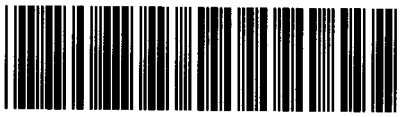

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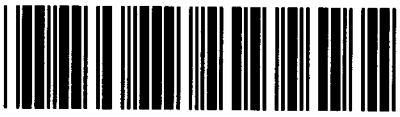

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AEP Texas Central Company

2014 Energy Efficiency Plan and Report

Substantive Rules § 25.181 and § 25.183

April 1, 2014

Project No. 42264

AEP TEXAS℠
A unit of American Electric Power

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Table of Contents

Introduction

AEP Texas Central Company (TCC or Company) presents this Energy Efficiency Plan and Report (EEPR) to comply with Public Utility Commission of Texas (PUCT or Commission) Substantive Rules 25.181 and 25.183 (EE Rule), which implement the Public Utility Regulatory Act (PURA) § 39.905. As mandated by this section of PURA, the EE Rule requires that each investor owned electric transmission and distribution utility (TDU) achieve the following demand reduction goals through market-based standard offer programs (SOPs) and targeted market transformation programs (MTPs). Substantive Rule 25.181(e)(1) provides in pertinent part as follows:

> (e)(1) An electric utility shall administer a portfolio of energy efficiency programs to acquire, at a minimum, the following:
>
> (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.
>
> (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 EE Rule includes specific requirements related to the implementation of SOPs and MTPs that control the manner in which TDUs must administer their portfolio of energy efficiency programs in order to achieve their mandated annual demand reduction goals. TCC's plan enables it to meet its statutory goals through implementation of energy efficiency programs in a manner that complies with PURA § 39.905 and the EE Rule. This EEPR covers the periods of time required in Substantive Rule 25.181. The following section describes the information that is contained in each of the subsequent sections and appendices.

EEPR Organization

This EEPR consists of an Executive Summary, thirteen sections, a list of acronyms, and four appendices.

- Executive Summary summarizes TCC's plans for achieving its goals and projected energy efficiency savings for program years 2014 and 2015 and highlights TCC's achievements for Program Year 2013.

Energy Efficiency Plan

- Section I describes TCC's program portfolio. It details how programs will be implemented, presents related informational and outreach activities, and provides an introduction to any programs not included in TCC's 2013 EEPR.
- Section II explains TCC's targeted customer classes, describes the estimated size of each class and the method of determining those class sizes.
- Section III presents TCC's energy and demand goals and projected savings for the prescribed planning period detailed by program for each customer class.
- Section IV describes TCC's proposed energy efficiency budgets for the prescribed planning period detailed by program for each customer class.

Energy Efficiency Report

- Section V documents TCC's demand reduction goal for each of the previous five years (2009-2013) based on its weather-adjusted peak demand and actual savings achieved for those years.
- Section VI compares TCC's projected energy and demand savings to its reported and verified savings by program for calendar years 2012 and 2013.
- Section VII details TCC's incentive and administration expenditures for each of the previous five years (2009-2013) detailed by program for each customer class.
- Section VIII compares TCC's actual 2013 expenditures with its 2013 budget by program for each customer class. It identifies funds committed but not expended and funds remaining and not committed. It also explains any cost differences of more than 10% from TCC's overall program budget and from each program budget.
- Section IX describes the results from TCC's MTPs.
- Section X describes Research and Development activities.
- Section XI documents TCC's most recent Energy Efficiency Cost Recovery Factor (EECRF).
- Section XII documents TCC's Underserved Counties.
- Section XIII describes TCC's Performance Bonus calculation for program year 2013.

Acronyms

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

Appendices

- Appendix A – Reported and verified demand and energy reductions by county for each program.

- Appendix B – Program templates for any new or significantly modified programs and programs not included in TCC's previous EEPR.
- Appendix C – Existing energy efficiency contracts and obligations.
- Appendix D – Data, explanations, or documents supporting other sections of the EEPR.

Executive Summary – Energy Efficiency Plan (Plan)

TCC plans to achieve its 2014 mandated demand and energy goals of 12,930 kW and 22,653,000 kWh as shown in Table 1 below through residential and non-residential SOPs and MTPs. TCC will utilize a budget of $14,422,891 to accomplish these goals.

Table 1: Summary of Goals, Projected Savings (at the Meter),[1] and Budgets

Calendar Year	Average Growth in Demand (MW)	Goal Metric: 30% Growth (MW)	Weather Adjusted Peak Demand (MW) previous year	Goal Metric: 0.4% Peak Demand (MW)	Peak Demand Goal (MW)*	Energy Goal (MWh)	Projected Demand Reduction (MW)	Projected Energy Savings (MWh)	Projected Budget (000's)**
2014	8.93	2.7	4,023	16.09	12.93	22,653	35.15	50,168	$ 14,423
2015	8.93	2.7	NAP	NAP	12.93	22,653	35.15	50,168	$ 14,082

* Substantive Rule 25.181(e)(1)(E) - Beginning in 2009 a utility's demand reduction goal in megawatts for any year shall not be less than the previous year's goal.

** The 2014 Projected Budget includes costs associated with EM&V activities.

Executive Summary – Energy Efficiency Report (Report)

TCC achieved demand and energy reductions of 34,136 kW and 48,954,281 kWh, respectively, in 2013. The total energy efficiency cost for achieving these savings was $13,054,800. TCC's achievement exceeded the 2013 mandated energy efficiency goals of 12,930 kW and 22,653,000 kWh, thus allowing TCC to earn a Performance Bonus.

A broad portfolio of residential and non-residential SOPs and MTPs was used to accomplish these savings.

[1] Average Growth in Demand figures are from Table 4; Projected Savings from Table 5; Projected Budgets from Table 6. All kW/MW and kWh/MWh figures in this Table and throughout this EEPR are given "at the Meter."

ENERGY EFFICIENCY PLAN

I. 2014 Programs

A. 2014 Program Portfolio

TCC has implemented a variety of programs in 2014 to enable it to meet its goals in a manner that complies with PURA § 39.905 and the EE Rule. These programs target broad market segments and specific market sub-segments with significant opportunities for cost-effective energy savings.

Table 2 summarizes TCC's programs and targeted customer class markets for Program Year 2014. The programs listed in Table 2 are described in further detail in Subsections B and C. TCC maintains a web site containing information on participation and forms required for project submission at www.AEPefficiency.com. This site is the primary method of communication used to provide program updates and information to Retail Electric Providers (REPs), potential Energy Efficiency Service Providers (EESPs), and other interested parties.

Implementation Process

MTPs are implemented by a third-party implementer. These implementers design, market and execute the applicable MTP. Based on the specific MTP, the implementer may perform outreach activities to recruit local contractors and provide participating contractors specialized education, training/certification and tools as necessary. Implementers validate proposed measures/projects, perform quality assurance/quality control, and verify and report savings derived from the program.

SOPs are managed in-house with project sponsors providing eligible program measures. Project sponsors are typically EESPs; however, for commercial projects a TCC end-use customer may serve as its own project sponsor. Eligible project sponsors can submit an application(s) for project(s) meeting the minimum SOP requirements.

TCC monitors the projects being submitted so as to not accept a project that has previously been submitted or is participating in another program with the same measure(s).

Outreach Activities

- Promote internet web sites with program information including project eligibility, end-use measures, incentives, procedures, application forms, and in some cases a list of participating project sponsors and the available program budget;
- Utilize mass e-mail notifications to inform and update potential project sponsors on TCC energy efficiency program opportunities;
- Conduct workshops as necessary to explain program elements such as responsibilities of the project participants, program requirements, incentive information and the application and reporting process;
- Conduct specific project sponsor/contractor training sessions as necessary based on the energy efficiency programs being implemented;
- Participate in local, regional, state-wide, and industry-related outreach activities as may be necessary; and
- Facilitate earned media opportunities, spotlighting successful projects and/or interesting stories as applicable.

Table 2: 2014 Energy Efficiency Program Portfolio

Program	Target Market	Application	Link to Program Manual
A/C Distributor Pilot Market Transformation Program	Residential	Retrofit	http://www.aepefficiency.com/ACDistributor/
Commercial Solutions Market Transformation Program	Commercial	Retrofit & New Construction	http://www.eeprograms.net/aep/texascentral/commercial_solutions.php
Commercial Standard Offer Program	Commercial	Retrofit & New Construction	http://www.aepefficiency.com/cisop/downloads/index.htm
CoolSaver℠ A/C Tune-Up Market Transformation Program	Commercial; Residential	Retrofit	http://www.eeprograms.net/aep/texascentral/coolsaver.php
High-Performance New Homes Market Transformation Program	Residential	New Construction	http://www.southtxsaves.com/resources-and-tips
Hard-to-Reach Standard Offer Program	Residential Hard-to-Reach	Retrofit	http://www.aephtrsop.com/TexasCentral/index.html
Irrigation Load Management Market Transformation Program	Commercial	Retrofit	http://getmore.enernoc.com/aeptexasilm
Load Management Standard Offer Program	Commercial	Retrofit	http://www.aepefficiency.com/loadmanagement/TCC/index.html
Open Market Transformation Program	Commercial	Retrofit	http://eeprograms.net/texascentral/open.php
Residential Standard Offer Program	Residential	Retrofit	http://www.aepressop.com/TexasCentral/index.html
SCORE/CitySmart Market Transformation Program	Commercial	Retrofit & New Construction	http://www.eeprograms.net/aep/texascentral/score.php http://www.eeprograms.net/aep/texascentral/citysmart.php
SMART Source℠ Solar PV Market Transformation Program	Commercial; Residential	Retrofit & New Construction	http://www.txreincentives.com/apv/
Targeted Low-Income Energy Efficiency Program	Low-Income Residential	Retrofit	No website available

B. Existing Programs

A/C Distributor Pilot Market Transformation Program (ACD MTP)

The objective of the ACD MTP is to increase the market penetration of high-efficiency air conditioning (A/C) equipment for residential customers served by TCC. The program targets a select number of A/C equipment distributors that supply A/C contractors operating in the TCC service territory. Incentives are paid to the distributor for the installation of the high-efficiency A/C equipment up to five tons in cooling capacity.

Commercial Solutions Market Transformation Program (CS MTP)

The CS MTP targets commercial customers that do not have the in-house expertise to: 1) identify, evaluate, and undertake energy efficiency improvements; 2) properly evaluate energy efficiency proposals from vendors; and/or 3) understand how to leverage their energy savings to finance

projects. Incentives are paid to customers served by TCC for eligible energy efficiency measures that are installed in new or retrofit applications that result in verifiable demand and energy savings.

Commercial Standard Offer Program (CSOP)

The CSOP targets commercial customers of all sizes. Variable incentives are available to project sponsors based upon verified demand and energy savings for eligible measures installed in new or retrofit applications.

CoolSaver℠ A/C Tune-Up Market Transformation Program (CoolSaver℠ MTP)

The CoolSaver℠ MTP is designed to overcome market barriers that prevent residential and small commercial customers from receiving high performance A/C system tune-ups. The program works through local A/C networks to offer key program components, including:

- Training and certifying A/C technicians on the tune-up and air flow correction services and protocols; and
- Paying incentives to A/C contactors for the successful implementation of A/C tune-up and air flow correction services.

High-Performance New Homes Market Transformation Program (New Homes MTP)

The New Homes MTP targets several market participants, primarily homebuilders and consumers. The program's goal is to create conditions in which consumers demand highly energy efficient homes, and homebuilders supply them. Incentives are paid to homebuilders who construct homes in the TCC service territory to strict energy-efficient building guidelines and that are at least 15% above the local building code. The program offers a bonus incentive for homes that are ENERGY STAR®-certified. Each home results in verifiable demand and energy savings. In addition to homebuilder and consumer outreach, the New Homes MTP targets key allies in the homebuilding production and sales cycle: home energy raters, homebuilder sales agents, real estate agents, HVAC contractors, mortgage lenders, product manufacturers, homebuilder associations, and media outlets.

Hard-to-Reach Standard Offer Program (HTR SOP)

The HTR SOP targets residential customers with total annual household incomes at or below 200% of current federal poverty guidelines. Incentives are paid to project sponsors for eligible measures installed in retrofit applications that result in verifiable demand and energy savings. Program incentives are higher for work performed in historically underserved counties and for identified under-utilized measures to encourage activity. Project comprehensiveness is encouraged and customer education materials regarding energy conservation behavior are distributed by project sponsors.

Irrigation Load Management Market Transformation Program (ILM MTP)

The ILM MTP targets commercial agricultural customers using electric drive irrigation pumps with at least 25 kW of electric peak demand. Incentive payments are based on measured and verified demand reduction provided by curtailing irrigation pump loads during the summer peak period. Load management events are dispatched by TCC, using a one-hour-ahead notice for periods of one to four hours duration.

TCC contracts with a third-party program implementer that is responsible for implementing the program. The program implementer installs remote control and communications hardware at each pump to enable shutdown of pumps during load management events.

In addition to outreach activities described in Section A, the program implementer markets the ILM MTP in the following manner:

- Utilizes publicly available agricultural industry data and proprietary databases to identify customer prospects and engage with prospects through a direct-sales model;
- Develops marketing materials such as program brochures, case studies, FAQ documents, and other relevant materials;
- Maintains an internet web site with detailed project eligibility, irrigation load control measures, incentive levels, procedures, and application forms; and
- Participates in appropriate industry-related meetings to generate awareness and interest.

Load Management Standard Offer Program (LM SOP)

The LM SOP targets commercial customers with a peak electric demand of 500 kW or more. Incentive payments are based on measured and verified demand reduction of curtailed loads during the summer peak period. Load management events are dispatched by TCC, using a one-hour-ahead notice for load reduction periods of one to four hours duration.

Open Market Transformation Program (Open MTP)

The Open MTP targets traditionally underserved small commercial customers who may not employ knowledgeable personnel with a focus on energy efficiency, who are limited in the ability to implement energy efficiency measures, and/or who typically do not actively seek the help of a professional EESP. Small commercial customers with a peak demand not exceeding 100 kW in the previous 12 consecutive billing months may qualify to participate in the program. Available incentives are paid directly to the contractor, thereby reducing a portion of the project cost for the customer. Additionally, customers whose peak demand is less than or equal to 10 kW may qualify for incentives that would offset up to 100% of the cost of their project(s).

The program is intended to overcome market barriers for participating contractors by providing technical support and incentives to implement energy efficiency upgrades and produce demand and energy savings.

In addition to outreach activities described in Section A, the program implementer works with TCC to conduct outreach and planning activities for the Open MTP in the following manner:

- Identifies and recruits contractors who provide services to customers served by TCC to develop a network of participating contractors who will deliver the program directly to customers;
- Develops a recruitment packet with outreach information and enrollment materials that participating contractors can use when marketing the program to customers; and
- Conducts training as necessary to explain elements of the program, such as responsibilities of the participants, project requirements, incentive information, and the application and reporting process.

Residential Standard Offer Program (RSOP)

The RSOP targets residential customers in existing homes. Incentives are paid to project sponsors for eligible measures installed in retrofit applications that result in verified demand and energy savings. Program incentives are higher for work performed in historically underserved counties to encourage activity. Project comprehensiveness is encouraged.

SCORE/CitySmart Market Transformation Program (SCORE/CS MTP)

The SCORE/CS MTP provides energy efficiency and demand reduction solutions for public and private educational entities grades K-12 as well as colleges and universities. In addition to educational facilities, SCORE/CS MTP provides these same solutions to local, state, county and federal government customers. This program is designed to help educate and assist these customers in lowering their energy use by facilitating the integration of energy efficiency into their short- and long-term planning, budgeting, and operational practices. Incentives are paid to participating customers for eligible energy efficiency measures that are installed in new or retrofit applications that result in verifiable demand and energy savings.

SMART Source℠ Solar PV Market Transformation Program (PV MTP)

The PV MTP offers incentives to customers for the installation of solar photovoltaic (PV) systems interconnected on the customer's side of the meter. The incentives help offset the initial costs of installing solar PV systems, and encourage service providers to seek more installation opportunities. In addition to demand and energy savings achieved from the installations, the PV MTP aims to transform the solar PV market by increasing the number of qualified technicians and installers and decreasing the average installed cost of PV systems, thereby creating greater market economies of scale.

Targeted Low-Income Energy Efficiency Program (TLIP)

The TLIP is designed to cost-effectively reduce the energy consumption and energy costs for low-income residential customers in TCC's service territory. Weatherization service providers install eligible weatherization and energy efficiency measures in qualified households that meet the Department of Energy (DOE) income-eligibility guidelines of at or below 200% of the federal poverty guidelines. A Savings-to-Investment Ratio of 1.0 or higher is required of each serviced dwelling unit.

C. New Programs for 2014

TCC has no new programs for 2014.

D. Discontinued Programs

TCC has no discontinued programs for 2014.

E. Existing DSM Contracts or Obligations

TCC has no existing DSM contracts or obligations.

II. Customer Classes

TCC's energy efficiency programs target its Residential and Commercial customer classes. TCC's energy efficiency programs also target customer sub-classes, such as Residential Hard-to-Reach and Low-Income Public Schools, Not-for-Profit Agencies, Agriculture Irrigation, Small Businesses, and Local Governments.

The annual projected savings targets are allocated among these customer classes and sub-classes by examining historical program results and by evaluating economic trends, in compliance with Substantive Rule 25.181(e)(3).

Table 3 summarizes the number of customers in each customer class and the Residential Hard-to-Reach sub-class at TCC. The numbers listed are the actual number of active electric service

accounts by class that TCC served for the month of January 2014. These numbers were used to determine goal and budget allocations for each customer class and program. It should be noted, however, that the actual distribution of the annual goal and budget required to achieve the goal must remain flexible based upon the conditions of the marketplace, the potential interest a customer class may have in a specific program, and the overriding objective of meeting TCC's mandated demand and energy reduction goals in total. TCC offers a varied portfolio of SOPs and MTPs such that all eligible customer classes have access to energy efficiency alternatives.

Table 3: Summary of Customer Classes

Customer Class	Number of Customers
Commercial	135,115
Residential	714,179
Hard-to-Reach [2]	277,100*

* Hard-to-Reach customer count is a sub-set of the Residential total.

III. Energy Efficiency Goals and Projected Savings

As prescribed by the EE Rule, TCC's annual demand reduction goal to be achieved is 12.93 MW, which is no less than its prior year goal. TCC calculated its 2014 goal using both methods prescribed by the EE Rule. TCC's 2014 goal calculated at 30% of the most recent five-year average load growth in demand is 2.7 MW. TCC's 2014 goal calculated at four-tenths of 1% the most recent year's summer weather-adjusted peak demand of the combined residential and non-residential customers is 16.09 MW. Since 30% of the most recent five-year average load growth in demand reduction goal (2.7 MW) is not equivalent to at least four-tenths of 1% of TCC's most recent year's summer weather-adjusted peak demand of the combined residential and non-residential customers (16.09 MW), TCC has not reached the trigger prescribed by the EE Rule. TCC's corresponding 2014 annual energy savings goal is determined by applying a 20% conservation load factor to the 2014 demand reduction goal included in this Plan.

[2] According to the U.S. Census Bureau's 2013 Current Population Survey, 38.8% of Texas families fall below 200% of the poverty threshold. Applying that percentage to TCC's residential customer base of 714,179, the number of HTR customers is estimated to be 277,100.

Table 4 presents historical annual growth in demand data for the previous five years that was used to calculate TCC's goals. Table 5 presents the projected demand and energy savings by program for each customer class each of the years 2014 and 2015. Projected savings reflect the estimated demand and energy savings TCC's programs are expected to achieve with fully-deployed program budgets for each of the years shown.

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

Calendar Year	Peak Demand (MW)				Energy Consumption (GWh)				Growth (MW)	Average Growth (MW) [3]
	Total System		Residential & Commercial*		Total System		Residential & Commercial*			
	Actual	Actual Weather Adjusted	Actual	Actual Weather Adjusted	Actual	Actual Weather Adjusted	Actual	Actual Weather Adjusted	Actual Weather Adjusted	Actual Weather Adjusted
2008	4,182	4,425	3,737	3,979	22,371	22,513	18,564	18,707	NAP	NAP
2009	4,331	4,163	3,955	3,786	22,729	22,071	19,131	18,473	-193	NAP
2010	4,318	4,414	3,904	3,998	22,305	22,242	18,192	18,129	212	NAP
2011	4,472	4,440	4,064	4,031	23,983	23,064	19,586	18,667	33	NAP
2012	4,478	4,406	4,062	3,990	23,893	23,476	19,312	18,894	-41	NAP
2013	4,353	4,449	3,928	4,023	23,604	23,397	19,017	18,810	33	NAP
2014	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP	8.93
2015	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP	8.93

* Does not include transmission customers and customers who have submitted an Industrial Notice (Subst. Rule 25.181(w)).

[3] Average historical growth in demand over the prior five years for residential and commercial customers adjusted for weather fluctuations.

Table 5: Projected Demand and Energy Savings by Program for Each Customer Class for 2014 and 2015 (at the Meter)

2014	Projected Savings	
Customer Class and Program	**kW**	**kWh**
Commercial		
Commercial Solutions MTP	**834**	**3,888,000**
Commercial SOP	**3,580**	**12,539,000**
CoolSaver℠ A/C Tune-Up MTP	**1,393**	**3,548,015**
Irrigation Load Management MTP	**4,000**	**192,000**
Load Management SOP	**13,760**	**38,148**
Open MTP	**643**	**1,987,000**
SCORE/CitySmart MTP	**1,691**	**5,749,624**
SMART Source℠ Solar PV MTP	**145**	**280,000**
Residential		
A/C Distributor Pilot MTP	**248**	**893,014**
CoolSaver℠ A/C Tune-Up MTP	**865**	**2,877,018**
High-Performance New Homes MTP	**393**	**1,596,286**
Residential SOP	**5,370**	**11,750,000**
SMART Source℠ Solar PV MTP	**125**	**240,000**
Hard-to-Reach		
Hard-to-Reach SOP	**1,590**	**3,480,000**
Targeted Low-Income Energy Efficiency Program	**510**	**1,110,000**
Total Annual Projected Savings	**35,147**	**50,168,105**

Table 5: Continued

2015	Projected Savings	
Customer Class and Program	**kW**	**kWh**
Commercial		
Commercial Solutions MTP	**834**	**3,888,000**
Commercial SOP	**3,580**	**12,539,000**
CoolSaver℠ A/C Tune-Up MTP	**1,393**	**3,548,015**
Irrigation Load Management MTP	**4,000**	**192,000**
Load Management SOP	**13,760**	**38,148**
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SMART Source℠ Solar PV MTP	**125**	**240,000**
Hard-to-Reach		
Hard-to-Reach SOP	**1,590**	**3,480,000**
Targeted Low-Income Energy Efficiency Program	**510**	**1,110,000**
Total Annual Projected Savings	**35,147**	**50,168,105**

IV. Program Budgets

Table 6 presents total proposed budget allocations required to meet TCC's projected demand and energy savings to be achieved for Program Years 2014 and 2015. The budget allocations are defined by the overall projected demand and energy savings, the avoided costs of capacity and energy specified in Substantive Rule 25.181, allocation of demand goals, and the incentive levels by customer class. Table 6 budget allocations are detailed by customer class, program, and in the following budget categories: incentives, administration, research and development (R&D), and evaluation, measurement and verification (EM&V). In the absence of an estimate for Program Year 2014 EM&V costs, TCC is using the 2013 EM&V budget estimate.

Table 6: Projected Annual Budget by Program for Each Customer Class for 2014 and 2015

2014	Incentives	Admin	R&D	EM&V	Total Budget
Commercial					
Commercial Solutions MTP	**$508,187**	**$56,465**			**$564,652**
Commercial SOP	**$1,789,200**	**$198,800**			**$1,988,000**
CoolSaver℠ A/C Tune-Up MTP	**$595,950**	**$66,217**			**$662,167**
Irrigation Load Management MTP	**$200,000**	**$22,222**			**$222,222**
Load Management SOP	**$550,200**	**$61,133**			**$611,333**
Open MTP	**$793,546**	**$88,172**			**$881,718**
SCORE/CitySmart MTP	**$946,674**	**$105,186**			**$1,051,860**
SMART Source℠ Solar PV MTP	**$200,000**	**$22,222**			**$222,222**
Residential					
A/C Distributor Pilot MTP	**$300,000**	**$33,333**			**$333,333**
CoolSaver℠ A/C Tune-Up MTP	**$525,000**	**$58,333**			**$583,333**
High-Performance New Homes MTP	**$765,000**	**$85,000**			**$850,000**
Residential SOP	**$2,661,115**	**$295,679**			**$2,956,794**
SMART Source℠ Solar PV MTP	**$200,000**	**$22,222**			**$222,222**
Hard-to-Reach					
Hard-to-Reach SOP	**$953,417**	**$105,935**			**$1,059,352**
Targeted Low-Income Energy Efficiency Program	**$1,267,421**	**$140,825**			**$1,408,246**
Research and Development (R&D)					
R&D	**NAP**	**NAP**	**$465,000**		**$465,000**
Evaluation, Measurement & Verification (EM&V)					
EM&V	**NAP**	**NAP**	**NAP**	**$340,437**	**$340,437**
Total Budget	**$12,255,710**	**$1,361,744**	**$465,000**	**$340,347**	**$14,422,891**

Table 6: Continued

2015	Incentives	Admin	R&D	EM&V	Total Budget
Commercial					
Commercial Solutions MTP	**$508,187**	**$56,465**			**$564,652**
Commercial SOP	**$1,712,700**	**$190,300**			**$1,903,000**
CoolSaver℠ A/C Tune-Up MTP	**$595,950**	**$66,217**			**$662,167**
Irrigation Load Management MTP	**$200,000**	**$22,222**			**$222,222**
Load Management SOP	**$550,200**	**$61,133**			**$611,333**
Open MTP	**$793,546**	**$88,172**			**$881,718**
SCORE/CitySmart MTP	**$946,674**	**$105,186**			**$1,051,860**
SMART Source℠ Solar PV MTP	**$200,000**	**$22,222**			**$222,222**
Residential					
A/C Distributor Pilot MTP	**$300,000**	**$33,333**			**$333,333**
CoolSaver℠ A/C Tune-Up MTP	**$525,000**	**$58,333**			**$583,333**
High-Performance New Homes MTP	**$765,000**	**$85,000**			**$850,000**
Residential SOP	**$2,661,115**	**$295,679**			**$2,956,794**
SMART Source℠ Solar PV MTP	**$200,000**	**$22,222**			**$222,222**
Hard-to-Reach					
Hard-to-Reach SOP	**$953,417**	**$105,935**			**$1,059,352**
Targeted Low-Income Energy Efficiency Program	**$1,267,421**	**$140,825**			**$1,408,246**
Research and Development (R&D)					
R&D	**NAP**	**NAP**	**$550,000**		**$550,000**
Evaluation, Measurement & Verification (EM&V)					
EM&V	**NAP**	**NAP**	**NAP**	**$0**	**$0**
Total Budget	**$12,179,210**	**$1,353,244**	**$550,000**	**$0**	**$14,082,454**

ENERGY EFFICIENCY REPORT

V. Historical Demand and Energy Goals and Savings Achieved for the Previous Five Years

Table 7 contains TCC's demand and energy reduction goals and actual savings achieved for the previous five years (2009-2013) calculated in accordance with Substantive Rule 25.181.

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

Calendar Year	Actual Weather Adjusted Demand Goal (MW)	Actual Weather Adjusted Energy Goal (MWh)	Savings Achieved (MW)	Savings Achieved (MWh)
2013	12.93	22,653	34.14	48,954
2012	12.93	22,653	33.67	54,313
2011	12.93	22,653	27.50	69,158
2010	12.93	22,653	26.96	57,665
2009	12.93	22,653	26.07	63,256

* Actual Weather Adjusted MW and MWh Goals as reported in TCC's EEPRs filed in years 2009-2013.

VI. Projected, Reported and Verified Demand and Energy Savings

Table 8: Projected versus Reported and Verified Savings for 2013 and 2012 (at the Meter)

2013	Projected Savings		Reported and Verified Savings	
Customer Class and Program	**kW**	**kWh**	**kW**	**kWh**
Commercial				
A/C Distributor Pilot MTP	283	1,022,204	0	0
Commercial Solutions MTP	806	3,887,682	838	4,722,839
Commercial SOP	5,448	21,563,452	1,962	8,031,113
CoolSaver℠ A/C Tune-Up MTP	824	1,552,500	997	2,472,811
Irrigation Load Management MTP	4,000	256,000	486	3,405
Load Management SOP	14,516	38,148	17,731	123,120
Open MTP	530	1,987,000	533	2,382,363
SCORE/CitySmart MTP	1,591	5,749,624	1,806	6,113,212
SMART Source℠ Solar PV MTP	110	211,200	91	174,592
Residential				
A/C Distributor Pilot MTP	248	893,014	237	880,501
CoolSaver℠ A/C Tune-Up MTP	608	1,955,200	828	2,835,349
High-Performance New Homes MTP	300	550,000	402	1,318,722
Residential SOP	5,365	15,721,073	5,935	14,728,936
SMART Source℠ Solar PV MTP	110	211,000	107	205,472
Hard-to-Reach				
Hard-to-Reach SOP	1,324	4,216,566	1,665	3,972,378
Targeted Low-Income Energy Efficiency Program	398	1,261,041	518	989,468
Total Annual Savings	36,461	61,075,704	34,136	48,954,281

Table 8: Continued

2012	Projected Savings		Reported and Verified Savings	
Customer Class and Program	**kW**	**kWh**	**kW**	**kWh**
Commercial				
A/C Distributor Pilot MTP	**260**	**828,570**	**0**	**0**
AEP Texas CARE$ Energy Efficiency for Not-for-Profit Agencies SOP	**30**	**91,000**	**32**	**124,634**
Commercial Solutions Pilot MTP	**770**	**3,091,000**	**889**	**3,545,154**
Commercial SOP	**4,880**	**22,917,000**	**2,842**	**11,248,242**
CoolSaver℠ A/C Tune-Up Pilot MTP	**248**	**346,912**	**233**	**416,328**
Load Management SOP	**9,760**	**27,000**	**9,760**	**27,000**
Load Management SOP – Expanded	**19,600**	**54,000**	**7,672**	**65,950**
SCORE/CitySmart MTP	**1,515**	**3,600,000**	**1,930**	**8,279,031**
SMART Source℠ Solar PV Pilot MTP	**90**	**178,000**	**109**	**210,240**
Residential				
A/C Distributor Pilot MTP	**300**	**948,000**	**38**	**147,466**
CoolSaver℠ A/C Tune-Up Pilot MTP	**468**	**1,466,400**	**421**	**1,088,943**
ENERGY STAR New Homes MTP	**300**	**550,000**	**317**	**1,121,881**
Residential SOP	**7,820**	**21,467,000**	**7,299**	**21,390,025**
SMART Source℠ Solar PV Pilot MTP	**90**	**178,000**	**91**	**174,456**
Hard-to-Reach				
Hard-to-Reach SOP	**1,690**	**4,943,000**	**1,637**	**5,212,744**
Targeted Low-Income Energy Efficiency Program	**270**	**1,033,000**	**398**	**1,260,744**
Total Annual Savings	**48,091**	**61,718,882**	**33,668**	**54,312,838**

VII. Historical Program Expenditures

This section documents TCC's incentive and administration expenditures for the previous five years (2009-2013) detailed by program for each customer class.

Table 9: Historical Program Incentive and Administrative Expenditures for 2009 through 2013 (000's)

	2013		2012		2011		2010		2009	
	Incent.	Admin	Incent.	Admin	Incent.	Admin	Incent.	Admin	Incent.	Admin
Commercial										
A/C Distributor Pilot MTP	$40.76	$6.08	$29.94	$5.32	NAP	NAP	NAP	NAP	NAP	NAP
AEP Texas CARE$ Energy Efficiency for Not-for-Profit Agencies SOP	NAP	NAP	$54.04	$11.30	$145.00	$18.40	$149.53	$25.08	$166.00	$15.60
Commercial Solutions MTP	$424.94	$42.46	$419.12	$35.86	$467.23	$56.45	$419.25	$43.47	$219.80	26.80
Commercial SOP	$950.47	$153.00	$881.36	$143.85	$1,830.61	$192.01	$834.29	$132.69	$1,259.80	$121.10
CoolSaver℠ A/C Tune-Up MTP	$624.27	$47.61	$144.76	$13.93	$159.00	$13.18	$19.48	$1.86	$NAP	NAP
Irrigation Load Management MTP	$440.00	$34.78	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP
Load Management SOP	$513.29	$54.38	$300.00	$32.33	$225.98	$24.38	$229.62	$29.15	$229.40	$11.20
Load Management SOP - Expanded	NAP	NAP	$206.63	$22.47	NAP	NAP	NAP	NAP	NAP	NAP
Open MTP	$684.76	$51.66	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP
SCORE/CitySmart MTP	$911.24	$ 75.97	$905.59	$70.72	$610.43	$39.00	$626.24	$39.96	$594.40	$47.50
SMART Source℠ Solar PV MTP	$152.14	$11.20	$197.18	$16.71	$344.97	$21.67	$42.80	$2.20	$180.00	$4.20

(Table continued on next page)

Table 9: Continued

Residential										
A/C Distributor Pilot MTP	**$266.43**	**$39.77**	**$68.07**	**$11.73**	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**
Appliance Recycling Pilot MTP	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**$42.00**	**$14.20**
CoolSaver℠ A/C Tune-Up MTP	**$601.41**	**$45.95**	**$375.08**	**$36.09**	**$178.91**	**$14.84**	**$103.89**	**$9.94**	**NAP**	**NAP**
High-Performance New Homes MTP	**$ 730.16**	**$79.58**	**$797.45**	**$90.48**	**$671.60**	**$73.09**	**$704.16**	**$80.62**	**$659.40**	**$64.50**
Residential Energy Efficiency Pilot MTP	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**$27.12**	**$6.82**	**$40.50**	**$10.60**
Residential SOP	**$2,596.76**	**$292.37**	**$3,622.65**	**$374.20**	**$3,712.17**	**$375.14**	**$3,641.54**	**$307.38**	**$3,366.70**	**$231.90**
SMART Source℠ Solar PV MTP	**$207.81**	**$15.29**	**$197.19**	**$15.98**	**$184.89**	**$12.39**	**$278.48**	**$14.29**	**$13.00**	**$4.20**
Texas Statewide ENERGY STAR Residential Compact Fluorescent Lighting MTP	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**$213.50**	**$11.80**
Hard-to-Reach										
Hard-to-Reach SOP	**$950.33**	**$96.29**	**$1,177.86**	**$114.69**	**$2,024.93**	**$183.43**	**$2615.63**	**$216.18**	**$3,090.60**	**$204.60**
Targeted Low-Income Energy Efficiency Program	**$1,271.58**	**$96.69**	**$1,267.07**	**$93.57**	**$1,149.19**	**$89.66**	**$1,749.76**	**$125.80**	**$1,217.20**	**$64.20**
Research and Development (R&D)	**NAP**	**$184.31**	**NAP**	**$389.54**	**NAP**	**$314.13**	**NAP**	**$351.05**	**NAP**	**$460.40**
Evaluation and Measurement Verification (EM&V)	**NAP**	**361.07**	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**	**NAP**
Total Expenditures	**$11,366.35**	**$1,688.46**	**$10,643.99**	**$1,478.77**	**$11,704.91**	**$1,427.77**	**$11,511.79**	**$1,386.49**	**$11,292.30**	**$1,292.80**

VIII. Program Funding for Calendar Year 2013

As shown in Table 10, the total projected budget in 2013 was $14,082,454 and the actual total funds expended were $13,054,800. This is an overall total program expenditure difference of less than 10% from the amount budgeted. The following program expenditures differed from the respective proposed program budgets by more than 10%. The reasons for these differences are explained below.

The commercial component of the A/C Distributor Pilot MTP was under budget due to no participation in the program.

The Commercial SOP did not fully utilize its budget due to lower than anticipated program participation and the timing of when some projects were to be completed.

The CoolSaver℠ MTP residential component was slightly over budget due to greater participation from HVAC contractors in the program.

The Load Management SOP was slightly over budget due to higher participation along with greater demand reduction from some individual participants than anticipated.

The PV MTP did not fully utilize its commercial budget due to unforeseen financial issues with larger projects and structural problems that were beyond installers' control.

TCC's combined 2013 expenditures for the TLIP and the HTR constituted 17.1% of its energy efficiency budget for the 2013 Program Year. TCC's 2013 expenditure for the TLIP constituted 9.7% of its energy efficiency budget for the 2013 Program Year.

Table 10: Program Funding for Calendar Year 2013 (Dollar amounts in 000's)

	Total Projected Budget [4]	Numbers of Customers Participating	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin)	Research and Development (R&D)	Evaluation and Measurement Verification (EM&V)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)
Commercial									
A/C Distributor Pilot MTP	$333.33	0	$40.76	$6.08			$46.84	$0	$286.49
Commercial Solutions MTP	$457.95	94	$424.94	$42.46			$467.40	$0	$0
Commercial SOP	$1,876.67	72	$950.47	$153.00			$1,103.46	$0	$773.20
CoolSaver℠ A/C Tune-Up MTP	$662.17	358	$624.27	$47.61			$671.88	$0	$0
Irrigation LM MTP	$500.00	25	$440.00	$34.78			$474.78	$0	$25.22
Load Management SOP	$500.00	119	$513.29	$54.38			$567.67	$0	$0
Open MTP	$770.61	61	$684.76	$51.66			$736.42	$0	$34.19
SCORE/CitySmart MTP	$919.23	108	$911.24	$75.97			$987.21	$0	$0
SMART Source℠ Solar PV MTP	$222.22	7	$152.14	$11.20			$163.34	$0	$58.88
Residential									
A/C Distributor Pilot MTP	$333.33	350	$266.43	$39.77			$306.20	$0	$27.13
CoolSaver℠ A/C Tune-Up MTP	$583.33	1,917	$601.41	$45.95			$647.36	$0	$0
High-Performance New Homes MTP	$850.00	651	$730.16	$79.58			$809.74	$0	$40.26
Residential SOP	$2,956.79	6,469	$2,596.76	$292.37			$2,889.13	$0	$67.66
SMART Source℠ Solar PV MTP	$222.22	24	$207.81	$15.29			$223.10	$0	$0
Hard-to-Reach									
Hard-to-Reach SOP	$1,059.35	1,833	$950.33	$96.29			$1,046.62	$0	$12.73
Targeted Low-Income Energy Efficiency SOP	$1,408.25	324	$1,271.58	$96.69			$1,368.27	$0	$39.98
Research and Development	$427.00	NAP	NAP	NAP	$184.31	NAP	$184.31	NAP	NAP
Evaluation and Measurement Verification									
Statewide EM&V Contractor	$0.00	NAP	NAP	NAP	NAP	$331.38	$331.38	NAP	NAP
Other Third Party EM&V Costs	$0.00	NAP	NAP	NAP	NAP	$29.69	$29.69	NAP	NAP
Total Expenditures	$14,082.45	NAP	$11,366.35	$1,143.08	$184.31	$361.07	$13,054.80	NAP	NAP

[4] Projected Budget from the EEPR filed April 2013, Project No. 41196.

IX. Market Transformation Program Results

A/C Distributor Pilot MTP

The goal for the ACD MTP in 2013 was to acquire 531 kW demand savings. A total of 237 kW was actually achieved. The reason for the lower than expected results was no participation in the commercial component.

Commercial Solutions MTP

In 2013, TCC projected to acquire 806 kW demand savings from this program. TCC verified and is reporting 838 kW. This included participation by 94 customers in 16 different counties.

CoolSaver℠ MTP

In 2013, TCC projected to acquire 1,432 kW demand savings from this program. TCC verified and reported 1,825 kW. This included participation by 13 contractors completing 3,980 residential and commercial tune-ups.

High-Performance New Homes MTP (New Homes)

In 2013, 651 high-performance homes were constructed in the New Homes MTP program with a savings of 402 kW. TCC provided continuing education courses and other training opportunities for contractors, homebuilders, home energy raters, and HVAC contractors on the advantages of ENERGY STAR homes and building practices. The training included various aspects of the ENERGY STAR home, from construction and measure installation, to the importance of whole-house energy efficiency.

Irrigation Load Management MTP

The ILM MTP was implemented in the spring of 2013. The program goal was to recruit a total of 40 sites with an expected average curtailable load per site of 100 kW. A total of 38 sites were enrolled by December 31, 2013 and 25 of those sites participated in the 2013 program. The ILM MTP was utilized three times for a total of seven hours. This resulted in a total energy savings of 3,405 kWh and an average hourly load reduction of 486 kW.

Open MTP

The Open MTP goal was to acquire 530 kW demand savings its first year. TCC verified and is reporting 533 kW. The savings were achieved with 61 small commercial customers and nine participating contractors across six counties.

SCORE/CitySmart MTP

In 2013, TCC projected to acquire 1,591 kW demand savings from this program. TCC verified and is reporting 1,806 kW. This included participation by 108 customers in five counties. To date, the program has benchmarked 655 facilities for 28 school districts, and eight government customers.

SMART Source[SM] Solar PV MTP

The PV MTP experienced significant participation in 2013, with the majority of program activity in the residential sector.

During 2013, 31 residential and commercial solar PV projects were completed resulting in a peak demand reduction of 197 kW and 380,064 kWh of savings.

X. Research and Development

In 2013, R&D activities and projects accounted for 1% of TCC's total program expenses. R&D activities are intended to help TCC meet future energy efficiency goals by researching new technologies, program options and developing better, more efficient ways to administer current programs. The following is a summary of TCC's R&D activities for 2013:

Center for Commercialization of Electric Technologies (CCET)

TCC is a member of CCET, whose purpose is to enhance the safety, reliability, security, and efficiency of the Texas electric transmission and distribution system through research, development and commercialization of emerging technologies. Activities undertaken in 2013 included participation in a DOE American Reinvestment and Recovery Act (ARRA) Smart Grid Demonstration project supporting wind integration in ERCOT.

SMART View[SM] In-Home Device R&D Project

TCC continued its AEP Texas SMART View[SM] In-Home Device Project in 2013 with the following objectives:

1. To enable a sampling of TCC's residential end-use customers to receive energy use data from their premises, and to use that data to make informed decisions regarding timing and magnitude of electric energy use.
2. To enable TCC's Energy Efficiency/Demand Response function to capture, measure, and verify energy and demand savings and to determine if the in-home monitors could be a measure that produces savings that could be used toward its annual energy efficiency goal requirements.
3. To present positive customer information regarding the value and benefits available through the use of TCC's Advanced Meter System, Smart Meter Texas web portal, and in-home monitors available in the market.
4. To enlist REP engagement in providing additional customer energy efficiency education, time-of-use pricing programs, and other retail activities to encourage customer energy efficiency.
5. To test in-home monitors from various technology vendors and manufacturers, and evaluate their ease of use and acceptability by customers.

Following distribution of In-Home Devices (IHD) to all participants in late 2012, the provisioning phase began in the first quarter of 2013. The final IHD was provisioned on March 1 and the research phase began. TCC began monitoring the energy consumption of participants, as well as a control group. Monitoring is expected to continue over a period of approximately 12 months.

In 2014, energy consumption patterns will be analyzed to assess the impact of the displays. The study will assess both immediate and sustained impacts of the displays with and without supplemental energy efficiency communications.

Program Research and Development

In 2013, TCC dedicated resources to further develop and enhance its electronic data collection and management systems for current programs. In addition, TCC participated with Electric Utility Marketing Managers of Texas (EUMMOT) in researching potentially new deemed savings measures for various programs.

Informational Activities

TCC continues its best efforts to encourage and facilitate the involvement of REPs and EESPs in the delivery of its programs to customers. TCC utilizes local, regional and national conferences, trade shows, and other events for outreach and information exchange with participating REPs and EESPs. TCC again disbursed program information at its annual AEP Texas Competitive REP workshop in October 2013. TCC provides new and existing energy efficiency program information to the REPs and EESPs throughout the year on a timely basis via e-mail distribution and the www.AEPefficiency.com web site.

XI. Current Energy Efficiency Cost Recovery Factor (EECRF)

The total amount requested to be collected through TCC's 2014 EECRF is $9,404,060, which consists of the following components:

- recovery of $7,199,975 in energy efficiency expenses budgeted for Program Year 2014; (TCC's actual projected budget for energy efficiency expenses for Program Year 2014 is

$14,082,454, which is reduced by $6,334,949 in energy efficiency costs expressly included in base rates and $547,530 of load growth)

- recovery of a performance bonus in the amount of $3,751,904 for achieving energy efficiency goals in Program Year 2012;
- return to customers $2,071,768 in energy efficiency program costs over-collected through TCC's EECRF in Program Year 2012;
- return to customers $49,134 as a result of the November 26, 2012 revision to the April 2012 Energy Efficiency Plan and Report filed in Project No. 40194;
- recovery of $567,395 in Evaluation, Measurement and Verification (EM&V) costs for evaluation of PY 2012 and PY 2013; and
- recovery of $5,688 for 2012 EECRF proceeding expenses incurred in Docket No. 40359 by municipalities as authorized by P.U.C SUBST. R. 25.181(f)(3)(B).

Table 11: 2014 EECRF

Customer Class	EECRF
Residential Service	$0.000670 per kWh
Secondary Service (less than or equal to 10 kW)	$0.000511 per kWh
Secondary Service (greater than 10 kW)	$0.000398 per kWh
Primary Service	$0.000317 per kWh
Transmission Service	($0.000126) per kWh

2013 Collections for Energy Efficiency

TCC collected $6,853,558 through its 2013 base rates and $7,893,920 through its 2013 EECRF for a total of $14,747,478. A performance bonus of $2,634,727 for exceeding its 2012 energy efficiency goals and $2,788,466 returned to customers are reflected in TCC's total amount collected for energy efficiency in 2013.

Energy Efficiency Program Costs Expended

TCC expended a total of $13,054,800 for its 2013 energy efficiency programs. The amount expended is $1,027,654 less than TCC's 2013 projected budget of $14,082,454 for energy efficiency program.

Over-Recovery of Energy Efficiency Costs

Pursuant to the final order in Docket No. 40359, TCC was authorized to recover $7,593,766 through its 2013 EECRF. TCC's actual 2013 EECRF program costs were $13,054,800 and actual EECRF program revenues were $14,747,478. These associated 2013 costs and revenues result in an over-recovery of energy efficiency costs of $1,692,678. This is the amount that TCC will request be returned to customers within its 2015 EECRF.

XII. Underserved Counties

TCC has defined Underserved Counties as any county in the TCC service territory for which TCC reported no demand or energy savings through any of its 2013 SOPs or MTPs. Per Substantive Rule 25.181(n)(2)(U), a list of the Underserved Counties is as follows:

Caldwell	Kinney	Wilson
Edwards	McMullen	
Gonzales	Real	

XIII. Performance Bonus

TCC achieved a 34,136 kW reduction in peak demand from its energy efficiency programs offered in 2013. TCC's demand reduction goal for 2013 was 12,930 kW. This achievement represents 264% of its 2013 demand reduction goal. TCC also achieved energy savings of 48,954,281 kWh, which represents 216% of its 2013 energy goal of 22,653,000 kWh. These results qualify TCC for a Performance Bonus. Per Substantive Rule 25.181(h), TCC is eligible for a Performance Bonus of $4,659,958, which it will request within its May 30, 2014 EECRF Filing for recovery in 2015.

In 2013, TCC's total spending on energy efficiency programs was $13,054,800. This includes actual EM&V expenditures to the EM&V team of $331,381. Per the PUCT, the total program costs to be used in the performance bonus calculation should include the EM&V cost allocation provided by the EM&V team for program year 2013, instead of the actual EM&V team expenditures. As a result, the total program expenditures for the bonus calculation will not match the actual total program expenditures exhibited in the applicable tables in this EEPR. For the purposes of the performance bonus calculation, TCC's 2013 total program costs equaled $13,039,067.

Table 12: Energy Efficiency Performance Bonus Calculation for 2013

	kW	kWh
2013 Goals	12,930	22,653,000
2013 Savings		
Reported/Verified Total (including HTR and measures with <10yr EUL)	34,136	48,954,281
Reported/Verified Hard-to-Reach	2,183	
2013 Program Costs	$13,039,067	
2013 Performance Bonus	$4,659,958	

Performance Bonus Calculation

264%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)
216%	Percentage of Energy Reduction Goal Met (Reported kWh/Goal kWh)
TRUE	Met Requirements for Performance Bonus?
$59,638,644	Total Avoided Cost (Reported kW * PV(Avoided Capacity Cost) + Reported kWh * PV(Avoided Energy Cost))
$13,039,067	Total Program Costs
$46,599,577	Net Benefits (Total Avoided Cost - Total Expenses)

Bonus Calculation

$38,212,549	Calculated Bonus ((Achieved Demand Reduction/Demand Goal - 100%) / 2) * Net Benefits
$4,659,958	Maximum Bonus Allowed (10% of Net Benefits)
$4,659,958	Bonus (Minimum of Calculated Bonus and Bonus Limit)

Acronyms

ACD MTP	A/C Distributor Pilot Market Transformation Program
ARRA	American Reinvestment and Recovery Act
CARE$ SOP	AEP Texas CARE$ Energy Efficiency for Not-for-Profit Agencies Standard Offer Program
CCET	Center for the Commercialization of Electric Technologies
CoolSaver℠ MTP	CoolSaver℠ A/C Tune-Up Market Transformation Program
CSOP	Commercial Standard Offer Program
CS MTP	Commercial Solutions Market Transformation Program
DR	Demand Response
DSM	Demand Side Management
EECRF	Energy Efficiency Cost Recovery Factor
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
EESP	Energy Efficiency Service Providers
ERCOT	Electric Reliability Council of Texas
EUMMOT	Electric Utility Marketing Managers of Texas
EPA	Environmental Protection Agency

Acronyms (Continued)

ILM MTP	Irrigation Load Management Market Transformation Program
HTR	Hard-To-Reach
HTR SOP	Hard-to-Reach Standard Offer Program
LM SOP	Load Management Standard Offer Program
MTP	Market Transformation Program
NAP	Not Applicable
New Homes	High-Performance New Home Market Transformation Program
NFP	Not-for-Profit
Open	Open Market Transformation Program
PEV	Plug-in Electric Vehicle
PUCT	Public Utility Commission of Texas
PURA	Public Utility Regulatory Act
PV	Photovoltaic
PV MTP	SMART Source^{SM} Solar PV Market Transformation Program
R&D	Research and Development
REP	Retail Electric Provider
RES	Residential
RSOP	Residential Standard Offer Program

Acronyms (Continued)

SCORE	Schools Conserving Resources
SCORE/CS MTP	SCORE/CitySmart Market Transformation Program
SOP	Standard Offer Program
TCC	AEP Texas Central Company
TDU	Transmission and Distribution Utility
TLIP	Targeted Low-Income Energy Efficiency Program

APPENDIX A:

REPORTED AND VERIFIED DEMAND AND ENERGY REDUCTION BY COUNTY

CALENDAR YEAR 2013

A/C DISTRIBUTOR PILOT MTP

County	Reported and Verified Savings	
	kW	kWh
Aransas	11.36	43,378
Bee	5.63	18,094
Cameron	12.44	47,254
Duval	0.49	1,814
Hidalgo	48.72	187,333
Jim Wells	2.89	10,814
Karnes	1.38	4,291
Kleberg	3.15	11,611
Maverick	14.81	47,189
Nueces	79.74	300,635
Refugio	1.46	5,704
San Patricio	19.23	74,317
Starr	3.06	11,699
Val Verde	4.31	14,667
Victoria	11.46	37,086
Webb	17.27	64,615
Total	**237**	**880,501**

COMMERCIAL SOLUTIONS MTP

County	Reported and Verified Savings	
	kW	kWh
Aransas	42.03	134,048
Bee	0.70	4,990
Brooks	6.48	45,261
Cameron	299.74	1,845,477
Dimmit	10.69	68,094
Duval	0.26	1,440
Hidalgo	252.89	1,352,688
Kenedy	10.02	64,160
La Salle	21.92	141,663
Nueces	109.83	601,682
San Patricio	3.51	21,191
Uvalde	2.49	9,679
Val Verde	7.36	45,260
Victoria	16.67	98,345
Webb	43.99	265,878
Zapata	8.94	22,983
Total	**838**	**4,722,839**

COMMERCIAL SOP

County	Reported and Verified Savings	
	kW	kWh
Aransas	105.78	454,909
Atascosa	62.84	376,297
Bee	108.53	194,328
Brooks	264.81	535,041
Calhoun	7.02	28,603
Cameron	321.93	1,003,196
Hidalgo	163.24	400,786
Jim Wells	2.36	10,400
Kleberg	9.17	21,775
Matagorda	190.24	1,717,972
Maverick	2.95	13,013
Nueces	259.98	1,078,234
San Patricio	5.03	22,855
Starr	2.21	9,730
Uvalde	193.01	979,803
Val Verde	37.17	180,943
Victoria	164.93	640,755
Webb	54.97	331,063
Zavala	6.35	31,410
Total	**1,962**	**8,031,113**

COOLSAVER℠ A/C TUNE-UP MTP

County	Reported and Verified Savings	
	kW	kWh
Aransas	176.43	356,453
Cameron	40.66	125,692
Hidalgo	1,025.27	3,445,990
Kleberg	3.91	12,510
Nueces	313.31	753,857
Refugio	17.21	32,140
San Patricio	185.32	360,273
Starr	33.01	112,645
Webb	30.13	108,600
Total	**1,825**	**5,308,160**

HIGH-PERFORMANCE NEW HOMES MTP

County	Reported and Verified Savings	
	kW	kWh
Aransas	10.42	32,523
Cameron	30.47	104,254
Guadalupe	0.64	2,383
Hidalgo	55.23	180,255
Nueces	188.85	619,255
San Patricio	47.06	152,450
Starr	3.53	11,402
Victoria	0.76	1,997
Webb	65.03	214,203
Total	**402**	**1,318,722**

HARD-TO-REACH SOP

County	Reported and Verified Savings	
	kW	kWh
Bee	2.79	6,916
Brooks	4.14	6,758
Calhoun	13.58	34,474
Cameron	7.09	21,633
Colorado	15.72	48,265
DeWitt	3.21	5,246
Duval	19.89	38,594
Goliad	5.66	11,186
Hidalgo	600.23	1,216,684
Jackson	16.35	30,688
Jim Wells	100.66	216,153
Kleberg	6.13	14,091
Matagorda	74.15	231,916
Maverick	105.65	385,663
Nueces	193.10	432,129
Refugio	2.78	8,886
San Patricio	10.609	23,375
Starr	21.61	38,794
Val Verde	81.22	252,632
Victoria	257.78	643,753
Webb	111.21	275,435
Wharton	10.74	26,999
Zapata	0.47	2,108
Total	**1,665**	**3,972,378**

IRRIGATION LOAD MANAGEMENT MTP

County	Reported and Verified Savings	
	kW	kWh
Atascosa	160.00	1,120
Uvalde	199.00	1,393
Zavala	127.00	892
Total	**486**	**3,405**

LOAD MANAGEMENT SOP

County	Reported and Verified Savings	
	kW	kWh
Aransas	102.00	676
Bee	44.00	289
Calhoun	87.00	647
Cameron	2,471.00	17,059
Colorado	1,259.00	1,259
Hidalgo	6,181.00	50,901
Jim Wells	71.00	434
Kleberg	193.00	1,376
Matagorda	16.00	149
Maverick	83.00	629
Nueces	1,498.00	9,544
Refugio	458.00	2,746
San Patricio	743.00	4,725
Starr	214.00	1,597
Uvalde	878.00	6,976
Val Verde	17.00	117
Victoria	1,361.00	9,631
Webb	1,891.00	13,117
Wharton	97.00	754
Willacy	67.00	494
Total	**17,731**	**123,120**

OPEN MTP

County	Reported and Verified Savings	
	kW	kWh
Atascosa	42.91	187,554
Cameron	36.61	151,201
Hidalgo	288.38	1,277,785
Medina	9.36	38,447
Nueces	123.88	600,035
Victoria	31.55	127,341
Total	**533**	**2,382,363**

RESIDENTIAL SOP

County	Reported and Verified Savings	
	kW	kWh
Aransas	28.85	72,652
Bee	6.46	16,578
Brooks	8.64	15,278
Calhoun	16.61	37,029
Cameron	440.55	1,216,180
Colorado	72.83	172,140
DeWitt	2.30	2,967
Dimmitt	21.98	74,018
Duval	95.63	229,416
Frio	24.05	71,905
Goliad	10.53	30,919
Hidalgo	2,293.31	5,878,381
Jackson	35.94	89,299
Jim Hogg	17.07	50,383
Jim Wells	252.17	536,059
Karnes	3.98	6,966
Kleberg	98.41	208,921
Live Oak	0.45	1,217
Matagorda	57.77	138,918
Maverick	310.81	917,978
Nueces	1,138.22	2,466,450
Refugio	31.05	92,165
San Patricio	215.68	524,605
Starr	140.07	363,226
Uvalde	1.82	5,997
Val Verde	241.89	668,751
Victoria	229.69	462,954
Webb	89.24	247,668
Wharton	30.73	71,492
Willacy	5.04	14,951
Zapata	13.26	43,473
Total	**5,935**	**14,728,936**

SCORE/CITYSMART MTP

County	Reported and Verified Savings	
	kW	kWh
Cameron	117.00	657,481
Hidalgo	474.31	1,184,706
Nueces	720.16	2,168,580
Webb	458.50	1,960,165
Zapata	35.99	142,283
Total	**1,806**	**6,113,212**

SMART SOURCE[SM] SOLAR PV PILOT MTP

County	Reported and Verified Savings	
	kW	kWh
Atascosa	10.56	20,352
Cameron	12.87	24,800
Goliad	8.96	17,280
Hidalgo	93.39	180,032
Nueces	57.85	111,520
Webb	13.53	26,080
Total	**197**	**380,064**

TARGETED LOW-INCOME ENERGY EFFICIENCY PROGRAM

County	Reported and Verified Savings	
	kW	kWh
Cameron	73.07	237,721
Duval	0.54	2,878
Hidalgo	76.26	176,398
Kleberg	8.15	18,058
Nueces	281.06	414,550
Refugio	12.87	27,942
San Patricio	8.15	23,075
Webb	55.61	84,090
Willacy	2.50	4,756
Total	**518**	**989,468**

APPENDIX B:

PROGRAM TEMPLATES

TCC does not have any program templates to report this year.

APPENDIX C:

EXISTING CONTRACTS OR OBLIGATIONS

TCC does not have any Existing Contracts or Obligation documentation to provide.

APPENDIX D:

OPTIONAL SUPPORT DOCUMENTATION