

Progress Report 2009: Renewable Energy

Executive Summary

Through the course of the last decade, the nationwide rate of job growth in renewable energy companies outstripped overall job growth by more than 2-1, according to the Pew Center on the States. As America continues to struggle in hard economic times, it has never been clearer that clean energy will be an important engine of recovery.

State lawmakers recognize the importance of energy innovation. Hundreds of state-level energy bills have been filed this year, and some of the most dramatic successes have occurred in the areas of wind and solar power promotion.

- In the past year, legislators in **Iowa, Maine, and Kansas** have passed significant bills designed to boost the development of local wind energy. Each bill was signed into law by the governor of the state.
- Lawmakers in **New Jersey, West Virginia, New Mexico, Texas, and Washington** all proposed and passed legislation to boost the solar energy industry. Each bill was signed into law by the governor of the state.

The success of these bills and the willingness of policymakers to invest in renewable energy—even during a recession—show just how far the energy debate has come.

It is no accident, however, that most of the clean energy success in 2009 has occurred in Democratically-controlled legislatures. While individual roll calls show Republicans slowly abandoning their opposition to clean energy promotion, this issue is historically a Democratic priority, and Democratic leaders are those taking initiative in this area.

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Through the course of the last decade, the nationwide rate of job growth in renewable energy companies outstripped overall job growth by more than 2-1, according to the Pew Center on the States. As America continues to struggle in hard economic times, it has never been clearer that clean energy will be an important engine of recovery. But like all new development, the economic impact of clean energy will be uneven. In 37 states and the District of Columbia, the rate of clean energy job growth was higher than for the general economy, but for 13 states, this sector lagged behind.

Given this inequity, state promotion and investment in clean energy will have a determinative impact on where this growth will be strongest and which states will take advantage. Hundreds of state-level energy bills have been filed this year, but some of the most dramatic successes have occurred in the areas of wind and solar power promotion. With legislative sessions winding down, we want to spotlight eight of the highest-profile wind and solar legislative victories of 2009, along with four cases where important legislation has made significant progress.

Wind Power Success in Three States

- In **IOWA**, SF 456, passed overwhelmingly by both legislative houses, provides state tax incentives for small-scale wind-production projects around the state. Gov. Chet Culver signed the measure on April 23rd. Another bill—HF 817—also passed overwhelmingly by both houses, provides several million dollars in corporate tax incentives for wind energy research and development conducted in Iowa. Designed to help lure wind technology manufacturing jobs to the state, the bill was also signed by Gov. Culver on April 23rd.
- In **KANSAS**, SB 108, passed unanimously by both houses of the state legislature and signed by then-Gov. Kathleen Sebelius on April 6th, makes large-scale wind and solar projects eligible for tax credits, bonds, and other economic incentives under the state's Economic Revitalization and Reinvestment program—which already provides such incentives for other industries.
- In **MAINE**, LD 1465, sponsored by Democratic Sen. Barry Hobbins, clarifies and streamlines the application and review process for offshore wind energy projects (as well as wave action and other renewable energy projects) in the Gulf of Maine. The law was signed by Gov. Baldacci on June 4th.

Solar Power Success in Five States

- In **NEW JERSEY**, A1558/S2265, sponsored by Democratic Deputy Assembly Speaker Lynda Greenstein, requires many developers to offer solar panels on new homes built in the state.

Greenstein introduced her bill back in early 2008, but it finally became public law on March 31st, 2009. The State Senate approved the bill unanimously, but 5 Republican Assembly members voted against it.

- In **NEW MEXICO**, SB 647 provides for the establishment of local “renewable energy financing districts,” in which property owners may opt to accept special tax assessments to finance the construction of renewable energy devices (mostly solar panels) on property within the district. The measure passed unanimously in both legislative houses and was signed by Gov. Bill Richardson on April 7th.
- In **TEXAS**, HB 1937, sponsored by Democratic Rep. Mike Villareal, allows local governments to help finance small-scale solar energy improvements through special property tax charges. A unanimous Democratic Caucus helped pass the measure in the State House, 87-51, with 51 Republicans voting against. It then passed the Senate 30-1, where a lone Republican opposed to the bill; it was signed by Gov. Perry on June 19th.
- In **WASHINGTON**, SB 5136, sponsored by Democratic Sen. Steve Hobbs, forces Washington homeowners’ associations to allow property owners to install solar panels on their property, with limited exceptions. The bill was passed with overwhelming support in both legislative houses and signed by Gov. Christine Gregoire on April 10th.
- In **WEST VIRGINIA**, HB 2535 provides a 30 percent state tax credit to homeowners who install solar panels on their residences. The bill was passed by both houses of the state’s overwhelmingly-Democratic legislature, but it was vetoed by Gov. Joe Manchin due to technical inconsistencies. The legislature then re-passed the measure on June 1st, and Gov. Manchin signed the corrected version shortly thereafter.

Solar Progress in Four States

- In **ARIZONA**, SB 1403 passed with overwhelming support from House and Senate Democrats, but it overcame major Republican opposition in both chambers – including from Republican House Speaker Kirk Adams and a Senate Republican Caucus that voted 7-10 against the bill. SB 1403, which provides a broad package of payroll, property, and other tax incentives to solar companies, has already attracted the attention of dozens of potential new employers. Republican Governor Jan Brewer has not said if she will sign the bill.
- In **CONNECTICUT**, HB 6635 was passed unanimously in the State House, but it died in the senate when the session ended. The bill established mandates for power companies to buy solar-generated electricity and tax incentives for organizations wishing to install solar panels on their property.

- In **TEXAS**, SB 545 passed the State Senate with unanimous Democratic support. It funds a \$500 million solar incentive program aimed at both individual property owners and industrial-scale energy producers. The bill offers incentives for the use of solar equipment produced in Texas and requires large-scale residential developers to offer photovoltaic solar panel installation to prospective buyers. The bill later died in the State House. SB 541, sponsored by Democratic Sen. Kirk Watson and also passed with unanimous Democratic support in the State Senate, establishes a statewide goal of generating 1,500 megawatts of non-wind renewable energy by 2020. This bill also died in the State House.
- In **WEST VIRGINIA**, SB 297 sets statewide standards for alternative and renewable energy production in West Virginia, requiring electric utilities to produce at least 25 percent of their electricity from such sources by 2025. The measure, sponsored by Democratic Senate President Earl Ray Tomblin, was passed overwhelmingly by the House and Senate but died due to technical differences between the two versions.

Conclusion

The success of these bills and the willingness of policymakers to invest in renewable energy—even during a recession—show just how far the energy debate has come. Democratic legislators understand the importance of these efforts. Bills to advance alternative energy at the state level frequently have Democratic sponsors; usually enjoy unanimous Democratic support among legislators; and are often high-profile initiatives of Democratic leaders.

It is no accident that most of the clean energy success in 2009 has occurred in Democratically-controlled legislatures. While individual roll calls show Republicans slowly abandoning their opposition to clean energy promotion, this issue is historically a Democratic priority, and Democratic leaders are those taking initiative in this area. Whenever votes on clean energy are contentious, the opposition mainly comes from Republicans. But with public opinion overwhelmingly in favor of clean energy, that opposition is unlikely to slow state-level progress in this area.