



To: The Honorable Todd Hunter, Chair  
Members, House Committee on State Affairs  
From: Cyrus Reed, Sierra Club, Lone Star Chapter, [cyrus.reed@sierraclub.org](mailto:cyrus.reed@sierraclub.org),  
512-888-9411

March 29, 2023

**HB 4834 (Hunter) Relating to the use of the Texas energy reliability fund to finance construction of electric generating facilities in the ERCOT power region.**

The Sierra Club is opposed to HB 4834 which would create a "SWIFT" like fund to loan out money to generators to finance the construction of facilities in ERCOT. We do not think it makes sense to take the financial backing of the state to invest in private electric companies. Because electric companies compete against one another, the state could be picking winners. We are particularly concerned that PUCT commissioners - who are subject of lobby pressure - as is the Governor, who appoints the Commissioners - could favor one type of resource or company over another.

Under the bill, money could be used for both greenfield new projects, or expansions of existing projects. The commission would need to make decisions about whether the loans was in the interest of the state, putting commissioners in the position of making decisions about which competitive projects to favor. Furthermore, the bill would authorize an advisory commission of legislators to advise the commission on the fund.

Texas created an energy market where private businesses make decisions about how and where to invest and it is not the government's role to be in the business of loaning out taxpayer money for those businesses.

Loaning out state funds for public projects like water infrastructure is very different than loaning out money for private electric generating facilities competing against one another.

We are opposed to this idea.