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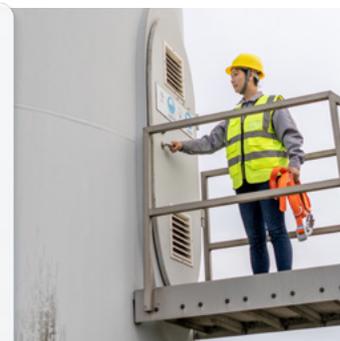
## → Utility's all-in approach to clean energy workforce development yields results—and jobs

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### Introduction

As utilities look for ways to increase the positive community impact of their energy efficiency (EE) programs, clean energy workforce development has emerged as a promising option. By creating opportunities for jobs that appeal to a diverse applicant base in a specific location within a service territory—and providing on-the-job training to help these workers build rewarding careers in the energy efficiency sector—utilities can make progress toward their energy savings goals and deliver benefits to disadvantaged communities at the same time.

What are some practical, no-regrets steps that energy efficiency and demand-side management leaders should follow as they work to upgrade existing programs and create new ones with this more ambitious community-building goal in mind? Because each utility operates within a specific regulatory and business context, some may choose to develop programs that are smaller and more focused in nature, while others may decide to go big and bold.



In our experience designing and delivering workforce development programs for utility clients, we have seen firsthand that there is not a single recommended approach that will work for all utilities and communities. But there is a through line that carries forward successful workforce development programs—regardless of scope, they involve creative collaborations between utilities and community stakeholders.

In this paper, we will explore why workforce development programs are important for utility energy efficiency program leaders to consider—and how the conditions are optimal right now to put them in place.

Then, we will zoom in on a large mid-Atlantic utility and tell the story of its ambitious workforce development program: how it was designed, what makes it stand out, and the results it is delivering. While this comprehensive approach will not work for every utility today, it is an interesting case study that energy efficiency program leaders may be able to use for inspiration as you craft your own programs.

## From traditional EE programs to community-building EE programs

What is the objective of traditional energy efficiency programs? For more than 40 years, this question has had a simple answer: to reduce customer energy consumption through regulator-approved programs with incentives and rebates that are, for the most part, paid for by a utility's customer base.

While this primary energy savings objective has not changed, many utilities are taking a closer look at the secondary, non-energy benefits, such as job creation and economic development, that traditional energy efficiency and demand-side programs can deliver to their service territories.

Why should utilities create energy efficiency workforce development programs that, while admirable, fall outside the remit of their traditional role? One reason is that investors, stakeholders, and policymakers increasingly want utilities to fulfill a broader mission that brings more benefits to society. The need to provide safe, reliable, and affordable energy is still a primary driver, but today's utility leaders understand that the role of the public service companies they lead extends in several directions. They recognize that the opportunity and obligation to be a major contributor to community health is not simply altruistic; it's a prerequisite to earn stakeholder support for investments they need to make. Community building<sup>1</sup> is an essential part of creating value for the utility.

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<sup>1</sup> Building the 22nd century utility | ICF



A more tangible and immediate benefit of workforce development programs is that they build a supportive infrastructure of skilled contractors and workers who can ensure that energy efficiency equipment is properly installed and maintained—and, in doing so, help energy efficiency programs realize their full energy-savings potential. By taking steps to cultivate a trained labor infrastructure, utilities can reassure customers that the energy efficiency upgrades and retrofits they invest in will be properly executed. Also, when utilities and their trade partners can easily tap into a pool of trained labor to implement their energy efficiency programs, the process is more efficient, and all parties benefit.

**Utilities may invest in workforce development to create new talent pipelines for their companies and their partners' businesses; to advance diversity, equity, and inclusion initiatives; and to enhance their reputations with customers and other important stakeholders.**

Some would argue that the focus of energy efficiency programs should remain on as much direct-install energy saving technology as possible to help programs be more successful in achieving a utility's or state's energy reduction and decarbonization goals. Others would point out that it is no small endeavor to expand the role of traditional energy efficiency programs to support broader goals and initiatives, since that may require a significant reassessment of utility mandates, missions, and roles.

These points are certainly important to consider. But with calls and funding for clean energy and climate justice growing by the day, utility leaders across the country are seeking creative ways to make their programs work harder to deliver both primary and secondary benefits to customers.

For a deeper look at the full landscape of seismic policy and program shifts that will need to occur to usher in large-scale change, read our white paper, *Energy efficiency evolution: New opportunities for utility programs*.<sup>2</sup>

**To evolve your energy efficiency programs, start by asking these 5 questions:**

- In what ways have workforce deficiencies in the communities we serve hindered the success of our EE programs?
- How can we improve the outcomes of our programs through targeted workforce development?
- How can our programs benefit small and local businesses in the communities we serve?
- How can our programs lift the disadvantaged communities we serve by creating economic opportunities?
- How can we advance our commitments to diversity, equity, and inclusion through our programs?

<sup>2</sup> [Energy efficiency evolution: New opportunities for utility programs](#)

## Workforce development program components

While they vary widely based on a utility's goals and community needs, workforce development efforts typically include:

- Job readiness screening
- Individual plan development
- Community asset mapping
- Labor market analysis
- Employer engagement
- Capacity building
- Economic recovery and resilience
- Work-based learning

Energy efficiency programs traditionally enlist the services of a trusted network of program implementation partners and contractors. That means job creation. Utilities can use the lever of job creation to support targeted communities through job training programs focused on systemically underemployed community members and enlisting key suppliers and contractor networks in those job training initiatives, particularly as future employers for newly trained workers.

## Case study of an ambitious clean energy workforce development program

Utility leaders know that energy savings and cost effectiveness must still be at the heart of their programs. They know that redesigning or launching new programs that incorporate meaningful community-building measures not only requires a massive internal effort, but it also entails hard work with regulators and advocacy groups to create a path for innovative ideas. How do you craft a workforce development program that delivers benefits both to your utility and the communities you serve? In the following section, we will shine a light on one utility's approach and surface tips and best practices for EE leaders to consider.

## Public Service Electric & Gas Company (PSE&G) Clean Energy Future-Energy Efficiency Program



PSE&G gained approval<sup>3</sup> for the program from the New Jersey Board of Public Utilities (BPU) in September 2020. It was approved to commit \$1 billion to energy efficiency investments over three years with the explicit goal of delivering environmental benefits, reducing customer bills, creating jobs, and boosting the New Jersey economy—all in line with the clean energy vision outlined by New Jersey Gov. Phil Murphy.

The program was designed to create up to 2,000 jobs and stimulate economic growth, avoid 8 million metric tons of carbon emissions through 2050, and advance PSE&G's strategy to become a leading clean energy provider. Diving deeper, the program was designed to target several community-building goals important to PSE&G and the state.

- 70% of program funding was earmarked to help business customers lower energy consumption and costs to enhance New Jersey's economic competitiveness.
- The program bolstered PSE&G's energy efficiency job program, which partners with community organizations and the New Jersey Department of Labor to recruit participants from the state's urban centers into the program with the goal of preparing 2,000 state residents to work for contractors that implement PSE&G's energy efficiency efforts.
- The program was designed to create "universal access to energy efficiency," with measures such as energy efficiency kits, free energy audits, and 0% financing on efficiency upgrades tailored to the needs of low-income, multifamily, and small business customers.

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<sup>3</sup> PSE&G Gains Approval for Landmark Clean Energy Future-Energy Efficiency Program | PSE&G



**Tip: Hire a dedicated workforce development director**

## Workforce development in focus: Examining results, extracting best practices

Since it was approved in fall 2020, **PSE&G's Clean Energy Future-Energy Efficiency Program** has shown great promise.

The program had created more than 750 jobs after completing the pilot cohort of the on-the-job training program in January 2022. Shortly after, in February, PSE&G launched a second cohort. This six-month program will help make further progress toward a goal of 2,000 newly trained workers hired into jobs with the company's partners and contractor network.

### **So how has PSE&G made such progress on the program's workforce development priorities?**

The key to success in this case has been PSE&G's "all-in approach" to developing a comprehensive framework to support workforce development.

Some utility programs dip their toe in this space by simply tracking and measuring their current impact. Others take the next step by working with community partners and advocates to recruit trade allies and access new labor pools, particularly in disadvantaged communities, to nudge workforce development goals

forward. Neither approach is wrong, but PSE&G went "all in" by using those approaches and paying for a job training program.

PSE&G chose to recruit and facilitate the hiring of 2,000 workers while also assessing and providing training opportunities. These workers would be hired by partner companies and contractors that lead its energy efficiency implementation efforts. In doing so, the utility not only created job opportunities within the disadvantaged communities it serves but also supported local companies such as HVAC service providers.

To recruit, train, retain, and develop workers on a significant scale requires dedication and focus. Including leadership and support from a director-level workforce development professional who oversees the process can help ensure its success.

The utility developed innovative workforce development programs designed to bridge the gap between the underserved community and the skills needed for community-based clean energy jobs. It worked closely with trade allies and community partners to ensure effective program rollout and accurate reporting and updates.

The umbrella Clean Energy Jobs Program includes several workforce development programs serving diverse needs. These sub-programs include:

- An introductory training program for entry-level candidates to learn core concepts
- A job readiness program for entry-level candidates to learn social and presentation skills that prepare them for the business environment
- An on-the-job training program for candidates referred by community partners to provide energy efficiency job experience needed for hard-to-fill positions
- An on-campus recruitment program to provide vocational/technical and community colleges with a pathway to clean energy jobs
- A mentorship program that helps Minority, Women, Veteran, Business Enterprises (MWVBE)-certified businesses gain access to the clean energy industry

To maximize the impact of your workforce development efforts, design programs that reach, engage, and support candidates with diverse needs. An on-campus recruitment program requires a different approach than on-the-job training. Meet your candidates where they are on their career journey.

PSE&G's program delivered ongoing workforce development trainings for trade allies, partnered with local trade schools and community colleges, and created staff positions to focus on workforce and trade ally development. The program set a goal of 42%-44% diverse supplier participation and targeted local companies and experienced PSE&G suppliers to implement program efforts.

Combined, the job creation, clean energy, and trade ally and implementation partner components of the program created a structure that allows PSE&G to pursue and measure progress on community-building goals that the utility, state regulators, and the governor's office are aligned on.

A thoughtful and inclusive approach to workforce development programs should consider the many hurdles that applicants may need to clear to take advantage of a job opportunity. To address issues like a lack of child care, transportation, or housing, PSE&G provides "wraparound services"<sup>4</sup> in conjunction with a grant from the state Department of Labor & Workforce Development.



**Tip: Develop a range of workforce development programs that are tailored to serve the diverse needs of your community**



**Tip: Don't forget about "wraparound services"**

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<sup>4</sup> At PSE&G, energy efficiency programs are vehicles for job placement | ROI NJ

## Unlock the potential of EE programs to support economic and workforce development

An increasing number of investors, stakeholders, and policymakers are considering using energy efficiency programs as a tool to bolster positive community impact, but how to best do so is still an open question.

When utilities and regulators align on program goals and structure, the data and analytics revolution sweeping the power industry offers exciting opportunities to improve EE and DSM program delivery and to support more customized and market-based programs.

ICF tapped its expertise and deep data-driven insights to partner with **PSE&G on the delivery of the Clean Energy Future-Energy Efficiency Program**. We work with utilities and state-level offices to design and implement innovative EE and DSM programs that deliver core cost-effective energy savings and advance critical community-building goals. While every utility has a specific regulatory and business context to consider, and not all are prepared to launch a comprehensive program on day one, there are entry points at every level suited to your specific needs and priorities.





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## About ICF

ICF is a global consulting services company, but we are not your typical consultants. We help clients navigate change and better prepare for the future.

Our experts have been embedded in every corner of the energy industry for over 40 years, working at the intersection of policy and practice. We work with the top global utilities, plus all major federal agencies and relevant energy NGOs, to devise effective strategies, implement efficient programs, and build strong relationships with their customers. From creating roadmaps to meet net zero carbon goals to advising on regulatory compliance, we provide deep industry expertise, advanced data modeling, and innovative technology solutions, so the right decisions can be made when the stakes are high.