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Texas, Colorado Beat Renewable Energy Targets

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Texas and Colorado have leapfrogged over requirements for the amount of [renewable energy](#) used in the state.

This demonstrates how quickly renewables can become a significant part of the US energy mix. It also points to the need for states to continually up their targets so that utilities don't just rest on their laurels, but keep adding more renewables.

Xcel Energy (NYSE: XEL), the largest utility in Colorado, says it's eight years ahead of schedule in meeting the state's renewable electricity standard (RES).

The RES, which went into force just a year ago, requires Colorado to source 30% of its electricity from renewable sources by 2020. Excel believes it will achieve that by mid-2012.

Colorado's RES is one of the more ambitious in the US.

While one would think such success would drive further investments in renewables, Xcel could instead slow those because it's met the requirements.

New renewable energy projects will be driven by questions of cost-effectiveness, or new rules made by Congress or the Environmental Protection Agency (EPA), and not by the need to hit a state-mandated target, Robin Kittel, Xcel's director of regulatory and policy analysis told the Denver Business Journal.

“Also, there are supply-and-demand components - such as if there's an oversupply of wind turbines in the marketplace, or solar panels, such that the cost of the systems are very cost-effective, she said.

That means Colorado state officials should raise the bar beyond 30%, which was considered a minimum standard.

As of the end of 2010, Xcel had installed most of the 1252 MW of wind in the state, up from just 32 MW in 2000. Two wind farms at 250 MW each come online this year.

Xcel buys 27.2 MW from two solar plants in the state and has signed contracts to buy all the power from two 30 MW solar plants that start operations this year and next.

The company has also paid \$178 million in rebates through its Solar*Rewards program, which has supported installation of 75.9 MW of rooftop systems.

Renewable Energy in Texas Up 30%

Texas is also way ahead of its Renewable Electricity Standard (RES), which unlike Colorado's, is pretty meager. The RES, which was mandated in 2005, calls for 10% of its energy to come from renewables by 2025.

Yet, in 2010, renewable energy rose 30% in Texas, to 10,515 MW. The state now has 515 more megawatts than its target in 2025.

10,265 MW, or 97%, comes from wind energy. Texas is the leading wind producing state in the country.