

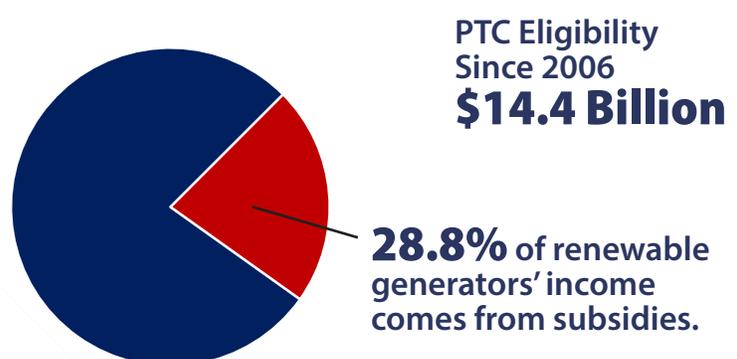
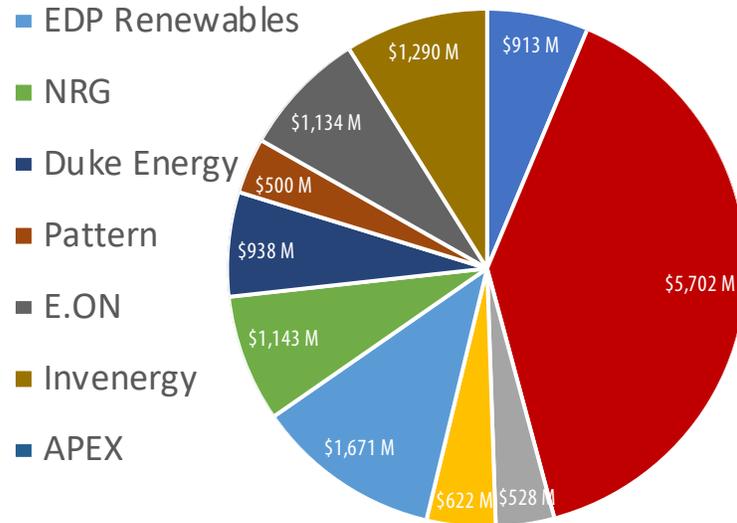
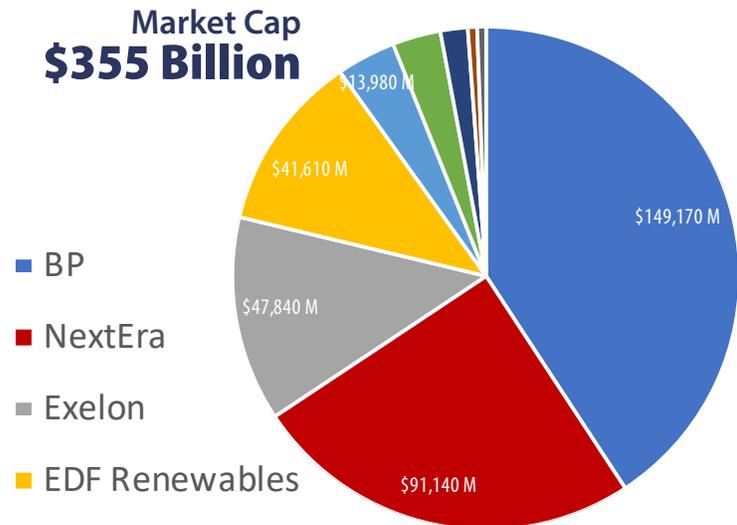


SB 2232 and HB 2908 Why Texas Must Take a Closer Look at Renewable Energy Subsidies

Renewable Energy Subsidies in Texas Will Total More Than \$36 Billion through 2029

2006-2029	
Subsidy/Credit	Amount
Production Tax Credit	\$16.3 billion
Investment Tax Credit	?
CREZ Transmission Lines	\$14.0 billion
Federal Stimulus Funds	\$1.6 billion
Renewable Energy Credits	\$570 million
Interconnection Costs	\$1 billion
313 Property Tax Limitations	\$2.5 billion
312 Property Tax Abatements	?
Total	\$36.0 billion +
Average Annual Cost	\$1.50 billion +
2018 Cost	\$2.47 billion +
% of ERCOT 2018 Total \$ Sales	7.8% +
% of ERCOT Renewable \$ Income	28.8% +

Renewable Energy Subsidies Transfer Wealth From Taxpayers to Big Business



The PTC Greatly Distorts Texas' Electricity Market

"Approximately 16,000 MW of wind capacity in Texas thus has an incentive to operate as much as possible, even at locational prices less than zero. ... Subsidized wind energy is not only increasing the frequency of negative prices in ERCOT, it is decreasing prices in every hour that the wind farms are generating." – William Hogan, Ph.D., Professor of Global Energy Policy, Harvard University

"The ... efficient and economical resolution [to the distortion] is to eliminate subsidies for intermittent renewable energy. If doing so proves politically impossible, the PUC's best option will be to reduce rather than expand the scope of the ORDC by directly changing ERCOT's rules to require that wind and solar operators rather than consumers bear the costs of intermittency. That cost will almost certainly fall short of the \$3 billion that the augmented ORDC will impose on consumers." – Robert Michaels, Ph.D., Professor of Economics, California State University, Fullerton (retired)