

HB 1254 (Darby Transmission Planning Improvements) will Bolster the Power Grid and Benefit Texas Electricity Consumers

► Transmission congestion costs have grown every year since 2017 and hit almost **\$3 billion** in 2022. Congestion costs increase consumer power bills.

- Numerous monthly and daily congestion cost records were set in 2022. This is a clear sign of an inefficient and unhealthy power grid and puts reliability at risk.
- During Winter Storms Landon and Elliot, as well as during other periods of stress on the power grid in 2022, available power generation could not be delivered to consumers due to transmission congestion.
- An improved transmission planning process complements market design changes, and is in fact, a key component of a holistic solution to delivering what the ERCOT power grid needs.

★ What Remains to Be Done ★

- The current tool for economic transmission planning – the production cost savings test – is ineffective. It does not adequately measure the benefits to consumers of new transmission, only looking at the impact over a one year period compared to most other Southern and Midwestern states that look at a 30 year horizon or more.
other electricity markets that have at a minimum 15 year period.
- **HB 1254** levelizes costs and benefits and considers additional benefits that are not considered under the current system, including transmission losses, future transmission investment cost savings, avoided reliability upgrades, direct economic benefits, and the connection of new load and generation.
- **HB 1254** creates a process for prioritizing infrastructure for expedited deployment based on consumer need, and it creates a more holistic approach to transmission planning to better assess the needs of the whole ERCOT system by requiring ERCOT to study additional transmission projects on an annual basis and create new projects that directly address expensive congestion areas.

► *Pass HB 1254 to prepare for the future grid and maximize market reform*