

# WHAT RENEWABLE ENERGY MEANS TO TEXAS

**Jobs Statewide**

**Growing Tax Base in Rural Areas**

**Clean Energy for Texas' Future**

**Enhanced Energy Security  
and Diversity**

Photo courtesy of Cielo Wind Power



*Texas Stands to Benefit More than Any Other State  
from Consistent Renewable Energy Policies.*

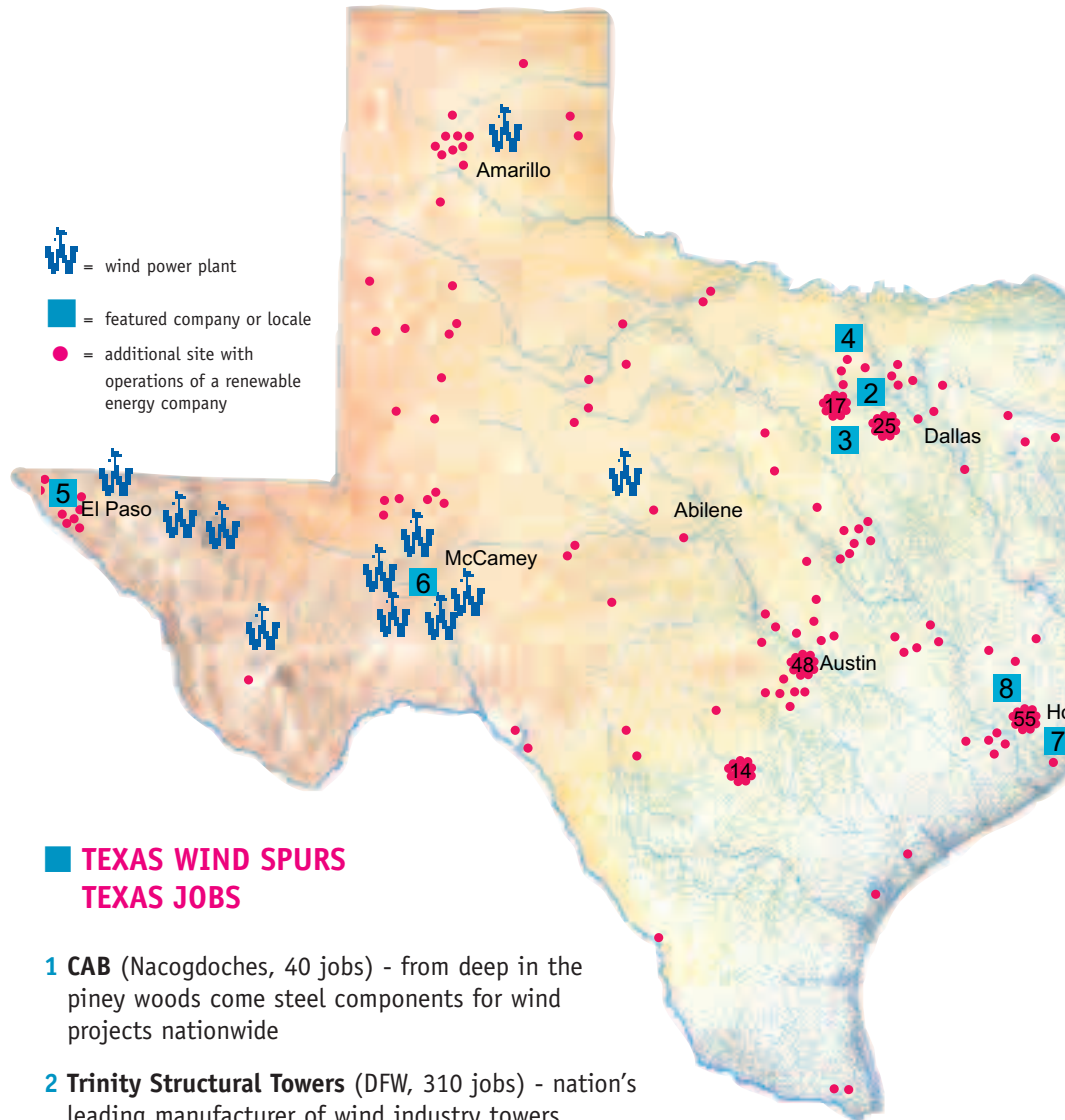
# Success from Texas' Renewable Portfolio Standard

*Cutting-edge policy delivers clean, low-cost energy while providing economic benefits and jobs statewide.*

**W**ind-Related Jobs and Tax Base on the Rise. More than \$1 billion of new wind development is building the tax base in rural west Texas and supporting manufacturing jobs statewide. And since the fuel is free, capital-intensive wind power plants create more jobs and pay more property taxes per unit of electricity produced than coal or natural gas.

## Why is this Happening?

**Texas' Renewable Portfolio Standard**, signed into law by Gov. George Bush in 1999, specifies that 2,000 Megawatts of new renewable capacity will be built in Texas by 2009. The Texas Public Utility Commission, then led by current FERC Chairman Pat Wood, crafted detailed rules for the program with a market-based system of tradable renewable energy credits. This clear-cut policy encouraged construction of some of the world's largest wind power projects that now deliver clean energy at prices lower than ever before achieved. The current cost competitiveness of wind power has Texas five years ahead of its renewables construction schedule, almost half way to meeting its 2,000 Megawatt goal.



## TEXAS WIND SPURS TEXAS JOBS

- 1 CAB** (Nacogdoches, 40 jobs) - from deep in the piney woods come steel components for wind projects nationwide
- 2 Trinity Structural Towers** (DFW, 310 jobs) - nation's leading manufacturer of wind industry towers.
- 3 Lone Star Transportation** (Ft Worth, 325 drivers nation-wide) - the #1 freight hauler of wind power plant components.
- 4 Molded Fiber Glass** (Gainesville, 200 jobs) - produces blades and other composite components for wind machines.
- 5 Bergen Southwest Steel** (El Paso, 120 jobs) - major wind tower fabricator since 1987.
- 6 McCamey** - \$800 million worth of wind turbines surrounding the "wind capitol of Texas" help support the region's schools & rural government services.
- 7 Port of Houston** - In 2001 handled nearly \$1 billion worth of equipment on its way to wind projects throughout the U.S.
- 8 Zilkha Renewables** (Houston - 15 jobs) - successful oil & gas entrepreneurs, Houston's Zilkha family now develops wind projects world-wide.

## WORLD WIND RANKINGS

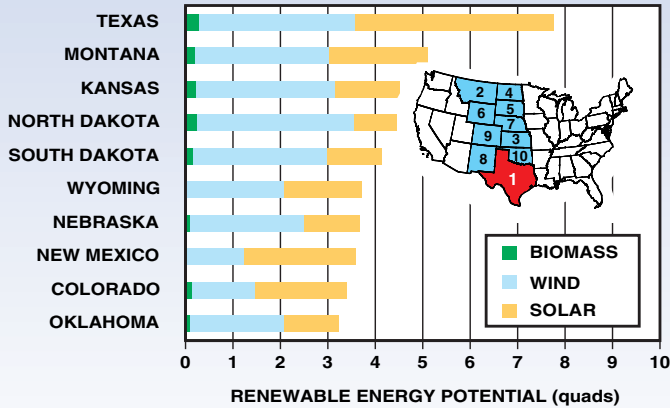
2001 Installations, in Megawatts

Germany	2,640
Spain	933
<b>TEXAS</b>	<b>913</b>
Rest of U.S.	775
Italy	308

# Consistent Policy Can Deliver Even Greater Benefits

*With vast development potential and a skilled manufacturing base, Texas is poised to emerge as a global leader in Renewables.*

## Texas is #1 in Renewable Potential



## Proven Policies

### Production Tax Credit (PTC)

This federal incentive rewards production of energy rather than construction of equipment. Nominally set at 1.5 cents per kilowatt-hour, the PTC allows environmentally benign wind energy to be cost competitive with dirtier options.

### Renewable Portfolio Standard (RPS)

RPS assures that retailers of electricity acquire modest amounts of renewable energy. Creation of a minimum, long-term market has proven an effective catalyst for rapid development of renewable energy resources.

- The Cost of RPS is Low**

The federal production tax credit coupled with RPS-driven economies-of-scale result in wind power being a viable, cost-competitive electric option.

- RPS makes Renewable Markets Work Better**

The advent of RPS and tradable renewable energy credits, make the lowest cost renewable resources available to all, enabling voluntary programs to provide better value to customers.

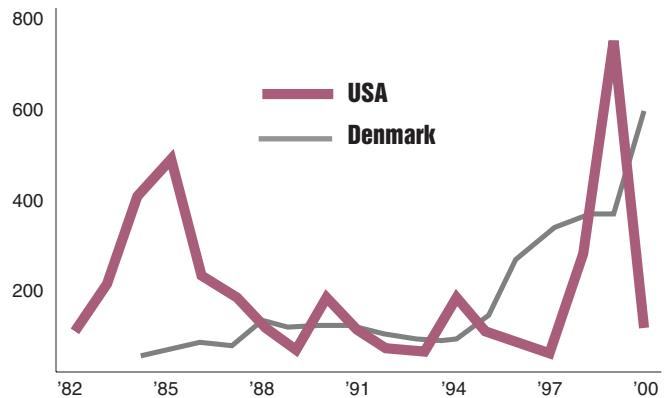
- RPS Stimulates Utility Action**

Experience with the Texas RPS shows that utilities with RPS requirements liked what they saw in renewables and bought twice the mandated amount (an extra 300 megawatts). Those private utilities not subject to an RPS requirement remained wary of renewables buying only one megawatt collectively.

## Consistent Renewables Policy A Tale of Two Nations

**Denmark**, with a size and population roughly equal to greater-Houston, has championed consistent policies that have fostered more than 16,000 permanent wind related jobs. Consistency has its rewards. In 2001, companies from **Denmark supplied 60% of the wind turbines installed in Texas, worth more than \$300 million.** In contrast, cyclical support for renewable energy in the **United States** stifles the domestic wind manufacturing sector discouraging new investment. In 2001, uncertainty regarding continuation of the federal production tax credit triggered a **U.S. layoff cycle that furloughed more than 500 Texas workers.**

### WIND CAPACITY ADDED BY YEAR, IN MEGAWATTS



### TEXAS WIND EMPLOYEE LAYOFFS, 2001

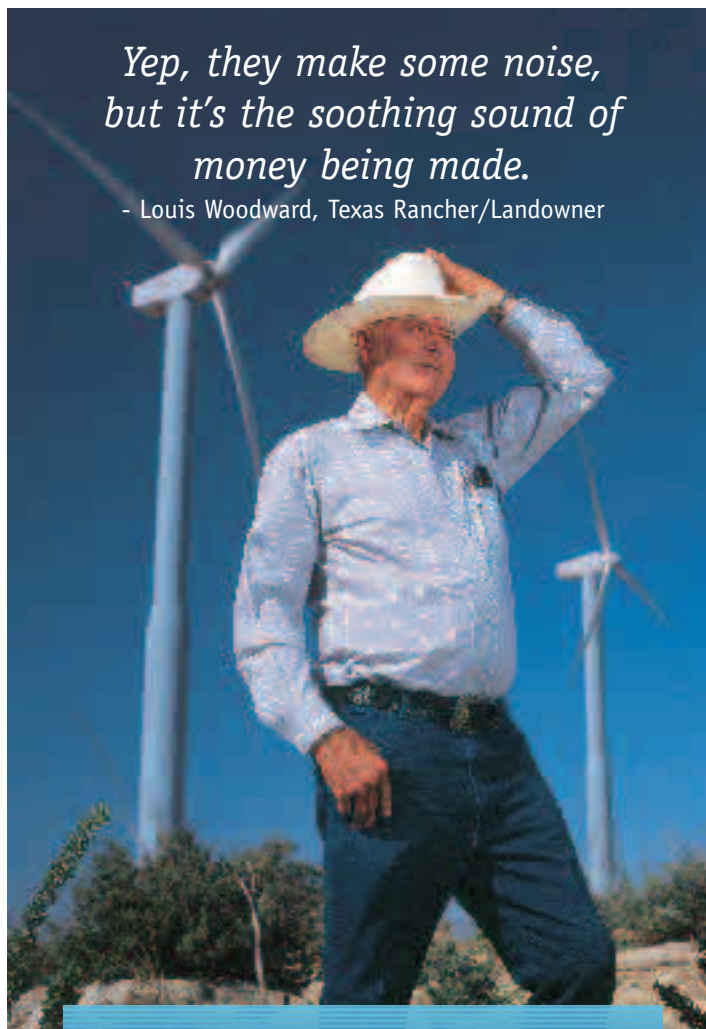
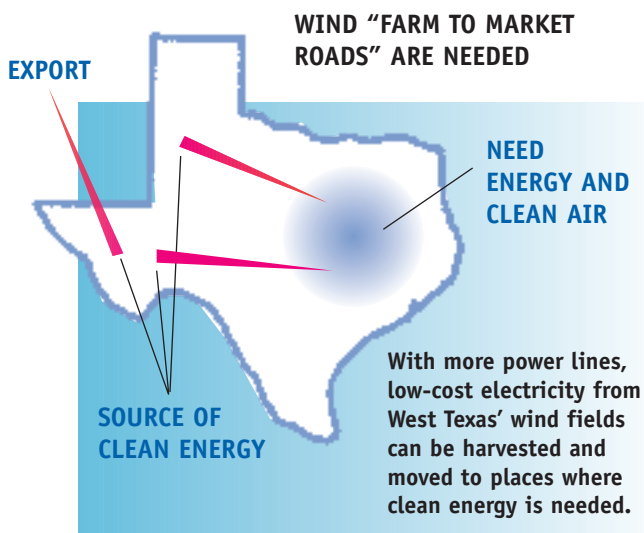
Company	Location	Layoffs
Trinity Structural Towers	Ft. Worth	310*
Molded Fiber Glass	Gainesville	130
Bergen Southwest Steel	El Paso	90
CAB, Inc.	Nacogdoches	10

\* Includes sub-contractor layoffs

# Policy Recommendations

*Consistent, effective support needed.*

- Long-term (5+Year) production-based tax incentives for renewables
- Renewable Portfolio Standard with tradable renewable energy credits
- Improved electric transmission infrastructure



## What Texans say about Wind Power

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*Wind power provides Texans clean, affordable energy, which is good for consumers, and good for the environment.*

- Rick Perry, Governor of Texas

*Wind has been a roller coaster. It's good at times, but without a steady policy, we can't afford to upgrade our plant.*

- Mike Jordan, Bergen Southwest Steel

*Renewable energy is an important part of our portfolio... we will continue to provide it, in increasing quantities, for our customers.*

-Charles Jenkins, TXU Energy Vice President

*Wind energy has provided jobs so that our young people could come back home to live and raise their families.*

- Sherry Phillips, McCamey Mayor

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Photo by Jim Lincoln Provided Courtesy of Landscapes Magazine