Resolution to Eliminate Energy Subsidies and Require Uniform Grid Reliability Standards

WHEREAS, Texas' electric grid is increasingly dependent on unreliable energy sources, with wind, solar, and batteries now comprising 50% of the ERCOT's installed capacity [1]; and

WHEREAS, Texas residential electricity prices rose 28% [2] from 2020 to 2024, making our power more expensive than the prices in any of our neighboring states; and

WHEREAS, by 2026, over half of Texas' dispatchable power plants will be more than 30 years old [3], with no market incentives to build reliable replacements, in part due to market distortions caused by wind and solar subsidies; and

WHEREAS, in 2023 alone, Texas ratepayers were forced to absorb $2.3 billion in additional costs to stabilize the grid against the volatility of wind and solar power [4]; and

WHEREAS, subsidized intermittent generation displaces reliable generation, increasing the risk of blackouts while providing very little firm capacity in times of peak demand; and

WHEREAS, SB 3 (87th Regular Session) required the cost allocation of ancillary services, which ERCOT (Electric Reliability Council of Texas) procures continuously to maintain grid stability, to power generators that cause the need for those services [5]; and

WHEREAS, the Public Utility Commission of Texas (PUC) found that in 2023 the variability from wind and solar generators was responsible for 42% of ancillary services costs, accounting for $788 million of the $1.87 billion in total costs [6]; and

WHEREAS, Governor Greg Abbott issued a directive in July 2021 instructing the PUC to end market distortions by allocating reliability costs to renewable generators [7]; and

WHEREAS, the PUC has yet to implement these directives from SB 3 and Governor Abbott, and their failure to implement the directives has allowed corporate-driven virtue signaling to continue distorting the market at the expense of reliability and affordability; and

WHEREAS, HB 1500 (88th Regular Session) required power generators entering into service beginning in 2027 to meet a reliability standard and to pay penalties for failing to meet the standard [8], yet the legislation did not extend to any existing generators; and

WHEREAS, SB 715 (89th Regular Session) by Senator Kevin Sparks, which failed to pass, would have corrected the imbalance in current law by requiring all power generators in ERCOT, both new and existing, to meet the same reliability standard [9]; and

WHEREAS, the 2024 Republican Party of Texas Platform calls for a free-market approach to energy that avoids government favoritism and supports a reliable, affordable electric grid; now

THEREFORE, BE IT RESOLVED that the Republican Party of Texas urges the Texas Legislature to eliminate and counterbalance all taxpayer-funded subsidies, rebates, and mandates for renewable energy sources and related infrastructure, including, but not limited to, wind, solar, electric vehicles, energy storage systems, and electric vehicle charging stations; and

BE IT FURTHER RESOLVED that the Legislature should establish and enforce a technology-neutral reliability standard requiring all generators participating in ERCOT to meet uniform reliability performance expectations and to contribute equitably to grid stability; and

BE IT FURTHER RESOLVED that the Republican Party of Texas urges the PUC to immediately implement Governor Abbott's 2021 directive to allocate reliability costs to the sources that cause them, thereby ending the cost-shifting burden on Texas families and businesses.

Footnotes:

1.ERCOT.com, Page 5 (Link)

2. EIA.gov Electricity Data Browser (Link)

3.ERCOT.com Pages 6 - 21 (Link)

The Siren Song that Never Ends: Federal Energy Subsidies and Support from 2010 to 2023 (Link)

4.The Cost of Wind and Solar Variability to Texas Ratepayers, Pages 11-13 (Link)

Cost of Wind and Solar Variability to Texas Ratepayers, One-Pager (Link)

5. SB 3 (87th Regular Session) Bill Text (Link)

6. Life:Powered: Allocating Costs of Ancillary Services, Page 18 (Link)

Cost of Wind and Solar Variability to Texas Ratepayers, One Pager (Link)

7. Governor Abbott's letter to the PUC (Link)

8. HB 1500 (88th Regular Session) Bill Text (Link)

9. SB 715 (89th Regular Session) Bill Text (Link)