Fostering the Clean Energy Economy

NASEO 2011 Annual Meeting
San Antonio, Texas
September 12, 2011

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Outline

- About IEDC
- The Great Recession
- Cluster of the Future
- IEDC's Survey of Renewable Energy
- How Do We Get There?
- Conclusion

About IEDC

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- The **International Economic Development Council** is the world's leading nonprofit association serving economic development professionals.
- Over 4,400 members
- Publications, conferences, and training courses promote a global exchange of emerging issues and best practices.

About IEDC: Climate & Energy Work

- **Programmatic focus:**
  - Conference sessions, webinars
- **Energy Foundation grant:**
  - Report: "Powering Up: State Assets & Barriers to Renewable Energy Growth"
  - Report: "Getting Prepared: Economic Development in a Transforming Energy Economy"
- **Rockefeller Brothers Fund grant (in progress):**
  - Offshore wind, electric vehicles, building efficiency
- **Reports accessible at iedconline.org**

The Great Recession

The Great Recession: Key Figures

- Over 8.8 million jobs lost since December 2007
- Over 14 million unemployed today
- Construction lost over 2M jobs since the recession
- Manufacturing also lost 2M jobs
- Over 4.2 million properties have been foreclosed
- The future economy will need to focus on innovation and new opportunities

Cluster of the Future

Cluster of the Future

- **Clean economy currently employs 2.7 million in the U.S.** (Brookings)
- **Clean energy jobs grew 2.5 times faster than overall jobs between 1998-2007** (Pew Charitable Trusts)
- **Manufacturing and exports intensive**
  - **Creates primary jobs and builds local/national wealth through exports**

→ Clean energy is a cluster of the future

Clean Energy: An Opportunity

- **Consumers** demand clean energy
- **Businesses** adapt to volatile energy prices and consumer preference
- **Governments** plan for long-term energy security

Clean Economy Jobs by State

Top 10 States	
By Number	**By Share**
California	Iowa
New York	Wisconsin
Texas	Mississippi
Pennsylvania	Arkansas
Illinois	Michigan

Bottom 10 States	
By Number	**By Share**
Vermont	Colorado
North Dakota	Delaware
Delaware	Wyoming
South Dakota	Alaska
Wyoming	Montana

Source: Brookings

Potential for Growth

VENTURE CAPITAL:

15% of all global venture capital investments in 2009 were focused on clean energy

(Pew Charitable Trust)

JOBS: 5 million new jobs will be created if the U.S. generates 25% of its energy from renewable power by 2025

(Rand Corporation)

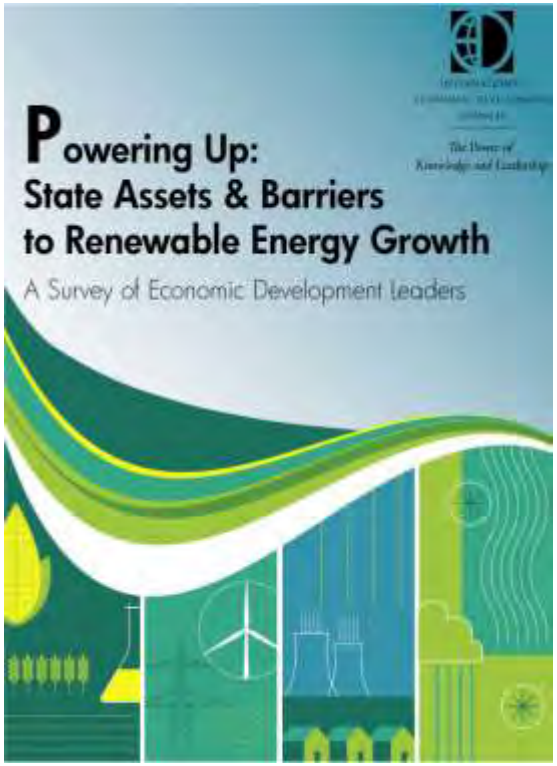
FDI: Growth in alternative energy FDI grew 400% faster in 2007-2010 than previous years, 3 times faster than any other industry (FDI Intelligence)

R&D: U.S. ranked 3rd in clean energy R&D with $15 billion invested in 2009

IEDC's Survey of Renewable Energy Development

IEDC Renewable Energy Survey – June 2011

Surveyed energy officials and economic development leaders from 48 states



Goals:

- Identify top assets and barriers on state level to renewable energy development

- Discover strategies for enhancing strengths and overcoming barriers.

Survey Findings

Top 5 Assets to Renewable Energy Growth
Political leadership
Workforce strengths
Business climate
Natural energy source
Research and development capacity

Survey Findings

Top 5 Challenges to Renewable Energy Growth
Lack of investment capital or financing
Federal regulatory uncertainty
Inadequate transmission grid
Regulatory impediments to clean energy transmission
Underdeveloped clean energy supply chains

How Do We Get There?

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Policy Support

States with some of the greatest growth in installed clean energy…

Iowa, Minnesota, New Mexico and Texas

… are the ones with some of the longest-standing mandatory Renewable Portfolio Standards

Partnerships

- Recession delayed or cancelled many projects
- Projects are picking back up, but investors are more cautious
- To address this, states are trying to fill in the gap where they can
- Increasing public-private collaboration in this area
  - **Ohio Energy Gateway Fund**

Ohio Energy Gateway Fund

Ohio Department of Development
Ohio Energy Resources Division

- Partnership between Ohio DOD and Air Quality Development Authority
- $40M public (ARRA/state) + $40M private match = $80M
- VC fund
- Managed by private investment firms

Transition Assistance

- Encouraging clean energy business practices
  - St. Louis Green Business Challenge (St. Louis Regional Chamber and Growth Association)
- Supply chain assistance with clean industries
  - Great Lakes Wind Network (private)
  - Northwest Connectory (Business Oregon and Pacific Northwest Coalition)

Conclusion

Conclusion

- The post-recovery economy will require more focus on innovation and green energy
- Barriers need to be addressed
- State energy and state economic development play a critical role
  - Policy, financing, supply chain, transmission, etc.
- Must engage all stakeholders to move forward successfully

Conclusion

- Traditional clusters in many cases are not producing jobs
- Moving to a new energy economy can:
  - Reduce balance of trade
  - Trade natural resources for jobs
  - Increase energy certainty
  - Help alleviate unemployment

Thank you

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- www.iedconline.org