

HOUSTON CHRONICLE

FOUNDED 1901 • A HEARST NEWSPAPER

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A safe and low-cost power grid is possible

By Tom Schmal

The Texas Legislature will be in session for nearly four more months. That's plenty of time for lawmakers to notice that the energy world is changing from coal and gasoline to solar panels and electric cars. Every week we see a revelation of some invention or process and another nail in the coffin of old-school electricity ideas. Texas needs updated power pricing policies to stay in step with the evolving energy landscape and remain an energy leader in this country.

Senators, congressmen, commissioners, when you worry about those killer hot days when the power grid is once again stressed and wholesale power is selling at your price cap, consider this: in 10 years, half of the vehicles sold in Texas will be electric. This incredible metamorphosis is a huge opportunity for keeping the power grid running smoothly. That opportunity could be realized if we would just start planning for it.

A 2017 Chevy Bolt or a Tesla has a battery capacity of 60 kilowatt hours. On the hottest hour of the hottest day of the year, a typical home uses only about 5 kwh, which means each electric car has a potential to send 55 kwh from the driveway into the power grid to help prevent rolling blackouts. That's enough juice in one car to power 10 homes during the hour of need.

As battery cost and technology improves, the entire issue of a peak-day power crisis, with its need for new power plants and gigantic power transmission lines, could become a historical footnote.

In addition to the public benefit, allowing the homeowner to contribute to the power grid gives him some great potential to save money. In Texas, wholesale electric costs can run from two cents per kilowatt hour, or kwh, at night to the Public Utility Commission price cap of \$9. At that price, an electric car owner who could unload his battery into the grid would make \$500. He could re-charge the battery at night for next to nothing and make another \$500 the next day — if the PUC would let it happen.

Today, for two big reasons, they won't. The PUC won't require retail electric companies to offer contracts that track the real-time price of power, and the state agency won't remove the obstacles that prevent homeowners from selling electricity back into the grid.

Years ago, the PUC let powerful electric companies like NRG, Reliant and Centerpoint force us to buy expensive smart meters, which track electricity use in real time by the hour. We were promised huge savings from managing our home electricity use. Today, the only ones getting the huge savings are the electric companies. That's because all they offer homeowners are

monthly average price contracts. Average price contracts ensure that when we do save electricity the most we can profit is the average price, something like 10 cents per kwh. Any savings over that — potentially \$9 per kwh — goes back to the electric companies.

Not many Texans are willing to install solar panels or a Tesla Powerwall or turn off the air conditioner to save just 10 cents, and that's fine with the big boys. These companies are using their market power to keep us from using our smart meters. That's because the last thing they want is some kind of financial incentive for its customers to save electricity.

The Legislature needs to bring the interests of homeowners back into the equation. In this session, lawmakers should order the PUC to do two things: force retail electric providers to offer contracts that track the real-time cost of power, and remove the roadblocks these companies have put up that prevent us from selling excess power back into the grid.

If they can do these two things they will have gone a long way, possibly all the way, toward ensuring a secure and minimal-cost grid for us all.

Schmal, of Houston, worked for a Texas-based public utility for 30 years, in the departments of rates, forecasting and planning.