

# 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 and PUCT have not taken demand-side solutions seriously enough. Texas lags behind most states in developing energy efficiency, demand response (shifting when we use power), and local distributed resources like solar and storage. We have the lowest energy efficiency goals for any state with specific goals, and 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 resources like wind and solar are unable to get their product to market because lines are unable to move their electrons.

## The Solutions

- Pass a robust Public Utility Commission Sunset bill that prioritizes demand-side solutions with strong transparency and public engagement.
- Raise required 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 that aggregated distributed energy resources like solar and storage can fully participate in the wholesale energy market and ancillary services without onerous registration requirements.

- Help decongest our grid so that existing and future 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.
- Raise state building code standards 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.
- Tens of 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**

- Bills that help lower energy use and take advantage of new federal funding are supported by consumer groups, demand response and energy efficiency providers, small businesses, and industrial consumers.
- 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 some 800 individuals submitted comments in support.

### **Related Bills (as of January 19th, 2023)**

- **HB 1254 (Darby)** - Improving Transmission for Reducing Congestion
- **HB 1146 (Reynolds)** - Study and potential action on interconnection of Texas Grid
- **SB 31 (Zaffirini)** - Study and potential action on interconnection of Texas Grid
- **SB 114 (Menendez)** - Requiring that retail electric providers have demand response programs.
- **SB 258 (Eckhardt)** - Raising energy efficiency goals at private utilities to one percent of energy consumption.