

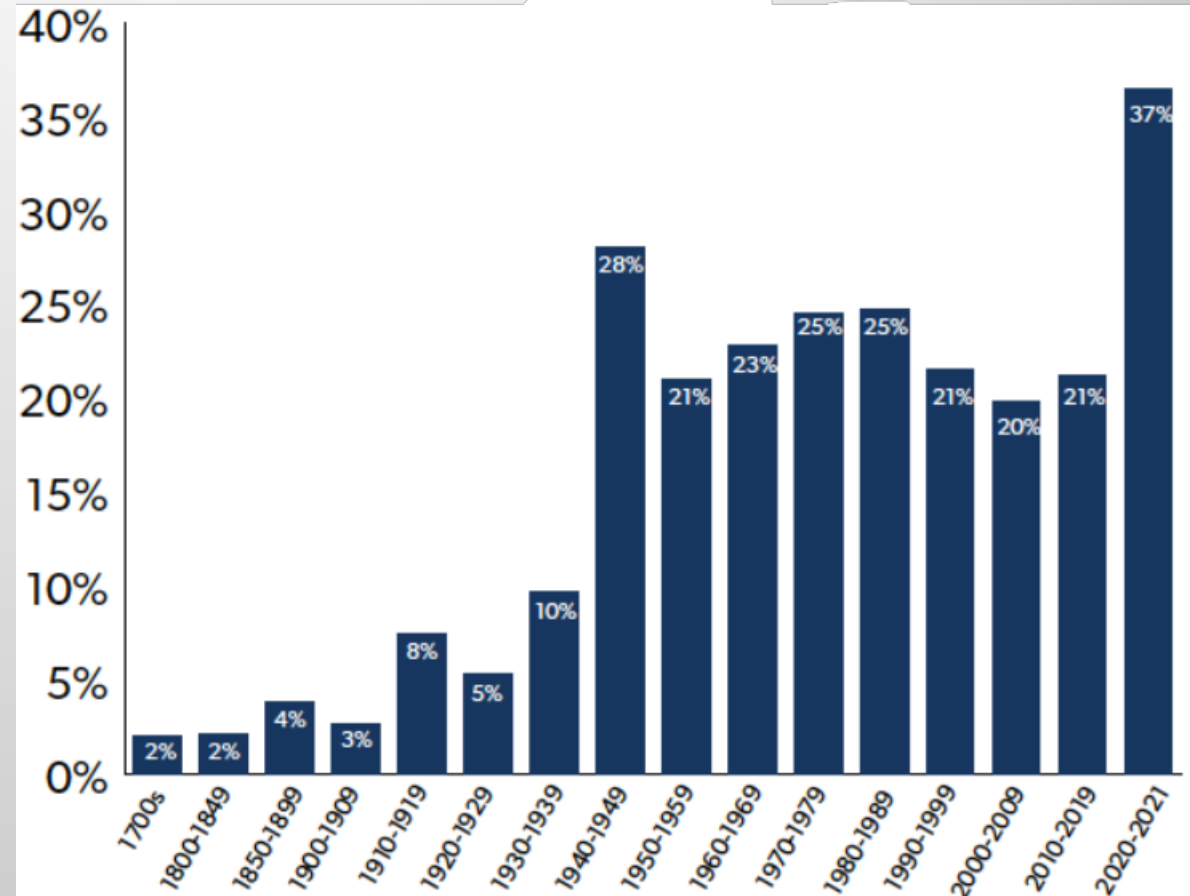
The Problem with Big Government

A Preview of the 88th Texas Legislature

Bill Peacock

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Federal Spending as a Percent of U.S. GDP
1700-2021

The Texas Electric Grid – No Way Out?

BUSINESS // ENERGY

Lawmakers worry consumers could be 'big loser' in ERCOT power market redesign

FOX 4
DALLAS / FORT WORTH

Texas lawmakers grill state energy leaders over plans to overhaul electricity market

NEWS > POLITICS

Texas lawmakers, energy experts unsure 'complicated' new power grid market would work

The Public Utility Commission recommended an untested design in response to the 2021 winter storm.

Texas energy officials' proposal to overhaul the power grid is drawing skepticism

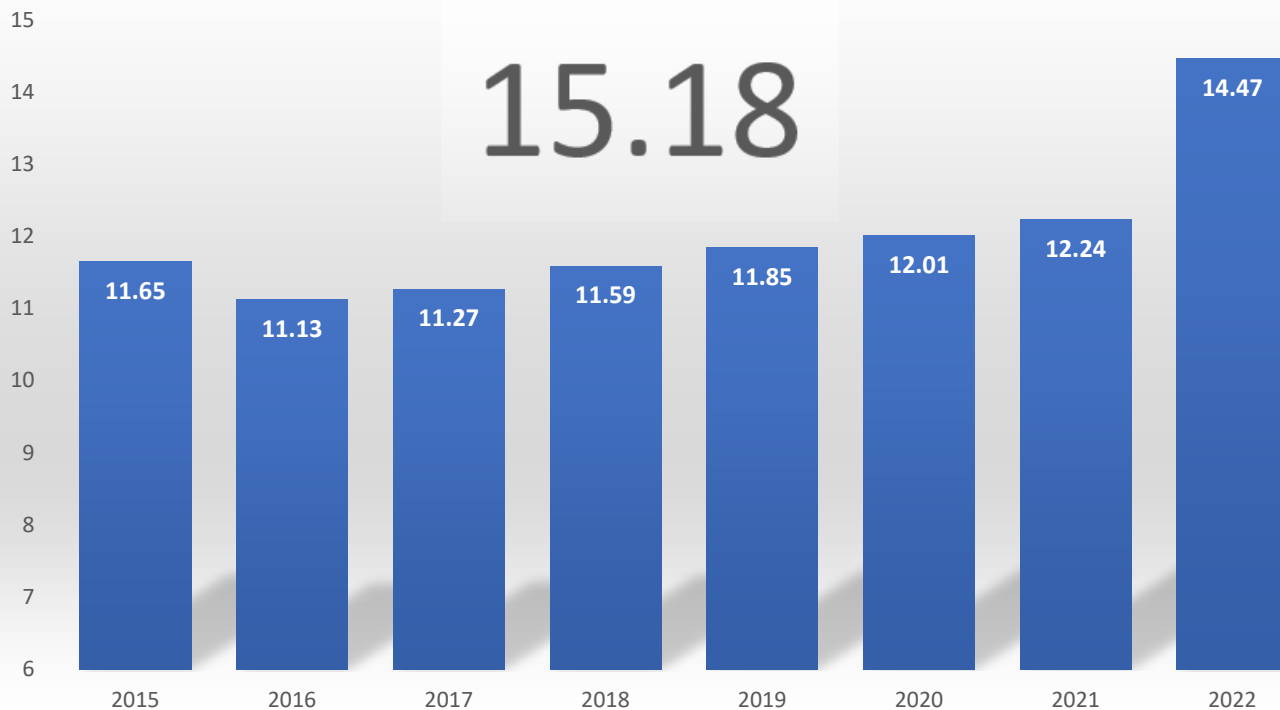
In the wake of the deadly 2021 winter storm, the Texas Legislature ordered an overhaul of the state's power market to prevent future widespread blackouts. But some senators aren't fans of the main option on the table.

The Texas Electric Grid – No Way Out?

BUSINESS // ENERGY

Law
in E

Texas Electricity Prices
cents per kWh



be 'big loser'

FOX 4
DALLAS/FORT WORTH

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- Regulation of the Market to Reduce Competition
- Subsidies for Renewable Energy
- Manipulation of Prices to Subsidize Traditional Generators

be 'big loser'

FOX 4
DALLAS / FORT WORTH

**Texas lawmakers grill
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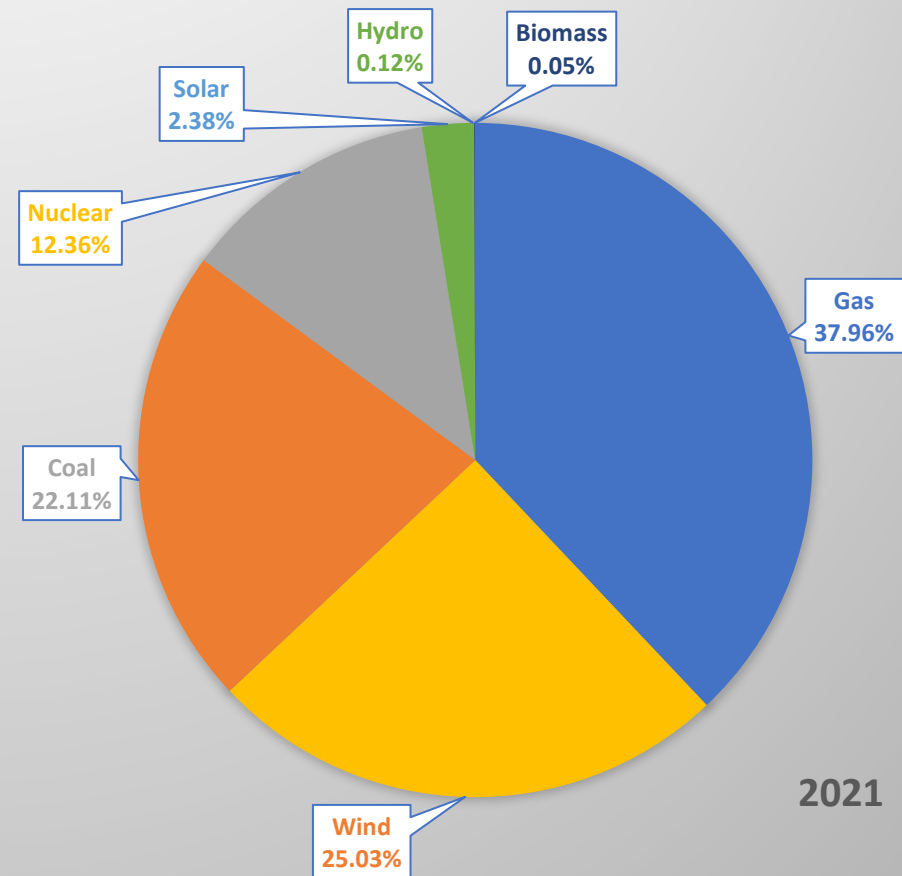
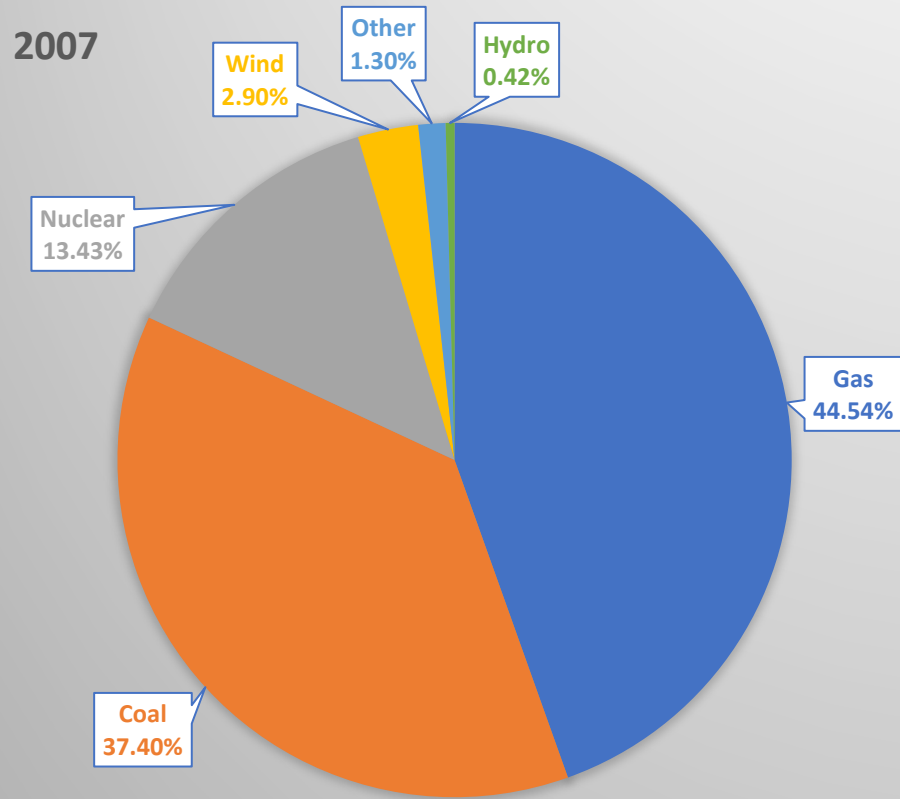
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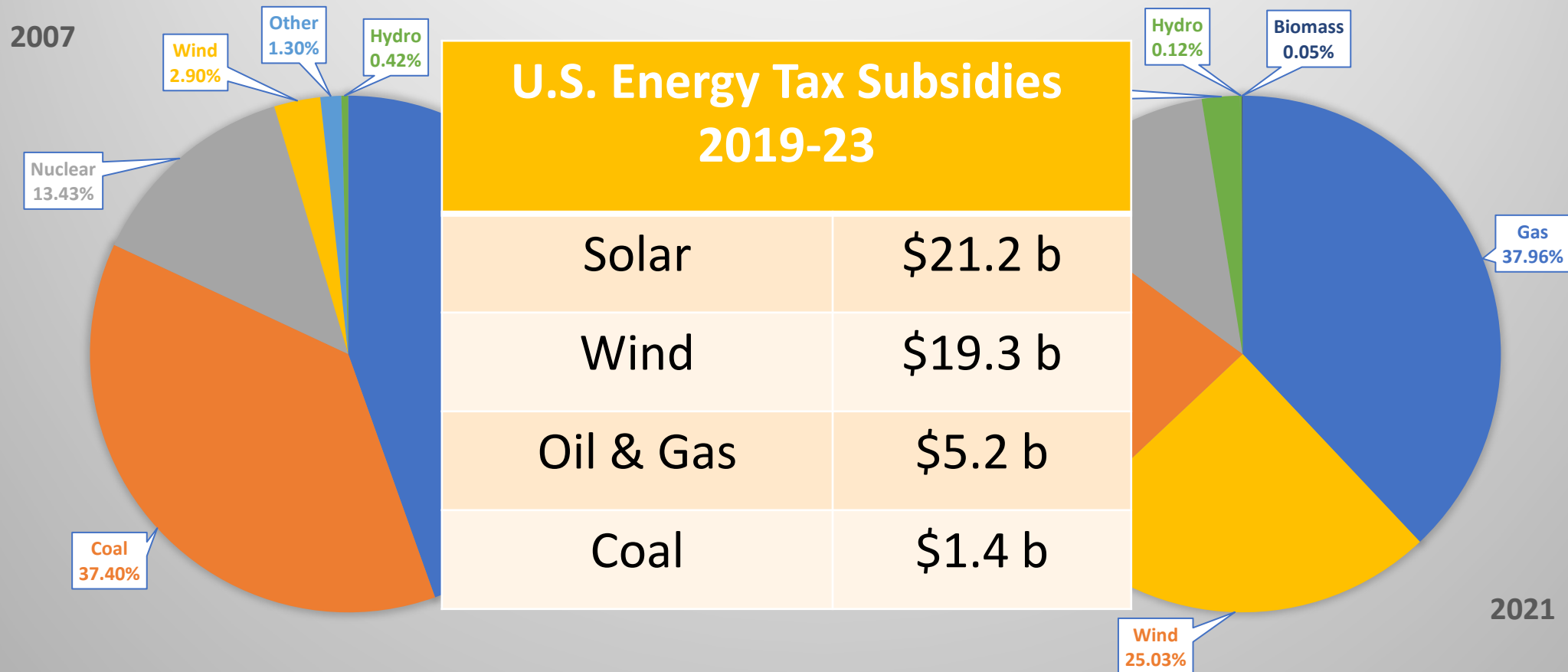
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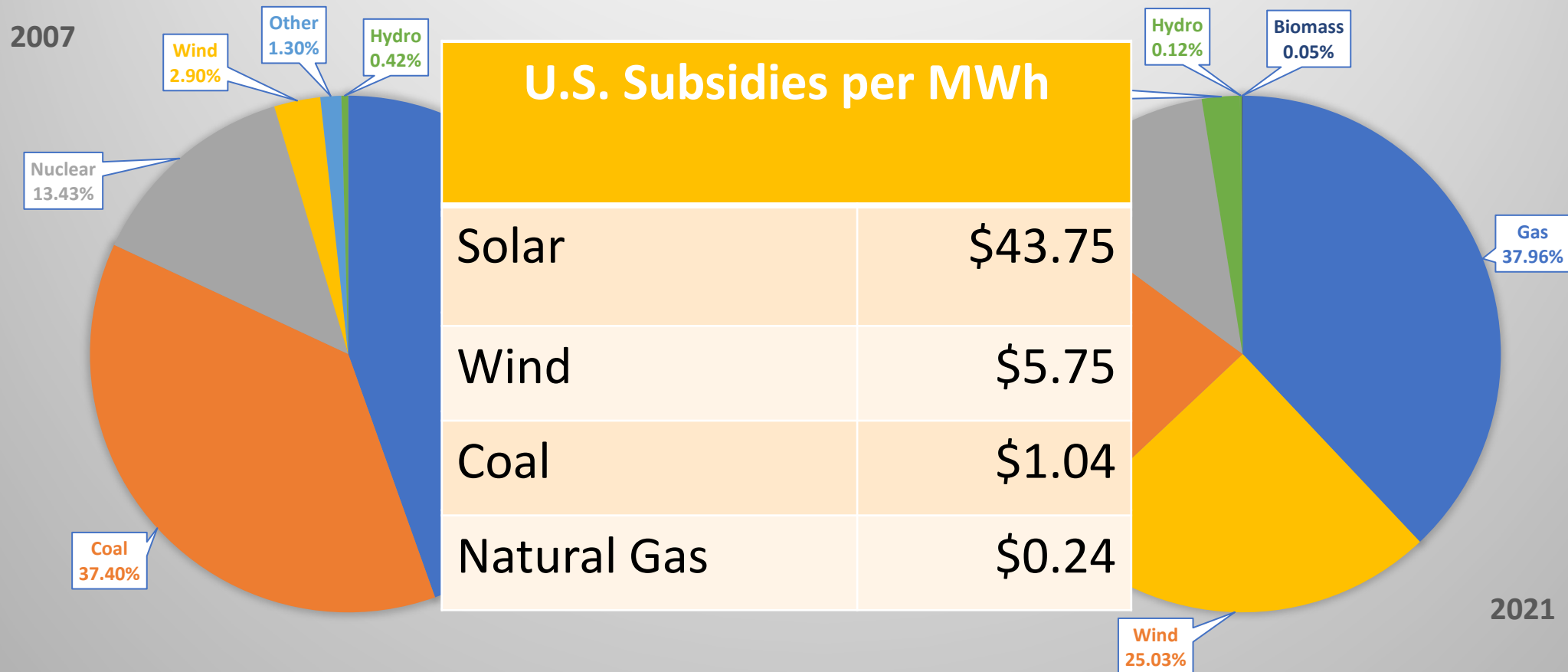
The Texas Electric Grid – Renewables



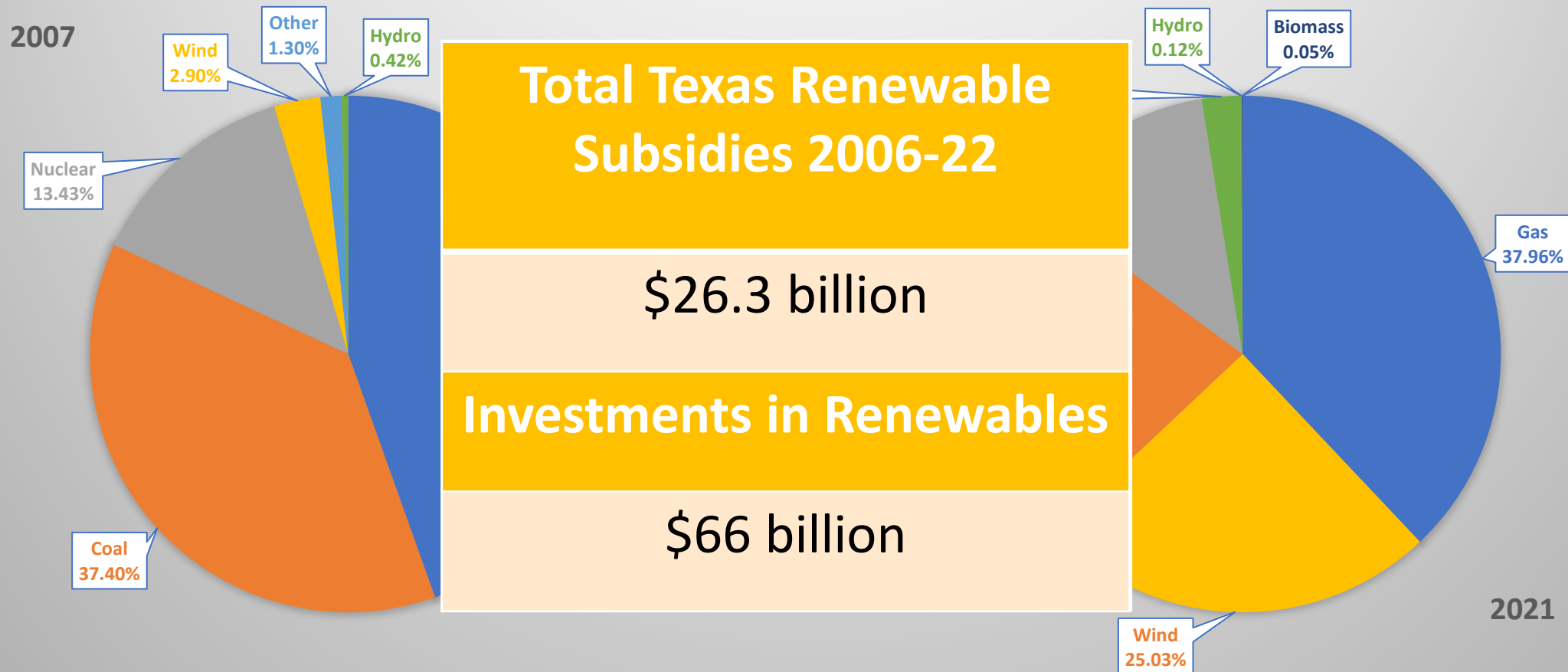
The Texas Electric Grid – Renewables



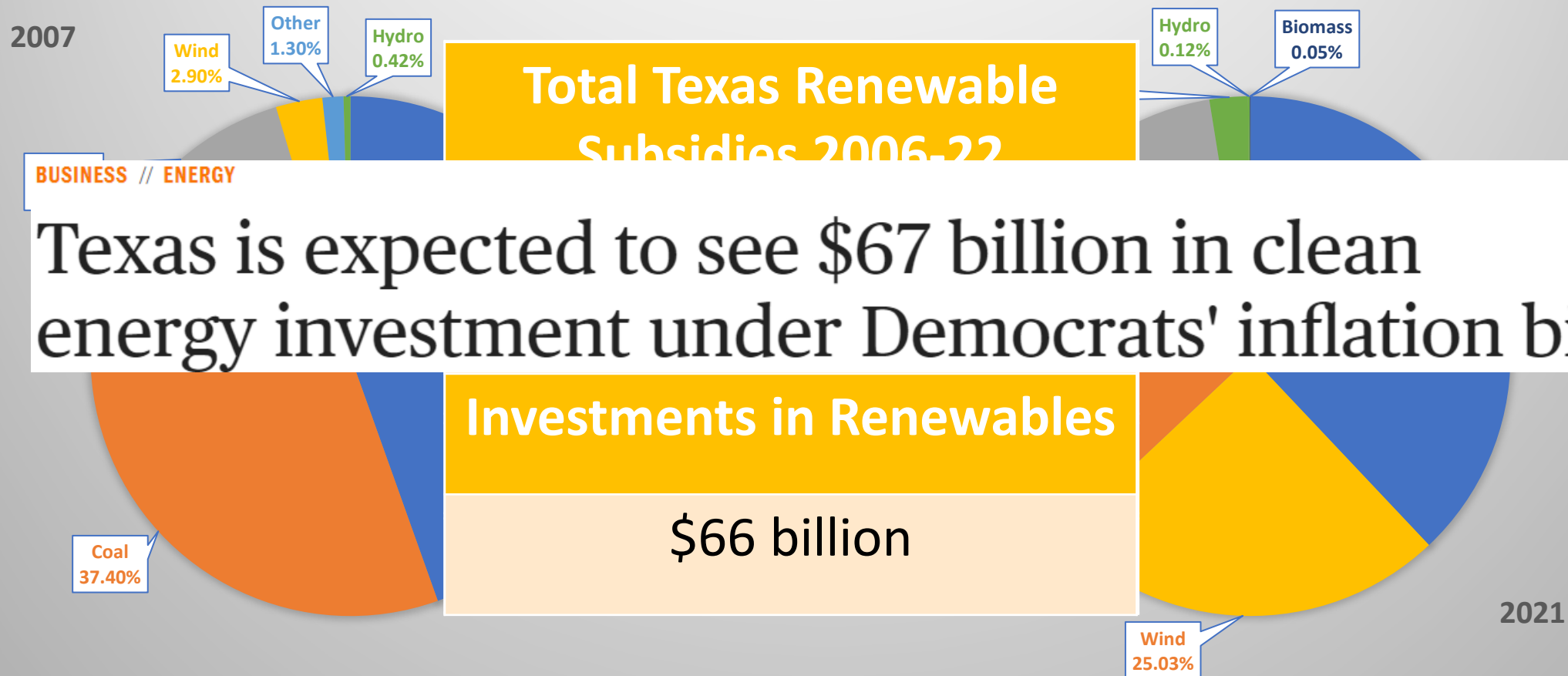
The Texas Electric Grid – Renewables



The Texas Electric Grid – Renewables



The Texas Electric Grid – Renewables

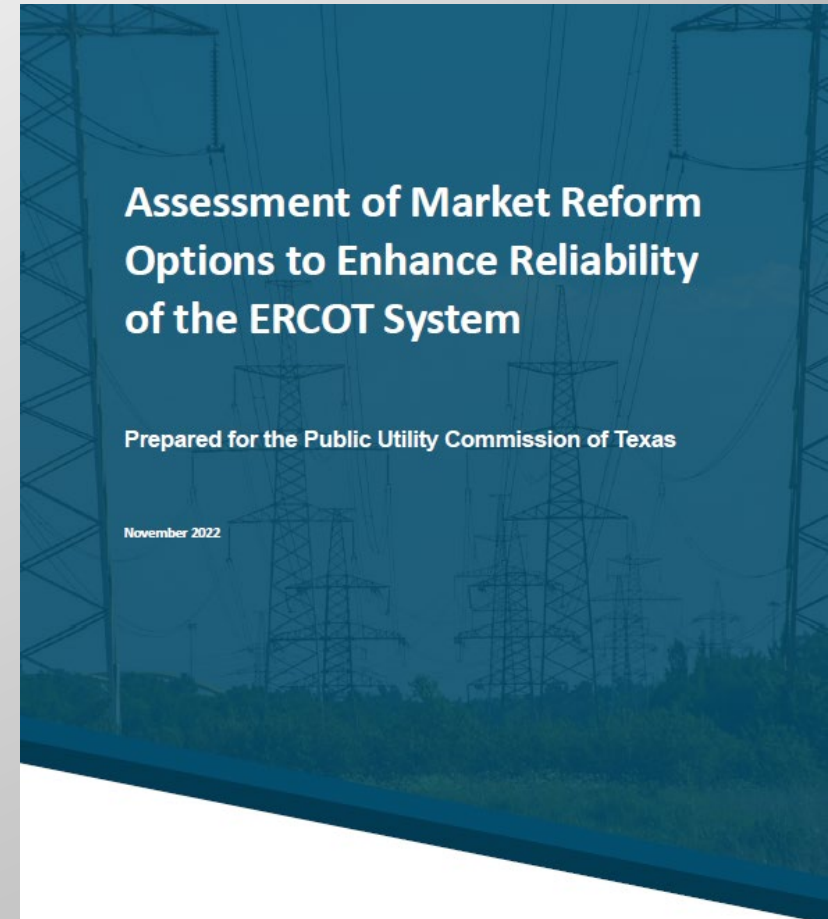


The Texas Electric Grid – PUC Plan

- Practically eliminates price competition
- Does nothing to address the growth of renewables

Renewable Share of New Generation 2018-21
85%
Renewable Share of New Generation 2022-26
98.69%

- Forces consumers to pay billions of dollars more to increase profits for generators



The Texas Electric Grid - Costs

Projected Annual Est. Energy Costs Imposed by U.S. & Texas Governments – 2026	
Source	Amount
CREZ Lines	\$573,683,601
RPS/RECs	\$27,219,750
Securitization	\$738,246,192
ORDC/Ancillary	\$3,300,000,000
Congestion (Renewables)	\$766,475,000
Market Redesign	\$460,000,000
Chapters 312 & 313	\$167,584,402
U.S. Renewable Subsidies	\$2,437,015,948

How We Will Pay	
Source	Amount
Electric Bill	\$5,865,624,543
Income Taxes	\$2,437,015,948
Property Taxes	\$167,584,402
Total Annual Cost	\$8,470,224,893
Under Control of Texas Legislature	\$6,033,208,945

The Texas Electric Grid – Path Forward

Scrap the Market Redesign Project at the PUC. Instead, maintain Texas' energy-only market and restore competition through these steps:

- End the PUC's manipulation of market prices by eliminating the ORDC and ERCOT's Ancillary Services.
- Do not adopt a mandatory reliability standard
- Directly address the price distortions caused by renewable resources receiving out-of-market support through requiring either
 - Renewable energy minimum offer price
 - Firmness of dispatch for renewable energy
- Eliminate/do not renew Chapter 312 and 313 property tax abatements for wind and solar generation
- Make Texas' Renewable Energy Credits program voluntary
- End the socialization of grid connection and transmission costs
- Require the PUC to model the costs and reliability of Texas' energy-only market with these recommendations in place

The Texas Electric Grid

Forward

Sc Texas House Speaker Blocks Bill Rolling: at the PUC. Instead, r
Back High Electricity Prices
and these steps:



energy-only market
and ERCOT's

Bill Peacock @BillPeacock3 · Feb 17
Last session, @DadePhelan killed a @KHancock4TX bill in his committee that would have required the @PUCTX to study the problems caused by renewable energy subsidies that led to the blackouts this week. Maybe these committees ought to investigate this.

- Eliminate/reduce the reliability standard
- Abolish the reliability standard
- Do away with the reliability standard
- Discontinue the reliability standard
- m... of market prices by eliminating the reliability standard
- Eliminate/do not renew Chapter 312 and solar generation
- Make Texas' Renewable Energy Credits
- End the socialization of grid connection
- Require the PUC to model the costs and these recommendations in place



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Life, Liberty, and the Pursuit of Happiness

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- We can't stop Big Government from taking away our God-given unalienable rights
- The only successful path to Liberty is to turn Big Government into Little Government
 - The Liberty Budget: Zero Growth in state government spending
 - Local governments must get permission from voters to increase property taxes
 - Get control over education spending
 - Get Texas government out of the energy business
 - Withdraw from Medicaid
 - Defund Texas' regulatory state