Federal energy and environmental policy has severely tilted the energy playing field. An Energy Information Agency report highlighted the tremendous discrepancy between federal support in 2013 for renewable energy ($13.227 billion) and coal ($1.085 billion). A Congressional Research Service report reinforced the disparity noting that in 2013 the value of federal tax-related support for renewable energy was $13.4 billion (57.4%).

“The subsidy for electricity from renewables is so large that it has enabled renewable energy producers to sell into energy markets at a negative price, which in deregulated markets can have the effect of reducing market prices to non-subsidized fuels, i.e., fossil and nuclear.”

NCC Leveling the Playing Field Report

EIA notes that between 2007 and 2013, support for renewables increased from 14.9% to 72%.

<table>
<thead>
<tr>
<th></th>
<th>2007 Support</th>
<th>2013 Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wind</td>
<td>10.7%</td>
<td>37%</td>
</tr>
<tr>
<td>Solar</td>
<td>0.2%</td>
<td>27%</td>
</tr>
<tr>
<td>Coal</td>
<td>12.7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Policy parity is important to meeting the diverse set of U.S. energy policy objectives. Those objectives have consistently focused on providing a reliable, secure and low-cost supply of energy, and in recent years have increasingly directed energy production and consumption toward environmental objectives.

Carbon Capture Utilization and Storage (CCUS) and Higher Efficiency-Low Emissions (HELE) technologies are essential to meeting those environmental objectives. Widespread deployment of these technologies will pay significant dividends toward achieving environmental goals and supporting the U.S. coal industry.
Clean energy technologies, other than coal, have benefitted from substantial government support. In 1992, when Congress enacted the Section 45 renewable energy tax credit, the U.S. had less than 2,000 MW of installed wind generating capacity. As of late 2015, there were nearly 70 MW of installed wind capacity. Wind energy prices have dropped from more than $50/MWh in the late 1990s to less than half that cost in 2014.

Support for CCUS and HELE technologies are not remotely comparable to renewables. If we want fossil-fueled facilities operating in the coming decades, with reduced CO₂ emissions, adequate government support is required to develop technologies.

THE REWARDS OF POLICY PARITY

The commercial deployment of a suite of carbon reduction technologies has many benefits. These technologies:

- Preserve the economic value of fossil fuel reserves and associated infrastructure.
- Maintain electric reliability by providing baseload generation that enables the grid to maintain voltage, frequency and other attributes essential to a reliable power supply.
- Significantly reduce the cost of decarbonization.
- Provide the most impactful opportunity to reduce CO₂ emissions from electric generation as well as from key industrial sectors, including cement production, iron and steel making, oil refining and chemicals manufacturing.

Policy parity for coal ensures that we preserve critical features of our energy system, mostly notably fuel diversity and reliability.