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Energy Efficiency Bill Close to Passing, Utilities Attempt to Derail

Even with pushed back compliance dates, good cause exemptions, poles and wires companies work to kill bill to save customers money on electric bills

Austin, TX - On Thursday, after approving massive taxpayer-backed subsidies for new gas power plants that could increase electric bills, the Texas House State Affairs Committee heard a trio of Senate bills aimed at reducing electricity bills for Texas families. As welcome as it was to hear the bills, however, utilities testified against one in particular, Senate Bill 258, which would increase the energy efficiency goals for the state of Texas for the first time since 2011.

Since Winter Storm Uri in 2021, Texas lawmakers have been focused on policies that attempt to ensure there is enough power on the grid to meet demand, especially during periods of extreme heat and cold. Those policies have focused on weatherizing some parts of the electric grid infrastructure, but not comprehensively, as well as incentivizing fossil fuel-powered generation and restricting more affordable renewable energy and energy storage.

Missing from those policies has been focus on improving demand-side solutions such as energy efficiency programs, which are run through eight transmission and distribution utilities like Oncor, CenterPoint, and AEP Texas. If passed, SB 258 would increase the goal these utilities would meet to 1% of annual energy consumption by 2030, which is similar to goals some 25 states are already meeting. If passed, the bill would require the Public Utility Commission of Texas to implement a rulemaking process to ensure that the utilities would increase their energy efficiency programs for residential and commercial properties through rebates and incentives. The bill gives utilities years to slowly expand their programs to meet the 1% goal but eventually Texas will have more robust programs like those in states like Oklahoma and Arkansas.

In response, Cyrus Reed, Conservation Director of the Sierra Club's Lone Star Chapter, issued the following statement:

"You might be surprised at the broad bipartisan support this bill has. From Senator Schwertner and several other Republicans in the Texas Senate to even the Texas Chemical Council, many lawmakers and advocates understand the need for demand side solutions to our grid crisis. With significant compromises already made, utilities are trying to pull the rug out from under a good people-first bill and in favor of protecting the status quo, small programs, and big performance bonuses that prioritize their profits over the needs of struggling Texans. If utilities think they can't meet the goal by 2030, this bill allows them to make their case to the Public Utility Commission and get an exemption. It is a modest, common-sense, long overdue piece of the larger grid puzzle in Texas. We

call on the House to join the Senate in supporting this important measure."

In response, Dave Cortez, Chapter Director of the Sierra Club's Lone Star Chapter, issued the following statement:

"Texans are struggling with rising costs of living and energy. Utilities like Oncor, TNMP, AEP, and CenterPoint - all who've recorded massive profits since Winter Storm Uri in 2021 - have a chance to be real heroes to Texas families struggling to pay rising electricity bills and to help make the ERCOT grid more reliable. Instead, they are choosing to prioritize those profits and threatening to raise costs on ratepayers. If SB 258 fails to pass this legislature, working class Texans will be forced to pay more for their electricity for years to come. More of our hard-earned pay will go to their performance bonuses for meeting goals so small they are literally doubling them every year. Every Texan concerned about high utility bills should remember these companies' names next time the lights go out and the next time your large bill comes in, and think about the massive profits and CEO pay they're making off the backs of working, everyday Texans. We deserve better and will continue to demand better."

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