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Railroad Commission of Texas
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Via - rulescoordinator@rrc.texas.gov.

Ref: New §7.480 and amendment to §7.460 re: energy conservation programs

Ms. Haley Cochran,

Commission Shift appreciates the opportunity to provide input in the new §7.480 energy conservation programs and amendment to §7.460.

Commission Shift is a 501(c)(3) non-profit organization reforming oil and gas oversight by building public support to hold the Railroad Commission of Texas accountable to its mission. We aim at making the Texas government responsive to the needs and priorities of Texans.

In reference to the new §7.480 energy conservation programs:

HB 2263 the bill established energy conservation programs under the jurisdiction of the Railroad Commission of Texas for review and approval (program implementation). The law is not a mandate, but a voluntary invitation for LDCs to consider creating these program (ECPs) at the expense of the public. The law is written vaguely and leaves a lot to interpretation. The vagueness opens the door for abuse. This inherently places the responsibility to ensure the effectiveness of these programs at the feet of the RRC.

- The law as written is not clear, and does not offer clear definition or guidelines into what constitutes an energy conservation program, nor energy efficiency.

- Because this definition is absent, there are no metrics by which to measure whether the programs to be considered are effective, fair, and are inclusive of both industry's efforts and public efforts; industry responsibility and public responsibility.
- The law is not clear that cost has to be shared by shareholders while there is strong clarity of cost recovery from customers. Is the proposed cost funded by shareholders a must or a suggestion?
- While it is clear that the LDCs can voluntarily create these programs, it is not clearly stated that customers should voluntarily join or apply. What safeguards are there for customer's freedom to choose?
- It is important to set the right guidelines that LDCs will have to follow when creating different programs for their portfolio (i.e. what is the minimum income for weatherization?, why is this minimum chosen?, what constitutes building energy performance?, are there measures already in place?, what standards will have to be in place for products that qualify for discounts and rebates?, who produces these products?).
- The absence of all of these criteria, creates a great potential for abuse. This can be safeguarded by creating a public manual of standards, and establishing a cost-effective criteria that ensures good management of the program and not the creation of another form of income or wasteful spending in the part of the LDC.
- While there is a 15% limit on admin recovery cost, There is no cap for the cost of a program, or the size of a portfolio. This means that 15% is pretty much an undetermined amount. .
- It is also important to highlight that while the Gas Utility Regulatory Act does not establish a process by which there can be public input, expertise knowledge, and non-profits involvement in the rate making process; it does not stop the railroad commission from establishing processes that allow for this to take place. Inherently, in the RRC's jurisdiction (§102.001) there is a presumption of and in many ways mandate (§102.006) to establish the way that procedures will be handled to ensure the effective, just, and reasonable implementation of the law . We encourage you to rethink this, because outside expertise, non-profits, and Texans as customers can provide some of the most significant insight into rates, and right now into conservation, and efficiency programs available, and their impact. Rulemaking should be a collaborative effort that is not just about industry to be effective.
- In the spirit of open markets and fair practice, the RRC should also consider requiring from LDC's public access to portfolios and programs (ECPs) that will be put into practice.

In reference to the new §7.460 relating to disconnections during extreme weather emergencies:

We recommend that the RRC takes the time to consider a strict classification guide for the issuing of penalties. We understand that while the RRC wants to maintain partnership with the industry they monitor and regulate, they are also the guardians of the Texas' natural resources, and personal and community safety. Gas in many ways can be considered a necessity specially during extreme cold weather.

- For example, we encourage the RRC to consider the period in between extreme weather emergencies, whenre companies can and will rush to disconnect prior to another emergency even if expected soon.

Please consider these suggestions and issues brought up. We invite you to have a conversation with the efficiency and conservation experts, industry, impacted Texans, and non-profits while you are developing this one, and any other rules. The rules you are responsible for implementing and developing should be thoroughly and carefully considered for the intent of the law to become a possibility.

Let's not fail Texans

At your service,

A handwritten signature in cursive script that reads "Maria A. Reyes".

Maria A Reyes, PhD
Deputy Director
Commission Shift