



PlatteChat

AN ONGOING CONVERSATION ABOUT HOW TO BEST PRESERVE FREE ENTERPRISE,
PERSONAL RESPONSIBILITY AND LIMITED GOVERNMENT IN NEBRASKA.

Platte
INSTITUTE
for economic research



Energy Smackdown: Keystone XL vs. Solyndra

By Robert Bryce

The two big energy stories of the moment are the Obama administration's announcement that it will wait another year before making a final decision on the Keystone XL pipeline, and the continued pummeling of the Department of Energy and Energy Secretary Steven Chu for their handling of the \$529 million [loan guarantee](#) to Solyndra.

So how do those two projects compare on critical issues such as economic impact and overall energy use? Even a cursory look at the two deals shows that, once again, the Obama administration's energy priorities are - how to put this charitably? - misguided.

The Keystone XL is a \$13 billion project that doesn't depend on federal loan guarantees or production [tax credits](#) from the federal government. And it could improve America's ability to have a reliable, secure flow of oil - a vital substance that has dominated America's [energy supply](#) for more than six decades. In 1949, according to Energy Information Administration data, oil's share of the U.S. [energy mix was 37 percent](#). In 2009, oil's share of the energy mix was . . . 37 percent. (For reference: In 2009, coal's share of the energy mix was about 21 percent, natural gas about 25 percent, and nuclear about 9 percent. Production from all geothermal, wind, and solar amounted to 1.25 percent.)

The now-bankrupt Solyndra was supposed to produce solar panels for sale domestically and abroad. But solar energy's share of the U.S. energy market is infinitesimal. Last year, American consumers [got about 600 times as much electricity](#) from nuclear plants as they did from solar.

Keystone could create about [13,000 construction jobs](#) in the U.S., according to TransCanada, the company that is pushing the deal. The company also projects that the pipeline could indirectly create another 7,000 manufacturing jobs in the U.S. When Solyndra went bankrupt in August, [1,100 people lost their jobs](#).

But the real contrast between the Keystone XL pipeline and Solyndra can be found by comparing the amount of energy that could come through that pipeline with the amount of energy produced by solar and wind in the U.S.

When completed - or rather, *if* completed - the pipeline is to have a capacity of [about](#)

[700,000 barrels](#) of oil per day. At 1.64 megawatt-hours per barrel, that's enough energy to create more than 1.1 million megawatt-hours of electricity - but we need to haircut that figure by two-thirds to account for the energy we would lose if we converted that fuel into electricity. That leaves us with about 380,000 megawatt-hours of electricity per day.

In comparison, in all of last year, American solar-energy production was 1.3 million megawatt-hours, and wind production was [94.6 million megawatt-hours](#). Add those together and divide by 365, and you find that solar and wind sources are now providing the U.S. with a little over 260,000 megawatt-hours of electricity per day.

Put another way, the Keystone XL pipeline by itself, if it ever gets federal approval - and assuming, of course, that the Canadians don't decide to build a pipeline to the coast and ship their oil to China or elsewhere - would have provided about 46 percent more energy to the U.S. economy than all the solar panels and wind turbines in the country did in 2010.

Read that again. One pipeline - one pipeline! - would have delivered 46 percent more energy than all the solar panels and [wind turbines](#) did last year. To put that in perspective, consider that the U.S. now has about [43,000 megawatts of wind](#) generation capacity. If we assume the average wind turbine capacity is 2 megawatts, that's about 21,500 wind turbines. Furthermore, roughly five megawatts' worth of wind turbines [can be installed per square mile](#). Thus, the U.S. has now covered about 8,600 square miles (a land area approximately the size of New Jersey) with wind turbines. And that energy sprawl has spawned a backlash among rural residents from [Maine](#) to [Oregon](#).

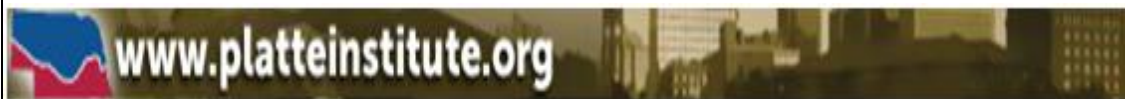
But rather than look at the hard realities, the Obama administration and their supporters claim that the future belongs to renewables and to [companies](#) like Solyndra. Whenever you hear that claim, recall the numbers above: In 2009, production from all geothermal, wind, and [solar](#) sources amounted to 1.25 percent of American energy while oil provided 37 percent - the exact same percentage as it did way back in 1949.

In August 2008, Barack [Obama said](#) that "[we must end the age of oil in our time](#)." Here's the reality: The age of oil isn't over. Not by a long shot.

And by delaying the Keystone XL, Obama has shown that he's more interested in political maneuvering than in providing cheap, abundant, reliable energy to U.S. consumers.

Robert Bryce is a senior fellow with the Center for Energy Policy and the Environment at the Manhattan Institute.

Disclaimer: This article was originally published in the *National Review*, November 21, 2011, if you wish to read it at their website it may be viewed [here](#).



If you do not wish to receive this newsletter or if you wish to be removed from all future newsletters, please [click here](#) to manage your subscriptions.