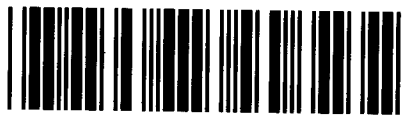




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LLC**

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**2014 Energy Efficiency Plan and Report**

**Substantive Rule § 25.181 and § 25.183**

**April 1, 2014**

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**Project No. 42264**

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## Introduction

CenterPoint Energy Houston Electric, LLC (CenterPoint Houston) presents this Energy Efficiency Plan and Report (EEPR) to comply with Substantive Rules § 25.181 and § 25.183, which implements Public Utility Regulatory Act (PURA) § 39.905. PURA § 39.905 and Substantive Rule § 25.181 which require that each investor-owned electric utility achieve the following savings goals through market-based standard offer programs (SOPs) and limited, targeted, market transformation programs (MTPs):

- 30% reduction of the electric utility's annual growth in demand of residential and commercial customers for the 2013 program year.
- 0.4% reduction of the electric utility's annual growth in demand of residential and commercial customers for the 2014 and 2015 program years.

The format used in the EEPR is consistent with the requirements outlined in § 25.181 (n). The EEPR presents the results of CenterPoint Houston's 2013 energy efficiency programs and describes how the company plans to achieve its goals and meet the requirements set forth in § 25.181. Planning information provided focuses on 2014 and 2015 projected savings and projected budgets, as well as information on programs to be offered and discusses outreach and informational activities and workshops designed to encourage participation by energy service providers and retail electric providers (REPs).

## **EEPR Organization**

This EEPR consists of an executive summary, fifteen sections and three appendices.

Sections one through four detail the planning section of the EEPR, while sections five through ten present energy efficiency report information. The final five sections address the Energy Efficiency Cost Recovery Factor (EECRF) and the performance bonus achieved in 2013. The three appendices provide a description of the acronyms used throughout the report, a glossary of commonly used terms, and the demand and energy savings for each program by county.

## Executive Summary

The Energy Efficiency Plan portion of this EEPR details CenterPoint Houston's plans to achieve a 0.4% reduction in its peak demand of residential and commercial customers by December 31, 2014 and another 0.4% reduction in its peak demand of residential and commercial customers by December 31, 2015. The Plan also addresses the corresponding energy savings goal, which is calculated from the demand savings goal using a 20% capacity factor. The goals, budgets, and implementation plans that are included in this EEPR are determined by requirements of Rule § 25.181 and the information gained from prior implementation of the selected programs. Table 1 presents a summary of 2014 and 2015 goals, projected savings, and projected budgets.

**Table 1: Summary of Annual Goals, Projected Savings and Projected Budgets<sup>1</sup>**

	Calendar Year	Normalized Peak Demand	MW Goal	Demand (MW) Goal <sup>2</sup>	Energy (MWh) Goal <sup>3</sup>	Projected MW Savings <sup>4</sup>	Projected MWh Savings <sup>2,3</sup>	Projected Budget (in 000's)
<b>Annual Goals</b>	<b>2014</b>	14,981	0.4% of peak demand	55.73	97,639	148.79	184,883.4	\$39,305
	<b>2015</b>	15,485	0.4% of peak demand	57.60	100,915	148.94	199,999.0	\$39,120

<sup>1</sup> Peak Demand figures are from Table 4; Projected Savings from Table 5; Projected Budget from Table 6. All MW and MWh figures in this Table and throughout this EEPR are measured at the meter.

<sup>2</sup> Industrial identification notices have not been factored in to the 2015 demand goal, therefore the goal may change slightly when these ESIID's are removed.

<sup>3</sup> Calculated using a 20% capacity factor.

<sup>4</sup> Peak demand reduction and energy savings for the current and following calendar year that CenterPoint Houston is planning and budgeting for in the EEPR. These projected savings reflect estimates based on information gained from prior implementation of the programs.

In order to reach the projected savings presented in Table 1, CenterPoint Houston will implement the following programs:

1. Commercial Standard Offer Program (SOP)
2. Commercial Market Transformation Program (MTP)
3. Large Commercial Load Management SOP
4. Retro-Commissioning MTP
5. Advanced Lighting Commercial
6. Sustainable Schools Pilot
7. ENERGY STAR<sup>®</sup> Homes MTP
8. Residential SOP
9. Advanced Lighting Residential
10. A/C Distributor MTP
11. Retail Electric Provider MTP (REP MTP)
12. Pool Pump Pilot
13. Energy Wise Resource Action MTP
14. Hard-to-Reach SOP
15. Multi-Family MTP
16. Agencies in Action MTP

As detailed in this report, CenterPoint Houston successfully implemented SOPs and MTPs required by PURA § 39.905 that met the statutory 30% energy efficiency savings goal. CenterPoint Houston's goals for 2013 were 54.85 MW in peak demand reduction and 96,088 MWh in energy savings. Actual achieved reductions in 2013 totaled 196 MW and 160,497.4 MWh. Although the total forecasted spending for 2013 was \$42.86 million, actual 2013 spending totaled \$38.28 million. Program manuals for these programs can be found on CenterPoint Houston's sponsor portal <http://centerpoint.anbetrack.com/cnpportal/>

## **Energy Efficiency Plan**

### **I. 2014 Programs**

#### **A. 2014 Program Portfolio**

CenterPoint Houston plans to implement 13 programs in 2014. In addition, three pilot programs will be funded in 2014. These programs target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. CenterPoint Houston anticipates that targeted outreach to a broad range of service providers will be necessary in order to meet the savings goals required by PURA § 39.905 on a continuing basis. Table 2 lists each program and identifies target markets and applications.

**Table 2: 2014 Energy Efficiency Program Portfolio**

<b>Program</b>	<b>Target Market</b>	<b>Application</b>
Commercial SOP	Large Commercial	Retrofit; New Construction
Commercial MTP	Large Commercial	Retrofit; New Construction
Large Commercial Load Management SOP	Large Commercial	Load Management
Retro-Commissioning MTP	Large Commercial	Tune-up of existing facilities
Advanced Lighting Commercial	Large Commercial	Retrofit; New Construction
Sustainable Schools Pilot	Large Commercial	Retrofit
ENERGY STAR® Homes MTP	Residential	New Construction
Residential SOP	Residential	Retrofit
Advanced Lighting Residential	Residential	Retrofit; New Construction
A/C Distributor MTP	Residential	Retrofit
Retail Electric Provider MTP	Residential & Small Commercial	Load Management; Retrofit
Pool Pump Pilot	Residential	Retrofit
Energy Wise Resource Action MTP	Residential	Educational
Hard-to-Reach SOP	Hard-to-Reach	Retrofit
Multi-Family MTP	Residential / Hard-to-Reach	New Construction
Agencies in Action MTP	Hard-to-Reach	Retrofit

The programs listed in Table 2 are described further in sub-section B. CenterPoint Houston maintains two energy efficiency websites<sup>5</sup>: one targeted to the end user and one for project sponsors. The energy efficiency sponsor portal contains requirements for project participation and most of the forms required for project submission. These websites are one method of communication used to provide project sponsors with program updates and information.

<sup>5</sup> CenterPoint Houston energy efficiency website is [www.centerpointefficiency.com](http://www.centerpointefficiency.com) ; CenterPoint Houston's sponsor portal is <http://centerpoint.anbetrack.com/cnpportal/>

## **B. Existing Programs**

### **Commercial Standard Offer Program (SOP)**

#### ***Program design***

The Commercial SOP targets commercial customers with a minimum demand of 100 kW, and small commercial customers with a demand not to exceed 100 kW. Incentives are paid to project sponsors on a first-come, first-served basis for a variety of measures installed in new or retrofit applications, which provide verifiable demand and energy savings. Large commercial customers must save at least 20 kW and or 120,000 kWh on installed measures, while small commercial customers may save less than 20 kW. Customers may elect to combine multiple sites for one project. These projects must produce a minimum of 50kW and/or 300,000 kWh in savings. In response to recommendations made during a statewide audit, Commercial Standard Offer participants will be asked to provide the final installation invoice. This information will help gauge the full effect of current incentive level impacts on retrofit and new construction installs.

#### ***Implementation process***

CenterPoint Houston will continue implementation of its Commercial SOP whereby any eligible project sponsor may submit an application for qualifying projects. Program information is provided on CenterPoint Houston's website.

#### ***Outreach and Research activities***

CenterPoint Houston markets the availability of this program in the following manner:

- Maintains internet website with detailed project eligibility, end-use measures, incentives, procedures and application forms;
- Utilizes mass e-mail notifications to keep potential project sponsors interested and informed;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Participates in service area-wide outreach activities as may be available;
- Conduct workshops as necessary to explain elements such as, responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

## **The Commercial Market Transformation Program (MTP)**

### ***Program design***

The Commercial MTP program is the expansion of what was once the SCORE/CitySmart MTP, to additional market segments beyond schools, cities, and municipalities. The program included the healthcare market in 2013 and will continue to add commercial markets that experience barriers to participating in energy efficiency programs.

The SCORE / CitySmart MT segment of the program targets K-12, higher education, cities, counties and state governmental agencies within the CenterPoint Houston service territory. Direct incentives are paid to school districts, cities, and municipalities for certain energy efficiency measures installed in new or retrofit applications that provide verifiable demand and energy savings. A third party program implementer provides technical assistance, engineering analysis, and performance benchmarking to program participants in order to help them make decisions about cost effective investments. The SCORE Lite portion of the program provides higher incentives to those school districts that do not require the technical assistance or engineering analysis provided by the implementer.

In 2014, CenterPoint Houston and the implementer will begin discussing a transition to the SCORE Lite program for some participants who have experience in the program and may no longer need the implementer's services. The movement of participants to SCORE Lite is intended to continue to transition the market, yet still provide incentives to participants who would like to continue to install more efficient equipment. After discussions with EM&V auditors, CenterPoint Houston and the implementer are now requesting invoices for every project that is submitted into the SCORE MTP program. We also agreed to share any new or complex Measurement and Verification (M&V) plans submitted into the program for the EM&V auditors to review and provide any feedback they may have.

In 2013, the program also included a healthcare component. In 2014, CenterPoint Houston will continue to include the Healthcare Energy Efficiency Program (HEEP) MT sector in the Commercial MTP. The HEEP program provides technical support to participating healthcare providers through a combination of tools and services for participants who complete projects resulting in peak electric demand and energy savings. The program is designed to help

healthcare providers identify energy efficiency opportunities in existing and newly planned facilities and provide monetary incentives to implement these projects. Participants in the program must meet eligibility criteria, comply with all program rules and procedures, and submit documentation describing their projects. Eligible healthcare facilities include small hospitals (< 300 beds), doctors' offices, clinics, and assisted living/nursing care facilities.

### ***Implementation process***

CenterPoint Houston will continue implementation of the SCORE / City Smart MTP whereby, providing funds are available, any eligible project meeting the minimum requirements from any participating school district, city, county, or governmental agency facility may be submitted for incentive payment.

The HEEP program will be executed in the CenterPoint Energy Houston Electric service territory using a third-party program implementer. The third-party implementer will recruit participants, conduct assessments and insure program goals are met. Incentives will be paid to program participants for verified demand and energy savings achieved through the program.

### ***Outreach and Research activities***

CenterPoint Houston markets the availability of this program in the following manner:

- Contracts with a third-party program implementer to implement outreach and planning activities;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Participates in service area-wide outreach activities as may be available;
- Conducts workshops as necessary to explain elements such as responsibilities of the program requirements, incentive information, and the application and reporting process.

## **Large Commercial Load Management SOP**

### ***Program design***

CenterPoint Houston will continue the Large Commercial Load Management SOP program in 2014. The Large Commercial Load Management SOP will be available to non-residential distribution, governmental, educational and non-profit customers. Curtailments will be initiated when the Electric Reliability Council of Texas (ERCOT) declares an EEA2 or deems that an EEA2 is imminent. Incentives will be paid to project sponsors for measured and verified kW

reductions. Project sponsors must have a normal aggregate peak demand of 750 kW or more, and must be equipped with a CenterPoint Houston Interval Data Recorder (IDR) meter or Itron smart meter.

### ***Implementation process***

Implementation of this program will be through customers and third-party entities representing distribution level or other governmental, educational and non-profit customers within the CenterPoint Houston service territory. The 2014 program will initiate a minimum of one curtailment call and a maximum of five curtailment calls during the summer peak period. The first call is scheduled for June and will last from one to three hours. The remaining calls will last from one to four hours each and will take place at some point during the summer peak period.

### ***Outreach and Research activities***

CenterPoint Houston plans to market the availability of this program in the following manner:

- Maintains program information on the company website.
- Conducts workshops as necessary to explain elements such as responsibilities of the project participant, project requirements, incentive information, and the application and reporting process;
- Participates in appropriate industry-related meetings and events to generate awareness and interest.

## **Retro-Commissioning MTP (RCx)**

### ***Program design***

RCx is an optimization program for existing buildings that identifies no-cost or low-cost measures the customer can implement to reduce the demand and energy usage in commercial facilities. The program is designed to provide end-users with a free expert analysis to improve the performance of energy using systems throughout their facilities that will reduce electric demand and consumption. RCx Agents, typically consulting engineering firms, are used to deliver the program to customers.

In 2014, the program will change. The preliminary screening phase will be completed by the program implementer using software to evaluate the customer's interval data to identify potential measures before the RCx Agents get involved. RCx Agents will be paid based on the square footage of the project and the amount of energy savings at the completion of two phases:

investigation phase and verification phase. Facility owners must also implement all of the identified measures with simple payback of less than 1.5 years (up to a \$0.03 per square foot cap) or pay towards the cost of the analysis. Customers will no longer receive project incentives.

As the 4th largest city in the country, Houston has a vast number of commercial buildings which provides the RCx program with potential for growth over the next few years.

### ***Implementation process***

The program is implemented through a third party implementer. Program information is provided on CenterPoint Houston's website.

### ***Outreach and Research activities***

CenterPoint Houston markets the availability of this program in the following manner:

- Contracts with a third-party program implementer
- Maintains internet website with detailed project eligibility, procedures and application forms;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Participates in service area-wide outreach activities as may be available;
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor and RCx Agents, project requirements, incentive information, and the application and reporting process.

## **Advanced Lighting Commercial MTP**

### ***Program design***

CenterPoint Houston will continue participation in the Advanced Lighting Commercial MTP in 2014. The program will target outdoor applications for LED lighting in commercial facilities (i.e., parking garages, parking lots, outdoor building lighting, landscape lighting, billboards, etc.). Fixtures approved in the Advanced Lighting Commercial MTP must be certified by the Design Lights Consortium. The program aims to breakdown market barriers and bring awareness about outdoor LED lighting to the commercial market in the CenterPoint Houston service territory. In 2015, this program will be combined with the Commercial Standard Offer Program.

### ***Implementation process***

The Advanced Lighting program will be implemented in the CenterPoint Houston service territory by a third-party program implementer. The program will pay incentives to commercial customers installing qualifying LED products, in eligible applications. The incentive rate was decreased for 2014 based on the new avoided cost. All installations must be performed by a Qualified Installation Service Provider.

### ***Outreach and Research activities***

CenterPoint Houston plans to market the availability of this program in the following manner:

- Promotion of commercial LED applications through research and development projects;
- Contracts with a third-party program implementer to implement outreach and planning activities;
- Participates in regional outreach activities as may be available;
- Participates in appropriate industry-related meetings and events to generate awareness and interest.

## **Sustainable Schools Pilot Program**

### ***Program design***

The Sustainable Schools pilot program is a comprehensive energy education and conservation program that targets physical science high school students and teachers. Sustainability Teams that include students and faculty will be formed to promote awareness of energy conservation, set goals for reducing the school's energy consumption, and recommend behavioral and operational changes to accomplish the set goals. This will be accomplished by providing energy conservation educational supplements, training teachers and students on the use of energy audit kits, and instructions on monitoring the school's energy consumption. The teachers and students will be responsible for promoting energy conservation awareness throughout the school and monitoring the energy consumption behavior patterns of the students and staff, as well as advocating improvement in those patterns. Students will be expected to prepare an energy audit report of their findings and present the results to school administration.

### ***Implementation process***

The program is implemented using a third-party program implementer that targets public and private schools that are not currently enrolled in CenterPoint Houston's SCORE program. The goal is to target low-cost, no-cost measures involving behavioral, operational, or maintenance controls that will be developed by Sustainability Teams within the school. There is no financial obligation from the participants.

### ***Outreach and Research activities***

CenterPoint Houston markets the availability of this program in the following manner:

- Contracts with a third-party program implementer to implement outreach and planning activities;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Conducts workshops as necessary to explain elements such as responsibilities of the program requirements, incentive information, and the application and reporting process.

## **ENERGY STAR® Homes MTP**

### ***Program design***

The ENERGY STAR® New Homes MTP targets residential new construction. Incentives are paid to builders for the construction of high performance homes that meet certain requirements in the CenterPoint Houston service territory. The program is supported by training, education, and advertising components that encourage builders to build ENERGY STAR® homes. The builders are selected through an application process and qualifying homes must be built to strict EPA standards or above.

In 2014, CenterPoint Houston transitioned from the measure based incentives used in the previous year. To qualify for incentives in 2014, homes under the Texas state energy code must achieve 10% kWh savings better than the program's User Defined Reference Home (UDRH). Homes within municipalities with energy codes more stringent than the Texas state code must achieve 20% kWh savings better than the program's UDRH. An additional incentive will be offered for those builders who build ENERGY STAR® certified homes. The program reference home mentioned above is in the form of a UDRH file as a supplement of REM/Rate and it is based on the IRC/IECC 2009 code. After discussions with EM&V auditors, the program will

now require the builder to submit a home's permit date to distinguish which code standards the home should be built to as well as an upload of the Fuel Summary Report created in REM/Rate.

### ***Implementation process***

CenterPoint Houston will continue implementation of its ENERGY STAR® Homes MTP and any eligible home builder meeting the minimum requirements may submit an application for participation in the program. Program information is provided on CenterPoint Houston's website.

### ***Outreach and Research activities***

CenterPoint Houston promotes the ENERGY STAR® Homes MTP in the following manner:

- Contracts with a third-party program implementer to implement outreach and planning activities
- Advertises using a multitude of news media, including billboards, radio, and targeted relocation publications as well as supporting the local home builder association publications;
- Provides point of purchase materials including yard signs, door mats and brochures free to participating builders;
- Maintains internet website, [www.HoustonEnergyStarHomes.com](http://www.HoustonEnergyStarHomes.com) with detailed program information, a list of participating ENERGY STAR® builders and the general features and benefits of ENERGY STAR® homes;
- Conducts various testing for all local raters or air conditioning contractors as needed ;
- Conducts training sessions for builders' sales staff throughout the year to increase the knowledge and awareness of the features and benefits of ENERGY STAR® homes;
- Participates in quarterly roundtables with the builder's home energy raters to discuss and exchange information concerning program issues;
- Attends appropriate industry-related meetings and seminars to generate awareness and interest;
- Participates in state-wide outreach activities
- Conducts builder workshops covering program requirements, incentive information, and the application and reporting process.

## **Residential Standard Offer Program (SOP)**

### ***Program design***

The Residential SOP targets residential customers with a maximum demand of less than 100 kW. Incentives are paid to project sponsors, for qualifying measures installed in retrofit applications,

which provide verifiable demand and energy savings. Project sponsors are encouraged to install comprehensive measures and are paid based on the Public Utility Commission of Texas (PUCT) approved deemed savings values. Project funding is based on a first-come, first-served approach. CenterPoint Houston's Residential SOP will continue in the same format for 2014. The program is open to all qualifying energy efficiency measures, including, but not limited to air conditioning, duct sealing, weatherization, ceiling insulation, water saving measures and ENERGY STAR® windows. Compact florescent lighting measures have been eliminated from the 2014 program.

### ***Implementation process***

CenterPoint Houston will continue implementation of its Residential SOP whereby any eligible project sponsor may submit an application for a project meeting the minimum requirements. Program information is provided on CenterPoint Houston's website. For the 2014 program year, CenterPoint Houston has reduced the incentive payment for the attic insulation measure. Also, beginning in the 2014 program year, program sponsors will be required to have a certified HERS rater on site when conducting leakage-to-outside and air infiltration testing methods.

### ***Outreach and Research activities***

CenterPoint Houston markets the availability of this program in the following manner:

- Maintains internet website with detailed project eligibility, end-use measures, incentive structure, procedures, application forms and list of third-party project sponsors;
- Utilizes mass e-mail notifications to potential project sponsors to inform them of the program start date and informational meetings;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

## **Advanced Lighting Residential MTP**

### ***Program design***

CenterPoint Houston will continue participation in the Advanced Lighting MTP in 2014. The program will continue to offer point of purchase discounts to residential customers at participating retail stores for the purchase of qualified (i.e., ENERGY STAR® rated) high efficiency LED lighting products.

### ***Implementation process***

The Advanced Lighting program will be implemented in the CenterPoint Houston service territory by a third-party program implementer. Point of purchase discounts will be applied to residential customers at participating retailers, including Home Depot, Lowes, Sam's Club, and Costco, throughout the CenterPoint Houston footprint. The 2014 discounted amount is based on 20% off the MSRP per LED product purchased (this discounted rate may be subject to change thru-out the year depending on the rate of sales, product availability, etc.).

### ***Outreach and Research activities***

CenterPoint Houston plans to market the availability of this program in the following manner:

- In-store promotions of the program via signage;
- Contracts with a third-party program implementer to implement outreach and planning activities;
- Participates in regional outreach activities as may be available;
- Participates in appropriate industry-related meetings and events to generate awareness and interest.

## **A/C Distributor MTP**

### ***Program design***

The A/C Distributor MTP provides incentives to air conditioning distributors who agree to facilitate the installation of high-efficiency (>16 SEER/12 EER) air conditioners and heat pumps (>8.6 HSPF) in existing single-family and multi-family homes within CenterPoint Houston's electric distribution service territory. In 2014, incentives will be increased to encourage sales of 17 SEER and higher, and incentives have been reduced for the 16 SEER.

### ***Implementation process***

CenterPoint Houston will continue implementation of its A/C Distributor MTP whereby any eligible A/C distributor meeting the minimum requirements may submit an application for participation in the program. CenterPoint Houston will continue to verify installations, manage and allocate available incentive funds, process all claims for incentive payments and provide other oversight functions. Program information is provided on CenterPoint Houston's website.

### ***Outreach and Research activities***

CenterPoint Houston plans to market the availability of this program in the following manner:

- Contracts with a third-party program implementer to implement outreach and planning activities;
- Conducts workshops as necessary to explain elements such as responsibilities of the distributors and contractors, program requirements, incentive information, and the application and reporting process;
- Participates in appropriate industry-related meetings and events to generate awareness and interest.

### **Retail Electric Provider MTP (REP MTP)**

CenterPoint Houston plans to transform the REP MTP from a pilot program to a full program in 2014. In 2012 CenterPoint Houston introduced the concept of a “cafeteria program” to the REPs in an effort to engage them more in the company’s energy efficiency portfolio. The program concept was to offer an open-ended menu of measures to the REPs where they could pick and choose the measures that best suit their organization. In 2012, two REPs participated in a residential demand response program, and in 2013 nine REPs participated in an A/C tune-up program. The REPs have accepted the concept of the program and have shown increasing interest in program participation. Based on this and the positive net-benefits in the first two years of the program, CenterPoint Houston fully expects the program to grow in the future. The program has shown increased interest each year; therefore, CenterPoint Houston has increased the available measures in 2014. This program year REPs will be able to choose from a limited menu of methods on how they will provide verified demand and energy savings.

#### ***Coolsaver A/C Tune-up Program design***

The initial program available to Retail Electric Providers is the CoolSaver A/C Tune-up program. CoolSaver will utilize specially trained air conditioning contractors to perform comprehensive A/C tune-ups for residential and small commercial customers in CenterPoint Houston Electric’s service territory. Eleven REP’s have agreed to participate in the 2014 CoolSaver A/C tune-up program.

#### ***Coolsaver A/C Install Program design***

Beginning in 2014, a limited number of REPs will also offer incentives to A/C contractors who recommend eligible customers replace their existing air conditioners and/or heat pumps with new high efficiency units. A/C replacements will be recommended to customers that enroll for a

tune-up, but whose equipment is in need of replacement at the time of the tune-up. Incentives will be paid to the A/C contractor for the installation of a minimum 16 SEER A/C unit.

### ***Residential Energy Efficiency and Demand Response***

In addition to the CoolSaver program, REPs or other 3<sup>rd</sup> party entities may also propose their own services or programs. Each service provider in the program will be limited to a maximum of 20% of the program incentive budget, similar to rules in other CenterPoint Houston Electric energy efficiency programs. Currently, several third party entities have proposed methodologies to implement a residential demand response program utilizing Wi-Fi enabled programmable thermostats. This methodology will be evaluated during the 2014 summer peak period to determine the effectiveness of a residential demand response program. Demand and energy savings may also be achieved through the implementation of mathematical algorithms to adjust thermostat settings without sacrificing customer comfort. Demand and energy savings must be measured and verified utilizing an appropriate baseline.

### ***Implementation process***

The Retail Electric Provider program will be executed in the CenterPoint Energy Houston Electric service territory using a third-party program implementer. The third-party implementer will recruit participants and insure program goals are met. Incentives will be paid to program service providers for verified demand and energy savings achieved through the program.

### ***Outreach and Research activities***

CenterPoint Energy Houston Electric plans to market the availability of this program in the following manner:

- Contracts with a third-party program implementer to implement outreach and planning activities;
- REPs or 3<sup>rd</sup> party entities will market the program to existing customers via e-mail, phone calls and direct mail.
- Participate in appropriate industry-related meetings and events to generate awareness and interest.

## **Energy Wise Educational Program**

### ***Program design***

This program is designed to show the benefits of energy efficiency through educational type programs. The Energy Wise Program utilizes a school delivery format to provide take-home Resource Action Kits to sixth grade students. The kits contain energy efficiency devices, such as compact fluorescent light bulbs, and creative classroom and in-home education techniques that encourage families to adopt new resource usage habits. Lesson plans are provided to teachers that help educate the students on the benefits of using these energy saving devices on a daily basis. In 2014 there will be new additions to the energy kit which will include a High-Efficiency Showerhead, Kitchen Faucet Aerator, and a Bathroom Faucet Aerator.

### ***Implementation process***

The program will be implemented using a third-party program implementer that will recruit teachers in various targeted school districts throughout the service territory. Recruited teachers will receive program materials that include; a teacher and student workbook, kit of efficiency materials, and a parent letter explaining the program. The incentive budget covers the implementer costs as well as the cost for the kits.

### ***Outreach and Research activities***

CenterPoint Houston plans to market the availability of this program in the following manner:

- Utilize third party implementer to recruit schools and teachers.

## **Hard-To-Reach Standard Offer Program (HTR SOP)**

### ***Program design***

The HTR SOP targets hard-to-reach residential customers. Incentives are paid to project sponsors for qualifying measures installed in retrofit applications which provide verifiable demand and energy savings to customers whose annual total household income is less than 200% of current federal poverty guidelines. Project sponsors are encouraged to install comprehensive measures and are paid based on the Public Utility Commission of Texas (PUCT) approved deemed savings values. Project funding is based on a first-come, first-served approach.

Qualifying measures include those allowed in the Residential SOP as well as compact fluorescent lamps. Also included in the HTR SOP is the Affordable Single Family component. This segment pays incentives to not for profit agencies who build new homes to ENERGY STAR® standards for lower income families.

### ***Implementation process***

CenterPoint Houston will continue implementation of its HTR SOP whereby any eligible project sponsor may submit an application for a project meeting the minimum requirements. Program information is provided on CenterPoint Houston's website.

For the 2014 program year, CenterPoint Houston has reduced the incentive payment for the attic insulation measure. CenterPoint Houston has also changed the testing and installation protocol for the duct efficiency improvement measure. In previous years, program sponsors have been given the option to choose the duct leakage testing method, although in 2014, option will no longer be available. Also, beginning in the 2014 program year, program sponsors will be required to have a certified HERS rater on site when conducting leakage-to-outside and air infiltration testing.

### ***Outreach and Research activities***

CenterPoint Houston markets the availability of this program in the following manner:

- Utilizes mass e-mail notifications to potential project sponsors to inform them of the program start date and informational meetings;
- Maintains internet website with detailed project eligibility, end-use measures, incentive structure, procedures and application forms;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Participates in state-wide outreach activities as may be available;
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

## **Multi-Family MTP**

### ***Program design***

The Multi-Family MTP is an extension of the Multi-Family Water and Space Heating program to include other energy efficiency opportunities within the multi-family market segment. Multi-

family water and space heating is the segment that promotes the installation of energy efficient non-electric water and space heating in multi-family housing developments. The program includes boiler systems, individual gas water and space heating units, and beginning in 2014, combination gas water heating and space heating systems. Projects are funded based on qualifying measures, estimated completion date and available funds. To enhance participation of multifamily developers, CenterPoint Houston is also implementing a Multi-family ENERGY STAR® program in conjunction with the Multi-Family Water and Space Heating program. Developers are selected through an application process and qualifying new multifamily homes must be built to ENERGY STAR® version 3.0 standards.

### ***Implementation process***

CenterPoint Houston will continue implementation of its Multi-Family Water and Space Heating and Multi-family ENERGY STAR® program whereby any eligible project sponsor or developer may submit an application for a project meeting the minimum requirements.

### ***Outreach and Research activities***

CenterPoint Houston markets the availability of this program in the following manner:

- Utilizes mass e-mail notifications to potential project sponsors and developers to inform them of the program start date and informational meetings;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.
- Contracts with a third-party program implementer to implement outreach and planning activities for the Multifamily ENERGY STAR® program.
- Provides point of purchase materials including yard signs, door mats and brochures to participating builders for the Multifamily ENERGY STAR® program.

## **Agencies in Action MTP**

### ***Program design***

The Agencies in Action MTP provides funds for implementing energy efficiency improvement projects for eligible CenterPoint Houston low-income residential customers through non-profit organizations. CenterPoint Houston's goal is to solicit the participation of a sufficient number of non-profit organizations to provide comprehensive, whole-house retrofits that maximize

electricity savings including attic insulation, solar screens, compact fluorescent lamps, water saving measures, ENERGY STAR® room air conditioners, central air conditioning systems, ENERGY STAR® refrigerators, duct efficiency improvement and air infiltration control.

Program participants must have an annual household income of less than 200% of the federal poverty guidelines, and a maximum expenditure of \$6,500 is allowed per home.

***Implementation process***

CenterPoint Houston will continue implementation of its Agencies in Action MTP in 2014. The program implementer has the responsibility of recruiting and overseeing the participating agencies. Local agencies may submit applications for funding provided they meet program participation requirements and funding is available. The program requires all single family homes weatherized must have a NEAT (National Energy Audit Tool) audit conducted by qualified personnel, as described by PURA § 39.905(f), to be eligible for the program. In 2014, the Agencies in Action MTP will continue to comply with Senate Bill 1434 which requires that targeted low income programs comply with the same audit requirements as federal weatherization programs.

***Outreach and Research activities***

CenterPoint Houston markets the availability of its programs in the following manner:

- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Promotes program participation in under-served areas of the CenterPoint Houston electric service territory;
- Contacts non-profit organizations and local housing authorities for potential participation;
- Conducts workshops as necessary to explain elements such as responsibilities of the agency, project requirements, incentive information, and the application and reporting process.

## **C. New Programs for 2014**

### **Pool Pump Pilot Program**

#### ***Program design***

The Pool Pump Pilot Program will initially focus on residential in-ground swimming pools, which is an under-served end use market for the residential customer. The residential program will focus on retrofitting existing single-speed pump motors with variable-speed motors. The program will also target new construction whenever possible. Incentives will be offered through point-of-sale discounts of \$225 off the total price for the purchase, installation and commissioning of eligible variable-speed pumps. Incentives will be paid to the pool companies directly and not to customers.

Although discussed as a possibility for inclusion in 2014, demand response devices will not be addressed in this phase of the program. Also, CenterPoint Houston will determine whether to create a 2015 commercial pool pump program based on the overall 2014 residential program performance.

#### ***Implementation process***

The program will be implemented in the CenterPoint Houston service territory using a third-party program implementer. The third-party implementer will recruit and train pool professionals, and insure program goals are met.

#### ***Outreach and Research activities***

CenterPoint Houston will promote the program in the following manner:

- Attend appropriate industry-related meetings and seminars to generate awareness and interest;
- Conduct workshops as necessary to explain program elements such as responsibilities of the participating contractors, project requirements, and reporting process.
- Provide educational campaigns to the consumer about the benefits and payback for efficient pool operation.

## **Research and Development (R&D) Projects**

In 2014 CenterPoint Energy plans to implement the following R&D projects. Additional projects may be implemented depending on research opportunities and the availability of budgeted R&D funds.

### ***Program: Plug-In Electric Vehicle (PEV) Smart Charging Demonstration Project***

This project is being conducted in partnership with EPRI as a tailored collaboration (TC) project to demonstrate the technology integration of plug-in electric vehicles (PEVs) into the smart grid, as well as researching customer charging behavior and evaluating associated PEV load and infrastructure impacts. The demonstration will control PEV charging requirements under a simulated and real-time grid environment with potential load management consideration from off-peak smart charging technology as well as the capability to accept demand response signals.

The smart charging platform was jointly developed by utility and automotive industries. The platform is standards based and is able to utilize existing CenterPoint Energy's fleet PEVs or future CenterPoint Energy's purchased PEVs. Project demonstration and testing began in mid-2010 and has been extended until the end-of-year 2014 when the Smart-Grid project is scheduled for completion. The extension of time in this project is due to delays in technology development by original equipment manufacturers of batteries and the utility's electric grid to efficiently integrate PEVs with the development of intelligent grids.

### ***Program: Green Proving Ground - Collaborative Study with General Services Administration (GSA) and Oncor***

The Green Proving Ground Program (GPG) leverages the GSA's real estate portfolio and utility R&D funding to evaluate innovative sustainable building technologies. Evaluations, performed in association with independent researchers and the Department of Energy (DOE), are used to support the development of GSA performance specification and inform decision makers within GSA, other federal agencies, and the real estate industry. Only those parts of the GPG program that align with utility goals will be funded from utility R&D funds. CenterPoint Houston is collaborating with Oncor on this R&D project.

The preliminary goals of the collaboration are as follows:

- Identify practical technologies that can be incorporated into utility-sponsored programs
- Use third-party test results to support the development of stipulated deemed savings or M&V protocols for innovative technologies
- Use the rigorous R&D process to support and justify the integration of new technologies in utility-sponsored programs
- Demonstrate a strong return on investment for R&D based on new technologies that are identified through the collaboration and incorporated into utility sponsored programs

The R&D project will continue during the 2014 program year.

***Program: Ductless Mini-Split Study***

CenterPoint Energy has partnered with Frontier Associates to complete a R&D project regarding ductless mini-split units. The purpose of this R&D project is to determine the viability of incorporating ductless mini-splits into CenterPoint Houston's portfolio of energy efficiency programs. The study will be looking at new construction and retrofit applications for the residential and commercial sector. This HVAC technology presents opportunities to achieve demand and energy savings via various modes:

- Equipment-based Savings
  - Efficiency (SEER/EER/HSPF)
  - Elimination of duct losses
- Behavior-based savings
  - Space-based control vs. whole-premise cooling (potential for reduced operating hours)

The R&D study will be conducted by utilizing a 4 phase approach. Phase 1 will involve conducting market research to identify the applications with the greatest potential to create savings. Developing preliminary deemed savings for those applications for which greatest potential is identified, based on the equipment efficiency improvement only, will occur during

Phase 2. Phase 3 will encompass the development of complete deemed savings which may incorporate behavior-based savings for the applications for which they are appropriate. Lastly, Phase 4 will involve attaining approval for this approach by reviewing other TRMs/utility programs and by consulting with the EM&V Team.

This R&D project will be completed in the 2014 program year.

## **D. New Programs for 2015**

### **Data Centers Pilot Program**

#### ***Program design***

Pilot Data Center Market Transformation Program will be offered in 2015 as a full service program to commercial customers that have a dedicated data center, server room or server closets for specialized IT-related equipment such as data storage, web hosting and telecommunications. Data centers operate continuously, require special environmental conditions, and have substantial peak demand loads and annual energy consumption.

The Pilot Data Center Market Transformation Program will target this segment with services and energy conservation measures specifically designed for and marketed to this industry. The program services will include educating customers on current best practices and providing engineering surveys to identify and quantify energy conservation measures.

#### ***Implementation Process***

Implementation will take place in the first quarter of 2015 to establish program materials and guidelines. The program will use a third-party program implementer who will target potential customers that could benefit from this program, such as data center colocations, telecommunications/broadband/fiber optic companies, and corporate headquarters. Incentives will be paid based upon approved measures that produce verifiable demand and energy savings.

#### ***Outreach activities***

CenterPoint Houston plans to market the availability of this program in the following manner:

- Contract with a third-party program implementer to implement outreach and planning activities;
- Participate in appropriate industry-related meetings

## II. Customer Classes

Customer classes targeted by CenterPoint Houston's energy efficiency programs are the Hard-to-Reach, Residential, and Commercial customer classes.

The annual MW savings goal will be allocated to customer classes by examining historical program results, evaluating economic trends, and taking into account Substantive Rule § 25.181 and Senate Bill 1434, which state that no less than 5% of the utility's total demand reduction savings goal should be achieved through programs for hard-to-reach customers and no less than 10% of the energy efficiency budget is to be spent on targeted low-income programs, respectively. Table 3 summarizes the number of customers in each of the customer classes. It should be noted, however, that the actual distribution of the goal and budget must remain flexible based upon the response of the marketplace and the overriding objective of meeting legislative and Commission goals.

**Table 3: Summary of Customer Classes**

Customer Class	Number of Customers
Commercial	262,000
Residential	1,214,000
Hard to Reach <sup>6</sup>	769,000

<sup>6</sup> CenterPoint Houston does not require income information for electric service and no records are available to correlate revenue for the Hard-to-Reach customer class. However, according to the U.S. Census Bureau, Current Population Survey 2013 Annual Social and Economic Supplement, 38.8% of Texas families fall below 200% of the poverty threshold. Applying that percentage to CenterPoint Houston's residential customer totals, the number of HTR customers is estimated at 769,000. Program goals will be based on the requirement in the energy efficiency rule that no less than 5% of the total energy efficiency demand goal will be achieved through the programs in the Hard-to-Reach customer class.

### **III. Energy Efficiency Goals and Projected Savings**

As prescribed by Substantive Rule § 25.181, CenterPoint Houston's demand goal for 2014 is specified as 0.4% of peak demand since the goal of 30% of its five-year average rate of growth in demand was satisfied in 2013. For the purposes of this report, the 2014 goal will be based on the actual peak demand for 2013, and the 2015 goal will be based on the estimated peak demand for 2014. Once actual weather adjusted load data is obtained for the 2014 calendar year, the 2015 goal will be adjusted. The demand savings goals are based on meeting 0.4% of the electric utility's peak demand of residential and commercial customers by December 31, 2014 and meeting 0.4% of the electric utility's peak demand of residential and commercial customers by December 31, 2015. The corresponding energy savings goals are determined by applying a 20 percent capacity factor to the demand savings goals.

Table 4 presents historical annual peak demand for 2009-2013 and estimated peak demand for 2014 and 2015. Table 5 presents the corresponding projected demand and energy savings broken out by program for each customer class for 2014 and 2015. The projected savings is the demand and energy savings that can be achieved based on the annual budget shown in Table 6. The MW and MWh values presented in table 5 are at the customer meter. To derive values at the source, or power plant level, the values shown in the tables should be increased by 7% to account for line losses.

**Table 4: Annual Growth in Demand and Energy Consumption**

Calendar Year	Peak Demand (MW)				Energy Consumption (MWh)			
	Total System		Residential & Commercial		Total System		Residential & Commercial	
	Actual <sup>7</sup>	Weather Adjusted <sup>8,9</sup>	Actual	Weather Adjusted	Actual	Weather Adjusted	Actual	Weather Adjusted
2009	16,240	16,057	14,373	14,190	64,419	63,217	63,449	62,247
2010	16,315	16,341	14,602	14,628	65,667	63,649	64,788	62,770
2011	17,284	16,688	15,321	14,725	69,123	65,365	68,154	64,396
2012	16,614	16,721	14,906	15,013	67,882	67,347	66,952	66,417
2013	17,012	17,099	14,894	14,981	68,636	68,537	67,738	67,639
2014	17,239	N/A <sup>10</sup>	15,485	N/A	69,487	N/A	68,589	N/A
2015	17,697		15,942		70,487		69,589	

Table 4 shows the actual peak demand and energy consumption over the past five years as well as the estimate peak demand and energy consumption for 2014 and 2015. The actual peak demand for 2013 and the estimate peak demand for 2014 multiplied by the PUCT stated annual goal reduction percentage gives the annual MW and MWh goal shown in in Table 1.

#### 2014 Goals

$$\text{MW Goal} = 14,981 \times 0.4\% \times (100\% - 7\%) = 55.73 \text{ MW}$$

$$\text{MWh Goal} = 55.73 \text{ MW} \times 8760 \text{ Hours} \times 20\% \text{ Load Factor} = 97,639 \text{ MWh}$$

#### 2015 Goals<sup>11</sup>

$$\text{MW Goal} = 15,485 \times 0.4\% \times (100\% - 7\%) = 57.60 \text{ MW}$$

$$\text{MWh Goal} = 57.60 \text{ MW} \times 8760 \text{ Hours} \times 20\% \text{ Load Factor} = 100,915 \text{ MWh}$$

<sup>7</sup> 2014 and 2015 Calendar Year "Actual" values are forecasted.

<sup>8</sup> "Actual Weather Adjusted" Peak Demand is "Actual" Peak Demand adjusted for weather fluctuations using weather data for the most recent ten years.

<sup>9</sup> Weather adjustment calculations are based on hourly weather data from NOAA's Quality Controlled Local Climatological Data (QCLCD).

<sup>10</sup> NA = Not Applicable: Energy efficiency goals are calculated based upon the actual weather-adjusted growth in demand, so non weather adjusted "actual" forecasts are not applicable.

<sup>11</sup> Industrial identification notices for 2015 have not been factored in to the demand goal, therefore the goal may change slightly when these ESIID's are removed.

**Table 5: Projected Demand and Energy Savings Broken Out by Program for Each Customer Class (at Meter)**

Program Goals by Customer Class for 2014 and 2015	2014		2015	
	Projected Savings (MW) at Meter	Projected Savings (MWh) at Meter	Projected Savings (MW) at Meter	Projected Savings (MWh) at Meter
<b>Large Commercial</b>	<b>119.85</b>	<b>107,917.29</b>	<b>120.83</b>	<b>117,578.93</b>
Large Commercial SOP	13.35	72,892.73	13.35	72,892.73
Texas SCORE MTP (Commercial MTP)	3.20	13,350.00	3.76	18,865.49
Large Commercial Load Management SOP	100.00	300.00	100.00	300.00
Retro-Commissioning MTP	2.21	17,070.74	1.91	14,742.91
Advanced Lighting Commercial	0.34	2,424.97	0.00	0.00
Sustainable Schools Pilot	0.29	703.78	0.29	703.78
Retail Electric Provider MTP	0.46	1,175.06	0.51	1,324.01
Data Centers Pilot	-	-	1.00	8,750.00
<b>Residential and Small Commercial</b>	<b>22.02</b>	<b>65,861.38</b>	<b>22.14</b>	<b>65,364.78</b>
ENERGY STAR® Homes MTP	12.44	31,375.20	10.88	27,453.30
Residential & SC SOP	0.98	1,978.84	0.98	1,978.84
Advanced Lighting Residential	0.30	3,263.67	0.30	3,263.67
A/C Distributor MTP	2.08	6,649.55	2.08	6,649.55
Home Performance with ENERGY STAR® MTP	0.06	133.01	0.00	0.00
Retail Electric Provider MTP	3.21	8,275.06	4.01	8,277.75
Multi-Family MTP (RES)	1.23	8,067.57	1.64	10,756.76
Pool Pump Pilot	1.05	1,732.87	1.58	2,599.30
Energy Wise Resource Action MTP	0.67	4,385.61	0.67	4,385.61
<b>Hard-to-Reach</b>	<b>6.92</b>	<b>11,104.74</b>	<b>5.96</b>	<b>17,055.32</b>
Hard-to-Reach SOP Program	2.64	5,098.12	1.51	2,913.21
Multi-Family MTP (HTR)	0.75	1,752.06	1.64	10,756.76
Agencies in Action MTP	3.53	4,254.56	2.81	3,385.35
<b>TOTAL</b>	<b>148.79</b>	<b>184,883.40</b>	<b>148.94</b>	<b>199,999.03</b>

#### **IV. Program Budgets**

Table 6 presents total projected budget allocations require to achieve the projected demand and energy savings for calendar years 2014 and 2015. The budget allocations are a result of the projected demand and energy savings presented in Table 5. The budget allocations presented in Table 6 include incentive and administration costs for each program and customer class.

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

Program Estimated Budget by Customer Class for 2014 and 2015	2014			2015		
	Incentives	Admin	Total Budget	Incentives	Admin	Total Budget
<b>Large Commercial</b>	<b>\$16,330,000</b>	<b>\$2,043,100</b>	<b>\$18,373,100</b>	<b>\$17,225,000</b>	<b>\$1,972,800</b>	<b>\$19,197,800</b>
Large Commercial SOP	\$7,000,000	\$1,034,100	\$8,034,100	\$7,000,000	\$1,031,000	\$8,031,000
Texas SCORE MTP (Commercial MTP)	\$3,400,000	\$366,400	\$3,766,400	\$4,000,000	\$422,200	\$4,422,200
Large Commercial Load Management SOP	\$3,500,000	\$351,600	\$3,851,600	\$3,500,000	\$261,500	\$3,761,500
Retro-Commissioning MTP	\$1,100,000	\$141,600	\$1,241,600	\$950,000	\$115,800	\$1,065,800
Advanced Lighting Commercial	\$600,000	\$91,100	\$691,100	\$0	\$0	\$0
Sustainable Schools Pilot	\$375,000	\$21,300	\$396,300	\$375,000	\$32,500	\$407,500
Retail Electric Provider MTP	\$355,000	\$37,000	\$392,000	\$400,000	\$45,800	\$445,800
Data Centers Pilot	\$0	\$0	\$0	\$1,000,000	\$64,000	\$1,064,000
<b>Residential and Small Commercial</b>	<b>\$11,550,000</b>	<b>\$1,294,400</b>	<b>\$12,844,400</b>	<b>\$12,000,000</b>	<b>\$1,387,500</b>	<b>\$13,387,500</b>
ENERGY STAR® Homes MTP	\$4,000,000	\$494,500	\$4,494,500	\$3,500,000	\$478,000	\$3,978,000
Residential & SC SOP	\$500,000	\$83,400	\$583,400	\$500,000	\$86,300	\$586,300
Advanced Lighting Residential	\$600,000	\$64,100	\$664,100	\$600,000	\$65,700	\$665,700
A/C Distributor MTP	\$1,700,000	\$254,700	\$1,954,700	\$1,700,000	\$250,800	\$1,950,800
Home Performance with ENERGY STAR® MTP	\$500,000	\$32,500	\$532,500	\$0	\$0	\$0
Retail Electric Provider MTP	\$2,500,000	\$172,700	\$2,672,700	\$3,500,000	\$302,600	\$3,802,600
Multi-Family MTP (RES)	\$600,000	\$64,600	\$664,600	\$800,000	\$70,200	\$870,200
Pool Pump Pilot	\$500,000	\$54,900	\$554,900	\$750,000	\$69,400	\$819,400
Energy Wise Resource Action MTP	\$650,000	\$73,000	\$723,000	\$650,000	\$64,500	\$714,500
<b>Hard-to-Reach</b>	<b>\$7,000,000</b>	<b>\$787,600</b>	<b>\$7,787,600</b>	<b>\$5,500,000</b>	<b>\$684,700</b>	<b>\$6,184,700</b>
Hard-to-Reach SOP	\$1,750,000	\$260,500	\$2,010,500	\$1,000,000	\$173,600	\$1,173,600
Multi-Family MTP (HTR)	\$600,000	\$63,600	\$663,600	\$800,000	\$72,200	\$872,200
Agencies in Action MTP	\$4,650,000	\$463,500	\$5,113,500	\$3,700,000	\$438,900	\$4,138,900
<b>SUB TOTAL</b>	<b>\$34,880,000</b>	<b>\$4,125,100</b>	<b>\$39,005,100</b>	<b>\$34,725,000</b>	<b>\$4,045,000</b>	<b>\$38,770,000</b>
R&D	\$0	\$300,000	\$300,000	\$0	\$350,000	\$350,000
<b>PROGRAM TOTAL</b>	<b>\$34,880,000</b>	<b>\$4,425,100</b>	<b>\$39,305,100</b>	<b>\$34,725,000</b>	<b>\$4,395,000</b>	<b>\$39,120,000</b>
<b>EM&amp;V<sup>12</sup></b>			<b>\$1,284,700</b>			<b>\$0</b>
<b>EECRF PROGRAM TOTAL</b>			<b>\$40,589,800</b>			<b>\$39,120,000</b>

<sup>12</sup> 2013 allocated EM&V Costs are being used as an estimate for 2014, actual EM&V costs will be specified by PUC Staff prior to the EECRF filing.

## Energy Efficiency Report

### V. Historical Demand Savings Goals and Energy Targets for Previous Five Years

Table 7 documents CenterPoint Houston's actual demand goals and energy targets for the previous five years (2009 – 2013). Each value was calculated using the methods outlined in Substantive Rule § 25.181.

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

<b>Calendar Year</b>	<b>Actual Weather Adjusted Demand Goal at Meter (MW)</b>	<b>Actual Weather Adjusted Energy Goals at Meter (MWh)</b>	<b>Actual Demand Savings at Meter (MW)</b>	<b>Actual Weather Adjusted Energy Savings at Meter (MWh)</b>
<b>2013</b>	54.85	96,088.00	195.97	160,106.74
<b>2012</b>	39.20	68,693.82	175.40	130,617.00
<b>2011</b>	39.21	68,694.00	110.24	146,092.00
<b>2010</b>	39.21	68,694.00	120.98	139,665.00
<b>2009</b>	34.09	59,732.00	76.11	125,427.00

## **VI. Projected Savings, Reported and Verified Demand and Energy Savings**

Table 8 breaks out the projected savings, verified savings, and reported and verified savings by customer class for each program. The projected savings were reported in the Energy Efficiency Plan filed in April of 2013. The reported and verified savings are those savings that have been achieved and verified in 2013 calendar year.

**Table 8: Projected Savings versus Reported and Verified Savings for 2012 (at Meter)**

Programs by Customer Class for 2013	2013					
	Projected Savings		Verified Savings		Reported / Verified	
	MW	MWh	MW	MWh	MW	MWh
<b>Large Commercial</b>	<b>185.30</b>	<b>100,407.03</b>	<b>172.44</b>	<b>104,615.15</b>	<b>172.44</b>	<b>104,615.15</b>
Large Commercial SOP	11.17	58,726.00	12.58	68,705.00	12.58	68,705.00
Texas SCORE MTP (Commercial MTP)	9.14	30,431.00	3.27	16,101.97	3.27	16,101.97
Large Commercial Load Management SOP	162.86	651.43	153.04	459.12	153.04	459.12
Retro-Commissioning MTP	1.52	6,658.00	2.06	14,793.66	2.06	14,793.66
Advanced Lighting Commercial	0.19	2,100.60	0.36	2,556.42	0.36	2,556.42
Sustainable Schools Pilot <sup>18</sup>	0.42	1,840.00	0.16	392.34	0.16	392.34
Retail Electric Provider Pilot MTP	N/A	N/A	0.96	1,606.62	0.96	1,606.62
<b>Residential and Small Commercial</b>	<b>14.44</b>	<b>36,909.75</b>	<b>16.65</b>	<b>47,028.13</b>	<b>16.65</b>	<b>47,028.13</b>
ENERGY STAR <sup>®</sup> Homes MTP	6.54	17,195.00	10.80	27,260.05	10.80	27,260.05
Residential & SC SOP	0.69	1,200.00	0.76	1,535.24	0.76	1,535.24
Advanced Lighting Residential	0.13	1,400.40	0.22	2,394.15	0.22	2,394.15
A/C Distributor MTP	1.58	4,988.00	1.90	6,055.49	1.90	6,055.49
Home Performance with ENERGY STAR <sup>®</sup> MTP	0.50	876.00	0.09	199.90	0.09	199.90
Retail Electric Provider Pilot MTP	4.05	7,984.62	2.01	5,192.29	2.01	5,192.29
Multi-Family MTP (RES)	0.30	1,436.73	0.52	1,229.57	0.52	1,229.57
Energy Wise Resource Action MTP	0.65	1,829.00	0.35	3,161.45	0.35	3,161.45
<b>Hard-to-Reach</b>	<b>2.69</b>	<b>7,410.27</b>	<b>6.46</b>	<b>8,854.13</b>	<b>6.46</b>	<b>8,854.13</b>
Hard-to-Reach SOP	1.66	3,391.00	1.50	2,807.86	1.50	2,807.86
Multi-Family MTP (HTR)	0.06	294.27	0.06	147.17	0.06	147.17
Agencies in Action MTP	0.97	3,725.00	4.90	5,899.09	4.90	5,899.09
<b>TOTAL</b>	<b>202.43</b>	<b>144,727.05</b>	<b>195.54</b>	<b>160,497.41</b>	<b>195.54</b>	<b>160,497.41</b>

**Table 9: Projected Savings versus Reported and Verified Savings for 2012 (at Meter)**

Programs by Customer Class for 2012	2012					
	Projected Savings		Verified Savings		Reported / Verified	
	MW	MWh	MW	MWh	MW	MWh
<b>Large Commercial</b>	<b>235.02</b>	<b>97,284.80</b>	<b>157.59</b>	<b>84,300.12</b>	<b>157.63</b>	<b>84,386.55</b>
Large Commercial SOP	12.76	61,251.00	12.02	63,738.84	12.06	63,825.27
Texas SCORE MTP (Commercial MTP)	6.94	16,657.00	3.36	11,206.86	3.36	11,206.86
Large Commercial Load Management SOP	212.50	850.00	140.54	421.62	140.54	421.62
Retro-Commissioning MTP	2.00	10,572.00	1.61	6,403.98	1.61	6,403.98
Advanced Lighting Commercial	0.82	7,954.80	0.06	2,528.82	0.06	2,528.82
Sustainable Schools Pilot	N/A	N/A	0.00	0.00	0.00	0.00
<b>Residential and Small Commercial</b>	<b>18.99</b>	<b>43,816.20</b>	<b>14.49</b>	<b>37,357.94</b>	<b>14.49</b>	<b>37,357.94</b>
ENERGY STAR® Homes MTP	10.35	22,435.00	10.14	26,565.60	10.14	26,565.60
Residential & SC SOP	0.94	2,355.00	0.84	1,495.55	0.84	1,495.55
Advanced Lighting Residential	0.55	5,303.20	0.14	1,554.28	0.14	1,554.28
A/C Distributor MTP	1.99	6,366.00	1.98	6,326.55	1.98	6,326.55
Home Performance with ENERGY STAR® MTP	1.54	4,043.00	0.00	2.96	0.00	2.96
Retail Electric Provider Pilot MTP	3.44	1,506.00	0.88	1.76	0.88	1.76
Energy Wise Resource Action MTP	0.19	1,808.00	0.51	1,411.24	0.51	1,411.24
<b>Hard-to-Reach</b>	<b>3.59</b>	<b>13,501.00</b>	<b>3.13</b>	<b>8,888.80</b>	<b>3.13</b>	<b>8,888.80</b>
Hard-to-Reach SOP	1.90	5,018.00	1.97	4,018.91	1.97	4,018.91
Multi-Family MTP	0.44	4,454.00	0.46	2,197.51	0.46	2,197.51
Agencies in Action MTP	1.25	4,029.00	0.70	2,672.38	0.70	2,672.38
<b>TOTAL</b>	<b>257.60</b>	<b>154,602.00</b>	<b>175.22</b>	<b>130,546.87</b>	<b>175.26</b>	<b>130,633.30</b>

## **VII. Historical Program Expenditures**

This section documents CenterPoint Houston's incentive and administration expenditures for the previous five years (2009 – 2013) broken out by program for each customer class.

Table 10: Historical Program Incentive and Administrative Expenditures (2008 – 2013)<sup>13</sup>

Historical Statutory Program Funding by Customer Class	2013		2012		2011		2010		2009	
	Incentives	Admin	Incentives	Admin	Incentives	Admin	Incentives	Admin	Incentives	Admin
<b>Large Commercial</b>	\$17,014,058	\$1,818,911	\$15,322,812	\$1,840,794	\$13,470,138	\$1,371,096	\$11,343,328	\$1,196,594	\$8,287,710	\$1,074,257
Large Commercial SOP	\$6,597,644	\$954,748	\$6,118,676	\$1,113,955	\$7,135,658	\$827,522	\$5,134,285	\$650,943	\$4,643,677	\$658,909
Retro-Commissioning MTP	\$924,415	\$98,467	\$728,186	\$98,953	\$911,694	\$197,955	\$940,596	\$110,454	\$912,365	\$126,804
Texas SCORE MTP (Commercial MTP)	\$2,933,764	\$230,852	\$2,175,141	\$248,361	\$2,573,968	\$173,145	\$2,328,447	\$232,255	\$1,408,282	\$134,974
Large Commercial Load Management SOP	\$5,221,196	\$350,800	\$3,622,000	\$303,369	\$2,848,818	\$172,474	\$2,940,000	\$202,942	\$1,323,386	\$153,570
Sustainable Schools	\$209,070	\$31,015	\$74,196	\$10,803	N/A	N/A	N/A	N/A	N/A	N/A
Advanced Lighting Program	\$632,539	\$111,449	\$601,613	\$65,353						
REP Pilot Program	\$495,429	\$41,581								
<b>Residential and Small Commercial</b>	\$9,173,682	\$960,688	\$8,991,307	\$1,094,181	\$6,987,624	\$1,323,648	\$6,326,842	\$576,141	\$4,875,287	\$532,318
ENERGY STAR® Homes MTP	\$3,474,935	318,973	\$3,513,219	\$354,435	\$4,291,355	\$253,960	\$3,475,535	\$315,323	\$3,332,636	\$293,626
CEET Residential Demand Response Pilot	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Residential SOP	\$387,886	\$70,664	\$500,874	\$83,866	\$492,083	\$208,782	\$355,817	\$55,643	\$364,490	\$92,261
Advanced Lighting Program	\$440,152	\$37,808	\$415,568	\$43,568	\$565,282	\$89,277	\$506,617	\$64,903	\$490,095	\$56,180
Multi-Family MTP (RES)	\$252,600	\$46,153	\$347,050	\$50,050	\$15,200	\$2,825	\$18,600	\$2,552	\$175,200	\$21,367
A/C Distributor Program	\$1,548,290	\$171,697	\$1,642,142	\$191,096	\$1,586,152	\$151,498	\$1,780,779	\$116,152	\$345,952	\$42,211
Energy Wise Resource Action MTP	\$749,997	\$47,823	\$538,740	\$47,476	\$0	\$602,370				
Retail Electric Provider Pilot MTP	\$1,568,860	\$131,673	\$1,384,156	\$254,125	N/A	N/A	N/A	N/A	N/A	N/A
Home Performance with ENERGY STAR®	\$750,962	\$135,897	\$649,558	\$69,565						
Community Weatherization (RES)	N/A	N/A	N/A	N/A	\$6,664	\$3,975				
City of Houston Weatherization (RES)					\$30,888	\$10,961	\$189,494	\$21,567	\$166,914	\$26,673
<b>Hard-to-Reach</b>	\$7,492,187	\$627,394	\$5,551,440	\$535,801	\$6,411,548	\$699,293	\$7,383,333	\$771,337	\$9,184,238	\$875,066
Hard-To-Reach SOP	\$933,114	\$173,248	\$1,702,481	\$195,053	\$1,714,238	\$278,988	\$1,647,077	\$200,539	\$2,341,131	\$208,718
Multi-Family MTP (HTR)	\$50,400	\$9,435	\$63,200	\$9,114	\$341,650	\$63,507	\$181,200	\$24,865	\$284,850	\$34,740
Res HTR - Afford Home	\$62,400	\$13,040	\$49,985	\$5,727	\$41,248	\$0	\$56,153	\$8,781	\$31,607	\$8,000
Agencies in Action MTP	\$6,446,273	\$431,671	\$3,735,774	\$325,907	\$3,612,188	\$146,179	\$3,282,998	\$284,018	\$4,240,000	\$287,758
TDHCA Low-Income Weatherization (SB-712)					\$360,440	\$74,381	\$364,098	\$49,228	\$360,000	\$47,241
Rebuilding Together Houston					N/A	N/A	\$957,927	\$102,171	\$1,052,339	\$148,895
Community Weatherization (HTR)					\$61,890	\$36,915	N/A	N/A	N/A	N/A
City of Houston Weatherization (HTR)					\$279,895	\$99,322	\$893,880	\$101,735	\$874,311	\$139,714
R&D	\$0	\$1,196,274	\$0	\$1,422,482	\$0	\$1,402,351	\$0	\$1,282,626	\$0	\$516,596
<b>TOTAL</b>	\$33,679,927	\$4,603,267	\$29,865,559	\$4,893,258	\$26,869,310	\$4,796,388	\$25,053,403	\$3,826,698	\$22,347,235	\$2,998,238

<sup>13</sup> 2013 actual spending taken from Table 11 in the current EEP; 2012 actual spending from the 2013 EEP filed under Project No. 41196; 2011 actual spending from the 2012 EEP filed under Project No. 40194; 2010 actual spending from Energy Efficiency Report (EER) filed under Project No. 39105; 2009 actual spending from the EER filed under Project No. 37982.

## **VIII. Program Funding for Calendar Year 2013**

As shown on Table 11, CenterPoint Houston spent a total of \$38,283,194 on energy efficiency programs in 2013. This was \$4,573,806 less than the Company's adjusted budget of \$42,857,000. Changes to individual program budgets that resulted in greater than 10% increases or decreases are described below.

The SCORE MTP spending decreased 46% as a result of \$2.5 million in City of Houston projects being delayed or canceled due to a federal spending freeze. Retro-Commissioning MTP spending decreased 18% due to the identified measures exceeding customer budgets, which delayed project implementation. The ENERGY STAR® MTP spending increased 12% due to reallocation of funds from residential programs that were not meeting target projections and increased builder participation. The Home Performance with ENERGY STAR® Pilot MTP showed a decrease of 46% primarily due to lack of customer participation and inability of contractors to identify potential customers. The REP Pilot Program spending decreased 10% due to a delay of REP marketing and a delay in implementation due to cooler weather. The Hard-to-Reach SOP decreased spending by 40% due to project sponsors difficulties with the new leakage-to-outside testing requirements. This also affected the Residential SOP resulting in a 19% decrease in spending. The Multi-family MTP spending decreased by 21% in residential and 23% in hard to reach due to a delay in construction projects. The Agencies in Action MTP spending increased by 19% due to additional multi-family weatherization opportunities and additional funds reallocated from other low-income programs.

Table 11: Program Funding for Calendar Year 2013

Program Funding for Calendar Year 2013	Number of Customers <sup>14</sup>	Forecasted Budget	Actuals Funds Expended (Incentives)	Actuals Funds Expended (Admin)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)	Percentage Change From Budgeted/ Actual
<b>Large Commercial</b>	<b>1,125</b>	<b>\$23,016,300</b>	<b>\$16,057,624</b>	<b>\$1,818,912</b>	<b>\$17,876,536</b>	<b>\$956,433</b>	<b>-\$4,183,331</b>	<b>82%</b>
Large Commercial SOP	266	\$7,833,500	\$6,388,069	\$954,748	\$7,342,817	\$209,575	-\$281,108	96%
Texas SCORE MTP (Commercial MTP)	34	\$5,848,000	\$2,544,406	\$230,852	\$2,775,258	\$389,358	-\$2,683,384	54%
Large Commercial Load Management SOP	552	\$6,109,000	\$5,221,196	\$350,800	\$5,571,996	\$0	-\$537,004	91%
Retro-Commissioning MTP	25	\$1,243,000	\$566,915	\$98,467	\$665,382	\$357,500	-\$220,118	82%
Advanced Lighting	19	\$682,800	\$632,539	\$111,449	\$743,988	\$0	\$61,188	109%
Sustainable Schools	3	\$697,000	\$209,070	\$31,015	\$240,085	\$0	-\$456,915	N/A
Retail Electric Provider Pilot	226	\$603,000	\$495,429	\$41,581	\$537,010	\$0	-\$65,990	89%
<b>Residential and Small Commercial</b>	<b>13,460</b>	<b>\$10,811,340</b>	<b>\$9,173,682</b>	<b>\$960,688</b>	<b>\$10,134,370</b>	<b>\$0</b>	<b>-\$676,970</b>	<b>94%</b>
ENERGY STAR® Homes MTP	9,828	\$3,376,000	\$3,474,935	\$318,973	\$3,793,908	\$0	\$417,908	112%
Residential SOP	19	\$563,000	\$387,886	\$70,664	\$458,550	\$0	-\$104,450	81%
Advanced Lighting	n/a	\$455,200	\$440,152	\$37,808	\$477,960	\$0	\$22,760	105%
A/C Distributor Program	9	\$1,681,000	\$1,548,290	\$171,697	\$1,719,987	\$0	\$38,987	102%
Home Performance with ENERGY STAR®	49	\$1,629,500	\$750,962	\$135,897	\$886,859	\$0	-\$742,641	54%
Retail Electric Provider Pilot MTP	3,382	\$1,909,500	\$1,568,860	\$131,673	\$1,700,533	\$0	-\$208,967	89%
Energy Wise Resource Action Program	168	\$817,000	\$749,997	\$47,823	\$797,820	\$0	-\$19,180	98%
Multi-Family Water & Space Htg MTP (RES)	5	\$380,140	\$252,600	\$46,153	\$298,753	\$0	-\$81,387	79%
<b>Hard-to-Reach</b>	<b>1,568</b>	<b>\$7,859,360</b>	<b>\$7,492,187</b>	<b>\$627,394</b>	<b>\$8,119,581</b>	<b>\$0</b>	<b>\$260,221</b>	<b>103%</b>
Hard-to-Reach SOP Program	21	\$1,981,000	\$995,514	\$186,288	\$1,181,802	\$0	-\$799,198	60%
Multi-Family Water & Space Htg MTP (HTR)	1	\$77,860	\$50,400	\$9,435	\$59,835	\$0	-\$18,025	77%
Agencies in Action MTP	1,546	\$5,800,500	\$6,446,273	\$431,671	\$6,877,944	\$0	\$1,077,444	119%
<b>SUB TOTAL</b>	<b>16,153</b>	<b>\$41,687,000</b>	<b>\$32,723,493</b>	<b>\$3,406,994</b>	<b>\$36,130,487</b>	<b>\$0</b>	<b>-\$5,556,513</b>	<b>87%</b>
R&D	0	\$1,170,000	\$0	\$1,196,274	\$1,196,274	\$0	\$26,274	102%
<b>TOTAL</b>	<b>16,153</b>	<b>\$42,857,000</b>	<b>\$32,723,493</b>	<b>\$4,603,268</b>	<b>\$37,326,761</b>	<b>\$956,433</b>	<b>-\$4,573,806</b>	<b>87%</b>

<sup>14</sup> Customer count definitions have changed during the EM&V process, so number of customers for some programs may not be comparable to 2012 program results.

## **IX. Market Transformation Program Results**

### **The Commercial MTP**

The primary objective of the SCORE/CitySmart MTP is achieve peak demand and energy savings by providing K-12, higher education, cities and counties and state governmental agencies a way help to reduce energy costs, offset project costs to move to more efficiency equipment, provide infrastructure improvements, and optimize work environments in their buildings.

In 2013, participation was spread among various entities throughout the CenterPoint Houston footprint; including 20 school districts, 2 private schools, 3 higher education facilities, 5 cities, one county, and one state agency. In 2013, CenterPoint Houston and the program implementer have identified a list of current participants who could possibly take advantage of the higher incentives that the SCORE MTP Lite has to offer to help continue to transition the market. We plan to hold meetings with these participants in 2014.

The 2013 Healthcare Energy Efficiency Program (HEEP) was created to help healthcare providers identify energy efficiency opportunities in existing and newly planned facilities. The HEEP program is designed for healthcare facilities including clinics, small hospitals (< 300 beds), assisted living/nursing care and medical offices within CenterPoint Houston's Service territory. In addition, the program provides monetary incentives to participants who implement eligible energy conservation measures. The program is implemented by Willdan Energy Solutions who provides various technical services including benchmarking, savings calculations, energy assessments and recommendations for operational improvements.

Twenty-two healthcare facilities participated in 2013 which included 13 hospitals, 6 dialysis clinics, 1 hospice and 2 senior care facilities. Numerous energy conservation measures were identified including lighting retrofits, chiller replacements, variable frequency drives (VFD's), energy efficient roofing and operational recommendations. During the first year of the program, only two healthcare facilities were completed. The remaining 20 healthcare facilities plan to implement the recommended energy conservation measures in 2014. As a result, the 2014 HEEP program will benefit from impacts identified in 2013 but implemented and or installed in 2014.

### **Retro-Commissioning MTP (RCx)**

The RCx program offers commercial customers the opportunity to make operational performance improvements in their facilities based on low cost / no cost measures identified by engineering analysis.

In 2013, the RCx program continued to evolve. The existing contract with Nexant Inc as the program implementer was scheduled to expire at the end of 2013, prompting a request for competitive bids. Numerous proposals were reviewed in late summer/early fall, with the final selection going to Nexant Inc. The bidding process and new contract presented an opportunity to introduce new concepts including a performance based fee structure for the program implementer and the RCx Agents, a software based screening process to reduce the cost and time to evaluate potential projects, and the elimination of customer incentives. The program changes also allowed commercial customers with smaller facilities (100,000 square feet and larger) to now participate in the program.

The interest in RCx continues to increase each year as several new firms have been added to the list of qualified RCx Agents, bringing the total to over 30 by the end of 2013. The substantial increase in attendance at the 2012 and 2013 annual kick-off meetings by building owners, management companies, and potential new RCx Agents points to a growing interest in this program. With the newly adjusted program requirements, it is expected that many more facilities will participate in the future.

### **ENERGY STAR® New Homes MTP**

The primary objective of this program is to achieve peak demand reductions and energy savings through increased sales of ENERGY STAR® homes. Additionally, the program is designed to condition the market so that consumers are aware of and request ENERGY STAR® homes and products. Many additional “high performance” home programs have been created that directly compete with the ENERGY STAR® brand and many program participants have recently moved to building homes to these requirements instead of ENERGY STAR®. CenterPoint Houston has continued to market and support the ENERGY STAR® brand and help builders with extra

incentives and program support in order to offset the costs of building an ENERGY STAR<sup>®</sup> home.

In 2013, the number of homes certified, labeled and incentivized through CenterPoint Houston's ENERGY STAR<sup>®</sup> New Home MTP rose from 9,652 in 2012 to 9,828 in 2013, while the program requirements moved away from a minimum HERS index. Also, in 2013 homes had to be ENERGY STAR<sup>®</sup> certified or meet minimum eligibility requirements (0.27 SHGC or below, 14.5 SEER or above and 50% high efficacy lighting or above) to qualify for incentives in the program. If the home met these requirements, incentives were paid based on all measures installed in the home. In order to continue transforming the market while helping builders control costs, an additional incentive was given to homes that were built according to ENERGY STAR<sup>®</sup> Version 3 requirements. CenterPoint Houston and the program implementer also offered sales training to builders to help educate them on the new Version 3 requirements, as well as to offer tips and pointers on how best to sell an ENERGY STAR<sup>®</sup> home.

The Predictive Savings Tool (PST) used to determine the savings achieved in the ENERGY STAR<sup>®</sup> homes was updated to reflect the following:

- City of Houston energy code updates, and expected statewide changes.
- Position the CenterPoint Houston ENERGY STAR<sup>®</sup> New Homes MTP for continued high performance should local builders end their affiliation with the EPA ENERGY STAR<sup>®</sup> New Homes MTP.
- Decouple the PST analysis from the Residential Energy Services Network (RESNET) HERS Index as the primary evaluation driver.
- Reflect improving baseline standards throughout the local market area.
- Redesign incentives structure to pay for performance by focusing on the higher impact efficiency measures.

These updates do not fundamentally alter the methodology used to calculate estimated energy and demand savings for new homes.

## **A/C Distributor MTP**

The A/C Distributor MTP provides incentives to air conditioning distributors who agree to facilitate the installation of high-efficiency (>16 SEER/12 EER) air conditioners and heat pumps in single-family and multi-family homes within CenterPoint Houston's service territory.

CenterPoint Houston and a third party implementer held A/C dealer training sessions with each distributor in order to educate various A/C dealers on how to participate with their distributors. The A/C system baseline is currently a 13 SEER and A/C dealers who try to sell a higher efficiency product (>16 SEER), have trouble upselling when the baseline product is much cheaper. The dealer training sessions provide a separate presentation on marketing high efficiency units and how to find the best market segment for potential buyers to help participating dealers sell units above the current baseline. CenterPoint Houston began the 2013 program year with the same requirements for the 2012 program year (>16 SEER/12 EER). Each distributor was asked for their sales history in 2012 and their sales prediction for 2013 broken out by SEER level in order to accurately distribute funds throughout the program. Once the results were in, the same requirements for the 2012 program year were still viable for the 2013 program year.

The 2013 program had nine participating A/C Distributors and six of the nine distributors exceeded their original contract amount. This verified the decision to keep the 2012 requirements in place and continue to aid in transforming the market to higher efficiency A/C units.

## **Home Performance with ENERGY STAR® MTP**

The Home Performance with ENERGY STAR® program (HPwES) offers residential customers a comprehensive whole house approach to improve energy efficiency and comfort in their home. Third party contractors are recruited and trained to utilize diagnostic equipment to assess a home's condition and identify potential improvements. Energy analysis software combines the results of the consultation and inspection to provide the homeowner with a detailed report that includes recommended improvements, implementation costs, expected utility savings and expected rebates if measures are completed. The program implementer pays the contractor

incentives, up to \$5,000, which is then used to assist the homeowner with the total installation cost of selected measures.

Although nearly 50 homes benefited from the HPwES program in 2013, the savings achieved did not justify continuing the program. Therefore, the program will end in the first quarter of 2014.

### **Multifamily MTP Program**

The Multifamily Water & Space Heating MTP promotes the installation of energy efficient non-electric water heating and space heating in multi-family housing projects.

In 2013, the Multifamily Water and Space Heating MTP paid incentives on five apartment complexes with a total of 1,407 units in the CenterPoint Houston service area. Of these units, 144 were classified as Hard-To-Reach and 1,263 units were classified as Market Rate residential complexes. All five of these complexes installed gas boiler systems.

Interest in the program continues to be favorable. There are several potential projects for the 2015 year. To plan more effectively for the 18 month multifamily development timeline, developers, architects and builders will be invited to attend a Multi-family Water & Space Heating 2016 Program kickoff meeting in 2014.

To further enhance the participation of multifamily developers, CenterPoint Houston implemented a new multifamily ENERGY STAR<sup>®</sup> program that offers incentives to developers for the construction of Version 3 ENERGY STAR<sup>®</sup> certified multifamily homes. In 2013, the Multifamily ENERGY STAR<sup>®</sup> program paid incentives to one of the first ENERGY STAR<sup>®</sup> Multifamily complexes in the nation.

### **Agencies in Action MTP**

The Agencies in Action program involves partnerships with a number of community action agencies in the CenterPoint Houston service area that can provide energy efficiency services to low-income customers. This program is designed to reduce the energy consumption and energy costs of CenterPoint Houston's low-income customers. Appropriate weatherization measures and basic on-site energy education will be provided to income eligible residential consumers. Funds are made available annually to non-profit community agencies that can provide or arrange to

provide energy efficiency measures such as attic and wall insulation, energy-efficient lighting, ENERGY STAR® appliances and other home improvements that can have a significant impact on energy bills.

In 2013, the program implementer contracted with six different agencies throughout the CenterPoint Houston service area. These agencies are Chinese Community Center, Vietnamese Teamwork, Neighborhood Centers Inc., Fort Bend CORPS, Antioch Baptist Church, and City of Houston. The 2013 program required that all single-family homes weatherized must have a National Energy Audit Tool (NEAT) audit conducted by a qualified assessor in order to comply with federal weatherization programs. The program looks to extend the 2013 performance into 2014 by seeking energy efficiency retrofit opportunities in the low-income multi-family residential sector. Collaboratively, CenterPoint Houston and the Program Implementer will continue to conduct workshops to provide the participating agencies training and to establish best practices.

### **Advanced Lighting Residential MTP**

The residential program provides a point-of-sale discount applied to the purchase of qualified LED products at all Houston area Home Depots, Lowe's, Costco, and Sam's Club stores. Discounts were up to \$10 off the retail price per item purchased. Sales data is provided by the manufacturers, so the customer is not required to fill out any rebate forms. Only selected ENERGY STAR® products are eligible, available in numerous sizes, styles and manufacturers. In 2013 over 43,000 LED units were sold in over 70 stores. The residential program will continue in 2014 and will offer a larger selection of LED product, as the technology continues to improve and spread into more applications.

### **Advanced Lighting Commercial MTP**

The commercial program provides customer incentives based on energy and demand savings from the installation of outdoor LED lighting fixtures in parking garages, parking lots, and other outdoor locations. All LED products in the program must be certified by Design Lights Consortium (DLC). The DLC is an industry standard used by manufacturers to list those