



# The Economics of Clean Energy in New Mexico

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

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### Jobs

- There were 4,815 clean-energy jobs and 577 clean-energy businesses in New Mexico 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 New Mexico grew by 50.1 percent between 1998 and 2007, while jobs overall grew by only 1.9 percent.
- New Mexico will see \$900 million 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 11,443 net new clean-energy jobs in New Mexico—even assuming some potential job losses in the fossil fuel sector as workers transition into the clean energy economy.
- New Mexico needs these good-paying, private sector jobs—the state’s unemployment rate was at 7.5 percent as of August 2009.
- Green jobs in New Mexico were distributed among the following sectors in 2008:
  - Conservation and pollution mitigation: 66.3 percent
  - Environmentally friendly production: 2.9 percent
  - Training and support: 6.1 percent
  - Energy efficiency: 14.5 percent
  - Clean energy: 10.1 percent

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## 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 New Mexicans \$429 million between 2012 and 2020.
- The average household in New Mexico will see a monthly savings of \$3.80 on their electricity bill by 2020 due to ACES' consumer protection and energy-efficiency provisions.
- Households in New Mexico will also save \$15.77 on gasoline each month by 2020 due to lower oil prices and more fuel-efficient vehicles under ACES.

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## Investment and innovation

- The clean energy economy is already growing in New Mexico. Private companies in New Mexico invested \$147.9 million in clean energy from 2006 – 2008 through venture capital funds.
- An additional \$900 million of public and private investment would flow into clean energy and energy efficiency in New Mexico under the clean-energy investment provisions in the ACES bill and the ARRA stimulus package.
- New Mexico's 577 clean-energy businesses patented 95 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 New Mexico and the nation.
- Schott AAG broke ground on its newest facility near Albuquerque in March 2008. The plant will produce photovoltaic panels and receivers for solar power plants. It will initially provide 350 jobs, and expects to grow as the market for solar power grows. The plant could employ up to 1,500 people in the near future.

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## American competitiveness and energy independence

- The people of New Mexico spent more than \$3.7 billion on crude oil in 2007 alone—more than \$1,865 per person.

- Without comprehensive clean-energy reform, New Mexico taxpayers will spend \$140 million more over the next 10 years to subsidize wealthy oil and gas companies, and this is on top of their already record profits.

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## 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.
- Conservative estimates project that New Mexico will spend \$3.2 billion annually by 2020 as a result of climate change. A June 2009 report from the National Oceanic and Atmospheric Administration found that inaction on global warming will cause significant harm to the Southwest. Global warming will cause higher temperatures, more droughts, and more wildfires. Water supplies will become increasingly scarce. Wildfires will become more frequent and intense, costing an estimated \$488 million annually.
- New Mexico farmers—who produce \$1.6 billion annually for the state—will lose ground to droughts and agricultural pests. The EPA estimates that New Mexico’s farmed acres will fall by as much as 25 percent by 2100 if temperatures rise beyond the tolerance levels of farmers’ crops.
- Coal-fired emissions and heat waves will increase the incidence of respiratory and heat-related illnesses. Climate-related health issues will absorb \$421 million in annual expenses by 2020.