

Study says greening will raise state's economy

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(09-17) 20:16 PDT -- Taking strong measures to reduce greenhouse gases to combat global warming would help California's economy, boost employment and increase household savings and personal income, according to a new analysis.

The study, released Wednesday by the state Air Resources Board, predicts the results of a series of proposed measures requiring energy savings by 2020, the state's self-imposed deadline for rolling back carbon emissions to 1990 levels.

Under the California Global Warming Solutions Act of 2006, the state must impose a limit on the amount of pollutants companies emit and expand renewable energy. These changes, along with others, would result in 100,000 new jobs, boost the state economy by \$27 billion and increase personal income by \$14 billion, the study said.

Households would save \$400 a year because of improvements in energy inefficiency, and per capita income would rise by \$200, according to the analysis.

Mary Nichols, chairwoman of the Air Resources Board, said the analysis shows that going ahead with the state plan is good for the economy and the environment.

"Our historic effort here in California to deal with the crisis of global warming will also have the benefit of saving families and citizens money," she said.

If agriculture, forestry, construction, manufacturing and other business sectors followed the carbon-cutting measures proposed by the air board in June, each sector would see growth and an increase in jobs, according to the analysis.

Only two sectors - utilities and retail trade - wouldn't increase production and jobs under the plan.

In the case of utilities, an expansion of renewable energy sources as well as a surge of building and appliance efficiency would "significantly reduce the need for additional power generation and natural gas consumption," the analysis said.

So far, investors have shown an interest in creating new technologies that would replace outdated fossil-fuel plants and inefficient buildings and appliances, the study says. The new analysis shows an increase in venture capital investment in the state over the last decade. In 2007, there was \$1.2 billion in investments for energy innovation.

A separate analysis showed that the measures designed to curb greenhouse gas and save energy also would improve public health. In 2020, the measures would avoid an estimated 300 premature deaths, nearly 9,000 cases of asthma and other respiratory symptoms and the loss of 53,000 workdays.

"If we don't choose to implement the state's plan, we'll be forfeiting more economic development, more jobs and better public health," said Margaret Bruce, western regional director of the Climate Group, a multinational nonprofit organization concerned with reducing global climate impacts.

"Doing nothing is an ill-advised option," said Bruce. "Choosing to adopt the state's emission plan would encourage and foster innovation. We owe it to California to keep our competitive edge through public-policy support of renewable energy and efficiency."

Under California's 2006 law, by the end of the year, the air board is required to produce a final scoping plan showing emission reductions. Among the measures are strategies to cut energy waste in buildings, lighting, appliances and in tailpipes of cars and light trucks.

Providing an economic analysis of the measures is also required by the law.

The air board staff based the economic analysis on two models, both developed by UC Berkeley economics professors. The models take into account the costs and benefits of energy saved from the proposed measures. They do not consider the avoided costs of global warming damage, including sea-level rise, coastal erosion, a worsening of smog and extreme weather events including heat waves and drought. Carbon dioxide and other gases are associated with a rise in atmospheric and ocean temperatures.

The San Francisco Chamber of Commerce - which works with entrepreneurs on environmental business policy and the Business Council on Climate Change, a Bay Area group of big and small businesses - has supported the state's climate-change law.

Rob Black, the chamber's vice president for public policy, said, "By taking leadership on the issue of global warming, we have turned California into the clean-tech capital of the country, and positioned our state to be a leader in the future multibillion global clean technology industry."

The Union of Concerned Scientists, a nonpartisan energy-policy group, said the analysis released Wednesday affirms other studies that show efficiency saves money.

"California has a history of lowering electricity bills for consumers and businesses through bold standards and other policies, and this just shows that there is remaining potential for gains," said Chris Busch, economist in the group's California climate program.

California is considering a program where businesses could "offset" their emissions by investing in green projects that reduce carbon releases, but Busch said that given the economic benefits of taking climate action, that might not be needed.

"There is no need to out-source the effort through offsets," Busch said. "In fact, the promise of job creation and economic growth could be put at risk if too many offsets are allowed."