

Strike Three: First Spain, Then Denmark, and Now Germany...

New study takes a closer look at Washington lawmakers' third favorite example of a failed 'green' energy experiment they'd like to see replicated here in the U.S.

After exposing the full record of facts on Spain and Denmark's green energy experiments - experiments lauded by US policymakers as examples we should follow - a new study reveals the untold story of Germany's experience with costly, green energy endeavors. The study's authors are hoping it serves as ***"a cautionary tale of massively expensive environmental and energy policy that is devoid of economic and environmental benefits."***

While an aggressive policy of generously subsidizing and effectively mandating renewable energy has indeed led to a doubling of Germany's renewable electricity generation in recent years, a closer look at the full story behind this "green achievement" reveals that it was about as green as it was significant, and came with a price tag that may even make Washington's big spenders blush.

Key Findings:

Consumers ultimately bear the cost:

- In 2008, the price mark-up attributable to the government's support for green electricity was about **2.2 cents US per kWh**.
- For perspective, a 2.2 cent per kWh increase here in the US would amount to an average **19.4% increase in consumers' electricity bills**.
- Even if the German government ended its financial aid to renewable energy in 2008, **consumers would still be saddled with costs until 2028**.

Silly Spending:

- Solar PV, Germany's most heavily subsidized renewable energy, accounted for as little as **0.6% of Germany's total electricity generation in 2008 at a net cost of about \$12.4 billion US**.
- Government support for solar energy between 2000 and 2010 is estimated to have a total net cost of **\$73.2 billion US**, and the cost of supporting wind power during those years is estimated to total **\$28.1 billion US**.
- Because the US economy is about 5 times larger than Germany's, **a similar expenditure in the US would amount to about half a trillion dollars US**.

Still Unsustainable:

- After all those years of billions of dollars of government aid, Germany's solar "industry" now depends upon financial support more than **eight times higher than the wholesale electricity price** and more than **four times the support provided to producers of wind electricity**.
- Government aid for wind power is now **three times the cost of conventional electricity**.
- Financial aid to Germany's solar industry has now reached a level that far exceeds average wages, with **per worker subsidies as high as \$240,000 US**.

Costly Energy, Temporary Jobs at the Expense of Cheaper Energy, Sustainable Jobs:

- Green jobs created by government actions **disappear as soon as government support is terminated**, a lesson the German government and the green companies it supports [are beginning to learn](#).
- Estimates of green job creation created by government aid to renewable energy omit any accounting of off-setting impacts, the most immediate of which are **job losses resulting from the crowding out of cheaper forms of energy**, along with indirect impacts on upstream industries.
- Private and Industrial consumers' overall loss of purchasing power due to higher electricity prices **adds up to billions of dollars and diverts funds from other potentially more beneficial investments**.
- This drain on economic activity results in **additional job losses, casting doubt on whether the employment effects of the government renewable energy program are positive at all**.

Grossly Expensive, Inefficient Solution to Emissions Reduction:

- CO2 abatement costs of solar PV are estimated to be as high as 716 € (US \$1,050) per ton, or **53 times the current price of emissions certificates** on the European emissions trading scheme, and the **abatement costs wind power are four time as expensive** at 54 € (US \$80) per ton.