



Control Number: 45675



Item Number: 20

Addendum StartPage: 0



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Ms. Lisa Clark
Commission Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, TX 78711

RE: Project No. 45675 – El Paso Electric Company 2016 Energy Plans and Report Pursuant to
P.U.C. SUBST. R. 25.181 and 25.183

Dear Ms. Clark:

On April 1, 2015, El Paso Electric Company (EPE) filed its 2015 Energy Efficiency Plan and Report. Subsequently, EPE filed a revised version of that report with an adjustment to the 2015 Actual Demand and Energy Savings and the 2015 Performance Bonus. Attached is the 2nd revised version of that report with an adjustment to the 2016 and 2017 Goal Metrics of 30% and 0.4% based on the five year average.

Attached please find a 2nd revised copy of the EPE 2015 Energy Efficiency Plan and Report. At the end of the 2nd revised report are the redline pages indicating the changes made to the revised report. If there are any questions regarding this filing of corrected information please contact me at 915-543-4354.

Respectfully submitted,

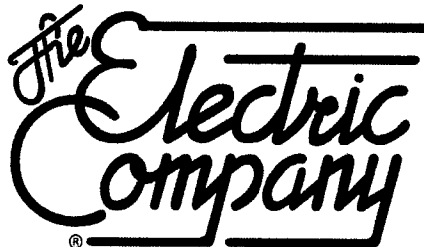
A handwritten signature in black ink, appearing to read "Curtis Hutcheson".

Curtis Hutcheson
Regulatory Case Manager

El Paso Electric Company
2016 Energy Efficiency Plan and Report
16 Texas Administrative Code §25.181 and §25.183

April 1, 2016
(Revised June 30, 2016)

Project No. 45675



El Paso Electric

INTRODUCTION

El Paso Electric Company (EPE or Company) presents this Energy Efficiency Plan and Report (EEPR) to comply with 16 Texas Administrative Code (TAC) §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, 16 TAC §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 reports EPE's achievements for 2015 and its projections for 2016 and 2017 as required by the EE Rule. The following section describes the information that is contained in each of the subsequent sections and appendices.

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

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

In order to reach the above-projected savings for 2016 and 2017, 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

- **Self-Delivered Program**
 - Commercial Rebate Pilot Program

EPE will continue its agreement with Frontier Associates LLC (Frontier) to assist with EPE's Commercial SOP and the Commercial Rebate Pilot Program.

EPE will continue its agreement with CLEAResult Consulting Inc. (CLEAResult) to implement EPE's Texas SCORE MTP and the four "Solutions" MTPs.

EPE will continue its agreement with Resource Action Programs to offer EPE's LivingWise® MTP.

B. Existing Programs

Commercial SOP

The Commercial SOP targets small and large commercial and industrial customers. The program pays incentives to qualified project sponsors or to 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 2016 and 2017.

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 program pays a cash incentive of \$400 per reduced kW 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. Also, this program assists customers in evaluating energy efficiency proposals from contractors. EPE plans to continue this program in 2016 and 2017. The Small Commercial Solutions Program will continue working with contractors and business owners to improve energy efficiency in the targeted market. This program will continue to expand outreach to active contractors and other building industry players to raise overall energy efficiency practices across the marketplace.

Large Commercial & Industrial 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 program pays a 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. The Large C&I Solutions Program also provides measurement and verification for projects, as necessary. EPE plans to continue this program in 2016 and 2017. The Large C&I Solutions MTP will continue its 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 promotes a structured process for 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 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. This program also helps these customers identify, prioritize, budget, and complete energy efficiency projects. A benchmarking analysis may be conducted depending upon the individual customer

Through this program, EPE identifies and enrolls teachers and sixth-grade students, providing them with a LivingWise® kit that contains energy saving 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 the teachers' existing schedules and requirements. The students 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 plans on continuing this program in 2016 and 2017 with a modified kit that includes two LED light bulbs replacing the three CFLs that were in the 2015 LivingWise® kit.

Hard-to-Reach Solutions MTP

The Hard-to-Reach Solutions MTP offers 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 of \$411 per reduced kW are paid to customers, through participating contractors, for eligible energy efficiency measures that are installed in residences. This program also provides non-cash incentives which include technical assistance and education on energy efficiency projects to participating contractors. In addition to capturing demand and energy savings, this program helps residential contractors improve their ability to identify, evaluate, and sell energy efficiency improvements to home owners. EPE plans to continue this program in 2016 and 2017.

C. *New Programs for 2016 and 2017*

EPE will not be implementing any new programs in 2016. However, EPE anticipates that, in 2017, the energy efficiency department will perform a study to evaluate the possibility of providing a residential and small commercial demand response program based on meter data that EPE expects will be available during the summer of 2017. If the program is determined to be cost effective, EPE will file a deemed or stipulated savings petition with the PUCT for the Company's climate zone to allow this type of a program to be offered in the future through the energy efficiency department.

D. *Discontinued Programs*

As discussed in EPE's 2015 EEPR, the Solar PV Pilot Program was discontinued beginning with 2016. Also in 2016, EPE will discontinue its Appliance Recycling Program due to issues that were encountered during Program Year 2015 with JACO Environmental, Inc. (JACO), EPE's third party implementer for this program. On November 18, 2015, JACO was placed into receivership and ceased its operation of recycling appliances. EPE will continue to research the viability of providing this type of program in the future. However, EPE will discontinue its current program in 2016.

E. *General Implementation Process*

Program Implementation

In 2016, 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.

F. 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 Section (e)(1) of the EE Rule and PURA § 39.905. EPE markets the availability of its programs in the following manner:

- EPE maintains the websites www.epelectric.com and www.epelectricefficiency.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 may 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. .
- EPE gauges EESP interest in its workshops by participation levels. If warranted, EPE will offer workshops dedicated to specific measures.
- EPE includes information on the availability of energy efficiency programs several times a year through the monthly newsletter that is included in customers' bills.
- EPE maintains a dedicated energy efficiency phone line to provide customers with direct access to energy efficiency personnel on program availability, participation requirements, incentive levels, application procedures, and available funding.
- EPE maintains a dedicated energy efficiency e-mail address to allow customers to contact energy efficiency personnel directly.
- EPE utilizes mass electronic mail (e-mail and webinar) notifications to keep potential project sponsors interested and informed.

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

EPE will continue its agreement with Frontier to assist with EPE's Commercial SOP, and the Commercial Rebate Pilot Program.

EPE will continue its agreement with CLEAResult to implement EPE's Texas SCORE MTP and the four "Solutions" MTPs.

EPE will continue its agreement with Resource Action Programs to offer EPE's LivingWise® MTP.

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 demand reduction goal to be acquired in 2016 (11.16 MW) is greater than four-tenths of one percent of EPE's average weather-adjusted peak demand at meter for 2010 through 2014, which is 4.415 MW as shown in Table 1. In accordance with Section (e)(1)(E) of the EE Rule, 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 (0.99% of the average weather-adjusted peak demand at meter for 2011 through 2015) for 2017 as shown in Table 1. 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 six years. Projected demand reduction and energy savings by program by customer class for 2016 and 2017 are presented in Table 5.

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

2016	Projected Savings (at meter)	
	kW	kWh
Commercial	11,207	18,105,152
Commercial SOP	700	3,066,000
Small Commercial Solutions MTP	730	3,197,400
Large C&I Solutions MTP	2,011	8,808,180
Texas SCORE MTP	700	2,759,400
Load Management SOP	7,000	14,000
Commercial Rebate Pilot Program	66	260,172
Residential	558	2,074,019
Residential Solutions MTP	418	732,336
LivingWise® MTP	140	1,341,683
Hard-to-Reach	800	1,051,200
Hard-to-Reach Solutions MTP	800	1,051,200
Total	12,565	21,230,371
2017	Projected Savings (at meter)	
	kW	kWh
Commercial	11,205	18,090,260
Commercial SOP	684	2,995,920
Small Commercial Solutions MTP	730	3,197,400
Large C&I Solutions MTP	2,011	8,808,180
Texas SCORE MTP	750	2,956,500
Load Management SOP	7,000	14,000
Commercial Rebate Pilot Program	30	118,260
Residential	618	1,778,077
Residential Solutions MTP	418	732,336
LivingWise® MTP	200	1,045,741
Hard-to-Reach	800	1,051,200
Hard-to-Reach Solutions MTP	800	1,051,200
Total	12,623	20,919,537

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

2016	Incentives	Admin & R&D	Total Budget
Commercial	\$3,068,075	\$50,555	\$3,118,630
Commercial SOP	\$431,000	\$40,000	\$471,000
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large C&I Solutions MTP	\$1,005,396	\$0	\$1,005,396
Texas SCORE MTP	\$615,569	\$0	\$615,569
Load Management SOP	\$460,000	\$0	\$460,000
Commercial Rebate Pilot Program	\$94,995	\$10,555	\$105,550
Residential	\$576,346	\$0	\$576,346
Residential Solutions MTP	\$230,000	\$0	\$230,000
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
Administration		\$89,674	\$89,674
Subtotal Budgets	\$4,244,421	\$140,229	\$4,384,650
EM&V (Est. PY2015 Review Only)		\$51,290	\$51,290
EECRF Proceeding Expenses		\$85,000	\$85,000
Total Budgets	\$4,244,421	\$276,519	\$4,520,940
2017	Incentives	Admin & R&D	Total Budget
Commercial	\$3,068,075	\$46,000	\$3,114,075
Commercial SOP	\$391,995	\$40,000	\$431,995
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large C&I Solutions MTP	\$1,005,396	\$0	\$1,005,396
Texas SCORE MTP	\$704,569	\$0	\$704,569
Load Management SOP	\$460,000	\$0	\$460,000
Commercial Rebate Pilot Program	\$45,000	\$6,000	\$51,000
Residential	\$576,346	\$0	\$576,346
Residential Solutions MTP	\$230,000	\$0	\$230,000
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
Administration		\$94,229	\$94,229
Research and Development		\$10,000	\$10,000
Subtotal Budgets	\$4,244,421	\$150,229	\$4,394,650
EM&V (PUCT - no contract for EM&V)		\$0	\$0
EECRF Proceeding Expenses		\$85,000	\$85,000
Total Budgets	\$4,244,421	\$235,229	\$4,479,650

VI. Projected, Reported and Verified Demand and Energy Savings

Revised Table 8: Projected versus Reported Savings for 2014 and 2015 (at Meter)

2014	Projected Savings		Reported and Verified Savings	
Customer Class and Program	MW	MWh	MW	MWh
Commercial	10.696	15,983	11.752	17,977
Commercial SOP	0.600	2,628	0.398	2,197
Small Comm. Solutions MTP	0.730	3,197	0.740	3,124
Large C&I Solutions MTP	1.800	7,884	1.563	8,633
Texas SCORE MTP	0.500	1,971	0.754	3,948
Load Management SOP	7.000	14	8.281	12
Commercial Rebate Pilot Program	0.066	289	0.016	63
Residential	0.460	2,236	0.411	975
Residential Solutions MTP	0.400	701	0.322	525
LivingWise® MTP	0.060	1,535	0.089	450
Hard-to-Reach	0.800	1,051	0.723	1,075
Hard-to-Reach Solutions MTP	0.800	1,051	0.723	1,075
Residential / Commercial	0.443	1,828	0.503	2,091
Appliance Recycling MTP	0.202	1,416	0.244	1,591
Solar PV Pilot MTP	0.241	412	0.259	500
Total	12.399	21,098	13.389	22,118
2015	Projected Savings		Reported and Verified Savings	
Customer Class and Program	MW	MWh	MW	MWh
Commercial	10.696	15,954	10.250	17,263
Commercial SOP	0.600	2,628	0.329	1,897
Small Comm. Solutions MTP	0.730	3,197	0.672	3,007
Large C&I Solutions MTP	1.800	7,884	1.945	9,504
Texas SCORE MTP	0.500	1,971	0.577	2,775
Load Management SOP	7.000	14	6.711	34
Commercial Rebate Pilot Program	0.066	260	0.016	46
Residential	0.540	2,043	0.623	1,767
Residential Solutions MTP	0.400	701	0.400	601
LivingWise® MTP	0.140	1,342	0.223	1,166
Hard-to-Reach	0.800	1,051	0.964	1,480
Hard-to-Reach Solutions MTP	0.800	1,051	0.964	1,480
Residential / Commercial	0.443	1,828	0.468	1,773
Appliance Recycling MTP	0.202	1,416	0.189	1,235
Solar PV Pilot MTP	0.241	412	0.279	538
Total	12.479	20,876	12.305	22,283

VIII. Program Funding and Explanation of Administration Costs for Calendar Year 2015

As shown in the subtotal of Table 10, EPE spent \$3,955,988 on program expenses (excluding EM&V and EECRF Proceeding Expenses) for its PUCT-approved energy efficiency programs in 2015. These programs were funded by EPE's 2015 EECRF. These expenses account for 90.2% of the total forecasted program budget for 2015 of \$4,384,650. The difference between the forecasted program budget and the actual program expenditures is attributed to the Commercial SOP, Load Management, Commercial Rebate Pilot Program, and the Appliance Recycling Program not reaching the participation levels anticipated by EPE. Actual program funding levels are shown in Table 10 and Table 11.

Administration expenses benefited the entire portfolio. These expenses include, but were not limited to, outsourced program administration, marketing (i.e. website maintenance and promotional items), Electric Utility Marketing Managers of Texas (EUMMOT) expenses, costs associated with regulatory filings, and EM&V administration expenses outside of the actual cost associated with the PUCT appointed EM&V contractor.

Table 11: Program Comparison – Budget to Actual Expenditures

Programs	2015 Budget	2015 Expenditures	Percent	>10% Variance Explanation
Commercial	\$ 2,617,630	\$ 2,309,708	88.2%	
Commercial SOP	280,000	161,684	57.7%	Program did not draw the number of participants anticipated, reallocated funds to performing programs
Small Comm. Solutions MTP	461,115	426,637	92.5%	
Large C&I Solutions MTP	895,396	932,618	104.2%	
Texas SCORE MTP	415,569	447,792	107.8%	
Load Management	460,000	318,627	69.3%	Program did not achieve anticipated savings for 2015.
Commercial Rebate Pilot MTP	105,550	22,350	21.2%	Program did not draw the number of participants anticipated, reallocated funds to performing programs
Residential	\$ 536,346	\$ 548,496	102.3%	
Res. Solutions MTP	190,000	202,144	106.4%	
LivingWise MTP	346,346	346,352	100.0%	
Hard-to-Reach	\$ 600,000	\$ 651,474	108.6%	
Hard-to-Reach Solutions MTP	600,000	651,474	108.6%	
Residential / Commercial	\$ 539,125	\$ 364,826	67.7%	
Appliance Recycling MTP	289,125	140,418	48.6%	Program did not draw the number of participants anticipated, reallocated funds to performing programs
PV/Solar Pilot MTP	250,000	224,408	90.0%	
Admin. Expenses	\$ 91,549	\$ 81,484		
Total	\$ 4,384,650	\$ 3,955,988	90.2%	Not allocated to specific programs

Residential Solutions MTP

In 2015, the Residential Solutions MTP offered residential customers, through the use of participating contractors, incentives for making energy efficient improvements to their homes. This program focused on improving the energy efficiency of residential buildings, as well as improving the installation practices of the participating contractors. EPE contracted with a third-party implementer to administer the Residential Solutions MTP.

The 2015 goal for this program was 400 kW. There were 938 participants that reduced demand by approximately 400 kW and saved 600,956 kWh in energy.

LivingWise® MTP

The LivingWise® MTP is an educational program that uses a school-based method that builds student knowledge, provides high energy efficiency devices to families and serves as an effective community outreach program. In 2015, each participant received a kit that contained energy saving devices to be installed in their homes, as well as energy efficiency educational materials.

The 2015 goal for this program was 140 kW. In 2015, the LivingWise® MTP provided 9,371 LivingWise® kits. The savings from this program were 223 kW in demand savings and 1,165,897 kWh in energy savings.

Hard-to-Reach Solutions MTP

In 2015, the Hard-to-Reach Solutions MTP offered residential customers who were at or below 200% of the Federal Poverty Guidelines, through the use of participating contractors, incentives for making energy efficient improvements to their homes. This program focused on improving the energy efficiency of low income residential buildings, as well as improving the installation practices of the participating contractors. EPE contracted with a third-party implementer to administer the Hard-to-Reach Solutions MTP.

The 2015 goal for this program was 800 kW. There were 1,157 projects in this program that reduced demand by 964 kW and saved 1,479,742 kWh in energy.

Appliance Recycling MTP

In 2015, the Appliance Recycling MTP provided incentives to encourage EPE customers to recycle their older, less efficient refrigerators and freezers. This program removed these appliances from the electric grid, thus reducing system-wide load and peak demand.

The 2015 goal for this program was 202 kW. EPE removed and recycled 1,095 units through the Appliance Recycling MTP. This program reduced demand by 189 kW and saved 1,235,160 kWh of energy savings.

Solar PV Pilot MTP

In 2015, the Solar PV Pilot MTP provided EPE customers with incentives, through participating contractors, for installing solar PV distributed generation systems. This program encouraged customers to install solar PV systems on their homes and businesses by reducing the up-front cost of these systems.

The 2015 goal for this program was 241 kW. There were 39 projects that reduced demand by 279 kW and saved 537,642 kWh.

41	City and County Service Rate	\$ 0.003576
43	University Service Rate	\$ (0.000149)
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$ (0.000494)
47	Backup Power Service For Cogeneration And Small Power Production Facilities	\$ (0.000494)

XI. Revenue Collected through EECRF

In 2015, EPE collected a total of \$6,634,670 under Rate Schedule No. 97 – Energy Efficiency Cost Recovery Factor.

XII. Over/Under Recovery of Energy Efficiency Program Costs

In 2015, EPE over-recovered an amount of \$380,039 as shown in Table 13.

Table 13: Authorized and Actual Recovery Amounts

Description	Authorized in Docket No. 42449	Actual
January 1 – December 31, 2015 Energy Efficiency Costs	\$ 4,384,650	\$ 3,955,988
2014 and 2015 EM&V Costs (PY2014 Review)	\$ 99,722	\$ 94,889
2013 (Over)/Under Recovery	\$ 82,871	\$ 82,871
2013 Performance Bonus	\$ 2,035,783	\$ 2,035,783
2013 EECRF Proceeding Costs	\$ 85,100	\$ 85,100
2015 Total Costs and Bonus	\$ 6,688,126	\$ 6,254,631
2015 EECRF Revenues		\$ 6,634,670
2015 (Over)/Under Recovery		\$ (380,039)

XIII. Underserved Counties

EPE serves customers in three Texas counties: Culberson, Hudspeth, and El Paso. During 2015, 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 2015 energy efficiency programs. Based on this definition, only Culberson County had no demand or energy savings in 2015.

Table 14: 2015 Energy Efficiency Activities by County

County	Participants	Reported Savings	
		kW	kWh
El Paso County	13,094	12,304	22,275,162
Culberson County	0	0	0
Hudspeth County	35	1.28	7,365
Total	13,129	12,305	22,282,527

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, 16 TAC §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
TAC	Texas Administrative Code

GLOSSARY

Glossary is the same as the definitions in 16 TAC §25.181(c).

Commercial Rebate Pilot Program

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	1	16	46,488
Total	1	16	46,488

Residential Solutions MTP

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	938	400	600,956
Total	938	400	600,956

LivingWise® MTP

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	9,339	222.22	1,161,916
Hudspeth County	32	.76	3,981
Total	9,371	222.98	1,165,897

Hard-to-Reach Solutions MTP

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	1,157	964	1,479,742
Total	1,157	964	1,479,742

Appliance Recycling MTP

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	1,092	188.92	1,231,776
Hudspeth County	3	0.52	3,384
Total	1,095	189.44	1,235,160

Solar PV Pilot MTP

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	39	279	537,642
Total	39	279	537,642

EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details EPE's plans to meet the energy efficiency demand reduction goal for 2016 as established pursuant to 16 TAC §25.181(e)(2). The final order of Docket No. 44677¹ issued on November 6, 2015, established the EECRF rates applicable to EPE for 2016. The order also left in place the same demand reduction goal as EPE had in 2015 for the 2016 energy efficiency programs. This goal was 11.16 MW, which is greater than four-tenths of one percent of EPE's average weather-adjusted peak demand at meter for 2010 through 2014. In accordance with 16 TAC §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 2017 demand reduction goal should also remain at 11.16 MW.

The final order of Docket No. 44677 also established an energy efficiency program budget for 2016 of \$4,384,650.² EPE made some modifications to the individual program budgets that were identified in the 2015 EEPR, but the overall program budget for 2016 remained at \$4,384,650. These modifications were made due to the fact that the third party implementer for EPE's Appliance Recycling Program was placed into receivership on November 18, 2015. EPE discontinued this program at that time and the funds for 2016 were re-distributed to the Commercial SOP and the Texas Schools and Cities Conserving Resources (Texas SCORE) MTP and the demand goals for these programs was adjusted.

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 2015, 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 2015, the Company achieved a demand reduction of 12.305 MW which exceeded the demand reduction goal of 11.16 MW by 10.26%.

The SOPs that EPE provided in 2015 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 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 2015 was the Commercial Rebate Pilot Program.

Table 1: Summary of 2016 & 2017 Projected Goals, Savings and Budgets³

Calendar Year	Average Growth in Demand (MW at Meter)	Goal Metric: 30% of 5-year Average Growth of Demand (MW at Meter)	Goal Metric: .4% of 5-year Average Peak Demand (MW at Meter)	Statutory Peak Demand Goal (MW)*	Energy Goal (MWh)**	Projected MW Savings (at Meter)	Projected MWh Savings (at Meter)	Proposed Budget (000's)
2016	36.1	9.9010.84	4.415	11.16	19,552	12.565	21,230	\$4,521
2017	23.9	6.557.17	4.511	11.16	19,552	12.623	20,920	\$4,480

* Demand goal is never lower than the prior year's goal

** Calculated using a 20% conservation load factor

¹ Application of El Paso Electric Company for Approval to Revise its Energy Efficiency Cost Recovery Factor and Request to Establish Revised Cost Cap, Docket No.44677.

² Id. at Finding of Fact No. 29

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 Proposed Budgets are found in Table 6.