



# CITY OF HOUSTON

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The Honorable Chris Paddie  
Chair, House State Affairs Committee  
Austin, Texas 78711

Dear Chairman Paddie,

Thank you for the opportunity to express the City of Houston's support for House Bill 4556. This bill would greatly expand utility energy efficiency programs, strengthening the resilience of Texas' electric grid and efforts to reduce greenhouse gas emissions. Promoting weatherization programs to reduce residential energy consumption and the energy burden of low-income populations, and supporting CenterPoint's portfolio of energy efficiency programs are goals of the Houston Climate Action Plan. HB 4556 would help Houston accomplish both.

Although Texas was the first state to adopt Energy Efficiency Resource Standards (EERS), the state's energy efficiency goal has not been increased since it was adopted in 1999 and Texas now lags far behind other states. According to the American Council for an Energy Efficient Economy (ACEEE), Texas' energy efficiency targets are some of the lowest in the nation and, as a result, Texas realizes low levels of electricity savings compared to the national average.

This is especially true in low-income communities where residents spend a disproportionate portion of their income on energy. According to the Texas Energy Poverty Research Institute (TEPRI), the bottom 30% of household earnings in Harris County (earning less than \$17,575 per year) spend 13% of their income on energy versus 1% for households earning above the median income. Additionally, homes in low-income communities often need basic repairs before they are eligible for energy efficiency or weatherization programs. In the Houston area, existing utility energy efficiency programs have struggled to address these issues and spending for low-income programs lags far behind spending in other states' cities (more than 5 times less than utilities in Chicago and Boston)

As we saw with Winter Storm Uri, there is an increasing need for weatherization and energy efficiency programs across Texas. Over 50,000 single-family homes in the Houston area suffered from burst pipes, which could have been avoided with more investment in weatherization programs and a more holistic approach to energy efficiency. With current funding levels, energy efficiency programs provided by CenterPoint – the electric utility servicing the Houston area – are only able to serve less than 5,000 homes per year, of which the vast majority are multi-family retrofits.

In requiring each electric utility in Texas to meet an overall annual energy consumption savings goal of .25% each year rather than focusing solely on peak demand savings, HB 4556 would address the demand side of our state's grid resilience issue and refocus utility energy efficiency programs from large industrial consumers to individual homeowners.

For the Houston area, HB 4556 would result in savings of nearly 1 billion kilowatt hours per year by 2025, which is equivalent to the yearly energy consumption of more than 100,000 homes. It would also save nearly 700,000 metric tons of carbon dioxide per year.

HB 4556 not only promotes resilience and sustainability for the grid and its users, but it also allows the Public Utilities Commission and electric utilities to focus new programs around climate equity in order to better alleviate energy poverty and increase community resilience in communities that are repeatedly impacted by r extreme weather and climate change.

Sincerely,

Lara Cottingham  
Chief Sustainability Officer