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**NEWS
RELEASE**

07/ 29/ 2026

City Urges State to Extend Data Center Ratepayer Protections to El Paso

Comments Filed with Public Utility Commission Support City Council Policy and Request Statewide Protections

EL PASO, Texas—The City of El Paso has submitted formal comments to the Public Utility Commission of Texas (PUCT) requesting that protections being developed to shield residential electric customers from the costs associated with large data centers apply statewide, including to communities served by utilities outside the ERCOT electric grid.

The comments were filed in response to Governor Greg Abbott's June 10 directive regarding data center growth and residential ratepayer protections and are consistent with policy direction previously approved by the El Paso City Council.

On June 23, the City Council amended the City's 90th Legislative Session Agenda to support policies protecting residential ratepayers from utility costs attributable to large data centers and to advocate for extending those protections to El Paso customers served by El Paso Electric. The City's filing reflects that direction while supporting the Governor's efforts to ensure residential customers are not burdened by infrastructure costs created by large energy users.

In its comments, the City asks the Commission to ensure the Governor's directive extends beyond ERCOT by establishing a parallel process for non-ERCOT utilities, including El Paso Electric. The City notes that El Paso is experiencing some of the largest data center growth in Texas and that customers outside ERCOT deserve the same protections being developed for the rest of the state.

"We believe El Paso can lead in innovation while also protecting the people who live here. Welcoming investment and protecting residents are not competing goals, they go hand in hand," said Mayor Renard U. Johnson. "As demand for electricity grows, the costs of serving that growth should be paid by those creating it, not by working families, seniors, or small businesses. We're asking the Public Utility Commission to make sure every Texan, including the nearly 700,000 customers served by El Paso Electric, receives the same protections. Ratepayers must remain at the center of every decision."

The City's position is consistent with its ongoing participation in Public Utility Commission proceedings involving El Paso Electric, including the proposed Economic Development Rate and the McCloud Generation Facility. In those proceedings, the City has advocated for safeguards that ensure the costs of serving large energy users are not shifted to residential and small business customers.

Specifically, the City asked the Commission to:

- Confirm that the Governor's directive applies to Texans both inside and outside ERCOT.
- Initiate a separate rulemaking for non-ERCOT utilities.
- Apply the Governor's principles in pending and future proceedings involving El Paso Electric.
- Recommend that any future legislation include protections for customers statewide.

The City will continue participating in proceedings before the Public Utility Commission to advocate for fair utility cost allocation and protect the interests of El Paso ratepayers.

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MAYOR OF EL PASO

July 27, 2026

Public Utility Commission of Texas
Central Records
1701 N. Congress Avenue
Austin, TX 78701

PROJECT NO. 58317

IMPLEMENTATION OF SENATE BILL 6

**INFORMAL COMMENTS OF THE CITY OF EL PASO, TEXAS, IN RESPONSE TO
GOVERNOR GREG ABBOTT'S JUNE 10, 2026 LETTER**

Executive Summary

The Governor has directed the Public Utility Commission ("Commission") to protect Texans as data centers grow: data centers must pay their own way, and residential electric bills must not rise because of them. The City of El Paso ("City") supports that directive and files these comments to make one request: those protections should reach all Texans, including the nearly 700,000 El Pasoans served by El Paso Electric Company outside the ERCOT grid. Data center growth in El Paso is among the most concentrated in Texas relative to the size of the local system, yet every protection now being developed seems to be limited to ERCOT. The City asks the Commission to confirm that the Governor's directive applies statewide and to open a parallel project where El Paso and the other non-ERCOT regions can help shape protections that fit their different regulatory framework.

I. Introduction and Statement of Support

The City appreciates the opportunity to comment on Governor Abbott's June 10, 2026 letter and the Commission's July 17, 2026 response. The City fully supports the Governor's directives: data centers should pay for the infrastructure built to serve them; residential customers should benefit from this growth, not pay for it; and reliability and local communities must come first. The City also commends the Commission and its Staff for the speed and care of their work implementing Senate Bill 6.



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The City raises one concern. Senate Bill 6 applies only to the ERCOT region, and the Governor's letter was filed in this project because the subjects overlap. But the directive itself protects Texans without any geographic limit. El Paso lies outside ERCOT. The City asks that the protections now being developed include El Paso and the other non-ERCOT areas of the state.

On June 23, 2026, the El Paso City Council approved amending the City's 90th Legislative Session State Legislative Agenda to support policies protecting residential ratepayers from utility costs attributable to data centers and to advocate for inclusion of the electric grid serving El Paso residents within the protections contemplated by the Governor's June 10, 2026 directive. These comments are consistent with the City's formally adopted position that El Paso residents should receive the same ratepayer, infrastructure-cost, and reliability protections being developed for customers within ERCOT.

II. Data Center Growth in El Paso Is as Significant as Anywhere in Texas

El Paso's nearly 700,000 residents are served by El Paso Electric Company ("EPE"), a traditional, fully regulated utility. El Paso has welcomed responsible data center investment, and that investment is arriving at remarkable scale:

- Meta is building a hyperscale data center in northeast El Paso (named Worldwide LLC in Commission filings). It is expected to begin taking power this year and to grow to a peak demand of about 1,000 MW, one full gigawatt. In ERCOT, a load that size would be roughly one percent of the system peak; on EPE's system, this single customer approaches half of the utility's entire Texas peak demand. (Docket No. 59611.)
- More is coming. EPE itself has told the Commission that it expects to begin serving between 1 and 2 GW of new load" under its proposed large-load tariff in the next 3 years, and that load equal to half its Texas peak can materialize in a matter of a few years. (Docket No. 59611, Direct Testimony of James Schichtl at 5–6.)



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- New infrastructure is already being built. EPE is seeking Commission approval to build the McCloud Generation Facility, a roughly 366 MW power plant costing well over \$400 million, specifically to serve the Meta data center. (Docket No. 59076.) The City is a party in that case, working to ensure that a plant built for one customer is paid for by that customer, not by El Paso's families and small businesses. That is exactly the outcome the Governor has directed.

Because EPE's system is a small fraction of ERCOT's size, each of these risks weighs more heavily on each El Paso ratepayer.

III. The Governor's Directive Reaches All Texans

The Governor directed the PUCT, whose jurisdiction covers the entire state, to make sure data centers pay all of their own infrastructure costs so that "no residential ratepayer is burdened by those costs," and to use its "existing authorities" to "safeguard Texans, their property, and resources." Nothing in the directive limits those protections to ERCOT, and the Commission's existing authority includes full ratemaking and certification jurisdiction over the utilities outside ERCOT.

The City understands why the work so far has centered on ERCOT: Senate Bill 6 requires it, and the Commission's SB 6 rulemakings are properly limited to that region. The City objects to none of that work. The concern is what is missing: there is no companion effort for the parts of Texas outside ERCOT, even though some of the most concentrated data center growth in the state is happening there. El Pasoans are the "everyday Texans" the Governor's letter is written to protect.

IV. The City's Proposals

The non-ERCOT regions operate under a different framework. EPE is a bundled, cost-of-service utility: it owns its power plants and wires, and its rates are set by regulators, including cities like El Paso that hold original rate jurisdiction, rather than by a competitive market. Rules written for ERCOT's competitive market cannot simply be copied over; the protections must be tailored. The City therefore respectfully requests that the Commission:



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1. Confirm that the protections developed in response to the Governor's letter will extend to all of Texas, including the areas outside ERCOT.
2. Open a separate, parallel rulemaking or project addressing large-load growth in the non-ERCOT regions, so that utilities, cities, consumer representatives, and other stakeholders have a dedicated venue to propose protections that fit the cost-of-service framework. The City stands ready to participate constructively.
3. In the meantime, apply the principles of the Governor's directive in pending and future cases involving non-ERCOT utilities, including EPE's large-load tariff case (Docket No. 59611) and its pending certification cases (Docket Nos. 59076, 59585, 59690, 59836, 59899, and 60016).
4. Ensure that any legislation the Commission recommends to the Legislature covers large loads statewide, so that the millions of Texans served outside ERCOT, in far West Texas, the Panhandle, and East Texas, receive the same safeguards as their fellow citizens.

V. Conclusion

El Paso shares the Governor's vision: welcome the investment, and protect the people. The City is grateful to the Governor for his directives and to the Commission for its diligent work, and asks only that the protections now taking shape be built for all Texans, including the residents of El Paso. The City stands ready to help in any way it can.

Sincerely,

Renard U. Johnson
Mayor