

CREATING GREEN JOBS

THE PROBLEM

Without a movement to win bold solutions to the climate crisis over the coming years, low-income communities of color will bear the brunt of an avoidable disaster. Cities are crucial to limiting the impacts of climate as they bear primary responsibility for protecting their residents from the consequences of climate change. With social infrastructure reliant on fossil fuels, mitigating the impacts of climate change means we must address how all systems of modern life – buildings, housing, transportation, energy, food, and more – are powered and structured. If we are to avert the worst impacts of the climate crisis, we must rebuild these systems in ways that promote equity and justice.

With opportunities to advance meaningful policy stuck at the Federal level and in many states, cities have a critical role to play in passing cutting-edge initiatives that address both climate and inequality by taking the lead on designing innovative programs and funding sources to restart the green jobs movement.

THE SOLUTION

In 2008, over 1,100 mayors signed the Green Jobs Pledge, committing their cities to policies that drive investment in an inclusive and sustainable economy.¹ The goals of the green jobs movement are to: (1) shift America's economy away from its dependency on fossil fuels and (2) create millions of sustainable, middle class jobs available to workers with a range of educational backgrounds.

Cities can create and support green jobs by encouraging the development of renewables, implementing weatherization and energy efficiency programs, expanding public transit, and investing in countless other initiatives,

Moreover, these jobs can be good jobs. A study in 2011 found that the green economy offers more opportunities and better pay for low- and middle-skilled workers than the national economy as a whole. Median wages in the clean economy are 13 percent higher than median U.S. wages. Green jobs also pay a living wage, are safe, and create upward mobility. Living wage

requirements, community benefit agreements, and clawback provisions should be used whenever possible.

Local governments can use job quality standards to require companies receiving “green” subsidies and contracts to meet certain criteria, including wage levels, availability of health insurance, and full-time hours. Clawback provisions can provide insurance that subsidized companies comply or else repay all or part of the subsidies awarded to them.

The most successful cities have offices that design local solutions, coordinate implementation, and take full advantage of available state programs. Cities can create and encourage green jobs in: energy efficiency; renewable energy; green manufacturing, construction, and product design; organic agriculture, sustainable forestry, and conservation; and waste control and recycling.²

ENERGY EFFICIENCY UPGRADE PROGRAMS

The quickest way to directly create new green jobs is through energy efficiency upgrades to buildings. The immediate and on-going cost savings created by these upgrades funds the upfront costs and, ideally, makes the projects sustainable. Forty percent of America's energy is used in buildings, so improvements have significant environmental benefits.⁴

- *Government buildings:* City governments occupy office and school buildings for decades, so there is strong financial incentive to make energy efficiency upgrades. With interest rates at historic lows, cities can immediately save money by issuing bonds to pay for the upgrades or partnering with utility companies and responsible banks to develop other financing.
- *Residential buildings:* Many energy efficiency programs offer homeowners free or cheap upgrades while lenders recover the savings over time. The biggest challenge is often outreach: in a **South Bronx** pilot project, although 100 families received free audits from NY State, only 5 completed the retrofits. **Portland** has been far more successful – and has prioritized the creation of good jobs–

through collaboration with community organizations.⁵

- *Commercial buildings:* Economies of scale make these projects attractive and over 25 states permit municipalities to issue bonds to fund them.⁶ However, because tenants generally pay energy costs, landlords often do not have an incentive to invest in upgrades. Mortgage terms also complicate matters. The **New York City** Energy Efficiency Corporation is using an innovative financial arrangement to resolve these problems.⁷

ENCOURAGING EFFICIENCY: ZONING, CODES, & TAXES

Cities can stimulate significant economic growth by requiring building owners to measure and improve their energy usage. **New York City** passed a package of local laws requiring that large buildings annually benchmark their energy performance, conduct an energy audit and retro-commissioning every 10 years, upgrade lighting to meet code, and provide large commercial tenants with sub-meters.⁸ Other policies to encourage efficiencies include:

- *Many cities have energy codes that exceed state minimums;*
- ***Berkeley** and **Austin** require upgrades at the time of sale or other trigger points;*
- ***Washington, D.C.** requires that large commercial buildings disclose their energy use to the public;*
- *Cities can offer non-financial incentives, such as expedited permitting or prioritization in access to public services, in exchange for efficiency.*

INVESTING IN CLEAN ENERGY

Many cities have prioritized the use of clean energy. In 2001, **San Francisco** voters authorized \$100 million in bonds to purchase enough renewable energy to supply about 25 percent of the government's needs. As a result, the city has become a hub for the solar industry, fostering economic and job growth.

States around the country mandate that electrical utilities buy a portion of their energy from renewable sources; they have established tradable energy credits to encourage energy production by businesses and homeowners. **Gainesville, FL** has sought to speed up production by setting the rates that utilities must pay for solar energy.⁹ As a result of these and other programs, employment in the solar industry grew by 13 percent in 2012.¹⁰

COORDINATING OTHER GREEN POLICIES

In **Pittsburgh**, a coalition of entities is creating good green jobs by (1) diverting excess usable building materials from landfills into construction; (2) rebuilding the county's drain system to divert rainwater away from sewers and into

gardens, farms, and green spaces that revitalize abandoned lots and business areas; (3) turning used commercial and residential cooking oil into biofuel; and (4) establishing a six-week job training program for underemployed and unemployed people that connects workers to green jobs.¹¹

LANDSCAPE AND RESOURCES

For a more comprehensive policy outline please see the Local Progress Resource Guide: Climate Change, Mitigating Climate and Advancing Equity: October 2015, A Local Climate Justice Report.

The **Department of Energy** provides funding and support to twenty-five cities to promote solar energy markets. See the comprehensive ***Solar Powering Your Community: A Guide for Local Governments (2011)***. **Vote Solar** is leading campaigns at the local, state, and federal to help solar markets grow. **C40** is a group of major cities around the globe taking action to avert climate change. **Green for All**, **the Blue-Green Alliance**, **Good Jobs First**, and **The Labor Network for Sustainability** are leading the fight for a green economy.

NOTES

- 1 www.usmayors.org/resolutions/76th_conference/jew_05.asp.
- 2 See OECD, Cities and Climate Change at 149 (2010), available at http://www.keeper.com/Digital-Asset-Management/oecd/governance/cities-and-climate-change_9789264091375-en and Economic Policy Institute, Counting Up to Green (Oct. 12, 2012) at <http://www.epi.org/publication/bp349-assessing-the-green-economy/>.
- 3 See Good Jobs First, High Road or Low Road? Job Quality in the New Green Economy (2009), at <http://www.goodjobsfirst.org/sites/default/files/docs/pdf/gifgreenjobsrpt.pdf>.
- 4 <http://www.eia.gov/tools/faqs/faq.cfm?id=86&ct=1>
- 5 For case studies and conclusions about best practices, see The Role of Local Governments and Community Organizations As Energy Efficiency Implementation Partners: Case Studies and a Review of Trends (2012), www.accee.org/files/pdf/white-paper/Local-EE-Implementation.pdf
- 6 See www.pacenow.org.
- 7 Information about the Energy Services Agreement is available at <http://www.nyceec.com/case> and www.rockefellerfoundation.org/uploads/files/791d15ac-90e1-4998-8932-5379bcd654e9-building.pdf.
- 8 New York City Local Law 84 Benchmarking Report, August 2012, available at http://www.nyc.gov/html/gbee/downloads/pdf/nyc_1184_benchmarking_report_2012.pdf.
- 9 See Stephen Lacey, ClimateProgress, "Which Are Cheaper? Tradeable Credits or Feed-in Tariffs?" (Oct. 26, 2011).
- 10 Katie Valentire, ClimateProgress, "U.S. Solar Jobs Grow By 13 Percent In 2012, Far Outpacing The Broader Economy" (Nov. 5, 2012).
- 11 See <http://gtechstrategies.org> and <http://youtu.be/ZRiguDgFB3Q>.