Examining the total cost of federal energy subsidies

Taxpayer-funded subsidies have been part of the U.S. energy industry landscape for decades. However, no studies have ever produced a comprehensive review of all federal energy subsidies over an extended period of time — until now. Life:Powered’s new research sheds light on the total cost of federal energy subsidies to the American people and the harmful distorting effects on energy markets, leading to higher costs of living and an unfortunate culture of cronyism.

- Over the past decade, the federal government has spent over $230 billion on energy subsidies.
  - Three quarters of those subsidies went to wind, solar, biofuels, and energy efficiency, yet the U.S. still consumed the same quantity of fossil fuels in 2019 as it did in 2010.
- Wind received nearly 50 times and solar more than 200 times more subsidies per unit of electricity generated than oil and gas. Wind and solar received 26 and 113 times more than coal, respectively.

While wind and solar have received more subsidies than fossil fuels, the most important question is whether subsidies are beneficial or necessary at all. The evidence says no. As with all forms of cronyism, energy subsidies primarily benefit politically connected businesses that profit at the expense of taxpayers.

![Bar chart showing federal subsidies per unit of electricity generated, 2010 to 2019 (2019 USD/MWh)](image)

**Figure 5. Federal subsidies per unit of electricity generated, 2010 to 2019 (2019 USD/MWh)**

- Solar: 82.46
- Wind: 18.86
- Geothermal: 9.18
- Nuclear: 1.93
- Coal: 0.73
- Hydropower: 0.53
- Oil and natural gas: 0.39

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