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To: Legislative Budget Board

Re: OPUC

From: Cyrus Reed, Legislative and Conservation Chair, Lone Star Chapter of the Sierra Club,
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September 3, 2026

Office of Public Utility Counsel

The Office of Public Utility Counsel serves an important function as the agency charged with representing residential consumers and small business customers in electric, water, telecommunication and other issues. With a very limited budget of approximately \$5 million per year, and some 25 employees, they are uniquely positioned to represent the public interest in rules and rate cases at the PUCT, and in the development of nodal protocols and guides at ERCOT. They also serve as a member of the ERCOT Board of Directors. In recent years, with major changes to the electric grid through HB 1500 (PUCT sunset bill) and SB 6 (Large Loads), OPUC has taken on an even more front and center role in protecting consumers from rising bills. Many of the rulemakings related to SB 6 directly relate to the cost that residential consumers may pay due to the rising number of large loads wanting to interconnect to our grid, and the Office of Public Utility Counsel's participation in these rulemakings - and in related ERCOT protocols and guides is invaluable.

As such the Lone Star Chapter of the Sierra Club is supportive of both the base budget request in this LAR by the Office of Public Utility Counsel, as well as its exceptional item request to restore the 3% proposed GR cut. As the agency points out in its LAR:

Any funding reduction would have a more significant impact on daily operations at a small agency, like OPUC, than at larger agencies. The proposed funding reduction will reduce the agency's ability to represent residents and small businesses in utility proceedings, potentially reducing the number of cases and rulemaking projects the agency can take on. OPUC believes the reduction will lessen

the agency's ability to effectively advocate for these consumers and limit its ability to reduce increasing utility rates and create bill savings.

We also do not object to the request to change its exempt position, though it is not central to our comments.

Finally, we support the ability of the agency to carry over monies from this budget cycle through UB authority, in part related to contracting expenses for legal experts. Just as the PUCT has this UB authority, OPUC should have the same, particularly as rate cases and rulemakings do not neatly fall into fiscal years. We need an agency with the tools to best represent residential consumers. In rate case and rulemakings, there are very well funded and powerful interests representing large consumers like the Texas Oil and Gas Association, the Texas Energy Industrial Consumers (TIEC), and the Texas Chemical Council among others, as well as the utilities themselves. OPUC helps represent the rest of us who might not have energy experts or ratemaking experts. By providing them with UB authority, and hopefully including funds for expert witnesses, , we can better protect residential and small commercial consumers. It is our understanding that thus far, OPUC has had difficulty contracting such expertise with the amount granted last legislative cycle. Thus, we would support additional funds if needed to be able to contract these expertise.

In conclusion, the Sierra Club supports OPUC's base requests, its exceptional item request and its ability to retain specific funding through UB authority, including its ability to contract expert help during contested case hearings involving rates. If possible, additional funding for this expense should be considered.