

Wind power capacity grows at record pace, but industry jobs actually fall

February 5 2010, By Jim Tankersley

America's wind energy industry enjoyed a banner year in 2009, thanks largely to tax credits and other incentives packed into the \$787 billion economic stimulus bill.

But even though a record 10,000 megawatts of new generating capacity was created, few jobs were created overall and wind power manufacturing employment fell -- a setback for President Obama's pledge to create millions of new "green jobs." Obama has long pitched green jobs, especially in the [energy](#), transportation and manufacturing fields, as a prescription for long-term, stable [employment](#) and a prosperous middle class.

But those jobs have been slow to materialize, especially skilled, good-paying blue-collar jobs such as assembling [wind turbines](#), retrofitting homes to use less energy and working on solar panels in the desert.

On the campaign trail, candidate Obama promised to create some 5 million new green jobs over the course of a decade. The stimulus bill approved early last year allocated billions of dollars to the so-called "clean energy" sector. And the president continued to set high expectations for green-job creation in last week's State of the Union speech.

Administration officials admit they are nowhere near that pace. Earlier this month, government economists released their first accounting of clean-energy jobs created or saved by the stimulus: 52,000.

Several factors accounted for the slow start, some of them linked to weakness in the overall economy. Electric power demand fell nationwide last year. Coal and natural gas continued to offer tough price competition. [Renewable energy](#) companies, faced with limited demand, often drew down inventory or imported renewable technology instead of building new turbines or [solar cells](#) domestically.

Industry analysts and energy company executives said job growth is also hampered by lingering uncertainties in federal energy policy. Those include questions about when or whether existing tax breaks will expire and whether the Senate will pass a climate bill that would make fossil fuels more expensive -- and renewable more competitive.

The federal stimulus bill spared the wind and solar industries steep job losses last year, executives said. The American Wind Energy Association estimates the bill saved 40,000 factory, installation and maintenance jobs in its industry alone -- but even then, the group said last week that wind manufacturing suffered a net job loss from 2008 levels.

But industry leaders and many outside analysts added that so-called green companies won't begin hiring at high rates until the federal government mandates renewable power consumption nationwide and dramatically upgrades the nation's electric grid.

Wind manufacturers "need more certainty" to add shifts and factories in the United States, said Elizabeth Salerno, director of industry data and analysis for the American Wind Energy Association.

"Demand is the trigger," she said. "But it has to be long-term, stable demand." Obama's advisors said the biggest clean-energy benefits of the stimulus are still to come, and that they have planted the seeds for a green-job proliferation by financing worker training and leveraging tens of billions of dollars in private investment in green technology. The

Energy Department projects that U.S. renewable power generation will grow four times faster from 2008 to 2012 than it would have without the stimulus.

"A lot more has to be done if we're going to realize the president's vision for a truly transformative clean energy economy," said Jared Bernstein, Vice President Biden's chief economist and executive director of the White House Middle Class Task Force. "Our administration will pick up where (the stimulus) leaves off and finish the job. The president is completely committed to that." Others said the administration's efforts, including stimulus grants and tax credits that fund some applicants but not others, may have pushed clean-energy investment dollars overseas, particularly to China. Since 2008, China has approved more solar-power capacity than the United States has installed in its history.

"The inconvenient truth for America's economic recovery is that China's Communist Party has cultivated a more favorable, predictable and hospitable market for private investments in clean energy technology and energy infrastructure than the federal government of the United States," said Andy Karsner, a fellow at the Council on Competitiveness.

Energy Department officials said that instead of focusing on one or two technologies, they have funded a "portfolio of technologies" that will battle for a share of a growing domestic and global market.

"We are not in the business of picking winners," said Matt Rogers, a senior advisor at the energy department who oversees stimulus spending. "We're creating competition among innovative approaches in the marketplace." Global clean-energy competition worries many of the staunchest champions of green jobs in Washington, including Sen. Barbara Boxer, D-Calif., who chaired a hearing on solar jobs in the Senate Environment and Public Works committee last week.

Among the executives testifying was Robert Rogan, senior vice president for eSolar in Pasadena. Rogan's young company secured contracts last year for 3,500 megawatts of solar power. One of its projects is set for California; another, in New Mexico, will create hundreds of construction jobs this year.

But the bulk of eSolar's power installations will come in China, which also provides some components of its solar plants.

In an interview, Rogan credited the stimulus for helping clean-energy companies through a "very bad" year in the American private finance market.

He insisted U.S. solar companies are poised for "explosive" growth, but that to maximize it, they need longer-term incentives and better transmission lines to link solar hot spots, such as the Southwest, and demand centers such as the East Coast.

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