



Inside Energy

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RE: Case to Change Delaware's Energy Policy

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Delaware electricity consumers will pay an extra \$34 million this year for subsidies for expensive renewable power. This cost could rise to \$300 million by 2025. For example, the subsidies reimburse the affluent who can afford \$40,000 solar installations. The extra cost raises electric bills for the poor and middle class. Proponents consistently push for the most expensive renewable solutions such as small scale solar, offshore wind, and fuel cells. Half the subsidy is sent overseas along with American jobs as most solar panels are imported. This results in a "green" war on the poor and middle class.

Renewable energy sources have been subsidized for decades and the current biggest subsidy is the required use, on an increasing scale, of approved renewable sources to meet 25% of our total electricity needs by 2025. A bill to freeze the Renewable Portfolio Standard (RPS), HB247 introduced by Representative Greg Lavelle, was considered by the House Energy Committee Wednesday, March 28, and was defeated. We thank Representative Lavelle for his efforts along with Rich Collins of the Positive Growth Alliance, Reverend Tom Flowers, John Nichols, and Pat Mc Cullar of the Delaware Municipal Electric Corporation for testifying on behalf of the bill.

Onshore wind will supply most of the renewable power to meet the RPS but it has reliability and cost issues. Wind is available about 30% of the time. Wind power is least available when it is most needed during heat spells and cold snaps when the wind typically dies down. Wind power is not exactly benign. Alameda County Community Development Agency estimates the California Altamont Pass wind farm kills 10,000 birds a year, most of them from species protected by the Migratory Bird Treaty, including 70 Golden Eagles. Power from three new wind farms supplying Delmarva Power average about 30% higher in price than conventional sources.

The solar industry calculates Delaware had 7.5 megawatts of solar capacity in 2011. These installations will save about 11 thousand tons of greenhouse gas a year. Over their life they will receive almost \$100 million in subsidies if we continue to pay \$300/SREC. Meanwhile the Edge Moor power plant saved 850 thousand tons a year, 75 times as much, when it switched from coal to natural gas and needed no subsidies. Three more plants this size would make Delaware independent of out of state coal fired power plants, would save 300 times the greenhouse gas compared to solar capacity, and would actually reduce electric rates for everybody in Delaware by as much as 25%. Which plan does more to save the planet and to create jobs in Delaware?

Much of the "green" effort is aimed at killing coal which currently supplies 55% of Delaware electricity. A US Energy Information Agency study showed cutting coal use in half would raise electric rates 50% in the northeast and lead to reliability problems as we wait for replacement generators. We need to remember the US is the Saudi Arabia of coal. We also need to remember the 1990 Clean Air Act implementation has reduced pollutants from individual coal fired plants by 90%. Air quality in Delaware has reached a point where we are in compliance with EPA air quality standards 99% of the time. We need coal



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in the mix and recent studies have shown likely reserves of oil, coal, and natural gas in the U.S may last one to two more centuries.

There have been substantive changes in the past few years that impact the RPS and these changes suggest we need a policy review:

- The addition of natural gas fired fuel cells to the RPS begs the question of why not include conventional natural gas fired generating plants. The price of natural gas has dropped 85%.
- The Bluewater Wind offshore wind contract with Delmarva Power is dead.
- The price for solar panels has dropped 50% but new RPS rules support high prices.
- The Nuclear Regulatory Commission has pre-approved a modular nuclear reactor design that will speed new facility start-up, improve safety, and lower capital costs and two reactors are being built.
- Europeans, who started similar renewable energy programs a decade before Delaware, are now running away from subsidies as fast as possible.
- Maine, Ohio, and New Jersey are reviewing their RPS programs.

It is time for a very different energy policy for Delaware. For a more detailed list of over thirty reasons the RPS should be changed or repealed go to WWW.CaesarRodney.org.