



**CITY OF HOUSTON**

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## **Mayor Sylvester Turner Testimony before the House Energy & Commerce Committee, Oversight Subcommittee**

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Good Morning, Mr. Chairman and members of the Energy and Commerce Committee.

As Mayor of the 4<sup>th</sup> largest city in the United States, my #1 priority is the safety and security of all people of Houston. In the last six years, Houston has faced four – 500-year storms and an unprecedented winter storm.

Without question, these extreme weather events are coming with greater frequency and intensity with rising costs (damages) and the loss of life. If you track previous weather events along the Gulf Coast over the last 15 years, Houston confronted Hurricane Rita in 2005, Hurricane Ike in 2008, where many lost power for 14 days, and a major winter storm in Texas in 2011 where there was not enough generation, leading to blackouts.

Prior to being Mayor, I was a member of the Texas Legislature for 27 years and for 23 of those years, I served on the Committee that oversees in part the electricity market.

In 1999, I voted to deregulate the electric utility market regarding power generation and retail electric providers, but I also championed consumer rights and protections and reliability of energy supply.

After the winter storm of 2011, I filed HB 1986 that specifically would have authorized the PUC to mandate ERCOT have sufficient reserves to prevent blackouts like what occurred in 2011 and 2021. That bill was not given a hearing.

I also wrote a letter to the PUC in 2011 specifically saying that allowing power generators to increase their charges from a few hundred dollars per mega-watt to \$9,000 per mega-watt when demand exceeded supply would be very costly to the entire system.

The PUC and state leaders wrongly assumed that this market driven approach would incentivize the players to incorporate resilient strategies in their assets and place Texas in a better position for the next major winter storm. It did not happen.

Rather, the Texas grid was designed and constructed for the summer heat and policy makers bet on the belief that what happened in 2011 was an anomaly. ERCOT, PUC and the state

leadership intentionally chose to be dismissive of climate change and the science associated with it.

As a result, in February 2021, there was massive statewide system failure. There was no power for several days: local water systems – specifically water pressure, like Houston, fell below the regulatory requirement. Boil water notices were required, if you had water to boil. The combination of no power and low water pressure affected hospitals, police stations, dialysis clinics, people with special needs and the ability of firefighters to fight fires.

When power was restored and water pressure started to return, thousands of people across the state who remained in their homes or returned to their homes, had busted water pipes causing ceilings to collapse with major damages in their homes.

In Houston, we estimate 50,000 homes and 400 apartment complexes had burst water pipes. 57 people in Texas died from hypothermia or carbon monoxide poisoning. Some people faced very high electricity bills, but the full costs have yet to be ascertained and who will bear those costs has yet to be determined.

And again, those persons who were already on the margins, who have suffered disproportionately from previous storms and the coronavirus took it on the chin, again. Mr. Chairman and members, the magnitude of the damages was foreseeable and preventable. The Texas Grid must be designed with the full appreciation that climate change is real and extreme weather events can occur throughout the year. We must build a system that is resilient and sustainable.

The current infrastructure is outdated. But any claim that this systemwide failure was caused primarily by the use of renewables is blatantly false. Natural gas plants, coal fired plants and the SE Nuclear Facility came offline which account for 67% of our energy supply.

If the Texas grid, covering 90% of the state, remains closed, then Texas must take the necessary steps to ensure the availability of power in times of peak demand to have a reliable system with affordable prices to the end user (consumer).

On the local level, Hurricane Harvey was a game-changer that impacted the Energy Capital of the world, our refineries, the Port of Houston, businesses, the theater district and our families. Putting things back where they were would have been a failed plan. We chose a forward-looking strategy.

In February 2020, the City adopted its Resilient Houston Plan underwritten by Shell: 18 goals; 62 actions items. On Earth Day 2020, the City announced the Houston Climate Action Plan and formerly adopted it in December with the support of community leaders, environmentalists, businesses and some in the energy sector like BP, NRG, Shell and CenterPoint. There are four major pillars: (1) Energy Transition (2) Transportation (3) Building Optimization and (4) Material Waste Management. We are not trying to move away from the energy industry, but we are working with them to move the energy industry forward and for Houston to be the world leader in energy transition.

A part of the plan is to create 50 new clean energy “2.0” companies by 2025 and we are well on our way working directly with Greentown Labs, the nation’s largest climate-tech incubator. Working with NRG, as of July 1, 2020, all the City’s facilities are 100% powered by renewables, and the City is the largest municipal purchaser of renewables in the country.

We have factored in a climate change equity coordinator to ensure there is equity in our resilience and climate action strategies and initiatives. As we emerge from the COVID19 pandemic, we are working to build a green and just recovery.

For example, during the 1930s, the City of Houston placed a 240-acre landfill in the middle Sunnyside, one of our oldest African American communities. The landfill closed in 1970, leaving a toxic hole in the heart of Sunnyside. Working with energy partners, there are plans to turn the former landfill into the largest urban solar farm in the U.S. estimated to generate 50 megawatts of power, enough to power 5,000 homes, offset 120 pounds of carbon emissions, create green jobs and revitalize the neighborhood.

To minimize any future blackouts, the City is adding even more redundancy to its water and wastewater systems, priority assets and exploring pilot initiatives using micro-grids which tie-in directly to the Texas grid and stays on 24/7.

Again, I want to highlight the importance of infrastructure enhancements and the use of technology to achieve our goals.

Local governments are on the frontlines of disaster response and recovery, from floods to freezes to fires, from pandemics to protests to poverty.

We must have action by government on all levels to address our shared challenges as we risk being overwhelmed.