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**Entergy Texas, Inc.**

**2016 Energy Efficiency Plan and Report**

**Substantive Rule § 25.181 and § 25.183**

**APRIL 1, 2016**

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**Project No. 45675**

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## Introduction

Entergy Texas, Inc. (ETI) presents this Energy Efficiency Plan and Report (EEPR) to comply with P.U.C. SUBST. R. 25.181 and 25.183, which are the sections of the Energy Efficiency Rule (EE Rule) implementing Public Utility Regulatory Act (PURA) § 39.905. As mandated by this section of PURA, the EE Rule requires that each investor owned electric utility achieve the following minimum 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 % 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.

## **Energy Efficiency Plan and Report (EEPR) Organization**

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

- The Executive Summary highlights ETI's reported achievements for 2015 and ETI's plans for achieving its 2016 and 2017 projected energy efficiency savings goals.

### **Energy Efficiency Plan (EEP)**

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

### **Energy Efficiency Report**

- Section V documents ETI's actual weather-adjusted demand savings goals and energy targets for the previous five years (2011-2015) with actual demand reduction and energy savings achieved.
- Section VI compares ETI's projected energy and demand savings to its reported and verified savings by program for calendar years 2014 and 2015.
- Section VII documents ETI's incentive and administrative expenditures for the previous five years (2011-2015) broken out by program for each customer class.
- Section VIII compares ETI's actual program funding for 2015 compared to its 2015 budget broken out by program for each customer class.
- Section IX describes the results from ETI's MTP programs.
- Section X describes research and development.
- Section XI details ETI's current Energy Efficiency Cost Recovery Rider (EECRF), collection, and future filing.
- Section XII reflects ETI revenue collection through the 2015 EECRF.
- Section XIII breaks out the over/under-recovery of energy efficiency program costs.
- Section XIV details ETI's performance incentive calculation.

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

**Appendices**

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

## Executive Summary

The Energy Efficiency Plan portion of this EEPR details ETI's plans to achieve its required reduction in its annual growth in demand of residential and commercial customers in 2016 and 2017. In the process, ETI will also address the corresponding energy savings goal, which is calculated from its demand savings goal using a 20% capacity factor. The goals, budgets and implementation plans that are included in this EEPR reflect the requirements of the EE Rule and lessons learned regarding energy efficiency service provider and customer participation in the various energy efficiency programs. A summary of annual goals and budgets is presented in Table 1.

**Table 1: Summary of Goals, Projected Savings, and Projected Budgets<sup>1</sup>**

Calendar Year	Average Growth in Demand (MW at Source)	Peak Demand (MW at Source)	Goal Metric: 30% Growth (MW at Meter)	Goal Metric: 0.4% Peak Demand (MW at Meter)	Peak Demand Goal (MW at Meter)	Energy Goal (MWH at Meter)	Projected Demand Reduction (MW at Meter)	Projected Energy Savings (MWH at Meter)	Projected Budget (000's)
<b>2016</b>	47.2	2,650	13.10	9.88	15.50	27,156	15.50	27,156	7,365
<b>2017</b>	-19.0	2,609	-5.27	10.44	15.50	27,156	15.50	27,156	7,428

Note: Goals are calculated by multiplying peak demand values at the source by the applicable goal metric (30% of growth or 0.4% of peak demand) and by the utility's line losses. Although ETI's 2017 goal is based on its previous year's goal, an example calculation at source to at meter conversion is shown below for 2017 using the 30% growth goal metric.

Example Goal Metric Calculation:  $(-19.0 \text{ MW} \times 30\%) \times (1 - 0.074787 \text{ line losses}) = -5.27 \text{ MW}$ . The line loss number is based on the line loss study used in ETI's last rate case, Docket No. 41791.

<sup>1</sup> For 2016, all values are per Docket No. 44696. For 2017, Average Growth in Demand figures are from Table 4; Demand and Energy Savings Goals were determined pursuant to the "ratchet" requirements of P.U.C. SUBST. R. 25.181(e)(1)(E); Projected Savings are from Table 5; Projected Budgets are from Table 6.

## Energy Efficiency Plan

### I. 2016 Programs

#### A. 2016 Program Portfolio

ETI plans to continue to implement four MTPs and three SOPs in 2016. These include: the Commercial Solutions MTP, the SCORE /City Smart MTP, the Load Management SOP, the Residential SOP, the Entergy Solutions High Performance Homes MTP, the A/C Distributor MTP, and the Hard-to-Reach SOP. All of these programs have been structured to comply with approved Public Utility Commission of Texas (PUCT) rules governing program design and evaluation.

These programs target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. ETI anticipates that targeted outreach to a broad range of service provider types will be necessary in order to meet the savings goals required by PURA § 39.905 on a continuing basis.

Table 2 below summarizes the programs and target markets.

**Table 2: 2016 Energy Efficiency Program Portfolio**

Program	Target Market	Application
Commercial Solutions MTP	Commercial	Retrofit; New Construction
SCORE/City Smart MTP	Schools, Government	Retrofit; New Construction
Load Management SOP	Commercial	Load Management
Residential SOP	Residential	Retrofit
Entergy Solution High Performance Homes MTP	Residential	New; Retrofit
Hard-to-Reach SOP	Residential Income Qualified	Retrofit
A/C Distributor MTP	Residential	New, Retrofit

The programs listed in Table 2 are described in further detail below. ETI maintains a website containing links to the program manuals, all of the requirements for project participation, and the forms required for project submission, at [http://www.energy-texas.com/energy\\_efficiency/](http://www.energy-texas.com/energy_efficiency/). This website will be the primary method of communication used to provide potential Project Sponsors with program updates and information.



## ***B. Existing Programs***

### **1. Residential Standard Offer Program (RES SOP)**

#### **a) Program Design**

The 2016 RES SOP targets residential customers who receive service from ETI. Participating Project Sponsors receive incentive payments for installing pre-approved measures that provide verifiable demand and energy savings. Project Sponsors are encouraged to install comprehensive measures in their projects, and only retrofit projects qualify for incentive payments. Deemed savings are accepted and widely used by Project Sponsors to measure and verify savings for projects submitted in this program. For 2016, ETI will provide incentives to Project Sponsors for installing LED lighting in addition to previously employed measures. The incentives will be offered at the standard incentive rate to encourage the implementation of this measure.

#### **b) Implementation Process**

ETI will continue implementing its RES SOP whereby any eligible Project Sponsor may submit an application for a project meeting the minimum program requirements. The program information on ETI's RES SOP website is updated frequently with participating Project Sponsor information and the incentives available for installing eligible measures. In 2016, ETI will select nine Project Sponsors to participate in the RES SOP in order to allow for the appropriate administrative control and visibility of Project Sponsors all year. The funding awarded to each Project Sponsor should increase the chances that there will be Project Sponsors working in ETI's service territory throughout the entire year and that available funds will not be exhausted by mid-year

#### **c) Outreach Activities**

ETI markets the availability of this program in the following manner:

- Utilizes mass electronic mail (e-mail) notifications to keep potential Project Sponsors interested and informed;
- Maintains internet website with detailed project eligibility, end-use measures, incentives, procedures, and application forms;
- Attends appropriate industry-related meetings to generate awareness and interest;
- Conducts workshops as necessary to explain elements such as responsibilities of the Project Sponsor, project requirements, incentive information, and the application and reporting process; and
- Promotes the awareness of its energy efficiency programs by rolling out new program promotions through its website, social media, email blasts, radio promotions, and print media.

## **2. Hard To Reach Standard Offer Program (HTR SOP)**

### **a) Program design**

The HTR SOP targets low-income customers who receive distribution service from ETI with an income at or below 200% of the federal poverty level. Participating Project Sponsors receive incentive payments for installing eligible measures in retrofit fashion that provide verifiable demand and energy savings. For 2016, ETI will provide incentives to Project Sponsors for installing LED lighting in addition to previously employed measures. The incentives will be offered at the standard incentive rate to encourage the implementation of this measure.

### **b) Implementation Process**

ETI will continue implementing its HTR SOP whereby any eligible Project Sponsor may submit an application for a project meeting the minimum program requirements. The program information on ETI's HTR SOP website is updated frequently with participating Project Sponsor information and the incentives available for installing eligible measures. In 2016, ETI will select nine Project Sponsors to participate in the HTR SOP in order to allow for the appropriate administrative control and visibility of Project Sponsors all year. By limiting the number of Project Sponsors allowed to participate in the program, ETI believes that there will be sufficient funds available to keep Project Sponsors working in ETI's service territory throughout the entire year and that program funding will not be exhausted by mid-year.

### **c) Outreach Activities**

ETI markets the availability of this program in the following manner:

- Utilizes mass electronic mail (e-mail) notifications to keep potential project sponsors interested and informed;
- Maintains internet website with detailed project eligibility, end-use measures, incentives, procedures, and application forms;
- Attends appropriate industry-related meetings to generate awareness and interest;
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process; and
- Promotes the awareness of its energy efficiency programs by rolling out new program promotions through its website, social media, email blasts, radio promotions, and print media.

### **3. Commercial Solutions Market Transformation (COM SOL MTP)/SCORE**

#### **City Smart Program Summary<sup>2</sup>**

##### **a) Program Description**

The Commercial Solutions Market Transformation Program offers technical support and incentives for a suite of offerings that help eligible customers overcome the market barriers to adopt energy efficiency measures. Using a combination of utility staff, 3<sup>rd</sup> party program implementer expertise and the local network of qualified contractors, we help customers identify energy efficiency opportunities, complete projects and capture savings for the program. This approach is flexible depending on customer, project type and market sector to effectively reach and deliver energy savings to the broadest audience possible. The COM SOL MTP program includes:

- A Commercial Solutions component designed to target small, medium and large for profit commercial customers in the service territory (this includes midstream or contractor direct install component)
- A SCORE component to target local k-12 public school districts, universities and colleges in the service territory (including a Resource Management Services (RMS) component driving behavioral changes in public schools)
- A City Smart component to target local, state and federal governmental customers in the service territory
- Prescriptive and custom measures to address standard or more unique, complex opportunities for energy savings
- A Midstream point-of-sale lighting component through local wholesale distributors to achieve long-term coincident peak demand reduction and annual energy savings

##### **b) Implementation Process**

With this program offering, ETI will target the following customers for program participation:

- Small, medium and large commercial and small industrial businesses
- Rural and urban public K-12 school districts, colleges, and universities
- Local government including cities, counties, state and federal organizations
- Non-profit and institutional businesses such as religious institutions, private schools, and healthcare providers

##### **c) Outreach Activities**

ETI markets the availability of this program in the following manner:

- Contracts with third party implementer, CLEAResult Consulting, provides for outreach and some training on the program;
- Targets the number of customer participants;

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<sup>2</sup> The Company's SCORE/City Smart program has been folded under the COM SOL MTP for administrative purposes and efficiencies, but data regarding costs and demand/energy savings related to SCORE/City Smart will continue to be tracked and reported separately in this EEPR and in the Company's EECRF filing as has been done in the past.

- Conducts workshops and webinars to explain the benefits of the program and the necessary information needed to begin or continue participation;
- Participates in regional or area outreach opportunities;
- Attends appropriate industry related meetings to generate awareness and interest; and,
- Promotes awareness of the program through the company's website, social media, email blasts, radio promotions, and print media.

#### **4. Load Management Standard Offer Program (LM SOP)**

##### **a) Program Design**

ETI will implement the LM SOP in accordance with the approved PUCT template. The LM SOP will provide demand reduction solutions to a select, volunteer group of commercial customers served by ETI and pay incentives to the customers for verifiable demand reductions. To ensure grid reliability, the Load Balancing Authority (LBA) can call for these customers to curtail. The LBA is the entity that interacts with the Midcontinent Independent System Operator (MISO) and integrates resource plans ahead of time, making certain that the necessary generation is available and can flow smoothly to an area.

In 2015, several participating customers experienced meter issues that impacted ETI's ability to collect the IDR data necessary to calculate the baseline and event impacts. As a result of these issues, the EM&V contractor issued a guidance memo on November 24, 2015 that established the process of using customer-supplied data in lieu of program meter data to calculate claimed savings. The data must meet interval metering requirements presented in the current program year Texas Resource Manual, must include both the event day data and baseline data, and should only be used if the utility interval meter fails. To prevent this from happening in 2016, ETI will work with the Interval Data Processing (IDP) and Field Metering groups to test customer meters before the scheduled test curtailment to verify that they are accurately recording interval data.

##### **b) Implementation Process**

ETI will initially recruit several select commercial customers to participate in the LM SOP. This program will manage the responsibility of examining actual demand savings, operating characteristics, program design, long range planning, and overall measure and program acceptance by the targeted customers.

##### **c) Outreach Activities**

ETI markets the availability of this program in the following manner:

- Targets several large commercial customers during the program year;
- Conducts workshops to explain elements such as responsibilities of the customers, project requirements, incentive information, and the application and reporting process; and
- Promotes the awareness of its energy efficiency programs by rolling out new program promotions through its website, social media, email blasts, radio promotions, and print media.

## **5. Entergy Solutions High Performance Homes Market Transformation Program (ENTERGY SOL MTP)**

### **a) Program Design**

The ENTERGY SOL MTP uses the attributes of the Energy Star Homes type new construction program. The Program requires the involvement of a third party rating service to verify the home meets the current energy efficiency code in Texas, which is the 2015 International Energy Conservation Code (IECC). The pinnacle of the program is to reach Energy Star standards, but the program does allow for incentives for builders who exceed code but are not to the point where they want to reach up the Energy Star requirements.

### **b) Implementation Process**

Any eligible builder may submit an application for a home to participate in the program. The program information on ETI's website is updated frequently to reflect participating builders and incentive amounts that are available.

### **c) Outreach Activities**

ETI markets the availability of this program in the following manner:

- Utilizes mass electronic mail (e-mail) notifications to keep potential builders interested and informed;
- Work with local code enforcement officials to make sure they understand the need for builders to follow the requirements as prescribed by IECC 2015 and identify where builders usually take short cuts to try and bypass the code;
- Maintains internet website with detailed builder eligibility, end-use measures, incentives, procedures and application forms;
- Attends appropriate industry-related meetings to generate awareness and interest;
- Participates in state-wide outreach activities as may be available;
- Conducts workshops as necessary to explain elements such as responsibilities of the Project Sponsor, project requirements, incentive information, and the application and reporting process; and
- Promotes the awareness of its energy efficiency programs by rolling out some program promotions through its website, social media, email blasts, radio promotions, and print media.

## **6. A/C Distributor MTP (AC DIST MTP)**

### **a) Program Design**

ETI has launched the A/C Distributor MTP in 2016 to help promote the installation of higher efficiency air conditioning for residential customers throughout ETI's service territory. The program will pay incentives to the regional air conditioning distributors to reduce the cost of the

higher efficiency rated equipment to the local dealers with the idea that the dealer will pass the reduced cost along to the customers.

**b) Implementation Process**

Any participating distributor or manufacturer may submit a qualifying batch of invoices to ETI for incentive payment, after a random sampling of inspections from each invoice is completed by either the company or another third party inspector.

**c) Outreach Activates**

ETI will market the availability of the program in the following manner:

- ETI's program implementer, ICF International, will leverage their current AC distributor and manufacturer contacts from a similar program with another utility to enroll them in the one offered by ETI. Most of the distributors and manufacturers that service most of ETI's territory are already participating in that program.
- Attend local dealer meeting to educate the dealer population on how to participate and how to fill out the necessary paperwork.

***C. New Programs for 2017***

ETI will not be running any new programs in 2017.

**II. Customer Classes**

**Table 3: Summary of Customer Classes<sup>3</sup>**

<b>Customer Class</b>	<b>Number of Customers</b>
<b>Commercial</b>	47,003
<b>Residential</b>	379,838
<b>Hard to Reach</b>	141,299

**III. Projected Energy Efficiency Savings and Goals**

As prescribed by Substantive Rule § 25.181(e), a utility's demand goal is specified as a percentage of its historical five-year average growth in demand and the corresponding energy savings goal is determined by applying a 20% capacity factor to the applicable demand goal. However, in

<sup>3</sup> The numbers represent the actual number of customers in the Residential and Commercial rate classes as of December 31, 2015. The Hard-to-Reach number is derived from the U.S. Census Bureau's 2013 Current Population Survey, 37.2% of Texas families fall below the 200% of the federal poverty threshold.

accordance with the “ratchet requirements” of the P.U.C. SUBST. R. 25.181(e)(1)(E), a utility’s demand goal for any particular year cannot be less than its goal for the preceding year. In ETI’s 2011 EECRF case, Docket No. 39366, ETI agreed with the other parties to a demand savings goal of 15.5 MW and an energy savings goal of 27,156 MWh. Due to the ratchet requirements, those goals have remained in place since 2012, and will again be the goals for 2017. Table 4 presents historical annual growth in demand for the previous five years that is used to calculate demand and energy goals. Table 5 presents the projected demand and energy savings broken out by program for customer class for 2016 and 2017.

**Table 4: Annual Growth in Demand and Energy Consumption**

Calendar Year	Peak Demand at Source (MW)				Energy Consumption at Meter (GWh)				Growth (MW)	Average Growth (MW) <sup>11</sup>
	Total System		Residential & Commercial		Total System		Residential & Commercial			
	Actual	Weather Adjusted	Actual	Weather Adjusted	Actual	Weather Adjusted	Actual	Weather Adjusted	Weather Adjusted	Weather Adjusted
2011	3,440	2,787	2,787	2,592	15,233	15,056	10,429	10,374	-112	NA
2012	3,398	3,367	2,611	2,554	15,186	15,023	10,333	10,241	-38	NA
2013	3,602	3,704	2,808	2,851	15,945	16,743	10,410	10,443	297	NA
2014 <sup>[2]</sup>	3,326	3,321	2,653	2,650	18,706	18,828	11,838	11,830	-201	NA
2015 <sup>[2]</sup>	3,540	2,933	2,776	2,609	16,268	16,311	10,625	10,624	-41	NA
2016	NA	NA	NA	NA	NA	NA	NA	NA	NA	46.8
2017	NA	NA	NA	NA	NA	NA	NA	NA	NA	-19.0

<sup>[1]</sup> “Average growth” in demand over the prior 5 years is “NA” - Not Applicable - to any of the calculations or forecasts in this EEPR.

<sup>[2]</sup> Does not include premises that have opted-out from ETI’s energy efficiency programs

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

<b>2016</b>	<b>Projected Savings</b>	
<b>Customer Class and Program</b>	<b>kW</b>	<b>kWh</b>
<b>Commercial</b>	<b>10,460</b>	<b>15,152,000</b>
Commercial Solutions MTP	1,800	7,533,000
Load Management SOP	6,710	40,000
SCORE/City Smart MTP	1,950	7,579,000
<b>Residential</b>	<b>3,940</b>	<b>8,317,000</b>
Residential SOP	2,240	6,371,000
Entergy Solutions High Performance Homes MTP	1,500	1,446,000
A/C Distributor MTP	200	546,000
<b>Hard-To-Reach</b>	<b>1,100</b>	<b>3,687,000</b>
Hard-to-Reach SOP	1,100	3,687,000
<b>Total Annual Projected Savings</b>	<b>15,500</b>	<b>27,156,000</b>
<b>2017</b>	<b>Projected Savings</b>	
<b>Customer Class and Program</b>	<b>kW</b>	<b>kWh</b>
<b>Commercial</b>	<b>10,460</b>	<b>15,152,000</b>
Commercial Solutions MTP	1,800	7,533,000
Load Management SOP	6,710	40,000
SCORE/City Smart MTP	1,950	7,579,000
<b>Residential</b>	<b>3,940</b>	<b>8,317,000</b>
Residential SOP	2,240	6,371,000
Entergy Solutions High Performance Homes MTP	1,450	1,346,000
A/C Distributor Program	250	600,000
<b>Hard-To-Reach</b>	<b>1,100</b>	<b>3,687,000</b>
Hard-To-Reach SOP	1,100	3,687,000
<b>Total Annual Projected Savings</b>	<b>15,500</b>	<b>27,156,000</b>



## IV. Program Budgets

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

<b>2016</b>	<b>Incentives</b>	<b>Admin</b>	<b>EM&amp;V</b>	<b>Total Budget</b>
<b>Commercial</b>	<b>\$2,932,467</b>	<b>\$286,676</b>	<b>\$50,136</b>	<b>\$3,268,952</b>
Commercial Solutions MTP	\$1,296,259	\$111,864	\$23,513	\$1,429,974
Load Management SOP	\$429,309	\$39,718	\$3,020	\$476,627
SCORE/City Smart MTP	\$1,206,898	\$135,094	\$23,603	\$1,362,351
<b>Residential</b>	<b>\$2,541,518</b>	<b>\$250,326</b>	<b>\$33,867</b>	<b>\$2,834,654</b>
Residential SOP	\$1,699,233	\$154,049	\$27,131	\$1,881,993
Entergy Solutions High Performance Homes MTP	\$522,807	\$60,908	\$6,736	\$592,416
A/C Distributor MTP	\$319,477	\$35,369	\$0	\$360,246
<b>Hard-To-Reach</b>	<b>\$1,026,789</b>	<b>\$111,572</b>	<b>\$21,898</b>	<b>\$1,155,741</b>
Hard-To-Reach SOP	\$1,026,789	\$111,572	\$21,898	\$1,155,741
<b>R&amp;D</b>	<b>\$0</b>	<b>\$110,000</b>	<b>\$0</b>	<b>\$0</b>
<b>EM&amp;V</b>	<b>\$0</b>	<b>\$0</b>	<b>\$105,901</b>	<b>\$0</b>
<b>Total Annual Budgets</b>	<b>\$6,500,773</b>	<b>\$758,574</b>	<b>\$105,901</b>	<b>\$7,365,248</b>
<b>2017</b>	<b>Incentives</b>	<b>Admin</b>	<b>EM&amp;V</b>	<b>Total Budget</b>
<b>Commercial</b>	<b>\$2,932,466</b>	<b>\$326,676</b>		<b>\$3,259,142</b>
Commercial Solutions MTP	\$1,346,259	\$131,864		\$1,478,123
Load Management SOP	\$354,309	\$49,718		\$404,027
SCORE/City Smart MTP	\$1,231,898	\$145,094		\$1,376,992
<b>Residential</b>	<b>\$2,610,517</b>	<b>\$270,326</b>		<b>\$2,880,843</b>
Residential SOP	\$1,699,233	\$164,049		\$1,863,282
Entergy Solutions High Performance Homes MTP	\$560,807	\$70,908		\$631,715
A/C Distributor MTP	\$350,477	\$35,369		\$385,846
<b>Hard-To-Reach</b>	<b>\$1,026,789</b>	<b>\$111,572</b>		<b>\$1,138,361</b>
Hard-To-Reach SOP	\$1,026,789	\$111,572		\$1,138,361
<b>R&amp;D</b>	<b>\$0</b>	<b>\$150,000</b>		<b>\$150,000</b>
<b>EM&amp;V</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>
<b>Total Annual Budgets</b>	<b>\$6,569,772</b>	<b>\$858,574</b>		<b>\$7,428,346</b>

## Energy Efficiency Report

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

Table 7 documents ETI's demand and energy reduction goals for the previous five years (2011-2015) calculated in accordance with Substantive Rule 25.181 and actual demand reduction and energy savings achieved.

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

<b>Calendar Year</b>	<b>Actual Weather Adjusted Demand Goal (MW)</b>	<b>Actual Weather Adjusted Energy Goal (MWh)</b>	<b>Actual Demand Reduction (MW)</b>	<b>Actual Energy Savings (MWh)</b>
<u>2015</u>	15.5	27,156	18.1	39,721
<u>2014</u>	15.5	27,156	17.2	39,214
<u>2013</u>	15.5	27,156	19.1	36,996
<u>2012</u>	15.5	27,156	17.5	33,696
<u>2011</u>	12.4	21,725	16.2	22,235

## VI. Projected, Reported and Verified Demand and Energy Savings

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

<b>2014</b>		<b>Projected Savings</b>		<b>Reported and Verified Savings</b>	
<b>Customer Class and Program</b>		<b>MW</b>	<b>MWh</b>	<b>MW</b>	<b>MWh</b>
<b>Commercial</b>		<b>10.46</b>	<b>15,152</b>	<b>10</b>	<b>17,763</b>
Commercial Solutions MTP		1.80	7,533	2.36	11,906
Load Management SOP		6.71	40	6.02	12
SCORE/City Smart MTP		1.95	7,579	1.56	5,846
<b>Residential</b>		<b>3.94</b>	<b>8,317</b>	<b>5.9</b>	<b>16,806</b>
Residential SOP		2.24	6,371	3.81	13,710
Entergy Solutions Premium Homes MTP		1.70	1,946	2.0	3,097
<b>Hard-to-Reach</b>		<b>1.10</b>	<b>3,687</b>	<b>1.4</b>	<b>4,644</b>
Hard-to-Reach SOP		1.10	3,687	1.4	4,644
<b>Total</b>		<b>15.50</b>	<b>27,156</b>	<b>17.2</b>	<b>39,214</b>
<b>2015</b>		<b>Projected Savings</b>		<b>Reported and Verified Savings</b>	
<b>Customer Class and Program</b>		<b>MW</b>	<b>MWh</b>	<b>MW</b>	<b>MWh</b>
<b>Commercial</b>		<b>10.46</b>	<b>15,152</b>	<b>11.89</b>	<b>19,533</b>
Commercial Solutions MTP		1.80	7,533	2.38	11,569
Load Management SOP		6.71	40	7.32	24
SCORE/City Smart MTP		1.95	7,579	2.19	7,940
<b>Residential</b>		<b>3.94</b>	<b>8,317</b>	<b>5.12</b>	<b>16,353</b>
Residential SOP		2.24	6,371	3.32	11,999
Entergy Solutions Premium Homes MTP		1.70	1,946	1.79	4,354
<b>Hard-to-Reach</b>		<b>1.10</b>	<b>3,687</b>	<b>1.09</b>	<b>3,836</b>
Hard-to-Reach SOP		1.10	3,687	1.09	3,836
<b>Total</b>		<b>15.50</b>	<b>27,156</b>	<b>18.1</b>	<b>39,721</b>

## VII. Historical Program Expenditures

This section documents ETI's incentive and administration expenditures for the previous five years (2011-2015) broken out by program for each customer class.

**Table 9: Historical Program Incentive and Administrative Expenditures for 2011 through 2015(in 000's)**

2011 through 2015	2015		2014		2013		2012		2011	
	Incent	Admin	Incent	Admin	Incent	Admin	Incent	Admin	Incent	Admin
<b>Commercial</b>	<b>2610</b>	<b>445</b>	<b>2490</b>	<b>505</b>	<b>2778</b>	<b>398</b>	<b>2621</b>	<b>344</b>	<b>2201</b>	<b>171</b>
Commercial (Commercial Solutions) MTP	1374	204	1144	218	1193	197	1039	162	783	83
Load Management SOP	234	52	210	59	225	26	248	36	253	15
SCORE/City Smart MTP	1002	189	1136	227	1360	175	1334	146	1165	73
<b>Residential</b>	<b>2568</b>	<b>349</b>	<b>3041</b>	<b>497</b>	<b>3468</b>	<b>360</b>	<b>3219</b>	<b>360</b>	<b>2682</b>	<b>226</b>
Residential SOP	1695	213	2189	316	2275	204	2192	192	1529	105
Entergy Solutions Premium Homes MTP	867	141	852	1810	1193	156	NA	NA	NA	NA
Energy Star® Homes MTP	NA	NA	NA	NA	NA	NA	696	102	582	62
Home Performance with Energy Star® MTP	NA	NA	NA	NA	NA	NA	331	66	NA	NA
Solar Photovoltaic MTP	NA	NA	NA	NA	NA	NA	NA	NA	521	29
Statewide CFL Pilot MTP	NA	NA	NA	NA	NA	NA	NA	NA	50	30
<b>Hard-to-Reach</b>	<b>1023</b>	<b>156</b>	<b>1327</b>	<b>216</b>	<b>1324</b>	<b>139</b>	<b>1384</b>	<b>139</b>	<b>1208</b>	<b>104</b>
Hard-to-Reach SOP	1023	156	1327	216	1324	139	1384	139	1208	104
<b>Total Expenditures</b>	<b>6195</b>	<b>952</b>	<b>6858</b>	<b>1217</b>	<b>7569</b>	<b>897</b>	<b>7224</b>	<b>843</b>	<b>6091</b>	<b>501</b>

## VIII. Program Funding for Calendar Year 2015

Table 10: Program Funding for Calendar Year 2015

2015	Total Projected Budget	Number of Customers Participating or Installations	Actual Funds Expended (Incentives)	Actual Funds Expended - Admin (Not Including EM&V, or EECRF Proceeding Costs)	R & D Costs	Actual Funds Expended - EM&V (Admin)	Actual Funds Expended - Utility EECRF Proceeding Costs (Admin)	Actual Funds Expended - Cities EECRF Proceeding Costs (Admin)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)	10% Difference?
Commercial	\$3,259,625	307	\$2,610,248	\$280,036	\$63,904	\$66,576	\$29,359	\$3,469	\$3,053,592	\$0	\$206,033	
Commercial Solutions MTP	\$1,428,592	178	\$1,374,371	\$120,806	\$33,648	\$31,223	\$15,458	\$1,827	\$1,577,332	\$0	-\$148,740	-10%
Load Management SOP	\$467,916	8	\$233,835	\$39,376	\$5,725	\$4,010	\$2,630	\$311	\$285,886	\$0	\$182,030	-39%
SCORE/City Smart MTP	\$1,363,117	121	\$1,002,042	\$119,854	\$24,532	\$31,342	\$11,270	\$1,332	\$1,190,373	\$0	\$172,744	13%
Residential	\$2,820,187	9,911	\$2,561,922	\$213,477	\$62,721	\$44,972	\$28,815	\$3,405	\$2,915,312	\$0	-\$95,125	
Residential SOP	\$1,873,645	8,621	\$1,695,293	\$113,538	\$41,504	\$36,027	\$19,068	\$2,253	\$1,907,683	\$0	-\$34,038	-2%
Solutions	\$946,542	1,290	\$866,629	\$99,939	\$21,217	\$8,945	\$9,747	\$1,152	\$1,007,629	\$0	-\$61,087	-6%
Hard-To-Reach	\$1,149,519	2,564	\$1,023,000	\$88,427	\$25,045	\$29,078	\$11,506	\$1,360	\$1,178,416	\$0	-\$28,897	
Hard-to-Reach SOP	\$1,149,519	2,564	\$1,023,000	\$88,427	\$25,045	\$29,078	\$11,506	\$1,360	\$1,178,416	\$0	-\$28,897	-3%
Total	\$7,229,331	12,782	\$6,195,170	\$581,940	\$151,671	\$140,625	\$69,680	\$8,234	\$7,147,321	\$0	\$82,010	1%
EM&V	\$181,421											
Total	\$7,410,752											

Per section (n)(2)(Q) of the EE Rule, please note that there were three programs where the projected budget and actual total funds expended varied by more than ten percent: Commercial Solutions MTP (-10%); Load Management SOP (-39%); and SCORE/City Smart(13%). Actual spending for the Commercial Solutions MTP was lower than projected because funds were moved to the SCORE/City Smart MTP due to lower participation levels in the Commercial Solutions MTP than initially projected. Load Management SOP actual funds expended were lower than projected due to a lower number of participants than expected.

## **IX. Market Transformation Program Results**

### **Commercial Solutions (COM SOL) MTP**

The primary objective of the Commercial Solutions MTP is to provide a conduit for ETI's commercial customers to install more energy efficient measures in their facilities, both new and existing. CLEAResult Consulting, Inc. was hired to provide their expertise in working with customers to make sure they are installing the most cost effective energy efficient measures by providing equipment recommendations, engineering oversight, consultations, benchmarking, and Cool Saver HVAC tune-ups.

### **Schools Concerned with Reducing Energy (SCORE/City Smart) MTP**

Under the SCORE/City Smart MTP, School districts and governmental entities targeted by the program have had great success in reducing their demand and energy consumption. Program participants are touting the value of the program and recommending participation to others. Many projects that were scheduled for several years down the road are now being moved up to be completed earlier due to the "Energy Efficiency Business Plan" that is part of the program. Cool Saver HVAC tune-ups were also provided to several of the school buildings to ensure the proper commissioning of the HVAC equipment.

### **Entergy Solutions High Performance Homes (ENTERGY SOL) MTP**

The ENTERGY SOL High Performance Homes MTP combines the attributes of an Energy Star Homes new construction program with the attributes of a Home Performance with Energy Star retrofit program. This combined program is logical because both programs are driven predominantly by Home Energy Rating Services (HERS). The HERS raters provide professional assessments on new and existing homes to bring them up to Energy Star standards. Incentives are paid to builders and contractors for installing certain measures in new construction applications that provide verifiable demand and energy savings. For the retrofit application, incentives can be paid to either the builder or contractor that installed the energy efficient measures. For 2016, the retrofit portion of this, or the Home Performance with Energy Star, will no longer be offered. This program never reached a sufficient number of customers to continue offering. The A/C Distributor MTP will be offered in its place.

## **X. Research and Development and Administrative Costs**

ETI continued a Research and Development (R&D) project in 2015 that will continue into 2016. The project involves the development of a database that will be the repository for all ETI's energy efficiency programs. Currently, ETI houses data with three different implementers, and it is

cumbersome to gather data to submit to the EM&V contractor. Having all data reside in one location will make managing and reporting on the energy efficiency programs more effective. ETI's Administrative Costs consist of employee salaries and benefits, EM&V costs for both the state's contractor as well as ETI, EECRF proceeding costs for filing and defending its program costs, marketing and advertising costs, Electric Utility Marketing Managers of Texas (EUMMOT) fees, and employee expenses used for training, QA/QC activities on program results from 3<sup>rd</sup> parties, and attending local energy efficiency conferences.

## **XI. Current Energy Efficiency Cost Recovery Factor (EECRF)**

ETI applied for its EECRF rate schedule on May 1, 2015 in Docket 44696. The EECRF was approved for \$8,557,481 and ETI began implementation of the rider on January 1, 2016.

## **XII. Revenue Collected through EECRF (2015)**

ETI's 2015 EECRF revenues as of December 31, 2015 were \$11,663,061.

## **XIII. Over/Under-recovery of Energy Efficiency Program Costs**

ETI had an over-recovery of its 2015 energy efficiency programs of \$397,915, which should be returned in the 2017 EECRF.

## **XIV. Performance Bonus Calculation**

In 2015, ETI's total spending on energy efficiency programs was \$7,147,321. This includes actual EM&V expenditures of \$140,625. Per direction by the PUCT Staff, the total program costs to be used in the performance bonus calculation should include the EM&V cost allocation provided by the EM&V team for the program year, instead of the actual EM&V expenditures. For the 2015 program year, allocated EM&V costs totaled \$105,901. As a result, the total program expenditures for the bonus calculation will not match the actual total program expenditures exhibited in the applicable tables above.

For the purposes of the performance bonus calculation, ETI's 2015 total program costs equaled \$7,112,989.

Under SUBST. R. 25.181, the calculation of the performance bonus is the lesser of:

Percentage of net benefits  
Or  
20% of program costs

Because ETI exceeded the 2015 goal by 17% for kW and 46% for kWh savings, ETI will request a performance bonus of \$1,808,226 as part of the 2016 EECRF filing.

**Table 10: Performance Bonus Calculation**

Program Year 2015		
Energy Efficiency Performance Bonus Calculator		
	kW	kWh
Demand and Energy Goals	15,500	27,156,000
Actual Demand and Energy Savings	18,091	39,720,801
Reported/Verified Hard-to-Reach	1,094	
Program Costs (excluding bonus)	\$7,112,989	
Performance Bonus	\$1,808,226	

  

7%	Hard-to-Reach Goal Met?
117%	Bonus Calculation Details
146%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)
TRUE	Percentage of Energy Reduction Goal Met (Reported kWh/Goal kWh)
\$28,747,692	Met Requirements for Performance Bonus?
\$7,112,989	Total Avoided Costs
\$21,634,703	Total Program Costs (excluding bonus)
\$1,808,226	Net Benefits
\$2,163,470	Calculated Bonus (((Achieved Demand Reduction/Demand Goal - 100%) / 2) * Net Benefits)
	Maximum Bonus Allowed (10% of Net Benefits)



# Acronyms

<b>COM</b>	Commercial
<b>EEP</b>	Energy Efficiency Plan, which was filed as a separate document prior to April 2009
<b>EEPR</b>	Energy Efficiency Plan and Report
<b>EER</b>	Energy Efficiency Report, which was filed as a separate document prior to April 2009
<b>EE Rule</b>	Energy Efficiency Rule, PUCT Substantive Rules § 25.181 and § 25.183
<b>EECRF</b>	Energy Efficiency Cost Recovery Factor
<b>HERS</b>	Home Energy Rating Services
<b>HTR</b>	Hard-To-Reach
<b>EM&amp;V</b>	Evaluation, Measurement and Verification
<b>LM</b>	Load Management
<b>MTP</b>	Market Transformation Program
<b>PUCT</b>	Public Utility Commission of Texas
<b>PURA</b>	Public Utility Regulatory Act
<b>RES</b>	Residential
<b>RFP</b>	Request for Proposals
<b>SCORE</b>	Schools Concerned with Reducing Energy
<b>SOP</b>	Standard Offer Program

# Appendix

**APPENDIX A**  
**REPORTED DEMAND AND ENERGY REDUCTION**  
**BY COUNTY 2015<sup>4</sup>**

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<sup>4</sup> The reported demand and energy reductions by county tables may not match up exactly with the tables above due to minor rounding discrepancies.

Residential SOP			
County	# of Customers	Savings KW	Savings KWH
Brazos	6	5.185	21,854
Chambers	22	24.589	101,763
Galveston	3	4.546	17,917
Grimes	66	25.068	128,518
Hardin	389	371.21	1,609,967
Harris	6	6.976	20,171
Jasper	2	2.554	15,308
Jefferson	2554	1776	6,403,989
Leon	1	0.553	2,619
Liberty	6	4.797	17,302
Milam	2	1.909	6,965
Montgomery	184	243.531	769,515
Orange	516	525.058	1,976,851
Trinity	4	4.657	14,876
Tyler	114	311.773	872,661
Walker	10	6.525	18,832
<b>TOTAL</b>	<b>3,885</b>	<b>3,314.93</b>	<b>11,999,108</b>

Hard to Reach SOP			
County	# of Customers	Savings KW	Savings KWh
Brazos	2	2.977	11,931
Chambers	5	7.427	24,763
Grimes	6	3.907	14,188
Hardin	202	166.089	684,128
Jefferson	791	667.734	2,299,477
Liberty	3	2.332	9,476
Montgomery	41	24.558	76,267
Orange	113	130.327	461,186
Tyler	37	88.783	254,159
<b>TOTAL</b>	<b>1,200</b>	<b>1,094.134</b>	<b>3,835,575</b>

Entergy Solutions High Performance Homes MTP			
County	# of Homes	Savings KW	Savings KWH
Brazos	29	45.3	113,184
Galveston	2	2.58	6,605
Hardin	2	1.69	3,517
Harris	27	30.56	82,531
Jefferson	5	39.65	98,008
Montgomery	1,221	1,666.16	4,036,149
Orange	4	5.41	13,254
<b>TOTAL</b>	<b>1,290</b>	<b>1,791.35</b>	<b>4,353,248</b>

Load Management SOP			
County	# of Customers	Savings KW	Savings KWh
Chambers	1	155	307
Hardin	7	446	1,727
Harris	4	207	1,932
Jefferson	7	2,605	6,031
Liberty	3	839	3,204
Montgomery	14	2,216	9,171
Orange	5	852	1,161
<b>TOTAL</b>	<b>41</b>	<b>7,320</b>	<b>23,533</b>

Commercial Solutions MTP			
County	# of Customers	Savings KW	Savings KWH
Chambers	6	12.95	86,174
Grimes	8	50.04	284,056
Hardin	6	29.42	155,755
Harris	43	31.86	262,512
Jefferson	80	877.802	4,475,062
Liberty	15	88.76	462,549
Montgomery	69	1,186.21	5,253,999
Orange	13	27.68	186,172
Walker	13	78.18	402,785
<b>TOTAL</b>	<b>253</b>	<b>2,382.90</b>	<b>11,569,064</b>

SCORE/City Smart MTP			
County	# of Customers	Savings KW	Savings KWh
Hardin	1	44.96	107,871
Jefferson	7	92.37	578,653
Montgomery	89	1,952.12	6,762,349
Orange	7	59.88	375,210
Robertson	3	13.02	67,881
Walker	14	24.69	48,211
<b>Total</b>	<b>121</b>	<b>2,187</b>	<b>7,940,175</b>