



The Student PIRGs

Memo

To: Lily Rothman, Mike Lux, Presidential Transition Team
From: The Student PIRGs
Date: 1/10/09
Re: A Green Economic Recovery Plan for America

No constituency has more to gain from a new energy economy and green infrastructure that will protect our environment, put people back to work, contribute to long-term prosperity and rebuild our communities than America's youth. On college campuses across the country, students are working to turn their campuses into models of the new energy economy. Recognizing this importance of translating this important local work into national progress, the Student PIRG Repower America campaign seeks a new national energy plan that embraces clean, renewable energy, secures our energy independence, and jumpstarts our economy. In the coming months thousands of volunteer student leaders working with the Student PIRGs on 100 college campuses across the country will work to mobilize public support around the recommendations outlined in this memo.

The Student PIRGs support President-elect Obama's efforts to make clean energy a cornerstone of any economic recovery plan. Investment and long-term commitment to renewable energy such as wind and solar will play a crucial role in repowering America with clean, homegrown energy.

Putting America on the path to a new clean energy economy means more secure energy in the long term; less global warming pollution; fewer asthma attacks from air pollution; more clean lakes and rivers for drinking water, swimming and fishing, and more good jobs right here at home. Moreover, electricity generation contributes more than a third of the global warming pollution emissions in America.

Fortunately, we have the potential to power the entire country many times over with clean sources such as wind and solar.

As such, we must repower America with 100% clean, renewable energy and leave the dirty energy sources of the past behind. As a first step, an economic recovery plan should expand incentives for renewable energy, shift our own government towards renewable energy, fund advanced research and development of new renewable energy technologies, and pass a renewable electricity standard.

We recommend at least \$62.3 billion in investment in renewable energy and green job training. These renewable energy investments will create or sustain more than 1.9 million jobs, and increase renewable energy production. Our recommended investments would reduce CO2 emissions in the electricity sector by at least 394 million tons, equivalent to taking over 72 million cars off the road for a year.



Specific Recommendations for Renewable Energy Investments:

Create a National Renewable Electricity Standard (RES) that calls for at least 25% of the nation's electricity to come from renewable energy by 2020, with a near term target of 10% renewable contribution by 2010, and regular increases mandated every two years thereafter. An RES would create at least 185,000 jobs and spur more than \$300 billion in investment in renewable energy development and would avoid 223 million metric tons of CO2 emissions a year by 2020. That is the same as taking 36.4 million cars off the road.

Fund the Green Jobs Act. This program gives grants to national and state training programs (including community colleges and union apprenticeship programs) to prepare skilled workers for green-collar jobs. Some portion of these funds must be dedicated specifically to providing "pathways out of poverty" for low-income workers. This \$500 million investment over two years in green jobs worker training for 70,000 workers will ensure that the American workforce, our most renewable resource, is trained and ready to fill the millions of job being created and sustained by the clean energy industries. These programs will help to wean our country off of dirty fossil fuels such as coal and oil.

Amend the Renewable Energy Production and Investment Tax Credits, and their accelerated depreciation, by making them refundable. Because of the current economic recession, these tax credits have become unusable due to the lack of a tax liability that most companies accrue during the economic downturn. The Renewable Energy Production tax credit should be refundable for the duration of the credit for projects placed in service in 2008 and 2009, and the Investment Tax Credit made refundable for the next three years. The monetary cap for solar-thermal should be removed. This simple fix would cost no more than the credits were already provided and would create and sustain 254,000 quality jobs in engineering, installation, construction and maintenance. This would provide immediate reductions in global warming pollution by replacing or preventing both peak load and base load fossil fuel plants. This past year new wind generation alone, helped by the Production Tax Credit, was more than five times as expansive as new coal generation.

Invest in renewable energy on government property. The federal government can drive hundreds of thousands of jobs by installing renewable energy on government property including 4,000 MW of solar energy systems on government property. This \$10 billion investment resulting in 4,000 MW of solar would drive more than 350,000 jobs and prevent nearly 21 million tons of CO2 emissions, equivalent to taking 3.77 million cars off the road for a year.

Adopt a Solar Manufacturing Credit. This program would level the international solar manufacturing playing field by offering accelerated depreciation and a 30% refundable tax credit for the purchase of solar manufacturing equipment. This investment could create 315,000 well-paying jobs. This credit will help to drive down the cost of solar technologies, and as such raise the competitiveness of solar power as well as reducing the global warming pollution created from shipping and lax overseas regulation.

Increase Clean Renewable Energy Bonds (CREB) funding for state and local governments and consumer-owned utilities to jump-start renewable energy projects and break ground on projects as fast as possible. A \$5 billion investment would create 60,000 jobs in engineering, manufacturing, construction, installation and management, and ensure the ability of state and local governments and co-ops to finance innovative renewable energy projects despite the recession and reduce their carbon footprint.

Extend the renewable energy Production Tax Credit (PTC) for 5 years. The PTC is currently 2.1 cents per kilowatt hour of large renewable energy. Extending this incentive would increase long term planning as well as construction of larger-scale projects. A \$30 billion investment over 10 years would create at least 70,000 jobs and \$70 billion in private investment. This would also ensure the continued rapid growth of the largest renewable energy industries. Along with making the PTC and ITC refundable in the short run, this is one of the most important policies to repower our country with 100% clean, homegrown energy.