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Texans paying a high price for the privilege of a less reliable market

Renewable subsidies in Texas top \$19 billion since 2006

Austin, TX (July 20, 2020) — Today the Energy Alliance released [The High Cost of Renewable Energy Subsidies](#). The report catalogues the cost of subsidies provided to Texas wind and solar generators: about \$19.4 billion since 2006, with another \$15.9 billion projected over the next decade.

“Texans are paying a high price to support expensive and inefficient renewable generation,” said Bill Peacock, policy director for the Energy Alliance. “These federal, state, and local subsidies for renewable energy are undermining the reliability of the Texas electricity market.”

Since 2006, federal tax credits and direct payments for Texas’ renewable generators have cost taxpayers about \$9.5 billion, according to the report. State subsidies, through transmission costs and renewable energy credits, have totaled about \$8.7 billion. Local subsidies in the form of property tax abatements reached about \$1.1 billion.

“The only way to ensure that Texans can keep the lights on without emptying their bank accounts is to eliminate renewable energy subsidies,” according to Peacock.

Texas began subsidizing renewable energy in 1999 with the creation of its Renewable Portfolio Standard. In 2005, the Texas Legislature mandated the building of the CREZ transmission lines to subsidize the cost of transmission from wind and solar farms. Property tax abatements for wind and solar generators are provided by school districts, counties, and other local taxing entities through Chapters 312 and 313 of the Texas Tax Code. The federal government began subsidizing wind generation in 1992 through the Production Tax Credit and solar generation in 2005 through the Investment Tax Credit.

The report can be downloaded at <https://www.theenergyalliance.com/s/011-The-High-Cost-of-Renewable-Energy-Subsidies-Layout.pdf>

The Energy Alliance is a project of the [Texas Business Coalition](#) to raise awareness of issues about the energy market that matter most to consumers: Reliability, Affordability, and Efficiency.

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