Gov. Rick Perry: The Story of Energy Innovation is Being Written in Texas Today

Remarks to the American Chamber of Commerce in Sweden

*Note - Gov. Perry frequently departs from prepared remarks.

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Thank you, Ambassador Wood for that kind introduction and for inviting me to address the American Chamber of Commerce. I have truly enjoyed my time in this beautiful country and am pleased at the warm relations that exist between it and the great state of Texas. One of our greatest champions is Mr. Phil Wilson, our Texas Secretary of State, and Aaron Demerson, director of economic development for our state. These two men are wholeheartedly committed to even stronger economic relations between Texas and Sweden.

I bring with me today both the greetings and best wishes of 23 million Texans, including many who share a common heritage with the people of Sweden. Since the first Swedish settlers arrived in our state 160 years ago, representatives of your country have had a presence in Texas. Their legacy lives on in towns with names like Lund, New Sweden, and Swedonia. However, if you were to visit Texas today, and I hope you do, you might think had landed in Holland with all the windmills that have sprung up on our landscape. Texas doesn't just believe in the potential of wind energy, we are reaping its benefits already as we pursue a more diversified energy portfolio. I am proud that our state's installed wind generation capacity leads our nation, a rank we did not reach by accident.

For starters, there is no shortage of wind in Texas. Growing up in West Texas, there were times I wondered if it would ever stop blowing, especially when my parents had me raking leaves. Having seen the positive impact of wind power, I'm glad that God did not grant that particular prayer. Second, our state has a history of innovative entrepreneurs who are more than willing to invest their own financial and intellectual capital into promising energy projects. Students of Texas culture are no stranger to images of oil-soaked wildcatters, rejoicing that a gusher had come in.

That story of energy innovation is still being written as the Lone Star State pushes into new sources of energy. A key part of that story is an essential step we took in 2005 when I signed Texas Senate Bill 20. This key piece of legislation established a renewable energy goal for our state, targeting 5,880 megawatts of production capacity by 2015. In true Texas style, we are already on the verge of surpassing that goal, more than six years ahead of schedule. Not surprising since we're building out our capacity faster than any other U.S. state. Just last year, nearly $3 billion worth of wind-powered electric generators were installed, twice as much as any other state. This addition of more than
1,600 megawatts of capacity bumped up our total wind capacity by 59 percent.

With progress like this, I am confident we'll hit the next milestone, 10,000 megawatts, or 10% of our current capacity, well before the deadline in 2025. We better hit it, because our state needs all the energy we can get. Worldwide, per capita energy usage continues to climb as people add new power-draining gadgets to their homes every day. Statewide, our population is growing at a rate of roughly 1,000 people per day and companies are relocating here with increasing frequency. In fact, we just vaulted over New York into first place as the state hosting the most Fortune 500 company headquarters. And our robust economy has created 1.2 million net new jobs since 2003. Not to brag, but more than half of the jobs created in the United States in the past year were in Texas.

Those jobs mean more office buildings, manufacturing facilities and communities to support them. And they all need energy. This growth has occurred in the context of a looming worldwide energy crisis, where much of our energy is derived from oil produced in nations that aren't always on speaking terms with ours. So the need to diversify our energy portfolio is stronger than ever. Thankfully, we are on track toward that goal with our growing emphasis on biofuels, wind, solar and nuclear power. I know some might not consider nuclear power an alternative fuel, and I understand that Sweden is currently somewhat conflicted on whether or not to continue its phase-out.

There's nothing like a growing population and exploding energy needs to cast new light on one's energy options. It's been nine years since the last of the four nuclear plants in our state came online. The wheels are now turning for us to add anywhere from two to eight new reactors in Texas to meet our future energy needs. But, right now, it appears that wind is the energy source delivering the most immediate returns. We have a few key obstacles to overcome before we can realize its full potential. First, we need to find a way to economically fund the creation of what we call competitive renewable energy zones. The goal is to aggregate our wind farms and build the transmission necessary to economically bring wind power to the grid. Current cost estimates run into the billions of dollars.

Second, we currently benefit from wind energy tax credits offered by the federal government. These sensible incentives have lowered the barriers to the success of this essential technology and freed capital to be used in accelerating its adoption. These credits are on the verge of expiring, so I have been urging our citizens to contact their representatives in Washington to encourage their renewal. The third challenge is one for the technology experts: how to store wind energy to dampen the effects of weather fluctuations. Whether it takes the form of compressed air or some kinetic method of storage, I am confident that a solution to this challenge is not far away.

All in all, the prospects for wind are on the upswing all across Texas. More wind power is coming onto the grid every day and certain areas of our state are being revitalized with the influx of new developments. I'm especially encouraged by the fact that many families in rural Texas, whose grip on their land was slipping because of the rising cost of farming and ranching, can now keep their land because of revenues from hosting wind turbine towers. Ultimately, I believe wind will make our energy supply more affordable, for Texans and for Swedish companies who do business there.

The trade relationships between our state and your country are strong. Last year, Texas companies exported nearly $200 million worth of goods to Sweden. In transit, they passed the $660 million worth of Swedish goods on their way to the Lone Star State. I hope that conversations like this one can lead to an even stronger rapport between Texas and Sweden, that you will not only consider Texas a vacation destination, but also take a look at just how fruitful it can be to do business in the Lone Star state.

Thank you for your time, your gracious hospitality, and your interest in what's happening in Texas. Together, I hope that we can continue seeking new ways to refine the technology, attracting new investment to build capacity, and exploring new approaches to increase the power available to our citizens. Because, in Texas, the future of wind energy is now.
Thank you.