

Budget for 2016 Program Expenses by Rate Class

PROGRAMS	Budget for Direct Administration Expenses by Rate Class							
	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43
Commercial SOP	-	3,629.00	-	-	34,371.00	-	-	-
Small Commercial Solutions	-	-	-	-	-	-	-	-
Large C&I Solutions	-	-	-	-	-	-	-	-
SCORE	-	-	-	-	-	-	-	-
Load Management SOP	-	-	-	-	-	-	-	-
Commercial Rebates	-	-	-	-	10,555.00	-	-	-
Residential Solutions	-	-	-	-	-	-	-	-
LivingWise	-	-	-	-	-	-	-	-
Appliance Recycling	-	-	-	-	-	-	-	-
Hard-to-Reach Solutions	-	-	-	-	-	-	-	-
TOTAL	-	3,629.00	-	-	44,926.00	-	-	48,555.00

PROGRAMS	Budget for Indirect Administration Expenses by Rate Class							
	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43
Commercial SOP	-	705.00	-	-	6,674.00	-	-	-
Small Commercial Solutions	-	3,981.00	-	-	5,961.00	-	-	-
Large C&I Solutions	-	440.00	-	336.00	17,287.00	1,990.00	1,626.00	-
SCORE	-	91.00	-	-	2,916.00	67.00	4,359.00	1,530.00
Load Management SOP	-	-	-	-	-	9,924.00	-	-
Commercial Rebates	-	-	-	-	2,051.00	-	-	-
Residential Solutions	4,962.00	-	-	-	-	-	-	-
LivingWise	7,470.00	-	-	-	-	-	-	-
Appliance Recycling	6,234.00	-	-	-	-	-	-	-
Hard-to-Reach Solutions	12,945.00	-	-	-	-	-	-	-
TOTAL	31,611.00	5,217.00	-	336.00	34,889.00	11,981.00	5,985.00	1,530.00

Budget for 2016 Program Expenses by Rate Class

PROGRAMS	Budget for EM&V Expenses by Rate Class								
	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	-	409.50	-	-	3,878.50	-	-	-	4,288.00
Small Commercial Solutions	-	1 340.94	-	-	2,008.06	-	-	-	3,349.00
Large C&I Solutions	-	175.27	-	133.83	6,884.75	792.60	647.55	-	8,634.00
SCORE	-	37.82	-	-	1,218.63	28.09	1,821.19	639.27	3,745.00
Load Management SOP	-	-	-	-	-	717.00	-	-	717.00
Commercial Rebates	-	-	-	-	920.00	-	-	-	920.00
Residential Solutions	4 105.00	-	-	-	-	-	-	-	4,105.00
LivingWise	1,814.00	-	-	-	-	-	-	-	1,814.00
Appliance Recycling	1,876.00	-	-	-	-	-	-	-	1,876.00
Hard-to-Reach Solutions	4,394.00	-	-	-	-	-	-	-	4,394.00
TOTAL	12,189.00	1,963.53	-	133.83	14,909.94	1,537.69	2,468.74	639.27	33,842.00

Program Year 2014			
Energy Efficiency Performance Bonus Calculator *			
	kw	kWh	
Demand and Energy Goals	11,160	19,552,320	
Actual Demand and Energy Savings	13,389	22,811,273	
Reported/Verified Hard-to-Reach	723		
Program Costs (excluding bonus)	\$4,335,886		
Performance Bonus	\$1,012,131		

6%	Hard-to-Reach Goal Met?
	Bonus Calculation Details
120%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)
117%	Percentage of Energy Reduction Goal Met (Reported kWh/Goal kWh)
TRUE	Met Requirements for Performance Bonus?
\$14,470,475	Total Avoided Costs
\$4,335,886	Total Program Costs (excluding bonus)
\$10,134,589	Net Benefits
\$1,012,131	Calculated Bonus (((Achieved Demand Reduction/Demand Goal - 100%) / 2) * Net Benefits)
\$1,013,459	Maximum Bonus Allowed (10% of Net Benefits)

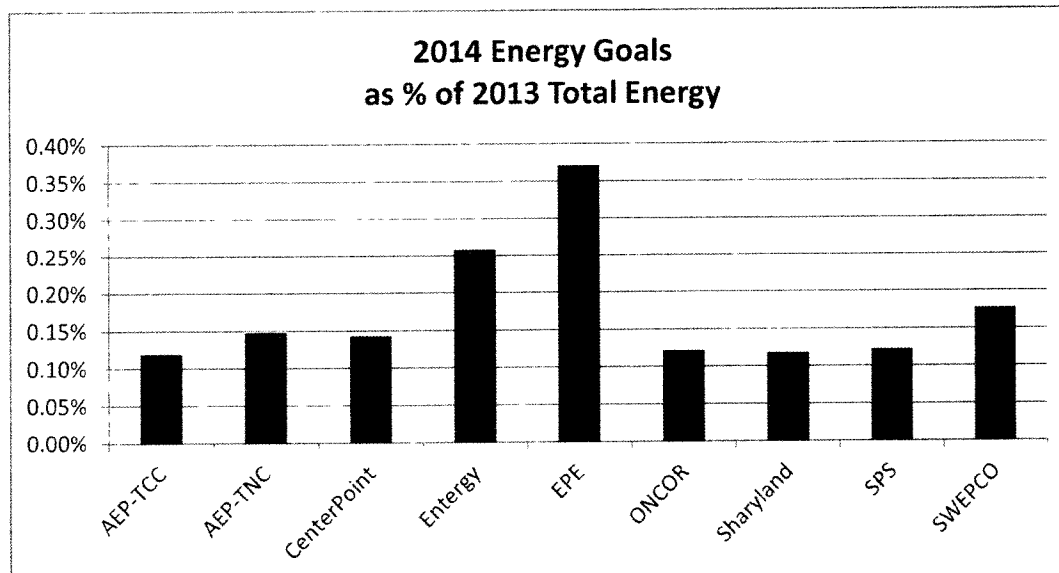
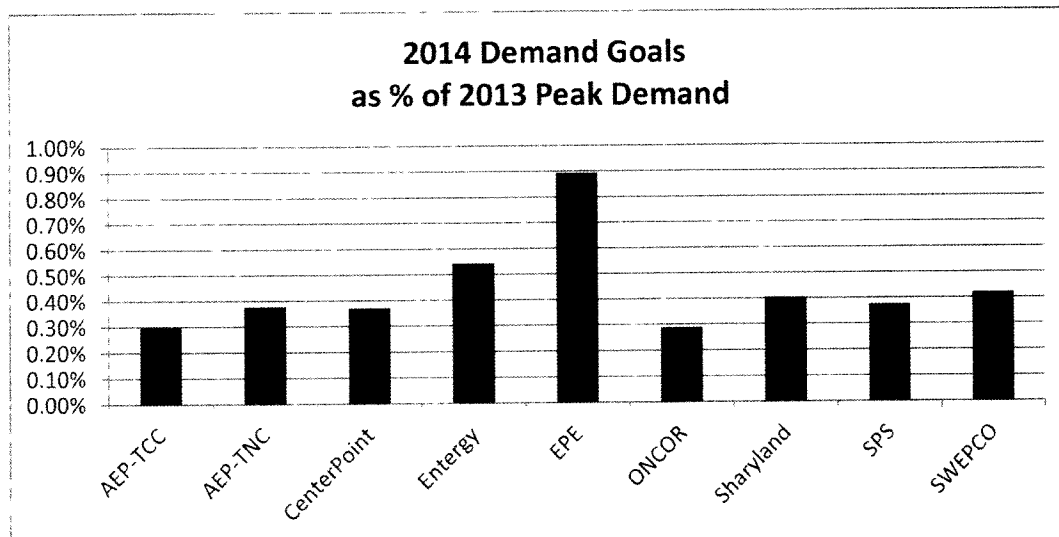
* Numbers shown on PDF Version are whole numbers, see workpapers for actual calculations

Texas Utility Comparison of 2014 Goals to 2013 Peak Demand

Exhibit SES-8

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Utility	2013*		2014 Goals			
	Peak MW	Res. & Comm MWh	MW	Percent of 2013 Peak	MWh	Percent of 2013 Energy
AEP-TCC	4,326	18,810,000	12.93	0.30%	22,653	0.12%
AEP-TNC	1,130	4,994,000	4.26	0.38%	7,464	0.15%
CenterPoint	14,981	67,639,000	55.73	0.37%	97,639	0.14%
Entergy	2,851	10,443,000	15.50	0.54%	27,156	0.26%
EPE	1,248	5,256,408	11.16	0.89%	19,552	0.37%
ONCOR	23,989	99,104,671	69.40	0.29%	121,589	0.12%
Sharyland	234	1,397,799	0.95	0.41%	1,664	0.12%
SPS	1,432	7,629,565	5.39	0.38%	9,449	0.12%
SWEPKO	1,328	5,486,000	5.60	0.42%	9,811	0.18%



*As reported in 2015 EEPs filed on 4/1/15

PUBLIC VERSION

Provided upon issuance of Protective Order and pursuant to Confidentiality
Agreement

Estimated Useful Life Table

Sector	TRM Section/End Use	TRM Measure #	Energy Efficiency Measure	EUL (years)	TRM Version or Docket No.
Residential	Lighting	2.1.1	Res Compact Fluorescent Lamps	5.3	1.0
Residential	HVAC	2.2.1	Res Duct Efficiency Improvement	18.0	1.0
Residential	HVAC	2.2.2	Res Central Air Conditioner	15.0	1.0
Residential	HVAC	2.2.3	Res Ground Source Heat Pump	15.0	1.0
Residential	HVAC	2.2.4	Res Central Heat Pump	15.0	1.0
Residential	HVAC	2.2.5	Res Split System and Single-Package Heat Pumps (65,000-240,000)	15.0	1.0
Residential	HVAC	2.2.6	Res Split System and Single-Package Air Conditioners (65,000-240,000)	15.0	1.0
Residential	HVAC	2.2.7	Res Window Air Conditioner	13.0	1.0
Residential	Building Envelope	2.3.1	Res Air Infiltration	11.0	1.0
Residential	Building Envelope	2.3.2	Res Ceiling Insulation	25.0	1.0
Residential	Building Envelope	2.3.3	Res Wall Insulation	25.0	1.0
Residential	Building Envelope	2.3.4	Res Floor Insulation	25.0	1.0
Residential	Building Envelope	2.3.5	Res Energy Star Windows	25.0	1.0
Residential	Building Envelope	2.3.6	Res Solar Screens	10.0	1.0
Residential	Water Heating	2.4.1	Res Faucet Aerators	10.0	1.0
Residential	Water Heating	2.4.2	Res Low-Flow Showerheads	10.0	1.0
Residential	Water Heating	2.4.3	Res Water Heater Pipe Insulation	13.0	1.0
Residential	Water Heating	2.4.4	Res Water Heater Tank Insulation	7.0	1.0
Residential	Water Heating	2.4.5	Res Water Heater Replacement- High Efficiency and Fuel Substitution	13.0	1.0
Residential	Water Heating	2.4.6	Res Heat Pump Water Heater	13.0	1.0
Residential	Water Heating	2.4.7	Res Water Heater Replacement- Solar Water Heating	15.0	1.0
Residential	Appliances	2.5.1	Res Energy Star Ceiling Fans	10.0	1.0
Residential	Appliances	2.5.2	Res Energy Star Clothes Washers	11.0	1.0
Residential	Appliances	2.5.3	Res Energy Star Dishwashers	11.0	1.0
Residential	Appliances	2.5.4	Res Energy Star Refrigerator	14.0	1.0
Residential	Appliances	2.5.4	Res Refrigerator Recycling	8.0	Docket 42212
Residential	Whole House	2.6.1	Res New Homes	23.0	1.0
Residential	Renewable Energy Systems	2.7.1	Res Solar Photovoltaic (PV)	30.0	1.0
Residential	Load Management	2.8.1	Res Direct Load Control Switches Installed on Outdoor Compressor Units	1.0	1.0
Residential	Load Management	2.8.2	Res Direct Load Control Switches Installed on Swimming Pool Pump Motors	1.0	1.0
Commercial	Lighting	2.1.1	Comm Lamps and Fixtures: Halogen Lamps	1.5	Docket 36779
Commercial	Lighting	2.1.1	Comm Lamps and Fixtures: High Intensity Discharge Lamps	15.5	Docket 36779
Commercial	Lighting	2.1.1	Comm Lamps and Fixtures: Integrated-ballast CCFL Lamps	4.5	Docket 36779
Commercial	Lighting	2.1.1	Comm Lamps and Fixtures: Integrated-ballast CFL Lamps	2.5	1.0
Commercial	Lighting	2.1.1	Comm Lamps and Fixtures: Integrated-ballast LED Lamps	9.0	1.0
Commercial	Lighting	2.1.1	Comm Lamps and Fixtures: Light Emitting Diode	15.0	1.0
Commercial	Lighting	2.1.1	Comm Lamps and Fixtures: Modular CFL and CCFL Fixtures	16.0	1.0
Commercial	Lighting	2.1.1	Comm Lamps and Fixtures: T8 and T5 Linear Fluorescents	15.5	1.0
Commercial	Lighting	2.1.1	Comm Lamps and Fixtures: T8 and T5 Linear Fluorescents replacing T12s with magnetic ballasts	8.5	1.0
Commercial	Lighting	2.1.2	Comm Lighting Controls: Occupancy Sensor	10.0	1.0
Commercial	Lighting	2.1.2	Comm Lighting Controls: Photocell (Daylight Control)	10.0	1.0
Commercial	HVAC	2.2.1	Comm Split System/Single Packaged Heat Pumps and Air Conditioners	15.0	1.0
Commercial	HVAC	2.2.2	Comm HVAC Chillers: Screw/Scroll/Reciprocating Chillers	20.0	1.0
Commercial	HVAC	2.2.2	Comm HVAC Chillers: Centrifugal Chillers	25.0	1.0
Commercial	HVAC	2.2.3	Comm Packaged Terminal Air Conditioners, Heat Pumps, and Room Air Conditioners	13.0	1.0
Commercial	HVAC	2.2.4	Comm HVAC VFD on AHU Supply Fans	15.0	1.0
Commercial	Building Envelope	2.3.1	Comm Energy Star Roofs	15.0	1.0
Commercial	Building Envelope	2.3.2	Comm Window Film	10.0	1.0
Commercial	Food Service Equipment	2.4.1	Comm High Efficiency Combination Ovens	12.0	1.0
Commercial	Food Service Equipment	2.4.2	Comm High Efficiency Electric Convection Ovens	12.0	1.0
Commercial	Food Service Equipment	2.4.3	Comm Energy Star Commercial Dishwashers	11.0	1.0
Commercial	Food Service Equipment	2.4.4	Comm Hot Food Holding Cabinets	12.0	1.0
Commercial	Food Service Equipment	2.4.5	Comm Energy Star Electric Fryers	12.0	1.0
Commercial	Food Service Equipment	2.4.6	Comm Pre-Rinse Spray Valves	5.0	1.0
Commercial	Food Service Equipment	2.4.7	Comm Energy Star Electric Steam Cookers	10.0	1.0
Commercial	Refrigeration	2.5.1	Comm Door Heater Controls	12.0	1.0
Commercial	Refrigeration	2.5.2	Comm ECM Evaporator Fan Motor	15.0	1.0
Commercial	Refrigeration	2.5.3	Comm Electronic Defrost Controls	10.0	1.0
Commercial	Refrigeration	2.5.4	Comm Evaporator Fan Controls	16.0	1.0
Commercial	Refrigeration	2.5.5	Comm Night Covers for Open Refrigerated Display Cases	5.0	1.0
Commercial	Refrigeration	2.5.6	Comm Solid Glass Door Reach-Ins	12.0	1.0
Commercial	Refrigeration	2.5.7	Comm Strip Curtains for Walk-In Refrigerated Storage	4.0	1.0
Commercial	Refrigeration	2.5.8	Comm Zero Energy Doors for Refrigerated Cases	12.0	1.0
Commercial	Miscellaneous	2.6.1	Comm Vending Machine Controls	5.0	1.0
Commercial	Renewables	2.7.1	Comm Solar Photovoltaic (PV)	30.0	1.0
Commercial	Load Management	2.8.1	Comm Load Curtailment Measure	1.0	1.0

Bonus and Cost-effectiveness Calculator

Version v7.0
updated 2/20/2015

FRONTIER

Frontier Associates

Fixed Inputs	Fixed Inputs per PUC Rule
Avoided Cost per kW	\$ 80.00
Avoided Cost per kWh	\$ 0.04619
Utility Specific Discount Rate (WACC)	6.95%
Inflation Rate	2.0%
Maximum % Net Benefits for Bonus	10.0%

2014
\$ 80.00
\$ 0.04619

PUC Goals	kW	kWh
2014 Goals	11,160	19,552,320

Cost-effectiveness Input	
Bonus Collected in 2014 = Bonus Earned in 2012	\$ 257,051

2014 Benefit-Cost Analysis by Program

Program	kW	kWh	Incentives	Estimated Useful Life	Total Admin for Cost Effectiveness (Including Bonus; excluding cost paid for EE/CRE)	Total Program Cost for Cost Effectiveness (Including Bonus; excluding cost paid for EE/CRE)	Present Value Avoided Capacity Cost * kW	Present Value Avoided Energy Cost * kWh	Total Avoided Cost	Net Benefits	Ben-Cost Ratio
Commercial SOP	397.96	2,197,030	\$ 180,950	14.5	\$ 37,686	\$ 218,636	\$ 322,982	\$ 1,032,942	\$ 1,355,925	\$ 1,137,289	6.20
Commercial Rebate Program	15.70	62,972	\$ 23,950	8.6	\$ 5,299	\$ 29,249	\$ 9,678	\$ 19,812	\$ 29,490	\$ 240	1.01
Load Management SOP	8,281.00	12,472	\$ 462,300	1.0	\$ 52,550	\$ 514,850	\$ 631,818	\$ 547	\$ 632,365	\$ 117,516	1.23
Large Commercial Solutions Program	1,562.70	8,632,935	\$ 820,871	13.2	\$ 115,379	\$ 936,250	\$ 1,156,162	\$ 3,753,790	\$ 4,909,952	\$ 3,973,702	5.24
Texas SCORE Program	753.78	3,948,043	\$ 468,130	12.2	\$ 61,999	\$ 530,129	\$ 545,769	\$ 1,629,881	\$ 2,175,649	\$ 1,645,520	4.10
Small Commercial Solutions Program	740.41	3,123,603	\$ 458,717	10.1	\$ 64,040	\$ 522,757	\$ 449,050	\$ 1,105,906	\$ 1,554,956	\$ 1,032,199	2.97
Residential Solutions Program	322.42	524,973	\$ 214,136	21.4	\$ 31,042	\$ 245,178	\$ 336,337	\$ 314,617	\$ 650,955	\$ 405,777	2.66
Hard-to-Reach Solutions Program	723.03	1,075,489	\$ 576,214	22.5	\$ 71,517	\$ 647,731	\$ 780,950	\$ 663,141	\$ 1,444,090	\$ 796,359	2.23
Solar PV Program	259.37	499,986	\$ 224,195	30.0	\$ 63,459	\$ 287,654	\$ 324,390	\$ 361,047	\$ 685,436	\$ 397,783	2.38
Appliance Recycling Program	243.93	1,590,480	\$ 181,185	8.0	\$ 29,227	\$ 210,412	\$ 126,879	\$ 477,651	\$ 604,530	\$ 394,117	2.87
LivingWise Educational Program	88.78	1,143,341	\$ 346,346	9.0	\$ 43,676	\$ 390,022	\$ 50,634	\$ 376,493	\$ 427,127	\$ 37,105	1.10
Portfolio Total	13,389.08	22,811,273	\$ 3,956,995		\$ 575,874	\$ 4,532,869	\$ 4,734,648	\$ 9,735,827	\$ 14,470,475	\$ 9,937,606	3.19

Program Level Filis
= Weighted average of installed measure Filis

Residential & Commercial EULs				
Sector	TRM Measure	Energy Efficiency Measure	EUL (years)	TRM Version
Residential	2 1 1	Res Compact Fluorescent Lamps	5.3	1.0
Residential	2 2 1	Res Duct Efficiency Improvement	18.0	1.0
Residential	2 2 2	Res Central Air Conditioner	15.0	1.0
Residential	2 2 3	Res Ground Source heat Pump	15.0	1.0
Residential	2 2 4	Res Central Heat Pump	15.0	1.0
Residential	2 2 5	Res Split System and Single-Package Heat Pumps (65 000-240,000)	15.0	1.0
Residential	2 2 6	Res Split System and Single-Package Air Conditioners (65 000-240 000)	15.0	1.0
Residential	2 2 7	Res Window Air Conditioner	13.0	1.0
Residential	2 3 1	Res Air Infiltration	11.0	1.0
Residential	2 3 2	Res Ceiling Insulation	25.0	1.0
Residential	2 3 3	Res Wall Insulation	25.0	1.0
Residential	2 3 4	Res Floor Insulation	25.0	1.0
Residential	2 3 5	Res Energy Star Windows	25.0	1.0
Residential	2 3 6	Res Solar Screens	10.0	1.0
Residential	2 4 1	Res Faucet Aerators	10.0	1.0
Residential	2 4 2	Res Low-Flow Showerheads	10.0	1.0
Residential	2 4 3	Res Water Heater Pipe Insulation	13.0	1.0
Residential	2 4 4	Res Water Heater Tank Insulation	7.0	1.0
Residential	2 4 5	Res Water Heater Replacement- High Efficiency and Fuel Substitution	13.0	1.0
Residential	2 4 6	Res Heat Pump Water Heater	13.0	1.0
Residential	2 4 7	Res Water Heater Replacement- Solar Water Heating	15.0	1.0
Residential	2 5 1	Res Energy Star Ceiling Fans	10.0	1.0
Residential	2 5 2	Res Energy Star Clothes Washers	11.0	1.0
Residential	2 5 3	Res Energy Star Dishwashers	11.0	1.0
Residential	2 5 4	Res Energy Star Refrigerator	14.0	1.0
Residential	2 5 4	Res Refrigerator Recycling	8.0	Docket 42212
Residential	2 6 1	Res New Homes	23.0	1.0
Residential	2 7 1	Res Solar Photovoltaic (PV)	30.0	1.0
Residential	2 8 1	Res Direct Load Control Switches Installed on Outdoor Compressor Units	1.0	1.0
Residential	2 8 2	Res Direct Load Control Switches Installed on Swimming Pool Pump Motors	1.0	1.0
Commercial	2 1 1	Comm Lamps and Fixtures Integrated-ballast CFL Lamps	2.5	1.0
Commercial	2 1 1	Comm Lamps and Fixtures Integrated-ballast LED Lamps	9.0	1.0
Commercial	2 1 1	Comm Lamps and Fixtures Light Emitting Diode	15.0	1.0
Commercial	2 1 1	Comm Lamps and Fixtures Modular CFL and CCFL Fixtures	16.0	1.0
Commercial	2 1 1	Comm Lamps and Fixtures T8 and T5 Linear Fluorescents	15.5	1.0
Commercial	2 1 1	Comm Lamps and Fixtures LEDs or T8 and T5 Linear Fluorescents replacing T12s with magnetic ballasts	8.5	1.0
Commercial	2 1 1	Comm Lamps and Fixtures Halogen Lamps	1.5	Docket 36779
Commercial	2 1 1	Comm Lamps and Fixtures High Intensity Discharge Lamps	15.5	Docket 36779
Commercial	2 1 1	Comm Lamps and Fixtures Integrated-ballast CCFL Lamps	4.5	Docket 36779
Commercial	2 1 2	Comm Lighting Controls Occupancy Sensor	10.0	1.0
Commercial	2 1 2	Comm Lighting Controls Photocell (Daylight Control)	10.0	1.0
Commercial	2 2 1	Comm Split System/Single Packaged Heat Pumps and Air Conditioners	15.0	1.0
Commercial	2 2 2	Comm HVAC Chillers Screw/Scroll/Reciprocating Chillers	20.0	1.0
Commercial	2 2 2	Comm HVAC Chillers Centrifugal Chillers	25.0	1.0
Commercial	2 2 3	Comm Packaged terminal Air Conditioners Heat Pumps and Room Air Conditioners	13.0	1.0
Commercial	2 2 4	Comm HVAC VFD on AHU Supply Fans	15.0	1.0
Commercial	2 3 1	Comm Energy Star Roofs	15.0	1.0
Commercial	2 3 2	Comm Window Film	10.0	1.0
Commercial	2 4 1	Comm High Efficiency Combination Ovens	12.0	1.0
Commercial	2 4 2	Comm High Efficiency Electric Convection Ovens	12.0	1.0
Commercial	2 4 3	Comm Energy Star Commercial Dishwashers	11.0	1.0
Commercial	2 4 4	Comm Hot Food Holding Cabinets	12.0	1.0
Commercial	2 4 5	Comm Energy Star Electric Fryers	12.0	1.0
Commercial	2 4 6	Comm Pre-Rinse Spray Valves	5.0	1.0
Commercial	2 4 7	Comm Energy Star Electric Steam Cookers	10.0	1.0
Commercial	2 5 1	Comm Door Heater Controls	12.0	1.0
Commercial	2 5 2	Comm ECM Evaporator Fan Motor	15.0	1.0
Commercial	2 5 3	Comm Electric Defrost Controls	10.0	1.0
Commercial	2 5 4	Comm Evaporator Fan Controls	16.0	1.0
Commercial	2 5 5	Comm Night Covers for Open Refrigerated Display Cases	5.0	1.0
Commercial	2 5 6	Comm Solid Glass Door Reach-ins	12.0	1.0
Commercial	2 5 7	Comm Strip Curtains for Walk in Refrigerated Storage	4.0	1.0
Commercial	2 5 8	Comm Zero Energy Doors for Refrigerated Storage	12.0	1.0
Commercial	2 6 1	Comm Vending Machine Controls	5.0	1.0
Commercial	2 7 1	Comm Solar Photovoltaic (PV)	30.0	1.0
Commercial	2 8 1	Comm Load Curtailment Measure	1.0	1.0

Budget for 2016 Program Expenses by Rate Class

PROGRAMS	Total Program Incentives and Administration Costs (not including EM&V)										TOTAL
	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43			
Commercial SOP	-	36,995.00	-	-	350,384.00	-	-	-	-	387,379.00	
Small Commercial Solutions	-	188,611.00	-	-	282,446.00	-	-	-	-	471,057.00	
Large C&I Solutions	-	20,850.00	-	15,920.00	818,989.00	94,285.00	77,031.00	-	-	1,027,075.00	
SCORE	-	4,288.00	-	-	138,142.00	3,184.00	206,450.00	72,468.00	-	424,532.00	
Load Management SOP	-	-	-	-	-	469,924.00	-	-	-	469,924.00	
Commercial Rebates	-	-	-	-	107,601.00	-	-	-	-	107,601.00	
Residential Solutions	234,962.00	-	-	-	-	-	-	-	-	234,962.00	
LivingWise	353,816.00	-	-	-	-	-	-	-	-	353,816.00	
Appliance Recycling	295,359.00	-	-	-	-	-	-	-	-	295,359.00	
Hard-to-Reach Solutions	612,945.00	-	-	-	-	-	-	-	-	612,945.00	
TOTAL	1,497,082.00	250,744.00	-	15,920.00	1,697,562.00	567,393.00	283,481.00	72,468.00	-	4,384,650.00	

PROGRAMS	Budget for Incentives by Rate Class										TOTAL
	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43			
Commercial SOP	-	32,661.00	-	-	309,339.00	-	-	-	-	342,000.00	
Small Commercial Solutions	-	184,630.00	-	-	276,485.00	-	-	-	-	461,115.00	
Large C&I Solutions	-	20,410.00	-	15,584.00	801,702.00	92,295.00	75,405.00	-	-	1,005,396.00	
SCORE	-	4,197.00	-	-	135,226.00	3,117.00	202,091.00	70,938.00	-	415,569.00	
Load Management SOP	-	-	-	-	-	460,000.00	-	-	-	460,000.00	
Commercial Rebates	-	-	-	-	94,995.00	-	-	-	-	94,995.00	
Residential Solutions	230,000.00	-	-	-	-	-	-	-	-	230,000.00	
LivingWise	346,346.00	-	-	-	-	-	-	-	-	346,346.00	
Appliance Recycling	289,125.00	-	-	-	-	-	-	-	-	289,125.00	
Hard-to-Reach Solutions	600,000.00	-	-	-	-	-	-	-	-	600,000.00	
TOTAL	1,465,471.00	241,898.00	-	15,584.00	1,617,747.00	555,412.00	277,496.00	70,938.00	-	4,244,546.00	

Budget for 2016 Program Expenses by Rate Class

PROGRAMS	Budget for Direct Administration Expenses by Rate Class								
	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	-	3,629.00	-	-	34,371.00	-	-	-	38,000.00
Small Commercial Solutions	-	-	-	-	-	-	-	-	-
Large C&I Solutions	-	-	-	-	-	-	-	-	-
SCORE	-	-	-	-	-	-	-	-	-
Load Management SOP	-	-	-	-	-	-	-	-	-
Commercial Rebates	-	-	-	-	10,555.00	-	-	-	10,555.00
Residential Solutions	-	-	-	-	-	-	-	-	-
LivingWise	-	-	-	-	-	-	-	-	-
Appliance Recycling	-	-	-	-	-	-	-	-	-
Hard-to-Reach Solutions	-	-	-	-	-	-	-	-	-
TOTAL	-	3,629.00	-	-	44,926.00	-	-	-	48,555.00

PROGRAMS	Budget for Indirect Administration Expenses by Rate Class								
	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	-	705.00	-	-	6,674.00	-	-	-	7,379.00
Small Commercial Solutions	-	3,981.00	-	-	5,961.00	-	-	-	9,942.00
Large C&I Solutions	-	440.00	-	336.00	17,287.00	1,990.00	1,626.00	-	21,679.00
SCORE	-	91.00	-	-	2,916.00	67.00	4,359.00	1,530.00	8,963.00
Load Management SOP	-	-	-	-	-	9,924.00	-	-	9,924.00
Commercial Rebates	-	-	-	-	2,051.00	-	-	-	2,051.00
Residential Solutions	4,962.00	-	-	-	-	-	-	-	4,962.00
LivingWise	7,470.00	-	-	-	-	-	-	-	7,470.00
Appliance Recycling	6,234.00	-	-	-	-	-	-	-	6,234.00
Hard-to-Reach Solutions	12,945.00	-	-	-	-	-	-	-	12,945.00
TOTAL	31,611.00	5,217.00	-	336.00	34,889.00	11,981.00	5,985.00	1,530.00	91,549.00

Budget for 2016 Program Expenses by Rate Class

PROGRAMS	Budget for EM&V Expenses by Rate Class								
	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	-	409.50	-	-	3,878.50	-	-	-	4,288.00
Small Commercial Solutions	-	1,340.94	-	-	2,008.06	-	-	-	3,349.00
Large C&I Solutions	-	175.27	-	133.83	6,884.75	792.60	647.55	-	8,634.00
SCORE	-	37.82	-	-	1,218.63	28.09	1,821.19	639.27	3,745.00
Load Management SOP	-	-	-	-	-	717.00	-	-	717.00
Commercial Rebates	-	-	-	-	920.00	-	-	-	920.00
Residential Solutions	4,105.00	-	-	-	-	-	-	-	4,105.00
LivingWise	1,814.00	-	-	-	-	-	-	-	1,814.00
Appliance Recycling	1,876.00	-	-	-	-	-	-	-	1,876.00
Hard-to-Reach Solutions	4,394.00	-	-	-	-	-	-	-	4,394.00
TOTAL	12,189.00	1,963.53	-	133.83	14,909.94	1,537.69	2,468.74	639.27	33,842.00

Exhibit SES-06 Workpapers

PROGRAMS	2014 Actual Incentives Paid								TOTAL
	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	
Commercial SOP			100,000.00		80,950.44				180,950.44
Small Commercial Solutions		183,670.12			275,047.34				458,717.46
Large C&I Solutions		18,869.44		4,423.33	642,781.61	85,200.35	69,596.29		820,871.02
SCORE		4,736.60			152,336.56	3,509.09	227,650.68	79,897.19	468,130.12
Load Management SOP						462,300.00			462,300.00
Commercial Rebates					23,950.00				23,950.00
Residential Solutions	214,136.07								214,136.07
LivingWise	346,345.74								346,345.74
Appliance Recycling	181,185.00								181,185.00
Solar PV Pilot	224,194.75								224,194.75
Hard-to-Reach Solutions	576,214.27								576,214.27
TOTAL	1,542,075.83	207,276.16	100,000.00	4,423.33	1,175,065.95	551,009.44	297,246.97	79,897.19	3,956,994.87

PROGRAMS	2014 to 2016 Budget Adjustment #1										TOTAL
	TXRT01	TXRT02	TXRT08*	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43			
Commercial SOP		25 000 00	(100,000 00)		75,000 00					-	
Small Commercial Solutions										-	
Large C&I Solutions										-	
SCORE										-	
Load Management SOP										-	
Commercial Rebates										-	
Residential Solutions										-	
LivingWise										-	
Appliance Recycling										-	
Solar PV Pilot										-	
Hard-to-Reach Solutions										-	
TOTAL	-	25,000.00	(100,000.00)	-	75,000.00	-	-	-	-	-	

*Spread \$100,000 from Street Lighting to Small Commercial and General Service Rate Classes

Exhibit SES-06 Workpapers

PROGRAMS	2014 to 2016 Budget Adjustment #2								
	TXRT01	TXRT02	TXRT08	TXRT11*	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP									-
Small Commercial Solutions									-
Large C&I Solutions				10,000.00	(10,000.00)				-
SCORE									-
Load Management SOP									-
Commercial Rebates									-
Residential Solutions									-
LivingWise									-
Appliance Recycling									-
Solar PV Pilot									-
Hard-to-Reach Solutions									-
TOTAL				10,000.00	(10,000.00)				-

*Known Shift - Anticipate Additional Participation in Municipal Pumping Rate

PROGRAMS	2014 to 2016 Budget Adjustment #3								
	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP					80,710.11				80,710.11
Small Commercial Solutions									-
Large C&I Solutions					107,613.48				107,613.48
SCORE									-
Load Management SOP									-
Commercial Rebates									-
Residential Solutions	35,871.16								35,871.16
LivingWise									-
Appliance Recycling									-
Solar PV Pilot*	(224,194.75)								(224,194.75)
Hard-to-Reach Solutions									-
TOTAL	(188,323.69)	-	-	-	188,323.69	-	-	-	-

*Discontinued Solar PV Program Expenses Shifted to Other Programs

Exhibit SES-06 Workpapers

PROGRAMS	2014 Incentives after Adjustments Spread to Class								TOTAL
	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	
Commercial SOP	-	25,000.00	-	-	236,660.55	-	-	-	261,660.55
Small Commercial Solutions	-	183,670.12	-	-	275,047.34	-	-	-	458,717.46
Large C&I Solutions	-	18,869.44	-	14,423.33	740,395.09	85,200.35	69,596.29	-	928,484.50
SCORE	-	4,736.60	-	-	152,336.56	3,509.09	227,650.68	79,897.19	468,130.12
Load Management SOP	-	-	-	-	-	462,300.00	-	-	462,300.00
Commercial Rebates	-	-	-	-	23,950.00	-	-	-	23,950.00
Residential Solutions	250,007.23	-	-	-	-	-	-	-	250,007.23
LivingWise	346,345.74	-	-	-	-	-	-	-	346,345.74
Appliance Recycling	181,185.00	-	-	-	-	-	-	-	181,185.00
Solar PV Pilot	-	-	-	-	-	-	-	-	-
Hard-to-Reach Solutions	576,214.27	-	-	-	-	-	-	-	576,214.27
TOTAL	1,353,752.24	232,276.16	-	14,423.33	1,428,389.54	551,009.44	297,246.97	79,897.19	3,956,994.87

PROGRAMS	2014 Incentive Percentages after Adjustments Spread to Class								TOTAL
	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	
Commercial SOP		9.55%			90.45%				100.00%
Small Commercial Solutions		40.04%			59.96%				100.00%
Large C&I Solutions		2.03%		1.55%	79.74%	9.18%	7.50%		100.00%
SCORE		1.01%			32.54%	0.75%	48.63%	17.07%	100.00%
Load Management SOP						100.00%			100.00%
Commercial Rebates									100.00%
Residential Solutions	100.00%								100.00%
LivingWise	100.00%								100.00%
Appliance Recycling	100.00%								100.00%
Solar PV Pilot									0.00%
Hard-to-Reach Solutions	100.00%								100.00%

Exhibit SES-06 Workpapers

2016 Incentives Spread to Class (Based on 2014 Percentages with Adjustments)										2016 Program Incentive Percentages
PROGRAMS	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL	
Commercial SOP	-	32,661.00	-	-	309,339.00	-	-	-	342,000.00	8.06%
Small Commercial Solutions	-	184,630.00	-	-	276,485.00	-	-	-	461,115.00	10.86%
Large C&I Solutions	-	20,410.00	-	15,584.00	801,702.00	92,295.00	75,405.00	-	1,005,396.00	23.68%
SCORE	-	4,197.00	-	-	135,226.00	3,117.00	202,091.00	70,938.00	416,569.00	9.79%
Load Management SOP	-	-	-	-	-	460,000.00	-	-	460,000.00	10.84%
Commercial Rebates	-	-	-	-	94,995.00	-	-	-	94,995.00	2.24%
Residential Solutions	230,000.00	-	-	-	-	-	-	-	230,000.00	5.42%
LivingWise	346,346.00	-	-	-	-	-	-	-	346,346.00	8.16%
Appliance Recycling	289,125.00	-	-	-	-	-	-	-	289,125.00	6.81%
Hard-to-Reach Solutions	600,000.00	-	-	-	-	-	-	-	600,000.00	14.14%
TOTAL	1,465,471.00	241,898.00	-	15,584.00	1,617,747.00	555,412.00	277,496.00	70,938.00	4,244,546.00	100.00%

2016 Program-Direct Administration Expenses Spread to Class									
PROGRAMS	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	-	3,629.00	-	-	34,371.00	-	-	-	38,000.00
Small Commercial Solutions	-	-	-	-	-	-	-	-	-
Large C&I Solutions	-	-	-	-	-	-	-	-	-
SCORE	-	-	-	-	-	-	-	-	-
Load Management SOP	-	-	-	-	-	-	-	-	-
Commercial Rebates	-	-	-	-	10,555.00	-	-	-	10,555.00
Residential Solutions	-	-	-	-	-	-	-	-	-
LivingWise	-	-	-	-	-	-	-	-	-
Appliance Recycling	-	-	-	-	-	-	-	-	-
Hard-to-Reach Solutions	-	-	-	-	-	-	-	-	-
TOTAL	-	3,629.00	-	-	44,926.00	-	-	-	48,555.00

Exhibit SES-06 Workpapers

2016 INDIRECT ADMINISTRATIVE BUDGET SPREAD TO PROGRAM & CLASS:										
Amount To Spread:	\$	91,549								
PROGRAMS	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL	
Commercial SOP	-	705.00	-	-	6,674.00	-	-	-	7,379.00	
Small Commercial Solutions	-	3,981.00	-	-	5,961.00	-	-	-	9,942.00	
Large C&I Solutions	-	440.00	-	336.00	17,287.00	1,990.00	1,626.00	-	21,679.00	
SCORE	-	91.00	-	-	2,916.00	67.00	4,359.00	1,530.00	8,963.00	
Load Management SOP	-	-	-	-	-	9,924.00	-	-	9,924.00	
Commercial Rebates	-	-	-	-	2,051.00	-	-	-	2,051.00	
Residential Solutions	4,962.00	-	-	-	-	-	-	-	4,962.00	
LivingWise	7,470.00	-	-	-	-	-	-	-	7,470.00	
Appliance Recycling	6,234.00	-	-	-	-	-	-	-	6,234.00	
Hard-to-Reach Solutions	12,945.00	-	-	-	-	-	-	-	12,945.00	
TOTAL	31,611.00	5,217.00	-	336.00	34,889.00	11,981.00	5,985.00	1,530.00	91,549.00	

2016 Program Expenses Spread to Class (Prior to EM&V Costs)										
PROGRAMS	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL	
Commercial SOP	-	36,995.00	-	-	350,384.00	-	-	-	387,379.00	
Small Commercial Solutions	-	188,611.00	-	-	282,446.00	-	-	-	471,057.00	
Large C&I Solutions	-	20,850.00	-	15,920.00	818,989.00	94,285.00	77,031.00	-	1,027,075.00	
SCORE	-	4,288.00	-	-	138,142.00	3,184.00	206,450.00	72,468.00	424,532.00	
Load Management SOP	-	-	-	-	-	469,924.00	-	-	469,924.00	
Commercial Rebates	-	-	-	-	107,601.00	-	-	-	107,601.00	
Residential Solutions	234,962.00	-	-	-	-	-	-	-	234,962.00	
LivingWise	353,816.00	-	-	-	-	-	-	-	353,816.00	
Appliance Recycling	295,359.00	-	-	-	-	-	-	-	295,359.00	
Hard-to-Reach Solutions	612,945.00	-	-	-	-	-	-	-	612,945.00	
TOTAL	1,497,082.00	250,744.00	-	15,920.00	1,697,562.00	567,393.00	283,481.00	72,468.00	4,384,650.00	

Exhibit SES-06 Workpapers

2016 Program Expense Percentages of Total Program Budget (Prior to EM&V and EECRF Proceeding Costs)									2016 Total
PROGRAMS	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	Program Expenses Percentages
Commercial SOP	0.00%	0.84%	0.00%	0.00%	7.99%	0.00%	0.00%	0.00%	8.83%
Small Commercial Solutions	0.00%	4.30%	0.00%	0.00%	6.44%	0.00%	0.00%	0.00%	10.74%
Large C&I Solutions	0.00%	0.48%	0.00%	0.36%	18.68%	2.15%	1.76%	0.00%	23.43%
SCORE	0.00%	0.10%	0.00%	0.00%	3.15%	0.07%	4.71%	1.65%	9.68%
Load Management SOP	0.00%	0.00%	0.00%	0.00%	0.00%	10.72%	0.00%	0.00%	10.72%
Commercial Rebates	0.00%	0.00%	0.00%	0.00%	2.45%	0.00%	0.00%	0.00%	2.45%
Residential Solutions	5.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.36%
LivingWise	8.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.07%
Appliance Recycling	6.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.74%
Hard-to-Reach Solutions	13.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13.98%
TOTAL	34.15%	5.72%	0.00%	0.36%	38.71%	12.94%	6.47%	1.65%	100.00%

2016 Rate Class Percentages by Program									
PROGRAMS	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	0.00%	9.55%	0.00%	0.00%	90.45%	0.00%	0.00%	0.00%	100.00%
Small Commercial Solutions	0.00%	40.04%	0.00%	0.00%	59.96%	0.00%	0.00%	0.00%	100.00%
Large C&I Solutions	0.00%	2.03%	0.00%	1.55%	79.74%	9.18%	7.50%	0.00%	100.00%
SCORE	0.00%	1.01%	0.00%	0.00%	32.54%	0.75%	48.63%	17.07%	100.00%
Load Management SOP	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
Commercial Rebates	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%
Residential Solutions	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
LivingWise	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Appliance Recycling	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Hard-to-Reach Solutions	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%

Exhibit SES-06 Workpapers

PROGRAMS	2016 EM&V Expenses Spread to Class										TOTAL
	TXRT01	TXRT02	TXRT08	TXRT11	TXRT24	TXRT25	TXRT41	TXRT43			
Commercial SOP	-	409.50	-	-	3,878.50	-	-	-	-	4,288.00	
Small Commercial Solutions	-	1,340.94	-	-	2,008.06	-	-	-	-	3,349.00	
Large C&I Solutions	-	175.27	-	133.83	6,884.75	792.60	647.55	-	-	8,634.00	
SCORE	-	37.82	-	-	1,218.63	28.09	1,821.19	639.27	-	3,745.00	
Load Management SOP	-	-	-	-	-	717.00	-	-	-	717.00	
Commercial Rebates	-	-	-	-	920.00	-	-	-	-	920.00	
Residential Solutions	4,105.00	-	-	-	-	-	-	-	-	4,105.00	
LivingWise	1,814.00	-	-	-	-	-	-	-	-	1,814.00	
Appliance Recycling	1,876.00	-	-	-	-	-	-	-	-	1,876.00	
Hard-to-Reach Solutions	4,394.00	-	-	-	-	-	-	-	-	4,394.00	
TOTAL	12,189.00	1,963.53	-	133.83	14,909.94	1,537.69	2,468.74	639.27	-	33,842.00	

Bonus and Cost-effectiveness Calculator

Version v7.0
updated 2/20/2015

FRONTIER

Frontier Associates

Insert or Verify Data in Blue Cells		Fixed Inputs per PUC Rule	
Avoided Cost per kW		\$	80.00
Avoided Cost per kWh		\$	0.04619
Utility Specific Discount Rate (WACC)			6.9500%
Inflation Rate			2.0%
Maximum % Net Benefits for Bonus			10.0%

2014

\$ 80.00

\$ 0.04619

from EPE 3/5/15

PUC Goals	kW	kWh
2014 Goals	11,160	19,552,320

from EPE 2/23/15

Cost-effectiveness Input	
Bonus Collected in 2014 = Bonus Earned in 2012	\$ 257,051

from EPE 2/23/15

Please Note: The bonus included in the cost-effectiveness analysis is the bonus *collected* for the program year, not the bonus earned. For example, for PY2014 cost-effectiveness, the *bonus collected* (= 2012 bonus earned) should be included in cell B14 of this tab.

As a result, this bonus will not match the bonus calculated in the Step 4 Bonus Calculator Tab which is the *bonus earned* for PY2014.

Program	These columns will auto-populate			Column will auto-populate after entering values in cells F3417 and C21-24			Program Specific Admin: Enter Monthly			Allocated based on Total Incentives or Program Costs: Enter Values in cells C21-24 and results will auto-populate			
	Incentives	Incentive as % of Total (RDO/Other Admin Allocator)	Program Costs as % of Total (Bonus Allocator)	Program Specific Admin: Enter Monthly	Program Specific Admin: Enter Monthly	Program Specific Admin: Enter Monthly	Program Specific Admin: Enter Monthly	Program Specific Admin: Enter Monthly	Program Specific Admin: Enter Monthly	Costs Paid by a Utility for an EECF Proceeding (to be included in Total Admin for Bonus Calculation)	Total Admin for Bonus (Excluding Bonus)	Total Admin for Bonus (Including Bonus)	Total Admin for Cost Effectiveness Calculation (Including Bonus)
1 Commercial SGP	\$ 180,950.44	5%	5%	\$ 1,485.40	\$ 1,485.40	\$ 1,485.40	\$ 1,485.40	\$ 1,485.40	\$ 1,485.40	\$ 12,940.05	\$ 2,766.87	\$ 28,042.52	\$ 27,885.70
2 Commercial Rebate Program	\$ 23,950.03	1%	1%	\$ 1,995.83	\$ 1,995.83	\$ 1,995.83	\$ 1,995.83	\$ 1,995.83	\$ 1,995.83	\$ 1,957.37	\$ 365.57	\$ 4,005.37	\$ 3,959.13
3 Load Management SGP	\$ 862,800.03	17%	11%	\$ 7,329.89	\$ 7,329.89	\$ 7,329.89	\$ 7,329.89	\$ 7,329.89	\$ 7,329.89	\$ 29,207.16	\$ 2,017.82	\$ 43,000.62	\$ 42,259.82
4 Large Commercial Solutions Program	\$ 820,871.07	21%	21%	\$ 6,979.78	\$ 6,979.78	\$ 6,979.78	\$ 6,979.78	\$ 6,979.78	\$ 6,979.78	\$ 29,207.16	\$ 2,017.82	\$ 43,000.62	\$ 42,259.82
5 Treas SCORE Program	\$ 468,140.17	12%	12%	\$ 3,984.53	\$ 3,984.53	\$ 3,984.53	\$ 3,984.53	\$ 3,984.53	\$ 3,984.53	\$ 15,938.23	\$ 1,062.51	\$ 22,000.74	\$ 21,738.72
6 Small Commercial Solutions Program	\$ 458,711.86	12%	12%	\$ 3,908.23	\$ 3,908.23	\$ 3,908.23	\$ 3,908.23	\$ 3,908.23	\$ 3,908.23	\$ 15,938.23	\$ 1,062.51	\$ 22,000.74	\$ 21,738.72
7 Residential Solutions Program	\$ 1,150,000.00	15%	15%	\$ 9,666.67	\$ 9,666.67	\$ 9,666.67	\$ 9,666.67	\$ 9,666.67	\$ 9,666.67	\$ 39,666.67	\$ 2,644.44	\$ 52,333.33	\$ 51,688.89
8 Solar PV Program	\$ 216,214.27	15%	15%	\$ 1,818.45	\$ 1,818.45	\$ 1,818.45	\$ 1,818.45	\$ 1,818.45	\$ 1,818.45	\$ 7,273.82	\$ 484.92	\$ 10,000.00	\$ 9,815.08
9 Solar Water Heating Program	\$ 216,214.27	15%	15%	\$ 1,818.45	\$ 1,818.45	\$ 1,818.45	\$ 1,818.45	\$ 1,818.45	\$ 1,818.45	\$ 7,273.82	\$ 484.92	\$ 10,000.00	\$ 9,815.08
10 Appliance Recycling Program	\$ 181,185.00	5%	5%	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 6,039.52	\$ 402.63	\$ 8,000.00	\$ 7,897.37
11 Appliance Recycling Program	\$ 181,185.00	5%	5%	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 6,039.52	\$ 402.63	\$ 8,000.00	\$ 7,897.37
12 Appliance Recycling Program	\$ 181,185.00	5%	5%	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 6,039.52	\$ 402.63	\$ 8,000.00	\$ 7,897.37
13 Appliance Recycling Program	\$ 181,185.00	5%	5%	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 6,039.52	\$ 402.63	\$ 8,000.00	\$ 7,897.37
14 Appliance Recycling Program	\$ 181,185.00	5%	5%	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 6,039.52	\$ 402.63	\$ 8,000.00	\$ 7,897.37
15 Appliance Recycling Program	\$ 181,185.00	5%	5%	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 1,509.88	\$ 6,039.52	\$ 402.63	\$ 8,000.00	\$ 7,897.37
Portfolio Total	\$ 3,956,994.87	100%	100%	\$ 35,991.41	\$ 35,991.41	\$ 35,991.41	\$ 35,991.41	\$ 35,991.41	\$ 35,991.41	\$ 257,051.00	\$ 60,068.70	\$ 376,890.74	\$ 375,873.68

Other Costs to be Allocated Among All Programs		Enter Blue Cells Manually, Green Will Auto-calculate if Step 1 completed:	
1 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
2 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
3 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
4 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
5 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
6 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
7 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
8 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
9 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
10 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
11 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
12 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
13 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
14 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		
15 Bonus for Cost Effectiveness (Bonus collected during the yr)	\$ 257,051.00		

Program Year 2014			
Energy Efficiency Performance Bonus Calculator *			
	kW	kWh	
Demand and Energy Goals	11,160	19,552,320	
Actual Demand and Energy Savings	13,389	22,811,273	
Reported/Verified Hard-to-Reach	723		
Program Costs (excluding bonus)	\$4,335,886		
Performance Bonus	\$1,012,131		
6%	Hard-to-Reach Goal Met?		
120%	Bonus Calculation Details		
117%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)		
TRUE	Percentage of Energy Reduction Goal Met (Reported kWh/Goal kWh)		
\$14,470,475	Met Requirements for Performance Bonus?		
\$4,335,886	Total Avoided Costs		
\$10,134,589	Total Program Costs (excluding bonus)		
\$1,012,131	Net Benefits		
\$1,013,459	Calculated Bonus (((Achieved Demand Reduction/Demand Goal - 100%) / 2) * Net Benefits)		
	Maximum Bonus Allowed (10% of Net Benefits)		

* Numbers shown on PDF Version are whole numbers, see workpapers for actual calculations

DOCKET NO. 44677

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

DIRECT TESTIMONY OF

RENE F.GONZALEZ

FOR

EL PASO ELECTRIC COMPANY

MAY 1, 2015

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EXHIBITS

Exhibit RFG-1	2016 EECRF Calculations
Exhibit RFG-2	2016 EECRF Tariff
Exhibit RFG-3	2016 EECRF Comparison
Exhibit RFG-4	2016 Regulatory Cap Calculation

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Rene F. Gonzalez. My business address is 100 North Stanton Street,
El Paso, Texas, 79901.

Q. HOW ARE YOU EMPLOYED?

A. I am employed by El Paso Electric Company ("EPE") as a Staff Finance Analyst for
Economic and Rate Research.

**Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND BUSINESS
BACKGROUND.**

A. I was employed by EPE in October 2012 in Economic and Rate Research as an
Associate Rate Analyst. In November of 2014 I earned a progressive promotion to
Staff Financial Analyst.

I graduated from the University of Texas at El Paso with a Bachelor of
Business Administration with a double major in Economics and Finance in 2005.
After graduation, I joined ADP (Automatic Data Processing) as an Account Executive
in the Insurance Services Division, specializing in the sale of Workers Compensation
Insurance, and later transferred and worked as a Retention Specialist for the same
division. In 2010, I obtained a position working for the City of El Paso as a
Procurement Analyst in the Purchasing Department, where I worked until I obtained
the position with El Paso Electric.

Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES WITH EPE.

1 **A.** As a Financial Analyst in the Economic and Rate Research group, I am responsible
2 for rate, bill and customer analyses. I am also responsible for annualization,
3 jurisdictional and class cost of service studies, and the filing of the quarterly Federal
4 Energy Regulatory Commission ("FERC") Electric Quarterly Report ("EQR").
5

6 **Q. ARE YOU SPONSORING ANY EXHIBITS IN THIS FILING?**

7 **A.** Yes, I am sponsoring the following Exhibits;

8 Exhibit RFG-1 2016 EECRF Calculations

9 Exhibit RFG-2 2016 EECRF Tariff

10 Exhibit RFG-3 2016 EECRF Comparison

11 Exhibit RFG-4 2016 Regulatory Cap Calculation
12

13 **Q. WERE THE ATTACHED EXHIBITS PREPARED BY YOU OR UNDER**
14 **YOUR SUPERVISION?**

15 **A.** Yes, they were.
16

17 **Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE UTILITY**
18 **REGULATORY BODIES?**

19 **A.** No, I have not.
20

21 **II. PURPOSE OF TESTIMONY**

22 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

23 **A.** The purpose of my direct testimony is to present and support the Company's request
24 to revise its Energy Efficiency Cost Recovery Factor ("EECRF") for 2016. In my

1 testimony, I provide a summary of the relief sought by EPE and the costs to be
2 included in EPE's revised EECRF pursuant to the requirements of PUC SUBST.
3 R. 25.181(f). I also support the calculation of EPE's revised EECRF rates for the
4 billing period January 1 through December 31, 2016, based on an allocation of energy
5 efficiency costs among the customer classes.

6 I discuss the impacts on EPE's filing of the cost caps provided by PUC
7 SUBST. R. 25.181(f), and I present EPE's proposal to recover costs that would enable
8 EPE to achieve demand and energy savings for 2016 at the same level as was
9 necessary to meet EPE's goal for 2011 through 2015.

10
11 **III. REQUIREMENT TO ADJUST EECRF FOR 2016**

12 **Q. WHAT IS THE PURPOSE OF THE EECRF TARIFF?**

13 **A.** The purpose of the EECRF tariff is to allow EPE to recover its proposed energy
14 efficiency program costs, net of any energy efficiency costs included in base rates, the
15 energy efficiency performance incentive amount earned for the most recent complete
16 program year, any adjustment for past over- or under-recovery of authorized energy
17 efficiency revenues, the prior year's EECRF ratemaking proceeding expenses, and
18 costs associated with Evaluation, Measurement and Verification ("EM&V") of energy
19 efficiency programs.

20 EPE's total energy efficiency costs are recovered through an energy charge
21 applicable to all non-transmission voltage level customer classes except the Private
22 Area Lighting Service class. In addition, for customers taking Interruptible Power
23 Service, only that portion of their requirements designated as firm service is subject to
24 the EECRF.

1 The EECRF rates are calculated for each rate class based on the aggregate
2 amount of costs allocated to the class divided by the projected 2016 kWh at the meter
3 for the class. PURA § 39.905(b)(4) provides that the EECRF should "ensur[e] that
4 the costs associated with programs provided under this section are borne by the
5 customer classes that receive the services under the programs." EPE's rate design for
6 EECRF ensures that only the customer classes that participate under the energy
7 efficiency programs pay the EECRF. The calculation of EPE's proposed EECRF for
8 2016 is shown in Exhibit RFG-1.

9
10 **Q. WHY IS EPE FILING THIS REQUEST TO ADJUST ITS EECRF FOR THE**
11 **2016 PROGRAM YEAR?**

12 **A.** EPE is filing to adjust the EECRF to ensure recovery of its reasonable costs of
13 providing energy efficiency programs pursuant to PUC SUBST. R. 25.181 (the
14 "Rule"). The Rule requires that a utility with an EECRF apply each year to adjust its
15 EECRF in order to reflect changes in program and administrative costs, a true-up of
16 the prior program year's over- or under-recovery of energy efficiency expenses, any
17 performance incentive earned based on the utility's previous year's energy efficiency
18 program performance, administrative expenses and the cost of EM&V allocated to the
19 utility by the Commission. The Rule also allows recovery through the EECRF of the
20 prior year's EECRF proceeding expenses.

21

1 **IV. EPE'S PROPOSED 2016 EECRF**

2 **Q. WHAT ARE THE TOTAL RECOVERABLE ENERGY EFFICIENCY**
3 **EXPENSES THAT EPE IS SEEKING TO RECOVER IN THE PROPOSED**
4 **2016 EECRF?**

5 **A.** Based on the 2016 energy efficiency program costs described by EPE witness
6 Susanne E. Stone, EPE is seeking to recover \$5,505,457 through its 2016 EECRF.
7 That amount includes the following:

- 8 • EPE's 2016 Total Proposed Energy Efficiency Program Budget of \$4,384,650;
- 9 • EPE's 2014 Energy Efficiency Performance Incentive amount of \$1,012,131;
- 10 • EPE's prior year (2014) EECRF proceeding expenses of \$181,470;
- 11 • A true-up adjustment, by rate class, of EPE's net over-recovery for 2014 of
12 \$106,636; and
- 13 • EM&V costs of \$33,842 for program year 2016.

14
15 **Q. ARE ANY OF THESE COSTS OR ANY OTHER COSTS ASSOCIATED**
16 **WITH EPE'S ENERGY EFFICIENCY PROGRAMS RECOVERED IN BASE**
17 **RATES?**

18 **A.** No, EPE recovers all costs directly associated with its Energy Efficiency programs
19 through the EECRF.
20

21 **Q. HOW DO THESE COSTS COMPARE TO THOSE THAT EPE SOUGHT TO**
22 **RECOVER THROUGH THE EECRF FOR 2015?**

1 **A.** Pursuant to the Commission's Final Order in Docket No. 42449, EPE's 2015 EECRF
2 was designed to recover \$6,686,707. EPE's request for 2016 total recoverable energy
3 efficiency costs is 17.7% less than the amount included in 2015 EECRF rates.

4
5 **Q. WHAT ACCOUNTS FOR THE DECREASE IN TOTAL RECOVERABLE**
6 **ENERGY EFFICIENCY COSTS RELATIVE TO THOSE AUTHORIZED**
7 **FOR THE 2015 EECRF?**

8 **A.** The following factors contribute to the change in total energy efficiency program
9 costs for 2016. First, the requested 2014 performance incentive of \$1,012,131, as
10 described more fully in EPE witness Stone's testimony, is lower than the authorized
11 amount for 2015 of \$2,035,783. Second, Docket No. 42449 incorporated the prior
12 year's (2013) under-recovery of \$82,871, increasing the total amount to be recovered
13 in the 2015 EECRF. The 2016 EECRF proposed here includes the return of an over-
14 collection for 2014 based on the difference between energy efficiency costs
15 authorized for 2014 and those actually recovered through the EECRF in 2014 of
16 \$106,636. This represents a net difference (resulting in a relatively lower rate) in
17 total EECRF revenues between 2015 and 2016 of \$189,507. Finally, there is a
18 difference attributable to the EM&V costs recovered in the EECRF. EM&V costs are
19 statewide costs that are allocated among utilities. Each utility has been directed to
20 pay these costs, including EPE. The 2015 EECRF included an EM&V cost of
21 \$99,722 attributable to the review of EPE's energy efficiency program year 2014.
22 Based on the expected allocated program year 2016 costs, as addressed in more detail
23 by EPE witness Stone, EPE has included \$33,842 of EM&V costs in the 2016

1 EECRF, attributable to the review of EPE's program year 2015. This represents a
2 reduction from the 2015 EECRF of \$65,880.

3 Slightly offsetting these three factors, the 2014 EECRF proceeding expenses
4 of \$181,470 that EPE proposes be recovered through the 2016 EECRF exceed the
5 \$83,681 approved for 2015 by \$97,789.

6
7 **Q. WHAT ARE THE TOTAL PROJECTED ENERGY EFFICIENCY PROGRAM**
8 **COSTS EPE IS SEEKING TO RECOVER IN THE 2016 EECRF?**

9 **A.** EPE is seeking to recover total projected 2016 program costs of \$4,384,650, as filed
10 in EPE's 2015 Energy Efficiency Plan and Report ("EEPR") with the Commission
11 April 1, 2015. The EEPR is attached as Exhibit SES-01 to EPE witness Stone's
12 testimony, and the breakdown of individual program costs is summarized in Table 6
13 of that Exhibit.

14
15 **Q. PLEASE EXPLAIN HOW THE PROPOSED OVER-RECOVERY TRUE-UP**
16 **WAS CALCULATED?**

17 **A.** The 2014 over-recovery amount of \$106,636 is based on the difference between the
18 actual amount of program costs incurred from January to December 2014, which is
19 the period during which EPE's 2014 EECRF was in effect, and the amount of revenue
20 recovered through the 2014 EECRF for each rate class for the same period. As
21 reported in the EEPR (EPE witness Stone's Exhibit SES-01, Table 13), the total costs
22 for 2014 were \$3,914,178. The total revenue collected under the authorized 2014

1 EECRF was \$4,020,814, which results in a total system over-recovery of \$106,636
2 for the 2014 program year.

3 The contribution of each rate class to the total over-collection is returned to
4 that class in the proposed 2016 EECRF. As shown in Exhibit RFG-1, page 4, when
5 considered on a per-class basis, this net over-recovery consists of both over- and
6 under-recovery of actual expenses.

7
8 **Q. HOW WAS THE PROPOSED EECRF DETERMINED USING 2016**
9 **PROJECTED BILLING UNITS?**

10 **A.** The total energy efficiency costs associated with the 2016 EECRF, consisting of the
11 proposed 2016 energy efficiency program costs, including incentives and
12 administration, EM&V, the prior year's EECRF proceeding costs, and the 2014
13 performance incentive, are first allocated to each rate class. These costs are then
14 adjusted for the 2014 over-recovery for each rate class. The total costs by rate class
15 are then divided by 2016 projected kWh sales for that rate class to produce the
16 EECRF.

17 As described by EPE witness Stone, 2016 program incentives, administrative
18 costs, and EM&V costs are allocated to rate classes based on expected participation
19 levels. The 2014 EECRF proceeding costs and the calculated 2014 performance
20 incentive are allocated to rate classes based on actual program costs experienced in 2014.

21
22 **Q. WHAT BILLING DETERMINANTS DID EPE USE TO CALCULATE THE**
23 **PROPOSED 2016 EECRF?**

1 **A.** EPE utilized projected 2016 kWh sales by rate class based on EPE's 2015 Long Term
2 and Budget Year Forecast (dated April 1, 2015), as shown in Exhibit RFG-1.

3

4 **Q. DOES EPE CALCULATE OR ESTIMATE SYSTEM LOSSES FOR**
5 **PURPOSES OF CALCULATING THE PROPOSED 2016 EECRF?**

6 **A.** No. The forecasted 2016 kWh sales utilized in calculating the EECRF proposed
7 herein are developed at the meter, and no adjustment for losses is required.

8

9 **Q. HAVE YOU INCLUDED THE PRIOR YEAR BILLING DETERMINANTS IN**
10 **THIS FILING?**

11 **A.** Yes, the 2014 billing determinants are included in Workpaper RFG-1.

12

13 **Q. IS EPE PROPOSING TO COMBINE ANY RATE CLASSES AS ALLOWED**
14 **UNDER THE RULE?**

15 **A.** No, EPE is not proposing to combine any rate classes for purposes of establishing the
16 EECRF rates for 2016 in this proceeding.

17 In EPE's EECRF proceeding for the 2015 program year, EPE requested a
18 good cause exception to combine rate classes that receive similar services under the
19 same energy efficiency programs, as provided for in PUC SUBST. R. 25.181(f)(2).
20 The combination of the Cotton Gin Service and the Cogeneration Service rate classes
21 was approved in the Final Order in that proceeding. Docket No. 42449.

22 For 2016, EPE is proposing a different methodology for the allocation of
23 program costs to rate classes, as described by EPE witness Stone in her testimony.

EPE allocates program costs for 2016 based on historical participation rates of the individual rate classes, adjusted for other known or expected changes in either customer preferences or program requirements. Based on this approach, EPE is not assigning 2016 program costs to either the Cotton Gin Service or Cogeneration Service rate classes, and combination of those classes is no longer necessary.

Q. HAVE YOU PROVIDED A PROPOSED EECRF TARIFF?

A. Yes. EPE's tariff showing proposed 2016 EECRF is provided as Exhibit RFG-2 to this testimony, and is included with EPE's Application as Attachment A.

Q. HOW DO THE PROPOSED EECRF RATES COMPARE TO THE CURRENT EECRF RATES?

A. A comparison of the proposed 2016 EECRF and authorized 2015 program year EECRF is included in Exhibit RFG-3 and summarized in Table 1 below.

Table 1 EECRF Comparison (\$ kWh)			
Rate Class	2015 EECRF	Proposed 2016 EECRF	Change
Residential Service	0.001185	0.000998	(0.000187)
Small Commercial Service	0.002823	0.001481	(0.001342)
Outdoor Recreational Lighting	0.000313	(0.000409)	(0.000722)
Governmental Street Lighting Service	(0.000046)	0.007801	0.007847
Municipal Pumping Service	0.000653	(0.000834)	(0.001487)
Water Heating Service	(0.000454)	(0.000493)	(0.000039)
Irrigation Service	0.000839	(0.000808)	(0.001647)
General Service	0.000757	0.001163	0.000406
Large Power Service - Sec. Pri.	0.001887	0.001205	(0.000682)
Cotton Gin Service	(0.000494)	0.002224	0.002718
City County Service	0.003576	0.001433	(0.002143)
University Service	0.001887	0.001977	0.000090
Cogeneration	(0.000494)	(0.002680)	(0.002186)

1 **Q. WHAT CAUSES THE CHANGE IN EECRF TO VARY BY RATE CLASS?**

2 **A.** EPE is proposing substantially the same total program budget for 2016 as was
3 adopted for 2015 in Docket No. 42449. However, there are differences in proposed
4 program budgets by rate class as a result of the proposed change in allocation
5 methodology. Whereas 2015 program costs were allocated to rate classes based on a
6 combined demand/energy allocator, 2016 program costs are assigned based on EPE's
7 expectations as to levels of program participation for the class. One rate class for
8 which this impact is notable is Governmental Street Lighting Service. Based on the
9 prior methodology, only a small portion of the 2014 program budget was allocated to
10 this class due to its low demand and energy consumption reflected in the allocator.
11 However, participation by the City of El Paso in the Commercial SOP program for
12 LED streetlight retrofits resulted in an under-collection of \$114,537 in 2014. This
13 makes up the bulk of the 2016 EECRF for this class.

14 The largest change in non-incentive expenses is the decrease relative to 2015
15 in the requested performance incentive. The impact of this change varies by class
16 (based on actual program expenses in 2014), but generally represents a decrease for
17 classes over the incentive amount approved for the 2015 EECRF.

18 The bulk of the remaining variation in EECRF from 2015 to the proposed
19 2016 rate is the result of a change in the over- or under collected condition of cost
20 recovery. The 2015 EECRF rates adopted by Final Order in Docket No. 42449 were
21 designed to collect a prior year under-recovery of \$82,871 associated with the 2013
22 program year. The EECRF rates proposed herein include an over-recovery for 2014
23 programs of \$106,636, based on actual EECRF expenditures for the 2014 program

year. The net impact is a relative change of \$189,507. The effect of the change in this portion of the EECRF varies between classes.

Q. HOW MUCH DO THE ENERGY EFFICIENCY PROGRAM COSTS, THE PERFORMANCE INCENTIVE, THE PRIOR YEAR EECRF PROCEEDING COST, THE OVER OR UNDER RECOVERY, AND EM&V COSTS CONTRIBUTE TO THE EECRF AS PROPOSED?

A. The contribution of the individual components to each rate class' total EECRF is shown in Exhibit RFG-3, including the magnitude and percent contribution to the total change for each class from 2015 to 2016. This exhibit shows the impact, by class, of changes in the amounts recovered in the EECRF and the impact of each on the total rate. The Residential class component breakout is shown in Table 2 below.

Table 2
Residential Service - EECRF Comparison

	Authorized 2015 EECRF	Proposed 2016 EECRF	Total Change	Percent Change	Percent Contribution to Total Change
Forecasted MWh Sales	2,093,851	2,082,645	(11,207)	-0.5%	
Proposed Program Budget	\$ 1,566,570	\$ 1,497,082	\$ (69,488)	-4.4%	17.3%
	0.000748	0.000719	0.000201		
Energy Efficiency Bonus	\$ 768,199	\$ 398,802	\$ (369,397)	48.1%	91.7%
	0.000367	0.000191	0.000296		
Total EECRF Proceeding Expenses	\$ 31,577	\$ 71,503	\$ 39,926	126.4%	-9.9%
	0.000015	0.000034	(0.000018)		
(Over)/Under Recovery	\$ 81,795	\$ 98,260	\$ 16,465	20.1%	-4.1%
	0.000039	0.000047	(0.000008)		
EM&V Expenses	\$ 32,316	\$ 12,189	\$ (20,127)	-62.3%	5.0%
	0.000015	0.000006	0.000009		
Total Energy Efficiency Costs to be Recovered	\$ 2,480,458	\$ 2,077,837	\$ (402,621)	-16.2%	100.0%
	0.001185	0.000998	(0.000187)		

1 For Residential Service customers, the decrease in allocated performance incentive
2 accounts for the bulk of the 16 percent decrease in the EECRF.

3
4 **Q. HOW DOES THE EECRF, AS PROPOSED, AFFECT A TYPICAL EPE**
5 **RESIDENTIAL CUSTOMER?**

6 **A.** The EECRF for the Rate 01 - Residential Service class as proposed for 2016 is
7 \$0.000998 per kWh. Based on an average usage of 600 kWh per month, a typical
8 residential customer will pay an EECRF charge in 2016 of \$0.60 per month. During
9 2015, the EECRF for residential customers is \$0.001185, and the comparable charge
10 for 600 kWh of usage was \$0.71 per month. This represents a 15.5% decrease in the
11 EECRF applicable to the average residential customer, a decrease of \$0.11 cents per
12 month or about a 0.15 percent decrease in a residential customer's current average
13 summer monthly bill of \$74.

14
15 **V. EPE'S REQUEST TO ESTABLISH REVISED COST CAP**

16 **Q. DO THE COMMISSION'S RULES PROVIDE FOR A LIMITATION ON THE**
17 **EXPENDITURES A UTILITY MAY RECOVER FOR ENERGY**
18 **EFFICIENCY PROGRAMS?**

19 **A.** Yes. PUC SUBST. R. 25.181(f)(7) sets cost caps on the amount that can be charged to
20 a customer for recovery of costs related to Energy Efficiency on a per kWh basis.
21 Subsection (E) states that for the 2014 program year and thereafter, the residential and
22 commercial cost caps shall be calculated to be the prior period's cost caps increased
23 by a rate equal to the most recently available calendar year's percentage change in the

1 South urban consumer price index ("CPI-U"), as determined by the Federal Bureau of
2 Labor Statistics.

3
4 **Q. WHAT IS THE COST CAP THAT IS APPLICABLE TO EPE FOR THE 2016**
5 **PROGRAM COSTS?**

6 **A.** For the 2016 program costs, the 2015 cost caps of \$0.001244 per kWh for residential
7 customers and \$0.000778 per kWh for commercial customers (pursuant to the Rule)
8 are adjusted based on the most recently available calendar year's percentage change
9 in the CPI-U percent. From calendar year 2013 to calendar year 2014, the change in
10 CPI-U is 1.69%. With this adjustment, the 2016 cost cap applicable to EPE for
11 residential customers is \$0.001265 per kWh, and for commercial customers, it is
12 \$0.000791 per kWh.

13
14 **Q. HOW DOES THE TOTAL OF EPE'S 2016 EECRF COSTS THAT ARE**
15 **SUBJECT TO THE CAPS FOR THE RESIDENTIAL AND COMMERCIAL**
16 **CUSTOMER GROUPS COMPARE TO THE REGULATORY COST CAP?**

17 **A.** EPE's 2016 EECRF costs that are subject to the cost cap for the residential customer
18 group would result in an EECRF charge of \$0.000949 per kWh, which is below the
19 cost cap for 2016 of \$0.001265 per kWh. However, the commercial customer group
20 is above the 2016 cost cap of \$0.000791 per kWh because EPE's 2016 EECRF costs
21 that are subject to the cap would result in an EECRF charge of \$0.001111 per kWh.
22 Calculation of the cost caps and a comparison to energy efficiency costs subject to the
23 cap are shown in Exhibit RFG-4.

1 **Q. WHAT IS THE COMMISSION RULE REGARDING REVISING THE**
2 **ENERGY EFFICIENCY COST CAPS?**

3 **A. P.U.C. SUBST. R. 25.181(e)(2) states in part:**

4 The commission may establish for a utility ...an EECRF greater than
5 the cap specified in subsection(f)(7) of this section if the utility
6 demonstrates that compliance with that ... EECRF cost cap is not
7 reasonably possible and that good cause supports the ...higher EECRF
8 cost cap. To be eligible for a ... higher EECRF cost cap, the utility
9 must request a good cause exception as part of its EECRF application.
10 If approved, the good cause exception is limited to the program year
11 associated with the EECRF application.
12

13 **Q. IS EPE REQUESTING THAT THE COMMISSION REVISE THE COST CAP**
14 **FOR COMMERCIAL CUSTOMERS?**

15 **A. Yes. EPE requests that the Commission establish a revised cost cap for commercial**
16 service customers so that EPE can maintain its existing programs with the same level
17 of funding and demand savings goals that were set for 2011 through 2015.
18

19 **Q. IN YOUR OPINION, IS THERE GOOD CAUSE FOR THE COMMISSION**
20 **TO ESTABLISH A REVISED COST CAP FOR EPE? IF SO, WHY?**

21 **A. Yes. As stated by EPE witness Stone, EPE has met its goals and can continue with**
22 the same goal as in previous years by utilizing funds in the most productive manner.
23 A requirement that EPE maintain allocated costs at or below the commercial cap
24 established pursuant to the Rule would necessitate either a lower overall goal or
25 revisions to EPE's programs in order to reduce the allocation of costs to commercial
26 customers. This would have the effect of increasing the allocation of program costs
27 to the residential rate class and increasing the residential EECRF. It would be better

1 to continue with current programs as budgeted and not re-allocate funds to different
2 programs that may not perform as well as current programs. This would allow EPE
3 to still meet its 2016 goal. Additionally, the Commission has previously found merit
4 in this approach and approved revised cost caps for EPE in response to EPE's three
5 previous EECRF filings, most recently for the 2015 program year in Docket
6 No. 42449.

7
8 **VI. CONCLUSION**

9 **Q. UNDER EPE'S PROPOSAL, IS THE EECRF APPROPRIATELY DESIGNED,**
10 **CALCULATED AND ALLOCATED TO RATE CLASSES IN ACCORDANCE**
11 **WITH THE REQUIREMENTS OF PURA § 39.905 AND PUC**
12 **SUBST. R. 25.181?**

13 **A.** Yes. The EECRF is designed consistent with the requirements of the Rule, with all
14 revenues, excepting 2016 program costs, allocated to classes consistent with the
15 methods previously approved in Docket No. 42449. EPE's proposed assignment of
16 costs to rate groups based on experience and historical participation rates is a
17 reasonable approach and should reduce over- or under-collections of program costs in
18 subsequent proceedings.

19
20 **Q. IS THE REVISED CAP COST EPE IS PROPOSING REASONABLE?**

21 **A.** Yes. EPE is requesting the cap for commercial customers be revised to allow the
22 continuation of EPE's existing programs at the current level and permit the
23 continuation of an overall effective energy efficiency program portfolio.

1 **Q.** **DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

2 **A.** Yes, it does.

EL PASO ELECTRIC COMPANY
EPE's Rate Calculation for
2016 Energy Efficiency Cost Recovery Factor (EECRF)
Applicable January through December 2016

Line No.	Applicable Rate	Rate Class	2016 Projected Metered kWh	2016 Proposed Program Budget	2014 Energy Efficiency Bonus	2014 Total EECRF Proceeding Expenses	2014 (Over/Under) Recovery	2016 FM&V Expenses	Total Energy Efficiency Costs to be Recovered	2016 Total Rate per kWh
1	01	Residential Service	2 082,644,722	1 487 082	398 802	71 503	98 260	12 189	2 077 837	0 000998
2	02	Small Commercial Service	254 091 638	250 744	52 612	9 433	61 490	1 964	376 243	0 001481
3	07	Outdoor Recreational Lighting	5 255 011	-	-	-	(2 149)	-	(2 149)	(0 000409)
4	08	Governmental Street Lighting Service	18 550 943	-	25 583	4 587	114 537	-	144 707	0 007801
5	11	Municipal Pumping Service	182,279,799	15 920	1,122	201	(169 333)	134	(151,955)	(0 000834)
6	15	Electrolytic Refining Service	-	-	-	-	-	-	-	-
7	21	Water Heating Service	12 486 462	-	-	-	(6 157)	-	(6 157)	(0 000493)
8	22	Irrigation Service	5 645 849	-	-	-	(4 563)	-	(4 563)	(0 000808)
9	24	General Service	1 520 047 278	1 687 562	298 423	53 506	(297 023)	14 910	1 767 378	0 001163
10	25	Large Power Service - Sec Pri	611 311,640	567 393	139 859	25 076	2 655	1 538	736 521	0 001205
11	25T	Large Power Service- Trans	-	-	-	-	-	-	-	-
12	26	Petroleum Refining Service	-	-	-	-	-	-	-	-
13	28	Private Area Lighting	-	-	-	-	-	-	-	-
14	30	Electric Furnace Service	-	-	-	-	-	-	-	-
15	31	Military Reservation Service	-	-	-	-	-	-	-	-
16	34	Cotton Gin Service	1 089 512	-	-	-	2 379	-	2 379	0 002224
17	38	Interruptible Service	-	-	-	-	-	-	-	-
18	41	City / County Service	311 193 936	283 481	75 448	13 528	70 895	2 469	445 821	0 001433
19	43	University Service	61 358 084	72 468	20 280	3 636	24 304	639	121 327	0 001977
20	46/47	Cogeneration	720,394	-	-	-	(1,931)	-	(1,931)	(0 002680)
21		Texas Total	5 066 655 268	4 384 650	1 012 131	181 470	(106 636)	33 842	5 505 457	0 001087

EL PASO ELECTRIC COMPANY
EPE's Rate Calculation for
2016 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of 2016 Proposed Energy Efficiency Budget

Line No	Program	2016 Proposed EE Budget	01 Residential Service	02 Small Commercial Service	11 Municipal Pumping Service	24 General Service	25 Large Power Service - Sec Pri.	41 City / County Service	43 University Service	Total
1	Commercial SOP	\$ 342,000	-	32,661	-	309,339	-	-	-	342,000
2	Small Commercial Solutions MTP	461,115	-	184,630	-	276,485	-	-	-	461,115
3	Large C&I Solutions MTP	1,005,396	-	20,410	15,584	801,702	92,295	75,405	-	1,005,396
4	Texas SCORE MTP	415,569	-	4,197	-	135,226	3,117	202,091	70,938	415,569
5	Load Management SOP	460,000	-	-	-	-	460,000	-	-	460,000
6	Commercial Rebate Pilot MTP	94,995	-	-	-	94,995	-	-	-	94,995
7	Residential Solutions MTP	230,000	230,000	-	-	-	-	-	-	230,000
8	Living Wise MTP	346,346	346,346	-	-	-	-	-	-	346,346
9	Appliance Recycling MTP	289,125	289,125	-	-	-	-	-	-	289,125
10	Hard To Reach Solutions MTP	600,000	600,000	-	-	-	-	-	-	600,000
11	Total Program Incentives	\$ 4,244,546	1,465,471	241,898	15,584	1,617,747	555,412	277,496	70,938	4,244,546
12	Commercial SOP Administration	\$ 38,000	-	3,629	-	34,371	-	-	-	38,000
13	Commercial Rebate Pilot MTP Administration	10,555	-	-	-	10,555	-	-	-	10,555
14	Total Direct Administration	\$ 48,555	-	3,629	-	44,926	-	-	-	48,555
15	Administration Expenses	91,549	31,611	5,217	336	34,889	11,981	5,985	1,530	91,549
16	Total Program Budget	\$ 4,384,650	1,497,082	250,744	15,920	1,697,562	567,393	283,481	72,468	4,384,650

* No program allocation to non-participating rate classes Outdoor Recreational Lighting, Governmental Street Lighting, Electrolytic Refining Service, Water Heating Service, Irrigation Service, Large Power Transmission Service, Petroleum Refining Service, Private Area Lighting, Electric Furnace Service, Military Reservation Service, Cotton Gin Service, Cogeneration, or Interruptible Service.

EL PASO ELECTRIC COMPANY
 EPE's Rate Calculation for
 2016 Energy Efficiency Cost Recovery Factor (EECRF)
 2014 Energy Efficiency Bonus and Proceeding Expenses Allocation Based on 2014 Program Costs

Exhibit RFG-1
 Page 3 of 5

Line No.	Rate	Applicable Rate	Rate Class	Actual 2014 EE Program Costs	2014 EE Bonus	2014 EPE EECRF Proceeding Expenses	2014 Municipal EECRF Proceeding Expenses	2014 Total EECRF Proceeding Expenses
1	01	01	Residential Service	\$ 1,597,641	\$ 398,802.49	\$ 47,835	\$ 23,668	\$ 71,503
2	02	02	Small Commercial Service	210,770	52,612	6,311	3,122	9,433
3	07	07	Outdoor Recreational Lighting	-	-	-	-	-
4	08	08	Governmental Street Lighting Service	102,488	25,583	3,069	1,518	4,587
5	11	11	Municipal Pumping Service	4,497	1,122	135	67	201
6	15		Electrolytic Refining Service	-	-	-	-	-
7	21	21	Water Heating Service	-	-	-	-	-
8	22	22	Irrigation Service	-	-	-	-	-
9	24	24	General Service	1,195,512	298,423	35,795	17,711	53,506
10	25	25	Large Power Service - Sec. Pri.	560,290	139,859	16,776	8,300	25,076
11	25T		Large Power Service- Trans.	-	-	-	-	-
12	26		Petroleum Refining Service	-	-	-	-	-
13	28		Private Area Lighting	-	-	-	-	-
14	30		Electric Furnace Service	-	-	-	-	-
15	31		Military Reservation Service	-	-	-	-	-
16	34	34	Cotton Gin Service	-	-	-	-	-
17	38		Interruptible Service	-	-	-	-	-
18	41	41	City / County Service	302,254	75,448	9,050	4,478	13,528
19	43	43	University Service	81,244	20,280	2,433	1,204	3,636
20	46/47	46/47	Cogeneration	-	-	-	-	-
21			Totals	\$ 4,054,694	\$ 1,012,131	\$ 121,402	\$ 60,068	\$ 181,470
2014 Energy Efficiency Bonus Adjusted				\$	1,012,131			

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2016 Energy Efficiency Cost Recovery Factor (EECRF)
2014 Energy Efficiency Cost Recovery Factor Collections
and Energy Efficiency Costs By Rate Class for January through December 2014

Line No	Rate	Applicable Rate	Rate Class	2014 EECRF Collections	Actual 2014 EE Program Costs	2013 and 2014 EM&V Costs (PY2012 & PY2013 Review)	2012 EE Bonus	2012 EECRF Proceeding Costs	2012 (Over) / Under Recovery	Authorized 2014 (Over) / Under Recovery
1	01	01	Residential Service	\$ 1,468,116	\$ 1,597,641	\$ 52,928	\$ 126,738	\$ 16,689	\$ (227,622)	\$ 98,260
2	02	02	Small Commercial Service	485,343	210,770	9,714	23,133.41	3,845	299,371	61,490
3	07	07	Outdoor Recreational Lighting	1,231	-	-	-	-	(918)	(2,149)
4	08	08	Governmental Street Lighting Service	(2,163)	102,488	15,070	-	-	(5,183)	114,537
5	11	11	Municipal Pumping Service	37,560	4,497	217	-	-	(136,487)	(169,333)
6	15	15	Electrolytic Refining Service	-	-	-	-	-	-	-
7	21	21	Water Heating Service	(9,974)	-	-	-	-	(16,131)	(6,157)
8	22	22	Irrigation Service	2,921	-	-	-	-	(1,642)	(4,563)
9	24	24	General Service	961,589	1,195,512	75,001	74,298.15	11,344	(691,580)	(297,023)
10	25	25	Large Power Service - Sec Pri	628,829	560,290	7,401	7,316.01	4,846	51,631	2,655
11	25T	25T	Large Power Service- Trans	-	-	-	-	-	-	-
12	26	26	Petroleum Refining Service	-	-	-	-	-	-	-
13	28	28	Private Area Lighting	-	-	-	-	-	-	-
14	30	30	Electric Furnace Service	-	-	-	-	-	-	-
15	31	31	Military Reservation Service	-	-	-	-	-	-	-
16	34	34	Cotton Gin Service	2,661	-	-	-	-	5,041	2,379
17	38	38	Interruptible Service	-	-	-	-	-	-	-
18	41	41	City / County Service	381,747	302,254	15,012	25,564.97	4,404	105,407	70,895
19	43	43	University Service	61,013	81,244	4,073	-	-	-	24,304
20	46/47	46/47	Cogeneration	1,931	-	-	-	-	-	(1,931)
21			Totals	\$ 4,020,814	\$ 4,054,694	\$ 179,417	\$ 257,051	\$ 41,129	\$ (618,113)	\$ (106,636)

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2016 Evaluation, Measurement and Verification Expenses (EM&V)
Applicable January through December 2016

Program	Sector	2016 EM&V Expenses											Total
Large C&I Solutions MTP	Nonresidential	\$ 8,634.00	\$ -	\$ 175.27	\$ -	\$ 133.83	\$ 6,884.75	\$ 792.60	\$ 647.55	\$ -	\$ -	\$ 8,634.00	
Small Commercial Solutions MTP	Nonresidential	3,349.00	\$ -	1,340.94	\$ -	\$ -	2,008.06	\$ -	\$ -	\$ -	\$ -	3,349.00	
Commercial SOP	Nonresidential	4,288.00	\$ -	409.50	\$ -	\$ -	3,878.50	\$ -	\$ -	\$ -	\$ -	4,288.00	
Texas SCORE MTP	Nonresidential	3,745.00	\$ -	37.82	\$ -	\$ -	1,218.63	28.09	1,821.19	639.27	\$ -	3,745.00	
Load Management SOP	Nonresidential	717.00	\$ -	\$ -	\$ -	\$ -	\$ -	717.00	\$ -	\$ -	\$ -	717.00	
Rebate Pilot MTP	Nonresidential	920.00	\$ -	\$ -	\$ -	\$ -	920.00	\$ -	\$ -	\$ -	\$ -	920.00	
Residential Solutions MTP	Residential	4,105.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4,105.00	
LivingWise MTP	Residential	1,814.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,814.00	
Appliance Recycling MTP	Residential/Nonresidential	1,876.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,876.00	
Hard-to-Reach Solutions MTP	Hard-to-Reach	4,394.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4,394.00	
Total		\$ 33,842.00	\$ 12,189.00	\$ 1,963.53	\$ -	\$ 133.83	\$ 14,909.94	\$ 1,537.69	\$ 2,468.74	\$ 639.27	\$ -	\$ 33,842.00	

SCHEDULE NO. 97
ENERGY EFFICIENCY COST RECOVERY FACTOR

APPLICABILITY

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

Pursuant to PUCT §25.181(f), the EECRF allows the Company to recover the cost of energy efficiency programs from the customer classes that receive services under such programs.

TERRITORY

Texas Service Area

MONTHLY RATE

Rate No.	Description	Energy Efficiency Cost Recovery Factor (\$/kWh)	
01	Residential Service Rate	\$ 0.000998	(R)
02	Small Commercial Service Rate	\$ 0.001481	(R)
07	Outdoor Recreational Lighting Service Rate	(\$ 0.000409)	(R)
08	Governmental Street Lighting and Signal Service Rate	\$ 0.007801	(I)
11	Municipal Pumping Service Rate	(\$ 0.000834)	(R)
11-TOU	Time-Of-Use Municipal Pumping Service Rate	(\$ 0.000834)	(R)
WH	Water Heating	(\$ 0.000493)	(R)
22	Irrigation Service Rate	(\$ 0.000808)	(R)
24	General Service Rate	\$ 0.001163	(I)
25	Large Power Service Rate (excludes transmission)	\$ 0.001205	(R)
34	Cotton Gin Service Rate	\$ 0.002224	(I)
41	City and County Service Rate	\$ 0.001433	(R)
43	University Service Rate	\$ 0.001977	(I)
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	(\$ 0.002680)	(I)
47	Backup Power Service For Cogeneration And Small Power Production Facilities	(\$ 0.002680)	(I)

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Revision Number 6
Effective with bills issued on or
after January 1, 2016