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To the members of the House Committee on State Affairs.

Via hand delivery.

April 14, 2021

Re: HB 3460 by Hernandez – Supporting testimony by Public Citizen

Dear Chairman Paddie and members of the committee:

Public Citizen appreciates the opportunity to testify for HB 3460 by Rep. Hernandez, relating to the creation of a grant program to provide direct financial assistance to certain residents of this state who were affected by the winter disaster of 2021.

I. The POWER Act will provide direct payments to residents and is overwhelmingly popular.

HB 3460, the POWER Act, would give one-time cash payments of \$1,000 to \$2,500 per household to Texans most impacted by the winter storm. A fund would be established by the Comptroller, who would distribute funds to local governments. Local governments would make direct payments of between \$1,000 and \$2,500 to eligible residents. Eligible residents are those with household income of not more than 60% of the area median income, and all residents who receive state or federal benefits. Payments will be prioritized to residents most in need. Local governments will cooperate with nonprofits to raise awareness of the program.

The POWER Act puts into law a program that already has overwhelming bipartisan support from the public. A recent poll shows just how many Texans support this program:¹

- 80 percent of likely Texas voters—including 85 percent of Democrats, 76 percent of independents, and 81 percent of Republicans—support a one-time cash payment of \$1,000 to \$2,500 per household to Texans most impacted by the storm.
- 81 percent of Texas voters—including 84 percent of Democrats, 77 percent of independents, and 81 percent of Republicans—want to tap into Texas’s \$10 billion rainy day fund to pay for damages caused by winter weather.

II. The winter storm was the most deadly and costly natural disaster in Texas history.

The impact of the February winter storm was devastating across Texas, 70% of ERCOT’s customers—18 million people—lost power for an average of 42 hours.² The official death toll was 111 people, with one analysis putting it at 194.³

¹ See <https://theappeal.org/the-lab/polling-memos/texas-support-cash-relief-storm/>.



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As many as 14.9 million Texans went without water.⁴ Pipes burst in thousands of homes; a single burst pipe can cost thousands—up to \$15,000 in some cases.⁵

Energy customers across the state received massive energy bills, in some cases the result of predatory energy plans that took advantage of customers' lack of understanding of energy pricing in Texas' free market. One man in Dallas received a \$16,725 energy bill; he resorted to launching a GoFundMe campaign.⁶ In San Antonio, CPS Energy initially said customers would be paying off high energy bills for a decade or more. Eventually the utility offered one-time payments to impacted customers—payments of around \$50 to \$100.⁷

Gas bills are also massively inflated for some. KPRC in Houston is reporting that some individuals received gas bills with a “Weather Event Installment Fee” that put their bills over \$1000.

Loss of life, massive utility bills, burst pipes, wrecked cars, spoiled food, downed trees—these are just some of the hardships that will affect Texans for months or years to come.

Personally, I feel very lucky, as my own costs totaled \$800 to repair damage to trees at my home, and a few hundred dollars in lost plants, mostly fruit trees. The fact that I consider around a thousand dollars in personal losses to be minor puts the damage of this storm in perspective.

Winter Storm Uri is likely to be the deadliest and most costly natural disaster in Texas history. The death toll was between 100 and 200 people. Estimates already put the total cost of the storm at \$200 billion.⁸ The previous record holders were Hurricane Ike with 112 deaths⁹ and Hurricane Harvey with \$125 billion in damage.¹⁰

² See <https://www.texastribune.org/2021/03/29/texas-power-outage-ERCOT/>.

³ See <https://www.houstonchronicle.com/news/houston-texas/houston/article/texas-cold-storm-200-died-analysis-winter-freeze-16070470.php>.

⁴ See <https://www.texastribune.org/2021/02/24/texas-water-winter-storm/>.

⁵ See <https://www.ksat.com/news/local/2021/02/22/bexar-county-family-faced-with-thousands-of-dollars-worth-of-damage-after-pipe-bursts-in-ceiling/>.

⁶ See <https://www.nytimes.com/2021/02/20/us/texas-storm-electric-bills.html>.

⁷ See <https://www.ksat.com/news/local/2021/04/07/cps-energy-to-apply-one-time-credit-for-customers-out-of-power-during-winter-storm/>.

⁸ See <https://www.cbsnews.com/news/texas-winter-storm-uri-costs/>.

⁹ See NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2021). <https://www.ncdc.noaa.gov/billions/>, DOI: 10.25921/stkw-7w73.

¹⁰ See NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2021). <https://www.ncdc.noaa.gov/billions/>, DOI: 10.25921/stkw-7w73.



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III. The POWER Act is an appropriate measure to assist with recovery.

Public Citizen believes that the POWER Act is an appropriate response to the storm for several reasons. First, we have emphasized that the legislature should invest taxpayer dollars in recovery for people, not energy companies. It is sometimes said that our system of government “privatizes gains and socializes losses.” Energy companies have profited for two decades on the free market system in Texas. Now is not the time to socialize losses. We believe that energy companies should make the necessary investments in weatherization and reliability. Taxpayer dollars should be spent on direct investment in people—the POWER Act meets this goal.

We also believe that central to our decision making should be considerations of energy justice and energy poverty. The POWER Act achieves this by prioritizing payments to those most in need.

Because HB 3460 would provide direct payments to Texans recovering from the winter storm, we support the bill.

Thank you for the opportunity to provide this testimony, if you wish to discuss our position further, I can be reached by email at ashelley@citizen.org or by phone at 512-477-1155.

Respectfully,

Adrian Shelley, Texas Office Director

CC: Rep. Ana Hernandez, Rep. Joe Deshotel, Rep. Sam Harless, Rep. Donna Howard, Rep. Todd Hunter, Rep. Phil King, Rep. Eddie Lucio III, Rep. Will Metcalf, Rep. Richard Peña Raymond, Rep. Matt Shaheen, Rep. Shelby Slawson, Rep. John T. Smithee