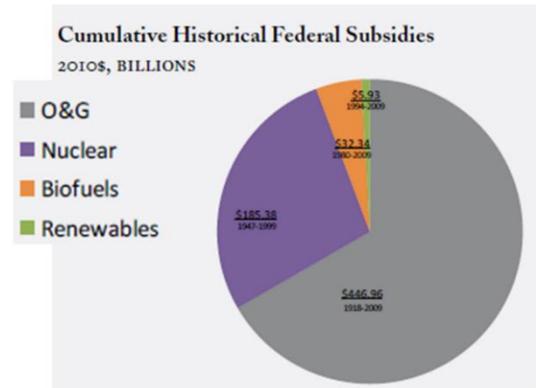


## Renewable Energy Facts and Falsehoods

There is a lot of concern over renewable energy subsidies. People worry that renewable subsidies are too large, that renewables can't compete without subsidies, and that renewable energy subsidies harm the U.S. job market. Here are some myths and facts to help make sense of renewable subsidies.

**Myth:** Subsidies for wind and solar are larger than subsidies for fossil fuel energy production.

**Fact:** When taken cumulatively, historic federal subsidies have favored oil and gas over any other source.<sup>6</sup> Additionally, while oil and gas subsidies are permanent, renewable energy subsidies (which have brought much needed jobs into rural America) have a planned phase-out beginning in 2019.<sup>10</sup>



(from *What Would Jefferson Do? ...Federal Subsidies in...America's Energy...*)

**Myth:** Renewables could not be competitive without current subsidies.

**Fact:** Lazard, an independent energy analyst utilized by all major players in the energy industry, calculates the “levelized cost” (excluding the impact of subsidies) of producing energy from different sources. In 2017, the levelized cost of producing energy from wind or thin-film utility-scale solar were both around \$45 per megawatt hour, \$87 per megawatt hour for natural gas, and \$102 per megawatt hour for coal.<sup>1</sup> Even without subsidies, wind would still be competitive with traditional energy production.

**Myth:** If wind energy is competitive, it shouldn't need subsidies anymore.

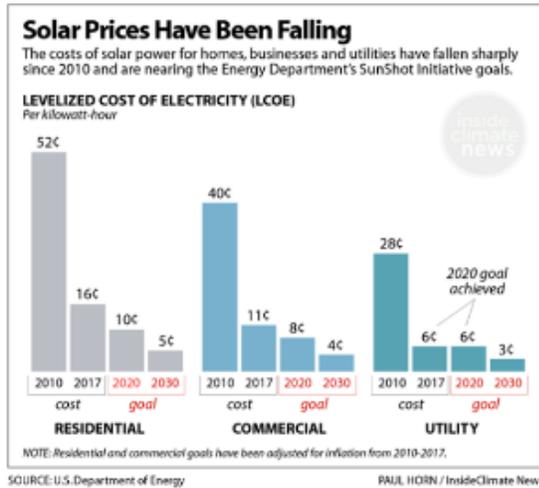
**Fact:** The infrastructure is already set-up for fossil fuels. Infrastructure for fossil fuels, such as roads and existing power lines, was heavily subsidized when it was originally emplaced. Until infrastructure for alternative energies catches up, renewables are not competing on a level playing field. The fact that wind energy is the cheapest energy to produce does not mean the infrastructure is in place for storage and delivery.<sup>3</sup>

**Myth:** Only a small group of people support renewable energy subsidies.

**Fact:** While middle income Americans are most likely to install solar,<sup>10</sup> support for renewable energy does not cleanly divide along party lines, racial groupings, or age sets. A 2016 Gallup poll found 73% of Americans want renewable energy emphasized over oil and gas to meet energy needs, including 51% of Republicans and 89% of Democrats.<sup>6</sup> Currently, the greatest single predictor of whether a person will install solar panels is actually whether their neighbors are doing it.<sup>9</sup>



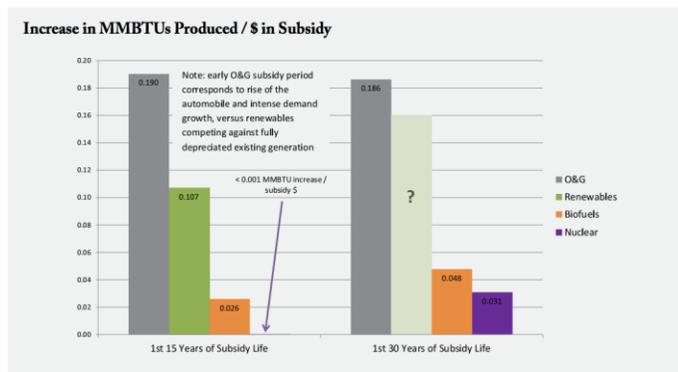
**Myth:** Subsidizing renewable energies creates a false job market.



**Fact:** As noted previously, even without subsidies renewables would be cost competitive with traditional means of energy production. The demand for renewable energy is increasing, and with that demand comes job growth. Solar Voltaic Installer is the fastest growing job category in the US, with Wind Turbine Service Technician coming in second according to the Bureau of Labor Statistics.<sup>7</sup> Because wind and solar are now cost competitive without subsidies, the job market created by demand for renewable energy is stable.

**Myth:** Renewable energy subsidies have yielded no significant progress toward energy diversification.

**Fact:** According to the U.S. Energy Information Association, production from renewables was higher than ever before in 2016.<sup>2</sup> Production from renewables is only predicted to increase. The chart below from Pfund and Healy shows the increase in production per subsidy dollar.<sup>7</sup>



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