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Public Utility Commission of Texas
1701 North Congress Avenue, 7th Floor
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RE: Project No. 56966 – *Goal for Reducing Average Total Residential Load in the ERCOT Region*

Public Utility Commission of Texas:

CenterPoint Energy Houston Electric, LLC (the Company) provides its comments to the above-referenced rulemaking, which would create new 16 Tex. Admin. Code § 25.186 (the Proposed Rule) and permit a retail electric provider (REP) to utilize up to ten percent of a transmission and distribution utility’s budgeted spending for demand response programs to fund a responsive device program sponsored by the REP. The Company supports the Proposed Rule and offers the Public Utility Commission of Texas (Commission) the following comments and corresponding revisions to the Proposed Rule.

The Company’s Proposed Revisions to the Proposed Rule

As explained further in its comments, the Company offers the following revisions to the Proposed Rule:

<u>Proposed Subsection</u>	<u>Proposed Revision</u>
16 Tex. Admin. Code § 25.186(f)	A REP may receive funding for a responsive device program through an energy efficiency incentive program established under §25.181 of this title, relating to Energy Efficiency Goal, if the program complies with commission requirements related to the evaluation, measurement, and verification of demand response programs and if smart responsive appliances or devices meet the requirements of subsection (c) of this section. A transmission and distribution utility required to provide an energy efficiency incentive program under PURA § 39.905 may use up to 10 percent of the budgeted spending for <u>its load management program offerings to fund responsive device programs offered by a REP under subsection (c) of this section. A REP receiving energy efficiency funding from a transmission and distribution utility for a responsive device program may still participate in other energy efficiency programs established under 25.181 without budget limitations.</u>
16 Tex. Admin. Code § 25.186(h) (new section)	<u>For purposes of a transmission and distribution utility’s energy efficiency program under §§ 25.181 and 25.182, a transmission and distribution utility:</u> <u>(1) may claim savings associated with responsive device programs under this section; and</u> <u>(2) shall not use savings or costs for responsive device programs under this section for net benefits or performance bonus calculations.</u>

The Company's Comments to the Proposed Rule

The Company offers four comments to the Proposed Rule. First, the Proposed Rule correctly recognizes that a transmission and distribution utility's sole role with respect to this program is to provide funding to REPs. A transmission and distribution utility is unable to provide information to assess the performance of a REP-sponsored responsive device program because the transmission and distribution utility does not have detailed data on ESI ID participation or performance.¹

Second, because REP-sponsored responsive device programs would receive funding from Commission-approved energy efficiency programs, transmission and distribution utilities should be permitted to claim savings associated with REP-sponsored responsive device programs for purposes of the goals in the Commission's energy efficiency rule.² The Company's proposal to permit claimed savings does not and would not extend to calculating net benefits or performance bonuses.

Third, Subsection (f) of the Proposed Rule should be revised to better track the statutory language in S.B. 1699. S.B. 1699 requires a transmission and distribution utility to "use up to 10 percent of the budgeted spending for demand response programs . . ."³ The Company proposes that additional language be added to the Proposed Rule to clarify that a transmission and distribution utility be permitted to use up to 10 percent of the budgeted spending for load management program offerings, not 10 percent of the budgeted spending of the transmission and distribution utility's energy efficiency program portfolio.

Fourth, the Company proposes that language be added to Subsection (f) of the Proposed Rule to clarify that a REP that receives funding for a responsive device program is still permitted to participate in a transmission and distribution utility's other energy efficiency programs.

Conclusion

The Company supports the Proposed Rule and appreciates the opportunity to provide comments and corresponding revisions.

Thank you,



Sam Chang

¹ The Company notes that the peak demand periods and performance measurements outlined in the Proposed Rule are not consistent with how savings calculations and performance metrics in the current Technical Reference Manual.

² See *generally* 16 Tex. Admin. Code § 25.181.

³ S.B. 1699, 88th Leg., R.S. (2023), Section 5, creating Tex. Util. Code § 39.919.

Executive Summary

CenterPoint Energy Houston Electric, LLC provides the following comments and corresponding revisions to the Proposed Rule:

- A transmission and distribution utility is unable to provide information to assess the performance of a responsive device program, and thus the transmission and distribution utility should play no role in the provision of information.
- For purposes of claimed savings under the Commission's energy efficiency rule, a transmission and distribution utility should be permitted to claim savings associated with REP-sponsored responsive device programs. A transmission and distribution utility would not be permitted to claim savings or costs for purposes of calculating net benefits or performance bonuses.
- Language should be added to Subsection (f) the Proposed Rule to clarify that a transmission and distribution utility is permitted to use up to 10 percent of the budgeted spending for load management program offerings, not 10 percent of the budgeted spending for the transmission and distribution utility's entire energy efficiency program portfolio.
- Language should be added to Subsection (f) of the Proposed Rule to clarify that a REP that receives funding for a responsive device program is still permitted to participate in a transmission and distribution utility's other energy efficiency programs.

Proposed Subsection Proposed Revision

16 Tex. Admin. Code § 25.186(f) A REP may receive funding for a responsive device program through an energy efficiency incentive program established under §25.181 of this title, relating to Energy Efficiency Goal, if the program complies with commission requirements related to the evaluation, measurement, and verification of demand response programs and if smart responsive appliances or devices meet the requirements of subsection (c) of this section. A transmission and distribution utility required to provide an energy efficiency incentive program under PURA § 39.905 may use up to 10 percent of the budgeted spending for its load management program offerings to fund responsive device programs offered by a REP under subsection (c) of this section. A REP receiving energy efficiency funding from a transmission and distribution utility for a responsive device program may still participate in other energy efficiency programs established under 25.181 without budget limitations.

16 Tex. Admin. Code § 25.186(h) (new section) For purposes of a transmission and distribution utility's energy efficiency program under §§ 25.181 and 25.182, a transmission and distribution utility:
(1) may claim savings associated with responsive device programs under this section; and
(2) shall not use savings or costs for responsive device programs under this section for net benefits or performance bonus calculations.