

Not a New Deal — a Green Deal

By Lisa Jacobson

The Hill

Posted: 01/19/09 06:42 PM [ET]

President-elect Obama will take office today amid the worst economic crisis this nation has faced since the Great Depression. As unemployment rises and businesses struggle, the next administration must propose bold solutions suited to our times — not a New Deal, but a Green Deal.

A Green Deal would revive the economy by directing massive new investment into cleaner, more efficient and reliable energy infrastructure. It would call for the rapid and aggressive deployment of renewable energy, energy efficiency investments, a smarter energy grid and effective use of clean fossil fuels, such as natural gas.

In the short run, such investments would generate large numbers of high quality jobs in the clean energy sector, bolstering business suppliers, boosting consumer spending and lifting consumer confidence.

Long term, a Green Deal would help our nation meet growing demands for energy, reduce energy costs, and address the challenge of global warming by reducing greenhouse gas emissions. According to a recent report by McKinsey & Co., the nation could reduce greenhouse gas emissions in 2030 by 20 percent to 30 percent below current levels using largely tested approaches and technologies.

President-elect Obama is already thinking along these exact lines. He has pledged to help generate 5 million new green jobs, calling them “jobs that pay well and can’t be outsourced; jobs building solar panels and wind turbines and fuel-efficient cars; jobs that will help us end our dependence on oil from Middle East dictators.”

Research conducted by the Apollo Alliance in conjunction with the non-partisan Perryman Group confirms Obama’s belief that large but feasible investments in renewable energy and energy efficiency would add several million jobs over the next decade.

Their analysis found that investments of \$50 billion in renewable energy technologies could result in nearly 1 million new jobs; \$76 billion invested in manufacturing of energy efficient durable goods would create over 900,000 new jobs; \$90 billion directed to building energy efficiency would yield over 800,000 jobs; and \$100 billion invested in public transit and transportation infrastructure would create over 650,000 new jobs.

Another study, released in September by the non-partisan Center for American Progress, concluded that 2 million jobs could be created from \$100 billion in combined federal tax credits, direct spending and loan guarantees to support six “cleantech” sectors: buildings’ retrofits to increase energy efficiency, expanded mass transit and freight rail, construction of “smart” electrical grid systems, wind power, solar power and advanced biofuels.

A Green Deal should include expanded support for programs that help struggling energy customers reduce fuel costs by improving the efficiency of their homes or vehicles. Energy companies and retailers could be encouraged to provide rebates to consumers for the purchase of energy efficient appliances and equipment, stimulating new sales while promoting more prudent use of energy.

Other examples of green stimulus initiatives include funding and incentives for:

- Building and business owners to invest in energy efficiency, renewable energy and efficient distributed generation systems.

- Manufacturing facilities to re-tool using clean energy products and components.
- States to invest in clean energy infrastructure and efficient transportation.
- Investment in an improved, expanded and “smart” electricity transmission system.
- Greater use of low emission vehicles, more efficient temperature control equipment and auxiliary power technologies to reduce idling in the transportation sector.
- Workforce training and education relating to clean energy industries.
- Improvements to the renewable energy tax incentives so they are able drive new renewable energy generation, given current economic conditions.

In ordinary times, such a dramatic program to shift national priorities in favor of cleaner energy and a sustainable environment would face legitimate complaints about budget constraints and unwelcome deficits. But economists of almost every persuasion agree that now is the time to get the economy moving.

As noted by the Center for American Progress, better-insulated schools can spend more of their resources over time on teachers, books, and other learning materials. Hospitals in time could spend more on serving the needs of their patients. And companies could invest more over on innovation, raising productivity.

Let’s turn this economic crisis into an opportunity to make sustainable investments in a healthier, energy-independent and more competitive society through a Green Deal.

Jacobson is the executive director of the Business Council for Sustainable Energy, a coalition of clean-energy business and trade associations representing the energy efficiency, renewable energy and natural gas industries in the United States.