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## Wind and solar subsidies increase Texas electricity costs

*44% of renewable generators' income and benefits comes from the government*

AUSTIN, TX (07/27/20) — The Energy Alliance today released [Wind and Solar Subsidies Increase Texas Electricity Costs](#). The report examines the increase in Texas electricity prices in 2019 and its relationship to renewable energy subsidies.

"Renewable energy subsidies make electricity much more expensive," said Bill Peacock, the author of the report and policy director of the Energy Alliance. "The costs show up not only on electricity bills but on tax bills as well."

Lower natural gas prices in 2019 led to declines in wholesale electricity prices in most areas of the country. This was not the case in Texas, where day-ahead, around-the-clock wholesale electricity prices averaged \$38 per megawatt-hour (MWh), up 13% from their 2018 average.

"In addition to paying higher electricity prices, Texans also had to pick up most of the \$2.4 billion in subsidies that went to renewable generators in Texas last year," Peacock added.

Revenue and benefits to renewable generators in ERCOT in 2019 totaled almost \$5.5 billion. Of that, sales in the wholesale market produced about \$3.1 billion. The other 44%, about \$2.4 billion, came largely through income tax credits, property tax abatements, and subsidized transmission costs. That equals about \$67.9 per MWh for the 81.1 million MWhs generated by wind and solar generators last year. This gives renewable generators a tremendous advantage over their competitors and distorts the market, making it much less efficient and more costly.

*The Energy Alliance is a project of the [Texas Business Coalition](#) to raise awareness of issues about the energy market that matter most to consumers: Reliability, Affordability, and Efficiency.*

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