

As wind power booms, Texas lawmakers consider yanking support

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Thousands of wind turbines have sprung up across West Texas and up and down the Gulf Coast. Companies as diverse as Google and Dow Chemical are investing hundreds of millions of dollars in Texas in a race to lower their carbon emissions. With almost 20 percent of the country's total capacity, Texas has become the undisputed king of wind energy.

With so much success, state politicians are asking whether it's time for Texas to end its support for the renewable power industry.

State Sen. Troy Fraser, a Republican and chairman of the Senate Natural Resources Committee, has filed legislation to end the very renewable energy program he championed a decade ago, when [wind power](#) was still in its infancy.

What began as a goal of 2,000 megawatts of renewable energy in 1999 was eventually increased to 10,000 megawatts, to be met by 2025. But [wind](#) boomed far beyond estimates. Texas passed that 2025 goal five years ago and now counts 12,800 megawatts of wind power - at times supplying more than a quarter of the electricity on the grid.

"Mission accomplished. We set out to incentivize and get wind started in Texas, and we far surpassed that goal," Fraser said. "There's no state that's come close to what we've done."

With the support of the state's Public Utility Commission, Fraser wants to freeze the state's Renewable Energy Credit program, ending a

requirement that power retailers buy credits from wind and solar farms to meet state renewable standards. Also, the \$7 billion-and-counting Competitive Renewable Energy Zone project, which has constructed 3,600 miles of transmission lines to bring wind power to Dallas-Fort Worth, Houston and Austin, would officially end.

The bill is expected to go before Fraser's committee on Tuesday, before being moved to the Senate for a vote. Already, renewable energy companies and environmental advocates are starting to lobby to let the program run through 2025, arguing that ending it with so little warning endangers an industry that has created more than 100,000 jobs statewide.

The fight marks a stark turnaround for an industry that had long praised the state's Republican leadership for its commitment to wind and solar power.

"We think it sends a message Texas is not really wanting to send, that Texas is not committed to renewables. It will be national news," said Jeff Clark, executive director of the Wind Coalition. "The financing of these projects was predicated on being able to sell those" renewable energy credits. "Ending the project overnight will materially affect the financing of those projects."

As [wind energy](#) boomed in recent years, the industry's profile has risen with it. The rush of new turbines has lowered electricity prices at certain times of day, hurting incumbent power companies, analysts say.

Politicians from Texas and beyond, including Texas PUC chairwoman Donna Nelson and former state Comptroller Susan Combs, have questioned the rationale for "subsidizing" renewable energy. The influential American Legislative Exchange Council, whose Private Enterprise Council includes representatives from Texas' largest power company, Energy Future Holdings, as well as Exxon Mobil and AT&T,

embarked on a campaign to get state politicians to bring an end to mandates to expand renewable energy.

"It's time for wind to stand on its own two feet," Combs said in a report last year. "Billions of dollars of tax credits and property tax limitations on new generation helped grow the industry, but today they give it an unfair market advantage over other power sources."

The question of the degree to which wind is subsidized has long been tricky. Advocates argue the support they enjoy is on par with the numerous benefits oil companies enjoy under the federal tax code.

Texas is not alone in pulling back support. In January, the U.S. Senate voted not to extend the federal tax credit for wind generation, which expired at the end of 2014.

"State after state, there's an attempt to remove existing renewable portfolio standards," said Tom "Smitty" Smith, Texas director of the nonprofit Public Citizen.

Exactly what financial impact the end of Texas' renewable program would have is unclear.

The value of [renewable energy](#) credits has plummeted in recent years, as volumes far exceeded demand. Still it's a market that's worth close to \$40 million a year to the renewable industry, according to the Wind Coalition.

Under Fraser's legislation, existing wind farms will be grandfathered in and still be able to sell the credits. Power companies might not be required to buy them anymore. But those retailers marketing renewable home energy plans or companies voluntarily trying to lower their carbon emissions will still need them, Anderson said.

And one last CREZ project to expand transmission in the Panhandle will be allowed to go ahead, Fraser said.

"I haven't paid attention to (the politics). This is one Republican who is still very bullish on wind. We still want wind to be built, and we still want to see solar built," he said.

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