

**SUBJECT:** Amending the state constitution to create the Texas energy fund

**COMMITTEE:** State Affairs — committee substitute recommended

**VOTE:** 13 ayes — Hunter, Hernandez, Anchía, Dean, Geren, Guillen, Metcalf, Raymond, Slawson, Smithee, Spiller, S. Thompson, Turner

0 nays

**SENATE VOTE:** On final passage (May 4) — 27 - 4

**WITNESSES:** For — (*Registered, but did not testify:* Martha Landwehr, BASF Corporation; James Mathis, Dow; Mindy Ellmer, Lyondellbasell, Olin and Tarrant Regional Water District; Julie Moore, Occidental; Katie Coleman, Texas Association of Manufacturers; Chris Noonan, Texas Chemical Council; Charlie Malouff, Texas Twister, Inc.; Jay Brown, Valero Energy Corporation; and eight individuals)

Against — John Gordon (*Registered, but did not testify:* Jason Sabo, Environment Texas; Anne Billingsley, ONEOK, Inc; Adrian Shelley, Public Citizen; Matthew Boms, Texas Advanced Energy Business Alliance; Sandra Haverlah, Texas Consumer Association; Steven Wu, Woori Juntos; and 10 individuals)

On — (*Registered, but did not testify:* Kenan Ogelman, ERCOT; Joel Yu, Grid Resilience in Texas; Cyrus Reed, Lone Star Chapter Sierra Club; Bill Barnes, NRG; Thomas Gleeson, Public Utility Commission of Texas; Julia Harvey, Texas Electric Cooperatives; Jennifer Coffee, Texas Pipeline Association; Maya Beit-Arie; David Carter )

**BACKGROUND:** Some have suggested that additional state funding is needed to increase the reliability of the state’s electric market, particularly with regard to dispatchable generation.

**DIGEST:** CSSJR 93 would amend the Texas Constitution to create the Texas energy fund as a special fund outside the general revenue fund. Money in the

fund could be administered and used, without further appropriation, only by the Public Utility Commission (PUC) or its successor to provide loans and grants to finance or incentivize the construction, maintenance, modernization, and operation of electric generating facilities, including associated infrastructure, necessary to ensure the reliability or adequacy of an electric power grid in the state. PUC would be required to allocate money from the fund for loans and grants to eligible projects for electric generating facilities that served as backup power sources and in each region of the state in proportion to that region's load share in an electric power grid.

The entity administering the fund could establish separate accounts in the fund for the fund's administration, and expenses of managing fund assets would have to be paid from the fund. The Legislature could appropriate general revenue for the fund, and could transfer money from the fund to general revenue by a provision of a general appropriations act. Money in the fund would be considered constitutionally dedicated and an appropriation of state tax revenues for the fund would be treated as if it were an appropriation of constitutionally dedicated revenues.

The ballot proposal would be presented to voters at an election on November 7, 2023, and would read: "The constitutional amendment providing for the creation of the Texas energy fund to support the construction, maintenance, modernization, and operation of electric generating facilities."

NOTES:

CSSB 2627, the enabling legislation for CSSJR 93, is set for second reading consideration today.

According to the Legislative Budget Board, CSSJR 93 would have no cost to the state other than the cost of publication, which would be \$204,406.