FOR IMMEDIATE RELEASE:
Embargoed Until June 17, 2010 at 12:00am

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NEW ANALYSIS: NEW MEXICO LEADS ROCKY MOUNTAIN STATES IN GROWTH OF GREEN ENERGY JOBS

Report Shows New Mexico's Policies and Incentives Provide an Edge in Attracting Jobs, Venture Capital, Public Investment, and Green Technology Patents

A new report by Headwaters Economics shows that New Mexico has emerged as a clean energy leader, increasing its percentage of green jobs faster than other Rocky Mountain States. New Mexico's combined strategy of targeted public policy and strong support for business has made it a regional and national competitive center of clean technology innovation, especially solar power, which is capturing energy-related jobs and attracting investment.

"New Mexico's success shows the importance of both policy and political leadership at all levels of government, from county commissioner to United States Senator," said Julia Haggerty Ph.D., the report's author. "The state's aggressive outreach program, backed by strong incentives—including property tax breaks, bonding, and worker training—has attracted new businesses and jobs to the state."

The Headwaters Economics study compares how New Mexico, Colorado, Montana, 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. In New Mexico, for example, the number of overall jobs in 2007 was 13 percent greater than in 1995, compared to 62 percent growth in the green jobs sector. 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 New Mexico and in Utah, 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. "States performing the best—such as New Mexico and Colorado—have made a strong, deliberate, and lasting commitment to growing their green economy."

Investment Dollars
The *Clean Energy* report also measures private and public investment for the five states. In 2008, the study region attracted more than $500 million dollars in clean energy-oriented venture capital, a ten-fold increase compared to 2000 levels. In New Mexico these investments totaled $239 million between 1999 and 2008, and the state ranked 12th nationally from 2006-2008, the latest three years available.

When looking at public funding, Colorado ranked 15th among the 52 states and territories in receiving competitively-awarded federal stimulus grants from the Department of Energy. Utah and New Mexico fell toward the middle of the pack, ranked 30th and 37th, while Wyoming and Montana ranked 49th and 52nd respectively.

Energy Production
Renewable energy production is growing in all five states, and there is every reason to expect continued rapid 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. From 1990 to 2007, New Mexico's renewable energy production has grown by more than 200 percent, the highest rate of the five states.

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; though New Mexico has an Energy Efficiency Resource Standard (EERS) aimed at utility companies.

Why New Mexico Leads
New Mexico policymakers have made succeeding in the clean energy economy a public priority. This leadership, when combined with strong policies, an attractive set of incentives, and world-class research facilities such as Los Alamos and Sandia National Laboratories, gives New Mexico a winning advantage to attract jobs.

The state has demonstrated a commitment to turning its advantages into entrepreneurial success, as with New Mexico 9000, an alliance of the New Mexico Economic Development Department and Honeywell Federal Manufacturing & Technologies. This coalition provides logistical and financial assistance for attaining ISO (International Organization for Standardization) compliance, which is key to selling products internationally.

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 New Mexico to foster continued growth:

1) Strategic Pairing of Incentives with Clear Policy Goals. Progress depends on a smart mix of appropriate incentives and regulations, such as Renewable Portfolio Standards with meaningful targets and compliance strategies. New Mexico has strong clean energy and efficiency mandates. By comparison, Utah has failed to create certainty for the clean energy sector with its weak renewable mandate and fossil fuel-focused energy development incentives.

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. New Mexico is a leader, ranking 12th in the nation for attracting clean technology venture capital from 2006 to 2008. Montana, in contrast, failed to capture any clean technology venture capital in the period 1999 to 2008.

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. New Mexico's two national labs, combined with a growing high technology manufacturing base around Albuquerque, make this state a regional and national leader.

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—New Mexico, Colorado, and Montana—all have made significant clean energy outreach efforts that have paid off with the successful recruitment of global corporations to each state and established their reputations as leaders, particularly for New Mexico and Colorado, within clean technology sectors.

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). New Mexico and Colorado were later (2007) to establish state infrastructure authorities.

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.

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