



Promoting Clean Energy and Economic
Opportunity for All Texans

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TCEC: Keep the Texas Energy Market Clean *Why coal subsidies are bad for business*

AUSTIN, Texas (Oct. 31, 2017) – The Texas Clean Energy Coalition (TCEC) today released a special report for policymakers entitled, “Keep the Texas Energy Market Clean: Why Coal Subsidies are Bad for Business,” questioning those who would manipulate the energy markets by using taxpayer dollars to prop up older, uneconomic plants that burn coal at the expense of cleaner, cheaper electricity from Texas-produced natural gas, wind and solar power.

The special report examines how ill-conceived policies can distort the U.S. energy market and interfere with the well-functioning Texas electric market, delaying or derailing the Lone Star State’s market-driven transition to clean energy.

The U.S. coal industry has been declining for generations. Coal mining in the U.S. has lost 200,000 jobs in the last 40 years, and now employs just over 50,000 Americans; last year, coal production in Wyoming’s Powder River Basin, which produces most of the coal used in Texas coal-powered electric plants, plummeted 78 million tons to its lowest output in nearly 20 years.

As the longed-for coal recovery has been slow to materialize, policy discussions in Washington, D.C. and in Appalachian coal country have moved beyond loosening environmental controls and into the previously disfavored arena of direct market intervention in the form of taxpayer-funded coal subsidies.

“Asking taxpayers to bear the burden of propping up a coal industry whose product cannot compete in the open energy market in the U.S. or around the world is a violation of free market principles and a self-defeating economic policy for our state and our country,” TCEC Executive Director Elizabeth Lippincott said. “The energy market is already moving toward cheaper, cleaner natural gas and renewables, creating a clean energy economy that thrives on price competition.”

The white paper covers:

- The Trump Administration’s attempt to rehabilitate domestic coal production, and thereby, restore coal jobs in key Midwestern states – a frequent theme of the 2016 presidential campaign.
- Long term economic forecasts, which are working against any federal effort to rehabilitate the U.S. coal industry.

- A new Department of Energy (DOE) report on grid reliability, which affirms that low natural gas prices, and to a lesser extent cheap renewable energy from wind and solar power, have been the major factors in driving the electric generation fuel mix away from coal.

Texas-specific research commissioned by TCEC and conducted by The Brattle Group in 2016 found that classic free market price competition between coal, natural gas and renewables is already driving a transition away from older, more expensive coal plants and toward cheaper, cleaner natural gas and renewables.

“An ERCOT grid powered by natural gas and renewables will be significantly cleaner, use less water, keep consumer electric costs low and enhance grid reliability with a diverse energy mix,” Lippincott said. “An important benefit for Texas is that we generate our clean energy right here at home, so the transition away from coal plants that burn Wyoming coal creates thousands of good jobs and enormous economic prosperity for the Lone Star State.”

The complete white paper is posted to the Press Room on TCEC’s website at <http://www.texascleanenergy.org/TCEC%20white%20paper%20on%20coal%20subsidies%2026%20Oct%202017.pdf>.

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About the Texas Clean Energy Coalition

The Texas Clean Energy Coalition is an alliance of business and economic development groups, faith-based organizations, the Latino and African-American communities, labor, and academia dedicated to building a clean energy economy that creates jobs and economic growth in the Lone Star State. Its goal is to educate Texans and support a state energy policy that promotes clean energy markets, job growth, energy security and Texas’ energy leadership in the U.S. and around the world. For more information, visit the coalition Web site at www.texascleanenergy.org.