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PROJECT NO. 56517

**REVIEW OF ENERGY EFFICIENCY § PUBLIC UTILITY COMMISSION
PLANNING § OF TEXAS**

**AEP TEXAS INC.'S COMMENTS
ON COMMISSION STAFF'S QUESTIONS FOR COMMENT**

AEP Texas Inc. respectfully submits these comments in response to the questions for comment on energy efficiency related topics posed by Public Utility Commission of Texas ("Commission") Staff. AEP Texas notes that it also submitted comments as part of a joint effort by several electric utilities in Texas. To provide additional feedback as more specifically related to AEP Texas, AEP Texas is submitting these brief individual comments as well. AEP Texas has implemented a variety of energy-efficiency programs to meet and exceed the goals set forth by Public Utility Regulatory Act ("PURA") § 39.905 and the Commission's substantive energy efficiency rules. AEP Texas welcomes collaboration with stakeholders interested in energy efficiency to help ensure that the best interests of customers in the state of Texas are met.

I. Comments on Questions

- 1. Should certain hours of the day be considered more valuable within the design of standard offer or targeted market-transformation programs offered by utilities? Please discuss your rationale in detail.***

Although AEP Texas believes the current Technical Reference Manual (TRM) adequately addresses peak and off-peak hours for both standard offer programs ("SOPs") and targeted market transformation programs ("MTPs") in a cost-effective and streamlined process, AEP Texas is receptive to discussion and to collaboration with Commission Staff and other key stakeholders on the benefits of considering certain hours of the day as more valuable within the design of the SOPs and MTPs offered by its programs.

- 2. What metrics should be used to track the success of low-income and hard-to-reach programs under 16 Texas Administrative Code (TAC) § 25.181?***

AEP Texas delivers electricity to approximately 1.1 million homes, businesses, and industries across its approximately 97,000 square mile service territory in south and west Texas. AEP Texas' service territory includes approximately 400 communities in 92 counties, to many of

which require lengthy travel time. According to the U.S. Census Bureau's 2021 Current Population Survey, 31.4% of the residential customers in AEP Texas' service territory are classified as hard-to-reach or low-income, which is approximately 315,000 residences. Because of these unique characteristics, AEP Texas agrees with the Joint Utilities that the Commission could consider modifying the metrics for tracking the success of low-income and hard-to-reach programs. The Commission could also consider broadening the definition of "hard-to-reach" and adding flexibility to better allow utilities to address their diverse service territories.

3. *Avoided cost of capacity and energy:*

- a. *Existing 16 TAC § 25.181(d)(2) calculates the avoided cost of capacity. Should this calculation be revised in a future energy efficiency rulemaking? If so, how? Please discuss your rationale in detail.***
- b. *Existing 16 TAC § 25.181(d)(3) calculates the avoided cost of energy. Should this calculation be revised in a future energy efficiency rulemaking? If so, how? Please discuss your rationale in detail.***

Please refer to the response in the Joint Utilities' Comments.

4. *Existing 16 TAC § 25.182 calculates utility performance bonuses. Should this calculation be revised in a future energy efficiency rulemaking? If so, how? Please discuss your rationale in detail.*

Please refer to the response in the Joint Utilities' Comments.

5. *Existing 16 TAC § 25.181 addresses energy savings and demand reduction goals. Should these existing goals be revised in a future energy efficiency rulemaking? If so, how? Please discuss your rationale in detail.*

AEP Texas is conscious of the cost of EE programs to customers and its abilities to meet statutory goals. AEP Texas has seen its goals increase annually due to the commercial and industrial growth experienced throughout its service territory. AEP Texas notes that commercial and industrial customer growth is forecasted to continue to increase for the next ten years. The current goal framework is working as intended, as AEP Texas' goals have continued to increase year over year. Although AEP Texas is receptive and welcomes collaboration with Commission Staff and other key stakeholders to address energy savings and demand reduction goals, AEP Texas cautions against increasing these goals in a manner that would increase cost to ratepayers.

6. *In the upcoming rulemaking to implement SB 1699, what other issues should be considered? Should the existing energy efficiency rules be restructured? Please discuss your rationale in detail.*

Please refer to the response in the Joint Utilities' Comments.

7. *What activities should the Energy Efficiency division prioritize over the next twelve months?*

AEP Texas agrees with the response in the Joint Utilities' comments. In addition, AEP Texas suggests that the Commission consider permitting the transmission and distribution utilities serving in the Electric Reliability Council of Texas region to have access to the same or similar confidential low-income customer information that is available to retail electric providers and certified telephone companies solely for the purpose of allowing the utility to more readily confirm customer eligibility for programs.

II. Conclusion

AEP Texas appreciates the opportunity to submit comments on these important questions and further appreciates the Commission's consideration of these comments.

Respectfully submitted,

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