



To: The Honorable Todd Hunter, Chair  
Members, House Committee on State Affairs

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**HB 4836 (Hunter) Relating to the legislature's goals for natural gas generating capacity.**

**The Sierra Club opposes this bill.** The bill would maintain the current goal of 50 percent gas generation found in statute, but remove a provision that would make this capacity goal only apply to non-renewable generation, meaning that under the proposed bill, the minimum goal would include renewable energy. Thus, it would be the official goal of the state that fully half of all generation capacity would be gas including renewable. Currently, within ERCOT, Texas has some 37,000 MWs of installed wind, some 15,000 MWs of installed solar, and 3,000 MWs of battery storage, with more MWs of wind, solar and battery rapidly being developed. In fact, within ERCOT, gas resources appear to be right around 50% of the total nameplate capacity, although obviously at peak gas does provide a much higher number.

While it is unclear what practical impact the bill would have, if implemented to the letter of the law, it could reduce investment in non-gas generation, including geothermal, solar, wind, battery storage, new types of nuclear power and hydrogen if such investment caused the total percentage of generation capacity to fall below 50 percent. With new types of generation being developed, and resource adequacy an issue, potentially limiting future generation investments is not a good direction for Texas. In addition, with climate change a reality, we should not be doubling down on natural gas as our preferred generation option.

## Current Nameplate Capacity Amounts in ERCOT (February 2023)

	<b>Feb-23</b>	<b>% of Total</b>
<b>Wind</b>	<b>37,702</b>	<b>26.57%</b>
<b>Solar</b>	<b>15,015</b>	<b>10.58%</b>
<b>Battery</b>	<b>3,014</b>	<b>2.12%</b>
<b>Gas-CC</b>	<b>43,470</b>	<b>30.63%</b>
<b>Gas-Peaker</b>	<b>23,929</b>	<b>16.86%</b>
<b>Nuclear</b>	<b>5,153</b>	<b>3.63%</b>
<b>Coal</b>	<b>13,630</b>	<b>9.60%</b>
<b>Total</b>	<b>141,913</b>	<b>100%</b>

### What an alternative might look like

If the Legislature wanted to pursue a true energy goal that was technology neutral, we would suggest the Legislature set a new “dispatchable” goal in new MWs for new investments and create a trading program to get there. As an example, Texas could say it is our intent to build at least 10,000 MWs of dispatchable generation that is flexible, fast acting and has a duration of at least two hours by a certain date, such as 2030. Texas could then create a trading program to get there if the market did not deliver those needs.

Similarly, on the demand side, Texas could create a residential demand response goal of MWs and allow trading of credits to create a market to help get there. Setting goals that are additive - and not ones that pit one resource against one another - are in keeping with Texas’s all-of-the-above attitude.