

Dallas Business Journal - March 5, 2007

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Dallas Business Journal

Friday, March 2, 2007

Green business group says its work not done

TBCA happy with proposed reduction of coal plants; says state must become more energy efficient

Dallas Business Journal - by [Margaret Allen](#) Staff Writer

Texas Business for Clean Air was formed by three Dallas businessmen in December to fight for clean air in North Texas. The group, whose members number 200, advocate for energy efficiency and decry construction of new coal plants using old technology -- particularly the 11 proposed by **TXU Corp.**, now trimmed to three.

The Dallas Business Journal interviewed the co-chairs of the group, David Litman, Internet business guru and founder of www.consumerclub.com, and Garrett Boone, co-chairman and founder of Dallas-based [The Container Store](#).

DBJ: What's your reaction to TXU's possible acquisition and its plan to slash the number of coal plants it will build?

David Litman: We're thrilled that eight coal-fired power plants have been taken off the table. We're also pleased the projected new owners seem to be sensitive to business and environmental concerns, especially concerning clean air. But we have to look at the plants that are being constructed, and we have to examine the details of those. There are many unanswered questions.

DBJ: TXU argued the coal plants are needed to meet future demand. Do you agree?

DL: Texas was facing a shortfall of peak load capacity, according to the [Electric Reliability Council of Texas](#), starting in the years 2008 and 2009. Let's just take the old TXU plan: It didn't address those years. The plants weren't scheduled to be built and online until 2010. We had thoughts on how to deal with that.

DBJ: How?

DL: First, 3,000 megawatts of capacity in brand new gas-fired power plants near Houston have been mothballed. Those could be used to generate peak load, because they can be fired up quickly and brought down quickly. That's not the case with baseload generation like coal and nuclear.

Secondly, there are a number of efficiency measures we can undertake with regard to electric use. There are many examples. Two include interruptible load, in which industrial concerns allow their electric supply to be interrupted in exchange for a lower electricity rate during the year. Texas already has 1,100 megawatts of that. Before deregulation, we had over 3,000 megawatts. We think it would not be difficult to increase that capacity during peak periods.

Also, we could install intelligent metering in homes and businesses so consumers know every 15 minutes what the cost of their power is. During peak times, they reduce usage. That reduces peak demand, which is the most expensive, because right now we're building plants to run literally just a



handful of days a year.

DBJ: Would that require the Texas Legislature to act?

Garrett Boone: I'm not sure it needs to be mandated, so much as facilitated. Also, we're not anti-coal, but we want to minimize coal and maximize energy efficiency. It's possible it could be done by developing technology, which could be exported to India and China and the rest of the world, where they're opening a new coal plant a week.

DBJ: The Texas Association of Business favored TXU's plan. Why are you at odds with that?

DL: Do you know where TAB gets its funding? Initially it was TAB's funding, then subsequently it came from TXU. They're not a credible group in terms of objectivity. (A TAB spokeswoman said TAB dues pay for ads, but declined to reveal TAB's dues structure.)

We've called up a lot of business leaders around the state and 90% have been sympathetic; 60% have joined TBCA on the spot; 30% have to think about it; and 10% are against it. That's somewhat because of their beliefs, but a lot of it has to do with business relationships with TXU.

GB: TAB doesn't poll its members. They have 40,000 members, and it's the governing body that makes these statements. (TAB confirmed its 160-member board decided on the position, and said membership committees normally recommend policy.)

Our original philosophy was there's no inherent conflict between clean air and good business. As a matter of fact they're increasingly tied together. Dirty air is bad for business, and clean air is good for business. Why wouldn't you, as a business person, do all you can to stand up on issues that are critical to clean air? There's been this kind of myth out there, 'Well if you're a business person, you're just absolutely automatically aligned with Gov. Perry and the coal-plant issue because it's growth and providing electricity for business.' Our premise was, 'No, not if the impact on the environment is such that it ends up being bad for business in terms of health care costs and attracting business to the state.'

DBJ: How does it affect business?

DL: Dallas-Fort Worth is out of attainment with Environmental Protection Agency standards for clean air. The penalties for nonattainment are draconian. We could lose transportation funding for highways, which happened in Atlanta in 1996. They had 30 projects under way at the time. They managed to get 13 back, but it crimped their growth.

Also, existing businesses that emit restricted gases, like nitrogen oxides and sulfur oxides, will be regulated further. A construction company might be forced to build office buildings at night and pay workers overtime to cut emissions during the day.

We've lost very significant employers over this issue, specifically Boeing and Toyota. If you're a manufacturer, you have to make sure there's room for your emissions.

DBJ: How did your group form?

DL: I looked at the TXU plan last summer and called Garrett. We decided to take our concerns to TXU. We started reading everything we could about the issue, talking to analysts, environmental groups and the mayor.

GB: There are some really good environmental groups in Texas. The environmental community sometimes gets this stigma that they're a bunch of wild-eyed crazies and not for anything at all, just against everything.

That's just not true.

David recruited Trammell Crow Jr. (son of the Dallas real estate icon) to join us. We talked to TXU, but it wasn't successful. They thought we wanted to file a lawsuit. We told them we didn't, and that we wanted to be constructive.

DL: We decided to form a group, then recruited people and developed a media and legislative strategy.

We have a lot of key business leaders around the state: People like Sam Wyly in Dallas; Perry Lorenz in Austin; Tim Hixon in San Antonio; Paul Hobby in Houston. It's really a statewide coalition of people. And because of that, we've been meeting with people at very high levels of government, engaged lobbying firms to help our strategy and developed a very effective regulatory and legislative strategy that we're pursuing at this time.

DBJ: So can TBCA now fold up shop?

DL: Absolutely not.

GB: Our goal is increased efficiency. California has been able to offset growth with energy efficiency. We want to support legislative efforts aimed at energy efficiency, reducing demand and making the process for permitting coal plants more comprehensive. It shouldn't be a matter of who gets there first, but what fuel are you using, what impact will there be on the environment, what technology are you using -- is it the best available?

We want to do something really earth-changing here: Let's lead the country; let's not look like a backwater place.

DL: The average Texan uses 50% more electricity than the average Californian. The big difference is that California made a commitment to address this many years ago. Bad air affects D-FW's ability to attract talent. If people have the choice to go anywhere, why would they go somewhere with bad air?

GB: Our intention is to continue on, to rally business leaders on issues of clean air. There are a lot of things we can do beyond this that will drastically effect clean air.

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