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## Most Green Energy Projects Are Thinly Veiled Exercises In Crony Capitalism

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In late September on this site, Christopher Helman favorably [profiled](#) Oklahoma billionaire [George Kaiser](#)'s "green" energy agenda. Yes, solar-panel-maker [Solyndra](#) [recently went belly up](#), leaving 1,100 people out of work and the federal government with a half-billion-dollar liability. But according to Helman, Kaiser is still the man with the plan.

Kaiser doesn't want Solyndra's collapse to "take attention away from a much more important problem: America's dependence on foreign oil." And, according to Helman, this businessman-turned-philanthropist has "found the answer" for making energy policy work.

Kaiser's "answer" is largely minor variations on existing so-called green energy policies. Among the highlights: a "feebate" on gas consumption that gets redistributed back to customers; more renewable-sourcing mandates on utilities; and tax credits for non-coal power plants.

Wow! And you thought the very notion of national energy planning was dead.

Kaiser's view of government-led energy transformation is misdirected. As a successful businessman, Kaiser surely appreciates the value of the free market in creating real wealth as determined by consumers. (Such has been called *principled entrepreneurship*<sup>TM</sup> by fellow businessman [Charles Koch](#).) Yet most green projects today are just thinly veiled exercises in crony capitalism. Under the guise of an energy revolution, companies are extracting massive government favors, while destroying more jobs than are created and misdirecting domestic energy production.

Consider the facts. Last year, [direct spending, tax breaks and public research funding for renewables totaled \\$14.7 billion](#) — a 186% increase since 2007.

Wind power alone took in almost \$5 billion in subsidies in 2010. That's more than a tenfold increase from 2007. Solar energy subsidies jumped six times over that same

three-year period, from \$179 million to \$1.13 billion. And biofuels subsidies increased from \$4 billion to \$6.6 billion.

Worse, green sectors don't have much to show for all that government cash, particularly when it comes to jobs.

For instance, as part of the federal stimulus [California was awarded \\$186 million to weatherize homes](#). That initiative created a grand total of 538 full-time jobs. Another California effort to train people for positions in green companies cost \$59 million in federal lucre and produced only 719 job placements. The mega energy company Johnson Control generated just 150 jobs off a \$300 million green tech grant.

What makes these paltry results all the more embarrassing, of course, is that Americans are more desperate for employment than ever before. There are still 14 million people in this country that are out of work. Unemployment is stuck at over 9%.

Yet Washington continues to push for higher and higher taxes on the energy companies that actually create jobs — i.e., the firms in the oil and natural gas sector — and to pour precious taxpayer resources into underperforming — and, sometimes, flat-out failing — green sectors. Indeed, just last Wednesday the Department of Energy [approved new loan guarantees totaling over \\$1 billion for solar energy projects in Nevada and Arizona](#).

Before wasting another dime on green engineering, policymakers need to free up domestic production of stand-alone proven energies capable of creating continual employment and wealth.

The oil and natural gas industry already supports 9.2 million American jobs, accounts for 8% of the domestic GDP, and generates 78% of total American energy production. Opening up untapped natural gas and oil reserves would push those figures even higher.

The Marcellus Shale, for instance, has between 168 trillion and 516 trillion cubic feet of natural gas, making it the second largest natural gas source in the world. Full development of the shale has been delayed thanks to government meddling. But [back in 2009, one Shale project in Pennsylvania created 44,000 new jobs](#) — and \$389 million in state and local tax revenue.

Lifting the natural gas exploration moratorium in New York would spur [\\$11.4 billion in economic output](#).

And that's just the start. Undeveloped fields in the Outer Continental Shelf alone contain an estimated 86 billion barrels of oil and 420 trillion cubic feet of natural gas. The Green River Basin in Wyoming, Utah and Colorado contains another 800 billion barrels.

These areas are ripe for economic growth. And the companies that develop and upgrade these energy sources certainly won't need billions in government largess just to survive.

Back to George Kaiser. Economist Milton Friedman once commented that “the two greatest enemies of free enterprise in the United States ... have been, on the one hand, my fellow intellectuals and, on the other hand, the business corporations of this country.”

That observation rings very true when it comes to industry support for politically correct government-sponsored energies. Too many companies — thanks in part to the political cover provided by the likes of Kaiser — have been able to extract huge favors from government that have provided little-to-no contribution to the American economy.

Stop wasting public dollars. Open up domestic energy production. And let's get Americans back to work in a sustainable way.