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Received - 2022-12-15 10:14:05 AM
Control Number - 54335
ItemNumber - 63

PROJECT NO. 54335

**REVIEW OF MARKET REFORM
ASSESSMENT PRODUCED BY
ENERGY AND ENVIRONMENTAL
ECONOMICS, INC. (E3)**

**§ PUBLIC UTILITY COMMISSION
§ OF TEXAS**

**COMMENTS OF RECURVE ANALYTICS, INC. ON DEMAND FLEXIBILITY FOR
RELIABILITY**

Recurve Analytics, Inc. (Recurve) is an industry leader in meter-based demand flexibility. Recurve provides transparent, accessible analytics to track changes in consumption and demand due to program interventions for both individual buildings and in aggregate to support resource planning and facilitate performance-based transactions. Recurve is a member of the Aggregated Distributed Energy Task Force (ADER), is engaged in the Energy Efficiency Implementation Project, and is growing our Texas-based team.

In this proceeding, the Commission is considering options for wholesale market design modifications. Recurve takes no specific position on the Performance Credit Mechanism or other market designs under consideration. Regardless of the wholesale market framework, however, Recurve urges the Commission to include the facilitation of flexible demand as a priority during implementation.

Recurve supports market-based solutions that can scale quickly and ensure demand-side resources can make a meaningful contribution to the grid. We recommend that the Commission provide a pathway for funding energy efficiency investments as a short-term bridge (question 9) to deliver no-regrets load reductions to Texas. Reducing demand is a critical component of an “all-of-the-above” solution to the grid issues revealed during Winter Storm Uri, the operational challenges faced by a changing resource mix on the ERCOT grid, and rapid growth in demand for electricity to power Texas homes and businesses.

Demand flexibility (energy efficiency, demand response, and other distributed energy resources) is a no regrets tool to address short and long-term reliability issues. Demand-side solutions have been underutilized in Texas to date. They can play a significant role in supporting customers' resiliency to survive disruptions in their electric service and reduce their energy burden. It similarly reduces overall system costs and improves reliability by reducing the overall load in emergency events.

Market-based solutions abound in Texas energy resource decision-making and likewise can promote the delivery of even more cost-competitive demand flexibility. With stable price signals reflecting the value of load reductions to the system (short and longer term), aggregators and energy service providers can competitively scale and complement other resources on the system. Offering predictability of the value of avoiding energy use allows businesses to grow and deliver ever larger demand flexibility supporting both customers and the grid as the Texas economy thrives.

Demand flexibility can be deployed quickly and start delivering value immediately, supporting its inclusion in any suite of “bridge” solutions that may be considered by the Commission. Recurve's FLEXmarket, for example, was registering installed projects within six months of regulatory approval to help address emergency scenarios. After nine months of implementation, over 70 aggregators have been enrolled in the market, and over 900 projects have been implemented with over 6,800 MWh in lifecycle impacts for customers and the grid.

Further, demand flexibility is an essential component of any longer-term market design solutions. Texas can meet multiple goals by supporting the full integration of demand-side resources into decisions to support reliability. Considering and enabling a diverse resource mix is consistent with Texas principles of open markets, competition, and customer choice. Overall, we see very few barriers to the quick launch of a no-regrets market-based model as a short-term bridge (question 9), which can continue in place as part of a larger long-term solution to provide no-regrets load reductions to enhance grid reliability in Texas.

Recurve appreciates the opportunity to submit comments and respectfully requests that the Commission adopt a bridge solution, as well as longer-term solutions, that prioritize incorporating demand flexibility as a key tool in ERCOT's reliability toolbox.

Respectfully submitted,

A handwritten signature in black ink that reads "Carm Best". The signature is fluid and cursive, with the first name "Carm" and last name "Best" clearly distinguishable.

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