

## **Texas Can Do Better than Costly, Ineffective Energy Proposals**

### *Statement from the Texas Energy Buyers Alliance*

The Texas Legislature is currently considering energy bills that will not solve the problems exposed by the Winter Storm Uri blackouts in 2021 or the grid scares that ERCOT has experienced since.

These proposals will, however, add billions and billions of dollars to Texans' power bills — in part by decimating Texas' world-leading clean energy resources.

Our more than 380 members — many of whom rank among Texas' largest employers — prioritize reliability above all else. We need Texas to keep the lights on.

But Texas can improve reliability without attacking clean energy and prohibitively raising the cost of electricity in this state.

Texas' economic miracle is due in part to low-cost clean energy. If we want the miracle to continue, we need to improve reliability, add dispatchable generation, *and* control costs by continuing on Texas' transformational, nation-leading clean energy path. These goals are not mutually exclusive.

**Legislators need to understand that they cannot slow renewable energy without hurting Texas consumers, employers, and the economy — there is just no way to do it.**

**Some businesses are already pausing investments in Texas to wait and see how the dust settles. If businesses feel uncertain about investing here, then Texas' economic miracle is under threat.**

The Legislature should instead strengthen our open energy market without discriminating against vital clean energy resources — and without picking winners and losers among the range of technologies Texas needs to power its future.

One proposal now under consideration would spend well over \$10 billion on at least a dozen new gas plants that would be used only in rare emergencies. Those costs will be borne by Texans through taxes or higher power bills.

Another would increase the cost of clean energy by billions of dollars through a new so-called firming product. This proposal would effectively make customers double-pay for energy, forcing renewable energy generators to buy power from other power plants. These costs will land directly on customers' bills and put generators out of business — without creating new energy resources.

And the much-discussed Performance Credit Mechanism, or PCM, will simply push old power plants to run all-out, year-round, at a huge cost to Texas consumers. These old

plants' unplanned outages have caused repeated incidents in which electricity supply on the ERCOT grid struggled to meet demand. Forcing them to run more often to try to capture unknown hours of uncertainty will compound their own reliability problems.

Throughout this conversation, legislators have expressed their intent to force solar and wind power plants to pay for all upgrades and improvements to the system. Some legislators are even contemplating a new "Permitting Division" within the Public Utility Commission, dedicated to permitting *only* solar and wind generators — and in a manner that is seemingly designed to shut down existing plants.

This would devastate rural communities and landowners that depend on the investment and income renewable energy provides. It also would make Texas far less attractive to employers who want to locate in places that are on the vanguard of energy innovation, where they can truly choose the energy they want. And, again, it would make energy far more expensive — without increasing reliability.

**These proposals and others are built on a misdiagnosis of Texas' energy challenges. Blaming renewable energy for Texas' challenges is dangerously disingenuous. Discriminating against renewables only taxes Texas families, employers, and other ratepayers.**

Instead, Texas needs a much faster, stable, and more affordable path to reliability. That includes immediate and long-term market-driven strategies that will slow power plant retirements and create market-driven incentives for the wide range of generation sources Texas needs.

**We urge lawmakers to pursue solutions that improve reliability without attacking clean energy and raising the cost of electricity in Texas.**