Study Product Tax Credits? We already did.
So Don’t Bother or Study Them All

SB 2232:  
- Requires ERCOT and the Public Utility Commission to study the impacts of the federal Production Tax Credit on our energy market even though the incentive is being phased out in 2019, and previous studies have only shown a marginal impact on energy prices.
- The bill also requires PUC to make recommendations about changes needed to counteract these tax incentives, whether or not any changes are needed.
- In fact, previous PUC projects looked at so-called issues related to renewables, including:
  - Marginal Line Losses -- Result: PUC Took no action
  - Cost Allocation on Transmission Projects -- Result: PUC Took no Action
  - Hogan-Pope Study No. 2 - PTC -- PUC Took no Action
  - Texas already has a robust stakeholder process, and already through the Texas RE Reliability Study -- [link](http://www.ercot.com/content/wcm/key_documents_lists/165186/05__2018_State_of_Reliability_ROS_05022019.pdf) looks every year at reliability issues.
  - That reliability study does show important issues like the low reserve margin and low inertia trend but the issue is not the PTC it is how do we modify our market to encourage new technology, new entry and new ancillary services.
- Bill Ignores subsidies for coal, nuclear or natural gas plants, thus becoming only an anti-renewable study. Rather than picking on renewables, we should STUDY THEM ALL.
  - Examples -- Gas producers currently paying negative prices for plants to take their gas;
  - High-Tax Gas Incentive continues to subsidize fracking despite record low-gas prices. Take away that incentive, prices rise, giving generation a boost.

-Over-
- Nuclear power plant stranded costs were “socialized” in deregulation bill
- Coal producers using lignite pay no state severance tax, even as gas producers do.
- Anderson-Price Act provides liability insurance to Nuclear Industry
- Gas wastes treated as non-hazardous wastes despite their toxic nature;
- Coal ash continues to also enjoy regulatory favorable treatment despite high metal content.
- Externality of climate change and ozone formation not recognized in our energy market.

Renewable energy development in Texas is an unmitigated success, helping us grow business, produce jobs, reduce air emissions, reduce water use and lower energy prices. There are challenges with renewable energy due to variable production and low inertia, but these can be handled with new technology and the development of new markets and new products like synthetic and/or synchronous inertia service, fast frequency response, and battery storage.

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