

REAL-WORLD SCENARIO

APPLYING A DISTRIBUTIVE JUSTICE LENS



Repurposed coal plant

An energy company acquires a decommissioned coal-fired power plant site to develop a solar and battery storage facility. The project involves site rehabilitation, new infrastructure, and decisions about hiring, procurement, and the treatment of unresolved legacy issues.

*This scenario brief forms part of a series of resources by IHRB on **Distributional Justice and the Role of Business**, which examines how to operationalise fairness in the energy transition to support private sector decision making.*

1. Decision and Transition Context

An energy developer acquires a retired coal power plant and adjacent land to construct a solar PV and battery storage facility.

- The project is part of a national push to:
 - retire coal capacity,
 - increase renewable generation,
 - reduce emissions,
 - stabilise grid supply through storage.
- The site is attractive because of:
 - existing grid connection infrastructure,
 - industrial zoning,
 - available land.
- But, in the background:
 - former coal workers remain unemployed,
 - occupational health claims from past exposure remain unresolved,
 - pension shortfalls are under dispute,
 - community mistrust of the former operator is high.

2. Distributional Context

- The town developed around the coal plant.
- For generations, local livelihoods were tied to:
 - plant employment,
 - coal transport,
 - ancillary services.
- Air pollution from the plant affected surrounding communities.
- Respiratory illnesses are common.
- Some former workers have pending compensation claims.
- The plant closure resulted in:
 - job losses,
 - reduced municipal revenue,
 - decline in local businesses.
- Residents perceive that:
 - profits were extracted for decades,
 - rehabilitation obligations were delayed,
 - promised post-closure support did not materialise.

3. Distributive Justice Risks Arising From Pending Decision

Invisibility of legacy harms:

- The new entity is not legally responsible for past harms.
- Community members fear historic grievances will be ignored.

Unequal transition opportunity:

- Solar and storage operations require fewer workers than coal.
- Former workers may not qualify for new roles.

Land and environmental risks:

- Residual contamination remains on parts of the site.
- Community members contest that rehabilitation is complete.

Perception of “greenwashing”:

- Renewable branding contrasts sharply with unresolved coal-era impacts.
- Community distrust may intensify.

Timing incongruities:

- New investment proceeds while compensation claims remain pending.
- Transition benefits appear forward-looking while harms remain backward-looking.

4. Company Response

Recognition of historical responsibility:

- Although not legally liable, the company publicly acknowledges:
 - the town’s historical dependence on coal;
 - the health and economic impacts experienced by residents.
- A legacy issues review is commissioned in partnership with local representatives.

Transparency and justifiability:

- The company publishes:
 - what legal liabilities it does and does not hold,
 - rehabilitation status reports,
 - plans for site remediation.
- Clear communication distinguishes between past operator responsibility and current commitments.

Addressing unresolved harms:

- A voluntary support fund is established to assist former workers navigating compensation processes.
- Health screening clinics are funded in collaboration with public health authorities.
- Site remediation exceeds minimum regulatory standards in areas accessible to the public.

Capability-building and inclusion:

- Former coal workers are prioritised for retraining programmes linked to solar installation and battery maintenance.
- Bridging courses are offered for those without formal qualifications.
- Procurement criteria encourage use of former coal service providers where feasible.

5. Distributive Justice Outcomes

Addressing inherited harms:

- Site remediation reduces contamination risks in publicly accessible areas.
- Health screenings identify untreated respiratory conditions.
- Former workers receive practical assistance in pursuing outstanding claims.
- A grievance mechanism accepts both legacy and new complaints.

Generating opportunities through transition:

- Skills and employment:
 - A portion of former coal workers transition into renewable maintenance roles.
 - Retraining certificates are recognised by other renewable operators.

- Local economic continuity:
 - Former coal service providers are contracted for site preparation and ongoing maintenance where feasible.
- Community-facing improvements:
 - Remediated land sections are stabilised and secured.
 - Public reporting on environmental monitoring remains ongoing.

Collaboration:

- Engagement with labour unions on retraining pathways.
- Coordination with health authorities on occupational disease monitoring.
- Alignment with national and regional just transition programmes.