

Berkeley-Stanford Cleantech Conference – April 9, 2011

Panel Topic: What is the Role of Policy in Green Job Creation in the U.S. and China

Purpose: The purpose of this panel was to discuss how government policy in the United States and China is affecting job creation in these two countries and what policies would encourage the development of the cleantech industry in the United States.

Design, Methodology, Approach: Expert opinions from panelists.

Moderator – Teryn Norris // President and Founder, Americans for Energy Leadership

Panelists –

- Dian M. Gruenreich // Partner, Morrison & Foerster LLP
- Joanna Lewis // Assistant Professor, Georgetown University
- Anne Smart // Director of Energy, Silicon Valley Leadership Group
- Sanjay J. Wagle // Associate Director, Advanced Research Projects Agency-Energy
- Jason Wolf // Vice President, North America, Better Places

Findings:

The moderator began the panel by pointing out the budget cuts that are currently sweeping through federal government programs, including the Department of Energy. He opened the discussion by asking how policy makers should respond in light of these budget cuts. The responses were varied: Wolf, as vice president of a company that promotes the build-out of electric vehicle infrastructure, suggested a gas tax. This would increase revenues for other programs and make vehicles powered by renewable energy more attractive. Gruenreich recommended that efforts be focused on policy that leverages private and public funding. Government funding that encourages private investment, such as the Department of Energy's loan guarantee program (which was cut recently), greatly expands the potential of federal spending because it matches that spending with private investment. In addition to the various suggestions, all panelists agreed that although the cleantech industry has taken a hit at the federal level, state governments will continue to push legislation that promotes cleantech deployment.

In contrast, China has been working on creating a strategic central energy policy that is making radical strides in expanding its cleantech market. They view this policy as an industrial investment and have created a five-year plan for implementation. These five-year plans provide the private sector with confidence that their investments will be supported by the government and encourages companies to take risks and build out the industry. To back these policies, China is spending trillions of dollars to deliver their 5-year plans, while the United States is only spending a couple billion dollars. An example of one of these policies is a feed-in tariff for wind power, which has greatly accelerated the manufacturing of wind turbines in China.

With China expanding its industry, cleantech is now becoming a global market. China is currently looking to conduct business in the US, but certain Senators are not responding

favorably to this. Smart warns that we should be careful about reciprocity when acting with a protectionist attitude because China's decisions can now have a global impact on the industry.

Practical Implications:

The main implication of this discussion was that the lack of consistent energy and cleantech policy by the federal government will cause United States to fall behind in the development of the cleantech industry. Other countries, such as China and even Germany will take the lead of certain sectors. For businesses in the cleantech industry to survive in the US they need to find creative financing mechanisms and begin cooperating with their Chinese counterparts.

Originality/Value:

The value that this panel brings is contrasting the United States' and China's energy policy and emphasizing cooperation between the two countries in order to deal with the federal budget cuts at home.

Keywords: cleantech, jobs, China, policy

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