



Testimony before the Matagorda County Commissioners Court

by Cutter W. González, Policy Analyst

Commissioners:

Thank you for the opportunity to speak on behalf of the Texas Public Policy Foundation this morning.

In considering the establishment of a reinvestment zone for Peyton Creek Wind Farm, your Court must consider the cost to residents and the benefit they will receive in return. My experience with those already living in the shadow of wind turbines indicates that the costs outweigh the benefits.

Chapter 312 of the Texas Tax Code—the section authorizing the county to provide this abatement—was enacted to bring jobs to Texas. This chapter works in concert with school district-administered abatements to provide a hefty incentive for businesses looking, potentially, to build here. The logic follows that taxpayers incentivize development via their local governments, the development brings jobs, and taxpayers benefit.

But how much benefit for how much payout? Peyton Creek Wind Farm, LLC, has filed for taxable property-value limitations under Texas Tax Code Chapter 313, the “Economic Development Act,” with Bay City ISD and Van Vleck ISD. Both agreements would abate the property’s taxable value to less than a third of its market value for the terms of their agreement if approved. Unlike the handsome Chapter 313 incentives for EC&R Development, LLC, Matagorda County would not receive reimbursement from the state for the revenue it foregoes.

What about jobs? Both school district agreements would exempt Peyton Wind from the already low standard of creating 10 jobs in rural areas, as suggested by the statute, via waivers. How many jobs do they promise to bring in each of these agreements, then? Two. This should be a warning sign for the county: the economic “benefit” of subsidizing Peyton Wind to the residents of Matagorda County is small.

The situation gets even worse when considering the harm to the electric grid as greater proportions of energy come from volatile sources like wind. Subsidized renewable energy development is driving out baseload producers and jeopardizing the reliability of the entire grid. When the wind doesn’t blow, dispatchable resources have to be ready to make up the difference—without the immense subsidies offered to wind. The government should not be in the business of picking winners and losers, especially when that choice implicates the availability of our unquestionably important energy resources.

Beyond the bad economic prospects, we need to consider the lived experiences Matagorda County citizens will face with the encroachment of wind development. Citizens in places like Comanche County, already littered with turbines, report sleepless nights, anxiety, higher stress levels, and other negative symptoms since their wind farm came to town. Should the county take an active role in promoting development that may harm the daily life of citizens in its jurisdiction?

Put simply: E.ON Climate and Renewables—the Canadian parent company benefiting from the proposed abatements—shouldn’t receive benefits from taxpayers who may be harmed by their development. Passing this incentive would put a foreign company’s interests above the interests of the local taxpayers and residents. I’m a fan of investment, come from what source it may, but not at the expense of those who have to live with and subsidize these projects.

