

Going green won't hurt economy, study finds

REPORT SAYS STATE LEADS IN CLEAN GROWTH

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Having to choose a future California with either a robust economy or a cleaner environment represents a false choice, according to the authors of a study to be released today.

Over the past several decades, the state has become a global energy-efficiency leader, according to the "California Green Innovation Index" - generating fewer greenhouse-gas emissions per capita than the rest of the United States, Germany or Japan.

Yet, "California's economy has grown as a result of this first wave of green innovation," said Noel Perry, founder of the non-profit Next 10 foundation, which funded the study.

And there's no reason to think that the far-reaching AB 32, the law that mandates that carbon emissions be reduced to 1990 levels by 2020, won't continue that trend.

The 65-page report offers an exhaustive look at the environmental economics of the state as it readies for AB 32.

"Clearly, it's the most comprehensive look, both backward and forward, at California's energy progress," said Ralph Cavanagh, energy program director with the Natural Resources Defense Council in San Francisco. He served as a technical adviser on the report, but hasn't seen a final copy.

The Palo Alto-based Next 10 foundation is run by Perry, a philanthropist, artist and former venture capitalist. The report was prepared by Collaborative Economics, a Mountain View firm, and its president, Doug Henton.

The goal of the study, said Perry, the former managing director of Baccharis Capital, a Menlo Park venture firm that stopped investing three years ago, is to present both the challenges and the opportunities associated with AB 32. And while it does not advocate specific policy positions, it argues, using research from UC-Berkeley, that the battle against global warming will lead to a net increase in jobs - perhaps as many as 89,000 by 2020 - and be a boost to the overall economy.

Some findings:

- Venture capital invested in California companies exploring energy technology grew from just a few million dollars in 1996 to nearly \$900 million in 2006.

- Recycling has grown from about 10 percent of our waste in 1989 to more than 50 percent in 2005. "Using innovation to turn waste into prosperity mirrors the current challenges presented by greenhouse-gas emissions," the report says.

- CO emissions per capita in California have fallen from 12.2 metric tons in 1990 to 11.0 in 2004. That compares with 14.7 metric tons per capita in Florida, 21.5 across the United States (not counting California) and 30.6 in Texas. "On a per capita basis, the state's economy has become less dependent on emissions and has used less energy to produce more economic growth over time," the report says.
- Photovoltaic solar installations in California grew from just a handful of kilowatts in 1984 to nearly 200,000 kilowatts in 2006.
- In 2006, California accounted for nearly 45 percent of all U.S. patents issued related to solar, more than 35 percent related to wind energy and nearly 25 percent related to batteries. But since 1998 more patents related to green technology have been registered abroad than in the United States.

For Cavanagh, the most telling set of data is the report's look at average monthly utility bills as well as electricity bills as a percentage of GDP - both in California's favor.

The average monthly electricity bill in California is \$74, vs. \$86 for the rest of the United States (not including California), \$118 for Florida and \$135 for Texas. And those bills represent 1.79 percent of California's GDP, vs. 2.97 percent in Florida and 3.24 percent in Texas.

Perry will talk about his findings with members of the Legislature and others in coming weeks. The report will be published on his www.next10.org Web site today.