



SIERRA CLUB
LONE STAR CHAPTER

**Educational Townhall and
People's Hearing on "Sunset":
Getting the Public Back in the
Public Utility Commission of
Texas, OPUC, and ERCOT**

**Wednesday, October 12th
6:30 to 8:30 PM**

CEER
COALITION FOR
ENVIRONMENT, EQUITY,
AND RESILIENCE



SIERRA CLUB
LONE STAR CHAPTER

Welcome!

¡Bienvenidos!

CEER
COALITION FOR
ENVIRONMENT, EQUITY,
AND RESILIENCE

Who is who? Today's Facilitators



Dave Cortez
(he/him)
Director
Sierra Club
Lone Star Chapter



Andy Escobar
(they/he or elle/el)
Senior Regional
Community Organizer
- CEER



Cyrus Reed
(he/him)
Conservation Director
Sierra Club
Lone Star Chapter

Today's Goal:



1. Learn about the Sunset Review Process
2. Learn about the Public Utility Commission of Texas, OPUC (Office of Public Utility Counsel) and ERCOT (Electric Reliability Council of Texas)
3. Discuss potential changes and solutions and how to participate in future events .

Agenda for Workshop

1. **Welcome! Introductions: Who is who?**
2. **Land Acknowledgement, Guiding Principles & Virtual Space Agreements**
3. **What orgs are here? Who are we?**
4. **Breakout Groups 1: What is important to you? What challenges have you experienced?**
5. **Quick Overview of the Sunset Review**
6. **Quick Overview of PUC, OPUC and ERCOT**
7. **Public Participation at PUC**
8. **Role of Residential Consumers in Decision-Making**
9. **Enforcement and Gas Supply Issues**
10. **Report Backs: Common Issues - What categories came up in discussions?**
11. **Things to Keep in Mind & How to Give a Statement**
12. **Next Steps**

Land Acknowledgement

Today we speak with you from the occupied territory of Tonkawa, Carrizo-Comecrudo and Numunuu (Comanche) around Austin. With respect, we affirm that no matter where in Texas you're joining from today, the land we meet is the traditional territory of a number of Indigenous peoples. Texas is and has been home to the Caddo, Karankawa, Jumano, Numunuu, Kiowa, Wichita, Chickasaw, Waco, Tonkawa, Lipan Apache, Texas Band of Yaqui, Coahuiltecan, Borrado, Carrizo Comecrudo and many others. Throughout colonization, different native peoples were relocated to Texas, including the Alabama Coushatta, Kickapoo, and Tiguas of the Ysleta del sur Pueblo.

We acknowledge the violent and continuing legacy of colonization in Texas and invite all participants today to reach out to the Sierra Club Lone Star Chapter for more information on how to learn more about the history of native peoples in Texas, of systemic racism, and how your activism can help undo the impacts of white supremacy on the environmental movement.

Guiding Principles

We recognize and draw from:

Principles of environmental justice

- “to build a national and international movement of all peoples of color to fight the destruction and taking our lands and communities, do hereby re-establish our spiritual interdependence to the sacredness of our Mother Earth”
- “EJ affirms the right of all workers to a safe and healthy work environment without being forced to choose between an unsafe livelihood and unemployment. It also affirms the right of those who work at home to be free from environmental hazards.”
- “EJ opposes the destructive operations of multinational corporations.”
- “EJ calls for the education of present & future generations which emphasizes social and environmental issues, based on our experience and an appreciation of our diverse cultural perspectives.”

Guiding Principles

We recognize and draw from:

Jemez principles for democratic organizing

1. Be Inclusive
2. Emphasis on Bottom-up organizing
3. Let people speak for themselves
4. Work together in solidarity & mutuality
5. Built just relationships among ourselves
6. Commitment to self transformation



Guiding Principles

We recognize and draw from:

Principles from The People's Institute for Survival & Beyond

1. Analyzing power
2. Developing leadership
3. Gatekeeping
4. Identify & analyzing manifestations of racism
5. Learning from history
6. Maintaining accountability
7. Networking
8. Sharing culture
9. Undoing internalized racial oppression
10. Undoing racism



Virtual Space Shared Agreements

One person, one mic: Respect the speaker without interruptions.

Patience: This is our way of accommodating multiple people through virtual workshops. We are working to build community in a covid-safe & virtual environment. It's likely there will be some hiccups and bumps in the road.

Build relationships: We want to hear from you. Use the chat, opportunities to speak up, and connect in breakout sessions. We want y'all to make friends & build community in here as best you can.

Respect: Notice and take responsibility when your actions or behaviors impact others differently than intended. Folx are in this space bringing a broad range of ideas, lived experience, and perspectives on politics. As we engage, we may hear things we do not agree with, but anyone exhibiting harmful, toxic, oppressive behavior will be removed from the space in order to maintain the safety for all.



Virtual Space Shared Agreements

Power & privilege: Be aware of power dynamics and how you use your privilege (ex: taking up too much airtime, disengaging, noticing if only men are speaking, etc.)

This is an anti-racist, anti-oppression space:

White supremacy, xenophobia, Islamophobia, anti-semitism, classism, sexism, patriarchy, homophobia, transphobia, ageism, ableism, fatphobia, and other biases are not welcomed here.

1. These forms of bias and prejudice exist in our movement and beyond-- they are social, institutional, structural. We ALL have them and have work to UNlearn.
2. They can be interpersonal, but also goes beyond that. These behaviors can be both conscious and unconscious.
3. Intent is different from impact! Consider how your words impact the people around you, and be open to feedback.
4. We acknowledge the existence of systemic racism in Texas and the very real truth that communities of color bear a disproportionate impact of fossil fuel pollution, poverty, and impacts of the climate crisis.

Who are we?

Mission:

To raise awareness of the connections between pollution, place and the public's health.

Vision:

CEER envisions a region that is equitable, environmentally sustainable and economically strong where residents have the opportunity to live, work, learn, play, and pray free from environmental hazards. To make that vision a reality, we advocate for public and private investment in protecting communities by cleaning up hazards that contaminate our air, water, and land, while at the same time prevent or reduce flooding.





**Nothing
About Us
Without Us**

Values that guide our work

Community residents are experts

Lived experience is data

Innovation requires diversity of thought

People over profits: all communities deserve affordable energy and access to clean energy

We must examine history to understand our present before we can imagine our future

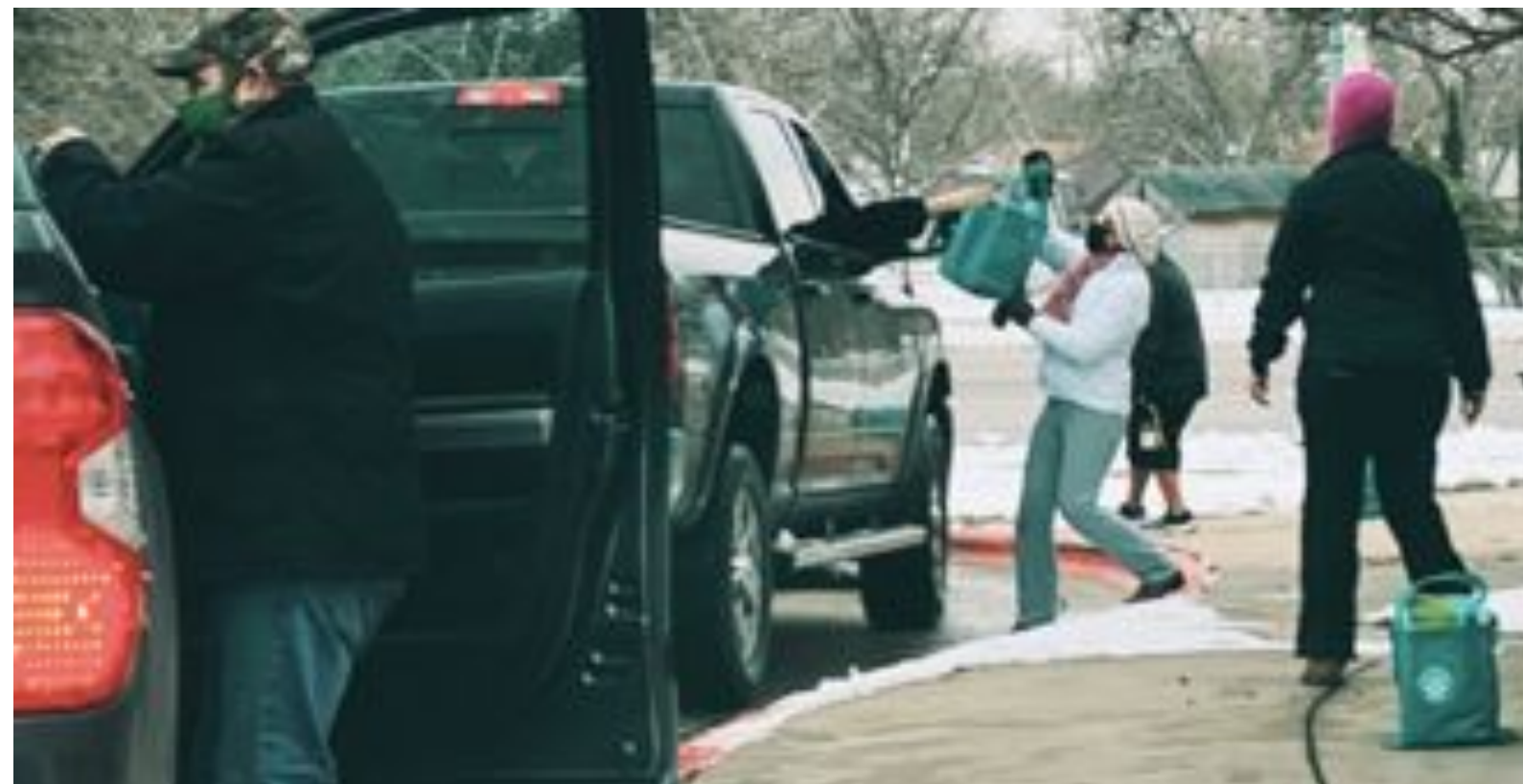
Who are we?



Mission: To explore, enjoy, and protect the wild places of the earth; To practice and promote the responsible use of the earth's ecosystems and resources; To educate and enlist humanity to protect and restore the quality of the natural and human environment; and to use all lawful means to carry out these objectives.

Vision: Our 2030 Strategic Framework provides a vision for the world Sierra Club wants to conserve, protect, and create. A vision that is firmly rooted in our [Core Values](#) of anti-racism, balance, collaboration, justice, and transformation. The Framework identifies 2030 goals to address systemic challenges that are accelerating the climate and extinction crises and deepening oppression.

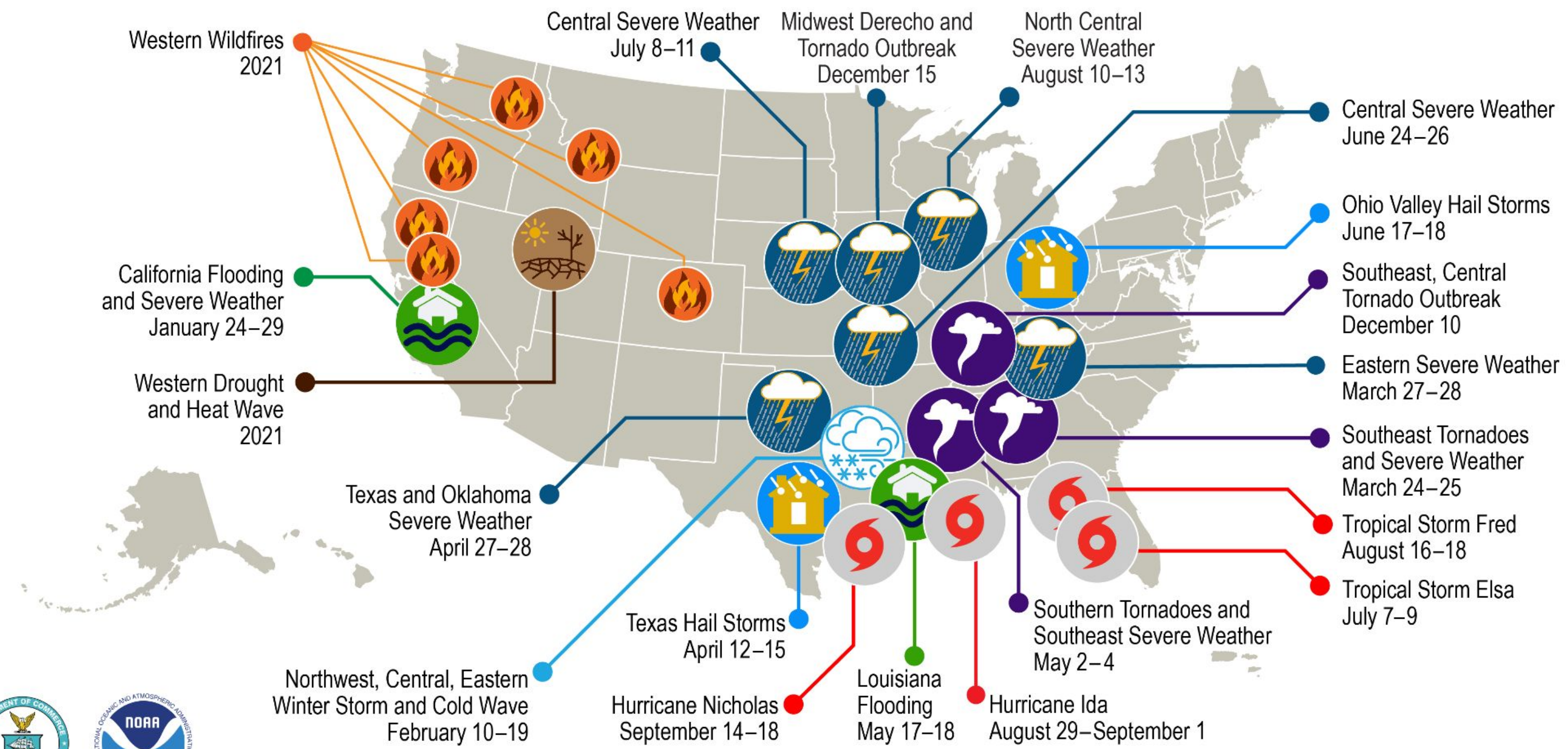
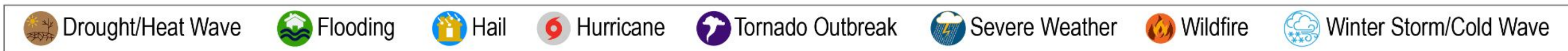
Winter Storm Uri: People Suffered and there Was Grace



- 4.5 million homes no power
- \$190 - \$290 billion in damages
- Huge bills will be paid back over time
- 1,000 deaths?

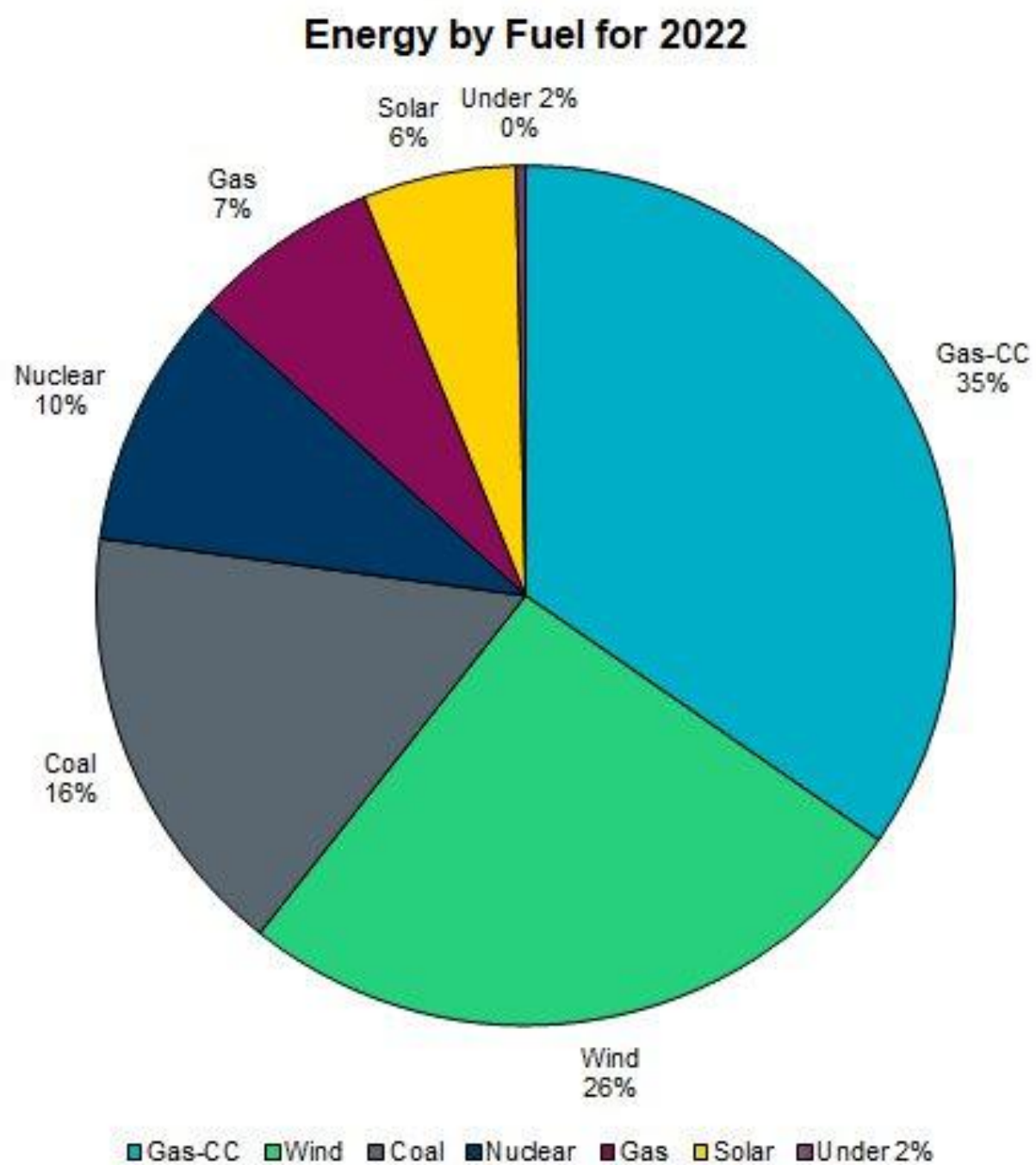
2021 showed climate change real yet again!

U.S. 2021 Billion-Dollar Weather and Climate Disasters



This map denotes the approximate location for each of the **20 separate billion-dollar weather and climate disasters that impacted the United States in 2021**

Along with Climate Extremes, electricity costs in Texas are through the roof!



Primary Factor: Cost of Gas

The Market Price of Electricity in ERCOT is Tightly Correlated with the Price of Natural Gas

About 43% of our electric generation in 2022

August 2022 natural gas prices were 106% higher than August 2021 and 288% higher than August 2020.

Breakout Group 1

What did you experience during winter storm Uri? Were you aware in February of 2021 of the Public Utility Commission of Texas, or the Electric Reliability Council of Texas? What about the Office of Public Utility Council?

We will have breakout groups so that we can all have a chance to speak and meet new folks.

Guiding Questions

1. What do you know about who is in charge of our electric grid?
2. Who provides your electricity? Who do you complain to if your bill is high or you are not getting good service?





Okay.

So, what is **Sunset Review**
again??



Sunset Review Purpose

Mission Statement: “To enhance government accountability to the Legislature and people of Texas by objectively evaluating the need for and value of state programs and services.”

- Regularly reviews an agency’s or program’s need to exist
- Powerful oversight tool



Sunset Review Process?

1

Sunset Staff Evaluate

Staff performs analysis to evaluate the need for, performance, and improvements to the agency.

- Reviews ~~TCEQ~~ AGENCY's self-evaluation report.
- Receives input from interested parties.
- Evaluates agency & identifies problems.
- Develops recommendations.
- Publishes staff report.

For more information, go to www.sunset.texas.gov.

Sunset Review Process?

2

Sunset Commission Deliberates

The Sunset Commission holds a public hearing. Following the hearing, the Commission votes on legislative recommendations.

- Sunset staff presents report.
- Agency responds.
- Commission takes testimony and written comments in a Capitol public hearing.
- Commission votes on recommendations.

Sunset Review Process?

3

Legislative Action Taken

Legislature files bill and takes final actions.

- Sunset bill is drafted and filed.
- Bill moves through House & Senate.
- Governor signs, vetoes, or allows bill to become law.

Sunset Review Commission



Schwertner



Perry



Johnson



Paxton



Springer



Lee (Public)



Holland



Canales



K. Bell



Clardy



Goldman



Austin (Public)

5 Senate Members/ 1 Public: Chair Charles Schwertner (R- Georgetown), Charles Perry (R- Lubbock) Nathan Johnson (D- Dallas), Angela Paxton (R- McKinney) Drew Springer (R- Muenster), & James “Jim” Lee (Houston).

5 House Members/ 1 Public: Vice Chair Justin Holland (R- Heath), Terry Canales (D- Edinburg), Keith Bell (R- Forney), Travis Clardy (R- Nacogdoches), Craig Goldman (R- Ft. Worth), and Jeff Austin III (Jacksonville).

All members, including the chair and vice chair, are appointed by the Lieutenant Governor Dan Patrick and the Speaker of the House Dan Phelan. **NOTE - 8 out of the 10 Elected officials are Republicans.**



PUC-OPUC-ERCOT SUNSET TIMELINE

September 2021

→ State Agencies submits self-evaluation.

Now

→ Sunset staff research, analyze, and gather recommendations.

NOVEMBER 17, 2022

→ Sunset staff publishes report with recommendations to the Commission.

DECEMBER 6 & 7, 2022

→ Public hearing at the Capitol before the Commission with oral and written public comments.

JANUARY 11th, 2023

→ Commission will make its final recommendations on PUC-OPUC-ERCOT

January thru May 2023

→ Bill will be filed regarding PUC-OPUC-ERCOT with committee hearings and votes in both Chambers. Bill will then be sent to the Governor.



**But first, some questions
need to be answered...**

**What the
heck is the
PUC?**

**What the
heck is
ERCOT?**

**But what
about the
grid?**

**Does the
governor come
into this?**

**Aghhhh this is so
complicated... 🤯**

Who the heck is the (New) Public Utility Commission of Texas?

Following Winter Storm Uri, all three commissioners of the PUCT were fired, the legislature expanded the number of commissioners appointed by Governor from 3 to 5, and Governor Abbott has now named all five within the last 18 months



The Public Utility Commission of Texas...

Mission:

We protect customers, foster competition, and promote high quality infrastructure.

“The Public Utility Commission of Texas regulates the state's electric, telecommunication, and water and sewer utilities, implements respective legislation, and offers customer assistance in resolving consumer complaints.”

**Oversees ERCOT
and the other
three grids that
operate in Texas
by setting and
enforcing rules**

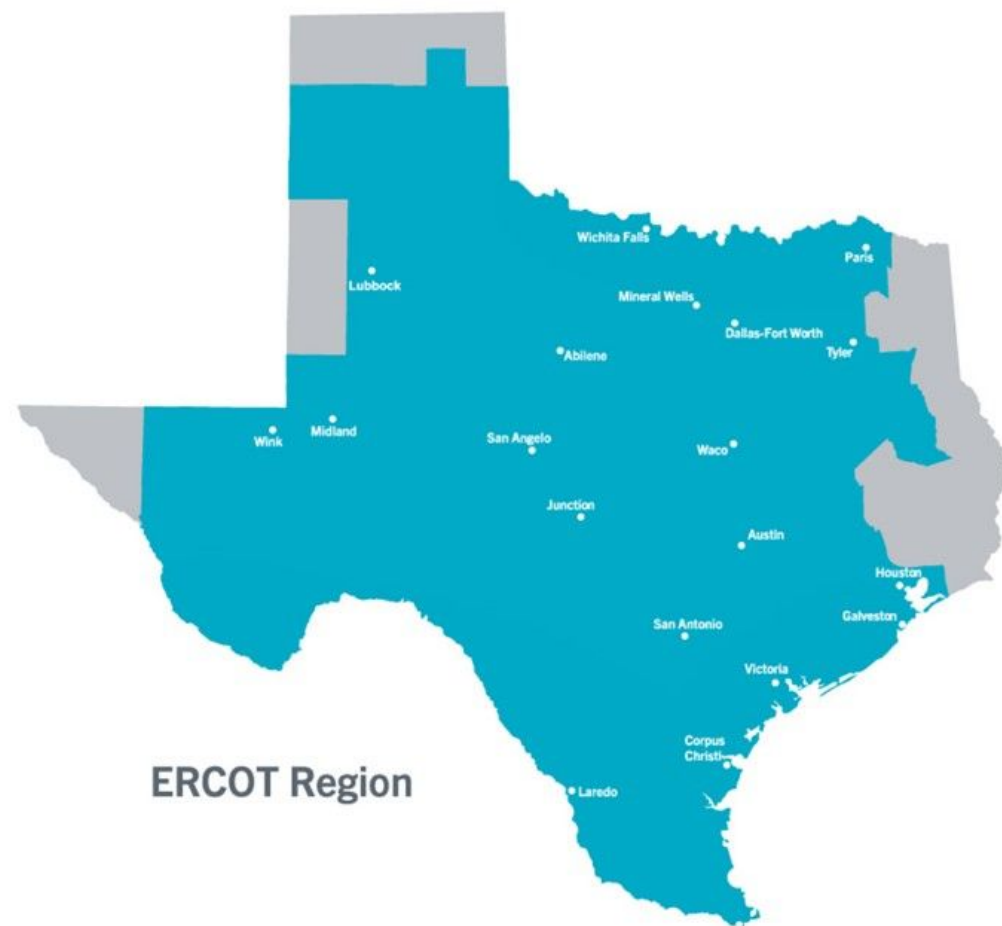
**Approves
transmission lines
and electric rates
for regulated
utilities**

**Since 2015 has
also overseen and
regulated water
rates for regulated
water systems**

Who the heck is ERCOT?

After winter storm Uri, the ERCOT board of directors was disbanded and eventually replaced through legislation by an 11-member board, 9 of whom were appointed by designates of the Governor, Lt. Governor and Speaker of the House

90% of Texas power (load)



Paul Foster, Chair



Pablo Vegas, CEO

WHO THE HECK IS THE OFFICE OF PUBLIC COUNSEL (OPUC)?

Current staff - 14 people

- Representing all 30 million plus electric and water rate payers in Texas?
- Respond to complaints, get involved in rulemaking, get involved in rates,
- provide information on discounts and payment assistance
- They have a seat on the Board of ERCOT, represent all residential consumers

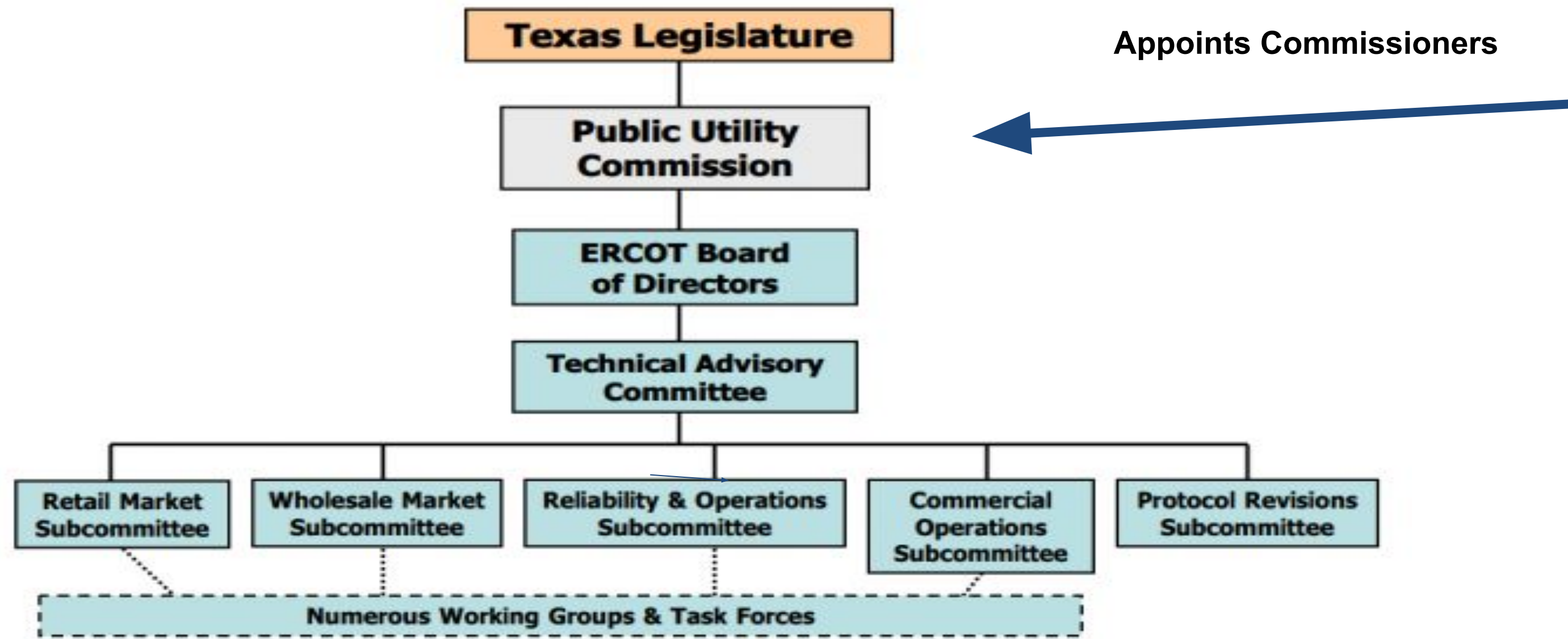
Public Counsel is appointed by the GOVERNOR

QUESTION- HAVE YOU EVER MADE A COMPLAINT TO OPUC?

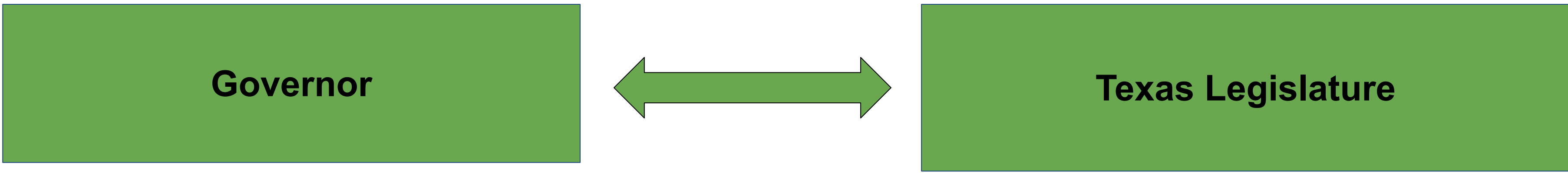
DID THEY JUST REFER YOU TO THE PUC?



Chris Ekoh, *Interim
Public Counsel*



Reminder of who is in charge!



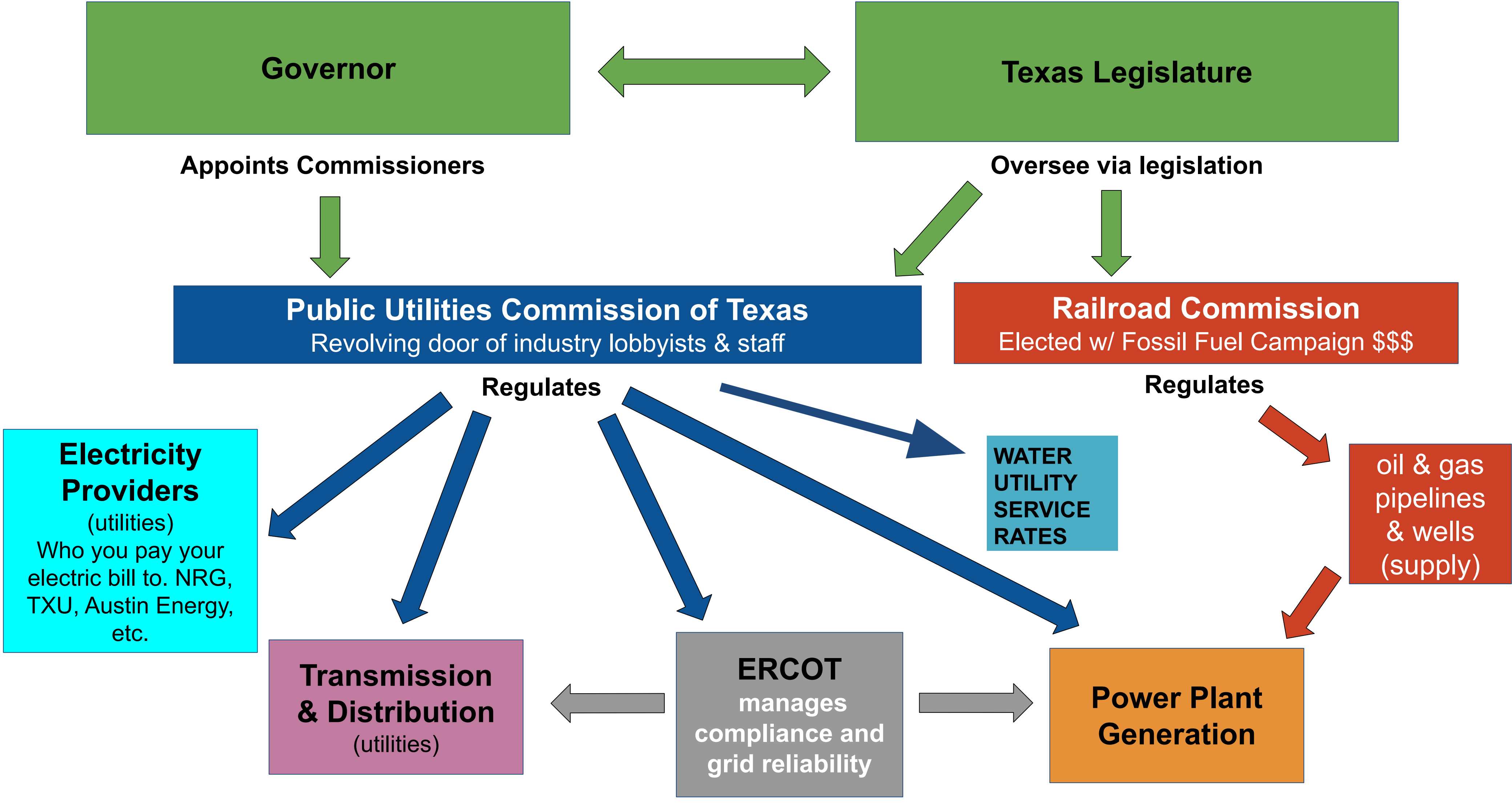
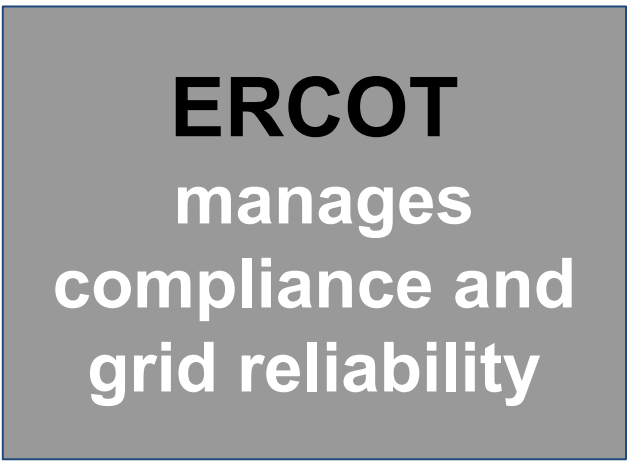
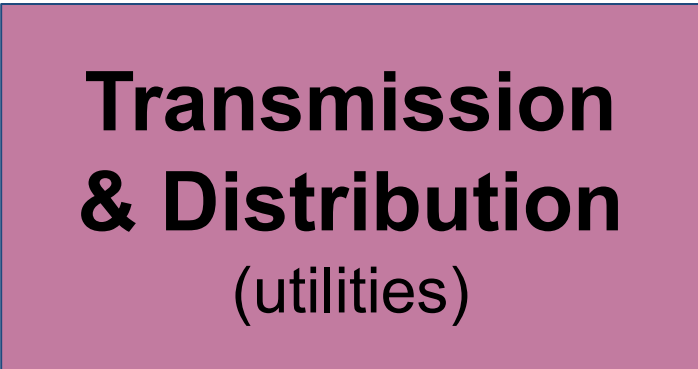
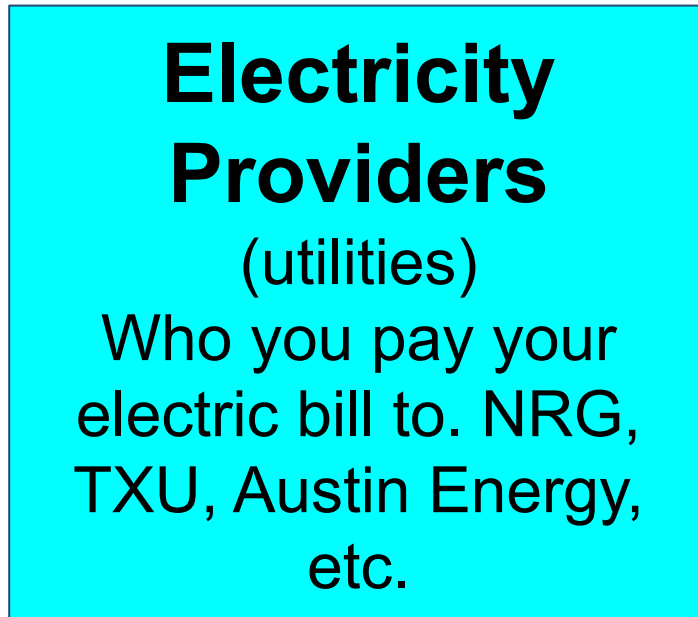
Appoints Commissioners

Oversee via legislation



Regulates

Regulates



How We Got Here: What did the Legislature order PUC to do?

- **Changed from 3 to 5 Commissioners (PUC) - SB 2154**
- **Changed ERCOT Board – SB 2**
- **Required much more robust “weatherization” of power plants with actual fines -- SB 3**
- **Required better coordination and communication and outage plans - SB 2**
- **Created a Texas Energy Reliability Commission**
- **Created a gas supply mapping exercise**
- Required weatherization and back up power for water system
- Required some changes to ERCOT market, including “Dual Fuel” requirements and new “ancillary services” to encourage dispatchable generation
- Required an interim committee to examine PUC and market
- Put PUC, ERCOT, and OPUC on the 2023 Sunset process
- Securitized billions in extra gas and electricity charges, which eventually consumers will pay back over time

What the Legislature did not do

- **Make it easier for distributed generation to interconnect or provide energy**
- **Increase Energy Efficiency goals**
- **Make major changes to building codes**
- **Do anything specific on climate, other than consult with state climatologist**
- **Require us to add transmission to connect with other grids**
- **Require robust weatherization on the gas supply through the Railroad Commission (RRC)**
- **Increase penalties at the RRC**
- **Provide direct customer relief due to storm**
- **Do anything to require/improve/increase demand response, energy efficiency**

People-focused + Clean Energy Solutions for Texans

1. **Energy Efficiency for homes, small business (improve home insulation, more efficient AC's and heaters, higher quality windows, etc)**
2. **More investments in local Solar, wind energy, and battery storage**
3. **Expand programs to better manage and reduce energy use statewide**
4. **Fix the ERCOT Market with tools that other grids use**
5. **Real, comprehensive public participation at the Public Utility Commission**

What are some big issues in Sunset?

Staffing

Governance - how many commissioners? Who is on ERCOT board?

**Public Participation and Interaction with Public
Who do they serve?**

Ratemaking and Rates - Electric, Water

Mission?

Safety Net for Working Texans?

Outreach and Education?

Rulemaking

Enforcement and Complaints

Should they regulate gas supply as well as electric supply?

OK - how do we provide testimony?

- You can send comments to Sunset Commission online
- You can talk to the 12 commissioners and set up meetings directly with them
- You can speak tonight
- You can speak in person in Houston on Saturday, October 22nd
- You can speak at the next Virtual Town Hall on Tuesday, November 29th (6-8 PM)
- YOU CAN ATTEND THE IN-PERSON OFFICIAL SUNSET MEETING IN AUSTIN TO GIVE PUBLIC TESTIMONY, DECEMBER 6 and DECEMBER 7

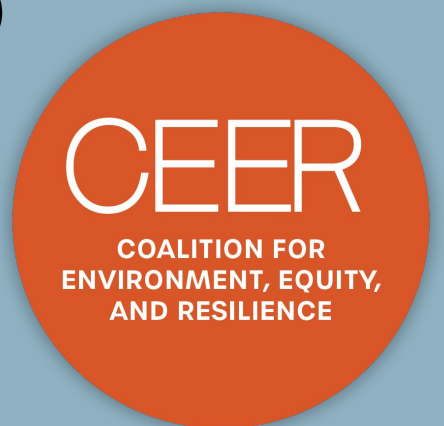
Things to Keep in Mind

- Please give your name & your zip code when you speak. You may want to mention if you belong to an organization.
- Remember you only have 3 minutes to speak and the staff's goal is to take recommendations they can incorporate into a report to legislators.
- Consider timing what you want to say to get it all in 3 minutes.
- Consider splitting up the topics between your org's folks that are signed up to speak.
- If you or your group have a lot to say, remember you can also give input via the Sunset website. There is also an opportunity to testify at the Capitol in December 2022.
- Frame a problem but give a solution with it.



3 parts to give a statement:

1. **Issue/Problem/Concern** - What is the issue you are raising? What is your experience with unhealthy environmental exposure? What happened to you that you want to bring attention to?
2. **Impact/Struggle/Difficulty** - How did this issue impact you? How is your life or quality of life affected by this? Have you or your loved ones had any difficulties with health, safe housing, getting to work, etc.?
3. **Solution/Policy/Law/Program** - What could have gone better? What could the agency do to address this? What program can you propose to the agency to fix this problem? Are there any laws or policies that you want to suggest?



Example Testimony - Houston area

My name is X and I live in the competitive market in Houston and my electric costs are through the roof and I don't know who can help me. This summer my electric bills skyrocketed both because the hot weather caused by use to go up, but also because the prices offered in the market were much higher than before.

Also I live in an old leaky home that doesn't have good windows or insulation. When I called OPUC at **1-877-839-0363**, they told me to contact my provider but also consider filing an informal complaint with the PUC if my bill were unfair. They also suggested using the Power To Choose website to look for other options to meet my electricity needs. None of these options really seemed to help me.

But what I really would like is somewhere to go to tell me about what programs are out there to help me save energy and money and the Power to Choose, OPUC and PUC websites just have very general information. Don't we have anywhere a regular person can go to do the right thing?



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Breakout Group 2

What are some policies/programs for solutions and improvements that can be made at PUC?

Guiding Questions

1. If you have filed a complaint to PUC or OPUC or any Texas agency before, what could have been easier or better about the process?
2. Has your electricity costs gone way up?
3. Do you even know how to shop for different electric companies?



Report Backs

Let's hear from 2-4 folks about what they shared in their breakout group.

What were some common themes that came out of your groups?

2-5 categories or buckets we could identify to think and vision collectively of what policy/program solutions could be suggested to Sunset Review for PUC-ERCOT-OPUC to do better.



Report Backs

What were some policies or programs that came out of your groups?

How do you want to explain your vision for a suggestion/idea in a statement for the Sunset Review commission?



Next steps

- Join us at the People's Hearing for PUC Saturday, October 22nd
 - Register in Advance - bit.ly/CEERPH2
 - Show up early! We start check-in/registration at 10:30AM
 - 11:00AM - 1:30PM
 - Carl Walker, Jr. Multipurpose Center
 - Box lunches will be provided.
- Can't make the our People's Hearing? Join us for the Statewide virtual People's Hearing on November 29th at 6:30 PM
 - Register at: https://us02web.zoom.us/meeting/register/tZEIfuCpqDliEt1O7eMn_UE0YS7xJKQDhpHY
 - **Join us December 6th and-or 7th in Austin Texas for "official" Sunset hearing**

Ideas and Suggestions for Discussion Topics

Here are some ideas that have been proposed by organizations and individuals:

- **Mission**

- Add a specific requirement that the PUCT consider public health in its decision-making by putting the health and well-being of the public first. Assure that residential consumers are rarely considered in all decisions.

- **Communications & Website**

- The website is not easy for the public to navigate or search - the website could be improved. It is nearly impossible for a member of the public to figure out how to participate in rulemaking or find information about a rate case.
- The agency is not always responsive to Texans on complaints or requests in a timely fashion.
- There is no information about the energy efficiency programs offered by utilities or how to participate in demand response programs.

Ideas and Suggestions for Discussion Topics

● **Public Participation**

- The PUCT should put the public back in PUCT by establishing an Office of Public Engagement and Language Access, and making all agenda meetings more accessible.

● **Residential Consumers Being Represented**

- The PUCT should have an advisory committee to represent residential consumers and at least one commissioner should specifically represent residential consumers.
- ERCOT has no category of stakeholder for residential consumers - only OPUC represents all residential consumers

Ideas and Suggestions for Discussion Topics

- **Customer-sited and Demand Side Solutions**

- PUCT has failed to consider demand-side solutions in its current fix the grid projects
- In October they rejected Sierra Club – and multiple other supporting organization – petition to increase energy efficiency programs.
- They have failed to even provide basic information about the programs that do exist.
- Should Texans have a right to accessible clean energy like being able to easily add solar to their roofs?
- Should the state of Texas have a discount program for electricity for folks on limited incomes?
- Should the state do more to help people conserve and reduce energy?
- Office of Energy Efficiency and Demand Response to help residential consumers save money and participate in the market, including the creation of programs for vulnerable populations

- **Governance at ERCOT**

- Should the Board members be appointed by political leaders or elected by stakeholders?
- What mix should the board of directors be?
- How should regular people interact with ERCOT?

Ideas and Suggestions for Discussion Topics

● **Gas Supply**

- Currently, the PUCT regulates and enforces rates for electric and water while the Railroad Commission regulates gas utility rates and service. Should the PUCT be a one-stop shop and also be in charge of rates for gas distribution companies?
- Currently, the PUCT has a market monitor for electric prices to make sure people don't game the system; should we do the same for gas supply?

● **Markets and Enforcement**

- Are the current penalties sufficient to make sure we don't have market manipulation? Is \$25,000 per day enough?
- Does the PUC do enough to make sure there is fair competition when two companies now control about 70% of the market?
- Should the PUCT be doing more to protect consumers that get their electricity from monopolies like electric cooperatives and municipal utilities? Should they have a larger oversight role?

Ideas and Suggestions for Discussion Topics

- **Public Participation and Workshops**

- Assure that OPUC, PUCT and ERCOT hold public workshops and meetings to get information from the public;
- Assure that people can participate remotely in PUC meetings.
- Assure that no decisions made by the PUCT that would increase costs to consumers can be taken without adequate public participation and input.

Ideas and Suggestions for Discussion Topics

- **Rising Costs and Fake Market Solutions**

- The PUCT has been holding hearings and making decisions to “Fix the Grid” but so are most of their decisions have raised costs on consumers
- Where is the cost benefit analysis?

- **Climate Change**

- Climate change should be included in forecasting, planning, and weatherization requirements at ERCOT and PUCT. Climate change impacts Texas in many ways, including electric demand. The reality of the changing climate provides direct evidence that temperature extremes and stronger storms are more likely. Supply forecasting and Long-Term System Assessments have not reflected this reality. Looking, for example, at their last 12 to 15 years of weather data, their forecasts and sensitivity analysis are frequently wrong.
- Rules around weatherization of power plants and transmission supplies must be addressed continually to address our changing climate