-driven Transition Centres in Affected Communities.**

• The Government of Canada would work with provinces, municipalities, regional organizations, employers, and unions to establish transition centres.
• Based on the lessons learned from earlier transition centres, affected workers would benefit the most from transition centres that:
  o Are launched before job losses;
  o Are open for at least two years post phase-out;
  o Involve a wide range of stakeholders in their management and operation;
  o Are staffed with local residents and experts, who can build face-to-face relationships with workers and families;
  o Create a single hub that provides a wide range of services, such as re-employment support (e.g., improving numeracy and literacy, writing resumes, starting a small business), training, and social support services;
  o Provide workers, families, and communities with the information they need to make sound decisions;
  o Provide financial advice and social and health services, including programs and counselling for families and youth, substance-abuse and addiction, and mental health;
  o Serve to connect affected workers with employment opportunities stemming from regional economic development and diversification.

**Provide Workers a Pathway to Retirement**

5. **Create a Pension Bridging Program for Workers Who Will Retire Earlier Than Planned Due to the Coal Phase-out.**

• This program would provide a financial bridge to retirement without compromising workers’ earnings and retirement benefits.
• How this program approaches pension bridging will vary depending on the type of each workplace plan. The program will need to be developed in close collaboration with unions, provincial governments and employers.
6. **CREATE A DETAILED AND PUBLICLY AVAILABLE INVENTORY WITH LABOUR MARKET INFORMATION PERTAINING TO COAL WORKERS, SUCH AS SKILLS PROFILES, DEMOGRAPHICS, LOCATIONS, AND CURRENT AND POTENTIAL EMPLOYERS.**

- A broad inventory would serve two main purposes:
  - Provide a baseline of labour market information;
  - Be the starting point for a job bank to help match workers’ existing skillsets with potential new employment opportunities, thereby helping workers make informed decisions about retraining or additional education.
- This inventory, or products based on it, would be developed in partnership with employers, unions, provinces, and municipalities, and be made available to workers, employers, transition centres, and researchers studying coal phase-out transition, while respecting privacy restrictions.
- By using this inventory, affected workers would have access to important information to assess future needs and opportunities, as well as to facilitate connections with potential employers.

7. **CREATE A COMPREHENSIVE FUNDING PROGRAM FOR WORKERS STAYING IN THE LABOUR MARKET TO ADDRESS THEIR NEEDS ACROSS THE STAGES OF SECURING A NEW JOB, INCLUDING INCOME SUPPORT, EDUCATION AND SKILLS BUILDING, RE-EMPLOYMENT, AND MOBILITY.**

- This fund could be a federal program or the Government could provide funding to the provinces to administer.
- A single window would provide workers with multiple streams of support to address a broad range of needs.
- An **income support stream** would address workers’ concerns about receiving adequate support as they transition to new employment:
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If a provincial government also provides travel or relocation assistance, any additional federal support should not replace or reduce the provincial assistance provided.

**Invest in Community Infrastructure**

8. **Identify, Prioritize, and Fund Local Infrastructure Projects in Affected Communities.**

- Working with municipal, Indigenous, and provincial governments, the Government of Canada should look for ways to fund local infrastructure projects, including through existing programs like the Investing in Canada plan.
- New local infrastructure projects should help offset employment losses from the coal phase-out in the short term and support economic growth over the medium to long term.
- Wherever possible, and likely through local transition centres, connect affected coal workers and families to new employment opportunities from infrastructure projects.

**Fund Community Planning, Collaboration, Diversification, and Stabilization**

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  - Stabilization funding to help affected communities continue to deliver essential services, diversify their economies, create new job opportunities, and realize their economic potential; and,
  - Collaboration funding to bring affected communities together, possibly through a series of in-person workshops, and create a network of municipalities to share information, best practices, and lessons learned.

10. **Meet Directly with Affected Communities to Learn About Their Local Priorities and to Connect Them with Federal Programs That Could Support Their Goals.**

- Affected communities would benefit from government-initiated discussions regarding opportunities to access existing funds, services, and programs. Doing so would help address the administrative burden of identifying, understanding, and applying for dozens of distinct initiatives.
- Wherever possible, multiple departments should travel together to meet with affected communities. This will reduce consultation fatigue and be the best use of communities’ time, given limited resources.
- Representatives of the Government of Canada’s Clean Growth Hub, which provides centralized advice on clean technology programs and services, should visit all the affected communities to explore how the Government’s clean technology programs could fund local priorities.
# B. Coal Fired Electricity Generating Units in Canada

<table>
<thead>
<tr>
<th>Generating Station</th>
<th>Owner</th>
<th>Number of active coal-fired generating units</th>
<th>Commissioning Year</th>
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<tr>
<td>H.R. Milner</td>
<td>Maxim Power</td>
<td>1</td>
<td>1972</td>
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<tr>
<td>Genesee</td>
<td>Capital Power/ TransAlta (TransAlta Co-owner of Unit 3)</td>
<td>3</td>
<td>1989, 1994, 2005</td>
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<tr>
<td>Sheerness</td>
<td>ATCO/TransAlta</td>
<td>2</td>
<td>1986, 1990</td>
</tr>
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<td>Boundary Dam CCS</td>
<td>SaskPower</td>
<td>1&lt;sup&gt;3&lt;/sup&gt;</td>
<td>1969</td>
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<tr>
<td>Poplar River</td>
<td>SaskPower</td>
<td>2</td>
<td>1981, 1983</td>
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<td>Shand</td>
<td>SaskPower</td>
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<td>1992</td>
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<tr>
<td>Point Aconi</td>
<td>NSPI</td>
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<td>1995</td>
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<td>NSPI</td>
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<td>Belledune</td>
<td>NB Power</td>
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<td>Brandon</td>
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</tbody>
</table>

<sup>1</sup> Unit end of life (EOL) dates—according to the amended coal electricity regulations, the final version to be published by end 2018—will vary. In the case of a unit whose commissioning date is before 1975, the EOL is the earlier of (a) December 31 of the calendar year that is 50 years after the commissioning date, and (b) December 31, 2019; and, in the case of a unit whose commissioning date is after 1974, the earlier of (a) December 31 of the calendar year that is 50 years after the commissioning date, and (b) December 31, 2029. The commissioning dates quoted are from publicly available information.

<sup>2</sup> One of the six units at Sundance was retired in 2018 and another one in 2017.

<sup>3</sup> Retrofitted with carbon capture and storage in 2014 and meets CO<sub>2</sub> emissions guidelines under the regulations.

<sup>4</sup> Of the three units at Coleson Cove, two burn heavy oil and the third co-fires petroleum coke, which is included under the Government of Canada’s coal-fired electricity regulations.
## C. Thermal Coal Mines in Canada

<table>
<thead>
<tr>
<th>Generating Station</th>
<th>Owner</th>
<th>Associated Generating Stations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highvale Mine</td>
<td>TransAlta</td>
<td>Keephills/Sundance</td>
</tr>
<tr>
<td>Genesee Mine</td>
<td>Westmoreland Company</td>
<td>Genesee</td>
</tr>
<tr>
<td>Sheerness Mine</td>
<td>Westmoreland Company</td>
<td>Sheerness</td>
</tr>
<tr>
<td>Paintearth Mine</td>
<td>Westmoreland Company</td>
<td>Battle River</td>
</tr>
<tr>
<td>Coal Valley Mine¹</td>
<td>Westmoreland Company</td>
<td>Domestic/export</td>
</tr>
<tr>
<td>Estevan Mine</td>
<td>Westmoreland Company</td>
<td>Boundary Dam/Shand</td>
</tr>
<tr>
<td>Poplar River Mine</td>
<td>Westmoreland Company</td>
<td>Poplar River</td>
</tr>
<tr>
<td>Stellarton Mine²</td>
<td>Pioneer Coal Limited</td>
<td>Trenton</td>
</tr>
<tr>
<td>Donkin Mine³</td>
<td>Kameron Coal</td>
<td>Lingan/export</td>
</tr>
</tbody>
</table>

¹ Thermal coal produced at the Coal Valley Mine is mainly exported.
² The Stellarton Mine sells coal for use at the Trenton Generating Station and is slated to close in 2019.
³ The Donkin Mine exports coal internationally and resumed supplying thermal coal within Nova Scotia in 2018.
D. EXISTING POLICIES, PROGRAMS, AND OTHER EFFORTS THAT COULD SUPPORT JUST TRANSITION

INTERNATIONAL

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

- Paris Agreement
- Solidarity and Just Transition Silesia Declaration

INTERNATIONAL LABOUR ORGANIZATION

- Guidelines for a just transition towards environmentally sustainable economies and societies for all

POWERING PAST COAL ALLIANCE

- Powering Past Coal Alliance Declaration

UNIONS

INTERNATIONAL TRADE UNION CONFEDERATION

- Call for Dialogue: Climate action requires just transition
- Just Transition – A Guide to National Policies and International Climate Governance

CANADIAN LABOUR CONGRESS

- Canada’s unions will help shape a just transition for coal workers

UNIFOR

- International Climate Crisis and Just Transition

ALBERTA FEDERATION OF LABOUR

- Getting It Right: A Just Transition Strategy for Alberta’s Coal Workers

GOVERNMENT OF CANADA

ENVIRONMENT AND CLIMATE CHANGE CANADA

- The Pan-Canadian Framework on Clean Growth and Climate Change

EMPLOYMENT AND SOCIAL DEVELOPMENT CANADA

- Labour Market Development Agreements
- Workforce Development Agreements
- Employment Insurance
- Apprenticeship (Red Seal Program)
- Future Skills
INNOVATION, SCIENCE AND ECONOMIC DEVELOPMENT CANADA

- Community Futures Program
- Clean Growth Hub
- Economic Strategy Tables

NATURAL RESOURCES CANADA

- Generation Energy
- Generation Energy Council

WESTERN ECONOMIC DIVERSIFICATION CANADA

- Western Canada Business Services Network
- Western Diversification Program
- Western Innovation Initiative

ATLANTIC CANADA OPPORTUNITIES AGENCY

- Business Development Program
- Innovative Communities Fund

ALBERTA

PROVINCIAL GOVERNMENT

- Coal Community Transition Fund
- Coal Worker Bridge to re-employment
- Coal Worker Bridge to retirement
- Coal Worker Relocation Assistance
- Coal and Electricity Transition Tuition Voucher
- Community and Regional Economic Support (CARES) program
- Transition to Employment Services
- Workplace Training
- Self-Employment Training

MUNICIPAL GOVERNMENTS

- Leduc County: Economic Development and Growth Management Strategy
- Parkland County: Parkland County Long-Term Strategic Plan
- Hanna: Cactus Corridor: Asset Mapping and Opportunities Study
- Flagstaff County: Flagstaff County Strategic Plan

SASKATCHEWAN

PROVINCIAL GOVERNMENT

- Transition Employment Allowance
- Provincial Training Allowance Assistance

MUNICIPAL GOVERNMENTS

- Estevan: Our Estevan Initiative
NEW BRUNSWICK

PROVINCIAL GOVERNMENT

● Workforce Expansion Self-Employment Benefit
● Workplace Essential Skills Program
● Employment Assistance Services
● Training and Employment Support Services
● Work Ability
● Training and Skills Development

MUNICIPAL GOVERNMENTS

● Belledune: Village of Belledune Strategic Plan
● Bathurst: City of Bathurst Strategic Plan / City of Bathurst Climate Change Adaptation Plan

NOVA SCOTIA

PROVINCIAL GOVERNMENT

● Workplace Innovation and Productivity Skills Incentive
● Regional Enterprise Networks
● Apprenticeship Training
● Skills Development
● Job Creation Partnerships
● START Program
● Self-Employment
● Works For You Program

MUNICIPAL GOVERNMENTS

● Municipality of the County of Richmond: Municipal Climate Change Action Plan
● Cape Breton Regional Municipality: Shaping the Future of the CBRM
● Municipality of Pictou County: Strategic Priorities Report
● Town of Pictou: Town of Pictou: Municipal Climate Change Action Plan
● Town of Stellarton: Our Plan, Our Town: Strategic Plan
● Town of Trenton: Trenton Municipal Planning Strategy / Climate Action Plan for the City of Trenton
It was beyond the mandate of the Task Force to determine the cost, funding requirements, and source of funds for this initiative.


Ibid.


Given the unique context of coal-fired electricity in Manitoba, the definitions of “Affected workers” and “Affected communities” do not include Manitoba.


Natural Resources Canada, the Natural Resources Satellite Account, 2016.


Ibid.


The Asthma Society of Canada, the Canadian Association of Physicians for the Environment, the Lung Association of Alberta and Northwest Territories, and the Pembina Institute, “A Costly Diagnosis: Subsidizing coal power with Albertans’ health”, 2013.

Environment and Climate Change Canada’s analysis of the 2012 regulations and the 2018 amendments are separate and distinct. Their results are not directly comparable and they cannot be summed, as the modelling for each uses different baselines, covers different timeframes, and deals with overlapping sets of coal-fired units.


Statistics Canada, “Table 14-10-0064-01 Employee wages by industry, annual”, 2018.


The Government of Canada’s investments include the $2 billion Disaster Mitigation and Adaptation Fund, the $2 billion Low Carbon Economy Fund, and significant portions of the $180 billion of the Investing in Canada plan.


Wood Mackenzie, “Global Energy Transition: When, why and how is the global energy transition going to happen?”, 2018.
