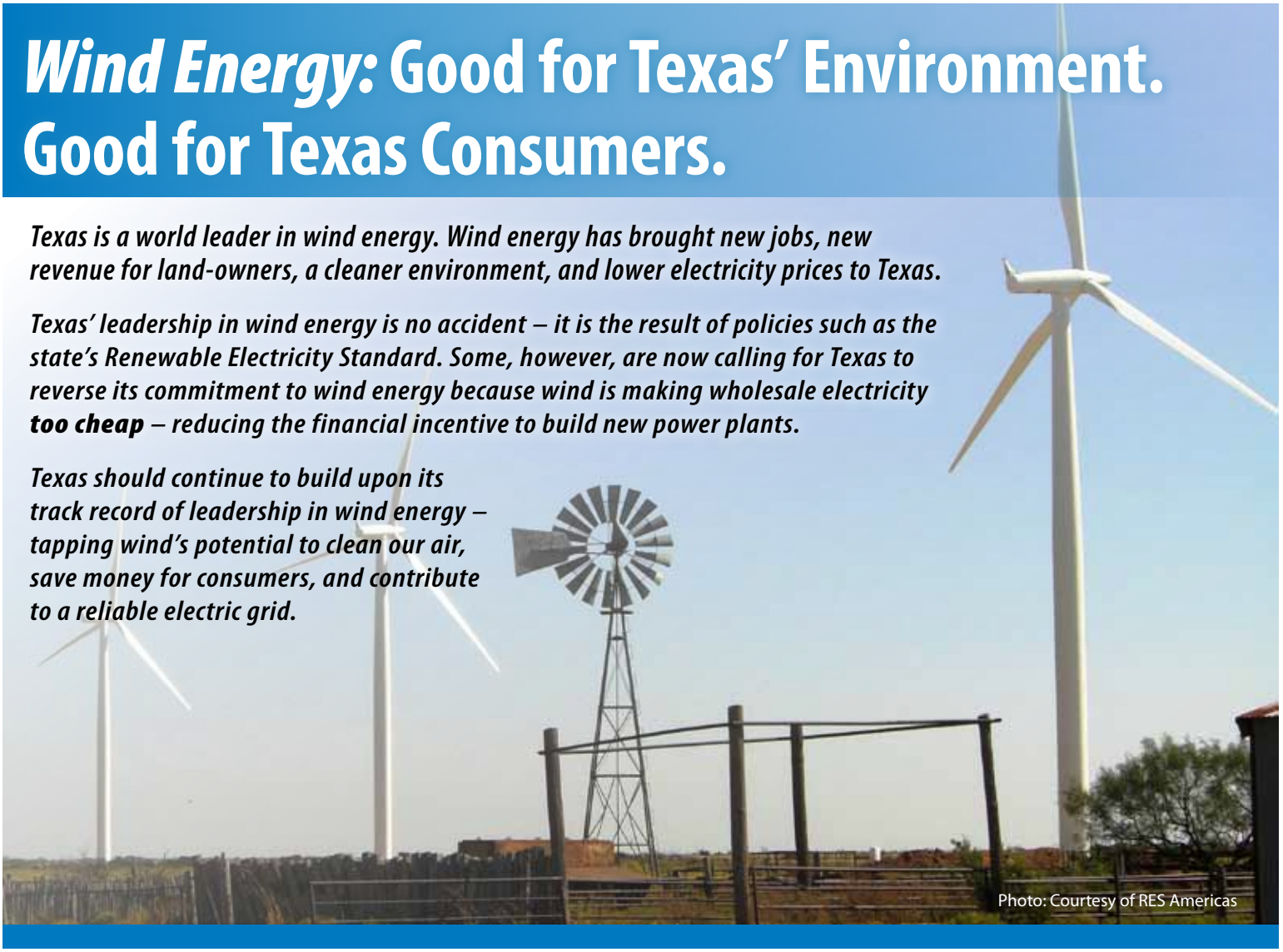
Wind Energy: Good for Texas' Environment. Good for Texas Consumers.



Texas is a world leader in wind energy. Wind energy has brought new jobs, new revenue for land-owners, a cleaner environment, and lower electricity prices to Texas.

Texas' leadership in wind energy is no accident – it is the result of policies such as the state's Renewable Electricity Standard. Some, however, are now calling for Texas to reverse its commitment to wind energy because wind is making wholesale electricity ***too cheap*** *– reducing the financial incentive to build new power plants.*

Texas should continue to build upon its track record of leadership in wind energy – tapping wind's potential to clean our air, save money for consumers, and contribute to a reliable electric grid.

Photo: Courtesy of RES Americas

Wind energy protects the environment and consumers.

- **Cleaner air.** Wind energy in Texas averts more than 16,000 tons of emissions of smog-forming nitrogen oxides, nearly 23,000 tons of sulfur dioxide, and 17 million tons of carbon dioxide from the state's power sector each year – helping Texans to breathe easier.[1]
- **Saving water.** Wind energy uses no water, helping drought-plagued Texas to save 6.5 billion gallons per year, enough to serve the domestic water needs of 130,000 people.[2]
- **Lower electricity prices.** Texas' wind boom has coincided with a 26 percent decline in electricity prices over the past four years.[3] A 2012 report by the Brattle Group found that wind energy had reduced wholesale power prices in West Texas.[4]

Wind energy contributes to a stable electric grid.

- **Greater fuel diversity.** Wind energy reduces Texas' dependence on fossil fuels such as natural gas, which are highly volatile in price.
- **Reduced water dependence.** Because wind energy uses no water, Texans have less reason to worry about the possibility of power plants shutting down due to drought.
- **Helping out in a crisis.** In 2011, when cold temperatures forced the shutdown of numerous fossil fuel-fired power plants, Texas' wind turbines continued to generate electricity, helping to keep the lights on.

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Curbing wind energy would not help Texas' electric grid.

- Wind energy is not the primary reason for reduced investment in power plants. A 2012 Brattle Group study found that the Texas electric grid's "low electric prices are driven *primarily by low natural gas prices* and by the composition of … [the] generation fleet including a large number of efficient combined cycle [power plants] and growing wind supply."[5] (emphasis added)
- The Congressional Research Service, looking at the recent decline in wholesale electricity prices nationally, found that "[a]rguably … the two primary contributors to this decline are low natural gas prices and low electricity demand."[6]

Texas' Renewable Electricity Standard is a commitment to clean energy.

- The enactment of Texas' Renewable Electricity Standard (RES) in 1999 rolled out the welcome mat for wind energy developers, fueling the state's wind energy boom. Even though the state has met its RES goal of 10,000 MW of wind energy, the RES continues to provide important support for renewable energy development.
- Expanding the RES would deliver even greater benefits. A recent study by the Brattle Group found that installation of large amounts of solar energy could have saved Texas consumers $520 million during the summer of 2011.[7]

To build on Texas' record of wind energy leadership, the state must:

- Maintain the state's Renewable Electricity Standard and tax credits for renewable energy, which have been essential for the growth of wind energy in Texas.
- Take advantage of the full array of Texas' renewable energy resources. The Public Utilities Commission should implement a 2005 law setting a target to generate 500 megawatts of solar, geothermal and other "non-wind" renewable resources. And the state should adopt financial incentives, net metering policies, and innovative financing tools (such as PACE financing) to help Texans install renewable energy technologies on their homes and businesses.

Photo: Courtesy of RES Americas

NOTES

[1] Elizabeth Ridlington, et al., Environment America Research & Policy Center, *Wind Power for a Cleaner America: Reducing Global Warming Pollution, Cutting Air Pollution and Saving Water*, November 2012.

[2] Ibid.

[3] Based on average retail electricity price data from U.S. Department of Energy, Energy Information Administration, adjusted for inflation using implicit GDP deflator from the U.S. Bureau of Economic Analysis.

[4] Samuel Newell, et al., The Brattle Group, *ERCOT Investment Incentives and Resource Adequacy,* 1 June 2012.

[5] Ibid.

[6] Phillip Brown, Congressional Research Service, *U.S. Renewable Electricity: How Does Wind Generation Impact Competitive Power Markets?*, 7 November 2012.

[7] Jurgen Weiss, et al., The Brattle Group, *The Potential Impact of Solar PV on Electricity Markets in Texas,* 19 June 2012.

Environment Texas Research & Policy Center
815 Brazos, Suite 600
Austin, TX 78701
(512) 479-0388

www.environmenttexascenter.org