

Texas is the world's energy leader, and now is the time to leverage that leadership to implement an innovative mix of solutions to combat extreme weather emergencies, whether it's a polar vortex event in winter or a hurricane in the summer. Advanced energy technologies such as microgrids, storage, on-site solar, demand response, and energy efficiency can bolster reliability and resilience of the electricity grid to protect critical facilities like water treatment plants, hospitals, and allow customers to self-generate and store energy on-site for additional security.

The future of the state's energy system is Texas-strong and includes greater investment in energy diversity through advanced energy technologies to make the electricity system more secure, clean, reliable, and affordable. Texas' unwavering commitment to competitive markets and innovation and a tradition of bipartisan policy solutions will make this possible.

### **Protect Customers and Build a More Resilient Electricity System by:**

- **Strengthening community and grid resilience with microgrid and battery storage technologies to protect customers during system outages.** These technologies can be deployed to create **Community Resilience Centers** to provide emergency shelter and communications, and to support **Critical Community Facilities** that provide essential services (e.g., for eldercare, grocery stores, water treatment, hospitals, and emergency services).
  - **Companion bills SB 415 by Hancock and HB 1672 by Holland would allow batteries to provide these solutions in a limited way.** To leverage the full value of advanced energy, these bills should be expanded to include all distributed energy resources as eligible technologies – not just batteries – and the 40 MW cap should be removed to allow for additional reliability solutions to be employed.
  - **HB 1556 by Murphy would promote additional development of large scale grid storage.**
  - **Companion bills SB 1303 by Blanco and HB 4120 by Deshotel would create additional community resilience by promoting solar and battery storage for public schools, including mobile storage solutions through electric school buses.**
- **Expanding ability for Texans to self-generate with on-site solar and storage.** Municipalities, homeowners' associations, and utilities should be prohibited from imposing onerous requirements or discriminatory fees on Texans who want to put solar panels on their rooftops.
  - **Companion bills SB 398 by Menendez and HB 3696 by Deshotel would protect customers who want to use on-site solar and storage.**

- **Supporting expansion of advanced energy technologies to diversify the state’s resource portfolio and mitigate risk of outages due to operational limitations of various generation types.**
- **Expanding 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 is falling short in meeting the needs of Texans.
  - **Companion bills HB 1607 by Darby and SB 1325 by C. Hinojosa would require reform to ERCOT transmission planning processes and accelerate infrastructure development.**
- **Increasing the state’s commitment to energy efficiency.** Texas consumers and businesses rely on affordable power, and the cheapest kilowatt-hour is the one not needed. In addition, lowering peak demand creates less stress on the grid. Currently, Texas, which used to be a leader among states in energy efficiency policy has dropped to # 29 among states, a contributing factor in the February 2021 weather emergency.
  - **Companion bills SB 243 by Eckhardt, HB 2359 by Reynolds, and HB 4556 by Anchia would add an energy savings goal to existing utility efficiency goals.** The Legislature should adopt and expand this bill to increase our state’s commitment to energy efficiency to ease strain on the power grid during weather extremes and lower costs for consumers.
- **Promoting non-wires solutions that could save Texas households and businesses \$2.45 billion over the next decade.** Using competitive distributed energy resources (DERs) such as energy storage, demand response, or solar panels in place of certain traditional “poles and wires” investments could lower distribution infrastructure costs borne by customers by as much as \$2.45 billion over 10 years, while providing additional resilience and reliability. Regulation needs to be modernized to capture these savings.
  - **Companion bills SB 415 by Hancock and HB 1672 by Holland would allow batteries to provide these solutions in a limited way.** To leverage the full value of advanced energy, these bills should be expanded to include all distributed energy resources as eligible technologies – not just batteries – and the market cap should be removed to allow for additional reliability solutions to be employed.
- **Expanding access to wholesale markets to save \$3 billion over next decade.** Current market rules are overly complex and prevent aggregations of customer-sited solar, storage, and demand response from being offered into ERCOT wholesale markets, a loss in potential value of \$3 billion over 10 years.
- **Leveraging federal funding opportunities where possible, adding state funding where additional stimulus is needed to achieve policy goals.**