



Public Utility Commission of Texas
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Electric Reliability Improvements Focus of New Texas Energy Fund Program

New Rule Establishes Grant Program for Electric Utilities, Generators Outside ERCOT Region

Austin, Texas – The Public Utility Commission of Texas (PUC) today approved a new rule establishing the Texas Energy Fund (TEF) Outside of ERCOT Grant Program (OEGP). The program will provide grants to Texas electric utilities and power generators outside of the Electric Reliability Council of Texas (ERCOT) region. Grants can finance modernization, weatherization, reliability and resiliency enhancements, and vegetation management.

“Every corner of our state faces unique weather threats and challenges, and ensuring every Texas electric utility and power generator maintains a resilient system is essential to providing reliable, affordable power to all Texans,” PUC Chairman Thomas Gleeson said. “The rule approved today will ensure that the TEF improves electric reliability for all Texans, whether inside or outside the ERCOT region.”

The new rule, TAC 16 §25.512, implements provisions of Senate Bill 2627, passed by the 88th Texas Legislature and signed into law by Governor Greg Abbott in 2023. It establishes procedures for applying for a grant under the OEGP, and the eligibility requirements and terms of the grant awards.

The ERCOT region encompasses about 75 percent of the geographic area of Texas. Some electric utilities that serve Texas consumers are not located within ERCOT.

According to the rule, Texas electric utilities and power generators outside of the ERCOT region may apply for grants for the following types of projects: facility modernization, facility weatherization, reliability and resiliency, and vegetation management. Those categories are defined in detail in the rule.

Qualifying entities may not apply for grants to pay debt or construct or upgrade a facility



not located in Texas, among other restrictions.

Specifics regarding the grant application procedure, review process, and grant award amounts are outlined in the rule. Requirements for monitoring and assessing the performance of projects funded by the grants will be outlined in each individual grant agreement.

The Outside ERCOT Grant Program is one of four Texas Energy Fund (TEF) programs created under the Powering Texas Forward Act, which was established by the Texas Legislature through passage of Senate Bill 2627 in 2023. The rule establishing the Outside ERCOT Grant Program adopted today is the third TEF rule adopted by the Commission. The In-ERCOT Generation Loan Program rule and the Completion Bonus Grant Program rule were adopted on March 21 and April 25th, 2024, respectively.

Additional information about the Texas Energy Fund is available 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>.