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Testimony to Texas Senate Committee on Natural Resources

Chairman Fraser, members, my name is Josiah Neeley and I am the Texas director of the R Street Institute. R Street is a non-profit, free-market think tank headquartered in Washington, D.C., though I am based out of Texas. I'm here today to speak in favor of S.B. 931.

The wind industry has received substantial favors and subsidies in recent decades from both the state and federal governments. More than \$7 billion has been spent building transmission lines under the competitive renewable energy zone system, and renewable energy credits under the state's renewable portfolio standard have cost another \$500 million. All of these costs, by law, will be passed on to Texas power consumers.

The effect of these programs on renewable electricity capacity has been minimal. The CREZ lines are only now coming online, and Texas currently has double the installed capacity for renewable electricity required by 2025, which suggests the increase is being driven by other factors. It is worth noting, in this regard, that the subsidies Texas wind producers have received from the federal production tax credit for renewable energy dwarfs anything the state has provided.

In any event, wind electricity is a mature technology, and should stand or fall on its own, without continued government support. Texas is blessed with plenty of wind, and wind electricity will undoubtedly continue to be a part of Texas' energy mix. But the amount and location of wind generation should be determined by market forces, not by government fiat. S.B. 931 rightly recognizes this by sunseting the RPS and CREZ programs.

I would be happy to answer any questions.