



Testimony of:

Patrick James
TXU Energy Director of Product Development

Presented to:

Senate Business and Commerce Committee
August 24, 2010

Good morning Mr. Chairman and members of the committee.

My name is Patrick James and I am Director of Product Development at TXU Energy. TXU Energy is a competitive retailer that serves over 2 million customers here in Texas. We are part of Energy Future Holdings.

I would like to thank the committee for the opportunity to talk with you today. This is my first time testifying before you so I apologize in advance if anything I do or say is not in normal protocols.

Earlier today, my colleague Carl Richie gave a broad overview of some of our energy efficiency and demand side management programs that leverage smart meters. Today, I will focus my remarks on two of our innovative offers in those areas - iThermostat and Time of Use.

First, iThermostat.

Our iThermostat is the first low-cost web-enabled programmable thermostat in the Texas retail electric market. It lets customers monitor, manage, and control the temperature for their home or business remotely over the internet, including via their smart phones. It also provides Demand Response functionality through its smart meter interface.

Many people have programmable thermostats but may never program them due to the hassle or perceived complexity. They lose out on the energy efficiency and cost savings benefits of the device. Our easy to use interface helps customers actually do this effectively.

I have an iThermostat at my home and can control it using the Blackberry right here in my pocket. Through the Blackberry interface I could increase the temperature at my home back in Dallas while I am here with you today in Austin. In our filed testimony we've

provided screen shots of this functionality so you can see how robust and interactive this kind of technology can be.

Now on to our second offering, the TXU Energy Time-of-Use plan.

TXU Energy has been offering time-of-use plans since 2006 here in Texas and we are in the process of rolling them out more broadly with new smart meters.

The TXU Energy Time-of-Use plan leverages the smart meter's ability to measure electricity usage at various points in time – not just once each month.

Using this timely information, we can offer customers the potential to save on their electricity bills. Customers can save money on this plan when their electric usage is low during on-peak hours or when they shift energy-intensive activities, like running the A/C and other major appliances, to lower cost off-peak hours. This energy load shifting to off-peak hours is also beneficial to the ERCOT market. It reduces the need for peaking plants; thus, lowering costs and helping the environment. Over 90 percent of hours in the year are off-peak on our current plan.

Coupled with our iThermostat, our Time-of-Use product's benefits are compounded. Giving customers more energy efficiency options and lower energy costs. As more and more smart meters are rolled out the benefits from products like our Time-of-Use plan and our iThermostat should only increase.

Mr. Chairman and members of the committee, this concludes my prepared remarks. Thank you again for the opportunity to testify here today. I look forward to answering your questions.



Thermostat Home



99°
96°
 Thermostat Home

Program Settings

Reports & Tracking

28 Unread Alerts

Weather Forecast for Rockwall, TX

Currently	Today	Saturday	Sunday	Monday
Feels Like 96°	Hi: 99° Low: 78°	Hi: 100° Low: 78°	Hi: 102° Low: 77°	Hi: 103° Low: 77°

Up - 1018002

Est. Energy Cost Today: \$1
 Est. Energy Cost This Month: \$151
 Indoor Temperature: 80°
 Temperature Setting: 80°
 System Mode: Cool
 Current Program: Cool 7-Up
 Keypad Lockout (DISABLED):

Down - 1021364

Est. Energy Cost Today: \$4
 Est. Energy Cost This Month: \$187
 Indoor Temperature: 76°
 Temperature Setting: 76°
 System Mode: Cool
 Current Program: Cool 7-Down
 Keypad Lockout (DISABLED):

Communication Status

- Gateway Connected
- Up - 1018002 Thermostat Connected
- Down - 1021364 Thermostat Connected



Program Settings

99°
96°
 Thermostat Home

Program Settings

Reports & Tracking

28 Unread Alerts

Thermostat Programs

Set and Schedule Holds

Cycling Event Opt-Out



Select Mode

Up - 1018002

Cool

Heat

Down - 1021364

Cool

Heat

Select Program

+ New 5-1-1 Program

+ New 5-2 Program

+ New Seven Day Program

Heat Up

Heat Down

Cool 7-Up

☼ Cool 7-Down

Select Day

Saturday

Sunday

Monday

Tuesday

Wednesday

Thursday

Friday

MY 30 DAY SPENDING FORECASTER™

8-20-10 THRU 9-19-10



Forecasted Cost

\$ 194

Program Optimization

\$ 0



Targeted Cost

\$ 194

Update Program

Morning Start Time: 5:30am



Temp:

79

Day Start Time: 7:30am



Temp:

85

Evening Start Time: 2:30pm



Temp:

81

Night Start Time: 9:00pm



Temp:

78



Send To Thermostat



Reports & Tracking

[Today](#) | [Month To Date](#) | [Year To Date](#) |
 -
 | |

Date Range (Fri, 20 Aug 12:00 AM - Fri, 20 Aug 01:53 PM)

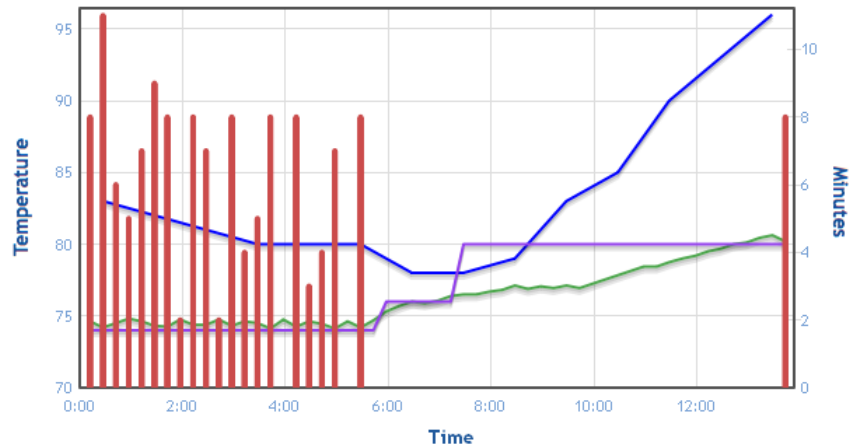
Select Thermostat: **Select Display Options:** **Current Report Summary:**

- Up - 1018002
- Down - 1021364

- Outdoor Temperature
- Indoor Temperature
- Thermostat Setting
- Runtime

Cooling Estimated Cost:	\$1
Heating Estimated Cost:	N/A
Cooling Runtime Minutes:	136
Heating Runtime Minutes:	N/A
Average Indoor Temp:	76°
Average Outdoor Temp:	83°

■ Outdoor Temperature
 ■ Indoor Temperature
 ■ Thermostat Setting
 ■ Runtime



99°
96°
Thermostat Home

Program Settings

Reports & Tracking

28 Unread Alerts



Alerts

99°
96°
Thermostat
Home

Program
Settings

Reports
& Tracking

2 Unread
Alerts

You should replace your filter immediately and reset your filter counter by pressing the Run and Hold button on your device.

Created 19 Aug

Weekly Energy Usage Summary

Up - 1018002 estimated energy cost was \$58.00

Down - 1021364 estimated energy cost was \$69.00

Total estimated energy cost was \$127.00

Created 15 Aug