ENERGY EFFICIENCY PLAN AND REPORT (EEPR) ORGANIZATION

This EEPR consists of an Executive Summary, fourteen sections and two appendices.

- The Executive Summary highlights EPE's reported achievements for 2012 and EPE's plans for achieving its 2013 and 2014 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 introduction to any programs not included in EPE's previous EEPR.
- Section II explains EPE's targeted customer classes, specifying the size of each class and the method for determining those sizes.
- Section III presents EPE's goal calculation and projected energy efficiency savings for the prescribed planning period broken out by program for each customer class.
- Section IV describes EPE's proposed energy efficiency budgets for 2013 and 2014 broken out by program for each customer class.

Energy Efficiency Report

- Section V documents EPE's actual demand savings goals and energy targets for the previous five years (2008-2012).
- Section VI compares EPE's projected energy and demand savings to its reported and verified savings by program for calendar years 2011 and 2012.
- Section VII details EPE's incentive and administration expenditures for the previous five years (2008-2012) broken out by program for each customer class.
- Section VIII compares EPE's actual and budgeted program costs for 2012 broken out by program for each customer class. It also explains any cost increases or decreases of more than 10 percent for EPE's overall program budget.
- Section IX describes the results from EPE's Market Transformation Programs (MTPs).
- Section X documents EPE's most recent Energy Efficiency Cost Recovery Factor (EECRF).
- Section XI reflects EPE's revenue collection through the 2012 EECRF.
- Section XII breaks out the over/under recovery of EPE's energy efficiency program costs.
- Section XIII reports the number of customers served and the savings relative to the three counties served by EPE in Texas.
- Section XIV details the performance incentive calculation.

Appendices

- Appendix A – Reported kW and kWh Savings broken out by county for each program.
- Appendix B – Provides data, explanations, or documents supporting other sections of the EEPR.

EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details EPE's plans to meet the energy efficiency savings goals and caps for 2013 as established in the final order of Docket No. 40343,[1] issued on September 20, 2012. Granted pursuant to PUCT Substantive Rule 25.181(e)(2), the order established both revised goals and caps applicable to EPE for 2013. The order maintains in 2013 the same goals for energy efficiency programs that EPE had in 2012, establishing the same demand savings goal of 11.16 megawatt (MW) and energy savings goal of 19,552 MWh. The final order of Docket No. 40343 also established an Energy Efficiency budget for 2013 of $4,384,650.[2] This budget did not include any funding for the statewide evaluation, measurement and verification (EM&V) contractor that was established in the 2012 EE Rule. The demand reduction goal to be acquired in 2013 (11.16 MW) is greater than four-tenths of one percent of EPE's summer weather-adjusted peak demand. In accordance with Substantive Rule 25.181(e)(1)(C), EPE's goal in forthcoming years should be four-tenths of one percent of EPE's summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year. However, the rule also states in Substantive Rule 25.181(e)(1)(E) that the utility's demand reduction goal in any year shall not be lower than its goal for the prior year. In light of the parameters established in the EE Rule, EPE's goal should remain at 11.16 MW (1.03% of anticipated 2013 summer weather-adjusted peak demand) for 2014.

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 and budgets is presented in Table 1.

The Energy Efficiency Report portion of this EEPR shows that, in 2012, EPE achieved a demand reduction goal in excess of its demand reduction goal as required by PURA § 39.905 through the implementation of SOPs, MTPs and utility self-delivered programs. The company exceeded the demand goal as established in Docket No. 40343 by 7.8%.

The SOPs implemented in 2012 included the Commercial SOP and the Load Management SOP. The MTPs implemented in 2012 included the Large Commercial & Industrial (C&I) Solutions MTP, the Small Commercial Solutions MTP, the Texas Schools and Cities Conserving Resources MTP (Texas SCORE MTP), the Commercial Rebate Pilot MTP, the Residential Solutions MTP, the LivingWise® MTP, the Appliance Recycling MTP, the Photovoltaic (PV)/Solar Pilot MTP, and the Hard-to-Reach Solutions MTP.

[1] *Application of El Paso Electric Company for Approval to Revise its Energy Efficiency Cost Recovery Factor and Request to Establish Revised Goals and Cost Caps*, Docket No. 40343 (Sep. 20, 2012).
[2] *Id.* at Finding of Fact No. 17.

Table 1: Summary of 2013 & 2014 Projected Goals, Savings and Budgets (at Meter)[3]

Calendar Year	Average Growth in Demand (MW)	Weather Adjusted Peak Demand (MW)	Goal Metric: 30% of Avg. Growth over Past 5 Years (MW)	Goal Metric: 0.4% of Prior Yr. Peak Demand (MW)	Peak Demand Goal (MW)	Energy Goal (MWh)	Projected Demand Reduction (MW)	Projected Energy Savings (MWh)	Projected Budget - EM&V not Included ($000's)
2013	23.8	1,083	7.14	4.332	11.16	19,552	11.554	22,506	$4,385
2014[4]	19.4	1,083	5.82	4.332	11.16	19,552	11.554	22,506	$4,385

In order to reach the above projected savings for 2013 and 2014, EPE proposes to offer the following programs:

- **Standard Offer Programs**
  - Commercial SOP
  - Load Management SOP
- **Market Transformation Programs**
  - Large C&I Solutions MTP
  - Small Commercial Solutions MTP
  - Texas SCORE MTP
  - Commercial Rebate Pilot MTP
  - Residential Solutions MTP
  - LivingWise® MTP
  - Appliance Recycling MTP
  - Photovoltaic (PV)/Solar Pilot MTP
  - Hard-to-Reach Solutions MTP

EPE has entered into an agreement with Resource Action Programs to continue to offer EPE's LivingWise® MTP.

EPE has entered into an agreement with Frontier Associates LLC (Frontier Associates) to continue to offer EPE's PV/Solar Pilot MTP and to process the rebates in the Commercial Rebate Pilot MTP.

EPE has also entered into an agreement with CLEAResult Consulting Inc. (CLEAResult) to continue to offer EPE's Texas SCORE MTP and the four "Solutions" MTPs.

EPE has entered into an agreement with JACO Environmental (JACO) to continue to offer EPE's Appliance Recycling MTP.

[3] Average Growth in Demand figures are from Table 4. Projected Budgets are from Table 5. All kW/MW and kWh/MWh figures in this Table and throughout this EEPR are given "at Meter."
[4] Actual goals for 2014 will be established based on PUCT ruling in future 2013 EECRF filing.

ENERGY EFFICIENCY PLAN

I. 2013 Programs

A. 2013 Program Portfolio

El Paso Electric Company (EPE) plans to continue the implementation of two SOPs and nine MTPs in 2013. These programs have been structured to comply with recently passed rules governing program design and evaluation. These programs target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. EPE anticipates that targeted outreach to a broad range of service provider types will be necessary in order to meet the savings goals required by Docket 40343 and PURA § 39.905 on a continuing basis. Table 2 below summarizes the programs and target markets.

Table 2: 2012 Energy Efficiency Program Portfolios

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

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. Program manuals can be found at the following website: www.epelectric.com/tx/business/energy-efficiency-links.

B. Existing Programs

Commercial SOP

The Commercial SOP targets small and large commercial customers. Incentives are paid to qualified project sponsors or commercial customers who act as their own project sponsor for qualified measures installed in new or retrofit applications that provide verifiable demand and energy savings. Commercial customers with a demand of 50 kW or greater may act as their own project sponsor. EPE plans to continue this program in 2013.

Large Commercial & Industrial (C&I) Solutions MTP

Although SOPs can be useful to initiate energy efficiency projects, they often do not create sustained energy efficiency activity and permanent changes in the marketplace. This is because SOPs are geared toward incentivizing vendors to sell and install projects, instead of providing the direct support, tools, and training necessary for customers and contractors to independently evaluate energy efficiency opportunities, secure budgets through their internal financial planning processes, or oversee those opportunities to their completion. This absence of direct intervention to address market barriers is one of the reasons why SOPs are not as successful in some markets, like the El Paso market, as in others.

To address these barriers, starting in 2009 EPE offered its commercial and industrial customers a Large C&I Solutions Pilot MTP in addition to its Large C&I SOP. The Large C&I Solutions program offers customers with peak demand greater than 100 kW both cash and non-cash incentives. The cash incentives are at a lower level than the Large C&I SOP, with the difference used to provide non-cash incentives that include technical assistance, education on financing energy efficiency projects, and communications services. The Solutions program helps companies that do not have the in-house capability or expertise to (1) identify, evaluate, and undertake efficiency improvements; (2) properly evaluate energy efficiency proposals from vendors; and/or (3) understand how to leverage their energy savings to finance projects. EPE converted the Large C&I Solutions Pilot MTP to a fully implemented program in 2012. EPE plans to continue this program in 2013.

Small Commercial Solutions MTP

EPE offers its small commercial customers a Small Commercial Solutions MTP that provides customers with peak demand of equal to or less than 100 kW both cash and non-cash incentives. The cash incentives are at a higher level than the Large C&I Solutions MTP to provide additional motivation for the small commercial customers to participate in energy efficiency installations. This program also provides non-cash incentives for technical assistance, education on energy efficiency projects, and communications services. This Solutions program focuses on improving the efficiency and installation practices of products and services that small commercial customers purchase. In addition to capturing demand and energy savings, the implementer helps small commercial contractors improve their ability to identify, evaluate, and sell energy efficiency improvements to small business owners and assist consumers in evaluating energy efficiency proposals from vendors. EPE converted the Small Commercial Solutions Pilot MTP to a fully implemented program in 2012. EPE plans to continue this program in 2013.

Texas SCORE MTP

Consistent with SB712, which was passed by the Texas Legislature in 2005, and the Pilot Program Template adopted by the PUCT in November 2005, EPE will continue to offer its Texas SCORE MTP in its Texas service territory in 2013. This program provides energy efficiency assistance to schools as well as city and county government entities. The majority of school districts and local government entities lack the technical knowledge, first-hand experience, and management decision-making processes that are necessary for identifying, prioritizing, and completing projects that will improve their facilities' energy performance and reduce operating costs.

Load Management SOP

The Load Management SOP allows participating project sponsors (customers or third-party sponsors) to provide on-call, voluntary curtailment of electric consumption during peak demand periods in return for incentive payments. Incentives are based on verified demand savings that customers are able to produce in response to notifications of voluntary curtailment events from EPE. Only commercial customers taking service at the distribution level and non-profit, government, and educational customers are eligible to participate in the program. Customers are not required to produce a specific level of curtailed load, but will receive payments based on the amount of curtailed load produced. Demand savings and incentive payment amounts are based on actual, verified load curtailments. EPE plans to continue this program in 2013.

Commercial Rebate Pilot MTP

Senate Bill No. 1910 amended Chapter 39 Sec. 555, Utilities Code, Marketing of Energy Efficiency and Renewable Energy Programs, to allow an electric utility subject to this subchapter to market energy efficiency and renewable energy programs directly to retail electric customers, and to provide rebate and incentive funds directly to customers in its service territory. Pursuant to this amendment, EPE implemented the Commercial Rebate Pilot MTP (Commercial Rebate Program) in 2012.

The Commercial Rebate Program is designed to provide demand and energy savings by subsidizing part of the high up-front cost of installing specific energy efficiency measures in certain market segments. Currently there are three measures which qualify under this program, with additional measures or products to be added as the associated demand and energy savings are determined to be cost effective. The room HVAC measure is primarily designed to address energy management solutions for hotel rooms, university dormitories and school classrooms. The commercial HVAC measure is designed to provide controls to effectively reduce demand and energy usage by commercial facilities that have multiple HVAC package units. The third is a vending machine measure designed to provide energy and demand savings by controlling the operation of vending machines in commercial customer facilities. This program is a self-administered program with Frontier Associates providing the rebate fulfillment process. EPE plans to continue this program in 2013.

Residential Solutions MTP

SOPs experience more success when a strong contractor base exists that has experience participating in residential SOPs. As with large commercial SOPs, residential programs are geared towards incentivizing vendors to sell and install projects, rather than providing the direct support, tools, and training necessary for customers and contractors to independently evaluate energy efficiency opportunities, secure budgets through their internal financial planning processes, or oversee these opportunities to their completion. EPE's service territory lacks a strong contractor

base that is well-trained in promoting and installing energy efficiency measures for the residential market. Because of this, EPE found that there was a relatively low participation in EPE's residential SOPs.

The climate in El Paso is another contributing factor to the relatively low participation in SOPs. Because of the extensive use of evaporative cooling and the lack of refrigerated air in existing buildings, many of the efficiency measures used by residential contractors (A/C systems, duct sealing, infiltration reductions, and insulation) achieve lower energy savings per measure. As a result, contractors often do not choose to participate in the residential SOPs due to the reduced revenue potential.

To address these market gaps, starting in 2009, EPE offered its residential and small commercial customers (≤100kW) a Residential and Small Commercial Solutions Pilot MTP in addition to its Residential and Small Commercial SOPs. Experience showed that the Residential and Small Commercial Solutions Pilot MTP needed to be separated into two stand-alone programs, the Residential Solutions Pilot MTP and the Small Commercial Solutions Pilot MTP, due to different contractor requirements and different customer characteristics. These two revised programs were initiated in 2011. EPE converted the Residential Solutions Pilot MTP to a fully implemented program in 2012.

The Residential Solutions MTP offers customers both cash and non-cash incentives. The cash incentives are at a lower level than typical Residential SOPs, with the difference used to provide non-cash incentives such as technical assistance, education on financing energy efficiency projects, and communications services. The program focuses on improving the efficiency and installation practices of products and services that residential consumers purchase and which local contractors install. In addition to capturing kW reductions, the program helps residential contractors improve their ability to identify, evaluate, and sell efficiency improvements to home owners and assists consumers in evaluating energy efficiency proposals from vendors. EPE plans to continue this program in 2013.

LivingWise® MTP

The LivingWise® MTP is a fully implemented program operated by Resource Action Programs of Modesto, CA. This Program uses a school-based method that builds student knowledge, provides energy saving devices to families and serves as an effective community outreach program to improve customer awareness of energy efficiency programs and measures. The LivingWise® program is designed to generate immediate and long-term energy savings for participants. This program reduces market barriers for energy efficient technologies and practices through education of students and their families.

LivingWise® identifies and enrolls students and teachers within the EPE Texas service territory. The enrolled participants receive educational materials designed to build knowledge and demonstrate simple ways to save energy by not only changing habits but also changing devices. Materials meet state and national educational standards, which allow the program to easily fit into teachers' existing schedules and requirements.

As part of the program, children take home a Resource Action Kit that contains energy savings devices. With the help of their parents, students install the devices in their homes and complete a home energy audit report. The LivingWise® staff tabulates all responses, including home audits, teacher responses, student input and parent responses, and generates a Program Summary Report. EPE will continue this program in 2013.

Appliance Recycling MTP

The Appliance Recycling MTP provides incentives designed to encourage EPE's customers to recycle their older, less efficient refrigerators and freezers rather than use them as secondary or backup units. Unlike other appliances where the old units are usually scrapped when they are replaced, older refrigerators and freezers can stay connected to the electric grid for years after they have been removed from the original location. Utility programs targeted at reducing the number of households with secondary refrigerators or freezers have proven to be a cost-effective source of demand reduction when properly administered. The Appliance Recycling MTP offers eligible customers a $30 incentive to permit EPE to remove and recycle their old secondary refrigerator or freezer. Although EPE's existing SOPs and MTPs have been effective in reducing demand and educating customers about the benefits of adopting efficient energy use practices, EPE believes that this cost-effective appliance recycling program provides additional demand reduction and energy savings, and reduces system-wide load and peak demand. EPE will continue this program in 2013.

Photovoltaic (PV)/Solar Pilot MTP

The high up-front cost of installing large solar generation systems is a barrier to customers installing energy-efficient solar generation. EPE encourages the installation of small residential and/or commercial solar photovoltaic (PV) distributed generation systems. The EPE PV/Solar Pilot MTP encourages customers to install solar PV distributed generation systems at their homes or businesses by offering incentives to off-set a portion of the up-front cost. The City of El Paso has contributed additional funding to help encourage installation of solar PV systems within the El Paso city limits through this program for 2011, 2012 and 2013[5]. In coordination with Frontier Associates and Clean Energy Associates (implementers), EPE operated this pilot program in 2011 and 2012 offering a $2.00/watt dc incentive for residential customers and $1.75/watt dc incentive to commercial customers who install such systems. EPE plans to continue the program in 2013 at a reduced incentive level due to a reduction in the cost of solar panels in the marketplace. EPE will be offering a $0.75/watt dc for all residential and commercial customers using EPE incentive funds. EPE will administer the funding from the City of El Paso to provide an incentive to commercial customers at $1.00/watt dc.

Hard-to-Reach Solutions MTP

This program mirrors the Residential Solutions MTP. The low participation in the Hard-to-Reach SOP program offered by EPE in 2011 was a direct reflection of the same issues related to the Residential SOP. Programs that are geared towards incentivizing vendors to sell and install projects are unsuccessful unless contractors are educated on how to use them. The Hard-to-Reach Solutions MTP provides the direct support, tools, and training necessary for residential contractors to independently evaluate energy efficiency opportunities and to oversee those opportunities to their completion.

As with the Residential SOP, the climate in El Paso is a contributing factor to the low participation in the Hard-to-Reach SOP. Because of the use of evaporative cooling in existing buildings, many of the efficiency measures used by residential contractors (A/C systems, duct sealing, and infiltration reductions) achieve lower energy savings per measure and as a result, contractors often self-select out of these programs. Pursuant to PUCT Docket No. 36778, the Hard-to-Reach program template and residential deemed savings values were modified "to allow electric utilities the flexibility of performing additional energy efficiency measures on homes with evaporative

[5] EPE will not seek to recover any City funding of this program.

cooling." Effective August 27, 2009, EPE was permitted to incorporate the following Hard-to-Reach envelope measures in evaporatively cooled homes: ceiling, wall and floor insulation, solar screens, and ENERGY STAR® windows. EPE successfully incorporated these measures into the Hard-to-Reach Solutions Pilot MTP, and EPE converted the Hard-to-Reach Solutions Pilot MTP to a fully implemented program in 2012. EPE will continue to offer this program in 2013.

C. New Programs for 2013 and 2014

EPE will not be implementing new programs in 2013 and 2014.

D. General Implementation Process

Program Implementation

EPE will conduct activities to implement Energy Efficiency Programs in a non-discriminatory and cost effective manner. For 2013, EPE intends to implement programs by following the activity schedule outlined below. Activities for 2014 will be similar.

EPE will supplement 2013 program announcements by continuing to inform the Energy Efficiency Service Provider (EESP) community of pertinent news and updates throughout 2013. EPE will post program notices on its energy efficiency website, offer local and Internet-based workshops (as necessary), and broadcast email notices to various energy service company associations if needed.

After announcing the 2013 Commercial SOP and the PV/Solar MTP through the use of webinars, EPE opened its website application pages to assist EESPs in preparing project applications. The application process gives EESPs feedback on their eligibility for particular projects and the level of incentives for which they qualify. In February 2013, EPE began to allow sponsors to submit applications for both programs and applications are currently being accepted and reviewed in the order received. Qualified EESPs will be informed of their funding once approved and can begin implementing their projects. Both programs have posted timelines of when projects must be submitted and EESPs are made aware of these timelines through the program manuals.

EPE also announced the 2013 Load Management SOP through the EPE website in February 2013. The program manual and initial application were made available to EESPs on this website. EESPs who participated in the 2012 Load Management SOP were sent e-mails by the Program Coordinator to inform them of the program opening. All applications are considered on a first-come, first-served basis and reviewed for eligibility. Once approved, the EESPs will be informed of their acceptance. The performance period for this program runs from June 1st through September 30th.

All of the remaining MTPs are implemented by the Program Implementers and opened for new projects in January 2013 through various means. These means include kick-off meetings, informative e-mails to EESPs and participants, direct communication, and EPE website notices.

Program Tracking

EPE uses online databases to track program activity for the various SOPs and MTPs. These online databases are accessible to project sponsors, EESPs, implementers, and administrators depending upon the associated program. The on-line databases capture customer and project information such as customer rate class, utility account number, proposed measures, project timeline, and incentive amounts. These databases also allow EPE to prevent duplicate incentive requests across all of EPE's programs.

Measurement and Verification

Many of the projects implemented under these programs will report demand and energy savings utilizing "deemed savings estimates" as approved by the PUCT. If deemed savings have not been approved 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 where:

- a PUCT-approved deemed savings estimate is not available for the energy efficiency measures 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 application of the PUCT-approved deemed savings value.

The IPMVP is voluminous and is not included with this plan.

In the 2012 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 has selected a third-party EM&V contractor led by Tetra Tech and includes Texas A&M Center for Applied Technology, Texas Energy Engineering Services, The Cadmus Group, Itron and Johnson Consulting.

E. Outreach and Research 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 Docket No. 40343 and PURA § 39.905. EPE markets the availability of its programs in the following manner:

- EPE maintains websites **www.epelectricefficiency.com** and **www.epelectric.com**. EPE's websites are the primary method of communication used to provide potential project sponsors with program updates and information. The websites contain detailed information regarding requirements for project participation, project eligibility, end-use measure eligibility, incentive levels, application procedures, program manuals, and available funding.

- EPE offers outreach workshops, either physically or through webinars, for SOPs and MTPs. EPE invites members of the air conditioning contractor community, weatherization service providers, lighting vendors, energy efficiency venders/contractors and national energy service companies to participate in the workshops. These workshops explain elements such as the responsibilities of project sponsors, project requirements, incentive information, and the application and reporting processes.

- As part of EPE's outreach efforts, EPE will also continue to coordinate with the National Association of Energy Service Companies (NAESCO) and the Association of Energy Service Professionals to notify members of EPE's Standard Offer Programs and Market Transformation Programs.

- EPE gauges EESP interest in its workshops by participation levels. If warranted, EPE will offer workshops dedicated to specific programs.

- EPE coordinates the timing of its various workshops so as to avoid overlapping schedules with other utilities. This increases accessibility to EESPs who may work in several areas.

- EPE utilizes mass electronic mail (e-mail and webinar) notifications to keep potential project sponsors interested and informed.

- EPE participates in state-wide outreach activities as may be available and attends appropriate industry-related meetings to generate awareness and interest.

F. Existing DSM Contracts or Obligations

EPE has entered into an agreement with Resource Action Programs to continue implementation of EPE's LivingWise® MTP.

EPE has entered into an agreement with Frontier Associates LLC (Frontier Associates) to continue implementation of EPE's PV/Solar Pilot MTP and to process the rebates for the Commercial Rebate Pilot MTP.

EPE has also entered into an agreement with CLEAResult Consulting Inc. (CLEAResult) to continue implementation of EPE's Texas SCORE MTP and the four "Solutions" MTPs.

EPE has entered into an agreement with JACO Environmental (JACO) to continue implementation of EPE's Appliance Recycling MTP.

II. Customer Classes

For the twelve months ended December 2012, there was an average of 259,788 residential accounts in the EPE Texas service area. Based on actual data for 2012, residential accounts, including hard-to-reach accounts, contributed 41% of the total residential and commercial peak demand and 44% of the total residential and commercial base revenues. The commercial segment of EPE's Texas service area consisted of 31,363 accounts and contributed 59% of the total residential and commercial peak demand and 56% of total residential and commercial base revenues.

Customer classes targeted by EPE's energy efficiency programs are the Residential and Commercial customer classes. The Residential class includes the Hard-to-Reach accounts. Table 3 summarizes the number of customers in each of the customer classes and each class's percentage contribution to both system peak and revenues in 2012. Total Program budgets are set and then allocated to customer classes based on this customer data, historical program results, economic trends, and the requirements of P.U.C. SUBST. R. 25.181. Additionally, P.U.C. SUBST. R. 25.181 establishes annual energy efficiency goals and requires that no less than 5% of the utility's total demand reduction goal be achieved through programs for hard-to-reach customers. The rule states that funding for Standard Offer Program (SOP) and Market Transformation Program (MTP) programs must be allocated in an equitable manner. For a more detailed discussion of these and additional factors that went into the budget allocation process, see *Program Budgets* in Section IV.

Table 3: Summary of Texas Residential and Commercial Customer Classes (2012)

Customer Class	Contribution to Texas Peak (%)	Contribution to Texas Revenues (%)	Number of Texas Customers
Total Residential	**41%**	**44%**	**259,788**
Hard-to-Reach[6]	**21%**	**23%**	**135,090**
Total Commercial	**59%**	**56%**	**31,363**

III. Projected Energy Efficiency Savings and Goals

As prescribed by the previous version of the PUCT Subst. R. 25.181, EPE's demand reduction goal for 2012 was originally specified at 25% of its historical five-year average growth in demand of residential and commercial customers. This demand goal was revised in Docket No. 39376[7] to 11.16 megawatts (MW) which mirrored the 2011 goal. In Docket No. 40343, the goal for 2013 was established at 11.16 MW which mirrored the 2012 goal. In the 2012 EE Rule Section (e)(1), there was a change in how utilities were to calculate their minimum demand reduction goals. Following is this section of the EE Rule:

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

(A) The utility shall acquire no less than a 25% reduction of the electric utility's annual growth in demand of residential and commercial customers for the 2012 program year.

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

(C) If the demand reduction goal to be acquired by a utility under subparagraph (B) of this paragraph is equivalent to at least four-tenths of 1% 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 (D) of this paragraph for each subsequent program year.

(D) Once the trigger described in subparagraph (C) 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.

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[6] According to the U.S. Census Bureau's 2009 Current Population Survey (CPS), 52% of El Paso County's families fall below 200% of the poverty threshold. Applying that percentage to EPE's residential customer base of 259,788, the number of HTR customers is estimated at 135,090.

[7] *Application of El Paso Electric Company for Approval to Revise its Energy Efficiency Cost Recovery Factor and Request to Establish Revised Goals and Cost Caps*, Docket No. 39376, Final Order (Aug. 23, 2011).

(E) Except as adjusted in accordance with subsection (w) 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 2013 (11.16 MW) is greater than four-tenths of one percent of EPE's summer weather-adjusted peak demand and is shown in Table 1. In accordance with Substantive Rule 25.181(e)(1)(C), EPE's goal in forthcoming years should be four-tenths of one percent of EPE's summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year; however, Substantive Rule 25.181(e)(1)(E) states that the utility's demand reduction goal in any year shall not be lower than its goal for the prior year. In light of the parameters established in the EE Rule, EPE's goal should remain at 11.16 MW (1.03% of anticipated 2013 summer weather-adjusted peak demand) for 2014. The corresponding energy savings goals for all years are determined by applying a 20% capacity factor to the demand goals.

Table 4 presents historical annual growth in demand for the previous five years that is normally used to calculate demand and energy goals. Projected demand reduction and energy savings broken out by program for each customer class for 2013 and 2014 are presented in Table 5. Projected savings for 2013 reflect the budget allocations designed to meet EPE's goals as established in Docket No. 40343.

Table 4: Annual Growth in Demand and Energy Consumption (at Meter)

Calendar Year	Peak Demand (MW)				Energy Consumption (MWh)				Growth (MW)	Average Growth (MW)[8]
	Total Texas System		Residential & Commercial		Total Texas System		Residential & Commercial			
	Actual	Actual Weather Adjusted[9]	Actual	Actual Weather Adjusted[9]	Actual	Actual Weather Adjusted[9]	Actual	Actual Weather Adjusted[9]	Actual Weather Adjusted[9]	Actual Weather Adjusted[9]
2008	1,066	1,082	969	986	5,431,198	5,513,587	4,691,067	4,773,456	22	NA
2009	1,110	1,106	1,013	1,008	5,519,565	5,497,837	4,791,775	4,770,047	22	NA
2010	1,148	1,139	1,047	1,037	5,787,922	5,742,663	4,952,221	4,906,962	29	NA
2011	1,208	1,186	1,110	1,087	5,954,789	5,847,816	5,190,202	5,083,229	50	NA
2012	1,190	1,184	1,090	1,083	6,035,970	6,003,736	5,279,626	5,247,392	(4)	39.8
2013	NA	NA	NA	NA	NA	NA	NA	NA	0	23.8
2014	NA	NA	NA	NA	NA	NA	NA	NA	0	19.4

EPE has no customers who have completed the Industrial Identification Notice Form.

[8] Average historical growth in demand over the prior five years for residential and commercial customers

[9] In previous EEPRs, EPE's data was "at source" rather than "at meter" and did not use weather adjusted demand to calculate the goals for energy efficiency. Beginning with this EEPR, data has been adjusted to reflect "at meter". Also, EPE filed weather normalization in its rate case PUCT Docket 40094 in 2012; therefore, in this EEPR, EPE is using weather adjusted demand at meter to calculate the average historical growth in demand as shown in Table 4.

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

2013	Projected Savings	
Customer Class and Program	kW	kWh
Commercial	**9,985**	**17,211,500**
Commercial SOP	731	3,201,780
Small Commercial Solutions MTP	730	3,197,400
Large C&I Solutions MTP	1,800	7,884,000
Texas SCORE MTP	600	2,365,200
Load Management SOP	6,000	20,000
Rebate Pilot MTP	124	543,120
Residential	**998**	**4,293,735**
Residential Solutions MTP	300	525,600
LivingWise® MTP	60	1,531,707
Appliance Recycling MTP	509	1,783,536
PV/Solar Pilot MTP	129	452,892
Hard-to-Reach	**571**	**1,000,392**
Hard-to-Reach Solutions MTP	571	1,000,392
Total	**11,554**	**22,505,627**
2014	Projected Savings	
Customer Class and Program	kW	kWh
Commercial	**9,985**	**17,211,500**
Commercial SOP	731	3,201,780
Small Commercial Solutions MTP	730	3,197,400
Large C&I Solutions MTP	1,800	7,884,000
Texas SCORE MTP	600	2,365,200
Load Management SOP	6,000	20,000
Rebate Pilot MTP	124	543,120
Residential	**998**	**4,293,735**
Residential Solutions MTP	300	525,600
LivingWise® MTP	60	1,531,707
Appliance Recycling MTP	509	1,783,536
PV/Solar Pilot MTP	129	452,892
Hard-to-Reach	**571**	**1,000,392**
Hard-to-Reach Solutions MTP	571	1,000,392
Total	**11,554**	**22,505,627**

IV. Program Budgets

Table 6 presents the total proposed budget allocations required to achieve the projected demand reduction and energy savings shown in Table 5. The budget allocations are broken down by customer class, program, and the different budget categories: incentive payments, administration and research and development (R&D) expenses. Table 6 also includes the estimated annual expenses for the statewide EM&V contractor.

The number of customers in each of the customer classes and each class's percent contribution to system peak and revenues shown in Table 3 were considered in budget allocations for those classes. 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. A variety of additional factors and assumptions also went into the decision process.

Hard-to-reach customers are residential customers at or below 200% of the federal poverty guidelines. This is estimated to be approximately 52% of EPE's total residential load in Texas (see Footnote 6).

Avoided costs for 2013, as established by the PUCT, were set at $80 per kW per year and $0.104 per kWh (including reserve margins and line losses).

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

EPE used a 7.411% post-tax discount rate to calculate the present value of the avoided cost associated with a project and assumed a 2% escalation rate.

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

EPE will offer a portfolio of SOPs and MTPs that will be available to all 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, the potential interest that a customer class may have towards a specific program and the overriding objective of meeting the legislative goal. Should funds not be reserved and used as prescribed by program milestones, EPE reserves the right to reallocate those unused funds to other programs in order to maximize contributions towards EPE's energy efficiency goal.

Table 6: Proposed Annual Budget Broken Out by Program for Each Customer Class (000's)

2013	Incentives	Admin & R&D	Total Budget
Commercial	**$2,575,111**	**$48,000**	**$2,623,111**
Commercial SOP	$252,000	$28,000	$280,000
Small Comm. Solutions MTP	$461,119	$0	$461,119
Large C&I Solutions MTP	$895,428	$0	$895,428
Texas SCORE MTP	$406,564	$0	$406,564
Load Management SOP	$360,000	$0	$360,000
Rebate Pilot MTP	$200,000	$20,000	$220,000
Residential	**$1,037,971**	**$37,500**	**$1,075,471**
Residential Solutions MTP	$190,000	$0	$190,000
LivingWise® MTP	$346,346	$0	$346,346
Appliance Recycling MTP	$289,125	$0	$289,125
PV/Solar Pilot MTP	$212,500	$37,500	$250,000
Hard-to-Reach	**$600,000**	**$0**	**$600,000**
Hard-to-Reach Solutions MTP	$600,000	$0	$600,000
Administration		**$86,068**	**$86,068**
Subtotal Budgets	**$4,213,082**	**$171,568**	**$4,384,650**
EM&V		$136,200	$136,200
Total Budgets	**$4,213,082**	**$307,768**	**$4,520,850**

2014	Incentives	Admin & R&D	Total Budget
Commercial	**$2,575,111**	**$48,000**	**$2,623,111**
Commercial SOP	$252,000	$28,000	$280,000
Small Comm. Solutions MTP	$461,119	$0	$461,119
Large C&I Solutions MTP	$895,428	$0	$895,428
Texas SCORE MTP	$406,564	$0	$406,564
Load Management SOP	$360,000	$0	$360,000
Rebate Pilot MTP	$200,000	$20,000	$220,000
Residential	**$1,037,971**	**$37,500**	**$1,075,471**
Residential Solutions MTP	$190,000	$0	$190,000
LivingWise® MTP	$346,346	$0	$346,346
Appliance Recycling MTP	$289,125	$0	$289,125
PV/Solar Pilot MTP	$212,500	$37,500	$250,000
Hard-to-Reach	**$600,000**	**$0**	**$600,000**
Hard-to-Reach Solutions MTP	$600,000	$0	$600,000
Administration		**$86,068**	**$86,068**
Subtotal Budgets	**$4,213,082**	**$171,568**	**$4,384,650**
EM&V		$44,494	$44,494
Total Budgets	**$4,213,082**	**$216,062**	**$4,429,144**

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 (2008-2012) calculated in accordance with PUCT Subst. R. 25.181, Docket No. 39376, and Docket No. 40343.

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

Calendar Year	Demand Goals (MW)	Energy Targets (MWh)	Actual Demand Reduction (MW)	Actual Energy Savings (MWh)
2012[10]	11.16	19,552	12.029	20,847
2011[11]	11.16	19,552	12.831	21,737
2010[12]	7.56	13,245	9.857	21,404
2009[13]	5.68	9,945	5.845	17,908
2008[14]	3.79	6,634	2.919	12,494

[10] 2012 MW and MWh goals as reported in EPE's EEPR filed March 30, 2012 under Project No. 40194. 2012 demand reduction and energy savings reported in this document, Project N. 41196.
[11] 2011 MW and MWh goals as reported in EPE's EEPR filed April 1, 2011 under Project No. 39105. 2011 demand reduction and energy savings reported in Project No. 40194.
[12] 2010 MW and MWh goals as reported in EPE's EEPR filed April 1, 2010 under Project No. 37982. 2010 demand reduction and energy savings reported in Project No 39105.
[13] 2009 MW and MWh goals as reported in EPE's EEPR filed in April of 2009 under Project No. 36689. 2009 demand reduction and energy savings reported in Project No. 37982.
[14] 2008 MW and MWh goals as reported in EPE's EEPR filed in June of 2008 under Project No. 35440. 2008 demand reduction and energy savings reported in Project No 36689.

VI. Projected, Reported and Verified Demand and Energy Savings

Table 8: Projected versus Reported and Verified Savings for 2011 and 2012 (at Meter)

2011	Projected Savings		Reported and Verified Savings	
Customer Class and Program	MW	MWh	MW	MWh
Commercial	**9.723**	**14,379**	**11.125**	**15,880**
Commercial SOP	0.593	2,597	0.592	2,377
Small Comm. Solutions Pilot MTP	0.730	3,197	0.740	3,335
Large C&I Solutions Pilot MTP	1.400	6,132	1.498	7,828
Texas SCORE MTP	1.000	2,453	1.088	2,318
Load Management SOP	6.000	0	7.207	22
Residential	**1.251**	**7,258**	**1.240**	**4,991**
Residential Solutions Pilot MTP	0.300	788	0.327	488
LivingWise® MTP	.036	959	0.060	1,535
Appliance Recycling MTP	0.690	5,077	0.343	1,986
PV/Solar Pilot MTP	0.225	434	0.510	982
Hard-to-Reach	**0.558**	**1,466**	**0.349**	**541**
Hard-to-Reach Solutions Pilot MTP	0.558	1,466	0.349	541
Subtotal	**11.532**	**23,103**	**12.714**	**21,412**
Energy Saver (TDHCA)	0.055	270	0.117	325
Total	**11.587**	**23,373**	**12.831**	**21,737**

2012	Projected Savings		Reported and Verified Savings	
Customer Class and Program	MW	MWh	MW	MWh
Commercial	**10.154**	**16,111**	**10.569**	**15,753**
Commercial SOP	0.593	2,390	0.290	1,461
Small Comm. Solutions MTP	0.730	3,261	0.906	4,157
Large C&I Solutions MTP	1.400	7,358	1.637	6,522
Texas SCORE MTP	1.000	2,102	0.692	3,102
Load Management SOP	6.000	0	7.035	24
Rebate Pilot MTP	0.431	1,000	0.009	487
Residential	**0.981**	**5,137**	**.885**	**4,325**
Residential Solutions MTP	0.300	447	0.413	559
LivingWise® MTP	0.060	1,535	0.060	1,532
Appliance Recycling MTP	0.508	2,937	0.301	1,844
PV/Solar Pilot MTP	0.113	218	0.111	390
Hard-to-Reach	**0.571**	**850**	**0.575**	**769**
Hard-to-Reach Solutions MTP	0.571	850	0.575	769
Total	**11.706**	**22,098**	**12.029**	**20,847**

VII. Historical Program Expenditures

Table 9 documents EPE's incentive and administration expenditures for the previous five years (2008-2012) broken out by program for each customer class. Note that this table does not present R&D expenditures and administration costs not allocated to particular programs. R&D expenditures and administration costs not associated with particular programs for 2012 can be found in Table 10.

Table 9: Historical Program Incentive and Administrative Expenditures for 2008 through 2012 (000's)[15]

	2012		2011		2010		2009		2008	
Programs	Incent.	Admin.	Incent.	Admin.	Incent.	Admin.	Incent.	Admin.	Incent.	Admin.
Commercial	**$2,173,205**	**$18,614**	**$2,370,937**	**$6,831**	**$1,777,679**	**$31,441**	**$1,611,899**	**$73,654**	**$886,295**	**$20,194**
Comm. SOP	$83,753	$18,614	$182,926	$6,213	$150,271	$17,823	$558,906	$21,367	$377,418	$15,522
Small Comm. SOP	NA	NA	NA	NA	$8,337	$7,287	$0	$15,597	$0	$4,672
Large C&I Solutions	$617,972	$0	$718,490	0	$685,167	$0	$427,432	$0	NA	NA
Small Comm. Solutions	$543,770	$0	$482,834	0	NA	NA	NA	NA	NA	NA
SCORE MTP	$482,327	$0	$620,637	0	$715,829	$0	$560,761	$0	$508,877	$0
Load Management SOP	$380,430	$0	$366,050	618	$218,075	$6,331	$64,800	$36,690	NA	NA
Rebate Pilot MTP	$64,953	$0	NA	NA	NA	NA	NA	NA	NA	NA
Residential	**$1,028,467**	**$11,030**	**$1,203,436**	**$14,316**	**$1,275,458**	**$35,518**	**$713,381**	**$45,162**	**$157,574**	**$9,814**
Residential SOP	NA	NA	NA	NA	$0	$5,921	$108,391	$18,019	$101,055	$9,814
Statewide CFL MTP	NA	NA	NA	NA	NA	NA	$38,794	$27,143	$56,519	$0
Res. Solutions	$245,257	$0	$198,952	0	NA	NA	NA	NA	NA	NA
Res & Small Comm. Solutions	NA	NA	NA	NA	$564,191	$0	$299,553	$0	NA	NA
LivingWise® MTP	$345,570	$0	$346,346	0	$336,890	$0	$266,643	$0	NA	NA
Appliance Recycling MTP	$201,428	$6,144	$206,801	0	$153,615	$0	NA	NA	NA	NA
PV/Solar Pilot MTP	$236,212	$4,886	$451,337	$14,316	$220,762	$29,597	NA	NA	NA	NA
Hard-to-Reach	**$602,842**	**$0**	**$361,914**	**0**	**$432,824**	**$8,191**	**$205,333**	**$19,295**	**$124,863**	**$15,699**
HTR Solutions	$602,842	$0	$361,914	0	$370,328	$0	$130,382	$0	NA	NA
Hard-to-Reach SOP	NA	NA	NA	NA	$62,496	$8,191	$74,951	$19,295	$124,863	$15,699
Subtotal	**$3,804,514**	**$29,644**	**$3,936,287**	**$21,147**	**$3,485,961**	**$75,150**	**$2,530,613**	**$138,111**	**$1,168,732**	**$45,707**
Energy Saver Program	NA	NA	$169,284	$15,176	$399,483	$56,824	$679,930	$27,000	$332,428	$26,000
Total	**$3,804,514**	**$29,644**	**$4,105,571**	**$36,323**	**$3,885,444**	**$131,974**	**$3,210,543**	**$165,111**	**$1,501,160**	**$71,707**

[15] 2011 expenditures are from EEPR filed in Project No.40194; 2010 expenditures are from EEPR filed in Project No. 39105; 2009 expenditures are from EEPR filed in Project No. 37982; and 2008 expenditures are from EEPR filed in Project No. 36689.

VIII. Program Funding for Calendar Year 2012

As shown in Table 10, EPE spent a total of $3,962,989 on all of its PUCT approved energy efficiency programs in 2012, which was 9.6% less than the total forecasted budget for 2012 of $4,384,650. The difference is attributed to the following factors:

- The Commercial SOP, Texas SCORE MTP, Commercial Rebate Pilot MTP, and the Appliance Recycling Program did not reach the participation levels anticipated by EPE.

- Funding was reallocated from the Commercial SOP to the Small Commercial Solutions Program and from the Appliance Recycling Program to the Residential Solutions Program in order to meet the 2012 energy efficiency goals.

Table 10: Program Funding for Calendar Year 2012

	Total Projected Budget[16]	Numbers of Customers Participating	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin & R&D)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)
Commercial	**$2,669,169**	**360**	**$ 2,173,205**	**$19,064**	**$2,192,269**	**$ -**	**$476,900**
Commercial SOP	365,609	6	83,753	18,614	102,367	-	263,242
Small Comm. Solutions MTP	461,119	247	543,770	-	543,770	-	(82,651)
Large C&I Solutions MTP	667,742	38	617,972	-	617,972	-	49,770
Texas SCORE MTP	594,699	50	482,327	-	482,327	-	112,372
Load Management	360,000	11	380,430	-	380,430	-	(20,430)
Rebate Pilot	220,000	8	64,953	450	65,403	-	154,597
Residential	**1,115,481**	**10,381**	**1,028,467**	**26,144**	**1,054,611**	**4,886**	**60,870**
Res. Solutions MTP	230,010	710	245,257	20,000	265,257	-	(35,247)
LivingWise® MTP	346,346	8,016	345,570	-	345,570	-	776
Appliance Recycling MTP	289,125	1,568	201,428	6,144	207,572	-	81,553
PV/Solar Pilot MTP	250,000	87	236,212	-	236,212	4,886[17]	8,902
Hard-to-Reach	**600,000**	**593**	**602,842**	**20,000**	**622,842**	**-**	**(22,842)**
Hard-to-Reach Solutions MTP	600,000	593	602,842	20,000	622,842	-	(22,842)
Admin. Expenses	**-**	**-**	**-**	**88,381**	**88,381**	**-**	**(88,381)**
Total	**$4,384,650**	**11,334**	**$3,804,514**	**$153,589**	**$3,958,103**	**$4,886**	**$421,661**

[16] Projected Budget from April 2012 EEPR filed in Project No. 40194.
[17] Administration Costs for PV/Solar Pilot MTP committed for 2012 Program Year, not expended until first quarter of 2013

Table 11: Program Comparison – Budget to Actual Expenditures

Programs	2012 Budget	2012 Expenditures	Percent	>10 % Variance Explanation
Commercial	**$2,669,169**	**$2,192,269**	**82%**	
Commercial SOP	365,609	$102,367	28%	Lack of EESPs, reallocated funds to performing programs
Small Comm. Solutions MTP	461,119	$543,770	118%	Moved funds from the under-performing Commercial SOP and SCORE MTP
Large C&I Solutions MTP	667,742	$617,972	93%	
Texas SCORE MTP	594,699	$482,327	81%	Program did not draw the number of projects anticipated, reallocated funds to performing program
Load Management	360,000	$380,430	106%	
Commercial Rebate Pilot MTP	220,000	65,403	30%	Program did not draw the number of projects anticipated
Residential	**1,115,481**	**1,059,497**	**95%**	
Res. Solutions MTP	230,010	265,257	115%	Moved funds from the under-performing Appliance Recycling MTP
LivingWise® MTP	346,346	345,570	99.8%	
Appliance Recycling MTP	289,125	207,572	72%	Program did not draw the number of participants anticipated, reallocated funds to performing program
PV/Solar Pilot MTP	250,000	241,098	96%	
Hard-to-Reach	**600,000**	**622,842**	**104%**	
Hard-to-Reach Solutions MTP	600,000	622,842	104%	
Admin. Expenses	**-**	**88,381**		Not allocated to specific programs
Total	**$4,384,650**	**$ 3,962,989**	**90%**	

IX. Market Transformation Program Results

Large C&I Solutions MTP

Though SOPs can be useful to initiate energy efficiency projects, they often do not create sustained energy efficiency activity and permanent changes in the marketplace. This is because SOPs are geared toward incentivizing vendors to sell and install projects, instead of providing customers the direct support, tools, and training necessary to independently evaluate energy efficiency opportunities, secure budgets through their internal financial planning processes, or oversee those opportunities to their completion. This absence of direct intervention to address market barriers is one of the reasons why SOPs are not as successful in some markets, such as the El Paso Market, as in others. To address these barriers, EPE began offering its commercial and industrial customers the Large C&I Solutions Pilot MTP in addition to its Commercial SOPs in 2009.

This Program offers commercial electric distribution customers both cash and non-cash incentives for implementing energy efficiency improvements. This program targets commercial customers with a demand of greater than 100 kW. Cash incentives are offered for this program at $240.00 per reduced peak kW for both new construction and retrofit projects. This program also includes technical assistance to help identify and evaluate energy-efficiency opportunities as well as communication support to help publicize community leadership and accomplishments in energy efficiency. EPE contracted with CLEAResult Consulting, Inc. (CLEAResult) to administer the Program.

This Program was established to test a solutions-based approach toward garnering peak kW savings among large commercial customers. Key components of the solutions approach included: EPE acting as a third-party unbiased player to assist business customers in identifying energy efficiency opportunities, realizing the financial benefits associated with such opportunities, evaluating contractor bids, and conveying the social and financial benefits by way of internal and community-wide communications efforts. Peak demand reduction results of this program have been substantial. Besides this peak demand reduction, it has also realized success in reaching out to the contracting community, including affiliated architectural and engineering firms.

Thirty projects were completed under the Large C&I Solutions Pilot MTP in 2009. Approximately 642 kW of peak demand reductions and 4 million kWh of energy savings were achieved as a result of the program.

Sixty-three projects were completed under the Large C&I Solutions Program in 2010. Approximately 1,390 kW of peak demand reductions and 7.5 million kWh of energy savings were achieved as a result of the program.

Fifty-three projects were completed under the Large C&I Solutions Program in 2011. Approximately 1,498 kW of peak demand reductions and 7.8 million kWh of energy savings were achieved as a result of the program.

In 2011, a baseline study was conducted by Opinion Dynamics for six of the Investor Owned Utilities in Texas. The research was conducted to serve as a baseline for the Commercial Solutions program. The purpose of this report is to enable the six utilities to assess changes in the market over time as a result of the Commercial Solutions programs, while also providing insights to enhance future program efforts. The Large C&I Solutions Pilot Program was converted from a pilot program to a fully implemented program in 2012.

A total of 38 projects were completed under the Large C&I Solutions Program in 2012. Approximately 1,637 kW of peak demand reductions and 6.5 million kWh of energy savings were achieved as a result of the program.

The Large C&I Solutions Program will continue working with business owners, expanding the scope of energy efficiency opportunities to include measurement and verification projects. The program will also aim to consolidate the identification of opportunities, recommended technologies, and the financial benefits, by creating and disseminating encompassing reports. The Large C&I Solutions MTP will also continue to expand outreach to active contractors, architectural firms, engineering firms, and other building industry players, to raise overall energy efficiency practices across the marketplace.

Small Commercial Solutions MTP

EPE is offering its small commercial customers a Small Commercial Solutions MTP that provides customers with both cash and non-cash incentives. This program targets commercial customers with a demand of equal to or less than 100 kW. This program focuses on improving the energy efficiency of small commercial facilities and the installation practices of participating contractors. This is done through education of the local contractors, as well as the public. In addition to capturing kW reductions, the implementer helps small commercial contractors improve their ability to identify, evaluate, and sell energy efficiency improvements to small business owners and assists consumers in evaluating energy efficiency proposals from vendors.

Cash incentives of $400 per reduced peak kW was offered directly to contractors for new construction and retrofit projects that reduced peak demand in 2012. El Paso Electric contracted with CLEAResult to administer the program.

In 2011, a baseline study was conducted by Opinion Dynamics for six of the Investor Owned Utilities in Texas. The research was conducted to serve as a baseline for the Commercial Solutions program. The purpose of this report is to enable the six utilities to assess changes in the market over time as a result of Commercial Solutions programs, while also providing insights to help future program efforts.

In 2011, the Small Commercial Solutions Pilot MTP completed 102 projects that reduced peak demand by 740 kW and saved approximately 3,334,873 kWh.

In 2012, the Small Commercial Solutions Pilot MTP was converted from a pilot program to a fully implemented program. There were 247 projects completed in 2012 that reduced peak demand by 906 kW and saved approximately 4.2 million kWh.

The Small Commercial Solutions Program will continue working with contractors and business owners to improve energy efficiency. This program will continue to expand outreach to active contractors, architectural firms, engineering firms, and other building industry players, to raise overall energy efficiency practices across the marketplace.

Texas SCORE MTP

EPE introduced the Texas SCORE Pilot MTP in 2007 to promote a structured process for public school districts and local governments to identify opportunities and implement energy efficiency measures. The program pays incentives to school districts and local government entities for the installation of energy efficiency measures that reduce peak demand and energy use, as well as non-cash incentive tools used to identify their critical needs and promote best business practices.

As each entity commits to participating in the Texas SCORE MTP, benchmarking analysis is conducted for each facility identified. The benchmarking data compares energy performance within school district campuses and government facilities against national and state averages. This data also serves as the program baseline data.

In 2010, Opinion Dynamics Corporation conducted a "Market Assessment and Baseline Study of the School and Local Government Markets" to assist with the implementation and evaluation of the Texas SCORE MTP. Specifically, the objective of the study was to "document the current status of school and local government energy density, key equipment, practices, and management within the aforementioned utility service territories."[18]

Results from the baseline study clearly indicated a strong interest in energy efficiency opportunities across these markets; approximately 80% of respondents noted that they were interested in learning how to save energy. However, the study also noted that although there was interest in energy efficiency, several market barriers prevented cities and schools from undertaking projects that would save them both energy and money. The major market barriers identified by the study were (1) cost of energy efficient technologies, (2) difficulties with the budgeting and procurement processes for planning efficiency improvements, and (3) a lack of time, knowledge and resources to plan and execute such improvements. The baseline study also identified several opportunities for efficiency upgrades specific to local governments and schools. From specific measures such as lighting and HVAC system upgrades, to improvements in operation and management, opportunities to provide information, resources and funding exist in both markets.

The Texas SCORE MTP is designed to help schools and cities break through these types of market barriers. School administrators and city employees who are interested in energy efficiency, but simply lacking the technical expertise and time to implement projects can utilize the incentives and technical assistance provided by the program to implement efficiency upgrades.

The 2009 Texas SCORE Pilot MTP had 99 projects employed by participating districts and local government agencies in the EPE service territory, and the associated energy efficiency measures achieved 1.4 MW of peak demand reductions.

The 2010 Texas SCORE Pilot MTP had 133 projects with participating districts and local government agencies in the EPE service territory. 1.9 MW of peak demand reductions were achieved through the implemented energy efficiency measures.

In 2011, the Texas SCORE Pilot MTP was converted from a pilot program to a fully implemented program. The 2011 Texas SCORE MTP had 45 projects with participating districts and local government agencies in the EPE service territory. Peak Demand reductions of 1.088 MW were achieved through the implemented energy efficiency measures.

The 2012 Texas SCORE MTP had 50 projects with participating districts and local government agencies in the EPE service territory. Peak Demand reductions of 692 kW were achieved through the implemented energy efficiency measures.

[18] Opinion Dynamics Corporation, "Texas School and Local Government Energy Efficiency Market Assessment and Baseline Study." February 2010.

EPE will continue working through the Texas SCORE MTP with school districts and governmental entities to expand the scope of energy efficiency opportunity areas, to include measurement and verification measures. The program will also aim to consolidate the identification of opportunities, recommended technologies, and the financial benefits, by creating and disseminating encompassing reports. The Texas SCORE Program will also expand outreach to active contractors, architectural firms, engineering firms, and other building industry players, to raise overall energy efficiency practices across the marketplace.

Commercial Rebate Pilot MTP

The Commercial Rebate Program is designed to provide demand and energy savings by subsidizing part of the high up-front cost of installing specific energy efficiency measures in certain market segments. Currently there are three measures which qualify under this program, with additional measures or products to be added as the associated demand and energy savings are determined to be cost effective. The lodging HVAC measure is primarily designed to address energy management solutions for the hotel industry. The commercial HVAC measure is designed to provide controls to effectively reduce demand and energy usage for use by commercial customers that have multiple HVAC package units. The third is a vending machine measure designed to provide energy and demand savings by controlling the operation of vending machines in commercial customer's facilities.

In 2012, the Commercial Rebate Pilot MTP provided rebates to 8 customers and achieved 9 kW peak demand reduction and 486,917 kWh in energy savings. The acceptance of this program by customers has been very slow; however, it is anticipated that this program will pick up significantly in 2013 with additional participants and unit rebates.

Residential Solutions MTP

The Residential Solutions MTP offers customers both cash and non-cash incentives. This program focuses on improving the energy efficiency of residential buildings and the installation practices of participating contractors. This is done through education of the local contractors, as well as the public. In addition to capturing kW reductions, the implementer helps residential contractors improve their ability to identify, evaluate, and sell efficiency improvements to homes and assists consumers in evaluating energy efficiency proposals from vendors.

Cash incentives of $425 per reduced peak kW were offered directly to contractors for retrofit projects that reduce peak demand. El Paso Electric contracted with CLEAResult to administer the program.

In 2011, the Residential Solutions Pilot MTP completed 558 projects that reduced demand by 327 kW and saved approximately 487,907 kWh.

In 2011, Opinion Dynamics conducted a residential baseline study to provide EPE with information about the current state of the residential energy efficiency market in El Paso. This study surveyed residential contractors on the current standard installation practices, the observed characteristics of homes, contractors' knowledge of energy efficiency and general program awareness and interest.

In 2012, the Residential Solutions Pilot MTP was converted from a pilot program to a fully implemented program. In 2012, the Residential Solutions MTP completed 710 projects that reduced demand by 413 kW and saved approximately 559,445 kWh.

LivingWise® MTP

EPE implemented the LivingWise® program as part of its 2009 energy efficiency portfolio. Fully implemented by Resource Action Programs (RAP) of Modesto, CA, the program is designed to generate immediate and long term energy savings for the participants. The program uses a school-based method that builds student knowledge, provides high energy efficiency devices to families and serves as an effective community outreach program. The program identifies and enrolls students and teachers within the EPE Texas service territory. The enrolled participants receive educational materials designed to build participant knowledge and demonstrate simple ways to save energy. Materials meet state and national educational standards which allow the program to easily fit into teachers' existing schedules and requirements.

In 2010, EPE's LivingWise® MTP was used by 7,385 sixth grade students and 145 sixth grade teachers in the El Paso area. Energy savings were estimated by RAP; however a full measurement and verification of the program was not conducted for the Texas 2010 program. EPE also contracted with RAP to administer the identical program in its New Mexico service area. In New Mexico, the New Mexico Public Regulation Commission selected an independent evaluator, ADM Associates Inc. to perform measurement and verification of the energy efficiency programs for all the Investor Owned Utilities in New Mexico. In 2010, the New Mexico statewide evaluator verified that the savings per kit was .0047 kW in demand and 164.85 kWh in energy. That equated to 34.7 kW in demand reduction and 1,217,417 kWh in energy savings in 2010.

In 2011, EPE's LivingWise® MTP had 7,918 sixth-grade students and 116 teachers participating in the program for a total of 8,034 participants. The New Mexico independent evaluator further refined the savings verification in 2011 and has determined that the savings per kit was .0075 kW in demand and 191.08122 kWh in energy. That equated to 60.3 kW in demand savings and 1,535,147 kWh in energy savings in 2011.

In 2012, EPE's LivingWise® MTP had 7,895 sixth-grade students and 121 teachers participating in the program for a total of 8,016 participants which equates to 60.2 kW in demand savings and 1,531,707 kWh in energy savings.

Appliance Recycling MTP

This Appliance Recycling Program provides incentives to encourage EPE residential customers to recycle their older, less efficient refrigerators or freezers rather than keep them as secondary or backup units. Unlike other appliances, where the old units are usually scrapped when replaced, older refrigerators or freezers can stay connected to the grid for years after they have been removed from the kitchen and transferred to the basement or garage or to a used appliance dealer. Utility programs targeted at reducing the number of households with secondary refrigerators or freezers have proven to be cost-effective when properly administered. The Program offers an eligible customer a $30 incentive to permit EPE to remove and recycle their old refrigerator or freezer. Though EPE's existing SOPs and MTPs have been effective in reducing demand and educating customers about the benefits of adopting efficient energy use practices, EPE believes that this cost-effective appliance recycling program provides additional demand reduction and energy savings to customers, as well as reduces system-wide load and peak demand.

One thousand one hundred seventy-two appliances (refrigerators or freezers) were removed and recycled under the Appliance Recycling MTP in 2010. Approximately 138 kW of peak demand reductions and 1,014,952 kWh of energy savings were achieved as a result of the program.

In 2011, one thousand five hundred sixteen appliances (refrigerators or freezers) were removed and recycled. Approximately 343 kW of peak demand reductions and 1,985,657 kWh of energy savings were achieved as a result of the program.

In 2012, one thousand five hundred and sixty-eight appliances (refrigerators or freezers) were removed and recycled under this program. Approximately 301 kW and 1,844 MWhs of energy savings were achieved through the Appliance Recycling Program.

Photovoltaic (PV)/Solar Pilot MTP

The high up-front cost of installing large solar generation systems is a barrier to customers installing energy-efficient solar generation. EPE encourages the installation of smaller residential or commercial solar photovoltaic (PV) distributed generation systems. The PV/Solar Pilot MTP encourages EPE customers to install solar PV distributed generation systems at their homes or businesses by offering incentives to off-set a portion of the up-front costs. In coordination with Frontier Associates and Clean Energy Associates (the Implementer), EPE implemented the program in 2010 with an incentive level of $2.50/dc watt. During that year, eighteen participants realized 74 kW in demand reduction and 141,930 kWh in energy savings.

In 2011, this program gained participants primarily due to the influx of additional funding from the City of El Paso and EPE. The incentive levels in 2011 were reduced to $2.00/dc watt for residential customers and $1.75/dc watt for commercial customers. The resulting demand and energy savings for the 91 customers receiving incentives funded by the City and EPE were 510 kW and 982,254 kWh, respectively.

In 2012, the program continued with the same funding from both EPE and the City of El Paso. There were a total of 87 participants with a savings in peak demand of approximately 660 kW and energy savings of approximately 1,271,588 kWh. EPE is only claiming the savings directly associated with its funding. Although a total demand of 202 kW was achieved through EPE Funding, EPE is only claiming 111 kW based on a 55% peak coincidence factor. The energy savings associated with the total demand reduction is 389,809 kWh.

Hard-to-Reach Solutions MTP

This program mirrors the Residential Solutions Program described above. As with the Residential Solutions Program, the Hard-to-Reach Solutions Program focuses on improving the energy efficiency of residential buildings and the installation practices of participating contractors. This program is designed for residential customers whose total household income is at or below 200% of the federal poverty guidelines. In addition to capturing kW reductions, the implementer helps residential contractors improve their ability to identify, evaluate, and sell efficiency improvements to residential customers.

Under the Hard-to-Reach Solutions Program, EPE provides training for contractors on which efficiency options to recommend and the proper installation procedures. This program also helps customers that do not have the capacity or expertise to identify, evaluate, and undertake efficiency improvements.

Cash incentives of $576 per reduced peak kW are offered directly to contractors for retrofit projects that reduce peak demand. El Paso Electric contracted with CLEAResult to administer the program.

Forty-four projects were completed under the Hard-to-Reach Solutions Pilot Program in 2009. Approximately 64 kW of peak demand reductions and 77,000 kWh of energy savings were achieved as a result of the program.

Eight hundred thirty-one projects were completed under the Hard-to-Reach Solutions Pilot MTP in 2010. Approximately 391 kW of peak demand reductions and 1,039,413 kWh of energy savings were achieved as a result of the program.

In 2011, the Hard-to Reach Solutions Pilot MTP completed 517 projects with a savings in demand of 349 kW and energy savings of approximately 541,560 kWh.

In 2011, Opinion Dynamics conducted a residential baseline study to provide EPE with information about the current state of the residential energy efficiency market in El Paso. This study surveyed residential contractors on the current standard installation practices, the observed characteristics of homes, contractors' knowledge of energy efficiency and general program awareness and interest. The Hard-to-Reach Solutions Pilot MTP was converted from a pilot program to a fully implemented program in 2012.

In 2012, the Hard-to Reach Solutions MTP completed 593 projects with a savings in peak demand of 575 kW and energy savings of approximately 769,271 kWh.

X. Current Energy Efficiency Cost Recovery Factor (EECRF)

Report for 2012

In Docket No. 39376, EPE requested recovery through its 2012 EECRF of (a) $4,384,650 in energy efficiency costs projected to be incurred from January 1 through December 31, 2012, (b) a performance bonus for 2010 of $833,347, (c) the 2010 under-recovery revenue amount of $1,068,865, and (d) the 12-month recovery of deferred costs of $1,976,177 for the reasonable costs for energy efficiency during the period from September 1, 2007 through June 30, 2010, which were deferred pursuant to Commission authorization in Docket No. 35612.[19] EPE requested that the EECRF be applicable beginning January 1, 2012. The final order in Docket No. 39376 concluded that the filing conformed to the requirements of P.U.C. SUBST. R. 25.181.[20] It further concluded the 2012 projected energy efficiency costs; the deferred amortization expense and the performance bonus proposed to be recovered through the EECRF are consistent with P.U.C. SUBST. R. 25.181(f).[21] The order also found the allocation of the energy efficiency costs and performance bonus in accordance with P.U.C. SUBST. R. 25.181. The agreed upon EECRF amount of $8,263,039 was allocated to eligible customer classes on a program-by-program basis using energy as the basis. The cost recovery factors by rate were:

[19] *Application of El Paso Electric Company to Defer Energy Efficiency Costs Under PURA § 39.905 and P.U.C. Substantive Rule § 25.181(f),* Docket No. 35612 (Sept. 12, 2008). The deferral of such costs by a utility with a rate freeze, together with the recovery of such costs on the expiration of the rate freeze, is expressly allowed by P.U.C. SUBST. R. 25.181(f)(7).

[20] Docket No. 39376, Final Order at Conclusion of Law No. 6. (Aug. 23, 2011).

[21] *Id.* at Finding of Fact No. 7.

Table 12: 2012 Monthly Rates

Rate No.	Description	Energy Efficiency Cost Recovery Factor ($/kWh)
01	Residential Service Rate	$0.00170
02	Small Commercial Service Rate	$0.00074
07	Outdoor Recreational Lighting Service Rate	$0.00069
08	Governmental Street Lighting and Signal Service Rate	$0.00080
11	Municipal Pumping Service Rate	$0.00164
11-TOU	Time-Of-Use Municipal Pumping Service Rate	$0.00164
WH	Water Heating	$0.00202
22	Irrigation Service Rate	$0.00063
24	General Service Rate	$0.00219
25	Large Power Service Rate (excludes transmission)	$0.00126
34	Cotton Gin Service Rate	$0.00092
41	City and County Service Rate	$0.00206
43	University Service Rate	$0.00136
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	$0.00079
47	Backup Power Service For Cogeneration And Small Power Production Facilities	$0.00079

XI. Revenue Collected through EECRF

In 2012, EPE collected a total of $8,635,836 under Rate Schedule 97 – Energy Efficiency Cost Recovery Factor.

XII. Over/Under Recovery of Energy Efficiency Program Costs

In 2012, EPE over-recovered an amount of $794,458, as shown in Table 13.

Table 13: Authorized and Actual Recovery Amounts

Description	Authorized	Actual
January1 – December 31, 2012 Energy Efficiency Costs	$4,384,650	$3,962,989
12 Month Recovery of Deferred Costs	$1,976,177	$1,976,177
2010 (Over)/Under Recovery	$1,068,865	$1,068,865
2010 Performance Bonus	$833,347	$833,347
2012 Total Costs and Bonus	**$8,263,039**	**$7,841,378**
2012 EECRF Revenues		$8,635,836
2012 (Over)/Under Recovery		**($794,458)**

XIII. Underserved Counties

EPE serves customers in three Texas counties: Culberson, Hudspeth, and El Paso. The large majority of EPE's customers (approximately 92%) live in El Paso County and, as such, it is to be expected that the energy efficiency projects performed in El Paso County would outnumber those performed in Culberson or Hudspeth counties.

Table 14: 2012 Energy Efficiency Activities by County

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	11,294	12,021	20,801,375
Hudspeth County	1	1	1,647
Culberson County	39	7	43,843
Total	11,334	12,029	20,846,865

XIV. Performance Incentive Calculation

EPE achieved a 12.029 MW reduction in peak demand from its energy efficiency programs offered in 2012. EPE's demand reduction goal for 2012 was 11.16 MW. EPE's achievement represents 107.8% of its goal, qualifying it for a performance incentive. Per Subst. R. 25.181, EPE is eligible for a Performance Incentive of $409,036 which it plans to request in the 2013 EECRF filing.

Table 15: 2012 Performance Incentive Calculations

	kW	kWh
Demand and Energy Goals	11,160	19,552,320
Demand and Energy Savings		
Reported/Verified Total (including HTR, measures with 10yr EUL, and measures with EULs < or > 10 years)	12,029	20,846,865
Reported/Verified Hard-to-Reach	575	
Avoided Costs		
per kW	$80.00	
per kWh	$0.064	
Inflation Rate	2.00%	
Discount Rate	7.411%	
Total Avoided Costs	$14,468,953	
2012 Program Costs	$3,962,989	
Net Benefits	$10,505,964	
Performance Incentive	$409,036	

ACRONYMS

C&I	Commercial and Industrial
CCET	Center for the Commercialization of Electric Technologies
CFL	Compact Fluorescent Lamp
DR	Demand Response
DSM	Demand Side Management
EEP	Energy Efficiency Plan, which was filed as a separate document prior to April 2008
EEPR	Energy Efficiency Plan and Report
EER	Energy Efficiency Report, which was filed as a separate document prior to April 2008
EE Rule	Energy Efficiency Rule, PUCT Substantive Rules § 25.181 and § 25.183
EPE	El Paso Electric Company
ERCOT	Electric Reliability Council of Texas
HTR	Hard-To-Reach
M&V	Measurement and Verification
MTP	Market Transformation Program
PUCT	Public Utility Commission of Texas
REP	Retail Electrical Provider
RES	Residential
SCORE	Schools Conserving Resources Program
SOP	Standard Offer Program

GLOSSARY

Glossary is the same as the definitions in PUCT Substantive Rule § 25.181(c).

APPENDICES

APPENDIX A: REPORTED DEMAND AND ENERGY REDUCTION BY COUNTY

Table 16: Program Savings by County

Commercial SOP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	6	290	1,460,868
Total	6	290	1,460,868

Large C&I Solutions MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	38	1,637	6,522,220
Total	38	1,637	6,522,220

Small Commercial Solutions MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	244	899	4,119,602
Culberson County	3	7	36,964
Total	247	906	4,156,566

Texas SCORE MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	50	692	3,101,982
Total	50	692	3,101,982

Load Management SOP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	11	7,035	24,112
Total	11	7,035	24,112

Commercial Rebate Pilot MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	8	9	486,917
Total	8	9	486,917

Residential Solutions MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	709	412	557,798
Hudspeth	1	1	1,647
Total	710	413	559,445

LivingWise® MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	7,980	60	1,524,828
Culberson County	36	0	6,879
Total	8,016	60	1,531,707

Appliance Recycling MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	1,568	301	1,843,968
Total	1,568	301	1,843,968

PV/Solar Pilot MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	87	111	389,809
Total	87	111	389,809

Hard-to-Reach Solutions MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	593	575	769,271
Total	593	575	769,271

APPENDIX B: OPTIONAL SUPPORT DOCUMENTATION

The following table provides a demonstration of the cost-effectiveness of the energy efficiency programs offered to customers in EPE's Texas service territory. This analysis uses the 2012 energy savings, demand reductions and expenditures and the 2013 projected energy savings, demand reductions, and expenditures found in this report. Benefits are calculated based on various estimated useful life depending on the program and energy efficiency measure. The benefits calculation uses avoided capacity costs of $80 per kW and avoided energy costs of $0.064 per kWh for 2012 and avoided capacity costs of $80 per kW and avoided energy costs of $0.104 per kWh for 2013. An escalation rate of 2% and a post-tax discount rate of 7.411% were used in the benefits calculation.

2012	Savings		Costs				Benefits				Benefit-Cost Ratio
Customer Class and Program	kW	kWh	Incentives	Admin.	R&D	Total	Avoided Capacity Costs	Avoided Energy Costs	Total	Net Benefits	
Commercial	10,569	15,762,865	$ 2,113,205	$ 46,614	$ 22,450	$ 2,182,269	$ 2,726,423	$ 7,668,577	$ 10,395,000	$ 8,229,051	4.75
Commercial SOP	290	1,460,868	$ 83,753	$ 18,614	$	$ 102,367	$ 204,556	$ 824,355	$ 1,028,911	$ 926,544	10.05
Small Comm. Solutions MTP	906	4,156,566	$ 543,770	$ –	$ –	$ 543,770	$ 476,637	$ 1,749,380	$ 2,226,017	$ 1,682,247	4.09
Large C&I Solutions Program	1,637	6,522,220	$ 617,972	$ –	$ –	$ 617,972	$ 1,070,597	$ 3,412,422	$ 4,483,019	$ 3,865,047	7.25
TX SCORE MTP	692	3,101,982	$ 482,327	$ –	$ –	$ 482,327	$ 437,094	$ 1,567,466	$ 2,004,560	$ 1,522,233	4.16
Load Management SOP	7,035	24,112	$ 380,430	$ –	$ –	$ 380,430	$ 534,448	$ 1,465	$ 535,913	$ 155,483	1.41
Rebate Pilot MTP	9	486,917	$ 64,953	$ –	$ 450	$ 65,403	$ 3,091	$ 133,789	$ 136,880	$ 71,477	2.09
Residential	1,885	4,324,929	$ 1,029,467	$ 11,030	$ 20,000	$ 1,059,497	$ 706,924	$ 2,050,185	$ 2,758,639	$ 1,699,142	2.60
Res. Solutions MTP	413	559,445	$ 245,257	$ –	$ 20,000	$ 265,257	$ 437,012	$ 473,577	$ 910,589	$ 645,332	3.43
Appliance Recycling MTP	301	1,843,968	$ 201,428	$ 6,144	$ –	$ 207,572	$ 103,381	$ 506,661	$ 610,042	$ 402,470	2.94
PV/Solar Pilot MTP	111	389,809	$ 236,212	$ 4,886	$ –	$ 241,098	$ 131,888	$ 370,531	$ 502,419	$ 261,321	2.08
Living Wise	60	1,531,707	$ 345,570	$ –	$ –	$ 345,570	$ 34,243	$ 699,346	$ 733,589	$ 388,019	2.12
Hard-to-Reach	575	769,271	$ 602,842	$ –	$ 20,000	$ 622,842	$ 626,489	$ 670,525	$ 1,297,014	$ 674,172	2.08
HTR Solutions MTP	575	769,271	$ 602,842	$ –	$ 20,000	$ 622,842	$ 626,489	$ 670,525	$ 1,297,014	$ 674,172	2.08
Subtotal	12,029	20,846,865	$ 3,745,514	$ 29,644	$ 42,450	$ 3,817,608	$ 4,059,436	$ 10,409,517	$ 14,468,953	$ 10,651,345	3.79
Admin. Expenses			$ –	$ 88,381	$ –	$ 88,381				$ (88,381)	
Totals	12,029	20,846,865	$ 3,745,514	$ 118,025	$ 42,450	$ 3,905,989	$ 4,059,436	$ 10,409,517	$ 14,468,953	$ 10,562,964	3.65

2013	Projected Savings		Projected Costs				Benefits				Benefit-Cost Ratio
Customer Class and Program	kW	kWh	Incentives	Admin.	R&D	Total	Avoided Capacity Costs	Avoided Energy Costs	Total	Net Benefits	
Commercial	9,945	17,210,500	$ 2,975,411	$ 280,000	$ -	$ 3,255,411	$ 2,807,048	$ 8,739,250	$ 11,726,698	$ 8,103,567	4.47
Commercial SOP	731	3,201,780	$ 252,000	$ 28,000	$ -	$ 280,000	$ 515,924	$ 1,807,799	$ 2,323,723	$ 2,043,723	8.30
Small Commercial Solutions MTP	730	3,197,400	$ 461,119	$ -	$ -	$ 461,119	$ 384,045	$ 1,345,694	$ 1,729,739	$ 1,268,620	3.75
Large C&I Solutions Program	1,800	7,884,000	$ 895,428	$ -	$ -	$ 895,428	$ 1,177,199	$ 4,124,904	$ 5,302,103	$ 4,406,675	5.92
TX SCORE MTP	600	2,365,200	$ 406,564	$ -	$ -	$ 406,564	$ 378,983	$ 1,195,162	$ 1,574,145	$ 1,167,581	3.87
Load Management SOP	6,000	20,000	$ 360,000	$ -	$ -	$ 360,000	$ 455,819	$ 1,216	$ 457,035	$ 97,035	1.27
Rebate Pilot MTP	124	543,120	$ 200,000	$ 20,000	$ -	$ 220,000	$ 75,478	$ 264,475	$ 339,953	$ 119,953	1.55
Residential	998	4,293,795	$ 1,028,971	$ 37,500	$ -	$ 1,066,471	$ 659,784	$ 2,064,820	$ 2,724,605	$ 1,658,134	2.55
Res. Solutions MTP	300	525,600	$ 190,000	$ -	$ -	$ 190,000	$ 317,442	$ 444,927	$ 762,369	$ 572,369	4.01
Appliance Recycling MTP	509	1,783,536	$ 289,125	$ -	$ -	$ 289,125	$ 174,820	$ 490,056	$ 664,876	$ 375,751	2.30
PV/Solar MTP	129	452,892	$ 212,500	$ 37,500	$ -	$ 250,000	$ 153,276	$ 430,495	$ 583,771	$ 333,771	2.34
Living Wise	60	1,531,707	$ 346,346	$ -	$ -	$ 346,346	$ 34,243	$ 699,346	$ 733,589	$ 387,243	2.12
Hard-to-Reach	571	1,000,392	$ 600,000	$ -	$ -	$ 600,000	$ 622,131	$ 871,979	$ 1,494,110	$ 894,110	2.49
HTR Solutions	571	1,000,392	$ 600,000	$ -	$ -	$ 600,000	$ 622,131	$ 871,979	$ 1,494,110	$ 894,110	2.49
Subtotal	11,554	22,505,627	$ 4,213,082	$ 85,500	$ -	$ 4,298,582	$ 4,289,360	$ 11,676,053	$ 15,965,413	$ 11,666,831	3.71
Admin. Expenses			$ -	$ 86,068	$ -	$ 86,068				$ (86,068)	
Subtotal	11,554	22,505,627	$ 4,213,082	$ 171,568	$ -	$ 4,384,650	$ 4,289,360	$ 11,676,053	$ 15,965,413	$ 11,580,763	3.64
EM&V			$ -	$ 136,200	$ -	$ 136,200				$ (136,200)	
Totals	11,554	22,505,627	$ 4,213,082	$ 307,768	$ -	$ 4,520,850	$ 4,289,360	$ 11,676,053	$ 15,965,413	$ 11,444,563	3.53

EL PASO ELECTRIC COMPANY
2014 Regulatory Cap Calculation
Applicable January through December 2014

Line No.	(a) Rate	(b) Applicable Rate	(c) Rate Class	(d) 2014 Projected Metered kWh	(e) 2014 Energy Efficiency Program Costs Subject to Cap (b)	(f) 2012 Energy Efficiency Bonus	(g) 2012 (Over)/Under Recovery	(h) #REFI	(i) Total EE Costs to be Recovered Subject to Cap	(j) EECRF Subject to Cap	(k) Regulatory Energy Efficiency Cap	(l) Percent of Cap
1	01	01	Residential Service	2,051,835,713	$ 1,564,521	$ 72,726	$ (225,214)	$ 13,359	$ 1,425,392	$ 0.000695	$ 0.00122	57%
2	02	02	Small Commercial Service	257,419,139	166,656	39,245	300,971	3,022	509,895	$ 0.001981	$ 0.00076	260%
3	07	07	Outdoor Recreational Lighting	5,481,462	2,269	-	(918)	-	1,351	0.000247	0.00076	32%
4	08	08	Governmental Street Lighting Service	39,915,211	2,864	-	(5,183)	-	(2,319)	(0.000058)	0.00076	-8%
5	11	11	Municipal Pumping Service	176,408,529	174,948	-	(136,487)	-	38,461	0.000218	0.00076	29%
6	15		Electrolytic Refining Service	-	-	-	-	-	-	-	0.00076	0%
7	21	21	Water Heating Service	18,333,352	-	-	(16,131)	-	(16,131)	(0.000880)	0.00076	-116%
8	22	22	Irrigation Service	4,122,984	3,788	-	(1,642)	-	2,146	0.000520	0.00076	68%
9	24	24	General Service	1,588,409,254	1,549,804	140,021	(684,522)	9,082	1,014,384	0.000639	0.00076	84%
10	25	25	Large Power Service - Sec. Pri.	702,130,685	665,209	127,724	47,590	3,723	844,247	0.001202	0.00076	158%
11	25T		Large Power Service- Trans.	-	-	-	-	-	-	-	0.00076	0%
12	26		Petroleum Refining Service	-	-	-	-	-	-	-	0.00076	0%
13	28		Private Area Lighting	-	-	-	-	-	-	-	0.00076	0%
14	30		Electric Furnace Service	-	-	-	-	-	-	-	0.00076	0%
15	31		Military Reservation Service	-	-	-	-	-	-	-	0.00076	0%
16	34		Cotton Gin Service (a)	-	-	-	-	-	-	-	0.00076	0%
17	38		Interruptible Service	-	-	-	-	-	-	-	0.00076	0%
18	41	41	City / County Service	320,645,825	254,592	29,320	103,423	3,434	390,768	0.001219	0.00076	160%
19	43		University Service (a)	-	-	-	-	-	-	-	0.00076	0%
20	46/47		Cogeneration (a)	-	-	-	-	-	-	-	0.00076	0%
21			Texas Total	5,164,702,154	$ 4,384,650	$ 409,036	$ (618,112)	$ 32,620	$ 4,208,194			

	Group	2014 Projected Metered kWh	Total EE Costs to be Recovered Subject to Cap	EECRF Subject to Cap	Regulatory Energy Efficiency Cap
22	Total Residential Energy	2,069,425,828	$ 1,409,916	$ 0.00068	$ 0.00122
23	Total Commercial Energy	3,095,276,327	$ 2,798,279	$ 0.00090	$ 0.00076
24	Total	5,164,702,154	$ 4,208,194		

25	Residential Water Heating Energy	17,590,115
26	Commercial Water Heating Energy	743,238

	Regulatory Energy Efficiency Cap	2013	2014
27	Residential	$ 0.00120	$ 0.00122
28	Commercial	$ 0.00075	$ 0.00076
29	Urban CPI - South Region (c)	1.50%	

(a) Rates combined with Rate 25 -Large Power Service - Sec. Pri. In accordance with P.U.C. Subst. Rule 25.181.(f).(2)
(b) 2014 Energy Efficiency Program Costs Subject to Cap are total EECRF costs excluding EM&V costs and municipal EECRF proceeding costs.
(c) Bureau of Labor Statistics - Table A. South region CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted. Based on twelve month change for March 2013.
(d) Water Heating Programs costs allocated to Residential and Commercial groups based on energy percentage to each group.

EL PASO ELECTRIC COMPANY
2013 and 2014 Energy Efficiency Proposed Annual Budgets

Exhibit CH-5
Page 1 of 1

Line No.	2013	Incentives	R&D	Total Budget
1	**Commercial**	**$2,575,111**	**$48,000**	**$2,623,111**
2	Commercial SOP	$252,000	$28,000	$280,000
3	Small Comm. Solutions MTP	$461,119	$0	$461,119
4	Large C&I Solutions MTP	$895,428	$0	$895,428
5	Texas SCORE MTP	$406,564	$0	$406,564
6	Load Management SOP	$360,000	$0	$360,000
7	Rebate Pilot MTP	$200,000	$20,000	$220,000
8	**Residential**	**$1,037,971**	**$37,500**	**$1,075,471**
9	Residential Solutions MTP	$190,000	$0	$190,000
10	LivingWise® MTP	$346,346	$0	$346,346
11	Appliance Recycling MTP	$289,125	$0	$289,125
12	PV/Solar Pilot MTP	$212,500	$37,500	$250,000
13	**Hard-to-Reach**	**$600,000**	**$0**	**$600,000**
14	Hard-to-Reach Solutions MTP	$600,000	$0	$600,000
15	**Administration**		**$86,068**	**$86,068**
16	**Subtotal Budgets**	**$4,213,082**	**$171,568**	**$4,384,650**
17	**EM&V**		$136,200	$136,200
18	**Total Budgets**	**$4,213,082**	**$307,768**	**$4,520,850**

	2014	Incentives	Admin & R&D	Total Budget
19	**Commercial**	**$2,575,111**	**$48,000**	**$2,623,111**
20	Commercial SOP	$252,000	$28,000	$280,000
21	Small Comm. Solutions MTP	$461,119	$0	$461,119
22	Large C&I Solutions MTP	$895,428	$0	$895,428
23	Texas SCORE MTP	$406,564	$0	$406,564
24	Load Management SOP	$360,000	$0	$360,000
25	Rebate Pilot MTP	$200,000	$20,000	$220,000
26	**Residential**	**$1,037,971**	**$37,500**	**$1,075,471**
27	Residential Solutions MTP	$190,000	$0	$190,000
28	LivingWise® MTP	$346,346	$0	$346,346
29	Appliance Recycling MTP	$289,125	$0	$289,125
30	PV/Solar Pilot MTP	$212,500	$37,500	$250,000
31	**Hard-to-Reach**	**$600,000**	**$0**	**$600,000**
32	Hard-to-Reach Solutions MTP	$600,000	$0	$600,000
33	**Administration**		**$86,068**	**$86,068**
34	**Subtotal Budgets**	**$4,213,082**	**$171,568**	**$4,384,650**
35	**EM&V**		$44,494	$44,494
36	**Total Budgets**	**$4,213,082**	**$216,062**	**$4,429,144**

EL PASO ELECTRIC COMPANY
2012 Energy Efficiency Performance Bonus Calculation

Energy Efficiency Performance Bonus Calculator

Line No.		kW	kWh	
1	**Demand and Energy Goals**			
2	**Demand and Energy Savings**			
3	*Reported/Verified Total (including HTR, measures with 10yr EUL, and measures with EULs < or > 10 years)*			
4	*Reported/Verified Hard-to-Reach*			
5				
6	**Program Costs**			
7				
8				
9				
10				

11	Measure/Program	Reported/Verified kW	Reported/Verified kWh	EUL
12				
13				
14				
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30				
31				
32				
33	Weighted Average Cost of Capital			

EL PASO ELECTRIC COMPANY
2014 Regulatory Cap Calculation
Applicable January through December 2014

Line No.	(a) Rate	(b) Applicable Rate	(c) Rate Class	(d) 2014 Projected Metered kWh	(e) 2014 Energy Efficiency Program Costs Subject to Cap (a)	(f) 2012 Energy Efficiency Bonus	(g) 2012 (Over)/Under Recovery	(h) #REF!	(i) Total EE Costs to be Recovered Subject to Cap	(j) EECRF Subject to Cap	(k) Regulatory Energy Efficiency Cap	(l) % of Cap
1	01	01	Residential Service	2,051,835,713	$ 1,564,522	$ 72,726	$ (225,214)	$ 13,359	$ 1,425,393	$ 0.00069	$ 0.00122	57%
2	02	02	Small Commercial Service	257,419,139	166,658	39,245	300,971	3,022	509,896	0.00198	0.00076	260%
3	07	07	Outdoor Recreational Lighting	5,481,462	2,269	-	(918)	-	1,351	0.00025	0.00076	32%
4	08	08	Municipal Street Lighting Service	39,915,211	2,864	-	(5,183)	-	(2,319)	(0.00006)	0.00076	-8%
5	11	11	Municipal Pumping Service	176,408,529	174,952	-	(136,487)	-	38,465	0.00022	0.00076	29%
6	15		Electrolytic Refining Service	-	-	-	-	-	-	-	0.00076	0%
7	21	21	Water Heating Service	18,333,352	-	-	(16,131)	-	(16,131)	(0.00088)	0.00076	-116%
8	22	22	Irrigation Service	4,122,984	3,788	-	(1,642)	-	2,146	0.00052	0.00076	68%
9	24	24	General Service	1,588,409,254	1,549,826	140,021	(684,522)	9,082	1,014,406	0.00064	0.00076	84%
10	25	25	Large Power Service - Sec. Pri.	632,466,765	603,031	127,724	75,043	3,723	809,522	0.00128	0.00076	168%
11	25T		Large Power Service- Trans.	-	-	-	-	-	-	-	0.00076	0%
12	26		Petroleum Refining Service	-	-	-	-	-	-	-	0.00076	0%
13	28		Private Area Lighting	-	-	-	-	-	-	-	0.00076	0%
14	30		Electric Furnace Service	-	-	-	-	-	-	-	0.00076	0%
15	31		Military Reservation Service	-	-	-	-	-	-	-	0.00076	0%
16	34	34	Cotton Gin Service	1,897,591	1,041	-	(639)	-	402	0.00021	0.00076	28%
17	38		Interruptible Service	-	-	-	-	-	-	-	0.00076	0%
18	41	41	City / County Service	320,645,825	254,600	29,320	103,423	3,434	390,777	0.00122	0.00076	160%
19	43	43	University Service	67,305,164	60,857	-	(32,494)	-	28,362	0.00042	0.00076	55%
20	46/47	46/47	Cogeneration	461,165	244	-	5,680	-	5,923	0.01284	0.00076	1687%
21			Texas Total	5,164,702,154	$ 4,384,650	$ 409,036	$ (618,112)	$ 32,620	$ 4,208,194			

	Group	2014 Projected Metered kWh
22	Total Residential Energy	2,069,425,828
23	Total Commercial Energy	3,095,276,327
24	Total	5,164,702,154
25	Residential Water Heating Energy	17,590,115
26	Commercial Water Heating Energy	743,238

	Regulatory Energy Efficiency Cap	2013	2014
27	Residential	$ 0.00120	$ 0.00122
28	Commercial	$ 0.00075	$ 0.00076
29	Urban CPI - South Region (b)	1.50%	

Group	Total EE Costs to be Recovered Subject to Cap	EECRF Subject to Cap	Regulatory Efficiency Cap
Total Residential Energy	$ 1,409,917	$ 0.00068	$ 0.00122
Total Commercial Energy	$ 2,798,277	$ 0.00090	$ 0.00076
Total	$ 4,208,194		

(a) 2014 Energy Efficiency Program Costs Subject to Cap are total EECRF costs excluding EM&V costs and municipal EECRF proceeding costs.
(b) Bureau of Labor Statistics - Table A. South region CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted. Based on twelve month change for March 2013.

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Applicable January through December

Line No.	(a) Rate	(b) Applicable Rate	(c) Rate Class	(d) 2014 Projected Metered kWh	(e) 2014 Proposed Program and Proceeding Budget	(f) Program Costs Rate per kWh	(g) 2012 Energy Efficiency Bonus	(h) Bonus Rate per kWh	(i) 2012 (Over)/Under Recovery	(j) (Over) / Under Recovery Rate per kWh	(k) 2012 Total EECRF Proceeding Expenses	(l) 2012 EECRF Proceeding Expenses Rate per kWh	(m) Total Energy Efficiency Costs to be Recovered	(n) Total Rate per kWh
1	01	01	Residential Service	2,051,835,713	$ 1,595,152	$ 0.000777	$ 72,726	$ 0.000035	$ (225,214)	$ (0.000110)	$ 16,934	$ 0.000008	$ 1,459,599	$ 0.000711
2	02	02	Small Commercial Service	257,419,139	169,921	0.000660	39,245	0.000152	300,971	0.001169	3,830	0.000015	513,968	0.001997
3	07	07	Outdoor Recreational Lighting	5,481,462	2,313	0.000422	-	-	(918)	(0.000167)	-	-	1,396	0.000255
4	08	08	Municipal Street Lighting Service	39,915,211	2,920	0.000073	-	-	(5,183)	(0.000130)	-	-	(2,263)	(0.000057)
5	11	11	Municipal Pumping Service	176,408,529	178,377	0.001011	-	-	(136,487)	(0.000774)	-	-	41,890	0.000237
6	15		Electrolytic Refining Service	-	-	-	-	-	-	-	-	-	-	-
7	21	21	Water Heating Service	18,333,352	-	-	-	-	(16,131)	(0.000880)	-	-	(16,131)	(0.000880)
8	22	22	Irrigation Service	4,122,984	3,862	0.000937	-	-	(1,642)	(0.000398)	-	-	2,220	0.000538
9	24	24	General Service	1,588,409,254	1,580,169	0.000995	140,021	0.000088	(684,522)	(0.000431)	11,512	0.000007	1,047,179	0.000659
10	25	25	Large Power Service - Sec. Pri.	632,466,765	614,837	0.000972	127,724	0.000202	75,043	0.000119	4,719	0.000007	822,324	0.001300
11	25T		Large Power Service- Trans.	-	-	-	-	-	-	-	-	-	-	-
12	26		Petroleum Refining Service	-	-	-	-	-	-	-	-	-	-	-
13	28		Private Area Lighting	-	-	-	-	-	-	-	-	-	-	-
14	30		Electric Furnace Service	-	-	-	-	-	-	-	-	-	-	-
15	31		Military Reservation Service	-	-	-	-	-	-	-	-	-	-	-
16	34	34	Cotton Gin Service	1,897,591	1,061	0.000559	-	-	(639)	(0.000337)	-	-	422	0.000222
17	38		Interruptible Service	-	-	-	-	-	-	-	-	-	-	-
18	41	41	City / County Service	320,645,825	259,585	0.000810	29,320	0.000091	103,423	0.000323	4,353	0.000014	396,680	0.001237
19	43	43	University Service	67,305,164	62,048	0.000922	-	-	(32,494)	(0.000483)	-	-	29,554	0.000439
20	46/47	46/47	Cogeneration	461,165	248	0.000539	-	-	5,680	0.012316	-	-	5,928	0.012854
21			Texas Total	5,164,702,154	$ 4,470,493	$ 0.00087	$ 409,036	$ 0.00008	$ (618,112)	(0.00012)	$ 41,349	0.00001	$ 4,302,766	0.000833

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of 2014 Proposed Energy Efficiency Budget

Line No.	(a) Program	(b) 2014 Proposed EE Budget	(c) 01 Residential Service	(d) 02 Small Commercial Service	(e) 07 Outdoor Recreational Lighting	(f) 08 Municipal Street Lighting Service	(g) 11 Municipal Pumping Service	(h) 15 Electrolytic Refining Service	(i) 21 Water Heating Service	(j) 22 Irrigation Service	(k) 24 General Service	(l) 25 Large Power Service - Sec. Pri.	(m) 25T Large Power Service-Trans.
1	Commercial SOP	$ 280,000	-	26,090	251	-	13,905	-	-	412	146,720	52,538	-
2	Small Commercial Solutions MTP	461,119	-	64,169	622	-	34,254	-	-	1,015	361,059	-	-
3	Large C&I Solutions MTP	895,428	-	-	991	-	56,533	-	-	1,692	600,129	214,051	-
4	Texas SCORE MTP	406,564	-	37,643	360	2,807	20,031	-	-	595	211,578	75,712	-
5	Load Management SOP	360,000	-	-	-	-	46,795	-	-	-	-	177,142	-
6	Commercial Rebate Pilot MTP	220,000	-	21,607	-	-	-	-	-	-	121,609	43,591	-
7	Residential Solutions MTP	190,000	190,000	-	-	-	-	-	-	-	-	-	-
8	Living Wise MTP	346,346	346,346	-	-	-	-	-	-	-	-	-	-
9	Appliance Recycling MTP	289,125	289,125	-	-	-	-	-	-	-	-	-	-
10	PV/Solar Pilot MTP	250,000	108,340	13,878	-	-	-	-	-	-	78,309	28,160	-
11	Hard To Reach Solutions MTP	600,000	600,000	-	-	-	-	-	-	-	-	-	-
12	Total Program Incentives	$ 4,298,582	1,533,811	163,387	2,224	2,807	171,517	-	-	3,714	1,519,404	591,194	-
13	Administration Expenses	86,068	30,711	3,271	45	56	3,434	-	-	74	30,422	11,837	-
14	EM&V	44,494	15,876	1,691	23	29	1,775	-	-	38	15,727	6,119	-
15	Total Program Budget	$ 4,429,144	1,580,398	168,349	2,292	2,893	176,727	-	-	3,826	1,565,553	609,150	-
16	EPE EECRF Proceeding Expenses	32,620	11,639	1,240	17	21	1,302	-	-	28	11,530	4,486	-
17	Municipal EECRF Proceeding Expenses	8,729	3,115	332	5	6	348	-	-	8	3,085	1,201	-
18	Total Program and Proceeding Budget	$ 4,470,493	1,595,152	169,921	2,313	2,920	178,377	-	-	3,862	1,580,169	614,837	-
19	Total Budget Less EM&V and MEPE	$ 4,384,650	$ 1,564,522	$ 166,658	$ 2,269	$ 2,864	$ 174,952	$ -	$ -	$ 3,788	$ 1,549,826	$ 603,031	$ -

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of 2014 Proposed Energy Efficiency Budget

Line No.	(a) Program	(b) 2014 Proposed EE Budget	(n) 26 Petroleum Refining Service	(o) 28 Private Area Lighting	(p) 30 Electric Furnace Service	(q) 31 Military Reservation Service	(r) 34 Cotton Gin Service	(s) 38 Interruptible Service	(t) 41 City / County Service	(u) 43 University Service	(v) 46/47 Cogeneration	(w) Total
1	Commercial SOP	$ 280,000	-	-	-	-	92	-	34,662	5,308	22	280,000
2	Small Commercial Solutions MTP	461,119	-	-	-	-	-	-	-	-	-	461,119
3	Large C&I Solutions MTP	895,428	-	-	-	-	365	-	-	21,583	85	895,428
4	Texas SCORE MTP	406,564	-	-	-	-	132	-	50,028	7,647	31	406,564
5	Load Management SOP	360,000	-	-	-	-	303	-	117,824	17,865	71	360,000
6	Commercial Rebate Pilot MTP	220,000	-	-	-	-	77	-	28,691	4,407	18	220,000
7	Residential Solutions MTP	190,000	-	-	-	-	-	-	-	-	-	190,000
8	Living Wise MTP	346,346	-	-	-	-	-	-	-	-	-	346,346
9	Appliance Recycling MTP	289,125	-	-	-	-	-	-	-	-	-	289,125
10	PV/Solar Pilot MTP	250,000	-	-	-	-	51	-	18,398	2,852	12	250,000
11	Hard To Reach Solutions MTP	600,000	-	-	-	-	-	-	-	-	-	600,000
12	Total Program Incentives	$ 4,298,582	-	-	-	-	1,020	-	249,603	59,662	239	4,298,582
13	Administration Expenses	86,068	-	-	-	-	20	-	4,998	1,195	5	86,068
14	EM&V	44,494	-	-	-	-	11	-	2,584	618	2	44,494
15	Total Program Budget	$ 4,429,144	-	-	-	-	1,051	-	257,184	61,474	246	4,429,144
16	EPE EECRF Proceeding Expenses	32,620	-	-	-	-	8	-	1,894	453	2	32,620
17	Municipal EECRF Proceeding Expenses	8,729	-	-	-	-	2	-	507	121	0	8,729
18	Total Program and Proceeding Budget	$ 4,470,493	-	-	-	-	1,061	-	259,585	62,048	248	4,470,493
19	Total Budget Less EM&V and MEPE	$ 4,384,650	$ -	$ -	$ -	$ -	$ 1,041	$ -	$ 254,600	$ 60,857	$ 244	4,384,650

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of Energy Efficiency Performance Bonus

Line No.	(a) Program	(b) Reported and Verified Savings (a) kW	kWh	(c) 50/50 Allocator (b)	(d) Bonus to be Recovered	(e)	(f) 01 Residential Service	(g) 02 Small Commercial Service	(h) 07 Outdoor Recreational Lighting	(i) 08 Municipal Street Lighting Service	(j) 11 Municipal Pumping Service	(k) 15 Electrolytic Refining Service	(l) 21 Water Heating Service	(m) 22 Irrigation Service	(n) 24 General Service	(o) 25 Large Power Service - Sec. Pri.	(p) 25T Large Power Service-Trans.
1	Commercial SOP	290	1,460,868	4.709%	19,262		-	-	-	-	-	-	-	-	18,557	705	-
2	Small Commercial Solutions MTP	906	4,156,566	13.735%	56,182		-	31,563	-	-	-	-	-	-	24,619	-	-
3	Large C&I Solutions MTP	1,637	6,522,220	22.448%	91,819		-	7,650	-	-	-	-	-	-	78,676	5,493	-
4	Texas SCORE MTP	692	3,101,982	10.316%	42,197		-	-	-	-	-	-	-	-	18,128	1,680	-
5	Load Management SOP	7,035	24,112	29.300%	119,846		-	-	-	-	-	-	-	-	-	119,846	-
6	Commercial Rebate Pilot MTP	9	486,917	1.205%	4,930		-	33	-	-	-	-	-	-	41	-	-
7	Residential Solutions MTP	413	559,445	3.058%	12,510		12,510	-	-	-	-	-	-	-	-	-	-
8	Living Wise MTP	60	1,531,707	3.923%	16,047		16,047	-	-	-	-	-	-	-	-	-	-
9	Appliance Recycling MTP	301	1,843,968	5.674%	23,208		23,208	-	-	-	-	-	-	-	-	-	-
10	PV/Solar Pilot MTP	111	389,809	1.396%	5,711		3,638	-	-	-	-	-	-	-	-	-	-
11	Hard To Reach Solutions MTP	575	769,271	4.235%	17,323		17,323	-	-	-	-	-	-	-	-	-	-
12	EE Performance Bonus	12,029	20,846,865	100.000%	409,036		72,726	39,245	-	-	-	-	-	-	140,021	127,724	-

		Residential Service	Small Commercial Service	Outdoor Recreational Lighting	Municipal Street Lighting Service	Municipal Pumping Service	Electrolytic Refining Service	Water Heating Service	Irrigation Service	General Service	Large Power Service - Sec. Pri.	Large Power Service-Trans.
13	Commercial SOP	$ -	$ -							$ 101,301	$ 3,850	
14	Small Commercial Solutions MTP	$ -	$ 313,799							$ 244,757	$ -	
15	Large C&I Solutions MTP	$ -	$ 52,885							$ 543,913	$ 37,975	
16	Texas SCORE MTP	$ -	$ -							$ 212,843	$ 19,724	
17	Load Management SOP	$ -	$ -							$ -	$ 390,771	
18	Commercial Rebate Pilot MTP	$ -	$ 433							$ 540	$ -	
19	Residential Solutions MTP	$ 272,469	$ -							$ -	$ -	
20	Living Wise MTP	$ 345,570	$ -							$ -	$ -	
21	Appliance Recycling MTP	$ 207,572	$ -							$ -	$ -	
22	PV/Solar Pilot MTP	$ 157,636	$ -							$ -	$ -	
23	Hard To Reach Solutions MTP	$ 639,776	$ -							$ -	$ -	

		Residential Service	Small Commercial Service	Outdoor Recreational Lighting	Municipal Street Lighting Service	Municipal Pumping Service	Electrolytic Refining Service	Water Heating Service	Irrigation Service	General Service	Large Power Service - Sec. Pri.	Large Power Service-Trans.
24	Commercial SOP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	96.3385%	3.6616%	0.0000%
25	Small Commercial Solutions MTP	0.0000%	56.1804%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	43.8196%	0.0000%	0.0000%
26	Large C&I Solutions MTP	0.0000%	8.3313%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	85.6863%	5.9825%	0.0000%
27	Texas SCORE MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	42.9809%	3.9811%	0.0000%
28	Load Management SOP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%	0.0000%
29	Commercial Rebate Pilot MTP	0.0000%	0.6621%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.8257%	0.0000%	0.0000%
30	Residential Solutions MTP	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
31	Living Wise MTP	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
32	Appliance Recycling MTP	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
33	PV/Solar Pilot MTP	63.6879%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
34	Hard To Reach Solutions MTP	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

Energy Efficiency Performance Bonus $ 409,036

(a) Reported and Verified Savings as shown in Exhibit CH-3, Appendix B.

(b) 50/50 Allocator based on average of percent of kW and percent of kWh of each program.

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of Energy Efficiency Performance Bonus

Line No.	(a) Program	(b) Reported and Verified Savings (a) kW	(c) kWh	(d) 50/50 Allocator (b)	(e) Bonus to be Recovered	(q) 26 Petroleum Refining Service	(r) 28 Private Area Lighting	(s) 30 Electric Furnace Service	(t) 31 Military Reservation Service	(u) 34 Cotton Gin Service	(v) 38 Interruptible Service	(w) 41 City / County Service	(x) 43 University Service	(y) 46/47 Cogeneration	(z) Total
1	Commercial SOP	290	1,460,868	4.709%	19,262	-	-	-	-	-	-	-	-	-	19,262
2	Small Commercial Solutions MTP	906	4,156,566	13.735%	56,182	-	-	-	-	-	-	-	-	-	56,182
3	Large C&I Solutions MTP	1,637	6,522,220	22.448%	91,819	-	-	-	-	-	-	-	-	-	91,819
4	Texas SCORE MTP	692	3,101,982	10.316%	42,197	-	-	-	-	-	-	22,389	-	-	42,197
5	Load Management SOP	7,035	24,112	29.300%	119,846	-	-	-	-	-	-	-	-	-	119,846
6	Commercial Rebate Pilot MTP	9	486,917	1.205%	4,930	-	-	-	-	-	-	4,857	-	-	4,930
7	Residential Solutions MTP	413	559,445	3.058%	12,510	-	-	-	-	-	-	-	-	-	12,510
8	Living Wise MTP	60	1,531,707	3.923%	16,047	-	-	-	-	-	-	-	-	-	16,047
9	Appliance Recycling MTP	301	1,843,968	5.674%	23,208	-	-	-	-	-	-	-	-	-	23,208
10	PV/Solar Pilot MTP	111	389,809	1.396%	5,711	-	-	-	-	-	-	2,074	-	-	5,711
11	Hard To Reach Solutions MTP	575	769,271	4.235%	17,323	-	-	-	-	-	-	-	-	-	17,323
12	EE Performance Bonus	12,029	20,846,865	100.000%	409,036	-	-	-	-	-	-	29,320	-	-	409,036

		Petroleum Refining Service	Private Area Lighting	Electric Furnace Service	Military Reservation Service	Cotton Gin Service	Interruptible Service	City / County Service	University Service	Cogeneration	Total
13	Commercial SOP							$ -			$ 105,151.53
14	Small Commercial Solutions MTP							$ -			$ 558,556.45
15	Large C&I Solutions MTP							$ -			$ 634,773.33
16	Texas SCORE MTP							$ 262,868			$ 495,434.39
17	Load Management SOP							$ -			$ 390,770.60
18	Commercial Rebate Pilot MTP							$ 64,430			$ 65,403.15
19	Residential Solutions MTP							$ -			$ 272,468.59
20	Living Wise MTP							$ -			$ 345,569.76
21	Appliance Recycling MTP							$ -			$ 207,572.11
22	PV/Solar Pilot MTP							$ 89,877			$ 247,513.89
23	Hard To Reach Solutions MTP							$ -			$ 639,775.60

		Petroleum Refining Service	Private Area Lighting	Electric Furnace Service	Military Reservation Service	Cotton Gin Service	Interruptible Service	City / County Service	University Service	Cogeneration	Total
24	Commercial SOP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
25	Small Commercial Solutions MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
26	Large C&I Solutions MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
27	Texas SCORE MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	53.0580%	0.0000%	0.0000%	100.0000%
28	Load Management SOP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
29	Commercial Rebate Pilot MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	98.5123%	0.0000%	0.0000%	100.0000%
30	Residential Solutions MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
31	Living Wise MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
32	Appliance Recycling MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
33	PV/Solar Pilot MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	36.3121%	0.0000%	0.0000%	100.0000%
34	Hard To Reach Solutions MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%

Energy Efficiency Performance Bonus $ 409,036

(a) Reported and Verified Savings as shown in Exhibit CH-3, Appendix B.
(b) 50/50 Allocator based on average of percent of kW and percent of kWh of each program.

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
2012 Energy Efficiency Cost Recovery Factor (EECRF) Collections
and Energy Efficiency Costs By Rate Class for Januray through December 2012

Line No.	(a) Rate	(b) Applicable Rate	(c) Rate Class	(d) 2012 EECRF Collections	(e) 2012 EE Program Costs	(f) 2012 Deferred EE Program Costs	(g) 2010 EE Bonus	(h) 2010 (Over) / Under Recovery	(i) 2012 (Over) / Under Recovery	(j) 2012 EPE EECRF Proceeding Expenses	(k) 2012 Municipal EECRF Proceeding Expenses	(l) 2012 Total EECRF Proceeding Expenses
1	01	01	Residential Service	$ (3,336,806)	$ 1,623,022	$ 772,900	$ 313,410	$ 402,260	$ (225,214)	$ 13,359	$ 3,575	$ 16,934
2	02	02	Small Commercial Service	(180,302)	367,117	77,833	37,838	(1,515)	300,971	3,022	809	3,830
3	07	07	Outdoor Recreational Lighting	(3,640)	-	1,417	937	368	(918)	-	-	-
4	08	08	Municipal Street Lighting Service	(31,669)	-	12,643	8,363	5,480	(5,183)	-	-	-
5	11	11	Municipal Pumping Service	(279,880)	-	81,571	27,472	34,350	(136,487)	-	-	-
6	15		Electrolytic Refining Service	-	-	-	-	-	-	-	-	-
7	21	21	Water Heating Service	(35,278)	-	9,533	3,769	5,845	(16,131)	-	-	-
8	22	22	Irrigation Service	(2,507)	-	660	413	(208)	(1,642)	-	-	-
9	24	24	General Service	(3,290,582)	1,103,355	808,395	266,076	428,234	(684,522)	9,082	2,430	11,512
10	25	25	Large Power Service - Sec. Pri.	(748,826)	452,320	173,809	103,310	94,430	75,043	3,723	996	4,719
11	25T		Large Power Service- Trans.	-	-	-	-	-	-	-	-	-
12	26		Petroleum Refining Service	-	-	-	-	-	-	-	-	-
13	28		Private Area Lighting	-	-	-	-	-	-	-	-	-
14	30		Electric Furnace Service	-	-	-	-	-	-	-	-	-
15	31		Military Reservation Service	-	-	-	-	-	-	-	-	-
16	34	34	Cotton Gin Service	(1,669)	-	553	346	131	(639)	-	-	-
17	38		Interruptible Service	-	-	-	-	-	-	-	-	-
18	41	41	City / County Service	(636,153)	417,175	178,623	58,792	84,986	103,423	3,434	919	4,353
19	43	43	University Service	(88,173)	-	32,015	11,093	12,571	(32,494)	-	-	-
20	46/47	46/47	Cogeneration	(351)	-	2,570	1,528	1,933	5,680	-	-	-
21			Totals	$ (8,635,836)	$ 3,962,989	$ 2,152,522	$ 833,347	$ 1,068,865	$ (618,112)	$ 32,620	$ 8,729	$ 41,349

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of 2012 Deferred Energy Efficiency Costs
and Bonus

Line No.	Program Costs	Total Deferred Costs	12-Month Recovery of Deferred Costs	2010 Bonus	Total Costs to be Recovered	01 Residential	02 Small Commercial Service	07 Outdoor Recreational Lighting Service	08 Govt. Street Lighting & Signal Service	11 Municipal Pumping Service	15 Electrolytic Refining Service	21 Water Heating Service	22 Irrigation Service	24 General Service	25 Large Power Service	25T Transmission Voltage Service
1	Large C&I SOP	1,310,678	436,893		436,893	-	-	-	-	25,590	-	-	384	247,845	98,232	-
2	Hard-to-Reach SOP	400,431	133,477		133,477	131,891	-	-	-	-	-	1,586	-	-	-	-
3	Small Commercial SOP	69,267	23,089		23,089	-	2,384	-	-	-	-	237	-	16,784	-	-
4	Residential SOP	139,285	46,428		46,428	45,877	-	-	-	-	-	552	-	-	-	-
5	Residential Solutions Program - New	-	-		-	-	-	-	-	-	-	-	-	-	-	-
6	Small Commercial Solutions - New	-	-		-	-	-	-	-	-	-	-	-	-	-	-
7	EPE Texas SCORE	1,584,988	528,329		528,329	-	48,690	1,206	10,762	35,352	-	-	-	342,390	-	-
8	Residential/Small Comm. Solutions	507,194	169,065		169,065	149,251	18,019	-	-	-	-	1,795	-	-	-	-
9	HTR Solutions	369,385	123,128		123,128	121,665	-	-	-	-	-	1,463	-	-	-	-
10	Large C&I Solutions Program	623,231	207,744		207,744	-	-	-	-	12,168	-	-	183	117,851	45,758	-
11	Energy Star Homes	5,460	1,820		1,820	1,798	-	-	-	-	-	22	-	-	-	-
12	Load Management	113,842	37,947		37,947	-	-	-	-	2,280	-	-	-	22,085	8,575	-
13	Statewide CFL Program	136,393	45,464		45,464	44,924	-	-	-	-	-	540	-	-	-	-
14	Living Wise Program - Texas	616,012	205,337		205,337	202,897	-	-	-	-	-	2,440	-	-	-	-
15	Energy Saver	-	-		-	-	-	-	-	-	-	-	-	-	-	-
16	EUMMOT Consulting	19,194	6,398		6,398	2,406	290	7	64	211	-	29	3	2,043	793	-
17	Outside Services Consulting	-	-		-	-	-	-	-	-	-	-	-	-	-	-
18	SOP Outside Consulting	14,244	4,748		4,748	1,756	216	5	48	157	-	21	2	1,516	589	-
19	Appliance Recycling	6,690	2,230		2,230	2,203	-	-	-	-	-	27	-	-	-	-
20	PV/Solar Program	12,238	4,079		4,079	1,880	227	-	-	-	-	23	-	1,596	-	-
21	Interest		176,346		176,346	66,321	8,007	198	1,770	5,813	-	798	87	56,305	21,862	-
22	2010 Performance Bonus			833,347	833,347	313,410	37,838	937	8,363	27,472	-	3,769	413	266,076	103,310	-
23	Total	5,928,532	2,152,523	833,347	2,985,871	1,086,310	115,671	2,355	21,006	109,043	-	13,303	1,073	1,074,471	277,119	-
24	Deferred Costs					772,900	77,833	1,417	12,643	81,571	-	9,533	660	808,395	173,809	-
25	Bonus					313,410	37,838	937	8,363	27,472	-	3,769	413	266,076	103,310	-

	Description	Residential	Small Commercial Service	Outdoor Recreational Lighting Service	Govt. Street Lighting & Signal Service	Municipal Pumping Service	Electrolytic Refining Service	Water Heating Service	Irrigation Service	General Service	Large Power Service	Transmission Voltage Service
26	Total Test-Year kWh	1,765,374,003	213,132,565	5,280,686	47,107,598	154,744,612	57,431,788	21,232,293	2,324,817	1,498,747,259	585,157,267	24,615,006
27	Total EE Applicable kWh	1,765,374,003	213,132,565	5,280,686	47,107,598	154,744,612	0	21,232,293	2,324,817	1,498,747,259	581,924,726	0
28	Total EE Applicable %	37.6%	4.5%	0.1%	1.0%	3.3%	0.0%	0.5%	0.0%	31.9%	12.4%	0.0%
29	Residential kWh	1,765,374,003	0	0	0	0	0	21,232,293	0	0	0	0
30	Residential %	98.8%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%
31	Res. & Small Comm. kWh	1,765,374,003	213,132,565	0	0	0	0	21,232,293	0	0	0	0
32	Res. & Small Comm. %	88.3%	10.7%	0.0%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	0.0%
33	Res., Commercial & Gov kWh	1,765,374,003	213,132,565	0	0	0	0	21,232,293	0	1,498,747,259	0	0
34	Res. & Small Comm. %	46.1%	5.6%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	39.1%	0.0%	0.0%
35	Small Commercial kWh	0	213,132,565	0	0	0	0	21,232,293	0	1,498,747,259	0	0
36	Commercial %	0.0%	10.3%	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	72.6%	0.0%	0.0%
37	Governmental kWh	0	213,132,565	5,280,686	47,107,598	154,744,612	0	0	0	1,498,747,259	0	0
38	Governmental %	0.0%	9.2%	0.2%	2.0%	6.7%	0.0%	0.0%	0.0%	64.8%	0.0%	0.0%
39	Commercial & Industrial kWh	0	0	0	0	154,744,612	0	0	2,324,817	1,498,747,259	581,924,726	0
40	Commercial & Industrial %	0.0%	0.0%	0.0%	0.0%	5.9%	0.0%	0.0%	0.1%	56.7%	22.0%	0.0%
41	Large Comm. & Industrial kWh	0	0	0	0	154,744,612	0	0	0	1,498,747,259	581,924,726	0
42	Large Comm. & Industrial %	0.0%	0.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	58.2%	22.6%	0.0%

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of 2012 Deferred Energy Efficiency Costs
and Bonus

Line No.	Program Costs	Total Deferred Costs	12-Month Recovery of Deferred Costs	2010 Bonus	Total Costs to be Recovered	26 Petroleum Refining Service	28 Private Area Lighting Service	30 Electric Furnace Rate	31 Military Reservation Service	34 Cotton Gin Service	38 Interruptible Service Rate - Large Power	41 City and County Service	43 University Service	46/47 Maintenance & Backup Power Service	Total
1	Large C&I SOP	1,310,678	436,893		436,893	-	-	-	-	322	-	54,764	10,333	1,423	436,893
2	Hard-to-Reach SOP	400,431	133,477		133,477	-	-	-	-	-	-	-	-	-	133,477
3	Small Commercial SOP	69,267	23,089		23,089	-	-	-	-	-	-	3,704	-	-	23,089
4	Residential SOP	139,285	46,428		46,428	-	-	-	-	-	-	-	-	-	46,428
5	Residential Solutions Program - New	-	-		-	-	-	-	-	-	-	-	-	-	-
6	Small Commercial Solutions - New	-	-		-	-	-	-	-	-	-	-	-	-	-
7	EPE Texas SCORE	1,584,988	528,329		528,329	-	-	-	-	-	-	75,655	14,274	-	528,329
8	Residential/Small Comm. Solutions	507,194	169,065		169,065	-	-	-	-	-	-	-	-	-	169,065
9	HTR Solutions	369,385	123,128		123,128	-	-	-	-	-	-	-	-	-	123,128
10	Large C&I Solutions Program	623,231	207,744		207,744	-	-	-	-	153	-	26,040	4,913	677	207,744
11	Energy Star Homes	5,460	1,820		1,820	-	-	-	-	-	-	-	-	-	1,820
12	Load Management	113,842	37,947		37,947	-	-	-	-	-	-	4,880	-	127	37,947
13	Statewide CFL Program	136,393	45,464		45,464	-	-	-	-	-	-	-	-	-	45,464
14	Living Wise Program - Texas	616,012	205,337		205,337	-	-	-	-	-	-	-	-	-	205,337
15	Energy Saver	-	-		-	-	-	-	-	-	-	-	-	-	-
16	EUMMOT Consulting	19,194	6,398		6,398	-	-	-	-	3	-	451	85	12	6,398
17	Outside Services Consulting	-	-		-	-	-	-	-	-	-	-	-	-	-
18	SOP Outside Consulting	14,244	4,748		4,748	-	-	-	-	2	-	335	63	9	4,748
19	Appliance Recycling	6,690	2,230		2,230	-	-	-	-	-	-	-	-	-	2,230
20	PV/Solar Program	12,236	4,079		4,079	-	-	-	-	-	-	353	-	-	4,079
21	Interest		176,346		176,346	-	-	-	-	73	-	12,441	2,347	323	176,346
22	2010 Performance Bonus			833,347	833,347	-	-	-	-	346	-	58,792	11,093	1,526	833,347
23	Total	5,928,532	2,152,523	833,347	2,985,871	-	-	-	-	899	-	237,416	43,108	4,097	2,985,871
24	Deferred Costs					-	-	-	-	553	-	178,623	32,015	2,570	2,152,523
25	Bonus					-	-	-	-	346	-	58,792	11,093	1,528	833,347

	Description	Petroleum Refining Service	Private Area Lighting Service	Electric Furnace Rate	Military Reservation Service	Cotton Gin Service	Interruptible Service Rate - Large Power	City and County Service	University Service	Maintenance & Backup Power Service	Total
26	Total Test-Year kWh	393,828,430	27,140,791	17,255,466	150,094,191	1,948,897	97,904,179	331,163,895	62,482,095	8,604,314	5,465,570,172
27	Total EE Applicable kWh	0	0	0	0	1,948,897	0	331,163,895	62,482,095	8,604,314	4,694,067,760
28	Total EE Applicable %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.1%	1.3%	0.2%	100.0%
29	Residential kWh	0	0	0	0	0	0	0	0	0	1,786,606,296
30	Residential %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
31	Res. & Small Comm. kWh	0	0	0	0	0	0	0	0	0	1,999,738,861
32	Res. & Small Comm. %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
33	Res., Commercial & Gov kWh	0	0	0	0	0	0	331,163,895	0	0	3,829,650,015
34	Res. & Small Comm. %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.6%	0.0%	0.0%	100.0%
35	Small Commercial kWh	0	0	0	0	0	0	331,163,895	0	0	2,064,276,012
36	Commercial %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.0%	0.0%	0.0%	100.0%
37	Governmental kWh	0	0	0	0	0	0	331,163,895	62,482,095	0	2,312,658,710
38	Governmental %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.3%	2.7%	0.0%	100.0%
39	Commercial & Industrial kWh	0	0	0	0	1,948,897	0	331,163,895	62,482,095	8,604,314	2,641,940,615
40	Commercial & Industrial %	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	12.5%	2.4%	0.3%	100.0%
41	Large Comm. & Industrial kWh	0	0	0	0	0	0	331,163,895	0	8,604,314	2,575,184,806
42	Large Comm. & Industrial %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.9%	0.0%	0.3%	100.0%