

# ACT

## Alliance for a Clean Texas

Clean Energy:

### Incentives for Solar Roofs and other Distributed Renewable Energy Technologies: 2,000 MWs by 2020

Texans are looking for more reliable energy sources, searching for greater control over power costs, and seeking alternatives to traditional power sources that degrade the environment and undermine public health. Instead of relying entirely on central station power plants, distributed renewable generation systems locate power sources closer to the consumer – in an office building, a neighborhood, a factory, or a home. Small renewable generation units located near the point of use can be a safe and reliable way to supply back-up power during blackouts, a cheaper alternative to escalating energy costs during peak demand, and a tool to relieve congested transmission lines and meet air quality requirements.

Texas has tremendous potential to develop these technologies, particularly solar power. With our sometimes-almost-unbearable amount of sunlight, chemical companies producing solar-grade silicon, and semiconductor companies producing photovoltaic equipment, Texas could become a world solar leader, creating thousands of manufacturing, engineering, and installation jobs and attracting billions in investment to the state.

The good news is that solar photovoltaic technologies have moved rapidly from serving off-grid niche markets like remote locations, emergency signs and calculators to becoming a mainstream electricity source. Yet, despite this progress, the cost of a home or commercial solar system in Texas has not yet fallen to the level where it makes long-term financial sense for a homeowner or business to install a system without government incentives.

According to the U.S. Department of Energy, solar photovoltaics are expected to reach parity with traditional electricity sources within the next five years. With the right programs and policies today, Texas can have a great deal of control over how rapidly solar power becomes cost-competitive. And, by getting in on the ground floor of this new market, Texas can also benefit economically.

The experience over the last 10 years shows that if we invest now in creating the demand, the solar industry will meet it and, in doing so, will be able to manufacture and install solar PV systems at lower cost. And as they learn how to build solar PV systems more inexpensively, demand will increase, creating a “virtuous cycle” that will give solar power a tremendous boost in becoming a major source of Texas’s power. While government incentives can increase Texas’s installed solar capacity, an even better reason for them is that they can push down the cost of solar in the long run, to the point where incentives are no longer needed.

Texas should create a statewide direct rebate program to help make solar and other technologies

cost-effective for Texans. Rebate programs run by utilities such as Oncor, Austin Energy, CPS Energy and Bryan Texas Utilities, and most impressively by the state of California, have demonstrated that direct rebates are an extremely efficient way to encourage solar installation.

A recent report by Vote Solar, Public Citizen and Environment Texas called "Wildcatting the Sun" found that a 2,000 MW 10-year solar incentive program would generate 21,500 jobs and only add an average of 0.98 cents to the average utility bill to make Texas an on-site solar leader. The Alliance for Clean Texas supports the 2,000 MW goal by 2020.

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For further information about ACT 2009 Clean Energy recommendations, please see [www.acttexas.org/issues/renewables](http://www.acttexas.org/issues/renewables)

## On-Site Renewable Incentive Bills Introduced

**HB278 - Representative Anchia and SB427 - Senator Shapiro:** relating to energy demand and incentives for distributed renewable generation.

This bill creates incentive programs, administered by electric utilities, for commercial customers, residential customers, and home-builders to build on-site solar and geothermal generation. It also sets the goal of an additional 2,000 MWs of generating capacity from distributed renewable energy sources to be installed by the state by 2020, and at least 1,000 MWs by 2015.

**SB600 - Senator Van de Putte:** Relating to a solar energy technology generation incentive program to be administered by electric utilities.

This bill creates incentive programs, administered by electric utilities, for generation capacity from solar energy technologies. It sets the goal of additional generating capacity from solar energy technologies to be 200 MWs by 2011, 500 MWs by 2013, 1,500 MWs by 2015, and 3,000 MWs by 2019. It would include both on-site and off-site renewables.

**SB545 - Senator Fraser:** relating to the creation of a distributed solar generation incentive program.

This bill creates a five-year incentive program, administered by electric utilities, for commercial and residential customers to increase the amount of distributed solar generation installed. The incentive program would be funded by a nominal monthly fee on residential, commercial and industrial customers. The program would generate an estimated \$50 million per year and lead to approximately 70 MWs of on-site renewables by 2015.

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