

MID TERM GROUP PROJECT
ENCO 4364: Alternative Energy Markets - Electricity

Federal and Texas state policies provide direct and indirect support for the development of wind energy. As one result of the effects of these policies, Texas now boasts the largest wind power capacity of any state. Your task is to produce a group presentation providing substantive insight on the question, “**All things considered, have these policies been good for the state of Texas?**”

Your project should include at least the following content:

- Identification of the various Federal and Texas subsidies and other policy supports provided to wind power. Contrast the support provided to wind to that provided to other technologies used to supply electric power. Be sure to include the effects of the Texas Renewable Portfolio Standards program. You may start with the Texas Comptroller’s Energy Report 2008 chapter on energy subsidies, but go beyond the material presented there.
- Consideration of the appropriate *counterfactual* condition: Imagine that there were no government subsidies for wind power over the last ten years. What would the Texas power industry be like? Wind generated small but sharply increasing amounts of power – if the wind capacity wasn’t there, how would the state be producing the replacement power? What generating capacity would have been built instead?
- An assessment of who has benefited and who has been made worse off by the subsidies. Who is better off and who is worse off than they otherwise would have been? (This question may be harder to answer than you think. For example, a well-paid technician working for a wind power company is no better off if he would have been equally well paid and working in similar conditions in some other business. If, without subsidies, a wind power company would have invested in other generation resources of comparable costs and profitability, then they may be no better off with the subsidies.)

You may choose to highlight a single issue in your presentation – devoting more time and effort on your best material – but do address each of the three issues at least briefly, and be sure to provide a well-supported answer to the main question. Your project should reflect consideration of multiple perspectives on the key issues raised by your work. Find reliable sources. Double-check claims quoted.

Presentations should be at least 10 minutes long, but no more than 15. After the presentation there will be at least five minutes for audience questions. You may use any media or format for your presentation that can be supported in the class room – from computer-based video, audio, or slides to posters, panel discussion. Be creative, use your time wisely, and address each of the main points noted above in a substantive manner. You must also turn in a short written summary of your presentation with an annotated bibliography of resources relied upon in producing the presentation.

Projects will be due (and presentations will be made in class on) October 28. Be prepared to discuss initial group project plans with your instructor on October 9.

Getting started:

- U.S. Energy Information Administration, “Federal Financial Interventions and Subsidies in Energy Markets 2007,” (<http://www.eia.doe.gov/oiaf/servicerpt/subsidy2/index.html>).
- Texas Comptroller, “Government Financial Subsidies,” Ch. 28 in *The Energy Report 2008*, (<http://www.window.state.tx.us/specialrpt/energy/subsidies/>).
- Texas State Energy Conservation Office, “Texas Renewable Portfolio Standard,” (http://www.seco.cpa.state.tx.us/re_rps-portfolio.htm).