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# SIERRA CLUB

## LONE STAR CHAPTER

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Project Number 38578 (Energy Efficiency Implementation Project)

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The Lone Star Chapter of the Sierra Club is pleased to offer very brief comments on Tetra Tech's annual energy efficiency report known officially as the PUCT Statewide Energy Efficiency Portfolio Report PY 2021 which can be found at [https://interchange.puc.texas.gov/Documents/38578\\_102\\_1328604.PDF](https://interchange.puc.texas.gov/Documents/38578_102_1328604.PDF).

First of all, we are extremely grateful for the publication of this annual report, both to assess the collective efforts by PUCT staff, implementers and the utilities themselves to lower peak demand and lower energy use, but also to highlight potential changes and recommendations to improve the programs.

The Sierra Club believes that the report appears to be a valid summary and analysis of the programs, their cost-effectiveness and their results. We appreciate the detail found later in the report for how Tetra Tech assessed whether the programs were actually achieving their targets. We do think the report could be improved with perhaps a table indicating the budgets by utility, their approved EECRFs, compared to the cost caps approved by the PUCT. Such a table would make clear that the total budgets approved for the programs are well under the cost caps, indicating there is room to grow the programs.

In addition, we are very supportive of the many recommendations found in the report - including recommendations for improvements on demand response, water heaters, EV chargers and AC tuneup programs, and importantly water and wastewater treatment plants. Given the water-energy nexus, anything we can do to reduce energy use and water use will be helpful to Texas. In addition to these recommendations, we were extremely pleased that the report addresses the recent ACEEE report with its 10 suggested programs (see Section 3.1 Portfolio Trends). This section shows that there are some ongoing efforts by certain utilities to implement programs similar to those recommended by the ACEEE. It is worth mentioning, however, that the size and scope of the existing utility programs pales in comparison to the much more robust recommendations offered by ACEEE. We would suggest adding a table or reference to the difference so that it is clear to the public that the efforts in areas like smart thermostats, heat

pumps or water heat pumps are literally a fraction of the size being suggested in the ACEEE report. The ACEEE report identified a huge potential for growing these programs (with changes in goals and cost caps).

We also appreciate the mention of the working groups and collaborative efforts of stakeholders last spring in the section entitled "Stakeholder Input Summary" also attached separately as Appendix A (EEIP Stakeholder Input Details). Those meetings found that it would likely take PUCT rulemaking (or alternatively legislative action) to make changes in line with stakeholder discussion. We again wanted to highlight that addressing program KW and KWh goals continues to be a priority for virtually all of the stakeholders, a recognition that there is room to grow the programs. While we know that it is not the job of this report to tell the PUCT what to do, the Sierra Club again wants to reiterate that we believe the PUCT should begin a rulemaking project soon, particularly focused on energy savings targets and residential demand response programs.

We did want to highlight that the report fails to mention the passage of SB 1699, which will at some point require the PUCT, the utilities and other stakeholders like Retail Electric Providers to look at overall residential demand response programs and goals, some of which may relate to utility programs. We believe that the report may want to reference that legislation especially given the discussion about the role of load management within ERCOT.

Along those lines, we think it is important to note the need to consider load management as not merely a summer product, but as a product that can also be useful to meet peak loads and in some cases, year-round. We appreciate the announcement by Centerpoint Energy which is seeking permission to continue its summer peak programs past the summer season to deal with potentially colder weather in November and December as part of its PY 2023 programs.

In general, we want utilities to be encouraged to address both summer and winter loads, and to combine both load management and energy efficiency programs, such as through smart thermostats and water heat pumps.

Texas has the opportunity to address peak and overall energy use, grid resiliency and cost by continuing to focus resources and improvements on its utility programs. We are pleased to support the Tetra Tech report, along with our suggested improvements, and hope the PUCT will begin rulemaking soon.