



WEBINAR

JUNE 2 | ZOOM

9 AM EDT | 4 PM EAT | 9 PM PST

From Principles to Practice:
How Institutions and Businesses
Can Lead a Just Transition

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Speakers:

- **Diana E. Paez (William Davidson Institute)**
- **Amanda Ullman, Ph.D. (U-M Institute for Energy Solutions)**

Moderator:

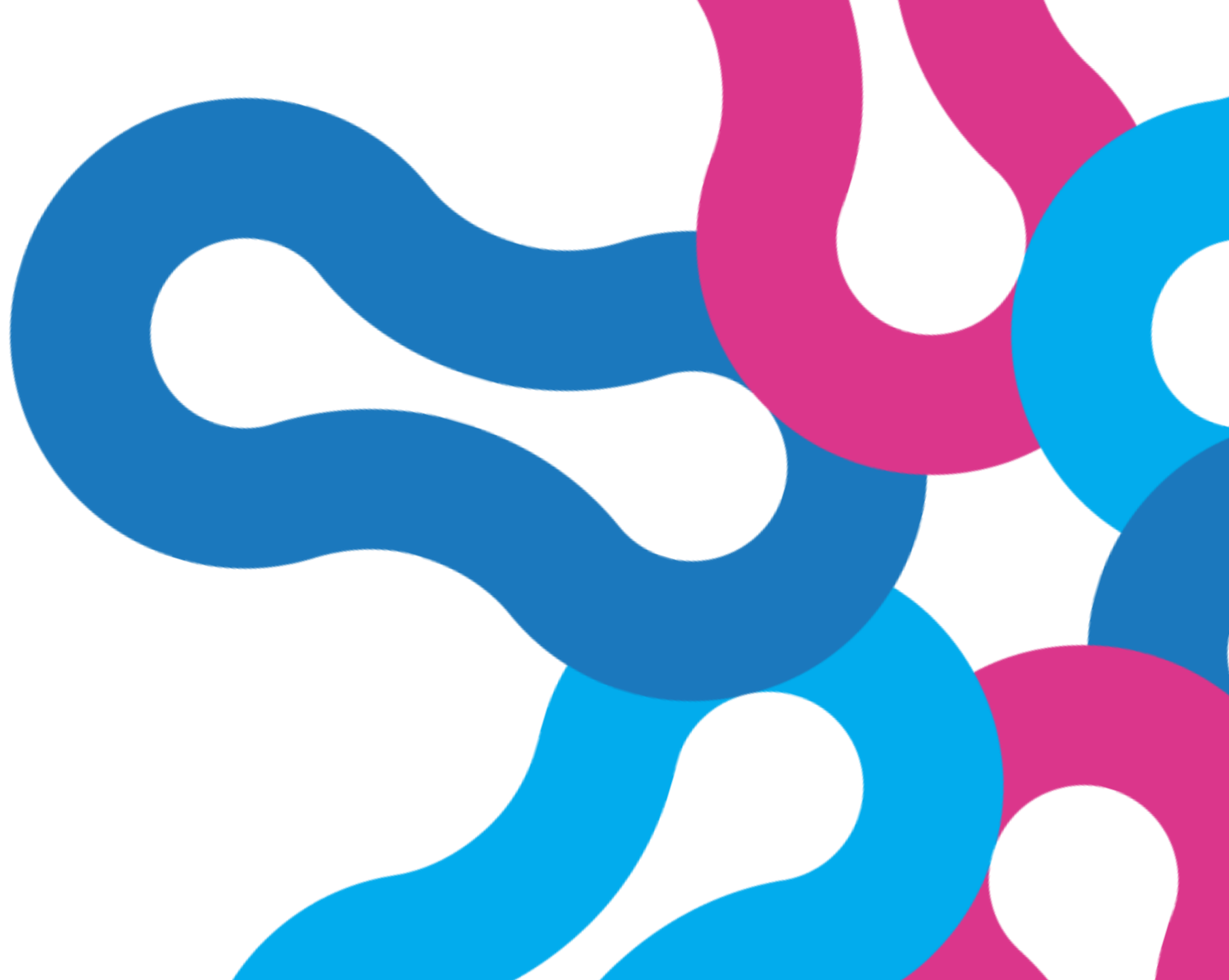
Yaquta Fatehi (William Davidson Institute)



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What is a just transition?

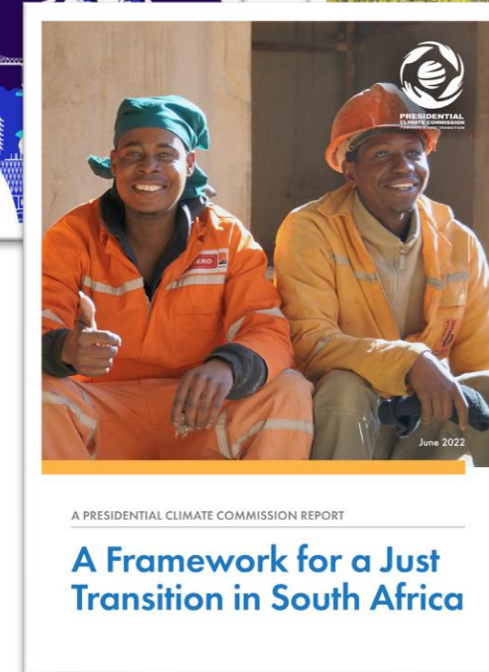
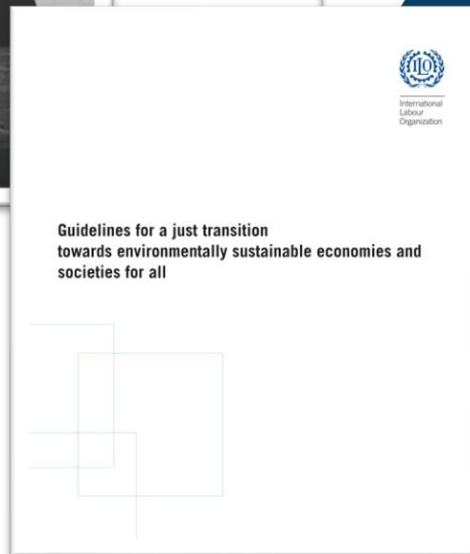
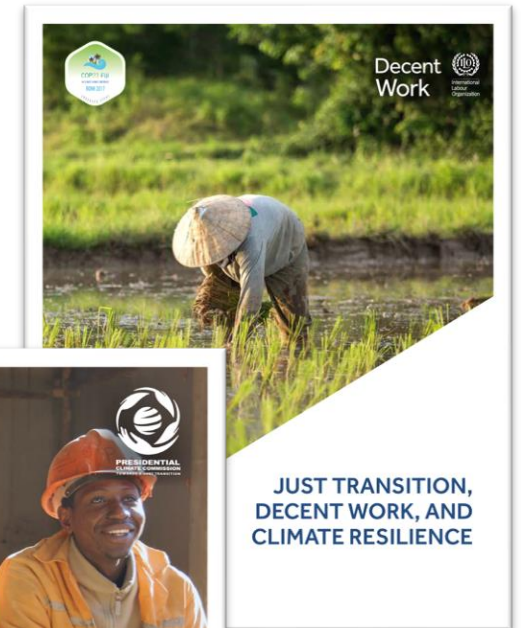
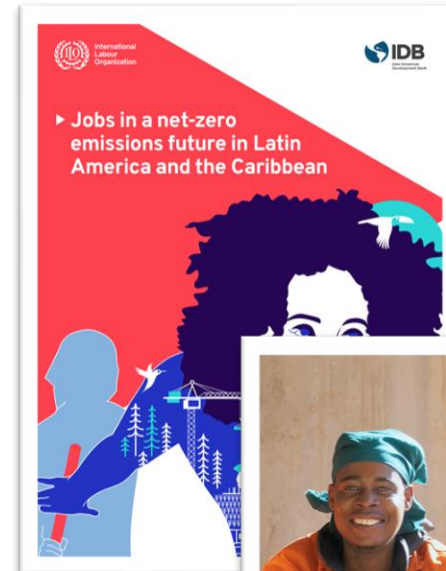
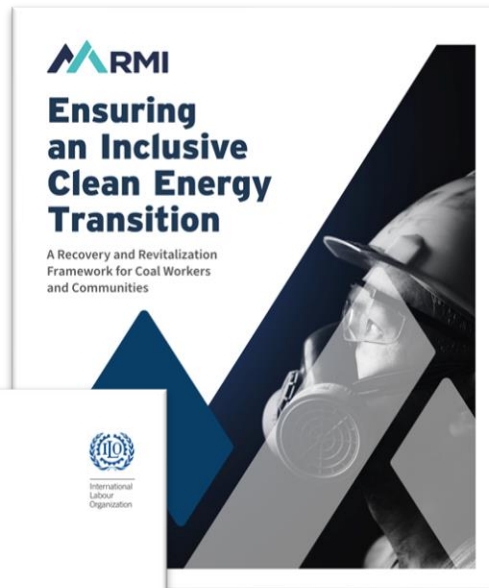
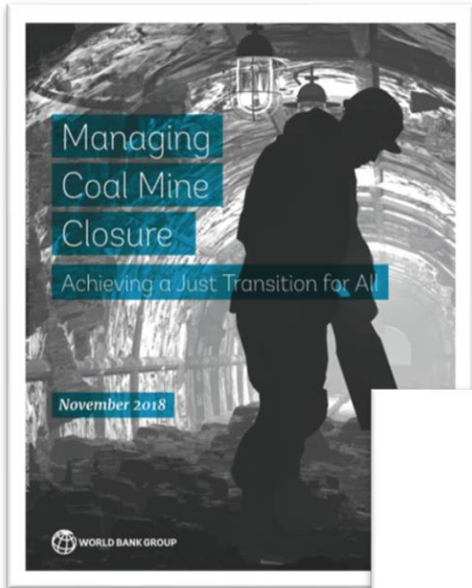


The Just Transition

- **Just Transition:** A transition to a low-carbon world that rectifies existing societal inequities and prevents future inequities
- Seeks to address the economic, environmental, & (in some cases) social & cultural consequences of energy transitions
- Particularly relevant for coal communities facing a contracting global coal market



Prominent Frameworks



Ullman, A. N., & Kittner, N. (2024). Are global efforts coordinated for a Just Transition? A review of civil society, financial, government, and academic Just Transition frameworks. *Energy Research & Social Science*, 108, 103371.

How do we define the “just transition?”

Supporting a just transition is mainly about connecting and incorporating environmental and social ambitions - as established by social and labor standards – into our net-zero strategy. – EDF France

How do we define the “just transition?”

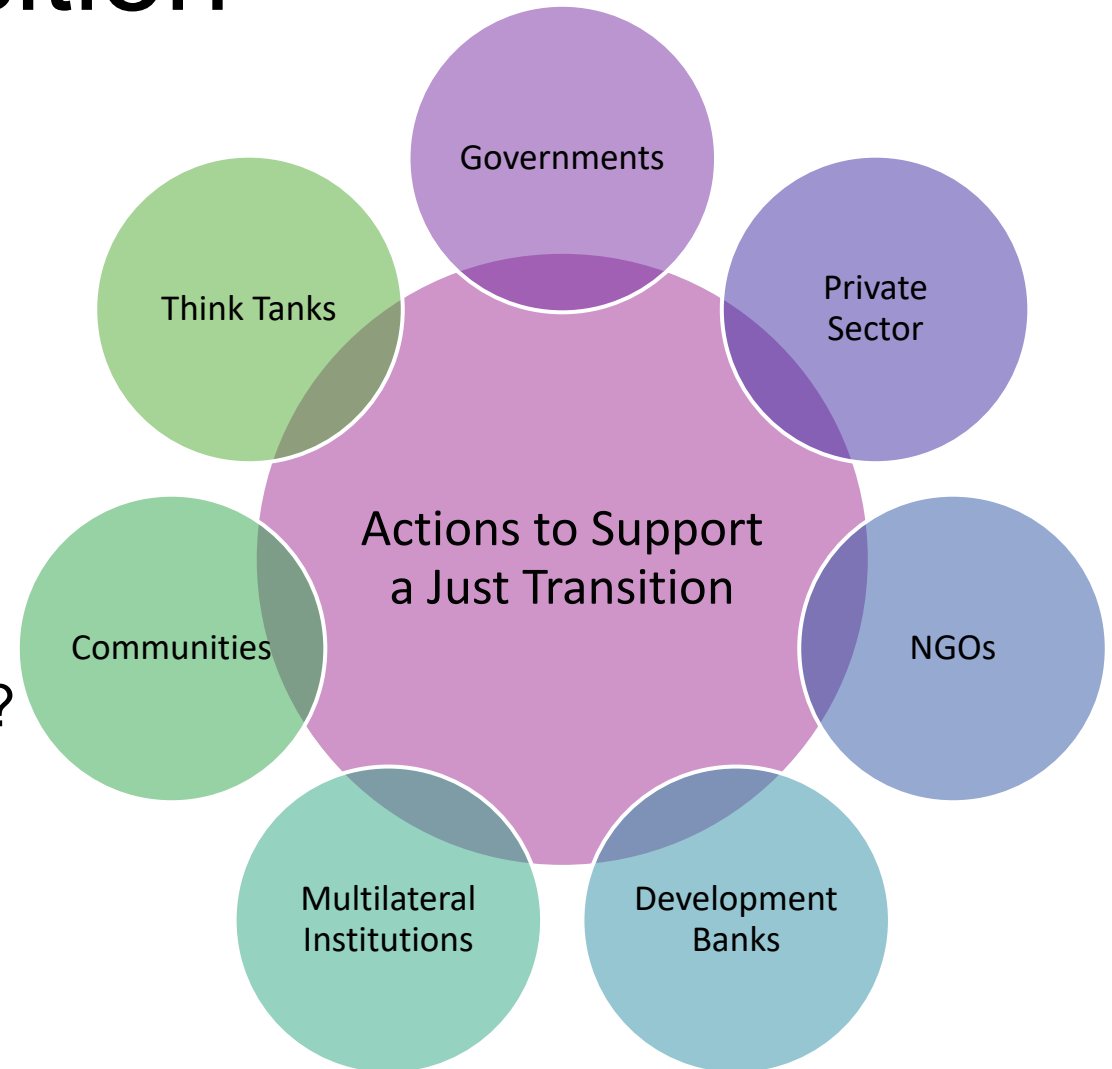
Just Transition demands that, hand-in-hand with the shuttering of the fossil fuel-based economy, a structured policy agenda ensures that workers who lose jobs or incomes because of the shift away from fossil fuels are economically supported, with expansive aid also flowing into the communities whose economic health was entirely or substantially dependent directly on fossil fuel industries or on the industries supporting fossil fuel production.” Friedrich Ebert Stiftung

How do we define the “just transition?”

Today, non-governmental organisations, academic researchers and some farmers’ groups are beginning to envision a “just transition” for agriculture. The idea is to reduce the impacts of agriculture while ensuring the livelihoods of those who cultivate, produce and process the world’s food.” Carbon Brief

The Role of Frameworks in a Just Transition

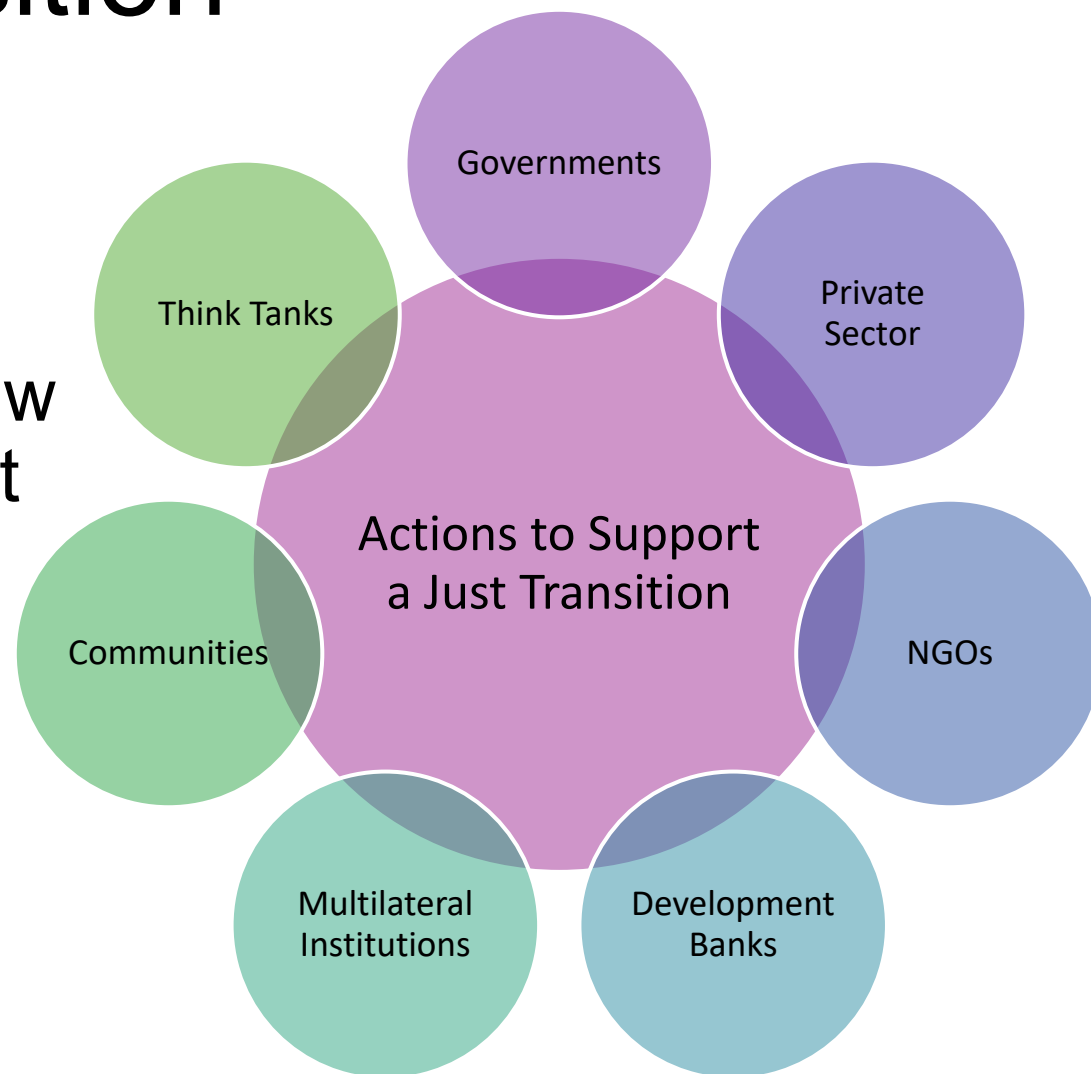
- Specification
 - Whose definition of “Justice”?
 - Scope of Desired Impacts
 - What are the goals?
 - Who is recognized as needing support?
 - What industries are included?
 - How long does the intervention last?
 - Policies & Actions
 - Who does what & when?



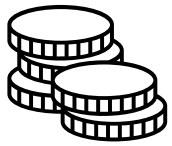
The Role of Frameworks in a Just Transition

From a measurement perspective, frameworks give us guidance on how to **operationalize** “justice” in the Just Transition

What criteria should we include?



82 Just Transition Concepts Identified



Economic

(e.g. Economic Diversification, Fiscal Policy)



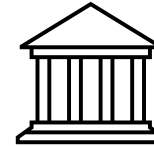
Environment & Energy

(e.g. Food Sustainability, Energy Access)



Jobs & Labor

(e.g. Skills Development, Job Creation)



Governance

(e.g. Intergovernmental Coordination, Transparency)



Social Justice

(e.g. Inclusive Participation, Decolonization)

Results: 82 Just Transition Concepts Identified

Economic

1. Bankruptcy Protection
2. Economic Diversification
3. Fiscal Policy (Tax/Subsidy)
4. Grant Funding/ Financial Assurance
5. Macroeconomic Growth
6. Reformation of Extractive Markets
7. Small & Medium Enterprise Support
8. Stranded Assets

Environment/Energy

9. Biodiversity
10. Climate Change Adaptation/Resilience
11. Mineral Development Plans
12. Emissions Abatement Technology
13. Energy Access
14. Energy Efficiency
15. Energy Poverty
16. Energy Security
17. Energy Sovereignty / Democracy
18. Environmental Remediation
19. Agriculture/Food Sustainability
20. No New Fossil Fuel Investments
21. Payment for Ecosystem Services
22. Renewable Energy Development
23. Responsible Tourism
24. Supply Chain Considerations
25. Waste Management
26. Water Management

Jobs/Labor

27. Collective Bargaining
28. Early Retirement
29. Indirect Job Impacts
30. Informal Workers
31. Job Creation
32. Job Quality Considerations
33. Job Search Assistance
34. Manufacturing
35. Mobility Support
36. Occupational Safety
37. Skills Development
38. Skills Matching

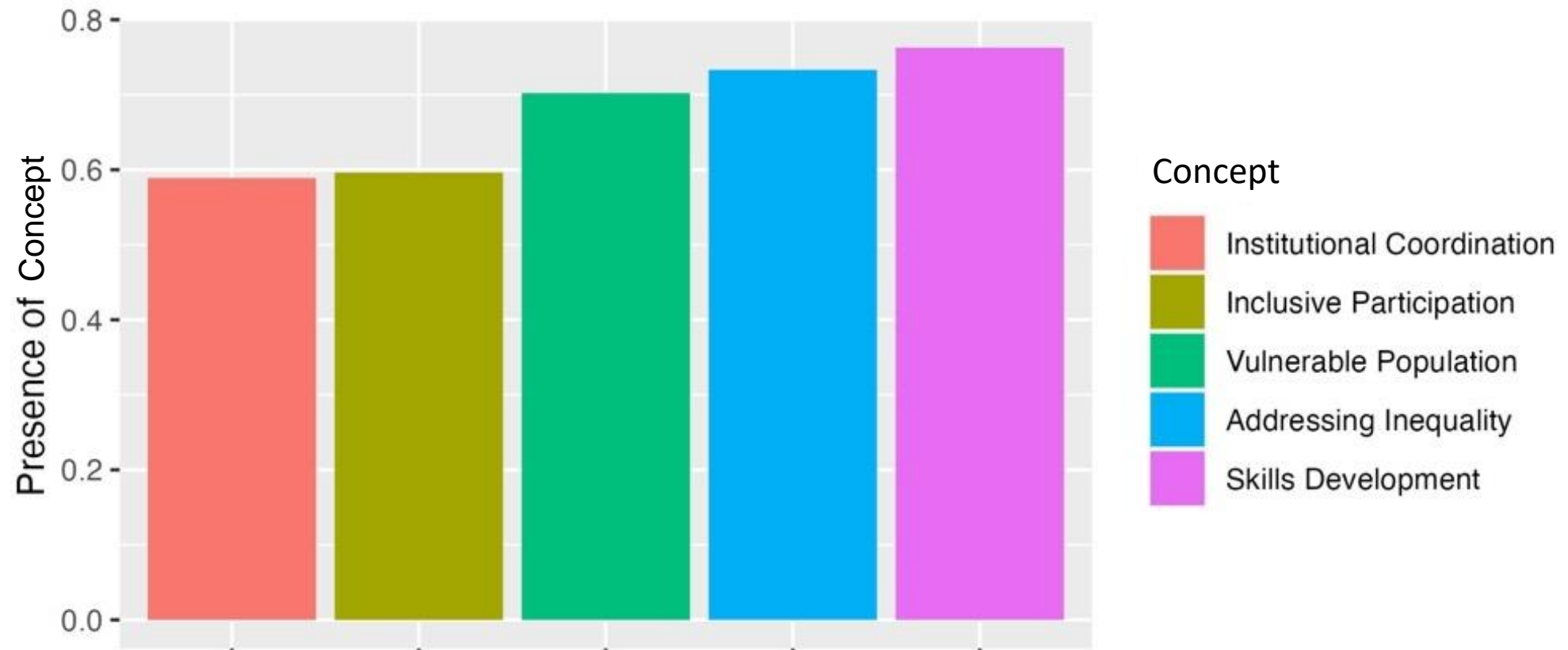
Governance

39. Anti-Corruption
40. Capacity Development
41. Clear Information
42. Common but Differentiated Responsibilities
43. Data-Driven
44. Dedicated Agency/Group Leadership
45. Education Reform
46. Flexibility
47. Innovation
48. Institutional Coordination
49. Intergovernmental Coordination
50. Local Infrastructure Development
51. Local Transition Centers
52. Long-Term Planning
53. Monitoring & Evaluation
54. Phased Approach
55. Pilot Projects
56. Place-Based Policy
57. Pre-emptive Planning
58. Privatization of State Mining Companies
59. Sectoral Approach
60. Technology & Knowledge Sharing
61. Transitions Research
62. Transparency

Social Justice

63. Affordable Housing
64. Anti-Gentrification
65. Community Control
66. Cultural Recognition
67. Decolonization
68. Gender
69. Human Health Impacts
70. Human Rights
71. Inclusive Participation
72. Inequality/Resource Redistribution
73. Internet Access
74. LGBT
75. Local Living Standard Improvement
76. Loss & Damage
77. Nature as its Own Entity
78. Psychological Care
79. Social Support Systems
80. Transportation Access
81. Vulnerable Populations
82. Youth & Generational Equity

Most Popular Concepts



Considerations

- Some universal expectations
- Regional differences in what should and should not be included
- Lack of coordination between frameworks may lead to mismatched funding criteria, policy evaluations, and framework suitability for LMICs
- Discrepancies between frameworks and community priorities draw concern for likelihood of “just” outcomes from community perspectives

**An example from
Philippines**

**Shift to electric
mobility**



Background

The Philippines is undertaking multiple efforts to advance e-mobility, as part of a broader program to modernize their transport system.

Some of the features of the transport sector in the Philippines are compounding factors in relation to just transition considerations.

Keeping these front and center can help us tease out more granular implications of this shift.

- 1 Low personal vehicle ownership, but growing fast
- 2 Paratransit fills gaps in formal system and is crucial for first and last mile connectivity
- 3 Informal services may be the sole mobility option for low income and rural populations
- 4 High level of informality = more vulnerable workers
- 5 Women substantially underrepresented as workers and users; safety concerns
- 6 Limited resources / less robust regulations = less adequate social protection systems



In the context of transport electrification

E-mobility brings opportunities and economic and climate benefits, but also poses challenges

- As we shift to e-mobility technology, the current systems, designed and based around internal combustion engine (ICE) technology and related structures come under pressure to change and adapt to the new paradigm that EVs represent
 - This will involve substantive changes that can have negative effects on specific groups and communities
- At the same time, many opportunities open up
 - The challenge often is to successfully sync the challenges with the opportunities, and to ensure that those impacted can benefit from such opportunities

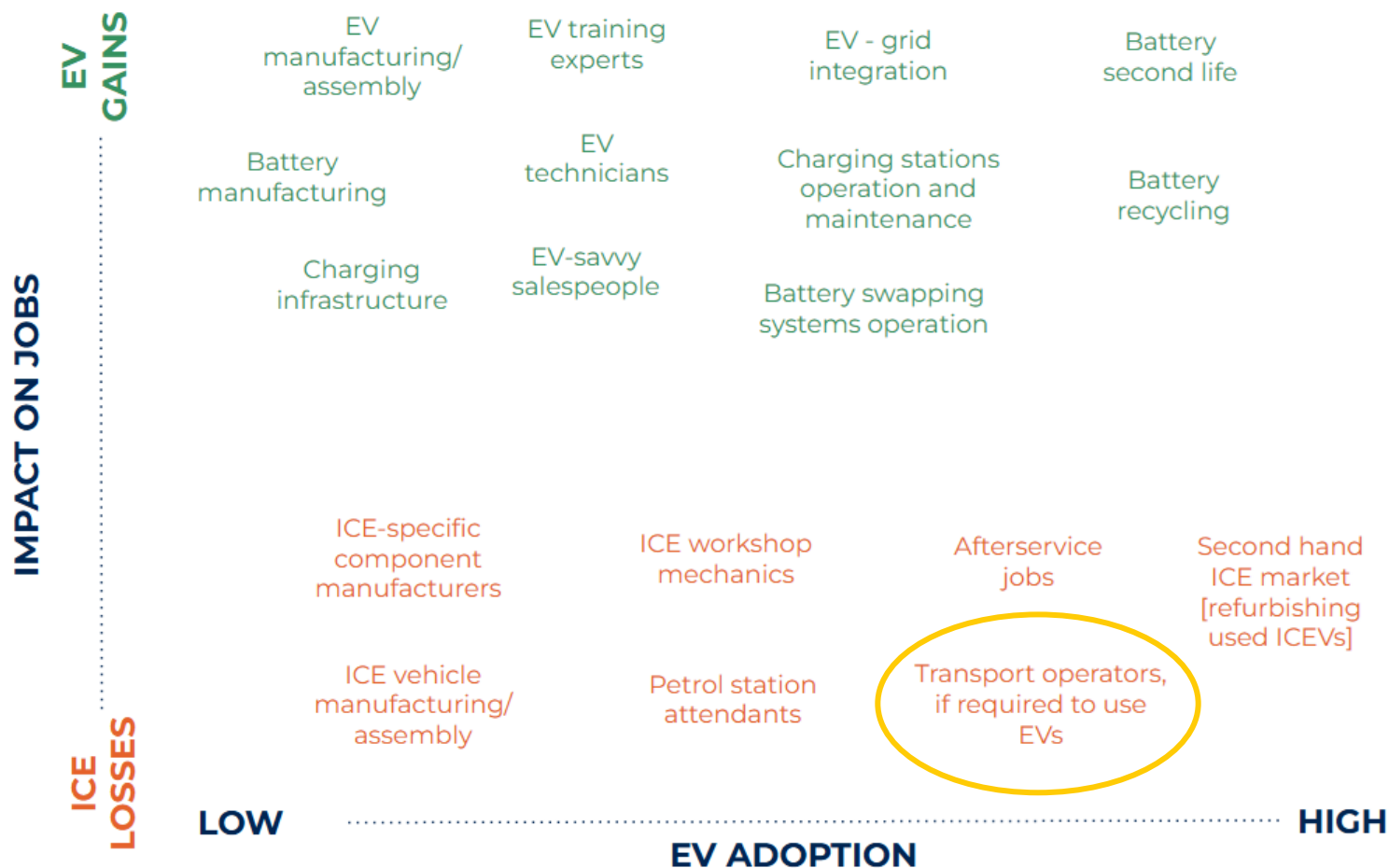
To adopt a just transition lens...

We should think in terms of **workers**, **users** of transport systems, and **community members** - i.e. people as participants in the making of these new technologies; as users and beneficiaries of them; and as members of communities positively or negatively impacted by them.





ICE to EV shift: Evolution of jobs and related impacts



Direct impacts

From upstream to downstream, jobs change, with new competencies and functions needed. As adoption progresses, new areas open up along the value chain (and beyond, i.e. electricity sector) while others phase out over time.

Indirect impacts

Decrease in indirect jobs in the supply chain, induced jobs (local retail, restaurants), and ripple effects for host communities in contexts with high concentration of ICE businesses: reduced local spending, loss of investment and the associated tax revenue, affecting public services, real estate, etc.

Timing

The speed of the shift is a function of accelerators (policy and market drivers) or barriers (low quality, inadequate policies, limited infrastructure, etc.)



A Filipino icon: the jeepney

Jeepneys are essential for urban mobility and employment in the Philippines, in addition to being cultural icons. At the same time, they are highly polluting vehicles and also pose safety and systemic risks that have been well documented.

For these and other reasons jeepneys are a key segment for electrification in the country, and are included in government mandates. Transport operators that manage jeepney fleets, in particular small-scale informal ones, face **challenges** as part of efforts to modernize these vehicles, which include replacing them with less polluting vehicles, including EVs.

There is clear recognition of the need to address the displacement of workers affected by these efforts to create alternative livelihoods that can lead to equitable outcomes for all.



Some challenges

- Affordability of new e-jeepneys, limited financing and credit for informal operators to replace their fleets
- Reduced employment opportunities as a result of consolidation and formalization of previously informal services
- Limited capacity to comply with new requirements that are perceived to favor larger companies over independent informal operators



How can we broaden the conversation to address impacts?

To investigate if and how we are embedding just transition principles into every step of the process, we can start by...

Asking questions



To do this, let's consider people as **workers**, **users** and members of impacted **communities**.

Building a just transition intuition

Means consistently reflecting on **who benefits**, **who is burdened**, and how we can ensure **fairness** at every step.





Workers

- Will ICE displaced workers be able to access reskilling opportunities for EV-related jobs, or adjacent jobs?
- Will the new jobs created be available to them?
- Will they have similar [or better] benefits and protections?
- If there is a gap on employment, are there safeguards in place?
- Are there mechanisms for drivers/operators to afford the switch to EVs when mandated by policies?

Users

- How might the switch to EVs impact transport system users? Will it raise costs or restrict access to current modes on which low-income communities depend?
- Are EVs affordable and accessible to low income communities?
- Are the EV alternatives appealing to users?
- Are the new, cleaner options as convenient as the current service?
- Is charging infrastructure available to all communities, not just certain groups?

Communities

- How reliant are specific groups or communities on ICE-related employment?
- Which ancillary services might be scaled back as a result of job losses?
- What economic alternatives exist for the community?
- Do community groups have capacity and resources to pursue such alternatives?
- Will all communities, especially disadvantaged ones, be able to reap the benefits of clean air, better and safer transport as a result of electrification?



As we understand these impacts

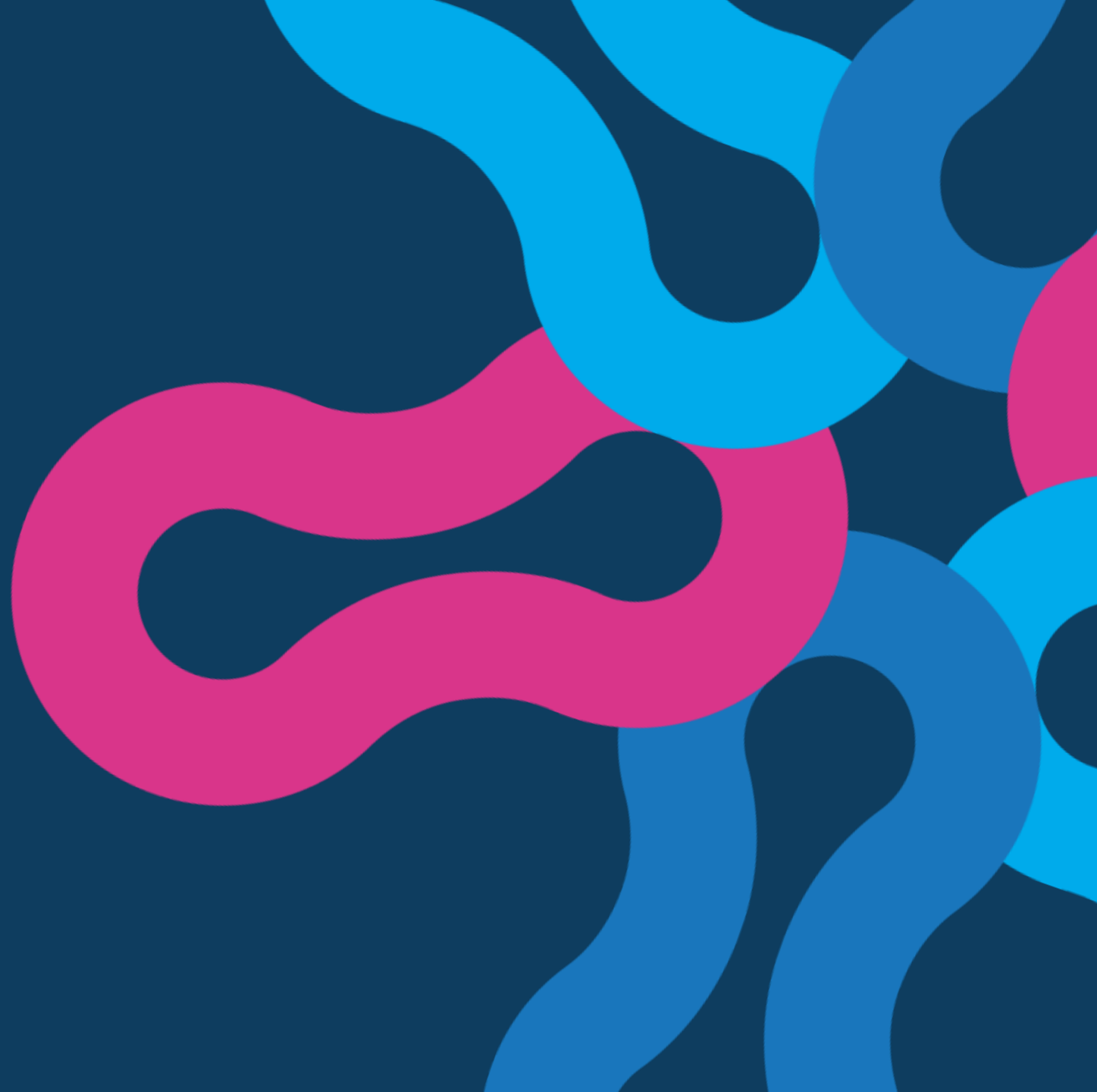
We can design, implement and monitor programs to mitigate negative impacts, include all affected groups, and lead to more equitable outcomes



Leading to a just transition

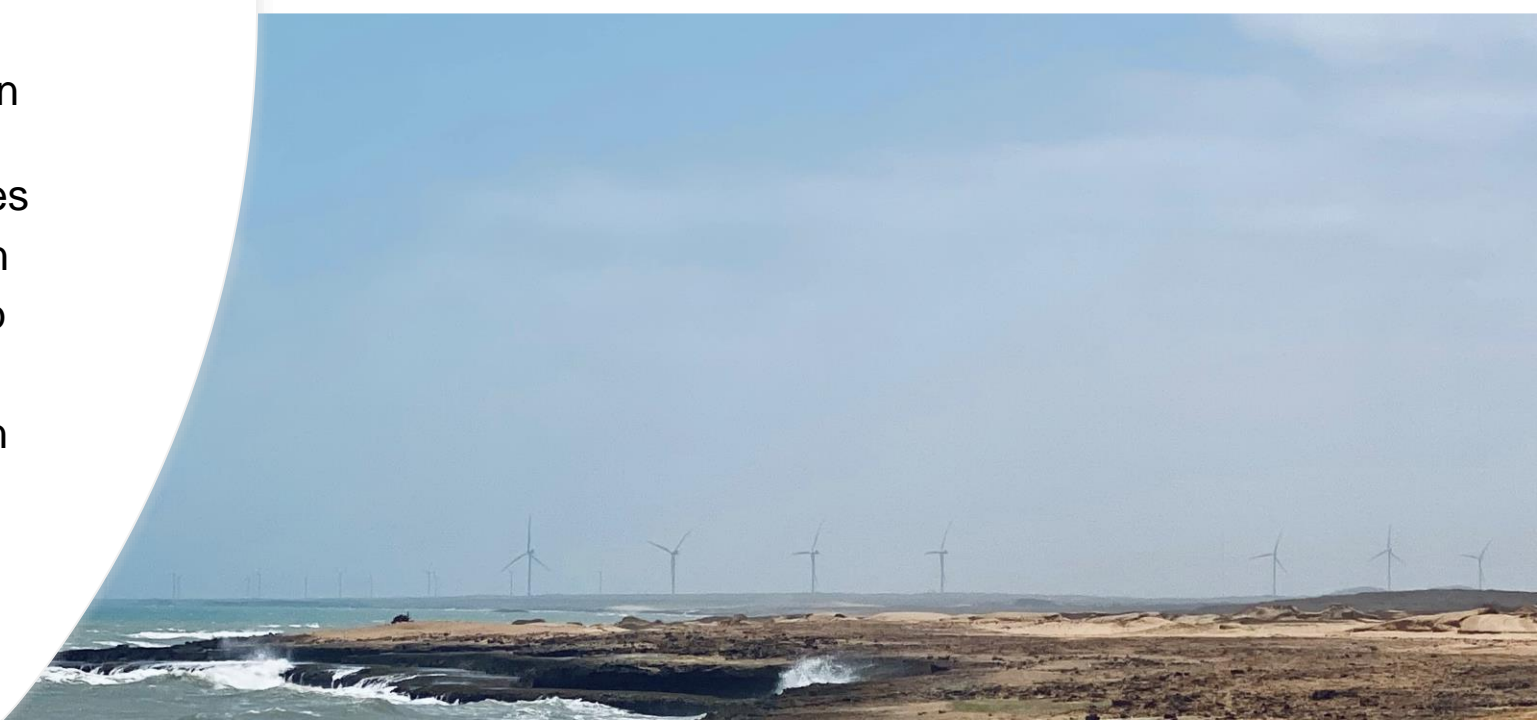
**An example from
Colombia**

Community engagement



La Guajira, Colombia

- Coastal, semi-desertic department (state)
- Ancestral territory to the Wayuu tribe, the largest indigenous group in Colombia
- Abundant energy resources:
 - El Cerrejón: Largest open-pit coal mine in South America
 - 18 GW of potential wind energy resources
 - Significant solar & natural gas production
 - Epicenter of Colombia's plans to develop their national hydrogen industry
- 4th highest level of multidimensional poverty in Colombia
 - Extreme drought and food insecurity



Historical Conflict with El Cerrejon

- Displacement of indigenous and afrocolombian communities
- Loss of local cultural and sacred sites
- Environmental degradation
- Introduction of vices and paramilitary actors into neighboring communities



El más poderoso grupo energético de Portugal dice adiós y suspende 2 proyectos eólicos en La Guajira

La empresa EDP Renováveis, cuyo propietario es el Grupo Energías de Portugal tomó la decisión de no seguir con los parques Alpha de Vie

Por:



25 mayo 2023

Enel Colombia suspende indefinidamente la construcción del parque

Celsia renuncia a parques eólicos en La Guajira y estudia la venta de estos proyectos

La empresa ha tenido dificultades con los trámites ambientales y de consulta previa.

Repetition of Past Extractive Cycles

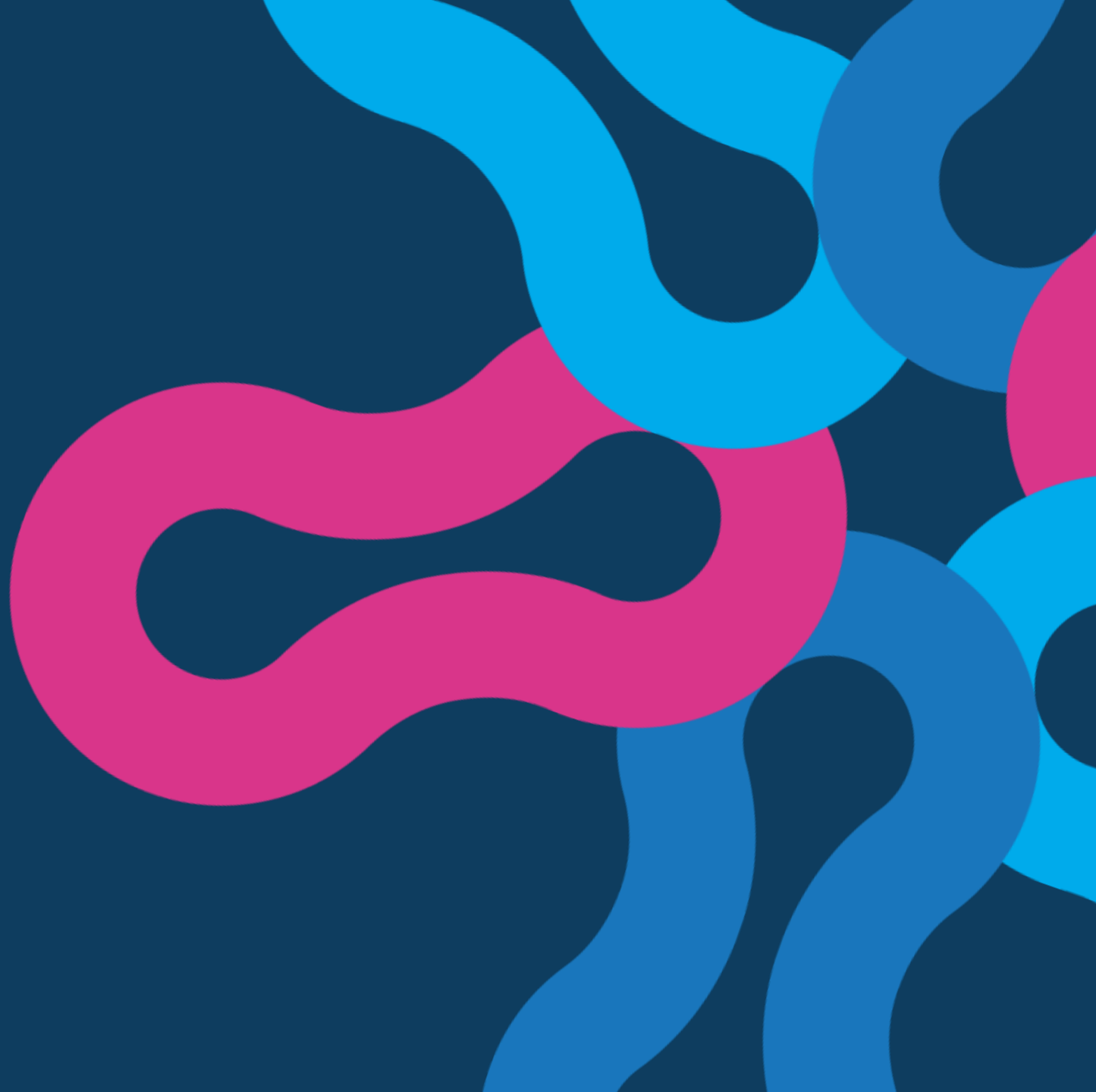
- Wind farms sited for development in ancestral Wayuu territory
- Lack of resources available to support communities in negotiations
- Corruption reported in the multinationals, governments, NGOs, and communities
- Few communities set to benefit through local electrification from the projects
- Workers to be brought in from other regions
- Inter- and intra-clan conflict from concern over fair dispersion of resources

Takeaways for Future Negotiations

- History and context matter in negotiations
- Integration of transparency and anti-corruption measures is vital
- Consideration for development's impacts on social fabrics
- Provision of resources to communities to support fair negotiation processes
- Alignment of benefits to community needs
 - Impacts of food and water insecurity
 - Anticipatory training and education programs to support local employment
 - Fair compensation for loss of ancestral territory

**An example from
Michigan**

**Nuclear
decommissioning to
recommissioning**



Background: Palisades Nuclear Power Plant (PNPP)

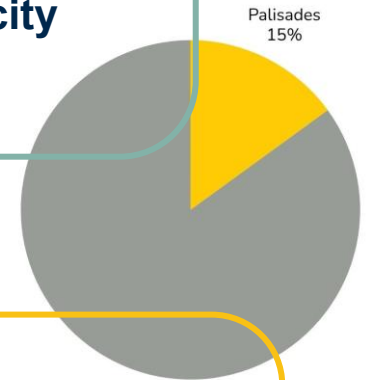
Palisades Nuclear Power Plant is a 800-megawatt nuclear power plant constructed by Consumers Energy and the 20th nuclear plant in the country.



Since 1971, Palisades became a crucial economic driver in three counties, Van Buren, Berrien, and Cass

In context

In 2020, Palisades electricity contributed to **15% of carbon-free power generation in Michigan**, approximately **5.6% of the state's total electricity generation**



Economic booster

During its operation, **the nuclear power plant employed 600 workers and supported over 1,100 local jobs.** The power plant contributed 40% of tax revenue in Van Buren County, the host community

PNPP Decommissioning

Due to a combination of financial and safety concerns, the plant closed in 2022.

Community involvement:

Palisades Community Advisory Panel was established by Van Buren County and **comprised of local residents** to inform residents of post-closure power plant activities, **facilitate public access to Palisades decommissioning trust fund**, and advice on Palisades decommissioning plans and activities.

Dislocated workers:

- Some employees were offered jobs at other facilities
- Some were retained to work on the decommissioning
- Some retired, some had to find other employment

Economic impact...

334 direct jobs were immediately eliminated when Palisades shut down. **The three counties estimated 739 overall job losses**, particularly in retail, food, and employment service sectors. 259 million USD were **lost annually from value-added location of the three counties** and labor income*.



*Based on a 2023 assessment by EGI at University of Michigan





Support to develop a recovery strategy

Early planning and community involvement to prepare for the closure

Nuclear Closure Communities (NCC) program of the U.S Economic Development Administration (EDA) and Energy Transition Impact Project

- Provided a grant to support the Southwest Michigan Planning Commission and a collaborative of partners to assess economic impacts and develop an action plan for economic diversification.
- Three-year process
- Discussions about a potential reopening emerged as the process was ongoing
- If plans change again, there is a foundation for alternative pathways



Then, recommissioning plans

- Holtec International, a company specializing in nuclear decommissioning, purchased the plant in June 2022 with the original intent to dismantle it
- Pivot toward plan to restart the reactor shortly thereafter, driven by several trends:
 - Phasing out coal-fired power generation sources
 - Shifting views and sentiment about nuclear energy was rebounding
 - Demand for clean energy increasing
- Federal and state government funds provided for the restart

Community engagement

NRC and Holtec have hosted multiple community meetings to provide information about the commissioning process and hear concerns from local residents and other groups



Regulators



Local hires



Business
owners



Households
near PNP



Farmers



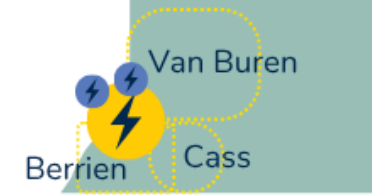
Reopening Palisades Nuclear Power Plant



Recommissioning

In line with Michigan Healthy Climate Plan's goal to reach 100% clean energy by 2050, the Palisades is expected to repower in 2025, with capacity to power **800,000 Southwest Michigan houses**. The project aims to create/retain at least 1,000 jobs in the region.

Two SMRs will also be added to the site by mid-2030, and may become America's first pair





A complex case study for energy transition

Aspect	Decommissioning Impact	Recommissioning Impact
Jobs	Immediate loss of ~200 jobs; total regional job losses estimated at.	Preserves/sustains ~600 high-quality jobs; creates over 1,000 additional jobs during refueling cycles. Holtec has committed to recruit from disadvantaged and environmental justice communities across Southwest Michigan.
Local economy	Significant reduction in labor income; loss of property tax revenue and charitable giving; ripple effects in retail, food, and services.	Boosts local economic activity; restores tax base; supports local businesses and community programs
Clean energy	Loss of 800 MW of carbon-free electricity; potential increased reliance on fossil fuels.	Restores 800 MW of baseload, carbon-free electricity; supports state and national clean energy goals. However, critics argue that investing in nuclear may divert resources from truly renewable energy like wind and solar
Environmental concerns	No new environmental risks from plant operation; focus shifts to waste storage and site management.	Concerns about radioactive waste, safety, and long-term environmental impacts; NRC draft assessment found "no significant impact" but some groups demand a more comprehensive review.





global
evaluation
initiative

Thank you!