

# National Association of Energy Service Companies' Mid-Year Conference

## AEP Texas Energy Efficiency Programs

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# Energy Efficiency Policy

## PURA §39.905/§ SR 25.181

- Programs to be implemented through Retail Electric Providers (REPS) and Energy Efficiency Service Providers (EESPs).
- Programs are available to all customers, in all customer classes.
  - Large Commercial & Industrial customers with maximum demand of 100 kW and above.
  - Residential & Small Commercial customers with maximum demand less than 100 kW
  - Hard-to-reach (Lower-income) customers at incomes < 200% of federal poverty level.
- All programs are designed to reduce system peak demand, energy consumption and energy costs.



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# Incentive Payments

- Under a standard offer program, the T&D utility pays all incentives directly to the Project Sponsor, not to the customer.
- The Project Sponsor is not required to pass any incentive payment along to the host customer.
- Customer protection rules require that the Project Sponsor must disclose to the host customer that incentives are being made available to the Project Sponsor “through a ratepayer-funded program, manufacturers, or other entities.”



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## Typical Project Sponsors

- National energy efficiency services providers
- HVAC dealers/installers
- Insulation contractors
- Not-for-profit housing agencies
- Lighting contractors
- Retail Energy Providers (REPs)
- Large Commercial/Industrial customers may serve as their own Project Sponsor



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# Standard Offer Programs at AEP

- Residential and Small Commercial SOP
- Hard-To-Reach SOP
- Commercial and Industrial SOP
- Energy Efficiency Improvement SOP (specifically for not-for-profit agencies)
- Military Base Standard Offer Program (2004)



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# AEP 2005 SOP Incentive Budget

	<u>TCC</u>	<u>TNC</u>	<u>SWEPCO</u>
C&I	\$2,118,000	\$349,000	\$589,500
R/SC	\$3,047,000	\$380,000	\$247,500
HTR	\$1,042,000	\$ 88,000	\$ 63,000
EEIP	\$ 90,000	\$ 90,000	\$ 90,000
Goal	12.07 MW	1.82 MW	2.07 MW



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## Are the AEP Programs Working?

- *Yes, quality energy efficiency measures are finding their way to customers and are producing demand reductions and energy savings;*
- *Yes, in the aggregate customers across all customer classes are being served;*
- *Yes, comprehensive projects are being completed;*
- *No, some unscrupulous energy services providers are gaming the system, requiring inordinate administrative time to solve and prevent.*



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## Are the Statewide Goals Being Met?

- *Yes, in the aggregate the statutory demand goal for energy efficiency is being met;*
- *Yes, utilities are meeting their demand reduction goals on an annual basis;*
- *Yes, most program-by-program results achieve the annual goals as projected.*



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# Should Energy Efficiency be First?

- *Statewide electric energy resource acquisition should consist of a multi-faceted plan, including an energy efficiency component.*
- *The hierarchical order of the components of a resource acquisition plan may be determined by a diverse number of inputs.*



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## Utility Web Sites

- [www.AEPefficiency.com](http://www.AEPefficiency.com)
  - pages for customers and project sponsors
  - FAQs
  - Program contacts and links
  - Has lists of participating project sponsors
- [www.texasefficiency.com](http://www.texasefficiency.com)
  - links to all utility energy efficiency web pages
  - links to PUCT web site



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# In Summary

*For More Information about  
AEP Texas Energy Efficiency Programs*

*[www.AEPefficiency.com](http://www.AEPefficiency.com)*

*[www.texasefficiency.com](http://www.texasefficiency.com)*