

# Energy Efficiency and Electric Infrastructure in the State of Texas

The simple choice for energy efficiency.



In any given state, there are a range of stakeholders well-positioned to contribute to the design and delivery of effective energy efficiency programming. This factsheet provides an overview of relevant entities in the state of Texas, along with highlights of state policies and practices related to energy efficiency. The entity types described and highlighted below are typically involved in electricity and/or energy efficiency related matters in states. Other important stakeholders such as trade associations, industry, and local businesses are not included as they vary significantly from state to state.

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## Electric Market Overview

### Electric Utilities

Privately- and publicly-owned electric utilities generate, transmit, distribute, and/or sell electricity primarily for use by the public. These include investor-owned electric utilities, municipal and state utilities, Federal electric utilities, and rural electric cooperatives.<sup>1</sup> The following summarizes electric utilities in Texas by type:

- *Investor-Owned Electric Utilities:*
  - AEP Texas Central Company: <https://www.aeptexas.com/>
  - CenterPoint Energy: <http://www.centerpointenergy.com/en-us/>
  - El Paso Electric Company: <https://www.epelectric.com/>
  - Entergy Texas Inc.: <http://www.entergy-texas.com/>
  - Oncor Electric Deliver Company LLC: <http://www.oncor.com/EN/Pages/Oncor-Electric-Delivery-Co-LLC.aspx>
  - Sharyland Utilities LP: <http://www.sharyland.com/>
  - Southwestern Electric Power Company (Texas Division) (SWEPCO): <https://www.swepco.com/>
  - Southwestern Public Service Company (Xcel Energy): <http://www.xcelenergy.com/>
  - Texas-New Mexico Power Company: <http://www.tnmp.com/>
- *Member-Owned (Electric Cooperative):* Texas has 76 electric cooperatives
- *Municipally-Owned/Publicly-Owned Utilities:* Texas has 25 municipally- or publicly-owned electric systems in the state
- *Other:* 62 Retail Power Marketers; 1 Political Subdivision; 3 State; 10 Wholesale Power Marketers<sup>2</sup>

*Electric utility service areas (as available):* <http://www.puc.texas.gov/industry/maps/maps/tdumap.pdf>

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<sup>1</sup> Source: EIA

<sup>2</sup> Sources: EIA 2013 Form EIA-861 Utility Data (<http://www.eia.gov/electricity/data/eia861/>) and Public Utilities Commission of Texas (<http://www.puc.texas.gov/industry/Electric/directories/>)

## Status of Electric Industry Restructuring

Vertically integrated utilities are responsible for generation, transmission and distribution of power to customers. In the 1990's, many states began to unbundle the electricity supply and distribution functions of investor-owned utilities on the theory that only the wires (the fixed network system) constituted a natural monopoly, while the generation of power did not. In states that have undergone restructuring, individual retail customers can choose their supplier but still receive delivery over the power lines of the local utility.<sup>3</sup>

- Texas has a restructured electric industry. <http://www.eia.gov/electricity/policies/restructuring/texas.html>
- About 75% of the state is in competitive areas with regulated transmission and distribution utilities and competitive generation and retail. About 25% of the state is vertically integrated with public power entities.

## Regional Transmission Organization (RTO)/Independent System Operator(ISO)

About 60% of U.S. electric power supply is managed by RTOs or ISOs: independent, membership-based organizations that ensure reliability and usually manage the regional electric supply market for wholesale electric power. In the rest of the country, electricity systems are operated by individual utilities or utility holding companies. RTOs/ISOs engage in long-term planning that involves identifying effective, cost-efficient ways to ensure grid reliability and system-wide benefits. Coordination and cooperation between utilities, state PUCs and RTOs/ISOs is often required to advance energy efficiency goals.<sup>4</sup>

- About 85% of Texas is within the boundaries of the Electric Reliability Council of Texas (ERCOT): <http://www.ercot.com/>  
Texas is also part of the Southwest Power Pool (SPP) RTO: <http://www.spp.org/>

## Utility Oversight and Planning

### Utility Oversight

Public utility commissions (PUCs) oversee goals, investments, and ratemaking for investor-owned electric utilities. Most of this oversight is conducted via specific regulatory proceedings. Municipally-owned utilities are governed by a local city council or an elected commission, and member-owned/cooperative utilities are governed by a board elected by members. In a few states, PUCs have oversight over some aspects of municipally and member-owned utility performance such as energy efficiency resource standards.<sup>5</sup>

- The Public Utility Commission of Texas regulates the state's electric, telecommunication, and water and sewer utilities, implements respective legislation, and offers customer assistance in resolving consumer complaints.  
<http://www.puc.texas.gov/>

### Integrated Resource/Procurement Planning

Integrated resource plans (IRPs) are utility plans for meeting forecasted annual peak and energy demand through a portfolio of supply-side and demand-side resources over a specified future period. As of early 2015, integrated resource planning is required or present in more than 30 states, including most vertically integrated/non restructured states. In states that are restructured, regulated distribution-only utilities may be required to develop procurement plans to service customers that do not choose a competitive retail supplier. Energy efficiency is considered as a demand-side resource but the degree to which it is included in resource/procurement planning is influenced by other factors including policies such as energy efficiency resource standards or requirements that all cost effective energy efficiency be considered.<sup>6</sup>

- Texas does not have Integrated Resource Planning, but many Municipal utilities and electric cooperatives in Texas do have Integrated Resource Planning.

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<sup>3</sup> Source: The Regulatory Assistance Project (RAP)

<sup>4</sup> Source: [EPA Energy and Environment Guide to Action](#)

<sup>5</sup> Sources: [EPA Energy and Environment Guide to Action](#) and RAP

<sup>6</sup> Source: [EPA Energy and Environment Guide to Action](#)

## Statewide Planning Process

States sometimes undertake executive or legislatively driven statewide energy planning processes. These plans may be completely independent of utilities or may explicitly engage utilities.

- State Energy Plan 2008: <http://www.naseo.org/Data/Sites/1/documents/stateenergyplans/TX.pdf>

## Energy Efficiency Potential Studies

Energy efficiency potential studies determine the amount of technical, economic, and achievable potential for energy efficiency in a region, state, or utility service territory. Energy efficiency potential studies may be undertaken by state agencies or energy efficiency advocacy organizations, or by utilities as part of or to inform compliance with a regulatory requirement. The following are recent energy efficiency potential studies:

- Assessment of the Feasible and Achievable Levels of Electricity Savings from Investor-Owned Utilities in Texas: 2009-2018 (2008): [http://www.puc.texas.gov/industry/projects/rules/38578/ee\\_potential\\_study.pdf](http://www.puc.texas.gov/industry/projects/rules/38578/ee_potential_study.pdf)
- Austin Energy DSM Market Potential Assessment Final Report (2012): <https://austinenergy.com/wps/wcm/connect/15a83f48-4741-41f9-af6d-ff27a064bd03/2012DSMmarketPotentialAssessment.pdf?MOD=AJPERES>
- Potential for Energy Efficiency, Demand Response, and Onsite Renewable Energy to Meet Texas's Growing Electricity Needs (2007): <http://aceee.org/research-report/e073>
- Role of Energy Efficiency and Onsite Renewables in Meeting Energy and Environmental Needs in the Dallas/Fort Worth and Houston/Galveston Metro Areas: <http://aceee.org/research-report/e078>
- The Economic Benefits of an Energy Efficiency and Onsite Renewable Energy Strategy to Meet Growing Electricity Needs in Texas (2007): <http://aceee.org/research-report/e076>
- Exploring Natural Gas and Renewables in ERCOT, Part III: <http://www.texascleanenergy.org/Brattle%20III%20Final.pdf>

## Energy Efficiency Policies/Activities

### Statewide Clean Energy Policy/Energy Efficiency Energy Resource Standard(s)

Energy efficiency resource standards (EERSs) require obligated parties—usually regulated retail distributors of electricity—to meet a specific portion of their electricity demand through energy efficiency. As of March 2015, 27 states have some type of energy efficiency requirement or goal.<sup>7</sup>

- Texas has a mandatory energy efficiency resource standard.

### Current Utility-Administered Energy Efficiency Programs

Energy efficiency is regarded as an important utility resource with co-benefits that include reducing air pollution, saving customers on utility bills, and creating local jobs. While the majority of large-scale energy efficiency programs are funded by utility ratepayers, program administration may be by the utility, the state, an independently awarded program administrator or a combination of entities. Below are available links related to ratepayer-funded energy efficiency programs offered in the state<sup>8</sup>:

- *Program Administrator:* AEP Texas Central Company: <https://www.aeptexas.com/save/residential/>  
Most recent program filing:  
[http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch\\_Results.asp?TXT\\_CNTR\\_NO=44480&TXT\\_ITEM\\_NO=10](http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch_Results.asp?TXT_CNTR_NO=44480&TXT_ITEM_NO=10)  
ENERGY STAR Partner since 2008
- *Program Administrator:* Austin Energy: <https://powersaver.austinenergy.com/wps/portal/psp/>  
Most recent program filing: N/A  
ENERGY STAR Partner since 2001

<sup>7</sup> Ibid.

<sup>8</sup> For other energy efficiency program offerings in the state, visit: <http://programs.dsireusa.org/system/program?state=tx>

- *Program Administrator:* CenterPoint Energy: <http://www.centerpointenergy.com/en-us/residential?sa=tx> and <http://www.centerpointenergy.com/en-us/business?sa=tx>  
Most recent program filing: [http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch\\_Results.asp?TXT\\_CNTR\\_NO=44480&TXT\\_ITEM\\_NO=19](http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch_Results.asp?TXT_CNTR_NO=44480&TXT_ITEM_NO=19)  
ENERGY STAR Partner since 2001
- *Program Administrator:* El Paso Electric Company: <https://www.epelectric.com/tx/residential/energy-efficiency> and <https://www.epelectric.com/tx/business/energy-efficiency>  
Most recent program filing: [http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch\\_Results.asp?TXT\\_CNTR\\_NO=44480&TXT\\_ITEM\\_NO=22](http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch_Results.asp?TXT_CNTR_NO=44480&TXT_ITEM_NO=22)  
ENERGY STAR Partner since 2012
- *Program Administrator:* Entergy Texas Inc.: [http://www.energy-texas.com/energy\\_education/](http://www.energy-texas.com/energy_education/)  
Most recent program filing: [http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch\\_Results.asp?TXT\\_CNTR\\_NO=44480&TXT\\_ITEM\\_NO=14](http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch_Results.asp?TXT_CNTR_NO=44480&TXT_ITEM_NO=14)  
ENERGY STAR Partner since 2011
- *Program Administrator:* Oncor Electric Deliver Company LLC: <http://www.oncor.com/EN/Pages/Energy-Efficiency-Programs.aspx>  
Most recent program filing: [http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch\\_Results.asp?TXT\\_CNTR\\_NO=44480&TXT\\_ITEM\\_NO=6](http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch_Results.asp?TXT_CNTR_NO=44480&TXT_ITEM_NO=6)  
ENERGY STAR Partner since 2001
- *Program Administrator:* Sharyland Utilities LP: <http://www.sharyland.com/energy-savings/residential-incentives/> and <http://www.sharyland.com/energy-savings/commercial-incentives/>  
Most recent program filing: [http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch\\_Results.asp?TXT\\_CNTR\\_NO=44480&TXT\\_ITEM\\_NO=18](http://interchange.puc.texas.gov/WebApp/Interchange/application/dbapps/filings/pgSearch_Results.asp?TXT_CNTR_NO=44480&TXT_ITEM_NO=18)
- *Program Administrator:* Southwestern Electric Power Company (Texas Division) (SWEPCO): <https://www.swepco.com/save/residential/>  
Most recent program filing: [http://interchange.puc.state.tx.us/WebApp/Interchange/Documents/44480\\_12\\_847653.PDF](http://interchange.puc.state.tx.us/WebApp/Interchange/Documents/44480_12_847653.PDF)  
ENERGY STAR Partner since 2008
- *Program Administrator:* Southwestern Public Service Company (Xcel Energy): [http://www.xcelenergy.com/Energy\\_Solutions](http://www.xcelenergy.com/Energy_Solutions)  
Most recent program filing: [http://interchange.puc.state.tx.us/WebApp/Interchange/Documents/44480\\_4\\_844291.PDF](http://interchange.puc.state.tx.us/WebApp/Interchange/Documents/44480_4_844291.PDF)
- *Program Administrator:* Texas-New Mexico Power Company: <http://www.tnmp.com/customers/energy-efficiency/index.htm?source=m5>  
Most recent program filing: [http://interchange.puc.state.tx.us/WebApp/Interchange/Documents/44480\\_2\\_844079.PDF](http://interchange.puc.state.tx.us/WebApp/Interchange/Documents/44480_2_844079.PDF)  
ENERGY STAR Partner since 2002

## Other Key Stakeholders

### State Air Office:

- Texas Commission on Environmental Quality, Office of Air: <http://www.tceq.texas.gov/about/organization/air.html>

### State Energy Office:

- State Energy Conservation Office: <http://seco.cpa.state.tx.us/>

### **Consumer Advocate(s)**

Most states also have one or more consumer advocacy organizations. Consumer Advocates are often concerned with maintaining low rates and ensuring equitable treatment of all customer classes.<sup>9</sup>

- Texas Office of Public Utility Council: <http://www.opc.state.tx.us/>

### **Others Public Interest Groups**

Groups representing environmental and other public interests are often involved in providing public input or technical expertise during regulatory proceedings or stakeholder processes. The following energy efficiency organizations/nonprofits are active in the state or region:

- South-Central Partnership for Energy Efficiency as a Resource (SPEER): <https://eepartnership.org/>

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\* Revised December 21, 2015. To alert the U.S. EPA of substantial policy changes or program updates, please contact [eeaccountmanager@icfi.com](mailto:eeaccountmanager@icfi.com)

<sup>9</sup> Source: [EPA Energy and Environment Guide to Action](#)