

**SUBJECT:** Allowing certain owners of distributed energy resources to sell electricity

**COMMITTEE:** State Affairs — committee substitute recommended

**VOTE:** 11 ayes — Paddie, Hernandez, Deshotel, Harless, Hunter, P. King, Metcalf, Raymond, Shaheen, Slawson, Smithee

0 nays

2 absent — Howard, Lucio

**WITNESSES:** For — Cyrus Reed, Lone Star Chapter Sierra Club; Patrick Bean, Tesla; (*Registered, but did not testify:* Carrie Simmons, Conservative Texans for Energy Innovation; Michael Jewell, Enel North America, Environmental Defense Fund, and Solar Energy Industries Association; Jason Sabo, Environment Texas; Carl Richie, Texas Advanced Energy Business Alliance; Joshua Houston, Texas Impact; Charlie Hemmeline, Texas Solar Power Association; Idona Griffith; Sarah Murphy; Thomas Parkinson)

Against — (*Registered, but did not testify:* Michael Jewell, Solar Energy Industry Association)

On — (*Registered, but did not testify:* Thomas Gleeson, Public Utility Commission of Texas; Gentry McLean)

**BACKGROUND:** In February, Winter Storm Uri crippled the state's power grid due to a failure of power generation assets to withstand the storm. It has been suggested that allowing the owner or operator of distributed renewable generation or distributed energy storage that is installed on the retail electric customer's side of the meter to sell electricity or ancillary services at wholesale on the electric market would be one way to help ensure that an adequate power supply remains during the next crisis.

**DIGEST:** CSHB 3624 would allow an owner or operator of distributed renewable generation or distributed energy storage that was installed on the retail electric customer's side of the meter to use the generation or storage to sell

electricity or ancillary services at wholesale in a manner consistent with state law. A retail electric customer would not be required to register as a power generation company.

"Distributed energy storage" would mean electric energy storage with a capacity of not more than 2,000 kilowatts that was installed on a retail electric customer's side of the meter.

An electric utility would have to allow an owner to use an owner-supplied, UL-certified device designed to isolate and disconnect household loads on the retail electric customer's side of the meter.

The bill would take effect September 1, 2021.