

Renewables Investments Bring Long-Term, High Value, Energy Assets to Rural Texas

Chapter 313 (the Texas Economic Development Act) is one of the most important economic development tools devised by the Texas Legislature. It has been a key contributor in bringing economic activity to our state and, thanks to renewable energy development; it has been of particular benefit to the often-neglected rural parts of Texas. Renewable energy is now a key part of the energy mix in Texas providing more than 24% of the state's electric supply. As a hedge against the volatility of fuel prices, renewables help guarantee consumers, businesses, and manufacturers have long-term access to reliable, affordable, water-free, emission-free energy. Using the Chapter 313 program, Texas has been able to attract more than \$60 billion in renewable energy investments, which deliver:

Job Creation. According to the Texas Governor's Renewable Energy Industry Report, the wind industry employs nearly 26,000 people in Texas. A report by the Natural Resources Defense Council (NRDC) says that each "major" wind farm (250 MW) creates approximately 1,079 jobs throughout the 14 steps of development, including planning, manufacturing, construction, maintenance, and operations.

Energy from Texas. Let's use the energy we have: renewables and natural gas. Too much of Texas electricity is generated using imported fuel. Renewables keep consumers' energy dollars in Texas, helping us grow and be energy independent.

Affordable Long-Term Prices. Wind and solar energy have emerged as two of the most affordable and sustainable sources of electricity. And, without exposure to fuel price fluctuations, their power price is set permanently. According to the Texas Public Utility Commission, Renewables "had the impact of reducing wholesale and retail prices of electricity."

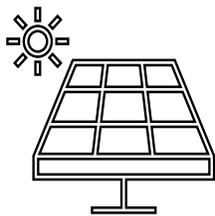
Texas Energy Created Using No Water. Texas faces a water crisis and our ability to generate electricity is being affected. Using renewables saves scarce water resources and, because they have no emissions, wind and solar help Texas reduce pollution that increases industry environmental compliance costs and the cost of living in non-attainment areas.

Rural Economic Development. No program has been more effective in bringing economic development and investment to rural areas of our state. More than \$60 billion has been invested in Texas communities by wind and solar energy developers, including billions in investments that were incentivized and made competitive by the Chapter 313 program.

Expanding School District Tax Bases. School districts in Texas benefit from the substantial investment that wind and solar energy brings to their communities. The expected 30+ year life of these projects makes them a reliable partner.

Landowner Opportunities. Landowners in rural Texas receive lease payments for each turbine or solar array installed on their property. These are infusions of capital into rural Texas and are helping to keep farmers and ranchers on their land, particularly during a damaging drought. With wind power, 95% of farmland can still be used for agricultural purposes letting farmers and ranchers to benefit from a second harvest – of clean, cheaper power for Texas consumers.

Long-Term Investment. The 313 program requires companies to stay in communities for 3 years following the limitation period. Unlike some types of development, wind and solar are committed for the long haul. Our capital investment is massive and the structures not easily moved. For taxpayers, and – most importantly – for the school districts funded by these investments, this guarantees a long term benefits for Texas and local communities.



Policymakers studying tax incentives often rightly ask themselves, "Would development occur here without incentive?" In the case of renewable energy, the answer is, "No."

34 other states offer tax incentives for wind or solar energy development, including our regional competitors. Texas is located within America's "Energy Corridor" and has abundant clean energy reserves, but we compete with many of our neighbors whose wind and solar energy potential is higher and whose regulatory frameworks make their states more conducive to energy export. Chapter 313 helps keep Texas competitive for rural renewable energy investments.