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**PROJECT NO. 55156**

**Legislation Implementation and Policy  
Priority Workshop Comments**

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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 July 12, 2023.

**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**

SPEER appreciates the opportunity to submit these comments in response to the rulemaking priorities Commission Staff presented at the July 11<sup>th</sup>, 2023 workshop in accordance with new legislation from the 88<sup>th</sup> Texas Legislature. We recognize the immense task ahead of the Commission and Staff to prioritize and establish timelines to be in compliance with new statutes. As such, we believe Commission Staff has identified all pertinent legislation to be implemented, but we would like to voice our support to prioritize SB 1699 Relating to electricity service in the ERCOT power region, including the participation of aggregated distributed energy resources in the ERCOT market.

In addition to our support of SB 1699, we would also encourage Commission Staff to consider continuing the actions that began with stakeholder engagement on energy efficiency rules that took place from January to April 2023 by establishing an energy efficiency rulemaking as high priority. The PUCT, its EM&V contractor, and stakeholders from across the sector began the process of identifying significant improvements to the energy efficiency programs that could be made through rulemaking and directives. While no legislation was signed into law this year, energy efficiency remains an important tool that Texas can use to significantly increase state grid reliability and resiliency at a fraction of the cost compared to many of the supply-side generation mechanisms. It is important to note that the Commission also stated in their Phase I Proposal for the Wholesale Market Redesign Project 52373 that improving energy efficiency was needed and would be completed as part of that Phase. To date, no substantive changes have been made to energy efficiency programs.

Please see our specific comments to Commission Staff questions below:

- **Has Commission Staff properly identified the legislation that requires immediate rulemaking action due to explicit or implied statutory deadlines?**

We believe Commission Staff has properly identified all legislation that needs immediate Commission action.

- **How should the Commission prioritize the remaining legislation?**

While much of the focus of the previous legislative sessions was on supply-side generation, we believe that SB 1699 lays groundwork for much needed demand-side solutions to increase resilience and reliability to the grid. Higher prioritization for implementation of SB 1699 coincides with the ongoing Aggregated Distributed Energy Resources (ADER) Task Force pilot program efforts and will provide needed direction to ADER Task Force members and external aggregators not currently participating in the pilot program.

In addition to the ADER provisions, SB 1699 also includes provisions on residential demand response programs provided by utilities in the state. SPEER believes demand response can play a critical role in peak demand periods to reduce load when the grid

needs it the most. In both summer and winter peak times, residential consumers make up the majority of peak demand, primarily through heating and cooling needs. By implementing these provisions sooner, residential demand response can be established by utilities and significantly improve grid stability at peak. In addition to the practical application of residential demand response, there is also a timing consideration for the Commission to consider. Texas utilities are finalizing their 2024 Energy Efficiency Plans and 2024 EECRF's and have begun looking at 2025 Energy Efficiency plans. If this legislation is implemented with high priority, it should be possible to see residential demand response programs across utilities in the short-term.

- **Has Commission Staff listed any items for rulemaking that should be implemented using a different method, such as an order or directive?**

No response.

- **What, if any, efficiencies can be gained by grouping specific topics together for the purpose of a given rulemaking?**

As noted above, SB 1699 aligns with ongoing ADER pilot program and planning cycles for energy efficiency programs.

- **What other significant, time-sensitive, or sequencing issues should the Commission consider as it develops its rulemaking priorities?**

As noted above, SPEER believes the efforts put in by this Commission in early 2023 surrounding energy efficiency rules was an important first step to increasing demand-side resources for Texas. Energy efficiency continues to be the most cost-effective means to addressing energy needs in the state. Sequencing an energy efficiency rulemaking and SB 1699 implementation as high priorities would provide much needed flexibility and time for greater wholesale market design changes that are required from HB 1500 and for development and construction of proposed thermal plants.

### **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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