

## Texas

The Public Utility Commission of Texas (PUC) has established an energy efficiency program as a component of the comprehensive restructuring legislation enacted under Senate Bill 7 in the 1999 legislative session. Under PURA § 39.905, added by Senate Bill 7, the PUC established a goal for energy efficiency and adopted rules and procedures necessary to achieve the goal. The PUC has implemented rules pertaining to energy efficiency: P.U.C. SUBST. R. 25.181 provides an outline of the standards for energy efficiency programs; and P.U.C. SUBST. R. 25.184 establishes the allowable program templates and associated savings estimates.

The PUC developed the energy efficiency “templates” (P.U.C. SUBST. R. 25.184) through a series of public meetings and forums with IOUs, energy efficiency service providers and consumer advocate groups resulting with the following programs:

1. Commercial and Industrial Standard Offer Program
2. Load Management Standard Offer Program
3. Residential and Small Commercial Standard Offer Program
4. Hard-to-Reach Standard Offer Program
5. Residential ENERGY STAR<sup>®</sup> New Windows Program
6. Multi-Family Water and Space Heating Market Transformation Program
7. Air Conditioning Distributor Market Transformation Program
8. Air Conditioning Installer Market Transformation Program
9. Compressed Air Market Transformation Program
10. ENERGY STAR<sup>®</sup> New Homes Market Transformation Program
11. Home Performance with ENERGY STAR<sup>®</sup> Market Transformation Program
12. Retro-commissioning Market Transformation Program

Additionally, Senate Bill 5, enacted in the 2001 legislative session, established reporting requirements for the PUC to report to the Texas Commission on Environmental Quality on the emissions reductions from the SB 5 energy efficient grant program and the SB7 energy efficiency programs. The PUC has implemented P.U.C. SUBST. R. 25.183 to set forth the reporting requirements for SB5 and SB7 programs.

The SB5 energy efficiency program funds were appropriated to a variety of Texas state agencies. The PUC received 7.5% of the funds for awards to electric utilities that provide service within counties designated by EPA as non-attainment or near non-attainment. For 2002 and 2003 the PUC awarded \$3 million dollars in grants that resulted in energy savings of \$900,000.

The SB7 program required electric distribution utilities to offset 10% of load growth through energy efficiency. Evaluations indicate that the 10% load growth goal is being exceeded. For 2004 the utilities reported \$85 million in expenditures for SB7 energy efficiency projects to achieve this goal which also provided energy savings of \$25 million. Program incentives for SB7, funded by transmission and distribution rates, are provided by the utilities through standard offer programs or targeted market transformation programs for implementation by energy services companies or retail electric providers.

For more information, see:

**1. Texas Senate Bill 7**

<http://www.capitol.state.tx.us/cgi-bin/tlo/viewtext.cmd?LEG=76&SESS=R&CHAMBER=S&BILLTYPE=B&BILLSUFFIX=00007&VERSION=5&TYPE=B>,

**2. PURA Sec. 39.905. GOAL FOR ENERGY EFFICIENCY**

<http://www.puc.state.tx.us/rules/statutes/Pura03.doc>

**3. §25.181. Energy Efficiency Goal**

<http://www.puc.state.tx.us/rules/subrules/electric/25.181/25.181.doc>

**4. Energy Efficiency Implementation Project 25.184**

<http://www.puc.state.tx.us/rules/subrules/electric/25.184/25.184ei.cfm>

**5. Air Quality Plans - Texas Senate Bill 5**

<http://www.tnrcc.state.tx.us/oprd/sips/overview.html>