TEXAS PUBLIC POLICY FOUNDATION

August 26, 2026

Public Utility Commission of Texas
The Honorable Thomas Gleeson, Chair
The Honorable Kathleen Jackson, Commissioner
The Honorable Courtney Hjaltman, Commissioner
The Honorable Morgan Johnson, Commissioner
The Honorable Patrick Rhode, Commissioner

Dear Commissioners,

The Texas Public Policy Foundation and undersigned coalition writes in support of American Stewards of Liberty's (ASL) August 11, 2026 motion to abate.[1] We urge the Commission to grant the motion and abate these proceedings. The existing CCN process has proven inadequate for an undertaking of this scale, scope, and impact on private property rights. Abatement is the appropriate step while the Legislature considers during the 90th legislative session necessary reforms to the process, as well as alternatives to building the 765-kV lines.

Important concerns exist that call into question the fundamental need for the 765-kV lines and the importation of power into West Texas. As was made clear in the July 29th Senate Business and Commerce hearing, and previous legislative hearings, there is broad agreement on one issue; the current design of the energy market does not adequately incent the building of natural gas generation on the ERCOT grid. This imbalance has led to the overbuilding of intermittent wind and solar generation in Texas, nowhere more so than the Permian Basin. This overbuilding of wind and solar is what has led to the imbalances in the Permian Basin and across the state that the 765-kV STEP is meant to address.

Since Winter Storm Uri, the ERCOT grid has added more than 30 GW of solar, 20 GW of storage, and 10 GW of wind, but only about 4 GW of natural gas generation. The grid is becoming more vulnerable to winter events with each passing year. Under current trends, TPPF research estimates a 1-in-10 year winter storm in 2030 could produce a multi-day outage exceeding 20 GW, regardless of how much new transmission is built. The 765-kV lines by themselves will not solve this problem. Experience with the CREZ lines indicates that adding more transmission without correcting underlying market flaws can worsen long-term imbalances. The potential that the buildout of the 765-kV lines will lead to even more wind and solar development is a concern expressed by members of the Senate Business and Commerce committee and is seen as an encouraging and beneficial likelihood by those who support and stand to profit from these transmission lines.[2]

The flaws in the ERCOT wholesale market need to be addressed before tens of billions of dollars of transmission are allowed to move forward. The need for so many long-distance lines is fundamentally driven by the failure of the wholesale market to properly incentivize the development of dispatchable generation close to load. ERCOT acknowledges as such in its reliability study, noting that the "lack of conventional generation in the Permian Basin region" is the driving factor for the 765-kV lines.[3] The Permian Basin is one of the cheapest and most abundant natural gas basins in the world, and with so much growth in electricity demand, there is no physical reason there is not sufficient natural gas power

[1] The ASL Motion was filed in PUC Docket Nos. 59029, 59182, 59315, 59336, 59475.
[2] Kassel, D. A., Rhodes, J. D., & Webber, M. E. (2026, August). *Economic impacts of 765kV transmission development in support of Texas and Houston-area reliability*. IdeaSmiths LLC. https://www.centerpointenergy.com/en-us/Documents/Economic-Impacts-of-765-kV-Transmission-Texas-and-Houston-Area-August-2026.pdf
[3] Electric Reliability Council of Texas (ERCOT). (2024, July). *ERCOT Permian Basin reliability study*. p. 32. https://interchange.puc.texas.gov/Documents/55718_17_1414013.PDF

generation in the region to serve that demand. This is purely a policy problem that can be solved by the Texas Legislature and the PUC.

The PUC and ERCOT need to implement a complete solution instead of partial fixes. Fundamentally, Texas needs the market to direct less revenue to wind, solar, and storage and more to reliable generation, to properly account for the differences in reliability, variability, and duration of those different resources. The single market clearing price for energy fails to do this, and using centrally planned transmission to manage around this market problem is a short-term fix that will not solve the problem in the long run. Implementing the existing generation firming program properly, applying that program to all generation as proposed by SB 715 and HB 3356 last session, and improving the certainty of revenue for reliable generation are what is needed. We think that market will respond to those changes by building the amount and types of reliable generation needed in Texas and eliminate the need for more transmission and out-of-market subsidies.

In summary, we ask the Commission to abate these CCN proceedings so the 90th Texas Legislature can fully consider both the procedural reforms needed for projects of this magnitude and the question of whether the current 765-kV plan is the right solution. Texas must first correct the market design issues that are driving the need for more transmission before moving forward with significant transmission expansion plans.

Sincerely,

Greg Sindelar
Chief Executive Officer

The following entities have also signed in support of these comments:

Bud Brigham
Brigham Exploration

Ernest Angelo, Jr.
Discovery Exploration

Dennis Johnson
Summit Petroleum LLC

Jason Isaac
American Energy Institute

Bill Kent
Kent Oil

David Eyler
Milagro Resources, LP

John Mabee
Mabee Ranch

D. Briggs Donaldson
Purvis Operating

Lane Griffin
TL Griffin II Ranches LLC

Gerold Nobles
L Bar Ranch

Marshall Miller
W.R.Stumberg Ranch

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Mayor Lori Blong & Jared Blong
Octane Energy

W Jeffrey Sparks
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Ashley & Clay Cash
Triple C Ranches, LLC
Bar CCC Oil and Gas, LLC

Douglas Scharbauer
Valor Oil & Gas, LLC

Richard Tauber
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Jared Ivanhoe
SMC Oil & Gas, Inc

Bruce Blakemore
Primavera Resources

Clay Lamb & Gary Lamb
America West Resources

William L. Holmes
Trinity Royalty Partners & BJ
Environmental Services

Danny Seale
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Luke Dunn
CrownQuest Operating

Kyle Stallings
Desert Royalty Company

Wes Perry
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Gary Buchholz
GKB Cattle

Allen McDowell
McDowell Ranches

Don Dyer
Painted Canyon Ranch