Study: Delaware’s Renewable Energy Mandate Will Damage State Economy

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With one of the highest renewable energy mandates in the nation, Delaware businesses and residents can expect big losses in economic investment, jobs and income, according to a study released jointly today by **American Tradition Institute** and the **Caesar Rodney Institute**.

The study found that Delawareans would pay $2.34 billion more for electricity between 2017 and 2026 because of the state's RPS, as alternative energy is more costly and unreliable than conventional sources such as coal or natural gas. Meanwhile there will be an undetectable environmental benefit, as the use of renewables – especially solar photovoltaic, which the state mandates as a large percentage of its RPS – has not proven to reduce greenhouse gas emissions. The study was prepared by economists at the Beacon Hill Institute at Suffolk University in Boston.

"States in the Midwest and South, which do not have such mandates and have already welcomed transplants from the Northeast in droves, will give Delaware another hearty ‘thank you’ for its renewable energy policies," said Paul Chesser, executive director of the American Tradition Institute. “Forcing wind and solar on the grid is nothing but a tax hidden on electric bills, and Delawareans will continue to seek relief by moving to less costly states.”

Other insights from the ATI/CRI report:

- Delaware's electricity prices will increase by 18.1 percent by 2026
- In 2026 the RPS mandate will reduce annual wages by an average of $944 per worker
- Due to higher home energy costs, in 2025 annual real disposable income will fall by $291 million

“Delaware manufacturers are already paying 50% higher electric rates than the average state”, said David Stevenson, Director of CRI’s Center for Energy Competitiveness. He added, “The Delaware Economic Development Office reports these high power cost are one of the biggest threats to our economy and now we will compound the problem”.

The report concludes that Delaware’s RPS law, because of higher costs for doing business, will lead to slower growth for the state's economy in the future, and the state will lag behind its competitors. Lawmakers should pay careful attention to the harm inflicted by higher electricity prices and repeal the mandate.

See the two-page executive summary of the ATI/CRI Study of the Effects of Delaware's Renewable Portfolio Standard on the State Economy. (PDF)

See the Full ATI/CRI Study of the Effects of Delaware's Renewable Portfolio Standard on the State Economy. (PDF)

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