



Filing Receipt

Filing Date - 2024-09-27 10:25:28 AM

Control Number - 56966

Item Number - 13

PROJECT NO. 56966

GOAL FOR REDUCING AVERAGE	§	PUBLIC UTILITY COMMISSION
TOTAL RESIDENTIAL LOAD IN	§	OF TEXAS
THE ERCOT REGION	§	

**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 August 23, 2024.

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

Texas continues to break all-time demand records, recently setting the newest record on August 20, 2024. This trend is anticipated to continue as ERCOT has forecasted an estimated 153GW’s of total load by 2030. While much of this new load is likely to be from electrification of thermal resources, AI datacenter growth, and crypto-currency mining, the primary cause of existing peak demand remains residential heating and cooling needs of the state. A robust residential demand response (DR) program may help alleviate the strain on the grid during these peaks by reducing consumption across the state through efficiency measures paired with connected smart-technologies. Currently, when these peaks occur, ERCOT may issue calls to conserve energy

usage, essentially asking consumers to participate in grid operations. However, while industrial customers have been able to benefit from DR programs through compensation, residential customers have not had that same opportunity at-large. This effort by the Public Utility Commission of Texas (PUCT) to establish an average total residential load reduction goal is an important first step towards empowering residential customers to actively participate in grid conditions and potentially benefit from their reduced consumption during the hottest and coldest times in the state.

SPEER applauds Commission Staff's work in this docket as well as their work on other demand-side solutions like energy efficiency and distributed energy resources. We believe these efforts are integral to providing Texans with low-cost energy and can act as a bridge while long-term resource planning continues to be developed.

Recommendations

Broadly speaking, SPEER believes Commission Staff has done well to address the intent of SB 1699 within the proposed rules for residential demand response load reduction. SPEER's recommendations are below:

- SPEER would suggest further definition of "average total residential load" and "average total residential load reduction" in §25.186(b) of the proposed rule.
- Similar to other commenters, we recommend replacement of "responsive device program" with "demand response program" for flexibility in designing demand response programs for residential customers.
- §25.186(c) allows for residential customers to be smart metering technology in accordance with SB 1699, allows Retail Electric Providers (REP) to facilitate the deployment of smart appliances and devices, and establishes a framework for compensating residential customers for their realized load reductions.
- Under §25.186(d)(1)(A-B) removing the ESI ID requirement in favor of a broader total customers enrolled would provide REPs an easier reporting requirement which may otherwise disincentivize REPs from participating or potentially create privacy concerns for customers.

- Establish a framework to allow for REP's to compensate residential customers for participation in demand response programs.
- We recommend annual review by Commission Staff of the program's efficacy and consideration of program and goal review.

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,

Noah Oaks

Noah Oaks
State and Local Policy Manager
SPEER
NOaks@eepartnership.org

SPEER Proposed Redlines

§25.186. Goal for Average Total Residential Load Reduction.

- (a) **Application.** This section applies to the independent organization certified under PURA 439.151 for the Electric Reliability Council of Texas (ERCOT) region, a transmission and distribution utility (TDU) and a retail electric provider (REP) providing a demand response using a responsive device program to residential customers.
- (b) **Definition.** When used in this section, the term "smart responsive appliance or device" has the following meaning unless the context indicates otherwise: An appliance or device that may be enabled to allow its electric usage or electric usage of connected appliances or devices to be adjusted remotely.
- (c) **Responsive Device Program.** A REP may offer a demand response responsive device program that offers an incentive to residential customers with smart responsive appliances or devices to reduce residential load electricity consumption during an ERCOT peak demand period.
- (1) A REP may administer a demand response program directly or contract with a demand response provider to provide a responsive device program.
 - (2) A responsive device program must:
 - (A) allow demand response participation by residential customers where reasonably available, including during the summer and winter seasons;
 - (B) Promote smart meter technology and energy efficiency measures or programs;
 - (C) Allow for facilitation of the deployment of smart responsive appliances and devices for use in demand response products or plans offered by a retail electric provider or demand response provider;
 - (D) be capable of responding to an emergency energy alert issued by the independent organization certified under Public Utility Regulatory Act (PURA) 439.151 for the ERCOT region;
 - (E) ensure that the program does not adversely impact the needs of a critical care residential customer or chronic condition residential customer as those terms are defined in 425.497 of this title, relating to Critical Load

Industrial Customers, Critical Load Public Safety Customers, Critical Care Residential Customers, and Chronic Condition Residential Customers; and

- (F) provide that a residential customer is not limited to participation in a single demand response program within the ERCOT region;
- (G) Compensate a residential customer for delivered load reductions due to their participation in a demand response program to be paid by REPs.

(3) For the purposes of this section, an ERCOT peak demand period is an hour with the highest value of peak net load, where peak net load is calculated as gross load minus wind and solar.

(d) Average total residential load reduction goal.

(1) No later than 45 days following the end of each calendar quarter, a REP providing a demand response responsive device program within the ERCOT region must submit to ERCOT, on a form prescribed by ERCOT, the following information for each calendar month in the quarter:

- (A) The total number of electric service identifier (ESI ID) for each residential customers with smart appliances or devices that are enrolled in each demand response program offered by the REP; and
- (B) the date of each demand response event, including each demand response event start time and stop time and the aggregated load reductions achieved ESI IDs deployed for each event.

(2) No later than March 31 of each calendar year, for each daily ERCOT peak demand period and each ERCOT energy emergency alert period, ERCOT must provide the commission with the following information for the preceding twelve-month period ending on November 30 of the previous calendar year:

- (A) the date and time of each period, the value of gross load, and the value of peak net load during those periods;
- (B) the total amount of load reduced by all residential customers enrolled in a responsive device program during those periods; and
- (C) the total amount of load of all the residential customers enrolled in a demand response responsive device program during those periods.

- (3) The average total residential load reduction goal is 0.25, unless the commission adopts an updated goal under subparagraph (C) of this paragraph.
- (A) The ratio of load reduced by all responsive device programs during an ERCOT peak period and the total amount of demand of all residential customers participating in the responsive device programs should meet or exceed the average total residential load reduction goal.
 - (B) On or before June 30 ~~annually of each even-numbered year~~, commission staff will review the data received from ERCOT under paragraph (2) of this subsection to assess the effectiveness of the responsive device programs offered by REPs and whether the average total residential load reduction goal under paragraph (3) of this subsection is being achieved. Commission staff will file a recommendation in Project 56966 on whether the commission should adjust the goal.
 - (C) The commission will consider commission staff's recommendation under paragraph (3)(B) of this subsection and, if appropriate, issue a written order adopting an updated average total residential load reduction goal, effective December 1 of that calendar year.
- (e) **Confidentiality.** ERCOT must treat the information submitted by a REP under subsection (d)(3) of this section as protected information as defined by the ERCOT protocols.
- (f) **Funding.** A REP may receive funding for a responsive device program through an energy efficiency incentive program established under 425.181 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 the 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 PLJRA 439.905 may use up to 10 percent of the budgeted spending for responsive device programs offered by a REP under subsection (c) of this section.

(g) **Additional information.** Commission staff may request additional data from REPs and ERCOT regarding the responsive device program under subsection (c) of this section and to assist in evaluating and revising the goal under subsection (d) of this section.

PROJECT NO. 56966

GOAL FOR REDUCING AVERAGE TOTAL RESIDENTIAL LOAD IN THE ERCOT REGION	§ § §	PUBLIC UTILITY COMMISSION OF TEXAS
-------------------------------------------------------------------------------------	-------------	-----------------------------------------------

SPEER EXECUTIVE SUMMARY

The implementation of SB 1699 through this project is an important step towards building out demand response programs for residential customers as a viable solution to reducing peak demand on the grid. During times of high demand, residential customers are the primary driver of load due to heating or cooling of homes. SPEER supports and applauds the efforts of Commission Staff to ensure this program is established for Texans. It is our belief that demand-side solutions like demand response, energy efficiency, and distributed energy resources can work together to increase grid reliability and resiliency while reducing costs for customers. A brief overview of our recommendations for Project No. 56966 are below:

- SPEER would suggest further definition of “average total residential load” and “average total residential load reduction” in §25.186(b) of the proposed rule.
- Similar to other commenters, we recommend replacement of “responsive device program” with “demand response program” for flexibility in designing demand response programs for residential customers.
- §25.186(c) allows for residential customers to be smart metering technology in accordance with SB 1699, allows Retail Electric Providers (REP) to facilitate the deployment of smart appliances and devices, and establishes a framework for compensating residential customers for their realized load reductions.
- Under §25.186(d)(1)(A-B) removing the ESI ID requirement in favor of a broader total customers enrolled would provide REPs an easier reporting requirement which may otherwise disincentivize REPs from participating or potentially create privacy concerns for customers.
- Establish a framework to allow for REP’s to compensate residential customers for participation in demand response programs.
- We recommend annual review by Commission Staff of the program’s efficacy and consideration of program and goal review.