

## **Clean-tech investment flowing to California because of climate change policies**

By Mary D. Nichols  
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Over the past year in California, multinational corporations, private investment firms and even the Department of Defense have pumped more than a billion dollars into, of all things, algae. This recent influx of funds for research and development of this humble organism is also one of the clearest indicators to date that California is headed in the right direction when it comes to fighting climate change. Algae, it turns out, can produce hydrocarbons and shows great promise as a source of clean, renewable biofuel.

Algae is only one example of the coming new world of clean energy. There are many others, and there will be more. Entrepreneurs around the nation and the world have been tracking California's progress in implementing our pioneering climate law, and they clearly like what they see.

A virtual jet stream of new investment in clean technology and alternative energy is flowing into the state. According to a recent study on the new clean technology sector by the Pew Institute, California led the nation in every category measured. In 2007 we had more green business opened and more jobs created than any other state. Venture capital investments in the Golden State totaled nearly \$6.6 billion from 2006 to 2008, about five times more than our nearest competitor. (Sorry, Massachusetts.)

And, as every entrepreneur in Silicon Valley will recognize, the all-important indicator of intellectual property is on the rise, too: From 2002 to 2007, California led all states in patent registrations for green technologies, a 70 percent increase over the previous five-year period.

The smart money is betting on California because we are sending a clear message to the market that when it comes to growing the clean-tech sector, this is the place for the best return on investment and innovation.

Thanks to the implementation of laws with strong greenhouse-gas reduction targets, investors are eager to fund new solutions and provide a welcome reception for smart and innovative ideas to improve energy efficiency. The result for California is cleaner sources of energy, cleaner air and a better environment, along with a rapidly growing clean-tech economic sector and the creation of thousands of green jobs.

While I am proud that California is at the head of the clean-tech pack, I also understand that climate change is a global problem. That message was heard

loud and clear last week when Gov. Arnold Schwarzenegger hosted the second annual Governor's Global Climate Summit in Los Angeles.

This important event took place with less than 70 days to go before the United Nations Climate Change Conference in Copenhagen. California — facing climate change impacts on its agriculture, water supply, coastline and air quality — has taken the lead in recognizing that the cost of doing nothing to address climate change far outweighs the cost of cutting emissions.

This is not to say that forging a global deal, and then implementing it, will be easy. But what we can say is that world leaders can have the confidence to know that reaching a successful conclusion in Copenhagen this December is both achievable and consistent with their goal to promote economic recovery.

When California chose to be a first mover on climate change, it was with the understanding that our action would invite others to join us. And they have. Together we are creating the momentum toward a clean-energy future that will grow our economies, save our planet and create millions of new jobs.

*Mary D. Nichols is chairwoman of the California Air Resources Board.*