
POLICY MATTERS OHIO

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BRIEFING PAPER: TALKING POINTS ON GREEN JOBS

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1) WHAT IS A GREEN JOB?

Green-collar jobs are good paying, career track jobs that contribute significantly to preserving or enhancing environmental quality. Like traditional blue-collar jobs, green collar jobs range from low-skill, entry level positions to high-skill, higher-paid jobs, and include opportunities for advancement in both skills and wages. Green-collar jobs focus on transforming the natural and built environment—retrofitting buildings, installing solar panels, constructing transit lines, etc. Green-collar work includes building, construction, assembly, installation, operation, maintenance, transportation, and manufacturing. Every green-collar job advances two simultaneous and complementary goals: improving the environment and rebuilding a strong American middle class.

2) OHIO IS EXCITED ABOUT GREEN JOBS

At the largest U.S. wind conference ever held, the American Wind Energy Association convention, more than 21,000 people packed the cavernous McCormick Place Center on the shores of Lake Michigan.... Seventy Ohio companies opened booths at the show. The Ohio Department of Development built a large display advertising the locations of the more than 500 manufacturing companies in the state ready to churn out components for wind turbines. Fully staffed and equipped with videos and an electronic touch screen, the booth also promoted the efforts to put turbines in Lake Erie.¹

¹John Funk, "Ohio Trying to Put Itself at the Forefront of Wind Energy Movement," The Cleveland Plain Dealer, May 6, 2009

3) OHIO HAS GREEN JOBS AND IS READY TO GROW MORE

- The Ohio Department of Development estimates that renewable energy generation, demand or installation in Ohio supports more than 60,000 jobs.
- Environment Ohio finds 1000 firms already serving key renewable sectors in Ohio² – and this is net of energy efficiency (construction) jobs, the largest source of jobs of the future.

Table 1. Green Energy Firms in Ohio

Renewable Sector	Total Businesses	Renewable Energy Firms	Auxiliary Services
Wind	269	221	48
Solar	160	118	42
Biomass	101	62	39
Geothermal	130	93	37
Fuel Cells	159	115	44
TOTAL**	502	444	62

Source: Environment Ohio, Growing Ohio's Green Economy, and March 2009

- Given the right set of policies to support domestic job creation, Ohio is a real winner in the green economy. In 2005, Policy Matters Ohio demonstrated that given an investment of \$72 Billion, enough to impact the national carbon footprint, Ohio would be in the top 5 states in terms of job creation. Based on numbers provided by the Renewable Energy Policy Project, it was found that 23,000 new jobs in component manufacturing sectors – those in which we are currently losing well paid, blue-collar, unionized jobs – could accrue to Ohio's industrial base.
- Robert Pollin and Ben Zipperer, of the Political Economy Research Institute (PERI) at the University of Massachusetts at Amherst, project climate change legislation could drive job growth of 48,000 in Ohio by 2030, based on the federal renewable energy standard of 25% proposed in the Waxman Markey legislation and assuming domestic content standards that keep the jobs here at home.³ When they added in job growth resulting from demand in rebuilding and improving the grid, energy efficiency and mass transit, PERI

² Environment Ohio, Growing Ohio's Green Economy, and March 2009

³ http://www.peri.umass.edu/fileadmin/pdf/other_publication_types/green_economics/fact_sheets/Ohio.pdf

found that over 80,000 jobs could be created in Ohio with an investment of \$100 billion in green technologies.⁴

- American Council for an Energy Efficiency Economy has found that energy efficiency activities at the residential, commercial and industrial levels could create 32,000 jobs by 2025 in Ohio, the same number as 250 new manufacturing plants. These jobs range from low skilled to very high skilled, and most are geographically anchored.⁵

4) GROWTH OF GOOD GREEN JOBS THAT BENEFITS AMERICA HAPPENS ONLY WITH POLICIES THAT:

Ensure green technologies are developed in America

Retooling America for a low-carbon and environmentally responsible future has been long in coming and will take decades to achieve, but clean energy industries have already become a major economic force in Europe and are poised to do the same here, according to UC Berkley professor Dan Kammen, writing in the San Francisco Chronicle. However, Kammen points out, the federal government has underinvested in energy research for decades.

“As a nation, we invest less in energy R&D and deployment than do a few large biotechnology firms. This is unacceptable. Clean, low-carbon energy systems - energy efficiency, renewable energy, nuclear energy and fossil fuel systems with carbon capture and storage - today provide about 12 percent of global electricity. In 2007, an estimated \$71 billion was invested in new renewable energy capacity worldwide. Clean energy is now the third-largest slice of all venture capital investment.”⁶

Ensure green job growth from American climate legislation happens in America

According to Good Jobs First, Some U.S. wind and solar manufacturers have already begun to offshore production of components destined for U.S. markets to low-wage havens such as China and Mexico. Examples of off shoring include the manufacture of blades for wind turbines, defying the common assumption that such blades are too large to ship overseas.⁷

⁴ http://www.peri.umass.edu/fileadmin/pdf/other_publication_types/green_economics/ohio.pdf

⁵ American Council for an Energy-Efficient Economy, et.al, “Shaping Ohio’s Energy Future: Energy Efficiency Works” March 2009

⁶ Dan Kammen, “Clean Energy and America’s Future,” *San Francisco Chronicle*, May 18, 2008 (<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/05/18/IN3R10MGSK.DTL>)

⁷ Good jobs First, *High Road or Low Road? Job Quality in the New Green Economy*, February 2009

Ensure green jobs are good jobs⁸

- Low pay is not uncommon in green sectors: the lowest wage found by Good Jobs First in their research on green jobs was \$8.25 an hour at a recycling processing plant, but we also discovered manufacturing facilities serving the renewable energy sector paying as little as \$11 an hour.
- Wage rates at many wind and solar manufacturing facilities are below the national average for workers employed in the manufacture of durable goods.
- In some locations, average pay rates fall short of income levels needed to support a single adult with one child.
- Very few workers at wind and solar manufacturing workplaces identified in the course of our research are covered by collective bargaining agreements. In at least two instances, this appears to be a direct result of aggressive anti-union campaigns run by employers with the help of union-busting consultants.
- On the construction side, we found that a leading contractor engaged in energy efficiency work has a similarly hostile approach to unions. We could not find specific wages for nonunion construction workers, but publicly available data on overall construction wages suggest that they are far lower than those of the union members profiled in the report.
- Analysis provided by the Economic Policy Institute indicates that among nonunion laborers, carpenters, painters, and roofers, a majority make less than \$12.50 an hour and a third make less than the federal poverty wage for a family of four (\$10.19 an hour).

5) OHIO HAS MUCH TO GAIN, BUT FEARS JOB LOSS FROM CLIMATE CHANGE LEGISLATION

Governor Ted Strickland addressed key concerns in a letter to the Ohio delegation written the day that Ohio's energy bill, SB 221, passed the Ohio legislature. Federal climate change legislation must address issues of transition:

⁸ Ibid.

giving time to energy intensive industries to adjust to new carbon pricing, protecting them from leakage – of jobs and carbon both – and providing funds for workforce training and other forms of community adjustment. In this letter, the Governor stated:

- **Any national <climate> plan must be immediate and responsible**

Climate change is real. It is clear that climate change poses significant risks such that delaying action is no longer an option. But we must simultaneously protect Ohio works jobs today and create jobs for tomorrow.

- **Any national plan must invest in advanced technologies.**

We must support the research, development and ultimate deployment of much needed low and no-carbon energy technologies including energy efficiency that will create and accelerate the jobs of the future. Mandated reductions in CO2 levels based on science and accomplished through a market based system such as a cap and trade program will force development of new technologies; federal investment in that development will keep the technology at home.

- **Any national plan must address the potential impacts to Ohio's economy.**

Ohio produces and uses more electricity than most countries. Allocations of emissions allowances should be heavily based on current emissions in order to prevent economic hardship in carbon-reliant regions. The cost of any policies must also be mitigated with increased energy efficiency that can reduce our consumption and cost of energy. In addition to other innovations that can reduce the emissions from existing sources of energy. We must also ensure that consumers do not unduly bear the burden of this transition. Future economic growth should be sustainable and equitable.

6) KEY POLICIES OHIO WILL LOOK FOR IN THE PROPOSALS:

- Allowances to energy-intensive manufacturers linked to domestic production ('Output-based allowances'), coupled with subsidy for energy efficiency investments, incentives for retooling for green markets, funds for green job training and an increase in support to the manufacturing extension program to help firms make the transition.

- Linking allowances and incentives to industrial ‘best practices’ turn subsidy into incentive. The price signal of the carbon cap and trade system is necessary to curb emissions. The incentive rewards firms that move aggressively to curb pollution.
- Border adjustments, on an appropriate timeframe, may become critical to preventing leakage of jobs and pollution to unregulated countries.
- Domestic content standards for parts and production subsidized with taxpayer dollars are necessary to keep new job creation here at home.
- Labor standards with regard to local hiring, wage levels and benefits, coupled with job training, can keep green jobs from becoming low wage, as currently feared.
- Investment in energy efficiency and manufacturing retrofit and retooling for green markets can serve to retain jobs and preserve assets in Ohio’s deep industrial base.
- Funding must be provided to allow investigation of all potential technologies that can help with the transition. All possible non-carbon or amelioration technologies that could to facilitate and sustain transition must be investigated. Research and development efforts must be guided by the principle of ‘maximum sustainable impact.’
- Job training funds must be provided to ensure good efficient processes are maximizing efficiency in existing plants, and to ensure the workforce of the future is under development in tandem with development of technologies of the future.

CLIMATE CHANGE LEGISLATION MAY BE THE PLATFORM FOR OHIO’S REBIRTH, BUT IT COULD GO THE OTHER WAY, TOO -

The carbon problem climate change legislation addresses is a legacy of the past. We are fixing it by borrowing from our children. We must build what they need to survive and thrive. This, too, should be a principle guiding choices and investments in the debate over climate change.