



Public Utility Commission of Texas

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Public Utility Commission of Texas Adopts First Rule for Implementing Texas Energy Fund

New Rule Establishes In-ERCOT Generation Loan Program

Austin, Texas – The Public Utility Commission of Texas (PUC) today adopted a new rule implementing the [Texas Energy Fund](#) In-ERCOT Generation Loan Program. This program will incentivize the construction of new dispatchable electric generating facilities or the expansion of existing facilities within the Electric Reliability Council of Texas (ERCOT) region by providing low-interest loans to qualifying companies. The new rule establishes the application process, project eligibility requirements, evaluation criteria, and loan terms. The rule will be posted in PUC [Docket No. 55826](#).

“As more families and businesses continue to move to our great state, it is imperative that we work to provide the power and electricity needed to support Texas’ growth,” said Governor Greg Abbott. “Today’s adoption of the Texas Energy Fund loan rule will help ensure that reliable, dispatchable power is more readily available to Texans. I thank the Texas Legislature for working tirelessly to pass laws that bolster and expand power facilities across the state and the PUC for the significant progress made in energy reliability in Texas. Together, we will continue to build a grid resilient enough to power Texas for decades to come.”

“This is a historic step in ensuring reliable, on-demand electricity for generations of Texans,” PUC Chairman Thomas Gleeson said. “As our state’s population and economy grow, so does the demand for electricity, and we must ensure Texans have the power they need, when they need it. This rule lays a strong foundation for the Texas Energy Fund’s success and for future investment in the state. I commend PUC staff for their work on this rule and thank the Legislature for its leadership.”

Through the In-ERCOT Generation Loan Program, entities can apply for a low-interest loan to finance upgrades to existing dispatchable electric generating facilities or the construction of new facilities in the ERCOT region. Qualifying projects must add at least 100 MW of new dispatchable generation capacity to the grid. The rule establishes procedures for applying for a loan, outlines the criteria the PUC will use when evaluating applications, and details the terms for repayment. The rule also specifies performance standards that will be included in the terms of the loan. The program can support the installation of up to 10,000 MW of new or upgraded generation capacity in the ERCOT region.

“We must expand and strengthen our on-demand, dispatchable power generation in order to deliver the reliable electricity all Texans expect and deserve,” said Chairman Charles Schwertner (R-



Georgetown), author of Senate Bill 2627. "Voters overwhelmingly approved the creation of the Texas Energy Fund in last November's Constitutional election and made it clear that reliable electricity is a top priority. I am glad to see the PUCT moving quickly to implement this critical landmark legislation."

"Texas consumers, businesses, and communities around the state will benefit from this historic investment in our power grid," Chairman Todd Hunter (R-Corpus Christi) said. "New dispatchable generation projects bolstered by the Texas Energy Fund will provide the reliable, affordable electricity we need to support a high quality of life for all Texans and continued economic growth."

The Texas Legislature established the Texas Energy Fund (TEF) through passage of [Senate Bill 2627](#), the Powering Texas Forward Act, in 2023. The rule adopted today specifically establishes the In-ERCOT Generation Loan Program, one of four Texas Energy Fund programs. The other three programs within the TEF include Completion Bonus Grants for new dispatchable generation projects that consistently provide power generation over a ten-year period, grants for companies to establish or secure Back-Up Power resources, and grants to improve the resiliency and availability of electric utility service outside the ERCOT region. The TEF has \$5 billion available for all four programs, and additional funding may be provided by the legislature in future years.

Beginning May 1, 2024, potential applicants to the In-ERCOT Generation Loan Program may submit an optional Notice of Intent to Apply to the PUCT. The PUCT will begin accepting applications for the loan program on June 1, 2024, and initial disbursements for approved loans will be issued by Dec. 31, 2025. More information on the TEF and the In-ERCOT Generation Loan Program is available here on the PUCT website: [Texas Energy Fund](#).

About the Public Utility Commission of Texas

Our mission is to serve Texans by regulating the state's electric, telecommunication, and water and sewer utilities, implementing respective legislation, and offering customer assistance in resolving consumer complaints. Since its founding in 1975, the Commission has a long and proud history of service to Texas, protecting customers, fostering competition, and promoting high quality infrastructure. To learn more, please visit <https://www.puc.texas.gov>.