

The Honorable Glenn Hegar  
Texas Comptroller of Public Accounts  
P.O. Box 13528, Capitol Station  
Austin, Texas 78711-3528

December 3, 2024

Dear Comptroller Hegar,

We commend your office for moving swiftly to leverage the \$689 million allocated to Texas for the HOMES (IRA Sec. 50111) and HEAR (IRA Sec. 50112) energy rebate programs. Congratulations on submitting applications for both programs to the U.S. Department of Energy (DOE). These programs present a significant opportunity to lower Texans' energy costs while strengthening the resilience of both homes and the electric grid in the face of extreme weather events. We are writing to support the inclusion of the "measured savings approach" in the HOMES rebate program to ensure accountability and streamline implementation in Texas.

The companies and organizations signing this letter bring significant economic value and job creation to Texas. The energy efficiency sector already supports 172,900 jobs in the state, and these companies are ready to help grow that number further by participating in the HOMES and HEAR rebate programs. Many of the signatories have experience with "pay-for-performance" energy programs, which closely align with the "measured" option included in the HOMES program. Several of these companies have also submitted detailed recommendations to your office's RFI in support of this approach.

The HOMES program allows states to choose between two methods for calculating the energy savings from upgrades: the "modeled" approach, which uses data and computer models to estimate savings, and the "measured" approach, which determines savings by analyzing actual electric meter data before and after the upgrades, using open-source, non-proprietary software.

We believe the "measured" method offers several key advantages for Texas:

- **Performance-based payments:** Texas would only pay for actual, verified energy savings, ensuring a higher return on investment for the state's finite funds and reducing the opportunity for fraud.
- **Alignment with Texas' competitive market:** Grid operators like ERCOT require that demand-side resources be quantified and only measured savings meets that test. In addition, the measured approach incentivizes contractors and aggregators to maximize performance, much like generators in the ERCOT market, making it a natural fit for Texas' competitive market.

- **Targeted savings:** The state can prioritize savings that occur during peak demand or in grid-stressed locations, enhancing overall grid resilience—something the modeled approach does not do.
- **Existing infrastructure:** Texas is well-positioned to implement this approach, given the availability of Smart Meter Texas, which provides the infrastructure needed to gather meter data in the ERCOT region.

While there are some misconceptions about the “measured” approach, it is in fact a streamlined approach to deliver and validate program impacts. One misconception is a concern about delays in rebate disbursement due to the need for post-upgrade meter data. In practice, households and contractors receive the rebate up-front, as aggregators often front the expected rebates and manage the performance risk themselves, which incentivizes quality work. Another misconception is that the measured approach is more complex than the modeled one. In fact, Texas’ deregulated electric market and Smart Meter Texas give the state a significant advantage in implementing this approach, as many stakeholders are already familiar with meter data and energy measurement.

We respectfully request that Texas adopt the “measured” approach for at least a significant portion of the HOMES rebates, particularly in areas where smart meters are already in place. It is important that all regions and communities across the state have programs designed for their needs and including both the measured and modeled approaches in this program offers Texans the most choice.

Thank you for your leadership on this important initiative. We welcome the opportunity to discuss this further or provide additional insights.

Respectfully,

Rick Counihan  
Senior Vice President  
AnnDyl Policy Group  
[Rick@anndyl.com](mailto:Rick@anndyl.com)

On behalf of:

**Conservative Texans  
for Energy Innovation**



EIS Lighting



Generac



Northwest Energy  
Efficiency Council  
Building Potential



Recurve



Sealed



Schneider Electric



Shifted Energy



Texas Advanced  
Energy Business  
Alliance



CC:

The Honorable Thomas Gleeson  
The Honorable Lori Cobos  
The Honorable Jimmy Glotfelty  
The Honorable Kathleen Jackson  
The Honorable Courtney Hjaltman  
Ramya Ramaswamy  
Eddy Trevino

thomas.gleeson@puc.texas.gov  
lori.cobos@puc.texas.gov  
jimmy.glotfelty@puc.texas.gov  
kathleen.jackson@puc.texas.gov  
courtney.hjaltman@puc.texas.gov  
[ramya.ramaswamy@puc.texas.gov](mailto:ramya.ramaswamy@puc.texas.gov)  
Eddy.Trevino@cpa.texas.gov