

Perspectives

Hydro and Job Creation



There's lots of talk these days about job creation, especially in the context of a clean energy economy.

In U.S. President Barack Obama's first State of the Union address, he advocated putting more Americans to work by building clean energy facilities and giving tax breaks to companies that create jobs in the U.S. Soon after the speech, the White House, via the American Recovery and Reinvestment Act of 2009, awarded \$2.3 billion in tax credits to clean-tech manufacturers. Three hydro equipment manufacturers — Alstom, Andritz Hydro, and Voith Hydro — are on the list to receive the first round of credits.

During a recent press conference, the RES Alliance for Jobs — a coalition of businesses and organizations that support Congressional enactment of a strong federal Renewable Electricity Standard (RES) — released its "Jobs Impact of a National Renewable Electricity Standard" report. The report states that a national RES in which 25% of electricity is provided by renewables by 2025 would result in 274,000 more renewable energy jobs over no national RES policy.

The National Hydropower Association (NHA), a member of the RES Alliance, is using the report to continue discussions with representatives and senators on Capitol Hill. NHA's message: Hydropower plays an important role in supporting jobs within their constituent communities.

To make its point to policy-makers, NHA uses the results of a recent hydropower jobs study — conducted by Navigant Consulting and supported by NHA's CEO Council. Navigant analyzed direct, indirect, and induced¹ jobs that could be supported by growth of conventional and new ocean, tidal, and instream hydrokinetic technologies. The study found that, cumulatively, as many as 1.4 million jobs in project development, manufacturing, project deployment, and operations and maintenance can be created by 2025 with appropriate

policy support to spur new hydropower development. And, Navigant says there's plenty of opportunity for new development, estimating more than 400,000 MW of untapped hydropower resource potential (inland and ocean) within the U.S.

Getting to 1.4 million jobs is a lofty goal. Today, according to NHA, the U.S. hydropower industry employs about 300,000 people.² To achieve this level of additional job creation, Congress must provide significant policy support ... a national RES that recognizes and supports hydropower, long-term tax incentives that give hydro parity with other renewables, acceleration of the licensing processes for pumped storage and small hydro, and more federal research and development funding for hydropower technologies

For hydro, creating jobs through new project development is nothing new. During the 1930s and 1940s, development of some of the most well-known hydro projects in the U.S. ... with Hoover Dam at the top of the list ... put hundreds of thousands of people back to work after the Great Depression.

Hydro has a proven track record for creating good-paying, high-quality jobs. Is there opportunity for more of these jobs? You bet. But, turning this opportunity into reality will take a national investment in hydropower, just as it did decades ago.

Marla J. Barnes

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Notes

¹Induced jobs are those created within local economies as a result of the purchase power stemming from jobs directly related to the hydropower industry.

²This number assumes an average of 2-3 FTE/MW needed to operate, maintain, and license compliance of the existing 100,000 MW fleet.