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Earth Day 2008: Sierra Club Touts “Green Jobs” in Waco

The Lone Star Chapter of the Sierra Club participated in an Earth Day symposium in Waco with Public Citizen, the Greater Waco Chamber of Commerce, and local State Rep. Charles “Doc” Anderson on “Growing Business Green.” The morning symposium was sponsored by Public Citizen and the Greater Waco Chamber. It included presentations from Johnson Roofing CEO Billy Johnson, Beth O’Brien from wind developers Babcock & Brown, green affordable housing practitioner Ted Road, Public Citizen’s Tom “Smitty” Smith, and Cyrus Reed, Lone Star Chapter Conservation Director.

“Smitty” told the audience of local business representatives and Greater Waco Chamber President Jim Vaughan that meeting energy needs in the future would require growing green jobs through energy efficiency and renewable resources that would not impact the state’s water and air quality or the globe’s climate. Smitty said that recent reports suggest that Texas has the potential to meet all of its energy needs through renewable energy, demand response and energy efficiency – such as greener buildings – all of which could lead to

more local jobs.

Sierra Club Data on Green Jobs Creation

Picking up on the theme, the Sierra Club’s Reed said that a recent alliance between Sierra Club, the United Steel Workers, and others was focusing on how to create high-paying manufacturing jobs through development of renewable energy. According to studies done on behalf of the “blue-green” alliance, a modest investment nationwide in 185,000 MWs of renewable energy over 10 years would lead to the equivalent of 2 million manufacturing jobs, including 60,000 in Texas, mainly in wind and solar. In fact, Reed noted, studies showed that renewable energy sources like wind and solar PVs on roofs produced more jobs on an investment and megawatt basis than did traditional coal plants, in part because mining was being accomplished with a third of the job force as 20 years before.

Reed said the key to creating manufacturing jobs in the U.S. – as opposed to in Europe where much of solar and wind technology

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has been developed –was both to create the demand for renewables through an enhanced Renewable Portfolio Standard and to adopt an economic development policy for Texas that would attract manufacturers to Texas, invest in research and development, and help commercialize products. Reed also cited a 2007 study showing that 40,000 jobs would be created in Texas by meeting electricity demand through energy efficiency and on-site renewables.

Other Perspectives

Beth O’Brien noted the tax base and tens of thousands of jobs that have already been created in Texas in urban and rural communities because of the more than 5,000 MWs of wind currently installed in Texas, and said its future was tied in large part to development of transmission lines to West Texas. Studies for the Public Utility Commission and ERCOT showed that the high cost of the transmission lines – at least \$3 billion dollars – in West Texas would be made up in a few years because of the overall production savings that would keep the cost of energy down as wind became a bigger part of the mix. She noted that a bigger commitment to wind through transmission lines and tax incentives would make manufacturers more likely to locate in Texas.

Local businessman Billy Johnson cited the savings to builders and home owners of “cool” green roofs, and also the jobs it gener-

ated locally, while Ted Roan, a lead trainer at American Youthworks noted how their program used local, more efficient products such as insulation made from old jeans and cotton products.

The event was wrapped up by State Rep. Anderson, who said that Texas needs to look at new and future environmentally-friendly energy production requirements as an opportunity and not a threat. He also preached the need to conserve our resources through conservation and energy efficiency. He said he was honored to be named to the Texas House Select Committee on Electric Generation Capacity and Environmental Effects.

For more information on green jobs creation, visit the Blue Skies Alliance website at <http://www.bluegreenalliance.org/>.



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Texas Senate Committees Look at Electricity Demand and Its Environmental Impacts

The Senate Committee on Natural Resources, led by State Sen. Kip Averitt (R-Waco), and the Senate Committee on Business and Commerce, led by State Sen. Troy Fraser (R-Marble Falls), heard testimony on April 15 at the State Capitol from state agency representatives and stakeholders on the future of electrical energy in Texas and its power sources and how to meet future demand while addressing environmental impacts. Sen. Averitt noted that the joint committee meeting arose from reactions to the coal plants proposed by TXU and other companies and from discussions last year indicating state agencies had no specific authority to look at proposed plants jointly. Both agencies and committees look at different aspects of electric generation and transmission.

Public Utility Commission (PUC) Chairman Barry Smitherman gave an overview of electrical energy demand in Texas. He noted that with some population projections predicting 50 million Texans by 2040, the state needed a diverse energy portfolio, including a demand response program “where consumers have the choice to control their demand.” He stated that coal and natural gas would continue to be the main sources of the future, although coal plants would need to reduce or capture their carbon dioxide emissions given future global warming legislation.

Wind Power and Transmission Lines

Much of the discussion among the committee was about the role of wind in providing electricity in Texas, including the issue of how much it would cost to get the wind power from West Texas to East Texas.

PUC and ERCOT (Electric Reliability Council of Texas) representatives pointed out that the passage of SB 20 in 2005 raised the requirement for retail electric providers to purchase power from wind and also required the development of new transmission lines. Several Senators were concerned with the potential costs of the transmission lines. PUC Chairman Smitherman noted that an ERCOT study had laid out four different scenarios on what types of transmission lines could be built through the “Competitive Renewable Energy Zones” in West Texas with costs ranging from \$3 billion to \$6 billion.

Senator Kim Brimer (R-Fort Worth) worried that Texans would be forced to subsidize the transmission lines at high costs with relatively few MWs in return on a cost-effective basis, given that the total depreciated cost of the current transmission line was only \$10 billion. Sen. Averitt noted, however, that with carbon regulation coming down from Washington sooner rather than later, that cost

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might actually be lower than the cost of coal and natural gas plants, especially as the price of delivered coal and other fuels keep rising. Another 3 billion would be needed just to upgrade the present ERCOT system.

The different Competitive Renewable Energy Zones (CREZ) scenarios could mean between 12,000 and 24,000 megawatts (MW) of additional wind energy. Several of the Senators asked for more detailed information about production cost, fuel costs, and financial incentives – such as the wind production incentive taxes.

Need for State Agency Coordination

Another focus of discussion among the Senators and commissioners from the PUC, the Texas Commission on Environmental Quality (TCEQ), and the Railroad Commission of Texas was whether additional planning or coordination among the different agencies was needed.

Sen. Fraser in particular wanted to know if 1)ERCOT and the PUC approved an interconnection agreement 2)whether there was any coordination to make sure the location made sense in terms of the water and air permits needed by the plant at TCEQ, or 3)alternatively, if TCEQ communicated with PUC and ERCOT about plants seeking permits.

Virtually all of the commissioners had the

same answer: while there was no formal communication, any major applicant with major investments would be aware of the different requirements, and that under a market-based model for generation, it would be difficult to adopt a “planning” model for future projects.

Sen. Averitt indicated that he felt some type of planning for different regions, with input from stakeholders and agencies, would be needed to meet electrical demand while also mitigating the impact on water and air emissions resources. Senator Fraser said he would like to see integrated siting, where, for example, wind plants were sited in conjunction with thermal units so that electricity would be running when the wind doesn't blow. He emphasized that his committee would be looking at permitting or siting regulations.

Sen. Averitt also asked questions about the permitting of new plants, and whether TCEQ was considering the full impacts of point sources in reviewing whether a plant would affect non-attainment areas. TCEQ permitting chief Richard Hyde said a general rule of thumb was to look at a zone of 35 miles around a proposed plant. Sen. Averitt said there may be a need to look at some of the permitting issues, especially with more rigorous ozone standards now being implemented.

Other Voices

In addition to the agency representatives,

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House Energy Resources Committee Examines Promises and Drawbacks of Biofuels and Alternative Energy Sources

At a packed committee meeting on April 16, House Energy Resources Committee Chairman State Rep. Rick Hardcastle (R-Vernon) and other members heard invited and public testimony about the benefits and challenges of developing biofuels and other alternative energy sources. At times the committee meeting resembled a sales event, with speakers promoting their proposed solution.

The meeting began with presentations by state agency representatives, including Dub Taylor, director of the State Energy Conservation Office (SECO), who informed the committee that they were updating and expanding a 1999 study on the potential for renewable energy in Texas. Questioned by State Rep. Warren Chisum (R-Pampa), Taylor stated that the report would also look at the potential for alternative crops that would not compete with food or feed.

Tom Currah of the Office of the Comptroller's Research and Analysis Division announced the agency soon would release a more wide-ranging report on different energy sources, their costs and benefits. Drew DeBerry, deputy commissioner of the Department of Agriculture, informed the committee about the unfunded ethanol and biodiesel incentive programs as well as the biomass landfill diversion program and the costs of these programs.

The biodiesel incentive program would cost over \$100 million per biennium, and DeBerry stated that capital investment and facilitating markets might be a better approach.

Pushing Product

Following agency presentations, a variety of speakers highlighted emerging technologies, including the economic benefits of ZEROS (Zero-emission Energy Recycling Oxidation System), which the promoters said could take trash and biomass and convert it into electricity cleanly, while also producing distilled water and potentially liquid fuels. The promoters, which included the Texas Water Resources Institute and ZEROS Inc., said the technology was going to be used in a pilot project in Bryan to convert municipal trash into electricity and water.

The committee then heard from several experts and representatives of the biofuels industry. Texas A & M University's Dr. Joe Outlaw spoke about the potential of biodiesel – which does not compete directly with foodcrops -- to move beyond soybeans into new “shrubs” on marginal lands that would be more productive and use less water and fertilizers. Daniel LeFevers, executive director of the Gas Technology Institute, told the committee about the

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potential of gasification of biomass materials like pulp, paper, mesquite, manure and animal waste, to produce electricity, liquid biofuels, and synthetic gas.

Dr. Richard Erdlac of Energy America Geothermal extolled the virtues of geothermal energy for both electric power generation and energy efficiency of cooling and heat by geo-exchange, and that because of the 600,000 oil and gas wells, there was great potential to cost-effectively find resources. He estimated the geothermal potential of the state for electricity at 5,000 MWs, but he said more incentives and research were needed.

Omer Sagheer, vice president of marketing and public policy for White Energy, noted that White Energy had built two large corn and sorghum ethanol production facilities in Texas. He said that while the federal 51 cents per gallon tax credit to the fuel blenders

helped ethanol compete, ultimately ethanol would need to stand on its own.

Paul Sadler of the Wind Coalition spoke of the future of wind in Texas – which he stated was bright because of the legislature’s investment in it through tax incentives and the Renewable Portfolio Standard.

Loy Sneary of Gulf Coast Green Energy explained how his company had developed a technology to turn waste heat into electricity, meaning that an existing coal plant could produce 10 percent more electricity without more emissions. He advocated allowing waste heat to compete as part of the renewable portfolio standard.

Several representatives of the solar industry spoke of the need to create more incentives in Texas, including net metering throughout Texas to guarantee those investing a fair return on excess electricity production, a higher RPS, and the need to make sure that homeowners associations and building codes did not prevent solar panels from being installed.

Sierra Club Perspective

Following several other speakers, Cyrus Reed of the Lone Star Chapter of the Sierra Club told the committee that the Sierra Club shared concerns about the impacts of biofuels on water, land use, and food prices. He

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representatives from environmental organizations, industry associations, and particular companies addressed the committees, speaking about the opportunities and challenges in various industries. Environmental Defense Fund Scientist Dr. Ramon Alvarez noted that Texas would need to begin to permit carbon dioxide emissions sooner rather than later and figure out how to meet the ozone attainment standards while meeting electricity demands. He noted that energy efficiency was the cheapest, quickest and cleanest way to meet energy demands.

Former Texas legislator Paul Sadler, now chairman of The Wind Coalition, noted that the study which estimated the billions of dollars of costs of transmission lines for wind power in West Texas, showed that the savings – in terms of production cost savings and fuel cost savings – made up for the investment in four to five years.

Steve Taylor, representing Applied Materials, on the other hand, stated that because they made machines to make solar panels, Texas needed to do more to attract the solar manufacturing industry to Texas, as other states – such as Pennsylvania, New Jersey and New Mexico – do. He called for an enhanced Renewable Portfolio Standard, with a specific carve-out for solar power, and a comprehensive package of incentives for the use of solar energy.

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said the relative benefits of different biofuels really depended on the type of crops and inputs used for the fuels.

Reed also highlighted the recent “12-Step Plan” report by the Lone Star Chapter that was released the previous week. The 12-Step Plan makes several recommendations on how to increase renewable energy, including:

- raising the Renewable Portfolio Standard to 20 percent renewable energy use by 2020 with a non-wind tiered approach so that solar energy could be boosted,
- raising the energy efficiency requirements of utilities,
- considering other economic development tools such as the Emerging Technology Fund to attract a renewable energy manufacturing base, and
- a state bond loan program for renewable energy and efficiency programs at municipalities and electric cooperatives.

A copy of “12-Step Plan” is available at <http://texas.sierraclub.org/conservation/coolTexasreport.pdf>.



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