



Energy Efficiency Programs: Educating Low-Income Consumers to Manage Their Use and Costs

Presentation by
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Public Utility Commission of Texas

1-A

Energy Efficiency Program



- Utilities required to meet 20% of growth in demand through energy-efficiency programs
- Standard offers and market transformation programs
- Objective is to obtain cost-effective energy-efficiency programs from third parties

Energy Efficiency Goals



2001 - Transition Year Pilot Program

2003 - 5% of growth in demand

2004 / 2007 - 10% of growth in demand

2008 - 15% of growth in demand

2009 - 20% of growth in demand

goal calculated using a five year rolling average of the historical peak average of year preceding the goal year

EE Measures Examples



- Weather stripping
- Duct sealing
- Insulation
- Hard to Reach Programs



Excluded Measures

- Measures that received an incentive from another utility program
- Measures that rely on changes in customer behavior and require no capitol investment
- Measure that result in negative environmental or health effects

Hard to Reach Programs



- Residential customers with household incomes at or below 200% of federal poverty guidelines
- Customers at or below 125% of federal poverty guidelines on waiting list for weatherization services
- Each household must be assessed to determine prioritization of energy efficiency measures to be installed

Smart Meters



- Approximately 1.2 Million smart meters have been deployed in ERCOT. Over 6 million smart meters will be deployed by the end of 2013.
- The joint web portal, www.smartmetertexas.com, allows consumers, REPs, and TDUs to track and manage energy use, and will include HAN management tools in future releases.
- Several REPs are offering products and services that utilize smart meter functionality, such as energy monitoring, time-of-use pricing, or pre-paid service.

Recent Statistics



- Two-thirds of Americans have never heard the term “Smart Grid.” *(February 2010 Harris Poll)*
- Findings from Parks Associates' nationwide survey: *(U.S. Household Energy Usage: Behaviors and Opportunities for Innovation)*
 - Over 80% of U.S. consumers are interested in learning about how to cut their energy costs. However, less than one-half want to learn more about smart grids.
 - 80-85% of households are willing to pay \$80-\$100 for cost-saving equipment if they are guaranteed to save 10-30% off their monthly electricity bill.
 - Only 15-20% of consumers are likely to sign up for time-of-use or demand-response programs. Over one-third do not want utilities to control systems in their home regardless of the potential savings.



Low Income Customers

- The commission has approved the expenditure by utilities to provide in home devices to eligible low-income customers for free
- Low Income customers in Texas are defined by Commission rules:
 - An electric customer, whose household income is not more than 125% of the federal poverty guidelines, or who receives food stamps from the Texas Department of Human Services (TDHS) or medical assistance from a state agency administering a part of the medical assistance program

Upcoming Revisions



Project 37623

- Staff proposal would raise an electric utility's energy efficiency goals from 20% of growth in demand to 30% of the electric utility's annual growth in demand of residential and commercial customers by program year 2012;
 - 40% of the electric utility's annual growth in demand by program year 2013;
 - and 50% of the electric utility's annual growth in demand by program year 2014.
- Staff proposal also includes budget caps for each of those years and a revised calculation of the bonus that a utility may earn for achieving its goal.
- The proposal also updates the cost effectiveness standard by adjusting the avoided cost of capacity and the avoided cost of energy.

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Thank You