

TAEBA OPPOSES SENATE BILL 1212

The Texas Advanced Energy Business Alliance (TAEBA) educates, engages, and advocates for policies that grow robust markets for advanced energy technologies. The businesses we represent are lowering consumer costs, creating thousands of new jobs, and providing the full range of clean, efficient, and reliable energy. TAEBA opposes Senate Bill 1212, which penalizes Distributed Energy Resources (DERs) instead of acknowledging them as a solution for establishing electric reliability in Texas.

Rather than treating DERs as a solution for establishing electric reliability in Texas, Senate Bill 1212 penalizes them.

- ★ Texas utilities have invested \$40.6 billion in transmission and distribution infrastructure over the last decade. However, the bill grants transmission and distribution utilities the ability to charge customers without delivering any cost savings, even in situations where DERs could be utilized to avoid or delay infrastructure costs. This means that the bill foregoes potential savings of \$5.5 billion over the next decade, which could be achieved by incorporating DERs and deferring these investments, leading to an 8.5% annual cost reduction.¹

The bill undermines the ongoing technical processes of the Public Utility Commission of Texas (PUC) to address DER regulation.

- ★ The PUC is currently conducting an aggregated DER pilot project and has an open rulemaking to address interconnection and other technical processes around DERs.² We recommend deferring to the PUC on any potential rulemaking on DERs.

Senate Bill 1699 better addresses the participation of distributed energy resources.

- ★ The House State Affairs committee should pass SB 1699, which addresses the participation of aggregated distributed energy resources in the ERCOT market.

The definition of distributed energy resources (DERs) in the bill is far too narrow.

- ★ SB 1212's definition of distributed energy resources (DERs) is limited and fails to recognize the broad range of DER technologies available in 2023. We recommend aligning with the national standard definition used in all other major electricity markets in the United States: "any resource located on the distribution system, any subsystem thereof or behind a customer meter."³

¹ Texas Advanced Energy Business Alliance. "Future Proofing the Texas Grid with Distributed Energy Resources." June 2022. Page 7. <https://info.aee.net/hubfs/Future%20Proofing%20the%20Texas%20Grid.pdf>.

² PUC Rulemaking 54233. <https://interchange.puc.texas.gov/Search/Filings?ControlNumber=54233>.

³ FERC. "Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators." September 2020. Page 91. https://www.ferc.gov/sites/default/files/2020-09/E-1_0.pdf.