



Cyrus Reed, Lone Star Chapter, Sierra Club, cyrus.reed@sierraclub.org

The Lone Star Chapter has serious concerns about HB 1501, as filed (Dean).

HB 1501, as filed, is a bill supported by the natural gas industry that purports to support consumer choice on energy sources. This pre-emption bill is being introduced at state legislative bodies throughout the US as a reaction to efforts by certain cities to move toward electrification of buildings and appliances. While no city in Texas has passed specific ordinances or codes that require all-electric buildings or appliances, many cities in Texas have pursued local amendments, programs and education to promote more energy-efficient appliances, or local codes that promote solar, heat-pumps, more efficient water heaters, and electric vehicles. In particular, the Cities of Houston, Dallas, San Antonio and Austin are all pursuing programs to reduce both ozone-forming gases like VOCs and Nitrogen Oxides and carbon dioxide through energy efficiency, electric vehicles, electric appliances and building codes that can require pre-wiring for EVs and solar systems. Many electric utilities - public and private - do offer incentives for greener buildings and greener appliances, while many natural gas utilities do the same for gas appliances. In addition, both the City of Austin and City of Dallas as part of their discussions around climate action - have discussed goals to make new buildings all-electric - beginning in 2030, nine years from now.

Because HB 1501 is written so broadly and has language that would prevent any actions that could be perceived as restricting - directly or indirectly - the use of natural gas or propane, it could prevent any political subdivision from taking any action that could discriminate against gas or propane, including educating consumers about good energy choices like electric heat-pumps or tankless water heaters. It could even be interpreted to mean that transit authorities couldn't

Sierra Club, Lone Star Chapter, 512-740-4086, cyrus.reed@sierraclub.org

pursue policies that prevent electrification of vehicles or EV charging stations.

While Sierra Club is opposed to the bill as it prevents an important local control issue, we think if it is to move forward, it should contain additional language to clarify what cities can do.

We believe that if the bill is to move forward it should contain specific exceptions such as:

- 1. Clarify that local utilities and political subdivisions can offer education and incentives about more energy-efficiency appliances and devices, whatever their energy source**

Nothing in this section prevents local political subdivision, including municipal electric utilities, from offering education, programs and financial incentives that provide customers with the opportunity to install more energy-efficient appliances and devices. This could include more efficient gas appliances and more efficient electric appliances.

- 2. Clarify that political subdivisions can adopt local amendments for new construction that encourage electrification, such as solar-ready and EV-ready provisions**

Nothing in this section prevents local political subdivisions from adopting local amendments to building codes, or updates to building codes that encourage the construction of more energy-efficient buildings, and the incorporation of new technology such as solar, demand response, heat pumps or electric vehicles.

- 3. Clarify that for new construction, political subdivisions can adopt net-zero energy provisions, as long as there are options for different energy sources.**

A political subdivision may pursue green-building practices and programs and set net-zero energy or net-zero carbon goals for new construction, provided that options are provided to builders for the use of different sources of energy where access to such sources exist.

4. Clarify that political subdivisions in affected counties and non-attainment areas may adopt provisions designed to lower the formation of ground-level ozone

Nothing in this section prevents local political subdivision that are located within an area that has been designated as affected or non-attainment for ground-level ozone from adopting ordinances, provisions, programs or incentives that are designed to prevent the formation of ground-level ozone by lowering energy use.

5. Clarify that political subdivisions can pursue all-electric choices for municipal buildings.

HB 17, as an example, did include language allowing cities to pursue policies for their own buildings.

6. Put a sunset date on the bill of 2027.

Technology is changing. Hydrogen fuels, heat pumps, solar and storage, tankless water heaters and other technologies, and building codes are making new construction more and more efficient. What is true today will not be true in 2027, and we should revisit the provision in the future.

Proposed Amendments

(C) This section does not limit the ability of a regulatory authority or political subdivision to:

(1) choose utility services for properties owned by the regulatory authority or political subdivision; or

(2) encourage, promote or provide rebates for energy efficiency, electric vehicles, advanced energy building codes, energy storage, or clean energy through ordinances, resolutions, regulations, codes, orders, policies, or other measures, so long as they do not directly or indirectly ban, restrict or prohibit the connection or reconnections of a utility service or the construction, maintenance, or installation of residential, commercial, or other public or private infrastructure for a

utility service based on the type of source of energy to be deliver to the end-use customer.

(D) This section expires on September 1, 2027.