



German Firms Flee to U.S. to Avoid Staggering “Green” Energy Costs

Chancellor Angela Merkel’s “renewable energy revolution” is killing the German economy, but Obama and Greens keep pointing to Germany’s debacle as the model we should follow.

“HIGH ENERGY COSTS DRIVE GERMAN FIRMS TO US.” That is the headline for an article that appeared May 22 in *Deutsche Welle*, or *DW*, Germany’s international broadcasting giant.



“Soaring German energy costs in the wake of the country’s transition to renewable energy have seen more and more firms thinking about relocating their operations,” the *DW* story reported. “The US looks like a sound alternative, associations claim.”

The *DW* story continued:

German industry lobby associations on Wednesday sent a warning shot towards the government in Berlin, saying that rising energy costs in the country would drive away more and more German companies.

“If we don’t get on top of the country’s energy transition to renewables and are not able to rein in energy costs in the process, German industry’s competitiveness stands to suffer,” the chief of the Federation of German Industry (BDI), Ulrich Grillo, told the business newspaper “Handelsblatt.”

He said that while Germans are embroiled in a debate about the right energy mix, the US was getting more and more attractive as a business location for German firms, thanks not least to President Barack Obama’s support for the fracking technology resulting in much cheaper energy prices.

President Obama has pleasantly surprised many — and angered many of his allies in the Big Green lobby, i.e., the Sierra Club, the Environmental Defense Fund, et al — by his recent [common-sense actions](#) to allow hydraulic fracturing on federal public lands and approval of a Liquefied Natural Gas (LNG) terminal in Freeport, Texas. However, based on the administration’s history of antipathy to all fossil fuels, its use of the EPA to quash energy production, and its commitment to vastly expanding our nation’s reliance on renewable energy, the recent natural gas concessions could prove to be a temporary political move. If that proves to be the case, the German companies that are moving to America to escape Merkel’s unsustainable “renewable revolution” could find themselves facing the same predicament down the road here.

\$110 billion for solar may postpone global warming by 37 hours this century!

According to Danish professor and best-selling environmental author Bjorn Lomborg, the German and Danish experiments that are being so highly touted as successful showpieces are instead unmitigated disasters. Lomborg [stated](#) on John Stossel’s television show on March 29, 2012 that Germany’s colossal expenditure on solar energy, for instance, will have virtually zero impact on global warming, the ostensible reason for which the country is “investing” huge sums. “The Germans are spending about



Written by [William F. Jasper](#) on May 24, 2013

\$110 billion on subsidies for these solar panels,” Lomborg noted. “The net effect of all those investments will be to postpone global warming by 37 hours by the end of the century.”

New Zealand climate blogger Jo Nova has provided extensive analysis of the German energy debacle in this posting: [“The Chaos of German ‘Renewable’ Energy.”](#)

Concerns over Germany’s radical energy policies have been building for months, as the costs have become more and more evident. In an article last July entitled, [“Doubts Rising over German Switch to Renewables,”](#) *Der Spiegel*, one of Germany’s largest publications, reported on the growing alarm:

Chancellor Angela Merkel outlined a grand vision for an energy revolution a year ago, shortly after her government had decided to shut down all nuclear reactors by 2022 in a spectacular about-face following the Fukushima accident. Germany was to put itself at the forefront of the fight against global warming by radically expanding the use of renewable energy to 35 percent of total power consumption by 2020, rising to 80 percent by 2050. Currently, it represents 20 percent of the country’s energy mix.

But now two ministers, Environment Minister Peter Altmaier and Economy Minister Philipp Rösler, have cast doubt whether the targets are reachable and said their priority is to make sure that electricity prices don’t rise too much....

The similarity between the two ministers’ comments is noteworthy, as is the fact that two of Merkel’s top ministers are calling one of her government’s central projects into question a mere year after it was launched.

The business daily *Handelsblatt* wrote:

If one looks at the key points of the energy revolution decided a year ago, one quickly notices that very ambitious targets were set while the path to reaching them was only outlined sketchily. Many players in the affected industries don’t know what to do. They have been told to take action and invest billions, but the conditions remain unclear.

Germany may be leading the way to disaster, but it is not traveling alone. According to the International Energy Agency’s chief economist [Fatih Birol](#), annual government subsidies designed to promote renewable energy currently amount to around \$70 billion globally.

And if the Big Green lobby has its way, that subsidy will grow exponentially. Which is why, even as Germany staggers under the renewables burden, one of the designers of that fiasco was in the United States recently to promote the same policies here. On May 14, Rainer Baake, former deputy minister at the German Federal Environment Ministry and a key architect of Germany’s energy transition, was the honored guest for the interview program [On Point](#) of the Environment & Energy Television network (E&ETV).

Baake then received a much bigger boost from Bloomberg News on May 15, with the publication of his essay [“U.S. Energy Policy Should Take a Lesson From Germany’s Energiewende,”](#) co-authored with Jennifer Morgan, director of the Climate and Energy Program at the World Resources Institute (WRI), one of the globalist mega-think tanks with mega-funding from governments and leftist foundations, as well as from politically connected corporations that benefit from subsidies and state-monopoly policies.

In their Bloomberg piece, Baake and Morgan lecture us on the failure of the United States to get in step with the renewables zeitgeist that is sweeping the world:

At least 118 countries have renewable energy targets, and 65 offer predictable feed-in tariffs.



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About half of new electric capacity worldwide in 2011 came from renewable sources.

The United States stands in sharp contrast with this picture. It's true that 29 states currently have renewable energy policies, but the country lacks a national energy policy framework and corresponding targets.

For U.S. policymakers looking to expedite a clean energy transition, the Energiewende should be a welcome addition to the conversation. It's economically and ecologically responsible, and it's proven to be politically popular. It's certainly worth taking a closer look.

Yes, we should be taking a much closer look — before our government goes any further in this direction. A good place to start is [“The Renewable Energy Disaster”](#) by Christopher Calder, which provides copious research on the horrendous economic, social, and environmental costs associated with the global push for government-mandated transition to renewable energy. (A caveat: While providing a devastating critique of renewable energy policies, Calder's “solution,” the National Food Security Act, is a misguided remedy that would unconstitutionally inject federal controls into all areas of agriculture and food production.) The articles by *The New American's* Ed Hiserodt and James Heiser listed below also provide critically important information on the problems and limits of renewable energy and the renewable energy policy proposals.

Photo of wind turbines in Germany: AP Images

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