

Corporate Control Over Energy

The Real Addiction

by Tyson Slocum

Much has been said and written about America's addiction to oil, and how our dependence on it is harmful to our economy and national security. But our dependence is rooted in something more fundamental and harmful—centralized energy production controlled by a handful of corporations. These oil, coal and nuclear power companies enjoy a monopoly over the dirty and dangerous energy we use, entitling them to record breaking profits at a time when American households are struggling to get by. These corporations exploit political leadership to ensure that government policies restrict household's access to renewables—the kind of consumer-controlled energy systems that combat global warming and free families from economic dependence on utility corporations and gas stations.

In 2008, three-quarters of federal subsidies benefit the oil, coal and nuclear power industries. This leaves too few resources for helping families wanting to install on-site solar, or make energy efficient improvements to their homes or acquire super fuel-efficient hybrid transportation. Why are the subsidies directed to mature, profitable, and dangerous energy sources like oil, coal and nuclear? Because those industries have spent more than \$200 million making campaign contributions to federal politicians since 2001, with 72 percent of that total going to Republicans.

Oil companies will receive more than \$9 billion in U.S. taxpayer subsidies this year, and that number will only grow as thousands of lucrative oil leases on federal land are coming on-line. Big oil companies like ExxonMobil are set to avoid paying \$60 billion in royalty payments over the life of the leases for extracting valuable oil and natural gas from land owned by the American people.

And it keeps getting worse. Last month, the U.S. Department of Energy announced it was awarding \$30.5 billion in new loan guarantees to finance energy projects—and nuclear power would receive two-thirds of that total. That will leave renewables to fight it out with transmission line upgrades and efficiency for the remaining one-third. Loan guarantees for nuclear power are particularly egregious because of the enormous costs and risks associated with building and operating nuclear reactors.

In all of these cases, the nuclear power and oil industries receive the largest share of subsidies because of their political power and the army of lobbyists they employ. Over the last decade, the oil and nuclear lobbies have spent \$1.6 billion on federal lobbying expenses, which purchases them hundreds

of lobbyists to blanket Washington, DC pushing for expanded subsidies and fighting against incentives that would encourage development and implementation of alternatives.

So what is the Public Citizen Energy Program's alternative vision?

- End subsidies to the oil, coal and nuclear industries in order to finance household's access to clean, alternative energy.
- Promote on-site solar, clean transportation and energy efficiency to provide families with alternatives to high prices and reduce greenhouse gas emissions, thereby combating climate change.
- Provide money to families instead of corporations to generate/save energy instead of corporations yields huge benefits for working people.

In New Jersey, for example, nearly 3,200 households received an average of \$70,000 to install solar systems to generate most or all of their energy needs. As a result, New Jersey ranks as the second largest solar market in the United States.

Rather than providing \$18.5 billion in loan guarantees to two companies to build new nuclear power plants, that same amount could provide loan guarantees to nearly 1 million households to allow them to install solar panels that would generate at least half of their monthly power needs.

An alternative vision of energy exists. But we must have the political will to break the oil, coal and nuclear power companies' monopoly over our energy production, and instead finance the renewable energy revolution that will make families energy self-sufficient.

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Political Expenditures by Energy Corporations

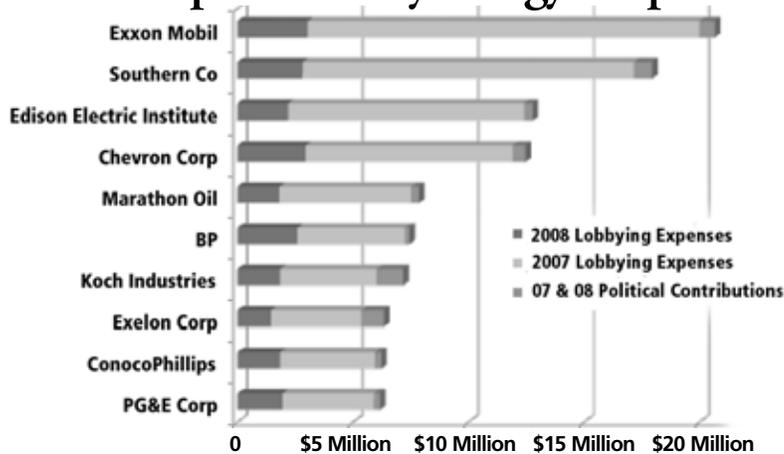


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