

THE ECONOMIC CASE FOR COMPREHENSIVE CLIMATE AND ENERGY LEGISLATION

The New England Clean Energy Council (www.cleanenergycouncil.org) supports **immediate passage of comprehensive climate and energy legislation that provides a stable policy roadmap, caps greenhouse gas emissions and sets a price on carbon.** This will unleash a torrent of investment that will:

- **Create up to 2 million jobs**
- **Provide market signals for investors to commit additional dollars to the sector**
- **Reduce our oil addiction and national security exposure due to climate change**
- **Save money for consumers through energy efficiency**
- **Improve our competitive standing in the most important industry of the 21st century**

Energy is a \$6 trillion global industry, and will likely grow to more than \$10 trillion by mid-century. As clean energy replaces carbon-based energy sources around the world, new markets employing millions of people will emerge. Countries like China recognize this opportunity, and are racing decisively ahead. Meanwhile, the United States' inaction is relegating our country to the back of the pack. Comprehensive legislation will:

- **Create up to 2 million jobs.** By 2007, more than 68,200 businesses across all 50 states and the District of Columbia accounted for about 770,000 jobs in the clean energy sector. Between 1998 and 2007, clean energy economy jobs grew by 9.1 percent, while total jobs grew by only 3.7 percent.¹ Clean energy and climate legislation has the potential to create up to 1.9 million new jobs, increase annual household income by up to \$1,175 per year, and boost GDP by up to \$111 billion.²
- **Provide investors with the market signals and long-term certainty they need to commit additional dollars.** Under a federal low-carbon policy, the United States could see a net increase of about \$150 billion per year in new clean energy investments, most of which would come from the private sector.³ Lack of regulatory certainty is one of the largest factors inhibiting growth of the U.S clean energy market.⁴
- **Reduce our oil addiction and national security exposure due to climate change.** In February, the Defense Department's Quadrennial Defense Review for the first time cited climate change as a national security challenge, calling it a 'threat multiplier' that could accelerate instability and conflict. A strong climate and energy bill will help curb our oil addiction; reduce the money that we currently send abroad to unstable and unfriendly regimes; and decrease the threat that climate change poses.
- **Save money for consumers and drive economic growth via energy efficiency.** To date, the 10-state Regional Greenhouse Gas Initiative (RGGI) has raised \$320 million for energy efficiency programs that will save consumers \$959 million on electricity bills. Investments in energy efficiency reduce dependence on fossil fuels, and consumer savings flow back into the economy to bolster growth and create jobs. For example, each \$1 spent on electric efficiency in New England boosts output by \$5.90.⁵
- **Improve our competitive standing with respect to the rest of the world by increasing investment.** The United States is rapidly losing the race for clean energy leadership. Countries that have adopted strict legally binding commitments to reduce carbon emissions and those making significant investments in the sector now lead the U.S. in renewable power such as wind and solar.⁶ China, Japan, and South Korea will gain a major competitive advantage by out-investing the U.S. three-to-one, or \$509 billion to \$172 billion.⁷

¹ The Clean Energy Economy: Repowering Jobs, Businesses and Investments Across America; Pew Charitable Trust; June 2009;

http://www.pewcenteronthestates.org/uploadedFiles/Clean_Economy_Report_Web.pdf

² EAGLE National Climate Policy Assessment, University of California, University of Illinois, and Yale University, <http://www.e2.org/ext/doc/E2pr-EAGLEanalysis-FINAL.pdf>

³ Center for American Progress http://www.americanprogress.org/issues/2009/06/clean_energy_factsheets.html

⁴ 2008 McKinsey Quarterly Survey on the Role of Business in Society, <https://www.mckinseyquarterly.com/PDFDownload.aspx?ar=2235>

⁵ Energy Efficiency: Engine of Economic Growth, Howland et al, 2009;

http://env-ne.org/public/resources/pdf/ENE_EnergyEfficiencyEngineofEconomicGrowth_FINAL.pdf

⁶ Out of the Running? How Germany, Spain, and China Are Seizing the Energy Opportunity and Why the United States Risks Getting Left Behind,

ABOUT THE NEW ENGLAND CLEAN ENERGY COUNCIL

The New England Clean Energy Council's mission is to accelerate New England's clean energy economy to global leadership by building an active community of stakeholders and a world-class cluster of clean energy companies. The Council represents over 175 member organizations, including clean energy companies, venture investors, major financial institutions, universities, industry associations, utilities, labor and large commercial end-users. The Council's ranks now include clean energy CEOs, representatives from most of the region's top 10 law firms, and partners from over a dozen of the top New England venture capital firms (with a total of over \$8 billion under management). Working with its stakeholders, the Council develops and executes a wide array of programs in five key focus areas: Innovation, Growth, Education, Adoption, & Policy.

http://www.americanprogress.org/issues/2010/03/pdf/out_of_running.pdf

⁷ Rising Tigers, Sleeping Giant, November 2009, Breakthrough Institute & the Information Technology and Innovation foundation
<http://www.itif.org/files/2009-rising-tigers.pdf>