

Texas Legislature Did Little to Curb Electricity Demand, Public Citizen Says, as Record-Breaking Load on the Grid Is Possible

Peak demand records were set 11 times in '22. Records could fall again before summer even starts

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AUSTIN, Texas – The Texas Legislature took only small steps this year to curb the state's rising electricity demand, Public Citizen pointed out today, at the start of a six-day period in which Texas' electric grid manager warns demand records could be broken again.

"Crossing fingers and hoping for the best won't stabilize the grid, but that is essentially what the Legislature did when it left town without passing common-sense bills to curb electricity demand," **said Adrian Shelley, Texas director of Public Citizen.** "Energy efficiency programs reduce demand, are cheaper than investing in new energy supply, and save consumers money. However, state leaders like Lt. Gov. Dan Patrick instead focused on building expensive gas-fueled power plants that wouldn't come online until at least 2028. The cheapest megawatt of electricity will always be the one you don't use."

The Electric Reliability Council of Texas (ERCOT), in charge of the state's electric grid, has issued a weather watch starting today – June 15-21. <u>Scientists attribute Texas' heat wave to the effects of climate change, which makes hotter days and temperature extremes more common.</u> ERCOT warns the grid's peak demand record could be broken as soon as this week – before next week's official start of summer – as Texans try to stay cool from expected higher temperatures. Previous peak demand records were broken 11 times in the summer of 2022.

Several unsuccessful bills that would ease the strain on the grid were filed in this year's regular session, including:

- SB 258 by state Sen. Sarah Eckhardt would have set a new energy efficiency target for electric utilities.
- **HB** 4811 by state Rep. Rafael Anchia would have created the Texas Energy Efficiency Council.
- HB 4950 by state Rep. Barbara Gervin-Hawkins would have offered a property tax break for energy efficiency upgrades to real property.

- HB 2502 by state Rep. Ron Reynolds would have leveraged federal funding to create a loan guarantee program for energy efficiency.
- SB 1751 by state Sen. Lois Kolkhorst would have imposed some limitations on the energy-hungry cryptocurrency mining industry.

The Legislature did, however, pass some modest energy efficiency bills (not yet signed by the governor):

- SB 2453 by state Sen. José Menendez will allow the State Conservation Office to update building codes to improve efficiency.
- SB 1699 by state Sen. Nathan Johnson will allow utilities to offer demand-response programs and use federal funding for some of the costs.

As most energy efficiency proposals languished, much of the attention went to a plan championed by Lt. Gov. Patrick to build gas-fueled power plants at an estimated cost to taxpayers of \$18 billion. Patrick's proposal – which increased supply while ignoring rising demand and how burning fossil fuels contributes to extreme temperatures – ultimately failed, with lawmakers opting for a smaller loan-based program to build the gas plants.

"Two years after Winter Storm Uri and heading into another brutal summer, Texas lawmakers can't believably claim to have 'fixed the grid,'" **Shelley added.**

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