



ENERGY EFFICIENCY PROGRAMS

International Experiences with State Energy Efficiency Performance Standards

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Today's Topic

- ① How the Texas utility efficiency standard is working
- ① PUC's implementing experiences

Background Energy Efficiency Programs

- **Policy Drivers**

- Clean Air Act
- Continuation of Energy Efficiency in Competitive Environment

- **Policy Implementation**

- State Statute
- Public Utility Regulation

Background Energy Efficiency Programs

- Retail competition in ERCOT began January 1, 2002 for investor-owned utilities (Senate Bill 7 – 1999 session)
- Senate Bill 7 required utilities to conduct energy efficiency programs
- SB 5 (2001 session) required calculation of reduction in air emissions from energy-efficiency programs
- House Bill 3693 (2007 session) required utilities to expand energy efficiency programs

25.181 Program Design Energy Efficiency

- **Eligible Sectors through 2007**
all customers, in all classes, have a choice of and access to energy efficiency alternatives that allow each customer to reduce energy consumption and energy costs
- **Eligible Sectors beginning 2008**
energy efficiency goals do not include industrial customers' demand, but existing industrial load management programs are continued

In Other Words

Texas is Deregulated

- Transmission Utilities (TDU) are regulated
- **Generation and retail sale is market driven and not regulated**
- Retail providers (REPs) send bills to customers

TDUs administer energy efficiency programs

- Low avoided cost relative to much of the U.S.
- **Program goal is peak kW demand reduction**
- EE is competitive service provided by 3rd parties

Energy Efficiency Program Goals

2001 -	Transition Year Pilot Program
2003 -	5% of growth in demand
2004 / 2007 -	10% of growth in demand
2008 -	15% of growth in demand
2009 - 2011	20% of growth in demand
2012 -	25% of growth in demand
2013 -	30 % of growth in demand

goal calculated using a five year rolling average
of the historical peak average of year preceding the goal year

Efficiency Program Results

2010 Program

- 464,000 MWh
- 250 MW
- \$114,000,000

2009 Program

- 559,544 MWh
- 240 MW
- \$105,810,292

Key Policies

- ◉ Prompt cost recovery
- ◉ Bonus for exceeding goal
- ◉ Higher demand goal
- ◉ Explicit energy goal
- ◉ Greater utility latitude in shaping their programs

Economic Impact

- In 2009, Texas EE Programs saved **559.8 GWh** of energy, which equals **\$671.8 million** in lifetime savings for program participants
 - **13,029 jobs** were retained or created through EE program spending
- Of the **\$308 million** spent on EE by utilities, overall economic impact of **\$1.51 billion** from 2009-2011
- **AneglouEconomics Study 2011**

Program Example

◎ Texas EE Programs

1. Effective and Reliable

- **Effective Programs**

- Standard Offer Program
- Market Transformation Program
 - SCORE Program

- **Reliable**

- Stringent Measurement and Verification Requirements
- Summit Blue Audit found more than 100% Realization Rate

2. **Fair to Ratepayer** - Texas budgets lower compared with other states; stakeholder participation in developing budgets and programs; historical goals and spending levels

3. **Create Business** – TDUs administer, Service Companies install

Economic Benefit

◎ Program SCORE



SCORE BY THE NUMBERS:

Number of school districts	230+
Number of benchmarked buildings	2,000+
Reduction in energy bills*	\$186 million
Reduction in kWh consumption*	1.9 billion
Financial incentives	\$13.5 million

**Over the lifetime of the efficient equipment, since 2006*

Benefits of Advanced Meters

- Utility savings on connect / disconnect and meter reading that are passed to customers
- Better customer service through remote connect / disconnect and switching providers on short notice
- Better information on outages, quicker service restoration
- Better information to customers on consumption and cost
- More demand response options and time-variable pricing options
- Advanced meters should permit customers to improve efficiency and reduce consumption

Information

- Utility programs

www.texasefficiency.com

- PUC website

Statute—PURA 2007 §39.905

www.puc.state.tx.us/rules/statutes/index.cfm

Regulations—Subst. Rules 25.181

www.puc.state.tx.us/rules/index.cfm