



SIERRA CLUB

LONE STAR CHAPTER

March 23rd, 2023

To: Dr. Schwertner, Chair, Senate Committee on Business and Commerce
Members, Senate Committee on Business and Commerce
From: Cyrus Reed, Conservation Director, Sierra Club

SB 2014 (King) Relating to the legislature's goal for renewable electric generating capacity.

The Sierra Club opposes this bill. The bill would formally end CREZ or competitive renewable energy zones, as well as the Renewable Energy Portfolio standard last updated in 2005, and the resulting REC (renewable energy credit) program. First we must and should celebrate the unmitigated success of the RPS, which set an ambitious goal of 10,000 MWs by 2025, a goal that we have tripled two years before. But while the RPS itself has easily been met by Texas, its existence shows our progress. While Texas has already met the RPS easily with our vast array of renewables, the required and voluntary Renewable Energy Credit market that has resulted is an important tool to market and sell renewable energy in Texas. The REC market is vibrant, largely voluntary and helps customers and companies track their investments in megawatt hours of renewable energy. Retail Electric Providers and other load-serving entities use RECs and the program run by ERCOT and the PUCT to help connect customers to renewable energy. Many electric cooperative and municipal utilities also use RECs, sometimes selling them or retiring them. The bill would also prevent distributed renewable energy owners from earning RECs. One only need to read the annual REC reports to see the unmitigated success of this largely voluntary program.

The Sierra Club does not object to Section 10 of the bill which could lead to “reactive” power requirements on renewable energy facilities since we believe the Commission already has this authority and ERCOT has already started discussions with stakeholders on this issue. That section also would create a report on transmission needs, which we do not object to.