

Ex-Rep. Istook: Wind Energy a Crony Capitalist Gift

Wealthy investors in wind power are reaping profits from an expensive—and subsidized—form of green energy that is driving up the electricity bills of ordinary Americans, a former Oklahoma congressman told Newsmax TV on Thursday, October 23, 2014.

Under the guise of saving the planet from global warming, wind power has become a taxpayer ripoff and a boon to investors claiming massive federal subsidies for an industry that cannot compete on price with traditional energy sources, former Republican Rep. Ernest Istook told, “MidPoint” host Ed Berliner.

Of the \$40 billion annually doled out to various green energy incentives, grants and loans, one of the biggest magnets for public funds in a wind energy tax credit first enacted in 1992, said Istook.

“For every megawatt hour that (producers) generate through wind energy, they get \$23 from the U.S. Treasury,” he said, “and of course you multiply that by the many thousands of megawatt hours that are generated—which is still a small fraction of what the country uses—and they’re talking about an \$18 billion renewal of this.

“Now, this was supposed to be a temporary tax credit back in 1992 to help the industry get on its feet,” said Istook. “Well, the problem is wind power is such an expensive way to generate electricity, that even with these major subsidies—plus all sorts of subsidies from different states—it still is one of the costliest forms of power. And it makes people’s electric bills skyrocket.”

Istook said a new study from the Energy Information Administration—the U.S. Department of Energy’s statistical service—finds electric rates rising four times faster in the states that use the most wind power.

He said the arrangement continues year in and year out thanks to a classic “vicious cycle,” in which subsidy recipients use their profits to secure more subsidies.

“I want to give you a quote, though, from one individual who was a major wind energy investor and getting a lot of these tax benefits: Warren Buffett, “said Istook, citing the Nebraska-based billionaire investment guru.

“These are his words, not mine: ‘We get a tax credit if we build a lot of wind farms. That’s the only reason to build them. They don’t make sense without the tax credit.’ Those are Warren Buffett’s words,” said Istook.

“The people that are making this investment recognize that unless they can get these crony capitalism dollars, it’s a bad investment,” he said. “But government is paying them to do that. It’s paying some people to get rich at our expense while our utility bills go up.”

Istook said the public has a chance to put a stop to the tax credit, which expired last December, but is being pushed for retroactive renewal by the administration during the lame-duck congressional session that begins after the November 4 midterm elections.

“They’ve got the skids greased in the U.S. Senate to do it,” said Istook. And they will, too, he said, “unless people call their member of Congress and say, ‘Don’t vote for anything that renews this \$18 billion giveaway, no matter what it’s packaged with.