

Over the past few years, there has been a push in both Europe and the United States for a [“Green New Deal”](#) in which decarbonization efforts would be pushed by aggressive, direct government investments in clean energy technology and infrastructure. But in much of the United States and in Europe, large portions of the electricity system (which is crucial to decarbonization goals) are in private ownership. Would greater public control or even nationalization of these private systems advance decarbonization goals?

A key argument for public intervention here is that the market (absent a large price on carbon) doesn’t take into account the societal harm that fossil fuel combustion produces, requiring some form of government intervention. Public intervention advocates also draw on the success of the original New Deal in stimulating the economy, constructing public infrastructure, and reducing inequality in the economy as a model for how public intervention can facilitate the kind of dramatic economic changes we need to address climate change.

But public intervention ultimately means that our electricity and energy systems will be under greater political control. And while that might be a positive for climate change goals under a President Biden, greater political control of our energy systems may not be a benefit for the climate if the political winds change in the future (as was dramatically illustrated in 2016).

To help answer this question, [I collaborated with an interdisciplinary team of scholars](#) to examine how public ownership of electricity infrastructure in the United States might, or might not, correlate with renewable energy investment and production. In the United States, there is large variation from state to state in the amount of electricity production that is owned by public entities or ratepayer cooperatives (whether state, municipal, or rural). We can leverage that variation to examine whether public ownership means that policy efforts to advance renewable energy production are more effective or not.

Our conclusion: Public ownership doesn’t seem to make much of a difference. States with higher levels of public ownership don’t have higher levels of renewable energy capacity. (The chart at the end of the post depicts the amount of renewable energy capacity by state, with the states sorted by proportion of public ownership of their electricity system. This chart didn’t make it into our published paper for space reasons.)

States with higher levels of public ownership also don’t generally see higher levels of renewable energy production as a result of restructuring policies. (As I noted in [an earlier blog post](#), we found that policies that restructure, or reduce the monopoly of incumbent electricity utilities, the electricity industry can help advance renewable energy production.)

The lesson here: Public ownership in and of itself is probably not going to be the policy approach that advances decarbonization. Of course, in jurisdictions that have strong political support for climate policy, public ownership can be beneficial in bypassing obstacles in the private sector, since the public sector will respond to the public support for climate policy. But in the many states where there isn't strong support for aggressive climate policy, public ownership doesn't itself make a difference to outcomes – and indeed, if the public doesn't support climate action, it's hard to see how public ownership will matter. And at the federal level, if public ownership in and of itself doesn't correlate with more renewable energy, greater reliance on direct public investments raises the risk that the vicissitudes of politics might lead to real backsliding in decarbonization, depending on the results of the next election.

