



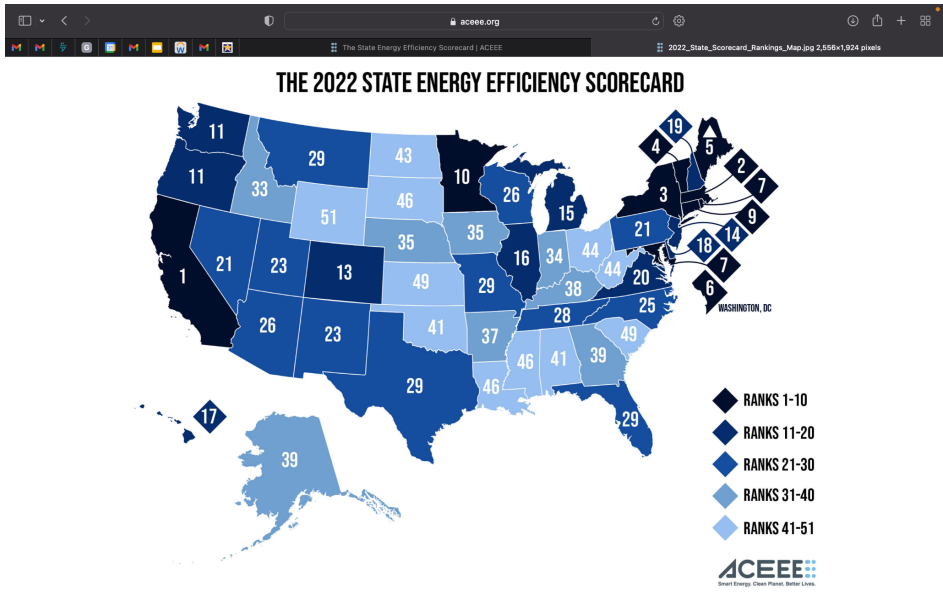
To: The Honorable Todd Hunter, Chair
Members, House Committee on State Affairs
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The Sierra Club Supports HB 4811 by Anchia Relating to the creation of the Texas Energy Efficiency Council to foster collaboration, coordination, and communication to enhance the state’s energy efficiency performance.

Who runs energy efficiency programs in Texas and do we coordinate them?

As a state, Texas lags behind many other states in terms of our energy efficiency goals and policies. Ranked 29th by the ACEEE, Texas has not prioritized energy efficiency programs as much as some other state. A quick glance at other states reveals well coordinated energy efficiency campaigns spearheaded by state governments such as “Efficiency Arkansas”, to New Jersey “CleanEnergy Programs” to “Energy Trust of Oregon.” Citizens are generally more aware of the existing programs in those states because the utilities and state governments are coordinating energy efficiency campaigns. *HB 4811 seeks to change that by creating a Texas Energy Efficiency Council, a key recommendation unanimously adopted by the five commissioners of the PUCT.*



Texas has good programs, but no one knows about them

Texas actually has a fair number of successful energy efficiency programs, but most people are unaware of their existence. As an example, through the Public Utility Commission, Texas oversees a variety of rate-based energy efficiency and demand response programs managed by the Transmission and Distribution Utilities, but looking at the PUCT website, you would be hard pressed to know of their existence. In addition, most electric cooperatives and municipally-owned utilities also have their own energy efficiency and load management programs, but very few members have participated in them. ERCOT also allows certain types of loads - mainly industrial - to participate in ancillary services and Emergency Response Services.

In addition, the State Energy Conservation Office runs a revolving loan energy efficiency program for public buildings, while the Texas Department of Housing and Community Affairs helps shepherd tens of millions of dollars of DOE and HHS money into payment assistance and weatherization programs. Other programs are run by the Energy Systems Laboratory at Texas A & M related to implementation of advanced building codes, while the Texas Facilities Commission helps agencies more efficiently run state buildings. Meanwhile the Texas Water Development Board and TCEQ both have financing for water programs that can also save energy.

HB 4811 would help coordinate these disparate programs by creating a Texas Energy Efficiency Council housed at the PUCT. The council would consist of representatives of the major Texas's state agencies, along with other members from the utilities and other key stakeholders.

The council would help coordinate and collaborate on the hundreds of millions of dollars coming to Texas as a result of the passage of the Bipartisan Infrastructure Law and the IRA of 2022, but also communicate with the public about their existence. Already, SECO is slated to receive millions in Energy Efficiency Conservation Block Grants, revolving loan funds and other state energy plan funds, while the TDHCA recently applied for \$174 million in weatherization funds. Texas is also eligible for nearly \$685 million in energy efficiency and electrification rebates under the IRA, but assuring that these monies are coordinated with existing utility and weatherization programs will be key to getting the largest savings possible.

Some Examples of Recent Federal Funding That Could Be Coordinated

Program	Potential Agency	Amount and Funding Source
Weatherization Assistance Program (WAP)	TDHCA	\$174 million through Bipartisan Infrastructure Fund
Section 40109. State Energy Plan	SECO	\$35 million over five years (BIL)
Grid Modernization	PUCT	\$5 billion in competitive grants through BIL and IRA
Section 40552. Energy Efficiency and Conservation Block Grant Program	SECO	Estimated \$15 million over 5 years through BIL
Section 40511. Cost-Effective Codes for Efficiency and Resilience	SECO	Competitive grant could be \$10 million over five years for modern code implementation through BIL
Section 40502. Energy Efficiency Revolving Loan Fund Capitalization Program	SECO	Allocation possible of up to \$15 million for revolving loan program for public and potentially private buildings
Section 18795. Home energy performance-based, whole-house rebates	SECO (or potentially PUCT)	Up to \$345 million available over several years for grants for residential home energy rebates through IRA

18795a. High-efficiency electric home rebate program	SECO (or potentially PUCT)	Up to \$344 million available for grants for homes using electric appliances or improvements such as electric and geothermal heat pumps.
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HB 4811 would also centralize information and create the potential for a one-stop shop for consumers to learn about where to access available energy efficiency incentives and potentially participate. The Council could also help spur private efforts to reduce demand and grow jobs in the energy efficiency space.

While HB 4811 by itself will not reduce demand, the simple act of getting state agencies and utilities and the public to share information, coordinate and collaborate will. We also believe that the Texas Energy Efficiency Council will raise the profile of the need to focus not only on energy supply, but also demand. We need both to make the Texas grid work efficiently.

The Sierra Club strongly supports HB 4811.