



SIERRA CLUB

LONE STAR CHAPTER

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The Honorable Dr. Charles Schwertner

Members, Senate Committee on Business and Commerce

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Concerns with SB 1519 by King

The Sierra Club is supportive of utilities like CenterPoint Energy, Oncor and others having programs to help residential and commercial customers shift peak energy use, especially when the grid is in an emergency. Thus, we have no problem with the intent of SB 1519 which is to allow residential customers to participate in such load management programs during emergencies. Indeed, we have been supporting separate legislation to grow the goals for residential demand response programs through the energy efficiency load management programs or a separate goal for residential demand response through the retail electric providers..

SB 1519 would broaden the scope of customers that are eligible to participate in load management programs for emergencies to include residential customers, thereby potentially increasing the amount of load available to be curtailed during an ERCOT-declared energy emergency or ERCOT-directed load shed.

The problematic aspect for the Sierra Club is that we believe that allowing utilities to have such programs separate and apart from the current energy efficiency load management programs that are administered by the Public Utility Commission of Texas could undermine those programs. That is given the choice, utilities might choose to focus on the “emergency programs” which “shall be permitted to recover the reasonable and necessary costs of the load management program under Chapter 36,” and not on programs that must go through an annual energy efficiency cost recovery fee (EECRF). Thus, we would

prefer some language that would allow the programs to be part of the “regular” energy efficiency load management programs, which would give the PUCT and the public the opportunity to review their performance.

Suggested language

We would prefer that residential customers be included in the annual load management programs run through the energy efficiency programs, and be allowed thus to be served by competitive services. Thus, rather than allowing utilities to operate separate load management programs for residential customers apart from the energy efficiency load management programs, language could allow the utility to collaborate with ERCOT on competitive management programs.

(f) if approved under the programs authorized under Utility Code 39.905, the commission shall authorize a transmission and distribution utility to administer a load management program for residential customers to be used where the independent organization certified under Section 39.151 for the ERCOT power region has declared a Level 2 Emergency or a higher level of emergency or has otherwise directed the transmission and distribution utility to shed load.