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Date: February 26, 2025
To: Chairman Walle and the Members of the House Committee on Appropriations – S/C on Articles VI, VII, & VIII.
CC: Rep. John Lujan, Rep. Jeff Barry, Rep. Nicole Collier, Rep. Cassandra Garcia Hernandez, Rep. Brian Harrison, Rep. Denise Villalobos
Via hand delivery and by email.

From: Kamil Cook (kcook@citizen.org) and Adrian Shelley (ashelley@citizen.org), Public Citizen, 512-477-1155

Re: HB1, Article VIII – PUCT & OPUC – testimony by Public Citizen on the Public Utility Commission and Office of Public Utility Counsel

Dear Chairman Walle and Members of the Committee:

Public Citizen appreciates the opportunity to provide these comments to the House Committee on Appropriations, Subcommittee on Articles VI, VII, & VIII. We are providing testimony on the appropriations for the Public Utility Commission (PUC) and the Office of Public Utility Counsel (OPUC). We would welcome the opportunity to discuss our recommendations further.

Support the baseline revenue of OPUC and Increase in Utility Cases

Public Citizen supports the baseline General Revenue Fund of the Office of Public Utility Council. Additionally, we support the increases in the number of utility cases in which OPUC will participate in to ensure equitable utility rates and consumer protection in this biennium.

Support the baseline revenue of the PUC

Public Citizen supports the baseline General Revenue Fund of the Public Utility Commission of Texas. We also support the performance measure targets with one revision: specify the “Number of Megawatts Resulting from Texas Energy Fund (TEF) Programs” to show that those megawatt goals can be met by the megawatts avoided/saved through energy efficiency programs and technology funded by TEF. Alternatively, the PUC could add a goal for ‘megawatts avoided/saved’ through resiliency and energy efficiency upgrades.

Support for funding to better support the PUC

We support Exceptional Items 1, 2, 3, and 5.



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EI 1 requests \$7.47 million for a staff increase.¹ As the population of Texas grows, more people will file cases, hearings, and various proceedings with the PUC and a robust PUC should have enough staff to handle the workload.

EI 2 requests \$3.95 million to implement the Case Management System, as recommended by the Sunset Commission in the 88th Legislature. This allocation would go towards increasing staff and adopting new hardware, software, and services and we support that.

EI 3 requests \$2.76 million for staffing and software development for infrastructure resiliency and reliability. We support this because increasing infrastructure resiliency and reliability helps Texans save money while making our grid more reliable.

Lastly, EI 5 requests \$500,000 for improving the Power to Choose website. An improved user interface improves Texans' interactions with the PUC, improving effectiveness and trust in the agency.

Texas Energy Fund Related Items

Public Citizen has concerns about how Texas Energy Fund (TEF) projects will impact communities across the state. In addition to new gas plants, voters supported TEF funding for backup power—which could include solar and battery storage—and for investments in resilience projects outside of ERCOT. Spending \$10 billion on gas plants alone would not fulfill the promise of the TEF.

One concern is proposed rider 5 could be interpreted to mean that all \$5 billion would be allocated to electric generating facilities, rather than to backup power packages or resiliency projects outside of ERCOT. We would like to see the wording changed to make clear that these other items will be included in this round of funding. We suggest adding this sentence to the end of Rider 7 subsection (b): Including \$1 billion for grants under Utilities Code section 34.0103 and \$1.8 billion for grants and loans under Utilities Code section 34.0205.

Similarly, we would like to see wording in EI 4 clarifying the four additional Full Time Employees (FTE) that will staff programs from the TEF also be used for the backup power section of the TEF, not just for the construction, maintenance, modernization, and operation of electric facilities.

Lastly, we would like to see language ensuring money for resilience improvements outside of ERCOT not just go to aging gas plants, but also to improve transmission and distribution lines,

¹ See Public Utility Commission of Texas, “Legislative Appropriations Request For Fiscal Years 2026 and 2027” (August 16, 2024) available at <https://ftp.puc.texas.gov/public/puct-info/agency/resources/reports/approp/legappreq26-27.pdf>.



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weatherizing infrastructure, and improving vegetation management. In many weather emergencies in Texas, the distribution grid is often responsible for outages for residential customers. Hurricane Beryl was one such event.² Improved resilience of the distribution grid will protect everyday Texans.

Inclusion of Wildfire Mitigation Study

On this one-year anniversary of the Panhandle Wildfires, Public Citizen recommends the addition of an additional rider to the PUC budget that allocates \$500,000 to the PUC to conduct a study on wildfire mitigation. The purpose of this study and report is to study the adequacy of the existing private reporting system by which utilities inform PUC of their pole inspection plan provisions and whether additional authority is needed for the PUC to increase the effectiveness of utility pole replacement programs to decrease the incidents of wildfires. The House interim wildfires investigative committee report made this recommendation in the 88th interim session and we would like to see it included in this budget.

² See Centerpoint Energy, “Hurricane Beryl Response” *presented to the Public Utility Commission of Texas on July 11, 2024. Available at https://interchange.puc.texas.gov/Documents/56793_4_1409639.PDF,*