

Incentives for Renewable Energy and Jobs

RETECH, Washington, D.C.

February 5, 2010

Arthur J. O'Donnell
Executive Director
The Center for Resource Solutions

Center for Resource Solutions

- CRS is an NGO, U.S. 501.c.3;
- Established in 1997;
- We work in the US and internationally, including advising Chinese Government and researchers on renewables policies;



Green-e[®] Certification Programs:
Energy, Climate, Marketplace.

CRS creates policy and market solutions to advance sustainable energy.

State and Local Incentives

- Direct: Rebates and Buydowns
- RPS & Solar Set-Asides
- Feed-in Tariffs
- Property/Income Tax Deductions
- Permitting & Fee Supports
- Subsidized Loans
- Property Tax Financing

California Solar Initiative

Created in 2006 to install 3,000 MW of on-site solar (1,750 MW by IOUs) by 2016 with \$2.167 billion budget (\$1.9 billion for direct incentives, rest R&D, low-income).

Evolved from previous programs:

- 1998 [Emerging Renewables Program \(ERP\)](#) at the California Energy Commission.
- 2001, [Self-Generation Incentive Program \(SGIP\)](#) administered by California Public Utilities Commission.

California Solar Initiative

16.7 percent of IOU goal installed = 291 MW

Another 9.5 percent pending = 165 MW

Remaining 73.8% = 1,294 MW

So far, \$977 million spent/committed by IOUs

Property Assessed Clean Energy (PACE)

- **BerkeleyFirst** model introduced in 2007 involved pilot program to provide PV installation loans to homeowners to be repaid from property tax assessment over 20 years; 40 households enrolled.
- California Legislature passed **AB 811** in 2009 enabling most local governments to employ similar programs.
- The idea has now expanded nationally under name *CityFIRST* and the mechanism is now called ***Property Assessed Clean Energy (PACE)*** to include energy efficiency.

PACE

- Cities and counties can use PACE to meet their climate and energy goals.
- PACE program costs can be paid out of bond proceeds.
- No liability or exposure to a city's general fund.
- PACE is similar to California's Mello-Roos law, a type of financing familiar to local governments and the bond market.
- PACE can catalyze and promote green economic development.

Source: Renewable Funding

PACE

- Currently 16 states have enacted laws and over 200 cities are expected to launch PACE-type models this year.
- City and County of San Francisco in March will launch GreenFinanceSF in partnership with Renewable Funding, Stone & Youngberg and Backstrom McCarley Berry & Co.

PACE

- DOE ARRA funding announced Oct. 19, 2009, includes about \$87 million for pilot programs around the country.
- Clinton Foundation announced plan for up to 300 cities.
- Boulder County, CO, has ClimateSmart program for \$40 million in bond-backed PACE loans; went back to voters Nov. 2009 for another \$40 million but was rejected.

What Does This Have to Do with Jobs?

Next10 Report on Green Jobs in California:

Energy Generation sector from 1995 – 2008 saw employment expand by 61% = 10,000 new jobs

- 66% of new jobs in California Energy Generation sector are related to solar power; growth = 63%
 - Bay Area alone had 5,000 solar jobs in 2008
 - LA Area nearly 3,700 solar jobs.
 - Inland Empire 2,000 solar jobs
- Wind energy dropped from 11% to 6%
- Small growth in hydro, marine & tidal from 2% to 3%

Source: "Many Shades of Green"

What Does This Have to Do with Jobs?

Labor statistics from 2007 show that more than 1,400 qualified installers and 6,500 “downstream” jobs serve California’s \$5 billion solar industry.

According to the [California Solar Center](#) and the IBEW, more than 3,400 qualified installers will be needed to meet solar demand by 2010, with the downstream job figure swelling to more than 10,000.

Source: GoSolar California, Feb. 2009

Berkeley University economist David Roland-Holst found that California's energy-efficiency measures have helped create 1.5 million new jobs since 1973.

Source: Newsweek, Feb 21, 2009

What Does This Have to Do with Jobs?

“The nation that leads the clean energy economy will be the nation that leads the global economy.”

**Pres. Barack Obama,
January 27, 2010**

“Green and clean is the best way to create the American jobs of tomorrow...”

Sen. Jeff Bingaman in response to State of Union speech.



Some Resources

- Database of State Incentives for Renewable Energy (DSIRE) <http://www.dsireusa.org/>
- Berkeley FIRST www.ci.berkeley.ca.us/
- Renewable Funding www.renewfund.com
- California Solar Initiative www.gosolarcalifornia.or

New publications:

“Recent Innovations in Financing for Clean Energy” SWEEP SW
Energy Efficiency Project, Oct, 2009

“Many Shades of Green” Next10, Dec. 2009

CONTACT

Arthur O'Donnell
Executive Director
Center for Resource Solutions
415-561-2101
arthur@resource-solutions.org