



# SIERRA CLUB

## LONE STAR CHAPTER

### **PLEASE INCREASE FUNDING AND REPORTING FOR ENERGY SYSTEMS LABORATORY, A UNIT OF TEES, BY \$1 Million**

February 7, 2023

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Dear Members of Senate Committee on Finance,

The Energy Systems Laboratory is a small unit within the Texas A&M Engineering Experiment Station (TEES) at Texas A & M that has several important functions, in addition to providing real world benefits to Texas A & M students in the building sciences trades. ESL under the Health and Safety Code plays a key function in assessing new building codes, such as the 2021 International Residential Code and the 2021 International Energy Conservation Code. They are required under state statute to assess the new code when it is published to see if it makes economic sense for the state of Texas to adopt the latest codes through a regulatory process at the State Energy Conservation Office. As an example, they recently performed this function and found it made sense for the State of Texas to adopt the latest code, although a statutory conflict has prevented the state of Texas from doing so. Separately, Sierra Club is working with the homebuilders to assess and fix this issue.

In addition, under a provision of the Health and Safety Code related to the Texas Emissions Reduction Plan, ESL is required to assess the energy and air quality benefits of utility, municipal and electric cooperative energy efficiency programs, as well as the air quality benefits of renewable energy. While SB 1 contains a small amount of money (approximately \$470,000 dollars) for one of these TERP reports, through the years the amount of money has been slashed, making ESL struggle to meet these statutory requirements. ESL receives roughly half the amount of money they did several sessions ago.

#### **Federal Funding Opportunities**

Texas is in line to receive tens of millions of dollars - or perhaps more - from the Bipartisan Infrastructure Bill (also known as the IIJA) and the IRA of 2022 through the Department of Energy and other federal agencies. With this money, much of which will flow through TDHCA, SECO and PUCT, Texas has the opportunity to assess and report on energy savings that also lead to air quality benefits.

We suggest that ESL and/or SECO be directed to report on these federal funds, but also assess the air pollution benefits in reduced NOx and VOCs that will help on Texas's ozone air pollution problems.

#### Recommendation

The Lone Star Chapter believes that funding for ESL and their important work on building codes, and assessing the energy savings and air pollution benefits of renewables, energy efficiency and building code implementation that are part of the weight of evidence means that funding should be increased for this small unit of TEES at Texas A & M. We suggest that ESL be given an additional \$500,000 per year for the specific task of assessing not only its existing statutory obligations but assisting in the reporting of the benefits of any federal monies from the Department of Energy allocated or granted to the PUCT, SECO or other state agencies that leads to energy savings and air pollution reduction.

We believe that a small amount of money from TERP could be utilized to provide this funding, since administrative funding of ESL is already eligible within the Health and Safety Code.

We would suggest a rider such as.

Rider. In addition to the amounts listed above, Energy Systems Laboratory will be allocated an additional \$500,000 per year from the Texas Emissions Reduction Plan to assess the energy savings and air quality benefits that can lead to less ground-level ozone formation of utility energy efficiency programs, renewable energy development, building code implementation, and additional energy efficiency programs resulting from federal funding at state agencies, including the State Energy Conservation Office, Public Utility Commission of Texas, and the Texas Department of Housing and Community Affairs. The reports should be submitted annually as part of the TERP reports submitted to the TCEQ.