



For Immediate Release

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SPEER Commission: Consensus that Modern Electric Grid Requires Modern Regulation Paradigm

Austin, Texas, June 20 – As the legislative session passed from opening ceremonies to acrimonious shouting matches on the House floor, a voluntary commission of diverse Texas citizens convened by the South-central Partnership for Energy Efficiency as a Resource ([SPEER](#)), a non-profit organization advancing energy efficiency in Texas and Oklahoma, was quietly reaching a consensus. A general agreement emerged that increased investment in various forms of efficiency could be of further benefit to both utilities and consumers, but for this to happen, a new approach to regulation would be required.

“The state already requires utilities to help incent higher levels of efficiency investment to avoid the need for building more power plants or for burning more fuels,” said Bob King, CEO of SPEER. “Our Commission went further to recognize that the expanding array of new options available to consumers, with some guidance and assistance from utilities, could also help reduce the cost of building and operating transmission and distribution infrastructure. This ‘wires’ element of the business is pushing toward 50 percent or more of our utility bills today,” said King.

“The good news is that the utilities’ experience with enabling efficiency and customer-sited resources like rooftop solar, gives them experience with their adoption and their impact,” added King, “It is just that they have little incentive to pursue this aggressively to reduce their own costs under today’s regulatory framework, a regulatory framework that has seen little fundamental change in the last century.”

The consensus statement from the group, included in their report posted by SPEER today, envisions the potential for reliance on what some states have labeled “non-wires alternatives:”

“Investor Owned Utilities evaluate various options for delivering safe, reliable and cost effective service. When these utilities identify and stimulate alternative cost-effective, non-traditional infrastructure solutions, such as energy efficiency, that offer the same level of safe and reliable service, these utilities should be allowed cost-recovery and a rate of return for those expenditures as though they were capital investments. The Commission supports awarding financial incentives to Investor Owned Utilities that reduce revenue requirements relative to what they would have been through such investments.”

The SPEER Energy Policy Commission included 20 some members whose experience reflected experience in every aspect of the electric utility business in Texas—including executives of utilities, competitive retailers, startup software companies, representatives of big brand manufacturers, an environmental advocate and a solar company.

[The final report of the Commission](#) also notes: “The organizational affiliation of individuals is indicated in this report, but it is done only as an indication of the level of experience and of the differing perspectives included in this process, and does not constitute implicit or explicit endorsement of this report or its contents by their organizations.”

This report was the result of a second, nearly year-long dialogue of the SPEER Commission, whose recent iteration was again co-chaired by former Austin Mayor Will Wynn and former Dallas County Judge Margaret Keliher. A full list of Commission members and contributing staff is included in the report.

A foundational element of the Commission’s work together was that only consensus of the entire group would be published. This allowed the group to have a robust discussion, even debate and disagreement, without losing sight of the objective: to find those things the group could agree on. “

Texans hate being told what to do as much as anyone on the planet,” said Chris Herbert, SPEER’s executive director, “but if you allow us to talk things through, we can often come to a reasonable resolution of things.”

While SPEER covers all of Texas and Oklahoma, this SPEER Commission was composed of Texans and focused on investor-owned utilities in the Lone Star state. All the work of the SPEER Commission can be found on the SPEER Website, www.eepartnership.org, under policy initiatives.

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About SPEER

SPEER is a non-profit regional energy efficiency organization, working to accelerate adoption of advanced building systems and energy efficient products, services, and technologies in Texas and Oklahoma. For more information, please visit www.eepartnership.org