'Green Jobs' vs. Real Energy Jobs

For every two cents of tax subsidies for 'Big Oil,' wind and solar get nearly $1.

By STEPHEN MOORE

President Obama is expected to seek another $250 billion or so in new stimulus funds next week, with plenty of money for clean energy and the creation of so-called green jobs.

Never mind that no one can seem to find many Americans who got green jobs as a result of the original stimulus spending. Consider two stories.

In the 2009 stimulus, the feds gave nearly $3.2 million in green-energy grants to my county of Arlington, Va., with almost $300,000 used to install solar paneling on the roof of our local library. (Don't ask why the feds are giving one of the five wealthiest counties in America free money.)

Arlington officials boast the project will save $14,000 in annual electricity costs, but the solar panels have a life span of no more than 10 to 15 years. So the feds spent $300,000 to shave at most $150,000 off the net present value of Arlington's electric bills. Some 3,000 counties across the country received federal funds for the same kind of negative-return energy conservation "investments." This is the kind of "clean energy" program the administration wants to expand.

Now for a good energy news story. I recently traveled to Wheeling, W.V., which is 45 minutes down the road from Pittsburgh along the Ohio River and smack in the heart of the old Rust Belt. Unlike most places you go to these days, the town is booming. Defying the national mood, people are optimistic about the future. Why? It's what residents are calling the "West Virginia gold rush."

Except it's not gold, it's natural gas. Wheeling sits atop the famous Marcellus shale formation—one of the biggest treasure troves of natural gas ever discovered in America. With recent breakthroughs in hydraulic fracturing technology, that gas can be extracted at very affordable prices. A few years ago Wheeling farmers and land owners
were getting about $50 to $100 an acre for drilling rights. Now they get up to $3,000, plus monthly royalties. What was once a dying town now has jobs and new funds for schools and roads, while West Virginian farmers and land owners are getting rich. The same story of economic revival can be told about counties in Pennsylvania and Ohio sitting atop the Marcellus bonanza.

Even the White House acknowledges that the natural gas deposits in the Midwest and Texas contain potentially 100 years worth of cheap natural gas. Yet as far as I can tell, President Obama has never even uttered the words "Marcellus shale" in a major speech. Incredible.

In early August a Department of Energy advisory panel reported that fracking for natural gas poses risks to air and water quality and so should be subject to tighter regulations—hardly a ringing endorsement. The green movement wants it stopped completely because of dangers to water, even though continued technological progress will reduce these risks.

The White House's hostility toward fossil fuels seems to know no bounds. Exxon has made some of the largest oil finds in a decade, in the Gulf of Mexico, and yet the Obama administration is holding up the leases and permitting process. In North Dakota, an Obama-appointed U.S attorney has brought criminal charges against seven oil companies (with penalties of up to six months in prison) for causing the deaths of 28 migratory birds found in oil waste pits.

According to data from the Federal Reserve Board's Industrial Production Indexes, the oil and gas industry, which the Obama Energy Department loathes, has had more growth in output than any other manufacturing industry in the U.S. from 2005 through 2011. As a reward, the administration is proposing $35 billion in new taxes on the industry to slow it down. Even if we accept the dubious White House claim that all the oil and gas tax write-offs are unwarranted loopholes, a 2011 Congressional Research Service study finds that per unit of electricity produced, for every two cents of tax subsidy to Big Oil, Big Green (wind and solar) get closer to $1 in handouts.

"The environmentalists are for any energy source unless it actually works," notes Stephen Hayward, an energy expert at the American Enterprise Institute. A few years ago the Democrats were all in favor of natural gas at least as a "bridge" energy source. That abruptly changed when the extent of America's abundant natural gas resources became fully known and more affordable drilling techniques opened up a superhighway to energy security. The irony of the green movement's reactionary antifracking crusade is that one of the most important developments in cutting U.S. carbon emissions has come from replacing coal-burning fire plants with natural gas.

So we now have a national energy policy directing our resources away from cheap, efficient and increasingly abundant fuels like coal, oil and natural gas while we channel billions of tax dollars to 500-year-old energy technologies like wind power that can't possibly scale up to power a modern-day industrial economy. That's a shame.
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