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Despite Solyndra bankruptcy, green-tech sector holds best potential for new jobs

Price on carbon would spur private investment in clean energy

The bankruptcy of solar panel maker Solyndra has left many people second-guessing the government's decision to provide the company with a \$528 million loan guarantee. It has also eroded support for federal programs that subsidize alternative energy.

Despite this stumble, the solar industry in America continues to grow and produce jobs at an amazing clip, as does the rest of the green economy:

- The [Solar Foundation reports](#) more than 100,000 Americans are working in U.S. solar industry. Solar businesses added 6,735 new workers in the past year, a 6.8 percent growth rate, while the overall economy grew at a mere 0.7 percent.
- The [Brookings Institution](#) recently reported that the "Green Economy" now accounts for 2.7 million jobs. These jobs pay 20 percent more than the national average. The Brookings report said the clean-tech sector – wind, solar and other emerging technologies – experienced job growth at twice the rate of the national average.
- The U.S. wind power industry installed [1,100 MW of new capacity](#) in the first quarter of 2011 alone and entered the second quarter with another 5,600 MW under construction, according to a report by the American Wind Energy Association. The under-construction figure is nearly twice the megawatts that the industry reported at this time in both 2009 and 2010.
- Between April and June of this year, the weatherization assistance program (WAP), which is funded through the American Recovery and Reinvestment Act, had produced [14,800 jobs](#). An analysis from the Center for American Progress shows that retrofitting

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40 percent of Americas buildings would create 650,000 jobs over a sustained 10-year period.

Curtailing development in clean energy and energy efficiency would essentially kill the goose laying the golden eggs in our economy. But perhaps someone besides the federal government can feed the goose. By placing a steadily-rising fee on carbon-based fuels – and returning the revenue to consumers – we can send a price signal to the marketplace that shifts massive amounts of investment into clean-tech and energy efficiency. The market will then sort out which of the green businesses emerge on top, and the government can gradually get out of the business of picking winners and losers with taxpayer money.

[Lily Donge](#) of Calvert Investments sizes up the situation: "The S&P 500 is sitting on \$1.18 trillion in cash. If there's a price signal on carbon that unleashes even 10 percent of that, that would be more than \$100 billion in new investment channeled toward clean energy."

Legislation to send that price signal to the marketplace is in the works. Rep. Pete Stark (D-CA) is introducing the [Save Our Climate Act](#), which applies a direct tax on carbon-based fuels at the point of first sale. The tax will start low -- \$10 per ton of the carbon dioxide the fuel will emit when burned – and increase in \$10 increments each year until targets are met to reduce greenhouse gas levels. Part of the revenue from the carbon tax would be applied to pay down the federal deficit and the rest would be given back consumers in an annual payment. The Carbon Tax Center estimates this legislation will reduce the deficit by \$550 billion over the next ten years.

The Stark bill should have bi-partisan appeal, as it does not increase federal spending or the size of government. What it will do is address three of our most challenging problems – the deficit, unemployment and climate change.

The climate crisis

Boosting our economy and reducing our deficit are not the only reasons to price carbon. The shift to clean technology that a price signal triggers will also reduce the greenhouse gas emissions that are warming the planet.

Every other week, it seems, brings another weather-related catastrophe – floods, droughts, fires, severe storms – that the scientific community connects to our changing climate. A recent three-part series in [Scientific American](#) explores the connection between extreme weather and climate change:

“Scientists used to say, cautiously, that extreme weather events were ‘consistent’ with the predictions of climate change. No more. ‘Now we can make the statement that particular events would not have happened the same way without global warming,’ says Kevin Trenberth, head of climate analysis at the National Center for Atmospheric Research (NCAR) in Boulder, Colo.”

These extreme-weather events, such as the devastating flooding from Hurricane Irene that hit [Vermont](#), ought to be viewed as the “Pearl Harbor moment” on climate change that propels our elected officials to take action. But Congress appears far from ready to declare war on CO2.

We've been given a taste of what can happen in a world that is now 1.33 degrees Fahrenheit warmer than it was a century ago. How much worse will it get if we fail to reduce our greenhouse gas emissions? Why is there no urgency in Washington to tackle the problem?

Perhaps members of Congress are paralyzed with a different fear, the fear that they'll lose their jobs if coal and oil interests withhold their campaign contributions or, worse, give their money to opponents in the next election. We must help them find their courage.

For the good of our nation and our world – and for the good of our economy – Republicans and Democrats must come together to enact legislation that puts a price on carbon sufficient to spark investments in clean energy and wean our nation off fossil fuels.

“To do” lists generally fall into two categories: Things we *should* do and things we *have to* do, the latter getting priority. Until now, pricing carbon was on the “should do” list, something that would clean our air and decrease our dependency on foreign oil. Our sagging economy and the devastating weather-related disasters this year have moved pricing carbon from the “should do” list to the “have to do” list.

QUOTABLE

“There is only one effective, sustainable way to produce “green jobs,” and that is with a fixed, durable, long-term price signal that raises the price of dirty fuels and thereby creates sustained consumer demand for, and sustained private sector investment in, renewables.”

— Thomas Friedman, NY Times columnist, [Sept. 13, 2011](#)

“The steadily rising tax on fossil fuels would incentivize private companies to make significant investments in clean energy and create new green jobs in the process...Our country has always tackled big problems head on. We must address the issues of climate change and deficit reduction in a straightforward, robust manner.”

— Rep. Pete Stark (D-CA)

THE SCIENCE

On May 12, the [National Research Council](#) reported that “the significant risks that climate change poses to human society and the environment provide a strong motivation to move ahead with substantial response efforts.”

From the Vatican, a new report from the [Pontifical Academy of Sciences](#) recommends that we “reduce worldwide carbon dioxide emissions without delay, *using all means possible* to meet ambitious international global warming targets.”

THE ECONOMICS

While some critics claim that putting a price on carbon will hurt the economy and kill jobs, quite the opposite is true. [“Building a Green Economy.”](#) a report from Citizens Climate Lobby, shows that the shift away from fossil fuels will produce more jobs and stimulate the economy.

A report from the Brookings Institutions, [“Sizing the Green Economy.”](#) looks at the economic potential of the clean tech sector.