



The Economics of Clean Energy in Iowa

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

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Jobs

- There were 7,702 clean-energy jobs and 729 clean-energy businesses in Iowa 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 Iowa grew by 26.1 percent between 1998 and 2007, while jobs overall grew by just 3.6 percent.
- Iowa will see \$1.5 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 18,290 net new clean-energy jobs in Iowa—even assuming some potential job losses in the fossil fuel sector as workers transition into the clean energy economy.
- Iowa needs these good-paying, private sector jobs—the state’s unemployment rate was at 6.8 percent as of August 2009.
- Green jobs in Iowa were distributed among the following sectors in 2008:
 - Conservation and pollution mitigation: 56.3 percent
 - Environmentally friendly production: 29 percent
 - Training and support: 5.3 percent

- Energy efficiency: 8.1 percent
- Clean energy: 1.2 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 Iowans \$629 million between 2012 and 2020.
- The average household in Iowa will see a monthly savings of \$5.10 on their electricity bill by 2020 due to ACES' consumer protection and energy-efficiency provisions.
- Households in Iowa will also save \$9.35 on gasoline each month by 2020 due to lower oil prices and more fuel-efficient vehicles under ACES.

Investment and innovation

- The clean energy economy is already growing in Iowa. Private companies in Iowa invested \$149.2 million in clean energy from 2006 – 2008 through venture capital funds.
- An additional \$1.5 billion of public and private investment would flow into clean energy and energy efficiency in Iowa under the clean-energy investment provisions in the ACES bill and the ARRA stimulus package.
- Iowa's 729 clean-energy businesses patented 46 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 Iowa and the nation.
- Clipper Windpower, a company engaged in wind energy technology, wind turbine manufacturing, and wind project development, chose Cedar Rapids for its 330,000 square foot manufacturing and assembly facility where it employs approximately 150 people.

American competitiveness and energy independence

- The people of Iowa spent more than \$6 billion on imported crude oil in 2007 alone—more than \$1,998 per person.
- Without comprehensive clean-energy reform, Iowa taxpayers will spend \$230 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.
- Iowa's agriculture sector may more frequently experience droughts and losses similar to the drought of 1988, which cut grain production by 31 percent and corn production by 45 percent. Localized droughts in the spring and summer of 2005 caused about \$1 billion in damages and crop losses—mostly corn and soybean—throughout the Midwest.