

What is Energy Independence and Why is It Important?

Alex Thompson and Delainey Thorud • Jul. 24, 2024

As we celebrate Independence Day this month, American values are top-of-mind. Independence and freedom are deeply rooted in American culture, and energy is intertwined with both.

Energy independence is important, but before diving into why, there needs to be a clear, common understanding of what it means. When left to the imagination, "energy independence" implies that a country doesn't import any of its energy fuel sources. In reality, fuel sources are globally traded commodities. Even if a country produces more energy than it consumes, it still imports and exports fuel sources and is exposed to price fluctuations in the global market.

The United States is energy independent in the sense that we produce more energy than we consume, but that's not the full picture. To mitigate the effects of global price fluctuations, we need to diversify our energy mix with clean energy sources harvested on American land. Investing in clean energy is necessary to strengthen our nation's energy independence.

Let's use what's in our own back yard

The United States has huge potential for clean energy generation, and we're just beginning to tap into it. As of May 2024, 15.5% of all the electricity produced in the United States came from clean energy sources; it's enough electricity to power 68.3 million homes. The wind and solar projects producing all that power also bring important economic benefits to local communities. In 2023, clean energy projects provided \$1.7 billion dollars in property, state, and local taxes. That's money that communities can use to pay for better schools, better infrastructure, and better quality of life.

One of the biggest challenges in the transition to clean energy is the supply chain for materials and parts that are used to create and maintain solar panels, wind turbines, battery storage, and grid infrastructure. Demand for clean energy has skyrocketed in the past few years as costs have declined, so growing the domestic supply chain is important to bolster our energy independence in the United States. In response to the growing demand, there have been new manufacturing facilities popping up in the Midwest. Heliene, a solar manufacturer, [recently announced](#) an expansion at its facility in Mountain Iron, Minnesota. The expansion will double the facility's capacity from 150MW to 300MW and is expected to create an additional 130 jobs. They also announced a brand new \$145 million manufacturing plant in the Twin Cities.

"[Heliene] provides good solid wages and tax base for us. It's been a good project."

Mountain Iron City Administrator Craig Wainio, via [the Star Tribune](#).

As more manufacturing facilities open on American soil, they create American jobs. At the end of 2022, in the Midwest alone, there were over 700,000 clean energy jobs. Michigan hosted 123,983 of those jobs, almost 50% of which were in manufacturing. As more clean energy infrastructure is built, more jobs will follow, along with a more resilient energy grid. Within the last year, Michigan and Minnesota have passed

[new laws](#) that reinforce their status as clean energy leaders and encourage new investment.

Clean energy upholds personal property rights

Personal property rights are a central tenet of American freedom. Landowners should have the right to choose what they do with their land; it's as simple as that. When a landowner chooses to host a wind or solar farm, they receive annual lease payments from the developer. Once the project reaches the end of its lifetime, it's decommissioned and the land is restored. If a small family farmer is looking for ways to diversify their income, hosting a clean energy project presents a great opportunity. In the United States last year, clean energy projects paid landowners \$1.8 billion in lease payments. For some, [it's what allows them to keep their farm in the family](#). Most importantly, at the end of the day, it's up to the landowner.

Here's the bottom line: clean energy development bolsters our nation's energy independence while creating more jobs and economic opportunities for American communities. Energy independence isn't easy, but it's important. It takes strong investment paired with forward-thinking leadership. At CGA, forward-thinking is what we're all about.