



MANHATTAN INSTITUTE FOR POLICY RESEARCH

Press Release

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Americans Will See 29% Hike in Electricity Bill if Washington Adopts EU- Style Renewables Policy

New York, NY: Green advocates insist that widespread adoption of renewable energy policy is a surefire way to create jobs, stimulate the economy, and drastically reduce carbon emissions. However, countries that have adopted these policies are incurring dramatically higher energy costs. In Germany, for example, renewable-energy subsidies are costing consumers and industry about \$32 billion a year. It's no surprise then that just last week the European Union and the German government announced separately they were both rolling back aggressive subsidies and renewable mandates. **In Germany, residential customers now pay about three times as much for their electricity as Americans. European steelmakers now pay twice as much for their electricity and four times as much for natural gas as U.S. steel producers.**

Despite a clear contrast between American and European economies, some U.S. policymakers, including President Obama, have called on the United States to implement EU-style electricity policies. Meanwhile, as Bryce [writes](#) in Monday's *Wall Street Journal*, "thanks to the shale revolution, the United States is also reducing emissions faster, at far lower cost, than the EU."

On Tuesday, **February 4, 2014**, the Manhattan Institute's Center for Energy Policy and the Environment released a new report, [Maintaining the Advantage: Why the U.S. Should Not Follow the EU's Energy Policies](#), authored by MI senior fellow **Robert Bryce**.

Bryce finds that instead of emulating Europe's failed policies, the U.S. should:

- Eliminate its own renewable-energy subsidies.
- Remove excessive restrictions on coal-fired electricity generation plants.
- Encourage "N2N" (natural gas to nuclear) sources of electricity.
- Avoid unnecessary regulations on the process of hydraulic fracturing, which is essential to the production of natural gas from shale.
- Maintain and improve safety standards in all facets of energy production, transportation, and storage.

This paper estimates that the net effect of the U.S. adopting a renewable-energy goal like the EU's would be to increase the monthly electricity bill of an average household by about 29 percent. U.S. policymakers must take a hard look at the experience of the EU and realize that adopting an EU-style renewable energy policy would raise U.S. electricity prices and erode, or even eliminate, America's competitive edge in energy.

Robert Bryce in Monday's *Wall Street Journal*: [The Real Climate 'Deniers' Are the Greens](#)

To speak with the Robert Bryce or obtain a copy of the report please contact Matthew J. Olsen at 646-839-3352 or by e-mail at molsen@manhattan-institute.org

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