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December 13, 2022

Public Utility Commission of Texas
1701 North Congress Avenue
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RE: Project No. 38578 - Energy Efficiency Implementation Project Under 16 Tex. Admin. Code § 25.181

On November 18, 2022, CenterPoint Energy Houston Electric, LLC (the "Company") filed comments in the above-referenced project. As stated in its comments, the Company will offer a Winter Load Management Pilot Program from December 1, 2022 through February 28, 2023. The Winter Load Management Pilot Program will be implemented through the Company's 2023 energy efficiency program portfolio. Enclosed with this letter is a template that summarizes the Company's Winter Load Management Pilot Program, including program objectives, participant eligibility, and program budget. This template is similar to the templates filed by other electric utilities that summarize their respective winter load management pilot programs.

Respectfully,

A handwritten signature in black ink, appearing to be "Sam Chang", written in a cursive style.

Sam Chang
Enclosure

CenterPoint Energy Houston Electric, LLC's Winter Load Management Pilot Program

Program Summary

CenterPoint Energy Houston Electric, LLC's (CenterPoint Houston) Winter Load Management Pilot Program (Program) will incentivize program participants to provide reliable load curtailment that can be initiated when needed. Program participants (Project Sponsors) will include commercial customers and aggregation groups, and Retail Electric Providers who can curtail load with 30 minutes notice, and participate in curtailment events 24 hours a day, seven days a week. CenterPoint Houston will operate the Program from December 1, 2022, through February 28, 2023 (Performance Period).

Program Objectives

The objectives of CenterPoint Houston's Winter Load Management Pilot Program are to:

- Attain reliable peak demand reduction during grid emergencies; and
- Evaluate program impacts and processes to gain insights that support the design of future Emergency Load Management Activities

CenterPoint Houston currently expects this offering to remain a pilot within its portfolio of energy efficiency programs for 2023 and 2024. Transition from a pilot to a full program offering is targeted for the 2025 program year.

Program Demand Reduction Goal

CenterPoint Houston believes the capability to deploy load shedding resources in the winter of 2022-2023 is important, and the Company seeks to achieve up to 50 megawatts of curtailable load in its Winter Load Management Pilot Program.

Program Delivery Structure and Cost Recovery

CenterPoint Houston intends to offer the Program through the Company's energy efficiency program portfolio and will utilize the 2023 budget approved through the Energy Efficiency Cost Recovery Factor.

Program Pricing and Budget

CenterPoint Houston will pay the Project Sponsor an incentive payment of \$30.00 per kilowatt of verified curtailed load, up to the approved kilowatt amount for each site participating in the Program. The Program budget will be capped at \$1,500,000.

Eligibility

Project Sponsor Eligibility

Project Sponsors will be required to demonstrate a commitment to fulfilling program objectives and competency in completing their proposed project. Project Sponsors will be required to provide information concerning their loads, facility characteristics, and curtailment process. Eligible Project Sponsors include:

- National or local energy service companies (ESCOs) or other aggregation groups;
- Retail Electric Providers; and
- Individual customers that identify curtailable load in their own facilities.

Project and Site Eligibility

A project site is defined as one or more metered locations. A single project site may include multiple buildings served by a single Interval Data Recorder (IDR) meter or Smart Meter, or Project Sponsors may include more than one project site in their applications provided each project site is:

- A non-residential customer served by CenterPoint Houston and able to provide on call curtailment during the Performance Period; and
- Served by an IDR and/or Smart Meter that is monitored by CenterPoint Houston. If all buildings and meters are tied to one ESI ID, then they may be combined into a single project site.

Eligible Curtailable Loads listed on the project application and approved by CenterPoint Houston will be available for curtailment. This may be entire building(s) and/or individual end-use electricity consuming equipment. Curtailable Loads must meet the following requirements:

- Curtailable Loads must produce demand savings (reduction of electrical consumption at the meter) as the result of verified savings following a dispatched (noticed) curtailment.
- Curtailment is to be initiated within 30 minutes of notice, and last for the duration of the curtailment, not to exceed three hours for the Scheduled (test) Curtailment and four hours for each Unscheduled Curtailment at any time during the Performance Period.
- Project Sponsors must commit to making Curtailable Load available for all three months of the Performance Period.

The following Curtailable Loads are excluded from the program:

- Critical load or load curtailment that result in negative environmental or health effects.
- Curtailable Loads that are eligible to earn incentive payments from other programs, including but not limited to programs available through the Electric Reliability Council of Texas (ERCOT).

Measurement and Verification

CenterPoint Houston will perform the Monitoring and Verification (M&V) process after each curtailment (Scheduled or Unscheduled). Demand savings and incentive payment amounts will be based on actual, verified Curtailable Load reduction. CenterPoint Houston will analyze meter data for each participating site to calculate load reduction using the methodology approved by the Commission in the Texas Technical Reference Manual.¹

¹ See generally *Energy Efficiency Implementation Project Under 16 TAC § 25.181(q)*, Project No. 38578, Commission Staff Approval of Texas Technical Reference Manual Version 10.0 (Nov. 9, 2022).

Program Process

Application

Potential Project Sponsors will be required to provide an application to CenterPoint Houston. Applicants must provide the following information on each ESIID included in the application:

- Location and description of site;
- Proposed curtailment amount;
- Curtailment method; and
- Description of load to be curtailed.

Submitted applications will be reviewed by CenterPoint Houston to determine participant eligibility and project feasibility based on submitted data. Applicants will be notified of their application status (participation approved or denied) and CenterPoint Houston will confirm the amount of load curtailment approved for each individual project site.

Participation

CenterPoint Houston has set the maximum number of curtailments at six, including a maximum of two annual Scheduled (test) Curtailment(s), and a maximum of four annual Unscheduled Curtailments.

- Scheduled curtailments are for testing program effectiveness, and the duration of Scheduled Curtailments is one to three hours.
- Unscheduled Curtailment may occur in the event ERCOT notifies CenterPoint Houston to initiate curtailment. The duration of an Unscheduled Curtailment is one to four hours.

CenterPoint Houston will notify Project Sponsors of a curtailment event with thirty minutes' notice of the event start-time. Curtailment times will not be limited to a specific set of hours or days per week.

Outreach

CenterPoint Houston will recruit participants through direct outreach to customers and aggregation groups.

Savings Verification and Payment

At the conclusion of the Performance Period, CenterPoint Houston will pay Project Sponsors an incentive for verified curtailed load, up to the approved kilowatt amount for each site participating in the Winter Load Management Pilot Program. There is no obligation to pay for any load curtailment that exceeds the amount approved for the Project Sponsor. Performance will be measured and verified for each curtailment event; however, the total incentive paid after the conclusion of the program period will be based on the average performance over all events.

Stakeholder Communication

CenterPoint Houston intends to coordinate with ERCOT and Commission Staff regarding the

operation and deployment of the Program. The Company will also provide notification to Retail Electric Providers regarding customer enrollments and timing of load curtailment events for customers who consent to such notice.

Retail Electric Provider Notification

CenterPoint Houston will request consent from program participants to provide notice to the customer's Retail Electric Provider of record regarding the customer's enrollment and deployment of the customer's load curtailment in the Winter Load Management Pilot Program.

For customers who have provided such consent, the Company will provide notice within three business days to the customer's Retail Electric Provider of record subsequent to the customer's enrollment in the Program, and subsequent to the deployment of load curtailment.

Coordination with ERCOT

Prior to finalizing customer enrollment in the Program, CenterPoint Houston will coordinate with ERCOT to ensure that all sites are eligible for participation. Any sites participating in ERCOT program offerings will not be approved to participate in the Winter Load Management Pilot Program.

Once site eligibility has been confirmed and CenterPoint Houston has completed the enrollment process, the Company will provide ERCOT notice of the final load management capacity procured at least one business day before the start date of the Program. CenterPoint Houston will notify ERCOT of any subsequent changes in the amount of capacity procured prior to deploying the Program.

CenterPoint Houston will notify ERCOT at least one business day prior to initiating any test curtailment event. Such notice will include the scheduled date, time, and duration of the event as well as the expected load reduction.

Following the deployment of scheduled or non-scheduled curtailment events, CenterPoint Houston will measure the demand reduction associated with each event (as described in the M&V process). The Company will update ERCOT with these impacts along with the capacity and deployment hours remaining within the Program.