



CAPITOL HALL — REPORT —



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Texas Deserves a Secure Electric Grid, Part Two

Last week in my “Texas Deserves a Secure Electrical Grid” article, I provided information about the well-established, real and present danger of the Electro Magnetic Pulse (EMP) threat. The article explained how our electrical grid is vulnerable to EMPs, whether from attacks by our nation's enemies or by solar flares from the sun, and described the catastrophic destruction an EMP event would bring to our society.

This week I want to explain how securing the Texas electrical grid against the EMP threat will also be a significant benefit to the state. With a secured grid, Texas would offer stable electrical services that would survive or quickly rebound after an EMP-attack or storms such as "Hurricane Ike." However, for Texas to remain an economic magnet for businesses, Texas must take measures to secure its vulnerable electrical-grid system.

Each year, Texas spends hundreds of millions of taxpayers' dollars through the Enterprise Fund and local tax abatements to attract a limited number of businesses to move to Texas; however, a one-time investment to secure the Texas grid would provide a compelling incentive to all businesses to come to Texas. A secured grid would also be a strong incentive for businesses to remain and/or expand operations in Texas. Under current policy, the state levies taxes on Texas businesses and uses that money to subsidize competitors moving into the state. The Enterprise Fund and tax abatements show favor to only a few, but a secured, disaster-proof electrical grid would be a benefit for all businesses. Grid security would be a broad-based beneficial investment for businesses currently in Texas and make Texas more attractive for any business considering relocating.

Hardening our grid will also increase our economic advantage over other states. When businesses consider moving to Texas, they have to consider the danger of severe weather, and those already here might be concerned about the danger of hurricanes and costly power outages. Hardening our grid will further incentivize businesses to move to Texas and stay in Texas, instead of looking to move to other states; but we must act now. Maine and Wisconsin have already begun the process to harden their electrical grids. If Texas delays any longer, we risk losing the economic advantage of attracting businesses by hardening our electrical grid. We also risk losing a stronger appeal as a prime location for military bases.

Military bases annually contribute approximately \$150 billion to the Texas economy. Having a secure electrical-grid system would go a long way toward ensuring these bases will remain in Texas. During the next round of base closures, Texas military bases would likely be spared from the closure list if Texas had an electrical system that could withstand the natural and manmade EMP scenarios that threaten our national security.

By hardening the Texas electrical grid, we will further distinguish Texas from other states as the premier place with reliable electrical service. Texas must not stand in the shadow of other states in securing these economic opportunities. We should instead lead the nation with model legislation that will set the example for Congress and other states to follow. **There is no need and no time for a state government study of this threat – it is time to act!**

