

The Honorable Speaker Dade Phelan

Texas House of Representatives

P.O. Box 2910

Austin, TX 78768-2910

Mr. Speaker,

As major investors in electric generation in Texas, we **have grave concerns about several provisions of CSSB 7 that will negatively impact your constituents**, including but not limited to the cost cap, the firming provisions, and discrimination against entities with both generation and retail operations.

Unfortunately, CSSB 7, as currently written, precludes the PCM from functioning as intended—**chilling investment and likely halting projects that have already been announced**. Any delay in regulatory certainty will postpone the construction of dispatchable generation until there is full clarity on the future program.

The market-based signals from a properly functioning Performance Market (PCM) provide generators with the long-term incentives needed to build the additional dispatchable capacity that Texas requires. **No other proposal put forward provides a market-based reliability solution that complements the existing competitive, energy-only electricity market. Nor does any other proposal have announced generation.**

Proponents of the cost cap and other guardrails for the PCM do not believe there are reliability risks to the ERCOT grid—**ignoring experts and policymakers who agree that ERCOT is already experiencing resource adequacy challenges.**

Generators are committed to providing reliable and affordable power to the citizens of Texas, but CSSB 7 will force your constituents to pay higher prices while reliability risks continue to threaten our State and our economy.

Sincerely,

Calpine

LS Power

Tenaska

Cogentrix

NRG

TexGen Power

Constellation

Rockland Capital

WattBridge

Hull Street Energy

Talen Energy

Vistra