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Commentary

## Why The Recovery Must Be Green

Holly Kaufman and Jon W. Slangerup 12.02.08, 12:00 AM ET

U.S. energy woes are not over just because filling our gas tanks doesn't cost as much as last summer. As Robert P. Murphy wrote on Forbes.com on Nov. 15, "the energy challenge didn't disappear when gas came down from \$4 per gallon." He also recognized that "hard times stir our appetites for easy answers, but those are too often deceptive and dangerous."

He's right. There is no "magic bullet" that will solve the complex and interrelated problems of volatile energy prices and vulnerable supply, recession and environmental degradation. That is precisely why a comprehensive, integrated energy and economic plan with an array of short- and long-term initiatives is in order.

Unfortunately, the emphasis of Murphy's article was on the "illusionary" nature of a "green recovery." The fact is, the economic and environmental benefits of a green recovery are visible now, and we have barely scratched the surface of its potential.

According to the American Solar Energy Society, the energy efficiency and renewable energy industries created 8.5 million jobs in 2006 alone. With policies at the state and federal levels that would help America transition from 19th century energy sources and technologies to a smart, modern, 21st energy infrastructure, U.S. workers would enjoy a resurgence of well-paid, U.S.-based jobs in a range of fields.

In fact, jobs in wind and solar manufacturing are already reviving areas hit the hardest by outsourcing and economic decline. In Ohio, for example, more than 3,000 people work in the "clean-tech" sector, including over 700 at **First Solar's** First Solar factory in Toledo. Ohio's clean-tech industry generated nearly \$51 billion in 2006. And Cincinnati State recently introduced a major in renewable-energy technology to prepare graduates for the very kinds of jobs that the lucrative green economy will continue to generate.

One person enjoying such a job is Troy Galloway, a steelworker in Ebensburg, Pa. He was laid off after 15 years, along with other steelworkers, coal miners and garment workers in the area. Troy's plant converted to making wind turbines, and his machinery skills converted as well. For two years now, Troy has been proudly earning "family sustaining wages in a job with a future."

Though wind, solar and other non-fossil fuel sources still make up a small percentage of the U.S. energy mix, they are growing rapidly--wind grew 45% in 2007. We need a portfolio of different renewables options, deploying what is most appropriate for various parts of the country. The Midwest could be "the Saudi Arabia of wind power;" the Southwest the "Venezuela of solar."

Yet, of the top 10 wind companies in the world, only one is American. Likewise, none of the top 10 solar companies are based in the U.S. anymore, despite the fact that we developed so much of the technology. While we kept miles-per-gallon standards low and subsidies to the mature oil and coal industries high, the German, Spanish, Dutch and Japanese bought our technologies, created markets for highly efficient products and left American workers licking the wounds of a competition they never got to enter.

As Murphy correctly states, renewables are not an energy panacea. It is energy efficiency that is the shining star atop the tree of advanced energy options, as it is the fastest, cheapest and cleanest way to increase supply. Energy is the world's largest industry by revenue, and efficiency can become to this sector what information technology was to management and biotechnology to medicine--revolutionary. In California, the most energy-efficient state in the country, efficiency policies created 1.5 million full-time jobs over the past 30 years, with a total payroll of over \$45 billion and saved the state's consumers over \$56 billion on energy costs.

The number-crunchers at McKinsey (hardly a bastion of environmental radicals) found that by 2050, efficiency alone could reduce U.S. carbon dioxide emissions by 40%. Combine that with the fact that the first U.S. auction of greenhouse gas permits

this September raised over \$38 million for participating states to invest in efficiency and renewables, and it is plain to see that America can get a whopping two-for-one by cutting energy use and greenhouse gases. The auction took place through the Regional Greenhouse Gas Initiative (RGGI), the country's first mandatory carbon dioxide cap-and-trade program which aims to reduce emissions from the northeast's power sector by 10% in 10 years.

The global market value for environmental products and services is about \$1.3 trillion and is projected to double in 10 years. Expediting the greening of our economy will not only revive it, it will improve our energy security, water and air quality, public health, and standing in the world. How is it that this nation of pioneers and entrepreneurs has been using the same fuel sources the same way for nearly a century? What a shame it would be if Americans saw our green recovery as only a mirage.

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