

FOR IMMEDIATE RELEASE:

June 28, 2023

Contact: Cyrus Reed, 512-740-4086, Cyrus.Reed@sierraclub.org

Sierra Club Intervenes to Address Weak Utility Energy Efficiency Plans

Demands that Oncor Electric and AEP Texas do more to help Texans save money and energy

Austin TX - The Sierra Club has formally entered two utility cases at the Public Utility Commission of Texas, and asked the Commission to increase the residential and commercial energy efficiency offerings from utilities. While the Texas Legislature failed to raise the state's modest energy efficiency goals, the Sierra Club in its filings suggested that the two utilities - Oncor Electric and AEP Texas Inc. - have significant room even under the current cost caps imposed by the Commission to do much more than they propose.

In PUCT Docket 55074, Oncor Electric is proposing to spend \$72.4 million - about \$10 million less than in previous years - which includes more than \$20 million in utility bonuses for exceeding previous required goals. The performance bonus equals about 30 percent of the proposed budget paid for by ratepayers.

"As millions of Texas families are struggling to cool their homes during this terrible heat wave, Oncor is holding back investment in the programs that could help keep more homes cool and more bills affordable," said Cyrus Reed, Conservation Director of the Sierra Club's Lone Star Chapter. "And to top it all off, they're trying to use your hard-earned money to pay themselves handsome bonuses for meeting tiny goals. It's shameful."

If approved by the Commission, Oncor's proposal would meet the modest requirements established by the legislature back in 2011. However, Oncor Electric is allowed to spend significantly more under current rules - some \$138 million - and help Texas families and businesses lower their electric bills, even while keeping costs under the cost caps established by the Commission.

"Special interests worked behind the scenes to kill energy efficiency legislation at the Texas Capitol just last month. Now utilities are trying to persuade the Public Utility Commission to approve plans that do even less than what they're permitted to do under old rules," said Dave Cortez, the Lone Star Chapter's Director. "People are really struggling and they're walking backwards."

A much smaller utility, AEP Texas Inc., is proposing to spend about \$25 million - about \$6 million of which is a utility performance bonus - on their 2024 energy efficiency programs in PUCT Docket 55094. Similar to Oncor, AEP Texas is essentially proposing to bring out the same programs it is offering in 2023, and is not proposing any residential demand response program designed to lower peak energy use at a time when the grid is severely stressed. Recently, the Governor signed a law passed by the legislature - SB 1699 - which requires the Commission to

set new goals for residential demand response within ERCOT. AEP Texas Inc should add residential demand response to its suite of programs.

“South Texans are struggling to pay bills as we suffer through hail storms, triple degree heat, and high humidity,” said Agripina Gomez, a Community Organizer with the Sierra Club in the Rio Grande Valley. “We need all of our utilities from AEP Texas to Brownsville PUB to the Magic Valley Electric Cooperative to offer more programs and help weatherize homes.”

Known officially as “Energy Efficiency Cost Recovery Factors,” the Sierra Club has entered these rate cases on behalf of its members, arguing that the Commission should require these utilities to increase and improve their offerings to help reduce strain on the grid, lower customers’ bills, and reduce overreliance on older power plants to meet the increasing electric demand. Just this week, ERCOT set new peak demand records for both the weekend and overall.

“Even under very tiny savings goals requirements, these two cases show that utilities could do so much more to help working Texans save money on their electric bills and help fix the grid,” said Reed. “Energy efficiency is the cheapest, quickest and cleanest solution to our energy needs.”

Decisions on the EECRFs are expected later this year following discovery and a hearing.

A copy of Sierra Club’s motion to intervene can be found [here](#) in the Oncor Electric case.

A copy of Sierra Club’s motion to intervene can be found [here](#) in the AEP Texas Inc. case.

###