

NEWS RELEASE

ENERGY EFFICIENCY PROPOSALS COULD CREATE 333,000 JOBS IN 2010

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Washington, D.C. (March 9, 2010): Proposed federal energy efficiency jobs provisions would create about 333,000 jobs in 2010 and then 184,000 jobs in 2011 as funding begins to ramp down, according to a new analysis released today by the American Council for an Energy-Efficient Economy (ACEEE). The proposed programs include residential and commercial retrofit programs and an energy-efficient manufacturing grant program. The Senate Energy and Natural Resources Committee and a House Energy and Commerce Subcommittee on Energy and the Environment will be holding hearings on these issues this week.

"The energy efficiency programs in these proposals would create jobs because energy efficiency improvements are labor intensive and net job creators. These programs would produce more construction and service-sector jobs than those energy sector jobs lost from reduced energy consumption," said Steven Nadel, ACEEE Executive Director. "In addition, these programs would continue creating small numbers of jobs even after the stimulus period is over, because energy bill savings enable consumers and businesses to spend that money elsewhere in the economy."

Most of the products used in buildings retrofits (such as insulation and windows) are manufactured in the United States. In addition, construction jobs involved in the projects cannot be outsourced and would provide vital local jobs in communities across the country. These provisions would represent good investments in three important sectors of the U.S. economy as they focus on improving productivity; creating jobs; and leveraging government, consumer, and business funds in the best way possible.

The "Home Star" program, also known as "Cash for Caulkers," would provide rebates for energy efficiency improvements to homeowners. Like the popular "Cash for Clunkers" program, these rebates would be provided instantly at the retail store. Customers would receive rebates for up to 50% of the project (or \$1,500 per retrofit), or could upgrade a whole home with 20 percent energy savings for a \$3,000 credit. In addition to reducing energy use and saving consumers money on their electric bills, ACEEE estimates that this program would create about 126,000 jobs in 2010 and then 36,000 jobs in 2011, improving up to 3 million homes at a cost of \$6 billion dollars.

Commercial retrofits, also with immense potential as job creators, include the "Building Star" program introduced in legislation last week by Senators Jeff Merkley (D-OR) and Mark Pryor (D-AR). This program, estimated to create 130,000 jobs in 2010 and then 57,000 jobs in 2011, would offer businesses rebates for up to 30 percent of the cost of improvements to lighting, insulation, and energy management for commercial buildings.

The third proposal would provide \$4 billion in grants to manufacturers for investments in energy efficiency and clean energy product manufacturing projects. This proposal would provide additional funding to a \$156 million DOE grant program that was initiated by ARRA stimulus legislation. "DOE received applications requesting over \$3.8 billion in the ARRA funds, more than 24 times the amount available," said Neal Elliott, ACEEE Industrial Program Director. "The response demonstrates the pent-up demand for manufacturing efficiency investments. We have a large number of "shovel-ready" projects waiting at DOE for additional funding." ACEEE estimates that the additional grant funding would create 77,000 jobs in 2010 and then 91,000 jobs in 2011 from funding the existing, unfunded applications and from a solicitation for a second round of proposals.

"These estimates of job creation are probably conservative," concluded Nadel, "since we did not examine the impact of lower energy consumption on energy prices. When energy prices go down, money is freed up for spending in more labor-intensive parts of the economy."

Details on ACEEE's analyses of the proposed provisions can be found at:
www.aceee.org/energy/national/potential_leg.htm.

The American Council for an Energy-Efficient Economy is an independent, nonprofit research group dedicated to advancing energy efficiency as a means of promoting economic prosperity, energy security, and environmental protection. For more information, see our Web site at www.aceee.org.

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