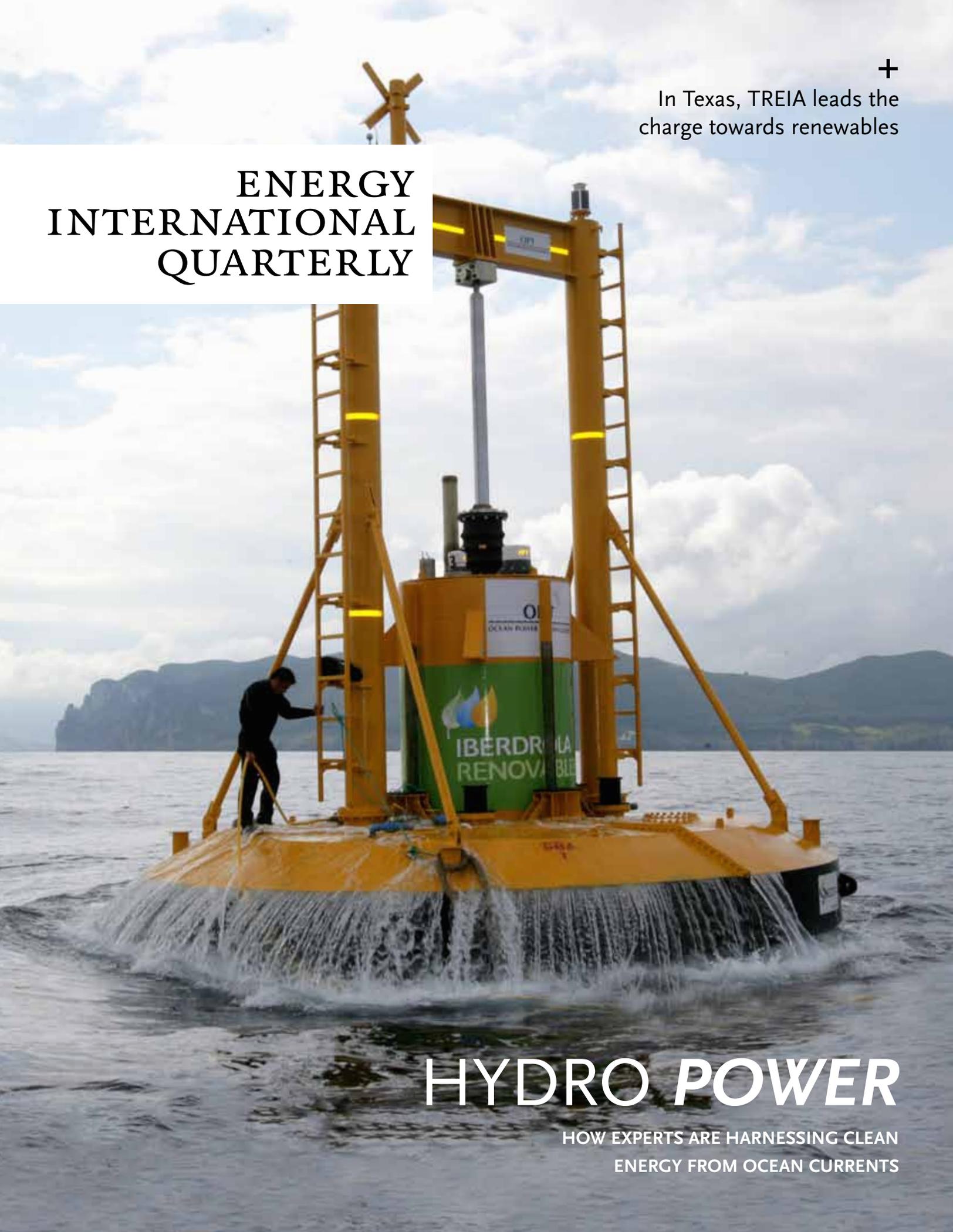




In Texas, TREIA leads the charge towards renewables

# ENERGY INTERNATIONAL QUARTERLY



# HYDRO *POWER*

HOW EXPERTS ARE HARNESSING CLEAN  
ENERGY FROM OCEAN CURRENTS



# GRABBING THE ENERGY BULL BY THE HORNS

BY CHRISTOPHER CUSSAT

*TREIA unites Texas' many renewable energy sectors—and helps each to gain momentum in the industry*

SINCE 1984, THE TEXAS RENEWABLE ENERGY Industries Association (TREIA) has been an organizing entity and policy advocate for many of the state's renewable-energy companies. The organization's influence is considerable: TREIA's more than 600 members represent all of the renewable-energy-technology sectors including solar, wind, biomass, geothermal, and hydrokinetic.

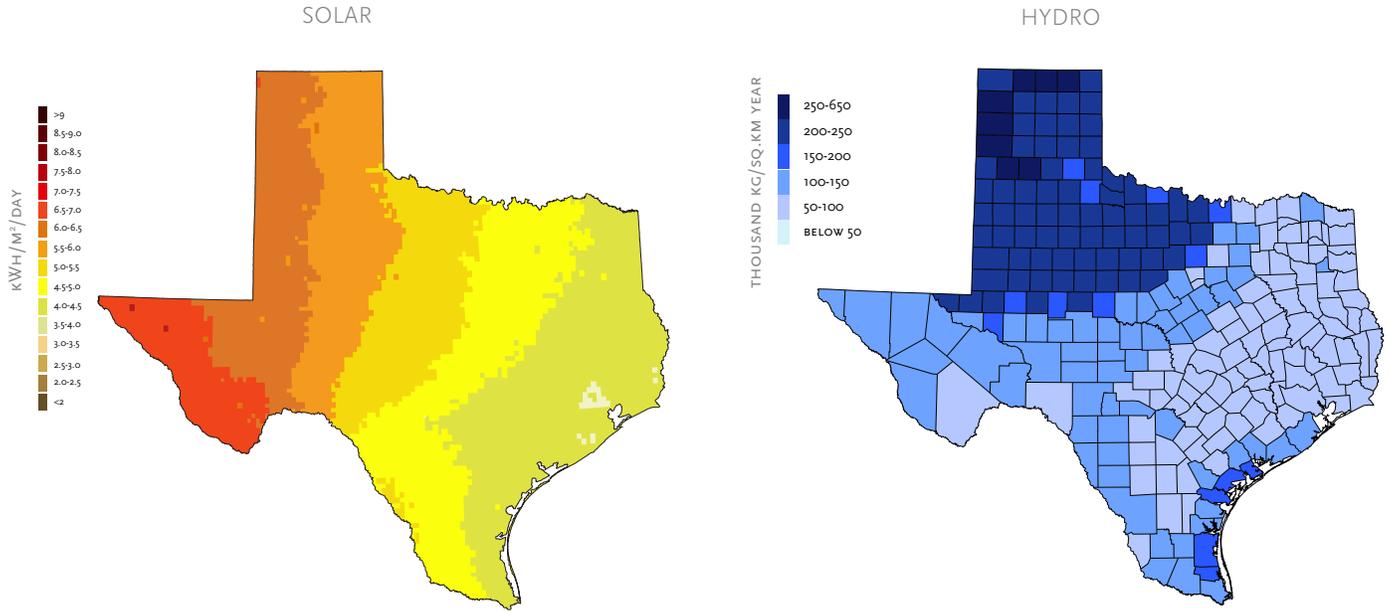
Texas is known for its contributions to the oil and gas industry. Ironically, the Lone Star State is also

a strong leader in the renewable-energy sector. While many states have yet to join the renewable-energy movement, the Texas Renewable Energy Industries Association (TREIA) has been helping Texas to progress swiftly and effectively into the future of renewables for more than 25 years.

TREIA is governed by a 12-member board of directors elected by its voting members — companies and nonprofit or governmental organizations. (Voting members have one vote each.) The

# RENEWABLE-ENERGY POTENTIAL IN TEXAS

Source: National Renewable Energy Laboratory for the US Department of Energy



organization also has a non-voting population, composed of associate members (employees of voting-member entities), individual members, and student members. Today, TREIA counts more than 600 people as members.

TREIA was born when several members of the Texas Solar Energy Society (TXSES), noticed the need to have a group in the state that could lobby the legislature without the narrow IRS restrictions that applied to non-profit 501(c)(3) organizations. Although TXSES had been quite active in promoting solar energy and other technologies since 1976, the members craved a more business-oriented support effort. So in 1984, TREIA was founded. It is currently a nonprofit trade association that was established as a 501(c)(6) organization under IRS rules.

## LOOKING BACK

Nearly three decades ago, the founding members of TREIA predicted the future evolution of renewable energy and energy needs. They also realized that inter-industry competition and adversarial business behaviors could be a detriment to the movement as a whole. Russel E. Smith, executive director of TREIA, explains, “those of us involved in forming TREIA had observed a pattern in other parts of the country: single-sector-focused groups [were] engaged in non-productive and sometimes destructive behaviors.” Smith says that negatively com-

petitive method was pitting one renewable sector against another in a scramble for whatever crumbs of support might be available from the government.

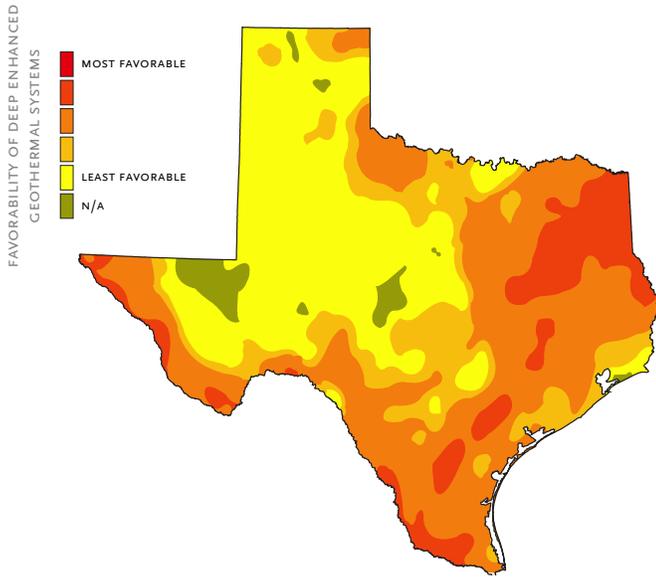
As a result, a critical decision was made to incorporate all of the renewable-energy sectors into one organization. “The idea was, and remains today, that through coordination, negotiation, and mutual support, each sector could be bolstered in the most effective way and at the appropriate time,” Smith says. TREIA members also believed that approaching the state’s legislature and regulatory agencies on issues with a unified voice reflecting policies that had already been hashed out “in the TREIA family” would prove to be the most viable way to make progress for all renewables.

This revolutionary ideology made TREIA one of the first multi-industry renewable-energy trade organizations in the country—today it remains one of the few structured that way. Since its inception, TREIA has embraced technological innovation and continually strives to provide opportunities for its members to learn about the latest advancements and share their own progress with others.

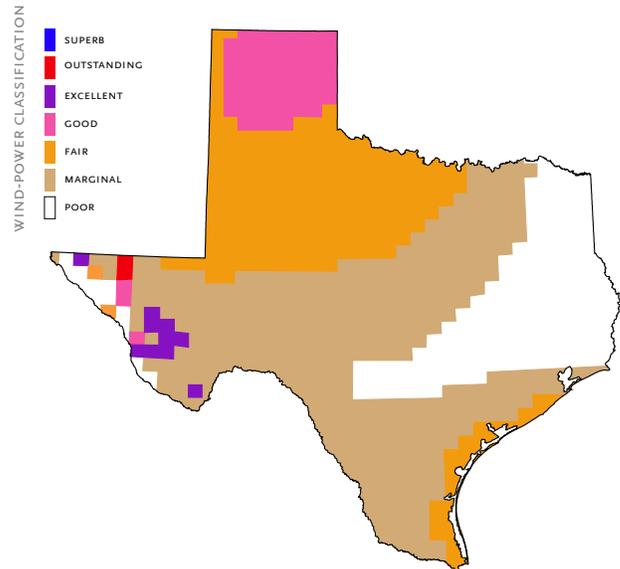
## THE STRUCTURE

Nearly all renewable-energy interest areas’ administrative and functional needs are represented in TREIA’s extensive committee structure, which was established to

GEO THERMAL



WIND



help the organization meet its objectives. Smith says that one of the most important and active committees is TREIA's Policy Committee (PC) because it helps to shape the organization's over arching policy statement and legislative agenda.

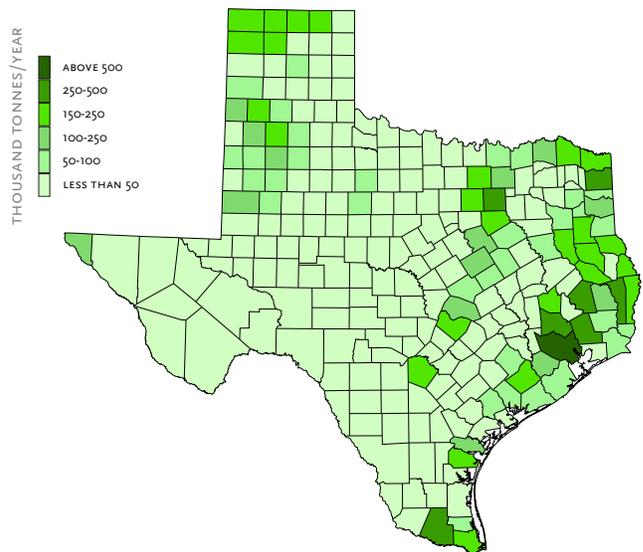
The PC consists of the board president, vice president, one other appointed board member, the PC chair, and the chairs and cochair of several subcommittees. Current subcommittees include biomass electric, biomass fuels, carbon control, distributed renewable generation, and economic development and green jobs; each TREIA member may participate in two subcommittees.

**TREIA IN ACTION**

In its efforts to promote renewable energy throughout Texas, TREIA has been instrumental in the development and implementation of many innovative policy initiatives affecting the renewable-energy industries. Examples include 1999's "Goal for Renewable Energy" electric utility restructuring legislation and the Competitive Renewable Energy Zones (CREZ) law, which moved renewable-energy-generated power to where electricity is needed. Both of these efforts in policy innovation have influenced other states' policies.

In addition to this work, TREIA has organized countless renewable-energy conferences, training workshops,

BIOMASS



**THROUGH COORDINATION, NEGOTIATION,  
AND MUTUAL SUPPORT, EACH SECTOR [IS]  
BOLSTERED IN THE MOST EFFECTIVE WAY.**

—Russel E. Smith, Executive Director of TREIA



**Texas Renewable-Energy Achievements**

- Nearly 10,000 mW of wind-generation capacity, making Texas number one in the nation in that technology, according to the American Wind Energy Association
- Tens of megawatts of biomass electric generation are already online in the form of landfill methane projects and wood-waste generation—with between 100 and 200 mW of biomass facilities in the works
- There are close to 10 mW of grid-connected residential and commercial-scale photovoltaic installations and an undetermined but sizable amount of off-grid PVs
- Hundreds of residential and commercial-scale solar water-heating systems have been installed in recent years, adding to many more that remain from the 1980s and are being maintained
- Geothermal heat pumps are increasingly common as a means of heating and cooling—primarily for commercial buildings and schools
- Texas has had several hundred megawatts of hydroelectric capacity since the early to mid-1900s, and a small amount of additional capacity has been added in recent years

forums, trade shows, networking events, and public fairs through the years. In fact, TREIA’s Texas Renewables conference series is considered one of the premier business-to-business and business-to-government programs offered in the field.

TREIA also established a group called the Rural Alliance for Renewable Energy (RARE) to facilitate a dialogue between the renewable-energy industry and agencies, educational institutions, and non-profits that have a rural focus—and to help build support for and knowledge about renewable energy in the vast regions outside the major metropolitan areas of the state.

**WEATHERING THE STORM**

The current economy has certainly had a dampening effect on the sale and installation of renewable-energy equipment. In the renewable fuels sector—although some 250 million gallons per year of ethanol production facilities are currently active in the state—over 100 million gallons of production capacity are currently idled. Smith explains, “Texas recently led the nation in bio-diesel production, but the largest portion of that capacity is currently idled due primarily to the economy and on-again, off-again federal policies.”

On a hopeful note, government grants and funding are beginning to reap positive effects for both Texas at large and the company members of TREIA. “Until very recently, the federal stimulus funds have had very little impact on TREIA member companies,” Smith says. “This began to change when Section 1603 awards of grants began to flow.”

As a result, Texas projects received a total of over \$816 million stimulus dollars—\$805 million of which was for

large-scale wind projects. The balance was distributed among solar, geothermal-heat pump, and biomass projects. “The injection of that kind of money into the renewable-energy sector in Texas [is bound to] have a positive impact,” Smith says.

The State Energy Conservation Office (SECO) has also announced stimulus funding for 32 solar-power projects through the State Energy Program’s (SEP) Distributed Renewable Energy Technology Program. This first round of grants, totaling just over \$31.5 million, was directed to adding solar technology to cities, school districts, colleges, universities, as well as other local and state government entities.

## COMMITMENT TO INNOVATION

TREIA's membership numbers are increasing each year. As a result, organized renewable-energy companies have gained momentum in Texas. Still, Smith says that TREIA does not plan to rest on its accomplishments. “We are working to bring ever increasing value to our members and the renewable-energy development effort in Texas,” he says. “In addition to the many benefits already accorded TREIA members, we have just added a renewable-energy-focused job board at [our website]—which offers opportunities for employers and those seeking jobs in the field.”

TREIA has also recently rolled out a new website with a public focus. Called Friends of TREIA, Smith says it was designed to attract and build grassroots support and assistance for public policies beneficial to the renewable energy industry. “For the first time, we have established a political action committee called TREIA PAC, which will only contribute to select incumbent legislators and other elected state officials who have demonstrated active support for renewable-energy development in Texas,” he says.

Smith names persistence and continuity as the keys to TREIA’s success. He says that knowledgeable and committed leaders on the board and in committees, a diverse membership, reasonable policies and positions are also hallmarks of the organization.

TREIA’s ultimate goal is to have renewable energy contribute the largest possible portion of the state’s energy consumption in the shortest possible time frame. Cooperation among all of the renewable-energy companies and their collaboration assures that this goal will be achieved and that Texas will continue to successfully fulfill its growing and changing energy needs. EIQ

## Policies and Programs That are Driving Renewable-Energy Development in Texas

- *A second “Goal for Renewable Energy” of 5,880 mW by 2015 (a number which has already been met and exceeded)*
- *New CREZ policy and many other favorable transmission rules*
- *Electric-utility competition*
- *Current rule-making processes at the Public Utility Commission of Texas (PUC), which is leaning toward reinterpretation of the 500 megawatts non-wind target found in the “Goal for Renewable Energy” and treating it as mandatory rather than voluntary*
- *Several utility-renewable-technology-targeted incentive programs*
- *An exemption from the Fuel Use Tax for diesel/renewable fuel blend*
- *Exemption from the state’s Franchise Tax for companies involved solely in solar energy*
- *Deduction of the cost of a solar device from taxable capital under the Franchise Tax*
- *Exemption from property taxes for solar and wind installations where the energy produced is used primarily on-site*