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Strong Clean Energy Policies Will Grow Economy, Create Up to 25,000 Jobs in Arkansas

Arkansas Business Leaders Release New Jobs Report Day Before Senate Hearings Start

Little Rock, October 26, 2009: On the eve of U.S. Senate deliberations on clean energy and climate legislation, Arkansas business leaders released a new economic analysis that finds that strong federal policy could create up to 25,000 jobs in Arkansas, increase incomes by \$1,230 and grow the state economy by \$1.2 billion. The new study, co-released with national clean energy business groups E2, the national investor coalition Ceres and the Clean Economy Network, provided the most comprehensive and in-depth look to date at state-by-state impacts of three pillars of federal legislation: energy efficiency, renewable energy and limits on carbon pollution.

“This study shows that the stronger the federal energy and climate policies, the more Arkansas stands to gain economically,” said Eddy Moore, coordinator of Arkansas Business Leaders for a Clean Energy Economy. “We need to grow our wind, bio energy and energy efficiency industries and also employ thousands of people in developing and implementing more energy efficient building and industrial facility technology. These steps will put money into consumers’ pockets to spend in the broader economy. Arkansas can play a bigger role in the emerging multibillion-dollar global clean energy market.”

Unlike prior studies, this multi-university effort used the most up-to-date economic data, and accounted for the economy-wide impacts of consumer energy efficiency savings. The study provides a detailed economic assessment of climate and energy policies currently under consideration in Congress on the economy in Arkansas. It models both moderate and aggressive implementation of policies that create a market-based program to reduce carbon emissions, set strong standards and incentives for investment in renewable energy and energy efficiency.

Arkansas findings include:

- Aggressive policy implementation results in greater economic and job growth in Arkansas by 2020 than moderate or no implementation
- The strongest policies could generate up to 25,000 additional jobs in Arkansas, increase Arkansas real Gross Domestic Product by \$1.2 billion and real household income by \$1,230 per year (as measured in 2008 dollars) by 2020
- Even moderate implementation drives economic growth in Arkansas, generating \$400 million GDP and \$457 household income growth



- The more carbon dependent state economies have more to gain from climate action, assuming they adopt balanced policies that combine all three pillars (energy efficiency, renewable energy and carbon pollution limits)

According to the study, *Clean Energy and Climate Policy for US Growth and Job Creation: An Economic Assessment of the American Clean Energy and Security Act*, the legislation would create between 918,000 and 1.9 million new jobs nationally, increase annual household income by \$487-\$1,175 per year, and boost GDP by \$39 billion-\$111 billion by 2020.

These gains are over and above business-as-usual economic growth.

“Moving to a clean energy economy drives economic growth in our state by protecting consumer purchasing power and generating jobs,” said Dan Cummings, with INEOS Bio in Fayetteville. INEOS Bio developed a breakthrough technology that will substantially reduce greenhouse gas emissions from cars and energy generation across the world. It reduces the amount of waste going to landfills and breaks the link between food crops and bioethanol production.

Results from the study are consistent with projections by agencies such as the Environmental Protection Agency, Congressional Budget Office, and the Department of Energy – all of which show substantial economic benefits from more efficient energy use.

"This study takes the right approach for modeling the economic impacts of national climate and energy legislation in Arkansas and reaches logical conclusions," said Jim Metzger, an economist at Webster University, Little Rock campus. "I would say the synergies between labor markets that develop as a result of building our clean energy economy may increase the benefits in the long-term."

“Money saved on energy puts dollars back into household bank accounts, and gives consumers the freedom to spend on things they want. This consumer spending represents 70 percent of Gross State Product, so it represents potent growth and job stimulus for the Arkansas economy,” commented David Roland-Holst, who authored the report.

About the study

The Environmental Assessment in General Equilibrium (EAGLE) model used in the study was developed at the University of California in collaboration with the University of Illinois and Yale University. It details patterns of supply, demand, employment, incomes, resource allocation, energy use, and emissions across the nation and within each of the 50 United States. Using a general equilibrium framework, the model captures both direct impacts and the extensive economy-wide indirect effects of climate and energy policies. The EAGLE model has been peer reviewed and technical documentation is available on request. An executive summary of the study can be found [here](#).

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About us: The **Arkansas Business Leaders for a Clean Energy Economy** is an informal network of businesses and business leaders, spanning a wide spectrum of industry and commerce. The network supports a transition to a

low-carbon clean energy economy in Arkansas and nationally. Its goal is to empower the Arkansas business community to influence public policy that helps get us there.
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For study results and Arkansas fact sheet visit us on the web:
<http://www.arkcleaneconomy.biz/>