

2014

Just Energy Policies: Reducing Pollution and Creating Jobs

TEXAS REPORT

ENERGY
EFFICIENCY



SOLAR



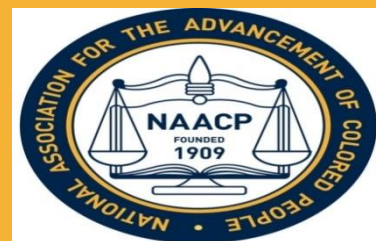
WIND



GEOHERMAL



National Association for the Advancement of Colored People (NAACP)
Environmental and Climate Justice Program
FEBRUARY 2014



Just Energy Policies and Practices

Texas Report on Energy Efficiency and Renewable Energy Policies

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WHY THE NAACP IS STANDING UP FOR JUST ENERGY POLICIES

Since 1909, the NAACP has addressed a vast array of civil rights issues including education, employment, housing, civic engagement, health, and criminal justice. Communities of color nationwide are, and have historically been, beset by human and civil rights violations, including disproportionate exposure to pollution, crime, substandard living conditions and more. African Americans who reside near energy production facilities including coal fired power plants, nuclear power plants, or biomass power plants, are more likely to suffer the negative health impacts of prolonged exposure to smog, lead, asbestos, mercury, arsenic, sulfur dioxide, nitrogen oxide and other toxins than any other group of Americans.¹²³⁴

Prolonged exposure, to toxins from these energy production facilities, is tied to birth defects, heart disease, asthma attacks, lung disease, learning difficulties, and even lower property values. Approximately 68% of African Americans live within 30 miles of a coal-fired power plant, which produces the largest proportion of energy compared to any other energy production type. The health conditions associated with exposure to toxins coming from these plants disproportionately affect African Americans. An African American child is three times as likely to be admitted to the hospital and twice more likely to die from an asthma attack than a white American child. Though African Americans are less likely to smoke, they are more likely to die of lung disease than white Americans are.⁵ A 2010 report by the National Research Council (NRC) calculates that particulate matter pollution from U.S. coal-fired power plants is solely responsible for causing approximately 1,530 excess deaths per year. In addition, properties in close proximity to toxic facilities average 15% lower property values.⁶

At the same time, many of the same polluting facilities that affect the daily health and well-being of host communities are major contributors to the greenhouse gases that are driving climate change. Carbon dioxide (CO_2) emissions are the leading cause of climate change and coal-fired power generation accounts for 32% of all CO_2 emissions.⁷ Not only do low-income neighborhoods and communities of color suffer more of the direct health, educational, and economic consequences of these facilities, but also devastating natural disasters such as Hurricanes Katrina and Sandy, along with rising food prices and water shortages, harm low-income people and people of color disproportionately partly due to pre-existing vulnerabilities.

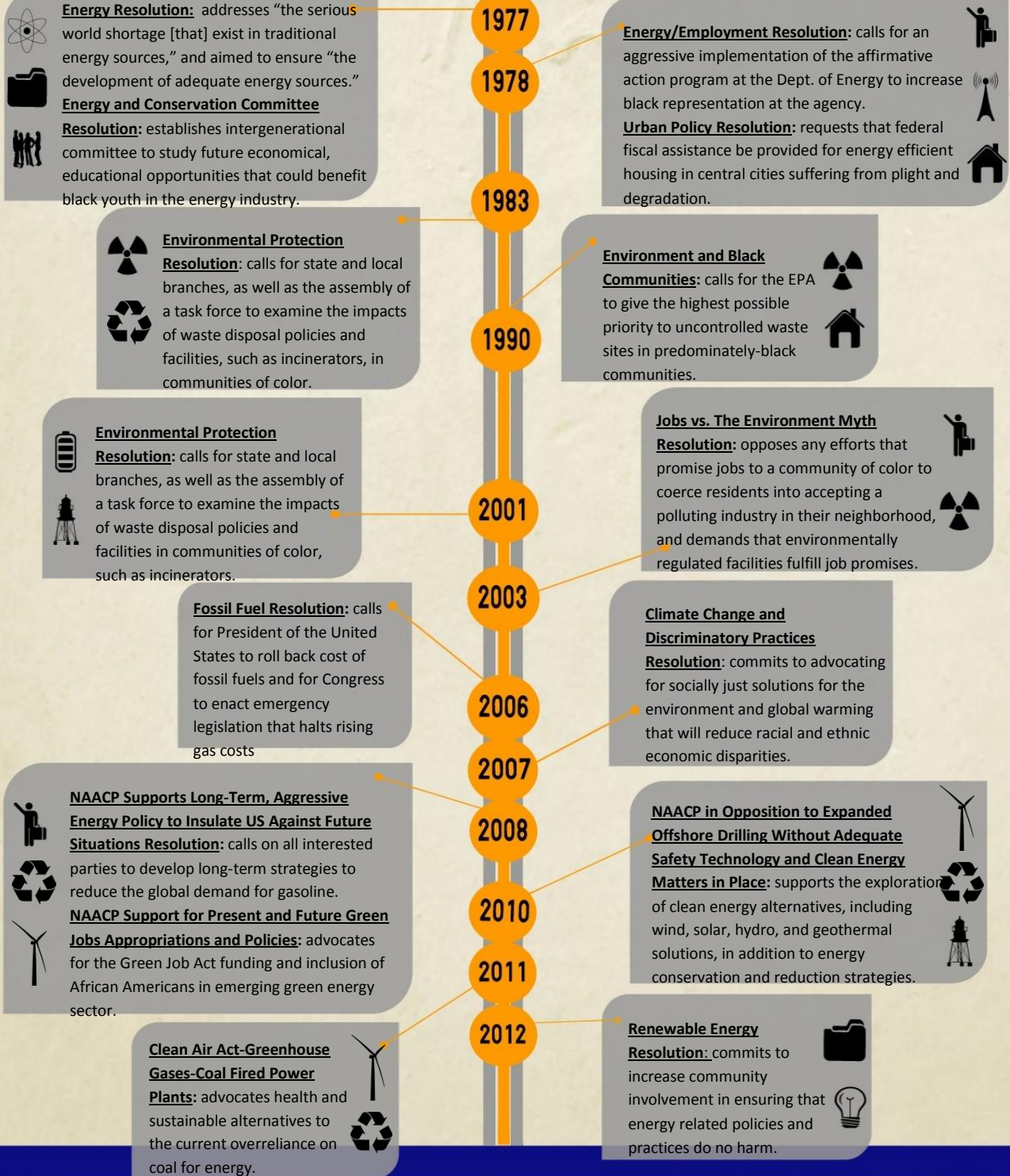
While African Americans are enduring most of the harmful impacts of energy production, they are reaping few of the benefits from the energy sector. According to a 2010 study by the American Association of Blacks in Energy, while African Americans spent \$41 billion on energy in 2009, they only held 1.1% of energy jobs and only gained .01% of the revenue from the energy sector profits.⁸ Therefore, there is both inequity in the incidence of disease and the economic burden for communities of color that host energy production facilities.

African Americans should no longer abide the millstone of the noxious facilities and continue to be overlooked by the energy industry while living in blight. Given that the unemployment rate for African Americans has consistently been nearly twice that of the national average and the average wealth of white Americans is 20 times that of African Americans, it is past time to revolutionize the relationship communities of color have with this multi-billion dollar industry. Leading in a new energy economy serves as pathway out of poor health, poverty and joblessness while establishing a foundation of energy resources and security for generations to come.

The NAACP will continue to build upon its legacy of advocating for equity, economic justice, and environmental justice within the energy sector, especially in the broader context of climate change. The following diagram outlines the NAACP's policy precedence and the foundation for the recommendations we pose to enact change in the energy sector.

NAACP's Just Energy Policy Resolutions

"1977-2012"



WELCOME

In opening this document, you have made a commitment to understand and advance just energy policies and practices. This energy policy compendium will give you the information you need to stand up for a just energy future. The rapid depletion of Earth's non-renewable resources coincides with increased energy consumption in the United States. With a growing understanding of the harmful impact of fossil fuel-based energy production on communities of color and low income communities, it is more important now than ever before that our communities take a stand to move our country to an energy efficient and clean energy future. Our intention in creating this compendium is that it will serve as a resource and will spur states to make sure their energy policies protect communities from harmful energy production processes while simultaneously providing equitable access to economic opportunities in energy efficiency and clean energy.

Focal Policies

The Just Energy Policies Compendium profiles *Renewable Portfolio Standards*, *Energy Efficiency Resource Standards*, and *Net Metering Standards* for each state and also shares detailed information on how to access rebates/loan/grants, etc. for energy efficiency and clean energy.

➤ *Renewable Portfolio Standards*

A Renewable Portfolio Standard (RPS) requires electric utility companies and other retail electric providers to supply a specific minimum amount of customer load with electricity from eligible renewable energy sources. In order to protect community health and well-being, as well as preserve the planet, we must transition to renewable energy. In setting standards for the content of RPS, the NAACP goes further and distinguishes that our sources and processes must be clean energy, recognizing that not all renewable energy has been proven safe with minimal impact on the environment and communities. Under this definition, we focus on efforts on advancing solar, wind, and geothermal energy.

➤ *Energy Efficiency Resource Standards*

Energy Efficiency Resource Standards (EERS) establish a requirement for utility companies to meet annual and cumulative energy savings targets through a portfolio of energy efficiency programs. Given our current dependence on harmful energy production practices, we should reduce our demand for energy altogether.

➤ *Net Metering Standards*

Net Metering Standards require electric utility companies to provide retail credit for net renewable energy produced by a consumer. Meaning, if the consumer generates more energy from their solar panels or wind turbines than they use, they can sell it back to the utility at the same rate at which they purchase electricity. In order to incentivize clean energy practices at the consumer level, we need to offer the opportunity for revenue-generation for individuals and small businesses that contribute to the grid through their energy production.

Equity in Energy Enterprise Policies

As stated above, communities of color and low-income communities historically have less access to jobs and business development opportunities. As part of the effort to advance just energy policies and practices, it is essential to review state policy provisions to ensure that they foster economic growth for local communities. Two key provisions that can ensure equity in economic opportunities afforded by state policies are '*Local Hire*' and '*Minority Business Enterprise*.'

➤ *Local Hire*

Local Hire is a goal or requirement to hire people who live near their place of work. States achieve this goal by requiring contractors with publicly funded projects to recruit a specified proportion of local residents as workers on the project. This provision: 1) ensures that tax dollars are invested back into the local economy; 2) reduces the environmental impact of commuting; 3) fosters community involvement; and 4) preserves local employment opportunities in construction.

➤ *Minority Business Enterprise*

Minority Business Enterprise is defined as a business that is at least 51% owner-operated and controlled on a daily basis by people who identify with specific ethnic minority classifications, including African American, Asian American, Hispanic American, and Native American. MBEs can be self-identified, but are typically certified by a city, state, or federal agency. The predominant certifier for minority businesses is the National Minority Supplier Development Council. Often publically funded projects set a requirement or goal to source MBEs as suppliers.

Financial Incentives for Energy Efficiency and Renewable Energy

Tables listing each state's incentives and rebates for energy efficiency and renewable energy are included in each state profile in the compendium. Each incentive has a short description and a hyperlink to more information.

➤ *Statewide Incentives*

Statewide incentives are generally rebates and loan programs that individuals and businesses may claim according to the provisions of state law. Incentives may also include Local Options enacted by municipal governments.

➤ *Utility-Specific Incentives*

This section relates to the incentives offered by specific utilities in each state, and in some cases interstate utilities. Some programs are only available to either electric or gas customers of a certain utility. Different programs are available for residential and commercial customers.

➤ *Local Incentives*

Local incentives are those offered by counties, cities, and towns. Not all states have local incentives.

➤ *Non-Profit Incentives*

Non-profit incentives are offered by non-profit organizations. These are only available in some states.



ENERGY EFFICIENCY AND CLEAN ENERGY POTENTIAL

To effectively promote just energy efficiency and clean energy policies in any state, we must know the potential for energy efficiency and clean energy. Energy efficiency potential has been studied across the United States. However, while some states have conducted studies about energy efficiency potential, there is not a collection of studies completed for every state. Clean energy potential is available through state by state analysis done by the National Renewable Energy Lab.

Energy Efficiency Potential

Energy Efficiency Potential (EEP) is the amount of energy savings possible from implementing energy efficiency programs and policies. Despite evidence that clearly shows there is potential for all states in America to become more energy efficient, there is no national energy efficiency standard or policy. If the United States implements nationwide energy efficiency measures, there can be a range of benefits and savings by 2020 through a variety of sectors.

Renewable Energy Potential

Renewable Energy Potential (REP) is the estimated annual generating capacity of renewable energy technologies that can be provided for a given region. The NAACP is committed to advancing sources of renewable energy that have been proven to be clean and contribute minimal harm to our communities and environment. These specific types of renewable energy include solar, wind and geothermal energy. U.S. electricity generation in 2012 consisted of only 12% from renewable energy sources (only 32% of this total is from solar, wind and geothermal sources).

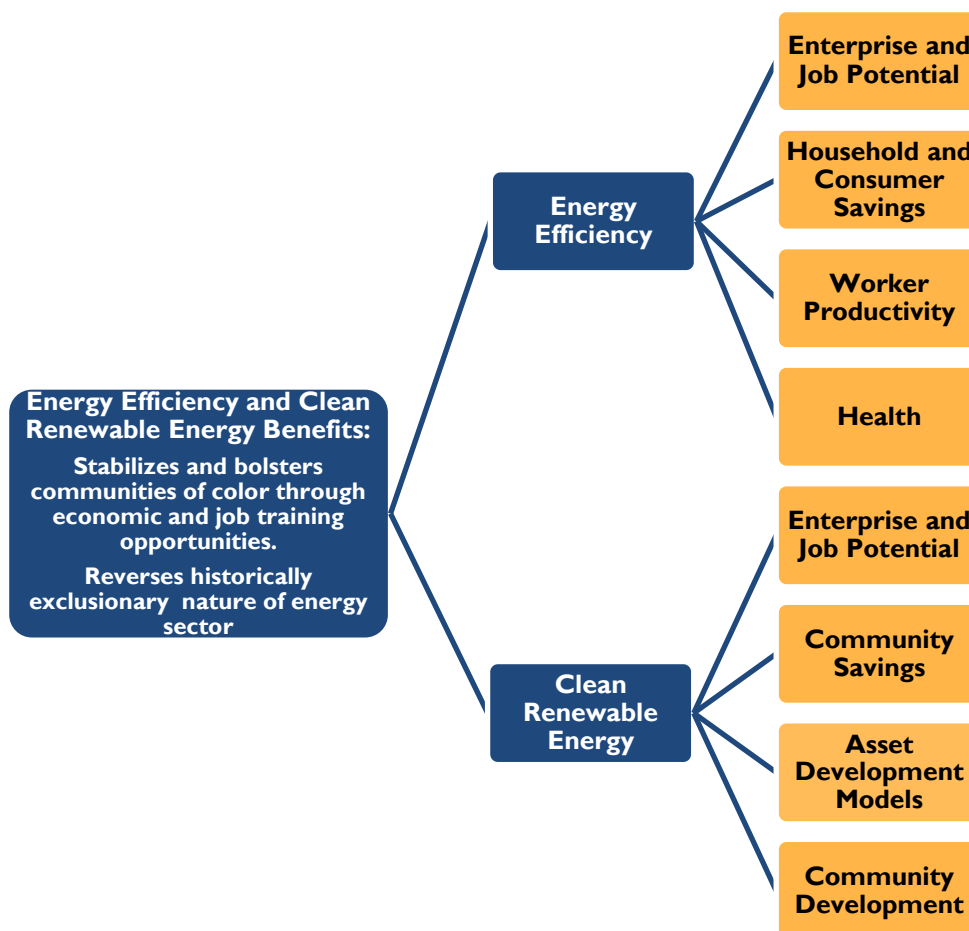
From 2007 to 2012, electricity from renewable sources such as wind, solar and geothermal nearly quadrupled nationally. The wind power market has expanded very quickly over a short period of time. Usage has tripled from 2007 to 2012. In 2012, the nation broke a record by installing more than 13,000 megawatts of wind power capacity and investing \$25 billion into the U.S. economy. Wind power is now the leading source of new capacity in the country and represents 42% of total power capacity and surpasses new natural gas capacity. Wind energy will be the leader in renewable electricity generation capacity, followed by solar energy and then geothermal energy by 2040. The current installed capacity of geothermal energy in the United States is 3,187 megawatts (MW). In the next 50 years, there is potential in the United States to have geothermal energy installed capacity of 10,000 MW.

BENEFITS OF ENERGY EFFICIENCY AND CLEAN RENEWABLE ENERGY POLICIES AND PRACTICES

There are countless benefits that accompany the potential for energy efficiency and clean renewable energy in the United States. These technologies are transforming the energy sector and providing more opportunities for communities of color to become leaders in a sector where there has been scarce participation to date. Energy efficiency and clean renewable energy benefits are both macro and micro -- they bolster and sustain our domestic economy, as well as strengthen local communities, households and businesses. Energy efficiency produces a host of economic benefits, including household and consumer savings, worker productivity, and more. Better building materials associated with energy efficiency generate health benefits by improving indoor air quality and creating safeguards for people who are most susceptible to respiratory illnesses. Clean renewable energy benefits similarly increase community savings in the long-term and they offer a tremendous opportunity to develop assets within communities that can be leveraged for more economic and social benefits.

If electric utilities fulfill merely 20% of their electric sales through renewable energy by 2020, 1.9 million jobs can be created across the United States.⁹ By 2030, an estimated 20% of U.S. electricity will be provided by wind power. The solar power industry is projected to become a \$15 billion industry by 2020.

The following diagram further details the benefits of energy efficiency and clean renewable energy as described in this section:



RECOMMENDED ENERGY POLICY STANDARDS

The NAACP has established recommendations for Renewable Portfolio Standards, Energy Efficiency Resource Standards, and Net Metering Standards to provide guidelines for state energy policies. Based on sector analysis, these standards are attainable. If adopted nationwide, these policies will protect the well-being of communities as well as help to prevent climate change. Also, as part of its economic equity and justice agenda, the NAACP advocates for Local Hire and Minority Business Enterprise provisions to better support economic opportunities for African American entrepreneurs, businesses, and communities in the energy sector.

Renewable Portfolio Standards

A *Renewable Portfolio Standard (RPS)* requires electric utility companies and other retail electric providers to supply a specific minimum amount of customer load with electricity from eligible renewable energy sources.

Recommended Standard

Minimally 25% renewable by 2025

Mandatory/Voluntary

Mandatory

Allowable Sources

Definition includes renewable electric energy sources, which naturally replenish over a human, rather than geological, period. The clean energy sources the NAACP supports are wind, solar, and geothermal.



Energy Efficiency Resource Standards

Energy Efficiency Resource Standards (EERS) establish a requirement for utility companies to meet annual and cumulative energy savings targets through a portfolio of energy efficiency programs.

Recommended Standard

Minimally 2% annual reduction of previous year retail electricity sales

Mandatory/Voluntary

Mandatory

Net Metering Standards

Net Metering Standards require electric utility companies to provide retail credit for net renewable energy produced by a consumer.

Capacity Limit Recommendation

Per System: 2,000 kW (minimally)

Mandatory/Voluntary

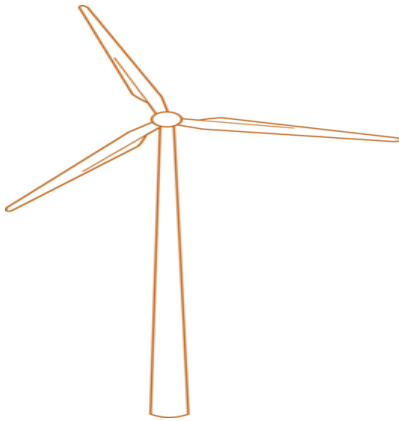
Mandatory

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Definition includes renewable electric energy sources, which naturally replenish over a human, rather than geological, period. The sources the NAACP supports are wind, solar, and geothermal.

Local Hire

Local Hire is a goal or requirement to hire people who live near their place of work. States achieve this goal by requiring contractors with publicly funded projects to recruit a specified proportion of local residents as workers on the project. *The practice ensures that tax dollars are invested back into the local economy, reduces the environmental impact of commuting, fosters community involvement, and preserves local employment opportunities in construction.*



Components of Provision

- Extra renewable energy credit multipliers for in-state installation and in-state manufactured content;
- Renewable energy credits for a utility providing incentives to build a plant in-state;
- Renewable energy credits for a utility that makes an investment in a plant located in-state;
- Quota for government assisted construction project employers to hire a percentage of workers locally;
- Bidding preferences for companies that hire a percentage of their employees in-state for state-funded public works projects and service contracts.

Minority Business Enterprise

A Minority Business Enterprise is a business that is at least 51% owned, operated, and controlled on a daily basis by people who identify with specific ethnic minority classifications, including African American, Asian American, Hispanic American, and Native American. MBEs can be self-identified, but are typically certified by a city, state, or federal agency. The predominant certifier for minority businesses is the National Minority Supplier Development Council. Often publically funded projects set a requirement or goal to source MBEs as suppliers.

Components of Provision/Certification

The MBE certification process is administered at the state level and may include the following:

- Provide training opportunities;
- Notify MBEs of state business opportunities;
- Set-aside funds for MBEs.

This provision establishes requirements for a certain percentage of the dollar amount spent on construction, professional services, materials, supplies, equipment, alteration, repair, or improvement by a state governmental entity to go toward MBEs.

SUMMARY OF FINDINGS

This report catalogs a wealth of state level information on Renewable Portfolio Standards, Energy Efficiency Resource Standards, Net Metering Standards, and Economic Opportunities for Local and Workers and Minority Business Enterprises (MBEs).

In studying the Renewable Portfolio Standards of the 50 states, we found the following:

- 29 states, plus the District of Columbia have Mandatory Renewable Portfolio Standards, while 9 states have Voluntary Renewable Energy Portfolio Goals.
 - The states with mandatory standards include: Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Washington, and Wisconsin.
 - Out of these 29 states and the District of Columbia, the states that meet or exceed the NAACP recommended standard of 25% by 2025 are: California, Colorado, Connecticut, Hawaii, Illinois, Maine, Minnesota, Nevada, New York, and Oregon.
- The states that have Voluntary Renewable Portfolio Goals are: Alaska, Indiana, North Dakota, Oklahoma, South Dakota, Utah, Vermont, Virginia, and West Virginia.
- Each state could tighten up on their definitions of renewable energy to comply with the NAACP recommended energy sources which are wind, solar, and geothermal, as all state RPS's include sources that are potentially harmful.

In examining the Energy Efficiency Resource Standards of the 50 states, we found the following:

- Eighteen states have Mandatory Energy Efficiency Resource Standards, and 8 states have Voluntary Energy Efficiency Resource Standards.
 - The states with mandatory goals are: Arizona, California, Colorado, Connecticut, Hawaii, Illinois, Indiana, Iowa, Maryland, Massachusetts, Minnesota, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Washington, and Wisconsin.
 - The states with Voluntary Energy Efficiency Resource Goals are: Arkansas, Delaware, Maine, Missouri, Oregon, Texas, Vermont, and Virginia.
- The state standards that are comparable to the NAACP Recommended Standard of 2% annual reduction of previous year retail electricity sales are: Arizona, Delaware, Illinois, Indiana, Massachusetts, New York, and Vermont.

In reviewing the Net Metering Standards of the 50 states, we found the following:

- Net Metering Standards are the most pervasive standards in the United States with 43 states plus the District of Columbia having Mandatory Net Metering Standards, while 3 states have Voluntary Net Metering Goals.
 - The states with Net Metering Standards are: Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.
- The states with Voluntary Net Metering Goals are: Idaho, South Carolina, and Texas.
- States that meet or exceed the NAACP recommended standard for Net Metering with a maximum of 2,000 kW or more are: Arizona, California, Colorado, Connecticut, Delaware, Florida, Maryland, Massachusetts, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Utah, Vermont, and West Virginia.

In investigating the economic opportunity provisions for local workers and MBEs in energy policies for the 50 states, we found the following:

- Only 9 states had explicit Local Hire provisions within the Renewable Portfolio Standards, Energy Efficiency Resource Standards, and Net Metering Standards.
 - The states with Local Hire Provisions are: Arizona, California, Delaware, District of Columbia, Maine, Massachusetts, Michigan, Minnesota, and Montana.
- There were no states with Minority Business Enterprise provisions specific to energy policies.



TEXAS ENERGY EFFICIENCY AND RENEWABLE ENERGY POLICY PROFILE

A REVIEW OF TEXAS' STATE POLICIES

Current Status and Recommendations

The following assessment highlights the shortcomings and the attributes of Texas' status in relation to NAACP's three focal energy policies:

Renewable Portfolio Standards

Texas has a mandatory renewable energy standard of 10,000 MW (or approximately 8.6% of its current energy mix) by 2025. Texas must raise its 10,000 MW standard – which it has already surpassed in 2009 – to 25% renewable energy by 2025 at a minimum. Texas leads the country in wind energy development and must ensure sustainable growth by insisting upon additional wind, solar, and geothermal build-outs as the cleanest possible resources.

Energy Efficiency Resource Standards

Texas has a voluntary energy efficiency standard that slows the annual growth rate in electricity use by 30% in 2013 and beyond. Currently, Texas has an efficiency standard that merely seeks to slow the pace of additional energy use each year, rather than to reduce the amount of energy used overall. Therefore, establishing an aggressive mandatory 2% annual reduction rate will raise their standard to the recommended level of efficiency, while providing vigorous health, environmental, and economic benefits.

Net Metering Standards

Texas has voluntary net metering standards that vary by utility. Requiring electric utility companies to provide retail credit for up to 2,000 kW across the board would provide more flexibility and incentives for the production of renewable energy generated in the state and would help individual consumers and small businesses to access affordable clean energy resources.



Local Hire

There is no Local Hire provision for Texas. Establishing a Local Hire Provision that encompasses energy projects would significantly increase the amount of tax dollars reinvested into the local economy and provide local jobs to enable people to work near where they live.

Minority Business Enterprise

Texas has a Disadvantaged Business Enterprise (DBE) certification program through the Texas Department of Transportation. The Texas Department of Transportation certifies disadvantaged business enterprises including minority-owned business enterprises, women-owned business enterprises, and business enterprises owned by economically disadvantaged individuals. Texas should expand a holistic DBE model to encompass other sectors, including the energy industry. While Texas operates a DBE directory, it should also establish an active notification process for DBEs. Texas must also provide training opportunities and set aside funds to spur not only the certification of DBEs, but to assure that DBEs benefit from state projects.



Renewable Portfolio Standards

Policy Name and date

Senate Bill 20, August 1, 2005

Standard

5,880 MW (5%) renewable by 2015 required; 10,000 MW (8.6%) renewable by 2025 goal; the state's RPS exceeded its target more than 15 years early in 2009 and has a current renewable capacity of 11,586 MW (10%)

Mandatory/Voluntary

Mandatory

Allowable Sources

Solar Water Heat, Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Geothermal Heat Pumps, Tidal Energy, Wave Energy, Ocean Thermal¹²

Energy Efficiency Resource Standards

Policy Name and Date

Senate Bill 1125, 2011

Standard

20% reduction in annual growth in demand 2010 and 2011; 25% reduction in annual growth in demand 2012; 30% reduction in annual growth in demand in 2013 and beyond

Mandatory/Voluntary

Voluntary¹³

Net Metering Standards

Capacity Limit

Per System: Varies by utility
Entire State: Varies by utility

Mandatory/Voluntary

Voluntary

Allowable Sources

Varies by utility¹⁵

ECONOMIC OPPORTUNITIES

Local Hire Provision: NO

MBE Provision/Certification: YES

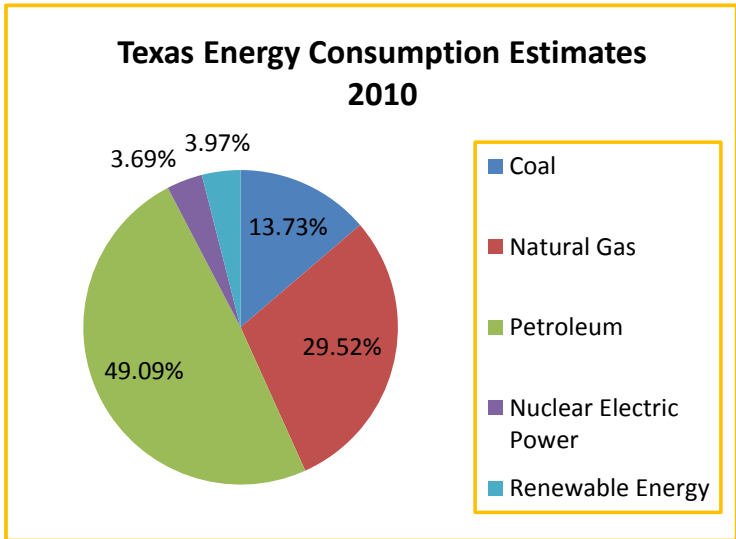
The Texas Department of Transportation certifies DBEs. Upon approval, these companies can be used to meet the DBE goals established for federally funded contracts required by law (49CFR Part 26).¹⁴

State Facts
Capital: Austin
Area: 266,833 sq mi
Population: 25,145,561
State Bird: Northern Mockingbird
State Flower: Bluebonnet¹⁰

TEXAS at a Glance:

- ✓ Renewable Portfolio Standards
- ✓ Energy Efficiency Resource Standards
- ✓ Net Metering Standards

Texas Energy Fact
 Texas led the Nation in wind-powered generation capacity in 2010 and was the first state to reach 10,000 megawatts of wind capacity.
<http://www.eia.gov/beta/state/?sid=TX>



Clean Energy Potential in Texas

Background

Renewable energy has been growing rapidly in Texas within the past several years, and there is still potential for further growth. Texas is now the leading state for wind generation, with over 22% of the nation's installed wind capacity. It also ranks first nationally for wind generation potential due to its plentiful wind resources from the Great Plains and along the Gulf Coast. In addition to wind energy, Texas has significant potential for solar and geothermal energy.¹⁶



Solar: Texas has urban utility-scale PV potential of 294,684 GWh (71.5% of total net generation), rural utility-scale PV potential of 38,993,582 GWh (over 100% of total net generation), rooftop PV potential is 78,717 GWh (19.1% of total net generation) and concentrated solar power potential is 22,786,750 GWh (over 100% of total net generation).

Wind: The onshore wind power potential is 5,552,400 GWh (over 100% of total net generation) and offshore wind power potential is 1,101,063 GWh (over 100% of total net generation).

Geothermal: Enhanced geothermal systems potential is 3,030,251 GWh (over 100% of total net generation).¹⁷

Incentives in Texas

Type	Incentives	Description
Statewide	LoanSTAR Revolving Loan Program	Through the State Energy Conservation Office (SECO), the LoanSTAR Program offers low-interest loans to all public entities, including state facilities, public schools, colleges, universities, and non-profit hospital facilities for Energy Cost Reduction Measures (ECRMs).
	Memorial Day Weekend Sales Tax Holiday for Energy-Efficient Products	Purchases of certain energy efficient products during Memorial Day weekend are exempt from the state sales and use tax.
	Renewable Energy Systems Property Tax Exemption	The Texas property tax code allows an exemption of the amount of the appraised property value that arises from the installation or construction of a solar or wind powered energy device that is primarily for the production and distribution of thermal, mechanical, or electrical energy for on-site use, or devices used to store that energy.
	Solar and Wind Energy Business Franchise Tax Exemption	Companies in Texas engaged solely in the business of manufacturing, selling, or installing solar energy devices are exempt from the franchise tax.
	Solar and Wind Energy Device Franchise Tax Deduction	Texas allows a corporation or other entity subject the state franchise tax to deduct the cost of a solar energy device from the franchise tax.

Type	Incentives	Description
Utility-Specific	AEP (Central and North) - CitySmart Program	The CitySmart Program is designed to help participants identify energy efficiency opportunities in existing and newly planned city facilities.
	AEP (Central and North) - Residential Energy Efficiency Programs	The Residential Standard Offer Program and Hard to Reach Standard Offer Program provide incentives to Project Sponsor contractors for installing energy efficiency measures at the homes of residential customers.
	AEP (Central and SWEPCO) - Coolsaver A/C Tune Up	Participating customers are eligible to receive a \$75 coupon for A/C and heat pump efficiency services performed as a result of the program's tune-up analysis.
	AEP (Central, SWEPCO and North) - Commercial Solutions Program	The no-cost Commercial Solutions Program is designed to help businesses, cities and counties address rising energy costs through energy efficiency improvements.
	AEP (Central, SWEPCO and North) - SCORE Program for Schools	The SCORE Program is designed to help K-12 public schools identify energy efficiency opportunities in existing and newly planned facilities and to provide monetary incentives to help implement the projects.
	AEP (SWEPCO) - Residential Energy Efficiency Programs	The SWEPCO Residential Standard Offer Program provides incentives to Project Sponsor contractors for installing energy efficiency measures at the homes of residential customers.

Type	Incentives	Description
Utility-Specific	AEP (SWEPCO) - SMART Source Solar PV Program	Southwestern Electric Power Company (SWEPCO) offers rebates to customers that install photovoltaic (PV) systems on homes.
	AEP Texas Central Company - SMART Source Solar PV Rebate Program	American Electric Power Texas Central Company (AEP-TCC) offers rebates to customers that install photovoltaic (PV) systems on homes or other buildings.
	Austin Energy - Value of Solar Residential Rate	Austin Energy, the municipal utility of Austin Texas, offers the Value of Solar Rate for residential solar photovoltaic (PV) systems.
	Austin Energy - Commercial PV Incentive Program	Austin Energy, a municipal utility, offers a production incentive to its commercial and multi-family residential customers for electricity generated by qualifying photovoltaic (PV) systems of up to 20 kilowatts (kW) AC.
	Austin Energy - Residential Energy Efficiency Loan Program	Austin Energy offers three types of loans to residential customers to finance energy efficient improvements in eligible homes.
	Austin Energy - Residential Solar Loan Program	Austin Energy offers two types of loans for residential customers to finance solar water heater and solar PV systems in eligible homes.

Type	Incentives	Description
Utility-Specific	Austin Energy - Small Business Energy Efficiency Rebate Program	Austin Energy offers a special incentive for its small-to-midsize and non-profit business customers to increase the energy efficiency of facilities through the Small Business Rebate Program.
	Austin Energy - Residential Energy Efficiency Rebate Program	Austin Energy offers incentives to its residential customers to encourage the use of energy efficient equipment and measures.
	Austin Energy - Multi-Family Energy Efficiency Rebate Program	The Austin Energy Multi-Family Program provides cash incentives to owners, developers, and property managers of apartments and other multi-family properties for making energy efficiency improvements.
	Austin Energy - Free Home Energy Improvements Program	Austin Energy provides a variety of weatherization measures at no cost to its low-income and disabled residents through its Free Home Energy Improvements Program.
	Austin Energy - Commercial New Construction Efficiency Rebates	Austin Energy offers incentives for the construction and major renovation of commercial buildings within its service territory.
	Austin Energy - Commercial Energy Management Rebate Program	Austin Energy offers incentives for commercial customers to increase the energy efficiency of facilities through the Commercial Rebate Program.
	Austin Energy - Residential Solar PV Rebate Program	Austin Energy's Solar Rebate Program offers a \$2.00 per watt incentive to eligible residential who install photovoltaic (PV) systems on their homes.

Type	Incentives	Description
Utility-Specific	Austin Energy - Solar Water Heating Rebate	Austin Energy offers its residential, commercial, and municipal customers up front rebates or a low-interest loan for the purchase and installation of solar hot water heaters.
	Bandera Electric Cooperative - Residential Heat Pump Rebate Program	The Bandera Electric Cooperative offers a \$200 rebate for the installation of 15 SEER or higher heat pumps in existing homes.
	Brownsville Public Utilities Board - Green Living Residential Rebate Program	Brownsville Public Utilities Board offers residential customers rebates for installation of energy efficient measures.
	Bryan Texas Utilities - Commercial Energy Efficiency Program	Bryan Texas Utilities (BTU) offers a Lighting Program for commercial customers to help offset the cost of retrofitting facilities.
	City of San Marcos - Energy Efficient Home Rebate Program	The City of San Marcos offers an Energy Efficient Home Rebate Program for the installation of HVAC equipment, insulation types/levels, duct leakage, windows and doors.
	City of San Marcos - Distributed Generation Rebate Program	The City of San Marcos offers a Distributed Generation Rebate Program for the installation of grid-tied renewable energy systems.
	CenterPoint Energy - Commercial and Industrial Energy Efficiency Programs	CenterPoint Energy's Commercial & Industrial Standard Offer Program pays incentives to service providers who install energy efficiency measures in commercial or industrial facilities that are located within its service territories.

Type	Incentives	Description
Utility-Specific	CenterPoint Energy - Residential and Small Commercial Efficiency Program	CenterPoint Energy's (CNP) Residential and Small Commercial Standard Offer Program (SOP) provides incentives to encourage contractors to install energy efficiency measures in homes and small businesses in CNP's designated service area.
	CenterPoint Energy - SCORE and CitySmart Program	The SCORE Program is a market transformation program offered to K-12 school districts and higher education customers in the CenterPoint Energy, Inc. electric distribution service territory.
	College Station Utilities - Residential Energy Back II Rebate Program	College Station Utilities offers an incentive for residential customers to install energy efficient HVAC equipment through the Energy Back II Program.
	CoServ - Solar Energy Rebate	CoServ Electric Cooperative provides a variety of "Think Green Rebates" to its members, including a solar energy rebate.
	CoServ Electric Cooperative - Commercial Energy Efficient Lighting Rebate Program	CoServ Electric Cooperative provides rebates for commercial and industrial customers who upgrade to high efficiency lighting for the workplace.
	CoServ Electric Cooperative - Residential Energy Efficiency Rebate Program	CoServ Electric Cooperative's "Think Green Rebate Program" provides a range of incentives encouraging its residential customers to upgrade to high efficiency equipment in their homes.

Type	Incentives	Description
Utility-Specific	CPS Energy - New Residential Construction Incentives	CPS Energy offers incentives for new residential construction that is at least 15% more efficient than required by the City of San Antonio Building Code (based on IECC 2009).
	CPS Energy - New Commercial Construction Incentives	CPS Energy offers incentives for new commercial construction that is at least 15% more efficient than required by the City of San Antonio Building Code (based on IECC 2009).
	CPS Energy - Commercial Energy Efficiency Rebates	CPS Energy, San Antonio's municipal electric utility, offers energy efficiency rebates for commercial electric customers.
	CPS Energy - Solar Hot Water Rebate Program	As part of a larger program designed to reduce electricity demand within its service territory, CPS Energy offers rebates for solar water heaters to its customers.
	CPS Energy - Solar PV Rebate Program	CPS Energy, San Antonio's municipal utility, offers rebates to customers who install solar photovoltaic (PV) systems on their homes, schools, or businesses.
	CPS Energy (Electric) - Residential Energy Efficiency Rebate Program	CPS Energy offers a variety of rebates for energy efficiency related improvements to residential homes, including appliances, HVAC equipment, insulation, and equipment recycling.

Type	Incentives	Description
Utility-Specific	Denton Municipal Electric - Standard Offer Rebate Program	Within the GreenSense program, Denton Municipal Electric's Standard Offer Program provides rebates to large commercial and industrial customers for lighting retrofits, HVAC upgrades and motor replacements.
	Denton Municipal Electric - GreenSense Energy Efficiency Rebate Program	Denton Municipal Electric pays residential and small commercial customers to reduce energy demand and consumption in order to reduce the utility bills of DME customers, reduce peak load, reduce emissions, and promote energy conservation.
	Denton Municipal Electric - GreenSense Solar Rebate Program	Denton Municipal Electric offers rebates to its electric customers for the installation of solar PV and solar water heating systems.
	El Paso Electric Company - Small Business and Large Commercial Programs	El Paso Electric (EPE) offers several incentive programs targeting small business owners, as well as larger commercial and industrial EPE customers.
	El Paso Electric Company - Residential Solutions Program	The El Paso Electric Residential Solutions Program offers El Paso Electric customers and participating contractors cash and non-cash incentives for implementing energy efficiency improvements in the Texas portion of the El Paso Electric Service territory.
	El Paso Electric Company - Solar PV Pilot Program	El Paso Electric (EPE) offers rebates to its Texas customers that install photovoltaic (PV) systems on homes or other buildings.

Type	Incentives	Description
Utility-Specific	El Paso Electric Company - SCORE Program for Counties, Municipalities, and Schools	El Paso Electric offers a targeted incentive program for public institutions, local governments and higher education.
	Entergy Texas - Energy Star Homes Program for Builders	Entergy Texas offers an incentive to builders in its service territory for the construction of Energy Star certified homes.
	Entergy Texas - Residential and Small Commercial Standard Offer Program	The Hard to Reach, A/C Heat Pump, and Residential Standard Offer Programs provides incentives for the retrofit or new construction installation of a wide range of energy efficiency measures.
	Entergy Texas - SCORE, CitySmart, and Commercial Solutions Programs	The Commercial Solutions Program is designed to help participants identify energy efficiency opportunities in existing and newly planned facilities and to provide monetary incentives to implement the projects.
	Farmers Electric Cooperative - Residential/Agricultural Energy Efficiency Rebate Program	Farmers Electric Cooperative offers incentives for its residential and agricultural members to increase the energy efficiency of eligible homes and facilities.
	Garland Power & Light - Energy Efficiency Rebate Programs	Garland Power and Light (GP&L) offers incentives to its residential, small commercial and commercial customers to increase the energy efficiency of homes and facilities.

Type	Incentives	Description
Utility-Specific	Guadalupe Valley Electric Cooperative - Conservation Plan 7 Loan Program	Guadalupe Valley Electric Cooperative offers an incentive for members to increase the energy efficiency of existing homes and facilities through the Conservation Plan 7 Loan Program.
	Guadalupe Valley Electric Cooperative - Residential Energy Efficiency Rebate Programs	Guadalupe Valley Electric Cooperative (GVC) offers a variety of incentives to help residential customers save energy.
	Magic Valley Electric Cooperative - ENERGY STAR Builders Program	Magic Valley Electric Cooperative's (MVEC) ENERGY STAR Builders Program offers a variety of incentives to builders of energy efficient homes within MVEC service territory.
	Magic Valley Electric Cooperative - Residential Energy Efficiency Rebate Program	Magic Valley Electric Cooperative's Value Incentive Program (VIP) offers consumers incentives for the installation of new central heat pump systems, dual-fuel heating systems, central air conditioners, water heaters and heat pump water heaters in single-family homes.
	New Braunfels Utilities - Residential Solar Water Heater Rebate Program	New Braunfels Utilities offers a rebate for residential customers who purchase and install solar water heating systems on eligible homes.
	New Braunfels Utilities - Energy Efficiency and Water Conservation Rebate Programs	New Braunfels Utilities offer a variety of programs encouraging its customers to make their homes more energy efficient.

Type	Incentives	Description
Utility-Specific	Oncor Electric Delivery - Government and Education Facilities Program	The Government Facilities Program provides viable energy efficiency and demand reduction solutions for city and county owned and operated facilities.
	Oncor Electric Delivery - Commercial and Industrial Rebate Program	Oncor provides incentives to service providers who install approved energy efficiency measures in commercial, industrial, and government sites.
	Oncor Electric Delivery - Solar Photovoltaic Standard Offer Program	Oncor Electric Delivery offers rebates to its customers that install photovoltaic (PV) systems on homes or other buildings.
	Pedernales Electric Cooperative - Commercial Lighting Rebate Program	For existing and new commercial construction, Pedernales Electric Cooperative provides incentives for kilowatts saved through efficient lighting.
	Pedernales Electric Cooperative - HVAC Rebate Program	Pedernales Electric Cooperative offers equipment rebates to its members who install energy efficient HVAC equipment.
	Sharyland Utilities - Commercial Standard Offer Program	Sharyland Utilities offers its Commercial Standard Offer Program to encourage business customers of all sizes to pursue energy efficiency measures in their facilities.
	Sharyland Utilities - Residential Standard Offer Program	Sharyland Utilities offers the Residential and "Hard-to-Reach" Standard Offer Programs, which encourage residential customers to pursue energy saving measures and equipment upgrades in their homes.

Type	Incentives	Description
Utility-Specific	Texas Gas Service - Residential Solar Water Heating Rebate Program	Texas Gas Service offers a flat rebate of \$750 for its residential customers within the Austin and Sunset Valley city limits for the installation and purchase of a new solar water heater with natural gas backup.
	Texas Gas Service - Commercial Energy Efficiency Rebate Program	Texas Gas Service (TGS) offers a range of financial incentives to commercial customers who purchase and install energy efficient commercial equipment.
	Texas Gas Service - Residential Energy Efficiency Rebate Program	Texas Gas Service offers an incentive for its residential customers within the Austin and Sunset Valley city limits to install new central furnaces, hydronic water heaters, high efficiency gas water heaters (tank and tankless), duct repair/sealing and attic insulation.
	Texas-New Mexico Power Company - Residential Energy Efficiency Programs	Texas-New Mexico Power's (TNMP) Residential Standard Offer Program promotes energy efficiency among residential electricity customers in its Texas service area.
	Texas-New Mexico Power Company - SCORE, CitySmart, and Commercial Solutions Programs	Texas-New Mexico Power's Commercial Solutions Program provides incentives for the retrofit installation of a wide range of measures that reduce customer energy costs, reduce peak demand, and/or save energy in non-residential facilities.

Type	Incentives	Description
Utility-Specific	Tri-County Electric Cooperative - Energy Efficient Water Heater Rebate Program	Tri-County Electric Cooperative offers a \$75 rebate on the purchase of energy efficient electric water heaters.
	TXU - Commercial Energy Efficiency Program	TXU offers a variety of rebates to business customers who sign up for or renew a 12-month contract with TXU.
	United Cooperative Services - Residential Energy Efficiency Rebate Program	United Cooperative Services offers a one-time rebate program for new home construction and retrofit upgrades.
	Xcel Energy - Commercial and Industrial Standard Offer Program	Xcel Energy Large Commercial and Industrial Standard Offer Program (SOP) pays incentives to businesses for retrofit and new construction projects that save energy in peak summer demand periods and are located within Xcel's service territory.
	Xcel Energy - Residential and Hard-to-Reach Standard Offer Program	The Residential and Hard-to-Reach Standard Offer Programs provide incentives to "Project Sponsors" to install energy efficiency measures in Xcel's service area.
Local	City of Dallas - Green Building Expedited Plan Review	The Dallas Green Building Program establishes expedited permitting for green buildings.
	City of Friendswood - Commercial Green Building Tax Abatement	The City of Friendswood offers a tax abatement for LEED certified commercial buildings located within the city.

Type	Incentives	Description
Local	City of Houston - Property Tax Abatement for Green Buildings	In September 2009, Houston enacted Ordinance No. 2009-858, the City of Houston Tax Abatement Program, which establishes a partial tax abatement for commercial buildings that meet LEED standards.
	City of Plano - Smart Energy Loan Program	The City of Plano offers the Smart Energy Loan (SEL) Program to provide energy efficiency loans to homeowners.
	City of Sunset Valley - PV Rebate Program	The City of Sunset Valley offers rebates to local homeowners who install photovoltaic (PV) systems on their properties.
	City of Sunset Valley - Solar Water Heating Rebate Program	The City of Sunset Valley offers rebates to local homeowners who install solar water heating systems on their properties.
	Harris County - Green Building Tax Abatement for New Commercial Construction	In 2008, the Harris County Commissioners Court adopted guidelines for partial tax abatements for new construction of commercial LEED certified buildings.

CONCLUSION

As the nation's largest energy producing and consuming state, Texas must become a leader on just energy policies. When comparing Texas' energy policies to the recommendations set forth by the NAACP, one can see that Texas has immense potential to reap the benefits of a cleaner energy economy.

In 2010, fossil fuel based energy accounted for 92% of the total energy consumed in Texas. In spite of its abundant in-state clean energy potential, at \$1.85 billion in expenditures, Texas spent the most, out of 50 states in the nation, on coal imports in 2012.¹⁸ Texas produced 34.9% of net electricity generated in the state in September 2013 from coal. Texas has five coal plants that received a failing environmental justice grade in the 2012 Coal Blooded Report. Coal-based electricity generation is proven to be unhealthy to humans and the environment, and therefore has hidden economic and other costs.

Out of 50 states (plus the District of Columbia), Texas ranked 11th in the list of states where ratepayers spent the highest proportion of income on electricity in 2012.¹⁹ Therefore investing wisely, with an emphasis on sustainability, health, local economic development, and affordability, is essential.

Promisingly, Texas has a mandatory renewable portfolio standard of 10,000 MW by 2025, or about 8.6% of current generation. Especially because Texas has already achieved 10% renewable electricity generation, Texas must increase its portfolio standard to at least 25% by 2025, and keep all future standards mandatory. As further proof of the state's potential, Texas leads the country in wind power generation. The state can optimize its clean energy mix by focusing on build-outs of its bountiful potential in solar, wind, and geothermal resources over fossil fuels and other allowable sources in its current RPS that have histories of proven harms.

Further, Texas must accelerate its energy efficiency standard more expeditiously to at least a 2% annual reduction from each previous year's retail electricity sales. The current voluntary state policy to slow the pace of annual growth to 30% beyond 2013 is very modest. Far beyond merely slowing annual growth in electricity consumption each year, Texas must establish an energy efficiency standard that actually reduces electricity use each year by 2% or more. Bold leadership in energy efficiency in Texas will provide substantial health, environmental, and economic returns.

Finally, Texas should make its net metering standard mandatory and increase it across the board to apply to ratepayers with system capacities at least up to 2,000 kW from current levels, which now vary by utility and are voluntary.

Fortunately, Texas does have an array of state, local, and utility-specific incentives. Texas will ideally bring these three focal energy policies up to the standards recommended by the NAACP to improve its trajectory toward just energy policies.

Currently, the Texas Department of Transportation certifies disadvantaged business enterprises to compete for procurement offerings. The state must expand its program by setting funds aside for DBEs to assure that the state's DBEs are catalysts for Texas' development. Further, Texas must develop training programs that proactively enable DBE inclusion, as well as notification systems to supplement its directory of certified disadvantaged businesses. Texas must develop a holistic DBE program model beyond the transportation sector to include the state's energy modernization. Texas lacks a local hire provision for publically funded initiatives. Thus, the state misses an opportunity to full maximize tax dollars to spur local economic development.

Texas has tremendous potential to meet the NAACP's recommended standards while increasing job opportunities and energy affordability for its residents. More aggressively tapping into its vast renewable energy sources like wind, solar, and geothermal energy will help Texas become a more resilient state. Additionally, Texas should expand on its current hiring and procurement policies to strengthen local economies and ensure that residents benefit from the energy sector's expansion.

The NAACP is committed to using this analysis of energy efficiency and renewable energy potential and policies, in tandem with economic development and equity models, as tools for the continued transformation of the energy sector. We will be hosting a series of meetings and events aimed at mobilizing our units, collaborating with our partners, and working with stakeholders in implementing these recommendations, as outlined in the soon-to-be-released Just Energy Policies Action Toolkit.

ENDNOTES

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- ² Environmental Injustice in Siting Nuclear Power Plant, University of Notre Dame http://www3.nd.edu/~kshradr/pubs/final-pdf-ej-uke-siting-wi-Allred_08-0544.pdf.
- ³ Energy Justice Network – The Air of Injustice, http://www.energyjustice.net/files/coal/Air_of_Injustice.pdf.
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- ⁵ Energy Justice Network – The Air of Injustice, http://www.energyjustice.net/files/coal/Air_of_Injustice.pdf.
- ⁶ National Research Council. Committee on Health, Environmental and Other External Costs and Benefits of Energy Production and Consumption. Hidden Costs of Energy: *Unprimed Consequences of Energy Production and Use*. National Academies Press, 2010. pp. 82-94.
- ⁷ U.S. EIA. “Emissions of Greenhouse Gases Report.”
- ⁸ American Association for Blacks In Energy – Energy, Economics, and the Environment: Effects on African Americans, <http://www.aabe.org/docs/whitepapers/docs/1-State-of-Energy-in-Black-America-Report.pdf>.
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- ¹⁰ Texas, Britannica, <http://www.britannica.com/EBchecked/topic/589288/Texasv>.
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- ¹⁷ U.S. RENEWABLE ENERGY TECHNICAL POTENTIALS: A GIS-BASED ANALYSIS, <http://www.nrel.gov/docs/fy12osti/51946.pdf>.
- ¹⁸ Burning Coal, Burning Cash: Ranking the States that Burn the Most Coal-2014 Update, *Union of Concerned Scientists*, http://www.ucsusa.org/clean_energy/smart-energy-solutions/decrease-coal/burning-coal-burning-cash-2014-update-state-coal-imports.html
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