

The 'Green New Deal' is a prescription for poverty

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Rep. Alexandria Ocasio-Cortez, D-N.Y., and her allies have made a big splash in [advancing the so-called “Green New Deal,”](#) which is supposedly intended to help the environment and address poverty. Ironically, this measure will most certainly only harm those already living in poverty and do nothing to improve the environment.

At its core, the Green New Deal is a measure aimed at eliminating all fossil fuel and nuclear energy and “meeting 100 percent of national power demand through renewable sources” within just a 10-year time frame, according to a draft legislative text.

“By developing a plan for a Green New Deal, we have an opportunity to create millions of good-paying jobs, virtually eliminate poverty in the United States, and invest in a just transition for communities that have been left behind by racism and corporate greed,” insists Varshini Prakash, founder of the Sunrise Movement.

Behind the rhetorical smokescreen, the ugly truth is that a mandatory shift to higher-cost solar and wind energy before the market is ready to support those, as the Green New Deal does, would serve as a regressive tax on the poor. Ironically, it would be minorities and the poorest of the poor who would be disproportionately harmed. Low-income households already pay 7.2 percent of household income on home energy costs, more than three times the proportion

paid by higher-income households on average, according to an American Council for an Energy-Efficient Economy report.

According to that same report, low-income African-American and Latino families are particularly hard hit by any increase in utility costs. Higher home energy costs mean that lower-income families would descend yet deeper into poverty, because they would be forced to allocate an even greater share of their limited incomes to home energy costs. Increases to energy costs in public schools and hospitals do nothing to help meet the needs of the poor and minorities. And for older Americans, higher-cost energy may present stark choices between medicine, food, or staying warm in the dead of winter.

The Green New Deal's arbitrary and reckless 10-year time frame for moving all energy production to “green” sources would require many reliable plants to be taken offline far ahead of their scheduled retirement from service. This would needlessly drive up energy costs still further. New solar generation, according to a 2016 study by the Institute for Energy Research, is already estimated to be five times more expensive than existing fossil fuel-powered electricity. New wind power is 3.5 times pricier.

One need look no further than Europe to get a preview of what the Green New Deal would look like. Far less stringent mandates in Germany have caused electricity rates to increase dramatically, with consumers paying \$400 a month *on average*. In France, green energy policies have rendered 8 million households, representing nearly 12 percent of the population, no longer able to pay their electricity bills.

In Great Britain, one family in three is struggling to pay its energy bills, and nearly a third of households report not turning on the heat even when the house is cold.

California has long been at the forefront of solar and wind mandates in the U.S., and it shows. Household electricity bills there are roughly 40 percent more expensive than the national average and are the ninth-most highest in the nation. California has the nation's highest poverty rate (50 percent higher than Mississippi) and high utility rates only exacerbate the suffering. One million California households now live in energy poverty, according to the Manhattan Institute, a condition in which families must devote a tenth of their income for home energy expenses, excluding gasoline and other transportation-related costs.

Expect the situation to get a lot worse instead of better. The Golden State passed its own version of the Green New Deal into law this past September, mandating that the state move to 100 percent renewable energy sources for electricity by 2045. When an earlier law mandated that the state generate half its electricity from renewable sources by 2030, Democratic Gov. Gavin Newsom, then the lieutenant governor, said, "There is a regressive nature to some of these things," and cautioned, "We have to be sensitive to issues relating to energy costs."

Of course, the Green New Deal championed by Rep. Ocasio-Cortez goes well beyond how power plants generate electricity. It would also include trucks that transport food and cars that take Americans to work. This makes its impact even more dramatic. Just ask France how well skyrocketing gas and diesel prices have worked out for its working class.

Ocasio-Cortez assures us that her plan will “establish economic, social and racial justice in the United States.” But one does nothing to promote social or racial justice by making it far more expensive for Americans to heat or cool their homes. Far from a cure for poverty, the Green New Deal is a prescription for even more of it.

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