



## **Report: California Produces More Goods and Service With Less Energy**

A greentech advocacy group releases lots of data connecting greentech policies to job growth.

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Compared with the rest of the country, Californians use energy more efficiently, embrace hybrid cars more readily and produce more goods and services per unit of energy used, according to a report released Monday.

The second annual report, California Green Innovation Index, presents a meaty set of data about the impact of greentech businesses and policies on the state's economy. The report came from Next 10, a nonprofit greentech advocacy group in Palo Alto, Calif., and Collaborative Economics, a research firm in Mountain View, Calif.

For those who follow renewable energy policies closely, the conclusion that California leads the nation in adopting progressive energy policies and attracts more greentech investments isn't surprising.

The report, however, presents data and interesting findings to show how California is ahead. For example, the state "energy productivity," is 68 percent higher than the national figure: California produced \$2.17 of GDP for every 10,000 BTU of energy used in 2006. Nationwide, the ratio is \$1.29 for every 10,000 BTU consumed.

The report's authors also trawled different databases to calculate the growth in green jobs. In the last 35 years, California's energy efficiency policies, such as mandating less power-hungry appliances, have helped to create 1.5 million new jobs and \$45 billion in payroll.

Greentech Media caught up with Doug Henton, president of Collaborative Economics, to find out more about the study:

**Q:** What do you hope to accomplish by publishing the report?

**A:** What we are trying to do is to look for ways for California to meet its AB32 goals of reducing greenhouse gas emissions, and we see that it can be done in the context of economic prosperity. In the first energy crisis in the 1970s, California made some major policy steps that have resulted in significant savings to the consumers.

Q: Examples?

A: We use less energy per capita than the rest of the country. You see an increase in venture capital investment because private investors and businesses see opportunities: \$3.3 billion went into California in 2008. We have seen a growth in solar and wind companies.

Q: What are key lessons California can offer to Obama?

A: California has taken a lot of steps in the areas of energy efficiency in appliances and building insulation and retrofits. They allow consumers to spend less on energy. Federal government is now moving into the same areas.

We also have a higher percentage of renewable energy generation than the country. We are moving to a stricter renewable portfolio standard, and it will help us to reduce greenhouse gas emissions and create demand for new companies.

Q: Any improvements California needs to make?

A: We still have the challenge in transportation because 39 percent of the greenhouse gas emissions come from it. California has passed legislation to raise fuel efficiency standards, and the federal government just today said California could get a waiver to set higher standards.

We still have a lot of work to do in building transmission lines. The biggest growth in renewable energy generation has come from wind power, and solar also is increasing, particularly large-scale solar [power plants].

Q: How will credit crunch and a growing number of solar company layoffs affect California's goal to increase renewable energy production?

A: I don't know. It's hard to say. [The] credit crunch is happening, and it's an interesting question going forward. When you look at the federal stimulus package, you see a push for increasing renewable energy generation nationwide.