

Executive Summary

The American Jobs Project was borne of two tough problems: loss of middle-class jobs in America and congressional paralysis. It seeks to address these problems by taking advantage of one of the biggest market opportunities of our era—the advanced energy and enabling technology sectors—and to do so at the state, not the federal, level. State and local leaders who leverage the unique strategic advantages of their state to grow localized clusters of interconnected companies and institutions are poised to create quality jobs. This report serves as a strategic guide to support those efforts.

Extensive research and more than sixty interviews with stakeholders and experts in Washington have identified grid modernization as showing particular promise in the state. Demand for grid modernization technologies is increasing globally, thereby creating an opportunity for Washington manufacturers to create middle-income jobs for Washingtonians and elevating Washington's companies in the marketplace.

Washington is well positioned to benefit from rising global demand for grid modernization technologies given its strong anchor companies, established competitive advantage in the Internet of Things, and robust innovation ecosystem. Opportunities to leverage this momentum to further serve growing regional, national, and global markets offer real benefits for the state economy and Washington residents.

However, there are several barriers hindering Washington's grid modernization industry and preventing its existing companies from reaching their full potential. These barriers to growth range from lack of access to capital for small- and medium-sized companies and entrepreneurs, a need for more technical training of early-career and mid-level workers, and a dearth of facilities that provide open-access services for companies and researchers to validate, test, and demonstrate new hardware or software products and services. Washington must address these roadblocks to enhance its competitiveness as a hub for grid modernization.

To take full advantage of these opportunities, state leaders can pursue strategies to create a strong foundation for industry growth and to help Washington businesses grow, innovate, and outcompete regional, national, and global competitors. With forward-thinking policies, Washington's grid modernization sector can support an average of 13,800 direct, indirect, and induced jobs annually through 2030. These direct jobs will spark

job growth and economic development across the state as employees spend their earnings in the local economy.

Summary of Recommendations

The analysis presented in this report culminates in recommendations for Washington's leaders based on best practices in the United States and abroad. Each recommendation identifies opportunities for barrier removal and future growth in the grid modernization sector. While the recommendations are intended to be complementary and would be more powerful if adopted as a package, each can also be viewed as a stand-alone option.

Strategically Expanding Washington's Grid Modernization Sector and Supply Chain Companies

Facilitate Formalization of a Grid Modernization Public-Private Partnership: Leveraging existing organizations and relationships to help local businesses steer the growth of the state's grid modernization industry.

Strengthen and Expand the State's Foreign Direct Investment Strategy: Leveraging national and regional economic development resources, and strong international corporate and university brands, to attract international grid modernization investment.

Provide Tax Incentives to Attract and Grow New Grid Modernization Businesses and Fill Supply Chain Gaps: Developing incentives for grid modernization companies to conduct research and development (R&D), locate in Washington, and inject capital into local communities.

Leveraging Local Assets to Increase Access to Capital for Growing Companies

Establish a State Fund of Funds to Stimulate the Investment Environment: Reducing investment barriers for early-stage companies by improving access to patient capital.

Improve Washington's Equity Crowdfunding Law: Streamlining equity crowdfunding and creating an online hub to increase program uptake.



Fostering a Strong Innovation Ecosystem

Support Access to University and National Lab Resources for Businesses: Facilitating small- and medium-sized business access to state-of-the-art laboratory resources and expertise.

Promote the Growth of Specialized Advanced Energy Incubators and Accelerators: Improving startups' access to mentors and talent with specialized knowledge of the advanced energy industry.

Leverage Philanthropic Funding Via a Foundation Liaison: Strengthening Washington's resources through collaboration with charitable foundations.

Aligning Training Programs to Meet the Needs of Industry and Serve Students

Promote Private-Sector Training: Incentivizing businesses to invest in workforce development programs.

Expand Career-Connected Learning: Engaging students early to improve graduation rates and build transferrable skills.

Encourage High School Partnerships with Community and Technical Colleges: Guiding students through the transition to postsecondary education.

Creating Opportunities for Deployment of Grid Modernization Technologies

Educate and Inform Policymakers on the Benefits of Grid Modernization: Creating a market for grid modernization products through outreach and education on the economic benefits to utility customers of grid modernization.

Encourage Utility Innovation: Promoting industry R&D through novel incentive packages.

Explore Novel Funding Mechanisms for Demonstration and Infrastructure Projects: Moving beyond taxpayer funding for demonstration projects.

Create and Adopt Industry Standards: Easing integration challenges by creating common standards for grid modernization technology and encourage Washington-based companies to adopt the standards.

Define Utilities' Outcome-Based Objectives for Grid Modernization: Establishing goals to guide future investment in grid modernization technologies.