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**Draft Statewide Energy Efficiency
Portfolio Report**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMENTS OF THE SOUTH-CENTRAL PARTNERSHIP FOR ENERGY
EFFICIENCY AS A RESOURCE (SPEER)**

NOW COMES the South-central Partnership for Energy Efficiency as a Resource (“SPEER”), and files these comments in response to the Commission staff request for written comment filed in this proceeding on October 10, 2022.

Introduction

The South-central Partnership for Energy Efficiency as a Resource (SPEER) is a 501(c)(3) non-profit regional energy efficiency organization (REEO). We are one of six in the country that aims to accelerate the adoption of advanced building systems and energy efficient products and services throughout the nation. We work collaboratively to strengthen local economies, improve health and quality of life, and improve the environment

Comments

The findings from the annual draft Statewide Energy Efficiency Portfolio report prepared by the evaluation, measurement and verification (EM&V) contractor continue to show why energy efficiency and demand response programs are vital to the Texas grid. Both demand side mechanisms are proven, cost effective solutions to promote reliability and resiliency to the state. In program year 2021, Texas electric utilities achieved demand reductions of 570,652 kilowatts, and energy savings of 774,659,366 kilowatt-hours, with the program evaluated cost-benefit ratio of 3.8. While these savings are very important to the state and are increasing due to consistent demand growth, Texas’ savings could still be greater with improvements to the goals and rules.

SPEER supports the efforts of the Public Utility Commission of Texas (PUCT), EM&V team, electric utilities, and all energy efficiency stakeholders and users to reduce total demand to the grid. Following the presentation of this report at the October 18, 2022 Energy Efficiency Implementation Project meeting, a brainstorming session was held to review potential changes to the rules that could improve the performance of these programs in future program years. SPEER has committed to engaging with all stakeholders to identify potential changes that should yield significant results for all parties involved.

From these early engagements and discussions, SPEER notes three possible changes listed below. It should be noted that these changes are not all encompassing and further improvements should be reviewed.

- Redefining the cost-effective program requirement to a cost-effective portfolio. Allowing utilities to assess the cost-effectiveness at the portfolio level will provide opportunity for programs that historically yield lower cost-effective scores to be offset by much higher scoring programs. It also provides utilities the chance to pilot programs for that may need review and changes to become more cost-effective once refinements are made.
- Shifting to a multi-year planning cycle. Other states in the country have made this change to positive results. Shifting to a three-year planning cycle instead of the current annual planning cycle provides utilities ample time to review efficacy of programs and ramping capabilities to achieve greater demand and energy savings.
- Reviewing avoided cost calculations and timeframe. Understanding that the EM&V team must wait until the avoided costs are provided to them, the timeline and release of current avoided cost calculations is still very short. Working out a system to get that information earlier in year will allow utilities to incorporate these calculations in their planning cycle. Additional refinements to the calculations like addition of avoided transmission and distribution costs should be included in future planning.

SPEER recognizes that these changes are not included in the 2021 Statewide Energy Efficiency Portfolio Report but felt that it is necessary to continue the conversation when reviewing the potential of energy efficiency in the state. We appreciate the opportunity to review the report in the spirit of continuous improvement and look forward to future discussions to better the statewide energy efficiency programs.

Conclusion

SPEER appreciates your consideration of the important issues discussed in these comments and stands ready to participate as the proceeding moves forward.

Respectfully Submitted,

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