

Kate Gordon
Senior Advisor, Apollo Alliance
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Chairwoman Boxer and members of the committee, thank you for inviting me here today to talk about how a strong, comprehensive energy and jobs bill can bolster the American economy, usher in a new era of sustainable growth, and create millions of high quality jobs.

This Congress has taken the critical need for a sustainable growth strategy seriously. In June, the House passed the American Clean Energy and Security Act, which uses a price and a cap on pollution as the centerpiece of a comprehensive climate and energy strategy, and sends a strong signal that America is ready to tackle global warming – and become a global leader in new technologies in the process. Here in the Senate, the Energy and Natural Resources Committee took the important step of passing the American Clean Energy Leadership Act, which has at its core the notion that our economic competitiveness and national security demand a significant shift to renewable power, and that our companies and consumers need support as they learn how to develop that power and use it more efficiently. That Act also created the Clean Energy Deployment Administration, a new green bank that will help overcome the financing barriers faced by entrepreneurial energy technology companies.

And now it is this Committee's turn, in perhaps the most important moment of the current climate and energy debate. I am honored to be here to discuss this critical piece of a comprehensive strategy to reduce climate emissions and create good jobs, the Clean Energy Jobs and American Power Act of 2009.

America Needs a New Sustainable Economic Growth Strategy

After September 11, 2001, this country faced a recession that we combated through unsustainable investments in financial paper and real estate. The next recession, the one we're in now, is much deeper and is hitting Americans much harder. Since December 2007, the ranks of the unemployed have increased by over seven million people, and the unemployment rate now stands close to ten percent. While the investments made through the American Recovery and Reinvestment Act (ARRA) successfully staved off deep economic crisis, the American economy is still in search of its next economic generator. The need for an economic strategy that keeps our workers in their jobs while creating a whole host of new, good jobs has never been so urgent.

The Apollo Alliance and our partners in the labor, environmental, social justice and business communities believe that in order to emerge from our current economic crisis, we must make a series of strategic, targeted sustainable investments to create these new, high quality jobs in the clean energy economy.

Last fall, we released our *New Apollo Program*, a proposal for a comprehensive suite of federal investments to build the clean energy economy by leveraging America's strengths, such as our can-do spirit, our industrial infrastructure, our skilled workforce, and our world-class educational

system. This program called for a federal investment of \$500 billion over ten years to revolutionize how we produce and use energy – an investment that would create over 5 million new jobs. It also called for a cap and price to be put on carbon pollution. The Apollo Alliance was one of the first organizations to recognize early on that a market-based system to limit carbon emissions is an essential component of any comprehensive strategy to generate growth in the clean energy economy, because it creates new markets for low-carbon products while providing certainty for private investments into the renewable and energy efficiency industries.

Despite inconsistent support from the federal government, these industries have already proven themselves to be growth areas for the future. Investments in wind, solar photovoltaic, and biofuels grew by 50 percent between 2007 and 2008 and are expected to exceed \$325 billion within a decade.ⁱ And, jobs wind energy generation grew by 23 percent and solar energy generation by 19 percent between 1998 and 2007, outpacing the 3.7 percent job growth in the rest of the U.S. economy experienced over the same period.ⁱⁱ

Until the federal government truly commits to a low-carbon future, however, investment and employment in these industries will never grow to the scale needed to truly drive an economy-wide resurgence. While many of the pioneering renewable energy technologies were invented here, today American companies control only six of the world's top 30 companies in solar, wind and advanced batteries.ⁱⁱⁱ And since 1997, the U.S.'s green trade balance has moved from a \$14.4 billion surplus to a deficit of nearly \$9 billion last year.^{iv} Our European and Asian competitors have moved aggressively to support renewable energy and, in the process, have developed greater renewable capacity as well as stronger industry growth. In fact, China's leaders are investing \$12.6 million every hour to green their economy.^v As David Sandalow, assistant secretary for policy and international affairs at the Energy Department recently put it, "if they invest in 21st-century technologies and we invest in 20th-century technologies, they will win,"^{vi}

Our clean tech industry is impressive, but by global standards we are still playing in a garage band. We need to become Bruce Springsteen. The bill currently before you opens that door.

Sustainable Growth Means Sustainable Jobs

By taking decisive action to limit, and steadily reduce, climate pollution, the Clean Energy Jobs and American Power Act will send a clarion call throughout the world that America is ready to step up and take action to curb climate change. It will also send the signal many of our clean tech and clean manufacturing companies have been waiting for, that this country is serious about opening up vast new markets for clean energy investments. And where there is clean energy investment, clean energy jobs will follow.

Since its founding in 2003, the Apollo Alliance has made the case that investment in clean energy is not just good environmental policy, but also good economic development policy. Recent studies support these claims: jobs in the clean energy economy have grown nearly two and a half times faster than overall jobs in the economy between 1998 and 2007.^{vii} An analysis by the Center for American Progress and the Political Economy Research Institute found that an investment package combining the Recovery Act and the American Clean Energy and Security Act would create a net of 1.7 million new jobs in the U.S. economy.^{viii}

These employment opportunities will be across all sectors of the economy, and will provide a unique opportunity to rebuild the nation's middle class through job creation in sectors particularly hard hit by the recessions. Fully 55% of all new jobs in the emerging renewable energy and efficiency industries are projected to be in the manufacturing and construction sectors, sectors that provide living wage, high quality jobs for the 68% of working Americans who lack four-year degrees.^{ix} Jobs in manufacturing and construction are more likely to serve these middle-skill workers, and are more likely to be unionized, providing higher wages, better benefits and greater access to job training.^{x xi}

The Recovery Act served as an important down payment on the creating high quality jobs in the new energy economy, by investing more than \$100 billion in renewable energy development, transportation projects, energy efficiency and weatherization, technological research, and workforce training and education. These investments have already spurred new demand for efficient products, and for workers with the skills to make and install these products.

Sunrise Solar in St. John, Indiana provides a perfect illustration of the power of clean energy investments to create real American jobs. Sunrise Solar makes solar-powered attic fans, a technology that saves homeowners 30 percent on the cooling portion of their utility bill. It is a truly American business story: owner Bill Keith launched the business in 2003 out of his garage, and is now planning to open a second production facility next year. Sales have increased, in part, due to a 30 percent tax credit included in the Recovery Act for the purchase of energy efficiency products. Sunrise Solar is creating good jobs, with decent pay and benefits, and because Bill uses local suppliers wherever possible, his company also creates new jobs throughout the local economy.

Sunrise Solar is one company. The Clean Energy Jobs and American Power Act has the potential to create tens of thousands of these companies, and millions of new jobs, across the country. These jobs will be obviously be supported by investments in the bill, but those public dollars are intended to drive a far greater number of private investments, which will ultimately provide the financial backbone for the new clean energy economy.

The Clean Energy and American Power Act is a Critical Step Toward Sustainable Growth

In addition to providing market certainty for clean energy investments through a predictably decreasing limit on carbon emissions, the bill also makes important investments in expanding renewable power and energy efficiency projects, domestic manufacturing of efficient vehicles, and green-collar job training programs.

We know that the best way to stimulate the American economy is to funnel public money through state and local governments, which have the best sense of their own economic growth potential and investment opportunities. The Clean Energy Jobs Act provides significant and sustained funding to states to invest in renewable energy and energy efficiency through the State Energy and Environment Development (SEED) accounts. Across the country, we have already seen state-level clean energy investments generate significant employment opportunities. For instance, a 33,000-acre wind farm developed by Ohio-based Vision Energy will need 300

construction workers over a 12-month period and eventually will hire 30 to 40 full-time, highly trained technical employees. To respond to the need for trained wind turbine installers and technicians, Kankakee Community College in Illinois is working with the local Workforce Investment Board and the wind project developer to develop a training curriculum to prepare local residents for the new employment opportunities.

The Clean Energy Jobs Act provides continued and direct funding for the Energy Efficiency and Conservation Block Grant program, while also guaranteeing a share of state funding for the Retrofit for Energy and Environmental Performance program. Efficiency programs being administered nationwide are driving innovative programs at the local level which save consumers money while reducing energy use. The city of Chicago is already using a portion of its Energy Efficiency Community Block Grant funding to experiment with a model that tackles one of the toughest program design challenges in building energy efficiency: including low-income renters. The program has promoted collaboration between community lenders and energy service companies to provide low income renters with energy efficiency services, while also leveraging private resources.^{xii}

The Clean Energy Jobs Act focuses not only on the electricity sector, but on the transportation sector as well. The Act provides funding for the transit vehicles and infrastructure, and for the next-generation vehicles, that are necessary to reduce our reliance on foreign oil and address the 30 percent of total greenhouse gas emissions generated by the transportation sector. The Clean Energy Jobs Act creates a new allocation program which directs funding to states, transit agencies, and metropolitan planning organizations to fund transportation projects that reduce greenhouse gas emissions. These projects create jobs: transit projects tend to generate nine percent more jobs per dollar spent than road and bridge repair and maintenance projects, and nearly 19 percent more jobs than new road or bridge projects.^{xiii} When done at scale, these projects often create union jobs that pay family-supporting wages and benefits. Importantly, the bill does not look only at transportation operations and installation; it also helps to fund American vehicle manufacturing. The Clean Vehicle Technology Fund would bolster the domestic development and manufacture of light- and heavy-duty plug-in electric vehicles. Investments in the vehicle batteries through the Recovery Act have already proven to be significant job creation engines. Advanced battery technology grants to 11 companies in Michigan are expected to create 6,800 new jobs in the next 18 months and up to 40,000 jobs over the next 11 years.^{xiv}

And, the Clean Energy Jobs Act recognizes that our workforce is the backbone of the clean energy economy, by investing in green jobs training programs to ensure that workers are prepared for new and higher-skilled jobs in the electricity, energy, retrofitting, and transportation sectors. As states and cities continue to experiment with new methods of providing energy efficiency services to homeowners, the need for high-quality trained workers continues to grow. In Portland, Oregon, Oregon Apollo chair and AFL-CIO Secretary-Treasurer Barbara Byrd worked with Green For All and the city of Portland in facilitating a process involving dozens of stakeholders from a diverse set of interests including labor, business, utilities, and the community that resulted in an innovative community workforce agreement. It will ensure that contractors participating in Portland's innovative Clean Energy Works program utilize workers from job training programs. This provision ensures that qualified, historically underrepresented

contractors and workers benefit from the thousands of high-quality, family-supporting jobs created by this program, and underscores the need for a stronger workforce training infrastructure for the green economy nationwide. The Clean Energy Jobs and American Power Act expands total funding for provisions of the Green Jobs Act and extends the investment for an additional two years.

Turning the Clean Energy Jobs and American Power Act into a truly Comprehensive Energy and Climate Program for America

While we truly applaud the efforts of Senators Kerry and Boxer in advancing this bill, there are also areas where we feel the bill could be strengthened if it is to fully capture the potential of the clean energy economy.

First, while the Clean Energy Jobs Act includes important cost protections for energy intensive industries and targeted investment in clean vehicle manufacturing, it should also invest directly in the thousands of other domestic manufacturing firms ideally placed to meet new clean and efficient energy technology demands. Currently, America imports more than 70 percent of clean energy components, at the same time that our heartland states are hemorrhaging manufacturing jobs. As this committee moves forward to work with others on a comprehensive energy and climate strategy, we encourage you to look to some of the important provisions to invest in American manufacturing contained in other Senate legislative proposals and bills, including Senator Brown's Investments for Manufacturing Progress and Clean Technology Act (IMPACT), and Senator Bingaman's Restoring America's Manufacturing Leadership through Energy Efficiency Act. The programs in these bills, including financing for small and medium sized manufacturers to retool, retain workers, and become more energy efficient themselves, are vital components to ensuring that the clean energy products demanded by the new energy economy can be made in America.

Second, while the bill increases investment in renewable energy and energy efficiency, your committee could not, for jurisdictional reasons, incorporate the renewable electricity and energy efficiency standards contained in the Energy and Natural Resources Committee's American Clean Energy Leadership Act. As the bill moves forward, we encourage Committee members to work closely with other committees incorporate a strong renewable energy standard into the legislation. These important standards are key components to ensuring continued deployment of renewable energy and energy efficient systems, as well as creating jobs in the construction and manufacturing sectors. In the *New Apollo Program*, the Apollo Alliance and its partners called for producing a quarter of the nation's power through renewable and recycled energy resources. Under a national RES of 25% by 2025, the Renewable Energy Policy Project projects that there could be more than 850,000 new manufacturing job opportunities in existing component parts firms across the U.S.^{xv}

In addition to setting strong national goals for renewable energy generation and conservation through efficiency, the Committee should consider two other provisions which would guarantee further investment into efficiency. First, the Senate should require that at least one-third of allowances allocated to local distribution companies (LDCs) are used to specifically support energy efficiency projects, and should target these efficiency efforts toward low-income

consumers who most need the resulting reductions in their electricity bills. Also, the Senate should strengthen the building codes provision by specifying target energy use reductions of at least 30 percent by 2010, as contained in both ENR's American Clean Energy Leadership Act and in the House climate bill.^{xvi}

Finally, we applaud the inclusion of the Climate Change Worker Assistance program to help transition workers in carbon-intensive industries, but urge you to go further by providing economic development assistance for those communities that are currently dependent on those industries. While change will not come overnight, the fact is that, as the EPA said in its analysis of your legislation last Friday, "[T]he cap-and-trade policies outlined [here] would transform the way the United States produces and uses energy."ⁱ Every time America has experienced a similar major economic shift, we have recognized the need to lend a helping hand to those who may be negatively affected. When soldiers came back from World War II and re-entered the economy, we passed the GI Bill to help them transition into civilian life. Recognizing that individual worker assistance is only part of the solution, the American Recovery and Reinvestment Act added community economic development to the Trade Adjustment Assistance program. Similarly, we must help communities that are dependent on carbon-intensive industries to develop comprehensive strategic plans for community redevelopment, which will help ease the transition from their reliance on carbon intensive industries, diversify their employment opportunities, and provide needed support for environmental remediation and public infrastructure construction projects.

As the committee considers the American Clean Energy Jobs and American Power Act of 2009, we encourage you to put the American economy on the road to a stronger economy through investments in clean energy, good jobs, and American workers. The path we are on now is not working – it is leading to unemployment, environmental degradation, and dependence on other countries for our carbon-intensive *and* low-carbon energy resources. In a time of unparalleled economic uncertainty, we ask committee members and members of the broader Senate to choose a different path, and choose it now.

With your leadership, we know this country is up for the challenge. Let's take this garage band out on the road.

Thank you.

ⁱ Mankower, J. et al. *Clean Energy Trends 2009* (Clean Edge, March 2009). www.cleandedge.com/reports/reports-trends2009.php

ⁱⁱ *The Clean Energy Economy*. (Pew Charitable Trusts, June 2009). www.pewcenteronthestates.org/uploadedFiles/Clean_Economy_Report_Web.pdf

ⁱⁱⁱ Testimony by John Doerr before the Senate Committee on the Environment and Public Works, January 7, 2009, available at: http://epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=df8869c6-c972-417b-b0a7-14b09d8c50bc

^{iv} Sherradan, S. and Peuquet, J. *Green Trade Balance*. (The New America Foundation, June 2009). www.newamerica.net/publications/policy/green_trade_balance

^v Furnas, Ben. *We Must Seize the Energy Opportunity or Slip Further Behind*. (Center for American Progress, April 2009). www.americanprogress.org/issues/2009/04/pdf/china_energy.pdf

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- ^{vi} Mufson, Steve. “China Steps Up, Slowly but Surely”. *Washington Post*. October 24, 2009. www.washingtonpost.com/wp-dyn/content/article/2009/10/23/AR2009102304075.html
- ^{vii} *The Clean Energy Economy*. (Pew Charitable Trusts, June 2009). www.pewcenteronthestates.org/uploadedFiles/Clean_Economy_Report_Web.pdf
- ^{viii} Pollin, R. et al. *The Economic Benefits of Investing in Clean Energy*. (Center for American Progress, June 2009). http://www.americanprogress.org/issues/2009/06/pdf/peri_report.pdf
- ^{ix} American Community Survey, 2005-2007 data; Bivens, J.; Irons, J. and Pollack, E. *Green Investments and the Labor Market* (Economic Policy Institute, April 2009).
- ^x Ibid.
- ^{xi} Madland, D. and Walter, K. *Unions are Good for the American Economy* (Center for American Progress, February, 2009). www.americanprogressaction.org/issues/2009/02/efca_factsheets.html
- ^{xii} *Expanding Retrofits With Private Financing: Chicago’s Multi-Family Energy Retrofit Program*. (The Brookings Institution, July 2009). www.brookings.edu/~media/Files/rc/papers/2009/0723_arra_chicago_retrofit/0723_arra_chicago_retrofit_profile.pdf
- ^{xiii} New Apollo Program. (Apollo Alliance, September 2008). <http://apolloalliance.org/wp-content/uploads/2009/03/fullreportfinal.pdf>
- ^{xiv} “Granholm Says Advanced Battery Grants Will Create Thousands of Good-Paying Jobs in Michigan”. Press Release, Office of Governor Jennifer M. Granholm. August 6, 2009. <http://www.michigan.gov/gov/0,1607,7-168--219571--,00.html>
- ^{xv} *How to Revitalize America’s Middle Class with the Clean Energy Economy* (Blue Green Alliance, June 2009). www.repp.org/articles/BGA_Repp.pdf
- ^{xvi} For discussion of building code provisions in ACES and ACLEA, see: *ACELA Summary & Comparison to the ACES Act*. (Pew Center on Global Climate Change, 2009) <http://www.pewclimate.org/docUploads/acela-summary-and-aces-act-comparison.pdf>.
- ^[i] Economic Impacts of S.1733: The Clean Energy Jobs and American Power Act. (Environmental Protection Agency, October 2009). www.epa.gov/climatechange/economics/pdfs/EPA_S1733_Analysis.pdf