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DOCKET NO. 50806



**APPLICATION OF EL PASO
ELECTRIC COMPANY FOR
APPROVAL TO REVISE ITS
ENERGY EFFICIENCY COST
RECOVERY FACTOR AND
REQUEST TO ESTABLISH REVISED
COST CAP** §
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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**APPLICATION OF EL PASO ELECTRIC COMPANY FOR APPROVAL TO REVISE
ITS ENERGY EFFICIENCY COST RECOVERY FACTOR AND REQUEST TO
ESTABLISH REVISED COST CAP**

El Paso Electric Company (EPE or Company) submits this Application for Approval to Revise its Energy Efficiency Cost Recovery Factor (EECRF) and Request to Establish Revised Cost Cap (Application). In support thereof, EPE respectfully shows the following:

I. BUSINESS ADDRESS AND AUTHORIZED REPRESENTATIVES

EPE's business address is 100 N. Stanton Street, El Paso, Texas 79901. EPE's authorized representative for the purpose of receiving service of documents is:

Curtis Hutcheson
El Paso Electric Company
PO Box 982
El Paso, Texas 79960
(915) 543-4354
(915) 521-4450 (fax)
curtis.hutcheson@epelectric.com

EPE's authorized legal representatives and designated recipients for service of pleadings and other documents are:

Bret J. Slocum
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II. JURISDICTION

The Public Utility Commission of Texas (Commission or PUCT) has jurisdiction over EPE and the subject matter of this Application pursuant to Section 39.905 of the Public Utility Regulatory Act (PURA)¹ and 16 Tex. Admin. Code § 25.182 (TAC).

III. AFFECTED PERSONS

EPE provides service to approximately 333,000 retail electric customers in Texas. EPE proposes to apply the EECRF requested herein to all of its retail electric customers in its Texas service area that fall within the classes subject to the EECRF. Those classes are listed in the proposed tariff, which is Attachment A to this Application.

IV. EPE'S PROPOSED EECRF FOR 2021 AND REQUEST TO ESTABLISH REVISED COST CAP

By this Application, EPE requests the authority to revise its EECRF for 2021 to reflect the following five components:

- 1) \$4,685,552 in projected energy efficiency program costs for 2021;
- 2) a \$1,175,558 performance bonus based on the Company's 2019 energy efficiency program performance;
- 3) EPE's prior year (2019) EECRF proceeding expenses of \$56,641;
- 4) a true-up adjustment, by rate class, of EPE's net under-recovery for 2019 of \$2,455, including interest; and
- 5) projected cost of evaluation, measurement, and verification (EM&V) that is allocated to EPE by the Commission of \$57,378.

The total amount that EPE requests be included in its 2021 EECRF is therefore \$5,977,584. EPE's request is based on continuing all of its energy efficiency programs and with the same megawatt goal (11.16 MW) and at the same level they have been at since 2011. With the programs

¹ TEX.UTIL.CODE §§ 11.001-66.017 (Vernon 2007 & Supp. 2014) (PURA).

that EPE proposes to offer in 2021, EPE calculates that it will be able to achieve the equivalent of an energy efficiency savings of greater than both the 30% energy efficiency goal and the four-tenths of 1% of its summer weather-adjusted peak demand goal that are prescribed by 16 TAC § 25.181(e).

In order to operate its energy efficiency programs to accomplish its energy and demand goals, the rates for the commercial customers is projected to exceed the cost cap set by 16 TAC § 25.182(d)(7). Accordingly, pursuant to 16 TAC § 25.181(e)(2), in order to proceed with this approach, EPE requests that the Commission establish a revised cost cap for the commercial classes.

There is good cause to establish a revised cost cap. First, EPE's proposal to continue with the same megawatt goal as it has had in previous years is consistent with the requirement of 16 TAC § 25.181(e)(1)(D) that "a utility's demand reduction goal in any year shall not be lower than its goal for the prior year, unless the commission establishes a goal for a utility pursuant to paragraph (2) of this subsection."

Second, it may not be reasonably possible for EPE to comply with the requirement that its demand reduction goal not be lower than the previous year's goal without continuing to exceed the Commission's cost cap for commercial customers. EPE's commercial customers have had an EECRF that exceeded the cost cap for each year the cost cap has been in effect, except for 2018. Historically, in order to achieve the PUCT-mandated goals, EPE had budgeted more in its commercial programs than its residential programs, and the Commission has granted good cause exceptions allowing EPE to do so. As such, EPE's commercial programs have been above the commercial cost cap. In order to reduce the 2021 EECRF commercial costs, and to strive to meet the commercial cost cap, EPE added the Residential Marketplace Pilot Market Transformation Program in 2020. Furthermore, in past years, the funding for some of the commercial programs that have been particularly successful and have had a lower cost per kilowatt (kW) of savings has been maintained while funding for commercial programs that have not been as successful or have had a higher cost per kW of savings have been reduced. However, despite those efforts, EPE currently projects it is necessary to exceed the cost cap for commercial customers during the 2021 program year in order to achieve its goals. EPE does not believe it is in the best interest of its energy efficiency programs or the affected customer classes to make any further changes.

Therefore, rather than undertake further restructuring of its energy efficiency programs, EPE respectfully requests to continue with a revised cost cap for EPE's commercial customers because it is projecting to exceed the cost cap in 2021. Although EPE projects it will exceed the

cost cap with this request for commercial customers, the Company believes this request achieves the most benefits for its customers by continuing valuable energy-saving programs while limiting any rate increases.

In support of this application, EPE submits the Direct Testimonies of Crystal A. Enoch and Rene F. Gonzalez and an affidavit by Bret Slocum concerning last year's EECRF proceeding expenses. In her Direct Testimony, Ms. Enoch addresses EPE's energy efficiency program and its associated costs, as well as the bidding and engagement process for contracting with energy efficiency service providers. Ms. Enoch also discusses EPE's 2019 performance bonus and the Company's requests for continuation of a revised cost cap for commercial customers. In his Direct Testimony, Mr. Gonzalez provides a summary of the relief sought by EPE and describes the specific costs to be included in EPE's revised EECRF pursuant to the requirements of 16 TAC § 25.182(d). Mr. Gonzalez's testimony also supports the calculation of EPE's revised EECRF rates for the billing period January 2021 through December 2021. Lastly, Mr. Gonzalez explains that there is good cause for the Company's requests for continuation of a revised cost cap for commercial customers.

V. ADJUSTED ENERGY EFFICIENCY COST RECOVERY FACTOR

EPE's revised EECRF tariff containing the EECRF rates for 2021 is provided as Exhibit RFG-02 to Mr. Gonzalez's Direct Testimony and is attached to this Application as Attachment A. Based on EPE's current base rates and fixed fuel factor, EPE's EECRF request would result in a residential customer using 625 kilowatt hours of electricity per month being charged \$0.63 per month, which is the same as the current rate.

EPE requests the Commission to approve the adjusted EECRF effective as of the first billing cycle of the January 2021 billing month.

VI. NOTICE

Consistent with the notice provisions of 16 TAC § 25.182,² EPE proposes to provide notice to all parties that participated in the Company's last EECRF proceeding, Docket No. 49496,³ and its last completed base rate proceeding, Docket No. 46831.⁴ EPE will also provide notice to Texas Department of Housing and Community Affairs, which is the state agency that administers the federal weatherization program. Because EPE's service territory is not open to retail competition, no Retail Electric Provider is eligible to provide service in EPE's service area, so no notice to a retail electric provider is required. The form of the notice to be provided is set forth in Attachment B to this Application. The Company requests that the Commission find that the Company's notice is sufficient.

VII. DOCUMENTS FILED UNDER SEAL AND REQUEST FOR PROTECTIVE ORDER

Portions of this filing constitute confidential or highly sensitive confidential materials and have been filed under seal. These materials will be made available to the Staff of the PUCT and any intervenors upon entry of an appropriate protective order ensuring the confidential nature of these materials. EPE proposes that the Commission adopt the protective order in Attachment C, which is the Protective Order approved in EPE's last EECRF proceeding, Docket No. 49496.

VIII. PRAYER

EPE requests that its Application be deemed complete and sufficient and in compliance with PURA § 39.905(b) and 16 TAC § 25.182; that EPE's suggested notice of this filing as described above and attached to this Application be considered sufficient and authorized; that EPE's Application for Approval to Revise its EECRF be approved with implementation for use beginning with the first billing cycle of its January 2021 billing month; and for such other relief to which it may be entitled.

² 16 TAC § 25.182(d)(13) states:

Notice of a utility's filing of an EECRF application is reasonable if the utility provides in writing a general description of the application and the docket number assigned to the application within 7 days of the application filing date to:

- (A) All parties in the utility's most recent completed EECRF docket;
- (B) All retail electric providers that are authorized by the registration agent to provide service in the utility's service area at the time the EECRF application is filed;
- (C) All parties in the utility's most recent completed base-rate proceeding; and
- (D) The state agency that administers the federal weatherization program.

³ *Application of El Paso Electric Company to Adjust its Energy Efficiency Cost Recovery Factor and Establish Revised Cost Cap*, Docket No. 49496, Order (Nov. 21, 2019).

⁴ *Application of El Paso Electric Company to Change Rates*, Docket No. 46831, Order (Dec. 18, 2017).

Respectfully submitted,

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**ATTORNEYS FOR
EL PASO ELECTRIC COMPANY**

EL PASO ELECTRIC COMPANY

Attachment A
Page 1 of 1SCHEDULE NO. 97
ENERGY EFFICIENCY COST RECOVERY FACTORAPPLICABILITY

Electric service billed under rate schedules having an Energy Efficiency Cost Recovery Factor Clause shall be subject to an Energy Efficiency Cost Recovery Factor ("EECRF"). The EECRF is not applicable to service billed at transmission voltage rates.

Pursuant to Section 25.182(d) of Title 16 of the Texas Administration Code, the EECRF allows the Company to recover the cost of energy efficiency programs from the customer classes that receive services under such programs.

TERRITORY

Texas Service Area

MONTHLY RATE

Rate No.	Description	Energy Efficiency Cost Recovery Factor (\$/kWh)	
01	Residential Service Rate	0.001010	(I)
02	Small Commercial Service Rate	0.000933	(R)
07	Outdoor Recreational Lighting Service Rate	- 0.000002	(R)
08	Governmental Street Lighting Service Rate	0.000302	(I)
09	Governmental Traffic Signal Service	0.000422	(I)
11-TOU	Time-Of-Use Municipal Pumping Service Rate	0.000017	(I)
WH	Water Heating	- 0.000035	(I)
22	Irrigation Service Rate	0.000037	(I)
24	General Service Rate	0.000928	(R)
25	Large Power Service Rate (excludes transmission)	0.001585	(I)
34	Cotton Gin Service Rate	0.000482	(I)
41	City and County Service Rate	0.003493	(I)
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	0.000482	(I)
47	Backup Power Service For Cogeneration And Small Power Production Facilities	0.000482	(I)

**NOTICE OF APPLICATION OF EL PASO ELECTRIC COMPANY FOR APPROVAL
TO REVISE ITS ENERGY EFFICIENCY COST RECOVERY FACTOR AND
REQUEST TO ESTABLISH REVISED COST CAP**

On May 1, 2020, El Paso Electric Company (EPE or the Company) submitted to the Public Utility Commission of Texas (PUCT) its Application for Approval to Revise Its Energy Efficiency Cost Recovery Factor and Request to Establish Revised Cost Cap (Application) as permitted under Section 39.905(b) of the Public Utility Regulatory Act (PURA) and under 16 Tex. Admin Code § 25.182(d) (TAC) relating to recovery of costs for energy efficiency programs. The filing was assigned Docket No. _____ by the PUCT. EPE requested that its revised energy efficiency cost recovery factor (EECRF) become effective beginning with the first billing cycle of its January 2021 billing month. All EPE retail electric customers in its Texas service area that fall within the classes subject to the EECRF will be affected by approval of the Company's Application.

EPE's proposed EECRF rates for commercial customers in aggregate is projected to exceed the cost cap prescribed by 16 TAC § 25.182(d)(7). Therefore, pursuant to 16 TAC § 25.181(e)(2), EPE requested that the Commission find good cause to revise the Company's cost cap to permit the Company to recover energy efficiency costs necessary to achieve the 2021 energy efficiency goal.

In its Application, EPE requested to recover through its 2021 EECRF approximately \$5,977,584 in energy efficiency costs, reflecting the following five components:

- 1) \$4,685,552 in projected energy efficiency program costs for 2021;
- 2) a \$1,175,558 performance bonus based on the Company's 2019 energy efficiency program performance;
- 3) EPE's prior year EECRF proceeding expenses of \$56,641;
- 4) a \$2,455 true-up adjustment representing EPE's net under-recovery of 2019 program costs actually incurred, including interest; and,
- 5) Evaluation, Measurement, and Verification (EM&V) costs of \$57,378.

Under EPE's EECRF request, based on EPE's current base rates and fixed fuel factor (established in PUCT Docket No. 46831), a residential customer using 625 kilowatt-hours of electricity per month would be charged \$0.63 per month, which is the same on average per month as the EECRF approved in EPE's last EECRF proceeding, PUCT Docket No. 49496. The Company's requested EECRF rates are as follows:

Description	Energy Efficiency Cost Recovery Factor	\$/kWh
Residential Service Rate	\$ 0.001010	
Small Commercial Service Rate	\$ 0.000933	
Outdoor Recreational Lighting Service Rate	(\$ 0.000002)	
Governmental Street Lighting Service Rate	\$ 0.000302	
Governmental Traffic Signal Service	\$ 0.000422	
Time-Of-Use Municipal Pumping Service Rate	\$ 0.000017	
Water Heating	(\$ 0.000035)	
Irrigation Service Rate	\$ 0.000037	
General Service Rate	\$ 0.000928	
Large Power Service Rate (excludes transmission)	\$ 0.001585	
Cotton Gin Service Rate	\$ 0.000482	
City and County Service Rate	\$ 0.003493	
Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$ 0.000482	
Backup Power Service For Cogeneration And Small Power Production Facilities	\$ 0.000482	

Persons with questions or who want more information about EPE's Application may contact the Company at 100 N. Stanton St., El Paso, Texas 79901, or call 1-800-351-1621, then 7, then ext. 4354, during normal business hours. A complete copy of the Application is available for inspection at the address listed above. The Commission will review EPE's Application, establish an intervention date for interested persons, and determine whether EPE's Application should be approved. The Commission's proceeding to review EPE's Application has been assigned Docket No. _____. Persons who wish to intervene in or comment upon these proceedings, or obtain further information, should contact the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326, or call the Commission's Office of Consumer Protection at (512) 936-7120 or (888) 782-8477. Additionally, due to issues related to COVID-19, persons should include in their requests to intervene their email addresses, fax numbers if available, or other information that can provide to the Commission a means of electronic service. Hearing and speech-impaired individuals with text telephones (TTY) may contact the Commission at (512) 936-7136 or use Relay Texas (toll-free) 1-800-735-2989. All communications should refer to Docket No. _____.

DOCKET NO. _____

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FACTOR AND REQUEST TO
ESTABLISH REVISED COST CAP** § **PUBLIC UTILITY COMMISSION
OF TEXAS**

PROTECTIVE ORDER

This Protective Order shall govern the use of all information deemed confidential (Protected Materials) or highly confidential (Highly Sensitive Protected Materials), including information whose confidentiality is currently under dispute, by a party providing information to the Public Utility Commission of Texas (Commission or PUC) or to any other party to this proceeding.

It is ORDERED that:

1. **Designation of Protected Materials.** Upon producing or filing a document, including, but not limited to, records on a computer disk or other similar electronic storage medium in this proceeding, the producing party may designate that document, or any portion of it, as confidential pursuant to this Protective Order by typing or stamping on its face "PROTECTED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. _____" (or words to this effect) and consecutively Bates Stamping each page. Protected Materials and Highly Sensitive Protected Materials include the documents so designated, as well as the substance of the information contained in the documents and any description, report, summary, or statement about the substance of the information contained in the documents.
2. **Materials Excluded from Protected Materials Designation.** Protected Materials shall not include any information or document contained in the public files of the Commission or any other federal or state agency, court, or local governmental authority subject to the Public Information Act.¹ Protected Materials also shall not include documents or information which at the time of, or prior to disclosure in, a proceeding is or was public

¹ TEX. GOV'T CODE ANN. §§ 552.001-552.353 (Vernon 2004 and Supp. 2013).

knowledge, or which becomes public knowledge other than through disclosure in violation of this Protective Order.

3. **Reviewing Party.** For the purposes of this Protective Order, a “Reviewing Party” is any party to this docket.
4. **Procedures for Designation of Protected Materials.** On or before the date the Protected Materials or Highly Sensitive Protected Materials are provided to the Commission, the producing party shall file with the Commission and deliver to each party to the proceeding a written statement, which may be in the form of an objection, indicating: (a) any exemptions to the Public Information Act claimed to apply to the alleged Protected Materials; (b) the reasons supporting the producing party’s claim that the responsive information is exempt from public disclosure under the Public Information Act and subject to treatment as protected materials; and (c) that counsel for the producing party has reviewed the information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials designation.
5. **Persons Permitted Access to Protected Materials.** Except as otherwise provided in this Protective Order, a Reviewing Party may access Protected Materials only through its “Reviewing Representatives” who have signed the Protective Order Certification Form (see Attachment A). Reviewing Representatives of a Reviewing Party include its counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by the Reviewing Party and directly engaged in this proceeding. At the request of the PUC Commissioners, copies of Protected Materials may be produced by Commission Staff. The Commissioners and their staff shall be informed of the existence and coverage of this Protective Order and shall observe the restrictions of the Protective Order.
6. **Highly Sensitive Protected Material Described.** The term “Highly Sensitive Protected Materials” is a subset of Protected Materials and refers to documents or information that a producing party claims is of such a highly sensitive nature that making copies of such documents or information or providing access to such documents to employees of the Reviewing Party (except as specified herein) would expose a producing party to

unreasonable risk of harm. Highly Sensitive Protected Materials include but are not limited to: (a) customer-specific information protected by § 32.101(c) of the Public Utility Regulatory Act;² (b) contractual information pertaining to contracts that specify that their terms are confidential or that are confidential pursuant to an order entered in litigation to which the producing party is a party; (c) market-sensitive fuel price forecasts, wholesale transactions information and/or market-sensitive marketing plans; or (d) business operations or financial information that is commercially sensitive. Documents or information so classified by a producing party shall bear the designation “HIGHLY SENSITIVE PROTECTED MATERIALS PROVIDED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. _____” (or words to this effect) and shall be consecutively Bates Stamped. The provisions of this Protective Order pertaining to Protected Materials also apply to Highly Sensitive Protected Materials, except where this Protective Order provides for additional protections for Highly Sensitive Protected Materials. In particular, the procedures herein for challenging the producing party’s designation of information as Protected Materials also apply to information that a producing party designates as Highly Sensitive Protected Materials.

7. **Restrictions on Copying and Inspection of Highly Sensitive Protected Material.**

Except as expressly provided herein, only one copy may be made of any Highly Sensitive Protected Materials except that additional copies may be made to have sufficient copies for introduction of the material into the evidentiary record if the material is to be offered for admission into the record. The Reviewing Party shall maintain a record of all copies made of Highly Sensitive Protected Material and shall send a duplicate of the record to the producing party when the copy or copies are made. The record shall specify the location and the person possessing the copy. Highly Sensitive Protected Material shall be made available for inspection only at the location or locations provided by the producing party, except as specified by Paragraph 9. Limited notes may be made of Highly Sensitive Protected Materials, and such notes shall themselves be treated as Highly Sensitive Protected Materials unless such notes are limited to a description of the

² Public Utility Regulatory Act, TEX. UTIL. CODE ANN., § 32.101(c) (Vernon 2007 & Supp. 2012) (PURA).

document and a general characterization of its subject matter in a manner that does not state any substantive information contained in the document.

8. **Restricting Persons Who May Have Access to Highly Sensitive Protected Material.**

With the exception of Commission Staff, The Office of the Attorney General (OAG), and the Office of Public Utility Counsel (OPC), and except as provided herein, the Reviewing Representatives for the purpose of access to Highly Sensitive Protected Materials may be persons who are (a) outside counsel for the Reviewing Party, (b) outside consultants for the Reviewing Party working under the direction of Reviewing Party's counsel or, (c) employees of the Reviewing Party working with and under the direction of Reviewing Party's counsel who have been authorized by the presiding officer to review Highly Sensitive Protected Materials. The Reviewing Party shall limit the number of Reviewing Representatives that review Highly Sensitive Protected Materials to the minimum number of persons necessary. The Reviewing Party is under a good faith obligation to limit access to each portion of any Highly Sensitive Protected Materials to two Reviewing Representatives whenever possible. Reviewing Representatives for Commission Staff and OPC, for the purpose of access to Highly Sensitive Protected Materials, shall consist of their respective counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by them and directly engaged in these proceedings.

9. **Copies Provided of Highly Sensitive Protected Material.** A producing party shall provide one copy of Highly Sensitive Protected Materials specifically requested by the Reviewing Party to the person designated by the Reviewing Party who must be a person authorized to review Highly Sensitive Protected Material under Paragraph 8, and must be either outside counsel or an outside consultant. Other representatives of the Reviewing Party who are authorized to view Highly Sensitive Protected Material may review the copy of Highly Sensitive Protected Materials at the office of the Reviewing Party's representative designated to receive the information. Each Reviewing Party may make two additional copies of Highly Sensitive documents for outside consultants whose business offices are located outside of Travis County. All restrictions on Highly Sensitive documents in this order shall apply to the additional copies maintained in the

outside consultants' offices. Any Highly Sensitive Protected Materials provided to a Reviewing Party may not be copied except as provided in Paragraph 7 and shall be returned along with any copies made pursuant to Paragraph 7 to the producing party within two weeks after the close of the evidence in this proceeding. The restrictions contained herein do not apply to Commission Staff, OPC, and the OAG when the OAG is representing a party to the proceeding.

10. **Procedures in Paragraphs 10-14 Apply to Commission Staff, OPC, and the OAG and Control in the Event of Conflict.** The procedures in Paragraphs 10 through 14 apply to responses to requests for documents or information that the producing party designates as Highly Sensitive Protected Materials and provides to Commission Staff, OPC, and the OAG in recognition of their purely public functions. To the extent the requirements of Paragraphs 10 through 14 conflict with any requirements contained in other paragraphs of this Protective Order, the requirements of these paragraphs shall control.
11. **Copy of Highly Sensitive Protected Material to be Provided to Commission Staff, OPC and the OAG.** When, in response to a request for information by a Reviewing Party, the producing party makes available for review documents or information claimed to be Highly Sensitive Protected Materials, the producing party shall also deliver one copy of the Highly Sensitive Protected Materials to the Commission Staff, OPC, and the OAG (if the OAG is representing a party) in Austin, Texas. Provided however, that in the event such Highly Sensitive Protected Materials are voluminous, the materials will be made available for review by Commission Staff, OPC, and the OAG (if the OAG is representing a party) at the designated office in Austin, Texas. The Commission Staff, OPC and the OAG (if the OAG is representing a party) may request such copies as are necessary of such voluminous material under the copying procedures specified herein.
12. **Delivery of the Copy of Highly Sensitive Protected Material to Commission Staff and Outside Consultants.** The Commission Staff, OPC, and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials received by them to the appropriate members of their staff for review, provided such staff members first sign the certification specified by Paragraph 15. After obtaining the

agreement of the producing party, Commission Staff, OPC, and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials received by it to the agreed, appropriate members of their outside consultants for review, provided such outside consultants first sign the certification in Attachment A.

13. **Restriction on Copying by Commission Staff, OPC and the OAG.** Except as allowed by Paragraph 7, Commission Staff, OPC and the OAG may not make additional copies of the Highly Sensitive Protected Materials furnished to them unless the producing party agrees in writing otherwise, or, upon a showing of good cause, the presiding officer directs otherwise. Commission Staff, OPC, and the OAG may make limited notes of Highly Sensitive Protected Materials furnished to them, and all such handwritten notes will be treated as Highly Sensitive Protected Materials as are the materials from which the notes are taken.
14. **Public Information Requests.** In the event of a request for any of the Highly Sensitive Protected Materials under the Public Information Act, an authorized representative of the Commission, OPC, or the OAG may furnish a copy of the requested Highly Sensitive Protected Materials to the Open Records Division at the OAG together with a copy of this Protective Order after notifying the producing party that such documents are being furnished to the OAG. Such notification may be provided simultaneously with the delivery of the Highly Sensitive Protected Materials to the OAG.
15. **Required Certification.** Each person who inspects the Protected Materials shall, before such inspection, agree in writing to the following certification found in Attachment A to this Protective Order:

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket, and that I have been given a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials shall not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPC shall be used only for the purpose of the proceeding in Docket No. _____. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order. Provided, however, if the

information contained in the Protected Materials is obtained from independent public sources, the understanding stated herein shall not apply.

In addition, Reviewing Representatives who are permitted access to Highly Sensitive Protected Material under the terms of this Protective Order shall, before inspection of such material, agree in writing to the following certification found in Attachment A to this Protective Order:

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

The Reviewing Party shall provide a copy of each signed certification to Counsel for the producing party and serve a copy upon all parties of record.

16. **Disclosures between Reviewing Representatives and Continuation of Disclosure Restrictions after a Person is no Longer Engaged in the Proceeding.** Any Reviewing Representative may disclose Protected Materials, other than Highly Sensitive Protected Materials, to any other person who is a Reviewing Representative provided that, if the person to whom disclosure is to be made has not executed and provided for delivery of a signed certification to the party asserting confidentiality, that certification shall be executed prior to any disclosure. A Reviewing Representative may disclose Highly Sensitive Protected Material to other Reviewing Representatives who are permitted access to such material and have executed the additional certification required for persons who receive access to Highly Sensitive Protected Material. In the event that any Reviewing Representative to whom Protected Materials are disclosed ceases to be engaged in these proceedings, access to Protected Materials by that person shall be terminated and all notes, memoranda, or other information derived from the protected material shall either be destroyed or given to another Reviewing Representative of that party who is authorized pursuant to this Protective Order to receive the protected materials. Any person who has agreed to the foregoing certification shall continue to be bound by the provisions of this Protective Order so long as it is in effect, even if no longer engaged in these proceedings.

17. **Producing Party to Provide One Copy of Certain Protected Material and Procedures for Making Additional Copies of Such Materials.** Except for Highly

Sensitive Protected Materials, which shall be provided to the Reviewing Parties pursuant to Paragraphs 9, and voluminous Protected Materials, the producing party shall provide a Reviewing Party one copy of the Protected Materials upon receipt of the signed certification described in Paragraph 15. Except for Highly Sensitive Protected Materials, a Reviewing Party may make further copies of Protected Materials for use in this proceeding pursuant to this Protective Order, but a record shall be maintained as to the documents reproduced and the number of copies made, and upon request the Reviewing Party shall provide the party asserting confidentiality with a copy of that record.

18. **Procedures Regarding Voluminous Protected Materials.** P.U.C. PROC. R. 22.144(h) will govern production of voluminous Protected Materials. Voluminous Protected Materials will be made available in the producing party's voluminous room, in Austin, Texas, or at a mutually agreed upon location, Monday through Friday, 9:00 a.m. to 5:00 p.m. (except on state or Federal holidays), and at other mutually convenient times upon reasonable request.
19. **Reviewing Period Defined.** The Protected Materials may be reviewed only during the Reviewing Period, which shall commence upon entry of this Protective Order and continue until the expiration of the Commission's plenary jurisdiction. The Reviewing Period shall reopen if the Commission regains jurisdiction due to a remand as provided by law. Protected materials that are admitted into the evidentiary record or accompanying the evidentiary record as offers of proof may be reviewed throughout the pendency of this proceeding and any appeals.
20. **Procedures for Making Copies of Voluminous Protected Materials.** Other than Highly Sensitive Protected Materials, Reviewing Parties may take notes regarding the information contained in voluminous Protected Materials made available for inspection or they may make photographic, mechanical or electronic copies of the Protected Materials, subject to the conditions in this Protective Order; provided, however, that before photographic, mechanical or electronic copies may be made, the Reviewing Party seeking photographic, mechanical or electronic copies must provide written confirmation of the receipt of copies listed on Attachment B of this Protective Order identifying each piece of Protected Materials or portions thereof the Reviewing Party will need.

21. **Protected Materials to be Used Solely for the Purposes of These Proceedings.** All Protected Materials shall be made available to the Reviewing Parties and their Reviewing Representatives solely for the purposes of these proceedings. Access to the Protected Materials may not be used in the furtherance of any other purpose, including, without limitation: (a) any other pending or potential proceeding involving any claim, complaint, or other grievance of whatever nature, except appellate review proceedings that may arise from or be subject to these proceedings; or (b) any business or competitive endeavor of whatever nature. Because of their statutory regulatory obligations, these restrictions do not apply to Commission Staff or OPC.
22. **Procedures for Confidential Treatment of Protected Materials and Information Derived from Those Materials.** Protected Materials, as well as a Reviewing Party's notes, memoranda, or other information regarding or derived from the Protected Materials are to be treated confidentially by the Reviewing Party and shall not be disclosed or used by the Reviewing Party except as permitted and provided in this Protective Order. Information derived from or describing the Protected Materials shall be maintained in a secure place and shall not be placed in the public or general files of the Reviewing Party except in accordance with the provisions of this Protective Order. A Reviewing Party must take all reasonable precautions to insure that the Protected Materials including notes and analyses made from Protected Materials that disclose Protected Materials are not viewed or taken by any person other than a Reviewing Representative of a Reviewing Party.
23. **Procedures for Submission of Protected Materials.** If a Reviewing Party tenders for filing any Protected Materials, including Highly Sensitive Protected Materials, or any written testimony, exhibit, brief, motion or other type of pleading or other submission at the Commission or before any other judicial body that quotes from Protected Materials or discloses the content of Protected Materials, the confidential portion of such submission shall be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they contain Protected Material or Highly Sensitive Protected Material and are sealed pursuant to this Protective Order. If filed at the Commission, such documents shall be marked "PROTECTED MATERIAL" and shall be filed under seal with the

presiding officer and served under seal to the counsel of record for the Reviewing Parties. The presiding officer may subsequently, on his/her own motion or on motion of a party, issue a ruling respecting whether or not the inclusion, incorporation or reference to Protected Materials is such that such submission should remain under seal. If filing before a judicial body, the filing party: (a) shall notify the party which provided the information within sufficient time so that the producing party may seek a temporary sealing order; and (b) shall otherwise follow the procedures in Rule 76a, Texas Rules of Civil Procedure.

24. **Maintenance of Protected Status of Materials during Pendency of Appeal of Order**

Holding Materials are not Protected Materials. In the event that the presiding officer at any time in the course of this proceeding finds that all or part of the Protected Materials are not confidential or proprietary, by finding, for example, that such materials have entered the public domain or materials claimed to be Highly Sensitive Protected Materials are only Protected Materials, those materials shall nevertheless be subject to the protection afforded by this Protective Order for three (3) full working days, unless otherwise ordered, from the date the party asserting confidentiality receives notice of the presiding officer's order. Such notification will be by written communication. This provision establishes a deadline for appeal of a presiding officer's order to the Commission. In the event an appeal to the Commissioners is filed within those three (3) working days from notice, the Protected Materials shall be afforded the confidential treatment and status provided in this Protective Order during the pendency of such appeal. Neither the party asserting confidentiality nor any Reviewing Party waives its right to seek additional administrative or judicial remedies after the Commission's denial of any appeal.

25. **Notice of Intent to Use Protected Materials or Change Materials Designation.**

Parties intending to use Protected Materials shall notify the other parties prior to offering them into evidence or otherwise disclosing such information into the record of the proceeding. During the pendency of Docket No. _____ at the Commission, in the event that a Reviewing Party wishes to disclose Protected Materials to any person to whom disclosure is not authorized by this Protective Order, or wishes to have changed

the designation of certain information or material as Protected Materials by alleging, for example, that such information or material has entered the public domain, such Reviewing Party shall first file and serve on all parties written notice of such proposed disclosure or request for change in designation, identifying with particularity each of such Protected Materials. A Reviewing Party shall at any time be able to file a written motion to challenge the designation of information as Protected Materials.

26. **Procedures to Contest Disclosure or Change in Designation.** In the event that the party asserting confidentiality wishes to contest a proposed disclosure or request for change in designation, the party asserting confidentiality shall file with the appropriate presiding officer its objection to a proposal, with supporting affidavits, if any, within five (5) working days after receiving such notice of proposed disclosure or change in designation. Failure of the party asserting confidentiality to file such an objection within this period shall be deemed a waiver of objection to the proposed disclosure or request for change in designation. Within five (5) working days after the party asserting confidentiality files its objection and supporting materials, the party challenging confidentiality may respond. Any such response shall include a statement by counsel for the party challenging such confidentiality that he or she has reviewed all portions of the materials in dispute and, without disclosing the Protected Materials, a statement as to why the Protected Materials should not be held to be confidential under current legal standards, or that the party asserting confidentiality for some reason did not allow such counsel to review such materials. If either party wishes to submit the material in question for in camera inspection, it shall do so no later than five (5) working days after the party challenging confidentiality has made its written filing.
27. **Procedures for Presiding Officer Determination Regarding Proposed Disclosure or Change in Designation.** If the party asserting confidentiality files an objection, the appropriate presiding officer will determine whether the proposed disclosure or change in designation is appropriate. Upon the request of either the producing or Reviewing Party or upon the presiding officer's own initiative, the presiding officer may conduct a prehearing conference. The burden is on the party asserting confidentiality to show that such proposed disclosure or change in designation should not be made. If the presiding

officer determines that such proposed disclosure or change in designation should be made, disclosure shall not take place earlier than three (3) full working days after such determination unless otherwise ordered. No party waives any right to seek additional administrative or judicial remedies concerning such presiding officer's ruling.

28. **Maintenance of Protected Status during Periods Specified for Challenging Various Orders.** Any party electing to challenge, in the courts of this state, a Commission or presiding officer determination allowing disclosure or a change in designation shall have a period of ten (10) days from: (a) the date of an unfavorable Commission order; or (b) if the Commission does not rule on an appeal of an interim order, the date an appeal of an interim order to the Commission is overruled by operation of law, to obtain a favorable ruling in state district court. Any party challenging a state district court determination allowing disclosure or a change in designation shall have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from a state appeals court. Finally, any party challenging a determination of a state appeals court allowing disclosure or a change in designation shall have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from the state supreme court, or other appellate court. All Protected Materials shall be afforded the confidential treatment and status provided for in this Protective Order during the periods for challenging the various orders referenced in this paragraph. For purposes of this paragraph, a favorable ruling of a state district court, state appeals court, Supreme Court or other appellate court includes any order extending the deadlines in this paragraph.
29. **Other Grounds for Objection to Use of Protected Materials Remain Applicable.** Nothing in this Protective Order shall be construed as precluding any party from objecting to the use of Protected Materials on grounds other than confidentiality, including the lack of required relevance. Nothing in this Protective Order constitutes a waiver of the right to argue for more disclosure, provided, however, that unless the Commission or a court orders such additional disclosure, all parties will abide by the restrictions imposed by the Protective Order.

30. **Protection of Materials from Unauthorized Disclosure.** All notices, applications, responses or other correspondence shall be made in a manner which protects Protected Materials from unauthorized disclosure.
31. **Return of Copies of Protected Materials and Destruction of Information Derived from Protected Materials.** Following the conclusion of these proceedings, each Reviewing Party must, no later than thirty (30) days following receipt of the notice described below, return to the party asserting confidentiality all copies of the Protected Materials provided by that party pursuant to this Protective Order and all copies reproduced by a Reviewing Party, and counsel for each Reviewing Party must provide to the party asserting confidentiality a letter by counsel that, to the best of his or her knowledge, information, and belief, all copies of notes, memoranda, and other documents regarding or derived from the Protected Materials (including copies of Protected Materials) that have not been so returned, if any, have been destroyed, other than notes, memoranda, or other documents which contain information in a form which, if made public, would not cause disclosure of the substance of Protected Materials. As used in this Protective Order, "conclusion of these proceedings" refers to the exhaustion of available appeals, or the running of the time for the making of such appeals, as provided by applicable law. If, following any appeal, the Commission conducts a remand proceeding, then the "conclusion of these proceedings" is extended by the remand to the exhaustion of available appeals of the remand, or the running of the time for making such appeals of the remand, as provided by applicable law. Promptly following the conclusion of these proceedings, counsel for the party asserting confidentiality will send a written notice to all other parties, reminding them of their obligations under this paragraph. Nothing in this paragraph shall prohibit counsel for each Reviewing Party from retaining two (2) copies of any filed testimony, brief, application for rehearing, hearing exhibit or other pleading which refers to Protected Materials provided that any such Protected Materials retained by counsel shall remain subject to the provisions of this Protective Order.

32. **Applicability of Other Law.** This Protective Order is subject to the requirements of the Public Information Act, the Open Meetings Act,³ the Texas Securities Act⁴ and any other applicable law, provided that parties subject to those acts will notify the party asserting confidentiality, if possible under those acts, prior to disclosure pursuant to those acts. Such notice shall not be required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.
33. **Procedures for Release of Information under Order.** If required by order of a governmental or judicial body, the Reviewing Party may release to such body the confidential information required by such order; provided, however, that: (a) the Reviewing Party shall notify the producing party of the order requiring the release of such information within five (5) calendar days of the date the Reviewing Party has notice of the order; (b) the Reviewing Party shall notify the producing party at least five (5) calendar days in advance of the release of the information to allow the producing party to contest any release of the confidential information; and (c) the Reviewing Party shall use its best efforts to prevent such materials from being disclosed to the public. The terms of this Protective Order do not preclude the Reviewing Party from complying with any valid and enforceable order of a state or federal court with competent jurisdiction specifically requiring disclosure of Protected Materials earlier than contemplated herein. The notice specified in this section shall not be required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.
34. **Best Efforts Defined.** The term “best efforts” as used in the preceding paragraph requires that the Reviewing Party attempt to ensure that disclosure is not made unless

³ TEX. GOV'T CODE ANN. § 551.001-551.146 (Vernon 2004 & Supp. 2010).

⁴ TEX. REV. CIV. STAT. ANN. arts. 581-1 to 581-43 (Vernon 2010).

such disclosure is pursuant to a final order of a Texas governmental or Texas judicial body, the written opinion of the Texas Attorney General sought in compliance with the Public Information Act, or the request of governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials. The Reviewing Party is not required to delay compliance with a lawful order to disclose such information but is simply required to timely notify the party asserting confidentiality, or its counsel, that it has received a challenge to the confidentiality of the information and that the Reviewing Party will either proceed under the provisions of §552.301 of the Public Information Act, or intends to comply with the final governmental or court order. Provided, however, that no notice is required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.

35. **Notify Defined.** “Notify” for purposes of Paragraphs 32, 33 and 34 means written notice to the party asserting confidentiality at least five (5) calendar days prior to release; including when a Reviewing Party receives a request under the Public Information Act. However, the Commission or OPC may provide a copy of Protected Materials to the Open Records Division of the OAG as provided herein.
36. **Requests for Non-Disclosure.** If the producing party asserts that the requested information should not be disclosed at all, or should not be disclosed to certain parties under the protection afforded by this Protective Order, the producing party shall tender the information for in camera review to the presiding officer within ten (10) calendar days of the request. At the same time, the producing party shall file and serve on all parties its argument, including any supporting affidavits, in support of its position of non-disclosure. The burden is on the producing party to establish that the material should not be disclosed. The producing party shall serve a copy of the information under the classification of Highly Sensitive Protected Material to all parties requesting the information that the producing party has not alleged should be prohibited from reviewing the information.

Parties wishing to respond to the producing party's argument for non-disclosure shall do so within five working days. Responding parties should explain why the information should be disclosed to them, including why disclosure is necessary for a fair adjudication of the case if the material is determined to constitute a trade secret. If the presiding officer finds that the information should be disclosed as Protected Material under the terms of this Protective Order, the presiding officer shall stay the order of disclosure for such period of time as the presiding officer deems necessary to allow the producing party to appeal the ruling to the Commission.

37. **Sanctions Available for Abuse of Designation.** If the presiding officer finds that a producing party unreasonably designated material as Protected Material or as Highly Sensitive Protected Material, or unreasonably attempted to prevent disclosure pursuant to Paragraph 36, the presiding officer may sanction the producing party pursuant to P.U.C. PROC. R. 22.161.
38. **Modification of Protective Order.** Each party shall have the right to seek changes in this Protective Order as appropriate from the presiding officer.
39. **Breach of Protective Order.** In the event of a breach of the provisions of this Protective Order, the producing party, if it sustains its burden of proof required to establish the right to injunctive relief, shall be entitled to an injunction against such breach without any requirements to post bond as a condition of such relief. The producing party shall not be relieved of proof of any element required to establish the right to injunctive relief. In addition to injunctive relief, the producing party shall be entitled to pursue any other form of relief to which it is entitled.

ATTACHMENT A

Protective Order Certification

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket and that I have received a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials shall not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPC shall be used only for the purpose of the proceeding in Docket No. _____. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order. Provided, however, if the information contained in the Protected Materials is obtained from independent public sources, the understanding stated here shall not apply.

Signature

Party Represented

Printed Name

Date

Email address _____

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

Signature

Party Represented

Printed Name

Date

Email address _____

ATTACHMENT B

I request to view/copy the following documents:

Document Requested	# of Copies	Non-Confidential	Protected Materials and/or Highly Sensitive Protected Materials

Signature

Party Represented

Printed Name

Date

Email address _____

DOCKET NO. _____

APPLICATION OF EL PASO
ELECTRIC COMPANY FOR
APPROVAL TO REVISE ITS ENERGY
EFFICIENCY COST RECOVERY
FACTOR AND REQUEST TO
ESTABLISH REVISED COST CAP

§ § § § § § §

PUBLIC UTILITY COMMISSION
OF TEXAS

DIRECT TESTIMONY OF
CRYSTAL A. ENOCH
FOR
EL PASO ELECTRIC COMPANY

MAY 1, 2020

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EXHIBITS

- CAE -01 EPE's 2019 Energy Efficiency Plan and Report
- CAE -02 2019 Cost-effectiveness Summary by Program
- CAE -03 2019 Comparison of Program Expenditures
- CAE -04 2019 Comparison of Incentive Expenditures
- CAE -05 2021 Total Budget and Program Expenses by Rate Class
- CAE -06 2019 Performance Bonus Calculation
- CAE -07 CONFIDENTIAL – List of Energy Efficiency Service Providers
- CAE -08 2019 Estimated Useful Life Table

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 **A.** My name is Crystal A. Enoch. My business address is 100 N. Stanton Street, El Paso,
4 Texas 79901.

5

6 **Q. HOW ARE YOU EMPLOYED?**

7 **A.** I am employed by El Paso Electric Company ("EPE" or "Company") as a Senior Energy
8 Efficiency Program Coordinator.

9

10 **Q. PLEASE SUMMARIZE YOUR PROFESSIONAL AND EDUCATIONAL
11 BACKGROUND AND EXPERIENCE.**

12 **A.** I graduated from New Mexico State University with a Bachelor of Science in
13 Engineering Technology and a Master of Business Administration. In February 2003,
14 I was employed by Tresco Inc. in White Sands Missile Range, New Mexico as a
15 Facilities Engineer in the High Energy Laser Systems Test Facility, designing and
16 planning facility upgrade projects across the engineering disciplines of electrical, civil,
17 structural, and heating, ventilation and air-conditioning ("HVAC"), along with the
18 oversight of associated internal and external contractors. In September 2004, I was
19 employed by EPE as a Senior Territorial Planner, designing distribution power lines.
20 In April 2010, I was employed by Enoch Mechanical Inc. as a Project Manager
21 overseeing internal and external personnel on publicly funded mechanical and general
22 construction projects throughout southern New Mexico. In November 2011, I accepted
23 a position with Zia Natural Gas Company in Las Cruces, New Mexico as a Project
24 Engineer designing natural gas utility distribution systems.

25 In September 2014, I was rehired by EPE as a Program Coordinator in the
26 Energy Efficiency Department. Since joining Energy Efficiency, I have been the
27 Program Coordinator for various programs and I am the department lead for
28 Evaluation, Measurement, and Verification ("EM&V") with the Texas and New
29 Mexico commission-approved statewide evaluators and consultants. Also, I hold a
30 license as a Professional Engineer in the State of New Mexico and I am a member of

the American Society of Heating, Refrigeration, and Air-Conditioning Engineers (“ASHRAE”).

4 Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES WITH EPE.

5 A. As a Senior Energy Efficiency Program Coordinator of the Energy Efficiency
6 Department, I am responsible for the oversight of EPE's SCORE Plus and the Texas
7 and New Mexico Load Management Programs. I also work with the statewide
8 evaluators and consultants in both Texas and New Mexico reviewing technical
9 documents, evaluation of methodologies, reports, and verification of deemed energy
10 and demand savings. I verify and validate EPE's energy efficiency program measures'
11 incentive amounts, deemed savings calculations, and program budgets, to ensure the
12 cost effectiveness of EPE's Texas and New Mexico energy efficiency programs.

14 Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE UTILITY
15 REGULATORY BODIES?

16 A. No, I have not.

II. PURPOSE OF TESTIMONY

19 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

20 A. The purpose of my testimony is to:

- Present the results of EPE's 2019 energy efficiency program year;
 - Provide the EPE 2020 Energy Efficiency Plan and Report ("EEPR");
 - Describe EPE's proposed 2021 energy efficiency goals, programs, and budget;
 - Explain EPE's 2019 performance bonus calculation;
 - Describe EPE's bidding and engagement process for contracting with energy efficiency service providers ("EESPs") and administrators;
 - Provide a list of the EESPs and contractors that participated in EPE's energy efficiency programs, including a list of those whose incentive payments exceeded 5% of the overall incentive payments in EPE's 2019 energy efficiency programs; and
 - Provide a list of each energy efficiency program measures' estimated useful life ("EUL").

1

2 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

3 **A.** Yes, I am sponsoring the following exhibits that have been prepared by me or under
4 my direction:

5

- Exhibit CAE-01 – EPE's 2020 EEPR
- Exhibit CAE-02 – 2019 Cost-effectiveness Summary by Program
- Exhibit CAE-03 – Comparison of 2019 Program Expenditures
- Exhibit CAE-04 – Comparison of 2019 Incentive Expenditures
- Exhibit CAE-05 – 2021 Total Budget and Program Expenses by Rate Class
- Exhibit CAE-06 – 2019 Performance Bonus Calculation
- Exhibit CAE-07 – (CONFIDENTIAL) – List of Energy Efficiency Service Providers
- Exhibit CAE-08 – 2019 Estimated Useful Life Table

14

15 **Q. IS EPE PRESENTING OTHER WITNESSES IN THIS PROCEEDING?**

16 **A.** Yes, EPE witness Rene F. Gonzalez presents and supports the calculation of EPE's
17 Energy Efficiency Cost Recovery Factor ("EECRF") for 2021, based on the program
18 costs and other information I discuss in my testimony. EPE witness Gonzalez also
19 presents and discusses EPE's request to establish a revised cost cap for the
20 non-residential classes, as allowed by 16 Tex. Admin. Code §25.181(e)(2) (TAC).

21

22 **III. 2019 ENERGY EFFICIENCY PROGRAM RESULTS**

23 **Q. CAN YOU LIST THE 2019 ENERGY EFFICIENCY PROGRAMS THAT EPE
24 OFFERED?**

25 **A.** Yes. In 2019, EPE offered the following energy efficiency programs:

- Small Commercial Solutions Market Transformation Program ("MTP"),
- Large Commercial & Industrial ("C&I") Solutions MTP,
- Texas Schools and Cities Conserving Resources ("Texas SCORE") MTP,
- Commercial Load Management Standard Offer Program ("SOP"),
- Residential Solutions MTP,
- LivingWise® MTP,

- 1 • Texas Appliance Recycling MTP,
2 • Hard-to-Reach Solutions MTP, and
3 • Demand Response Pilot Program ("DRPP") MTP.

4

5 **Q. CAN YOU DESCRIBE EACH ENERGY EFFICIENCY PROGRAM?**

6 **A.** Yes. A complete description of EPE's energy efficiency programs is provided in EPE's
7 2020 EEPR, attached as Exhibit CAE-01.

8

9 **Q. WHAT WERE EPE'S ENERGY EFFICIENCY PROGRAM EXPENDITURES**
10 **DURING THE 2019 PROGRAM YEAR?**

11 **A.** In 2019, EPE spent \$4,386,235 in total program expenditures including EM&V
12 expenses and EECRF proceeding expenses. Program expenditures alone were
13 \$4,272,216. A detailed breakdown of the amounts spent by program can be found in
14 Table 10 of Exhibit CAE-01.

15

16 **Q. WHAT WAS EPE'S DEMAND REDUCTION GOAL FOR THE 2019**
17 **PROGRAM YEAR?**

18 **A.** EPE's demand reduction goal for 2019 was 11.16 megawatts ("MW"), as described in
19 the Executive Summary and explained in more detail in Section III of Exhibit CAE-01.

20

21 **Q. WHAT DEMAND REDUCTION DID EPE ACHIEVE THROUGH ITS 2019**
22 **ENERGY EFFICIENCY PROGRAMS?**

23 **A.** As shown in Table 8 of Exhibit CAE-01, EPE achieved a total of 19,424 kW of demand
24 reduction through its energy efficiency programs for 2019. This reduction represents
25 174% of EPE's 2019 demand reduction goal.

26

27 **Q. DID EPE'S 2019 ENERGY EFFICIENCY PROGRAMS MEET THE COST-**
28 **EFFECTIVENESS STANDARD OF 16 TAC §25.181?**

29 **A.** Yes, with the exception of the DRPP, all of EPE's programs met the cost-effectiveness
30 standard of 16 TAC §25.181(d). EPE's overall portfolio of 2019 programs exceeded

1 the cost-effectiveness standard of 1.0 with a Utility Cost Test ("UCT") of 3.52, as
2 shown in Exhibit CAE-02.

3

4 **Q. WHY DID THE DRPP NOT MEET THE COST-EFFECTIVENESS
5 STANDARD OF 1.0?**

6 A. The DRPP did not meet the cost-effectiveness standard for a few reasons. The main
7 reasons for it not meeting the cost-effectiveness standard were due to the program's high
8 administrative costs and, due to it being a pilot program, a limitation on the number of
9 participants was put in place. Another reason for it not meeting the cost-effectiveness
10 standard was due to the increase in opt-outs of participants.

11

12 **Q. WHAT IS CONSIDERED AN OPT-OUT?**

13 A. An opt-out is when a participant voluntarily chooses not to participate in the load
14 curtailment event by manually declining, adjusting the thermostat, or participating for less
15 than 50 percent of the total event duration. Also considered an opt-out is a device that is
16 offline or not receiving a Wi-Fi signal.

17

18 **Q. WAS PROGRAM YEAR 2019 THE LAST YEAR OF THE DRPP AS A PILOT
19 PROGRAM?**

20 A. Yes.

21

22 **Q. WHAT STEPS DID EPE TAKE TO CONTINUE THE DRPP IN 2020?**

23 A. As stated earlier, 2019 was the last year for the DRPP as a pilot program. Due to a
24 recommendation by the Commission's EM&V contractor, the Residential Demand
25 Response Program will no longer be referred to as a 'demand response' program but
26 instead will be referred to as the Residential Load Management Program ("RLMP").
27 EPE selected a new implementer in March 2020, Uplight, Inc., through a public request
28 for proposal open to third-party vendors.

29

30 **Q. WHAT CHANGES WILL BE MADE TO THE RLMP IN ORDER TO MAKE
31 IT COST-EFFECTIVE IN 2020?**

1 **A.** The proposed changes to the RLMP include utilizing a new implementer, opening
2 enrollment to expand the number of program participants, eliminating the \$125 upfront
3 “Bring Your Own Thermostat” incentive, and reducing implementer device fees all
4 together thus reducing the annual administrative costs.
5

6 **Q. HAVE YOU PROVIDED A RECONCILIATION OF THE PREVIOUS YEAR'S
7 ENERGY EFFICIENCY COSTS?**

8 **A.** Yes. Table 10 of Exhibit CAE-01 presents the reconciliation based on 2019 budget
9 and expenditures for each energy efficiency program, as well as the administrative,
10 research and development ("R&D"), EM&V, and EECRF proceeding expenses.
11

12 **Q. WERE ALL THE COSTS SHOWN IN TABLE 10 OF EXHIBIT CAE-01
13 INCURRED IN SUPPORT OF ENERGY EFFICIENCY PROGRAMS?**

14 **A.** Yes. All of the costs shown in Table 10 of Exhibit CAE-01 were incurred for the purpose
15 of reducing demand and energy growth. The energy efficiency program costs are
16 presented in EPE's 2020 EEPR, Project No. 50666¹, which was filed on April 1, 2020.
17

18 **Q. DO THE COSTS SHOWN IN TABLE 10 OF EXHIBIT CAE-01 INCLUDE ANY
19 COSTS THAT ARE NOT ALLOWED AS AN EXPENSE UNDER 16 TAC
20 §25.231(b)(2)?**

21 **A.** No.
22

23 **Q. HOW DO EPE'S ENERGY EFFICIENCY COSTS COMPARE TO WHAT
24 OTHER TEXAS UTILITIES HAVE EXPERIENCED?**

25 **A.** While each utility faces different circumstances, EPE's 2019 energy efficiency costs
26 compare favorably to other electric investor-owned utilities ("IOU") in Texas.
27 Exhibit CAE-03 compares the program expenditures for demand savings (\$/kW) and
28 energy savings (\$/kilowatt hour ("kWh")) for Texas IOUs as originally reported in their
29 2020 EEPRs. In addition, Exhibit CAE-04 compares the incentive expenditures for

¹ 2020 Energy Efficiency Plans and Reports Under 16 TAC 25.181, Project No. 50666, El Paso Electric Company 2020 Energy Efficiency Plan and Report (April 1, 2020).

1 demand and energy savings for Texas IOUs. In 2019, EPE spent less on a dollar per
2 kW and kWh basis than most Texas IOUs for both program expenditures and incentive
3 expenditures.

4

5 **IV. EPE'S 2021 ENERGY EFFICIENCY GOAL**

6 **Q. HOW ARE EPE'S ENERGY EFFICIENCY GOALS ESTABLISHED?**

7 **A.** EPE's energy efficiency goals are established in compliance with the regulatory
8 requirements of the Public Utility Commission of Texas ("PUCT" or "Commission").
9 16 TAC §25.181(e)(1) requires that an electric utility administer a portfolio of energy
10 efficiency programs to achieve a 30% reduction of its summer weather-adjusted peak
11 demand for the combined residential and commercial customers at the meter. This goal
12 is limited by a trigger based on 0.4% of the utility's summer weather-adjusted peak
13 demand for the combined residential and commercial customers at the meter. Once a
14 utility's portfolio produces demand reductions equivalent to the trigger, the annual goal
15 is established at that level. With limited exceptions, the demand reduction goal in any
16 year shall not be lower than its goal established for the prior year.

17

18 **Q. WHAT IS EPE'S REQUESTED DEMAND REDUCTION GOAL FOR 2021?**

19 **A.** EPE's requested demand reduction goal for 2021 is 11.16 MW.

20

21 **Q. HAS EPE REACHED THE 0.4% TRIGGER AS PROVIDED FOR IN 16 TAC**
22 **§25.181(e)(1)(B)?**

23 **A.** Yes. Since 2013, EPE's demand reduction goal has been greater than the 0.4% trigger.
24 EPE's proposed 2021 demand reduction goal of 11.16 MW exceeds the trigger as well.
25 As shown in Table 1 of Exhibit CAE-01, the 2021 trigger is equal to 5.17 MW.

26

27 **Q. HAS EPE RECEIVED ANY NOTIFICATIONS FROM INDUSTRIAL**
28 **CUSTOMERS UNDER 16 TAC §25.181(u) THAT THEY ARE AN**
29 **INDUSTRIAL CUSTOMER TAKING SERVICE AT DISTRIBUTION LEVEL**
30 **AND WISH TO BE EXCLUDED FROM EPE'S ENERGY EFFICIENCY**
31 **PROGRAMS?**

1 A. Yes.

2

3 Q. **WHAT IS THE IMPACT OF SUCH NOTIFICATIONS ON EPE'S DEMAND
4 REDUCTION GOAL?**

5 A. The impact of the notifications is reflected in Table 4 of my Exhibit CAE-01. The
6 notifications are included in the calculation of four-tenths of one percent of EPE's peak
7 demand and resulted in an exclusion of 0.0034 MW from that demand-reduction goal
8 for EPE's EECRF for program year 2021. Because of rounding, it does not affect EPE's
9 demand reduction goal of 11.16 MW.

10

11

12 **V. 2021 ENERGY EFFICIENCY PROGRAMS AND PROJECTED
 EXPENSES PER EPE'S PROPOSAL**

13 Q. **CAN YOU LIST THE ENERGY EFFICIENCY PROGRAMS THAT EPE
14 EXPECTS TO OFFER DURING THE 2021 PROGRAM YEAR?**

15 A. Yes. In 2021, EPE plans to offer the following programs:

- 16 • Small Commercial Solutions MTP
- 17 • Large C&I Solutions MTP
- 18 • Texas SCORE MTP
- 19 • Commercial Load Management SOP
- 20 • Residential Solutions MTP
- 21 • LivingWise® MTP
- 22 • Texas Appliance Recycling MTP
- 23 • Residential Marketplace Pilot MTP
- 24 • Hard-to-Reach Solutions MTP
- 25 • Residential Load Management MTP (Formerly known as the DRPP)

26

27 Q. **ARE THERE ANY SIGNIFICANT CHANGES IN EPE'S ENERGY
28 EFFICIENCY PROGRAM PORTFOLIO FROM 2020 TO 2021?**

29 A. No. Although EPE added the Residential Marketplace Pilot Program for 2020, EPE
30 does not plan any significant changes from 2020 to 2021.

31

1 **Q. WHAT WILL THE RESIDENTIAL MARKETPLACE PILOT MTP
2 PROGRAM PROVIDE?**

3 **A.** The Residential Marketplace Pilot MTP Program will provide customers instant
4 rebates, through an online marketplace, for the purchase of eligible energy efficient
5 products. Examples of eligible products will include smart thermostats, lighting, and
6 advanced power strips.

7

8 **Q. IS EPE ANTICIPATING ANY R&D ACTIVITIES FOR 2021?**

9 **A.** Yes. EPE anticipates needing R&D for the development of new measures such as
10 Level II Electric Vehicle Chargers and midstream HVAC for commercial and
11 residential applications. This is necessary in order to increase participation in measures
12 beyond lighting within the small commercial sector.

13

14 **Q. CAN YOU PROVIDE THE PROJECTED DEMAND AND ENERGY SAVINGS
15 FROM EACH 2021 PROGRAM?**

16 **A.** Yes. The projected demand and energy savings for each 2021 energy efficiency
17 program are shown in Table 5 of Exhibit CAE-01.

18

19 **Q. ARE EPE'S PROGRAMS IMPLEMENTED IN ACCORDANCE WITH
20 RECOMMENDATIONS MADE BY THE COMMISSION'S EM&V
21 CONTRACTOR?**

22 **A.** Yes. EPE's programs are implemented in accordance with the recommendations of the
23 Commission's EM&V contractor.

24

25 **Q. DOES EPE OFFER PROGRAMS FOR ALL ELIGIBLE CUSTOMER
26 CLASSES?**

27 **A.** Yes. EPE offers programs for all eligible customer classes.

28

29 **Q. WHAT IS THE PROPOSED 2021 ENERGY EFFICIENCY PROGRAM
30 BUDGET?**

1 A. The proposed 2021 program budget, excluding EM&V and EECRF proceeding
2 expenses, is \$4,685,552. Exhibit CAE-05 shows the forecasted energy efficiency
3 program budget including incentive payments, administrative, R&D, EM&V, and
4 EECRF proceeding expenses for a total of \$4,842,930.

5

6 Q. **WHY DOES THE PROPOSED 2021 BUDGET AS SHOWN IN EXHIBIT CAE-
7 05 DIFFER FROM TABLE 6 OF EXHIBIT CAE-01?**

8 A. The proposed 2021 budget in Table 6 of Exhibit CAE-01 showed EM&V expenses of
9 \$58,564 and, based on a PUCT recommendation, the revised 2021 EM&V expenses of
10 \$57,378, as shown in Exhibit CAE-05, were based on the actual EM&V expenses
11 incurred in 2019 for review of the 2018 program year.

12

13 Q. **HOW WERE THE 2021 ENERGY EFFICIENCY PROGRAM COSTS AND
14 ADMINISTRATIVE COSTS ALLOCATED TO EACH RATE CLASS?**

15 A. The proposed 2021 incentive costs were allocated by program to each rate class based
16 on EPE's actual 2019 energy efficiency incentive costs. The 2021 proposed
17 administrative costs not directly assigned to specific programs were first allocated
18 among each program in proportion to the budgeted 2021 program incentive costs and
19 then the same methodology described above was used to allocate these expenses to
20 each rate class within the programs. The administrative costs that were directly
21 assigned to a specific program were distributed across rate classes based on the
22 allocation of costs applicable to that program. Please see Exhibit CAE-05 for these
23 proposed 2021 rate class allocations.

24

25 Q. **HOW WERE THE 2021 R&D COSTS DIRECTLY ASSIGNED TO EACH
26 RATE CLASS?**

27 A. The proposed 2021 R&D costs were directly assigned to each applicable program in
28 proportion to that program's budgeted incentive costs. The same methodology
29 described in the previous question was then used to allocate these expenses to each rate
30 class within the programs.

31

1 **Q. IS THIS THE SAME APPROACH THAT EPE HAS UTILIZED IN ITS
2 PREVIOUS ENERGY EFFICIENCY PROGRAM FILING?**

3 **A.** Yes, this is the same approach that EPE utilized in its previous energy efficiency
4 program filing.
5

6 **Q. DOES THIS APPROACH REDUCE THE OVER- OR UNDER-RECOVERY OF
7 PROGRAM COSTS BY RATE CLASSES?**

8 **A.** Yes, this approach should reduce the over- or under-recovery of program costs by rate
9 classes in future EECRF filings. The methodology aligns the program budgets and
10 projected costs that are used to set the EECRF rate with actual occurrences in prior
11 program years. A combination of historical participation rates and other known factors
12 concerning particular types of customers is a good indicator of how rate classes will
13 participate in energy efficiency programs going forward.
14

15 **Q. IS THE PROPOSED PROGRAM BUDGET REASONABLE?**

16 **A.** Yes. EPE is proposing a budget of \$4,685,552, including Administrative and R&D costs,
17 for 2021, which includes a slight increase of \$9,902 in the SCORE Program based on an
18 increase in projected savings, and is comparable to EPE's 2020 programs. Therefore,
19 EPE's 2021 proposed budget is reasonable.
20

21 **Q. ARE EPE'S PROPOSED INCENTIVE COSTS REASONABLE?**

22 **A.** Yes, the Company's proposed incentive costs are reasonable. As stated earlier, Exhibit
23 CAE-04 shows a comparison of the 2019 incentive expenditures per kW and kWh for
24 each Texas IOU as originally reported in the utilities' 2020 EEPRs. This comparison
25 shows that EPE's incentive expenditures were below nearly all other Texas IOUs on a
26 per kW and per kWh basis for 2019.
27

28 **Q. WHAT ARE THE COMPANY'S PROJECTED ADMINISTRATIVE COSTS
29 FOR 2021?**

1 A. The projected administrative costs for 2021 are \$280,171 as shown in Exhibit CAE-05.
2 Besides program administration, these administrative costs include R&D, EM&V, and
3 EECRF proceeding expenses.

4

5 **Q. WHAT ARE THE PROJECTED EXPENSES FOR R&D AND EECRF
6 PROCEEDING COSTS FOR 2021?**

7 A. The projected expenses for R&D are \$25,000. EPE's projected EECRF proceeding
8 costs are \$100,000.

9

10 **Q. WHAT ARE THE COMPANY'S 2021 PROJECTED EM&V EXPENSES?**

11 A. The 2021 projected EM&V expenses for the PUCT's EM&V contractor to be recovered
12 during 2021, pursuant to 16 TAC §25.181(o)(10), are \$57,378, as shown in
13 Exhibit CAE-05. These anticipated expenses are based on actual expenses incurred in
14 2019 for review of the 2018 program year as an estimated cost for the 2021 program
15 year. Actual 2021 program year expenses may differ from those incurred in 2019..

16

17 **Q. ARE THE PROPOSED 2021 ADMINISTRATIVE EXPENSES, INCLUDING
18 R&D, REASONABLE?**

19 A. Yes, the Company's proposed administrative expenses, including R&D, are reasonable.
20 Pursuant to 16 TAC §25.181(g), a utility's cost of administering its energy efficiency
21 programs shall not exceed 15% of the utility's total program costs and the cost of R&D
22 shall not exceed 10% of the utility's total program costs for the previous program year.
23 The cumulative cost of administration and R&D shall not exceed 20% of a utility's total
24 program costs unless a good cause exception is filed. EPE's total proposed program
25 costs for 2021 are \$4,842,930, including R&D, EM&V and EECRF proceeding
26 expenses and are shown in Exhibit CAE-05. The Company's projected administrative,
27 R&D, EM&V, and EECRF proceeding costs of \$280,171 represent approximately
28 5.79% of its projected total program costs and, when taken individually, the
29 administrative and R&D costs are well below the thresholds stated above. As such,
30 EPE's proposed 2021 administrative costs are well within the PUCT's limits and are
31 reasonable.

1

2 **Q. DOES THIS AMOUNT INCLUDE COSTS FOR THE DISSEMINATION OF**
3 **INFORMATION AND OUTREACH?**

4 **A.** Yes.

5

6 **Q. ARE THERE ANY EXISTING MARKET CONDITIONS THAT AFFECT**
7 **EPE'S ABILITY TO IMPLEMENT ONE OR MORE OF ITS PROPOSED**
8 **ENERGY EFFICIENCY PROGRAMS?**

9 **A.** Yes. Executive Order No. GA-14 issued by Texas Governor Abbott relating to
10 statewide continuity of essential services and activities during the COVID-19 pandemic
11 is limiting EPE's ability to effectively implement one or more of its energy efficiency
12 programs.

13

14 **Q. HAVE ANY CIRCUMSTANCES IN EPE'S SERVICE AREA CHANGED**
15 **SINCE THE PUCT APPROVED EPE'S BUDGET FOR THE**
16 **IMPLEMENTATION YEAR THAT AFFECT EPE'S ABILITY TO**
17 **IMPLEMENT ANY OF ITS ENERGY EFFICIENCY PROGRAMS?**

18 **A.** Yes. Executive Order No. GA-14 issued on March 31, 2020 is affecting EPE's ability
19 to implement Energy Efficiency Programs.

20

21 **Q. ARE THERE ANY OTHER CIRCUMSTANCES THAT MAY AFFECT EPE'S**
22 **ABILITY TO ACHIEVE ITS PROPOSED 2021 GOALS?**

23 **A.** Yes. Although EPE is able to claim some demand and energy savings associated with
24 evaporatively cooled homes, the savings are only a fraction of the savings allowed for
25 refrigerated air-conditioned homes. Many of EPE's residential customers have
26 evaporative cooling. As such, EPE is extremely limited in the amount of savings that
27 EPE can claim in the majority of homes within its service territory for any energy
28 efficiency measure. It is possible, based on the higher cost of refrigerated air
29 conditioning over evaporative cooling, that the percentage of low-income customers
30 with evaporative cooling is even higher. Because the demand and energy savings are
31 less for all residential customers with evaporative cooling, EPE's ability to attract a

1 sufficient number of customers in its residential programs is extremely difficult. Even
2 though some incentives are available for customers with evaporatively cooled homes,
3 the customer must still pay a large out-of-pocket cost for installing many of these
4 measures. This can be extremely challenging for low income customers. Ultimately,
5 this could affect EPE's ability to meet its PUCT-mandated hard-to-reach or low-income
6 goal.

7 Another circumstance that may affect EPE's ability to achieve its proposed 2021
8 goals is the EECRF commercial cost cap identified in 16 TAC §25.182(d)(7)(B).
9 Historically, in order to achieve the PUCT-mandated goals, EPE had budgeted more in
10 its commercial programs than its residential programs, and the Commission has granted
11 good cause exceptions allowing EPE to do so. As such, EPE's commercial programs
12 have been above the commercial cost cap. In order to reduce the 2021 EECRF
13 commercial costs, EPE added the Residential Marketplace Pilot MTP in 2020. These
14 changes, however, may not be sufficient for EPE to meet the 2021 commercial cost
15 cap.

16

17 **Q. DOES THE NUMBER OF ENERGY EFFICIENCY SERVICE PROVIDERS
18 OPERATING IN EPE'S SERVICE TERRITORY AFFECT EPE'S ABILITY TO
19 IMPLEMENT ANY OF ITS ENERGY EFFICIENCY PROGRAMS?**

20 **A.** No. In the past there were a limited number of EESPs that participated in EPE's SOPs,
21 however, more local contractors have been participating in EPE's energy efficiency
22 programs with the implementation of MTPs. EPE anticipates that the local contractors
23 will continue to participate in EPE's 2021 programs.

24

25 **Q. WHAT BARRIERS ARE THE ENERGY EFFICIENCY SERVICE
26 PROVIDERS, OPERATING IN EPE'S SERVICE TERRITORY,
27 ENCOUNTERING IN THEIR ABILITY TO PARTICIPATE IN EPE'S
28 ENERGY EFFICIENCY PROGRAMS?**

29 **A.** Local contractors have stated that the increase in administrative documentation is
30 resulting in increased costs, reduced profits, and do not provide any benefit to the
31 customer. Also, decreased savings per measure through deemed savings result in lower

incentives and increased out-of-pocket costs to the customer. Thus, overall, EPE's energy efficiency programs are becoming increasingly less attractive for the service provider to participate.

Q. DOES PAST CUSTOMER PARTICIPATION IN EPE'S ENERGY EFFICIENCY PROGRAMS AFFECT ANTICIPATED CUSTOMER PARTICIPATION IN THE PROPOSED ENERGY EFFICIENCY PROGRAMS?

8 A. No.

VI. EPE'S 2019 PERFORMANCE BONUS

11 Q. IS EPE REQUESTING A PERFORMANCE BONUS FOR 2019?

12 A. Yes.

14 Q. CAN YOU DESCRIBE THE CALCULATION OF EPE'S ENERGY
15 EFFICIENCY PERFORMANCE BONUS OF \$1,340,464 THAT EPE IS
16 SEEKING TO RECOVER FOR THE 2019 PROGRAM YEAR?

17 A. Yes. In 2019, EPE's energy efficiency programs achieved a 19,424 kW reduction in
18 demand. EPE's demand reduction goal for 2019 was 11,160 kW. EPE's achievement
19 represents 174% of its goal, qualifying it for a performance bonus. 16 TAC
20 §25.182(e)(3) states that "a utility that exceeds 100% of its demand and energy
21 reduction goals shall receive a bonus equal to 1% of the net benefits for every 2% that
22 the demand reduction goal has been exceeded with a maximum of 10% of the utility's
23 total net benefits." The performance bonus calculation is as follows:

$((\text{Achieved Demand Reduction}/\text{Demand Goal} - 100\%)/2) * \text{Net Benefits}$

Because this calculation results in a performance bonus of \$4,962,885, which exceeds the maximum of 10% of EPE's total net benefits of \$13,404,639, EPE's performance bonus is capped at \$1,340,464 as shown in Exhibit CAE-06.

29 Q. HOW IS THE 2019 PERFORMANCE BONUS ALLOCATED TO EACH
30 CLASS?

1 A. 16 TAC §25.182(e)(6) provides that any performance bonus be allocated in proportion
2 to the program costs associated with meeting the demand and energy goals and
3 allocated to eligible customers on a rate class basis. This allocation is addressed by
4 EPE witness Gonzalez and shown in Exhibit RFG-01.

5

6 **VII. EPE'S BIDDING AND ENGAGEMENT PROCESS**

7 Q. **CAN YOU DESCRIBE THE BIDDING PROCESS BY WHICH EPE
8 SELECTED THE PROGRAM ADMINISTRATORS AND IMPLEMENTERS
9 FOR EACH OF ITS EXISTING AND PROPOSED ENERGY EFFICIENCY
10 PROGRAMS?**

11 A. Yes. EPE has used a request for proposals ("RFP") process to select its program
12 administrators for its energy efficiency programs. In general, this process involves
13 issuing an RFP and distributing it to potential administrators and implementers,
14 reviewing the proposals based on predetermined criteria, and selecting an administrator
15 based on the merits of its proposal. This same general process was used to select the
16 current program administrators.

17 In 2009, EPE initiated an RFP for the implementation of the Texas SCORE
18 MTP. The RFP was distributed to the members of the Association of Energy Service
19 Professionals as well as to other entities that expressed an interest in participating in
20 EPE's programs. The proposals were scored on a scale of one to ten in four evaluation
21 criteria categories - Innovative Approach, Bidder Qualifications and Experience,
22 Quality and Completeness of Proposal, and Price. EPE selected CLEAResult to
23 administer this program.

24 The administrator of EPE's LivingWise® educational program, Resource
25 Action Programs, was selected through a solicited proposal. Resource Action
26 Programs administers its proprietary LivingWise® program nationally and had
27 previously administered this program in EPE's New Mexico service territory. Based
28 on the success of the New Mexico program, EPE selected Resource Action Programs
29 to administer this educational program in EPE's Texas service territory.

30 In 2011, EPE initiated RFPs for the Small Commercial Solutions MTP, the
31 Large C&I Solutions MTP, the Residential Solutions MTP, and the Hard-to-Reach

1 Solutions MTP. As was the case with the Texas SCORE MTP, the RFPs were
2 distributed, and two companies responded with proposals. The proposals were scored
3 on a scale of one to ten in the four evaluation criteria categories mentioned above. EPE
4 selected CLEAResult to administer these programs.

5 EPE's Commercial Load Management SOP is internally-implemented,
6 therefore no RFP was required.

7 EPE solicited a sole source procurement from ARCA Recycling, Inc.,
8 ("ARCA"), for the Texas Appliance Recycling MTP in 2017 as they were the only
9 vendor capable of providing a utility scale recycling program in the region. EPE's
10 Texas Appliance Recycling MTP is similar in nature to the Appliance Recycling
11 Program that EPE administered previously and that was discontinued in 2015. ARCA
12 is currently implementing EPE's Texas Appliance Recycling MTP based on the cost
13 effectiveness of the proposed program.

14 In 2019, through a public RFP open to third-party vendors, EPE selected Simple
15 Energy, Inc. as the new program administrator, for its Marketplace Pilot MTP. EPE
16 received three proposals. EPE took into consideration the proposed program design,
17 the bidders' technical and functional capabilities, overall project cost, and ability to
18 meet EPE's proposed project schedule Completeness.

19 In 2019, through a public RFP open to third-party vendors, EPE selected
20 Uplight, Inc. as the new administrator for its Residential Load Management MTP,
21 formerly known as the DRPP to launch in 2020. EPE received six proposals. EPE took
22 into consideration the proposed program design, the bidders' technical and functional
23 capabilities, overall project cost, program scalability, and ability to meet EPE's
24 proposed project schedule.

25

26 Q. **CAN YOU EXPLAIN THE ENGAGEMENT PROCESS WITH EESPS AND
27 CONTRACTORS WHO ARE PAID WITH FUNDS COLLECTED THROUGH
28 THE EECRF?**

29 A. Yes. The EESPs, based on the definition found in 16 TAC §25.181(c)(17) as "a person
30 or other entity that installs energy efficiency measures," are recruited in different
31 manners depending upon the associated program, as explained below:

- 1 • The Large C&I Solutions MTP and Texas SCORE MTP are primarily customer-
2 driven programs. CLEAResult and EPE personnel work through various venues,
3 such as direct contact and the use of EPE's website, to inform eligible customers of
4 EPE's Large C&I Solutions MTP and the Texas SCORE MTP.
- 5 • The Small Commercial Solutions, Residential Solutions and Hard-to-Reach
6 Solutions MTPs are contractor driven. CLEAResult and EPE personnel provide
7 outreach and training throughout the year to participating contractors and EESPs.
8 EPE's website also contains information on how to participate in these programs
9 and provides direct contact information for potential EESPs, contractors and
10 interested customers.
- 11 • Appliance Recycling, implemented by ARCA, Inc., provides an online portal,
12 available through EPE's website, where customers can schedule the pickup and
13 removal of an old refrigerator or freezer.
- 14 • Living Wise, implemented by Franklin Energy Inc., identifies and enrolls teachers
15 and students into the program, providing them with a LivingWise kit that contains
16 energy savings devices and education materials to educate them on ways to use
17 energy more efficiently.
- 18 • Residential Marketplace Pilot MTP, implemented by Simple Energy Inc., provides
19 an online marketplace where residential customers can receive an instant rebate for
20 the purchase of energy efficient products.
- 21 • Residential customers can enroll online to participate in the Residential Load
22 Management MTP, implemented by Uplight Inc., which targets residential
23 customers for the reduction in central refrigerated air conditioning load through Wi-
24 fi enabled smart thermostats during load management events.
- 25 • EPE's internally-implemented Commercial Load Management SOP, identifies
26 commercial customers who take service at the distribution level equipped with an
27 EPE interval demand meter and are capable of curtailing a minimum of 100 kW.
28 Customers are engaged directly by EPE employees. Applications are considered
29 on a first-come, first-served basis, and reviewed for eligibility.
- 30

1 **VIII. INCENTIVE PAYMENTS AND ENERGY EFFICIENCY SERVICE**
2 **PROVIDERS AND ADMINISTRATORS**

3 **Q. HAVE YOU PROVIDED A LIST OF INCENTIVE PAYMENTS BY**
4 **PROGRAM, INCLUDING A LIST OF EACH ENERGY EFFICIENCY**
5 **ADMINISTRATOR AND EESP RECEIVING MORE THAN 5% OF THE**
6 **UTILITY'S OVERALL INCENTIVE PAYMENTS AND THE PERCENTAGE**
7 **OF THE UTILITY'S INCENTIVES RECEIVED BY THOSE PROVIDERS?**

8 **A.** Yes, I have. CONFIDENTIAL Exhibit CAE-07 provides that information.
9

10 **IX. ESTIMATED USEFUL LIFE**

11 **Q. WHAT IS THE DEFINITION OF ESTIMATED USEFUL LIFE?**

12 **A.** 16 TAC §25.181(c)(19) states that the definition of Estimated Useful Life ("EUL") is
13 "[t]he number of years until 50% of installed measures are still operable and providing
14 savings, and is used interchangeably with the term "measure life." The EUL
15 determines the period of time over which the benefits of the energy efficiency measure
16 are expected to accrue."

17
18 **Q. HAVE YOU PROVIDED AN ESTIMATED USEFUL LIFE TABLE AND LINK**
19 **FOR EPE'S PROGRAM MANUALS?**

20 **A.** Yes. The 2019 EUL Table used by EPE is provided in Exhibit CAE-08 and the link
21 for EPE's Energy Efficiency program manuals can be found at
22 www.epelectric.com/tx/business/program-manuals-and-guidelines.

23
24 **X. CONCLUSION**

25 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

26 **A.** Yes, it does.

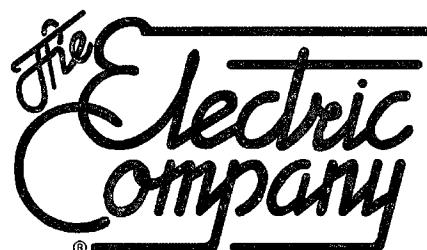
El Paso Electric Company

2020 Energy Efficiency Plan and Report

16 Texas Administrative Code §25.181 and §25.183

April 1, 2020

Project No. 50666



El Paso Electric

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INTRODUCTION

El Paso Electric Company (EPE) presents this Energy Efficiency Plan and Report (EEPR) to comply with 16 Tex. Admin. Code (TAC) §25.181 and §25.183, which are the sections of the Energy Efficiency Rule (EE Rule) implementing the Public Utility Regulatory Act (PURPA) §39.905. As mandated by this section of PURPA, 16 TAC §25.181(e)(1) states that each investor-owned electric utility must achieve the following minimum demand reduction goals through market-based Standard Offer Programs (SOPs), targeted Market Transformation Programs (MTPs), or utility self-delivered programs:

- §25.181(e)(1) An electric utility shall administer a portfolio of energy efficiency programs to acquire, at a minimum, the following:
- (A) Beginning with the 2013 program year, until the trigger described in subparagraph (B) of this paragraph is reached, the utility shall acquire a 30% reduction of its annual growth in demand of residential and commercial customers.
 - (B) If the demand reduction goal to be acquired by a utility under subparagraph (A) of this paragraph is equivalent to at least four-tenths of 1% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year, the utility shall meet the energy efficiency goal described in subparagraph (C) of this paragraph for each subsequent program year.
 - (C) Once the trigger described in subparagraph (B) of this paragraph is reached, the utility shall acquire four-tenths of 1% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year.
 - (D) Except as adjusted in accordance with subsection (u) of this section, a utility's demand reduction goal in any year shall not be lower than its goal for the prior year, unless the commission establishes a goal for a utility pursuant to paragraph (2) of this subsection.

The EE Rule includes specific requirements related to the implementation of SOPs, MTPs, and utility self-delivered programs that control the manner that utilities must administer their portfolio of energy efficiency programs in order to achieve their mandated annual demand reduction goals. EPE's plan is intended to enable it to meet its statutory goals through implementation of energy efficiency programs in a manner that complies with PURPA §39.905 and the EE Rule. This EEPR reports EPE's achievements for 2019 and its projections for 2020 and 2021 as required by the EE Rule. The following section describes the information that is contained in each of the subsequent sections and appendix.

ENERGY EFFICIENCY PLAN AND REPORT ORGANIZATION

This EEPR consists of the following information:

Executive Summary

- The Executive Summary highlights EPE's reported achievements for 2019 and EPE's plans for achieving its 2020 and 2021 projected energy efficiency savings.

Energy Efficiency Plan

- Section I describes EPE's program portfolio. It details how each program will be implemented, discusses related informational and outreach activities and provides an explanation of any new or discontinued program(s).
- Section II explains EPE's targeted customer classes, specifying the size of each class and the method for determining those class sizes.
- Section III presents EPE's goal calculation and projected energy efficiency savings for the prescribed planning period by program for each customer class.
- Section IV describes EPE's proposed energy efficiency budgets for 2020 and 2021 by program for each customer class.

Energy Efficiency Report

- Section V documents EPE's demand reduction goals for each of the previous five years (2015-2019) and the actual savings achieved for those years.
- Section VI compares EPE's projected energy and demand savings to its reported savings by program for calendar years 2018 and 2019.
- Section VII details EPE's incentive and administration expenditures for the previous five years (2015-2019) detailed by program for each customer class.
- Section VIII compares EPE's actual and budgeted program costs for 2019 detailed by program for each customer class. It also provides an explanation of EPE's administrative costs and any expenditure deviation of more than 10% from the anticipated program budget.
- Section IX describes the results from EPE's MTPs.
- Section X documents EPE's most recent Energy Efficiency Cost Recovery Factor (EECRF).
- Section XI reflects EPE's revenue collection through the 2019 EECRF.
- Section XII details the over/under recovery of EPE's energy efficiency program costs for 2019.
- Section XIII reports the number of customers served and the savings relative to the three counties served by EPE in Texas.

Acronyms – A list of abbreviations for common terms used within this document.

Appendix A – Reported kW and kWh savings by county for each program.

EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details EPE's plan to meet the energy efficiency demand reduction goal for 2020, as established pursuant to 16 TAC §25.181(e)(2). The Final Order of Docket No. 49496¹ issued on November 21, 2019, established the EECRF rates applicable to EPE for 2020. The order left in place the same demand reduction goal of 11.16 MW, which is what it has been since 2011 and is greater than four-tenths of one percent of EPE's average weather-adjusted peak demand at meter. Since EPE has reached a demand reduction goal of greater than four-tenths of one percent of its summer weather-adjusted peak demand in accordance with 16 TAC §25.181(e)(1)(C), EPE's 2021 demand reduction goal should remain at 11.16 MW.

The Final Order of Docket No. 49496 also established an energy efficiency program budget for 2020 of \$4,675,650.² The goals, budgets, and implementation plans that are included in this EEPR are influenced substantially by the requirements of the EE Rule and lessons learned regarding energy efficiency service providers and customer participation in the various energy efficiency programs. A summary of projected goals, savings and budgets is presented in Table 1.

Table 1: Summary of 2020 & 2021 Projected Goals, Savings and Budgets³

Calendar Year	Average Growth in Demand (MW at Meter)	Goal Metric: 30% of 5-year Average Growth in Demand (MW at Meter)	Goal Metric: .4% of 5-year Average Peak Demand (MW at Meter)*	Demand Goal (MW)	Energy Goal (MWh)**	Projected MW Savings (at Meter)	Projected MWh Savings (at Meter)	Proposed Budget (000's)***
2020	32.8	9.85	5.02	11.16	19,552	16.441	22,056	\$4,884
2021	38.2	11.46	5.17	11.16	19,552	16.691	23,479	\$4,844

* The 2021 Demand Goal of 0.4% of peak demand is calculated according to 16 TAC §25.181(e)(3)(B) and is based on an 8.32% system demand line loss factor approved in Docket No. 46308; (1,410.4 MW Average Peak Demand at Source Net Opt-Outs x 0.004) x (1-0.0832 system demand line loss factor). However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal, thus, the 2021 goal is 11.16 MW.

** Calculated using a 20% conservation load factor

*** Proposed budget includes the overall program budget, EM&V expenses, and EECRF proceeding expenses

In 2019, EPE achieved a demand reduction of 19,424 kW, which was 174% of the 11,160 kW demand reduction goal. This was accomplished through the implementation of one SOP and several MTPs. To reach the projected savings for 2020 and 2021, EPE proposes to offer the following programs:

- **Standard Offer Program**
 - Commercial Load Management SOP
- **Market Transformation Programs**
 - Small Commercial Solutions MTP
 - Large C&I Solutions MTP
 - Texas SCORE MTP
 - Residential Solutions MTP
 - LivingWise® MTP

¹ Application of El Paso Electric Company to Adjust Its Energy Efficiency Cost Recovery Factor and Establish Revised Cost Cap, Docket No. 49496, Order (Nov. 21, 2019).

² *Id.* at Ordering Paragraph No. 1.

³ Average Growth in Demand and Weather Adjusted Peak Demand are found in Table 4, Projected Demand and Energy Savings are found in Table 5, and Proposed Budgets are found in Table 6.

- Texas Appliance Recycling MTP
- Hard-to-Reach Solutions MTP
- Residential Load Management MTP (Previously Demand Response Pilot MTP)
- Residential Marketplace Pilot MTP (new for 2020)

MTPs are implemented by third-party implementers that design, market, and execute the programs. Depending on the program, the implementer may inspect and validate proposed projects, perform quality assurance/quality control, and verify savings.

EPE contracts with CLEAResult Consulting, Inc. (CLEAResult) to implement EPE's Texas SCORE MTP and the four "Solutions" MTPs.

EPE contracts with Franklin Energy Services to implement EPE's LivingWise® MTP.

EPE contracts with ARCA Recycling, Inc. (ARCA) to implement the Texas Appliance Recycling MTP.

EPE contracts with Uplight, Inc. (Uplight) to implement the Residential Load Management MTP.

EPE contracts with Simple Energy to implement the Residential Marketplace Pilot MTP.

ENERGY EFFICIENCY PLAN

I. 2020 PROGRAMS

A. 2020 Program Portfolio

EPE plans to continue the implementation of one SOP, eight existing MTPs, and a new online Residential Marketplace in 2020. These programs have been structured to comply with the rules of the Public Utility Commission of Texas (PUCT) governing program design and evaluation. These programs target both broad market segments and specific market segments that offer significant opportunities for cost-effective savings. EPE anticipates that targeted outreach to a broad range of service providers and customers will be necessary to meet the demand reduction goals established by the PUCT. Table 2 below summarizes the programs and target markets:

Table 2: 2020 Energy Efficiency Program Portfolios

Program	Target Market	Application
Small Commercial Solutions MTP	Small Commercial (<100kW)	Retrofit; New Construction
Large C&I Solutions MTP	Large Commercial and Industrial (≥100kW)	Retrofit; New Construction
Texas SCORE MTP	City, County Governments and Schools	Retrofit; New Construction
Commercial Load Management SOP	Commercial, Government and Schools	Load Management
Residential Solutions MTP	Residential	Retrofit; New Construction
LivingWise® MTP	Residential	Educational; Retrofit
Texas Appliance Recycling MTP	Residential	Appliance Recycling
Hard-to-Reach Solutions MTP	Residential Hard-to-Reach	Retrofit; New Construction
Residential Load Management MTP	Residential	Load Management
Residential Marketplace Pilot MTP	Residential	Rebate

The programs in Table 2 are described in further detail below. EPE maintains a website containing links to the program manuals, the requirements for project participation, and available electronic forms at www.epelectric.com. Programs with manuals can be found at the following website: www.epelectric.com/tx/business/program-manuals-and-guidelines.

B. Existing Programs

Small Commercial Solutions MTP

The Small Commercial Solutions Program offers incentives to commercial customers with a peak demand of less than 100 kW at one facility or a total demand of less than 250 kW at facilities operated by the same customer. The program pays a cash incentive of \$400 per kW reduced to customers, generally through participating contractors for eligible measures that are installed in new or retrofit applications. This program also provides non-cash incentives that include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps small business owners and contractors improve their ability to identify and evaluate energy efficiency improvements. The Small Commercial Solutions Program conducts community outreach activities and provides for collaboration with contractors, business owners, and other building professionals to promote energy efficiency awareness. EPE plans to continue this program in 2020 and 2021.

Large Commercial & Industrial Solutions MTP

The Large C&I Solutions Program offers incentives to commercial customers with a peak demand that exceeds 100 kW at one facility or a total demand of at least 250 kW at facilities operated by the same customer. The program pays a cash incentive of \$240 per kW reduced to customers for eligible measures that are installed in new or retrofit applications. This program also provides non-cash incentives that include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps large business owners and contractors improve their ability to identify and evaluate energy efficiency improvements and to understand how to leverage their energy savings to finance projects. The implementer also provides measurement and verification for projects, as necessary. The Large C&I Solutions MTP conducts community outreach activities and provides for collaboration with contractors, architectural and engineering firms, and other building professionals to promote energy efficiency awareness. EPE plans to continue this program in 2020 and 2021.

Texas SCORE MTP

The Texas SCORE Program offers incentives to schools and local government customers to identify and implement energy efficiency measures. The program pays a cash incentive of \$240 per kW reduced to customers for eligible measures that are installed in new or retrofit applications. This program also provides non-cash incentives that include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers improve their ability to identify and evaluate energy efficiency improvements. The implementer also provides measurement and verification for projects, as necessary. The Texas SCORE Program conducts community outreach activities and provides for collaboration with schools and local government customers to promote energy efficiency awareness. EPE plans to continue this program in 2020 and 2021.

Commercial Load Management SOP

The Commercial Load Management SOP allows participating customers to provide on-call, voluntary curtailment of electric consumption during peak demand periods in return for incentive payments. A commercial customer equipped with an EPE demand interval meter capable of curtailing a minimum of 100 kW that takes service at the distribution level is eligible to participate. EPE will notify its current participants of the 2020 Commercial Load Management SOP via email in April to inform them of the opening of the program. All applications are considered on a first-come, first-served basis and

reviewed for eligibility. Demand savings and incentives are based on verified average demand savings that customers achieve due to EPE's voluntary curtailment events. EPE plans to continue this program in 2020 and 2021.

Residential Solutions MTP

The Residential Solutions Program offers incentives to residential customers for installing eligible energy efficiency measures. Participating contractors offer the incentives based on the energy savings of the measure and deducts the amount from the customer's final invoice. This program also provides non-cash incentives which include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers improve their ability to identify and evaluate energy efficiency improvements. EPE plans to continue this program in 2020 and 2021.

LivingWise® MTP

The LivingWise® MTP teaches students easy ways to use energy more efficiently in their homes. The program is available at no cost to the teacher, school district, or to the students and serves as an effective community outreach program to improve energy efficiency awareness. The program identifies and enrolls students and teachers and provides them with a LivingWise® kit that contains energy saving devices and educational materials. The students install the devices in their home and, with the help of their parents, complete a home energy audit report. EPE plans on continuing this program in 2020 and 2021.

Texas Appliance Recycling MTP

The Texas Appliance Recycling Program provides incentives to encourage residential customers to recycle their older, less efficient refrigerators and freezers rather than use them as secondary or backup units. The Texas Appliance Recycling MTP offers eligible customers a \$50 cash incentive for EPE to remove and recycle their old refrigerator or freezer. EPE plans to continue this program in 2020 and 2021.

Hard-to-Reach Solutions MTP

The Hard-to-Reach Solutions MTP offers incentives to low income residential customers for installing eligible energy efficiency measures. This program targets residential customers that are at or below 200% of the Federal Poverty Guidelines. Participating contractors offer the incentives based on the energy savings of the measure and deducts the amount from the customer's final invoice. This program also provides non-cash incentives which include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers improve their ability to identify and evaluate energy efficiency improvements. EPE plans to continue this program in 2020 and 2021.

Residential Load Management MTP

The Residential Load Management Program, formerly known as the Demand Response Pilot MTP, targets reduction in central refrigerated air conditioning load for residential customers. EPE has the capability of remotely adjusting participating customers' internet-enabled smart thermostats during load management events. Customers receive a \$25 cash incentive for participation. EPE plans to continue this program in 2020 and 2021.

Residential Marketplace Pilot MTP

The Residential Marketplace Pilot Program provides eligible residential customers rebates through an online marketplace for installing energy efficiency measures. The EPE Marketplace will offer customers a variety of energy efficient products including smart thermostats, lighting, and advanced power strips. EPE plans to implement this program in 2020 and 2021.

C. Research and Development

EPE has allocated \$25,000 to Research and Development (R&D) for 2020. R&D will be utilized for the development of new measures such as Level II EV Chargers and midstream HVAC for commercial applications. This funding amount is less than 10% of EPE's 2020 total program costs in accordance with 16 TAC §25.181(g).

D. New Program(s) for 2020 and 2021

For 2020, EPE added the Residential Marketplace Pilot MTP that provides eligible residential customers rebates through an online marketplace. The Marketplace will offer customers a variety of energy efficient products including smart thermostats, lighting and advanced power strips.

E. Discontinued Program(s) for 2020 and 2021

EPE currently has no plan to discontinue any programs in 2020 or 2021.

F. General Implementation Process

Program Implementation

EPE continues to contract with third-party implementers to provide energy efficiency and demand reduction programs. Third-party implementers help EPE design, market, and execute the programs, and identify, evaluate, and undertake energy efficiency improvements. EPE will continue to conduct activities to implement energy efficiency programs in a cost-effective and non-discriminatory manner.

Based on the specific MTP, EPE and the implementer may perform outreach activities to recruit local contractors and provide education and training. We validate proposed projects, perform quality assurance/quality control, and verify and report savings associated with the programs.

Program Tracking

EPE uses online databases to track program activity for most of its MTPs. Depending upon the associated program, these databases are accessible to project sponsors, Energy Efficiency Service Providers (EESPs), implementers, and administrators. The on-line databases capture customer and project information such as utility meter number or account number, proposed measures and associated energy savings, and incentive amounts.

Measurement and Verification

The majority of projects implemented through EPE's energy efficiency programs report demand and energy reductions utilizing deemed savings as approved by the PUCT. If the deemed savings approach is not applicable for a particular installation, savings will be reported using an approved measurement and verification approach. Guidelines within the International Performance Measurement and Verification Protocol (IPMVP) will be used in instances in which:

- a PUCT-approved deemed savings is not available for the energy efficiency measure(s) included in an eligible project; or
- an EESP has elected to follow the protocol because it believes that measurement and verification activities will result in a more accurate estimate of the savings associated with the project than would the application of the PUCT-approved deemed savings value.

Based on the EE Rule, the PUCT implemented an evaluation, measurement, and verification (EM&V) process that included the selection of an EM&V contractor in 2013. The PUCT selected the current third-party EM&V contractor through the Request for Proposal 473-17-00002 (RFP), Project No. 46302. The selected EM&V team is led by Tetra Tech and includes Texas Energy Engineering Services, Inc. (TEESI). Tetra Tech's contract was extended and continues the evaluation of programs through Program Year (PY) 2021. EPE will continue to provide the necessary information and data to the EM&V team.

G. Outreach Activities

EPE anticipates that outreach to a broad range of EESPs and market segments will be necessary in order to meet the savings goals required by Section (e)(1) of the EE Rule and PURA § 39.905. EPE markets the availability of its programs in the following manner:

- EPE maintains the www.epelectric.com website. The use of the website is one of the primary methods of communication to provide potential project sponsors and customers with program information. The website may contain detailed information such as requirements for program participation, project eligibility, end-use measure eligibility, incentive levels, application procedures, program manuals, and available funding.
- EPE offers outreach workshops for some of the MTPs. EPE invites the appropriate EESPs to participate in the workshops. The workshops describe the requirements for program participation, project eligibility, end-use measure eligibility, incentive levels, application procedures, and available funding.
- EPE includes information on the availability of energy efficiency programs several times a year through the monthly newsletter that is included in customers' bills.
- EPE maintains a dedicated energy efficiency phone line to provide customers with direct access to energy efficiency personnel on program availability, participation requirements, incentive levels, application procedures, and available funding.
- EPE maintains a dedicated energy efficiency e-mail address to allow customers to contact energy efficiency personnel directly.

H. Existing Demand Side Management (DSM) Contracts or Obligations

EPE contracts with CLEAResult to implement EPE's Texas SCORE MTP and the four "Solutions" MTPs.

EPE contracts with Franklin Energy Services to implement EPE's LivingWise® MTP.

EPE contracts with Uplight to implement the Residential Load Management Program MTP.

EPE contracts with ARCA to implement the Texas Appliance Recycling MTP.

EPE contracts with Simple Energy to implement the Residential Marketplace Pilot MTP.

II. CUSTOMER CLASSES

For the twelve months ending December 2019, there was an average of 292,203 residential accounts in the EPE Texas service territory. Based on the 2019 Annual Social and Economic Supplement of the U.S. Census Bureau's Current Population Survey, 27.7% of Texas families are at or below 200% of the poverty threshold. Applying this standard pursuant to 16 TAC §25.181(c)(27), approximately 80,940 of EPE's residential accounts fall into the Hard-to-Reach Customer Class.

The average number of commercial accounts in 2019 was 35,733. EPE includes residential and commercial customer classes that take service at the distribution level in the energy efficiency programs. Transmission level customers are not eligible to participate. The total residential class includes the Hard-to-Reach accounts. Table 3 summarizes the number of customers in each of the customer classes for 2019.

Table 3: Summary of Texas Residential and Commercial Customer Classes (2019)

Customer Class	Number of Texas Customers
Total Residential	292,203
Total Hard-to-Reach	80,940
Total Commercial	35,733

III. PROJECTED ENERGY EFFICIENCY SAVINGS AND GOALS

As reflected in PUCT Docket No. 49496, EPE's energy efficiency demand reduction goal for 2020 is 11.16 MW, which mirrors the 2019 goal. The following is the Section of the recently revised EE Rule that describes how utilities are to calculate their minimum demand reduction goals:

§25.181(e)(1) An electric utility shall administer a portfolio of energy efficiency programs to acquire, at a minimum, the following:

- (A) Beginning with the 2013 program year, until the trigger described in subparagraph (B) of this paragraph is reached, the utility shall acquire a 30% reduction of its annual growth in demand of residential and commercial customers.

- (B) If the demand reduction goal to be acquired by a utility under subparagraph (A) of this paragraph is equivalent to at least four-tenths of 1% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year, the utility shall meet the energy efficiency goal described in subparagraph (C) of this paragraph for each subsequent program year.
- (C) Once the trigger described in subparagraph (B) of this paragraph is reached, the utility shall acquire four-tenths of 1% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year.
- (D) Except as adjusted in accordance with subsection (u) of this section, a utility's demand reduction goal in any year shall not be lower than its goal for the prior year, unless the commission establishes a goal for a utility pursuant to paragraph (2) of this subsection.

The demand reduction goal to be acquired in 2020 (11.16 MW) is greater than four-tenths of one percent of EPE's 5-year average summer weather-adjusted peak demand for 2014 through 2018, which is 5.02 MW as shown in Table 1. In accordance with Section (e)(1)(D) of the EE Rule, EPE's demand reduction goal in any year shall not be lower than its goal for the prior year. In light of the parameters established by the EE Rule, EPE's 2021 goal should remain at 11.16 MW (0.86% of the average summer weather-adjusted peak demand for 2015 through 2019) as shown in Table 1. The corresponding energy savings goals for all years are determined by applying a 20% conservation load factor to the demand reduction goals.

Table 4 presents historical annual growth in demand. Table 5 presents projected demand reduction and energy savings by customer class and program for 2020 and 2021.

Table 4: Annual Growth in Demand and Energy Consumption

Calendar Year	Peak Demand (MW at Source)						Energy Consumption (MWh at Meter)				Growth (MW at Source)	Growth (MW at Meter) ⁴	Average Growth (MW at Meter) ⁵
	Total System		Residential & Commercial				Total System		Residential & Commercial				
	Actual	Weather Adjusted	Actual	Weather Adjusted	Opt-Out	Peak Demand @ Source Net Opt-Outs	Actual	Weather Adjusted	Actual	Weather Adjusted	Weather Adjusted	Weather Adjusted	Weather Adjusted
2013	1,357	1,352	1,252	1,248	0	1,248	6,028,388	6,008,772	5,276,023	5,256,408	64.0	58.4	NA
2014	1,385	1,387	1,289	1,291	0	1,291	5,973,273	5,981,108	5,211,869	5,219,704	43.0	39.3	NA
2015	1,398	1,386	1,279	1,266	0	1,266	6,141,917	6,086,745	5,318,795	5,263,622	-25.0	-22.8	NA
2016	1,509	1,509	1,397	1,397	-1.1	1,396	6,188,610	6,187,025	5,381,661	5,380,076	129.9	118.6	NA
2017	1,575	1,579	1,459	1,463	-1.1	1,462	6,205,925	6,223,229	5,387,064	5,404,368	66.0	60.5	NA
2018	1,560	1,545	1,446	1,429	-1.2	1,428	6,377,762	6,313,451	5,537,652	5,473,342	-34.1	-31.3	NA
2019	1,596	1,583	1,516	1,501	-1.2	1,500	6,322,247	6,267,981	5,528,608	5,474,342	72.0	66.0	NA
2020	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	32.8
2021	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	38.2

The 2021 Demand Goal of 0.4% of peak demand is calculated according to 16 TAC §25.181(e)(3)(B) and is based on an 8.32% system demand line loss factor approved in Docket No. 46308 as shown below:

Average of residential and commercial peak demand at source net Opt-Outs = $(1,266 + 1,396 + 1,462 + 1,428 + 1,500) / 5 = 1,410.4$
 (1,410.4 MW Average Peak Demand at source net Opt-Outs x 0.004) x (1 - 0.0832 system demand line loss factor) = 5.17 MW.

However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal, thus, the 2021 goal is 11.16 MW.

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⁴ Growth at meter for calendar year 2017 to present includes the 8.32% system demand line loss factor as approved in Docket No. 46308.

⁵ Average 5-year historical growth in demand for residential and commercial customers for 2020 (2014-2018) and 2021 (2015-2019).

Table 5: Projected Demand and Energy Savings Broken Out by Program for Each Customer Class

2020	Projected Savings (at meter)	
Customer Class and Program	kW	kWh
Commercial	10,241	16,635,216
Small Commercial Solutions MTP	730	3,197,400
Large C&I Solutions MTP	2,011	10,569,816
Texas SCORE MTP	500	2,847,000
Commercial Load Management SOP	7,000	21,000
Residential	1,440	4,179,197
Residential Solutions MTP	545	954,840
LivingWise® MTP	200	727,600
Texas Appliance Recycling MTP	195	1,579,200
Residential Marketplace Pilot MTP	500	917,557
Hard-to-Reach	800	1,051,200
Hard-to-Reach Solutions MTP	800	1,051,200
Residential	3,960	190,080
Residential Load Management MTP	3,960	190,080
Total	16,441	22,055,693

2021	Projected Savings (at meter)	
Customer Class and Program	kW	kWh
Commercial	10,491	18,058,716
Small Commercial Solutions MTP	730	3,197,400
Large C&I Solutions MTP	2,011	10,569,816
Texas SCORE MTP	750	4,270,500
Commercial Load Management SOP	7,000	21,000
Residential	1,440	4,179,197
Residential Solutions MTP	545	954,840
LivingWise® MTP	200	727,600
Texas Appliance Recycling MTP	195	1,579,200
Residential Marketplace Pilot MTP	500	917,557
Hard-to-Reach	800	1,051,200
Hard-to-Reach Solutions MTP	800	1,051,200
Residential	3,960	190,080
Residential Load Management MTP	3,960	190,080
Total	16,691	23,479,193

IV. PROGRAM BUDGETS

Table 6 presents the total proposed budget allocations required to achieve EPE's projected demand reduction and energy savings shown in Table 5. The budget allocations are broken down by customer class, program, and the budget categories of incentive payments and administration and R&D expenses. Table 6 also includes the estimated annual expenses for the statewide EM&V contractor and the EECRF proceeding expenses. The overall program budget for 2020 is \$4,675,650.

The number of customers in Table 3, Summary of Texas Residential and Commercial Customer Classes (2019), was considered in the budget allocations. EPE first ensured that the 5% goal for Hard-to-Reach customers was met and then allocated the remaining funding to the residential and commercial classes. The decision-making process for developing the budget included additional factors and assumptions.

Hard-to-Reach customers are residential customers at or below 200% of the Federal Poverty Guidelines. This is estimated to be approximately 80,940 customers or 27.7% of EPE's total residential load in Texas.

Avoided costs for 2020, as established by the PUCT, were set at \$80 per kW per year and \$0.11366 per kWh.

As directed in the EE Rule, EPE will limit administrative costs to a maximum of 15% of the total program costs, R&D costs to a maximum of 10% of the total program costs, and the cumulative cost of administration and R&D will not exceed 20% of total program costs.

EPE used a 7.025% post-tax discount rate to calculate the present value of the avoided cost associated with a project and assumed a 2% escalation rate.

It is assumed that an EESP that completes an energy efficiency project in a given year receives the incentives associated with that project in that year. Administration costs, however, may be incurred in one year and expended in another.

EPE will offer its portfolio of programs to each eligible customer class. It should be noted, however, that the actual distribution of the goal and budget must remain flexible based upon the response of the marketplace, the potential interest of customer classes towards specific programs, and the overriding objective of meeting the legislative savings goal. EPE reserves the right to reallocate unused funds amongst programs as necessary.

Table 6: Proposed Annual Budget Broken Out by Program for Each Customer Class

2020	Incentives	Admin & R&D	Total Budget
Commercial	\$2,436,511	\$0	\$2,436,511
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large C&I Solutions MTP	\$1,005,396	\$0	\$1,005,396
Texas SCORE MTP	\$510,000	\$0	\$510,000
Commercial Load Management SOP	\$460,000	\$0	\$460,000
Residential	\$1,206,346	\$10,000	\$1,216,346
Residential Solutions MTP	\$315,000	\$0	\$315,000
LivingWise® MTP	\$346,346	\$0	\$346,346
Texas Appliance Recycling MTP	\$245,000	\$10,000	\$255,000
Residential Marketplace Pilot MTP	\$300,000	\$0	\$300,000
Hard-to-Reach	\$600,000	\$0	\$600,000
Hard-to-Reach Solutions MTP	\$600,000	\$0	\$600,000
Residential	\$310,000	\$0	\$310,000
Residential Load Management MTP	\$310,000	\$0	\$310,000
Administration		\$87,793	\$87,793
Research and Development		\$25,000	\$25,000
Subtotal Budgets	\$4,552,857	\$122,793	\$4,675,650
EM&V		\$58,364	\$58,364
EECRF Proceeding Expenses		\$150,000	\$150,000
Total Budgets	\$4,552,857	\$331,157	\$4,884,014
2021	Incentives	Admin & R&D	Total Budget
Commercial	\$2,446,413	\$0	\$2,446,413
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large C&I Solutions MTP	\$1,005,396	\$0	\$1,005,396
Texas SCORE MTP	\$519,902	\$0	\$519,902
Commercial Load Management SOP	\$460,000	\$0	\$460,000
Residential	\$1,206,346	\$10,000	\$1,216,346
Residential Solutions MTP	\$315,000	\$0	\$315,000
LivingWise® MTP	\$346,346	\$0	\$346,346
Texas Appliance Recycling MTP	\$245,000	\$10,000	\$255,000
Residential Marketplace Pilot MTP	\$300,000	\$0	\$300,000
Hard-to-Reach	\$600,000	\$0	\$600,000
Hard-to-Reach Solutions MTP	\$600,000	\$0	\$600,000
Residential	\$310,000	\$0	\$310,000
Residential Load Management MTP	\$310,000	\$0	\$310,000
Administration		\$87,793	\$87,793
Research and Development		\$25,000	\$25,000
Subtotal Budgets	\$4,562,759	\$122,793	\$4,685,552
EM&V		\$58,364	\$58,364
EECRF Proceeding Expenses		\$100,000	\$100,000
Total Budgets	\$4,562,759	\$281,157	\$4,843,916

ENERGY EFFICIENCY REPORT

V. HISTORICAL DEMAND GOALS AND ENERGY TARGETS FOR PREVIOUS FIVE YEARS

Table 7 documents EPE's actual demand reduction goals and energy targets for the previous five years (2015-2019) calculated in accordance with 16 TAC §25.181.

Table 7: Historical Demand Savings Goals and Energy Targets (at Meter)

Calendar Year	Demand Goals (kW)	Energy Targets (kWh)	Actual Demand Reduction (kW)	Actual Energy Savings (kWh)
2019 ⁶	11,160	19,552,320	19,424 ⁷	24,825,792
2018 ⁸	11,160	19,552,320	16,846	20,726,306
2017 ⁹	11,160	19,552,320	15,285	23,311,792
2016 ¹⁰	11,160	19,552,320	12,790	22,912,026
2015 ¹¹	11,160	19,552,320	12,305	22,282,527

⁶ 2019 demand goal and energy target as reported in EPE's EEPR Errata filed July 19, 2019 under Project No.49297. 2019 actual demand reduction and energy savings reported in Project No. 50666.

⁷ 2019 actual demand reduction at the source is calculated as follows:
19,424 kW at meter * (1/1-8.32% line losses) = 21,187 kW at the source.

⁸ 2018 demand goal and energy target as reported in EPE's EEPR filed April 2, 2018 under Project No. 48146.
2018 actual demand reduction and energy savings reported in Project No. 49297.

⁹ 2017 demand goal and energy target as reported in EPE's EEPR filed April 3, 2017 under Project No. 46907.
2017 actual demand reduction and energy savings reported in Project No. 48146.

¹⁰ 2016 demand goal and energy target as reported in EPE's EEPR filed April 1, 2016 under Project No. 45675.
2016 actual demand reduction and energy savings reported in Project No. 46907.

¹¹ 2015 demand goal and energy target as reported in EPE's EEPR filed April 1, 2015 under Project No. 44480.
2015 actual demand reduction and energy savings reported in Project No. 45675.

VI. PROJECTED, REPORTED AND VERIFIED DEMAND AND ENERGY SAVINGS

Table 8: Projected versus Reported Savings for 2018 and 2019*

2018	Projected Savings		Reported and Verified Savings	
Customer Class and Program	kW	kWh	kW	kWh
Commercial	10,241	16,635,216	12,887	15,490,094
Small Comm. Solutions MTP	730	3,197,400	765	3,548,068
Large C&I Solutions MTP	2,011	10,569,816	2,011	10,901,315
Texas SCORE MTP	500	2,847,000	507	1,016,120
Load Management SOP	7,000	21,000	9,604	24,591
Residential	940	3,261,640	1,444	3,552,891
Residential Solutions MTP	545	954,840	809	1,577,535
LivingWise® MTP	200	727,600	573	1,476,780
Texas Appliance Recycling MTP	195	1,579,200	62	498,576
Hard-to-Reach	800	1,051,200	741	1,640,748
Hard-to-Reach Solutions MTP	800	1,051,200	741	1,640,748
Residential/Commercial	2,200	105,600	1,774	42,574
Demand Response Pilot MTP	2,200	105,600	1,774	42,574
Total at Meter	14,181	21,053,656	16,846	20,726,306

2019	Projected Savings		Reported and Verified Savings	
Customer Class and Program	kW	kWh	kW	kWh
Commercial	10,241	16,635,216	15,626	20,095,620
Small Comm. Solutions MTP	730	3,197,400	818	3,232,821
Large C&I Solutions MTP	2,011	10,569,816	2,395	11,493,121
Texas SCORE MTP	500	2,847,000	940	5,352,469
Comm. Load Management SOP	7,000	21,000	11,473	17,209
Residential	940	3,261,640	1,281	3,572,639
Residential Solutions MTP	545	954,840	601	1,228,399
LivingWise® MTP	200	727,600	572	1,475,680
Texas Appliance Recycling MTP	195	1,579,200	107	868,560
Hard-to-Reach	800	1,051,200	781	1,112,828
Hard-to-Reach Solutions MTP	800	1,051,200	781	1,112,828
Residential/Commercial	1,774	42,574	1,736	44,705
Demand Response Pilot MTP	1,774	42,574	1,736	44,705
Total at Meter	13,755	20,990,630	19,424	24,825,792

*Due to rounding, totals may not match the sum of individual programs as summarized in this table.

VII. HISTORICAL PROGRAM EXPENDITURES

Table 9 documents EPE's incentive and administration expenditures for the previous five years (2015-2019) by program for each customer class. Note that this table does not include R&D, EM&V, or general administration expenditures. R&D, EM&V, and general administration expenditures for 2019 can be found in Table 10.

Table 9: Historical Program Incentive and Administration Expenditures for 2015 through 2019¹²

Programs	2019		2018		2017		2016		2015	
	Incent.	Admin	Incent.	Admin	Incent.	Admin.	Incent.	Admin.	Incent.	Admin.
Commercial	\$2,672,190	\$0	\$2,317,476	\$0	\$2,589,932	\$0	\$2,354,215	\$0	\$2,308,969	\$739
Commercial SOP	\$0	\$0	\$0	\$0	\$23,821	\$0	\$14,605	\$0	\$160,945	\$739
Small Comm. Solutions MTP	\$502,403	\$0	\$487,160	\$0	\$487,385	\$0	\$524,420	\$0	\$426,637	\$0
Large C&I Solutions MTP	\$1,131,460	\$0	\$1,006,553	\$0	\$1,038,708	\$0	\$1,054,659	\$0	\$932,618	\$0
Texas SCORE MTP	\$597,687	\$0	\$417,779	\$0	\$652,225	\$0	\$436,538	\$0	\$447,792	\$0
Comm. Load Management SOP	\$440,641	\$0	\$405,984	\$0	\$387,793	\$0	\$323,993	\$0	\$318,627	\$0
Commercial Rebate Pilot MTP	NA	NA	NA	NA	NA	NA	\$0	\$0	\$22,350	\$0
Residential	\$658,264	\$0	\$757,856	\$0	\$585,053	\$0	\$592,090	\$0	\$548,496	\$0
Residential Solutions MTP	\$312,731	\$0	\$411,547	\$0	\$238,744	\$0	\$245,748	\$0	\$202,144	\$0
LivingWise® MTP	\$345,534	\$0	\$346,309	\$0	\$346,309	\$0	\$346,342	\$0	\$346,352	\$0
Hard-to-Reach	\$571,016	\$0	\$601,732	\$0	\$555,425	\$0	\$662,577	\$0	\$651,474	\$0
Hard-to-Reach Solutions MTP	\$571,016	\$0	\$601,732	\$0	\$555,425	\$0	\$662,577	\$0	\$651,474	\$0
Residential/Commercial	\$284,321	\$0	\$287,988	\$0	\$0	\$0	\$0	\$0	\$334,648	\$30,178
Texas Appliance Recycling MTP	\$138,663	\$0	\$87,438	\$0	NA	NA	NA	NA	\$140,418	\$0
Solar PV Pilot MTP	NA	NA	NA	NA	NA	NA	NA	NA	\$194,230	\$30,178
Demand Response Pilot MTP	\$145,658	\$0	\$200,551	\$0	NA	NA	NA	NA	NA	NA
Total	\$4,185,790	\$0	\$3,965,053	\$0	\$3,730,410	\$0	\$3,608,882	\$0	\$3,843,587	\$30,917

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¹² 2019 expenditures are from EEPR filed in Project No. 50666, 2018 expenditures are from EEPR filed in Project No. 49297; 2017 expenditures are from EEPR filed in Project No. 48146; 2016 expenditures are from EEPR filed in Project No. 46907; and 2015 expenditures are from EEPR filed in Project No. 45675.

VIII. PROGRAM FUNDING AND EXPLANATION OF ADMINISTRATION COSTS FOR CALENDAR YEAR 2019

As shown in the subtotal for the “Total Funds Expended” column of Table 10, EPE spent \$4,272,216 on program expenses (excluding EM&V and EECRF Proceeding Expenses) for its PUCT-approved energy efficiency programs in 2019. These programs were funded by EPE’s 2019 EECRF. These expenses account for 97.2% of the total forecasted 2019 program budget of \$4,394,650. Actual program funding levels are shown in Table 10 and Table 11.

The administration expenses shown in Table 10 benefited the entire portfolio of programs. These expenses include, but were not limited to, outsourced program administration, marketing (e.g., website maintenance and promotional items), Electric Utility Marketing Managers of Texas (EUMMOT) expenses, costs associated with regulatory filings, and EM&V administration expenses outside of those associated with the PUCT-appointed EM&V contractor.

Table 10: Program Funding for Calendar Year 2019

	Total Projected Budget	Number of Participants	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin & R&D)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining
Commercial	\$ 2,436,511	266	\$ 2,672,190	\$ -	\$ 2,672,190	\$ -	\$ (235,679)
Small Commercial Solutions MTP	461,115	115	\$ 502,403		\$ 502,403		(41,288)
Large C&I Solutions MTP	1,005,396	96	\$ 1,131,460		\$ 1,131,460		(126,064)
Texas SCORE MTP	510,000	43	\$ 597,687		\$ 597,687		(87,687)
Comm. Load Management SOP	460,000	12	\$ 440,641		\$ 440,641		19,359
Residential	\$ 916,346	10,679	\$ 796,927	\$ -	\$ 796,927	\$ -	\$ 119,419
Residential Solutions MTP	315,000	1,045	\$ 312,731		\$ 312,731		2,269
LivingWise MTP	346,346	8,917	\$ 345,534		\$ 345,534		812
Texas Appliance Recycling MTP	255,000	717	\$ 138,663		\$ 138,663		116,338
Hard-to-Reach	\$ 600,000	1,420	\$ 571,016	\$ -	\$ 571,016	\$ -	\$ 28,984
Hard-to-Reach Solutions MTP	600,000	1,420	571,016		\$ 571,016		28,984
Residential/Commercial	\$ 279,000	1,271	\$ 145,658	\$ -	\$ 145,658	\$ -	\$ 133,342
Demand Response Pilot MTP	279,000	1,271	\$ 145,658		\$ 145,658		133,342
Administration	\$ 87,793		\$ -	\$ 62,779	\$ 62,779		\$ 25,014
Research and Development	\$ 75,000		\$ -	23,647	23,647		51,354
Subtotal	\$ 4,394,650	13,636	\$ 4,185,790	\$ 86,425	\$ 4,272,216	\$ -	\$ 122,434
EM&V	\$ 57,387			\$ 57,378	\$ 57,378	\$ -	\$ 8.79
EECRF Proceeding Expenses (EPE & Municipal expenses)*	\$ 100,000			\$ 56,641	\$ 56,641		\$ 43,359
Total	\$ 4,552,037	13,636	\$ 4,185,790	\$ 200,444	\$ 4,386,235	\$ -	\$ 165,802

*Actual EECRF proceeding expenses of \$56,641 consists of \$46,364 in EPE proceeding expenses and \$10,277 in municipal proceeding expenses.

Table 11: Program Comparison – Budget to Actual Expenditures

Programs	2019 Budget	2019 Expenditures	Percent	>10% Variance Explanation
Commercial	\$ 2,436,511	\$ 2,672,190	109.7%	
Small Commercial Solutions MTP	461,115	502,403	109.0%	
Large C&I Solutions MTP	1,005,396	1,131,460	112.5%	Program had more participation than was anticipated.
Texas SCORE MTP	510,000	597,687	117.2%	Program had more participation than was anticipated.
Comm. Load Management SOP	460,000	440,641	95.8%	
Residential	\$ 916,346	\$ 796,927	87.0%	
Residential Solutions MTP	315,000	312,731	99.3%	
LivingWise MTP	346,346	345,534	99.8%	
Texas Appliance Recycling MTP	255,000	138,663	54.4%	Program did not achieve anticipated participation Funds were reallocated to programs with higher participation.
Hard-to-Reach	\$ 600,000	\$ 571,016	95.2%	
Hard-to-Reach Solutions MTP	600,000	571,016	95.2%	
Residential/Commercial	\$ 279,000	\$ 145,658	52.2%	
Demand Response Pilot MTP	279,000	145,658	52.2%	Program had less participation than was anticipated Funds were reallocated to programs with higher participation.
Administration	\$ 87,793	\$ 62,779	71.5%	Administration expenses were less than anticipated.
Research and Development	\$ 75,000	\$ 23,647	31.5%	Administration expenses for R&D were less than anticipated
Total	\$ 4,394,650	\$ 4,272,216	97.2%	

IX. PROGRAM RESULTS FOR MTPS

A. Market Transformation Programs

Small Commercial Solutions MTP

The 2019 projected savings for the Small Commercial Solutions MTP were 730 kW. There were 115 projects completed during 2019 that reduced demand by 818 kW and saved 3,232,821 kWh in energy.

Large C&I Solutions MTP

The 2019 projected savings for the Large C&I Solutions MTP were 2,011 kW. There were 96 projects completed during 2019 that reduced demand by 2,395 kW and saved 11,493,121 kWh in energy.

Texas SCORE MTP

The 2019 projected savings for the Texas SCORE MTP were 500 kW. There were 43 projects in this program that reduced demand by 940 kW and saved 5,352,469 kWh in energy.

Residential Solutions MTP

The 2019 projected savings for the Residential Solutions MTP were 545 kW. There were 1,045 participants in this program that reduced demand by 602 kW and saved 1,228,399 kWh in energy.

LivingWise® MTP

The 2019 projected savings for the LivingWise® MTP were 200 kW. There were 8,917 kits provided in this program that reduced demand by 572 kW and saved 1,475,680 kWh in energy.

Hard-to-Reach Solutions MTP

The 2019 projected savings for the Hard-to-Reach Solutions MTP were 800 kW. There were 1,420 participants in this program that reduced demand by 781 kW and saved 1,112,828 kWh in energy.

Appliance Recycling MTP

The 2019 projected savings for the Appliance Recycling MTP were 195 kW. There were 717 participants in this program that reduced demand by 107 kW and saved 868,560 kWh in energy.

Demand Response Pilot MTP

The 2019 projected savings for the Demand Response Pilot MTP were 2,200 kW. There were 1,271 participants in this program that reduced demand by 1,736 kW and saved 44,705 kWh in energy. 2019 was the last year this program was considered a pilot and is now the Residential Load Management MTP.

Report for 2019

In Docket No.48332, EPE was granted approval for recovery through its 2019 EECRF of (a) \$4,394,650 in energy efficiency program costs projected to be incurred from January 1 through December 31, 2019; (b) a performance incentive for 2017 of \$938,096; (c) EPE's 2017 EECRF proceeding expenses of \$124,718 (\$108,017 for EPE and \$16,701 for the City of El Paso); and (d) the 2017 over-recovery revenue amount of \$302,124, and projected cost of evaluation, measurement, and verification (EM&V) of \$57,387. The Final Order in Docket No. 48332 concluded that the filing conformed to the requirements of the EE Rule. The order also found that the allocation of the energy efficiency costs and performance incentive were in accordance with the EE Rule. The approved EECRF became effective January 17, 2019. The recovery of the agreed-upon EECRF amount of \$5,212,727 is based on a dollar per kWh rate. The 2019 cost recovery factors by rate are listed in Table 12.

Table 12: 2019 EECRF Monthly Rates

Rate No.	Description	Energy Efficiency Cost Recovery Factor (\$/kWh)
01	Residential Service Rate	\$ 0.001050
02	Small Commercial Service Rate	\$ 0.000724
07	Outdoor Recreational Lighting Service Rate	\$ (0.000042)
08	Governmental Street Lighting Service Rate	\$ 0.000015
09	Governmental Traffic Signal Service	\$ 0.000000
11-TOU	Time-Of-Use Municipal Pumping Service Rate	\$ (0.000127)
WH	Water Heating	\$ (0.000008)
22	Irrigation Service Rate	\$ (0.000375)
24	General Service Rate	\$ 0.000902
25	Large Power Service Rate (excludes transmission)	\$ 0.000966
34	Cotton Gin Service Rate	\$ (0.000075)
41	City and County Service Rate	\$ 0.002401
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$ (0.000075)
47	Backup Power Service For Cogeneration And Small Power Production Facilities	\$ (0.000075)

XI. REVENUE COLLECTED THROUGH EECRF

In 2019, EPE collected a total of \$5,087,933 under Rate Schedule No. 97 – Energy Efficiency Cost Recovery Factor.

XII. OVER/UNDER RECOVERY OF ENERGY EFFICIENCY PROGRAM COSTS

In 2019, EPE under-recovered an amount of \$2,351 as shown in Table 13. Docket No. 48332 ordered the recovery of EM&V costs of \$57,387 for program year 2018.

Table 13: Authorized and Actual Recovery Amounts

Description	Authorized in Docket No. 48332	Actual
January 1 – December 31, 2019 Energy Efficiency Costs	\$ 4,394,650	\$ 4,272,216
Program Year 2019 EM&V Costs	\$ 57,387	\$ 57,378
2017 (Over)/Under Recovery	\$ (302,124)	\$ (302,124)
2017 Performance Bonus	\$ 938,096	\$ 938,096
2017 EECRF Proceeding Costs	\$ 124,718	\$ 124,718
2019 Total Costs	\$ 5,212,727	\$ 5,090,284
2019 EECRF Revenues		\$ 5,087,933
2019 (Over)/Under Recovery		\$ 2,351

XIII. UNDERSERVED COUNTIES

EPE serves customers in three Texas counties: Culberson, Hudspeth, and El Paso. During 2019, the majority of energy efficiency projects were installed in El Paso County. EPE has defined Underserved Counties as any county in the Texas EPE service territory where demand or energy savings were not reported in its 2019 EPE energy efficiency programs. Based on this definition, EPE had no Underserved Counties in 2019.

Table 14: 2019 Energy Efficiency Activities by County

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	13,598	19,373.66	24,606,955
Culberson	5	27.51	98,530
Hudspeth	33	22.37	120,307
Total	13,636	19,423.54	24,825,792

ACRONYMS

C&I	– Commercial and Industrial
DR	– Demand Response
DRPP	– Demand Response Pilot Program
DSM	– Demand Side Management
EECRF	– Energy Efficiency Cost Recovery Factor
EEPR	– Energy Efficiency Plan and Report
EE Rule	– Energy Efficiency Rule, 16 TAC §25.181 and §25.183
EESP	– Energy Efficiency Service Provider
EPE	– El Paso Electric Company
EM&V	– Evaluation, Measurement & Verification
HTR	– Hard-To-Reach
LM	– Load Management
kW	– Kilowatt
kWh	– Kilowatt Hour
M&V	– Measurement and Verification
MW	– Megawatt
MTP	– Market Transformation Program
PUCT	– Public Utility Commission of Texas
PURA	– Public Utility Regulatory Act
R&D	– Research and Development
RES	– Residential
SCORE	– Schools and Cities Conserving Resources
SOP	– Standard Offer Program
TAC	– Texas Administrative Code
TRM	– Texas Technical Reference Manual

GLOSSARY

Glossary is the same as the definitions in 16 TAC §25.181(c).

APPENDIX A: REPORTED DEMAND AND ENERGY REDUCTION BY COUNTY

All programs funded through EPE's EECRF.

Table 16: Program Savings by County

Small Commercial Solutions MTP

County	# of Participants	Reported kW	Savings kWh
El Paso County	115	817.59	3,232,821
Culberson County			
Hudspeth County			
Total	115	817.59	3,232,821

Large C&I Solutions MTP

County	# of Participants	Reported kW	Savings kWh
El Paso County	95	2,387.31	11,461,545
Culberson County	1	7.90	31,576
Hudspeth County			
Total	96	2,395.21	11,493,121

Texas SCORE MTP

County	# of Participants	Reported kW	Savings kWh
El Paso County	38	900.41	5,171,466
Culberson County	3	19.61	65,826
Hudspeth County	2	20.38	115,177
Total	43	940.40	5,352,469

Commercial Load Management SOP

County	# of Participants	Reported kW	Savings kWh
El Paso County	12	11,472.53	17,209
Culberson County			
Hudspeth County			
Total	12	11,472.53	17,209

Residential Solutions MTPExhibit CAE-01
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County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	1,045	601.50	1,228,399
Culberson County			
Hudspeth County			
Total	1,045	601.50	1,228,399

LivingWise® MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	8,886	569.98	1,470,550
Culberson County			
Hudspeth County	31	1.99	5,130
Total	8,917	571.97	1,475,680

Hard-to-Reach Solutions MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	1,420	780.87	1,112,828
Culberson County			
Hudspeth County			
Total	1,420	780.87	1,112,828

Appliance Recycling MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	716	107.04	867,432
Culberson County	1	0.14	1,128
Hudspeth County			
Total	717	107.18	868,560

Demand Response Pilot Program MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	1,271	1,736.43	44,705
Culberson County			
Hudspeth County			
Total	1,271	1,736.43	44,705

EL PASO ELECTRIC COMPANY
2019 Cost-effectiveness Summary by Program

Customer Class and Program	kW	kWh	Incentives	Estimated Useful Life*	Administrative Costs	Total Program Costs	Avoided Capacity Costs	Avoided Energy Costs	Total Avoided Cost	Net Benefits	Ben-Cost Ratio
Large Commercial Solutions Program	2,395	11,493,121	\$ 1,131,460	14.3	\$ 300,426	\$ 1,431,886	\$ 1,938,003	\$ 5,850,437	\$ 7,788,440	\$ 6,356,554	5.44
Texas SCORE	940	5,352,469	\$ 597,687	14.9	\$ 156,086	\$ 753,772	\$ 780,839	\$ 2,811,285	\$ 3,592,125	\$ 2,838,352	4.77
Hard-to-Reach Solutions Program	781	1,112,828	\$ 571,016	20.6	\$ 146,494	\$ 717,510	\$ 784,932	\$ 710,832	\$ 1,495,764	\$ 778,254	2.08
Residential Solutions Program	601	1,228,399	\$ 312,731	17.2	\$ 82,794	\$ 395,524	\$ 556,183	\$ 696,281	\$ 1,252,464	\$ 856,939	3.17
Small Commercial Solutions	818	3,232,821	\$ 502,403	13.8	\$ 133,237	\$ 635,640	\$ 639,987	\$ 1,602,095	\$ 2,242,082	\$ 1,606,442	3.53
LivingWise	572	1,475,680	\$ 345,534	11.0	\$ 87,646	\$ 433,180	\$ 381,554	\$ 625,590	\$ 1,007,145	\$ 573,965	2.33
Load Management	11,473	17,209	\$ 440,641	1.0	\$ 112,683	\$ 553,324	\$ 874,710	\$ 834	\$ 875,544	\$ 322,220	1.58
Demand Response Pilot Program	1,736	44,705	\$ 145,658	1.0	\$ 68,857	\$ 214,515	\$ 132,392	\$ 2,166	\$ 134,558	\$ (79,957)	0.63
Texas Appliance Recycling Program	107	868,560	\$ 138,663	8.0	\$ 41,026	\$ 179,689	\$ 55,584	\$ 286,250	\$ 341,834	\$ 162,145	1.90
Portfolio Total	19,424	24,825,792	\$ 4,185,790	NA	\$ 1,129,249	\$ 5,315,040	\$ 6,144,185	\$ 12,585,771	\$ 18,729,956	\$ 13,414,916	3.52

*Program level EULs = weighted average of installed measure EULs

EL PASO ELECTRIC COMPANY
Comparison of Program Expenditures

Exhibit CAE-03
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Line No.	Utility	2019			
		Program Expenditures*	Demand Reduction (kW)	Program Expenditures per kW	Energy Savings (kWh)
1	AEP Texas - Central Division	\$13,852,605	39,671	\$349.19	58,366,316
2	AEP Texas - North Division	\$3,295,140	6,636	\$496.56	12,223,046
3	Centerpoint Energy	\$35,778,847	195,184	\$183.31	215,856,435
4	El Paso Electric Company	\$4,272,216	19,424	\$219.95	24,825,792
5	Entergy Texas	\$7,098,781	21,000	\$338.04	44,554,139
6	Oncor Electric Delivery Company	\$48,264,938	167,473	\$288.20	243,316,679
7	Southwestern Electric Power Company	\$3,896,836	11,848	\$328.90	16,359,189
8	SPS	\$3,791,746	9,557	\$396.75	23,266,133
9	Texas-New Mexico Power Company	\$4,772,998	10,430	\$457.62	15,629,450
10	Average:			\$339.83	\$0.21

* Includes program expenditures excluding EM&V and EECRF proceeding expenses.

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EL PASO ELECTRIC COMPANY
Comparison of Incentive Expenditures

Exhibit CAE-04
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2019						
Line No.	Utility	Incentive Expenditures	Demand Reduction (kW)	Incentive Expenditures per kW	Energy Savings (kWh)	Incentive Expenditures per kWh
1	AEP Texas - Central Division	\$12,350,327	39,671	\$311.32	58,366,316	\$0.21
2	AEP Texas - North Division	\$2,757,105	6,636	\$415.48	12,223,046	\$0.23
3	Centerpoint Energy	\$31,769,734	195,184	\$162.77	215,856,435	\$0.15
4	El Paso Electric Company	\$4,185,790	19,424	\$215.50	24,825,792	\$0.17
5	Entergy Texas	\$6,368,984	21,000	\$303.28	44,554,139	\$0.14
6	Oncor Electric Delivery Company	\$42,612,969	167,473	\$254.45	243,316,679	\$0.18
8	Southwestern Electric Power Company	\$3,241,709	11,848	\$273.61	16,359,189	\$0.20
9	SPS	\$3,479,258	9,557	\$364.05	23,266,133	\$0.15
10	Texas-New Mexico Power Company	\$3,996,013	10,430	\$383.13	15,629,450	\$0.26
11	Average:			\$298.18		\$0.19

Exhibit CAE-04
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2021 Total Budget

Exhibit CAE-05

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PROGRAMS	Incentives	Admin & R&D	Total Budget
Commercial	2,446,413	-	2,446,413
Small Commercial Solutions MTP	461,115	-	461,115
Large C&I Solutions MTP	1,005,396	-	1,005,396
Texas SCORE MTP	519,902	-	519,902
Commercial Load Management SOP	460,000	-	460,000
Residential	1,206,346	10,000	1,216,346
Residential Solutions MTP	315,000	-	315,000
LivingWise® MTP	346,346	-	346,346
Texas Appliance Recycling MTP	245,000	10,000	255,000
Residential Marketplace Pilot MTP	300,000	-	300,000
Hard-to-Reach	600,000	-	600,000
Hard-to-Reach Solutions MTP	600,000	-	600,000
Residential	310,000	-	310,000
Residential Load Management MTP	310,000	-	310,000
Administration		87,793	87,793
Research and Development		25,000	25,000
Subtotal Budgets	4,562,759	122,793	4,685,552
EM&V*		57,378	57,378
EECRF Proceeding Expenses		100,000	100,000
Total Budgets	4,562,759	280,171	4,842,930

*EM&V expenses of \$58,564 as shown in Exhibit CAE-01, Table 6, were adjusted to \$57,378 which were the actual EM&V expenses incurred in 2019 for review of the 2018 program year.

Budget for 2021 Program Expenses by Rate Class

Total Program Incentives and Administration Costs (not including EM&V and Proceeding Costs)						
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	127,107	345,407	-	-	472,514
Large C&I Solutions MTP	-	151,241	645,246	202,032	31,732	1,030,251
Texas SCORE MTP	-	-	39,831	52,068	440,855	532,754
Load Management SOP	-	-	25,124	446,247	-	471,371
Residential Solutions MTP	322,787	-	-	-	-	322,787
LivingWise® MTP	354,908	-	-	-	-	354,908
Texas Appliance Recycling MTP	261,056	-	-	-	-	261,056
Residential Rebate Pilot Program	307,416	-	-	-	-	307,416
Hard-To-Reach Solutions MTP	614,832	-	-	-	-	614,832
Demand Response Pilot Program MTP	317,663	-	-	-	-	317,663
TOTAL	2,178,662	278,348	1,055,608	700,347	472,587	4,685,552

*Columns may not foot due to rounding.

Budget for Incentives by Rate Class

PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	124,040	337,075	-	-	461,115
Large C&I Solutions MTP	-	147,592	629,680	197,158	30,966	1,005,396
Texas SCORE MTP	-	-	38,870	50,812	430,220	519,902
Load Management SOP	-	-	24,518	435,482	-	460,000
Residential Solutions MTP	315,000	-	-	-	-	315,000
LivingWise® MTP	346,346	-	-	-	-	346,346
Texas Appliance Recycling MTP	245,000	-	-	-	-	245,000
Residential Rebate Pilot Program	300,000	-	-	-	-	300,000
Hard-To-Reach Solutions MTP	600,000	-	-	-	-	600,000
Demand Response Pilot Program MTP	310,000	-	-	-	-	310,000
TOTAL	2,116,346	271,632	1,030,143	683,452	461,186	4,562,759

Budget for Direct Administration Expenses by Rate Class						
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	-	-	-	-	-
Large C&I Solutions MTP	-	-	-	-	-	-
Texas SCORE MTP	-	-	-	-	-	-
Load Management SOP	-	-	-	-	-	-
Residential Solutions MTP	-	-	-	-	-	-
LivingWise® MTP	-	-	-	-	-	-
Texas Appliance Recycling MTP	10,000	-	-	-	-	10,000
Residential Rebate Pilot Program	-	-	-	-	-	-
Hard-To-Reach Solutions MTP	-	-	-	-	-	-
Demand Response Pilot Program MTP	-	-	-	-	-	-
TOTAL	10,000	-	-	-	-	10,000

Budget for Indirect Administration Expenses by Rate Class						
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	2,387	6,485	-	-	8,872
Large C&I Solutions MTP	-	2,840	12,116	3,794	596	19,346
Texas SCORE MTP	-	-	748	978	8,277	10,003
Load Management SOP	-	-	472	8,379	-	8,851
Residential Solutions MTP	6,061	-	-	-	-	6,061
LivingWise® MTP	6,664	-	-	-	-	6,664
Texas Appliance Recycling MTP	4,714	-	-	-	-	4,714
Residential Rebate Pilot Program	5,772	-	-	-	-	5,772
Hard-To-Reach Solutions MTP	11,545	-	-	-	-	11,545
Demand Response Pilot Program MTP	5,965	-	-	-	-	5,965
TOTAL	40,721	5,227	19,821	13,151	8,873	87,793

*Columns may not foot due to rounding.

Budget for R&D Expenses by Rate Class

PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	680	1,847	-	-	2,527
Large C&I Solutions MTP	-	809	3,450	1,080	170	5,509
Texas SCORE MTP	-	-	213	278	2,358	2,849
Load Management SOP	-	-	134	2,386	-	2,520
Residential Solutions MTP	1,726	-	-	-	-	1,726
LivingWise® MTP	1,898	-	-	-	-	1,898
Texas Appliance Recycling MTP	1,342	-	-	-	-	1,342
Residential Rebate Pilot Program	1,644	-	-	-	-	1,644
Hard-To-Reach Solutions MTP	3,287	-	-	-	-	3,287
Demand Response Pilot Program MTP	1,698	-	-	-	-	1,698
TOTAL	11,595	1,489	5,644	3,744	2,528	25,000

*Columns may not foot due to rounding.

Budget for EM&V Expenses by Rate Class

PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	2,030	5,515	-	-	7,545
Large C&I Solutions MTP	-	2,583	11,018	3,450	542	17,593
Texas SCORE MTP	-	-	529	691	5,848	7,068
Load Management SOP	-	-	285	5,057	-	5,342
Residential Solutions MTP	4,487	-	-	-	-	4,487
LivingWise® MTP	2,054	-	-	-	-	2,054
Texas Appliance Recycling MTP	3,213	-	-	-	-	3,213
Residential Rebate Pilot Program	-	-	-	-	-	-
Hard-To-Reach Solutions MTP	4,619	-	-	-	-	4,619
Demand Response Pilot Program MTP	5,457	-	-	-	-	5,457
TOTAL	19,830	4,613	17,347	9,198	6,390	57,378

*Columns may not foot due to rounding.

Budget for Proceeding Expenses by Rate Class						
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	2,713	7,372	-	-	10,085
Large C&I Solutions MTP	-	3,228	13,769	4,312	677	21,986
Texas SCORE MTP	-	-	850	1,111	9,409	11,370
Load Management SOP	-	-	536	9,524	-	10,060
Residential Solutions MTP	6,889	-	-	-	-	6,889
LivingWise® MTP	7,575	-	-	-	-	7,575
Texas Appliance Recycling MTP	5,572	-	-	-	-	5,572
Residential Rebate Pilot Program	6,561	-	-	-	-	6,561
Hard-To-Reach Solutions MTP	13,122	-	-	-	-	13,122
Demand Response Pilot Program MTP	6,780	-	-	-	-	6,780
TOTAL	46,499	5,941	22,527	14,947	10,086	100,000

*Columns may not foot due to rounding.

Program Year 2019		
Energy Efficiency Performance Bonus Calculator		
Demand and Energy Goals	kW	kWh
Actual Demand and Energy Savings	11,160	19,522,320
Reported/Verified Hard-to-Reach	19,424	24,825,792
	781	
Program Costs (excluding bonus)	\$4,387,221	
Performance Bonus	\$1,340,464	
Directions:		
Fill in blue cell and performance bonus will calculate.		
All green cells will auto-populate		
All inputs must be accounted for in the "Fixed Inputs," "Admin Allocation," and "Results Calculator" tabs in order to correctly calculate bonus.		
Please review built in checks on sums to make sure calculation is correct.		
7%	Hard-to-Reach Goal Met?	
	Bonus Calculation Details	
174%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)	
127%	Percentage of Energy Reduction Goal Met (Reported kWh/Goal kWh)	
TRUE	Met Requirements for Performance Bonus?	
\$18,729,956	Total Avoided Costs	
\$938,096	Docket No. 48297 requirement (add previous bonus to current year bonus calculation)	
\$5,325,317	Total Program Costs (including bonus)	
\$13,404,639	Net Benefits	
\$4,962,885	Calculated Bonus (((Achieved Demand Reduction/Demand Goal - 100%) / 2) * Net Benefits)	
\$1,340,464	Maximum Bonus Allowed (10% of Net Benefits)	

PUBLIC VERSION

Provided upon issuance of Protective Order and execution of the Certification
of the Protective Order

2019 Residential & Commercial Estimated Useful Life Table

Sector	TRM Measure	Energy Efficiency Measure	EUL (years)	TRM Version
Custom	NA	Custom-Air Compressor	15 0	NA
Custom	NA	Custom-Pump VFD Controls	15 0	NA
Custom	NA	Custom-Thermal Energy Storage	20 0	NA
Residential	2.1.1	Res Standard Compact Fluorescent Lamps (10,000 to 11,000 hour Rated Measure Life)	11 0	6 0
Residential	2.1.1	Res Standard Compact Fluorescent Lamps (11,001 to 13,500 hour Rated Measure Life)	13 0	6 0
Residential	2.1.1	Res Standard Compact Fluorescent Lamps (13,501 to 17,500 hour Rated Measure Life)	16 0	6 0
Residential	2.1.1	Res Standard Compact Fluorescent Lamps (\geq 17,501 hour Rated Measure Life)	20 0	6 0
Residential	2.1.2	Res Specialty Compact Fluorescent Lamps (10,000 to 11,000 hour Rated Measure Life)	11 0	6 0
Residential	2.1.2	Res Specialty Compact Fluorescent Lamps (11,001 to 13,500 hour Rated Measure Life)	13 0	6 0
Residential	2.1.2	Res Specialty Compact Fluorescent Lamps (13,501 to 17,500 hour Rated Measure Life)	16 0	6 0
Residential	2.1.2	Res Specialty Compact Fluorescent Lamps (\geq 17,501 hour Rated Measure Life)	20 0	6 0
Residential	2.1.3	Res Energy Star Omni-Directional LED Lamps (15,000 year Rated Measure Life)	16 0	6 0
Residential	2.1.3	Res Energy Star Omni-Directional LED Lamps (20,000 year Rated Measure Life)	20 0	6 0
Residential	2.1.4	Res Energy Star Specialty and Directional LED Lamps (15,000 hour Rated Measure Life)	16 0	6 0
Residential	2.1.4	Res Energy Star Specialty and Directional LED Lamps (20,000 hour Rated Measure Life)	20 0	6 0
Residential	2.2.1	Res AC or HP Tune-Up	5 0	6 0
Residential	2.2.2	Res Duct Efficiency Improvement	18 0	6 0
Residential	2.2.3	Res Central AC	18 0	6 0
Residential	2.2.4	Res Ground Source Heat Pump	20 0	6 0
Residential	2.2.5	Res Central Heat Pump	15 0	6 0
Residential	2.2.6	Large Capacity Split System and Single-Package AC	18 0	6 0
Residential	2.2.6	Large Capacity Split System and Single-Package HP	15 0	6 0
Residential	2.2.7	Res Room (Window) Air Conditioner	8 0	6 0
Residential	2.2.8	ENERGY STAR Connected Thermostats	11 0	6 0
Residential	2.2.9	Smart Thermostat Demand Response	1 0	6 0
Residential	2.3.1	Res Air Infiltration	11 0	6 0
Residential	2.3.2	Res Ceiling Insulation	25 0	6 0
Residential	2.3.3	Res Attic Encapsulation	25 0	6 0
Residential	2.3.4	Res Wall Insulation	25 0	6 0
Residential	2.3.5	Res Floor Insulation	25 0	6 0
Residential	2.3.6	Res Energy Star Windows	25 0	6 0
Residential	2.3.7	Res Solar Screens	10 0	6 0
Residential	2.3.8	Cool Roofs	15 0	6 0
Residential	2.4.1	Res Faucet Aerators	10 0	6 0
Residential	2.4.2	Res Low-Flow Showerheads	10 0	6 0
Residential	2.4.3	Res Water Heater Pipe Insulation	13 0	6 0
Residential	2.4.4	Res Water Heater Tank Insulation	7 0	6 0
Residential	2.4.5	Res Water Heater Installation-Electric Tankless	20 0	6 0
Residential	2.4.5	Res Water Heater Installation-Fuel Substitution	11 0	6 0
Residential	2.4.6	Res Heat Pump Water Heater	13 0	6 0
Residential	2.4.7	Res Water Heater Replacement-Solar Water Heating	15 0	6 0
Residential	2.4.8	Showerhead Temperature Sensitive Restrictor Valves	10 0	6 0
Residential	2.4.9	Tub Spout and Showerhead Temperature Sensitive Restrictor Valves	10 0	6 0
Residential	2.5.1	Res Energy Star Ceiling Fans	10 0	6 0
Residential	2.5.2	Res Energy Star Clothes Washer	11 0	6 0
Residential	2.5.3	Res Energy Star Dishwashers	15 0	6 0
Residential	2.5.4	Res Energy Star Refrigerators	16 0	6 0
Residential	2.5.5	Energy Star Pool Pumps	10 0	6 0
Residential	2.6.1	Res Refrigerator/Freezer Recycling	8 0	6 0
Commercial	2.1.1	Comm Lamps and Fixtures Halogen Lamps	1 5	6 0
Commercial	2.1.1	Comm Lamps and Fixtures High Intensity Discharge Lamps	15 5	6 0
Commercial	2.1.1	Comm Lamps and Fixtures Integrated-ballast CCFL Lamps	4 5	6 0
Commercial	2.1.1	Comm Lamps and Fixtures Integrated-ballast CFL Lamps	2 5	6 0
Commercial	2.1.1	Comm Lamps and Fixtures Integral LED Lamps	9 0	6 0
Commercial	2.1.1	Comm Lamps and Fixtures Light Emitting Diode	15 0	6 0
Commercial	2.1.1	Comm Lamps and Fixtures Modular CFL and CCFL Fixtures	16 0	6 0
Commercial	2.1.1	Comm Lamps and Fixtures T8 and T5 Linear Fluorescents	15 5	6 0
Commercial	2.1.2	Comm Lighting Controls Occupancy Sensor	10 0	6 0
Commercial	2.1.2	Comm Lighting Controls Photocell (Daylighting Control)	10 0	6 0
Commercial	2.1.2	Comm Lighting Controls Timeclock	10 0	6 0
Commercial	2.1.2	Comm Lighting Controls Tuning Control	10 0	6 0
Commercial	2.2.1	Comm AC or HP Tune-Up	5 0	6 0
Commercial	2.2.2	Comm Split System/Single Packaged Heat Pumps and Air Conditioners	15 0	6 0
Commercial	2.2.3	Comm HVAC Chillers Screw / Scroll / Reciprocating Chillers	20 0	6 0
Commercial	2.2.3	Comm HVAC Chillers Centrifugal Chillers	25 0	6 0
Commercial	2.2.4	Comm Packaged Terminal Air Conditioners, Heat Pumps	15 0	6 0

2019 Residential & Commercial Estimated Useful Life Table				
Sector	TRM Measure	Energy Efficiency Measure	EUL (years)	TRM Version
Commercial	2 2 4	Comm Room Air Conditioners	110	6.0
Commercial	2 2 5	Comm HVAC VFD on AHU Supply Fans	150	6.0
Commercial	2 2 6	Condenser Air Evaporative Pre-Cooling	150	6.0
Commercial	2 3 1	Comm Energy Star Roofs	150	6.0
Commercial	2 3 2	Comm Window Film	100	6.0
Commercial	2 3 3	Entrance and Exit Door Air infiltration	110	6.0
Commercial	2 4 1	Comm High Efficiency Combination Ovens	120	6.0
Commercial	2 4 2	Comm High Efficiency Electric Convention Ovens	120	6.0
Commercial	2 4 3	Comm Energy Star Commercial Dishwashers	110	6.0
Commercial	2 4 4	Comm Hot Food Holding Cabinets	120	6.0
Commercial	2 4 5	Comm Energy Star Electric Fryers	120	6.0
Commercial	2 4 6	Comm Pre-Rinse Spray Valves	50	6.0
Commercial	2 4 7	Comm Energy Star Electric Steam Cookers	120	6.0
Commercial	2 5 1	Comm Door Heater Controls	120	6.0
Commercial	2 5 2	Comm ECM Evaporator Fan Motor	150	6.0
Commercial	2 5 3	Comm Electronic Defrost Controls	100	6.0
Commercial	2 5 4	Comm Evaporator Fan Controls	160	6.0
Commercial	2 5 5	Comm Night Covers for Open Refrigerated Display Cases	50	6.0
Commercial	2 5 6	Comm Solid and Glass Door Reach-Ins	120	6.0
Commercial	2 5 7	Comm Strip Curtains for Walk-In Refrigerated Storage	40	6.0
Commercial	2 5 8	Comm Zero Energy Doors for Refrigerated Cases	120	6.0
Commercial	2 5 9	Door Gaskets for Walk-in and Reach-in Coolers and Freezers	40	6.0
Commercial	2 6 1	Comm Vending Machine Controls	50	6.0
Commercial	2 6 2	Comm Lodging Guest Room Occupancy Sensor Controls	100	6.0
Commercial	2 6 3	Comm Pump-Off Controller	150	6.0
Commercial	2 6 4	Energy Star Pool Pumps	100	6.0
Measurement and Verification	2 1 1	M&V AC Tune-Up	50	6.0
Measurement and Verification	2 1 2	M&V Ground Source HP	150	6.0
Measurement and Verification	2 1 3	Variable Refrigerant Flow Systems	150	6.0
Measurement and Verification	2 2 1	New Homes	230	6.0
Measurement and Verification	2 3 1	Nonresidential Solar PV	300	6.0
Measurement and Verification	2 3 2	Res Solar PV	300	6.0
Measurement and Verification	2 3 3	Solar Shingles	N/A	6.0
Measurement and Verification	2 4 1	Behavioral Measure Overview	10	6.0
Measurement and Verification	2 4 2	Air Compressors less than 75 hp	100	6.0
Measurement and Verification	2 4 3	Commercial Retro-Commissioning	50	6.0
Measurement and Verification	2 5 1	Res Load Curtailment	10	6.0
Measurement and Verification	2 5 2	Nonresidential Load Curtailment	10	6.0

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2019 Actual Incentives Paid						
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	135,141.17	367,261.88	-	-	502,403.05
Large C&I Solutions MTP	-	166,052.99	708,608.35	221,864.62	34,933.65	1,131,459.61
Texas SCORE MTP	-	-	44,686.31	38,413.66	514,586.65	597,686.62
Load Management SOP	-	-	23,504.87	417,135.68	-	440,640.55
Residential Solutions MTP	312,730.73	-	-	-	-	312,730.73
LivingWise® MTP	345,533.75	-	-	-	-	345,533.75
Texas Appliance Recycling MTP	138,662.50	-	-	-	-	138,662.50
Residential Marketplace Pilot Program	-	-	-	-	-	-
Hard-To-Reach Solutions MTP	571,015.61	-	-	-	-	571,015.61
Demand Response Pilot Program MTP	145,658.00	-	-	-	-	145,658.00
TOTAL	1,513,600.59	301,194.16	1,144,061.41	677,413.96	549,520.30	4,185,790.42

2021 Budget Adjustment #1					
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TOTAL
Small Commercial Solutions MTP					-
Large C&I Solutions MTP					-
Texas SCORE MTP					-
Load Management SOP					-
Residential Solutions MTP					-
LivingWise® MTP					-
Texas Appliance Recycling MTP					-
Residential Marketplace Pilot Program	300,000.00				300,000.00
Hard-To-Reach Solutions MTP					-
Demand Response Pilot Program MTP					-
TOTAL	300,000.00	-	-	-	300,000.00

*Addition of Residential Marketplace Pilot Program

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PROGRAMS	2021 Budget Adjustment #2					
	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP						-
Large C&I Solutions MTP						-
Texas SCORE MTP				20,000	(20,000)	-
Load Management SOP						-
Residential Solutions MTP						-
LivingWise® MTP						-
Texas Appliance Recycling MTP						-
Residential Rebate Pilot Program						-
Hard-To-Reach Solutions MTP						-
Demand Response Pilot Program MTP						-
TOTAL	-	-	-	20,000	(20,000)	-

*Anticipated shift in customer class for incentives in 2021.

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PROGRAMS	2019 Incentives after Adjustments Spread to Class					
	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	135,141.17	367,261.88	-	-	502,403.05
Large C&I Solutions MTP	-	166,052.99	708,608.35	221,864.62	34,933.65	1,131,459.61
Texas SCORE MTP	-	-	44,686.31	58,413.66	494,586.65	597,686.62
Load Management SOP	-	-	23,504.87	417,135.68	-	440,640.55
Residential Solutions MTP	312,730.73	-	-	-	-	312,730.73
LivingWise® MTP	345,533.75	-	-	-	-	345,533.75
Texas Appliance Recycling MTP	138,662.50	-	-	-	-	138,662.50
Residential Rebate Pilot Program	300,000.00	-	-	-	-	300,000.00
Hard-To-Reach Solutions MTP	571,015.61	-	-	-	-	571,015.61
Demand Response Pilot Program MTP	145,658.00	-	-	-	-	145,658.00
TOTAL	1,813,600.59	301,194.16	1,144,061.41	697,413.96	529,520.30	4,485,790.42

PROGRAMS	2021 Incentive Percentages after Adjustments Spread to Class					
	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	26.90%	73.10%				100.00%
Large C&I Solutions MTP	14.68%	62.63%	19.61%	3.08%		100.00%
Texas SCORE MTP		7.48%	9.77%	82.75%		100.00%
Load Management SOP		5.33%	94.67%			100.00%
Residential Solutions MTP	100.00%					100.00%
LivingWise® MTP	100.00%					100.00%
Texas Appliance Recycling MTP	100.00%					100.00%
Residential Rebate Pilot Program	100.00%					100.00%
Hard-To-Reach Solutions MTP	100.00%					100.00%
Demand Response Pilot Program MTP	100.00%					100.00%

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2021 Incentives Spread to Class (Based on 2019 Percentages with Adjustments)							2021 Program Incentive Percentages
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL	
Small Commercial Solutions MTP	-	124,040	337,075	-	-	461,115	10.11%
Large C&I Solutions MTP	-	147,592	629,680	197,158	30,966	1,005,396	22.03%
Texas SCORE MTP	-	-	38,870	50,812	430,220	519,902	11.39%
Load Management SOP	-	-	24,518	435,482	-	460,000	10.08%
Residential Solutions MTP	315,000	-	-	-	-	315,000	6.90%
LivingWise® MTP	346,346	-	-	-	-	346,346	7.59%
Texas Appliance Recycling MTP	245,000	-	-	-	-	245,000	5.37%
Residential Rebate Pilot Program	300,000	-	-	-	-	300,000	6.57%
Hard-To-Reach Solutions MTP	600,000	-	-	-	-	600,000	13.15%
Demand Response Pilot Program MTP	310,000	-	-	-	-	310,000	6.79%
TOTAL	2,116,346	271,632	1,030,143	683,452	461,186	4,562,759	100.00%

2021 Program-Direct Administration Expenses Spread to Class						
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	-	-	-	-	-
Large C&I Solutions MTP	-	-	-	-	-	-
Texas SCORE MTP	-	-	-	-	-	-
Load Management SOP	-	-	-	-	-	-
Residential Solutions MTP	-	-	-	-	-	-
LivingWise® MTP	-	-	-	-	-	-
Texas Appliance Recycling MTP	10,000	-	-	-	-	10,000
Residential Rebate Pilot Program	-	-	-	-	-	-
Hard-To-Reach Solutions MTP	-	-	-	-	-	-
Demand Response Pilot Program MTP	-	-	-	-	-	-
TOTAL	10,000	-	-	-	-	10,000

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2021 Indirect Administrative Budget Spread to Program and Class							
Amount To Spread: \$ 87,793	PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	2,387	6,485	-	-	-	8,872
Large C&I Solutions MTP	-	2,840	12,116	3,794	596	8,277	19,345
Texas SCORE MTP	-	-	748	978	-	8,277	10,004
Load Management SOP	-	-	472	8,379	-	-	8,851
Residential Solutions MTP	6,061	-	-	-	-	-	6,061
LivingWise® MTP	6,664	-	-	-	-	-	6,664
Texas Appliance Recycling MTP	4,714	-	-	-	-	-	4,714
Residential Rebate Pilot Program	5,772	-	-	-	-	-	5,772
Hard-To-Reach Solutions MTP	11,545	-	-	-	-	-	11,545
Demand Response Pilot Program MTP	5,965	-	-	-	-	-	5,965
TOTAL	40,721	5,227	19,821	13,161	8,873	87,793	

2021 R&D Budget Spread To Program and Class							
Amount To Spread: \$ 25,000	PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	680	1,847	-	-	-	2,527
Large C&I Solutions MTP	-	809	3,450	1,080	170	2,358	5,509
Texas SCORE MTP	-	-	213	278	-	2,358	2,849
Load Management SOP	-	-	134	2,386	-	-	2,520
Residential Solutions MTP	1,726	-	-	-	-	-	1,726
LivingWise® MTP	1,898	-	-	-	-	-	1,898
Texas Appliance Recycling MTP	1,342	-	-	-	-	-	1,342
Residential Rebate Pilot Program	1,644	-	-	-	-	-	1,644
Hard-To-Reach Solutions MTP	3,287	-	-	-	-	-	3,287
Demand Response Pilot Program MTP	1,698	-	-	-	-	-	1,698
TOTAL	11,595	1,489	5,644	3,744	2,528	25,000	

*Columns may not foot due to rounding.

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2021 Program Expenses Spread to Class (Prior to EM&V and Proceeding Costs)						
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	127,107	345,407	-	-	472,514
Large C&I Solutions MTP	-	151,241	645,246	202,032	31,732	1,030,251
Texas SCORE MTP	-	-	39,831	52,068	440,855	532,754
Load Management SOP	-	-	25,124	446,247	-	471,371
Residential Solutions MTP	322,787	-	-	-	-	322,787
LivingWise® MTP	354,908	-	-	-	-	354,908
Texas Appliance Recycling MTP	261,056	-	-	-	-	261,056
Residential Rebate Pilot Program	307,416	-	-	-	-	307,416
Hard-To-Reach Solutions MTP	614,832	-	-	-	-	614,832
Demand Response Pilot Program MTP	317,663	-	-	-	-	317,663
TOTAL	2,178,662	278,348	1,055,608	700,347	472,587	4,685,552

*Columns may not foot due to rounding.

2021 Program Expense Percentages of Total Program Budget (Prior to EM&V and Proceeding Costs)						2021 Total Program Expenses
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	Percentages
Small Commercial Solutions MTP		2.71%	7.37%			10.08%
Large C&I Solutions MTP		3.23%	13.77%	4.31%	0.68%	21.99%
Texas SCORE MTP			0.85%	1.11%	9.41%	11.37%
Load Management SOP			0.54%	9.52%		10.06%
Residential Solutions MTP	6.89%					6.89%
LivingWise® MTP	7.57%					7.57%
Texas Appliance Recycling MTP	5.57%					5.57%
Residential Rebate Pilot Program	6.56%					6.56%
Hard-To-Reach Solutions MTP	13.12%					13.12%
Demand Response Pilot Program MTP	6.78%					6.78%
TOTAL	46.50%	5.94%	22.53%	14.95%	10.09%	100.000%

*Columns may not foot due to rounding.

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2021 Rate Class Percentages by Program						
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP		26.90%	73.10%			100.00%
Large C&I Solutions MTP		14.68%	62.63%	19.61%	3.08%	100.00%
Texas SCORE MTP			7.48%	9.77%	82.75%	100.00%
Load Management SOP			5.33%	94.67%		100.00%
Residential Solutions MTP	100.00%					100.00%
LivingWise® MTP	100.00%					100.00%
Texas Appliance Recycling MTP	100.00%					100.00%
Residential Rebate Pilot Program	100.00%					100.00%
Hard-To-Reach Solutions MTP	100.00%					100.00%
Demand Response Pilot Program MTP	100.00%					100.00%

2021 EM&V Expenses Spread to Class						
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	2,030	5,515	-	-	7,545
Large C&I Solutions MTP	-	2,583	11,018	3,450	542	17,592
Texas SCORE MTP	-	-	529	691	5,848	7,069
Load Management SOP	-	-	285	5,057	-	5,342
Residential Solutions MTP	4,487	-	-	-	-	4,487
LivingWise® MTP	2,054	-	-	-	-	2,054
Texas Appliance Recycling MTP	3,213	-	-	-	-	3,213
Residential Rebate Pilot Program	-	-	-	-	-	-
Hard-To-Reach Solutions MTP	4,619	-	-	-	-	4,619
Demand Response Pilot Program MTP	5,457	-	-	-	-	5,457
TOTAL	19,830	4,613	17,347	9,198	6,390	57,378

*Columns may not foot due to rounding.

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PROGRAMS	2021 Proceeding Costs Spread to Program and Class						
	Amount To Spread: \$ 100,000	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TOTAL
Small Commercial Solutions MTP	-	2,713		7,372	-	-	10,085
Large C&I Solutions MTP	-	3,228		13,769	4,312	677	21,986
Texas SCORE MTP	-	-		850	1,111	9,409	11,370
Load Management SOP	-	-		536	9,524	-	10,060
Residential Solutions MTP	6,889	-		-	-	-	6,889
LivingWise® MTP	7,575	-		-	-	-	7,575
Texas Appliance Recycling MTP	5,572	-		-	-	-	5,572
Residential Marketplace Pilot Program	6,561	-		-	-	-	6,561
Hard-To-Reach Solutions MTP	13,122	-		-	-	-	13,122
Demand Response Pilot Program MTP	6,780	-		-	-	-	6,780
TOTAL	46,499	5,941	22,527	14,947	10,086	100,000	