



Md. renewable energy mandates: Corporate welfare disguised as environmentalism

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Last February, Maryland legislators voted to require that 25 percent of the state’s electricity be generated by so-called “renewable” sources beginning in 2020. Now, they are considering an additional requirement that 50 percent of electricity come from renewables by 2030. One lawmaker, Montgomery County Del. Shane Robinson, a Democrat, wants 100 percent renewables by 2050. According to proponents, these mandates will help protect the environment, create “green” jobs and improve human health. But in truth, renewables are little more than corporate welfare dressed up in ill-fitting “green” clothing.

Renewable energy standards don’t do much — if anything — to improve the environment or human health, and they create precious few permanent jobs. “Renewable” under Maryland law simply means the energy is generated from sources that typically are either cheap or free. That includes wind, sunlight and flowing water (though the capital used to harness them is expensive and often has environmental downsides). But “renewable” also includes energy generated from the burning of plant matter, animal manure, methane and trash — fuels that are neither environmentally clean nor healthful.

Some supporters admit that “renewables” aren’t perfect, but they argue the energy sources are better than how electricity is generated now. They envision power companies closing their dirty coal-fired plants and replacing them with windmills and solar panels. But wind and solar hardly ever replace coal plants.

Wind and solar are sporadic sources whose production often declines on especially hot or cold days when electricity demand is high. Coal-fired supply, on the other hand, is consistent and cannot be quickly throttled back or ramped up. For that reason, coal is used to supply “baseline” power, satisfying steady demand that is always present. The good news for earnest environmentalists is that coal-fired power in the United States is slowly being replaced — but by highly efficient, low-emissions natural gas-fired plants, not windmills or solar panels.

Beyond baseline power, other generation sources are used to cover surges in demand. Solar and wind can be used for this “peaking” demand, if they are available on a particular day. But conventional peaking sources — typically natural gas, again — usually have low impact on the environment. If the ever-stricter Maryland renewables mandate leads to windmills and solar

panels replacing some natural gas production, then there might be a modest environmental gain. But if the mandate means natural gas (or nuclear) generators are replaced by the burning of trash, biomass, methane and manure, then the requirements will harm the environment and human health. There are much more effective — and cheaper — ways to reduce pollution and combat climate change.

Renewables mandates do change a couple of things, however: they raise electricity bills and income for energy companies and their Wall Street backers. The Maryland General Assembly's Department of Legislative Services estimated that last February's 25 percent mandate will raise households' power bills \$1 to \$3 a month. That may not sound like much, but it adds up to between \$49 million and \$196 million (depending on assumptions) transferred from Maryland customers to corporate coffers in 2020 alone. The 50 percent proposal will mean even higher bills and hundreds of millions more dollars for corporate beneficiaries.

So why are Maryland politicians and environmental groups pushing increasingly tougher renewables mandates? The answer involves a common dynamic in politics: the “bootleggers and Baptists coalition.” In Southern “dry” counties, alcohol prohibition is favored by both Baptists and bootleggers (for very different reasons). Likewise, renewable energy mandates are favored by both high-minded (but sometimes naïve) environmentalists and not-so-high-minded but very shrewd energy companies and their Wall Street backers. Maryland's mandate ensures those companies and financiers will have a profitable market for their expensive electricity.

If Maryland lawmakers want to get serious about combating climate change and reducing pollution, they can simply tax the emission of carbon and other pollutants, thereby encouraging lower emissions and greater efficiency. No one likes a new tax, but it is a much cheaper and more effective way to cut pollution and fight climate change than a byzantine policy like the renewables mandate. Besides, revenue from a carbon tax could be used to reduce other taxes and fund other environmental initiatives. Problem is, though a carbon tax would be good for the environment and human health, it wouldn't funnel money to politicians' friends in corporate boardrooms and on Wall Street.

Maryland's renewables standard isn't about the environment and human health; it's about money. So in a sense the requirement is “green” — just not in the sense of cleaner air or a cooler planet.

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