



To: Dr. Charles Schwertner, Chair, Business and Commerce
Members, Senate Committee on Business and Commerce
From: Cyrus Reed, Sierra Club, Lone Star Chapter, cyrus.reed@sierraclub.org
Re: SB 1699 (Johnson), Relating to the participation of aggregated distributed energy resources in the ERCOT market.

March 28, 2023

Sierra Club supports SB 1699

SB 1699 carefully implements four recommendations suggested by the PUCT and the ADER (Aggregated Distributed Energy Resource) Task Force that clarifies that distributed energy resources on the customer-side of the meter that are aggregated do not have to register as power generation companies, while allowing such aggregation to occur. In addition the bill clarifies that those customers are protected by consumer protection laws, and that retail electric providers that help facilitate the ADER are not considered power generation companies.

The bill as filed is good public policy and will help facilitate the integration of smaller DER resources into the wholesale energy and ancillary service market. While we know there are more expansive bills, we believe this bill is a minimum requirement to build the DER and ADER market in Texas. There are more than 2,000 unregistered MWs of distributed generation – much of it solar – within ERCOT, and helping these resources - along with larger distributed resources - become part of the solution will help customers and resource adequacy. Sierra Club supports passing the bill as filed.