



**NEWS** Local News

## N. Texas cities buy credits to support renewable energy

Addison, Carrollton, HP support production to offset pollution

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Three North Texas cities will pay a little more for electricity next year in their ongoing efforts to be environmentally friendly.

Addison, Carrollton and Highland Park are among the first in the state to purchase renewable energy credits – certificates that represent the guaranteed production of energy from renewable sources such as wind and sunlight – to help offset the city's use of traditional power.

In terms of costs to taxpayers, it's a minor expense. But by purchasing the credits, the municipalities can show they support the production of sustainable, pollution-free energy, city officials said.

"It's not a direct purchase of electricity from wind energy farms," said Randy Moravec, Addison's finance director. "But it allows us to say we're doing our part to encourage this type of power generation."

The credits ensure that renewable energy sources are subsidized; they do not represent a direct purchase of energy for the buyer.

The cities are taking advantage of a state program created by the Legislature to drive investment in renewable energy and fund new production facilities. The state requires retail electric providers such as TXU and Reliant Energy to buy renewable energy credits, but municipalities, businesses and residential owners can make voluntary purchases.

Previously in Texas, only the cities of Austin, El Paso and Brownsville had purchased credits. Cities Aggregation Power Project, a nonprofit group that negotiates bulk power purchases, started a program this year to make credits easier for smaller cities to obtain.

Mr. Moravec said towns the size of Carrollton and Addison typically don't have the expert staff to make bond market purchases, which is how renewable energy credits are bought and sold. The Cities Aggregation Power Project employs energy market experts, so the cities pay no administrative costs for their purchases.

The city of Eastland, off Interstate 20 between Fort Worth and Abilene, also is buying renewable energy credits through the group.

Each city agreed to buy credits equal to a small percentage of its annual energy use, which goes to run municipal buildings, operate streetlights and in some cases, power water and sewage pumping. Addison will spend \$5,295 on credits to represent 10 percent of its energy use. Highland Park and Carrollton will obtain credits for 5 percent of their energy use, or \$492 and \$7,265, respectively.

The credits are paid for on top of the money the city already spends to buy electricity. It has no effect on consumer electric purchases or rates, but because city coffers are filled mostly by taxpayers, they'll indirectly shoulder the cost.

"The amount of money is not significant," said Highland Park Town Administrator George Patterson. "It's the commitment and the willingness to do it that's important."

For three months, the Addison Town Council has been exploring ways to promote conservation and sustainability. A committee appointed by the council recommended that the town implement environmentally friendly policies, and buying renewable energy credits fits, city officials said.

"The action is bold, visible and well thought out," committee member Brad Bradbury said.

Similarly, Carl Shelton, Carrollton's facilities manager, said officials there are always looking for opportunities to be good stewards of the environment.

Worth the extra cost?

But not everyone agrees that renewable energy credits are the way to go. Bill Peacock, director of the Center for Economic Freedom at the Texas Public Policy Foundation, said the credits subsidize green energy producers while contributing little to the state's energy needs.

Currently, renewable energy is expensive to produce and unreliable compared with traditional generation methods such as coal and natural gas. Money invested in credits could be better spent on nuclear power or making coal power production cleaner, Mr. Peacock said.

"I've never seen a case yet where renewable energy credits have brought a whole lot of benefit to the consumer or the environment," he said.

Terry Hadley, a spokesman for the Public Utility Commission, has a different view. In Texas, he said, renewable energy production is increasing rapidly, which makes the state less reliant on natural gas. That has environmental benefits, such as cleaner air.

"These cities are not alone in showing a willingness to pay a premium for cleaner energy," he said. "There are thousands of customers across the state who willingly pay a little more for energy from a renewable source."

Jay Doegey, chairman of the Cities Aggregation Power Project, said he expects other cities to follow the lead of the North Texas towns. Unlike them, though, most of the project's member cities are outside major population centers.

"They understand everyone needs to help Texas encourage sustainable, pollution-free energy sources, especially in the deregulated areas of the state," he said.