



October 24, 2022

Interagency Working Group (IWG) on Coal and Power Plant Communities and Economic Revitalization

Congress has provided funding for communities to respond to regional economic challenges associated with changes in energy markets (e.g., power plant closures, declines in coal mining and supply chain business activity). The Biden Administration established the Interagency Working Group (IWG) on Coal and Power Plant Communities and Economic Revitalization (hereinafter the IWG) to facilitate economic revitalization in coal, oil and gas, and power plant communities and to support workers. This In Focus summarizes the IWG’s objectives, structure, activities, and coal community designations, as well as its role in connecting communities to economic transition assistance.

Working Group Mission and Objectives

In January 2021, President Biden issued Executive Order (E.O.) 14008 (“Tackling the Climate Crisis at Home and Abroad”), establishing the IWG. The IWG’s primary mission is to coordinate the identification of economic revitalization resources for coal, oil and gas, and power plant communities; develop implementation strategies for economic and social recovery; assess opportunities to support coal and power plant workers; and submit reports on revitalization efforts.

Structure, Agency Participants, and Funding

The IWG co-chairs are the National Climate Advisor, the Assistant to the President for Economic Policy, and the Senior Advisor for Clean Energy Innovation and Implementation (see E.O. 14008, and E.O. 14082, which added a third co-chair). The Department of Energy (DOE) provides the administrative home for the working group, which is led by a DOE-appointed executive director who coordinates the interagency activities. Additional working group members include the Secretaries of the Departments of the Treasury; Interior; Agriculture; Commerce; Labor; Health and Human Services; Transportation; Energy; and Education; and the Administrator of the Environmental Protection Agency; the Director of the Office of Management and Budget; the Assistant to the President for Domestic Policy and the Director of the Domestic Policy Council; and the Federal Co-Chair of the Appalachian Regional Commission (ARC). The Council on Environmental Quality also participates in the IWG. IWG members lead or participate in workshops, outreach events, and the group’s subcommittees, which focus on policy, integration, engagement, and investments.

The IWG currently operates without explicit appropriations. The DOE’s FY2023 budget justification included a request for \$3 million to support IWG activities. The House Appropriations Committee did not recommend specific funding levels for the IWG in its FY2023 bill, but did

recommend that DOE “may support these activities, similar to prior years, through funds provided within the recommendation” (see H.Rept. 117-394).

Working Group Activities

The IWG leads workshops, stakeholder engagement, and capacity-building activities to support state and local transition efforts, and carries out resource identification, analysis, and interagency coordination activities. The IWG’s website (<http://energycommunities.gov>) features a clearinghouse of over 160 federal funding opportunities and is searchable by agency, funding type (e.g., grants, incentives, loans), applicant type, and activity. Recent webinars have focused on accessing federal funds or explaining aspects of new federal legislation that may be relevant to energy communities. IWG workshops have also focused on supporting local stakeholders and state-specific planning and implementation efforts. For example, in August 2022, the IWG created a Rapid Response Team (RRT) in the Four Corners region (Arizona, Colorado, New Mexico, and Utah) to connect local stakeholders with federal resources and agency representatives. After facilitating a workshop on economic revitalization pathways with stakeholders in September 2022, the IWG created another RRT in the Illinois Basin region.

In April 2021, the IWG published *Initial Report to the President on Empowering Workers Through Revitalizing Energy Communities*, which identified next steps and priorities for economic transition and revitalization. The report described the social, economic, and fiscal conditions in communities experiencing the effects of changing energy markets. For instance, one of several issues faced by certain coal and other energy communities is the loss of tax revenue, which translates to fewer resources for local services. The report also offered ways that existing agency authorities may be used to support economic transition efforts, established goals to guide the IWG’s work plan, and summarized key insights gathered from stakeholder engagement with impacted communities.

Priority and “Fenceline” Energy Communities

The IWG’s April 2021 report included results of a job density analysis using 2019 Bureau of Labor Statistics (BLS) data, which identified the location of 75 metropolitan and nonmetropolitan areas with a high number of fossil energy activities and jobs as well as the designation of 25 locations that the IWG considered priority communities (see **Figure 1**). The priority communities are primarily BLS areas impacted by concentrated, direct coal-related job losses from mine and power plant closures in recent years. The list of priority communities includes mostly rural, non-

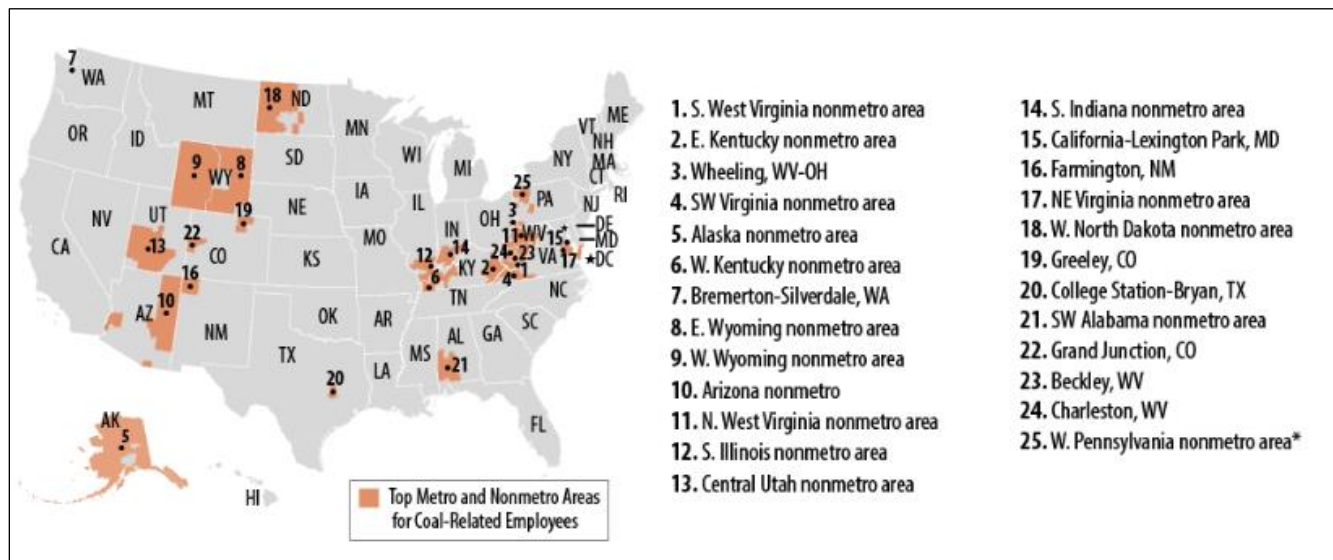
metropolitan areas; eight are in the Appalachian region and seven are in the U.S. Mountain West region (e.g., Wyoming, Colorado). According to the IWG, the priority communities were presumed to be in need of the most immediate transition assistance due to their vulnerability to “additional near-term coal mine and power plant closures.” The report further noted that “fenceline” communities are communities situated near energy or industrial facilities. Fenceline communities are also affected by the decline in businesses associated with logistics, services, and energy supply chains, and by the environmental and health impacts connected to these sites.

Considerations

In considering possible appropriations and related authorization or program direction, Congress may find useful the findings of the working group’s reports, engagement activities, and the particular challenges and opportunities faced by the communities identified by the IWG analysis. Should Congress consider making explicit appropriations for the objectives of the IWG, it may consider specifying amounts of annual agency appropriations or directing agencies to support the IWG

through their existing resources. Another option could be codifying the group and/or its activities. Codification could express congressional priorities and direction and create stability (or inflexibility) across administrations. One consideration may be the IWG’s ongoing roles in connecting state and local stakeholders with federal resources and coordinating interagency efforts to address challenges shared across regions. Congress may also consider additional options, such as federal roles related to planning and technical assistance, project development, and/or other federal activities in support of regional economic development and revitalization. For instance, the FY2023 DOE budget justification proposed that the IWG may “proactively promote investments in communities” that are likely to be impacted by closures in the near-term. Additionally, energy tax credits established and amended by the Inflation Reduction Act (P.L. 117-169) provide extra financial incentives for investment in communities with relatively high levels of fossil fuel-related employment (among other communities). Congress could evaluate whether or to what extent those incentives align with IWG recommendations.

Figure 1. IWG-Identified 25 Priority Communities for Coal-Related Employees



Source: Map created by CRS using data provided by the IWG and listed in IWG, *Initial Report to the President on Empowering Workers Through Revitalizing Energy Communities*, Appendix B (Counties within Priority Communities). Figure created by Cassandra Higgins, GIS Analyst, and Brion Long, Visual Information Specialist.

Notes: The IWG identified the 25 Priority Communities based on the “number of direct coal-related jobs as a percentage of the total number of jobs in each area.” According to the IWG, the Western Pennsylvania non-metropolitan area (*) was added for geographic diversity, and the “shading highlights BLS metro and non-metro areas that are communities vulnerable to impacts from coal-specific job losses.” There may be minor mapping discrepancies between the CRS map and the areas shown in Figure 2 of the IWG report. Contact the author for more information. Figure 2 of the IWG report includes the location of the top 1-25 and 26-70 metropolitan and nonmetropolitan areas with a high number of coal-related employees. The CRS map (above) shows the top 1-25 communities identified by the IWG. The IWG report also included a map that identified the location of the top 75 metropolitan and nonmetropolitan areas with a high number of fossil energy activities and jobs; see IWG, Figure 1.

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