

# This Week's Climate Fact

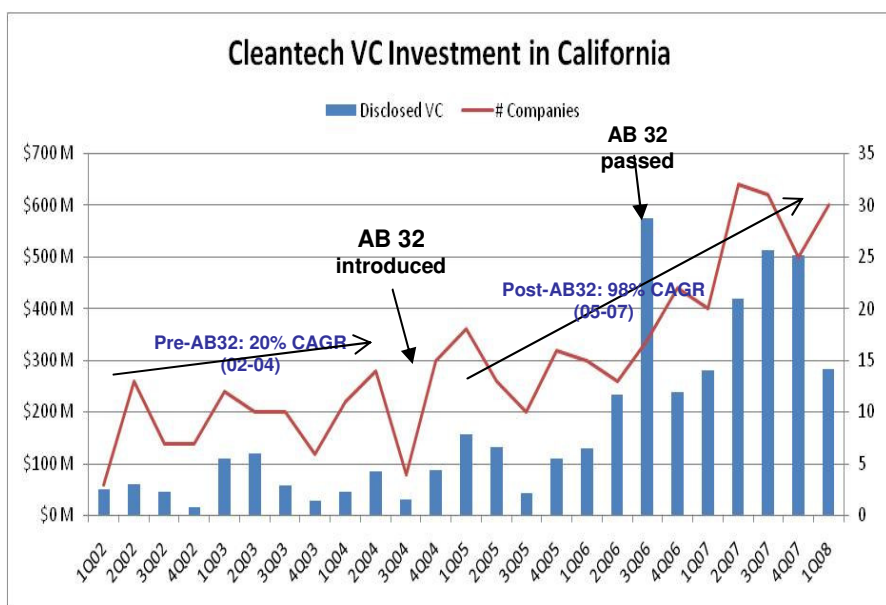
Friday August 1, 2008

## A cap on carbon will drive the next technology revolution.

A cap on greenhouse gas emissions would not only help solve global warming, but would also spur investment in American ingenuity to develop and deliver the next generation of clean technologies – what we'll need for the U.S. to be a leader in the new low-carbon economy.

For 150 years, the U.S. has led the world in major technological innovations, and we can't afford to sit out the next round. The world is moving to a low-carbon economy. The U.S. needs a strong national climate policy now to create markets and drive investments in the made-in-America technologies that will get us there.

A cap on emissions is the necessary trigger to drive innovation and jump-start the transition to a new clean economy. Why? Because investors are waiting for a clear policy signal that creates new demand for climate solutions. California's ambitious and comprehensive climate change policy – A.B. 32 – is the perfect example. Investments in clean technology in California had been growing, but not until the introduction and passage of A.B. 32 did venture capital (VC) investment really start to boom. The chart<sup>1</sup> shows investment through the 1<sup>st</sup> quarter of 2008 and illustrates the positive impact that policy has had on the clean technology sector.



Investment produces jobs and drives growth. California entrepreneurs are already creating jobs as they race to find climate solutions to help achieve the new cap on greenhouse gas emissions. In the solar industry alone, investments have resulted in 17,000 new jobs already, with 5,000 more expected in the next year.<sup>2</sup>

If we wait to enact a nation-wide policy, the U.S. risks sending the next generation of good jobs and huge profits overseas – and being shut out of the market altogether. The stakes are high – new global investments in energy technologies alone expanded by 60

percent to \$148.4 billion between 2006 and 2007<sup>3</sup> and the global green energy market could reach \$1.9 trillion by 2020.<sup>4</sup> The U.S. economy cannot afford to play catch-up in the global economy for low-carbon technologies.

**We can solve the climate crisis while being a global leader in the new low-carbon economy – if Congress acts. *It's time to cap emissions.***

<sup>1</sup> Graph source: Clean Tech Group, cleantech.com

<sup>2</sup> David Baker, "Solar Industry Needs Workers," May 10, 2008, San Francisco Chronicle. Based on survey by James Carrese/Jennifer Oliver.

<sup>3</sup> Makower, J., R. Pernick and C. Wilder. "Clean Energy Trends 2008," Clean Edge. March 2008.

<sup>4</sup> United Nations Environment Programme Finance Initiative, Press Release, "Working Capital Report," March 2006.