

New analysis: Carbon market would benefit Washington's economy, add thousands of jobs

An independent economic analysis commissioned by the Washington Department of Ecology indicates that Washington's economy would grow by \$3.3 billion and add 19,300 jobs if a regional plan to mitigate climate change and build a clean-energy economy goes into effect as designed starting in 2012.

The analysis, co-funded by the Energy Foundation, was designed to better understand the potential economic implications of a regional plan designed by the Western Climate Initiative (WCI).

The WCI is a coalition of seven U.S. states and four Canadian provinces working together to mitigate climate change, spur investment in clean-energy technologies that create green jobs and reduce dependence on foreign oil.

The WCI regional plan is designed to reduce climate-changing greenhouse gas emissions to 15 percent below 2005 levels by 2020 throughout the WCI jurisdictions.

The Washington State economic report — conducted by, ECONorthwest, was based on an updated economic modeling analysis of the WCI regional plan. The result of the state report affirms the previous analysis of the WCI design:

- The reduction goal can be achieved with a modest net cost savings.
- Complimentary policies such as standards for energy efficiency and clean cars are an important part of reducing emissions and containing costs.
- The regional plan has a number of cost-containing design features such as the limited use of offsets and allowance banking.

The state report also identifies three main areas of economic growth related with the regional strategy:

- Businesses and households that invest in energy-efficient equipment will realize lower energy bills and consequently have more money to spend on other goods and services.
- Suppliers of energy-efficient equipment, such as contractors and the construction and retail trade sectors, will benefit from increased spending on energy-efficient equipment.
- Investments by households and businesses in energy-efficiency equipment will be more than offset by energy cost savings in future years.

The state report indicated that consumer and business spending on energy efficiency would create new jobs in 30 of 38 business sectors in the state.

For more information, see

<http://www.ecy.wa.gov/climatechange/econanalysis.htm>

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