

Statement on a Just Energy Transition

The European Social Partners in the electricity sector recognise the need for rapid and coherent action to decarbonise the economy to tackle climate change and its negative impacts on environment, society and economy. The Paris Agreement makes reference to a just transition¹, and in times of urgent action required to tackle climate change we jointly declare a need for a just clean energy transition in order to facilitate actions for a sustained decarbonisation of the sector as well as the entire European economy.

The just energy transition must contribute to economic growth and creation of sustainable high-quality employment in Europe. Therefore, ensuring a successful clean energy transition in Europe requires mobilisation and support of all concerned stakeholders and European citizens.

What does a Just Clean Energy Transition mean?

- The European electricity sector is fully committed and is demonstrating real achievements on the path towards energy transition. **As the sector pursues its objective of delivering carbon-neutral electricity by 2050, electricity is also set to provide a key part of the solution to reduce greenhouse gas emissions in other sectors, such as transport and heating /cooling.**
- A just energy transition in the European electricity sector is the combination of plans, policies and investments that **enable the sector to decarbonise cost-effectively while ensuring that potential negative impacts on business, employment and living conditions are anticipated and mitigated** so as to ensure sustainable development. Special focus must be given to regions, companies and impacted communities that must undergo major infrastructure and technology adaptations, and in particular, workforce who, by nature of their profile, face greater risks of being negatively affected by the transition:
 - **New jobs in the sector** will have to be created and these should offer quality work conditions;
 - **Education systems** will have to adapt to the new demands of a decarbonised electricity sector; and

¹ The Paris Agreement includes the following text in its Preamble *“Taking into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities,...”*.

- Comprehensive **re-skilling programmes** should be offered to ensure the future employability of the current workforce.
- The clean energy transition can only be fair and just, if it includes comprehensive social dialogue between trade unions and employers, and ensures that adequate funding and financing mechanisms are available and accessible.
- A just clean energy transition should be considered on a long-term basis in a timeframe up to 2050. By this date the European electricity sector aims to deliver carbon neutral electricity in order to ensure the achievement of the EU's long term target to reduce overall greenhouse gas emissions by at least 80-95% in 2050 compared to 1990 levels.²
- The decarbonisation of the European electricity sector, alongside the ongoing digitalisation and consumer participation, will bring about profound changes and opportunities to the sector. **A just clean energy transition in Europe is central to the fight against climate change.** It will significantly increase the social acceptance of the necessary adaptation processes and will underline the European electricity sector as a global leader in the clean energy transition.

Policy makers can achieve a Just Clean Energy Transition

- This can be achieved by using the potential of decarbonisation and moderating negative impacts.
- The impact of climate policies on companies, employment and working conditions in the European electricity sector has been addressed in various studies. In its Impact Assessment of the Clean Energy Package, the European Commission estimates up to 900 000 new jobs to be created (net job creation), mainly as a result of energy efficiency measures and in the construction and engineering sectors.
- However, the extent of net job creation should be better understood, complemented with analyses of the sensitivity to skills gaps and lacking retraining offers, as well as a more detailed analysis of the potential geographical and educational imbalances in job creation. This is especially a concern considering the high current level of unemployment, particularly among young people, in the European Union. The ability of the sector to further innovate and react to political and economic developments will continue to be crucial. Innovation will be an absolute necessity needed to fully exploit the opportunities of decarbonisation. Good practises at different levels should be analysed, especially with a focus on transferability. In many EU Member States several programmes to ease the impact of adaptation processes linked to the decarbonisation of the

² DG CLIMA: [2050 low-carbon economy](#).

electricity sector are already in place.³ Employee mobility should be encouraged through the implementation of concrete support measures.⁴

- It is crucial to link the energy and climate strategy with the European industrial strategy to maintain and further develop the smart and innovative industrial base in Europe thereby creating growth and quality jobs in Europe.
- We highlight that European climate policies and the necessary adjustments in the electricity generation fleet require huge investments. The European Parliament estimates between €2150bln and €3200 bln to be invested in new low-carbon generation by 2050.⁵ To this end, supportive public policy and public investment is needed to achieve the decarbonisation of the economy and thus the clean energy transition. Companies will invest in low-carbon technology and training for workers.
- We welcome the announcement by Commission Vice President Šefčovič on the launch of a new *initiative dedicated to supporting the transformation of coal intensive regions in Europe and developing of clean energy technologies*. We look forward to being closely engaged in the development and implementation of such initiative.

Financing is key to achieve a Just Clean Energy Transition

1) European Union level

- Decarbonisation of the economy is set to intensify in the coming years and this will have significant impacts on electricity companies and thus on the electricity labour market. In order to tap the full potential of green job creation, and to support companies, regions and local communities relying on carbon intensive activities in their adaptation processes and low carbon investments, additional financial resources will have to be mobilised under the next Multiannual Financial Framework (MFF).
- Such MFF funding should be additional to existing EU funding instruments which must be easier accessible and used more effectively to catalyse a just transition towards a low-carbon economy, while creating and maintaining companies and quality jobs.

2) National level

- A well-funded and sustainable social security and pension systems including pre-pension systems will be key to alleviate potential negative social impacts of the decarbonisation in certain regions.

³ Examples are: **Italy**: joint Employers-Trade Unions Fund for the training and requalification of the employees, that is financed by a percentage of social contributions “dedicated” by law to the joint training activities

⁴ For example, [ENGIE Social Agreement in 2016](#).

⁵ Directorate General for Internal Policies: [European Energy Industry Investments](#), February 2017

Close cooperation with social partners and other stakeholders is essential

- The European Social Partners in the electricity sector are committed to take on their respective responsibilities to this end. We are currently carrying out a **joint project on the skills needs and gaps in the context of the European clean energy transition.**
- The European Social Partners for the electricity sector remain committed to facilitate the transition of young workers into the electricity labour market and to offer good working and training conditions as well as full benefit of collective agreements.

Close co-operation on company/sectoral level include:

- The establishment of dedicated environment committees, comprising delegates from social partners, as a meaningful support measure.
- Other stakeholders such as local communities should also be consulted and informed.
- Providing workers with adequate skills development at all times, by regularly updated forecasts of skills needs and employment opportunities prepared jointly at different levels. Increased cooperation between national educational systems and energy companies can help to identify and pre-empt the emergence of skills gaps. Furthermore, training programmes should be developed and implemented constantly, with new training programmes set up where needed.
- Companies should assess their current business models and tap the potential of low-carbon electricity generation, smart grids and increased resource efficiency.
- As electricity production in Europe becomes increasingly decarbonised, it offers huge potential to help other sectors, like transport and heating and cooling, to meet their decarbonisation objectives and contribute to Europe's overall decarbonisation objectives.
- Improved access to affordable and environmentally sustainable electricity should be ensured by fair retail pricing with limited cross-subsidisation across customer groups, reflecting the underlying costs of the system. Specific measures to eradicate energy poverty are needed.

The European Social Partners in the electricity sector strongly believe that decarbonisation of the electricity sector will be crucial to ensure the long term sustainability of the European economy providing for growth and quality employment, and the sector is ready to lead in this transition. These points will be crucial to ensure a broadly accepted and successful clean energy transition.

As key actors in this transition, we will continue to contribute to this discussion and are looking forward to close cooperation with European policy makers.



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***EURELECTRIC** represents the common interests of the electricity industry at pan-European level. Our current members represent the electricity industry in over 30 European countries. We also have affiliates and associations on several other continents*

***industriAll European Trade Union** is the voice of industrial workers all over Europe. It represents 6.9 million workers across supply chains in manufacturing, mining and energy sectors on the European level*

***EPSU** is the **European Federation of Public Service Unions**. It is the largest federation of the ETUC and comprises 8 million public service workers from over 250 trade unions across Europe. EPSU organises workers in the energy, water and waste sectors, health and social services and local, regional and central government, in all European countries including the EU's Eastern Neighbourhood. It is the recognised regional organisation of Public Services International (PSI).*