

Conservation and Efficiency as Job Creation

Investment in energy efficiency programs creates jobs in two main ways; both direct job creation and indirectly through surplus consumer spending due to lowered energy bills on the small scale and lowered rates on the provincial scale.

Direct jobs are not only created in the particular energy efficiency program, they are also created upstream in producing feed materials. When energy users take steps to be energy efficient such as upgrading their windows, adding insulation, using efficient lighting, replacing outdated equipment, or a myriad of other methods, they create demand for these products and related services. As this money goes to workers in the industry, they spend their earnings back in to the economy resulting in both economic growth and job creation.¹

Indirectly, jobs are created through the immense savings that Canadian consumers and businesses save through energy efficiency spending and investment. This has an effect similar to a tax reduction on the consumer. These energy users then spend the savings on other industries – or even better, use it to expand their businesses and factories resulting in more demand for energy efficiency and amplifying the other positive effects. Energy savings can have a profound and powerful effect on job creation, not only for the energy efficiency sectors but spread throughout the entire Canadian economy².

A 2012 study showed that every **\$1** spent on energy efficiency programs **generates \$4-8 of GDP**, and **every \$1 million** invested in these programs **generates between 30-57 job years**². In 2011, there were 100,000 workers in Canada with total annual wages of almost \$8 billion working in high-skilled jobs in energy efficiency. In addition, another 500,000 workers were engaged in efficiency-related goods and services to some degree³. Natural Resources Canada estimates the GDP produced by this industry was **\$54 billion** in 2013, representing **3% of the national GDP**⁴. Those numbers have only grown since then.

The effect of the energy conservation and efficiency industry is large and crucial to strong economic growth, especially through job creation. One study tracked the change in Canadian employment from 2002 to 2012, both nationally and provincially. They found that nationally energy conservation and efficiency contributed 2.47% to job creation nationally, and 3.07% to jobs in BC⁵. This highlights the importance of energy efficiency to job creation in a modern British Columbia, and all through an industry that everyone can agree is beneficial to the economy as well as the environment.

¹ Ryan, L., & Campbell, N. (2012). *Spreading The Net: The Multiple Benefits of Energy Efficiency Improvements*. Paris: International Energy Agency

² Energy and Mines Ministers' Conference. (2014). *Energy Efficiency Update 2014: Economic Benefits of Responsible Energy Use*. Sudbury.

³ Environmental Careers Organization. (2014). *Energy Efficiency Supply Study*.

⁴ Energy and Mines Ministers' Conference. (2014). *Energy Efficiency Update 2014: Economic Benefits of Responsible Energy Use*. Sudbury.

⁵ Bataille, C., & Melton, N. (2015). *Energy Efficiency and Economic Growth: A Retrospective Analysis for Canada from 2002 to 2012*. Navius Research.

A Voice for the Conservation and Efficiency Industry in BC

BC Advanced Conservation & Efficiency Association

720-1190 Melville Street, Vancouver, BC V6E 3W1

Tel: 604-568-4906