

## Energy Efficiency Mandates and Programs

**HB 280 by Rep. Anchia**  
**HB 1646 by Rep. Burnam**  
**HB 3345 by Farabee**

**HB 695 by Rep. Anchia**  
**HB 1697 by Rep. Martinez**  
**HB 3375 by Rep. Deshotel**

### Proposals

- HB 280 would require utilities to meet 30 percent of load growth by Dec. 31, 2011; 40 percent by Dec. 31, 2013; and 50 percent by Dec. 31, 2015. Beginning in 2016, utilities would be expected by the Legislature to reduce electricity consumption by 2 percent per year.
- HB 695 would require electric utilities to offer low-interest energy efficiency improvement loan programs to promote efficient energy usage in apartment buildings. The Public Utility Commission of Texas (PUC) would establish the program, including an energy efficiency cost recovery factor and mechanisms by which loans would be repaid.
- HB 1646 would require utilities to lower peak demand by 0.5 percent by Dec. 31, 2012, of which between 0.1 percent and 0.2 percent must be attributable to demand response programs. Utilities would lower peak demand by 1 percent by Dec. 31, 2015, of which between 0.2 percent and 0.3 percent must be attributable to demand response programs. The bill allows the PUC to alter those goals based on each utility's capacity to meet those demands. The bill creates an Office of Energy Efficiency Deployment within the State Energy Conservation Office (SECO).
- HB 1697 would require that utilities administer both energy efficiency and solar energy technology incentive programs. Utilities would provide by Dec. 31, 2011 programs for energy efficiency for residential and commercial customers equivalent to at least 1 percent of the utility's annual gross receipts from retail sales to these customers, provided that the program expenditures for each subsequent year may not exceed 150 percent of the utility program budget. HB 1697 also establishes that solar energy technologies be installed using at least 60 percent of the yearly balance of money under this program. The following amounts would be expected to be installed: 200 MW of solar power by Jan. 1, 2001; 500 MW by Jan. 1, 2013; 1,500 MW by Jan. 1, 2015; and 3,000 MW by Jan. 1, 2009.
- HB 3345 would require utilities to lower peak demand by 0.5 percent by Jan. 1, 2012 and 1 percent by Jan. 1, 2015. The goal would not include demand from transmission-level industrial facilities. Utilities would provide incentives to facilitate acquisition by customers of 200 MW of demand-side renewable energy systems by Jan. 1, 2015.
- HB 3375 would state as a goal of the Legislature that by Jan. 1, 2025, the per capita consumption of electricity and natural gas would be reduced by 25 percent as compared to 2006. SECO would establish an energy efficiency credits program, with credits purchased by retail electric providers (REPs).

### AECT Position

- AECT member companies support the implementation of energy efficiency technologies as they become economically viable and in demand by customers.
- AECT recognizes the importance of emerging energy efficiency technologies and believes the market will provide guidance in determining which technologies should be adopted.
- In the 2007 Legislative Session, the energy efficiency mandate was significantly expanded. Utility energy efficiency goals for 2009 are double what they were in 2007.
- End-users of electricity have an incentive to seek cost-effective energy efficient measures without additional state mandates or expenditures.
- End-use customers pay for energy efficiency subsidies through retail electric prices. Any increase in the mandates would result in higher electric bills to customers.
- AECT remains committed to a long-term transition to future energy solutions, but our state must do so in a manner that is rational, measured and does not impose an unreasonable financial burden on customers or market participants.

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