TEBA

Texas Energy Buyers Alliance

Solar, Wind & Energy Storage Will Save Texans $115 billion in 15 years

… If the Texas Legislature doesn't derail the state's renewable energy boom

A new Texas Energy Buyers Alliance study shows that **Texans will pay about $115 billion more** in wholesale ERCOT market costs over the next 15 years if the Texas Legislature passes laws that slow or stop renewable energy and storage development. Such laws would also leave the grid less reliable.

The study, conducted by IdeaSmiths LLC, found that solar, wind and battery storage resources **reduce energy costs by 12% for the average Texas business.** In some regions, especially across West Texas, savings are even higher — **up to 18%.**

Texas employers of all sizes benefit from solar, wind, and storage on the Electric Reliability Council of Texas (ERCOT) grid. Small businesses (using 5,000 kilowatt-hours of electricity every month) save more than $625 a year thanks to these energy resources, and big manufacturers (using 100,000 kilowatt-hours a month) save an average of $12,450 annually.

Dr. Joshua D. Rhodes, a Founding Partner of IdeaSmiths who conducted the study, also noted solar, wind and storage are among the easiest resources to build, due to their low-cost and modular construction: "Faster development times mean that clean energy companies can respond more quickly to ERCOT market needs by building more plants comparatively quickly."

The study found that:

- Savings were greatest in West and Central Texas regions — including the Permian Basin — where load growth (driven by the electrification of oil and gas operations and new manufacturing and data centers) is expected to be high and where the most wind and solar resources are. In these areas, renewables and storage reduce power costs 15%-18% in costs by 2040.
- In North Texas counties near the Dallas-Fort Worth Metroplex, savings are expected to be driven by high demand from new data centers, which solar, wind and storage would help meet more affordably.

Key study assumptions:

- The study compares electricity costs under the expected growth of renewables (without severe restrictions) to costs if the state blocks additional solar, wind and storage resources after 2025. It uses ERCOT's projection that these new demands could drive peak demand to as high as 200 gigawatts by 2040.
- The study assumes that all natural gas power plants funded through the Texas Energy Fund, as well as transmission lines associated with the Permian Reliability Plan, will be constructed (the Legislature passed the TEF in 2023, and the Public Utility Commission approved the PRP in 2024).