

**ETS Profiles Interview Transcript: Donna Nelson – PUC of Texas Chairman**  
Conducted by Zpryme on January 18, 2017

**ETS: How did you get your start working in the energy sector?**

Donna: First, in 1996 I was an attorney, I am an attorney, and I had worked for the Attorney General's Office almost right out of law school doing anti-trust law. I was looking to change jobs in '96, actually I had taken a couple year break just to spend a couple years with my kids, and looking at going back into the work force and I knew that the telecom market was going from a regulated market to a competitive market and so, I thought that would be fun with the background I had in anti-trust.

I applied for a job with the PUC. It took me three times before I was hired, so I didn't get the job twice. That got me into the PUC and I worked in telecom from '96 through 2003. Then the governor's office, Governor Perry, was looking for someone to advise him on PUC issues. At the time, telecom issues were kind of front and center, so they hired me because of my telecom background and it was at that time then that I started working on electricity issues as well.

**ETS: After 15 years of retail competition in electric markets in Texas, what have been the greatest challenges, successes, and major opportunities?**

Donna: I think, if you talk to customers, I think first and foremost customers just like the ability to choose, you know? Would they like it if prices had gone up? Who knows, but prices have gone down a lot.

One, prices have gone down. Two, and this is amazing I think, there are retail electric providers out there who offer customers the ability to purchase the kind of electricity they want. If customers want to buy renewable energy, that is what the retail electric provider will offer them. The retail electric provider will then go and enter into a contract with a wind company or somebody providing renewable resources.

There are lots of products including 100% renewable or 10% renewable or 50% renewable. If customers want to have rooftop solar, they can enter into an agreement with a retail electric provider who will agree to purchase the electricity back from them. If customers are primarily concerned about what they're paying, they can look for the lowest cost provider.

Customers can buy variable products meaning the price can change, and usually it changes when the cost increases for the retail electric provider, but they can

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buy anything from variable product to a fixed-price product where their price is guaranteed for a certain number of years.

They can buy a lot of different products. For instance, they can buy a pre-paid product where they pay for the electricity in advance that allows them to not to have to pay a deposit to the retail electric company. For instance, if you have bad credit and you'd be required to pay a deposit, you can avoid that by buying a pre-paid product. They get a card or something like that from the company, they put money on the card and if their electricity is cut off because they don't have funding, they can go to a corner convenience store, add money to it, go back to their house and their electricity is turned back almost immediately. They don't pay any disconnection charges.

There's products out there, really, for everybody, whether you're interested in the renewable content or the price or whatever you're looking for as a customer.

**ETS: The Texas electric market is consistently ranked among the most innovative markets in the U.S. (e.g. renewables, customer engagement tools), what do you attribute this success to?**

Donna: I think the commission before me, the commissioners before me, did a really good job when the market rolled out. They were faced with that decision when they ran into problems testing it in advance they thought, "Okay, we have these problems. They seem to be relatively minor. Should we move forward with a January 1 open date?" They did. There's been criticism of the market throughout. I think even the people who didn't believe in the market early on are believing in the market now.

They faced a lot of criticism. They faced challenges in rolling the market out and they did a really good job of, I'm gonna say, keeping the car on the road. The legislature had a vision and every commission throughout that 15-year period has done a really good job of keeping that car on the road in a manner consistent with the vision that the legislature had.

**ETS: What are your thoughts on the promise of energy storage, electric vehicles and other technological advances related to energy in Texas?**

Donna: Our market is in a good position to offer customers those options or allow energy storage to be built. Storage is still really expensive. When you compare the cost of generating electricity from natural gas, when you compare that to the cost of

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storage, storage still doesn't make financial sense. The beauty of our market is that when it does make financial sense, it will happen.

**ETS: What advice do you have for college students considering an energy sector career?**

Donna: First of all, I'm excited that there are college students considering a career in the energy sector. I would say, because the energy sector is large, they could go into oil and gas or they could go into electricity. I would say talk to everybody that you can talk to, do some research and see if you can intern somewhere like the PUC. You probably won't get paid, but you'll get some great experience. Just follow your passion, I would say. If at first you don't succeed in getting something that you're interested in, just stick with it and keep bugging people until you're hired.