TEXAS ADVANCED ENERGY BUSINESS ALLIANCE

COMPETITIVE NON-WIRES SOLUTIONS CAN REDUCE BILLIONS OF UTILITY COSTS CURRENTLY BORNE BY TEXAS CONSUMERS

Greater transparency in utility planning and competitive consideration of non-wires solutions are critical to ensure reliable delivery of power at lower costs.

The Texas economy and population are booming in Texas, which drives the need for new utility infrastructure to meet increasing demand. However, customers must foot the bill for infrastructure expansion even while it is outpacing population growth.

Utility investments are made to:

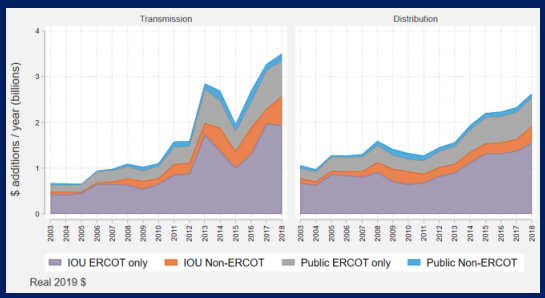
- Replace aging or failing equipment
- Improve system reliability
- Connect new customers to the grid

While many of these investments cannot be avoided, some expansion due to peak load growth can be reduced, deferred, or avoided by lowering local peak demand through either injecting power locally or reducing demand using DERs, at a lower cost to customers. This is referred to as **non-wires solutions (NWS)**. Regulatory processes should explicitly allow for transparent, competitive consideration of NWS.

$40B

Texas spent $40.6 billion in transmission and distribution (T&D) infrastructure investments over the past decade. In fact, T&D capital expenditures have been growing faster than population and electricity sales.

Between 2003 and 2018, the Texas economy grew by 60%, the state's population grew by over 30%, and electricity sales grew by about 35%.



Growth-related investments tend to range from about 10% to 30% of T&D capital expenditures. This presents an opportunity to meet peak power needs with DERs.

NON-WIRES SOLUTIONS SHOULD BE ALLOWED TO COMPETE

As electricity power loads grow, the distribution capacity cushion that ensures reliability dwindles. If a customer helps reduce peak demand, either by injecting power into the distribution grid or by reducing demand, the unused distribution system capacity can then accommodate load growth elsewhere.

T&D capital projects are identified during utility planning processes. Currently these processes are not open and transparent, and do not allow non-wires alternatives to compete against traditional infrastructure build-out.

By functionally excluding DERs from consideration, Texas is forgoing significant opportunities to lower consumer costs that arise from allowing DERs to compete side-by-side with traditional utility solutions.

*About the Study

The Texas Advanced Energy Business Alliance commissioned a study produced by Demand Side Analytics to quantify the potential savings from the integration of DERs in Texas. Download the full report at texasadvancedenergy.org

$2.45B

A new study* shows the value of T&D deferral is about $344 million per year, or $2.45 billion over 10 years.

By managing peak demand with DERs, the use of existing T&D infrastructure can be prolonged, saving Texas consumers money.

About TAEBA

The Texas Advanced Energy Business Alliance (TAEBA) includes local and national advanced energy companies seeking to make Texas' energy system more secure, clean, reliable and affordable. TAEBA's mission is to raise awareness among policymakers and the general public about the opportunity offered by all forms of advanced energy for cost savings, electric system reliability and resiliency, and economic growth in the state of Texas. Learn more at texasadvancedenergy.org and follow our latest news @TXAdvEnergyBiz