



Date: March 27, 2023

To: Chairman Goldman and the Members of the House Committee on Energy Resources.

CC: Rep. Eddie Morales, Rep. Rafael Anchía, Rep. Charles "Doc" Anderson, Rep. Ernest Bailes, Rep. Tom Craddick, Rep. Drew Darby, Rep. Stan Gerdes, Rep. R. D. "Bobby" Guerra, Rep. Shawn Thierry, Rep. Erin Zwiener
Via hand delivery and by email.

From: Adrian Shelley, Public Citizen, ashelley@citizen.org, 512-477-1155

Re: HB 2263 – Supporting Testimony by Public Citizen

Dear Chairman Goldman and Members of the Committee:

Public Citizen appreciates the opportunity to testify in favor of HB 2263, relating to the authority of a natural gas local distribution company to offer energy conservation programs. We are in favor of programs that conserve our limited natural resources.

We support this bill and its goals of energy conservation and energy efficiency. Texas' experience with programs of this kind that already exist shows that they save customers money. This is especially important as customer bills have been increasing due to both rising gas prices and Winter Storm Uri.

We have a few suggestions and thoughts for how to improve or clarify the bill.

The bill grants exclusive jurisdiction to the Railroad Commission for energy conservation programs. That might prevent local distribution companies from participating in programs established by other political subdivisions. We recommend the Railroad Commission maintain primary, not exclusive, authority for these programs.

The bill prohibits local subdivisions from basing access to energy conservation programs on the type of energy source. Hopefully this provision does not have the effect of limiting the type of programs that a political subdivision can offer. We could see, for example, a program that funded solar panel installation for gas companies to use inexpensive, locally sourced solar electricity to power their operations.

The cost recovery program is very broad, including not just costs but also any loss in marginal revenues due to lower sales or demand (P.3, L.5-7). This is a significant transfer of risk to customers and away from energy producers. We do not support cost recovery of lost marginal revenues. We also believe customers should have a say in decisions that may affect their rates.

We support the measures included in the portfolio options, particularly the weatherization for low-income customers (P.3, L.25).

We do not support the purchase of carbon offsets to meet conservation objectives, or the cost recovery of carbon offset purchases. P.3, L.26–P4. L.4)