

# The Clean Power Plan: An Enormous Economic Opportunity for Texas

The U.S. Environmental Protection Agency's (EPA) Clean Power Plan establishes the nation's first-ever limits on carbon pollution from existing power plants. The plan sets a carbon emissions reduction goal for each state in order to achieve a national power sector emissions reduction of 32 percent relative to 2005 levels by 2030. Texas' target is to improve its power sector's emissions intensity 33 percent relative to 2012 levels by 2030.

Although Texas is the #1 carbon polluter in the country, that's not the whole story. This is:

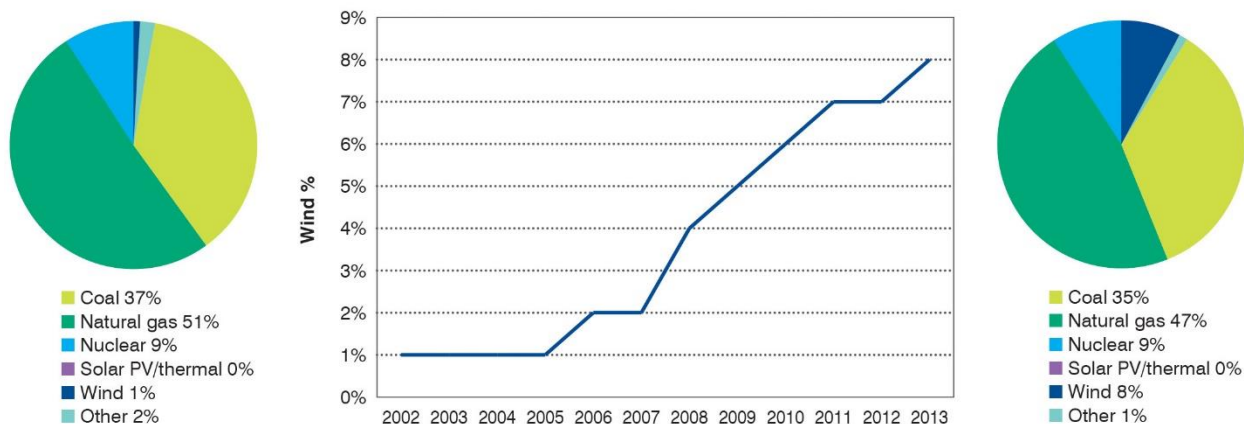
- Texas already produces more wind power than any other state.
- Texas ranks first in the nation for solar energy potential.
- Texas has greater potential to deploy energy efficiency than any other state.

In fact, through current market trends alone, Texas will be **88% of the way** toward meeting its 2030 Clean Power Plan target.

## Amplifying current trends

Texas is already moving away from traditional coal generation and toward homegrown, cleaner energy sources, driven by deregulation of the electricity market, the development of the massive highway of transmission lines built to carry West Texas wind to cities throughout the state – the Competitive Renewable Energy Zone (CREZ), and technological progress. Plus, this trend toward cleaner, more affordable power – which has coincided with a notable reduction in wholesale electricity prices – should continue.

### Texas generation mix since deregulation: trending cleaner



Source: EIA, 2015d

## Benefits for Texans

The Clean Power Plan will help Texas lead the world in the race to cleaner, more reliable power technologies, bringing significant benefits for Texas:

- **Jobs Creation:** Texas is the nation's highest producer of natural gas. Plus, Texas already leads the country with over 17,000 wind industry jobs, numbers that are sure to rise as more wind is brought on to the grid. Furthermore, there is significant potential job growth in the burgeoning cleantech and solar sectors. The plan provides a boost to all of these industries.
- **Water Savings:** The power sector requires a large amount of water to operate, and the Clean Power Plan can dramatically cut those needs because renewable energy and energy efficiency require little to no water. This is a huge gain for Texas, as increased use of clean energy will safeguard scarce water supplies, especially as large parts of Texas are expected to see longer dry spells and more droughts. Under the Clean Power Plan, annual avoided water usage by 2030 will reach upwards of 500,000 acre-feet, or roughly half the size of Lake Travis *every year*.
- **Public Health:** By lessening air pollution, the Clean Power Plan will save lives, make Texans healthier, and lower associated health costs. A study evaluating a similar carbon reduction strategy shows the plan would save approximately 2300 lives and prevent 790 hospitalizations and 140 heart attacks in Texas alone between 2020 and 2030.

## Texas leaders must seize this opportunity

The Clean Power Plan gives states the flexibility to design solutions to meet the requirements as they see fit, which Texas can use to craft a plan that recognizes the state's unique advantages and protects the current market structure.

Texas is lucky to already be well-positioned because of existing state policies and market trends, and that's why Texas can and should leverage its plentiful clean energy resources to help other states comply. For example, excess wind energy could be sold to neighboring states who are lacking the strong West Texas breeze. The Clean Power Plan's flexibility means Texas can benefit from selling carbon allowances or credits to other states even if it does not form a joint target with another state, representing a massive economic development opportunity.

It is critical Texas leaders craft the best framework for the state – one that has the potential to bring in billions of dollars directly to our state economy, create more homegrown jobs, and protect future water supplies for Texas families and businesses. There are a number of ways to begin, including:

- 1) Develop a Texas-specific state plan rather than allow a one-size-fits-all federal plan.
- 2) Use the standards, coupled with market-based approaches, to grow the state's economy.
- 3) Maximize clean energy resources, including renewable energy and energy efficiency.

The Clean Power Plan is an incredible opportunity. Texas has the clean energy tools and resources to come out on top, but only if state leaders advance thoughtful policies to embrace them.

**For more information, please contact:**

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