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# Whistling Past the Wind Farm

**Europe abandons country-by-country CO2 emissions targets.**

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President Obama and his allies keep saying that a major second-term priority is to expand subsidies and mandates to produce alternatives to carbon energy, so they must not be watching Europe. On Wednesday the European Commission abandoned country-by-country targets for greenhouse-gas emissions after 2020. The Commission did propose a 40% reduction target in emissions by 2030 for the EU as a whole, but this is a fig leaf. Under the new rules, everyone is committed in theory, but nobody is responsible for meeting the targets. The Commission continues to insist that radical reductions in CO2 emissions can be achieved without damaging the European economy or competitiveness. But several years of painful experience have revealed this to be false, which is why the country targets are now being ditched.

Take Spain, where financial incentives for renewable energy have driven renewables to as much as 25% of electricity generation. They have also left the country with a \$41 billion gap between what energy costs to produce and what utilities can charge for power. Mariano Rajoy's government has been scrambling to scale back the subsidies and close the gap. These efforts have left in the lurch those who installed wind and solar on the promise of high fixed payments for their power.

In Germany, Angela Merkel is also seeking to push through cuts in wind and solar subsidies and to cap new installations of renewable capacity going forward. Germany's feed-in tariffs—which guarantee renewable-energy suppliers above-market prices for their power—have helped drive up retail power prices by 17% in the past four years while costing utilities and small businesses billions. Many of Germany's largest energy users are exempt from the green surcharges, a fact that the European Commission is currently investigating as a possible illegal subsidy.

European leaders are also finally figuring out that America's shale natural gas boom is giving the U.S. a significant energy cost advantage. Many European companies are moving production to the U.S. so they can stay competitive, which explains why the Commission also resisted calls to impose onerous environmental permitting requirements on hydraulic fracturing. The fracking revolution has sharply reduced American carbon emissions, by the way, as coal-fired power plants have given way to cheaper natural gas—an accomplishment that was in nobody's five-year plan.

Europe's anticarbon policy implosion ought to be a lesson to Americans, though most U.S. media still fail to report it. Perhaps they have too much invested in climate-change politics. But eventually facts prevail, even in Washington.