

Texas Ahead



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2010 | Issue 8

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Don Smith
South Texas
area vice president for
Waste Management Inc.

Texas Sets the Pace in a New Era of Energy Development

A facility in Austin turns something we have all too much of — municipal waste — into energy that powers one of Texas’ biggest companies, says Don Smith, South Texas area vice president for Waste Management Inc., North America’s largest landfill operator.

The facility, which opened in 2008, produces renewable electrical energy from the gases produced by waste decomposition at Waste Management’s Austin Community Landfill. “The Austin site generates about six megawatts of ‘green’ electricity, roughly enough to power 6,000 homes,” Smith says. “It costs more than traditional power, but it’s become vastly more competitive because of high energy prices.”

All of the Austin plant’s energy goes to a single buyer. “We had an opportunity to partner with Dell Computers, which has some very aggressive goals for sustainable energy and carbon reduction,” Smith says. Dell uses the

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America’s Energy Capital

Reliable and affordable energy is the factor that, more than any other, lifted Texas to prominence in the world economy.

For much of the 20th century, Texas’ economy was driven by the oil and gas industry. At the height of the oil boom of the early 1980s, the industry accounted for more than a quarter of the gross state product and of state government revenues. Though the state’s economy has diversified over the last 30 years, the industry is still important to our welfare, and has seen a recent resurgence due to rising oil and gas prices.

Today, the energy landscape is changing. Fortunately, Texas has an abundance of alternative fuel sources—and the human capital needed to tap them. Thanks to its history as a leading energy producer, Texas is blessed with an abundance of technical, legal, financial and research expertise that can be deployed to meet the challenges of providing energy for a growing population and economy.

- Texas is the nation’s largest producer of energy. The state remains the nation’s largest producer of oil and gas (excluding federal offshore areas), accounting for about 20 percent and 30 percent of total U.S. production, respectively.
- Texas is also the nation’s largest consumer of energy, accounting for nearly 12 percent of all U.S. energy use, due to its large population, hot climate and high concentration of energy-intensive manufacturing and refining industries.
- In 2008, the Texas energy industry employed nearly 368,000 people who earned more than \$39 billion in total wages.

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plant's electricity to power its world headquarters in Round Rock. The Austin landfill plant supplies about 40 percent of the company's needs.

Waste Management operates 10 such facilities in Texas that together produce more than 60 megawatts of energy. "We'll be adding another two in Central Texas in the next five years, one in Comal County, just outside of New Braunfels, and another in Williamson County," Smith says. "We also plan to have one in Temple."

Waste Management has found that Texas is the perfect place to launch renewable energy initiatives. The state's deregulation of electricity markets has created new customers for energy. And its early championing of renewable portfolio standards, which require sellers of electricity to obtain a portion of that energy from renewable sources, has encouraged the development of alternative power sources.

"Texas is a renewable energy leader," Smith says. "Texas was a pioneer in the creation of renewable portfolio standards — the state really set the standard for many other states to follow."



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- Texas has nearly a quarter of total U.S. oil reserves, and almost a third of its natural gas reserves. The Permian Basin of West Texas alone contains 21 of the nation's 100 most productive oilfields.
- Texas' 27 petroleum refineries account for more than a fourth of U.S. refining capacity.
- Texas also leads the nation in renewable energy potential. Texas has the most wind generation capacity among states, at 27 percent of the national total, and is the nation's largest producer of wind energy by far, with an installed wind power capacity of 9,405 megawatts.
- Texas ranks first in the nation in solar resource potential, with high levels of direct solar radiation suitable for large-scale power plants.
- Texas also is the nation's largest producer of biodiesel. According to the National Biodiesel Board, Texas has a production capacity of 464 million gallons annually, about 17 percent of the national total.

Renewables on the Rise

Texas produced more than 11.9 million megawatt-hours of renewable energy in 2007.

Total Renewable Net Generation in Texas by Energy Source, 2007* (In megawatt-hours)

Fuel Type	Total MWh	Percent of Total Renewable Net Generation
Wind	9,006.4	75.5%
Wood & Derived Fuels	914.2	7.7
Hydropower	1,644.4	13.8
Landfill Gas	322.3	2.7
Biomass	44.8	0.4
Solar	n/a	0.0
Geothermal	n/a	0.0
Total	11,932.0	100.0%

*Includes renewable energy sent over transmission lines to electric utilities, and renewable energy generated and used on site. Numbers may not total due to rounding.

Source: U.S. Energy Information Administration.