



Helping Ratepayers Get Their Money's Worth

ISSUE SUMMARY:

A survey commissioned by the Public Utility Commission of Texas found that 77% of commercial customers in deregulated areas of the State were unaware of energy efficiency programs and incentives available to them (*Itron 2008*).

Although Texas utilities spend millions on energy efficiency programs, gaining access to services and incentives can be very difficult.

For example, if a ratepayer in Houston or Dallas wants to access an energy efficiency rebate offered by their utility, they have to find a participating program sponsor (depicted below). This can be difficult and time-consuming.

Standard Offer Programs were designed to be open to all customers and advertised through contractors or Retail Electric Providers, but this vision has not been realized. It should be easy for customers who are interested in efficiency programs—and are being charged in their rates for them—to get information about the programs and to access services.

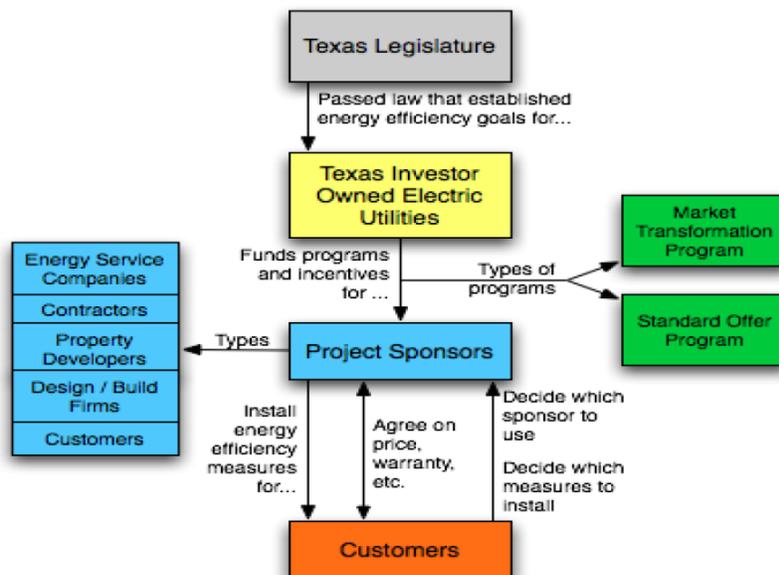
Luckily this is not a difficult problem to fix.

Customers could be given easy access to energy efficiency programs, rebates, incentives, and financing through a centralized website and a 1-800 number. With a “rebate look-up” feature and additional information on programs and service providers, customers could more readily participate.

KEY POLICY CONSIDERATIONS:

- The State could require the utilities who run efficiency programs to work together to set up a website so that ratepayers interested in efficiency could find rebates and services available at their address.
- The Legislature could consider redesigning efficiency programs to make customer access easier than the current system shown in the graphic below.
- Additional outreach programs could be undertaken by utilities, the State Energy Conservation Office, and others.

Structure of Energy Efficiency Programs in Competitive Areas of Texas



Source: State Energy Conservation Office

TALKING POINTS:

- Ratepayers are charged for energy efficiency programs. They should have easy access to them.
- There is no central website currently designed for a customer to easily find information about energy efficiency incentives or services.
- One of the biggest barriers to implementing energy efficiency measures is confusion about incentives and which measures are most cost-effective. An easy-to-access program website, with up-to-date and easily understandable information could drive adoption of efficiency and lower electricity costs for all Texans.
- Finding efficiency contractors can be difficult, confusing, and time-consuming.

OPPONENTS SAY:

- *“The utilities are currently meeting their energy efficiency goals. Is this really necessary?”*

RESPONSE: Yes! Only 16% of commercial customers surveyed in 2008 have accessed incentives and only 23% were aware the incentives existed (*Itron 2008*). Commercial customers are usually more sensitive to energy prices than residential customers, so this suggests even lower percentages of homeowners are aware of efficiency programs and incentives.

Utilities Code Section 39.905 states that “all customers, in all customer classes, will have a choice of and access to energy efficiency...”

- *“This would cost money that the State doesn't have.”*

RESPONSE: While it is true that there could be some minimal cost to improving access to the efficiency programs, the money would not come from the State's General Revenue Fund, but rather from the funds already collected by utilities for the purpose of incentivizing energy efficiency. Under current law and regulations, the utilities may spend this money on education and outreach.

BACKGROUND AND HISTORY:

The State's efficiency goal was established in 1999. The programs were designed to reach customers through “program sponsors,” such as Retail Electric Providers or contractors that provide energy efficiency services. These sponsors can use the utility incentives to create marketing, bundle services, or offer rebates to encourage customer participation.

Information on the programs is usually on a site designed for the sponsors, making it very difficult for ratepayers to figure out who the “program sponsors” are.

Setting up a one-stop website and call-in number for ratepayers with information about efficiency programs, incentives, and contractors who provide services could solve this problem.

RESOURCES AND CITATIONS:

Itron (December 2008). *Assessment of the Feasible and Achievable Levels of Electricity Savings from Investor Owned Utilities in Texas: 2009-2018*.

http://www.texasefficiency.com/media/files/itron_texas_potential_study.pdf

Fuller, M., et al. (September 2010). *Driving Demand for Home Energy Improvements*. LBNL-3960E.

<http://eetd.lbl.gov/ea/ems/reports/lbnl-3960e-print.pdf>

McKinsey & Company (2009). *Unlocking Energy Efficiency in the US Economy*.

http://www.mckinsey.com/client-service/electric-power/naturalgas/downloads/US_energy_efficiency_full_report.pdf

National Action Plan for Energy Efficiency (2009). *Energy Efficiency as a Low-Cost Resource for Achieving Carbon Emissions Reductions*. Prepared by William Prindle, ICF International, Inc.

www.epa.gov/eeactionplan