



The Economics of Clean Energy in Illinois

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

Last updated on: October 6, 2009

Jobs

- There were 28,395 clean-energy jobs and 2,176 clean-energy businesses in Illinois as of 2007. This only counts direct jobs and not the many indirect jobs in industries that support the clean energy economy.
- Illinois will see \$6.6 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 69,624 net new clean-energy jobs in Illinois—even assuming some potential job losses in the fossil fuel sector as workers transition into the clean energy economy.
- Illinois needs these good-paying, private sector jobs—the state’s unemployment rate was at 10 percent as of August 2009.
- Green jobs in Illinois were distributed among the following sectors in 2008:
 - Conservation and pollution mitigation: 69.1 percent
 - Environmentally friendly production: 6.8 percent
 - Training and support: 11.3 percent
 - Energy efficiency: 6.5 percent
 - Clean energy: 6.2 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 Illinoisans \$2.2 billion between 2012 and 2020.
- The average household in Illinois will see a monthly savings of \$6.90 on their electricity bill by 2020 due to ACES' consumer protection and energy-efficiency provisions.
- Households in Illinois will also save \$9.48 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 Illinois. Private companies in Illinois invested \$108.5 million in clean energy from 2006 – 2008 through venture capital funds.
- An additional \$6.6 billion of public and private investment would flow into clean energy and energy efficiency in Illinois under the clean-energy investment provisions in the ACES bill and the ARRA stimulus package.
- Illinois' 2,176 clean-energy businesses patented 297 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 Illinois and the nation.
- Siemens Energy and Automation is the leading U.S. manufacturer of wind turbine gear drives, an essential component of modern windmills. Siemens has an existing gear drive plant in Elgin, employing 150 people, and it recently opened a second \$20 million plant at the same location in August 2009. This new plant will create 300 production jobs and 55 office jobs, and greatly increase Siemens' ability to fulfill the demand for wind turbines.

American competitiveness and energy independence

- The people of Illinois spent more than \$18.2 billion on imported crude oil in 2007 alone—more than \$1,411 per person.

- Without comprehensive clean-energy reform, Illinois taxpayers will spend \$1.5 billion 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.
- The Illinois farming sector—which employs 13,000 people—is in danger of losing \$9 billion in annual profits from rising temperatures and agricultural pests.
- Illinois' \$105 billion manufacturing industry provides 680,000 jobs, but it relies heavily on water transport. Lower water levels in Lake Michigan will hurt manufacturing's productivity and require up to \$154 million of annual dredging for the Great Lakes-St. Lawrence route alone.
- Increased flooding will destroy property and damage Illinois' shipping industry. Illinois has suffered more than \$287 million in annual flood damage since 1983. The Great Flood of 1993 stopped rail, truck, and marine shipping to Chicago for roughly six weeks. In 1996, flooding delayed more than 300 freight trains. These costs will only increase.
- The Chicago heat wave of 1995 resulted in 753 deaths. Heat waves that size will occur three times per year by the end of the century.