



REDIRECTING OHIO'S ENERGY

The Economic and Consumer Benefits of Clean Energy Policies

In February 2005, the Ohio Public Interest Research Group (Ohio PIRG) Education Fund released a new report, "Redirecting Ohio's Energy," showing that investing in energy efficiency programs and renewable energy would provide widespread benefits for the state's consumers, businesses, and economy overall. Specifically, we found that investing in clean energy solutions would create an average of 3,700 new jobs annually in Ohio between 2005 and 2020 and save Ohio's consumers \$746 million on their electricity bills and \$614 million on natural gas costs in 2020. These clean energy solutions would create more jobs, save consumers more money, and raise wages higher than under the federal energy policies proposed in 2004.

Shifting Our Energy Priorities

In 2004, Congress and the Bush administration proposed an energy policy that included \$52 billion in subsidies, two-thirds of which would have benefited fossil fuels and nuclear power. Proponents of this energy policy argue that investing in fossil fuels and nuclear power are essential for a healthy and vibrant economy. They also contend that a renewable energy standard, requiring a certain percentage of our electricity come from renewables, will cost us jobs and increase costs to consumers.

Study after study has shown that renewable energy and energy efficiency boost local economies and save consumers money. So we asked the question: what would be the economic and consumer benefits to Ohio of shifting these subsidies into renewables and energy efficiency and implementing a renewable energy standard? We call this alternative to the 2004 energy proposals the **Clean Energy Package**.



Investments in renewable energy would provide a boost to the economy, particularly in rural areas. Photo courtesy DOE/NREL.

More Jobs, Higher Wages in Ohio

The Clean Energy Package—enacting a national renewable energy standard of 20 percent electricity generated from renewables by 2020 and shifting the proposed federal subsidies away from fossil fuels and nuclear power—could generate 5,972 net jobs and a \$41 million net increase in wages above projected levels in Ohio in 2020. Between 2005 and 2020, the Clean Energy Package would create a net average of 3,689 jobs in Ohio and \$68 million in wages above projected levels each year.

The majority of the new jobs created under clean energy policies would be well-paying jobs in the manufacturing, construction, finance, and agricultural sectors.



Investing in clean energy policies would boost the economy and create new jobs. Photo courtesy DOE/NREL.

New Economic Growth in Ohio

By stimulating the construction and development of renewable energy facilities such as wind farms and solar panels, clean energy policies provide an important stimulus to Ohio's economy. Investments in energy efficiency programs help reduce energy costs, putting more money back into the consumer's pocket. In fact, a 20 percent national renewable energy standard alone would boost Ohio's gross state product (GSP) by \$100 million above projected levels by 2020.

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Consumer Savings in Ohio

All consumers—residential, commercial and industrial—would benefit from clean energy policies. Increased production of renewable energy would reduce demand for natural gas, resulting in lower natural gas prices. Under the Clean Energy Package, Ohio's consumers would save \$614 million in natural gas costs in 2020, \$487 million more than under the 2004 federal energy proposals. Between 2005 and 2020, the Clean Energy Package would result in net annual average natural gas savings of \$247 million in Ohio alone.

Investments in energy efficiency programs also help reduce the cost of electricity for consumers, resulting in significant savings on electricity bills. The Clean Energy Package, which invests heavily in energy efficiency, would generate an annual electricity savings of \$746 million for Ohio's consumers in 2020 and an average annual savings of \$343 million between 2005 and 2020.



Increased investment in energy efficiency and renewable energy would save consumers billions of dollars on electricity bills while displacing the need for more power plants. Photo courtesy DOE/NREL.

IMPACT OF DIFFERENT ENERGY POLICIES ON OHIO'S CONSUMERS AND ECONOMY

	2004 Energy Proposals	20% National Renewable Energy Standard	Clean Energy Package
Net Job Increase in 2020 (actual)	2,451	1,259	5,972
Net Increase in Wages in 2020 (millions of 2001\$)	16	41	41
Avg. Annual Increase in GSP 2005-2020 (millions of 2001\$)	0	97	(20)
Annual Electricity Savings in 2020 (millions of 2001\$)	330	N/A	746
Avg. Annual Electricity Savings 2005-2020 (millions of 2001\$)	212	N/A	343
Natural Gas Savings in 2020 (millions of 2001\$)	127	495	614
Avg. Annual Natural Gas Savings 2005-2020 (millions of 2001\$)	69	193	247

Note: All results are above projected levels in the given year or time frame.

To read the full text of "Redirecting Ohio's Energy," visit our website at www.ohiopirg.org.

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