Thank you, Bob [Webb, President TREIA], and congratulations on your principled leadership of this important organization.

As I begin, it is fitting to reflect on the tragic events of last Thursday, and heed the reminder that the price of freedom is high, and those that defend us endure struggles that most of us could never comprehend.

No matter what side we choose in any issue, be it Republican or Democrat, cap & trade or free market advocate, we’re all Americans first, and we’re all in this together.

We are also in the struggle for energy independence together, as a way to make our nation safer. In that pursuit, people sometimes ask me, what’s the best energy strategy for Texas? Wind? Solar? Biomass? Clean coal? Next generation nuclear?

My answer is a question of my own: Why not “all of the above?” That’s exactly the strategy we’re pursuing in Texas, and it’s working. As you know, there’s plenty of good news in Texas. In the midst of a nationwide economic slowdown, we have fared better than most.

While other states are struggling to make ends meet, we emerged from our legislative session with a balanced budget and a Rainy Day Fund on its way to $9 billion. We even cut taxes for 40,000 small businesses in Texas. Maybe some of you here today own or work for one of those companies.

That said, times are hard for all too many Texans, and we know our job isn’t done, until every Texan that wants a job, has a job. However, we see things a little differently in Texas than they do in other places like Washington DC.

We know our approach of low taxes, predictable regulations, and a fair legal system, is the best way to keep our economy going. We have made great strides in many economic areas, including serious progress in alternative energy sources.

Our history is closely linked to the energy industry, and we should all take pride in our state’s legacy, of roughnecks laboring on wells outside Odessa, and machinists keeping our refineries running along the Gulf Coast.

Thanks to the efforts of people like you, our energy legacy continues, while it expands with a new generation of energy producers. Wind turbines dot the plains of West Texas, a biomass power plant under construction in Nacogdoches will be one of the largest in the country, and Dow Chemical is investing in a Freeport bio-refinery that will use algae to convert wastewater and CO2 into energy.
In Sunray, a Valero refinery will be powered by electricity generated from its very own wind farm. Think about that for a second: A refinery powering itself with electricity generated by the wind. Could anything paint a clearer picture of the synergy that’s possible with traditional and renewable energy sources? Making new technology more available and affordable is the best way to see it put into action.

I believe our progress comes largely from decisions made on the basis of sound business principles, not because of government mandates, or because companies run in fear of extravagant fines. In Texas, we’re making tomorrow’s technologies more accessible, by cultivating a job-friendly climate, offering incentives to make them more affordable, then getting out of the way. I think the results speak for themselves.

Today, Texas produces more wind power than any state in the union – and more than all but four countries in the world. Just a month ago, the Roscoe Wind Farm came fully online, assuming the title of largest wind farm in the world.

Texas is also increasingly investing heavily in solar energy, with four utility-scale solar projects scheduled to begin construction next year and others in the development process. Eleven utility companies are currently providing rebates for residential and commercial customers who install solar energy systems.

Texas is the very picture of a state aggressively seeking its future in alternative energy, through incentives and innovation, not mandates and overreaching regulation.

I’d say that’s a pretty good description of what we call “the Texas way.” The Washington way is a bit different. They generally rely on mandates, threats and strangling regulations. They’re proposing measures that will add thousands of dollars to every Texan’s annual energy costs, kill hundreds of thousands of jobs, and do nothing to improve the environment.

A few months back, Waxman-Markey squeaked through the U.S. House of Representatives, 219 to 212. A key Senate committee just approved its own energy legislation, making it clear that Congress isn’t afraid to precipitate an economic disaster for Texas, or hinder our ability to compete in the global marketplace.

The authors of this bill say they want to create “green jobs”, but their plan would not only cause taxes to explode, it would severely handicap manufacturers who must compete in that global marketplace. Here in Texas, we’ve become the nation’s leading exporter by welcoming companies and encouraging innovation, and we rank second among all states in green jobs.

The authors say they want to speed the adoption of renewable energy, but their bill will actually result in less renewable energy, according to the EPA’s own analysis. Because we let the market work here in Texas, companies represented here today are helping install far more renewable energy than current targets, while modernizing our grid to support even more.

Washington claims this legislation would increase our national security, but it actually impairs our ability to produce energy here, which will lead to higher prices and increased energy imports from countries that wish us ill.

Waxman-Markey’s crushing burden of new regulation will place our whole country at an unfair disadvantage, to other countries like China and India, who have no intention of forgoing economic growth and prosperity in exchange for no benefit. I fear this misguided legislation will actually negate the significant progress we have made.

Here in Texas, we have pioneered new methods of producing clean-burning natural gas, we use carbon dioxide to rejuvenate old oil fields and produce biofuels, and even have companies exploring the use of wave power to desalinate water.

Here in Texas, we’ve improved environmental conditions, dramatically increasing air quality in our major municipalities,
with ozone levels decreasing 22% from 2000 to 2008, and Houston on track for compliance ahead of schedule.

Here in Texas we’ve also reduced nitrogen oxide emissions from large industrial sources by 46% between 2000 and 2006.

Here in Texas, we’ve done these things while creating jobs, not destroying them, and fostered the growth of renewable energy ALONGSIDE traditional sources, not in spite of them.

The cap-and-trade bills pending in Congress would essentially be the single largest tax hike in the history of our nation, and opens the door to unprecedented federal intrusion, into every Texas farm, home and workplace.

These energy taxes will cause every product that uses energy to become more expensive, forcing Texas families to shoulder substantial new costs, and undercutting our state’s economic strength.

Even if the US Senate walks away from the job-killing cap-and-trade legislation, and I fear they won’t, it is increasingly clear that the powers-that-be in Washington are hell-bent on even bigger changes.

The Environmental Protection Agency (EPA) has made clear it’ll take matters into its own hands by declaring CO2 a harmful substance, even though the EPA has also said the Clean Air Act was never intended to address carbon dioxide,

I can’t think of a quicker way to knock our nation’s struggling economy completely off its feet, but it doesn’t have to be that way. Instead of imposing new taxes, I’d prefer the federal government study the success we’ve achieved here together, by encouraging entrepreneurs to innovate, not threatening them.

Earlier this year, the legislature passed House Bill 469, providing companies tax incentives to purchase and install equipment, to capture and scrub at least half of their CO2 emissions. The first three projects to achieve 70% carbon capture qualify for franchise tax credits of up to $100 million.

That’s money well spent, because lessons from these early projects, can be put into wider practice, improving everyone’s ability to effectively, and efficiently, remove these gases from the atmosphere.

The bill also spurs innovation and expands our domestic production of energy through a 75%, 30-year severance tax exemption, for any oil recovered using CO2 captured from a man-made emission source.

We’re also spurring innovation with our Emerging Technology Fund, which helps bridge the gap between lab discoveries, and marketable products. Our ETF investments sustain fledgling companies as they prepare their bright ideas for production, or attract the attention of venture capitalists.

ETF investments are helping many companies move forward, such as Twenty-First-Century Silicon, Inc., which is commercializing its production process of low-cost silicon for use in solar cells. We’ve also invested in Solarno, which is developing carbon nanotube sheets, that will make solar cells more efficient and cheaper.

That’s just two of more than 94 companies we’ve invested in with an eye toward improving Texas’ future high-tech growth. I’d much rather invest in these ideas and boost the Texas economy, instead of letting them gather dust on a professor’s shelf, or, worse still, create jobs and prosperity outside Texas.

Just a few days ago, Texas voters approved Proposition 4, which will accelerate us on the track of creating more top-flight research universities, which will lead to more innovation and a better-trained workforce.

This approach meshes perfectly with what we’ve been doing, and will continue to do with our Emerging Technology Fund, and other economic development tools at our disposal.
This climate of innovation here in Texas has been attracting employers who are being chased out of other states, and giving them a chance to excel with a lot less government interference.

When they get here, they're finding that our doors, and our arms are wide open to welcome them, and our high tech workforce is getting stronger by the day. My goal is to keep making it stronger.

We live in an exciting time, and you all here represent the vanguard of the next generation. I know some of you have been in that vanguard for 25 years, so you're probably used to it by now, but you represent the path to energy independence.

This is vital because energy is and always will be an essential part of our state's identity and, more importantly, an essential contributor to our state's economic success. That success is dependent upon energy that is not only affordable, but also increasingly clean and renewable.

Thank God we have people like you working to make that a reality.

I urge to continue your important work, keep innovating, and don't lose that legendary Texas work ethic.

Together, we can keep spreading the word on the Texas success story, and keep our state moving forward. May God bless you and, through you, may He continue to bless the great State of Texas.