

# GENERATING ENERGY, GENERATING JOBS

## EXECUTIVE SUMMARY

Ohio could be a lead economic beneficiary from a national commitment to renewable energy. Increased use of renewable energy would reduce dependence on foreign fuel, stimulate the domestic economy, improve the environment, help control energy usage costs over the long term, and generate jobs in Ohio and other states. Policy Matters Ohio and the national Apollo Alliance commissioned the Renewable Energy Policy Project to examine the effect on Ohio manufacturing employment of meeting a national renewable energy production target of 74,000 megawatts of renewable energy -- 50,000 megawatts of wind energy, 9,260 megawatts of photovoltaic or solar energy, 8,700 megawatts of biomass energy, and 6,077 megawatts of geothermal energy. This brief report is drawn from that larger paper, which is available at <http://www.policymattersohio.org/apollo/generating.htm>

Generating these renewable energy levels, which were derived from projections by renewable industries and advocates, would require a \$71.8 billion nationwide investment in wind energy, solar/photovoltaics, bio-mass steam generators, and geothermal technologies. This would be enough to power about 53 million U.S. homes.

With the proper policy supports, Ohio stands to gain more than \$3.64 billion of the national investment, ranking Ohio fifth among the states. Ohio's strong manufacturing infrastructure and workforce makes it likely that this state would see a greater share of the benefits than almost all other states, including some with larger populations.

More than 36,000 companies nationwide currently produce component parts similar to the parts needed in renewable energy equipment. These firms are poised to modify their current capacity to begin manufacturing parts for the new equipment. Ohio has more than 2,000 firms currently producing component parts, ranking it third among states, with only California and Texas having more potential firms that could see gains.

To produce these component parts at the scale required to generate this level of renewable energy would require more than 380,000 new component parts manufacturing positions nationwide. Ohio ranks fourth among states in potential job gains, with more than 22,000 Ohio manufacturing jobs predicted to result from this investment, behind only California, Texas and Illinois. Specifically, the state could gain:

- More than 13,000 jobs from wind investment, more than any state but California;
- Nearly 6,000 jobs from solar investment, exceeding all but five other states;
- More than 1,800 jobs from geothermal investments, more than all but California;
- More than 1,800 jobs from biomass, among the top nine states (several stand to gain between 1,800 and 1,900).



*Read the full report and learn more about an economy that works for all:  
[www.policymattersohio.org](http://www.policymattersohio.org)*

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Job and investment gains from this national commitment could be spread throughout the state of Ohio – 85 of the state’s 88 counties have a firm that is currently manufacturing products that could be modified for use in renewable energy production. Large counties in Ohio stand to benefit substantially, with job creation projections of more than 2,500 jobs in Cuyahoga County; more than 1,000 jobs each in Lorain, Hamilton and Summit Counties; and more than 500 jobs each in Miami, Lucas, Franklin, Montgomery, Wood, Stark, Sandusky, Lake and Mahoning Counties. Investments are projected to be more than \$400 million in Cuyahoga County, more than \$200 million in Lorain, and Hamilton Counties, and more than \$100 million each in Summit, Miami, Lucas, Franklin, Montgomery, Wood, Warren and Stark Counties. Capturing this job and investment potential would require national and state commitments to renewable energy and assertive behavior by Ohio firms.

To generate this level of demand and ensure that American and Ohio workers play a role in the renewable energy economy will require state and federal policy change. The report concludes with four sets of policy recommendations to capture the component manufacturing positions domestically, increase demand for renewable energy, encourage supply of renewable energy, and increase productivity in the renewable sector.

Significant renewable energy investments at the state or federal level would have other benefits over the long term. The principal benefits are in reduced dependence on foreign energy and a cleaner environment. There are also other potential economic benefits for states like Ohio. Farmers could sell biomass, utility workers could operate the equipment, skilled tradespeople could gain jobs installing equipment. This brief paper highlights one very narrow benefit – the potential job and investment growth if Ohio firms were to produce the component parts for equipment used nationwide to generate alternative energy. Future research from Policy Matters Ohio and the Apollo Alliance will illustrate other economic and environmental benefits from more sustainable energy policy.

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*Policy Matters Ohio is a non-profit, non-partisan research institute dedicated to researching an economy that works for all in Ohio. Policy Matters seeks to broaden debate about economic policy by providing research on issues that matter to Ohio’s working people and their families. Areas of inquiry for Policy Matters include work, wages, and benefits; education; economic development; energy policy; and tax policy. Generous funding comes from the Joyce, Gund, Cleveland and St. Ann Foundations and the Economic Policy Institute. To those who want a more fair and prosperous economy... Policy Matters.*

*The Apollo Alliance is a nonpartisan national organization, dedicated to building a broad-based constituency in support of a sustainable and clean energy economy that will create good jobs, reduce dependence on foreign oil, and create cleaner and healthier communities. The Apollo Alliance is demonstrating that a socially-just, environmentally-balanced and economically-prosperous future is attainable. It seeks to liberate the U.S. economy and our national security from dependence on fossil fuels, through investment in clean energy technology and sustainable infrastructure. More information about the Apollo Alliance can be obtained at [www.apolloalliance.org](http://www.apolloalliance.org).*

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