



# CALIFORNIA DELIVERS

CLEAN AIR. GOOD JOBS. ENERGY CHOICES.

## Business is Booming in California

California's pioneering clean energy and climate law (AB 32) is advancing a strong economy and healthy environment – proof that a thriving, low-carbon economy is good for California. AB 32 encompasses the state's collective efforts to reduce carbon pollution and transition to a clean, efficient economy. After nearly a decade in effect, it's a powerful engine of innovation, creating a vibrant clean economy, growing efficiency savings for business, and leveling the playing field for renewable energy to compete fairly with polluting sources of energy.

*"AB 32 is helping cement CA's leadership position in the clean energy and transportation sectors."*

**Eileen Tutt**, California Electric Transportation Coalition

### AB 32 is helping make California's economy more productive

- California's GDP has increased at a much faster rate than its energy use over the past 20 years and our **energy productivity has increased 36% since 1990**.<sup>i</sup> We currently produce **1.7 times as much economic activity** as the rest of the U.S. from the same amount of energy.<sup>ii</sup>
- California's economy is the **world's seventh largest** and continues to grow – expanding in 2014 by almost every measure.<sup>iii</sup>
- California surpassed Texas in job growth in 2014, adding **498,000 jobs** between January 2014 and January 2015, **creating more positions than any other state in the nation**.<sup>iv</sup>

Bloomberg declared California the **#1 state to do business** in March 2015, with companies in the S&P 500 outperforming the rest of the nation, delivering returns **52% higher** than the nearest competitor. Why does California do so well? Bloomberg concludes it's because **places that prepare for big 21<sup>st</sup>-century challenges, such as climate change, are likely to be the most successful.**

### Leading the nation, leading the world

- California has the **largest advanced energy industry in the United States** – and it just keeps growing<sup>v</sup>, set to reach **500,000 workers across 40,000 companies** in 2015.<sup>vi</sup>
  - Contrary to fears that AB 32 would stifle manufacturing – **California leads the nation with the highest total manufacturing output of any state**<sup>vii</sup>, producing \$239 billion.<sup>viii</sup>
  - Prior to 2010, before AB 32 began having positive economic impacts, the manufacturing sector was in a state of decline for a decade.<sup>ix</sup>
  - The U.S. has a **15% share of the trillion-dollar global clean energy market**<sup>x</sup> and California is the epicenter of the U.S. clean-tech market.
  - California **dominates every clean-tech index category**, including clean electricity generation, electric/hybrid vehicle adoption, green buildings, policy outlook, solar power capacity, and venture capital.<sup>xi</sup>
  - Analysts forecast a **70% gain for California clean-tech companies** in the next 12 months.<sup>xii</sup>
  - California's commitment to clean technology is resulting in more jobs, with a **median rate of employee growth in clean-tech jobs of 7.5%** in the past two years, **compared with 2.3%** for similar U.S. companies.<sup>xiii</sup>
- **\$27 billion of venture capital** and other financing has flowed into California clean technology companies since 2006 – in part because policies like AB 32 are driving demand for renewable energy and energy efficiency, shifting the emphasis of corporate investors.<sup>xiv xv</sup>

*"CA's pioneering policies have added up to opportunity – opportunity that didn't happen by accident."*

**Mike Mielke**, Silicon Valley Leadership Group

California clean-tech companies account for the **most venture capital of any state**, with **\$1.6 billion** flowing into the sector in 2013 alone.

### Energy efficiency brings savings to small business

- AB 32 has resulted in energy efficiency measures that **save California consumers and businesses billions** on utility bills.
- Small businesses especially benefit from energy efficiency policies with rebates, incentives and other programs that allow them to **lower their energy costs significantly**.<sup>xvi</sup>
- California state economists suggest small service businesses – half of all small businesses in the state – will see **\$4.6 billion in increased revenues from efficiency**. That's an extra **\$1,115 per employee** for California small service businesses.<sup>xvii</sup>

### The economic advantage of carbon markets

- Business knows best how to adapt and be competitive, so AB 32's cap and trade program is an excellent **free market tool** to let businesses do what they do best, reducing carbon emissions at the least cost.
- By putting a price on carbon, AB 32 **prices inefficiency and waste**. As a result, California businesses are more efficient and innovative.
- A carbon market helps **drive economic activity** including hundreds of millions of dollars in private investment in California.
- The next industrial revolution – fueled by thoughtful investments from a cap and trade program – can help **transform our energy system** to one that's efficient, innovative, affordable, and diverse.

### Climate Investments for CA

- 2014-15 = \$832 million
- 2015-16 = \$1.7 billion+
- Min. 25% to disadvantaged communities

**California is rich in intellectual resources, which are already transforming the way clean energy products are manufactured and produced. We can lead the world on clean economic development, growing our economy while creating opportunities for the next generation.**

California Delivers is supported by the following business associations and companies:

Agredano-Lozano and Associates  
American Sustainable Business Council  
Bowman Change, Inc.  
Bowman Design Group  
Butler Sun Solutions, Inc.  
CA Business Alliance for a Clean Econ.  
California Electric Transportation Coalition (CalETC)  
CA Natural Gas Vehicle Coalition  
CALSTART  
Ceres, Inc.  
Clean Air Advocates  
Clean Energy  
Cleantech San Diego  
Climate Action Reserve  
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Coddling Investments  
Coto Consulting Inc.  
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Sustainable Napa County  
Sustainable North Bay  
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Alton Energy  
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California Wind Energy Association  
CALSEIA  
ChargePoint  
Clean Fuel Connection  
Community Fuels  
Continuum Industries  
Efficiency.org  
Identify3, Solar Marketing  
Leadership for a Clean Economy  
Luminalt  
Next Energy Technologies, Inc.  
Promise Energy  
Propel Fuels  
Renewable Energy Group, Inc.  
Renewable Funding  
Run on Sun  
SeaWave Battery, Inc.  
SK Solar  
StoutPower Consulting, LLC  
Sungevity  
Vote Solar  
Western Grid Group  
Zero Net Energy, Inc.

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- <sup>i</sup> California Green Innovation Index, 6<sup>th</sup> Edition," Next 10, May 2014 <http://next10.org/2014-california-green-innovation-index>
- <sup>ii</sup> Ibid.
- <sup>iii</sup> Brown's California Overtakes Brazil with Companies Leading the World." Bloomberg Business. Jan, 2015. <http://bloom.bg/1uBcxqT>
- <sup>iv</sup> "California created half million jobs last year – most in U.S.", Chris Jennewein, Times of San Diego, March 17, 2015. <http://timesofsandiego.com/business/2015/03/17/california-created-half-million-jobs-last-year-most-in-u-s/>
- <sup>v</sup> AEE Institute, <https://www.aee.net/articles/california-has-largest-advanced-energy-industry-in-u-s-with-over-430-000-workers-according-to-first-ever-state-employment-survey>
- <sup>vi</sup> <http://www.prnewswire.com/news-releases/california-has-largest-advanced-energy-industry-in-us-with-over-430000-workers-according-to-first-ever-state-employment-survey-300004990.html>
- <sup>vii</sup> 2014 State Manufacturing Data Table, National Association of Manufacturers. <http://www.nam.org/Data-and-Reports/State-Manufacturing-Data/2014-State-Manufacturing-Data/2014-State-Manufacturing-Data-Table/>
- <sup>viii</sup> "Best State for Business? Yes, California". Matthew A. Winkler, Bloomberg View. 12 March, 2015. <http://www.bloomberqview.com/articles/2015-03-12/best-state-for-business-yes-california>
- <sup>ix</sup> "California Zooms Past Russia, Italy and Soon Brazil in Economic Might", Michael B. Marois and Shin Pei, Bloomberg, Jan 15, 2015. <http://bloom.bg/1Cu7ywx>
- <sup>x</sup> "U.S. has a 15% share of trillion-dollar global clean energy market, report finds." Umair Irfan, March 11, 2015. Energy and Environment Reporting. <http://cleandge.com/sites/default/files/CTII-2013-Report.pdf>
- <sup>xi</sup> "Best State for Business? Yes, California". Matthew A. Winkler, Bloomberg View. March 12, 2015. <http://www.bloomberqview.com/articles/2015-03-12/best-state-for-business-yes-california>
- <sup>xiii</sup> Ibid.
- <sup>xiv</sup> California Green Innovation Index, 6<sup>th</sup> Edition," Next 10, May 2014
- <sup>xv</sup> Ibid.
- <sup>xvi</sup> "The Economic Impact of AB 32 on Small Business: An Update," The Brattle Group, October 2010. [http://www.brattle.com/system/publications/pdfs/000/004/795/original/Executive\\_Summary-2010\\_Update\\_to\\_The\\_Economic\\_Impact\\_of\\_AB\\_32.pdf?1378772130](http://www.brattle.com/system/publications/pdfs/000/004/795/original/Executive_Summary-2010_Update_to_The_Economic_Impact_of_AB_32.pdf?1378772130)
- <sup>xvii</sup> Economic Opportunity for Small Business Under AB 32 [http://www.smallbusinessmajority.org/energy/index\\_CA\\_AB-32.php](http://www.smallbusinessmajority.org/energy/index_CA_AB-32.php)