Can the United States revitalize its manufacturing sector through clean energy policies? During today's OnPoint, former Michigan Gov. Jennifer Granholm (D) makes the case for a clean energy standard, saying it will boost the United States' competitiveness and manufacturing base. Granholm, now a spokeswoman for the Pew Charitable Trusts, also explains why she believes industry can continue to grow under U.S. EPA's air rules. She also explains how she plans to lobby members of Congress on the clean energy issue.

Monica Trauzzi: Hello and welcome to OnPoint. I'm Monica Trauzzi. Joining me today is former Michigan Governor Jennifer Granholm. Governor Granholm, thanks for joining me.

Jennifer Granholm: You bet, Monica, thanks.

Monica Trauzzi: Governor, you're joining us today as the new energy spokeswoman for the Pew charitable trusts. How do you plan to shape and sharpen the discussion on energy policy here in Washington?

Jennifer Granholm: Well, actually, I'm going to be joining Senator Warner and we are both going to be leading a national campaign and, really, what we want to do is to take this discussion out to America. What PEW has done, and they're very smart about this, is they've identified very specific policies that have bipartisan support, Democrats, Republicans, independents, even Tea Party candidates who-where we want to bring that back to Washington and say doing nothing is not an option. Here are some pragmatic policies that we know we can achieve. Can I tell you what they are?

Monica Trauzzi: Sure, yeah, please do.

Jennifer Granholm: First, to focus on the electrification of the vehicle. There's a huge amount of support for making us independent of foreign oil. Eighty-two percent of Americans want to see that. In fact, 84 percent of Americans believe that we should be promoting a national policy that makes us more energy efficient and has us relying more on alternative fuels. So, if that's the case, and of that 75 percent are Republicans-not of that, but 75 percent of Republicans want to see a national policy that does that. Electrification of the vehicle is one way to get there. Pew's goal is to get 25 percent of the electric vehicles as the first car sales in-by the year 2020. So, that's an ambitious goal, but very important. Also to increase fuel efficiency. So on the transportation sector, there's a lot of support, Republican and Democrat. With respect to energy efficiency, huge amount of support. Can I give you just a quick example of that is industrial energy efficiency, for example, combined heat and power in America with all these plants, factories, etc. We have a huge amount waste heat. If you could capture that waste heat and use it to power a plant or an industrial facility, that's a huge savings for that facility. We don't have a whole lot of them in this country. They're used all over the world. Our goal is to double the number of combined heat and power installations and encourage further energy efficiency on the industrial side. That has huge bipartisan support as well. As well as support from industry. Third is getting a clean energy standard, do that of course, encourages renewable energy and sense of market signal to those who we want to encourage to invest. That includes an energy efficiency resource standard. And then the fourth is more investment in research and development related to clean energy technology. All four of those are bipartisan supported policies. All four are the ones we want to take on the road to America and bring back to Washington and hopefully see some policy adopted this year.
Monica Trauzzi: So, there's all this talk about revitalizing the manufacturing sector here in the U.S. Can we do that with EPA coming out with all of these air rules, including the regulation of greenhouse gas emissions?

Jennifer Granholm: Let me just say that it is very clear to me that we can have a robust manufacturing sector and good clean energy policies. Let me just say that I just got back from China last week and I went with Securing America's Future Energy. China has adopted policy which is encouraging investment, which is creating jobs in their country that would set your hair on fire. It's so incredible! They've got 25 cities that they've identified as the cities that they're going to invest in the electrification of the vehicle through the infrastructure. They've got 20 companies. They want to put 30 battery vehicle models on the street by 2012. They are investing! The amount of investment in this sector globally has gone through the roof, an explosive amount, 600 percent or more investment since 2004, increases on the private sector. The whole point I'm making is that all of that manufacturing, it's going on. It's just not going on here. So if we don't adopt a policy that encourages and sends the right market signals and helps the businesses become competitive here, they're going to be doing it. They're just going to be doing it in China. They're going to be doing it in Germany. They're going to be doing it in other countries. So standing by and doing nothing will ensure that America becomes weaker and weaker, both with respect to jobs and with respect to energy security.

Monica Trauzzi: But there are some hurdles to overcome in Congress. What do you plan to say specifically to House Energy and Commerce chair Fred Upton who is not-

Jennifer Granholm: Who is a friend of mine! He's-

Monica Trauzzi: But not a huge fan of the clean energy standard. What are you going to say to him to get him on board?

Jennifer Granholm: So I want to talk to him about this, because there is such an overwhelming amount of bipartisan support on the right and the left. And this is why Pew is so smart in having done deep research on what policies are doable. I mean, obviously, in this environment we're not going to get cap and trade, you know, discussion about global warming and climate change. It's not going to fly. But what will fly are policies that are specifically focused on creating jobs in America, making us stronger from an economic perspective, as well as a jobs perspective, knowing that our global economic competitors are eating our lunch, are completely taking advantage of us and are gleeful at the notion that America does not have a national energy policy because it means they can swoop in and get those jobs. So, from the perspective of Fred Upton or anybody else's constituents who are paying now shy of four dollars a gallon for gasoline-I mean do you think they want to be doing that? There is an energy tax already and it's doing nothing. Doing nothing is costing us jobs and it's costing us to pay more at the pump. We can become energy independent and we can become more prolific with respect to jobs if we have the right energy policy.

Monica Trauzzi: But many Republicans see a clean energy standard as a mandate and that's not something they want to sign on to.

Jennifer Granholm: Thirty states, let me just say this very clearly, 30 states have adopted clean energy, you know, renewable portfolio standards, including Michigan. And, as result of that-and this is why I'm so excited to be going on the road to bring the Michigan experience. When you have the right policy, jobs will follow. In 2008 Michigan adopted a clean energy standard and we also were able to take advantage of the national energy policy with respect to creating electric vehicles and batteries. There was a saving of the auto industry, but it's moving it toward the electric vehicles. Just as a result of federal policy on batteries alone, just batteries alone, we have attracted-we in Michigan, have attracted 17 companies who are projected to create 63,000 jobs. That's just one state in the year and a half, because the policy was right. I can just say, if people want to see us continue to lose jobs, when you see this huge massive global investment in this industry and if it's okay with you that all of that is happening overseas, then there is certainly a course of action, which is to do nothing. But if we want to have a piece of that, then we cannot sit by. This notion of mandate versus not, listen, other countries all have renewable energy standards and they're leaping ahead of us and they're getting this investment. And it's the first nations that get that investment where the jobs will be created. Because once those factories are in the ground, they're not going to move. You know with all those factories in China that are now making wind turbines and solar panels, they're not going to move to the U.S. now. They're going to export their products to the United States. We ought to be doing that too! What a huge market it is. But doing nothing will ensure that the United States we are going to be on the sidelines!
States continues to fall and lose. And I just don't think that Fred Upton or anybody, right or left, wants to see that happen.

**Monica Trauzzi:** With the ongoing nuclear incident in Japan, what's the impact on the U.S. nuclear industry and should we see nuclear included in a clean energy standard?

**Jennifer Granholm:** Well, I know the president wants to see it included in a clean energy standard and, certainly, I think it will be part of the mix. What the PEW organization is pushing is a 20 percent by 2025, which does not include nuclear. But, certainly, you know, nuclear is clean. The question is what's going to happen now that Japan has -- the Japan incident? Will it slow things down? It may, it may, but that doesn't mean that we shouldn't continue to push for clean energy from nuclear. I think we should and I think you can do it in a way that's safe, you just have to be careful.

**Monica Trauzzi:** One of the arguments we hear from Republicans on energy policy is that we really need to have an all-of-the-above approach, not pick winners and losers, not exclude anybody. Should there be a place for domestic drilling and exploration in an energy policy?

**Jennifer Granholm:** On a clean energy approach that's not going to, obviously, be part of a clean energy standard. You know, obviously, that's a discussion that would be part of the energy mix. I'm in favor of us being energy independent. But you can drill from here 'til kingdom come, it's not going to make you energy independent. So there has to be an increasing amount of renewables that are part of this portfolio. Let me just say, you know, in China, China now imports more than half of its oil, just like we do. It used to be completely oil independent. And so the question is they are now impacting, of course, supply and demand on the global oil market. They are trying to secure contracts in North Africa for their own energy supply. To China, energy independence means -- energy security means something different than what it means for us. They want to secure the amount of resources necessary to get to their gross domestic product growth goals. They want to grow their economy, because they want to create jobs there and they're going to do whatever it takes to create jobs there. That's a mindset that I can respect. We are not doing that in this country. We are not creating jobs, whether it's in clean energy, regular energy, manufacturing, we are not stepping up in the way other countries are doing. So, I do think that non-clean sources will probably be part of this discussion because of the nature of Congress, but that doesn't mean that we should not be aggressive about promoting clean alternatives.

**Monica Trauzzi:** Okay, we'll end it right there on that note.

**Jennifer Granholm:** Okay.

**Monica Trauzzi:** Okay Governor.

**Jennifer Granholm:** Thank you Governor.

**Monica Trauzzi:** You bet.

**Monica Trauzzi:** And thanks for watching. We'll see you back here tomorrow.

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