

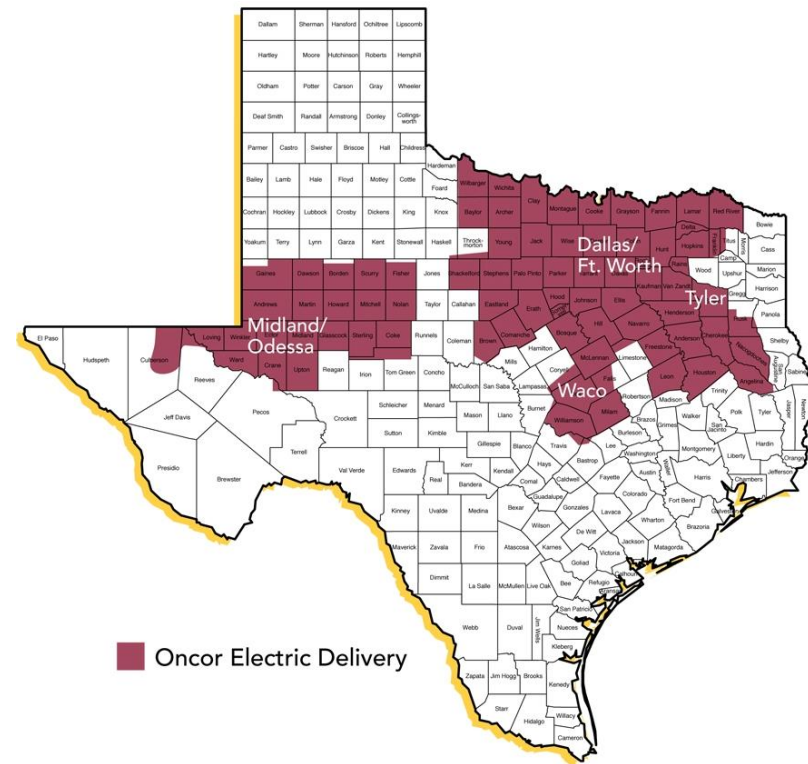
2016 National Symposium on Market Transformation

Regional Roundup - Texas

March 2016



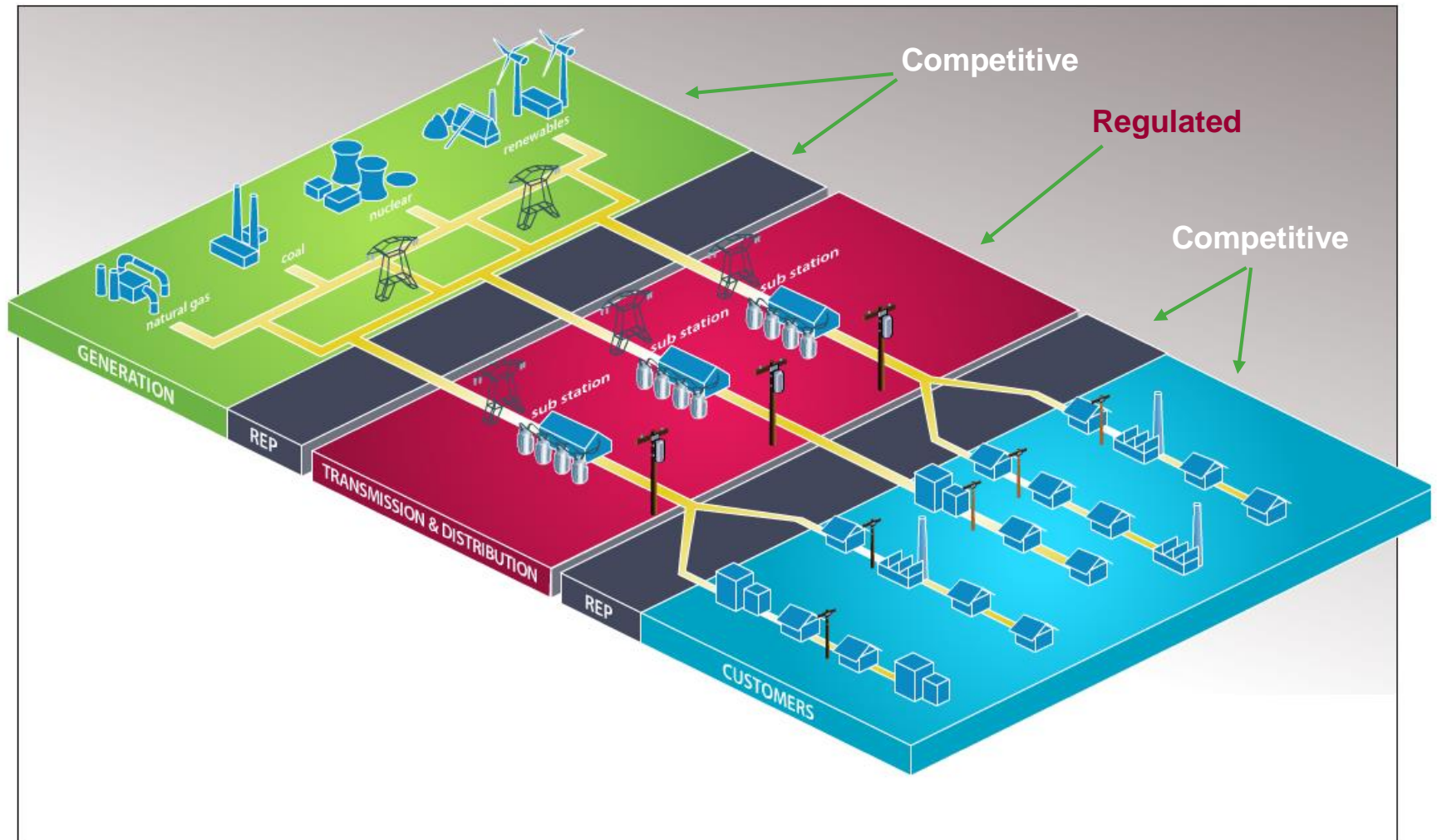
Year Founded	1912
Direct Legislative/Regulatory Oversight Bodies	Public Utility Commission of Texas (PUCT) / Texas Reliability Entity (TRE) / FERC
2015 Revenues (Unaudited)	\$ 3.8 Billion
Annual Energy Efficiency Budget (2016)	\$60,720,316 (Includes Admin, R&D, EM&V)
Customers Served	10 Million
Fuels	
Gas	No
Electricity	Yes
Major Energy Efficiency Program Related Responsibilities	
Informing Policy (various jurisdictions)	Yes
Emerging Technology Development	Yes
Program Design	Yes
Program Implementation	Yes
Program Measurement and Evaluation	Yes
Other Reporting and Program Support	Yes
Demand Response Programs	Yes
DR integrated with EE	DR/LM is part of EE portfolio



Energy Efficiency Results Since 2002:

- Spent over \$637 million
- Reduced 1,392 MW
- Saved over 3,078 GWHs

Texas Market Structure



Texas Energy Efficiency Resource Standard

- Authorized by Texas Legislature in 1999
- All Texas investor-owned utilities must annually meet at least 30% of their annual incremental growth in peak demand and reduce energy consumption equivalent to a 20% load factor based upon demand reduction goal.
- Programs to be administered by transmission-distribution utilities and implemented by Energy Efficiency Services Providers and Retail Electric Providers
- Program and Administrative costs are capped
- Utilities are not decoupled
- Utilities can earn Performance Bonus (up to 10% of portfolio net benefits) based upon Portfolio Cost Effectiveness (Utility Cost Test)

Statewide Emerging Trends

➤ Statewide Forecasted Load Growth

- System peak of 69,800 MW (8/10/15)
- Demand and energy to grow approximately 1.1%/year over next decade
- More than a 16% reserve margin through 2019
- Approximately 16,000 GW of operational wind generation

➤ Energy Codes Advancing

- 2015 IECC for residential and commercial construction effective 11/1/16

➤ Texas Technical Resource Manual Updates

- “Deemed Savings” that were developed in the early 2000’s are being updated using a standard methodology. Generally, savings are decreasing.
- Shift to T8 lighting baseline driving more LED installations

Statewide Program and Policy Success

➤ 2016 Program Targets

- 374 MW savings
- 554,000 MWH savings
- \$139 million program spend

➤ Evaluation, Measurement and Verification

- Conducted by statewide evaluator
- 3.43 B/C ratio for all programs
- 2014 realization rates for demand and energy savings are over 100%
- 2014 programs delivered savings for \$0.016 per kWh and \$12.77 per kW

Challenges and Opportunities

➤ **Smart Thermostat programs**

- Unities beginning implementation
- Estimated 250K wifi thermostats are already in place state wide, but not enrolled in a program or being used to reduce system peak.
- 4,000 customers participated in 2016 pilot program. Impacted 6.8 MW. (1.7 kW/home)
- Approved M&V methodology

➤ **Distributed Solar PV**

- Extension of ITC continues to drive installations
- Installation costs continue to decline
- PV Installations are projected to increase by 45% by 2020