

Written Testimony of EnerNOC in Support of SB 1125

EnerNOC, a leading provider of demand response and energy efficiency services to commercial, industrial and institutional customers, supports S.B. 1125. Maintaining the utilization of cost-effective energy efficiency programs will reduce overall energy costs for the state, while increasing electric system reliability. In addition, data from the utilities themselves indicate that load participation, also known as demand response programs, are one of the most cost-effective of the various energy efficiency programs they run.

SPECIFIC COMMENTS

In Section 39.905(a)(3), SB 1125 proposes to shift the current goal for a utility's energy efficiency program from being based on a percentage of the utility's annual growth in demand to being set as a percentage of the utility's peak demand. EnerNOC supports this conversion to using a measurement that is more stable year-to-year and will provide greater stability and certainty to utilities, third party energy efficiency providers, and customers. Moreover, based on industry estimates, this conversion would lead to energy efficiency goals in 2012 and 2013 that are no greater on a net basis than the utilities' 2010 energy efficiency goals. In addition to this statutory improvement, EnerNOC also would recommend clarifying that the $\frac{1}{2}$ of 1% peak demand goal is a minimum goal and that the Public Utility Commission of Texas (Commission) could increase it if the Commission found that to be in the public interest.

EnerNOC also supports the changes SB 1125 proposes by adding Subsection 39.905(b)(7) to require the Commission to adopt rules to increase participation of all customers in load participation (demand response) in ERCOT markets. This is especially timely in light of the recent reliability event on February 2, 2010. ERCOT should be required to remove any barriers that otherwise would prohibit customers from voluntarily engaging in load participation (demand response) markets, including eliminating rules that have become outmoded due to the switch to the new nodal market.

Finally, EnerNOC appreciates the intent behind proposed subsections 39.905(h)(1-4) to ensure customers are aware of the value of incentives available to them through energy efficiency programs, such as air conditioner replacement or other such programs where the incentive for a customer is clearly demonstrable. However, EnerNOC is concerned that these