

Texas Energy Fund Basics and Next Steps

A discussion on the Public Utility Commission of Texas's implementation of Texas Energy Fund legislation and the Application and Award Process To-Date

1

Senate Bill 2627, 88(R)

- [SB 2627](#) Established the Texas Energy Fund (“TEF”) as a special fund in the state treasury outside of the general revenue fund to be administered by the Public Utility Commission of Texas (“PUCT”) for Out-of-ERCOT Grants, In-ERCOT Grants and Loans, and the Texas Backup Power Package.
- Required voter approval of [SJR 93](#), amending the Texas Constitution to allow for creation of the TEF. Texans voted to approve the resolution in November 2023 creating the \$10B fund.
- Texas Legislature has appropriated \$5B and is likely to appropriate the additional \$5B in the upcoming session.



IMAGE: CALPINE'S JACK A. FUSCO ENERGY CENTER, © JIM OLIVE, 2008

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Texas Energy Fund Advisory Committee

- SB 2627 created an advisory committee comprised of three members of the Senate appointed by the Lt. Governor and three members of the House appointed by the Speaker.
- Empowered to hold public hearings, formal meetings and work sessions and to provide comments and recommendations to the PUCT to use in adopting rules regarding the TEF.
- Required to, at least semiannually, review the overall adoption, function, and structure of the fund.
- Permitted to adopt rules, procedures, and policies as needed to implement its responsibilities.

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Texas Energy Fund Advisory Committee



Upcoming meeting Tuesday, October 8, 2024 at 9:00 am CST to review the operation, function, and structure of the TEF.

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Out-of-ERCOT Grants

- Grants to be used for transmission and distribution infrastructure and electric generating facilities in Texas, but outside of ERCOT, for:
 - Facility Modernization
 - Facility Weatherization
 - Reliability and resiliency facility enhancements; or
 - Vegetation Management
- Proceeds may not be used for compliance with weatherization standards adopted before 12/1/23 or for debt payments
- PUCT rulemaking recently initiated in PUCT Project No. 57004. [Proposal for Publication](#) issued on 9/26/24. Comments are due by **November 7, 2024**.
- Capped at \$1B

In-ERCOT Loans (Statutory Overview)

- Loans to be used to finance:
 - Upgrades to existing dispatchable electric generating facilities providing power for the ERCOT region that result in a net increase of at least 100 MW of capacity for each facility; or
 - New construction of dispatchable electric generating facilities providing power for the ERCOT region that each have a generation capacity of at least 100 MW
- “Dispatchable” means the facility’s output can be controlled primarily by forces under human control (i.e. not renewable gen)
- Batteries expressly excluded from eligibility

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