

Let's Finally Fix the Grid in 2023



Our electric grid remains at risk, and Texans are still paying too much

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The Problem

- Despite some action by the Texas Legislature in 2021 and the Public Utility Commission of Texas to weatherize power plants, and add extra reliability to our main electric grid,, our grid remains unreliable and electric bills are too expensive.
- The legislature & PUCT have not taken demand-side solutions seriously enough. Texas lags behind most states in developing energy efficiency, demand response, and local distributed resources like solar and storage. We have the lowest energy efficiency goals for any state with specific goals, & we only save a tiny fraction of our energy use through demand response. We have also failed to unleash the promise of local distributed resources.
- Our transmission system is inadequate. Texas has dozens of choke points (Generic Transmission Constraints) where low cost clean energy like wind and solar are unable to get their product to market because lines can't move their electrons.
- Political leaders have come forward with "solutions" that would prioritize building new gas plants, and putting the costs on the backs of consumers.

The Solutions

- Pass a robust Public Utility Commission Sunset bill that prioritizes demand-side solutions with strong transparency and public engagement.
- Raise energy efficiency goals at private and public utilities through legislation.
- Require retail electric providers to create residential demand response programs.
- Create a Texas Energy Efficiency Council to coordinate private utility programs, state agency programs, and federal funding opportunities.
- Ensure aggregated distributed energy resources like solar and storage can fully participate in the wholesale energy market and ancillary services without onerous requirements.
- Help decongest our grid so that power plants can move their energy to where it is needed.
- Take full advantage of federal energy efficiency and transmission dollars available to the PUCT, SECO, TDHCA, and other state agencies, and ensure they are used to help Texans who need it the most to retrofit their homes and lower their bills.
- Create a new statewide low-income assistance program to protect certain vulnerable populations from rising electricity prices.
- Strengthen building codes so that new construction is more energy efficient and resilient.

Funding Needs

- Support up to 50 additional staff at the PUCT, including three new staff for their new Office of Public Engagement.
- Millions of dollars are available in new federal funding for the TDHCA, PUCT, and SECO.
- The state surplus and Rainy Day Fund can be used for the new low-income assistance program regulated by the PUCT.

Stakeholder Support

- Consumer groups, demand response & efficiency providers, small businesses, & industrial consumers support lowering energy use & taking advantage of new federal funding.
- The PUCT has requested that the legislature approve bills to create a Texas Energy Efficiency Council, and a bill to clarify that aggregated distributed energy resources can participate in the wholesale energy market and ancillary service market.
- Sierra Club filed a petition for rulemaking on energy efficiency goals at the PUCT and over 20 organizations and 800 individuals submitted comments in support.

Related Bills (as of January 31st, 2023)

- **HB 973 (Zwiener)** Creates a Critical Infrastructure Resiliency Fund for grid and water resilient projects using state and federal funds
- **HB 1254 (Darby)** Improving transmission for reducing congestion
- **SB 114 (Menendez)** Requires retail electric prov. have demand response programs.
- **SB 258 (Eckhardt)** Raise energy efficiency goals at private utilities to 1% of annual sales.
- **HB 2502 (Reynolds)** Federal funds to create an energy efficiency loan guarantee program.
- **HB 3312 (Hernandez) / SB 2453 (Menendez)** Allows Texas to adopt the latest energy code.
- **HB 4784 (Anchia)** Creates a one percent energy efficiency goal and a five percent residential demand response goal.
- **SB 2404 (Schwertner) / HB 4811 (Anchia)** Creates the Texas Energy Efficiency Council.
- **HB 3078 (Hernandez)** Creates a retail electric payment assistance program and weatherization program for working Texans.
- **HB 3387 (Hunter) / SB 1699 (Johnson)** Allows distributed energy resources to participate in the Texas energy market.
- **HB 1500 (Holland) / SB 1368 (Schwertner)** Would continue the Public Utility Commission of Texas until 2029 but make important changes to their public participation, enforcement, management and communications.

Bills We Oppose

- **SB 488 (Springer)** Imposes a tax on all electricity that is not produced from natural gas.
- **SB 624 (Kolkhorst)** Requires every existing and future solar and wind power plant to seek a permit from the PUCT, discriminating against renewable energy.
- **SB 6 (Schwertner)** Creates a 10,000 MW natural gas backup plan paid for by ratepayers estimated to cost north of \$12 billion with a guaranteed rate of return for private industry & put the state in the business of loaning out money to private companies for power plants.
- **SB 2014 (King)** Would eliminate the RPS and the voluntary REC market.
- **SB 2015 (King)** Would require that half of all new investments in Texas would need to be “dispatchable,” essentially putting an expensive freeze on renewable energy development.
- **SB 1287 (King)** Would change transmission allocation costs to force certain generation sources to pick up the cost of transmission, fundamentally making renewable energy development more expensive and less efficient.