

Perhach, William

From: Kenneth Peel [peelk@yahoo.com]
 Sent: Saturday, December 11, 2004 1:54 PM
 To: Cooney, Phil
 Subject: Fwd: CEI Commentary: A Bigger, "Renewable" Boondoggle

FYI

--- Marlo Lewis <mlewis@cei.org> wrote:

> Subject: CEI Commentary: A Bigger, "Renewable" Boondoggle
 > Date: Fri, 10 Dec 2004 17:08:04 -0500
 > From: "Marlo Lewis" <mlewis@cei.org>
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 > Story posted at Tech Central Station
 > <<http://techcentralstation.com/121004G.html>> .
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 > In Washington, sometimes all you need to do to find out lobbyists'
 > latest schemes to bilk the unwary taxpayer is attend a public meeting.
 > What brings this to mind is Greenwire reporter Ben Geman's December 7
 > story
 > <http://www.eenews.net/Greenwire/searcharchive/test_search-display.cgi
 > ?q
 > =ACORE&file=%2FGreenwire%2Fsearcharchive%2FNewsline%2F2004%2FDec7%2F12
 > 07 0405.htm> recounting a recent Capitol Hill conference for
 > journalists and congressional staff, sponsored by the American Council
 > on Renewable Energy <<http://www.acore.org/>> (ACORE).
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 > Geman's straight, just-the-facts-M'am reporting, by letting the
 > lobbyists speak for themselves, quickly makes one thing apparent: The
 > renewable-energy lobby is just another oinker with its snout in the
 > trough -- a special interest group slaving after corporate welfare
 > subsidies, special tax breaks, and market rigging rules.
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 > Geman begins by observing that, "Renewable energy advocates are
 > launching a major effort to steer federal and state policies towards
 > far greater utilization of renewable technologies, arguing that
 > decades of research and development have generated mature technologies
 > poised for wider adoption." Now, wait a minute. If those technologies are "mature"
 > and "poised for wider adoption" -- wind turbines, after all, have been
 > around for centuries -- then why is government intervention needed to
 > ensure their "utilization"? If renewable energy technologies cannot
 > succeed on their own despite "decades of research and development,"
 > why should we taxpayers be compelled to keep subsidizing them?
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 > According to an ACORE paper distributed prior to the conference, "It
 > is time to declare an interim success on the 30-year, \$14 billion
 > investment in renewable energy technologies, and chart a new course
 > for widespread utilization ('Phase II') of renewable energy in
 > America." But hold on again. When environmentalists enthuse about
 > "renewable energy technologies," they refer chiefly to wind and solar
 > power and biomass fuels, which together supply only 3 percent
 > <<http://www.eia.doe.gov/cneaf/solar.renewables/page/trends/trends.pdf>>
 > of all the electricity Americans use -- with wind and solar providing
 > less than two-tenths of one percent. If that is all 30 years and \$14
 > billion have accomplished, then isn't it time declare failure and
 > abolish coerced taxpayer support for such techno-underachievers?
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> Not according to the renewable energy industry luminaries Geman cites.
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> Steve Zwolinski, president of GE Wind Energy
> <http://www.gepower.com/businesses/ge_wind_energy/en/index.htm> ,
> laments that U.S. policy lags behind that of Europe in growing the
> renewable energy sector: "U.S. policy is not conducive to developing
> the industry." Yes, and a good thing, too! In America, it is the job
> of industry to develop itself, not the job of government. What
> Zwolinski really wants is a government-guaranteed market share for
> wind-generated electricity, regardless of performance, cost, or
> efficiency. That may be the European way; it is not the American way.
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> ACORE President Michael Eckhart advocates federal funding for state
> renewable energy programs <<http://www.dsireusa.org/>> and repeal of
> the sunset provisions in the current crop of renewable energy tax
> breaks
> <<http://www.dsireusa.org/library/includes/genericfederal.cfm?current/pag eid=1&search=federal&state=US>> : "We want renewable energy to be in
> the tax code." What a noble agenda for the environmental movement!
> Hide the cost of uneconomic wind farms from local ratepayers (the
> inevitable effect of federal funding), and, at the same time, further
> convolute a federal tax code already overloaded with special-interest
> preferences and loopholes.
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> Jack Robinson, president of Winslow Management Company
> <<http://www.winslowgreen.com/>> , a firm that specializes in "green"
> investing, said renewable energy has strong "grassroots" appeal,
> citing Colorado's
> <<http://www.renewableenergyaccess.com/rea/news/story?id=17736>> recent
> ballot initiative establishing a renewable portfolio standard (RPS) --
> a law requiring the state's utilities to obtain 10 percent of their
> electricity from renewable sources by 2015. Robinson opined that "if
> the federal government got on the bandwagon" by, for example, enacting
> longer-term renewable energy tax credits, then more states would adopt
> RPS programs. Of course, more RPS programs would mean more business
> for "green" firms manufacturing renewable energy technologies, more
> investment opportunities for Robinson's clients, and, thus, more
> commissions for Winslow Management Company. Sweet!
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> Ken Bossong of the Sustainable Energy Coalition
> <<http://www.sustainableenergy.org/>> , apparently unsatisfied with just
> federal fiscal support, advocates a "federal renewable portfolio
> standard" to "spur greater commercialization" of renewable energy.
> History suggests, however, that even a federal RPS would fail to
> commercialize these politically correct technologies. As MIT's Thomas
> Lee, Ben Ball, Jr., and Richard Tabors caution in their book, Energy
> Aftermath: How We Can Learn From the Blunders of the Past to Create a
> Hopeful Energy Future (p. 167):
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> "The experience of the 1970s and 1980s taught us that if a technology
> is commercially viable, then government support is not needed and if a
> technology is not commercially viable, no amount of government support
> will make it so." [emphasis added]
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> Absent special political privileges -- federal research and
> development subsidies, tax breaks, and state RPS programs -- today's
> renewable-energy industry, or most of it, would not even exist. Three
> decades and \$14 billion in direct federal support and untold billions
> in state taxpayer and ratepayer subsidies have failed to make "green"
> energy economically self-sustaining. Enough is enough. Congress should
> terminate, not expand, its patronage of this boondoggle.

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> Marlo Lewis, Jr. is a Senior Fellow in Environmental Policy at the
> Competitive Enterprise Institute.

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