

# California's Emerging Green Economy

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# About Next 10

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- Founded in 2003
- Independent, Nonpartisan, Nonprofit
- Commissions Expert Research to Educate, Engage and Empower Californians
- Focus: Green Economy, State Budget, Governance
- Online: [www.next10.org](http://www.next10.org)

An abstract painting with a dark, moody palette. The background is dominated by deep blacks and dark blues, with horizontal and vertical brushstrokes. Interspersed are vibrant golden-yellow and ochre tones, also applied with expressive, textured brushwork. The overall effect is one of depth and complexity, with a sense of light breaking through the dark voids.

budget

=

values



# California Budget Challenge

Instructions  
Contact

Start  
Home  
Survey  
Overview

## Policy Options

Spending  
K-12 Education  
Community Colleges  
Redevelopment  
UC & CSU  
Health Care  
Human Services  
Human Services, cont.  
Criminal Justice  
Pensions  
Retiree Health  
Spending Cap

## Revenue

Income Tax  
Sales Tax

## Corporation Tax

Tax Credits  
Car Tax  
Property Tax  
Other Taxes

## Your Budget

Summary  
Graphs  
Print/Share

## Your Thoughts

### Corporation Tax

#### Should the corporation tax be raised or lowered? (select one)

- Status Quo: The corporation tax rate should be left at its current level -- 8.84%. Budget Impact  
No change
- Increase the corporation tax rate to its prior peak of 9.6%, raising about \$1.1 billion in 2015-16. ↑ \$0.5B
- Reduce the corporation tax rate to 8.1%, which would reduce revenues by about \$1.1 billion in 2015-16. ↓ \$1.1B

#### Background

- Currently corporations pay an 8.84% tax on their California taxable profits.
- The percent of corporate income paid in corporation taxes has declined from 9.7% in 1982 to roughly 5.4% recently. ([Read More](#))
- There are several reasons for this decline, including two rate reductions (from a peak of 9.6% to 8.84%), the use of certain credits for investment and research, the shift of tax liability to the income tax as a result of S-corporation treatment.
- As part of the last two budget agreements, the Legislature provided several new corporate tax breaks. ([Read More](#))
- According to the California Budget Project, California ranked 4th in the country in 2009-10 in terms of corporate income tax collections as a percent of personal income (0.58%), compared to the national average of 0.31%. Nevada and Washington do not impose corporation taxes and Oregon's and Arizona's corporation tax collections are at or below the national average.

#### BUDGET METER

5 YEAR PROJECTION

-\$9.8B

-\$9.8B

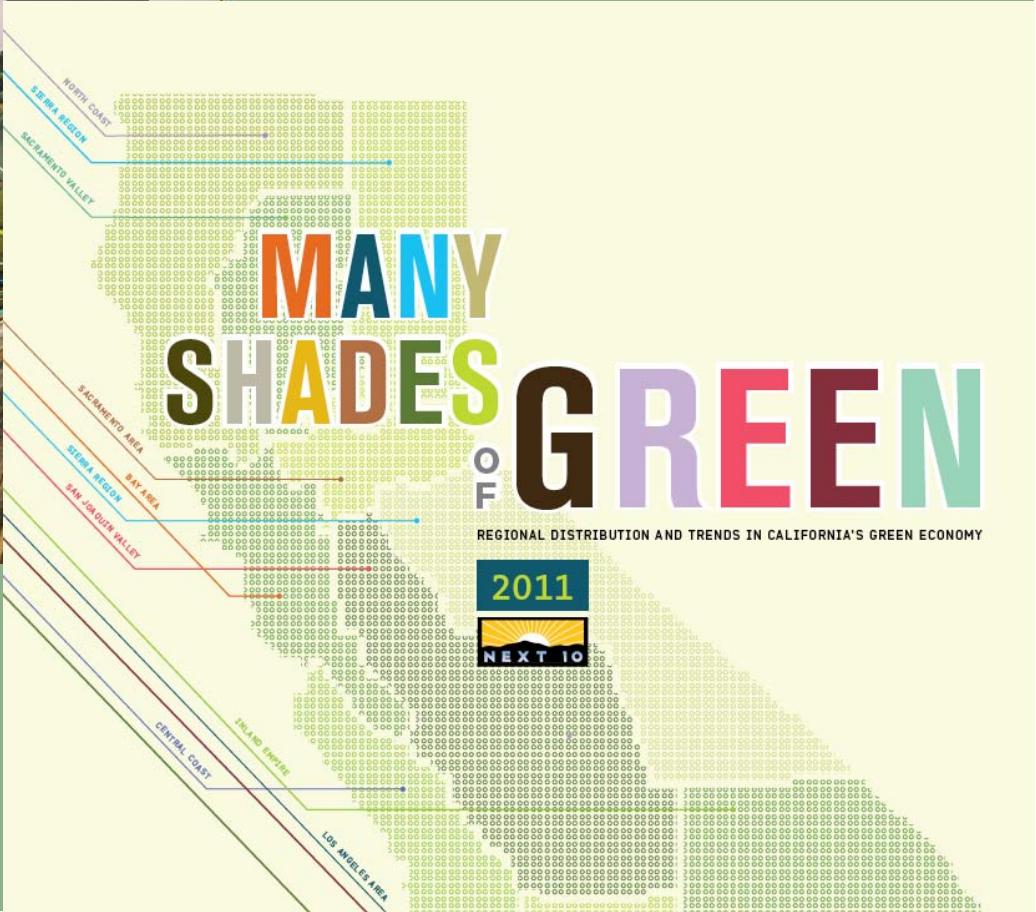
STARTING DEFICIT

YOUR BUDGET

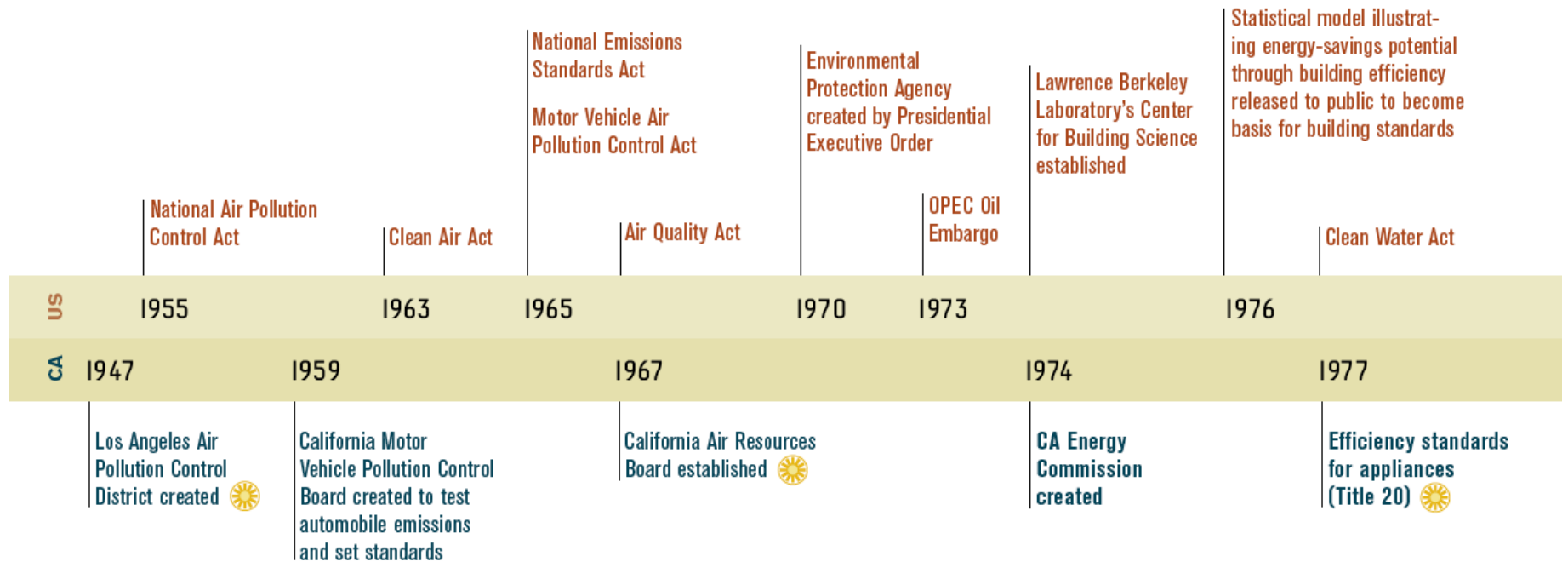
Prop 98

TAKE ACTION!

← Back   Next →

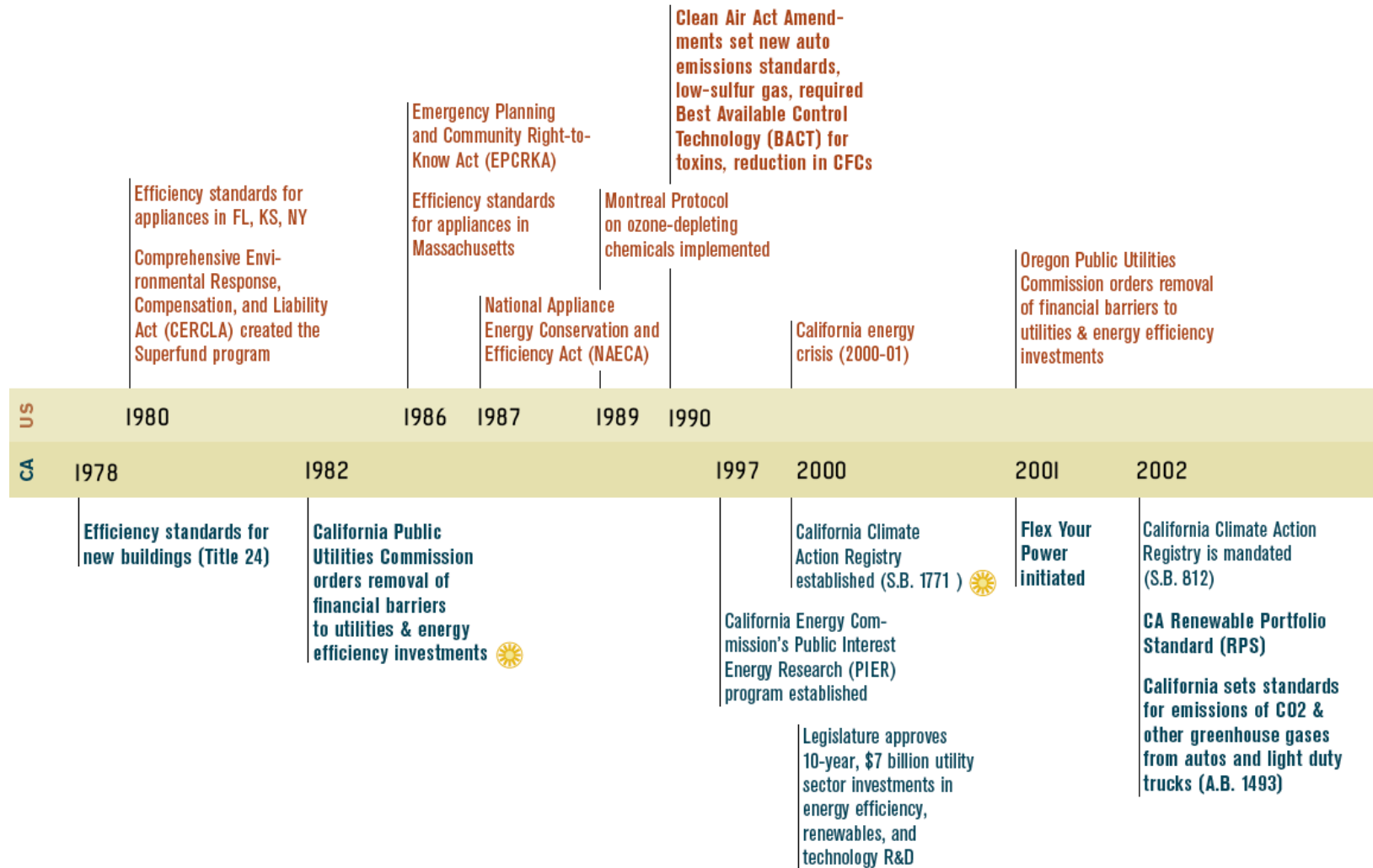


# 2010 California Green Innovation Index

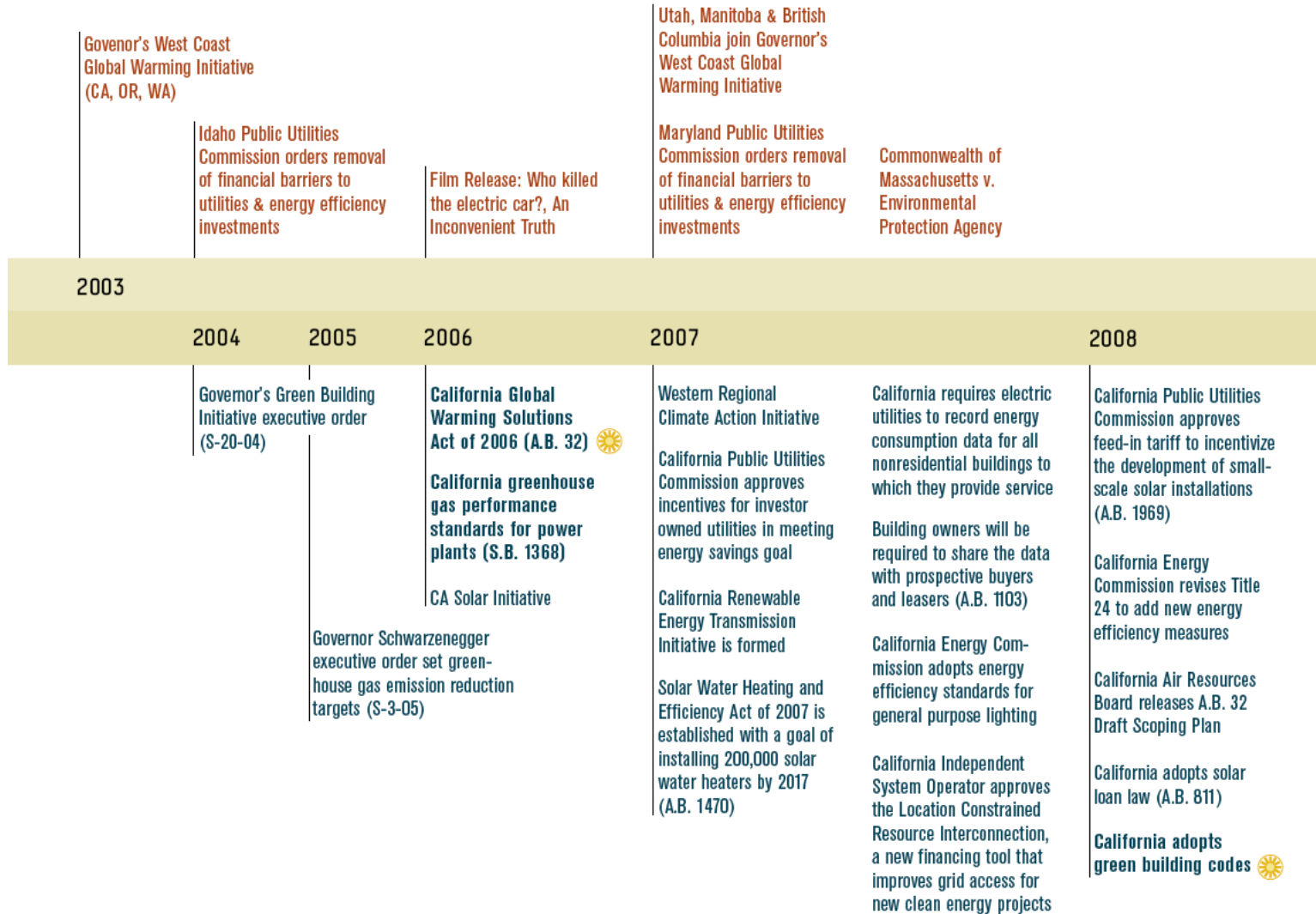


 First in US

# 2010 California Green Innovation Index



# 2010 California Green Innovation Index



# 2010 California Green Innovation Index

U.S. Department of Labor to award \$500 million for green jobs initiatives

EPA will adopt more stringent tailpipe rules modeled after those of California's

Advanced Research Projects Agency-Energy receives \$400 million to fund cross-disciplinary energy research

U.S. Department of Energy to provide \$8 billion of loans for renewable energy projects

EPA proposal to reduce emissions on large industrial projects

U.S. Department of the Treasury and Department of Energy to award \$550 million for clean energy grants

Clean technology tax incentives included in American Recovery and Reinvestment Act. U.S. now on pace to double renewable manufacturing capacity by 2012

U.S. Department of Energy implements guaranteed loan solicitation for renewable energy manufacturing projects

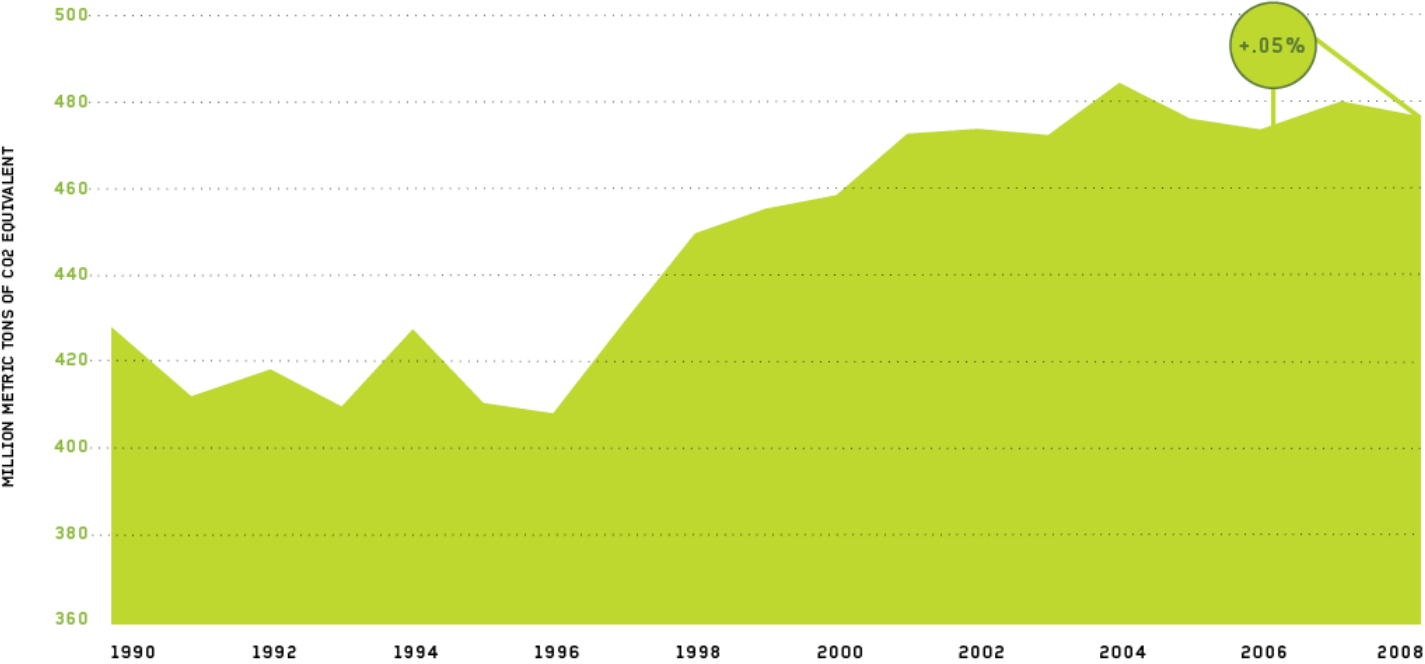
U.S. Department of Energy announces \$30 million for energy-efficient housing partnerships

United Nations Climate Change Conference in Copenhagen, Denmark

US		CA	
2008	2009	2008	2010
<p>Land use strategy requirements mandated to reduce GHG emissions (S.B. 375)</p> <p>Green Collar Jobs Council established (A.B. 3018)</p> <p>California Public Utilities Commission adopts the California Long-Term Energy Efficiency Strategic Plan for 2009 to 2020</p> <p>California Air Resources Board adopts plan to reduce greenhouse gas emissions levels to 1990 level by 2020</p>	<p>California Air Resources Board adopts regulation to reduce carbon intensity of transportation fuel 10 percent by 2020</p> <p>California granted waiver from EPA for more stringent vehicle emission standards</p> <p>California receives \$49.6 million of stimulus dollars to improve energy efficiency, reducing carbon dioxide emissions by 22,541 tons and creating 500 jobs</p>	<p>California increases feed-in tariff caps (S.B. 32)</p> <p>California utilities must reimburse customers for excess power generated from solar and wind power systems (A.B. 920)</p> <p>California Energy Commission to establish regulation to increase building energy efficiency and lower operation costs (A.B. 758)</p>	<p>California Air Resources Board announces compliance rate of 97 percent in reporting of greenhouse gas emissions by State's 600 largest facilities</p> <p>California Air Resources Board accredits third party professionals to verify greenhouse gas emissions ☀️</p> <p>The California Energy Commission set the world's most rigorous efficiency standards for televisions, cutting electricity needs for new flat-panel sets by about 50%</p> <p>California Air Resources Board finalizes regulation of Palvey Bill for greenhouse gas emissions for passenger vehicles ☀️</p> <p>California launches California Green Corps using \$10 million in stimulus funds, providing green sector jobs for at-risk young adults</p> <p>Green Innovation Challenge Grant program to invest \$20 million training workers for jobs in cleantech industries</p> <p>GHG reduction targets set for S.B. 375 land-use strategies for 18 regions. Targets for 2020 and 2035 integrate land use, housing and transportation planning</p> <p>Air Resources Board raises RPS from 20% to 33% by 2020</p>

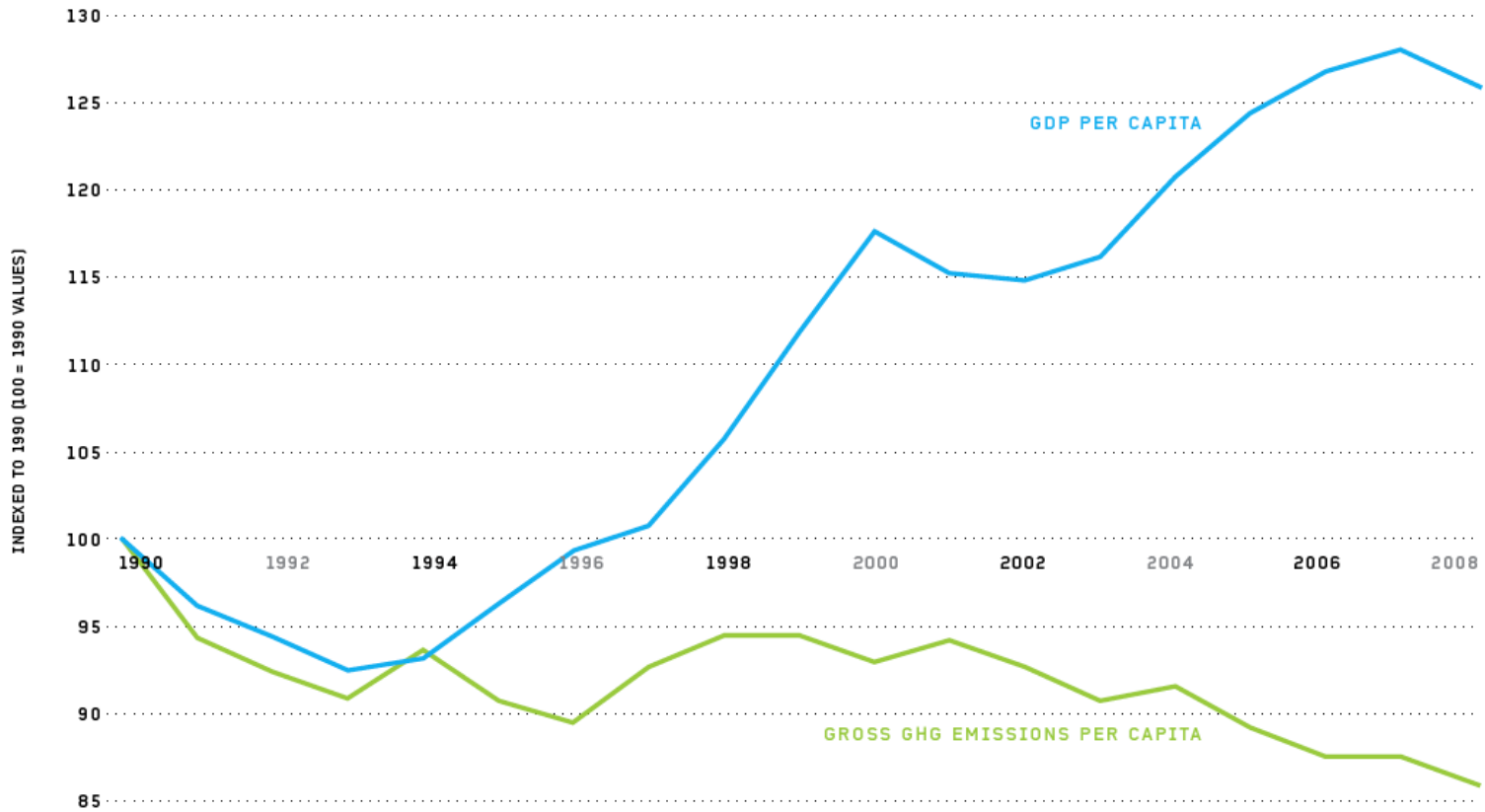
# 2010 California Green Innovation Index

FIG 1. TOTAL CALIFORNIA GREENHOUSE GAS EMISSIONS  
GROSS ANNUAL EMISSIONS



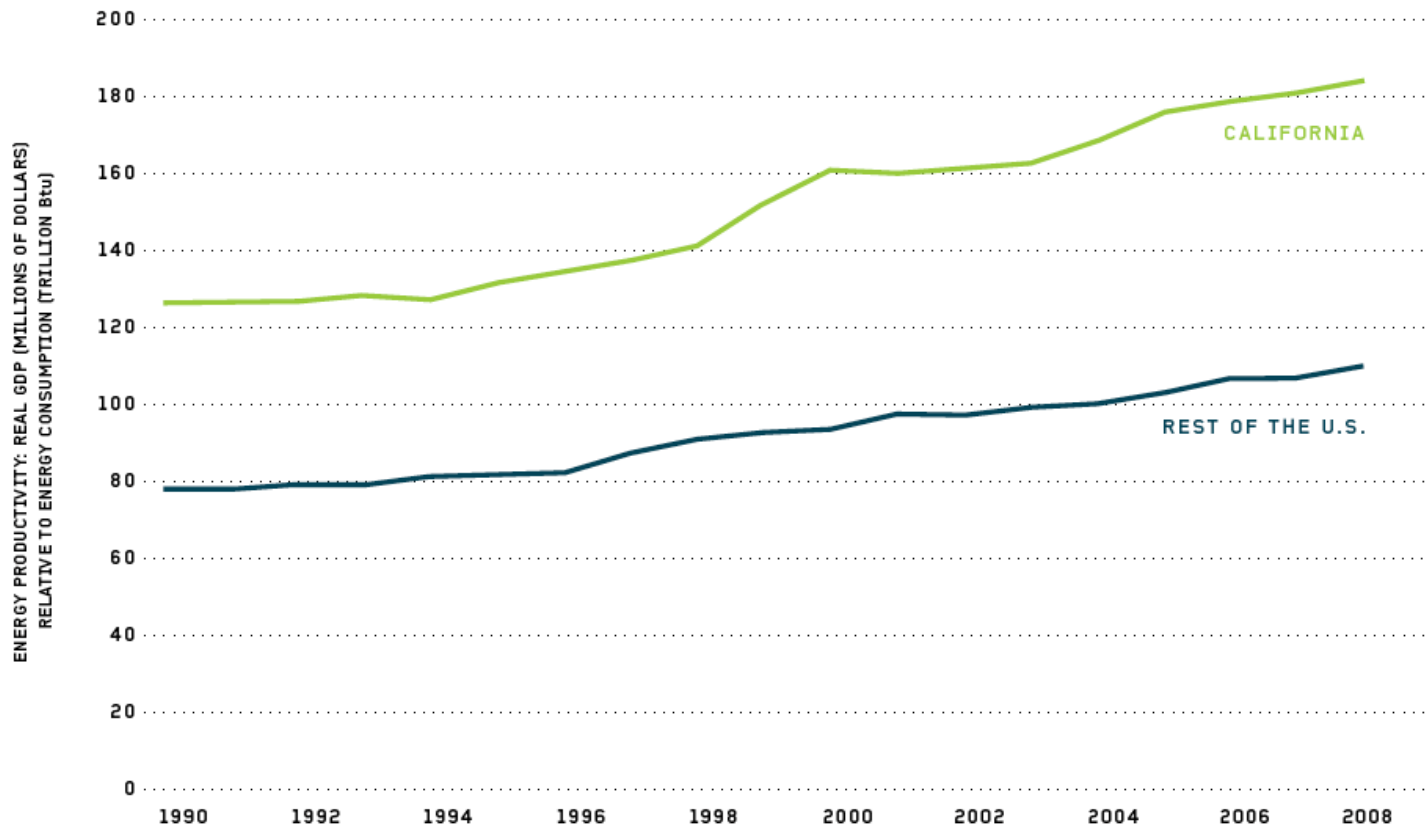
# 2010 California Green Innovation Index

**FIG 2. GHG EMISSIONS AND GROSS DOMESTIC PRODUCT**  
CALIFORNIA'S RELATIVE TRENDS SINCE 1990 / GROSS GHG EMISSIONS AND GDP DOLLARS PER CAPITA



# 2010 California Green Innovation Index

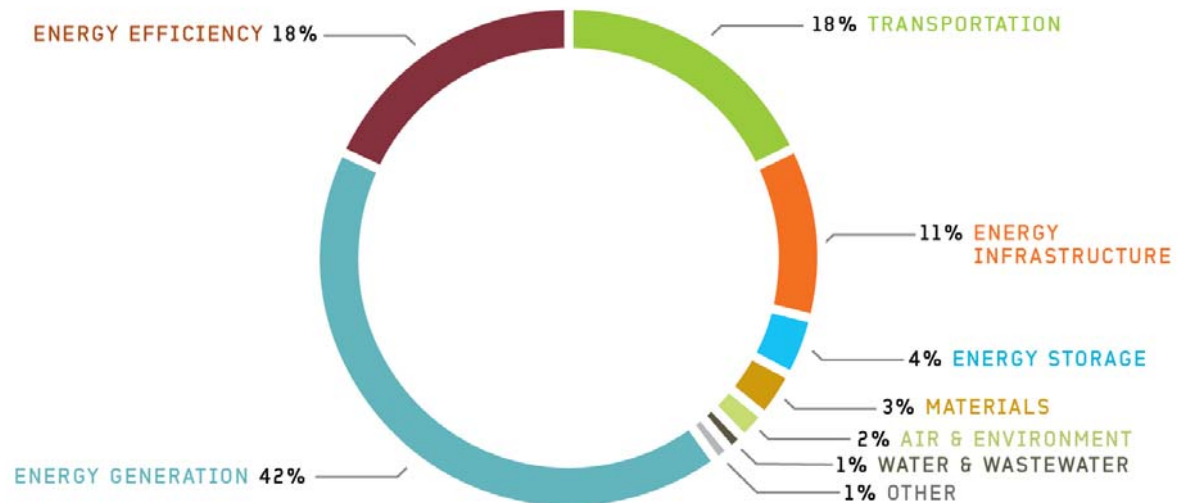
**FIG 8. ENERGY PRODUCTIVITY**  
GDP RELATIVE TO TOTAL ENERGY CONSUMPTION / CALIFORNIA AND THE REST OF THE U.S.



## CALIFORNIA LEADS

- In 2010, CA represented 59% of U.S. Cleantech investment, 28% of global investment
- Cleantech investment in CA increased 69% between 2009 and 2010 (\$3.9 billion)
- Over 450 patents were registered in CA between 2007-2009
- CA leads the way in patents related to advanced batteries, solar energy, and wind energy

FIG. 13B. CALIFORNIA VENTURE CAPITAL INVESTMENT IN CLEAN TECHNOLOGY  
DISTRIBUTION BY CLEANTECH SEGMENT / 2009



# 2011 Many Shades of Green

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- January 2009: 174,000 jobs
- Employment in the Core Green Economy has expanded 56% since 1995, while total state employment grew by just 18%
- Recent employment growth is strong in energy generation, energy storage, and clean transportation
- **California's green economy is diverse – with jobs and establishments in every region of the state, and in many of our economic sectors, offering broad occupational opportunities**

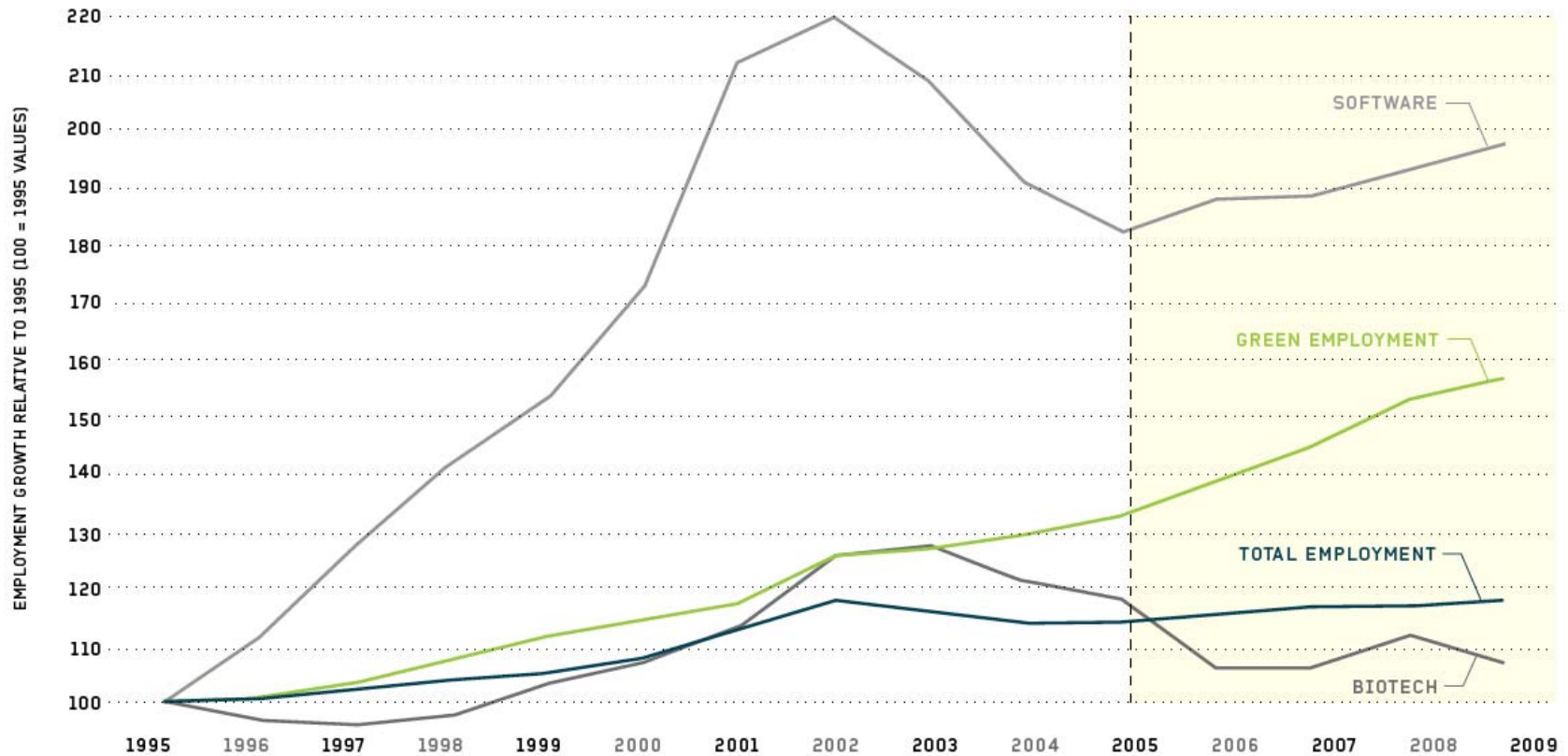
# 2011 Many Shades of Green

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- **How do we define Green? Businesses that provide the products and services that:**
  - Provide alternatives to carbon-based energy sources
  - Conserve energy and all natural resources
  - Reduce pollution and repurpose waste
- **Green jobs alone will not solve the state's unemployment challenges – but over time these jobs could become a larger portion of total jobs**

# 2011 Many Shades of Green

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**THE CORE GREEN ECONOMY  
IS OUTPACING OVERALL  
GROWTH**

**EMPLOYMENT 1995-2009**  
**GREEN +56%**  
**TOTAL +18%**

# 2011 Many Shades of Green

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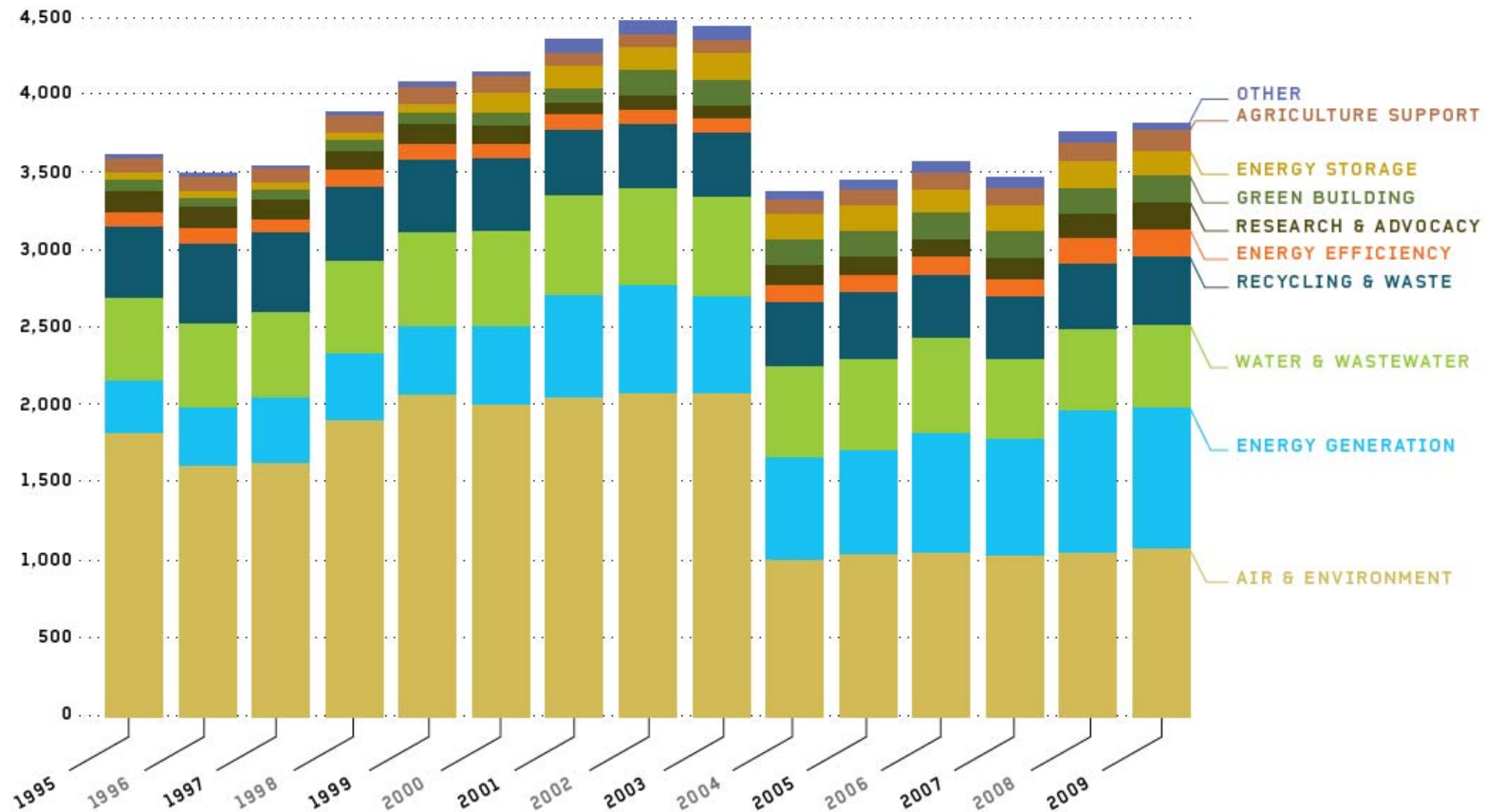
## 15 SEGMENTS OF THE CORE GREEN ECONOMY

- 1. Energy Generation**
- 2. Energy Efficiency**
- 3. Transportation**
- 4. Energy Storage**
- 5. Air & Environment**
- 6. Recycling & Waste**
- 7. Water & Wastewater**
- 8. Agriculture Support**
- 9. Research & Advocacy**
- 10. Business Services**
- 11. Finance & Investment**
- 12. Advanced Materials**
- 13. Green Building**
- 14. Manufacturing & Industrial Support**
- 15. Energy Infrastructure**



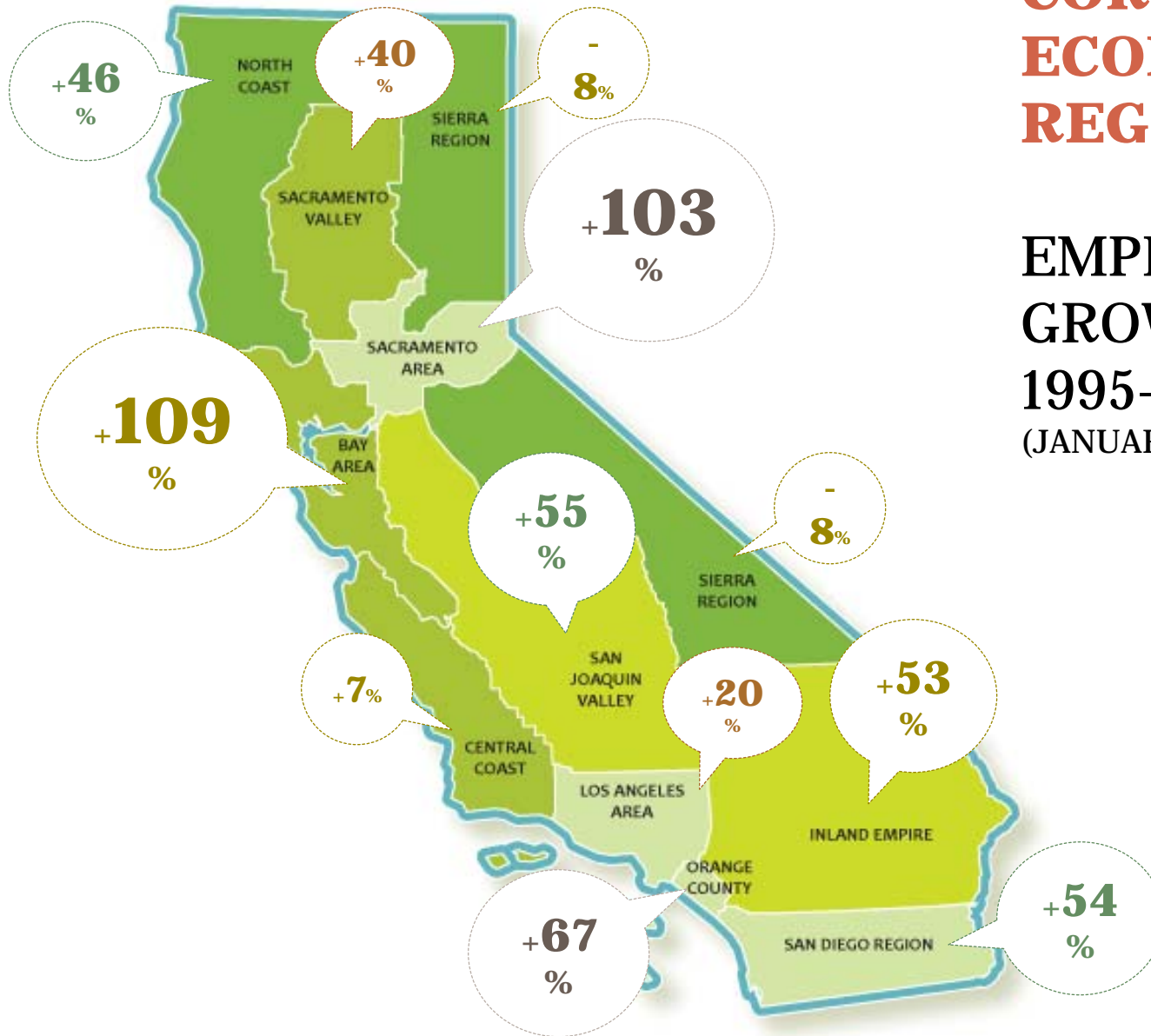
# 2011 Many Shades of Green

EMPLOYMENT BY GREEN SEGMENT  
CENTRAL COAST



# CORE GREEN ECONOMY BY REGION

EMPLOYMENT GROWTH  
1995-2009  
(JANUARY)



# Other Nonpartisan Research

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- **Energy Efficiency**

- Over the last 30 years, household energy efficiency contributed 1.5 million jobs

- **Adaptation**

- \$2.5 trillion in assets at risk from extreme weather events, sea level rise, and wildfires

- **Cap-and-Trade**

- Policy will create a minimal economic impact, with small levels of leakage of business activity
- California voters favor strongly or somewhat (64 percent) implementing this new program

# Driving California's Economy

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- California **regulates GHG emissions** from passenger cars, SUVs, and light trucks – 60% of the state's emissions. Agencies at the federal level can **regulate passenger fuel economy**
- Under all scenarios, these regulations will strengthen the economy, add jobs, and reduce emissions
  - GDP: .03-1.31%
  - Jobs: 38,000-236,000
  - Emissions Reductions: 8-19%

***“It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change.” -Charles Darwin***



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