



IMMEDIATE RELEASE

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New Data Show California Global Leadership in Green Patents, VC Investment, Energy Productivity & Solar Energy Generation

More Businesses Opening in California Than Closing or Leaving

(San Francisco)- New statistics released today in the “2010 California Green Innovation Index” document California’s increasing global leadership in green innovation, cleantech venture capital investment, and energy productivity, despite the economic downturn. New data also show that more businesses are opening in California than are closing or leaving. California’s economy has profited from reducing its dependence on carbon, according to *Index* statistics.

“California is clearly benefiting economically from its position as a cleantech innovator and early adopter of energy efficiency and carbon emission reduction measures,” said F. Noel Perry, a businessman and founder of the nonpartisan, nonprofit Next 10. “Our data shows that California continues to improve its energy productivity, which not only means we’re using less energy per person, but also that cash is freed up for businesses and households to spend in the economy, which creates new jobs.”

This third edition of the *California Green Innovation Index* (<http://www.next10.org/environment/greenInnovation10.html>), an initiative from Next 10 and compiled by Collaborative Economics, tracks California’s history of policy and technology innovation, and resulting economic and environmental gains or losses.

Chief Among the *Index* Findings:

California’s global leadership in green innovation continues to grow, attracting billions in investment dollars

- Global venture capital (VC) investment in clean technology is becoming more concentrated in California. Accounting for 24 percent of total global investment, the state has attracted \$11.6 billion in cleantech VC since 2006. (p. 2)
- In the first half of 2010, the state attracted 40 percent of global cleantech VC exceeding the first half of 2009 by 246%. (p. 2)
- California is the top state in patent registrations in green technology outpacing second-ranked New York by more than 150 patents between 2007 and 2009. (p. 26)
- From 2007 to 2009, California represented 39 percent of Solar Energy patents registered in the U.S., up from 24 percent in the period 1995 to 1997. California accounts for 20 percent of all Battery Technology patents registered in the U.S. between 2007 and 2009, and 16 percent of total



patent registrations. (p. 24)
California dominates the country in solar energy production, representing over 90 percent of the total U.S. net solar electricity generation in 2007. (p. 34)

California's green manufacturing jobs are growing while conventional manufacturing jobs are in decline

- From 1995 to 2008, manufacturing employment in core green economy expanded by 19 percent, while there was a nine percent drop in total manufacturing employment. Between 2007 and 2008, green manufacturing employment grew by 1 percent, while total manufacturing employment dropped 4 percent. (p. 52)
- Green manufacturing is taking place in every region – with growth since 1995 in the Bay Area (55%), Orange County (54%), and San Joaquin Valley (38%). (p. 52-53)

California's economy has profited from efforts to improve energy efficiency and reduce its dependence on carbon. These gains improve the competitive advantage of the state's companies and improve the state's resiliency to external economic shocks.

- For every dollar of GDP generated in 2008, the state's economy requires 32 percent less carbon than it did in 1990, saving California residents money and giving California businesses the competitive edge. (p. 4)
- Overall GDP produced per unit of energy continues to be 68 percent higher than the rest of the nation and has been rising at a faster rate at least since the 1990s, freeing up billions of dollars to produce goods and services that would otherwise have been spent on energy. (p. 18)
- In 2007, California's manufacturers generated nearly \$44 of Gross Domestic Product (GDP) for every dollar spent on electricity -- \$13 more than the rest of the nation.
- From 1992 to 2007, California GDP relative to total electricity expenditures in manufacturing increased 21 percent, compared to 3 percent in the rest of the country. (p. 45)
- Between 2002 and 2007, electricity productivity of manufacturers improved by 13 percent in California and dropped by ten percent in the rest of the nation. (p. 45)
- Each Californian used 20 percent less energy in 2008 than in 1970, while energy consumption per capita in the rest of the country has generally remained above 1970 levels. (p. 2)

Californians are getting out of their cars more to use public transportation, or using more alternative fuels when driving

- Public transit ridership is on the rise in California even as transit availability shrinks. The total number of annual passengers riding public transit was 16 percent higher in 2008 than 2004. Between 2007 and 2008, total revenue miles (a measure of transit availability) decreased 15 percent. (p. 31)
- Total vehicles in the state dropped by 1.3 percent from 2007 to 2008. (p.33)
- Alternative fuel use is on the rise, jumping 9 percent from 2006-2007, while conventional fuel use dropped 0.4 percent. Over the longer term (2003-2007) alternative fuel use increased 55 percent, while conventional fuel use increased 4 percent. (p. 28)
- From 2007-2008, total vehicle miles driven (VMT) dropped 1.4 percent, the largest drop since 1995. Per capita VMT fell 2.8 percent over the same period. (p. 31)



This year's *Index* includes two special features. The first, "*The Changing Business Climate in California: Impacts & New Opportunities*" examines myths about California's business climate and found contrary to conventional wisdom, the facts are:

Fact One: Electricity bills are lower in California. (p. 40)

Fact Two: California manufacturers spend a smaller percentage of total operating costs on electricity. (p. 40)

Fact Three: California's electricity productivity in manufacturing is outpacing the rest of the nation. (p. 40)

Fact Four: More businesses are starting up in California than are leaving or closing. (p. 40)

"There is much talk about the poor business climate in California, but we're finding that the data tells a different story," said Doug Henton of Collaborative Economics, a Silicon Valley-based firm that prepared the *Index* for Next 10. "Californians actually pay less overall for electricity due to our state's energy efficiency standards. We also find that despite the talk of businesses fleeing California, the state is in fact **gaining** substantially more businesses every year than are closing or leaving."

The second feature "*Manufacturing in the Core Green Economy; Growing Opportunities Across the Value Chain*" finds that California is experiencing a significant expansion in green manufacturing employment. This is occurring even while manufacturing employment overall is in decline, manufacturing businesses and jobs are found in every region of California. While overall employment numbers are still modest, they are growing at a rapid clip.

"By revenue, energy represents the largest industry in the world," commented Perry. "Energy technology is emerging as the next breakout technology revolution. And like information technology, ET is an emerging trillion-dollar market. California is on course to dominate this market."

The *Index* was produced in partnership with Collaborative Economics. Proprietary patent registration data was produced in cooperation with 1790 Analytics (based on data from the U.S. Patent and Trade Office).

About Next 10

Next 10 is an independent, nonpartisan organization that educates, engages and empowers Californians to improve the state's future. Next 10 is focused on innovation and the intersection between the economy, the environment, and quality of life issues for all Californians. Next 10 employs research from leading experts on complex state issues and creates a portfolio of nonpartisan educational materials to foster a deeper understanding of the critical issues affecting our state.

About Collaborative Economics

Collaborative Economics is a San Mateo, California-based research and consulting organization that works in the area of economic and environmental research. CE works with senior executives from business, foundations, government, education and community sectors to identify economic, environmental and social



*al innovation. For over a decade, Collaborative Economics has prepared the
Valley for Joint Venture: Silicon Valley Network and has broken new ground in the
study of the emerging green economy.*

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