

At Issue: Can renewable energy work for your community?

By 2015, Texas legislators want five percent of the state's electricity to be supplied by renewable energy sources.

With state and federal incentives already available and more on the way, rural communities, where renewable energy resources are abundant, are stepping up to meet the challenge – and reap the rewards.

Renewable Energy Sends New Wind into Sails of Rural Texas Economies

By Travis Brown, ORCA

If you've driven West Texas or the Panhandle lately, then you've probably seen some of the hundreds of giant wind turbines that sit atop the mesas or march across the plains in those areas.

Wind farms in Texas now generate almost three percent of the state's electricity. But they're doing much more than just producing clean, affordable power.

Wind power also is pumping much needed new lifeblood into rural Texas economies. Wind farms are:

- Creating permanent, quality new jobs for small towns in desperate need of employment opportunities for their young people.

- Producing new sources of revenue for landowners lucky enough to get royalties from wind turbines located on their property.

- Generating millions of dollars in new school property tax revenues.

With rural communities across Texas starved for new economic development, the Office of Rural Community Affairs (ORCA) is spreading the word: Texas has more potential than any other state

to produce renewable energy. And rural Texas stands to benefit the most from development of wind power, solar power, biomass and other renewables.

Texas has more potential than any other state to produce renewable energy.

From the piney woods of deep East Texas to the Rio Grande Valley, almost every part of Texas enjoys an abundance of renewable energy resources. Besides our big wind farms, much new development already is underway:

- Near Nacogdoches, a 100-megawatt power plant is being built that will produce power by burning wood wastes.

- A solar-powered water treatment plant is being built for the community of San Benito in the Rio Grande Valley.

- A large dairy near Hico is producing its own power with a new technology that converts livestock

manure into electricity.

- Across Texas, a dozen or more ethanol or biodiesel plants are planned for construction. Texas farmers soon will be providing crops and crops wastes as feedstocks to produce alternative transportation fuels that can help cut our dependence on imported oil.

With funding through a contract with the Comptroller's State Energy Conservation Office, ORCA has taken a lead role to ensure the state's rural communities reap maximum benefits from the development of renewable energy.

ORCA serves as coordinator for the Rural Alliance for Renewable Energy, which brings together renewable energy industry experts, state and federal agencies, Texas agriculture producers and the state's universities in a collaborative effort to move renewable energy forward in Texas.

Already, RARE has held conferences in Amarillo, Waco, Corpus Christi, San Angelo and Nacogdoches.

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Resource Guide Renewable Incentives

By Julie V. Kelly, ORCA

With energy prices climbing, governments are making an increasing variety of incentives available to help rural communities develop renewable energy projects.

"All sorts of incentives are on the table and being looked at," said Russell Smith of the Texas Renewable Energy Industries Association. "On the federal level you've got the federal energy bill that has any number of incentives and tax breaks for different sectors accessible to urban or rural areas. At the state level you have existing laws that impact renewable energy use in rural areas."

Rural communities can research state and federal incentives online at the State Energy Conservation Office at www.seco.cpa.state.tx.us. State incentives include tax exemptions for solar and wind-powered energy systems. Some State incentives are under legislative review.

Federal incentives are profiled online by the Database of State Incentives for Renewable Energy (DSIRE), a website funded by the US Department of Energy, at www.dsireusa.org. Operating since 1995, DSIRE is a project of the Interstate Renewable Energy Council, an organization of state and local governments agencies, renewable energy organizations and companies, and other organizations and individuals that are involved in renewable energy.

The Modified Accelerated Cost-Recovery System (MACRS) allows businesses to make depreciation deductions to recover investments in various renewable energy properties.

The USDA offers a Renewable Energy Systems and Energy Efficiency Improvements Program that includes a grant option that covers 25 percent of eligible project costs and a guaranteed loan option that covers 50 percent of eligible project costs.

Smith added that several committees have "interim charges for reports and studies" related to renewable energy, including the House Committee on Energy Resources, Agriculture and Livestock, and the Senate Committee on Natural Resources.

Additional Resources

For additional information on renewable energy in rural Texas, contact the following organizations:

Office of Rural Community Affairs (ORCA)
www.orca.state.tx.us
 Travis Brown
 Renewable Energy and Community Development Specialist
tbrown@orca.state.tx.us

Rural Alliance for Renewable Energy (RARE)
www.infinitepower.org

State Energy Conservation Office
www.seco.cpa.state.tx.us

Texas Renewable Energy Industries Association
www.treia.org

Don't miss the seventh annual Renewable Energy Roundup and Green Living Fair!
 September 22-24, 2006
 Fredericksburg, Texas
www.theroundup.org

McCamey: Blades Turn a Town Around

By Julie V. Kelly, ORCA

McCamey, Texas, in Upton County, is a town known since 1925 for its ability to produce energy. And though it is still an oil producing town today, its continued existence was uncertain when more than 27 percent of the population left town in the 1990s.

Wind power may have turned things around for McCamey. Two utility-grade wind power facilities, built in 1998 and 2001, have slowed the population loss, perhaps permanently. In the short term, wind power has pumped tax dollars into school systems and the county, provided 50-60 local jobs, and kept kids in local schools.

"I think it's been a very positive change in the school district," said Jerry Stinson, Superintendent of Schools in McCamey. "Turbines have been in place for six years and have helped stabilize the population and brought in new jobs

and opportunities. It's increased the value of the district approximately \$200 million and brought in additional tax revenue. There is room for additional turbines, and we are very much behind that new industry. We hope that the legislators will work with the new industry."

As always, there is a downside to success. Randy Sowell, Land Manager of Cielo Wind Power and resident of McCamey, has seen wind power transform the town and other rural communities from consumers to producers of electricity, but the limitations of a petroleum-based marketplace can be frustrating. When transmission is not available because of a lack of capacity on the existing energy grid, wind producers can't harvest their energy.

"The main limitation on wind power is transmission availability," said Sowell. "The existing grid was built for a limited number of consumers. The wind resource far exceeds the ability to transmit the energy to the market."

Still, he is certain that wind energy benefits and sometimes saves rural towns like McCamey. "Wind power is a 21st century industry," he noted, "and its future is in the rural communities of Texas."



Wind turbine at King Mountain Wind Ranch in Upton County. Photo courtesy Cielo Wind Power.

Renewable Energy Sends New Wind

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These conferences bring together local agriculture producers with experts from the renewable energy industry, state and federal governments, and the state's leading universities. The next RARE conference is tentatively set for McAllen in early June. For more info, see www.infinitepower.org/rare/.

Renewable energy's future is bright in Texas, and ORCA's outreach and education efforts are designed to help rural communities identify and develop their renewable energy resources. Last summer, the Legislature increased the state's renewable energy goal to 5,880 megawatts, or about five percent of our electricity, by 2015. And more state and federal incentives are on the horizon to help farmers and ranchers, rural businesses, schools, hospitals, and others to develop renewable energy projects.

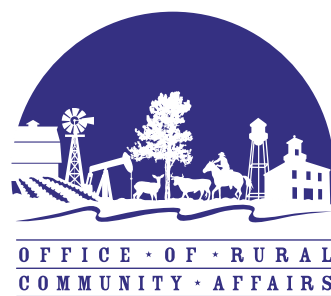
The U.S. Dept. of Agriculture's Renewable Energy and Energy Efficiency Program currently offers grants and loans to help farmers and ranchers and rural businesses install renewable energy systems. For more information, contact Travis Brown, Renewable Energy and Community Development Specialist, ORCA at 512-936-7878.

Rural Laughs

By Robert Wuest, ORCA



Be Creative Nearly everything can be a renewable energy source!!



Where rural Texas comes first.

As the state agency dedicated solely to rural Texas, ORCA makes the broad resources of state government more accessible to rural communities. The agency ensures a continuing focus on rural issues, monitors governmental actions affecting rural Texas, researches problems and recommends solutions, and is a coordinator and provider of rural-focused state and federal resources.

"Rural Texas has abundant renewable energy sources capable of providing new jobs and strengthening local tax bases if communities are willing to develop the capacity of these resources."

Charles S. (Charlie) Stone
 ORCA Executive Director

The Rural Texan is a free publication of the Office of Rural Community Affairs (ORCA). To subscribe, call ORCA toll free at 800-544-2042 or email Julie V. Kelly, Editor, at orca@orca.state.tx.us.

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Printed on 30-percent recycled paper.

New Work Group to Improve Water, Sewer Programs

ORCA has formed an interagency work group focused on improving the coordination of water and sewer funding activities between government agencies.

In addition to ORCA, the group includes the Texas Water Development Board (TWDB), the United States Department of Agriculture Rural Development (USDA RD), the Texas Commission on Environmental Quality (TCEQ), the Office of the Secretary of State (SOS) and the Comptroller of Public Accounts (CPA). All members entered into a Letter of Agreement (LOA) to facilitate the information sharing process.

Members of the group will work to improve customer service and simplify the application process for communities in need of water and sewer infrastructure improvements. Efforts include possible joint financing for appropriate projects and improved outreach training on government water and sewer funding programs.

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ORCA's Mission:

"To assist rural Texans who seek to enhance their quality of life by facilitating, with integrity, the use of the resources of our state so that sustained economic growth will enrich the rural Texas experience for the benefit of all."

"Texas is and always has been home to an abundant supply of energy resources. If developed, the state's renewable resources —wind, biomass, solar and geothermal—have the potential to satisfy all of the state's projected demand for energy. The majority of those resources will come from rural Texas."

William M. Jeter III
 Chair, ORCA Executive Committee