



May 6<sup>th</sup>, 2026

Chairman King and Members  
House Committee on State Affairs  
Texas House of Representatives

**RE:** Written Testimony on Microgrids and Distributed Energy Resources

Chairman King and Members of the Committee,

Thank you for the opportunity to provide input on microgrids and distributed energy resources in Texas.

Texas' energy leadership has long been rooted in competitive markets, private investment, and innovation. As the state evaluates microgrids, it is critical that policymakers reinforce rather than undermine these principles.

Microgrids offer a market-driven solution to improving reliability and resilience, particularly for large-load users, industrial facilities, and growing communities. Their deployment should be driven by demand and private capital, not government subsidies or centralized planning. The primary barrier to energy expansion in the United States is not a lack of technology or investment. It is a regulatory delay. In some cases, it takes longer to permit a project than to build it. Meanwhile, other countries can complete major energy infrastructure in a fraction of that time. Texas should not emulate centralized systems abroad, but the comparison highlights a clear issue. Excessive permitting and regulatory complexity are slowing deployment and increasing costs.

Evidence shows that expanding supply lowers prices and improves affordability. When generation capacity increases, wholesale electricity prices fall and reliability improves. The solution is not to direct markets, but to allow them to function more efficiently. States like New Hampshire and Utah are already moving in this direction by creating frameworks that allow private, off-grid, or behind-the-meter generation without triggering full public utility regulation. These models demonstrate how removing barriers can accelerate investment, encourage competition, and reduce dependence on traditional monopoly structures. Texas should follow a similar path by streamlining permitting, clarifying interconnection rules, and allowing private microgrids, particularly those operating independently of ERCOT, to develop without unnecessary regulatory burdens. When these systems interact with the broader grid, appropriate oversight can apply, but early-stage innovation should not be stifled.

Public-private partnerships and subsidy-driven programs, while well-intentioned, risk distorting markets, shifting costs to taxpayers, and picking winners and losers. True resilience comes from competition and decentralized decision-making, not government direction. Texas does not have a demand problem. It has an infrastructure and regulatory alignment challenge. By removing barriers and empowering private investment, the state can expand supply, lower costs, and strengthen grid reliability without expanding government.

Thank you for your consideration.

For Liberty, For Texas!

Jeremy D. Kitchen  
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