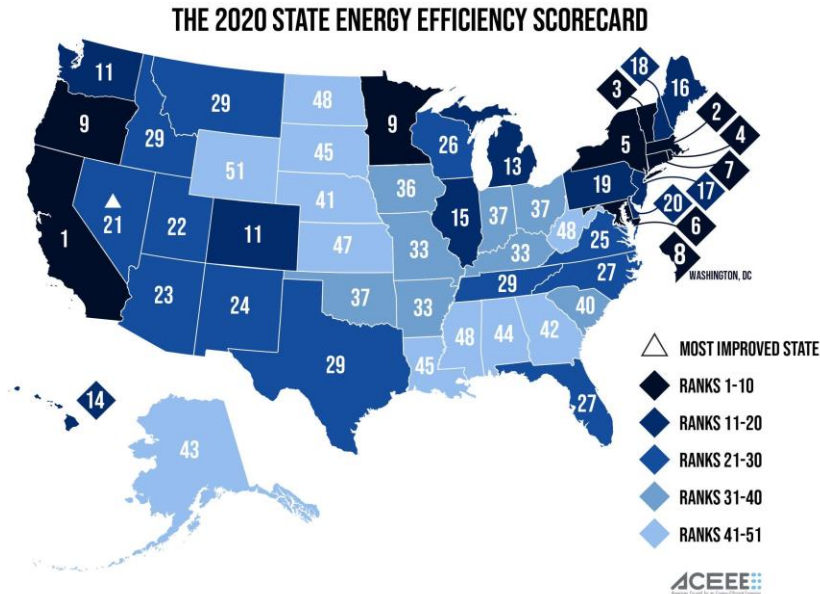




Raise Utility Energy Efficiency Goals in Texas to 1% or More

- Texas is the leading electric producer and consumer in the nation, and it is time for Texas to lead the nation in implementing more energy efficiency measures to combat extreme weather emergencies, whether hurricanes and extreme heat in the summer or a polar vortex in the winter.
- Reducing energy waste through energy efficiency (EE) programs is an important and necessary part of the mix, even as energy sources change. EE programs create jobs, save money, reduce ozone (smog) pollution in cities, protect public health, and reduce greenhouse gas emissions.
- Raising the energy efficiency (EE) goals that Texas Investor Owned Utilities (IOUs) must meet is the most important policy to create EE programs.
- In Texas and nationally, there is an economic and environmental justice problem: American households earning less than twice the federal poverty level - under \$50,000 for a family of four - spend an average of 16% of their income on energy costs compared to households earning \$100,000, which spend a meager 3.5%. Prioritizing programs that help the most vulnerable populations will keep electric bills affordable, and Texans comfortable in a diverse state that spans many geographies and climate zones.
- Texas was the first state to establish an Energy Efficiency Resource Standard (EERS) in 1999. Since then 27 other states have adopted an EERS for reducing energy use. The American Council for an Energy Efficient Economy (ACEEE) reported that EERS policies, which set specific energy-saving goals, are the most successful way to drive large energy efficiency gains, especially when aligned with utility business models to support efficiency.
- In 2017, states with an EERS in effect achieved incremental electricity savings of 1.2% of retail sales on average, compared with average savings of 0.3% in states without an EERS. *In 2019, Texas IOUs' energy savings reached only slightly more than .2% of sales, which is the lowest achieved savings of the 27 states with an EERS goal.*
- Several states, many in the Northeast, are now meeting targets of 1.5% - 3% of new electricity savings each year. In 2019, four states saved ten times as much as Texas (over 2% of sales), and 27 states save more than triple Texas' savings (over 0.6% of sales).
- Currently, Texas EE goals are based on saving 0.4% of electricity during peak demands. *Adding a secondary energy savings goal, and raising it over time to 1% or more is achievable.* Texas already has a well-established, cost-effective program with a required measurement and verification process. The utilities achieved 654 gigawatt hours (GWh) of energy savings and 481 megawatts (MW) of peak demand reduction, at a cost of less than 2 cents per kilowatt hour saved over the lifetime of the programs. These savings also prevented nearly 750 Million Pounds of Carbon Dioxide from being released to the atmosphere.

• *Additional grid savings could easily be achieved in Texas by raising the EE goals, given Texas' economic potential and established EE program.* Much more potential EE could be achieved to reduce the peak demands and increasing consumption that result from a growing population. The vast majority of states with EERS programs have already passed legislation creating a framework for updating their EE targets and implementation.



Source: ACEEE 2020 State Energy Efficiency Scorecard

What does a 1% increase mean to Texas?

Since 2007, Texas has saved 3900 MW in peak demand. That is the equivalent of the power to 1,794,000 homes in Texas. While this is a very impressive number, a gradual increase over the next several years can greatly reduce the power needed, offsetting MW in peak demand during the next critical event:

- 2022: 238 MW equivalent to **power 109,480 homes**
- 2023: 619 MW equivalent to **power 284,740 homes**
- 2024: 1,141 MW equivalent to **power 524,860 homes**
- 2025: 1,804 MW equivalent to **power 829,840 homes**

Over the years the increase in EE goals will greatly reduce the demand on Texas' grid, thus decreasing the risk of another outage event such as those that occurred in 2011 and 2021. This is critical to Texans and can be reached with cost effective measures that will provide benefits for years to come.

Benefits of energy efficiency policies:

- ★ The United States has avoided a 60% increase in energy consumption since 1980 due to energy efficiency investments.
- ★ Saves customers money on electric bills. This is a huge benefit for low-to-moderate income households which have the highest energy burdens, as well as for small businesses that have high lighting and air conditioning bills.
 - 19% of Dallas households have a high energy burden; 8% have a severe energy burden.

21% of Houston households have a high energy burden; 11% have a severe energy burden.
22% of San Antonio households have a high energy burden; 11% have a severe energy burden.¹

- ★ Low cost solutions reduce energy waste and burden: home energy audits, weather-stripping windows and doors, installing new windows or insulations, switching to LED lighting, upgrading heating and air conditioning equipment or replacing water heaters.

- ★ Increase resiliency in building codes to withstand and protect against natural disasters such as floods and hurricanes.
 - Improved building thermal envelope components such as continuous wall insulation to aid sheltering in place capabilities and to better withstand power outages.
 - Simple, cost effective, above-code construction practices such as ring shank roofing nails which have shown to dramatically increase a roof's ability to remain intact which greatly decreases the chances of water damage.

- ★ Building codes. In 2014 more than two-thirds of Texas homes were at least 20 years old. Upgrading building codes increases resiliency and also increases the efficiency of the home. Upgraded codes offer consumers more efficient products and homes, and lower energy bills. Even the lowest-cost EE programs can provide huge benefits such as all-LED lighting, weatherization, increased insulation, and much more.

- ★ Aids in economic growth. EE programs provide more jobs in the clean energy sector than any other. Between 2016-2019, EE jobs increased by 15.5% adding 22,676 jobs²

- ★ Invests in new technologies. Rebates in Texas have been used for onsite solar, heat pumps, energy management systems and even storage to help consumers and businesses better manage and reduce their energy use. Other rebates have been used in new home construction to encourage better built and more efficient homes.

¹ "Energy Burden Report", ACEEE, published September 2020, <https://www.aceee.org/energy-burden>

² "Texas Energy Efficiency Jobs in America," E4 The Future, published 2020, <https://www.ee.e4thefuture.org>