



Date: April 12, 2023  
To: Chairman Birdwell and the Members of the Senate Committee on Natural Resources & Economic Development  
CC: Sen. Judith Zaffirini, Sen. Carol Alvarado, Sen. César Blanco, Sen. Kelly Hancock, Sen. Bryan Hughes, Sen. Lois W. Kolkhorst, Sen. Borris L. Miles, Sen. Kevin Sparks  
*Via hand delivery and by email.*

**From: Adrian Shelley, Public Citizen, [ashelley@citizen.org](mailto:ashelley@citizen.org), 512-477-1155**

**Re: SB 1050 – Supporting Testimony by Public Citizen**

Dear Chairman Birdwell and Members of the Committee:

Public Citizen appreciates the opportunity to testify in favor of SB 1050 by Senator Bryan Hughes, 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. I testified in support of the House companion HB 2263 in the House Committee on Energy Resources. This written testimony is a copy of that testimony.

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 (P.1, L.20). 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).