



**City of Houston Testimony on Senate Bill 6**  
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The City of Houston appreciates this opportunity to voice our opposition to Senate Bill 6, relating to the establishment of the Texas Energy Insurance Program and other funding mechanisms to support the construction and operation of certain types of electric generation facilities.

Since the Legislature deregulated the electricity market more than 20 years ago, Texans in areas with retail competition have enjoyed the option to choose among retail electric providers that compete in an open market. This system has kept retail electricity prices in Texas relatively lower than retail prices in other states and has provided a free market incentive for generators to innovate their way to lower energy prices.

As a result, Texas has led the nation in deploying new wind, solar, and battery storage onto the grid, and customers have enjoyed more affordable and cleaner energy. The continuation of this leadership is necessary to keep Texans' energy prices low, foster the development of next generation technology, and reduce greenhouse gas emissions across the state.

Senate Bill 6 would destroy our uniquely Texan success story by mandating electric ratepayers pay an additional charge on their bills to fund 10,000 MW of expensive and outdated natural gas power plants. Texans would be on the hook for more than \$10 billion to build power plants that could sit unused for up to 97% of the year. Why should Texans be forced to pay for power they don't use and never chose to purchase in the first place?

The stated purpose of this plan is to secure power as "insurance" during grid emergencies, but its true purpose is to benefit the non-competitive technologies of certain legacy power generation companies. This is evidenced by the fact that the SB 6 incentive is limited to *established* providers of natural gas power, eschewing cleaner forms of low-cost energy, demand response, or energy efficiency programs that could provide just as much reliability to the grid at a significantly lower cost and impact to the environment.

Not only would Senate Bill 6 fail to achieve its stated purpose of increasing generation capacity in Texas, were the bill to become law, it would betray the efforts of prior Texas legislative bodies and the work of parties involved in rule makings and working groups at the Public Utility Commission since Winter Storm Uri. Such a proposal to mandate ratepayer-funded natural gas power generation flies in the face of efforts by the PUC and interested parties to solve Texas' grid issues in a cost-effective manner according to an energy-only regulatory framework.

For the reasons expressed in this testimony, the City of Houston opposes Senate Bill 6 and requests that it not be passed.