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After Billions Of Taxpayer Dollars, Green Transportation Is A Bust

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Ethanol as government energy policy has been an economic and environmental bust. There's little debate: it inflates motor fuel prices, while compromising the environment. And that was before this summer's draught reducing corn and wheat supply. President Obama is under pressure from all sides to waive the ethanol requirement for less expensive fuel *and* food.

What about future alternatives to oil-based transportation? As it turns out, a new study by the National Petroleum Council (NPC) provides more sobering news for government-knows-best energy policy.

At the request of U.S. Energy Secretary Stephen Chu, NPC representatives from government, industry, and academia conducted a multi-year, wide-ranging analysis to determine what technologies could enable "alternative" energy sources, including solar and wind, to play a more substantial role in the American transportation sector by 2050.

The NPC researchers use muted language in their report. After all, they're chiefly financed by the government, and their conclusions are meant to have an impartial, scientific air. But beneath the coded language and caveats, the NPC's key finding is clear: *Clean tech has a long way to go before it becomes economically viable.* Even after a solid decade of massive government financing and favors, the industry still faces significant technological hurdles.

The NPC report identifies no less than 250 major barriers that must be overcome before alternative fuels can reach "wide-scale commercialization."

The changes researchers consider necessary before green tech can really catch on include: major improvements to electric car batteries; more advanced hydrogen storage technologies; and genetic engineering to boost feedstock yields and thereby drive down biofuel costs.

These are the must-do advancements to make "clean" alternatives to traditional gas-driven cars more appealing. If green tech doesn't rise to the challenge, it will forever remain a marginal player in transportation.

This has been the story for more than a century now. Wind-powered ground transportation was tried and abandoned by the mid-nineteenth century. Thomas Edison himself [wasted part of his fortune](#) trying to develop the battery to enable Henry Ford to offer an electric car to compete against the internal combustion engine.

NPC researchers note that there is a “great deal of uncertainty” about which, if any, of these hurdles can actually be overcome. The investment required to make any alternative fuel source viable would have to be “enormous.” And “even with sustained investment in technology and infrastructure, these fuel and vehicle advances are not assured,” the report notes.

But don't say that government has not tried. Green-tech has received billions of dollars in government help. Yet it still only represents a tiny fraction of American energy use. Now the NPC is saying that even upping the federal commitment to these energy sources is no guarantee that there will be a viable product on the market come 2050.

Back to ethanol. Earlier this year, the feds finally allowed the ethanol tax credit to expire. Over the last three decades, taxpayers have forked over \$20 billion in subsidies for ethanol products to allow the oil substitute to gain a small part of the market. Today, nearly 40 percent of American corn crops go to biofuels, a wildly inefficient use of resources.

That's the bad news. The good news is that so-called green transportation is a solution to a problem that is more contrived than real given the global oil boom and the emergence of natural gas, not electric motors, as the major alternative to gasoline and diesel.

And there's room to grow. Oil and gas firms are in the sweet spot of innovation to ensure an ample and growing supply of petroleum products for transportation for an open-ended future.

Consider this: Back in 1944, the first estimate of total global crude oil reserves was 51 billion barrels. Today, that figure is [1.4 trillion](#), with cumulative production over the last 66 years clocking in at twenty times the original estimate. And regarding natural gas, the U.S. has expanded its proven domestic reserves to 2.6 trillion cubic feet — enough to power this country for centuries to come.

The green tech crowd can continue to call for more investment in their pet projects, but facts are facts. As this new NPC study makes abundantly clear, green tech needs much more taxpayer green and still might not be viable. Fiscal prudence is now necessary to let the market decide — and consumers win.

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