



SIERRA CLUB

LONE STAR CHAPTER

To: Senate

Re: PUC Sunset Bill (HB 1500 by Holland/Schwertner) and Proposed Amendments

From: Cyrus Reed, Sierra Club, Lone Star Chapter, cyrus.reed@sierraclub.org, 512-740-4086

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The Sierra Club was an active participant in the sunset process and believes that HB 1500 by Justin Holland, sponsored by Dr. Schwertner, in the Senate, is an important part of fixing our grid by making the PUCT more responsive to the public and improving transparency. We have long felt the agency has lacked effective communication and outreach to the public, at times as made decisions with little transparency, and conducts meetings that are not conducive to public engagement.

We fully support the bill and in particular are appreciative of the following sections:

- Section 1 - PUC sunset - 2029 Date
- Section 3 - Public Input on any agenda item
- Section 4- Reporting requirements
- Section 5 - Strategic Communications Plan
- Section 6 - OPUC sunset - 2029
- Section 7 - Adds an additional PUCT commissioners to board, clarifies that ERCOT protocols and other actions are subject to PUCT oversight and approval.
- Section 8 - Allows ERCOT to have closed executive meetings for certain decisions
- Section 9 - Assures that all PUCT directives to ERCOT must be in writing and there must be an opportunity for stakeholder input
- Section 20 - Emergency Water Administration

The PUCT for too long has not put the public first and in particular Sections 2, 5 and 9 will assure better transparency.

Our Position on the Committee Substitute

We are supportive of the committee substitute which incorporates elements of SB 2010, SB 2011, SB 2012 and SB 7. Our understanding that this language incorporates compromises made in the House on firming and cost cap and we are supportive.

However, we have some concerns with some new language related to cost allocation and firming added in this session that discounts the use of storage and requires a higher capacity. We will send some suggestions on how to improve this language. We would like to continue to say that we believe the DRRS and PCM should be technologically neutral allowing storage and controllable loads to compete for those services, as long as they can meet performance and operational requirements. **We have some slight proposed edits on those sections as well.**

Proposed Amendments.

Senators laid out 25 proposed amendments, and we are supportive of many of them. Here is our list.

HB 1500 Proposed Committee Amendments

No.	Author	Number	Description	SC Position
A	Schwertner	88R 31544	IMM Protection	Support. This is good governance.
B	Schwertner	88R 30472	Vote on Verbal Directives	Support. This is good governance.
C	Schwertner	88R 30486	PUC Chair Elected by Commissioners	Support. This is good governance.
D	Schwertner	88R 30477	Appointed/Re-appointed Every 2 years	Neutral. We are not sure this is needed.

E	Schwertner	88R 31932	Build Reserve if 10k MW of power aren't announced by 7/1/24	Oppose. We think this would be a market interference and 10K and the date seem arbitrary. Also we are opposed to the idea of putting generation into rates.
F	Schwertner	88R 31928	PCM Can't Issue Credits Before 6/1/25	Support. Makes sense given the timing of implementing DRRS and co-optimization
G	Schwertner	88R 31954	HB 2569 (Report on unplanned outages)	Support.
H	Schwertner	88R 32200 – 23.142.616 7	Adding sb 1094 (PPA Markups)	Support
I	Schwertner	88R 32314 – 23.142.1622	2 year Limited scope sunset review	Support
J	Schwertner	88R 30429	Generators can't retire any dispatchable generation resources for 5 years if they receive pcm credits	Against - 5 years seems a long time given changing technology. What works in 2026 might not make sense in 2031 as batteries, hydrogen and other technologies improve.

K	King	88R 30428	SB 1287-Interconnection Allocation	Against. We do not think this change is needed that will hurt renewable energy development
L	King	88R 30430	SB 2014 – REC Repeal	Neutral - We are ok with this as long as voluntary and tracking program remains
M	King	88R 30435	SB 2015 – Dispatchable Goals	Against - This pulls the welcome rug out from renewable generation by limiting new generation
N	King	88R 31549-23.138.2424	SB 1075 – version of Mobile Generation	Support assuming it represents the compromise
O	King	88R 31911	SB 947 – Criminal Penalties for Attacking Critical Infrastructure	Neutral
P	King	88R 31913	SB 1015 – DCRF Timelines	Neutral
Q	King	88R 31947	SB 1519 – TDU Residential Load Management	Support, but believe an amendment needed to better coordinate market programs with TDU programs
R	Kolkhorst	88R 31010	20% Cap on Retail	Support- though we believe 30% might be more appropriate number.

S	Kolkhorst	88R 30959	Ban on PCM	Neutral - we don't like PCM but believe SB 7 is a good compromise
T	Kolkhorst	88R 3177	Slim SB 624	Against. We are in favor of public notice and input and best practices but do not believe permitting is needed or appropriate
U	Middleton		Prohibition of Offshore Interconnection of Wind Facilities	Against. We believe offshore wind could provide economic development and energy to Texas
V	Menendez	88R 32007 - 23.141.342	SB 114 – Demand Response & Residential Load Reduction	Support. We need residential customers to have options to reduce load during peak.
W	Menendez	88R 32001 - 23.141.199	SB 258 (Eckhardt) – Energy Efficiency SB 258 (Eckhardt) – Energy Efficiency	Support. A 1% goal by 2030 is achievable and exemptions are allowed if utilities can't reach the goal.
X	Johnson	88R 31929	SB 1212 Distributed energy (Senate engrossed)	Neutral. We would prefer slimmed down SB 1699 language, and have concerns about some of the language. We would like to see changes to better support consumers.
Y	Jonhson	88R 31938	SB 2112 Texas Power	Support. This makes a lot of sense to help protect

			Promise (Senate engrossed with TDEM responsibilities assigned to PUC to comport with HCR CSJR 93)	consumers and load shed.
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