



Department of Energy

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U.S. Department of Energy - Just Transition

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The U.S. is taking crucial steps towards planning for a just and equitable transition to clean energy. Through the passage and implementation of the Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act (IRA), the U.S. has taken action to promote good energy jobs and energy justice and to ensure the engagement of labor and community stakeholders.

This issue brief focuses on “just transition.” Just transition is a framework that emerged from the U.S. labor movement in the 1970s to assert that workers should not be left behind by environmental policy.ⁱ A generation of environmental and trade policy that failed to protect workers led many to believe that good jobs and a clean environment are competing priorities.ⁱⁱ Unions have argued that policy must protect incumbent energy workers and their communities by ensuring that jobs in the clean energy transition will not result in lower paying, more precarious employment for new and incumbent workers alike.ⁱⁱⁱ **Just transition addresses head-on the threat of climate action and technological and economic change to workers’ livelihoods.**

Just transition has gained traction in the international labor community where unions have successfully advocated for a set of just transition principles to be referenced in global climate negotiations. These principles are recorded in the International Labor Organization’s (ILO) [*Guidelines for a just transition towards environmentally sustainable economies and societies for all*](#) (signed by the U.S. in 2015) and referenced in the [*Paris Agreement*](#). Globally, the labor movement has promoted a robust just transition approach to move past the “jobs versus the environment” dichotomy and build broad public consensus on climate action.^{iv}

What is a Just Transition?

According to the ILO Guidelines, a just transition in the implementation of net-zero policy must contain these central elements: the transition needs to be well managed, ensure the participation of all stakeholders, and contribute to the goals of social inclusion, the eradication of poverty, and “decent work.” Decent work is defined by four elements: **social dialogue** amongst employers, labor, and government; **social protection** or social welfare programs to safeguard populations against adverse impacts and reduce vulnerability to economic shifts; **rights at work**; and **employment**. Specifically, the [U.S. Department of Labor](#) identifies that policy and planning for a just transition must achieve the following:

- Creates good jobs in which workers’ rights are respected and protected across energy supply chains.
- Ensures that workers are at the table when there’s a discussion about the climate agenda and participate in decision-making, including through collective bargaining.

- Promotes investment and job retention in communities impacted by the transition.
- Encourages companies' investment in zero-carbon sectors while also promoting quality jobs and decent work in these industries.
- Provides workers training to build pathways into new jobs or industries and social protection to ensure their needs are met during the transition.
- Ensures gender and racial equity and inclusion of Indigenous and tribal groups and other marginalized workers.

How Does Just Transition Relate to Energy Justice?

Domestically and internationally, just transition and energy justice are often conflated, but they are distinct ideas with distinct histories and goals. While the U.S. is addressing both of these objectives, it is critical to understand the specific concerns associated with these policy objectives. The distinction is necessary to ensure worker participation and empowerment in policy, investment, and technology discussions and decisions in the energy sector.

Energy justice concerns righting the wrongs of an unjust energy system. For much of U.S. history, certain communities—communities of color, Tribes, rural communities, low-income communities—have borne the costs of the fossil-based energy system such as disproportionate energy costs and pollution exposure and led efforts to correct these injustices.^v Approaching a clean energy transition through the lens of energy justice ensures that these same harms are not replicated for frontline communities. At DOE, we define energy justice as “the goal of achieving equity in both the social and economic participation in the energy system, while also remediating social, economic, and health burdens on those disproportionately harmed by the energy system.”^{vi}

Achieving a just and equitable clean energy transition requires that the most impacted communities and workers participate in energy and related policymaking and implementation to ensure a just transition and environmental, energy, and climate justice. While related, energy justice and just transition each require specific actions and policy support.

- **Just transition** addresses worker empowerment and collective bargaining between employers and workers during the transition process itself; emphasizes the creation and retention of good jobs with labor rights across the transition; and underscores the need to support workers and communities affected by the shift to a sustainable economy. The intended outcomes are participation of workers and their representatives in policy and decision-making, social protection of dislocated workers and inclusion of marginalized workers in the energy transition, protecting rights at work, and ensuring high-quality employment in the energy transition.
- **Energy justice** empowers community stakeholders to address injustice in the broader energy system. The intended outcomes are wide ranging and seek to ensure fairness in energy access, distribution, and decision-making in the process and outcomes of cleaning up legacy industries, implement new technologies, respond to climate-related extreme weather and disasters, and generally planning

for climate mitigation and adaptation. The Department of Energy (DOE) has outlined eight, key energy justice priorities: 1) decrease energy burden in disadvantaged communities; 2) decrease environmental exposure and burdens for disadvantaged communities; 3) increase parity in clean energy technology access and adoption in disadvantaged communities; 4) increase access to low-cost capital in disadvantaged communities; 5) increase clean energy enterprise creation and contracting in disadvantaged communities; 6) increase good clean energy jobs, job pipeline, and job training for individuals from disadvantaged communities; 7) increase energy resiliency in disadvantaged communities; and 8) increase energy democracy in disadvantaged communities.^{vii}

A **just and equitable transition** is not possible without engaging workers and their organizations and promoting decent work and labor rights. In addition, creation of, inclusive access to, and pathways into good jobs with labor rights is fundamental to meeting many gender, racial, Indigenous, and economic equity outcomes in energy transition. Just transition actions complement the dedicated energy justice agendas and actions that are needed to address energy, environmental, and climate justice in domestic and international fora.

How has the U.S. advocated for Just Transition internationally?

The U.S. has supported just transition both at home and abroad through multilateral climate and economic policy fora. In November 2023, President Biden issued a [Presidential Memorandum on Advancing Worker Empowerment, Rights, and High Labor Standards Globally \(“Global Labor”\)](#) to take an all of government approach to ensure high labor standards, bring workers’ voices to the decision-making table, and enforce rules against unfair labor practices, including forced labor and denial of the right to organize. The Memorandum specifically calls for elevating just energy transition in energy dialogues and international cooperation, building on years of work in this area.

Internationally, the U.S. DOE has worked to promote the following objectives as part of its mission to ensure America’s security and prosperity by addressing its energy, environmental and nuclear challenges through transformative science and technology solutions.

- Demonstrate the policy and administrative strategies successfully deployed in the U.S., understanding that all may or may not be appropriate or possible in different national contexts;
- Affirm the ILO Guidelines for Just Transition;
- Emphasize the importance of social dialogue and engagement with workers, employers, and governments in developing industrial and energy policy;
- Insist that workers are at the table in policy and decision-making and work with partners to make sure labor organizations, trade unions, and worker advocates meaningfully participate in energy investment and transition planning;
- Ensure that rights at work are protected along energy supply chains; and
- Promote that the energy transition must secure decent work for all.

The U.S. has participated in multilateral discussions and contributed to documents to help build international consensus for just transition. These international agreements and position statements represent the negotiated position of the U.S. and other signatory countries, and not all represent the full breadth of U.S. policy position and ambition for just transition. Among these are:

1. The International Labour Organization’s (ILO) “[Guidelines for a just transition towards environmentally sustainable economies and societies for all](#)” (2015)
 - a. Updated with the ILO [Resolution concerning a just transition towards environmentally sustainable economies and societies for all](#) (2023) that emphasizes gender equity and participation of marginalized workers.
2. [The Paris Agreement \(2015\) Preamble Paragraph 10](#)
3. The UN Climate Change Conference UK 2021 “[Supporting the Conditions for a Just Transition Internationally](#)”
4. Clean Energy Ministerial – 15 Empowering People Initiative
5. United Arab Emirates Just Transition Work Programme – COP28 Decision 3/CMA.5 - December 2023

The US also engages with just transition-related issues in standing bilateral and multilateral fora, including developing the Fortaleza, Brazil G20 Labour and Employment Ministerial Declaration (July 2024) and the G20 energy transition principles (2024). The US also provides support to Just Energy Transition Partnerships with Indonesia and South Africa and increasingly incorporates labor and just transition related provisions into its trade-related agreements (such as APEC) in line with the Global Labor Presidential Memorandum (PM). In addition, the PM directs the Secretary of Energy to promote workers’ role in bilateral and multilateral engagements, including with the ILO, the International Renewable Energy Agency, the International Energy Agency, other UN agencies, the Net Zero World Initiative, the UNFCCC, and the Clean Energy Ministerial.

How has the U.S. pursued just transition domestically?

With the passage of BIL and IRA, the U.S. has embarked upon a path that reflects key just transition principles, as part of an historic reinvestment in domestic energy, energy supply chains, and manufacturing. BIL and IRA have strong labor standards and include targeted investment in energy communities.^{viii} Policy advanced by agencies to implement these laws support robust processes to include labor and community engagement and outcomes in energy project deployment, including workers’ rights to collectively bargain. The key actions that the US government has taken to implement its just transition strategy are organized in three categories below, aligned with the central principles of just transition.

1. Worker Engagement, Good Jobs, and Labor Standards

Policy guidance on the implementation of the Invest in America agenda embeds principles of just transition by seeking proactive labor and community engagement and commitments to decent work across investments in clean energy projects.

1.1 Community Benefit Plans

The principles of just transition are best reflected in the [Community Benefits Plan \(CBP\)](#) requirements, the DOE’s unprecedented approach to operationalize community and labor considerations as conditional requirements for nearly all grants and loans funded through the BIL and IRA. These CBPs, scored as part of the technical merit review of proposals and integrated into the terms and conditions of awarded projects, require applicants to consider and meaningfully address job quality and proactively engage communities and labor across four core policy priorities:

1. Engaging communities and labor, with a focus on legally enforceable, negotiated agreements;
2. Investing in America’s workers through quality jobs, including support for worker organizing and the right to collective bargaining;
3. Advancing diversity, equity, inclusion, and accessibility through recruitment and training; and
4. Ensuring benefits flow to disadvantaged communities.

The CBP requirements also exemplify the complementarity of just transition and energy and environmental justice as applicants must integrate proactive labor and workforce efforts with environmental and energy justice considerations. While specific to certain federal investments at the DOE, the CBP framework serves as an exemplar for implementing just transition principles and promoting energy and environmental justice. Already, similar approaches have been proposed or enacted legislatively, across federal agencies, at the state level, and internationally. Similar efforts have also been applied to other governmental activities, such as permitting and siting processes or the leasing of public lands, waters, and natural resources.

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1.3 Labor Standards

Strong labor standards embedded in BIL and IRA promote decent work across the clean energy industry. All projects funded, in whole or in part by BIL that involve construction, alteration or repair are required to follow Davis-Bacon Act standards.^{ix} The Davis-Bacon Act helps ensure that federally funded projects prioritize workers and protect communities by upholding geographically and occupation specific prevailing wages and standards. It also includes tracking to ensure compliance.^x

More than 70% of the IRA’s impact is estimated to come through extending investment and production tax credits.^{xi} For the first time, the IRA included bonuses for taxpayers who pay prevailing wages and hire apprentices enrolled in registered apprenticeship programs for a minimum share of hours worked on a project. Taxpayers who meet these standards can see the value of their tax credit increase up to fivefold.^{xii}

2. Identifying and Targeting Investment in Energy Communities

The Invest in America agenda specifically targets funding toward areas impacted or potentially impacted by energy and climate transition. The [IRA defines energy communities](#) as a “brownfield site,” a census tract where there was a closure of a coal mine (after 1999) or coal fired generating unit (after 2009) or a metropolitan statistical area or non-metropolitan statistical area where the unemployment rate is at or above the national average for the prior year and 0.17% or greater direct employment or 25% or greater local tax revenues are or have been related to the extraction, processing, transport, or storage of coal, oil, or natural gas since 2009.^{xiii}

2.1 IRA Energy Communities Tax Credit Bonuses

- The [Energy Community Tax Credit Bonus](#) provides a bonus credit of up to 10 percent to support projects located in designated energy communities.
- The [Qualifying Advanced Energy Project Credit](#) (§ 48C) Program was expanded under IRA with \$10 billion in funding of which at least \$4 billion is allocated for designated energy communities.

2.2 Targeted Industrial Transition Programs from BIL and IRA

IRA and BIL also include model grant and loan programs to incentivize companies in energy intensive sectors to decarbonize and aid in diversifying their existing operations and infrastructure to clean energy, clean energy supply chains, and technology. Through required CBPs, these projects show how employers can retain and upskill their existing workforce, ensuring that workers are partners in implementing the energy transition. Examples include:

- The [Office of Clean Energy Demonstrations](#) has \$25 billion to accelerate deployment, market adoption, and equitable transition to a decarbonized energy system in partnership with the private sector through demonstration projects including \$7 billion for the [Hydrogen Hubs](#) program, \$500 million for the [Clean Energy on Mine Lands program](#), over \$3 billion in funding for [Carbon Capture Demonstration and Pilot](#) projects, \$3.5 billion in funding for [Direct Air Capture](#) projects, and \$6.3 billion for the [Industrial Demonstrations Program](#).
- The IRA-funded [Energy Infrastructure Reinvestment \(EIR\)](#) loan program supports projects that reinvest in energy infrastructure, including designated energy communities.
- The IRA-funded \$2 billion program for [Domestic Manufacturing Conversion Grants](#)
- The BIL-funded \$750 million [Advanced Energy Manufacturing and Recycling Grants](#)

3. Planning and Coordination to Support Energy Communities

The suite of funding to support the energy transition has been paired with stakeholder engagement and technical assistance to build capacity in energy communities to take advantage of the IRA and proactively plan for the energy transition.

3.1 Energy Communities IWG

Seated at the DOE, the Energy Communities IWG coordinates 11 federal agencies to align federal resources, including regional staff on the ground to quickly drive

funding and resources to energy communities to help rebuild and diversify their economies and support good jobs. The Energy Communities IWG identified and prioritized 25 communities across the nation for immediate engagement.

- The Energy Communities IWG developed [an online tool](#) that identifies hundreds of funding opportunities, tax credits, and technical assistance opportunities across the federal government, including over \$500 billion in federal funding largely BIL and IRA.
- The IWG launched seven Rapid Response Teams (RRTs) in Wyoming (pilot), the Four Corners, Illinois Coal Basin, Eastern Kentucky, Appalachian Ohio, West Virginia, and Pennsylvania to address worker and community needs using existing federal resources.

3.2 Place-based capacity building

- The [Community Workforce Readiness Accelerator for Major Projects](#) (RAMP) initiative is a pilot two-year initiative to support workforce capacity building in communities that are receiving large and/or concentrated clean energy investments.^{xiv}
- The [Regional Energy Democracy Initiative \(REDI\)](#) is a pilot technical assistance and capacity building program in the U.S. Gulf South region intended to assist in the coordination, development, and delivery of community benefits associated with DOE-funded projects.^{xv}
- The [Energy Communities AmeriCorps](#) launched in 2024 will engage 150 full-time AmeriCorps members serving with the VISTA program in advancing locally designed economic development, workforce readiness, and environmental remediation plans in energy communities.^{xvi}

Conclusion

To date, U.S. efforts to support just transition have made significant progress to engage affected workers and communities in decision-making, create good jobs, identify and target investment in energy communities, and advance planning and coordination. The U.S. has not fully achieved the ILO call for social protection for any workers who are laid off in the energy transition. The Trade Adjustment Assistance Act (TAA) was the longest-lasting effort to aid dislocated workers, focused specifically on those affected by trade, and it expired in 2022.^{xvii} Many unions have taken inspiration from the German just transition program that combined financial support and assistance for workers, businesses, and governments in coal-producing regions and direct investments to support economic diversification.^{xviii}

A just and equitable transition requires continued coordination across government and with workers, labor unions, energy and environmental justice communities, Native communities, Indian Tribes, and Alaska Native Corporations as part of the whole-of-government approach to leadership in the global transition to clean energy.

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- ⁱ For a history of just transition in the U.S. see: [Just Transitions - Article by Ann M. Eisenberg – Southern California Law Review](#). The first reference to just transition is often attributed to Oil Chemical and Atomic Workers union leader Tony Mazzocchi, see: [A Superfund for Workers on JSTOR](#)
- ⁱⁱ [A Just Transition for All: Workers and Communities for a Carbon-Free Future | Books Gateway | MIT Press](#)
- ⁱⁱⁱ [Resolution 55: Climate Change, Energy, and Union Jobs | AFL-CIO](#); [Resolution 5: Climate Change, Energy and Union Jobs | AFL-CIO](#)
- ^{iv} Key international stakeholders on just transition include the International Trade Union Confederation (ITUC) to which the AFL-CIO is a member. ITUC has worked with workers and their unions, businesses and governments to advance policy through the Just Transition Centre since 2016. [Just Transition Centre - International Trade Union Confederation](#)
- ^v Energy justice emerges from the rich history of the environmental and climate justice movements. The environmental justice movement emerged from civil rights organizing by African American communities in the U.S. South who sought to address disparate exposure to environmental pollution and lack of enforcement of environmental laws by federal agencies as an issue of environmental racism. Low-income, Black, Indigenous, and Latino communities championed environmental justice, leading to policy at the state and federal level. The U.S. Department of Energy has integrated environmental justice into policy and programs. See: HYPERLINK "<https://www.energy.gov/justice/integrating-environmental-justice>"Integrating Environmental Justice | Department of Energy
- ^{vi} [How Energy Justice, Presidential Initiatives, and Executive Orders Shape Equity at DOE | Department of Energy](#)
- ^{vii} [Justice40 Initiative | Department of Energy](#)
- ^{viii} See definition in section 2.1, and as defined in IRA at [Energy Community Tax Credit Bonus - Energy Communities](#)
- ^{ix} [Davis-Bacon Act Requirements for Recipients of Bipartisan Infrastructure Law Funding | Department of Energy](#). BIL contains a narrow Davis-Bacon Act exception for the Weatherization Assistance Program.
- ^x [Davis-Bacon and Related Acts | U.S. Department of Labor](#)
- ^{xi} [2024 U.S. Energy & Employment Jobs Report \(USEER\) | Department of Energy](#)
- ^{xii} [Prevailing Wage and the Inflation Reduction Act | U.S. Department of Labor](#)
- ^{xiii} [Energy Community Tax Credit Bonus - Energy Communities](#)
- ^{xiv} [Community Workforce Readiness Accelerator for Major Projects | Department of Energy](#)
- ^{xv} [U.S. Department of Energy Announces Nine Organizations for Groundbreaking Program to Foster Collaboration Between Communities and Stakeholders in the Energy Transition | Department of Energy](#)
- ^{xvi} [Energy Communities AmeriCorps - Energy Communities](#)
- ^{xvii} [Trade Adjustment Assistance for Workers: Background and Current Status](#)
- ^{xviii} [German Just Transition: A Review of Public Policies to Assist German Coal Communities in Transition; InequalityClimateChangeReport.pdf; A-Roadmap-To-An-Equitable-Low-Carbon-Future_Four-Pillars-For-A-Just-Transition.pdf](#)