



THE PROSPEROUS TRANSITION PLAN

Fossil Fuel Industry Workers Calling for a Managed Transition to a Net-Zero Carbon Economy

Date: August 4, 2021

EXECUTIVE SUMMARY

The **Prosperous Transition Plan** is a guide for the Federal Government of Canada to not only set a bold course towards net-zero by 2050 and meet or exceed interim 40 to 45% greenhouse gas (GHG) emissions reduction targets by 2030, but to do so while creating opportunities for Canada's existing workforce to participate and thrive in the net-zero carbon economy.

Iron & Earth's four-point plan is based on years of listening and working with fossil fuel industry and Indigenous workers since our launch in 2016. Our plan is further supported by worker interviews and 45 surveys conducted by Iron & Earth in 2021, and a third-party Abacus poll reaching over 300 workers across Canada. **We asked how workers see their role in a net-zero carbon economy and what they need to thrive – this plan is the culmination of these efforts and is supported by over 80% of workers surveyed.**

Fossil fuel industry and Indigenous workers want to work in the net-zero carbon economy – and many have already pivoted: 69% are interested in a career in the net-zero carbon economy, and over half think they will thrive in a Canadian economy that transitions to net-zero carbon emissions by 2050.¹ But the Abacus poll also showed many workers are worried they will not thrive in a net-zero carbon economy without rapid training and career supports.

Workers want, and need, skills training and development for jobs in the net-zero carbon economy, but face barriers to successfully transition. These barriers include reduced wages, losing their jobs or benefits, fewer working hours, and changing their employer or their career direction. Many are worried that they will be left behind in the transition, even with a deep desire to participate in the net-zero carbon economy. Workers participating in the Abacus Data poll ranked the solutions proposed for facilitating their transition, the results show that workers can make and desire to make a strong contribution in the net-zero carbon economy:

- **Career coaching:** 59% of workers are more likely to consider a job in the net-zero carbon economy if career coaching is provided
- **Learning about net-zero carbon economy jobs:** 68% of workers are more likely to consider a job in the net-zero carbon economy if they have the opportunity to learn about the variety of jobs available to them.
- **Understanding how skills translate:** 67% of workers are more likely to consider a job in the net-zero carbon economy if they have the opportunity to learn about and understand how their skills translate.
- **Paid job training:** 88% of fossil fuel industry workers are interested in skills training and development.
- **Baseline technical skills:** The majority of workers already have the baseline technical skills required, and believe they can transition with just 10 days of upskilling.

¹ From Abacus poll conducted with 300 workers across Canada in 2021.

Now is the time for bold federal policy to guide our economy into the future, by implementing the following four proposed national initiatives:

| 1. National Upskilling Initiative | Federal investment required |
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Workforce

A National *Upskilling Initiative* to rapidly upskill fossil fuel industry and Indigenous workers for careers in the net-zero carbon economy.

\$10 billion over 10 years to support rapid upskilling of over 1 million workers @ \$10k per trainee on average.

Policy Gaps and Opportunities: Fossil fuel boom and bust cycles, and shifting demands for products and services worsened by the COVID-19 pandemic have taken a massive toll on Canadians' lives and livelihoods, and unfortunately, the communities that have been hit the hardest are not receiving equal support. Economic recovery and a transition to net-zero needs to be bold; leapfrogging the Canadian economy while speaking to the middle working class, and making a direct effort to include fossil fuel industry and Indigenous workers. Many workers already have the foundational skills needed to work in a net-zero energy economy, but require upskilling and targeted training to transition their jobs.

Recommendations: Mission-oriented energy efficiency and renewable energy policy with supporting programs are needed at unprecedented scale and pace. When developing these programs, Canada must listen to and work directly with worker organizations. It must compliment these efforts with targeted and rapid upskilling programs to help workers transition their existing skill sets to net-zero carbon economy projects. Worker training budget must be allocated to workers based on the degree to which they are impacted and their skills are transferable to net-zero carbon careers.

2. National Repositioning Initiative

Federal investment required



Businesses

A *National **Repositioning** Initiative* to support businesses to retool manufacturing capacities and pivot business services to meet emerging demand in net-zero industries.

\$20 billion over 10 years to support the rapid repositioning of up to 10,000 Canadian Enterprises. A front-loaded provision to stimulate private sector funds.

Policy Gaps and Opportunities: The COVID-19 pandemic has shown that Canadian businesses are resilient and able to quickly pivot their business models to meet the needs of a new economy. At the same time, Canada must take immediate action to help businesses in materials extraction and process industries and manufacturers to pivot their products and services to meet the needs of a net-zero carbon economy. When businesses pivot, so do their workers – this is a massive opportunity for employed workers to transition their skills.

Recommendations: Identify product and service sectors that will emerge with high needs between now and 2030. For example, supporting businesses involved in growing Canada's hydrogen economy; and in Alberta, those developing lithium and geothermal energy resources. To de-risk these investments, Canada should work with diverse stakeholders, including worker and Indigenous organizations to define roadmaps for phasing out fossil fuel projects and build out net zero-carbon alternatives. Company support should have 'green strings' attached to ensure all projects are net-zero carbon by 2050 compatible.

81% of fossil fuel industry workers support a National Repositioning Initiative to support businesses with pivoting their business and retool manufacturing capacities to meet net-zero industries demands.



It's tough here right now. People are trying to save money, to put away what they can. A lot of people are out of work here, so the cost of retraining is a worry. People need to be retrained to transition but they may not be able to afford it on their own.

Justin Carter - Construction Electrician

National Retrofit & Repurpose Initiative

Federal investment required



Infrastructure

A *National Retrofit & Repurpose Initiative* to reduce the carbon intensity of long-term infrastructure and repurpose old infrastructure.

\$10 billion equivalent in the form of incentives and tax offsets with *green strings* to carbon-intensive industries investing in net-zero technologies.

Policy gaps and opportunities: Canada has a large inventory of abandoned and orphaned wells, and oil and gas pipelines that can be repurposed to extract new resources like helium and lithium. It also has pipelines that can be retrofitted to transport clean fuels like hydrogen – all critical ingredients for a net-zero carbon economy. By removing red tape and designing policies that radically speed up approvals, clean technology projects can be built fast and at a lower cost.

Recommendation: Create an inventory of fossil fuel infrastructure that can be repurposed and retrofitted to support net-zero carbon economy projects. Work with provinces and regulators to remove red tape preventing the pace and scale required of projects like Alberta RenuWell community solar and Terrapin’s Alberta No. 1 geothermal energy. Retrofit infrastructure to reduce methane leaks and prepare fossil fuel facilities and pipelines to produce and transport clean fuels like hydrogen.

82% of fossil fuel industry workers surveyed support a national retrofit and repurpose initiative to reduce emissions from existing infrastructure and repurpose old infrastructure for new uses

4. National Nature-Based Solutions Initiative

Federal investment required



A National **Nature-Based Solutions** Initiative to prioritize green infrastructure solutions that address climate mitigation and adaptation while strengthening the earth's ecosystems, and natural carbon sinks.

\$22 billion over 10 years to prioritize approaches to green infrastructure development and solutions, along with the expansion of carbon sinks, and revitalized ecosystems and biodiversity.

Policy gaps and opportunities: Countries around the world have already taken meaningful action to develop and fund Nature-Based Solutions (NBS) projects. Canada has made some positive steps, but more must be done to ensure NBS projects can achieve their full economic and ecological potential in our country.

Recommendation: Canada must commit funding and policy support for the rapid and long-term implementation of NBS and green infrastructure projects. Government should coordinate with industry to write guidelines and best practices ensuring fossil fuel workers and local communities reap the economic and environmental benefits of NBS projects, and to ensure that Indigenous nations can consent to and lead NBS projects in their traditional territories.

Iron & Earth's four-point plan for a Prosperous Transition is a \$61 billion federal investment in fossil fuel industry and Indigenous workers, and should be taken as part of Corporate Knights' \$110 billion green economic recovery plan "Building Back Better with a Bold Green Recovery" endorsed by 40 prominent business leaders (including Suncor Energy, Teck Resources, and Siemens Canada). Of the federal \$61 billion investment, \$40 billion would be front-loaded in the first two years, and with half of the early funding earmarked to deliver broad and immediate job benefits.

Iron & Earth supports the aligned call to action from the Canadian Labour Congress, the largest labour organization in Canada which represents more than 3 million workers across the country, for a federal commitment of \$81 billion over five years to expand renewable energy, home and building retrofits, public transit, and Just Transition measures to support workers and their families. These investments must come with "green strings" attached to ensure that investments align with Canada's climate and workforce priorities. We support the International Institute for Sustainable Development's principles and conditions for a green recovery.

ABOUT IRON & EARTH

Iron & Earth is a worker-led not-for-profit with a mission to empower fossil fuel industry and Indigenous workers to build and implement climate solutions. Since our launch in 2016, we have been in continuous conversation with workers and industry leaders about how to successfully transition Canada into a net-zero carbon economy.