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Solar Push in Texas Fails

By Kate Galbraith

Texas's efforts to create incentives for solar power production are dead, dashing the industry's hopes that the huge, sunny state would see a surge in demand for panels.

AAS Legislators in Texas could not agree on solar incentives that were expected to spur the industry.

Last-minute maneuvering this weekend at the end of the state legislative session prevented the appropriation of \$500 million for solar rebates. Efforts to change Texas's renewable portfolio standard to create extra requirements for solar, biomass and geothermal power had failed earlier.

Solar had previously appeared to be on a roll, and so many bills flooded the state legislature this session that it was sometimes called the "solar session."

"Is that how hope dies? With a whimper and a bang of a gavel?" wrote one disappointed environmentalist on Twitter.

Texas leads the nation in producing wind power but it is not even in the top ten for producing electricity from the sun, despite being the second-most populous state. (California, with the largest population, is the solar leader.)

Solar power is more expensive than wind, and the costs of the proposed rebates, although just 20 cents per month on homeowners' bills, had stirred concerns among some lawmakers.

Another bill that would have made it harder for homeowners' associations to ban solar panels also failed.

The only solar-related legislation that passed, according to Luke Metzger of Environment Texas, was a provision to let homeowners finance their solar installations with help from the local government, and pay back the cost via extra property taxes over 20 years.

The model is used already in several California cities and is quickly spreading around the country. Mr. Metzger, who expressed his disappointment with other developments on Twitter, expects Gov. Rick Perry to sign that legislation.

John Berger, the chief executive of Standard Renewable Energy, a Houston-based solar installer, said in an e-mail message that the failure of the solar legislation would have a “bad impact” on the state. He had previously told Green Inc. that the rebates could provide a major boost for business, as had another Texas installer, Meridian Solar.

A number of manufacturers, including Suntech Power and SunPower, have been watching Texas’s solar moves and evaluating the state as a possible site of manufacturing plants. Whether the legislative failure would affect their decisions was unclear, but Mr. Metzger was pessimistic.

“Texas will lose out on major opportunities for solar manufacturing,” he predicted.

Already this spring, a Texas solar start-up announced plans to move its headquarters to New Mexico and also open a manufacturing plant near Albuquerque, citing better incentives there.

The legislature in Texas, like a handful of other states, meets only every two years. So unless the governor calls a special session, solar incentives will not be considered again until 2011.

This is the second big state to see renewable energy incentives fall short in the legislature in recent days.

Florida’s legislature failed to enact a renewable portfolio standard, which would have established requirements for the state’s renewable energy use, despite a plea from the governor, Charlie Crist.