



Written by [Veronique de Rugy](#) on August 17, 2017

Politicians Can't Get Enough Energy Cronyism

Despite the breadth of the current political divide, it appears that there is at least one thing that all politicians can agree upon: energy sector cronyism. The only real dispute is over the preferred beneficiaries.

Under President Barack Obama, green energy subsidies were given out like candy. The failure of solar panel company Solyndra is well-known, but the problem extends well beyond the shady loan deal and its half-billion-dollar cost to taxpayers.



Between 2010 and 2013, federal subsidies for solar energy alone increased by about 500 percent, from \$1.1 billion to \$5.3 billion (according to the U.S. Energy Information Administration), and all federal renewable energy subsidies grew from \$8.6 billion to \$13.2 billion over the same period. Congressional Budget Office testimony before Congress further reported that 59 percent, an estimated \$10.9 billion, of energy-related tax preferences in 2016 went to renewables.

Subsidies have come down from their 2013 peak, thanks to the expiration of some of the post-financial crisis “stimulus” programs, but so-called green energy — solar in particular — still receives vastly higher subsidies on a per-kilowatt-hour basis. However, that didn’t stop the largest U.S. solar panel manufacturer, SolarWorld, from filing for bankruptcy earlier this year despite \$115 million in federal and state grants and tax subsidies since 2012, along with \$91 million in federal loan guarantees.

SolarWorld and fellow bankrupt manufacturer Suniva are now begging for even more government assistance, in the form of a 40-cent-per-watt tariff on solar imports and a minimum price of 78 cents (including the 40-cent tariff) a watt on solar panels made by foreign manufacturers. Without that help, a Suniva executive argued, the company would “go extinct.” So basically, these companies can’t compete despite all of the taxpayer dollars they’ve received and have petitioned the United States International Trade Commission to further punish consumers on their behalf by banning them from buying cheaper and higher-quality panels abroad.

Green energy companies aren’t the only ones who think that the Trump administration will be receptive to handout requests. Shortly after West Virginia Gov. Jim Justice used a recent Trump rally to announce that he would be switching from the Democratic Party to the Republican Party, he began negotiating the price for his defection. Namely, he wants federal tax dollars thrown at the Appalachian coal industry, which is losing market share to cheaper energy sources, such as natural gas.

Gov. Justice ambitiously hopes that utilities will rake in \$15 in federal subsidies for every ton of Appalachian coal burned. He’d be on much more solid ground if he simply demanded an end to subsidies for coal’s green energy competitors. But in the world of politics, saving taxpayer dollars — as opposed to giving handouts to corporations and preferred industries — is never the chosen path.

Sadly, it’s not just our own politicians who enjoy meddling in American energy markets. With all the hoopla regarding Russia’s role in influencing the presidential election, little attention has been paid to the much more established case that Russian President Vladimir Putin has attempted to influence our



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energy policy.

A recent report published by the Center for Freedom and Prosperity, called “Russia’s Ties to U.S. Environmentalist Groups,” lays out how Putin cronies bundled millions for radical left-wing environmental groups determined to stop oil and natural gas development in the United States. As the report reads, “evidence shows that a complex network of offshore firms has intimate ties to the Kremlin and connections to U.S. based anti-fracking and anti-oil lobbies.”

The fracking boom has been great for American consumers and the economy. It is also one of the main factors behind the fact that the United States’ level of emissions of carbon dioxide per capita is at its lowest since 1959. That should be cause for celebration here, but not in Russia, as the country’s own oil-driven economy is suffering from cheap natural gas competition. The millions funneled into domestic environmental groups represent a roundabout subsidy to Russia’s own oil industry insofar as the money leads to increased resistance — through lawsuits and the spreading of misinformation aimed at producing a public groundswell calling for tighter regulations — to the oil and gas exploration of its U.S. competitors.

But it doesn’t just represent government cronyism in the Russian energy market; it also represents interference in our own. Unfortunately, U.S. politicians have given up the moral high ground needed to credibly criticize Putin by so often meddling in their own energy market.

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