Texas has lost a large portion of its potential for energy savings as large customers opt out of utility efficiency programs. To encourage utilities to implement a broader portfolio of energy efficiency programs, the state could strengthen its energy efficiency resource standard (EERS) by increasing savings targets—with a focus on overall sales rather than peak savings—and couple them with performance incentives to align the utility business model with efficiency.

** UTILITIES **
Despite being the first state to implement an EERS, its targets are some of the lowest in the nation. Therefore, Texas realizes low levels of electricity savings compared to the national average. Utilities do not focus on natural gas efficiency. Electric utilities may earn performance incentives for achieving energy savings goals, but the state also allows large customers to opt out of efficiency programs, significantly minimizing the achievable savings.

** TRANSPORTATION **
The state has issued legislation supporting complete streets and has more electric vehicle registrations per capita than most states. Texas also offers a rebate program for electric vehicles under the Texas Emissions Reduction Program.

** BUILDING ENERGY EFFICIENCY POLICIES **
Texas Building Energy Performance Standards are currently based on the 2015 International Residential Code (IRC) and the 2015 International Energy Conservation Code (IECC). Localities are permitted to adopt more stringent codes. The city of San Antonio, for example, has adopted the 2018 IECC. The state has worked with the U.S. Department of Energy in recent years on a residential energy code field study in southeast Texas. The state convenes a stakeholder advisory group, has a strategic compliance plan in place, and offers training and outreach.

** STATE GOVERNMENT-LED INITIATIVES **
The state runs Texas LoanSTAR, a major loan program for energy efficiency investments, and has an active commercial Property Assessed Clean Energy (PACE) program. Texas leads by example by requiring energy-efficient public buildings and fleets, benchmarking state buildings, and promoting the use of energy savings performance contracts. Two major research centers in Texas are focused on energy efficiency.

** APPLIANCE STANDARDS **
While Texas is one of the few states to have standards on plumbing products, no analysis estimating energy savings has been completed.