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**NEW ANALYSIS: DESPITE POTENTIAL, MONTANA TRAILS MOST
ROCKY MOUNTAIN STATES IN GREEN JOBS CREATION**

***Study Shows Montana—Even With Strong Leadership and Wind Resources—Missing
Opportunities to Attract Jobs and Investment***

A new report by Headwaters Economics shows that Montana faces a number of serious hurdles when it comes to capturing and selling its energy resources and cultivating a green economy that could create thousands of new jobs, earn the state hundreds of millions in annual revenue, and attract private and public funding to the state.

“Despite ranking fifth in the nation for wind energy potential and the current governor’s commitment to the clean energy economy, Montana today trails other Rocky Mountain states,” said Julia Haggerty Ph.D., the report’s author. “As a rural state with a small economy, Montana faces challenges when it comes to attracting and retaining private capital and supporting businesses. To fully take advantage of its renewable resources, Montana will need to do more to distinguish itself with regard to innovation and entrepreneurship.”

“One positive note is that Montana has made a strong commitment to growing renewable energy production by addressing limited transmission capacity,” she added.

The Headwaters Economics study compares how Montana, Colorado, New Mexico, Utah, and Wyoming—five states with vast traditional and clean energy resources—are taking advantage of clean energy opportunities and concludes with five keys to success for the states to further benefit from the emerging green economy while measuring the likelihood that each state’s policies will promote future growth and investment.

The full study, digest, state fact sheets, and state-by-state comparisons can be found at www.headwaterseconomics.org/greeneconomy.

Green Economy Jobs

Using a conservative measurement of green jobs, the report—*Clean Energy Leadership in the Rockies: Competitive Positioning in the Emerging Green Economy*—found that employment in the green economy has grown significantly faster than total employment across the region, but not in Montana where the number of overall jobs in 2007 was 21 percent greater than in 1995, while green jobs were 4 percent more numerous. By comparison, looking at the five-state region, from 1995 to 2007 total job growth was 19 percent, while job growth in the core green economy was 30 percent. Nationwide, overall jobs grew by 10 percent, compared to green job growth of 18 percent from 1995 to 2007.

Looking at business establishments, in 2007 the five states supported 3,567 green enterprises with 50 percent based in Colorado, 16 percent in Utah and in New Mexico, 11 percent in Montana, and 6 percent in Wyoming.

“All of the states have opportunities to benefit from the green economy, but it does not happen by accident,” said Haggerty. “Montana must make a concerted effort to make itself more attractive for both private and public investment while improving its energy efficiency policies and investing in worker training and research facilities.”

Investment Dollars

The *Clean Energy* report also measures private and public investment for the five states. In 2008, the region attracted more than \$500 million dollars in clean energy-oriented venture capital, a ten-fold increase compared to 2000 levels. Montana, however, attracted no venture capital to the clean technology sector during this time. Colorado and New Mexico, by comparison, collected close to \$800 million and \$239 million respectively in the same time period.

When looking at public funding from competitively-awarded federal stimulus competitive grants by the Department of Energy, Montana ranks last (out of 52 of states and territories). Regarding the other states, Colorado ranked 15th, Utah and New Mexico fell toward the middle of the pack, ranked 30th and 37th, while Wyoming ranked 49th.

Energy Production

Renewable energy production is growing in all five states, and there is every reason to expect continued rapid regional expansion. Among the five states, Montana and Wyoming stand out for their wind and geothermal potential, Utah for its solar and geothermal, and Colorado and New Mexico for strength in all three. Recent data from the wind industry, for example, shows that installed wind capacity among the five states increased by 3,000 megawatts since 1999, with more than two-thirds of that increase occurring in the past three years, 2006–2009.

Energy Efficiency

On a more cautionary note, the study found an uneven record for how the five states are pursuing energy efficiency—a necessary, cost-effective part of any long-term economic strategy. On the American Council for an Energy Efficient Economy’s 2009 Scorecard, Montana received a top score for its “Energy Investment Tax Credit.” Yet that incentive is undermined by Montana’s lack of any Energy Efficiency Resource Standards and the need to improve its emissions policies.

Five Key Steps to Future Growth

States can do a great deal to benefit their future position, and the *Clean Energy* report concludes with five keys to success needed for the region and Montana to foster future growth:

1) Strategic Pairing of Incentives with Clear Policy Goals. Progress depends on a smart mix of appropriate incentives and policies, such as Renewable Portfolio Standards with meaningful targets and compliance strategies. The renewable industry will thrive in states that provide the best incentives alongside the best access to established markets.

2) Encourage and Capture Large-Scale Investment. To attract growing private investment and billions of federal dollars, states must have a mix of policies, incentives, and proven development expertise. While Montana failed to capture any clean technology venture capital in the period 1999

to 2008, Colorado was a leader, capturing 75 percent of the total venture capital in the region and 69 percent of energy-related competitive federal stimulus funding.

3) Cultivate a Well-Resourced Business Environment. Companies on the cutting edge of technological development benefit from skilled workers and access to world class research institutions.

4) Leadership. Developers and manufacturers of clean energy and energy efficiency technologies operate in a highly competitive global environment, and they need to see consistent leadership in order to commit to a state. The governors of three states—Montana, Colorado, and New Mexico—all have made significant clean energy outreach efforts.

5) Overcome Limited Infrastructure Capacity. To fully cultivate their renewable energy resources, the five states must overcome an inadequate infrastructure; which includes an outdated, overstressed electrical grid as well as federal, state, and local governments that currently lack the capacity and the necessary plans to respond to permits for new construction (for new facilities and transmission lines). Montana's strong commitment to growing renewable energy production by addressing limited transmission capacity should provide future green economy jobs to the state.

About Headwaters Economics

Headwaters Economics is an independent, nonprofit research group that assists the public and elected officials in making informed choices about energy development;

www.headwaterseconomics.org.