

Big Carbon's Sock Puppets Declare War on America and the Planet



It's now become *de rigueur* among the radical right wing rhetoricians to characterize any government support of America's green energy sector as wasteful, fruitless, and scandalous. They greeted with glee the collapse of the government supported solar company, Solyndra, America's first major casualty in our race with China to dominate the "new energy" economy. With Solyndra dying on the battlefield -- its marketplace choking on inexpensive Chinese solar panels -- the right wing's response was to hoist the white flag and declare defeat in the war for global cleantech leadership. That brand of "Can't Do" cowardice is a boon to the carbon and nuclear power incumbents who fund so much of the right wing's activities -- but it's bad for America.

Leveraging the aberrant Solyndra bankruptcy, these groups have launched an orchestrated series of attacks against the renewables sector by trying to discredit other companies, even those that are driving America forward with innovative solutions that actually do compete on a global basis. For example, last month, Fox News ran a story [insinuating](#) that SunPower received a loan guarantee for its Central Valley Solar Ranch project because of its political connections Congressman George Miller. The story also suggested that SunPower was struggling financially and posed another risk to taxpayers -- a la Solyndra. The truth is that SunPower is one of America's strongest solar manufacturing companies and Mr. Miller had nothing to do with the company receiving a loan guarantee for its Central Valley Solar Ranch Project. To Fox News and other right wing media sources, the facts meant very little. Their intent is only to suggest wrong-doing in an attempt to undermine the Obama Administration and its clean energy goals.

Last week found the right wing echo chamber, from Fox News to the *New York Post*, and the conservative blogosphere in an anti-green frenzy based on faux facts from a new book, *Throw Them All Out*. The author of this far-fetched screed is Peter Schweizer, Sarah Palin's foreign policy guru, currently employed by the Hoover Institution, a think tank [funded](#) largely by oil interests (e.g., Exxon, ARCO, Transamerica, and Richard Mellon Scaife's oil and banking fortune) to craft the philosophical underpinnings for unregulated pollution, unrestricted corporate profit taking, and massive corporate welfare for the carbon/nuke incumbents.

Thanks to a mention in Schweizer's far-fetched opus, I got a shout out, last week from most of these crackpot gas bags. The *Daily Mail* summarized my supposed crimes in its [headline](#): "JFK's nephew received \$1.4 billion dollar taxpayer bailout for his struggling green energy firm."

All of the reported "facts" in this blogosphonic barrage were Schweizer's inventions. Schweizer claims that BrightSource Energy received a government bailout due to political influence exerted on behalf of VantagePoint Capital Partners, where I am a partner and which is the largest institutional shareholder of BrightSource.

The actual facts do not support Schweizer's claims. BrightSource Energy did not receive a bailout. Rather, the Ivanpah project, a 392 megawatt solar thermal project in the Mojave Desert that will provide clean power to 140,000 homes, received a loan guarantee from the Department of Energy (DOE). Ivanpah, which broke ground in October 2010, is majority owned by Google and energy giant NRG. BrightSource is a minority owner of and the technology supplier to the Ivanpah project. The underlying loan from private investors is fully secured, and pays interest that will earn a healthy return for U.S. taxpayers.

Unlike Solyndra which received corporate financing from DOE, and which had no assurance that it would be able to sell its product, Ivanpah and the Central Valley Solar Ranch projects have contractual commitments from California's largest utilities to buy all of its power at fixed prices. This is comparable to building a new hotel with the guarantee that it will have 100% occupancy rates for 20+ years.

Schweizer's claims that the loan guarantee works out to a cost to taxpayers of \$1 million per job is also a canard.

The Ivanpah project is one of the largest infrastructure projects in the nation and the largest solar thermal plant under construction in the world. The project's three year construction phase will create 1,400 highly-skilled trade, engineering and construction jobs at peak. These are high paying union jobs in a region plagued by one of America's highest unemployment rates. The project will generate \$250 million in earnings for these construction workers and, over its 30 year life, will produce \$650 million in earnings for workers on the site, including the 90 permanent jobs required to operate the plant.

Finally, the \$2.2 billion Ivanpah project is an investment in America's future with substantial indirect economic benefits locally and across the nation. The majority of the project's supply chain is being sourced domestically across 17 states, driving investments throughout the country and creating additional jobs in other areas of the United States that have been adversely affected by the economic downturn. The Ivanpah project is also generating \$300 million in state and local tax revenues over its life.

The right wing's campaign against the DOE's support of renewable energy is not in our national interest. The DOE loan guarantee program has been extremely successful in providing debt financing to innovative energy projects in the wake of the 2008 credit market challenges. Access to capital is a crucial component of building innovative energy infrastructure and creating economic benefit. The DOE loan guarantee program has also been very successful at attracting private capital to these projects. Each dollar appropriated for the program leverages \$13 dollars in private sector investment. As of August 2011, DOE had made commitments to 37 clean energy projects, leveraging private investment of more than \$40 billion. This includes more than 10 utility-scale solar power projects in the Southwest, including SunPower's Central Valley Solar Ranch and BrightSource's Ivanpah. These projects are estimated to create tens of thousands of jobs across the country.

Where is the Right Wing Opposition to the Obscene Subsidies to Carbon and Nuke?

The frenzy against government support for green energy is ironic considering the silence from those same quarters regarding the hundreds of billions of dollars in annual subsidies and externalized costs flowing from government and the American public to the carbon and nuke companies that fund the right wing think tanks and the conservative blogosphere.

The same DOE loan guarantee program that supported the solar projects gave an astonishing \$8.3 billion loan guarantee -- many times the size of the solar projects -- to Southern Company to build two nuclear power plants. Nuclear power is an industry with a product so expensive it cannot compete in any version of free market capitalism. Big nuke is totally dependent on massive, monstrous public and government subsidies at every stage of its life. Oil is a close second. A comprehensive inventory of oil subsidies by former California EPA Chief Terry Tamminen, in his acclaimed book *Lives Per Gallon*, calculates U.S. subsidies to the oil industry at upward of one trillion dollars annually!

The Rise of Green Energy

This blogosphere wrangling is part of a larger struggle pitting disruptive technologies like LED lights, electric cars, and renewable energy such as wind and solar -- the clean, green democratic, abundant, and patriotic fuels from heaven -- against the powerful incumbents of coal, oil, and nuke -- the destructive, plutocratic, largely foreign owned, addictive, poisonous, destructive, and war breeding fuels from hell.

The green fuels are winning. Solar power is now at or near grid parity in many U.S. states. That means that solar generators can deliver electricity to consumers at or below the cost of coal or oil, without even considering the catastrophic health and environmental costs that these dirty sources create. Energy industry giants like NRG, which owns coal and nuke fleets, are moving aggressively into solar. "Solar is the future," says NRG CEO David Crane. "Over the long term, solar won't need the government to drive adaptation -- the pace of innovation is so rapid and the costs are dropping so quickly that the marketplace will ultimately force the transition. Government incentives are important in that they will drive a quicker adaptation and keep American companies in the game."

Crane points out that his vendors are already offering solar panels at slightly less than \$1.00 per watt, leading to an all-in cost of installed solar on a distributed basis of \$2.50/watt. This, according to Crane, translates into 12¢/kilowatt hour, making home grown solar energy cheaper than the grid in 20 states.

Experience shows that these industries are demonstrated jobs producers. There are already more Americans employed by the solar industry (110,000) than there are coal miners (90,000), and the wind industry (75,000) is rapidly expanding its workforce.

The only questions now are: How fast will the transition occur? Which nations will lead the way and reap the financial rewards of that leadership?

Unfortunately, due to the outsized influence of big coal, oil, and nuke on our Congress, America is lagging.

China's Leadership

China's bold strategy is to dominate the new energy economy with giant investments in wind, solar, LED light bulbs, smart grid systems, and electric cars. Despite our strong lead among entrepreneurs, the American government's willingness to compete with the Chinese in these domains has been anemic. The Waxman-Markey bill, which passed the House and then died under pressure from the carbon cronies in the Senate, would have increased solar deployment in America by a mere 37% by 2020. The Chinese have already committed to increase their solar development by 20,000% during that period and wind development by 1200%. While the right wing whines about a \$1.6 billion loan guarantee to a solar project, the Chinese are funneling \$758 billion to their solar and wind industry over 5 years.

I commend the Chinese for their commitment to transition to a green energy economy. But I refuse to accept the right wing narrative that America can no longer compete in the world marketplace. Americans still lead the world in patents filed and the other indicia of entrepreneurship. The promising new technologies and young green tech companies that I see daily are challenged principally by a lack of capital available from our banks and government. This is more than an issue of national wealth and prosperity -- our national security is also at stake. The war by America's carbon and nuclear energy industries and their right wing allies, against our country's burgeoning cleantech industry is damaging our economy and subverting our national security, just as it has in the past led us into oil wars. When I was a boy, America owned half the wealth on Earth. We lost that advantage mainly due to our carbon addiction, which still causes us to hemorrhage nearly \$750 billion annually in American wealth -- the cost of importing foreign oil. The Chinese would naturally like us to spend what's left of our national wealth purchasing Chinese solar panels, Chinese LED lights, and Chinese wind turbines and electric cars.

Democrats and Republicans in Congress, many in the thrall of Big Carbon, are sitting on their hands as the hemorrhage continues. The incumbents are able to control the political process in Washington with the support of their right wing media flacks, and with hundreds of millions in annual contributions and lobbying. Such investments allow the incumbents to reap hundreds of billions in annual subsidies from U.S. taxpayers, artificially ballooning their profits. These are self-destructive policies for America. With the same resolve that established America's industrial and technological greatness in the 20th century, leading the transition to a new energy economy is America's best hope for true national security, prosperity, and restoring our global leadership and moral authority.

Robert F. Kennedy, Jr. is President of Waterkeeper Alliance, Senior Attorney for the Natural Resources Defense Council, and a Partner in VantagePoint Capital Partners