

## **Opening Statement**

### **Select Committee on Energy Independence and Global Warming Hearing: ‘Solar Heats Up: Accelerating Widespread Deployment.’”**

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There is no good or evil with energy sources. Because every energy source carries distinctly different positives and negatives, developing a new energy system from the ground up is proving to be an impossible task for policymakers.

While solar power promises to deliver an endless supply of clean energy, high costs and other environmental concerns are causing significant problems. State mandates, like California’s Renewable Portfolio Standard, have lead to small amounts of growth in the solar energy sector, but that growth is already being hindered by environmental concerns.

Last week, BrightSource Energy was forced to give up its plan to build a 5130 acre solar farm in the Mojave Desert after Democratic

Senator, Diane Feinstein, responded with plans to make the area a National Monument.

Interior Secretary Ken Salazar has met similar resistance with his plan to fast-track solar development on federal lands because of concerns that the development will disturb the habitat of Federally-protected wildlife.

These issues stem from mandating the use of an energy source before the ramifications are fully understood.

Spain's experience with renewable energy should serve as a cautionary tale. President Obama has frequently argued that we should look to Spain as an example of how taxpayer subsidies for renewable energy projects will create so-called "green jobs." But Economics Professor, Dr. Gabriel Calzada, of Rey Juan Carlos University examined the Spanish policies and advises against adopting their approach.

Professor Calzada's study questions the effectiveness of pumping massive subsidies into renewable energy. As the *Washington Post*

reported yesterday, Spain's subsidies to photovoltaic solar power jumped from \$321 million in 2007 to \$1.6 billion last year. While the Spanish government argues that its subsidies created 200,000 jobs, Dr. Calzada found that, for every job the subsidies created, they eliminated up to 2.2 more. Furthermore, only 1 in 10 of the newly-created jobs proved to be permanent—most were created to build infrastructure, but were no longer needed once it was done.

I've often argued that there is "no free lunch" in our response to climate change. Dr. Calzada's study confirms this. He found that each newly created job in the solar industry cost the Spanish government \$855,000.

Solar energy did initially thrive in response to Spain's massive government investment. In 2008, however, Spain withdrew the subsidies. With the subsidies gone, the solar bubble burst, and many of the new jobs were eliminated. In other words, the green jobs created by the subsidies proved to be anything but sustainable.

The subsidies have also introduced market volatility. Professor Calzada found that Spain's subsidy of solar energy was 500 percent

higher than the market price. While these subsidies have thus far only caused modest rises in electricity prices, Spanish government officials are already warning that prices might suddenly jump as the true costs of these renewable energy projects reach consumers.

I am not against solar power. I favor an ‘all of the above’ approach to energy production that includes solar power, along with wind, clean coal, hydropower, nuclear power and increased energy efficiency. But I am opposed to government policies that pick winners and losers based on popular sentiments. And I’m opposed to policies that will increase our energy prices.

Spain’s use of massive government subsidies is not an all of the above approach, but rather an attempt to choose winners and losers. And one last thing to consider before following Spain’s lead on green jobs: Spain’s unemployment is currently at 18.5 percent.

I look forward to hearing from today’s witnesses about both the positive and negatives of relying on solar power.

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