

TSPA Testimony on SB 1282 (Hancock)
Generator interconnection

Thank you Mr. Chairman and members. My name is Charlie Hemmeline, executive director of the Texas Solar Power Association testifying respectfully in OPPOSITION to SB 1282.

THE TEXAS SOLAR POWER ASSOCIATION is the statewide trade association for the solar industry in Texas. Our membership serves customers in both wholesale and retail markets, and includes large-scale power plant developers, manufacturers, and others across the full supply chain.

Due to rapidly declining technology costs and a commensurate increase in customer demand, the solar industry has added 5 GW of wholesale solar generation capacity to the ERCOT grid since 2017, with several gigawatts of additional projects in the queue.

Those additions have boosted grid reliability and helped raise the summer planning reserve margin from 8.6% in 2019 to 15.5% this summer. They also have provided a significant economic development benefit to landowners and communities with projects reaching late-stage development in 63 different counties across every region of Texas.

The provisions in SB 1282 unfortunately represent a significant disincentive to continued investment that we fear would have severe consequences for subsequent development activity.

In the ERCOT energy-only market, generators bear the full risk of investment and adding new interconnection costs would be a significant new hurdle.

In other markets that our member companies participate in, generators do pay for certain transmission upgrades but they also get firm transmission rights that ensure they are able to produce without congestion charges. We would have concern with a piecemeal approach that raises construction costs without a corresponding benefit in operation.

Solar is still a relatively small percentage of the ERCOT generation portfolio, but with a strong solar resource and continued customer interest we are poised to add much more. The state's current approach to generator interconnection has been successful in facilitating that investment and we hope to see it continue.

For these reasons, we respectfully oppose SB 1282.

I appreciate the opportunity to be here today and I'd be happy to take any questions