January 2024



Kaufman, Navarro, Rockwall, Van Zandt and parts of Dallas, Ellis and Collin County

Electrical grid growth without protection is a fool's errand.

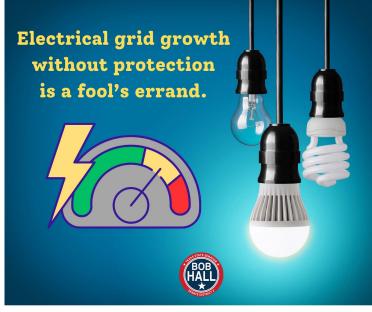
As one of the fastest-growing states in the nation, Texas is rapidly outgrowing its capacity to provide the electricity needed to support this growth. The forced retirement of old dispatchable generators and an influx of wind and solar have compounded this problem. The increased demand has placed the electric grid in a precarious situation, made evident by the reoccurring calls for conservation that were issued over the past year, and has grid regulators scrambling to find solutions.

Thankfully, due to similar situations with grids across the country, the added volatility to the grid caused by wind and solar is now a national discussion. The Federal Energy Regulatory Commission (FERC) recently directed NERC to draft a reliability standard that would better balance the different sources of electricity.

In Texas, legislators sought to address this issue during the 88th legislative session and passed Senate Bill 2627, which included the Texas Energy Fund. This ten-billion-dollar special fund was constitutionally adopted in November 2023 and incentivizes new dispatchable generation construction and plant upgrades in Texas through low-cost, state-funded loans. The push lately has been to create and maintain regulatory certainty in the state so that investors will have the assurances that the electric market is stable, and they feel secure that building new plants will be fiscally sound.

Nuclear energy provides an energy-dense solution to the increased demand for energy in the state. However, until recently, federal red tape has held up much of the progress in this space.

After many calls to conserve energy, Texas Governor Greg Abbott called for the incentivization of nuclear and other dispatchable energy sources. State regulators quickly stood up the Texas Advanced Nuclear Reactor working group to study how Texas could work towards developing more nuclear energy in the state and what regulatory changes needed to be made.





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On the federal level, the NRC (Nuclear Regulatory Commission) has been working to modify and create regulations to allow for more flexibility with nuclear energy, using smaller nuclear plants and small modular reactors which can be used as microgrids.

Change in this arena moves slowly, but it is promising that both the federal and state regulators acknowledge the importance that nuclear can play in the future and presently seem apt to make nuclear energy a viable solution soon to meet increased energy demands.

What is missing from this effort to increase electric generation capacity is any recognition of the lack of resilience to both man-made and natural threats. These threats are real and known to industry and government officials, who, unfortunately, continue to refuse to take any action to protect the Texas electric grid from these threats.

Electricity is the second most important thing for sustaining life. Only air is more important, because without electricity, most people will not have food or water.

Meeting the needs of the population growth is important and should be done. Refusing to put an equal emphasis of the protection of the Texas electric grid is a gross failure of the electric industry and the Texas legislature.

