



89th Texas Legislature – Session in Review



Who is SPEER?

- **REEO: Regional Energy Efficiency Organization**
- **Member-based, non-profit 501(c)3 organization**
- **65+ members from a wide cross section of Energy Efficiency Industries**
- **Focused on Outreach Education and Collaboration on Clean Energy**





Who is SPEER?

SPEER's mission is to accelerate the adoption of advanced building systems and energy-efficient products and services in the South-central US.

Our Work

- ✓ **Policy**
- ✓ **Building Codes**
- ✓ **High Performance Buildings**
- ✓ **Local Government**

Our Members

- ✓ **Advocacy Orgs**
- ✓ **Cities**
- ✓ **ESCOs**
- ✓ **Manufacturers**
- ✓ **Trade Associations**
- ✓ **Utilities**



The South-central Partnership for Energy Efficiency as a Resource



Agenda

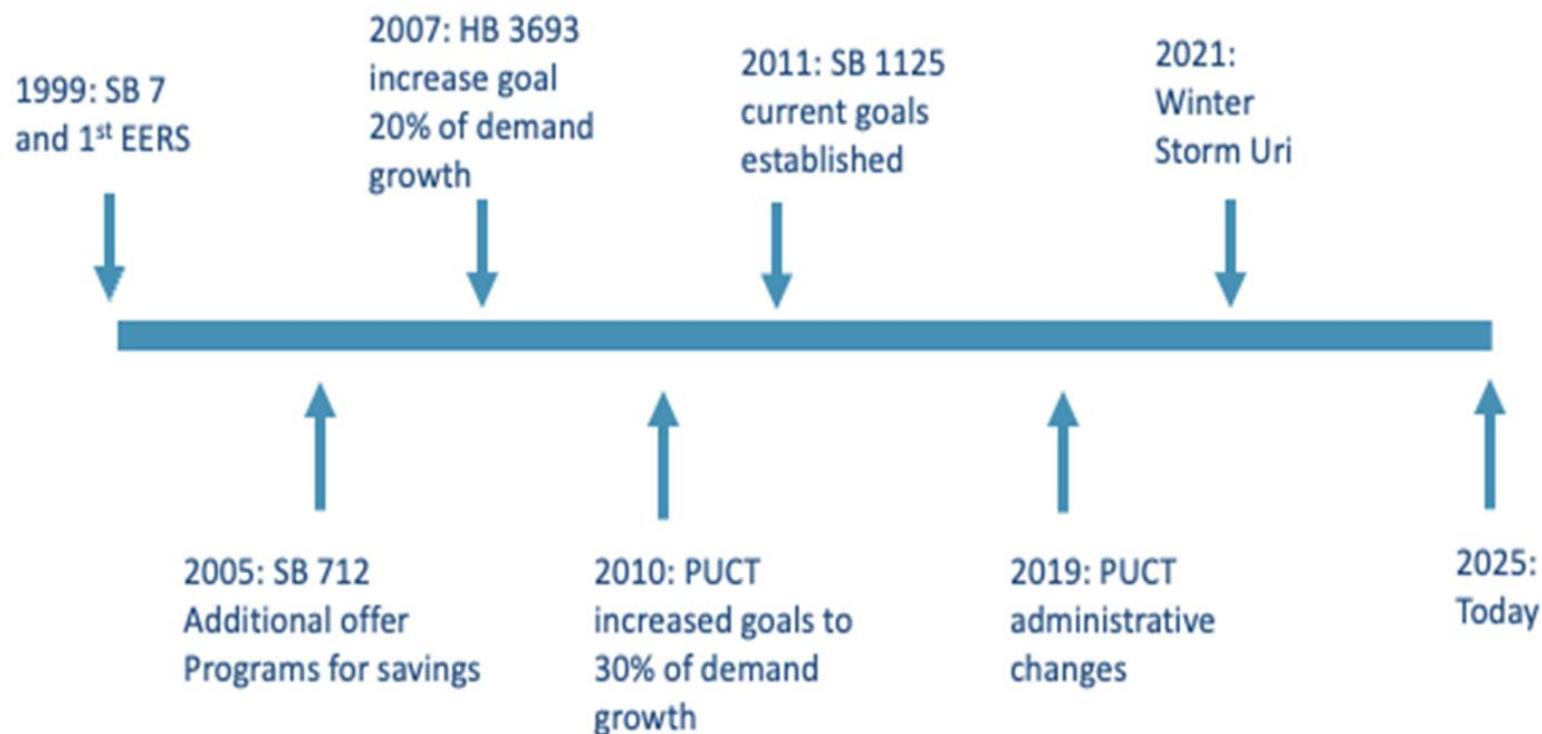
- ✓ Setting the stage - History of PUCT §25.181- 25.182 EE Rules
- ✓ Energy efficiency performance
- ✓ 89th Legislative Session bills
- ✓ What's next?
- ✓ Q&A/ Discussion





Setting the Stage

History of PUCT §25.181- 25.182 EE Rules





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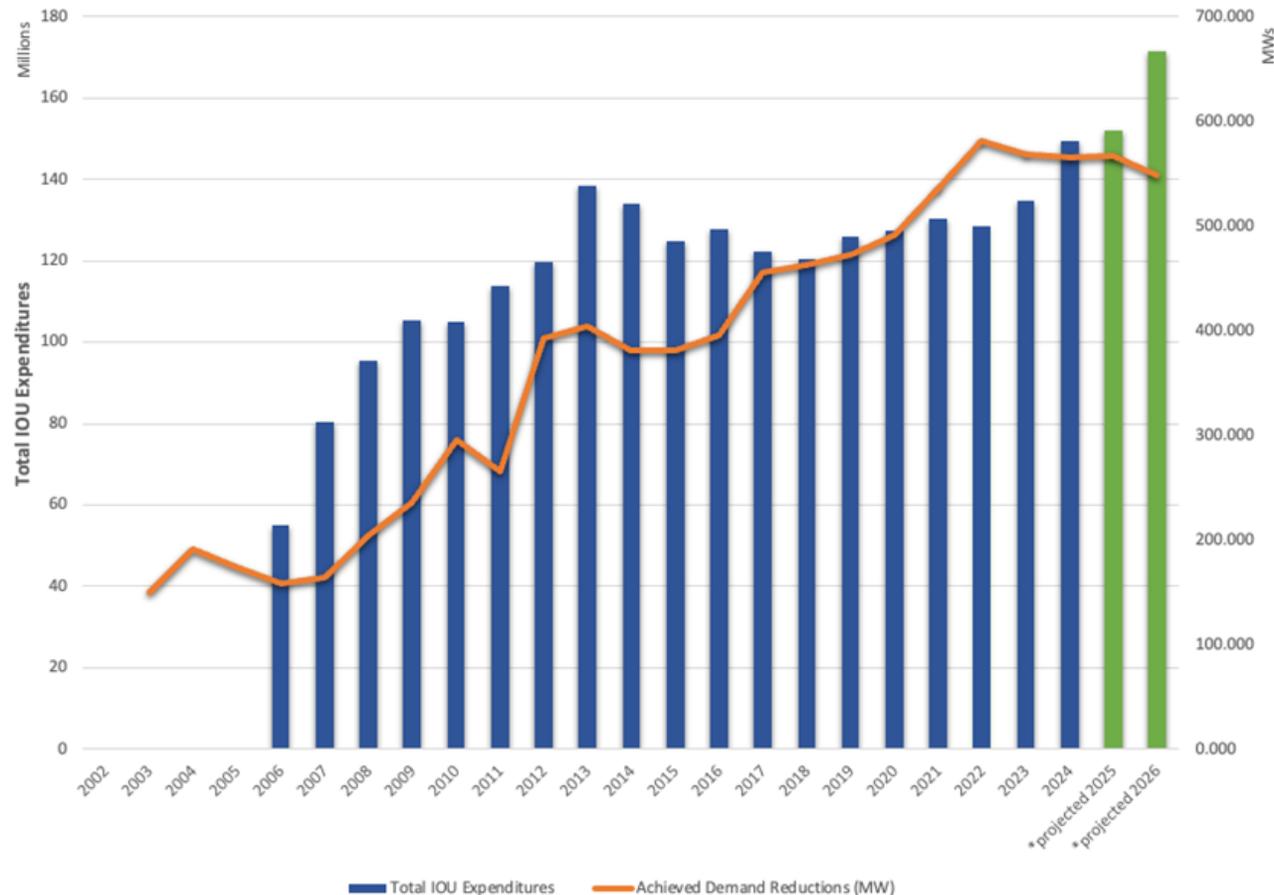
What is the Current EE Rule – 25.281

- **Cost-effective standard**
- **Annual goal:**
 - **30% reduction of annual growth in demand for residential and commercial customers**
 - **If 30% met, new goal is 0.4% of weather-adjusted peak demand for previous year**
- **Incentive payments**
- **Administration (reporting, measurement, costs, R&D, etc...)**
- **Outlines programs: Standard offer programs/Market transformation programs/Self-delivered programs**
- **Targeted low-income program – 10% of program budget**



Energy Efficiency Performance

Historical IOU Expenditures and Achieved Reductions



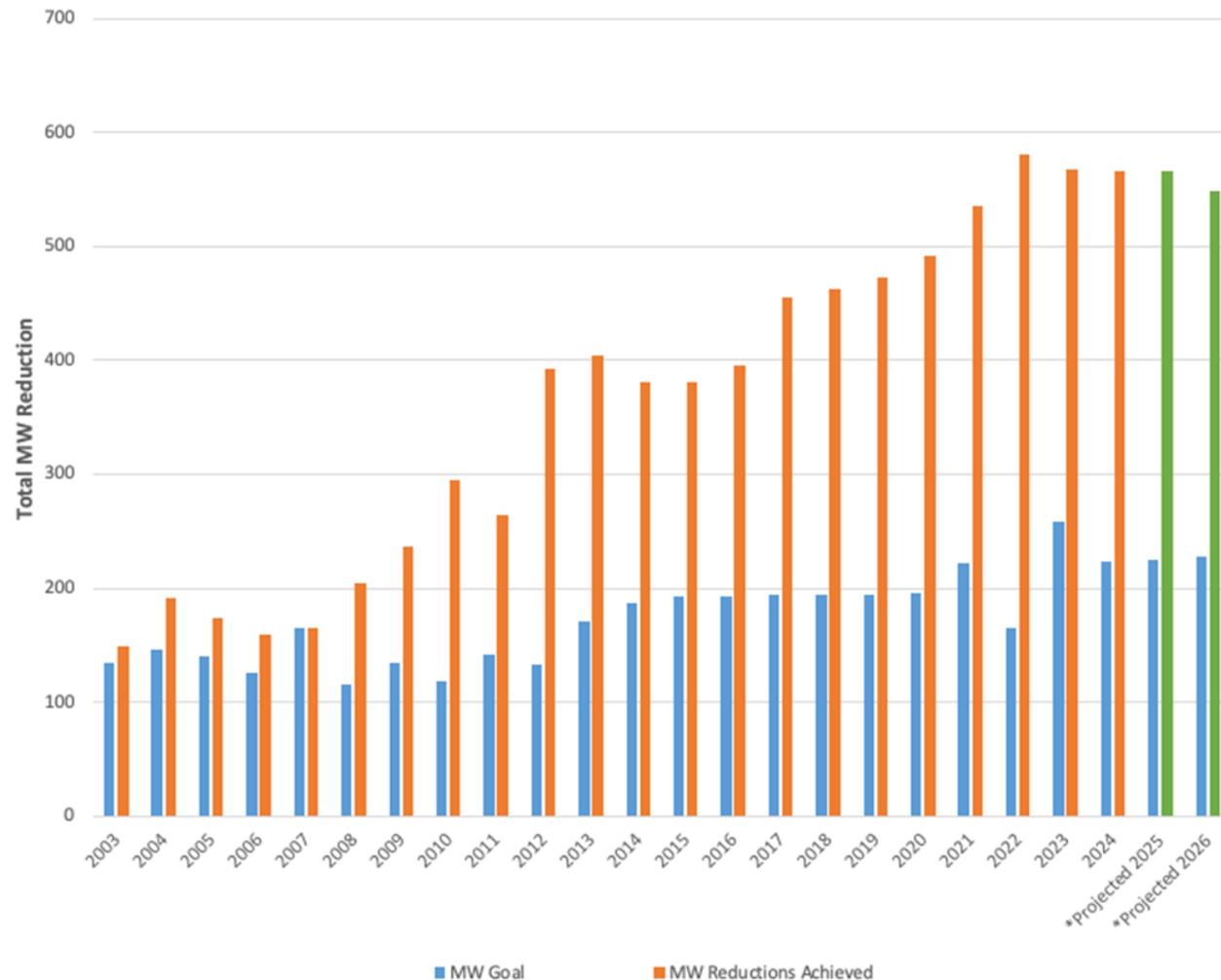
- ▶ Demand side energy policies are cost effective
- ▶ EE spending in Texas relatively stagnant since 2011 while achieved demand reductions increase





Energy Efficiency Performance

Demand Goal vs Reductions Achieved



- ▶ Utilities exceed performance goals consistently
- ▶ Performance of EE programs in Texas saves residents and businesses money every day





SPEER 89th Legislature Priorities



EERS GOAL
IMPROVED
PERFORMANCE



UPDATED
BUILDING/ENERGY
CODES



WORKFORCE
DEVELOPMENT



DR RESIDENTIAL
INCENTIVES AND
DERS



TRANSMISSION
BUILDOUT



INSURANCE



EXTREME WEATHER
PREPAREDNESS



Texas 89th Legislature at a Glance

- ▶ Texas 89th Session began in January
 - ▶ Over 10,000 bills filed
 - ▶ SPEER tracked 307 pieces of legislation
 - ▶ March 15th filing deadline
 - ▶ Sine die June 2nd
- ▶ Special Sessions called beginning July 21st and August 15th to address several items, including extreme weather preparedness
- ▶ Key Energy Takeaways:
 - ▶ Priority bill SB 6^{***} sought to reign in transmission costs, improve load forecasting, and protect residential customers.
 - ▶ Significant focus on targeting renewable energy resources and limiting their growth. SB 819*, SB 388*, and SB 715*

* passed out of one chamber

** passed out of both chambers

*** became law



SPEER Texas Priorities



EERS Improved Performance

SB 2994** was a compromise bill aimed at improving utility energy efficiency programs through incremental changes

HB 5323*** established the Texas Energy Waste Advisory Committee



Updated Building/Energy Codes

SB 783*** refile from 88th session, allows SECO to adopt new energy codes

HB 871* would increase statewide building code standards to 2018 levels

HB 4016 would ban electric resistance heat as primary heating source in residential dwellings greater than 500 sqft



Workforce Development

SB 2925*** established the Task Force on Modernizing Manufacturing

HB 3260*** established Industry Recognized Apprenticeship Programs Grant Program

HB 4443* would have created pilot program for careers in EE technologies in DFW



DR Residential Incentives and DERs

SB 1916/HB 4367 would require load management utility programs to have a goal

SB 2021 would create regulatory structure for interconnection of DERs

* **passed out of one chamber**

** **passed out of both chambers**

*** **became law**



SPEER Texas Priorities



Transmission Buildout

HB 3069* would improve long-term planning criteria for transmission projects and amend certificate of convenience process

HB 3044 sought to eliminate generic constraints for transmission.

Several bills on vegetation management were filed like HB 1606*** requiring notice to customers on how to request vege management trimming



Insurance

HB 145*** allows utilities to self-insure for potential damage a utility may be liable for in event of a wildfire

Several other bills were filed that would indirectly impact insurance premiums, but took the form of wildfire mitigation



Extreme Weather Preparedness

HB 13* would have established the Texas Interoperability Council for emergency weather communications

SB 1312 would have prohibited utilities from disconnecting service to any county subject to disaster declaration

* passed out of one chamber
** passed out of both chambers
*** became law



Texas – Other Bills of Interest

- ▶ **Nuclear Energy received significant attention** - HB 14*** created the Texas Advanced Nuclear Energy Office promoting planning, coordinating, and providing support to nuclear energy industry
- ▶ **Utility Regulation** - HB 2868 sought to update the evaluation of capital structures calculations for electric utilities used in rate cases. HB 5247*** established an alternative rate adjustment process for construction of new transmission under the Permian Basin Plan stemming from the 88th Legislature.



What's Next?

- **The 89th Special Sessions began on July 21st and August 15th with resiliency from flooding and other extreme weather added to the agenda.**
- **The interim will begin after the Special Sessions end. Committees will meet and review priority issues leading into the 90th Session**
- **Midterm Elections November 2026**
- **90th Legislative Session will commence in January 2027**

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