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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

TAEBA's member companies are actively providing clean, cost-effective, and reliable solutions that can improve backup power resilience across Texas communities. We believe the TBPP can be a transformative program for advancing resilience, but its success depends on a flexible, performance-based framework that supports participation, affordability, and innovation. TAEBA's comments align closely with the recommendations submitted by Alison Silverstein and the Grid Resilience in Texas (GRIT) Coalition. In particular, we support the call

for allowing non-emergency use of TBPP systems, replacing rigid technical specifications with performance-based requirements, supporting alternative ownership and financing models, and expanding eligible technologies and fuels to ensure geographic equity and supply chain resilience.

1. Cost Offsets

To prioritize cost-effectiveness without compromising resilience goals, TAEBA urges the Commission to revise certain assumptions and specifications contained in the Final Report. Most significantly, the current requirement for instantaneous switchover from the grid to the TBPP system imposes unnecessary cost burdens by mandating larger batteries, higher PV capacity, and more expensive transfer switches. The statutory requirement is for "immediate" rather than "instantaneous" switchover, and a delay of five to ten seconds is standard industry practice and sufficient for the vast majority of critical facilities. The current specifications also assume TBPPs will only be used during grid outages, preventing facilities from realizing the full value of their systems. The statute does not prohibit behind-the-meter use of the TBPP, so long as the system is not used to sell energy or ancillary services. Allowing for non-emergency, behind-the-meter use—for example, to reduce demand charges or participate in load management programs—can materially improve affordability and performance while still meeting statutory constraints.

Compared to a traditional standby generator, TBPPs offer significantly greater value by combining multiple technologies to deliver both resilience and day-to-day benefits. A TBPP system that includes solar and battery storage, in addition to a clean fuel generator, enables year-round cost savings, improved environmental performance, and operational redundancy. Unlike conventional generators, which often sit idle until an emergency, multi-technology TBPPs can be used routinely, ensuring that they are maintained, exercised, and ready when needed. This functional value can be quantified through annual cost savings, avoided peak

charges, and the ability to maintain critical services such as refrigeration, medical equipment, and communications during long-duration outages.

TAEBA also supports alternative ownership and financing models that expand access to TBPPs. Many critical facilities, especially those in under-resourced communities, may lack the capital or internal technical expertise to procure and maintain backup systems on their own. Models such as Resiliency-as-a-Service, lease-to-own structures, or vendor-managed systems can help address these barriers. The statute permits grants and loans for TBPP projects but does not preclude the use of third-party entities to manage or operate the system. Where third-party models are used, contracts should include clear performance metrics—such as system availability, uptime during grid outages, and evidence of routine maintenance—and the Commission should ensure such metrics are part of any program oversight.

2. Flexibility and Applicability of Technical Specifications

TAEBA supports moving away from a rigid, prescriptive design model in favor of a flexible, performance-based framework. The diversity of critical facilities across Texas—from large hospitals to small community shelters—makes it impractical to define a one-size-fits-all TBPP configuration. Instead, the program should be anchored in clear performance outcomes, such as the ability to island and operate for 48 continuous hours during a grid emergency, rather than prescribing fixed technology combinations or component sizes. Allowing vendors and critical facilities to choose the appropriate configuration for their needs will improve affordability, broaden participation, and spur innovation.

Specifications should also vary appropriately based on facility type and size. A tiered approach would allow smaller facilities, such as clinics or food banks, to meet essential load needs without incurring the cost of full-site backup. Partial-load systems, coupled with smart panels or other circuit management tools, can be sufficient to maintain core services while keeping system costs within reach. In addition, existing facilities with backup generators should

not be excluded outright from participating in the program. In some cases, integrating solar and battery storage with existing generation assets may provide the most cost-effective path to achieving resilience objectives. However, we agree with the suggestion that facilities without existing backup should receive priority in initial funding rounds.

Fuel flexibility is another key element of an equitable and scalable TBPP program. While natural gas and propane are common generator fuels, they are not available in all regions of the state, and their reliability during winter storms has been called into question. The Commission should ensure that the specifications accommodate systems that can operate on biogas, renewable natural gas, hydrogen blends, and battery-dominant microgrids. Technologies like linear generators or advanced inverters offer additional flexibility, and vendors should be able to propose fuel sources suited to the geography and constraints of the customer they serve.

3. Supply Chain and Deployment

The Commission's rules should ensure that vendor eligibility is based on demonstrated performance, reliability, and financial viability, rather than adherence to a single technical blueprint. Allowing diverse vendors with varied technical solutions to participate will improve competition, foster cost containment, and mitigate supply chain risk. In addition, if the TBPP program is to rely on vendors to market and implement systems with critical facilities, it is essential that the Commission clearly define key program parameters early—including whether behind-the-meter use is permitted, how interconnection will be handled, and what documentation will be required for compliance. Without this clarity, vendors will face challenges in designing and pricing systems, and participation from critical facilities may be limited.

TAEBA supports the principle that funds should be prioritized for critical facilities that currently lack any form of backup power. However, we believe the program should maintain

flexibility to serve existing backup-equipped facilities where integration of new technologies will substantially improve resilience or reduce emissions. In either case, consistent interconnection and compliance requirements should apply to ensure safety, reliability, and program integrity.

Conclusion

TAEBA commends the Commission for its leadership in developing the Texas Backup Power Package Program. This initiative has the potential to deliver widespread benefits by enhancing grid resilience and empowering communities to withstand extreme weather and other disruptions. However, the success of the program depends on designing rules that enable flexibility, affordability, and innovation. We urge the Commission to adopt a performance-based framework that supports diverse technologies, ownership models, and fuels; enables non-emergency use of TBPPs; and prioritizes equitable access for critical facilities across Texas.

We appreciate the opportunity to provide these comments and look forward to continued engagement as the Commission advances this important effort.

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 comments on the Texas Backup Power Package (TBPP) program. We support a flexible, performance-based approach that expands access, ensures reliability, and reduces costs for critical facilities across Texas.

Key Recommendations:

- **Enable Behind-the-Meter Optimization**: Allow non-emergency use of TBPP systems to support peak shaving, load management, and ongoing operational readiness without violating statutory market restrictions.
- **Adopt Performance-Based Standards**: Replace rigid system specifications with outcome-based requirements, giving vendors flexibility to meet the 48-hour backup mandate through tailored designs.
- **Support Diverse Ownership Models**: Permit third-party ownership and financing options—such as Resiliency-as-a-Service—to expand participation among smaller or under-resourced facilities.
- **Broaden Fuel and Technology Eligibility**: Expand allowable TBPP configurations to include battery-dominant systems, clean fuel generators, and alternative gaseous fuels, especially for regions lacking pipeline access.
- **Implement Tiered System Requirements**: Allow critical facilities to size systems based on essential load needs rather than full-site backup, lowering barriers to entry and improving cost-effectiveness.

TAEBA and its member companies are prepared to support the successful deployment of TBPPs. We urge the Commission to adopt rules that reflect real-world facility needs and enable scalable, innovative solutions. A flexible framework will ensure the TBPP delivers lasting value for Texas communities and safeguard critical facilities across our great state.