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Interview: TFB president Kenneth Dierschke

by Christine DeLoma

Kenneth Dierschke, a cotton farmer from Wall, is president of the state's largest farm organization, the Texas Farm Bureau (TFB).

LSR chatted with Dierschke the other day about issues most important to farmers and ranchers. Private property rights top the list. (No wonder Gov. Rick Perry's controversial veto of eminent domain reform shocked many TFB members)

Dierschke explores the possible reasonings behind Perry's veto of what he calls the "most important property rights legislation in at least 10 years."

LSR: One of the big issues outlined in the Texas Farm Bureau's annual convention was the need to revisit eminent domain reform, which Gov. Rick Perry vetoed. Why is reforming eminent domain important to your members?

Dierschke: The process is obviously in need of reform. When I go out and speak to people and explain to them how many entities

[in] the state of Texas actually have the power of eminent domain, they are usually very surprised. Actually there are thousands of them.

The fact is, eminent domain has become far too easy, thanks to two very unfortunate Supreme Court decisions. The deck is now stacked against the property owner. For example, the condemning entity does not have to make a good faith offer before they initiate this process. That means they can lowball the property owner and force that family to decide to take the matter to court. They can get the property literally for a very low and unfair compensation.

In another case, the court ruled that property owners need not be compensated for diminished access. This is state-sanctioned robbery, and no one who claims to support property rights can possibly be for that.

I'd also like to make clear that this is not a rural vs. urban issue. For every person that owns a home, a business, a car, or other property is subject to being steamrolled by an eminent

domain process that has lost all pretense of fairness.

We do not dispute the fundamental concept of eminent domain, and we also understand that with the exploding population of Texas in coming years, the taking of private property for public use will become more frequent. What we're saying is just: Treat us fairly when that happens.

LSR: Were you surprised at Gov. Perry's veto of HB 2006 and his reasons behind the veto?

Dierschke: Yes, I was very surprised at the veto. It was inconceivable to us that the Governor that has stood in front of Farm Bureau members at dozens of meetings, who was professing his support for property rights, turned his back on farmers and ranchers and property owners.

The reasons for the veto, what I've heard, **See Interview/5**

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Energy panel: Future has more promise than pitfalls

by Mark Lavergne

The economic evils created by heavy environmental crackdowns outweigh the environmental evils created by healthy industries.

That was the message from (most of) the four-person panel on energy production and pollution on Jan. 9 at the Texas Public Policy Foundation's Sixth Annual Policy Orientation.

Rep. **Dennis Bonnen** (R-Angleton), chairman of the House Environmental Regulations Committee, said two problems exist in energy and environmental issues.

First, said he, "it's overly politicized."

Second, "people... don't look at the whole complexity of the issue, don't look at the multiple factors that are important. There may be a measure that could reduce emissions, but it may be so extraordinarily costly that it's just not a pragmatic solution."

Bonnen scoffed at accusations that Texas is inattentive to environmental issues, when, in fact, he said, it leads the nation in reducing emissions. The U.S. Environmental Protection

Agency is looking to model a federal version of the Texas Emissions Reduction Plan, but that news is not often heard, Bonnen said.

Environmental and health concerns

As to global warming and its supposed consequences, Bonnen is incredulous.

"The real question," he said, "isn't, does temperature change? because it changes every day. The question is, how much does it change, and does it change to a degree with which we need to be fearful for what will happen in the future?"

Over the last century the earth's average temperature has risen one degree, Bonnen observed.

Joel Schwartz, of the American Enterprise Institute, presented evidence that "many of the things you hear in the media, from environmental groups about air quality and energy are wrong, in fact the opposite of reality."

Schwartz said that throughout the 20th

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century air pollution has actually been *declining*, despite the multiplication of cars and power plants. “The reason,” he said, “is that we’ve been making our cars cleaner, we’ve been making our power plants cleaner, we’ve been making everything else cleaner so that we can do more of the things that are good, and less of the things that we don’t like.”

From 1980 to 2005 across the nation, Schwartz said, all major forms of pollution have gone down, while coal usage, automobile miles, diesel miles and gross domestic product have all gone up.

Said Schwartz: “Technology is reducing emissions of SUVs and cars and every other vehicle much faster than driving is increasing which is why we have these large reductions in pollution.”

In light of technological advancements towards energy efficiency, indefinite continued emissions reductions are inevitable, Schwartz said.

He also presented evidence that health effects from coal and other fossil fuels and pollutants have been overblown. He showed the audience a study of air pollution and asthma cases in California from 1984 to 2002.

The studies, he noted, show that pollution has gone down, and asthma prevalence has gone up.

“The choice is really clean air and expensive electricity, or clean air and cheap electricity,” Schwartz said. “That’s the choice that Texas faces.”

The Growth Factor

Bonnen acknowledged that Texans should not ignore, or refuse to accept, reasonable innovations to reduce emissions and improve the environment.

“One of the biggest problems in Texas . . .” he said, “is we’re still growing. We’re still growing exponentially. So your energy demands continue to rise exponentially. So we have to figure out ways to be more efficient in doing that, and not stopping our economic growth.”

A senior fellow of the Dallas-based National Center for Policy Analysis, **H. Sterling Burnett**, said continued economic growth relies on continued energy growth. He said the state needs more baseload capacity and peak capacity.

State population is expected to grow from 23.5 million today to 40 million by 2030, Burnett said, citing an estimate from the Electric Reliability Council of Texas (ERCOT) that the state

will need 48 percent to 63 percent more energy by 2025.

But, Burnett emphasized, that is *before* taking into account the plants that will reach the end of their useful lives and thus will be shut down between now and then. “We’ll need power to replace the power that we already have,” Burnett said.

Wind and Coal

Virtus Energy Research Associates president **Mike Sloan** made the case for wind energy, calling it just “a piece of the mix” and saying Texas needs a “balanced portfolio” of energy sources.

“Wind is going to play a significant role in meeting the needs of the future,” Sloan said.

He highlighted the growth of wind power in Texas, from none in 1995 to a projected 4200 MW by the end of 2008.

Sloan attributed the increase to “really good fundamentals” such as ample wind supplies, state growth, a market structure that “works,” an effective package of federal and state policies, federal production tax credits, and education for policy-makers.

Burnett seemed less than thrilled by the prospects of wind power, saying wind farms are basically “energy sprawl”—taking up too much space to produce too unreliable a source too inefficiently. “If you don’t like sprawl, you probably don’t like wind power,” he said.

Burnett emphasized that wind farms run on average about 35 percent of the time, meaning the capacity figures touted by Sloan don’t tell the whole story. “Capacity isn’t the energy delivered,” Burnett said. On average, energy customers can rely on only 35 percent of the capacity of wind farms, even though their capacity is increasing.

Also, wind farms can’t be relied when they’re needed the most, Burnett said—in the summer, when the wind blows less.

Burnett and Schwartz spoke with one voice in support of the unbridled use of coal power.

Texas can continue to have both cleaner air and affordable energy, Schwartz said, with coal the most cost effective source on the market.

“Coal is still the most cost-competitive form of energy,” Schwartz said. “That’s why these other forms of energy need subsidies to make them viable.

“Even as we continue to reduce air pollution you can still get more energy from the cheapest sources of energy . . .”

And whether Texas chooses coal or alternatives, the effect on air quality will be small, Schwartz said. The real issue is energy costs for

Texas citizens if alternatives are used, he said.

Burnett argued that the most important energy issue to voters is reliability—a test that coal passes.

“You have to have the lights come on when you flip the switch,” he said.

Burnett observed that coal makes up only 19 percent of capacity in Texas but generates 40 percent of the power. By comparison, natural gas makes up 72 percent of capacity in Texas yet generates 43 percent.

A major advantage of coal is its presence in the U.S. borders, Burnett observed, calling the United States “the Saudi Arabia of coal.”

In Texas since 1998 Nitrous Oxide emissions from power plants have gone down by 64 percent, and sulfur dioxides have gone down by 20 percent, in spite of increasing use of coal and natural gas, Schwartz said.

Limited Government

Sloan made the case that wind power is the hottest commodity in the energy market in Texas today, highlighting that 17 of the 19 ERCOT interconnection agreements for 2007 were for wind power—over 3,000 MW. There will be more wind than nuclear MW in Texas by the end of 2008, he said.

“The market is simply responding to the risk,” Sloan said. “The emissions risks and the fuel risks for wind are zero.”

But Burnett challenged the consistency of Sloan’s logic. If one believes the government should get out of the way and “let the market do the work,” then what about government subsidies, production tax credits etc?

“That’s not the market,” Burnett said.

Indeed, growth of Texas wind power is at least partially attributable to the considerable mandate for alternative energy capacity put forth in the 2005 session by SB 20—under pretenses that Schwartz and Burnett both consider false.

“I don’t think the government should subsidize any energy,” Burnett said. “If they did, we would be a loser.”

Sloan said the government does have some place in energy production.

“I think it’s good for the government to take some actions to try to prepare for the future,” he said.

“I’d like to see no subsidies for wind or coal or oil or natural gas,” Schwartz said. “That’s what the government should be doing, letting individuals make their own choices with their own money.” ☐

