

Green jobs grow slowly

January 22 2010, By Dee DePass

Last year, Randy Hagen, president of Solar Skies Mfg in Starbuck, Minn., laid off four of his 14 workers after orders stalled for the rooftop solar collectors he makes. Government rebates promised last year under the Obama administration's green jobs initiative never won final approval, so consumers didn't buy.

"Everyone who is considering buying a solar thermal system in Minnesota was hoping there may be some rebate stimulus dollars available to them," Hagen said. "(But the) proposed rebate for solar thermal has not yet been approved by the Department of Energy. ... This has literally halted solar thermal sales and has directly hurt our business. ... Yet everyone perceives that if you are in renewable energy you should be doing well."

The Obama administration's call for green jobs as an economic savior initially sparked hope for economic recovery. But the federal funds have only dribbled into the sector, held up by various shades of bureaucratic red tape and the lingering [credit crisis](#). As a result, projects stalled and workers got pink slips as banks froze credit, [venture capital](#) firms slowed sector investments and government rebates snagged. By year-end, green-sector job freezes and losses far outweighed gains.

Among the victims: the plodding light-rail project in St. Paul, Minn.; the massive layoffs at Suzlon's wind turbine plant in Pipestone, Minn., and the deep job cuts at New Flyer's hybrid bus plant in St. Cloud, Minn., the site Vice President [Joe Biden](#) visited last year to herald the administration's green initiatives.

"The green economy has definitely been no stranger to the recession," said Joshua Low, spokesman for the Blue Green Alliance that links steelworkers with green commerce. "But we are building a lot of the right infrastructure and right policies right now. ... The (hope) is that the recovery acts as a major down payment on building a stronger green economy."

Last year's federal "cash for clunkers" program and rebates for energy-efficient window replacements boosted car and window sales and prompted worker callbacks at Andersen Windows and Doors. Thanks to state mandates, Xcel Energy-funded wind farms continue to sprout in Minnesota and Iowa.

Dan McElroy, commissioner for the Department of Employment and Economic Development, noted that \$107 million in federal funds and \$300 million in state funds drove water and sewage treatment projects last year. "That flowed very smoothly" creating a "significant number" of jobs, McElroy said. But funding for energy-related and rural broadband wireless projects that were slated to receive federal stimulus money has been slower to come. Most problems stemmed from the fact that the plans were so new that federal rules and processes had to be written from scratch, he said.

Still, environmentalists point to fresh federal stimulus plans and new state efforts that bode well for 2010. If successful, they could reignite hope and hiring and shift the green economy from neutral to forward.

But economists warn that rebates for building insulation, solar, wind and energy conservation projects won't be enough to pull down the nation's jobless rate. National unemployment remains stubbornly high at 10 percent, and economists forecast it won't drop to 8 percent until 2012 or 2013. They also predict Minnesota's rate, now 7.4 percent, will soon rise to 8 percent.

"We, as a state, have gotten a more realistic view of the contribution that green jobs can make to the state's economy," said state economist Tom Stinson. "They are not going to solve all the state's economic problems. They are going to help around the edges ... (but) they are unlikely to have much impact on big-picture job growth."

Still, green programs continue to be a high-profile part of the Obama agenda. In early January, the administration announced \$2.3 billion in tax credits for solar and wind power projects and energy management efforts such as residential Cash-for-Caulking rebates. Obama also called for an additional \$5 billion for clean energy manufacturers and tax credits for small "green" businesses.

"The new stimulus dollars should help. We hope it really comes this time," said Hagen of Solar Skies. "Once the rebates come through, we intend to get back up to where we were (employment-wise) for sure. We know there are some pent-up jobs that didn't get deployed in 2009 because of pent-up funds. But I think these jobs will come."

Cardinal Glass in Northfield, Minn., just learned it will receive \$7.7 million of new federal funds to convert its residential-glass factory into a solar glass-coating plant. The change will take six months, retain jobs and bring high-tech and higher-paying positions to Northfield, said Marketing Vice President Andy Jensen. That's a plus, since the plant lost 30 of its 120 workers to the housing recession in two years.

"I am not saying we were going to close the Northfield facility. But the solar operation will bring life back into that operation," Jensen said. "It will start off with 90 people and we anticipate the industry will grow at 30 percent annually. What that might mean for the Northfield community ... has got to be a positive thing."

Lynn Hinkle, policy director of the new Minnesota Solar Energy

Industry Association said the government's renewed commitment to green jobs means a surge in solar installation jobs.

"We will end up with 300 solar installations (in homes and small businesses) as a result of the federal rebates that will start being deployed by the state's Office of Energy Security in the next month," Hinkle said. "Those 300 installations mean 300 rooftops and 300 teams of workers that will start probably in the spring. The plan is to install solar panels and solar collectors for thermal energy. And you will see a lot of (photo voltaic) and solar electric installations."

Wayne Gjerde, who finds commercial uses for factory waste for the Minnesota Pollution Control Agency, cheered the fact that California-based eCullet Inc. just signed a lease to open a recycled-glass-sorting business in St. Paul with about 20 workers.

Meanwhile, Bro-Tex Inc. is doubling its carpet recycling capacity in St. Paul and adding some jobs this year. The bankrupt VeraSun ethanol plant in Janesville, Minn., has new owners who restarted that plant with 55 workers in November. Paper recyclers such as the giant Rock Tenn also expect some growth this year.

As a result, "we expect to have additional jobs as the economy comes back and expands. Stay tuned," Gjerde said. It's a sentiment echoed by others.

In White Bear Township, Veeco Instruments is doing well, considering the times.

"Sales are increasing. ... And we have made fairly good headway even with the recession," said marketing manager Molly Doran. Veeco, which has grown to 90 employees in two years, makes photo-voltaic "thin films" that solar cell manufacturers use to make solar energy panels that

can seamlessly integrate into roofing tiles, windows, siding, laptop computers and more. The films are more efficient than traditional silicone solar cells and demand is growing as panel makers gear up with the new technology.

Veeco is still waiting for federal stimulus money that it applied for last year. In the meantime it is benefiting from Minnesota law, which requires 20 percent of all electrical power come from renewable sources by 2012.

"I think in 2009 (the industry) fell a little bit because people were tightening their belts and the stimulus process has been a little more lagging than they hoped that it would be," Doran said.

Veeco's application for a federal "emerging renewable energy" grant was accepted in December.

"We got word that funds should come toward the end of January," she said.

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