



# The TREIA Newsletter

Texas Renewable Energy Industries Association

April 1985

## An update on TREIA

Curtis Higgs, President

This newsletter is another 'first' for TREIA, one that I believe will be a significant vehicle for information about happenings in renewable energy and in the association. Because we previously weren't in a position to share information on a regular basis (no staff, no office, no publication!), I'll use this space to get you caught up on TREIA news.

You might normally expect a fledgling association to take a good amount of time just getting organized, up and running. That certainly has not been the case for TREIA. In fact, we are already a force to contend with, especially in **government activities** -- an arena not usually entered by trade organizations until they are well along in their development. Since government involvement was a primary reason for TREIA's creation, we weren't about to drag our feet before jumping in as active participants.

Most new organizations typically rely on the members to do everything from A to Z. Since members almost always have full-time jobs, association matters naturally take backseat to our day-to-day concerns, TREIA felt that a completely volunteer-run operation understandably would result in a slowdown in the immediate impact needed on behalf of renewable energy. So only three months after the association's inception, we hired a **full-time staff member**.

As our executive director, Nancy Johnson came to us with eight years of professional association management experience, which we have every intention of putting to good use for TREIA.

December saw TREIA's **first annual conference**, and at the same time we hosted a **gathering of renewable energy leaders** from around the country. Our meeting, and the

## Legislative Watch

TREIA has taken steps to represent renewable energy interests at the Texas Legislature, with the Board taking positions as bills make their way through the legislative process. The following bills have been introduced, and are being monitored by association leaders and staff:

o **S.B. 860 (Parmer)** allows the PUC to grant incentive payments to utilities that develop energy efficiency programs. It instructs the PUC to develop ways to quantify costs and benefits of each program; study available programs and the feasibility of implementing incentives; develop standards for energy efficiency in new construction and tariff surcharges for inefficient new construction.

With certain restrictions noted in the bill, incentives may be retained by the utility or shared with customers; intermediate utilities that facilitate the efficiency program through their wheeling arrangements; builders or developers of efficient new load exceeding 50 MW; and/or small power producers of 100 MW or less who make it possible for the utility to avoid new plant construction, reduce pollution and use Texas-indigenous resources.

o Several bills have been filed that **amend the current law governing alcohol and gasoline mixtures** for credits under the motor fuel law. The TREIA Board had not formulated its position on them by the time this newsletter went to press. However, TREIA action was taken on one of the bills listed here:

o **S.B. 83 (Williams)** would allow out-of-state production of alcohol mixtures up to 191.3 proof, but calls for any further purification and drying to take place in Texas.

(continued on page 4)

(continued on page 2)

-- S.B. 629 (Sarpalius) would cut the annual \$10,850,000 alcohol fuel credit to \$286,000. TREIA testified at a Senate Finance Committee hearing on this bill, indicating that such a drastic cut would do serious damage to the developing alcohol fuel industry in Texas.

-- H.B. 1627 (Horn) would reserve the exemption for Texas production only.

-- H.B. 1950 (Gibson) would extend the exemption to all concerns, i.e. in-state, out-of-state and out-of-country.

-- H.B. 1756 (Saunders) and Senate companion S.B. 981 (Harris) would reduce the credit from 5¢ to 4¢/gallon; restrict out-of-state production to fruit and cereal grain only; raise the cap by \$1 million per year for plants of at least 3 million gallon capacity.

-- H.B. 1717 (Horn) adds language to the existing law regarding dealer documentation and at-the-pump notice about inclusion of methanol or ethanol in gas; users' right to ask dealers about the percentage of blends; inspection details and legal recourse of the Agriculture Commission.

### ON THE NATIONAL FRONT...

By the time you receive this newsletter, it is expected that Representative Heftel and several co-sponsors will have introduced "The Renewable Energy and Conservation Transition Act of 1985" in the nation's capital. This is a comprehensive tax credit bill hammered out by members of numerous trade organizations and other parties involved in renewable energy.

The bill is all-inclusive of the many disciplines affected by the tax extension issue, with provisions for a three-year phaseout for all concerns except solar, which would have a five-year phaseout.

At the time this newsletter was being finished, TREIA was contacting Representative Jake Pickle to urge him to join as a bill sponsor. More information on the bill will appear in the upcoming issue.

\*\*\*\*\*

## **PUC adopts SCRR and ARI standards for solar collectors**

Texas has joined a growing number of states in requiring standards for rating the performance of solar equipment. The Texas PUC, as directed by the 68th Legislature, has studied certification stan-

dards for solar devices, and has adopted those of the Solar Rating and Certification Corporation (SRCC) and the Air-Conditioning and Refrigeration Institute (ARI).

Solar collectors covered by the PUC standards are (1) glazed flat-plate liquid type; (2) unglazed flat-plate liquid type; (3) air type; and (4) linear tracking concentrating collectors.

To qualify for certification, the collector must pass a rigorous testing series to determine durability and efficiency under various climate conditions. Performance test results are then shown on the certification labels, making it easier for consumers to comparison shop when deciding to "go solar."

To qualify for state sales tax exemption, these collectors must be certified. Purchasers of collectors not covered under the PUC standards will continue to receive sales tax benefits until appropriate standards are developed and supported by the solar industry.

Call the PUC's Energy Hotline, 1-800-643-SAVE for more information. Ask for the technical brief, "Texas Solar Standards."

\*\*\*\*\*

### AN INVITATION TO JOIN

TREIA is fast becoming a recognized and respected voice for renewable energy industries in Texas. The association was formed to play an important role in protecting your interests and improving business opportunities for you. Membership information and application forms are available from any of the following TREIA directors:

Austin-Curtis Higgs 512/441-8778

Warren Cole 512/444-2565

Mac Holder 512/345-8817

Burkburnett-Dave Prossner 817/569-2238

Clute-Coy Freeman 409/265-4446

Conroe-Charles Edmondson 409/539-9093

Dallas-Bobby Farris 214/741-1000

El Paso-Dick Ortiz 915/593-1979

Elgin-Mike Osborne 512/285-2547

Houston-Bob Batho 713/531-7007

Rick Brand 713/956-1390

San Antonio-Preston Andreas

512/377-0489

# News & Views

## TAX CREDIT EXTENSION ACTIVITIES

o TREIA President Curtis Higgs recently **corresponded with Governor Mark White urging his support of extension of the energy tax credits.** The contact took place immediately prior to White's attendance at the National Governors' Conference in Washington, D.C., at which a number of energy-related issues were scheduled for discussion by the state leaders.

o TREIA is working with Representative Tommy Adkisson (San Antonio) on developing a **joint resolution by the Texas House and Senate supporting the extension.** A Senate sponsor is being approached, and prospects are good that the resolution will receive approval. Text of the resolution will be carried in the next newsletter. TREIA members and others in the industries are encouraged to **contact their representatives** to inform them of the soon-to-be-released resolution, and to ask for their support. Please send TREIA a copy of your correspondence on this issue, so the association has evidence of grassroots efforts to use in its work with the Legislature.

## ETHICS' DOCUMENT BEING DEVELOPED

o Ethics Committee Chairman Mac Holder is developing a **Code of Ethics** for adoption by the TREIA Board. Upon approval the Code will be issued to members, and is expected to become part of the membership application. The drafted Code contains language governing ethical and legal business practices of members as well as their conduct toward others in the renewable energy industries. Ethics Committee procedures also are being prepared to handle problem resolution. It is anticipated that TREIA members will be called on to adhere to both the Code and to decisions emanating from the Ethics Committee.

## "EXTRAS" FOR MEMBERS ENCLOSED

o In addition to this newsletter, TREIA members will find enclosed copies of two valuable brochures:

-- **"Deceptive Trade Practices and the Consumer Protection Act."** This brochure is compliments of the Attorney General's Consumer Protection Division. TREIA has a limited supply of extra copies for inter-

ested nonmembers who call 512/450-1477. Once our stock is depleted, copies may be obtained from Consumer Protection offices in Austin, Dallas, El Paso, Houston, McAllen, Lubbock or San Antonio.

-- **"Renewable Energy at the Crossroads."** This excellent booklet by the Center for Renewable Resources (CRR) contains valuable information about biomass, solar thermal, geothermal, hydropower, photovoltaics and wind power. Nonmembers may obtain a copy by sending \$5 to CRR at 1001 Connecticut Ave., NW, #638, Washington, D.C. 20036; or call 202/466-6880 for prices on multiple copies.

## PUC RENEWABLES' ACTION NOTED

o TREIA's Board has directed the Government Affairs Committee, Chairman Dave Prossner, to offer recommendations for **the association to intervene in selected avoided cost cases** that will come before the Public Utility Commission (PUC). To date, TREIA has filed two petitions, both dealing with Southwestern Public Service Company (SPS):

-- PUC approval of TREIA intervention is pending on Docket #6055, **SPS application for approval to build a 600 MW plant near Lubbock.** Valley View Energy Corp. is an intervenor in this case.

-- TREIA also has filed a petition for intervention in Docket #6063, **SPS request for approval of its standard avoided cost calculations.**

o The PUC Co-generation Subcommittee has drafted its **recommendations for net energy billing**, and currently is circulating the information internally to other PUC staff. Publication of its recommendations is expected in the near future, and TREIA will include details in its next newsletter. Association representatives met several times with subcommittee members to give TREIA recommendations.

o Effective dates took place in February for changes to PUC Substantive Rules dealing with cogeneration and small power production in Sections 23.23 (Rate Design), 23.31 (Certification Criteria) and 23.66 (Arrangements Between Qualifying Facilities and Electric Utilities). Complete texts of these revised sections can be obtained from the PUC Central Records Section by calling 512/458-0255 or -0262 for prices.

\*\*\*\*\*

national meeting were used as tools in the development of an **industries' assessment & recommendations report** we contracted to do for the Texas Department of Agriculture. This report also serves as the TREIA position paper on a wide range of renewable energy needs to be addressed by action of the association, government, the private sector and educational institutions as the primary targets of the document. Members and legislators will soon receive copies, as will many others involved and interested in renewable energy.

TREIA's members are working in most renewable energy disciplines, and as a result your Board of Directors reflects that diversity of interest. Consequently we are fortunate to have such **industries' representation** in our leadership because it allows us to tap a considerable resource of expertise in deciding positions the association should take publicly, and also in determining what services will be the most beneficial to both the general membership and to the specific segments.

This newsletter itself is testimony to the breadth of attention TREIA gives, and will continue to give to the wide variety of renewable energy industries. As one example, herein you will read about **legislative activities** we are engaged in relating to solar, alcohol fuels and energy conservation. You will also read about **TREIA's actions at the Public Utility Commission**, dealing with net energy billing, avoided cost and more. This is only the beginning, folks, and we will continue to keep you well-informed about issues that affect your businesses and your pocketbooks.

There are many more TREIA activities to mention, but one in particular deserves attention before I relinquish your eyes to read about other important matters in this newsletter. That activity pertains to the sensitive topic of **ethics**.

More often than not, government intervention occurs when the private sector or private enterprise is unable to effect changes by itself. I'm sure there must be instances when such intervention results in positive change, although offhand nothing comes to mind. Be that as it may, there usually seems to be more negative impact than otherwise when government steps in to deal with problems.

Traditionally trade associations have formed for three purposes -- **protection, information and/or education**. Of those three purposes, protection of an industry or specific group of people is the most compelling reason.

Promoting ethical behavior to/by its members is the strongest means of denying government a foothold in policing an industry. Early on in its bylaws, TREIA has the following as part of the statement of objectives:

"To encourage high business and professional ethics and standards."

TREIA's Board is currently developing a **Code of Ethics** for the benefit of the members, and which will clearly tell the "outside world" that we are working toward a truly positive ethical posture not only for the association's members, but for the renewable energy industries as a whole.

There are so many important issues going on, that the TREIA Board has held frequent meetings. As more members participate in the planning and projects of committees, the Board is likely to need fewer meetings but for a growing number of decisions.

It's tremendously enjoyable to be a part of the TREIA phenomenon and as time passes I know the association will continue to prove well worth the membership dollars you invest.

\*\*\*\*\*

---

T.R.E.I.A.  
3724 Jefferson, Suite 115  
Austin, Texas 78731

Bulk Rate U.S. Postage PAID Permit 1922 Austin, TX
--