Q. PLEASE EXPLAIN THE ENGAGEMENT PROCESS FOR CONTRACTING WITH EESPS AND CONTRACTORS PAID WITH FUNDS COLLECTED THROUGH THE EECRF.

A. The EESPs and contractors are recruited in different manners depending upon the associated program, as explained below:

- The Commercial SOP EESPs are typically national Energy Service Companies brought into EPE's service territory by national customers or large companies. EPE conducts annual webinars that provide program information and encourage participation in EPE's program. EPE sends invitations for these webinars to EESPs that have previously participated in this program, as well as those that participate in other Texas investor owned utility SOPs.
- The Large C&I Solutions MTP and Texas SCORE MTP are customer-driven, and the participating customers are considered EESPs based on the definition found in the PUCT Subst. R. 25.181(c)(17). CLEAResult and EPE personnel work through various venues, such as direct contact and the use of EPE's website, to inform eligible customers of EPE's Large C&I Solutions MTP and the Texas SCORE MTP.
- The Small Commercial Solutions, Residential Solutions and Hard-to-Reach Solutions MTPs are contractor driven. CLEAResult and EPE personnel provide outreach and training throughout the year to participating contractors and EESPs. EPE's website also contains information on how to participate in these programs and provides direct contact information for potential EESPs, contractors and interested customers.

- The Solar PV Pilot MTP is also a contractor driven program. Frontier and EPE personnel conduct an annual webinar that provides program information and encourages participation in this program. Frontier sends invitations for the webinar to EESPs that have previously participated in this program, as well as those that participate in other Texas investor owned utility solar PV programs. EPE's website contains participation information for customers, as well as EESPs.
- The Commercial Rebate Pilot MTP is a contractor driven program. EPE personnel provide the outreach for this program through various means, such as direct contact and the EPE website.
- The LivingWise® and Appliance Recycling MTPs are driven by the implementer and the outreach is mostly provided to the customer by the implementer. At least once a year, EPE sends out information in the form of bill stuffers for this program.

VIII. INCENTIVE PAYMENTS AND ENERGY EFFICIENCY SERVICE PROVIDERS AND ADMINISTRATORS

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

A. Yes. CONFIDENTIAL Exhibit SES-8 provides this information.

IX. ESTIMATED USEFUL LIFE

Q. WHAT IS THE DEFINITION OF ESTIMATED USEFUL LIFE?

A. PUCT Subst. R. 25.181(c)(19) states that the definition of Estimated Useful Life ("EUL") is "The number of years until 50% of installed measures are still operable and providing savings, and is used interchangeably with the term 'measure life'. The EUL determines the period of time over which the benefits of the energy efficiency measure are expected to accrue."

Q. HAVE YOU PROVIDED AN ESTIMATED USEFUL LIFE TABLE AND LINK FOR EPE'S PROGRAMS?

A. Yes, the EUL Table used by EPE is provided in Exhibit SES-9 and can be found at www.epelectric.com/tx/business/program-manuals-and-guidelines.

X. CONCLUSION

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

El Paso Electric Company

2014 Energy Efficiency Plan and Report

Substantive Rule § 25.181 and § 25.183

April 1, 2014

Project No. 42264

The Electric Company
El Paso Electric

TABLE OF CONTENTS

INTRODUCTION

El Paso Electric Company (EPE) presents this Energy Efficiency Plan and Report (EEPR) to comply with Public Utility Commission of Texas (PUCT) Substantive Rules 25.181 and 25.183, which are the sections of the Energy Efficiency Rule (EE Rule) implementing the Public Utility Regulatory Act (PURA) § 39.905. As mandated by this section of PURA, Substantive Rule 25.181(e)(1) states that each investor owned electric utility must achieve the following minimum demand reduction goals through market-based standard offer programs (SOPs), targeted market transformation programs (MTPs) or utility self-delivered programs:

> §25.181(e)(1) An electric utility shall administer a portfolio of energy efficiency programs to acquire, at a minimum, the following:
>
> (A) 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% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year, the utility shall meet the energy efficiency goal described in subparagraph (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, MTPs and utility self-delivered programs that control the manner in which utilities must administer their portfolio of energy efficiency programs in order to achieve their mandated annual demand reduction goals. EPE'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 report for 2013 and projections for 2014 and 2015 as required by the EE Rule. The following section describes the information that is contained in each of the subsequent sections and appendices.

ENERGY EFFICIENCY PLAN AND REPORT (EEPR) ORGANIZATION

This EEPR consists of an executive summary, fourteen sections, a list of acronyms, and one appendix.

- The Executive Summary highlights EPE's reported achievements for 2013 and EPE's plans for achieving its 2014 and 2015 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 class sizes.
- Section III presents EPE's goal calculation and projected energy efficiency savings for the prescribed planning period by program for each customer class.
- Section IV describes EPE's proposed energy efficiency budgets for 2014 and 2015 by program for each customer class.

Energy Efficiency Report

- Section V documents EPE's demand reduction goals for each of the previous five years (2009-2013) and the actual savings achieved for those years.
- Section VI compares EPE's projected energy and demand savings to its reported savings by program for calendar years 2012 and 2013.
- Section VII details EPE's incentive and administration expenditures for the previous five years (2009-2013) detailed by program for each customer class.
- Section VIII compares EPE's actual and budgeted program costs for 2013 detailed by program for each customer class. It also explains any deviation of more than 10% from EPE's overall program budget.
- Section IX describes the results from EPE's MTPs and the self-delivered program.
- Section X documents EPE's most recent Energy Efficiency Cost Recovery Factor (EECRF).
- Section XI reflects EPE's revenue collection through the 2013 EECRF.
- Section XII details the over/under recovery of EPE's energy efficiency program costs for 2013.
- 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.

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

Appendices

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

EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details EPE's plans to meet the energy efficiency demand reduction goal for 2014 as established pursuant to PUCT Substantive Rule 25.181(e)(2). The final order of Docket No. 41403[1] issued on December 20, 2013, established the Energy Efficiency Cost Recovery Factor (EECRF) rates applicable to EPE for 2014. The order also left in place the same demand reduction goal as EPE had in 2013 for the 2014 energy efficiency programs. This goal was 11.16 MW, which is greater than four-tenths of one percent of EPE's 2013 weather-adjusted peak demand. The final order of Docket No. 41403 also established an energy efficiency program budget for 2014 of $4,384,650.[2] In accordance with Substantive Rule 25.181(e)(1)(E), EPE's demand reduction goal in any year shall not be lower than its goal for the prior year, so EPE's 2015 demand reduction goal should also remain at 11.16 MW.

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 2013, EPE achieved a demand reduction in excess of its goal. This was accomplished through the implementation of SOPs, MTPs and a utility self-delivered program. In 2013, the company exceeded the demand reduction goal of 11.16 MW by 27.13%.

The SOPs implemented in 2013 were the Commercial SOP and the Load Management SOP. The MTPs were the Small Commercial Solutions MTP, the Large Commercial & Industrial (C&I) Solutions MTP, the Texas Schools and Cities Conserving Resources MTP (Texas SCORE MTP), the Residential Solutions MTP, the LivingWise® MTP, the Hard-to-Reach Solutions MTP, the Appliance Recycling MTP, and the Solar Photovoltaic (PV) Pilot MTP. The self-delivered program for 2013 was the Commercial Rebate Pilot Program.

[1] *Application of El Paso Electric Company for Approval to Revise its Energy Efficiency Cost Recovery Factor and Request to Establish Revised Cost Caps*, Docket No. 41403 (Dec. 20, 2013).
[2] *Id.* at Finding of Fact No. 20

Table 1: Summary of 2014 & 2015 Projected Goals, Savings and Budgets (at Meter)[3]

Calendar Year	Average Growth In Demand (MW)	Weather Adjusted Peak Demand (MW)	Goal Metric: .4% of Prior Yr. Peak Demand (MW)	Peak Demand Goal (MW)	Energy Goal (MWh)	Projected Demand Reduction (MW)	Projected Energy Reduction (MWh)	Projected Budget (000's)
2014	31.2	1,142	4.568	11.16	19,552	12.399	21,098	$4,578
2015	26.8	1,142	4.568	11.16	19,552	12.399	21,098	$4,542

In order to reach the above projected savings for 2014 and 2015, EPE proposes to offer the following programs:

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

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

EPE has also entered into an agreement with CLEAResult to continue to implement EPE's Texas SCORE MTP and the four "Solutions" MTPs.

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 JACO Environmental (JACO) to continue to offer EPE's Appliance Recycling MTP.

[3] Average Growth in Demand and Weather Adjusted Peak Demand are found in Table 4, Projected Demand and Energy Reductions are found in Table 5, and Projected Budgets are found in Table 6. All kW/MW and kWh/MWh figures in this Table and throughout this EEPR are given "at meter."

ENERGY EFFICIENCY PLAN

I. 2014 Programs

A. 2014 Program Portfolio

El Paso Electric Company (EPE) plans to continue the implementation of two SOPs, eight MTPs and one self-delivered program in 2014. 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 providers will be necessary in order to meet the demand reduction goals established by PURA § 39.905. Table 2 below summarizes the programs and target markets:

Table 2: 2014 Energy Efficiency Program Portfolios

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

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/program-manuals-and-guidelines.

B. Existing Programs

Commercial SOP

The Commercial SOP targets small and large commercial and industrial customers. Incentives are paid to qualified project sponsors or commercial customers who act as their own project sponsor. Incentives of $194 per kW and $0.05 per kWh are paid for qualified measures installed in new or retrofit applications that provide verifiable demand and energy savings. Commercial and industrial customers with a demand of 50 kW or greater may act as their own project sponsor. EPE plans to continue this program in 2014.

Small Commercial Solutions MTP

The Small Commercial Solutions MTP offers customers, with a peak demand of less than 100 kW, both cash and non-cash incentives. The cash incentive of $400 per reduced kW is paid to customers, through participating contractors, for eligible energy efficiency measures that are installed in new or retrofit applications. This program also provides non-cash incentives which include technical assistance, education on energy efficiency projects, and communications services to customers and participating contractors. 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. In addition, this program assists customers in evaluating energy efficiency proposals from contractors. EPE plans to continue this program in 2014. 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.

Large Commercial & Industrial (C&I) Solutions MTP

The Large C&I Solutions MTP offers customers, with a peak demand of equal to or greater than 100 kW, both cash and non-cash incentives. The cash incentive of $240 per reduced kW is paid to customers for eligible energy efficiency measures that are installed in new or retrofit applications. This program helps companies 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. EPE plans to continue this program in 2014. The Large C&I Solutions Program will continue working with business owners providing measurement and verification, as necessary. The program will also aim to consolidate the identification of opportunities, recommended technologies, and the financial benefits to the customers. 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.

Texas SCORE MTP

The Texas SCORE MTP was introduced to promote a structured process for public school districts, higher education and local governments to identify opportunities and implement energy efficiency measures. This program pays a cash incentive of $240 per reduced kW to schools and local governmental entities for the installation of energy efficiency measures, as well as non-cash incentive tools used to identify their critical needs and promote best business practices. This program is designed to help assist and educate these customers in improving their facilities' energy performance and reducing their operating costs by integrating energy efficiency into their

short- and long-term planning by identifying, prioritizing, budgeting, and completing projects. As each entity commits to participating in the Texas SCORE MTP, a benchmarking analysis is conducted. The benchmarking data compares energy performance within the school campuses and government facilities against national and state averages. This data also serves as the program baseline data. EPE will continue to offer its Texas SCORE MTP in 2014. EPE will continue working through the Texas SCORE MTP with schools and governmental entities to expand the scope of energy efficiency opportunity areas, to include measurement and verification measures. The Texas SCORE Program will also continue to provide outreach to active contractors, architectural firms, engineering firms, and other building industry players to raise overall energy efficiency practices across the marketplace.

Load Management SOP

The Load Management SOP allows participating customers or third-party sponsors to provide on-call, voluntary curtailment of electric consumption during peak demand periods in return for incentive payments. Commercial customers, governmental entities, and educational customers taking service at the distribution level are eligible to participate in the program. Incentives are based on verified demand savings that customers are able to achieve in response to notifications of voluntary curtailment events by EPE. Customers can receive a maximum of $60 per kW of reduction up to their contracted amount. Demand savings and incentive payment amounts are based on actual, verified load curtailments. EPE plans to continue this program in 2014.

Commercial Rebate Pilot Program

In 2011, Senate Bill No. 1910 amended Chapter 39 Sec. 555[4] of the Texas Utilities Code allowing 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. In 2012, pursuant to this amendment, EPE implemented the Commercial Rebate Pilot Program which is a self-delivered program.

The Commercial Rebate Pilot Program is designed to provide demand and energy savings by subsidizing part of the high up-front cost of installing specific energy efficiency measures to certain market segments. Currently there are two measures which EPE offers 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 control measure is designed primarily to address energy management solutions for hotel rooms, university dormitories and school classrooms. The second measure is a vending machine measure designed to provide energy and demand savings by controlling the operation of vending machines in commercial customer facilities. EPE plans to continue this program in 2014.

Residential Solutions MTP

The Residential Solutions MTP offers customers both cash and non-cash incentives. The cash incentives vary by measure and are paid to customers, through participating contractors, for eligible energy efficiency measures that are installed in existing residences. This program also provides non-cash incentives which include technical assistance and education on energy efficiency projects to participating contractors and customers. In addition to capturing kW savings, this program helps residential contractors improve their ability to identify, evaluate, and sell

[4] Act of May 26, 2011, 82nd Leg S.B. 1910 Section 39.555 Marketing of Energy Efficiency and Renewable Energy Programs.

efficiency improvements to home owners and assists consumers in evaluating energy efficiency proposals from contractors. EPE plans to continue this program in 2014.

LivingWise® MTP

The LivingWise® MTP is implemented by Resource Action Programs. This program 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.

Through this program, EPE identifies and enrolls teachers and sixth-grade students, providing them with a LivingWise® kit that contains energy savings devices and energy efficiency educational materials. All of the materials provided meet state and national educational standards, which allow the program to easily fit into teachers' existing schedules and requirements. The children take the LivingWise® kit home and, with the help of their parents, 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. EPE will continue this program in 2014.

Hard-to-Reach Solutions MTP

The Hard-to-Reach Solutions MTP offers customers both cash and non-cash incentives. This program targets residential customers that are at or below 200% of the Federal Poverty Guidelines. The cash incentives vary by measure and are paid to customers, through participating contractors, for eligible energy efficiency measures that are installed in existing residences. This program also provides non-cash incentives which include technical assistance and education on energy efficiency projects to participating contractors and customers. In addition to capturing kW savings, this program helps residential contractors improve their ability to identify, evaluate, and sell efficiency improvements to home owners and assists customers in evaluating energy efficiency proposals from contractors. EPE plans to continue this program in 2014.

Appliance Recycling MTP

The Appliance Recycling MTP provides incentives designed to encourage EPE's customers to recycle their old, less efficient refrigerators and freezers rather than use them as secondary or backup units. The Appliance Recycling MTP offers eligible customers a $30 incentive for EPE to remove and recycle their old refrigerator or freezer. EPE will continue this program in 2014.

Solar Photovoltaic (PV) Pilot MTP

The high up-front cost of installing solar generation systems is a barrier to customers installing energy-efficient solar generation. The EPE Solar PV Pilot MTP encourages customers to install solar PV distributed generation systems at their homes or businesses by offering an incentive of $0.75/watt dc of solar generation to off-set a portion of the up-front cost. The City of El Paso 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]. EPE will continue to offer this program in 2014 and anticipates that the City funding will continue, as well.

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

C. *New Programs for 2014 and 2015*

EPE will not be implementing new programs in 2014 and 2015.

D. *General Implementation Process*

Program Implementation

In 2014, EPE will continue to conduct activities to implement energy efficiency programs in a non-discriminatory and cost-effective manner. EPE will provide program announcements to the Energy Efficiency Service Provider (EESP) community in the form of pertinent news and updates, as necessary.

EPE announced its 2014 Commercial SOP and Solar PV MTP through the use of webinars. EPE then 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 January 2014, EPE began to allow EESPs to submit applications for the Commercial SOP; and, in February, EESPs could submit the applications for the Solar PV MTP. Qualified EESPs are informed of their funding once the project has been approved.

In February 2014, EPE announced its 2014 Load Management SOP through the EPE website. The program manual and initial application were made available to EESPs on that website. EESPs who participated in the 2013 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 and the Commercial Rebate Pilot Program were opened for new projects in January 2014. The MTPs were announced through kick-off meetings, informative e-mails to EESPs and participants, direct communication, and through the EPE website. The Commercial Rebate Pilot Program was announced through on-going direct communication with the targeted customers.

Program Tracking

EPE uses online databases to track program activity for the various SOPs, MTPs and the self-delivered program. These 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

The majority of projects implemented through EPE's energy efficiency programs report demand and energy reductions utilizing deemed savings as approved by the PUCT. If 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 is not available for the energy efficiency measure(s) included in an eligible project; or

- an EESP has elected to follow the protocol because it believes that measurement and verification activities will result in a more accurate estimate of the savings associated with the project than would 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. EPE will continue to provide all of the necessary information and data to the EM&V team.

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 PUCT Substantive Rule 25.181(e)(1) and PURA § 39.905. EPE markets the availability of its programs in the following manner:

- EPE maintains the websites www.epelectricefficiency.com and www.epelectric.com. The use of the websites is one of the primary methods of communication to provide potential project sponsors and customers with program information. The websites contain detailed information such as requirements for program participation, project eligibility, end-use measure eligibility, incentive levels, application procedures, program manuals, and available funding.

- EPE offers outreach workshops, either physically or through webinars, for SOPs and MTPs. EPE invites the appropriate EESPs to participate in the workshops. The workshops describe the requirements for program participation, project eligibility, end-use measure eligibility, incentive levels, application procedures, and available funding. .

- As part of EPE's outreach efforts, EPE will also continue to coordinate with the National Association of Energy Service Companies and the Association of Energy Service Professionals to notify members of EPE's SOP workshops.

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

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

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

EPE has entered into an agreement with Frontier to continue to assist with EPE's Commercial SOP and the Solar PV Pilot MTP and to process the rebates in the Commercial Rebate Pilot Program.

EPE has also entered into an agreement with CLEAResult to continue to implement EPE's Texas SCORE MTP and the four "Solutions" MTPs.

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 JACO to continue to offer EPE's Appliance Recycling MTP.

II. Customer Classes

For the twelve months ending December 2013, there was an average of 265,470 residential accounts in the EPE Texas service territory. Based on the U.S. Census Bureau's 2012 American Community Survey, 50.98% of El Paso County's residential customers are at or below 200% of the Federal Poverty Guidelines. This percentage translates to approximately 135,337 of EPE's residential accounts that fall into the Hard-to-Reach Customer Class. The total number of commercial accounts for this same time period was 32,230.

Customer classes targeted by EPE's energy efficiency programs are the residential and commercial customer classes. The total residential class includes the Hard-to-Reach accounts. Table 3 summarizes the number of customers in each of the customer classes for 2013.

Table 3: Summary of Texas Residential and Commercial Customer Classes (2013)

Customer Class	Number of Texas Customers
Total Residential	265,470
Hard-to-Reach[6]	135,337
Total Commercial	32,230

III. Projected Energy Efficiency Savings and Goals

As reflected in Docket No. 41403, EPE's Energy Efficiency demand reduction goal for 2014 is 11.16 MW which mirrored the 2013 goal. Following is Section (e)(1) of the 2012 EE Rule that describes how utilities are to calculate their minimum demand reduction goals:

> §25.181(e)(1) An electric utility shall administer a portfolio of energy efficiency programs to acquire, at a minimum, the following:
>
> (A) 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% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year, the utility shall meet the energy efficiency goal described in subparagraph (D) of this paragraph for each subsequent program year.

[6] According to the U.S. Census Bureau's 2012 American Community Survey, 50.98% of El Paso County's families fall below 200% of the Federal Poverty Guidelines. Applying that percentage to EPE's residential customer base of 265,470, the number of HTR customers is estimated at 135,337.

(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 demand reduction goal to be acquired in 2014 (11.16 MW) is greater than four-tenths of one percent of EPE's 2013 weather-adjusted peak demand and is shown in Table 4. In accordance with Substantive Rule 25.181(e)(1)(E), EPE's demand reduction goal in any year shall not be lower than its goal for the prior year. In light of the parameters established by the EE Rule, EPE's goal should remain at 11.16 MW (0.98% of the anticipated 2014 weather-adjusted peak demand) for 2015. The corresponding energy savings goals for all years are determined by applying a 20% capacity factor to the demand reduction goals.

Table 4 presents historical annual growth in demand for the previous five years. Projected demand reduction and energy savings by program by customer class for 2014 and 2015 are presented in Table 5. Projected demand reduction and energy savings for 2014 reflect the budget allocations designed to meet EPE's goals as established in Docket No. 41403.

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

Calendar Year	Peak Demand (MW)				Energy Consumption (MWh)				Growth (MW)	Average Growth (MW)[7]
	Total Texas System		Residential & Commercial		Total Texas System		Residential & Commercial			
	Actual	Actual Weather Adjusted[8]	Actual	Actual Weather Adjusted[8]	Actual	Actual Weather Adjusted[8]	Actual	Actual Weather Adjusted[8]	Actual Weather Adjusted[8]	Actual Weather Adjusted[8]
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	1,240	1,236	1,147	1,142	6,028,388	6,008,772	5,276,023	5,256,408	59	23.8
2014	NA	NA	NA	NA	NA	NA	NA	NA	0	31.2
2015	NA	NA	NA	NA	NA	NA	NA	NA	0	26.8

[7] Average historical growth in demand over the prior five years for residential and commercial customers
[8] EPE filed weather normalization in its rate case PUCT Docket 40094 in 2012; therefore, beginning with the 2013 EEPR, EPE began using weather adjusted demand at meter to calculate the average historical growth in demand in Table 4. No customers have provided an industrial identification notice to EPE.

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

2014	Projected Savings	
Customer Class and Program	kW	kWh
Commercial	**10,696**	**15,983,480**
Commercial SOP	600	2,628,000
Small Commercial Solutions MTP	730	3,197,400
Large C&I Solutions MTP	1,800	7,884,000
Texas SCORE MTP	500	1,971,000
Load Management SOP	7,000	14,000
Commercial Rebate Pilot Program	66	289,080
Residential	**460**	**2,235,564**
Residential Solutions MTP	400	700,800
LivingWise® MTP	60	1,534,764
Hard-to-Reach	**800**	**1,051,200**
Hard-to-Reach Solutions MTP	800	1,051,200
Residential / Commercial	**443**	**1,827,336**
Appliance Recycling MTP	202	1,415,616
Solar PV Pilot MTP	241	411,720
Total	**12,399**	**21,097,580**
2015	**Projected Savings**	
Customer Class and Program	**kW**	**kWh**
Commercial	**10,696**	**15,983,480**
Commercial SOP	600	2,628,000
Small Commercial Solutions MTP	730	3,197,400
Large C&I Solutions MTP	1,800	7,884,000
Texas SCORE MTP	500	1,971,000
Load Management SOP	7,000	14,000
Commercial Rebate Pilot Program	66	289,080
Residential	**460**	**2,235,564**
Residential Solutions MTP	400	700,800
LivingWise® MTP	60	1,534,764
Hard-to-Reach	**800**	**1,051,200**
Hard-to-Reach Solutions MTP	800	1,051,200
Residential / Commercial	**443**	**1,827,336**
Appliance Recycling MTP	202	1,415,616
Solar PV Pilot MTP	241	411,720
Total	**12,399**	**21,097,580**

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 and the EECRF proceeding expenses.

The number of customers in each of the customer classes shown in Table 3 was 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 50.98% of EPE's total residential load in Texas (see Footnote 6).

Avoided costs for 2014, as established by the PUCT, were set at $80 per kW per year and $0.04619 per kWh.

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 7.075% 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, MTPs and one self-delivered program 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

2014	Incentives	Admin & R&D	Total Budget
Commercial	**$2,579,080**	**$38,550**	**$2,617,630**
Commercial SOP	$252,000	$28,000	$280,000
Small Commercial Solutions MTP	$461,115	$0	$461,115
Large C&I Solutions MTP	$895,396	$0	$895,396
Texas SCORE MTP	$415,569	$0	$415,569
Load Management SOP	$460,000	$0	$460,000
Commercial Rebate Pilot Program	$95,000	$10,550	$105,550
Residential	**$536,346**	**$0**	**$536,346**
Residential Solutions MTP	$190,000	$0	$190,000
LivingWise® MTP	$346,346	$0	$346,346
Hard-to-Reach	**$600,000**	**$0**	**$600,000**
Hard-to-Reach Solutions MTP	$600,000	$0	$600,000
Residential / Commercial	**$501,625**	**$37,500**	**$539,125**
Appliance Recycling MTP	$289,125	$0	$289,125
Solar PV Pilot MTP	$212,500	$37,500	$250,000
Administration		**$91,549**	**$91,549**
Subtotal Budgets	**$4,217,051**	**$167,599**	**$4,384,650**
EM&V		$108,416	$108,416
EECRF Proceeding Expenses		$85,000	$85,000
Total Budgets	**$4,217,051**	**$361,015**	**$4,578,066**

2015	Incentives	Admin & R&D	Total Budget
Commercial	**$2,579,080**	**$38,550**	**$2,617,630**
Commercial SOP	$252,000	$28,000	$280,000
Small Commercial Solutions MTP	$461,115	$0	$461,115
Large C&I Solutions MTP	$895,396	$0	$895,396
Texas SCORE MTP	$415,569	$0	$415,569
Load Management SOP	$460,000	$0	$460,000
Commercial Rebate Pilot Program	$95,000	$10,550	$105,550
Residential	**$536,346**	**$0**	**$536,346**
Residential Solutions MTP	$190,000	$0	$190,000
LivingWise® MTP	$346,346	$0	$346,346
Hard-to-Reach	**$600,000**	**$0**	**$600,000**
Hard-to-Reach Solutions MTP	$600,000	$0	$600,000
Residential / Commercial	**$501,625**	**$37,500**	**$539,125**
Appliance Recycling MTP	$289,125	$0	$289,125
Solar PV Pilot MTP	$212,500	$37,500	$250,000
Administration		**$91,549**	**$91,549**
Subtotal Budgets	**$4,217,051**	**$167,599**	**$4,384,650**
EM&V		$72,278	$72,278
EECRF Proceeding Expenses		$85,000	$85,000
Total Budgets	**$4,217,051**	**$324,877**	**$4,541,928**

ENERGY EFFICIENCY REPORT

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

Table 7 documents EPE's actual demand reduction goals and energy targets for the previous five years (2009-2013) calculated in accordance with PUCT Substantive Rule 25.181.

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)
2013[9]	11.16	19,552	14.188	23,394
2012[10]	11.16	19,552	11.886	20,168
2011[11]	11.16	19,552	12.331	20,182
2010[12]	7.56	13,245	9.857	21,404
2009[13]	5.68	9,945	5.845	17,908

[9] 2013 MW and MWh goals as reported in EPE's EEPR filed March 29, 2013 under Project No. 41196. 2013 demand reduction and energy savings reported in this document, Project No. 42264.
[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 modified pursuant to settlement of Docket No. 41403.
[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 modified pursuant to settlement of Docket No. 41403.
[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.

VI. Projected, Reported and Verified Demand and Energy Savings

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

2012	Projected Savings		Reported 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
Commercial Rebate Pilot Program	0.431	1,000	0.009	487
Residential	**0.360**	**1,982**	**0.473**	**2,091**
Residential Solutions MTP	0.300	447	0.413	559
LivingWise® MTP	0.060	1,535	0.060	1,532
Hard-to-Reach	**0.571**	**850**	**0.575**	**769**
Hard-to-Reach Solutions MTP	0.571	850	0.575	769
Residential / Commercial	**0.621**	**3,155**	**0.269**	**1,555**
Appliance Recycling MTP	0.508	2,937	0.158	1,165
Solar PV Pilot MTP	0.113	218	0.111	390
Total	**11.706**	**22,098**	**11.886**	**20,168**
2013	Projected Savings		Reported Savings	
Customer Class and Program	MW	MWh	MW	MWh
Commercial	**9.985**	**17,211**	**12.822**	**18,675**
Commercial SOP	0.731	3,202	0.613	2,740
Small Comm. Solutions MTP	0.730	3,197	0.736	3,136
Large C&I Solutions MTP	1.800	7,884	1.767	9,378
Texas SCORE MTP	0.600	2,365	0.604	2,934
Load Management SOP	6.000	20	9.028	12
Commercial Rebate Pilot Program	0.124	543	0.074	475
Residential	**0.360**	**2,058**	**0.359**	**2,037**
Residential Solutions MTP	0.300	526	0.299	502
LivingWise® MTP	0.060	1,532	0.060	1,535
Hard-to-Reach	**0.571**	**1000**	**0.571**	**810**
Hard-to-Reach Solutions MTP	0.571	1000	0.571	810
Residential / Commercial	**0.638**	**2,237**	**0.436**	**1,872**
Appliance Recycling MTP	0.509	1,784	0.190	1,398
Solar PV Pilot MTP	0.129	453	0.246	474
Total	**11.554**	**22,506**	**14.188**	**23,394**

VII. Historical Program Expenditures

Table 9 documents EPE's incentive and administration expenditures for the previous five years (2009-2013) 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 2013 can be found in Table 10.

Table 9: Historical Program Incentive and Administrative Expenditures for 2009 through 2013[14]

	2013		2012		2011		2010		2009	
Programs	**Incent.**	**Admin**	**Incent.**	**Admin**	**Incent.**	**Admin**	**Incent.**	**Admin**	**Incent.**	**Admin**
Commercial	**$2,646,031**	**$21,614**	**$2,173,205**	**$18,614**	**$2,370,937**	**$6,831**	**$1,777,679**	**$31,441**	**$1,611,899**	**$73,654**
Comm. SOP	$204,235	$21,091	$83,753	$18,614	$182,926	$6,213	$150,271	$17,823	$558,906	$21,367
Small Comm. SOP	NA	NA	NA	NA	NA	NA	$8,337	$7,287	$0	$15,597
Small Comm. Solutions	$461,625	$0	$543,770	$0	$482,834	0	NA	NA	NA	NA
Large C&I Solutions	$872,385	$0	$617,972	$0	$718,490	0	$685,167	$0	$427,432	$0
SCORE MTP	$440,716	$0	$482,327	$0	$620,637	0	$715,829	$0	$560,761	$0
Load Management SOP	$464,700	$0	$380,430	$0	$366,050	618	$218,075	$6,331	$64,800	$36,690
Rebate Pilot Program	$202,370	$523	$64,953	$0	NA	NA	NA	NA	NA	NA
Residential	**$536,266**	**$0**	**$590,827**	**$0**	**$545,298**	**$0**	**$901,081**	**$5,921**	**$713,381**	**$45,162**
Residential SOP	NA	NA	NA	NA	NA	NA	$0	$5,921	$108,391	$18,019
Statewide CFL MTP	NA	NA	NA	NA	NA	NA	NA	NA	$38,794	$27,143
Res. Solutions	$190,006	$0	$245,257	$0	$198,952	0	NA	NA	NA	NA
Res & Sm. Comm. Solutions	NA	NA	NA	NA	NA	NA	$564,191	$0	$299,553	$0
LivingWise® MTP	$346,260	$0	$345,570	$0	$346,346	0	$336,890	$0	$266,643	$0
Hard-to-Reach	**$600,238**	**$0**	**$602,842**	**$0**	**$361,914**	**$0**	**$432,824**	**$8,191**	**$205,333**	**$19,295**
HTR Solutions	$600,238	$0	$602,842	$0	$361,914	0	$370,328	$0	$130,382	$0
Hard-to-Reach SOP	NA	NA	NA	NA	NA	NA	$62,496	$8,191	$74,951	$19,295
Residential / Comm.	**$454,833**	**$42,735**	**$437,640**	**$11,030**	**$658,138**	**$14,316**	**$374,377**	**$29,597**	**$0**	**$0**
Appliance Recycling MTP	$241,747	$7,145	$201,428	$6,144	$206,801	0	$153,615	$0	NA	NA
Solar PV MTP	$213,086	$35,590	$236,212	$4,886	$451,337	$14,316	$220,762	$29,597	NA	NA
Subtotal	**$4,237,368**	**$64,349**	**$3,804,514**	**$29,644**	**$3,936,287**	**$21,147**	**$3,485,961**	**$75,150**	**$2,530,613**	**$138,111**
Energy Saver Program	NA	NA	NA	NA	$169,284	$15,176	$399,483	$56,824	$679,930	$27,000
Total	**$4,237,368**	**$64,349**	**$3,804,514**	**$29,644**	**$4,105,571**	**$36,323**	**$3,885,444**	**$131,974**	**$3,210,543**	**$165,111**

[14] 2012 expenditures are from EEPR filed in Project No. 41196; 2011 expenditures are from EEPR filed in Project No.40194; 2010 expenditures are from EEPR filed in Project No. 39105; and 2009 expenditures are from EEPR filed in Project No. 37982.

VIII. Program Funding for Calendar Year 2013

As shown in the subtotal of Table 10, EPE spent $4,351,934 on program expenses (excluding EM&V) for its PUCT approved energy efficiency programs in 2013. These expenses account for 99.25% of the total forecasted program budget for 2013 of $4,384,650. The difference is attributed to the following factors:

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

- Funding was reallocated from these programs to the Load Management SOP and the Texas SCORE MTP in order to meet the 2013 energy efficiency goals.

Table 10: Program Funding for Calendar Year 2013

	Total Projected Budget[15]	Number of Participants	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin & R&D)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining
Commercial	**$ 2,623,111**	**584**	**$ 2,646,031**	**$ 21,614**	**$ 2,667,645**	**$ -**	**$ (44,534)**
Commercial SOP	280,000	8	204,235	21,091	225,326	-	54,674
Small Comm. Solutions MTP	461,119	202	461,625	-	461,625	-	(506)
Large C&I Solutions MTP	895,428	270	872,385	-	872,385	-	23,043
Texas SCORE MTP	406,564	85	440,716	-	440,716	-	(34,152)
Load Management	360,000	10	464,700	-	464,700	-	(104,700)
Comm. Rebate Pilot Program	220,000	9	202,370	523	202,893	-	17,107
Residential	**$ 536,346**	**8,716**	**$ 536,266**	**$ -**	**$ 536,266**	**$ -**	**$ 80**
Res. Solutions MTP	190,000	684	190,006	-	190,006	-	(6)
LivingWise MTP	346,346	8,032	346,260	-	346,260	-	86
Hard-to-Reach	**$ 600,000**	**937**	**$ 600,238**	**-**	**$ 600,238**	**$ -**	**$ (238)**
Hard-to-Reach Solutions MTP	600,000	937	600,238	-	600,238	-	(238)
Residential / Commercial	**$ 539,125**	**1,935**	**$ 454,833**	**$ 42,735**	**$ 497,568**	**$ -**	**$ 41,557**
Appliance Recycling MTP	289,125	1,882	241,747	7,145	248,892	-	40,233
Solar PV Pilot MTP	250,000	53	213,086	35,590	248,676	-	1,324
Admin. Expenses	**$ 86,068**		**$ -**	**$ 50,217**	**$ 50,217**		**$ 35,851**
Subtotal	**$ 4,384,650**	**12,172**	**$ 4,237,368**	**$ 114,566**	**$ 4,351,934**	**$ -**	**$ 32,716**
EM&V Expenses	**$ 136,200**		**-**	**$ 105,280**	**$ 105,280**	**$ 3,136[16]**	**$ 27,784**
Total	**$ 4,520,850**	**12,172**	**$ 4,237,368**	**$ 219,846**	**$ 4,457,214**	**$ 3,136**	**$ 60,500**

[15] Projected Budget from April 2013 EEPR filed in Project No. 41196
[16] EM&V Expenses allocated but not expended in 2013

Table 11: Program Comparison – Budget to Actual Expenditures

Programs	2013 Budget	2013 Expenditures	Percent	>10% Variance Explanation
Commercial	**$ 2,623,111**	**$ 2,667,645**	**102%**	
Commercial SOP	280,000	225,326	80%	Lack of EESPs, reallocated funds to performing programs
Small Comm. Solutions MTP	461,119	461,625	100%	
Large C&I Solutions MTP	895,428	872,385	97%	
Texas SCORE MTP	406,564	440,716	108%	
Load Management	360,000	464,700	129%	High participation level and participating customers performed well during curtailments
Commercial Rebate Pilot MTP	220,000	202,893	92%	
Residential	**$ 536,346**	**$ 536,266**	**100%**	
Res. Solutions MTP	190,000	190,006	100%	
LivingWise MTP	346,346	346,260	100%	
Hard-to-Reach	**$ 600,000**	**$ 600,238**	**100%**	
Hard-to-Reach Solutions MTP	600,000	600,238	100%	
Residential / Commercial	**$ 539,125**	**$ 497,568**	**92%**	
Appliance Recycling MTP	289,125	248,892	86%	Program did not draw the number of participants anticipated, reallocated funds to performing programs
PV/Solar Pilot MTP	250,000	248,676	99%	
Admin. Expenses	**$ 86,068**	**$ 50,217**		Not allocated to specific programs
Total	**$ 4,384,650**	**$ 4,351,934**	**99%**	

IX. Program Results

A. *Market Transformation*

Small Commercial Solutions MTP

In 2013, the Small Commercial Solutions MTP provided customers and participating contractors with cash and non-cash incentives. EPE contracted with a third-party program implementer to provide non-cash incentives such as technical assistance, education on energy efficiency projects, and communications services to participating customers and contractors. There were 202 projects completed in the Small Commercial Solutions MTP during 2013. These projects reduced demand by 736 kW and saved 3,136,228 kWh in energy.

Large C&I Solutions MTP

Originally, the Large C&I Solutions MTP 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.

In 2013, the Large C&I Solutions MTP provided customers with cash and non-cash incentives. As with the Small Commercial Solutions MTP, EPE contracted with a third-party program implementer to provide non-cash incentives such as technical assistance, education on energy efficiency projects, measurement and verification, and communications services to participating customers. There were 270 projects completed in the Large C&I Solutions MTP during 2013 that reduced demand by 1,767 kW and saved 9,378,312 kWh in energy.

Texas SCORE MTP

As with the previous programs, the 2013 Texas SCORE MTP provided customers with cash and non-cash incentives. EPE contracted with a third-party program implementer to provide non-cash incentives such as benchmarking, technical assistance, education on energy efficiency projects, and communications services to participating customers. This program had 85 projects from participating schools and local government agencies in the EPE service territory. These projects reduced demand by 604 kW and saved 2,934,400 kWh in energy.

Residential Solutions MTP

In 2013, EPE contracted with a third-party implementer to administer the Residential Solutions MTP. There were 684 participants that reduced demand by approximately 299 kW and saved 502,307 kWh in energy.

LivingWise® MTP

In 2013, EPE's LivingWise® MTP provided 8,032 LivingWise® kits containing energy savings devices and energy efficiency educational materials to teachers and sixth-grade students

participating in the program. The savings from this program were 60 kW in demand savings and 1,534,764 kWh in energy savings.

Appliance Recycling MTP

In 2013, EPE removed and recycled 1,882 units (refrigerators and/or freezers) through the Appliance Recycling MTP. This program reduced demand by 190 kW and saved 1,398,326 kWh of energy savings.

Solar PV Pilot MTP

In 2013, the Solar PV Pilot MTP had a total of 53 participants. This program reduced demand by 246 kW and saved 473,736 kWh.

Hard-to-Reach Solutions MTP

In 2013, EPE contracted with a third-party implementer to administer the Hard-to-Reach Solutions MTP. There were 937 projects that reduced demand by 571 kW and saved 810,111 kWh in energy.

B. Self-Delivered Programs

Commercial Rebate Pilot Program

In 2013, the Commercial Rebate Pilot Program provided rebates for nine participants. This program achieved 74 kW demand reduction and 474,584 kWh in energy savings.

X. Current Energy Efficiency Cost Recovery Factor (EECRF)

Report for 2013

In Docket No. 40343, EPE was granted approval for recovery through its 2013 EECRF of (a) $4,384,650 in energy efficiency costs, including EM&V expenses, projected to be incurred from January 1 through December 31, 2013, (b) a performance incentive for 2011 of $541,221[17] (c) the 2011 over-recovery revenue amount of $447,900, and (d) the recovery of deferred costs of $1,015,863 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.[18] EPE requested that the EECRF be applicable beginning January 1, 2013. The final order in Docket No. 40343 concluded that the filing conformed to the requirements of PUCT Substantive Rule 25.181.[19] It further concluded the 2013 projected energy efficiency costs; the deferred amortization expense and the performance incentive proposed to be recovered through the EECRF are consistent with PUCT Substantive Rule 25.181(f).[20] The order also found the allocation of the energy efficiency costs and performance incentive in accordance with PUCT

[17] Pursuant to the settlement and order in Docket No 41403, the 2011 performance incentive was adjusted by $101,327 through a reduction to the 2012 performance incentive.

[18] *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).

[19] Docket No. 40343, Final Order at Conclusion of Law No. 11 (September 20, 2012)

[20] *Id.* at Conclusion of Law No. 7

Substantive Rule 25.181. The recovery of the agreed upon EECRF amount of $5,493,834 is based on a dollar per kWh rate. The cost recovery factors by rate are listed in Table 12.

Table 12: 2013 EECRF Monthly Rates

Rate No.	Description	Energy Efficiency Cost Recovery Factor ($/kWh)
01	Residential Service Rate	$ 0.000549
02	Small Commercial Service Rate	$ 0.001907
07	Outdoor Recreational Lighting Service Rate	$ 0.000067
08	Governmental Street Lighting and Signal Service Rate	$ 0.000021
11	Municipal Pumping Service Rate	$ 0.000255
11-TOU	Time-Of-Use Municipal Pumping Service Rate	$ 0.000255
WH	Water Heating	$ (0.000806)
22	Irrigation Service Rate	$ 0.000068
24	General Service Rate	$ 0.001464
25	Large Power Service Rate (excludes transmission)	$ 0.001528
34	Cotton Gin Service Rate	$ (0.000188)
41	City and County Service Rate	$ 0.002219
43	University Service Rate	$ 0.000329
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	$ 0.000101
47	Backup Power Service For Cogeneration And Small Power Production Facilities	$ 0.000101

XI. Revenue Collected through EECRF

In 2013, EPE collected a total of $5,378,247 under Rate Schedule No. 97 – Energy Efficiency Cost Recovery Factor.

XII. Over/Under Recovery of Energy Efficiency Program Costs

In 2013, EPE under-recovered an amount of $188,151 as shown in Table 13.

Table 13: Authorized and Actual Recovery Amounts

Description	Authorized	Actual
January 1 – December 31, 2013 Energy Efficiency Costs	$ 4,384,650	$ 4,351,934
2013 EM&V Costs	$ -	$ 105,280
Recovery of Deferred Costs	$ 1,015,863	$ 1,015,863
2011 (Over)/Under Recovery	$ (447,900)	$ (447,900)
2011 Performance Incentive	$ 541,221	$ 541,221
2013 Total Costs and Performance Incentive	$ 5,493,834	$ 5,566,398
2013 EECRF Revenues		$ 5,378,247
2013 (Over)/Under Recovery		$ 188,151

XIII. Underserved Counties

EPE serves customers in three Texas counties: Culberson, Hudspeth, and El Paso. During 2013, the majority of energy efficiency projects were in El Paso County. EPE has defined Underserved Counties as any county in the Texas EPE service territory that EPE reported no demand or energy savings through any of its 2013 energy efficiency programs. The underserved county in EPE's service territory is Hudspeth County.

Table 14: 2013 Energy Efficiency Activities by County

County	Participants	Reported Savings	
		kW	kWh
El Paso County	12,135	14,176	23,323,506
Culberson County	37	12	70,888
Hudspeth County	0	0	0
Total	12,172	14,188	23,394,394

XIV. Performance Incentive Calculation

EPE achieved a 14.188 MW reduction in demand from its energy efficiency programs offered in 2013. EPE's demand reduction goal for 2013 was 11.16 MW. EPE's achievement represents 127.13% of its demand reduction goal, qualifying it for a performance incentive. Per Substantive Rule 25.181, EPE is eligible for a performance incentive of $2,035,783 which it plans to request in the 2014 EECRF filing.

Per the PUCT, the total program costs to be used in the performance incentive calculation below include the 2013 EM&V cost allocation of $108,416 provided by the statewide EM&V team, rather than the actual EM&V expenditures of $105,280. The performance incentive calculation also includes the 2013 EECRF proceeding costs of $83,680.68. As a result, the total program expenditures for the performance incentive calculation will not match the actual total program expenditures exhibited in the applicable tables above.

Table 15: 2013 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)	14,188	23,394,394
Reported/Verified Hard-to-Reach	571	
Avoided Costs		
per kW	$80.00	
per kWh	$0.104	
Inflation Rate	2.00%	
Discount Rate	7.075%	
Total Avoided Costs	$24,901,863	
2013 Program Costs (includes allocated EM&V and EECRF proceeding costs)	$4,544,031	
Net Benefits	$20,357,832	
Performance Incentive	$2,035,783	

ACRONYMS

C&I	Commercial and Industrial
CFL	Compact Fluorescent Lamp
DR	Demand Response
DSM	Demand Side Management
EEPR	Energy Efficiency Plan and Report
EE Rule	Energy Efficiency Rule, PUCT Substantive Rules § 25.181 and § 25.183
EESP	Energy Efficiency Service Provider
EPE	El Paso Electric Company
ERCOT	Electric Reliability Council of Texas
EM&V	Evaluation, Measurement & Verification
HTR	Hard-To-Reach
M&V	Measurement and Verification
MTP	Market Transformation Program
PUCT	Public Utility Commission of Texas
PURA	Public Utility Regulatory Act
PV	Photovoltaic
R&D	Research and Development
REP	Retail Electrical Provider
RES	Residential
SCORE	Schools and Cities Conserving Resources
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	Participants	Reported Savings	
		kW	kWh
El Paso County	8	613	2,739,669
Total	8	613	2,739,669

Small Commercial Solutions MTP

County	Participants	Reported Savings	
		kW	kWh
El Paso County	201	725	3,072,219
Culberson County	1	11	64,009
Total	202	736	3,136,228

Large C&I Solutions MTP

County	Participants	Reported Savings	
		kW	kWh
El Paso County	270	1,767	9,378,312
Total	270	1,767	9,378,312

Texas SCORE MTP

County	Participants	Reported Savings	
		kW	kWh
El Paso County	85	604	2,934,400
Total	85	604	2,934,400

Load Management SOP

County	Participants	Reported Savings	
		kW	kWh
El Paso County	10	9,028	11,957
Total	10	9,028	11,957

Commercial Rebate Pilot Program

County	Participants	Reported Savings	
		kW	kWh
El Paso County	9	74	474,584
Total	9	74	474,584

Residential Solutions MTP

County	Participants	Reported Savings	
		kW	kWh
El Paso County	684	299	502,307
Total	684	299	502,307

LivingWise® MTP

County	Participants	Reported Savings	
		kW	kWh
El Paso County	7,996	60	1,527,885
Culberson County	36	0.27	6,879
Total	8,032	60	1,534,764

Hard-to-Reach Solutions MTP

County	Participants	Reported Savings	
		kW	kWh
El Paso County	937	571	810,111
Total	937	571	810,111

Appliance Recycling MTP

County	Participants	Reported Savings	
		kW	kWh
El Paso County	1,882	190	1,398,326
Total	1,882	190	1,398,326

Solar PV Pilot MTP

County	Participants	Reported Savings	
		kW	kWh
El Paso County	53	246	473,736
Total	53	246	473,736

2013 Benefit-Cost Analysis by Program

Program	kW	kWh	Incentives	Estimated Useful Life	Total Admin for CE (including Bonus, excluding cost paid for EECRF)	Total Program Cost for CE (including Bonus, excluding cost paid for EECRF)	PV Avd Capacity Cost * kW	PV Avoided Energy Cost * kWh	Total Avoided Cost	Net Benefits	Benefit-Cost Ratio
Commercial SOP	613.3	2,739,669	$ 204,235	10.9	$ 73,098	$ 277,333	$ 392,657	$ 2,296,931	$ 2,689,588	$ 2,412,255	9.70
Solar PV Program	245.8	473,736	$ 213,086	30.0	$ 79,347	$ 292,432	$ 303,069	$ 759,499	$ 1,062,568	$ 770,135	3.63
Appliance Recycling	190.1	1,398,326	$ 241,747	4.9	$ 51,548	$ 293,295	$ 65,164	$ 623,195	$ 688,360	$ 395,064	2.35
Commercial Rebate Program	74.2	474,584	$ 202,370	7.9	$ 38,715	$ 241,085	$ 44,877	$ 312,064	$ 356,941	$ 115,856	1.48
Large C&I Solutions	1,766.8	9,378,312	$ 872,385	13.3	$ 159,878	$ 1,032,263	$ 1,206,251	$ 9,094,018	$ 10,300,269	$ 9,268,006	9.98
Texas SCORE	603.6	2,934,400	$ 440,716	11.8	$ 83,226	$ 523,942	$ 411,258	$ 2,603,293	$ 3,014,551	$ 2,490,609	5.75
Small Commercial Solutions	736.2	3,136,228	$ 461,625	9.2	$ 84,737	$ 546,363	$ 418,689	$ 2,297,810	$ 2,716,499	$ 2,170,136	4.97
Residential Soluitons	299.5	502,307	$ 190,006	20.4	$ 36,202	$ 226,208	$ 308,683	$ 644,301	$ 952,983	$ 726,776	4.21
Hard-to-Reach Solutions	570.7	810,111	$ 600,238	22.3	$ 99,909	$ 700,147	$ 610,279	$ 1,108,210	$ 1,718,489	$ 1,018,342	2.45
Load Management	9,028.0	11,957	$ 464,700	1.0	$ 72,727	$ 537,427	$ 688,008	$ 1,185	$ 689,193	$ 151,766	1.28
LivingWise	60.3	1,534,764	$ 346,260	5.0	$ 58,778	$ 405,037	$ 20,903	$ 691,520	$ 712,423	$ 307,386	1.76
Portfolio Total	14,188	23,394,394	$ 4,237,368		$ 838,164	$ 5,075,532	$ 4,469,838	$ 20,432,025	$ 24,901,863	$ 19,826,331	4.91

Program Level EULs = weighted average of installed measure EULs

Exhibit SES-3
Page 1 of 1

EL PASO ELECTRIC COMPANY
Comparison of Program Expenditures

Line No.	2013 Utility	Program Expenditures*	Demand Reduction (kW)	Program Expenditures per kW	Energy Savings (kWh)	Program Expenditures per kWh
1	AEP-Texas Central Company	$12,693,730	34,136	$371.86	48,354,281	$0.26
2	AEP-Texas North Company	$2,636,730	6,932	$380.37	9,086,799	$0.29
3	Centerpoint Energy	$37,326,761	195,546	$190.88	160,497,400	$0.23
4	El Paso Electric Company	$4,351,934	14,188	$306.73	23,394,394	$0.19
5	Entergy Texas	$8,111,285	19,141	$423.76	36,995,923	$0.22
6	Oncor Electric Delivery Company	$56,857,714	112,734	$504.35	224,666,448	$0.25
7	Sharyland	$438,635	2,670	$164.28	1,022,000	$0.43
8	Southwestern Electric Power Company	$4,644,262	14,068	$330.13	18,778,093	$0.25
9	SPS	$2,105,498	5,105	$412.44	7,950,197	$0.26
10	Texas-New Mexico Power Company	$4,703,099	10,294	$456.88	16,980,657	$0.28
11	**Average:**			**$354.17**		**$0.27**

*As reported in 2014 EEPRs filed with PUCT on 4/1/14, excluding EM&V Expenses

EL PASO ELECTRIC COMPANY
Comparison of Incentive Expenditures

Line No.	2013					
	Utility	Incentive Expenditures*	Demand Reduction (kW)	Incentive Expenditures per kW	Energy Savings (kWh)	Incentive Expenditures per kWh
1	AEP-Texas Central Company	$11,366,350	34,136	$332.97	48,354,281	$0.24
2	AEP-Texas North Company	$2,213,780	6,932	$319.36	9,086,799	$0.24
3	Centerpoint Energy	$32,723,493	195,546	$167.34	160,497,400	$0.20
4	**El Paso Electric Company**	**$4,237,368**	**14,188**	**$298.66**	**23,394,394**	**$0.18**
5	Entergy Texas	$7,569,143	19,141	$395.44	36,995,923	$0.20
6	Oncor Electric Delivery Company	$50,726,949	112,734	$449.97	224,666,448	$0.23
7	Sharyland	$346,551	2,670	$129.79	1,022,000	$0.34
8	Southwestern Electric Power Company	$3,979,545	14,068	$282.88	18,778,093	$0.21
9	SPS	$1,776,003	5,105	$347.89	7,950,197	$0.22
10	Texas-New Mexico Power Company	$3,767,585	10,294	$366.00	16,980,657	$0.22
11	**Average:**			**$309.03**		**$0.23**

*As reported in 2014 EEPRs filed with PUCT on 4/1/14

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

2014	Incentives	Admin & R&D	Total Budget
Commercial	**$2,579,080**	**$38,550**	**$2,617,630**
Commercial SOP	$252,000	$28,000	$280,000
Small Commercial Solutions MTP	$461,115	$0	$461,115
Large C&I Solutions MTP	$895,396	$0	$895,396
Texas SCORE MTP	$415,569	$0	$415,569
Load Management SOP	$460,000	$0	$460,000
Commercial Rebate Pilot Program	$95,000	$10,550	$105,550
Residential	**$536,346**	**$0**	**$536,346**
Residential Solutions MTP	$190,000	$0	$190,000
LivingWise® MTP	$346,346	$0	$346,346
Hard-to-Reach	**$600,000**	**$0**	**$600,000**
Hard-to-Reach Solutions MTP	$600,000	$0	$600,000
Residential / Commercial	**$501,625**	**$37,500**	**$539,125**
Appliance Recycling MTP	$289,125	$0	$289,125
Solar PV Pilot MTP	$212,500	$37,500	$250,000
Administration		**$91,549**	**$91,549**
Subtotal Budgets	**$4,217,051**	**$167,599**	**$4,384,650**
EM&V (PY2013 & PY2014 Expenses)		$86,381	$86,381
EECRF Proceeding Expenses		$85,000	$85,000
Total Budgets	**$4,217,051**	**$338,980**	**$4,556,031**
2015	Incentives	Admin & R&D	Total Budget
Commercial	**$2,579,080**	**$38,550**	**$2,617,630**
Commercial SOP	$252,000	$28,000	$280,000
Small Commercial Solutions MTP	$461,115	$0	$461,115
Large C&I Solutions MTP	$895,396	$0	$895,396
Texas SCORE MTP	$415,569	$0	$415,569
Load Management SOP	$460,000	$0	$460,000
Commercial Rebate Pilot Program	$95,000	$10,550	$105,550
Residential	**$536,346**	**$0**	**$536,346**
Residential Solutions MTP	$190,000	$0	$190,000
LivingWise® MTP	$346,346	$0	$346,346
Hard-to-Reach	**$600,000**	**$0**	**$600,000**
Hard-to-Reach Solutions MTP	$600,000	$0	$600,000
Residential / Commercial	**$501,625**	**$37,500**	**$539,125**
Appliance Recycling MTP	$289,125	$0	$289,125
Solar PV Pilot MTP	$212,500	$37,500	$250,000
Administration		**$91,549**	**$91,549**
Subtotal Budgets	**$4,217,051**	**$167,599**	**$4,384,650**
EM&V (PY2014 Expenses)		$57,835	$57,835
EECRF Proceeding Expenses		$85,000	$85,000
Total Budgets	**$4,217,051**	**$310,434**	**$4,527,485**

Program Year 2013

Energy Efficiency Performance Incentive Calculation

	kW	kWh
Demand and Energy Goals	14,160	19,552,320
Actual Demand and Energy Savings	14,188	23,394,194
Reported/Verified Hard-to-Reach	577	
Program Costs (excluding bonus)	$4,544,031	
Performance Bonus	$2,036,783	

	Hard-to-Reach Goal Met?
	Bonus Calculation Details
	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)
	Percentage of Energy Reduction Goal Met (Reported kWh/Goal kWh)
	Met Requirements for Performance Bonus?
	Total Avoided Costs
	Total Program Costs (excluding bonus)
	Net Benefits
	Calculated Bonus (((Achieved Demand Reduction/Demand Goal - 100%) / 2) * Net Benefits)
	Maximum Bonus Allowed (10% of Net Benefits)

EL PASO ELECTRIC COMPANY

EXHIBIT SES-7

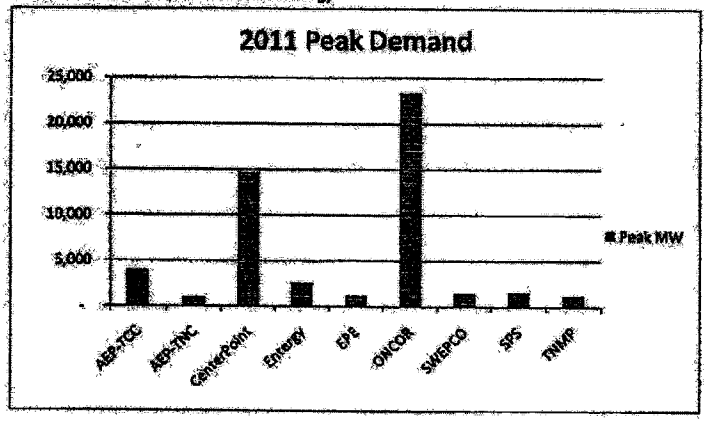
Referencing: PUCT DOCKET NO. 40343 Exhibit CH-6

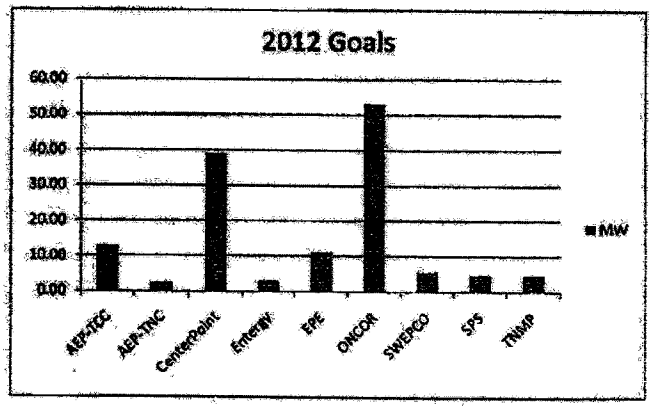
Texas Utility Comparisons

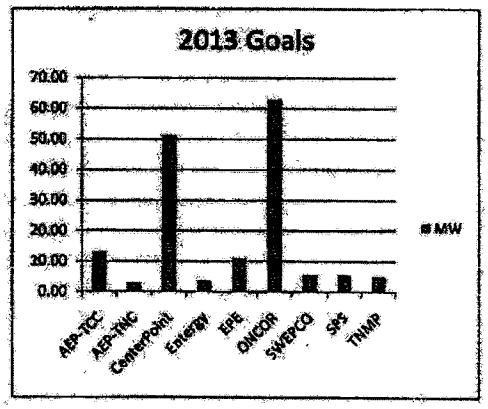
Exhibit CH-6
Page 1 of 2

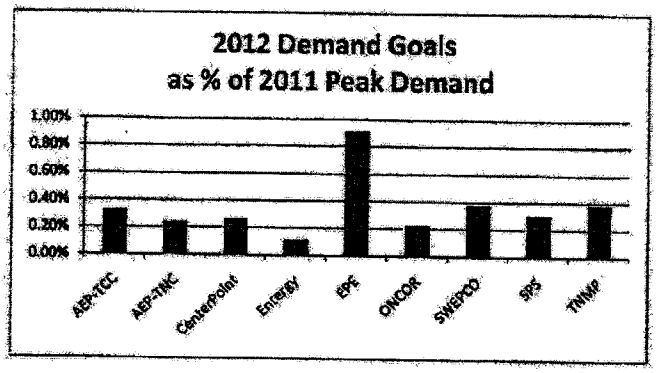
Utility	2011 Peak MW	2011 Res. & Comm MWh	2012 Goals MW	2012 Goals Percent of 2011 Peak	2012 Goals MWh	2012 Goals Percent of 2011 Energy	2013 Goals MW	2013 Goals Percent of 2011 Peak	2013 Goals MWh	2013 Goals Percent of 2011 Energy
AEP-TCC	3,986	18,673,000	12.93	0.32%	22,657	0.12%	12.93	0.32%	22,657	0.12%
AEP-TNC	1,043	4,913,000	2.51	0.24%	4,399	0.09%	3.01	0.29%	5,279	0.11%
CenterPoint	14,725	Not Reported	39.20	0.27%	68,694		51.20	0.35%	89,647	
Entergy	2,592	10,374,000	3.03	0.12%	5,309	0.05%	3.60	0.14%	6,307	0.06%
ONCOR	23,436	97,681,725	53.10	0.23%	93,031	0.10%	63.10	0.27%	110,551	0.11%
SWEPCO	1,462	6,376,000	5.60	0.38%	9,811	0.15%	5.60	0.38%	9,811	0.15%
SPS	1,537	7,639,055	4.70	0.31%	8,249	0.11%	5.60	0.36%	9,898	0.13%
TNMP	1,254	5,232,941	4.80	0.38%	8,410	0.16%	5.02	0.40%	8,795	0.17%

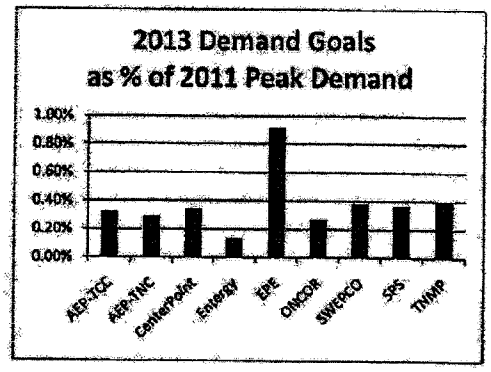
AEP-TNC has negative growth
CenterPoint did not report 2010 Total Energy

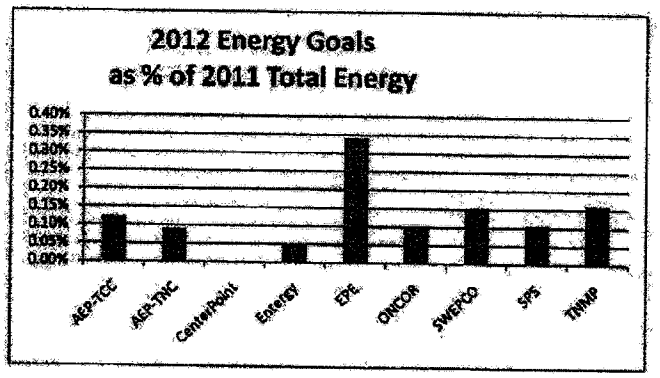


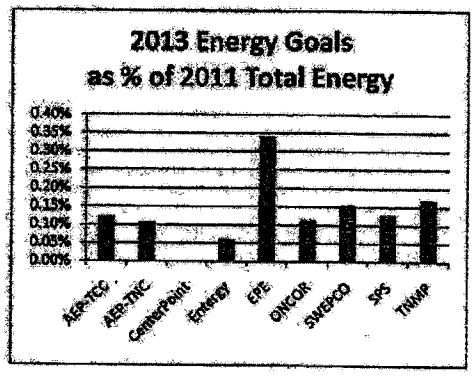





2012 Demand Goals
as % of 2011 Peak Demand
1.00%
0.80%
0.60%
0.40%
0.20%
0.00%
AEP-TCC
AEP-TNC
CenterPoint
Entergy
EPE
ONCOR
SWEPCO
SPS
TNMP


2013 Demand Goals
as % of 2011 Peak Demand
1.00%
0.80%
0.60%
0.40%
0.20%
0.00%
AEP-TCC
AEP-TNC
CenterPoint
Entergy
EPE
ONCOR
SWEPCO
SPS
TNMP


2012 Energy Goals
as % of 2011 Total Energy
0.40%
0.35%
0.30%
0.25%
0.20%
0.15%
0.10%
0.05%
0.00%
AEP-TCC
AEP-TNC
CenterPoint
Entergy
EPE
ONCOR
SWEPCO
SPS
TNMP


2013 Energy Goals
as % of 2011 Total Energy
0.40%
0.35%
0.30%
0.25%
0.20%
0.15%
0.10%
0.05%
0.00%
AEP-TCC
AEP-TNC
CenterPoint
Entergy
EPE
ONCOR
SWEPCO
SPS
TNMP

DOCKET NO. 42449

EXHIBIT SES-8

PUBLIC VERSION

Provided upon issuance of Protective Order and pursuant to Confidentiality Agreement

Commercial & Residential EULs

Sector	End Use	Energy Efficiency Measure	EUL (years)	Petition	Source
Commercial	LM	Load Management	1.0	NA	Frontier Associates
Commercial	HVAC	Comm Air Conditioners / Heat Pumps (split and unitary)	15.0	36779	DEER (2008)
Commercial	HVAC	Comm Air To Air Heat Exchanger	14.0	36779	DEER (2008)
Commercial	REF	Comm Anti-Sweat Heat (ASH) Controls	12.0	36779	DEER (2008)
Commercial	REF	Comm Auto-Closer for Walk-In Cooler/Freezer Doors	8.0	36779	DEER (2008)
Commercial	RNW	Comm Biomass Electricity Generation	30.0	36779	Electric Power Research Institute and U.S. Department of Energy, Renewable Energy Technology Characterizations, EPRI-TR-109496 (Palo Alto, CA, December 1997), web site <http://www1.eere.energy.gov/ba/pba/tech_characterizations.html> and Haq, Zia "Biomass for Electricity Generation" Electricity Analysis Report prepared for the Energy Information Agency, Jouly 2002, web site http://www.eia.doe.gov/oiaf/analysispaper/biomass/
Commercial	ENV	Comm Ceiling/Roof Insulation	25.0	36779	GDS (2007)
Commercial	HVAC	Comm Centrifugal Chillers (replace on burnout or new construction projects)	25.0	40885	Petition 40885 (2012) - Review of Multiple Studies looking at the lifetime of Centrifugal Chillers - See Petition Workpapers
Commercial	HVAC	Comm Chilled Water Systems - early retirement component	Variable	40885	See Petition 40085 for details
Commercial	HW	Comm Circulation Pump Timeclock Retrofit	15.0	36779	DEER (2008)
Commercial	HW	Comm Commercial Pool Heater	5.0	36779	DEER (2008)
Commercial	ENV	Comm Cool Roof	15.0	36779	DEER (2008)
Commercial	HVAC	Comm Cooling Tower for Packaged System	15.0	36779	DEER (2008)
Commercial	REF	Comm Door Gaskets on Cooler/Freezer Doors	4.0	36779	DEER (2008)
Commercial	HVAC	Comm Duct Insulation	20.0	36779	DEER (2008)
Commercial	HVAC	Comm Duct Sealing for Single Zone Package Systems	15.0	36779	DEER (2008)
Commercial	HVAC	Comm Economizer - Central System or Packaged System	10.0	36779	DEER (2008)
Commercial	HVAC	Occupancy Controls for HVAC (and Lighting - covered under 36779)	10.0	40668	Petition 40669 (2012) - Energy & Resource Solutions. Measure Life Study (2005) Prepared for The MA Joint Utilities.
Commercial	CKG	Comm Electronic Defrost Control	10.0	40669	Petition 40669 (2012) - Energy & Resource Solutions. Measure Life Study (2005) Prepared for The MA Joint Utilities.
Commercial	CKG	Comm Electronically commutated motors (ECM) to replace evaporator fan motors	15.0	40669	Petition 40669 (2012) - Energy & Resource Solutions. Measure Life Study (2005) Prepared for The MA Joint Utilities.
Commercial	REF	Comm Energy Efficient Commercial Reach-In Refrigerator or Freezer	12.0	36779	DEER (2008)
Commercial	CKG	Comm ENERGY STAR Commercial Dishwashers	11.0	40669	Petition 40669 (2012) - ENERGY STAR Commercial Kitchen Equipment Savings Calculator at http://www.energystar.gov/index.cfm?fuseaction=find_a_product.showProductGroup&pgw_code=CKP
Commercial	REF	Comm Evaporator Fan Control on Walk-In Coolers & Freezers	16.0	36779	DEER (2008)
Commercial	HVAC	Comm Fan Powered Mixing Boxes. Convert VAVS to PIU system	10.0	36779	DEER (2008)
Commercial	HW	Comm Faucet Aerators	10.0	36779	DEER (2008)
Commercial	LTG	Comm Fixture completely removed from service	10.0	LSF	LSF - Frontier Associates 2014
Commercial	ENV	Comm Floor Insulation	25.0	36779	GDS (2007)
Commercial	LTG	Comm Halogen	1.5	36779	Based upon 5,000 hour manufacturer rated life and weighted-average 3,380 annual operating hours from Navigant (2003) US Lighting Study. Rated life values assume the use of energy-efficient Halogen Infrared (IR) products.
Commercial	HW	Comm High Efficiency Central Water Heater	15.0	36779	DEER (2008)
Commercial	HVAC	Comm High Efficiency Chiller (excluding centrifugal chillers - ed. 3/6/2013)	20.0	36779	DEER (2008)
Commercial	CKG	Comm High Efficiency Electric Combination Ovens	12.0	40669	Petition 40669 (2012) - Food Service Technology Center "Electric Combination Oven Life-Cycle Cost Calculator " Accessed 9/22/11 http://www.fishnick.com/saveenergy/tools/calculators/ecombicalc.php
Commercial	CKG	Comm High Efficiency Electric Convection Ovens	12.0	40669	Petition 40669 (2012) - ENERGY STAR Commercial Kitchen Equipment Savings Calculator at http://www.energystar.gov/index.cfm?fuseaction=find_a_product.showProductGroup&pgw_code=CKP
Commercial	CKG	Comm High Efficiency Electric Fryer	12.0	36779	Food Service Technology Center's Life-Cycle and Energy Cost Calculators
Commercial	CKG	Comm High Efficiency Hot Food Holding Cabinet	12.0	36779	Food Service Technology Center's Life-Cycle and Energy Cost Calculators
Commercial	APP	Comm High Efficiency Pool Pump	10.0	36779	DEER (2008)
Commercial	CKG	Comm High Efficiency Steam Cooker	10.0	36779	Food Service Technology Center's Life-Cycle and Energy Cost Calculators
Commercial	HW	Comm High Efficiency Storage Water Heater	15.0	36779	DEER (2008)
Commercial	LTG	Comm High Intensity Discharge (HID)	15.5	36779	Based upon 50,000 hour manufacturer rated life and weighted-average 3,205 annual operating hours from Navigant (2003) US Lighting Study.
Commercial	ENV	Comm High Performance Low SHGC Windows	20.0	36779	DEER (2008)
Commercial	REF	Comm Ice Machine	10.0	36779	DEER (2008)
Commercial	HW	Comm Instantaneous Point of Use Water Heating	20.0	36779	DEER (2008), US DOE Technical Brief: 1/6/04
Commercial	REF	Comm Insulation for Bare Suction Lines	11.0	36779	DEER (2008)
Commercial	LTG	Comm Integral LED Lamp	9.0	38023	Petition 38023 (2010) - Based upon 30,000 hour manufacturer rated life and weighted-average 3,260 annual operating hours from DOE's U.S. Lighting Market Characterization study (2003)
Commercial	LTG	Comm Integrated-ballast CCFL Lamps	4.5	36779	Based upon 25,000 hour manufacturer rated life and weighted-average 5,493 annual operating hours from Navigant (2003) US Lighting Study
Commercial	LTG	Comm Integrated-ballast CFL Lamps	2.5	36779	Based upon 8,000 hour manufacturer rated life and weighted-average 3,253 annual operating hours from Navigant (2003) US Lighting Study.
Commercial	LTG	Comm LEDs replacing T12s with magnetic ballasts	8.5	LSF	Frontier Associates 2013 Based on Petition 39146
Commercial	ENV	Comm Light Colored Exterior Walls	6.0	36779	DEER (2008)
Commercial	LTG	Comm Light Emitting Diode (LED)	15.0	36779	Based upon 50,000 hour manufacturer rated life and weighted-average 3,260 annual operating hours from Navigant (2003) US Lighting Study
Commercial	HW	Comm Low Flow Showerhead	10.0	36779	DEER (2008)

Commercial & Residential EULs

Sector	End Use	Energy Efficiency Measure	EUL (years)	Petition	Source
Commercial	LTG	Comm Modular CFL and CCFL Fixtures	16.0	36779	Based upon 60,000 hour manufacturer rated life and weighted-average 3,251 annual operating hours from Navigant (2003) US Lighting Study
Commercial	LTG	Comm New fixture where none existed prior to installation	10.0	LSF	LSF - Frontier Associates 2013
Commercial	CKG	Comm Night Covers for Open Refrigerated Cases	5.0	40669	Petition 40669 (2012) - Night Covers for Open Vertical and Horizontal Display Cases (Low and Medium Temperature Cases), Pacific Gas & Electric Company, May 29, 2009
Commercial	LTGC	Comm Occupancy Sensor for Lighting	10.0	36779	GDS (2007)
Commercial	LTGC	Comm Photocell for Lighting	10.0	36779	GDS (2007)
Commercial	HW	Comm Pipe Wrap	15.0	36779	Equivalent to commercial water heater lifetime
Commercial	MOTOR	Comm Premium Efficiency Motor	15.0	36779	DEER (2008)
Commercial	CKG	Comm Pre-rinse Spray Valves	5.0	40669	Petition 40669 (2012) - "Impact and Process Evaluation Final Report for California Urban Water Conservation Council 2004-5 Pre-Rinse Spray Valve Installation Program (Phase 2)" SBW Consulting. 2007
Commercial	REF	Comm Reach-in Glass Doors	12.0	36779	DEER (2008)
Commercial	ENV	Comm Reflective Window Film & Sunscreens	10.0	36779	DEER (2008)
Commercial	REF	Comm Refrigerator Upgrades (Condenser, Head Pressure, Suction Pressure, Subcooling, and Variable Speed Compressors)	12.0	36779	DEER (2008)
Commercial	APP	Comm Residential-style Energy Star Clothes Washer	11.0	36779	Appliance Magazine (2007)
Commercial	APP	Comm Residential-style Energy Star Clothes Washer	11.0	36779	Appliance Magazine (2007)
Commercial	APP	Comm Residential-style Energy Star Dish Washer	11.0	36779	Appliance Magazine (2007), Energy Star Savings Calculator - 10 Years
Commercial	APP	Comm Residential-style Energy Star Dishwasher	11.0	36779	Appliance Magazine (2007)
Commercial	APP	Comm Residential-style Energy Star Refrigerators	14.0	36779	Appliance Magazine (2007)
Commercial	APP	Comm Residential-style Freezer Recycling	4.0	36779	DEER (2008)
Commercial	APP	Comm Residential-style Refrigerator Recycling	5.0	36779	DEER (2008)
Commercial	BLDG	Comm Retrocommissioning	10.0	36779	Program Design Requirement; DEER (2008), [ACEEE Studies use 7 years based upon some 1998 study; CA Programs have a contractual agreement that guarantees 5 Years]
Commercial	HVAC	Comm Split and package unitary HVAC systems - early retirement component	Variable	40083	See Petition 40083 for details
Commercial	HW	Comm Storage Water Heater Tank Insulation	7.0	36779	DEER (2008)
Commercial	REF	Comm Strip Curtains for Walk-Ins	4.0	36779	DEER (2008)
Commercial	LTG	Comm T8 and T5 Linear Fluorescent	15.5	36779	Based upon 50,000 hour manufacturer rated life and weighted-average 3,211 annual operating hours from Navigant (2003) US Lighting Study.
Commercial	LTG	Comm T8 and T5 Linear Fluorescents replacing T12s with magnetic ballasts	8.5	39146	Petition 39146 (2011) - Calculation made through a weighted-average of the typical savings contributions of high performance and reduced wattage T8 or T5 systems replacing a T12 magnetic system (Program Years 2011-2014)
Commercial	LTGC	Comm Timeclock for Lighting	10.0	36779	GDS (2007)
Commercial	HVAC	Comm Two-Speed Fans on central plant cooling towers	15.0	36779	DEER (2008)
Commercial	MOTOR	Comm Variable Speed Drive (VSD) Control	15.0	36779	DEER (2008)
Commercial	APP	Comm Vending Machine Controller	5.0	36779	DEER (2008)
Commercial	HVAC	Comm Water Side Economizer	15.0	36779	DEER (2008)
Residential	HVAC	Res AC tune-up	5.0	36779	Using DEER (2008) Remaining Useful Life approach of 1/3 of the estimated EUL for the affected technology (High Efficiency AC = 15 years)
Residential	ENV	Res Air Infiltration	11.0	36779	DEER (2008)
Residential	ENV	Res Ceiling/Roof Insulation	25.0	36779	GDS (2007)
Residential	ENV	Res Cool Roof	15.0	36779	DEER (2008)
Residential	ENV	Res Duct Sealing	18.0	36779	DEER (2008)
Residential	APP	Res ENERGY STAR Ceiling Fans	10.0	38025	Petition 38025 (2010) - ENERGY STAR Calculator at http://www.energystar.gov/index.cfm?fuseaction=find_a_product.showProductGroup&pgw_code=CF
Residential	APP	Res Energy Star Clothes Washer	11.0	36779	Appliance Magazine (2007)
Residential	APP	Res Energy Star Dishwasher	11.0	36779	Appliance Magazine (2007)
Residential	APP	Res Energy Star Freezers	11.0	36779	Appliance Magazine (2007)
Residential	BLDG	Res Energy Star New Homes	23.0	36779	Energy Star Calculator - HomeCalc
Residential	APP	Res Energy Star Refrigerators	14.0	36779	Appliance Magazine (2007)
Residential	ENV	Res Energy Star Windows	25.0	36779	GDS (2007)
Residential	HVAC	Res Evaporative Cooler	15.0	36779	DEER (2008)
Residential	HW	Res Faucet Aerators	10.0	36779	DEER (2008)
Residential	ENV	Res Floor Insulation	25.0	36779	GDS (2007)
Residential	APP	Res Freezer Recycling	4.0	36779	DEER (2008)
Residential	HW	Res Heat Pump Water Heater	13.0	39796	Petition 39796 (2011) - ACEEE (2011)
Residential	HVAC	Res High Efficiency Air Conditioner (Packaged and Split Systems)	15.0	36779	DEER (2008)
Residential	HW	Res High Efficiency Electric Water Heater	13.0	36779	Appliance Magazine (2007)
Residential	HW	Res High Efficiency Gas Water Heater	11.0	*TBD*	*To be filed -- 2013 Winter Peak Petition: DEER (2008)*
Residential	HVAC	Res High Efficiency Heat Pump	15.0	36779	DEER (2008)
Residential	HVAC	Res High Efficiency Window/Room Air Conditioner	13.0	36779	DOE Technical Support Document for Energy Conservation Standards for Room Air Conditioners
Residential	LTG	Res Indoor Screw-in CFL	5.3	36779	DEER (2008) - Based upon 8,000 hour manufacturer rated life
Residential	HW	Res Instantaneous Point of Use Water Heating	20.0	36779	DEER (2008); US DOE Technical Brief 1/6/04
Residential	LTG	Res LED Seasonal Lighting	16.0	36779	DEER (2008)
Residential	ENV	Res Light Colored Exterior Walls	6.0	36779	DEER (2008)
Residential	HW	Res Low Flow Showerhead	10.0	36779	DEER (2008)

Commercial & Residential EULs

Sector	End Use	Energy Efficiency Measure	EUL (years)	Partition	Source
Residential	LTG	Res Outdoor HID Fixtures	12.0	36779	Based upon 50,000 hour manufacturer rated life and weighted-average 4,107 annual operating hours from Navigant (2003) Study
Residential	LTG	Res Outdoor Screw-in CFL	7.1	36779	DEER (2008) - Based upon 8,000 hour manufacturer rated life
Residential	RNW	Res and Comm Photovoltaic (PV) system	30.0	36779	Frontier Associates Engineering Estimate based on Manufacturers' Warranties
Residential	APP	Res Pool Pump	10.0	36779	DEER (2008)
Residential	ENV	Res Reflective Window Film & Sunscreens	10.0	36779	DEER (2008)
Residential	APP	Res Refrigerator Recycling	5.0	36779	DEER (2008)
Residential	HW	Res Solar Water Heater	15.0	36779	DEER (2008)
Residential	HW	Res Storage Water Heater Tank Insulation	7.0	36779	DEER (2008)
Residential	ENV	Res Wall Insulation	25.0	36779	GDS (2007)
Residential	HW	Res Water Heater Pipe Insulation	13.0	36779	Equivalent to residential water heater lifetime

Legend	
APP	APPLIANCE
BLDG	WHOLE BUILDING
CKG	COOKING
ENV	ENVELOPE
HVAC	HEATING, VENTILATION, AND AIR CONDITIONING
HW	HOT WATER
LTG	LIGHTING
LTGC	LIGHTING CONTROLS
MOTOR	MOTOR APPLICATION (E G. PUMP OR COMPRESSOR)
REF	REFRIGERATION
RNW	RENEWABLE GENERATION
LSF	LIGHTING SURVEY FORM
LM	LOAD MANAGEMENT

DOCKET NO. 42449

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

DIRECT TESTIMONY OF

JAMES SCHICHTL

FOR

EL PASO ELECTRIC COMPANY

May 1, 2014