

SOLAR BURN

QUICK STATS

- ✘ **CONFERENCE:** Spending
- ✘ **TEAM:** Department of Energy
- **FUMBLE:** \$5 billion in solar subsidies
- **HOW TO RECOVER THE BALL:** Eliminate subsidies that interfere with market choice for winning and losing technologies



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In 2013 American families gave more than \$5 billion to the solar industry through a combination of direct expenditures, tax credits, and federally funded research and development.³⁰⁵ The investment only added 4,750 megawatts of solar energy to American energy generation in 2013.³⁰⁶ Or put a different way, the taxpayers paid a little more than \$1 million dollars for each megawatt added. This may sound like a high amount of additional generation. But if a megawatt of solar power can power about 164 homes, the federal subsidy breaks down to about \$6,418 per home now powered by solar.³⁰⁷

Even though the industry benefits from a grab bag of subsidies, it still failed to become even a modest contributor to the American energy

mix. As recently as 2014 solar energy only approached one percent of total American electricity generation.³⁰⁸

Hopefully solar power will one day be a significant contributor to America's base power, but it still remains a small supplemental energy source. In 1979, President Jimmy Carter called for the creation of a "solar bank" to achieve his goal of 20 percent of American energy coming from solar power by the year 2000.³⁰⁹ More than three decades later, the federal government still creates incentives and subsidies for solar power. With multiple failed solar companies across the nation, it is important to distinguish when jobs are "created" using federal subsidies and when they are created by market demand and efficiency.

RECOVERY

While it is common for young technologies to receive a federal boost in their early years, many energy sources like solar energy are no longer "new." It is time solar energy stands on its own – or at least provides a better return to consumers and taxpayers. Congress should eliminate this subsidy or enact requirements that set a base level of production to qualify.

For more information, please visit:

[SEIA: How many homes can be powered by 1 megawatt of solar energy](#)

[U.S. Energy Information Administration: Frequently Asked Questions](#)

[U.S. Energy Information Administration: Direct Federal Financial Interventions and Subsidies in Energy in FY 2013](#)