



# SIERRA CLUB

## LONE STAR CHAPTER

To: Legislative Budget Board  
Governor Greg Abbott  
Lt. Governor Dan Patrick  
Speaker Dade Phelan

Re: PUCT LAR 24-25

The Lone Star Chapter is the state chapter of the Sierra Club, the nation's oldest and largest conservation organization. We have approximately 30,000 members in Texas.

We are a frequent participant in issues at the PUCT, particularly in the last few years as Winter Storm Uri has elevated the issues of electric reliability, resiliency and affordability. As an agency, particularly given the expanded role placed on the PUCT in recent years - from water utility oversight, to more direct management of ERCOT, to the dizzying number of projects required by recent legislation (SB 2154, SB 3, etc), PUCT is under duress. They are frequently behind on completing projects, lack staff due to turnover, and have trouble engaging with the public.

While they are called the Public Utility Commission of Texas, they have lacked a true focus on the public. Their website is difficult to navigate, it is unclear for most members of the public how to engage on rulemaking and projects, and basic information about rates and energy efficiency programs is often lacking.

The Lone Star Chapter has multiple recommendations on how to improve their public outreach and engagement which we have separately submitted to the Sunset Commission, so we will limit our comments here. Suffice it to say from where and how open meetings are conducted, to making their interchange filer system more user friendly, to public engagement and language access the PUCT is in need of reform.

The Sierra Club supports providing the PUCT more staff, opening a new Office of Public Engagement (and hopefully language access), and assuring that more money related to water utility ratemaking and oversight is allocated to the agency.

More Staff Needed

The Sierra Club supports - at a minimum - the request by the PUCT for at least 51 more staff, and additional money to retain good legal, enforcement and middle management staff, as laid out in the LAR. The agency lacks lawyers, and rate case expertise. Given the large number of rate cases -from mini-rate cases like Energy Efficiency Cost Recovery Factors - to CNNs, distribution rates and non-ERCOT base rate cases, more staff is needed. There is a specific need to buttress their enforcement division, and make it more independent and stronger.

We would note that there are relatively few staff with expertise no residential rate design and program, and a tiny staff overseeing the required energy efficiency programs at the agency.

#### Public Engagement needed

Sierra Club supports the need for an Office of Public Engagement, and three new FTEs should be considered a bare minimum. The PUCT is involved in a major overhaul of our market design - in a manner that has largely ignored the public. We would add that language access and language justice is another important issue given the large number of Texans whose first language is not English, and we would call on reforms at the PUCT similar to the recent efforts at TCEQ. To do this, however, the PUCT will need appropriate staff.

#### Need to solve water funding

The PUCT rightly points out that with the transfer of staff and responsibility over water from the TCEQ to the PUCT was a lack of funding needed to truly run the program. We support finding a solution, be it reforming the Fund itself – Fund 153 - or finding another source of money to fully support the agency. We would note that statutorily there are many caps on water fees that prevent the revenues from growing in Texas, and a look at all the fees that flow into Water Management Account 153 is needed, with potential statutory changes.

#### Other Issues

We would note that separately we have called for giving the PUCT a larger role over enforcement of the gas supply, such as the creation of a Gas Supply Market Monitor that would operate similar to the Independent Market Monitor for the competitive electric market. We have also suggested that gas rate cases be transferred from the Texas Railroad Commission to the PUCT.

The Sierra Club appreciates the opportunity to make these brief comments.

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