

Clean energy benefits Earth and business

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As the sun was setting on last month's experimental legislative session, the Senate passed a bill expanding the state tax credits for renewable energy manufacturing facilities and sent it to the governor for his signature. The goal is to attract more manufacturers of clean energy technologies to the state.

The primary driver of the legislation appears to be SolarWorld, a German-based manufacturer of solar energy equipment that set up shop in Hillsboro last year and wants to eventually expand its operations to 2,000 employees. It seems the solar industry is booming.

The House sponsor of the bill, Rep. Scott Bruun, R-West Linn, sees the tax credit as a way to create jobs and to increase corporate and individual income taxes, thus providing government with more revenue for vital services. "We're going to give a little bit away, and we're going to get hundreds of millions of dollars in corporate and individual income taxes... This is good for everybody in Oregon," Bruun concluded.

Is this true? Do investments in renewable energy provide an assortment of benefits?

Industrial Finishes, a company in west Eugene, used the state tax credits aimed at encouraging companies to install renewable energy systems, as well as other incentives, to put up the largest commercial solar electric system in the Northwest. The 450-kilowatt system will generate almost 500,000-kilowatt hours per year, enough to power roughly 45 homes. The system's electricity will be fed directly into the Eugene Water & Electric Board's grid system.

I recently asked Stuart Barr, owner of Industrial Finishes, who is 73 years old and has run the business for 50 years, why he installed the solar system. His answer: "It makes good economic sense. The tax credits we got, combined with the revenue we will generate by selling the power to EWEB over the next 10 years, makes the system a good investment for us."

Barr obviously believes clean energy can be good business.

It's also vital for combating global warming. To prevent the most damaging forms of climate change, global greenhouse gas emissions must be reduced by 80 percent or more by mid-century. Barr's solar system will save roughly 13,000 tons of greenhouse gas emissions, or the equivalent of 1.3 million gallons of gasoline, over its lifetime.

Data show that clean energy and other methods of reducing greenhouse gas emissions — which are often called sustainability measures — provide many business benefits.

One benefit is being on the cutting edge. As pressure to reduce emissions grows, the global market for low-carbon goods and services is projected to exceed \$500 billion and could exceed \$2 trillion per year by 2050, according to a report released last year

by former World Bank Chief Economist Nicholas Stern. A recent study by The Climate Group found that the market for renewable energy technology alone is expected to grow from just under \$60 billion in 2006 to almost \$240 billion by 2016.

Stuart Barr said that being on the cutting edge of such trends has always been a hallmark of his company. Smart companies stay out front.

Another benefit is job creation. More than 2 million people are already employed in the renewable energy field globally, and more than 170,000 jobs were created in 2006 alone. Just as in Hillsboro, expanding the use of clean energy here locally can generate jobs.

Companies that use sustainability measures such as renewable energy also find direct economic advantages. For example, because of tax credits, incentives and payments from EWEB, Industrial Finishes expects its solar system to pay for itself in about five years. After that, every kilowatt it generates is pure profit.

Still another benefit is risk reduction. Global warming is producing increasingly weird weather extremes. It is also causing seas levels to rise, putting coastal communities and ports around the world at risk, and in other ways changing the business landscape.

Businesses that take steps to reduce their exposure to these risks by, for example, locating outside of areas susceptible to flooding or the effects of sea level rise, shortening their supply chains to avoid transportation disruptions, or installing on-site renewable energy systems can enhance their economic security.

Perhaps one of the biggest benefits of the use renewable energy and other sustainability measures is the personal satisfaction it brings. As Barr told me, "I'm a very conservative guy. But I felt we should do what we can to minimize the impacts of what we do. This is a win-win situation. It's good for our company and it's good for the environment."

Business owners and employees who feel this way are likely to get out of bed in the morning raring to go to work and be highly motivated once on the job. You can't ask for a much greater benefit than that.

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