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PROJECT NO. 38578

ENERGY EFFICIENCY	§	BEFORE THE
IMPLEMENTATION PROJECT	§	PUBLIC UTILITY COMMISSION
UNDER 16 TAC § 25.181	§	OF TEXAS
	§	

JOINT UTILITIES' COMMENTS REGARDING ALLIANCE FOR RETAIL MARKETS' AND TEXAS ENERGY ASSOCIATION FOR MARKETERS' PROPOSAL ON A SMART THERMOSTAT PILOT MARKET TRANSFORMATION PROGRAM

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

COMES NOW Oncor Electric Delivery Company LLC, on behalf of itself, AEP Texas Inc., CenterPoint Energy Houston Electric, LLC, and Texas-New Mexico Power Company (collectively, the "Joint Utilities"), and file these comments in support of developing a Smart Thermostat Pilot program, as outlined in the program template filed on April 1, 2024 by the Alliance for Retail Markets and the Texas Energy Association for Marketers (collectively, the "REP Coalition"). The Joint Utilities appreciate the opportunity to comment on the proposed template.

The Energy Efficiency Rule, 16 Tex. Admin. Code § 25.181(g)(5) encourages transmission and distribution utilities to develop dedicated energy efficiency programs, and work with retail electric providers ("REPs") to deliver energy efficient products and services to Texas consumers. Upon review of the proposed template, the Joint Utilities believe that this program would support the deployment of smart thermostats to residential customers throughout the competitive areas in Texas and reduce customers' energy use. Additionally, wide scale deployment of advanced thermostats could facilitate future demand flexibility in the ERCOT market.

The template provides a structured and sound approach to smart thermostat deployment utilizing the REPs' customer relationships and marketing channels. Each transmission and distribution utility will consider the appropriateness of the smart thermostat program within their respective energy efficiency portfolio. For example, as a pilot program, Oncor would initially engage three to five REPs to

identify and resolve any program design, logistical, data management, or evaluation challenges. Once the program is refined and finalized, Oncor would open the program to all REPs. CenterPoint Houston has not determined the number of REPs it would engage in an initial program launch but agrees with Oncor that a preliminary pilot will be critical to resolving any challenges and finalizing a program design that can be offered to all REPs. TNMP and AEP Texas will look forward to potential implementation in 2026.

The Joint Utilities support the proposed program template and if approved by the Commission, will consider the program under following schedule outlined below:

TDU Company Name	Schedule
AEP Texas	Under consideration: Possible 2026
CenterPoint Houston Electric	Pilot program 2025
Oncor Electric Delivery	Pilot program 2024 / 2025
TNMP	Under consideration: Possible 2026

The Joint Utilities appreciate the opportunity to provide the foregoing comments. The undersigned is authorized to represent the concurrence of the Joint Utilities to this pleading.

Respectfully submitted,

Oncor Electric Delivery Company LLC

By: <u>/s/ Ritchie J. Sturgeon</u>

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ON BEHALF OF THE JOINT UTILITIES