



## **Filing Receipt**

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## Texas Energy Fund Comments

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Thank you for the opportunity to submit comments relating to SB 2627, The Texas Energy Fund is designed to bring more dispatchable, non-renewable energy into ERCOT. It comes at a time a time of high interest rates and difficult market conditions. To be sure, Texas is growing and the demand for electricity is rapidly increasing with little end in sight. The bill is divided into two distinct sections; first is the Texas Energy Fund, second is the Texas Backup Power Package. To that end, I have three points for consideration that relate to the Texas Energy Fund.

### Eligibility Factors

SB 2627 outlines factors to consider prior to awarding loans for projects. No one factor should outweigh another, and factors should be interpreted broadly to allow for more participation. For example, while one of the factors is market experience, it is without doubt the legislature intended to bring new market participants and investment into the electric generation pool. This program is not only for large existing companies, but also for new energy market participants. The rules should make clear that the program is designed to attract investment into the electric generation market, including new, yet qualified participants. Experience can broadly include an applicant that is an established company or that has personnel with similar industry track records.

### Determination of New Dispatchable Power

For the avoidance of doubt, the PUC should make clear that new dispatchable power includes generation from a modernized decommissioned asset seeking to reconnect with the grid. For example, if a retired plant is modernized or converted to an eligible power plant, the entire output could qualify for a loan. The current output is 0 and the future output is several hundred megawatts. Thus, every megawatt is eligible for determining the loan size.

### Dispatchable Generation Qualifications

Nothing in SB 2627 states that a facility may only consist of a single unit to qualify for the loan program. Nor is a facility required to be stationary or affixed to a precise location. This should be stated clearly in the rules to avoid bias when evaluating plans.

Power demand fluctuates during different parts of the year. Our grid operators adjust the baseload accordingly. While SB 2627 states that projects must be interconnected to the grid, it does not require that a facility be connected all the time or continuously. Currently, Rule §25.211 says as much, and the PUC or ERCOT could contractually bind electric generators to operate during defined parts of the year.

SB 2627 also recognizes the need for regional power needs. Not to be confused with projects allowed under the Texas Backup Power Package, there are times when additional power is needed in a given region that is beyond the baseload. To better serve a specific region, mobile power generation units that fit all other requirements of the Texas Energy Fund should be eligible for a loan. This is not back up power, rather a concerted plan to boost baseload during peak conditions.