

FOR IMMEDIATE RELEASE:

Tuesday, November 18, 2014

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ERCOT Report Overstates Costs, Understates Benefits, Ignores New Technologies in Report on EPA's Proposed Clean Power Plan

AUSTIN, TX – On November 17, ERCOT released the report *ERCOT Analysis of the Impacts of the Clean Power Plan*. **Cyrus Reed, Conservation Director and Acting Director of the Sierra Club Lone Star Chapter**, who is also a member of ERCOT and serves as the small commercial customer representative on the Reliability and Operations Subcommittee, issued the following statement in response:

ERCOT did not do enough of its homework on the proposed Clean Power Plan. If they did, they would have concluded that, regardless of the proposed plan, the Texas energy industry is already heading toward clean energy and away from dirty coal and older inefficient gas units. A simple look at ERCOT's monthly interconnection report shows that more than 30,000 MW of solar and wind projects are in development, with an equal number of more modern combined cycle natural gas projects, and that they will have to prepare for the industry to retire old coal plants whether the Clean Power Plan goes forward as proposed or not.

While we credit ERCOT for assessing the reliability and cost impacts of the proposed Clean Power Plan, the report overstated reliability and costs of compliance and understated the benefits of solar and energy efficiency. Energy efficiency and solar energy are much more affordable than assumed in the report, and energy storage and demand response should have been included in their assessment. These two new resources can help provide both real-time reactive power when wind and solar resources shift suddenly, and smooth out the variability of the wind and the sun. With an energy market already in place, companies and entrepreneurs are already investing in energy storage and demand response, and ERCOT and stakeholders are working to make sure the market will work for these new resources. We look forward to working with ERCOT to make sure Texas' contribution to carbon pollution reduction takes full advantage of the Clean Power Plan's flexibility so that we realize a cleaner, reliable, and affordable energy industry.

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