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TAEBA
Texas Advanced Energy
Business Alliance

PROJECT NO. 57236

PROJECT TO DEVELOP THE TEXAS BACKUP POWER PACKAGE PROGRAM	§ § §	PUBLIC UTILITY COMMISSION OF TEXAS

COMMENTS OF TEXAS ADVANCED ENERGY BUSINESS ALLIANCE

The Texas Advanced Energy Business Alliance (TAEBA) appreciates the opportunity to provide comments on the Texas Backup Power Package (TBPP) Program. TAEBA proudly serves on the TBPP Advisory Committee and represents a wide range of energy technology providers and solution innovators working to enhance Texas's critical infrastructure resilience and ensure energy security across essential services statewide.

TAEBA includes local and national advanced energy companies. Advanced energy technologies include energy efficiency (EE), energy storage, distributed generation, microgrids, demand response (DR), electric vehicles (EV), and generation based on solar, wind, hydro, and nuclear resources. The businesses TAEBA represents are lowering consumer costs, creating thousands of new jobs, and providing the full range of clean, efficient, and reliable energy.

Introduction

While the Patrick Engineering final report provides a strong framework for the program, there are several areas that require refinement to ensure successful implementation. Our comments focus on the feasibility of technical specifications, the importance of flexible ownership models, and key program challenges such as interconnection, cost barriers, and long-term system maintenance. Addressing these concerns will ensure the TBPP program is both practical and scalable, providing cost-effective and resilient power solutions across Texas.

Cost Reduction Strategies and System Sizing Flexibility

The $500/kW cost cap presents significant challenges, particularly for larger facilities. Instead of a one-size-fits-all approach, a more tailored strategy that incorporates load isolation and phased switchover timelines (e.g., 5-10 seconds) can help prevent unnecessary oversizing and reduce overall system costs. Encouraging smart panels and load prioritization can ensure critical functions remain powered while keeping costs manageable.

TAEBA also recommends that the Commission validate Patrick Engineering's cost estimates to ensure bulk purchasing opportunities and alternative configurations were considered. Cost assumptions must account for real-world procurement conditions, including supply chain constraints and economies of scale. Additionally, allowing behind-the-meter load management can help critical facilities optimize power use and reduce costs without compromising emergency resilience.

Expanding TBPP Functionality Beyond Emergency Outages

While backup power for full grid outages is essential, TBPPs should also be allowed to support grid stability during ERCOT Energy Emergency Alert (EEA) Stage 2 events and peak load conditions. This approach would maximize the value of these systems and provide greater cost-effectiveness while ensuring compliance with SB 2627's restrictions on ERCOT-dispatched Energy and Ancillary Services. Given Texas's growing energy needs, TBPPs should be positioned as a tool for broader energy resilience, not just emergency backup.

Streamlining Interconnection and Vendor Pre-Qualification

To ensure TBPPs can be deployed without unnecessary delays, the Commission must standardize cybersecurity, communications, controls, and interconnection requirements while ensuring that all interconnection procedures align with utility requirements. This will help

prevent unnecessary delays caused by inconsistent utility interpretations. Additionally, establishing interoperable and open-source technical standards would ensure long-term compatibility and vendor flexibility.

Furthermore, vendor pre-qualification should be a dynamic and transparent process, allowing periodic updates to the list of approved vendors to encourage competition and technological innovation. The Commission should ensure that vendor selection criteria emphasize proven reliability, cost competitiveness, and ability to meet TBPP specifications while avoiding unnecessary restrictions that could limit participation.

Financing and Ownership Models

TAEBA supports lease-to-own and resilience-as-a-service models as viable pathways for critical facilities to participate in the program without facing prohibitive upfront costs. However, it is crucial that these models include strong maintenance agreements to ensure long-term reliability and affordability for participating facilities. The Commission should explore additional third-party financing models that could provide greater flexibility for facilities that may struggle with initial capital expenditures.

Additionally, alternative cost-recovery mechanisms should be explored to keep facilities financially viable while remaining within the statutory $500/kW cap. For example, participation in demand charge reduction programs, demand response initiatives, and non-dispatched ERCOT market programs such as Four Coincident Peak (4CP) and Emergency Response Service (ERS) should be investigated as potential strategies for offsetting costs without violating statutory restrictions.

Commission Actions to Improve the Program

To refine and enhance the TBPP program, TAEBA recommends that the Commission:

- Conduct a formal validation of cost estimates to ensure affordability and feasibility, including engagement with industry stakeholders for market-based cost assessments.
- Establish a structured vendor review process to maintain an open and competitive marketplace, ensuring ongoing evaluation of eligible technology providers.
- Implement utility accountability measures to facilitate timely interconnection and prevent bureaucratic delays that could impede TBPP deployments.
- Engage stakeholders in further discussions to refine financing structures, explore additional cost-offset strategies, and optimize program effectiveness for facilities of varying sizes and locations.
- Develop clear guidance on TBPP participation criteria, ensuring that eligible facilities understand their options and requirements for obtaining funding.

Conclusion

The Texas Backup Power Package program has the potential to save lives and enhance resilience for vulnerable communities across Texas. However, its success depends on effective implementation, flexible ownership structures, and strong vendor accountability. The PUCT should ensure that the final TBPP framework is designed with practicality, affordability, and long-term sustainability in mind.

TAEBA's member companies are ready to deploy advanced backup power solutions that align with TBPP goals and enhance energy resilience statewide. We encourage the Commission to incorporate stakeholder feedback, expand financing flexibility, and standardize interconnection rules to ensure the TBPP becomes a robust and widely adopted program.

We appreciate the opportunity to provide these comments and look forward to working with the Commission and stakeholders to ensure the successful deployment of the TBPP program.

Respectfully submitted,

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COMMENTS OF TEXAS ADVANCED ENERGY BUSINESS ALLIANCE

EXECUTIVE SUMMARY

The Texas Advanced Energy Business Alliance (TAEBA) appreciates the opportunity to provide input on the Patrick Engineering final report for the Texas Backup Power Package (TBPP) program. As a member of the TBPP Advisory Committee, TAEBA represents a diverse range of energy technology providers working to enhance Texas's critical infrastructure resilience. We recommend the following key refinements for successful implementation of the TBPP program:

- **Ensure Cost Feasibility & Flexible Financing**: The $500/kW cap poses challenges, particularly for larger facilities. The PUCT should validate cost estimates and explore flexible financing models like lease-to-own and resilience-as-a-service to reduce upfront costs.
- **Expand TBPP Functionality for Grid Support**: TBPPs should provide value beyond emergency outages, including participation in limited ERCOT programs like Four Coincident Peak (4CP) and Emergency Response Service (ERS) while complying with Senate Bill 2627.
- **Streamline Interconnection & Vendor Selection**: Standardized interconnection and control requirements are needed to prevent delays. A transparent, competitive vendor pre-qualification process should be maintained and periodically updated.
- **Ensure Long-Term Maintenance & Reliability**: Multi-year maintenance agreements should be required to sustain reliability over time.
- **Optimize Implementation & Stakeholder Engagement**: The PUCT should refine participation criteria, establish utility accountability measures, and engage stakeholders to enhance financing structures and deployment strategies.

TAEBA and its members are committed to supporting TBPP deployment. We urge the PUCT to implement these refinements to ensure cost-effective, reliable, and scalable backup power solutions that safeguard Texas's critical facilities.