

Testimony to House Committee on Energy Resources

Judd Messer | Advanced Power Alliance

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Chairman Darby; members of the committee. For the record, my name is Judd Messer, Texas Vice President of the Advanced Power Alliance (or “APA”).

APA is based in Austin, Texas and we represent energy developers, owners, and operators that are invested in all forms of power generation including wind, solar, battery energy storage, nuclear, and natural gas projects throughout ERCOT, SPP, and the Southeast.

Collectively, our members’ capital investments in Texas renewable energy and battery storage exceed \$137 billion to-date. Locally, it is estimated that existing projects and those in late-stage development will contribute more than \$20 billion in local tax revenue and nearly \$30 billion in landowner payments over their useful lives. Texas is leading the nation in advanced power deployment, and the benefits to our economy are vast.

As I’m sure you’re aware, Texas ranks first in the amount of installed wind and utility-scale solar capacity with over 68 thousand megawatts, and trails only California in installed battery storage capacity with over 10 thousand megawatts. These resources are making a significant contribution to grid reliability, as wind and solar served over one-third of total ERCOT demand in 2024, and battery storage often answers the call, during both the summer and winter, when supply would have struggled to keep pace with demand in past years. ERCOT relies on these resources to meet demand.

Since the start of the new year alone, our technologies have each set records for maximum contribution to the ERCOT grid, often on days when temperatures were in the teens or below across the state. On January 24, wind and solar set a new record providing over 39 thousand megawatts to the grid and, just yesterday, the two technologies combined to serve more than 76-percent of load.

In addition to reliability, these zero-fuel-cost resources have increased affordability and saved Texans money. A study performed in 2023 by The University of Texas at Austin estimated that the inclusion of wind and solar in the ERCOT market saved ratepayers about \$1 billion per month in wholesale electricity prices.

Affordability is the key factor driving customer demand and growth of these technologies. Most APA member company projects in Texas are secured by long-term, fixed-price contracts known as power purchase agreements (or “PPAs”) with large commercial or industrial power consumers. The lower-cost energy and price stability provided by a PPA enables businesses to keep operating costs low, helps justify additional investments, and attracts further economic development. It’s undeniable that APA member companies play a vital role in attracting many of the industries that fuel Texas’ ongoing economic success.

Alongside customer demand for cheap energy, explosive load growth is driving the need for new power generation. You all are aware that ERCOT predicts peak load will balloon to more than 150 gigawatts by 2030, a nearly 75-percent increase over the maximum load record set in August of last year. With this rapidly increasing load growth, our state will require a “more-of-everything” and “all-of-the-above” approach to meet its power demands, and renewable energy, as the resources that are quickest to market, will play a significant role in meeting these needs.

As we look toward serving that increased demand, you’ll see the ERCOT queue lists more than 35 thousand megawatts of combined wind and utility-scale solar, and more than 15 thousand megawatts of battery storage in late stage development. A deeper dive reveals that over 30-percent of all battery energy projects in the queue are co-located with another technology—mostly solar—demonstrating a healthy energy market in Texas that is sending appropriate economic signals for the types of technology that are needed most. Additionally, and as you’re all aware, the *Texas Energy Fund* is working through

implementation to finance 10 thousand megawatts of proposed thermal power generation projects.

APA members in ERCOT do continue to experience significant curtailment of the power they generate due to congestion on an overburdened transmission system. While this presents challenges for APA members, it also carries a steep financial burden for ratepayers, with real-time congestion costs exceeding \$7 billion over the last three years. While recent transmission investments are encouraging, more is needed to continue to fuel our economic growth and enhance reliability in a cost-effective and efficient manner.

In recent legislative sessions, the Legislature has taken significant steps to improve the reliability and resiliency of our electric grid. Given this progress, we hope that market stability and regulatory certainty will be prioritized this session, allowing recent reforms to take full effect and ensuring that sufficient data is gathered before considering further action.

If further reforms are deemed appropriate by the Legislature, APA members will continue to advocate for open access and non-discriminatory treatment of all power generation resources. These principles are fundamental to maintaining a competitive ERCOT market that delivers affordable and reliable power to Texans.

Rather than focusing on how individual resources perform on their own, reforms should prioritize how different resources can work together most effectively. A grid that leverages the complementary strengths of low-cost renewable energy and battery storage, integrates them alongside a robust fleet of thermal generation, and makes forward-looking investments in transmission infrastructure is the most efficient way to achieve maximum reliability at an affordable cost.

I appreciate the opportunity to be here with you today and will do my best to answer any questions you may have.