TEXAS ADVANCED ENERGY BUSINESS ALLIANCE

Policies to Support Advanced Energy in Texas

The advanced energy industry is a vital contributor to our energy future and an economic engine in Texas. As of 2019, there were 254,300 advanced energy jobs in Texas, growing twice as fast as employment in the state overall. It is critical to craft policies that allow Texas businesses to fully utilize a mix of tech solutions to lower energy costs and ensure energy resiliency during extreme weather emergencies like Winter Storm Uri. Advanced energy is and will continue to be essential to the state's economy, leadership, diversification, and innovation.

Texas Advanced Energy Business Alliance (TAEBA) is focused on growing the advanced energy sector to make the Texas electricity system more secure, clean, reliable, and affordable. Advanced energy technologies include energy efficiency, demand response, energy storage, solar and wind generation, electric vehicles, and smart grid.

Building a More Resilient Electricity System

Texans are concerned about the reliability of the electric power grid. 90% of Texans agree that state officials should do more to ensure that the grid can withstand future hurricanes, winter storms, and intense heat waves.

- **Strengthen community and grid resilience with microgrid and battery storage technologies, including mobile battery storage such as electric school buses, to protect customers during system outages.** These technologies can be deployed to create community resilience centers to provide emergency shelter and essential services (e.g., for elder care, grocery stores, water treatment, hospitals, and emergency services). Texas can prepare for the next winter storm, hurricane, flood, or other natural disaster by taking steps now to modernize facilities such as municipal buildings, ports, airports, public buildings, schools, and institutions of higher education.

Diversity of energy resources is important to Texans. 71% agree that the state should be doing more to encourage businesses to build different kinds of energy resources, such as solar, wind, small scale nuclear, and battery storage.

- **Leverage federal funding and promote public-private partnerships to modernize energy infrastructure for resilience and reliability.** Federal investment in advanced energy is estimated to deliver **six times**[1] the return on investment of public expenditure for the state of Texas, adding value to the Texas economy, creating new jobs, and providing new revenue to state and local governments. With the passage of the federal Infrastructure Investment and Jobs Act (IIJA), state and local governments will be eligible for billions of dollars of investment in energy efficiency, electric vehicle infrastructure, grid resilience, rural energy infrastructure, transmission, workforce training and manufacturing.[2]

Bringing Businesses Big and Small to Texas

Texans are worried about rising costs impacting consumers and businesses. 64% agree that increasing costs on renewable energy, like solar and wind, through taxes or other means will increase energy costs on consumers and Texas businesses.

- **Grow the Texas economy by supporting investment in large-scale solar and wind generation, energy storage, and development of clean energy manufacturing supply chains.** Advanced energy development brings jobs and revenue to local communities, like the 7,100 Texas jobs in the transportation electrification sector across 1,234 businesses in the state.[3] Texas should continue to support policies to support large scale investment. Leading companies outside the energy sector also rely on strong growth of advanced energy in Texas to meet their energy sustainability goals.
- **Continue work started in 2021 to bolster transmission infrastructure to ensure that the lowest cost, reliable sources of power can be delivered to customers throughout the state.** The current ERCOT transmission system can do better to meet the needs of Texas businesses for affordable, reliable energy use.

[1] TAEBA *2020 Report: Economic Impact of Stimulus Investment for Texas.* https://www.texasadvancedenergy.org/
[2] TAEBA *Advanced Energy Infrastructure: A Roadmap for Implementation.* Nov 2021. https://www.texasadvancedenergy.org/
[3] TAEBA *Electric Transportation Supply Chain in Texas.* Dec 2020. https://www.texasadvancedenergy.org/

Texans support bringing new electric vehicle (EV) charging infrastructure to the state. 58% support increasing state funding of EV chargers to ensure charging stations are in every part of the state. 88% agree it is important to have a comprehensive plan of how federal infrastructure funds will be used before receiving them.

- **Expand electric vehicle (EV) infrastructure, with emphasis on public charging, medium and heavy-duty commercial fleets, and port electrification.** Expanding EV ownership and infrastructure in Texas will accelerate investment from major brand companies who are locating their corporate distribution and manufacturing hubs in the state. Reform to existing programs to encourage electrification of small business fleets, like the Texas Emission Reduction Program (TERP), will attract an emerging industry to Texas. A comprehensive plan for transportation electrification will ensure Texas will receive $408 million over five years to support the expansion of an EV charging network that reaches every corner of the state, as well as access to more than $2.5 billion in competitive funding for additional EV infrastructure.[4]

Lowering Electricity Bills

Texans support policies that help them lower their energy bills, like customer-focused energy management technology and demand-side resources. 62% agree that Texas leaders should invest in programs that encourage people to reduce energy use at critical times to alleviate strain on the grid before investing in new power generation.

- **Increase energy efficiency goals and modernize rules to deploy the best available technologies.** Texas consumers and businesses rely on affordable power, and the cheapest kilowatt-hour is the one not used. Texas should expand its commitment to efficiency and ensure that the latest technologies are deployed so that Texans can save money on their electric bills, while we all save by having a more efficient grid.

- **Support innovative technologies that encourage customers to reduce demand at critical times to keep the lights on for less.** Demand is half of the energy equation and should be half of the solution to problems like Winter Storm Uri. Encouraging electricity customers to take more control over their energy destiny by giving them the option to be financially rewarded for using less heating and cooling at critical times not only empowers households to better control their energy bills, but also benefits the energy grid. This kind of technology also decreases the need for expensive investments in new power plants or utility infrastructure.

Fostering Market Competition

- **Remove barriers for localized energy technologies, such as rooftop solar, home battery storage, microgrids, and electric vehicles to provide for a more flexible, affordable, and reliable electricity system.** These technologies can provide back-up power during extreme weather and reduce the need for costly grid upgrades. Customers that invest in these technologies should be allowed to provide services to the grid—such as sending energy back to the grid at critical times—and get paid fairly for these services. Current rules prevent these technologies from achieving full market participation, which could deliver $5.47 billion in potential savings over the next 10 years. Local power generated by these technologies is an untapped reliability asset for the grid.

Texans support better access to ownership of electric vehicles (EVs). 76% support legislation that would allow EV manufacturers to sell directly to customers without a traditional automobile dealership. 87% believe that EV drivers should be taxed at a rate that is either the same or lower than drivers of cars that use gasoline.

- **Reform pathways for Texans to get into electric vehicles large and small.** Lawmakers should permit the direct sale of electric vehicles from automakers that do not sell through dealerships so that more Texans can get into EVs. Additionally, Texas should avoid imposing punitive new fees on EVs while reforming rules to make it possible for more fleets to go electric.

[4] TAEBA *Advanced Energy Infrastructure: A Roadmap for Implementation.* Nov 2021. https://www.texasadvancedenergy.org/