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SENATORS LAY OUT BILLS TO FIX TEXAS' ELECTRIC GRID. HERE'S WHAT THEY'RE PROPOSING.

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Austin American-Statesman
March 10, 2023

Texas senators on Thursday introduced several proposals to fix the state's power grid, which came close to near-collapse two years ago during winter storms.

The nine bills, presented during a bipartisan news conference hosted by Lt. Gov. Dan Patrick, ranged from addressing infrastructure protections against physical and cyberattacks to mitigation planning and altering a once-controversial proposal from the Public Utility Commission.

"We know that it will take several years from this day forward to get plants in the ground to add more power, which we need," Patrick said at the news conference. "But this is the beginning of that process."

Sen. Charles Schwertner, R-Georgetown, who chairs the Business and Commerce Committee, filed the grid agenda along with the committee's vice chair, Sen. Phil King, R-Weatherford.

A host of lawmakers attended the Thursday conference, including Sens. Nathan Johnson, D-Dallas; Mayes Middleton, R-Galveston; Lois Kolkhorst, R-Brenham; Donna Campbell, R-New Braunfels; Judith Zaffirini, D-Laredo; Brandon Creighton, R-Conroe; and Robert Nichols, R-Jacksonville.

Senate Bill 6, a priority for Patrick, who presides over the Senate, would create the Texas energy insurance program, an avenue meant to ensure backup generation ability during times of greatest demand and weather crises, Schwertner said.

The bill also proposes to create a "low-cost loan program" to spur dispatchable energy — electricity from conventional power sources that could be fired up quickly — while creating an additional 10,000 megawatts of generation capacity, which is enough to power 7.5 million homes, Schwertner said.

"This proposal puts new steel in the ground, ensures more electrons are flowing on our power lines in times of critical need," Schwertner said. "That's the first part of this bill; the second part supports and maintains our current dispatchable generation."

Another Patrick priority bill, SB 7, looks to address federal tax credits earmarked for renewable energy and institute a yearly report from the PUC to the Legislature detailing the cost and efficiency of nondispatchable energy generation.

Both priority bills were referred to the Business and Commerce committee on Thursday evening.

Meanwhile, SB 1287 would create a limit on how much consumers pay in their monthly electric bills for distribution and transmission fees.

"SB 1287 simply says that the PUC is going to set a limit," said King, the bill's author. "It is going to set a cap on average costs that Texans will pay when new generation is tied into the grid."

Talking to the [Texas Business Leadership Council](#) on Wednesday, Patrick talked up boosting cybersecurity for the state's electric grid, which comes in the form of SB 2013, also filed by Schwertner.

Saying that protection from cyberthreats across the vast expanse of cities and counties in Texas is paramount, a question was addressed to Patrick from the audience on why the Lone Star State doesn't join up its electric grid with neighboring states.

"Well, you know, first of all, it's Texas," Patrick responded in a grin. "We don't want to be part of a federal government in any way shape or form."

How we got here

In January, state utility regulators with the PUC — which oversees the electrical grid's manager, the Electric Reliability Council of Texas — approved a blueprint for a potential overhaul of the Texas electricity market to encourage private investment in new power plants.

Despite criticism that the plan is untested and could add potential costs to consumers, the PUC passed the measure with a 5-0 vote. Schwertner quickly pushed back on the measure, which had the endorsement of Gov. Greg Abbott.

Boiled down, the performance credit mechanism would obligate electricity companies that provide power to homes and businesses to buy "performance credits" from generators that earn them by being available during times

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of greatest strain on the power grid. The credits would be awarded to generators after the close of compliance periods, based on evaluations of their availability.

Schwertner, who authored Senate Bill 3 last session to make changes to the grid in response to the deadly February 2021 freeze, said at the time of the PUC unanimous approval that its decision ignored “clear direction” from the Legislature.

Then in February, during the Business and Commerce committee’s initial meeting this session, which Schwertner missed after being arrested on a DUI charge the night before, PUC Chairman Peter Lake told senators that the commission’s vote solidified its commit to principles, not regulatory and operational details.

“We’re at a full stop,” Lake told the committee. “And we are completely deferring to you all to give us direction.”

With Thursday’s bill filing, SB 2012 would alter the previous performance credit mechanism proposal by not allowing a reliability program or credits to be based on generation during times of high demand and low supply.

Additionally, credits would be available only to dispatchable energy generators, which excludes renewable energy sources such as wind or solar.

“This is not a move to a capacity market, but it is a move working with the PUC and their PCM planning, to take the best of that plan,” Patrick said. “The other ideas by Republicans and Democrats on this committee, to focus on how we balance fairness and equity and the competitiveness between renewables, that there’s incentive for more thermal power built in the state of Texas.”

On Thursday, 49% of the state’s generation was powered by natural gas, with 14% coming from coal and 10% from nuclear generation, according to the ERCOT system dashboard. Wind and solar made up 16% and 10%, respectively.

Here are bills presented Thursday

SB 6; Schwertner, King: The establishment of the Texas Energy Insurance Program and other funding mechanisms to support the construction and operation of electric generating facilities.

SB 7; Schwertner, King: Establishes requirements to meet the reliability needs of the power region.

SB 1287; King: Relating to the cost of interconnecting certain electric generation and energy storage facilities with the ERCOT transmission system.

SB 2010; Schwertner, King: Reporting by the market monitor of potential manipulation of the wholesale electric market.

SB 2011; Schwertner, King: The authority of the Public Utility Commission of Texas to impose administrative penalties and enter into voluntary mitigation plans.

SB 2012; Schwertner, King: Relating to electricity services; increasing an administrative penalty, mitigation planning.

SB 2013; Schwertner, King: Relating to access to and the security of certain critical infrastructure.

SB 2014; Schwertner, King: Relating to the legislature’s goals for renewable electric generating capacity.

SB 2015; Schwertner, King: Relating to the legislature’s goals for electric generation capacity in this state.