

SEATTLE-PUGET SOUND

CATALYZING THE REGIONAL ENERGY EFFICIENCY CLUSTER TO STAY AHEAD

POPULATION IN 2010: 3,459,231 • EMPLOYMENT IN 2010: 1,725,377
GROSS VALUE ADDED (GVA) PER PERSON IN 2007: \$49,048

The Seattle-Puget Sound region remains one of America's most economically competitive, but continued prosperity will require metro leaders to expand beyond the area's current industry base to drive future growth.

The four-county Seattle-Puget Sound region in America's Pacific Northwest is anchored by cities, such as Seattle, Tacoma, and Bellevue. It is home to a globally connected, diverse, dynamic, and knowledge-intensive economy that, in 2008, registered at \$187 billion (expressed as 2000 dollars). The region's current industry profile—developed over decades in information technology, aerospace, clean energy, and life sciences—has propelled excellent job growth and export intensity in recent years. Yet, various regional industries, including historic mainstays—such as forest products and fisheries, and even today's top-performers, such as IT and aerospace—have not generated strong productivity, and in some cases job, growth over the past decade. Seattle-Puget Sound's continued economic prosperity may therefore need to come from new, different sources of growth in the future.

To boost future prospects, Seattle-Puget Sound is using the metropolitan business planning process to strategically target the growth of its energy efficiency industry.

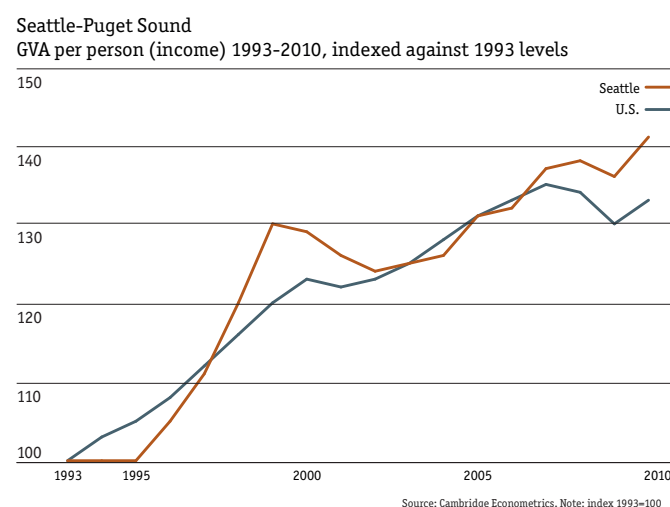
Out of approximately 22,900 cleantech jobs currently in Seattle-Puget Sound, 40 percent are already in fields related to building energy efficiency (EE), spanning all major industry aspects from design and components to energy services. The Puget Sound Regional Council, the region's metropolitan planning organization and regional economic development entity, views this existing strong industry concentration as a major economic development opportunity. For that reason, it has convened a wide cross-section of local government, business, trade association, venture capital, utility, research, and civic leaders to engage in the metropolitan business planning. Together, after 11 months of intense consultation, deep market analysis, and program design, they have settled on a strategy for turning the region's existing energy efficiency cluster into a leading export sector and key source of job growth to ultimately benefit overall regional innovation, entrepreneurship, and global competitiveness. Motivating these stakeholders are projections estimating that the U.S. EE market alone will expand to \$700 billion by 2030; recognition that the region possesses strong competencies in related fields like IT and green building; and a shared desire to stake a claim as the world's leading EE services hub.

Seattle-Puget Sound's major catalytic initiative—the proposed Building Energy Efficiency Testing and Integration Center and Demonstration Network (BETI)—will help catalyze the growth of the region's EE cluster.

EE innovators in Seattle-Puget Sound (and elsewhere) face a challenge in commercializing new products and services because they have not sufficiently satisfied market demands for the testing, demonstration, and verification of new technologies in an integrated fashion. BETI—a project now articulated in dozens of pages of market analysis, well-defined operational ideas, and complete financials—will address this barrier to EE innovation. To do this, it will

provide entrepreneurs and firms in Seattle-Puget Sound physical space in lab and real world settings to test, verify, and integrate promising products and services, as well as opportunities to connect to other resources for business, commercialization, export, and regulatory assistance. Through its suite of services, BETI will help alleviate some EE investor and buyer risks and take advantage of market trends to commercialize new products, grow customer bases, increase market penetration, and ultimately spur regional business growth and attraction to brand Seattle-Puget Sound as the leading regional EE hub.

With detailed plans now in place, the Seattle-Puget Sound metropolitan business planning team is currently engaging with federal and state government leaders and other public, private, and civic stakeholders to form partnerships, seek funding, and advocate for specific policy reforms to get BETI off the ground and support successful implementation and operations in the future. Recently, the State of Washington's Clean Energy Leadership Council completed a comprehensive clean energy economic development strategy that identifies the BETI approach as one of the state's top opportunities for clean energy innovation. Already a "horizontal" regional partnership of governments and the private sector is moving to work "bottom-up" to make BETI—and transformation in the EE sector—real.



Left
Seattle's income grew much quicker than the national average in the last decade. It realigned with the U.S. after the end of the dot.com bubble and overtook the U.S. again during the recession.