

**Resolution of the Board of Directors in Support of Renewable Energy and
Energy Efficiency Initiatives**

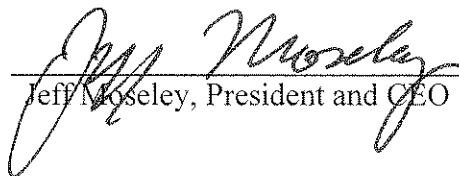
The Houston region is widely recognized as the Energy Capital of the World. With the global energy complex in the midst of change, renewable energy is becoming an increasingly important component of the national and global energy mix.

The Greater Houston Partnership supports the following efforts to promote renewable energy and energy efficiency initiatives:

- Enable market entry for renewable energy technologies and distributed energy generation by utilizing market-based incentives, removing regulatory barriers and assisting with capital formation;
- Utilize state funds to match federal stimulus money for grants or loans promoting renewable energy and energy efficiency projects;
- Increase funding to promote the expansion of energy efficiency programs to the maximum extent possible while still maintaining cost effectiveness;
- Require tier 2 renewable energy technologies within the Renewable Portfolio Standard; and
- Establish green job skills training programs and expand agricultural job transition and extension programs for the green energy sector.



Daniel G. Bellow, Chairman



Jeff Moseley, President and CEO



Patrick C. Oxford, Secretary

MEMORANDUM

DATE: May 6, 2009

TO: Greater Houston Partnership Board of Directors

FROM: John Hofmeister
Chairman, Energy Collaborative Cluster Council

SUBJECT: Resolution of the Board of Directors in Support of Renewable Energy and Energy Efficiency Initiatives

RECOMMENDATION

The Houston region is widely recognized as the Energy Capital of the World. With the global energy complex in the midst of change, renewable energy is becoming an increasingly important component of the national and global energy mix.

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- Enable market entry for renewable energy technologies and distributed energy generation by utilizing market-based incentives, removing regulatory barriers and assisting with capital formation;
- Utilize state funds to match federal stimulus money for grants or loans promoting renewable energy and energy efficiency projects;
- Increase funding to promote the expansion of energy efficiency programs to the maximum extent possible while still maintaining cost effectiveness;
- Require tier 2 renewable energy technologies within the Renewable Portfolio Standard; and
- Establish green job skills training programs and expand agricultural job transition and extension programs for the green energy sector.

BACKGROUND

The Greater Houston Partnership's Energy Collaborative Cluster Council was established in 2005. Its mission is to perpetuate Houston as the Energy Capital of the World by leveraging the strengths of Texas. The Energy Collaborative Cluster Council builds

alliances among its members representing industry, academia and the public sector to address target industry clusters such as wind, solar, storage and transmission, bio-processing and carbon trading.

The United States is currently dependent upon fossil fuels that are nonrenewable, finite resources. As energy demand surpassed domestic supply, the United States was forced to look abroad to meet its growing hydrocarbon needs. To recapture its energy independence, the United States must have flexible energy supply that is clean, affordable and abundant. Energy security can be captured by shifting the focus to renewable energy.

Renewable energy is generated from naturally replenishing primary sources such as wind, solar and biomass. These can be converted into heat, electricity, mechanical energy and vehicle fuel. According to the State Energy Conservation Office, Texas ranks first in the nation for its renewable energy resources. It is critical to develop technologies that can tap these resources affordably and reliably. Additionally, a regulatory and incentive structure must be developed and utilized to ensure these technology investments are viable.

Currently, most electricity is generated in large, centralized facilities. Distributed energy generation reduces the amount of energy lost in transmitting electricity because it is generated in close proximity to its end-point.

The Renewable Portfolio Standard (RPS) requires energy suppliers to produce a specified fraction of their electricity from renewable resources. The Texas RPS was created in 1999 by Senate Bill 7 as part of the state's electricity industry restructuring legislation. The Texas RPS mandated that utility companies jointly create 2,000 new megawatts (MW) of renewable by 2009 based on their market share. In 2005, Senate Bill 20 increased the state's RPS requirement to 5,880 MW by 2015, of which, 500 MW must come from non-wind resources. The bill set a goal of 10,000 MW of renewable energy capacity for 2025. Tier 1 renewable energy technologies are derived directly from the sun, wind, geothermal, hydroelectric, wave or tidal energy, or biomass. Tier 2 energy technologies include those listed in tier 1, but excludes energy derived from wind.

Green collar jobs are essential to the development and deployment of alternative energy solutions because new technologies require a trained workforce for implementation. As the nation's economy is in the process of becoming greener, the framework for creating a strong workforce for the emerging industries is built on a multi-prong approach. This connects labor market needs, occupational and training standards, educational providers, and third-party programs which verify competencies.

IMPLEMENTATION

To implement this recommendation, the Partnership would communicate its support of this resolution to the Legislature.

RESOURCES REQUIRED

This resolution can be implemented within current budgetary constraints.