

Renewable Energy on American Indian Land

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ABSTRACT

Can renewable energy development reduce poverty on American Indian reservations? What are the opportunities and obstacles for wind and solar? We study these questions empirically and offer four preliminary findings. First, the historical process of reservation creation – which often steered tribes from natural resources valued by European settlers – has left reservation lands disproportionately endowed with wind and solar that is technically suitable for utility-scale development. Moreover, these endowments tend to be largest on the poorest set of reservations. Second, despite favorable endowments, wind and solar projects on reservations are rare. Even after controlling for wind capacity, solar intensity, and proximity to transmission lines, reservation land areas are 75% less likely to host wind farms and 200% less likely to host solar farms when compared to adjacent private lands. Third, within reservation areas, wind farming occurs almost exclusively on fee simple or tribally owned land rather than on individual trust lands suggesting that fractionated ownership – which is common for individual trust lands – is a major impediment. Fourth, if impediments are not resolved during 2022 to 2050, then our back-of-envelope estimates suggest that tribes will forego over \$25 billion (in present value terms) of potential royalty and tax earnings that could be accrued under aggressive net-zero forecasts of energy transitions.

BIO

Dominic (Nick) Parker is a professor in agricultural and applied economics at the University of Wisconsin–Madison where he directs the graduate studies program and serves editorial roles at three leading journals in environmental and resource economics. He holds a PhD in economics from UC-Santa Barbara where he was a National Science Foundation fellow in economics & environmental science. He is the Ilene and Morton Harris visiting fellow at Stanford's Hoover Institution where he helps direct the Hoover Project on Renewing Indigenous Economies.