

# Three more reasons for clean energy

April 8 2011, By Phyllis Cuttino,

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We've heard again and again that concerns about the environment, public health and national security are reasons to develop policies that encourage clean energy investment - and we've also heard vigorous debate on these issues. But recent data show that three of the biggest - and the most unifying - factors Congress and the Obama administration should consider are right in their sights: jobs, export opportunities and the United States' descent to third place in a race that's critical to our future.

It's true that wind, solar and other non-fossil fuel based [energy sources](#) can help reduce emissions that impinge on human health and the Earth's climate, while also lowering our dependence on oil from politically unstable regions. Today, however, the new imperative is investment, which generates the innovation, commercialization, manufacturing and installation of [clean energy](#) technologies.

New research on private finance and investment in the 20 largest industrialized economies shows that 2010 was another year of significant growth and increased competition in the clean energy sector. Among G-20 nations, the [United States](#), with \$34 billion in clean energy investment, continued its steady decline in leadership - falling to third behind China and Germany.

Worldwide, clean energy investments grew by 30 percent to \$243 billion in 2010, restoring the rapid pace of growth that characterized the sector prior to the worldwide recession. In the past seven years, clean energy funding has grown by 630 percent, with more than 90 percent invested in

G-20 nations.

Countries with strong policies in place have positioned themselves to attract substantial domestic investment in the manufacturing and export of [wind turbines](#), solar energy systems and energy efficiency technologies-or a combination of these.

Germany, which has long had a stable, ambitious and comprehensive clean [energy policy](#), saw investments in the sector grow by 100 percent to \$41.2 billion in 2010, a funding level that displaced the United States from second place among the G-20 nations. Last year, China replaced America as the top destination for clean energy investment. In fact, the \$54.4 billion invested in China's clean energy sector last year was an all-time record for a single country - equal to all the dollars invested globally in 2004.

The trends are anything but encouraging for the United States. Even though clean energy investment here increased by more than 50 percent in 2010, we are not keeping pace with key G-20 competitors - six other nations saw investments grow at a faster rate last year.

To be sure, the United States remains the undisputed leader in clean energy innovation, thanks to the strength of our venture capital industry and sizeable stimulus funding for research and development. But in too many cases, ideas arise here while applications - and profits - accrue elsewhere.

Our nation's competitive position appears to be at significant risk. On a number of key measures - overall investment, installed capacity, five-year rate of investment growth and investment intensity - the United States has slipped among the G-20. And our unsteadiness is occurring in the context of dynamic expansion of the sector and global competition.

The most successful countries have established policies that set ambitious nationwide targets for key clean energy technologies. Most of the fastest growing markets for [solar energy](#) are driven by long-term contracts that guarantee renewable energy producers a set price for electricity fed into the grid, but few American municipalities provide such pledges. Meanwhile, Germany, China, India and others are attracting [investment](#) with strong, predictable policy frameworks that also include renewable energy standards, tax credits and access to low-cost loans. In the absence of such policies, each year the United States falls farther behind.

We are at a crossroads. We can continue to watch our manufacturing base erode, or we can put in place the right kind of policies to move capital off the sidelines. With significant growth and opportunity all over the world, the United States can be a promising place to stake a claim on the future - but only if Congress adopts energy policies that create a reasonable climate of stability for investors.

In today's world, strong national clean energy policies in other G-20 countries have helped create jobs, spur manufacturing and grow exports. Now, the United States must take action or risk falling further behind in the global clean energy race.

**More information:** Phyllis Cuttino is director of the Pew Environment Group's Clean Energy Program, 901 E Street NW, Washington, D.C. 20004; email: [pcuttino\(at\)pewtrusts.org](mailto:pcuttino(at)pewtrusts.org).

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