Green Energy: Greatest Wealth Transfer to the Rich in History

By Steve Goreham -- February 21, 2023

> *"Since 2000, the world has spent (https://www.fs-unep-centre.org/global-trends-in-renewable-energy-investment-2020/) more than $5 trillion on green energy. More than 300,000 wind turbines have been erected, millions of solar arrays were installed, more than 25 million electric vehicles (EVs) have been sold, hundreds of thousands of acres of forest were cut down to produce biomass fuel, and about three percent of agricultural land is now used to produce biofuel for vehicles."*

We are in the midst of history's greatest wealth transfer. Government subsidized wind systems, solar arrays, and electric vehicles overwhelmingly benefit the wealthy members of society and rich nations. The poor and middle class pay for green energy programs with higher taxes and higher electricity and energy costs. Developing nations suffer environmental damage to deliver mined materials needed for renewables in rich nations.

Since 2000, the world has spent (https://www.fs-unep-centre.org/global-trends-in-renewable-energy-investment-2020/) more than $5 trillion on green energy. More than 300,000 wind turbines have been erected, millions of solar arrays were installed, more than 25 million electric vehicles (EVs) have been sold, hundreds of thousands of acres of forest were cut down to produce biomass fuel, and about three percent of agricultural land is now used to produce biofuel for vehicles. The world spends about $1 trillion per year on green energy. Government subsidies run about $200 billion annually, with more than $1 trillion in subsidies spent over the last 20 years.

World leaders obsess over the need for a renewable energy transition to save the planet from human-caused global warming. Governments deliver an endless river of cash to promote adoption of green energy. The Inflation Reduction Act of 2022 provided (https://www.bdlaw.com/publications/inflation-reduction-act-signed-into-law-committing-370-billion-to-action-on-climate-and-energy/#:~:text=2022News%20Alert-,Inflation%20Reduction%20Act%20Signed%20Into%20Law%2C%20Committing%20%24370%20Billion,Action%20on%20Climate%20and%20Energy&text=On%20August%2016%2C%202022%2C%20President,climate%20change%20and%20energy%20production.) $370 billion in subsidies and loans for renewables and EVs. But renewable subsidies and mandates overwhelmingly favor the rich members of society at the expense of the poor.

Wind systems receive production tax credits, property tax exemptions, and sometimes receive payments even when not generating electricity. Landowners receive (https://landgate.com/news/2021/01/06/earn-income-from-

wind-turbines-on-your-land/) as much as $8,000 per turbine each year from leases for wind systems on their land. Lease income can be quite high for a landowner with many turbines. In England, ordinary taxpayers pay (https://www.thegwpf.org/content/uploads/2015/01/Unintended-Consequences2.pdf) hundreds of millions of pounds per year in taxes that are funneled as subsidies to wind companies and wealthy land owners.

In the US, 39 states (https://ncsolarcen-prod.s3.amazonaws.com/wp-content/uploads/2021/08/DSIRE_Net_Metering_August2021.pdf) currently have net metering laws. Net metering provides a credit for electricity generated by rooftop solar systems that is fed back into the grid. Solar generators typically get credits at the retail electricity rate, about 14 cents per kilowatt-hour. This is a subsidized rate, which is more than double the roughly five cents per kilowatt-hour earned by power plants. Apartment residents and homeowners that cannot afford to install rooftop solar pay higher electricity bills to subsidize homes that receive net metering credits. Rooftop solar owners also receive federal and state tax incentives, another wealth transfer from ordinary citizens.

US federal subsidies of up to $7,500 for each electric car purchased, along with additional state subsidies, directly benefit EV buyers. The average price (https://www.makeuseof.com/whats-the-average-price-electric-car/#:~:text=The%20average%20price%20of%20an%20electric%20vehicle%20in%20the%20United,indicates%20a%20sharp%20upwa of an EV in the US last year was $66,000, which is out of reach for most drivers. A 2021 University of Chicago study found (https://epic.uchicago.edu/news/research-shows-people-are-driving-evs-less-than-projected/) that California EV owners only drive 5,300 miles per year, less than half the mileage for a typical car. Most electric cars in the US are second cars for the rich.

A mid-size electric car needs a battery that weighs (https://www.brookings.edu/essay/why-are-fossil-fuels-so-hard-to-quit/) about a 1,000 pounds to provide acceptable driving range. Because of battery weight, EVs tend to be about 50 percent heavier than gasoline cars, which causes increased road damage. But EVs don't pay the road tax included in the price of every gallon of gasoline. EVs should pay higher road taxes than traditional cars, but today this cost is borne by everyday gasoline car drivers.

Renewable systems require huge amounts of special metals. Electric car batteries need cobalt, nickel, and lithium to achieve high energy density and performance. Magnets in wind turbines require rare earth metals, such as neodymium and dysprosium. Large quantities of copper are essential for EV engines, batteries, wind and solar arrays, and electricity transmission systems to connect to remote wind and solar sites. According to the International Energy Agency, an EV requires (https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions) about six times the special metals of a gasoline or diesel car. A wind array requires more than ten times the metals of a natural gas power plant on a delivered-electricity basis. The majority of these metals are mined in developing countries.

Almost 70 percent of cobalt is mined (https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions) in the Democratic Republic of the Congo. Indonesia produces more than 30 percent of the world's nickel. Chile produces 28 percent of the copper. China produces 60 percent of the rare earth metals. These nations struggle with serious air and water pollution from mining operations. Workers in mines also suffer from poor working conditions and the use of forced labor and child labor practices. But apparently no cost is too great so that rich people in developed nations can drive a Tesla.

To top it off, the European Union recently approved (https://taxation-customs.ec.europa.eu/green-taxation-0/carbon-border-adjustment-mechanism_en#:~:text=Latest%20Developments) a Carbon Border Adjustment Mechanism (CBAM). The CBAM will tax goods coming from poor nations which aren't manufactured using low-carbon processes. CBAM revenues will be a great source of funds for Europe's green energy programs that benefit the wealthy.

In January, California, Connecticut, Hawaii, Illinois, Maryland, New York, and Washington proposed (https://taxfoundation.org/state-wealth-tax-proposals/) a wealth tax on billionaires. It's interesting to note that all seven of these states mandate and heavily subsidize wind and solar arrays and electric vehicles, which transfer wealth from poor and middle-class residents to those same billionaires.

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Steve Goreham (http://www.stevegoreham.com) is a speaker on energy, the environment, and public policy and author of *Outside the Green Box: Rethinking Sustainable Development (https://www.amazon.com /s?k=steve+goreham&i=stripbooks&ref=nb_sb_noss)*, reviewed here (https://www.masterresource.org/goreham-steve/outside-green-box/). His previous posts at MasterResource are here (https://www.masterresource.org /?s=Steve+Goreham).

8 Comments

Maria Petrov (https://bit.ly/3lEgph8) • February 22, 2023 at 3:05 am

Green energy is good but green energy or eco-friendly resources are limited and great leaders know it. What will happen when these resources will end? The only thing we can do is try.

Reply

Herman A (Alex) Pope (http://popesclimatetheory.com) • February 23, 2023 at 2:38 pm

Steve,

Thanks, the facts are buried by the obscene green subsidies, tax credits, all the advantage for the "not green energy". I think many of the groups fighting back are "gas lighted" by people who keep the focus on emissions. Saying that some rich person has more emissions, while true, does keep the focus on emissions.

Climate change is natural, necessary, alternating, self-correcting and has internal responses that are not in consensus theory or models, the natural climate system and the natural internal factors that cause climate to be self-correcting are not studied by people on any side of the debates. They keep the arguments focused on man-made emissions and alarmists win every debate on the precautionary principles.

Ice core records show that ice accumulations are most in warmest times, in polar regions and other cold places. After the ice accumulates in these places, it flows and spreads and causes cooling, the increase of ice extent with cooling is acknowledged by most on all sides. The claim is that cooling causes increased ice extent, but the opposite is true, proven by ice core records.

It snows most and ice accumulations are the most when the sea ice extent is least, because more warmer water is feeding the evaporation and snowfall. The snowfall and ice accumulations decrease as the ice extent grows and there is more cooling by more ice area exposed to sun and more ice pushed into ocean currents, which cool the climate. When ice extent is the most, it is the coldest time, but ice volumes have been depleted as there was less snowfall and accumulations on the deepest ice.

Ice is not even included in Climate Energy Balance Charts or Theory, therefore not in models.

Proper study, understanding and teaching of these natural factors must be done.

Not even TRCS has Studied Natural Causes of Climate Change! Everyone and every group are playing in the Emissions Home Fields with the Home Field Umpires, and they win every debate with Precautionary Principles and all these people and groups are contributing to the alarmism, keeping focus on emissions.

This must change. Climate change is Dynamic, with internal self-correcting factors that have prevented temperatures from ever running away, every change is easy to understand if ice is included in the analysis. Ice advances and changes warm times to cold after more ice accumulations. Ice advances and makes cold times colder until the ice is depleted because low cold oceans cannot maintain the land ice.

I was asked, if the great ice sheets thawed, and the oceans were still going down, where was the melt-water going? Studies have found that during the long cold of major ice ages, the Arctic Ocean filled with fresh water and ice. Because of the great heavy ice ring around the Arctic, the ground was depressed and then, it was downhill into the Arctic Ocean which was surrounded by great ice dams that kept the water trapped until 20 thousand years ago.

The irregular warming and cooling in the northern hemisphere that happened between 20 and 10 thousand years ago was because of surges of fresh water and ice that broke from the Arctic, the southern hemisphere temperatures were more tightly regulated because the ice was surrounded by ocean while the Arctic Ocean was surrounded by ice.

Please read and think about these ideas and share them and tell me what you think.

Herman A (Alex) Pope

Reply

Herman A (Alex) Pope (http://popesclimatetheory.com/) • February 23, 2023 at 6:18 pm

To Maria Petrov

Green Energy is NOT good, it is intermittent, which means we must maintain a backup power that can ramp up and carry the total load. Two expensive power grids must be maintained, and the backup must be able to ramp up in the worst of conditions, when it is too hot or too cold or in a storm. How do you properly staff and maintain a backup power grid when you only need staff sometimes. You must pay them for doing nothing or pay them a huge amount when needed.

In Feb 2021, in Texas, most of the whole state lost power and in and around Houston, there was not enough power to pump water. Hospitals have backup generators but not backup water. Hospitals in Downtown Houston had employees carrying water in buckets on carts to all the different parts of the hospitals and had Porta Potties in the halls. We had no power or water at my house in the Southeast edge of Houston. Many of our reliable Fossil Fuel Power Plants have been taken out of service, demolished and the land repurposed and they plan to do more of that.

During the freeze, natural gas cost was raised to the max allowed and kept there longer than needed. Some companies made billions of dollars in a few days while other companies went bankrupt. Fossil fuel plants that are now closed, provided power at reasonable prices in the worst of times and outages were most often power lines down.

Green Energy is NOT Good and it is not Green!

It helps some people and it helps many get rich but it destroys power grids.

Reply

Dr. Jack Dresser () • March 7, 2023 at 7:39 pm

Good information to slow down the Great Greta stampede. This is another manufactured “worldwide crisis” like covid-19 to justify the globalist agenda. Now that the vaxxes – NOT the virus — have increased all-causes deaths by 40% in 2021-22, will humanity awaken, and in time?

Reply

Randall Riseley () • March 11, 2023 at 5:31 pm

I was so impressed with this article and would very much like to receive the IER Master Resource free Market Energy blogs on a regular basis if possible.

Reply

rbradley () • March 12, 2023 at 9:44 pm

Friend us on Facebook!

Reply

Tony Saprano () • November 5, 2023 at 10:28 am

Steve, so what is your solution?

Reply

rbradley () • November 6, 2023 at 6:58 pm

Defund the politically correct to leave the economically correct.

Reply

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