



The Economics of Clean Energy in Arkansas

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

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Jobs

- There were 4,597 clean-energy jobs and 448 clean-energy businesses in Arkansas 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 Arkansas grew by 7.8 percent between 1998 and 2007, while jobs overall grew by only 3.5 percent.
- Arkansas will see \$1.3 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 17,732 net new clean-energy jobs in Arkansas—even assuming some potential job losses in the fossil fuel sector as workers transition into the clean energy economy.
- Arkansas needs these good-paying, private sector jobs—the state’s unemployment rate was at 9.1 percent as of August 2009.
- Green jobs in Arkansas were distributed among the following sectors in 2008:
 - Conservation and pollution mitigation: 59.1 percent
 - Environmentally friendly production: 28.3 percent
 - Training and support: 7.9 percent
 - Energy efficiency: 4.5 percent
 - Clean energy: 0.2 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 Arkansans \$519 million between 2012 and 2020.
- The average household in Arkansas will see a monthly savings of \$4.40 on their electricity bill by 2020 due to ACES' consumer protection and energy-efficiency provisions.
- Households in Arkansas will also save \$17.32 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 Arkansas. Private companies in Arkansas invested \$22.8 million in clean energy from 2006 – 2008 through venture capital funds.
- An additional \$1.3 billion of public and private investment would flow into clean energy and energy efficiency in Arkansas under the clean-energy investment provisions in the ACES bill and the ARRA stimulus package.
- Arkansas' 448 clean-energy businesses patented eight 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 Arkansas and the nation.
- LM Glasfiber began construction of its newest North American plant in Little Rock in 2007. LM Glasfiber is the world's leading manufacturer of wind turbine blades and chose Arkansas for its proximity to Texas and Kansas—states with some of the highest wind potential. The plant produced its first set of blades in February 2008 with 190 employees. The company plans to provide a total of 1,000 jobs within the first five years of production. Arkansas Governor Mike Beebe said the LM plant “elevates Arkansas’ presence among the growing state and national interest in the renewable energy industry. This development is another step forward for our state’s economy in today’s global marketplace.”

American competitiveness and energy independence

- The people of Arkansas spent more than \$4.9 billion on imported crude oil in 2007 alone—more than \$1,716 per person.
- Without comprehensive clean-energy reform, Arkansas taxpayers will spend \$170 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.
- A June 2009 report from the National Oceanic and Atmospheric Administration found that inaction on global warming will cause significant harm to the Southeast. Temperatures and summer droughts will increase, inducing heat-related stress for crops and livestock, and buckling pavement and railways.
- Rising temperatures and parched soil caused by global warming will hurt Arkansas' farmers, who produce \$4 billion annually for the state.
- The Arkansas Governor's Commission on Global Warming expects flood damages to increase over the next century.