

The Impact of Fossil-Fuel Subsidies on Renewable Electricity Generation



The International Institute for Sustainable Development has posted a free white paper on the Global Subsidies Initiative, presenting a complete examination of how fossil-fuel subsidies can impact the deployment of renewable energy.

The paper discusses the effect of fossil-fuel subsidies on the cost competitiveness of renewables, the incumbent advantage of fossil-fuel-powered generators and the distortion of investment decisions.

On its website, the IISD says that fossil-fuel subsidies are prevalent in many countries. The International Energy Agency (IEA) has estimated that consumer subsidies to fossil fuels amounted to US\$548 billion in 2013. In the same year, subsidies to renewable energy were estimated at US\$121 billion. However, a comparison of numbers does not reveal the extent to which renewable energy is being disadvantaged in favour of continued reliance on fossil-fuel generation.

[Download the white paper.](#)