

December 16, 2009

## Renewable Electricity Standards Destroy more Jobs than they Create

The American Clean Energy Leadership Act (ACELA) passed out of the Committee on Energy and Natural Resources last summer and now there are rumors that it will be included in the upcoming “jobs bill.”<sup>1</sup> ACELA authors claim the bill will create jobs by increasing demand for renewable energy by implementing a national Renewable Electricity Standard (RES), by creating a new bureaucracy, the Clean Energy Deployment Administration (CEDA), by providing financing for energy retrofits for homes and buildings, and by helping manufacturers transition to clean energy industries.<sup>2</sup>

This bill would require that existing, efficient companies would have to switch to new, inefficient renewable sources or energy. The costs to implement this would be staggering, not to mention the massive waste to throw out the old, but still usable, equipment.

- **Currently 40 states including the District of Columbia get less than 5% of their energy** from “Carbon-Free Renewable” sources.
- **Thirty-two states get less than 3% from renewable sources and the nation as a whole only gets 2.8%.**<sup>3</sup>

States would need massive overhauls on their power generation to reach the goals of 3% by 2013 up to 15% by 2039.<sup>4</sup> Compliance with the RES would require federal subsidies that would diminish further resources from other sectors of the economy.

Spain’s recent experiment with RES has yielded the following results:

- **For every one subsidized green job, 2.2 jobs were lost.**
- Since 2000, Spain has committed **\$753,778 (U.S.) for every “green job.”**
- This program has **destroyed nearly 110,500 jobs.**
- “Each ‘green’ megawatt installed destroyed 5.39 jobs elsewhere in the economy.”<sup>5</sup>

This bill may create a few new “green jobs,” mostly as government employees in the CEDA; however, it will destroy far more jobs than it could ever hope to create.

<sup>1</sup> “Senators Eye Including Energy Committee Bill In Fast-Tracked Jobs Plan,” Energy Washington, December 9, 2009. [http://www.energywashington.com/secure/energy\\_docnum.asp?f=ew\\_2002.ask&docnum=1292009\\_jobs](http://www.energywashington.com/secure/energy_docnum.asp?f=ew_2002.ask&docnum=1292009_jobs).

<sup>2</sup> Jeff Bingaman, “ACELA: Jobs-generating express,” *The Hill*, December 10, 2009. <http://thehill.com/special-reports/energy-a-climate-december-2009/71059-acela-jobs-generating-express>.

<sup>3</sup> “How Much of Your State’s Electricity Meets Congress’s Definition of ‘Carbon-Free Renewable’ Energy?” Institute for Energy Research. 2008. <http://www.instituteforenergyresearch.org/stateenergy/IER%20-%20How%20Much%20of%20Your%20States%20Electricity%20Meets%20Congresss%20Definition%20of%20C%20arbon-free%20Renewable%20Energy.pdf>

<sup>4</sup> David Marks, “Committee Reports Energy Bill,” U.S. Senate Committee on Energy and Natural Resources. June 17th, 2009.

[http://energy.senate.gov/public/index.cfm?FuseAction=PressReleases.Detail&PressRelease\\_id=a3fe85e3-8145-4b45-bb0b-1df967416a1f&Month=6&Year=2009&Party=0](http://energy.senate.gov/public/index.cfm?FuseAction=PressReleases.Detail&PressRelease_id=a3fe85e3-8145-4b45-bb0b-1df967416a1f&Month=6&Year=2009&Party=0).

<sup>5</sup> Gabriel Calzada Álvarez, et al., “Study of the Effects on Employment of Public Aid to Renewable Energy Sources.”