

# How to Get Started

## A Guide to Help Local Governments Engage on Coal Transition

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A national energy transition is sweeping the country—and many communities are feeling the effects as coal mines are closing and coal-fired power plants are replaced by natural gas and renewable sources of electrification. In many of these communities, coal-fired plants are primary drivers of the local economy. When those plants or mines close, significant economic distress results. Workers lose jobs. Some move away. The tax base erodes and tax revenues decline, causing budget cuts to schools, health care, and other public sector services.

In the face of such upheaval, local government officials must chart a difficult path forward, and many are left wondering where to start. Some governments become paralyzed with uncertainty. Other recognize the need to plan and take action. Although transitioning away from coal can be challenging, it's far from impossible.

The Just Transition Fund has provided direct technical assistance to dozens of communities struggling with transition. Through that work, we've gathered a wealth of experience, guidance, suggestions, and ideas on how to start a transition planning process. We know from first-hand experience that early planning is critical for sustainable and meaningful community transition, and we've created this resource to help local leaders do just that.

## The Six-Step Transition Process

We've divided the transition process into six steps, each building on the one before. As you move through them, remember that planning is an iterative process; as local leaders learn, they will likely decide to make adjustments that best meet the needs and opportunities in their communities.

The six core steps toward responsible transition include:



### Engage Early.

The sooner you start exploring your options, the more time you'll have to make them a reality before a plant or mine closure can deliver a serious blow.



### Engage Diverse Stakeholder Perspectives

Not everyone will have the same views about what can or should be done in shaping your community's future. Welcome, listen carefully to, and learn from diverse stakeholder perspectives.



### Find Out the Facts

Learn exactly what the impact of a mine or plant closure will be in your community, and take a look at the assets you can leverage as you make your transition.



### Find Funding

It's out there. Learn where to look, and where to ask for help in finding it.



### Bring the Community Together

Work together to create the future. Ensure that all voices are heard and included in decision making about your community's future, especially those who may have been marginalized or left out of the coal-based economy.



### Plan for the Long Term

A new community vision will take time to achieve. Keep an eye on that longer horizon, even in the face of pressing immediate needs.



# ENGAGE EARLY

Even in locations where it seems unlikely that a coal plant will be affected in the near term by the energy shift, it's best to engage with elected officials and other community members sooner rather than later in discussing closure possibilities. Plants that operate at high capacity can face the same risk of closure or other operational changes as lower-capacity plants due to the possibility of a company's restructuring or integrated resource planning. Some of the most successful transition leaders began "what if" conversations about plant or mine closures well before those closures became a reality. They rallied others around the work of planning the future, rather than constantly looking to the past or becoming mired in the present.

**Early engagement depends 100% on leadership.** You'll need to identify a leadership team that can lead you through all of the steps of transition: gathering facts, engaging community, visioning and planning for the future, and finding funding.

## Characteristics to consider as you identify members of your transition team

- Have local and regional economic knowledge
- Are considered unbiased
- Have influence in the public, private, and nonprofit sectors
- Have expert knowledge, connections, or are those known for visionary thinking or creativity
- The more diverse your transition team, the more sustainable your plan ultimately will be.

## Potential transition team members\*

- Representatives of the utility and owners of the site
- Individuals from government
- Individuals from labor
- Community members
- People from academia
- Tribal communities
- Non-profit or faith-based organizations
- Philanthropic groups
- Issue experts (e.g., school finance practitioners, local taxation and finance managers, realtors, community planners, union leaders, and economic development professionals)

*\*Note: Not every team member has to be involved in the entire process. Some may best contribute by concentrating their time and expertise in certain segments.*

*A list of questions to consider in Step 1 is included at the end of this guide.*



# FIND OUT THE FACTS

Losing a major industry is a blow to any community. Those impacts are magnified when rumors or inaccuracies prevail. Transitions that succeed are the ones that are rooted in facts—not emotion, assumptions, or rumors. When you know the facts, you can plan for the future with more certainty.

Dig into actual job loss figures, as well as the likely impacts on housing, taxes, debt retirement, and secondary services such as health care and schools. You'll likely need to learn more about specific aspects of taxation, public finance, workforce retraining, or other issues your team identifies as important during your process. Community transition is an ongoing and iterative process, and so is the need for information gathering.

In particular, finding the facts can help you 1) **define the problem**, and 2) **identify existing assets** in your community.

## 1. Define the Problem

The following questions can help you think more deeply about the potential impacts of a plant or mine closure in your community, and guide your search for information. Be honest about what you still need to know, and don't hesitate to ask leaders in your community, in the state, or at federal agencies how you might obtain the information or connect to expert resources.

- Where do tax dollars originate currently and how they are spent?
- Are there state or federal matching funds at risk if your community can no longer provide its share?
- What's the value of the nonfinancial support the community gets from the utility or mine in question?
- How might the social and cultural fabric of the community change?
- What are the properties and structures the mine or utility will leave behind after closure?
- What will a closure do to your community's infrastructure?

## 2. Identify Your Assets

Even if the mine or power plant is the biggest game in town, it isn't the only game in town. Take an inventory of your community's assets. They may not be obvious at first, and some assets require a broader understanding of economic value. Community assets might include:

- Developed land (public or private, including the site of the closing mine or power plant)
- Infrastructure (roads, rail lines, well heads, water and sewer lines, power lines, etc.)
- Undeveloped land (such as scenic areas that could attract outdoor recreation)
- Water (underground or aboveground, for industrial or recreational use)
- Entrepreneurs (who own or might start small or medium-sized businesses)
- Artists/craftspeople (those who create and inspire)
- Culture (that which defines your community)
- Connections (to resources and knowledge beyond your community that can inform or support your work)

*A list of questions to consider in Step 2 is included at the end of this guide.*



# BRING THE COMMUNITY TOGETHER

A plant or mine closure will affect almost everyone in your community. In some cases the impact will be obvious; in others, less so. Likewise, the direct impacts of a closure will almost certainly spawn secondary or indirect impacts that will expand in a ripple effect through your community. You and your team will want to spend some time identifying, documenting, and verifying the potential impacts to your community.

**Direct impacts** include loss of property and tax revenue, loss of jobs at the plant and any local associated mines, and legacy cleanup and remediation costs of coal-related operations. Unanticipated direct impacts may include reduced local government bond ratings, which make financing capital improvements difficult. Likewise, as a local government's ability to provide services decreases due to lower tax revenue, municipal insurance rates may rise.

**Secondary or indirect impacts** may include gaps in the industrial and commercial supply chain of products and services; loss of housing value and higher vacancy rates; declining revenue for a host of local businesses such as retail stores, day care services, personal services, medical services, or transportation networks; and infrastructure that may become idle or oversized.

You'll want to be sure to engage the full spectrum of those affected by closure—directly or indirectly—in a community engagement process. Community engagement is critical, because it not only allows transition leadership to hear and understand concerns, but also provides fertile ground for creativity and new ideas, and ultimately helps those in the community feel a sense of ownership in the transition planning and implementation.

## Design an inclusive engagement process

Transition planning is messy work. Members of your community may have widely different ideas about what they want to see and what priorities should be for the future. How do you keep the process moving forward? Here are six ground rules for keeping the engagement productive.

- 1 Honor the past:** Provide opportunities to acknowledge the generations of workers who have been employed and the importance that the mine or plant has played in the community.
- 2 Use respected, neutral facilitators to create a safe space:** Find people and groups who have influence and are respected in the community and who can help conversations be positive and forward-thinking.
- 3 Make discussions accessible:** Hold facilitated discussions at various times of day to accommodate participants' schedules, and bring the listening process to locations people can easily reach.
- 4 Acknowledge dissent, but avoid blame and denial:** Dissent is common, but a skilled facilitator or leader can manage it constructively to inform, rather than wreck, a productive conversation.
- 5 Stick to the facts.** Present the facts and impacts as you know them, provide resources to address unanswered questions, and set the stage for constructive input from the community.
- 6 Set clear goals.** Use the initial facts you've gathered and the public opinions you've heard to draft a set of goals for your transition process. Then, ensure that your community stakeholders can agree on those goals, or encourage them to draft goals together.

*A list of questions to consider in Step 3 is included at the end of this guide.*



# ENGAGE DIVERSE STAKEHOLDER PERSPECTIVES

Various groups in your community will feel the weight and possibilities of transition very differently. Gather, respect, and examine all perspectives to ensure that you create a long-term transition plan that all community stakeholders can support.

Below, we've identified nine different stakeholder groups and some of their concerns and ideas about transition. However, this list is by no means comprehensive, and every community is different. Use these ideas as a starting point, then add more stakeholder segments that are relevant to your community.

## Common Stakeholders in Community Transition

### Utilities/Mining Companies

Although in some cases a closure may create tension between these stakeholders and others, they can bring important resources to the conversation and a willingness to be productive contributors to community.

### Municipal Leaders

Elected officials and other government employees bring a deep knowledge of tax and public funding issues, and may feel the added pressure of sustaining public services in the face of diminishing revenue.

### Labor

Workers who lose jobs as a result of the closure will be able to share immediate impacts and provide valuable information about what they would like to see next.

### Environmental Groups

Input from these groups can both help communities address legacy environmental issues around a closed plant or mine and protect natural areas and understand how to best leverage them for recreation or other purposes.

### Community Leaders

Those who lead your community's nonprofit organizations, religious organizations, clubs and even informal groups can deliver valuable, grassroots insights on the concerns and hopes of residents.

### Public Agencies

Depending on the agency, they have the ability to bring funding resources, provide technical assistance and research, and have the authority to pass transition legislation.

### Private Sector

The private sector plays an important role in economic transitions and can provide the resources and expertise necessary to bring new economies to scale.

### Tribal Leaders

Tribal communities face unique opportunities and challenges in the transition away from coal. Tribal leaders bring deep knowledge of those issues that most impact their tribe.

### Community Members

This group can include those who have borne the environmental impacts of the plant or mine or those whose voices are often not heard in planning discussions. Think of segments of the community who represent different races or ethnicities, lower incomes, disabilities, or other identities that may not be part of the traditional "mainstream."



# FIND FUNDING

The loss of tax revenue may seem daunting when a mine or power plant closes. Your community will want to develop new businesses and revenue streams as quickly as possible. The good news is that there are many resources out there to help you.

In general, funding sources fall into three categories:

## Federal Funds

There is a wide range of federal funding that is available to assist your community with transition planning and implementation. Some of the most common sources of federal funding for various aspects of transition support include, **Appalachian Regional Commission (ARC), US Environmental Protection Agency, US Department of Agriculture, Rural Development, US Economic Development Administration, Small Business Administration, US Department of Labor.**

You can find all federal funding opportunities at [grants.gov](https://www.grants.gov).

## State Funds

Many states also have funds specifically for economic development or renewal. And many state and local agencies provide funding or partnership opportunities. Check with your state agencies, such as your State Environmental Protection Agency, State Workforce Development Agency, or State Economic Development Agency, about what resources are available for transition-related activities.

## Nonprofit, Philanthropic, and Other Funds

Grants or gifts from foundations (or even wealthy individuals) can support specific phases of your work or projects in your community. In addition, many nonprofits and some quasi-public agencies provide funding for community, economic, and workforce development. Most states have Community Development Financial Institutions (CDFIs), nonprofit entities that provide financing for a range of activities, from economic development to affordable housing.

- **National Endowment for the Arts (NEA)**
- **Center for Community Progress**
- **Community Builders**
- **Smart Growth America**
- **Community Development Financial Institutions**
- **The Foundation Center's Foundation Directory Online**

### Four Tips for Applying for Funding:

- Check to ensure your community's goals, vision, and geography align with the funding source.
- For federal sources, contact your state or regional program manager to discuss your funding request or project idea.
- Attend webinars or information sessions that the funding source may provide.
- Read the Notice of Funding Opportunity or Request for Proposals closely to determine the funder's objectives and other grant application requirements such as page length, letters of recommendation, budget information and format, and supplemental materials.

*A list of questions to consider in Step 5 is included at the end of this guide.*



# PLAN FOR THE LONG-TERM

Transition can be a time of great possibility. Think creatively about how to replace revenue and create a solid fiscal footing, good jobs, attractive spaces, a cohesive community, and a place where all generations will want to live for the long term. But you also need to plan thoughtfully—not just for the coming months or years, but for decades. Long-term planning will help ensure that the vision you collectively create accounts for the needs of all community members (and that everyone in your community understands the anticipated timeline).

## Visualize Scenarios

**Scenario planning** is one way to help your community imagine and plan for the future. It's a technique that businesses often use to anticipate what's coming and decide how to best prepare. Simply put, scenario planning involves imagining a wide range of possibilities—even those that may seem unlikely—and talking through how to capitalize on them.

As you consider future scenarios, ask your stakeholder groups:

- What might be the effects on your community's future tax base?
- How might it change your current social structures, interactions and activities?
- What might happen to the site where the closed utility or mine now sits?
- How will each scenario make the most of and/or conserve the natural environment in your community?
- Who benefits from each future scenario?

**Note:** If a mine or plant in your community has not yet closed, people may be hesitant to speak about post-closing scenarios, fearing such discussions will speed closure. Others may view planning for the unknown as a waste of time. While you may need to treat “keeping things the same” as one of several scenarios to consider, use the facts in hand to encourage your community to look past the present and keep your focus on the future.

As you continue to learn more about what a closure will mean, what assets and resources are available, and what your community wants, you can continue to revisit and rethink the possibilities together.

## Create a Common Vision

Eventually, as they consider and discuss the potential scenarios, you can help your community develop a common vision for the future. Perhaps they'll want to become a regional trade hub, or an artist colony, or a key destination for outdoor enthusiasts. Whatever your community decides, keep moving the process forward by discussing what it will take to get there. Ask what success will look like in six months, one year, or five years, given what you know already. What are the holes or weaknesses that you'll need to address to achieve that success? How will you address them?



Remember—this is an ongoing and evolving conversation. Engage your community in these conversations through guided discussions, planning charrettes or even informal chats. Create ways to gather ideas online and share what you're hearing. Continue to reach out to other community members throughout the process to bring in their ideas and concerns. Expect answers to change over time as information emerges, as others get involved, and as impacts take shape.

## Learn From Other Communities Moving Forward

Once you've established your leadership team and secured community input to create a common vision, much of the rest of the transition-planning process can be delegated—with clear objectives and with clearly stated expectations. This type of change management has happened in many places, under a range of conditions.

Currently, most closed plants or mines are still fenced in and untouched, demolished or vacant. However, the list of examples of successful power plant and mine redevelopment projects is continually growing. While every community has different needs, assets, and visions for a former plant or mine sites, there are examples to share to kick-start community conversations. Find other communities that have faced similar situations and learn what they did that worked and what they would have done differently in retrospect. Identify the key actors and influencers in those communities, both positive and negative. Examples of transition efforts are abundant, and although many are related to other types of economic change, they contain relevant ideas and lessons for communities struggling with an economic transition away from coal.

*A list of questions to consider in Step 6 is included at the end of this guide.*

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## About the Just Transition Fund

The Just Transition Fund helps communities affected by the changing coal industry and power sector make the transition to a new economy. We provide both direct investments to help communities create 21st century jobs and technical assistance to empower local leaders to act.

Our work on the ground is visible across the country, from Western New York to Minnesota to Montana. In Buffalo, New York, we helped write a bold and pragmatic community transition plan that is being implemented. In Colstrip, Montana, we're helping facilitate a state-led community engagement process to develop a long-term plan for the use of \$10M in utility-supplied transition funds. And in Minnesota, we're supporting city managers in multiple power plant communities to conduct an economic impact analysis.

**For more information about the Fund's direct technical assistance, or for help in your community, contact Cindy Winland ([cwinland@justtransitionfund.org](mailto:cwinland@justtransitionfund.org)).**

# How to Get Started:

## Key Questions for Local Engagement in Transition

The Just Transition Fund works on the ground in communities that are responding to coal plant closures. The following questions can help affected communities begin a transition-planning process.

### 1 Engage Early (Build your transition leadership team)

- ☐ Which key stakeholders have the knowledge about various aspects of our community? (economic, social, etc.)
- ☐ Which community leaders are considered unbiased?
- ☐ Who has influence in the public, private, or nonprofit sectors and can attract more support for our work?
- ☐ Which representatives of the utility or mine and/or property owners of the site might best contribute to our process?
- ☐ Which government, labor, issue experts, community members, academia, faith, and/or philanthropic organizations might we want to engage?
- ☐ Who does our community trust?
- ☐ Who has not been at the table previously whose voice needs to be heard?

### 2 Find the facts

- ☐ Where do tax dollars originate currently and how are they spent?
- ☐ Are there state or federal matching funds at risk if our community can no longer provide its share?
- ☐ What's the value of the nonfinancial support the community gets from the utility or mine in question?
- ☐ How might the social and cultural fabric of our community change?
- ☐ What are the properties and structures the mine or utility will leave behind after closure?
- ☐ What will a closure do to our community's infrastructure?
- ☐ What are our community's other assets that can contribute to a successful transition?

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### Bring the Community Together

- ☐ Who in our community is most likely to be immediately affected by a closure?
- ☐ In addition to jobs lost at the mine/utility, what other jobs might be directly or indirectly at risk?
- ☐ Which schools or nonprofits in our community will suffer a decline in volunteers or charitable giving if people move away?
- ☐ What government agencies or services are most at risk? Who do they serve?
- ☐ How will a loss of tax revenue impact our local government's binding, debt retirement, insurance, infrastructure, etc. that support quality of life for everyone?
- ☐ Who has influence in the community and how can this influence be used positively?
- ☐ What groups will lend a perspective that we might otherwise overlook? (e.g. labor unions or environmental groups)
- ☐ Who can help the community find funding for fostering transition outcomes?
- ☐ Who else in our community can contribute to positive change?

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### Engage Diverse Stakeholder Perspectives

- ☐ What does a successful transition mean to different stakeholders?
- ☐ What vision do all stakeholders hold in common? What priorities?
- ☐ What value can each stakeholder group bring to our process?

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### Find Funding

- ☐ What are the likely impacts on our local tax revenue, and what might that mean in terms of public services?
- ☐ What relationships can we leverage at the state or federal level?
- ☐ What support or resources do we have to contribute to a transition planning or implementation effort?
- ☐ What support or resources do we most need to participate in that effort?

## Plan for the Long Term

- ☐ What are the outcomes we want to see?
- ☐ What assets do we have that we can deploy to achieve those outcomes?
- ☐ What hurdles will we need to overcome and how will we address them?
- ☐ What has happened in other places that can serve as a model for our positive transition?
- ☐ What is the transition timeline and what are the milestones we want to achieve after one, five, or ten years?
- ☐ What are the “early wins” we can achieve that will help motivate our community and provide a sense of hope?