

BUILDING CLEAN ENERGY CAREERS IN KENTUCKY

EXECUTIVE SUMMARY

The energy sector is on the path to a gradual but dramatic transition that presents both challenges and opportunities for Kentucky. The state's historic reliance on coal means new risks as the price of coal-fired power rises and cleaner forms of energy are increasingly adopted. At the same time, a number of new studies suggest economic opportunities for Kentucky in the growth of energy efficiency and renewable energy. Mitigating our risks and taking advantage of new opportunities necessitate taking a careful and comprehensive approach to our energy and economic future.

This report takes a closer look at the job opportunities in the clean energy transition for Kentucky and focuses in on the role of workforce development as part of an overall approach. A workforce development strategy is critical to providing workers with the skills needed for jobs in energy efficiency and renewable energy, and for assuring those jobs are family-sustaining and accessible to low-income Kentuckians. Along the way, the report highlights the necessary role of stronger state energy policy in spurring job growth and sustaining job opportunities. Job training is effective only if aligned with a deliberate job creation effort.

Kentucky possesses opportunities in the clean energy economy for three primary reasons:

1. Kentucky's energy efficiency gap creates opportunities to save money on electricity bills while creating jobs in the labor-intensive construction and retrofit sectors.
2. Kentucky's manufacturing base creates opportunities for job retention and creation in a transition to renewable energy component part and system manufacturing.
3. Kentucky's natural landscape and conditions present opportunities for job creation in renewable energy production.

Workforce development is critical to capitalizing on these opportunities because much of the job potential is in "middle-skill jobs": those that require more than a high school diploma but less than a four-year degree. Workforce development and worker support policies can align training to the skill needs of growing sectors; create career pathways for workers; expand access to that training and the resulting jobs for low-income workers and communities; and ensure that the jobs created are good quality and provide family supporting incomes.

The American Recovery and Reinvestment Act provided additional federal resources to create new clean energy jobs and expand Kentucky's worker training efforts in this sector. The state has taken important steps forward in the last few years in establishing certification systems, developing new curriculum, communicating across agencies and beginning to make sense of this growing field.

Institutionalizing such efforts—and sustaining and growing those jobs—will require substantive policy actions. Kentucky currently lacks an adequate energy policy framework to develop the market for renewable energy and energy efficiency. To maximize its potential, Kentucky should join a growing number of states in establishing a portfolio standard for renewable energy generation and energy efficiency savings, as well as expanding financing elements that spur investment in energy efficiency and renewable energy among energy developers, businesses, institutions and homeowners.

A workforce development strategy that is aligned with those energy policy changes would streamline the government interface with the clean energy economy through the creation of a single umbrella entity; strengthen mapping of job opportunities and career pathways in this sector; and increase access to new jobs for low-income Kentuckians through policies that increase the affordability of training and provide a bridge to new training opportunities for lower-skilled adults.

A changing energy landscape creates a challenging conversation in Kentucky. But with early planning and sound action, the way forward can mean new economic opportunities for working Kentuckians across the Commonwealth.