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# Cost Increases Extend to Renewable Energy Projects

BY IER

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Prices for wind and solar power increased nearly 30 percent in the past year due to supply chain issues and rising costs, impacting shipping, parts and labor, and reversing a decade of cost declines. Contract prices for renewable energy increased [28.5 percent](#) in North America and 27.5 percent in Europe, according to a quarterly index that tracks power purchase agreements (PPAs). Supply chain issues have taken a toll on developers in terms of rising costs and shipment delays. Wind and solar projects are facing delays because of shortages of raw materials, bottlenecks in international shipping and a backlog of applications for grid connections with regional grid operators. A survey of 57 developers during the past quarter indicated that 40 percent were able to find new suppliers that could more reliably deliver components, but another 28 percent were unable to make changes.

## Issues Affecting the Price Increase

In Europe, the war in Ukraine has led governments to try to [reduce dependence on natural gas from Russia](#), boosting what was already a robust demand for renewable energy from the continent's aggressive climate agenda, thereby increasing costs for wind and solar power. Germany, for example, plans to [speed up growth of its solar energy](#) plus onshore and offshore wind projects.

In North America, developers are uncertain whether U.S. lawmakers will extend tax credits for renewable energy facilities, which President Joe Biden tried to do in his Build Back Better bill that did not pass the Senate. Production tax credits for wind energy [ended last year](#) and for solar power, the [investment tax credit phases down](#) to a permanent 10 percent for commercial properties and zero percent for residential properties in 2024.

Developers also are worried about a U.S. Commerce Department investigation initiated this year that could result in tariffs on solar panel imports from Asia, raising costs. A U.S. [probe](#) into whether Chinese solar manufacturers are sidestepping tariffs is leading to delivery delays and cancellations. Three-quarters of solar companies indicated that deliveries have been affected since the U.S. Commerce Department announced its investigation. The United States depends on Malaysia, Thailand, Vietnam and Cambodia to meet much of its demand for new solar panels; [80 percent](#) of solar cells are imported from these Southeast Asian countries. The Commerce Department is investigating whether Chinese manufacturers are evading tariffs by sending components to other Asian nations for assembly before exporting the finished products.

Renewable energy project developers are also facing hurdles to development as a result of regional and federal regulatory activities. In the PJM independent system operator region, which serves 13 states in the northeast, regulators are working through a backlog of thousands of interconnection applications that represent [almost 300 gigawatts](#) of new sources of renewable energy capacity awaiting to be added to the grid. Slow progress on clearing the backlog has contributed to the increase in the region's PPA prices. Since last quarter, PJM's wind PPA prices increased [15.6 percent to \\$55.10 per megawatt hour](#) and solar prices increased 2 percent to \$44 per megawatt hour.

Developers also are having to deal with more challenges in obtaining state and local building permits, sometimes in the form of counties passing ordinances restricting

new projects. [In Indiana, county ordinances are restricting projects](#) from being adopted in large areas of the state. The same is true for transmission facilities in many areas, need to transport electricity from distant areas to the large consuming areas in and around cities.

Producing energy from wind and solar power, and storing it in batteries, requires a huge increase in supplies of copper, nickel, aluminum, graphite, lithium and other minerals. The minerals necessary to build the tens of thousands of wind turbines and hundreds of millions of solar modules needed for U.S. and European energy transition plans is not expanding as fast as the demand for them, causing prices to increase. Lithium [prices](#) increased nearly 1,000 percent in the past two years. Prices of copper and nickel, [increased](#) 200 percent and 300 percent, respectively, over the same period. Aluminum, the second-most-used metal after iron ore, increased 200 percent and is trading at a 30-year high. Minerals constitute over half the cost of fabricating [solar modules](#) and about 20 percent of the cost for [wind turbines](#). Even before the latest mineral escalations, forecasters projected cost increases in 2022 of [10 percent for wind turbines](#) and 25 percent for solar modules.

## Conclusion

Commodity materials inflation has already ended the long-run decrease in battery, solar-module and wind-turbine costs. Supply chain issues and rising costs have resulted in almost a 30 percent increase in renewable energy contracts in North American and European markets. Pushing up the price also is a supply and demand imbalance in contract availability, similar to what is occurring in oil markets. Despite decades of growth in renewable energy and government tax credits and mandates, the world still gets only [3 percent](#) of its energy from wind and solar power. Rushing into renewable energy as the Biden administration is doing, while at the same time moving to electrify most of our energy system which increases demand for more electricity, is escalating prices for Americans and likely to cause disruption to energy supplies.

<https://www.thepostemail.com/2022/04/24/food-insecurity-is-coming-to-america/>



by Jeff Crouere, *Ringside Politics*, ©2022



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(Apr. 24, 2022) — After one-third of the horrific term of President Joe Biden is almost complete, the United States of America is facing a series of mind-boggling crises.

The Biden administration's COVID-19 response focused on forcing Americans to wear masks and take vaccines. The President pushed mandates and lockdowns, instead of freedom. The toll on our economy, overall health and psychological well-being has been staggering.

This week, in their commitment to continue these policies, the administration refused to abandon the unnecessary and ridiculous mask

mandate for public transportation and will appeal a federal judge's sensible ruling striking down this unpopular mandate.

There is an unprecedented crisis on our southern border as an invasion of illegal immigrants continues to pour into our country. This is leading to a massive increase in illegal drugs, which is contributing to a record number of drug overdose deaths.

Fueled by a rise in illegal drugs, illegal immigrants and "woke" prosecutors in urban areas, violent crime is skyrocketing in America. Our police officers are overwhelmed, underpaid, and constantly disrespected by progressive Democrats who blame them for the dangerous conditions instead of the real culprits, the violent criminals.

Americans are facing a plethora of economic troubles as huge debt, reckless spending and the targeting of our energy industry contributed to record gasoline prices and devastating inflation levels. The wages of workers are not keeping pace with the high inflation rates, so Americans are falling farther behind economically.

To combat inflation, interest rates are increasing, which will make home buying more difficult and cause problems for our real estate industry.

While all these problems are truly dreadful, the scariest issue that will soon be facing Americans is an unfamiliar situation in the wealthiest country on earth, a food shortage. The last time the United States faced a real food shortage was during the Great Depression of the 1930's. At that time, there were "hunger marches" as millions of Americans were impacted by food shortages made worse by a severe drought in the Great Plains.

While we face nothing like that situation today, there are disturbing signs of trouble ahead. Already, Americans are noticing many shelves to be empty at local grocery stores.

The war in Ukraine has made a dire situation much worse. Both Russia and Ukraine are major exporters of food, such as wheat. In Ukraine, many farms have been destroyed during the war and able-bodied farmers are fighting on the front lines instead of tending to their fields.

The result was predictable, as global food prices soared 12% in the first few weeks of the war. The Executive Director of the World Food Program, David Beasley, called the escalating food shortages caused by the war a “catastrophe on top of catastrophe.” Even President Biden admitted that the war in Ukraine will lead to “real” food shortages in the days ahead.

To make matters worse, there have been a series of unusual accidents at food processing plants and warehouses in recent months. There have been fires, unexplained accidents and even a deadly plane crash, which occurred Thursday, at a General Mills plant in Covington, Georgia. Sadly, two people were killed and there was considerable damage at the plant with numerous trailers being destroyed.

The plane crash occurred just two days after a fire destroyed the headquarters of Azure Standard, the nation’s largest manufacturer of organic and healthy food, in Dufur, Oregon.

With almost two dozen incidents in the last year, it is hard to imagine these events at similar facilities being purely coincidental. Regardless, the Biden administration has no answer to this dilemma. In fact, recent actions will make the situation even worse.

On April 14, Biden announced that a gasoline blend with 15% ethanol would be allowed during the summer. It is normally prohibited during the summer months because of negative environmental effects, such as increased pollution. The President waived this prohibition so that Americans would have minor relief in gasoline prices.

Unfortunately, this change will encourage more farmers to use their crops for ethanol, a biofuel that is made with corn. The result will be a shortage in food products, such as sweet corn and corn feed, which is used to put weight on livestock. Thus, meat prices will soar to even higher levels.

The ethanol decision is particularly unwise as the country faces an upcoming food shortage. Nevertheless, the Biden administration is uninterested in addressing the real anxieties of Americans. Instead, their major areas of focus are pushing the climate change agenda, globalism, and retaining power. The actual economic condition of the American people is of little concern to Biden and his administration.

Curiously, as America faces this food crisis, approximately 250,000 acres of our farmland have been purchased by billionaire Bill Gates. In fact, Gates is the largest owner of farmland in the country.

Simultaneously, investors with ties to communist China have purchased almost 200,000 acres of our farmland. Both Gates and China are poised to reap massive financial benefits as food prices continue to rise. Even worse, it is a true national security dilemma for communist China to own such a significant amount of our country's farmland as a food shortage is looming.

The United States Department of Agriculture defines food insecurity as “a household-level economic and social condition of limited or uncertain access to adequate food.” Sadly, this “condition” is coming to America in the very near future.

To combat this crisis, the Biden administration should be working overtime to investigate the troubling incidents at food processing plants and encourage farmers to expand their food crops, not redirect them toward ethanol.

In addition, Biden and his administration should be focused on trying to negotiate a peace settlement to the war in Ukraine. Instead, this administration is allowing other countries, such as Turkey, to take the diplomatic lead in efforts to end the war.

It seems as if the President and his administration are doing everything possible to exacerbate the impending food shortage instead of solving it.

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