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Growing 'Green' Jobs Is a Long-Term Task, Advocates Say

By **PETER BEHR** of [ClimateWire](#)

In the midst of an often bitter recession, the "green" economy continues to generate jobs and headlines.

Vestas American Wind Technology opened a new wind turbine factory in Windsor, Colo., last year and created 650 jobs. The Danish company -- the world's largest wind turbine manufacturer -- plans to establish research centers in Houston and Boston as part of a \$1 billion U.S. expansion.

A home weatherization program in greater Chicago, targeted at lower-income households, has filled 60 new staff positions and doubled its number of neighborhood contractors to take advantage of \$37 million in new federal stimulus funding.

Duke Energy is gearing up to install 700,000 "smart" utility meters in Ohio, providing real-time power price information for consumers and two-way communications between utility operators and customers to manage power flows more efficiently. It has applied for approval to install 800,000 smart meters in Indiana. Duke Senior Vice President Todd Arnold said that at peak, the installation program would create 500 jobs.

Electric Transportation Engineering Corp. (ETEC) in Phoenix is planning to deploy 12,500 charging stations in Arizona, California, Oregon, Tennessee and Washington, in a stimulus-funded program to support introduction of the Nissan Leaf all-electric-powered compact car next year. "We expect to have 750 people in place across in the country within the next 18 months," said Jonathan Read, president and CEO of ETEC's parent, ECOTality Inc. The positions will be both at the company and in local governments involved in the project.

Such news items have been weekly affairs for a U.S. renewable energy industry that was growing three times faster than the economy overall prior to the recession's onset at the end of 2007, according to a study for the Energy Department by Management Information Services Inc. (MISI) of Oakton, Va.

But overall, the picture for the nation's labor force is mixed. It has darker shades than 'green,' experts say.

'You have to build a lot of windmills'

While the economy generated more than 500,000 clean-energy jobs between 2006 and 2007, according to MISI, the nation's economy lost more than that number in January 2009 alone. "You have to build a lot of windmills to replace what's happening in Detroit," says Roger Bezdek, president of MISI.

A goal of weatherization funding has been to provide training and jobs for the least-skilled, said Meghann Moses, senior policy associate with the Chicago Jobs Council. "The challenge now is that there are so many people in the trades who are out of work and are looking for a transition to a new career." They are filling weatherization jobs, she said. "That's good. But what does that mean for the people who are hardest to employ?"

Meanwhile, the renewable energy industry itself appears to be taking hits from the economy's freefall. "Anecdotally, what we're hearing is that the green and renewable industry is really experiencing hard times in the past year," Bezdek said.

"Some are starting to come back with the stimulus," he added. But Bezdek said the growth potential of the new energy industries won't be achieved with a few years of pump-priming. "Green jobs aren't going to turn the economy around this year or next year. That hype is way overblown. ... It will take incentives, policies,

R&D over two decades to move the economy in these new directions."

Robert Pollin, co-director of the University of Massachusetts' Political Economy Research Institute (PERI), calculates that for every \$1 million invested in green energy development, 17 new jobs are created, a higher multiplier than tax cuts or fossil-fuel investments produce. But he said, "The hole in the economy is so big, even if these programs are successful, that alone won't make up for the jobs that have been lost."

John Krenicki, vice chairman of General Electric Co., told senators last month that his company, which has more than 2,000 U.S. employees in its wind and solar businesses, had canceled \$5 billion in orders from suppliers in those sectors over the previous eight months. Based on the current slowdown, installations of wind power generators in the United States could fall to half of the 2008 deliveries, he said. "That means that of the 85,000 jobs created through 2008, half we would expect to go away."

Impact of federal stimulus just beginning

The impact of the 2009 federal economic stimulus bill is just beginning to be felt in some green job areas.

John Hamilton, director of weatherization for the Community and Economic Development Association of Cook County, Ill., said increased stimulus funds will enable his agency to triple the number of households that receive service to 9,000 in the coming year. Counting contractors, the project's total employment should rise to 500, also a threefold increase.

Duke's Arnold said the planned installation of smart meters in Ohio and Indiana would take about five years if the company funds the projects by itself. Duke has applied for a \$200 million Energy Department grant, which would shorten the installation to three years. "It's certainly going to take people. There's real work to build it out."

As Congress wrestles with energy and climate legislation, the debate has enlarged to ask whether federal intervention is required not just to respond to global warming threats, but also to plant seeds for new industries that could become cornerstones of the future U.S. economy -- and if so, whether the investment would be worth it.

David Kreutzer, senior policy analyst at the Heritage Foundation's Center for Data Analysis, told a congressional hearing in April that by his calculations, the creation of new jobs in green energy sectors would be overwhelmed by losses of existing jobs in coal production, coal-based energy generation, oil refining and other industries most at risk from the carbon restrictions sought by Congress' Democratic leadership.

"Employment drops overall, but the energy-intensive manufacturing sector is especially hard hit. By 2030, manufacturing employment loses nearly 3 million jobs because of cap and trade's energy restrictions," he testified. Other studies, including a recent forecast by the Energy Information Administration, say overall economic losses from pending climate proposals would not be severe.

More priming coming from the federal pump

Yesterday, the Energy Department announced the awarding of \$2.3 billion in tax credits under the stimulus legislation for manufacturers of advanced energy equipment. "These tax credits will help create thousands

of high-quality manufacturing jobs in some of the highest-growth segments of the economy," said Energy Secretary Steven Chu.

Sen. Jeff Bingaman (D-N.M.), a sponsor of the tax credit feature, said yesterday that it was needed to offset tax breaks offered by foreign governments to advanced technology manufacturers. "For instance, Malaysia and the Philippines offer solar photovoltaic manufacturers income tax holidays [Malaysia's lasts 15 years] ... while Germany offers them up to 50 percent of investment costs. As a result, the U.S. is far behind and is falling further behind."

Earlier this month, the administration awarded \$2.4 billion in stimulus grants to 48 companies that are developing advanced batteries for electric and plug-in hybrid vehicles, and related technologies. "If we want to reduce our dependence on oil, put Americans back to work and reassert our manufacturing sector as one of the greatest in the world, we must produce the advanced, efficient vehicles of the future," President Obama said in announcing the grants.

The wind power industry is also using international competitiveness as a reason for the stronger renewable energy mandate it seeks.

Denise Bode, president of the American Wind Energy Association, said that supplying 20 percent of U.S. electricity with renewable power by 2030 -- a goal that the George W. Bush administration Energy Department said was achievable -- would create 500,000 new jobs over that period.

But the challenge foreign competition presents to U.S. green energy manufacturers may be just as tough as in other industries. The smart meters that Duke will install in its system will be made by San Jose, Calif.-based Echelon Corp., whose products already serve customers in Italy, Germany, France and Russia.

Echelon Vice President Jeff Lund said the design and engineering for the smart meters is done in California and North Dakota, and high-value jobs at those locations will continue to grow. But for economic reasons, the manufacture of the meters themselves will be outsourced to China or other Asian locations, he said.

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