

# TAEBA OPPOSES SENATE BILL 7

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 7, which disproportionately burdens renewable energy resources, harming the investment environment for renewable energy development in Texas.

## **The bill discriminates against renewable energy resources.**

- ★ The bill mandates the purchase of capacity credits earned by dispatchable generators to support a reserve margin mandate, while excluding load resources and electric energy storage, such as batteries.
- ★ The bill assigns costs to generation facilities and load serving entities according to their contribution to unreliability during the highest net load hours in the preceding six months, which unfairly penalizes non-dispatchable generation facilities such as wind and solar.
- ★ The bill would discourage investment in renewable energy and impede progress towards the reliability of Texas' electric grid.

## **SB 7 could lead existing renewable energy projects to leave Texas.**

- ★ The bill could make existing solar and wind projects uneconomic, leading to generators breaking their contracts and leaving the market, which is counterproductive to the bill's goal of increasing reliability in Texas.
- ★ Renewable energy generation is critical to meeting summer peak demand. The departure of renewable generation would put Texas' electric reliability in jeopardy.

## **ERCOT is already developing an ECRS ancillary service that is technology-neutral.**

- ★ The bill's proposal duplicates efforts already underway at ERCOT to develop an ECRS ancillary service that is technology neutral
- ★ The eligibility requirements for the new ancillary service would disproportionately burden renewable resources, leading to a discriminatory shift of costs onto the very resources that are keeping energy costs affordable for Texans.

## **Future projects will pass on the costs to consumers, resulting in higher electricity bills for everyday Texans.**

- ★ This is contrary to the expectations of Texans who look to their legislators for solutions to reduce their monthly energy bills, not to increase them.