

PROJECT NO. 52373

RULEMAKING ON ERCOT

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PUBLIC UTILITY COMMISSION

MARKET DESIGN CHANGES

OF TEXAS

RENEWABLE ENERGY BUYERS ALLIANCE

COMMENTS ON CHANGES TO ERCOT MARKET STRUCTURE

The Renewable Energy Buyers Alliance (REBA) is a membership association for large-scale energy buyers seeking to procure renewable energy across the United States. The REBA membership consists of more than 250 members from across the commercial and industrial sector, non-profit organizations, as well as energy and service providers, representing roughly \$6 trillion in U.S. revenue and 13 million employees nationwide. We welcome the opportunity to offer comments to inform your efforts to enhance reliability in the ERCOT marketplace.

There are many factors that have contributed to Texas's economic success, one of which is the availability of vast energy resources, including renewable energy. Texas has effectively marketed the state as an attractive location for business investment by using the availability of cleaner, cheaper, Texas-made renewable energy as one of the state's many positive attributes. This directly appeals to American and international businesses that are increasingly focused on environmental stewardship and sustainability goals, along with ongoing financial responsibility to secure affordable energy resources to power their operations.

70% of the Fortune 100, and nearly half of the Fortune 500, have set climate and clean energy goals. More than 300 global businesses have set commitments to procure 100% of their energy

needs from renewable energy resources. This number continues to grow as corporate leaders and shareholders seek opportunities to operate their businesses in the most sustainable and fiscally responsible manner possible.

The availability of renewable energy has become a primary consideration in site selection and Texas has benefited because of its vast and abundant clean energy resources and the thoughtful and forward-looking policies the state has enacted to encourage investment in this sector of the energy economy.

This has been particularly true over the last decade. Corporate purchasers have signed contracts for more than 11,000 MW of new wind and solar generation in ERCOT, most of which has been completed within the last five years. These contracts alone, many of which included some of America's largest and most respected corporate entities, have allowed for more than \$20 billion of capital investment in the state, creating an economic windfall primarily in rural communities and school districts.

These investments have provided new tax revenue for public schools and local governments, generated lease payments to landowners that have helped to diversify primarily agricultural income and have contributed to a growing clean energy workforce in the state. They have also helped lower energy prices for Texas consumers and importantly, enabled emissions reductions for which Texas has been recognized.

REBA applauds the effort to take a holistic look at the ERCOT market and implement changes that cost-effectively increase reliability as the energy industry evolves and faces new challenges.

As you contemplate changes to the ERCOT market, we encourage you to remain cognizant of the severe and negative impacts proposed changes will have not only on renewable energy project developers and investors, but ultimately those corporations that have committed to buying Texas renewable energy. We are concerned that market changes, especially changes that unfairly allocate costs to renewable energy, will cause irreparable harm to existing contracts, and impact the state's economic attractiveness. Additionally, any changes that alter the financial structure of settled contracts may place existing renewable generation projects at risk, ultimately leading to a reduction in capacity and reliability, counter to the Commission's stated goals.

Equally importantly, discriminatory changes would also make it more difficult for businesses to continue to meet their obligations through renewable energy purchases and would deter future investment and economic growth. Texas has been an attractive location for business investment due to the availability of low-cost renewable energy. Changes that unfairly allocate costs to renewable energy projects will make future investment decisions more challenging for businesses looking to support their operations with renewable energy.

As you thoughtfully consider market reform proposals, we urge you to consider the dynamic effects that market changes could have on the Texas investment ecosystem and Texas's business reputation.

Texas has become one of America's leading locations for business investment, including in renewable energy, and is attracting industries from across the business spectrum, many of whom have corporate energy and sustainability goals that are being met by Texas renewables.

We firmly believe that Texas's economic growth will be enhanced through a stable business and investment climate and the continued availability of renewable energy to serve commercial and industrial needs.

Respectfully submitted,

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