

InfrastructureUSA

Guest on THE INFRA BLOG

Gregory Wetstone, President and CEO, American Council on Renewable Energy (ACORE)

Conversation with Steve Anderson, Managing Director, InfrastructureUSA

A Major Shift in Energy Generation

We're looking at a massive change in the way that society interacts with energy, but what's surprising is that that transition has already begun in a way that I think is bigger than most Americans realize. Last year, two-thirds of all the new electricity brought onto the grid was renewable energy, overwhelmingly wind and solar power. And that's a big change. That percentage has been growing year after year, really going all the way back to 2000. Now you see wind and solar out-competing fossil sources, including natural gas, at a time when prices for natural gas are at a record low. So to see such substantial progress—and how much energy are we talking about? Last year it was more than 16,000 Megawatts, 16 Gigawatts, which is a very large number. To have achieved that at a time when electricity demand overall is basically flat as a country, and when we're competing once again against very-low-cost natural gas, is very impressive.

High Stakes in the 2016 Presidential Election

ACORE is a nonprofit; we're a 501c3. We don't get involved in elections, but that doesn't mean that we're not fully aware of what the repercussions are or could be. We've looked very closely at the positions of the two major-party candidates. Just to highlight, there are some very important differences: to begin with, we have the Clean Power Plan—that's the Obama Administration's initiative to reduce carbon dioxide emissions, greenhouse emissions from existing fossil-fired power plants—and Hillary Clinton is fully supportive of that program, which is really important to growth post 2020 in the renewable sector. Donald Trump opposes the Clean Power Plan and, in fact, has suggested that he would abolish the Environmental Protection Agency, transition to making it a commission, but it does give pause about willingness to enforce programs like the federal Clean Air Act that rely on EPA enforcement and that are important drivers for renewable-sector growth. Another important area to mention is the Paris Agreement on Climate Change. Secretary Clinton has made clear that she supports the Paris Agreement and would work hard to see it implemented, carried out and expanded. Donald Trump has indicated that he would do everything he could to cancel, back away, abolish the agreement. It's not clear what procedural route is actually available that he might use, but that's very important from the standpoint of renewable growth, not to mention the standpoint of efforts to actually reign in the emissions of the greenhouse gases that are involved in changing the planet's climate. So I think there's a big difference. I would not be surprised if investors have been waiting in the sidelines a little bit in the run-up to this election because I would expect that it would make a big difference to the investment climate whether we have a president who is currently supportive of the agenda suggesting, really, an inevitable transition to renewable

energy, versus a candidate who is leaning strongly in a very different direction. I do think the election will have an important impact, and the way that the Clean Power Plan has played out in the courts, there is every reason to expect that the future of the Clean Power Plan will be determined by the next president.

Growth in Renewables Fueled by Economic Opportunity

The fact that this is an economic opportunity is clear and inescapable, and it's the reason that renewable energy has attracted such a high level of investment in the last several years. We're at a point now where, with more than \$44 billion last year, aggregate investment in the U.S. in renewable energy is over \$370 billion. So these are big numbers. The sector is growing, and in doing so is creating jobs, more jobs than anywhere else in the electric power sector, with the hundreds of manufacturing facilities across the country and nearly 300,000 workers in, primarily, the solar and wind sectors. We now see greater employment in renewables than we do in, say, coal mining or even oil and gas extraction. So that's a big change, and it's opportunities often in rural areas where there are not a lot of other options to create employment, so it's also providing tax revenues that are really helping local economies. It's not just here in the U.S., but globally we see that level of growth. And it is infrastructure investment. With renewables you don't pay for the fuel. You make the capital investment in the infrastructure and then there is no fuel cost. You have to operate and maintain the facilities, but it's very cost-effective and if you look across the planet, in a lot of the developed world, renewables are the biggest single infrastructure investment that's going on. You're actually seeing more spent on renewables than on traditional infrastructure like roads and bridges, which is a pretty big surprise.

Renewables Are Really Working, So We Can't Stop Now

What's important is to recognize that this is not just something that we need to do out of obligation or something that we have to do to protect the climate that we're leaving to our children, but there's tremendous economic opportunity here: there's growth, there's investment. It's really a way to build a different kind of economy and to compete in an area where we see growth across the planet. Other countries in Europe, China, India, are making massive investments as well. Much of this technology was developed right here at home in the United States and we should really be doing everything we can to own this transition and to be leaders in this transition. It shouldn't be caught up in the partisan dynamic because there's tremendous economic opportunity here. It's time to get moving on this, and I think we have the pieces right now to continue to move forward at an accelerating pace and to get this done. I think most Americans would be surprised at how much progress we've already made.

ACORE: Building a Renewable Economy

The American Council on Renewable Energy, ACORE, is a nonprofit organization that works to promote renewable energy writ large. We have members from all the major renewable sectors, including the varying technologies: wind, solar, geothermal. Renewable energy investors are a big part of our membership as well as big consumers of renewable energy, including companies like Amazon and Google. So ours is an organization that works across platforms to grow the renewable sector. Our mission is to

accelerate the transition to a renewable energy economy, and we define that to mean the level of renewable energy investment and deployment that we need to meet the U.S. commitments in the Paris Agreement. So it's a lot of investment. We had \$44 billion in renewable energy investment last year, and in order to achieve Paris we're going to need to increase that level of investment, which already is very high, substantially.

Attend the ACORE Finance West Conference, November 1st in San Francisco

ACORE Finance West is a major conference on renewable energy finance in the West: how the sector is growing there, what are the major factors influencing the growth, what's challenging. We'll be having CEOs of major companies, representatives from major corporations who are important purchasers of renewable energy—including, for example, Google and Amazon and Microsoft and Nike and Facebook— and that will be November 1 in San Francisco.

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