



**Testimony of:**

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Good morning Mr. Chairman and members of the committee. My name is Carl Richie and I am Vice President of Government Affairs for TXU Energy.

Before you, along with my written testimony, you should have an overview of our key energy efficiency and demand side management programs for both residential and business customers. My remarks today will reference some of the items found in the overview.

As the leading retailer in Texas serving over 2 million customers, TXU Energy is dedicated to serving our customers and communities. My testimony today will touch on just a few of the things we do in these areas.

First, our company has committed to investing \$100 million over 5 years (through 2012) in innovative products and services to help customers use less energy. A portion of these dollars have been dedicated to energy savings initiatives for low income customers.

We believe this is the right thing to do for our customers, for the environment, and for our business. It helps customers manage and reduce their electric bills. Lower usage helps protect our environment. And a happy customer stays with us for the long-term.

This last part is critical to our business. Texas has an extremely competitive electric market. We need to meet the needs of our customers better than our competitors or they will leave us.

Our company has launched a whole host of energy tools to help customers monitor and control their energy usage. You will hear more later today from my colleague Patrick James about two of our innovative and exciting offers - the iThermostat and Time-of-Use plan. Some of our other tools include our TXU Energy Online Store where customers can buy hard to find energy efficiency products and our Energy Thieves Calculator where customers can go online and identify what devices in their home are using the most energy. All of our energy efficiency tools can be found at [txu.com](http://txu.com).

Second, TXU Energy is a fixture in the communities we serve. We talk to consumers on a regular basis about ways to manage and conserve energy.

We have launched signature residential programs like our *Beat the Heat* summer program, to promote heat safety awareness and energy conservation throughout the community, and our *Home Energy Makeover* program, where TXU Energy partners with social service agencies to select a *Home Energy Makeover* recipient to educate and demonstrate easy energy efficiency home improvements, to name just a couple. In fact, another one of my colleagues was on the *Great Day Houston* morning TV program just last week to share summer energy savings tips with customers.

TXU Energy actively promotes energy conservation with our business customers as well through activities like our *Think Differently - Energy Efficiency is Your Business* outreach program, where TXU Energy meets with small to medium size businesses to identify ways to be more energy efficient and save money on their electric bill.

Third, TXU Energy wants to make solutions accessible to all customers, including low-income customers. This is why, with the help of our Low-Income Advisory Committee, we launched our Low-Income Energy Efficiency Program, which I briefly touched on earlier in my remarks. We also dedicated \$150 million over 5 years (through 2012) to assist low income customers across the state.

\$125 million of that amount is dedicated to our self-funded low-income customer discount program where we give eligible customers discounts off their TXU Energy bills. Our year-round discount is approximately ten percent and is in addition to any assistance received through state and federal programs.

The remaining \$25 million will continue funding our TXU Energy Aid<sup>SM</sup> program. TXU Energy Aid is the largest electric bill payment

assistance program among electric companies in the country. Since 1983, TXU Energy Aid has delivered more than \$61 million to assist more than 365,000 families throughout the state of Texas.

In conclusion, we feel that these programs – and others we provide – are of great value to the customers and communities we serve. They are also important for us to be successful in the competitive market as they help us acquire and retain customers.

This concludes my prepared remarks. I look forward to working with this committee and I'm available to answer any of your questions.



## Overview of TXU Energy's Energy Efficiency Offerings

TXU Energy is investing \$100 million over five years (2008-2012) to develop innovative energy efficiency (EE), demand side management (DSM), and demand reduction tools and services to help customers better manage their electricity usage.

TXU Energy has introduced a suite of energy efficiency products and programs for residential and business customers, with a portion of the investment focused on energy savings initiatives for low-income customers. In the residential market, some of these include the TXU Energy Solar Lease Program, Distributed Renewable Generation (DRG) offer, TXU Energy iThermostat™, as well as community-based programs such as the TXU Energy Solar Academy<sup>SM</sup> and the Low-Income Energy Efficiency Assistance Program. In business markets, offerings include TXU Energy iThermostat™ and Energy Efficiency Rebate Program.

In 2008, TXU Energy began fulfilling the \$100 million commitment through activities to develop, launch, and ramp up the delivery of the first suite of products and programs. In 2009, TXU Energy continued to scale up and develop our products and programs. In 2010, TXU Energy will continue developing effective, scalable processes to expand our EE/DSM product offerings, while delivering impactful energy efficiency programs for low-income customers and our communities.



*TXU Energy is investing in the development of innovative products and programs to help customers and communities we serve better manage energy usage today and in the future*

### Product and Program Descriptions

The following is a sampling of TXU Energy's 2009 EE/DSM initiatives:

#### Business Market Programs

**TXU Energy iThermostat™** – Allows facility managers and owners of both large and small businesses to control hundreds of thermostats in one or multiple locations from one secure web portal. Dynamic programming makes it simple and intuitive for business customers to control and track heating and cooling costs, locking unauthorized users out and potential savings in.

**Energy Efficiency Rebate Program** – As a TXU Energy customer, businesses can receive energy efficiency rebates by retrofitting their facilities with accepted and proven energy efficient technologies through their own preferred vendor.





## Product and Program Descriptions *(Continued from first page)*

### Residential Market Programs

**TXU Energy Solar Program** – An innovative program that allows customers to obtain solar panels for their home with zero upfront cost using a solar lease. Customers benefit from reduced consumption from the electric grid during peak demand periods.

**Distributed Renewable Generation (DRG) Offer** – TXU Energy purchases surplus electricity produced by DRG systems – paying a premium over wholesale rates for both wind and solar DRG – encouraging customers to adopt renewable energy.

**Online Energy Store** – Allows consumers to find the tools and products they need to use less electricity throughout the year. The Online Energy Store offers a wide selection of hard-to-find energy efficiency products including smart power strips, CFLs, weatherization tools, and more. Store is accessible and can ship nationwide to TXU Energy and non-TXU Energy customers alike.

**TXU Energy Power Monitor™** – An in-home display device that enables residential customers to monitor whole-house energy usage and costs in real-time, cumulatively during the month, and project month-end bill amount. Increased customer awareness has been shown to lead to behavioral changes that reduce energy usage and cost.

**TXU Energy iThermostat™** – An internet-enabled programmable thermostat with load control feature for cycling air conditioners during times of peak energy demand. Enables customers to reduce energy usage, help the environment, improve grid reliability, and have greater control of their home heating and cooling costs.

**Compact Fluorescent Light (CFL) programs** – Provide packages of CFLs to customers while promoting energy efficiency and helping them reduce their energy usage and cost.

**TXU Energy Authorized Dealer Network<sup>SM</sup>** – Provides referral services to energy efficiency contractors and provides rebates to residential customers who install energy-efficient heating and cooling systems, ceiling insulation or energy-efficient windows.

**Time-of-Use Rates** – A new rate plan that leverages the capabilities of advanced meters and allows customers to save money by shifting consumption from peak to off-peak usage periods. A substantial price differential between peak and off-peak usage periods encourages customers to reduce demand when the grid is most congested.

### Community-based Programs

**TXU Energy Solar Academy<sup>SM</sup>** – Solar and energy educational program developed in collaboration with the National Energy Education Development (NEED) project. Program provides K-12 curriculum, teacher training, classroom teaching aides and a 1kW solar panel for each participating school district. Since launching in 2008, 25 participating school districts and educational institutions have received their free installation. TXU Energy's Solar Academy earned Texas the State of the Year Award at the NEED project's Youth Awards in 2009.

**Low-Income Energy Efficiency Assistance Program** – An energy efficiency program that provides products and services as well as grants through social service agencies to improve the energy efficiency of participating low income customer residences – single family homes and apartment complexes.

**Community Outreach Initiatives** – At TXU Energy, we believe in contributing to the local communities in which we serve. Our community outreach initiatives focus on educating Texans throughout the state on easy, low-cost ways to conserve energy inside their homes.