

PUBLIC COMMENTS

HB 4466

HOUSE COMMITTEE ON STATE AFFAIRS

Hearing Date: April 8, 2021 8:00 AM

Amanda Hargrave

self, ecologist

San Marcos, TX

Oppose. Renewable energy has always been a variable energy resource and should not be punished for this. This bill is not good for business in Texas.

Bruce Tackett

self / retired

Little Elm, TX

I write to you in strong support of House Bills 4466 and 4502.

Your committee is encouraged on HB 4466 to adopt the amendment and substitution language passed by the Senate Business & Commerce Committee yesterday (April 7) on its companion bill SB 1278 which will now move to the Senate floor for consideration. For amendment text, please reference: <https://capitol.texas.gov/tlodocs/87R/billtext/pdf/SB01278S.pdf> - navpanes=0

Before outlining the reasons for my position, let me note that I am a 68-year-old third generation Texan born in Midland and currently residing in unincorporated Denton County. Most importantly, I am a residential utility ratepayer in Texas. While now retired, I spent much of my working life as an energy policy analyst for the Interstate Oil & Gas Compact Commission (of which Texas is a member), energy producers and as a member of three federal advisory committees charged with providing guidance on offshore conventional and renewable energy development and security.

My family and neighbors were significantly and adversely affected by the power curtailments during the February freeze event resulting in burst pipes and collapsed ceilings.

A good starting point, I believe would be transparency regarding who is providing what power, how reliable they are and importantly - what are the true costs of that energy source at the meter. HB 4466 and HB 4502 are important to ensure that all costs are properly linked to the power generator regardless of generating power source.

Energy generator costs should fully reflect the costs of providing energy including transmission hook-ups and other ancillary costs, especially reliable replacement power. The Senate Committee on Business and Commerce understands this critical fix is needed and has taken action to amend and vote out of committee the companion bill -- SB 1278 -- that requires intermittent generation resources in the ERCOT power region to purchase ancillary services AND replacement power sufficient to manage net load variability.

While not specifically addressed by this legislation, I encourage you to address the fact that today there is little incentive or penalty for generators who overstate their ability/investment to provide a secure source of supply. It is difficult to see progress toward a more reliable power grid without this. As a result intermittent and thus unreliable "renewable" energy is treated as dependable base load capacity.

Further, it appears from the public record that the PUC has long recognized but has failed to adequately address reliability. In 2007, the PUC noted intermittent technologies that may not be able to develop or operate efficiently without using a greater input

Printed on: May 19, 2021 2:20 PM

of fossil fuel. (Reference: PUC Order Project 33492) Such action confirms intermittent sources are not reliable standby power.

Common sense, prior legislation and PUC regulation all require reasonable cost and reliable power in Texas. HB 4566 helps achieve this.

Robert Weatherford

Self- Coleman, Dallas counties landowner, electricity ratepayer; Director- Save Our Scenic Hill Country Environment

COPPELL, TX

As a landowner and electricity ratepayer in Coleman and Dallas counties and as a Director of Save Our Scenic Hill Country Environment based in Gillespie County, I strongly support HB 4466. It should apply to all intermittent wind and solar resources, including those under development.

Susan Sloan, VP, State Affairs

American Clean Power

Austin, TX

Chairman Paddie, Rep. King and Members of the Committee:

American Clean Power represents the renewable energy industry in the United States, bringing together over 1,000 member companies, 120,000 members, and a national workforce located across all 50 states. By uniting the power of wind, solar, storage, and transmission companies and their allied industries, we enable the transformation of the U.S. power grid to a low-cost, reliable and renewable power system.

Renewable energy is a Texas success story. It has been demonstrated that wind and solar keep overall customer costs lower while saving water, reducing air pollution and enriching rural Texas communities. HB4466 would bring new costs to customers and undermine the reputation Texas has so masterfully established as a pro-business state. It would not fix problems contributing to the February blackout.

Texas has been a leader in energy, taking advantage of its natural resources and supporting all of its energy options. This bill departs from that approach in order to punish certain technologies. HB 4466 assigns new unjustified and discriminatory costs on existing wind and solar projects which were financed, developed and contracted under established ERCOT market design principles. Please vote no on HB4466.

Thank you.

Susan Williams Sloan

Mike Meroney

Enel North America

Austin, TX

RE: Enel Opposition to HB 4466 by Rep. Phil King

Dear Chairman Paddie, Vice-Chair Hernandez, and Members of the Committee,

Enel North America, Inc. (ENA), through its subsidiary, Enel Green Power North America, Inc. (EGPNA or Enel), opposes HB 4466 because it would unfairly assign ancillary service costs to renewable resources. Enel has developed and operates about 1,000 MW of solar and wind projects in ERCOT, and has announced plans to build more projects, investing billions of dollars. This bill would create cost risk for its existing assets and discourage future investment in Texas.

ERCOT manages the grid by ensuring that there is adequate energy and ancillary services relative to forecasted demand, which

Printed on: May 19, 2021 2:20 PM

fluctuates moment to moment for many reasons. It is difficult to ascribe those real-time fluctuations to any single type of resource or load. As such, load pays for those costs in exchange for ERCOT's real-time management of the electricity system.

Renewable resource have not increased the need for ancillary services in ERCOT, despite the significant increase in renewable energy. This bill selects one resource type to assign costs and requires ERCOT to distinguish that resource's impact from all of the other variables on the grid. This is not only arbitrary and discriminatory, but also extremely difficult to discern. Further, this treatment creates a slippery slope for direct assignment of costs to other market participants.

Since renewable resources are not a significant source of ancillary service causation, Enel respectfully requests that you allow the market to continue to function as it has and respectfully requests your "NO" vote. Thank you for the opportunity to comment and for your consideration.

A G(Randy) Randol III, Dr.

Self Consulting Engineer

Houston, TX

I strongly support the much needed and long overdue change in the way UNRELIABLE intermittent power generators are to be held accountable for the ancillary services, including FIRM BACKUP POWER. These opportunistic generators cannot be allowed to continue to undermine the integrity and reliability of the Texas grid, especially the ERCOT grid. Your constituents will pay the price for inaction.

The cost for this unreliability is real: 111 people died and the estimated economic damages are \$200 billion as a result of the February freeze event.

I have monitored the extensive "fact finding" hearing conducted by the State Affairs Committee in late February. I have also tracked the many bills introduced to address the problems encountered during the freeze event February 14-18.

Unfortunately, the Committee heard very little testimony on the core issue: intermittent, weather-dependent power generators have taken advantage of the "energy-only" market. We started digging the hole 20 years ago. Now is the time to stop digging before it gets worse.

At no time was ERCOT asked for its projections for expansion of wind and utility-scale solar. We are now at 31,000 MW of intermittent wind and 6,000 MW of intermittent utility scale solar. The ERCOT forecast is for up to an additional 10,000 MW of wind and up to 18,000 MW of solar, including behind-the-meter roof top solar. For the first time ever, ERCOT has attempted to forecast the behind-the-meter roof top generation. Roof-top solar can compound the nightmare we experienced: ERCOT will only know the true load when there's a spike in demand when solar fails like it did in February.

As many legislators have said during the hearings the Federal subsidies make it difficult, if not impossible, for reliable thermal power plants to compete...so the capacity has been steadily declining. Reliable coal and gas plants have been shuttered...we have lost 8600 MW of coal over the last 10 years. ERCOT should have sounded the alarm.

ERCOT was never asked about its November 2020 Seasonal Assessment of Resource Adequacy (SARA) conclusions. In its report ERCOT estimated several risks: Peak Load, Peak Outages, and LOW Wind. These different risk factors accounted for a total of 23,000 MW reductions in "reserve" capacity. The forecast severe peak was 67,000 MW...the actual peak demand was 10,000 MW higher. All of these "risks" became real in February, including the LOW WIND which always precedes a cold front.

HB4466 begins to address the issue of requiring intermittent generators to accept responsibility of secure backup supply to offset the weather and seasonal variability of intermittent generators. HB4466 is a necessary, but not sufficient correction to the market distortion. HB4502 is another necessary correction.

Jenn Whitesell

Self, Attorney

Austin, TX

Printed on: May 19, 2021 2:20 PM

Ancillary services are required for grid stability and security and support the continuous flow of electricity so that supply will continually meet demand. Ancillary Services are not created specifically for wind or solar projects, or for any other type of generation for that matter. HB 4466 will not enhance reliability in Texas. It is a thinly veiled attack on renewable energy, taking advantage of a statewide crisis that killed 111 people to take a cheap shot at a specific industry. As a Texan who lost power for four long days, I encourage you and the rest of the Texas House to focus on bills in session that will ensure better reliability in Texas.