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To the members of the House Committee on State Affairs

*Via hand delivery.*

April 20, 2021

**Re: HB 4556 by Rep. Anchia - Supporting testimony of Public Citizen**

Dear Chairman Paddie and members of the committee:

Public Citizen supports HB 4556 by Rep. Anchia, which would ramp up the energy efficiency goal for utilities serving customers in the competitive retail areas of ERCOT to 1% of annual energy sales.

Of the 28 states that have established energy efficiency goals, Texas' goal is currently the lowest.<sup>1</sup> This represents a missed opportunity because energy efficiency offers many benefits.

- Energy efficiency is an affordable strategy for helping to ensure that electric supply meets demand. Nearly a third of the energy shortfall that ERCOT experienced in February could have been avoided if the 1% goal proposed in SB 243 had been in place.
- Energy efficiency in the form of weatherization – sealing cracks and adding insulation – makes homes and businesses more resilient. A weatherized building will retain more heat for longer if the power goes out.
- Energy efficiency reduces costs for all electric customers – even those who don't participate in the program. Reducing energy use helps to avoid high aggregate electric demand, which drives up costs for everyone. At \$0.01 per kilowatt-hour, energy efficiency is the cheapest energy resource.<sup>2</sup> Energy efficiency savings should be maximized before the state considers acting on any more expensive and less effective strategies.
- Energy efficiency creates a lot of jobs. Texas is home to 169,398 energy efficiency jobs.<sup>3</sup> While that number is impressive, Texas ranks 39<sup>th</sup> out of 51 states and territories when it comes to energy efficiency jobs per capita. A more robust energy efficiency goal will help boost hiring in this growing employment sector.
- Energy efficiency benefits the environment. The Dallas-Fort Worth area, Houston area, San Antonio area, Austin area and El Paso area are all either in or near non-attainment for health-based standards for air pollution.<sup>4</sup> Reducing energy use will reduce air pollution from power generators.

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<sup>1</sup> <https://www.ncsl.org/research/energy/energy-efficiency-resource-standards-eers.aspx>

<sup>2</sup> <http://www.texasefficiency.com/images/documents/RegulatoryFilings/DeemedSavings/py2019v1.pdf>

<sup>3</sup> <https://ee.e4thefuture.org/>

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Requiring utilities to increase their investment in energy efficiency is a smart move for Texas consumers, who need more affordable bills, improved resilience to cold and heat, more good job opportunities and ways to reduce environmental harm.

We urge the committee to report out HB 4556 as quickly as possible.

I appreciate the opportunity and welcome questions at [kwhite@citizen.org](mailto:kwhite@citizen.org), 512-477-1155.

Respectfully,

Kaiba White  
Public Citizen

CC: Rep. Ana Hernandez, Rep. Joe Deshotel, Rep. Sam Harless, Rep. Donna Howard, Rep. Todd Hunter, Rep. Phil King, Rep. Eddie Lucio III, Rep. Will Metcalf, Rep. Richard Peña Raymond, Rep. Matt Shaheen, Rep. Shelby Slawson, Rep. John T. Smithee