

EE Successes Subcommittee: EE Jobs Multipliers

Karen Winter-Nelson (SEDAC) and Ashley Harrington (360 Energy Group)

1. Subcommittee's charge on finding an EE jobs multiplier
2. Overview of key terms
3. Research and discussions
4. Summary of findings from other jobs studies
5. "What we know now"
6. Next steps

EE Jobs Multipliers – Goals

1. **Committee's Charge**—to communicate EE program benefits consistently and effectively—quantify where possible
2. Job impacts seen as a key benefit of widespread interest
3. Looking for way to estimate job impacts given the committee's limits of time and resources
4. **Jobs Multiplier charge**—to identify, if possible, a reasonable multiplier of jobs supported per \$1 million spent

EE Jobs Multiplier – Successes Subcommittee Steps

1. Initial review of existing literature
2. In-depth review of PNNL overview study
3. Consultation with national expert Skip Laitner
4. Review and discussion of Nicor Gas study
5. Consultation with national studies in progress

Key Jobs Concepts

Types of jobs created (ACEEE definitions)

- 1. Direct Jobs.** Jobs generated from a change in spending resulting from an expenditure or effort
- 2. Indirect Jobs.** Jobs generated in the supply chain and supporting industries of direct jobs
- 3. Induced Jobs.** Jobs generated by the respending of income resulting from direct and indirect job creation

Key Jobs Concepts

Assumptions/terms in job estimates

1. Gross jobs (total jobs supported) v. Net jobs (incorporates any job losses)
 - a) Job losses from Initial investment:
 - Will occur if EE investment is diverted from other investments within the state
 - Will not occur if diverted investment would have had effects outside of state OR if EE investment is funded from future savings
 - b) Job losses from energy savings
 - Will occur if utility jobs decrease, not otherwise
2. Supported jobs (xx jobs are available as a result of investment)
3. A “job” typically means a job held for one year (may be called job-year)
4. Jobs supported to date (partial impact) v. jobs projected to occur over lifetime from savings produced by current investment

Examples of EE Jobs Multipliers

source	Multiplier per \$1 million program spending	Jobs estimate based on \$246 M spent in EPY7/GPY3
Composite range from literature review (initial)	66-81	28K-34K
PNNL study--"reasonable generalizable estimate" from literature review	30 net of alternate investment; 49 gross	17K net; 25K gross
PNNL study--PNNL model	39 net of investment; 58 gross	12K net; 21K gross
Skip Laitner (quick IL review)	42	18K
Nicor study	40	17K

Other EE Jobs Estimates

- **Clean Energy Trust – Clean Jobs Illinois (Ian Adams, Clean Energy Trust)**
 - Survey-based assessment of jobs in EE and Renewable Energy across the value chain.
 - Detailed findings and information on types of jobs.
 - Does not look at EE program spending or investment
- **ACEEE Position (Casey Bell, ACEEE)**

EE Jobs Multipliers and estimates– What we know now

1. There is no single correct number—multipliers estimates are dependent on assumptions and projections
2. No widely used national multiplier available
3. Jobs numbers are hard to “equate” because of differing definitions and assumptions
4. Clear communication of jobs estimates is challenging but crucial—easy to be confused

EE Jobs Estimate – Next Steps

1. **Produce the current Successes Fact Sheet, without EE jobs estimate**
2. **Approaches for EE jobs multiplier:**
 - a) Include a “reasonable generalizable estimate” on a quick time frame
 - b) Put time and resources to get a more specific jobs estimate
 - c) Utilities and DCEO use their own jobs multiplier or estimate

SAG input and discussion