



The Economics of Clean Energy in Alabama

Jobs, Savings, Investment, Competitiveness, and the Costs of Inaction

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Jobs

- There were 7,849 clean-energy jobs and 799 clean-energy businesses in Alabama as of 2007. This only counts direct jobs and not the many indirect jobs in industries that support the clean energy economy.
- The number of clean-energy jobs in Alabama grew by 2.2 percent between 1998 and 2007, while jobs overall grew by 1.6 percent.
- Alabama will see \$2.2 billion in new public and private investment due to programs and incentives under the American Recovery and Reinvestment Act and American Clean Energy and Security Act. These investments will lead to 29,173 net new clean-energy jobs in Alabama—even assuming some potential job losses in the fossil fuel sector as workers transition into the clean energy economy.
- Alabama needs these good-paying, private sector jobs—the state’s unemployment rate was at 10.4 percent as of August 2009.
- Green jobs in Alabama were distributed among the following sectors in 2008:
 - Conservation and pollution mitigation: 84.4 percent
 - Environmentally friendly production: 4.4 percent
 - Training and support: 6.2 percent
 - Energy efficiency: 2.4 percent
 - Clean energy: 2.1 percent

Consumer energy bill savings

- The average American family's annual spending on oil, gas, and electricity increased by \$1,100 under the Bush administration's energy policies. But American electricity and fuel bills would go down under the consumer protection provisions in the ACES bill.
- Emissions allowances allocated in the ACES bill for state efficiency programs alone will save Alabamans \$765 million between 2012 and 2020.
- The average household in Alabama will see a monthly savings of \$4.80 on their electricity bill by 2020 due to ACES' consumer protection and energy-efficiency provisions.
- Households in Alabama will also save \$15.13 on gasoline each month by 2020 due to lower oil prices and more fuel-efficient vehicles under ACES.

Investment and innovation

- \$2.2 billion of public and private investment would flow into clean energy and energy efficiency in Alabama under the combined clean-energy investment provisions in the ACES bill and the ARRA stimulus package.
- Alabama's 799 clean-energy businesses patented 26 new clean-energy technologies in 2007 alone. Passing a strong clean-energy jobs bill this session is the best thing congress can do to unlock even more innovation and entrepreneurship across Alabama and the nation.
- Businesses like the Alabama Power Company are leading efforts to harness Alabama's rich biomass resources. The company began co-firing switch grass and coal in their Gadsden plant in 2003. By 2006, they had increased production of biomass by 300 percent. The state hopes to encourage other businesses to take advantage of the region's rich biomass resources. The Alabama Department of Economic and Community Affairs offers \$75,000 grants to assist companies with instilling biomass systems at industrial sites.

American competitiveness and energy independence

- The people of Alabama spent more than \$8 billion on imported crude oil in 2007 alone—more than \$1,716 per person.
- Without comprehensive clean-energy reform, Alabama taxpayers will spend \$340 million more over the next 10 years to subsidize wealthy oil and gas companies, and this is on top of their already record profits.

Costs of inaction

- The CBO predicted in May 2009 that climate change would cause decreases in future U.S. gross domestic product of between 3 and 5 percent, and global GDP of as much as 10 percent by the end of the century.
- Hurricane Ivan caused about \$15.4 billion in damages and at least 57 deaths in 2004. Hurricanes will become even more frequent and severe due to global warming.