

Texas Backup Power Package (TBPP) Webinar

Summary of Questions and Answers

Background: The North Central Texas Council of Governments (NCTCOG) hosted an informational webinar on Tuesday, January 27, 2026, to present information on the TBPP program. The TBPP program is a new funding opportunity under development from the Public Utility Commission of Texas (PUCT) which will provide funding for the installation of multi-day backup power systems at critical facilities.

Disclaimer: The information presented in the webinar and this Q/A are based on the draft Proposal for Publication published on December 12, 2025. Details could change as final TBPP program rules are developed by the PUCT. Comments on this Draft Rule were due January 30, 2026, but speakers indicated that the PUCT system sometimes allows comments to be uploaded after the deadline. NCTCOG is not the TBPP program administrator and does not have a role in the development or implementation of the TBPP program. This document is being shared simply as an informational resource summarizing the discussion from the webinar and should not be relied upon as program guidance.

Resources:

PUCT

- Monitor developments on the program website at <https://www.txenergyfund.texas.gov/TBPP>
- To subscribe for updates from the PUCT, go to <https://public.govdelivery.com/accounts/TXPUC/subscriber/new>
- To find the draft Proposal for Publication, go to <https://interchange.puc.texas.gov/> then search for Control Number: 59024 and Item Number: 2.

NCTCOG

- The webinar recording and slide deck can be found at www.dfwcleancities.org/events.
- To keep up with a variety of funding updates that relate to air quality, energy efficiency, or vehicle funding programs from NCTCOG, subscribe to the Air Quality Funding and Dallas-Fort Worth Clean Cities e-blasts at <https://nctcog.org/stay-informed>
- Contact NCTCOG staff at cleancities@nctcog.org.

Speakers:

- Alison Silverstein; Alison Silverstein Consulting
- Matt Boms; Advanced Energy United
- Fazil Shaikh; Generac

Moderator: Hannah Thesing, North Central Texas Council of Governments

Note: Questions and answers were consolidated based on similar topics, edited for clarification and to remove any identifying information. Details were added to direct individuals to the appropriate Section or Subsection of the Staff Recommendation of Texas Proposal for Publication of New 16 TAC §25.513 for Project No. 59024 - Texas Energy Fund Texas Backup Power Package Program. This can be found at <https://interchange.puc.texas.gov/> then search for Control Number: 59024 and Item Number: 2.

Q1: Does hydrogen fall under this program, or do we need to get it added in the next session? What is the process to add hydrogen as an eligible fuel in Section (3) item (vi) TBPP Eligibility?

A: The legislation authorizing this program, The Public Utility Regulatory Act §32.0204, does not appear to allow the use of hydrogen. The statute explicitly states that a TBPP system should utilize natural gas or propane in addition to including solar photovoltaic (PV) for generation and a battery energy storage system (BESS). It is unknown if the PUCT has regulatory authority to allow any other fuel sources for use in a TBPP.

Q2: Are closed transitions feasible under this program?

A: Subsection (k) of the Draft Rule contemplates varying interest in connection types with the utility. The Draft Rule says if an applicant wants to install a TBPP in a manner involving interactivity with the network, i.e. closed transition, the applicant should work with the distribution service provider (DSP). The Draft Rule also suggests the DSP prioritize requests from commission-approved TBPP applicants.

Q3: Is the TBPP applicant the approved vendor? Do applicants have to own the facilities, not rent/lease the locations?

A: The applicant should be the owner or entity with control over the facility. The PUCT is proposing to create a list of eligible vendors (as detailed in Subsection (b)(2)), and the applicant will select and work with a vendor to put together the application. Subsection (b)(1)(C) of the Draft Rule states that an applicant will need to furnish proof of site control (e.g. a lease), which suggests that applicants do not have to own the facility.

Q4: Do applicants need to provide the projected numbers/costs in their application? What is the length of the grant term?

A: Applicants are likely required to provide projected costs in their application, as shown in the Draft Rule Subsection (e)(3) which outlines the application requirements and process.

The Draft Rule does not provide a grant term length; however, the loan is proposed to have a term of 1 to 5 years as described in Subsection (h)(6).

Q5: Are indirect costs allowed in the grant? Is a match required?

A: The Draft Rule does not explicitly state if indirect costs are eligible or if there is a required cost share/local match. During the webinar, speakers encouraged participants to submit comments on this topic to the PUCT if applicants are concerned about indirect costs or local match/cost share being prohibitive to participation in the TBPP.

Q6: How do we envision the role of the utilities, electric cooperatives and municipal owned utilities, is it feasible to have utility programs?

A: The role of the utilities is not yet determined. Speakers suggested it is unlikely that a utility would own a critical facility which meets the requirements under Subsection (b) and avoids exclusions under Subsection (d)(1), unless they are water utilities. However, many experts think electric utilities should be involved in coordination of TBPP projects.

Q7: Is the funding strictly for batteries and controlling equipment? Are the buildings required to have existing solar and backup generators? Are existing diesel generators allowed, or do they need to be propane or natural gas? If a facility has solar already installed and just needs funding for a generator, is that possible and does it make an application more competitive?

A: The funding is for a TBPP, which is defined in statute as a system that includes solar PV for generation, BESS, natural gas/propane generators, and controls. Buildings are not required to have existing solar and backup generators, and in Subsection (d)(2), the Draft Rule *excludes* project costs for integrating existing equipment *unless* it aligns with a vendor's TBPP design. Diesel is not allowed as part of the TBPP; the generator must be powered by propane or natural gas. If an applicant currently has diesel, they may be able to upgrade or replace it with propane or natural gas. Subsection (f) of the Draft Rule, which outlines the application review process, does not state that having existing solar increases the competitiveness of a critical facility application. However, applicants should provide information on any existing backup power systems at a critical facility, as outlined in Subsection (e)(2)(B)(i).

Q8: Are public transit facilities considered critical? Are houses of worship and community facilities that provide public safety/social programs (e.g. acting as a warming shelter) considered critical?

A: The Draft Rule provides information on eligibility of critical facilities in Subsection (b). While the Draft rule does not reference public transit facilities/houses of worship/community facilities explicitly, Subsection (b)(1)(C)(vi) states that eligible facilities include “a food bank or gathering place, including a public school, public library, town hall or municipal building, or house of worship *which is identified as critical by the presiding officer of the governing body of a political subdivision*” [emphasis added]. Transit facilities, houses of worship, and community facilities could be eligible under this broader definition. Speakers recommend entities confirm eligibility of specific critical facilities with the PUCT.

Q9: What is the process of becoming a qualified vendor?

A: While Subsection (b)(2) states the role of the vendor, it does not address the process of becoming a qualified vendor. The PUCT issued a Request for Information previously but has not yet issued any additional instructions for becoming a qualified vendor.

Q10: Will we be able to aggregate multiple sites for a potential client to create a single project if it stays under 2.5 megawatts (MW), or should we prepare to submit for each site?

A: Subsection (b)(3)(A)(v) outlines that a TBPP should be “*designed so that one or more TBPPs can be aggregated onsite to serve not more than 2.5 megawatts of load at the critical facility*”. An applicant cannot do a “community microgrid”; the TBPP(s) must be associated with the utility meter at the associated critical facility.

Q11: Will the TBPP be required to have 48 hours of on-site natural gas storage since the pipeline can go down?

A: This is not clear. The TBPP must be able to provide power for 48 hours, as outlined in Subsection (b)(3)(A)(iv) of the Draft Rule. In addition to natural gas and/or propane, TBPP are required to have solar PV and BESS as outlined in Subsection (b)(3)(A)(vi) of the Draft Rule.

Q12: Do multiple projects from the same entity need multiple applications? Would a community be restricted to one award/application?

A: Subsection (e) of the Draft Rule states that “*An applicant may submit one or more applications for an award under this section. Each application must only contain one critical facility project*”. There is no explicit restriction on the number of awards/applications per community in the Draft Rule.