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Texas Wind Energy Fails, Again

When the temperature rises, the wind slows down.

Wednesday brought yet another unspeakably hot day to Texas and, alas, it was yet another day when wind energy failed the state's consumers. Indeed, as record heat and drought continue to hammer the Lone Star State, the inanity of the state's multi-billion-dollar spending spree on wind energy becomes ever more apparent. On Wednesday afternoon, ERCOT, the state's grid operator, declared a power emergency as some of the state's generation units began to falter under the soaring demand for electricity. Electricity demand hit 66,552 megawatts, about 1,700 megawatts shy of the record set on August 3.

As I wrote in these pages earlier this month, Texas has 10,135 megawatts of installed wind-generation capacity, which is nearly three times as much as any other state. And yet, on Wednesday, all of the state's wind turbines mustered just 880 megawatts of power when electricity was needed the most. Put another way, even though wind turbines account for about 10 percent of Texas's 103,000 megawatts of summer electricity-generation capacity, wind energy was able to provide just 1.3 percent of the juice the state needed on Wednesday afternoon to keep the lights on and the air conditioners humming.

None of this should be surprising. For years, ERCOT has counted just 8.7 percent of the state's installed wind-generation capacity as "dependable capacity at peak." What happened on Wednesday? Just 880 megawatts out of 10,135 megawatts of wind capacity — 8.68 percent — was actually moving electrons when consumers needed those electrons the most.

Apologists for the wind industry point to a single day in February, when, during a record cold snap, the state's wind turbines were able to produce electricity when the grid was being stressed. Fine. On one day, wind generators produced more than expected. But the wind industry's lobbyists want consumers to ignore this sun-bleached truth: Texas has far more super-hot days than it does frigid ones. Indeed, here in Austin, where I live, we've already had 70 days this summer with temperatures over 100 degrees, and there's still no relief in sight. And on nearly every one of those hot days, ERCOT's wind capacity has been AWOL. Each afternoon, as the temperature — and electricity demand — soars, the wind dies down:

This summer's high demand for electricity has caught ERCOT off guard. In June, the grid operator projected that Texas's electricity demand would not set any new records this summer. But demand is already exceeding levels that ERCOT didn't expect to see until 2014. Over the past few weeks, as demand has strained the Texas grid, electricity prices have risen as high as \$3,000 per megawatt-hour on the wholesale market, and large industrial users have been forced to curtail consumption in order to avoid blackouts.

And yet — and yet — the state is spending billions on projects that focus on wind energy rather than on conventional generation capacity. As Kate Galbraith of the Texas Tribune reported recently, the Texas Public Utility Commission is preparing the state's ratepayers for higher prices. Consumers will soon be paying for new transmission lines that are being built solely so that the subsidy-dependent wind-energy profiteers can move electricity from their distant wind projects to consumers in urban areas.

Galbraith reports that "the cost of building thousands of miles of transmission lines to carry wind power across Texas is now estimated at \$6.79 billion, a 38 percent increase from the initial projection three years ago." What will that mean for the state's ratepayers? Higher electricity bills. Before the end of the year, the companies building the transmission lines are expected to begin applying for "rate recovery." The result, writes Galbraith, will be charges that "could amount to \$4 to \$5 per month on Texas electric bills, for years."

Imagine what the state's grid might look like if Texas, which produces about 30 percent of America's gas, had spent its money on natural-gas-fired electricity instead of wind. The latest data from the Energy Information Administration shows that wind-generated electricity costs about 50 percent more than that

produced by natural-gas-fired generators. Thus, not only would Texas consumers be saving money on their electric bills, the state government would be earning more royalties from gas produced and consumed in the state.

Further, consider what might be happening had the state kept the \$6.79 billion it's now spending on wind-energy transmission lines and instead allocated it to new natural-gas-fired generators. The latest data from the Energy Information Administration show that building a megawatt of new wind capacity costs \$2.43 million — that's up by 21 percent over the year-earlier costs — while a new megawatt of gas-fired capacity costs a bit less than \$1 million, a drop of 3 percent from year-earlier estimates.

Under that scenario, Texas could have built 6,900 megawatts of new gas-fired capacity for what the state is now spending on wind-related transmission lines alone. Even if we assume the new gas-fired units were operating at just 50 percent of their design capacity, those generators would still be capable of providing far more reliable juice to the grid than what is being derived from the state's wind turbines during times of peak demand.

Unfortunately, none of those scenarios have played out. Instead, Texas ratepayers are being forced to pay billions for wind-generation and transmission capacity that is proving to be ultra-expensive and redundant at a time when the state's thirst for electricity is breaking records.

A final point: Keep in mind that the Lone Star wind boondoggle is not the result of Democratic rule. Environmentalists have never gained much purchase at the Texas capitol. In fact, the state hasn't had a Democrat in statewide office since Bob Bullock retired as lieutenant governor, and Garry Mauro retired from the General Land Office, back in 1999. That same year, Gov. George W. Bush signed legislation that created a renewable-energy mandate in the state.

What about Rick Perry, a politico who frequently invokes his support for the free market? In 2005, he signed a mandate requiring the state to have at least 6,000 megawatts of renewable capacity by 2015. Perry's support has been so strong that a wind-energy lobbyist recently told the New York Times that the governor, who's now a leading contender for the White House, has "been a stalwart in defense of wind energy in this state, no question about it."

And during his last election campaign, Sen. John Cornyn, one of the Senate's most conservative members, ran TV ads showing pretty pictures of — what else? — wind turbines.

— Robert Bryce is a senior fellow at the Manhattan Institute. His fourth book, *Power Hungry: The Myths of "Green" Energy and the Real Fuels of the Future*, was recently issued in paperback.