

El Paso Electric Company
Re-distribution of Appliance Recycling Budget

Exhibit AGP-05
Page 1 of 1

2016	Original Program Budget	Proposed Program Budget	Difference
Commercial	\$2,827,630	\$3,118,630	\$291,000
Commercial SOP*	\$380,000	\$471,000	\$91,000
Small Commercial Solutions MTP	\$461,115	\$461,115	
Large C&I Solutions MTP	\$1,005,396	\$1,005,396	
Texas SCORE MTP*	\$415,569	\$615,569	\$200,000
Load Management SOP	\$460,000	\$460,000	
Commercial Rebate Pilot Program	\$105,550	\$105,550	
Residential	\$576,346	\$576,346	\$0
Residential Solutions MTP	\$230,000	\$230,000	
LivingWise® MTP	\$346,346	\$346,346	
Hard-to-Reach	\$600,000	\$600,000	\$0
Hard-to-Reach Solutions MTP	\$600,000	\$600,000	
Residential / Commercial	\$289,125	\$0	(\$289,125)
Appliance Recycling MTP*	\$289,125	\$0	(\$289,125)
Administration*	\$91,549	\$89,674	(\$1,875)
Program Budgets	\$4,384,650	\$4,384,650	\$0

* Programs and Administration that were affected by the reallocation

Budget for 2017 Program Expenses by Rate Class

PROGRAMS	Total Program Incentives and Administration Costs (not including EM&V)				
	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41
Commercial SOP	-	-	278,754.00	162,872.00	-
Small Commercial Solutions	-	217,414.00	255,020.00	-	-
Large C&I Solutions	-	297,178.00	668,005.00	64,895.00	-
Texas SCORE	-	112,684.00	165,092.00	61,720.00	382,375.00
Load Management SOP	-	-	-	471,298.00	-
Commercial Rebates Pilot	-	-	52,105.00	-	-
Residential Solutions	235,649.00	-	-	-	-
LivingWise	354,851.00	-	-	-	-
Hard-to-Reach Solutions	614,738.00	-	-	-	-
TOTAL	1,205,238.00	627,276.00	1,418,976.00	760,785.00	382,375.00

PROGRAMS	Budget for Incentives by Rate Class				
	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41
Commercial SOP	-	-	247,427.00	144,568.00	-
Small Commercial Solutions	-	212,205.00	248,910.00	-	-
Large C&I Solutions	-	290,057.00	651,999.00	63,340.00	-
Texas SCORE	-	109,983.00	161,135.00	60,241.00	373,210.00
Load Management SOP	-	-	-	460,000.00	-
Commercial Rebates Pilot	-	-	45,000.00	-	-
Residential Solutions	230,000.00	-	-	-	-
LivingWise	346,346.00	-	-	-	-
Hard-to-Reach Solutions	600,000.00	-	-	-	-
TOTAL	1,176,346.00	612,245.00	1,354,471.00	728,149.00	373,210.00

Budget for 2017 Program Expenses by Rate Class

Budget for Direct Administration Expenses by Rate Class						
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43
Commercial SOP	-	-	25,248.00	14,752.00	-	-
Small Commercial Solutions	-	-	-	-	-	-
Large C&I Solutions	-	-	-	-	-	-
Texas SCORE	-	-	-	-	-	-
Load Management SOP	-	-	-	-	-	-
Commercial Rebates Pilot	-	-	6,000.00	-	-	-
Residential Solutions	-	-	-	-	-	-
LivingWise	-	-	-	-	-	-
Hard-to-Reach Solutions	-	-	-	-	-	-
TOTAL	-	-	31,248.00	14,752.00	-	-
						46,000.00

Budget for Indirect Administration Expenses by Rate Class						
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43
Commercial SOP	-	-	5,496.00	3,211.00	-	-
Small Commercial Solutions	-	4,709.00	5,524.00	-	-	-
Large C&I Solutions	-	6,438.00	14,470.00	1,406.00	-	-
Texas SCORE	-	2,442.00	3,577.00	1,337.00	8,286.00	-
Load Management SOP	-	-	-	10,214.00	-	-
Commercial Rebates Pilot	-	-	999.00	-	-	-
Residential Solutions	5,107.00	-	-	-	-	-
LivingWise	7,689.00	-	-	-	-	-
Hard-to-Reach Solutions	13,324.00	-	-	-	-	-
TOTAL	26,120.00	13,589.00	30,066.00	16,168.00	8,286.00	-
						94,229.00

Budget for 2017 Program Expenses by Rate Class

Budget for R&D Expenses by Rate Class						
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43
Commercial SOP	-	-	583.00	341.00	-	-
Small Commercial Solutions	-	500.00	586.00	-	-	-
Large C&I Solutions	-	683.00	1,536.00	149.00	-	-
Texas SCORE	-	259.00	380.00	142.00	879.00	-
Load Management SOP	-	-	-	1,084.00	-	-
Commercial Rebates Pilot	-	-	106.00	-	-	-
Residential Solutions	542.00	-	-	-	-	-
LivingWise	816.00	-	-	-	-	-
Hard-to-Reach Solutions	1,414.00	-	-	-	-	-
TOTAL	2,772.00	1,442.00	3,191.00	1,716.00	879.00	-
						10,000.00

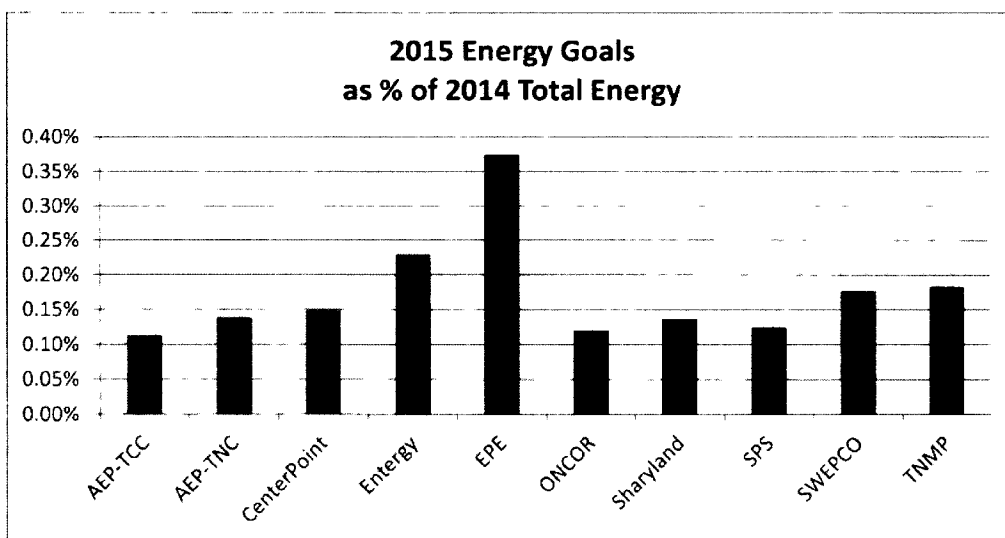
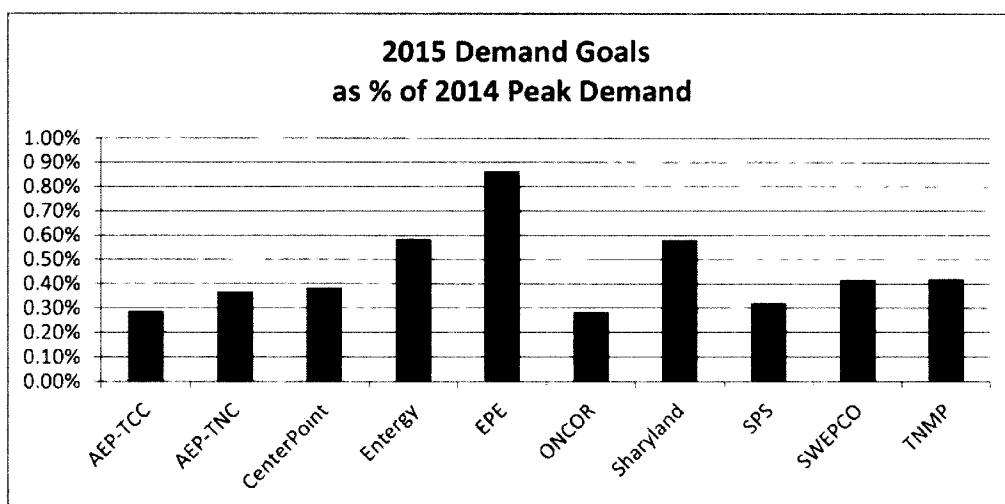
Budget for EM&V Expenses by Rate Class						
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43
Commercial SOP	-	-	-	-	-	-
Small Commercial Solutions	-	-	-	-	-	-
Large C&I Solutions	-	-	-	-	-	-
Texas SCORE	-	-	-	-	-	-
Load Management SOP	-	-	-	-	-	-
Commercial Rebates Pilot	-	-	-	-	-	-
Residential Solutions	-	-	-	-	-	-
LivingWise	-	-	-	-	-	-
Hard-to-Reach Solutions	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

Program Year 2015			
Energy Efficiency Performance Bonus Calculator *			
	kW	kWh	
Demand and Energy Goals	11,160	19,552,320	
Actual Demand and Energy Savings	12,305	22,282,527	
Reported/Verified Hard-to-Reach	964		
Program Costs (excluding bonus)	\$4,097,490		
Performance Bonus	\$667,545		
9%	Hard-to-Reach Goal Met?		
Bonus Calculation Details			
110%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)		
114%	Percentage of Energy Reduction Goal Met (Reported kWh/Goal kWh)		
TRUE	Met Requirements for Performance Bonus?		
\$17,112,056.67	Total Avoided Costs		
\$4,097,489.53	Total Program Costs (excluding bonus)		
\$13,014,567.14	Net Benefits		
\$667,545.49	Calculated Bonus (((Achieved Demand Reduction/Demand Goal - 100%) / 2) * Net Benefits)		
\$1,301,456.71	Maximum Bonus Allowed (10% of Net Benefits)		

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

Texas Utility Comparison of 2015 Goals to 2014 Peak Demand

Utility	2014*		2015 Goals			
	Peak MW	Res. & Comm MWh	MW	Percent of 2014 Peak	MWh	Percent of 2014 Energy
AEP-TCC	4,460	19,918,000	12.93	0.29%	22,653	0.11%
AEP-TNC	1,152	5,385,000	4.26	0.37%	7,464	0.14%
CenterPoint	15,329	69,680,000	58.83	0.38%	103,069	0.15%
Entergy	2,650	11,830,000	15.50	0.58%	27,156	0.23%
EPE	1,291	5,219,704	11.16	0.86%	19,552	0.37%
ONCOR	24,275	100,674,230	69.40	0.29%	121,589	0.12%
Sharyland	172	1,278,659	1.00	0.58%	1,752	0.14%
SPS	1,702	7,689,717	5.495	0.32%	9,627	0.13%
SWEPSCO	1,336	5,530,000	5.60	0.42%	9,811	0.18%
TNMP	1,368	5,500,505	5.77	0.42%	10,109	0.18%



*As reported in 2016 EEPRs filed on 4/1/16

PUBLIC VERSION

Provided upon issuance of Protective Order and pursuant to Confidentiality
Agreement

Residential & Commercial EULs				
Sector	TRM Measure	Energy Efficiency Measure	EUL (years)	TRM Version
Residential	2 1 1	Res Compact Fluorescent Lamps	7 7	2 1
Residential	2 2 1	Res Duct Efficiency Improvement	18 0	2 1
Residential	2 2 2	Res Central AC	19 0	2 1
Residential	2 2 3	Res Ground Source Heat Pump	20 0	2 1
Residential	2 2 4	Res Central Heat Pump	16 0	2 1
Residential	2 2 5	Res Window Air Conditioner	11 0	2 1
Residential	2 3 1	Res Air Infiltration	11 0	2 1
Residential	2 3 2	Res Ceiling Insulation	25 0	2 1
Residential	2 3 3	Res Wall Insulation	25 0	2 1
Residential	2 3 4	Res Floor Insulation	25 0	2 1
Residential	2 3 5	Res Energy Star Windows	25 0	2 1
Residential	2 3 6	Res Solar Screens	10 0	2 1
Residential	2 4 1	Res Faucet Aerators	10 0	2 1
Residential	2 4 2	Res Low-Flow Showerheads	10 0	2 1
Residential	2 4 3	Res Water Heater Pipe Insulation	13 0	2 1
Residential	2 4 4	Res Water Heater Tank Insulation	7 0	2 1
Residential	2 4 5	Res Water Heater Installation-Electric Tankless and Fuel Substitution	20 0	2 1
Residential	2 4 6	Res Heat Pump Water Heater	13 0	2 1
Residential	2 4 7	Res Water Heater Replacement-Solar Water Heating	15 0	2 1
Residential	2 5 1	Res Energy Star Ceiling Fans	10 0	2 1
Residential	2 5 2	Res Energy Star Clothes Washer	14 0	2 1
Residential	2 5 3	Res Energy Star Dishwashers	15 0	2 1
Residential	2 5 4	Res Energy Star Refrigerators	17 0	2 1
Residential	2 6 1	Res New Homes	23 0	2 1
Residential	2 7 1	Res Solar Photovoltaic (PV)	30 0	2 1
Residential	2 8 1	Res Direct Load Control of Outdoor Compressor Units	1 0	2 1
Residential	2 8 2	Res Direct Load Control of Swimming Pool Pump Motors	1 0	2 1
Residential	2 9 1	Res Refrigerator/Freezer Recycling	8 0	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: Halogen Lamps	1 5	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: High Intensity Discharge Lamps	15 5	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: Integrated-ballast CCFL Lamps	4 5	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: Integrated-ballast CFL Lamps	2 5	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: Integral LED Lamps	9 0	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: Light Emitting Diode	15 0	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: Modular CFL and CCFL Fixtures	16 0	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: T8 and T5 Linear Fluorescents	15 5	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: LEDs or T8 and T5 Linear Fluorescents replacing T12s with magnetic ballasts	8 5	2 1
Commercial	2 1 2	Comm Lighting Controls: Occupancy Sensor	10 0	2 1
Commercial	2 1 2	Comm Lighting Controls: Photocell (Daylighting Control)	10 0	2 1
Commercial	2 1 2	Comm Lighting Controls: Timeclock	10 0	2 1
Commercial	2 2 1	Comm Split System/Single Packaged Heat Pumps and Air Conditioners	15 0	2 1
Commercial	2 2 2	Comm HVAC Chillers: Screw / Scroll / Reciprocating Chillers	20 0	2 1
Commercial	2 2 2	Comm HVAC Chillers: Centrifugal Chillers	25 0	2 1
Commercial	2 2 3	Comm Packaged Terminal Air Conditioners, Heat Pumps	15 0	2 1
Commercial	2 2 3	Comm Room Air Conditioners	11 0	2 1
Commercial	2 2 4	Comm HVAC VFD on AHU Supply Fans	15 0	2 1
Commercial	2 3 1	Comm Energy Star Roofs	15 0	2 1
Commercial	2 3 2	Comm Window Film	10 0	2 1
Commercial	2 4 1	Comm High Efficiency Combination Ovens	12 0	2 1
Commercial	2 4 2	Comm High Efficiency Electric Convection Ovens	12 0	2 1
Commercial	2 4 3	Comm Energy Star Commercial Dishwashers	11 0	2 1
Commercial	2 4 4	Comm Hot Food Holding Cabinets	12 0	2 1
Commercial	2 4 5	Comm Energy Star Electric Fryers	12 0	2 1
Commercial	2 4 6	Comm Pre-Rinse Spray Valves	5 0	2 1
Commercial	2 4 7	Comm Energy Star Electric Steam Cookers	12 0	2 1
Commercial	2 5 1	Comm Door Heater Controls	12 0	2 1
Commercial	2 5 2	Comm ECM Evaporator Fan Motor	15 0	2 1
Commercial	2 5 3	Comm Electronic Defrost Controls	10 0	2 1
Commercial	2 5 4	Comm Evaporator Fan Controls	16 0	2 1
Commercial	2 5 5	Comm Night Covers for Open Refrigerated Display Cases	5 0	2 1
Commercial	2 5 6	Comm Solid and Glass Door Reach-Ins	12 0	2 1
Commercial	2 5 7	Comm Strip Curtains for Walk-In Refrigerated Storage	4 0	2 1
Commercial	2 5 8	Comm Zero Energy Doors for Refrigerated Cases	12 0	2 1
Commercial	2 6 1	Comm Vending Machine Controls	5 0	2 1
Commercial	2 6 2	Comm Lodging Guest Room Occupancy Sensor Controls	10 0	2 1
Commercial	2 6 3	Comm Pump-Off Controller	15 0	2 1
Commercial	2 7 1	Comm Solar Photovoltaic (PV)	30 0	2 1
Commercial	2 8 1	Comm Load Curtailment	1 0	2 1

Bonus and Cost-effectiveness Calculator

Version v8.0
updated 2/26/2015

FRONTIER

Frontier Associates

Fixed Inputs	Fixed Inputs per PUC Rule	Avoided Cost			
		2013	2014	2015	
Avoided Cost per kW	\$ 80.00	\$ 80.00	\$ 80.00	\$ 80.00	
Avoided Cost per kWh	\$ 0.05321	\$ 0.04700	\$ 0.04619	\$ 0.05321	
Utility Specific Discount Rate (WACC)	6.6130%				
Inflation Rate	2.0%				
Maximum % Net Benefits for Bonus	10.0%				

PUC Goals	kW	kWh
2015 Goals	11,160	19,552,320

Cost-effectiveness Input	
Bonus Collected in 2015 = Bonus Earned in 2013	\$ 2,035,783

2015 Benefit-Cost Analysis by Program

Program	kW	kWh	Incentives	Estimated Useful Life	Total Admin for Cost Effectiveness (Including Bonus; excluding cost paid for EECRF)	Total Program Cost for Cost Effectiveness (Including Bonus; excluding cost paid for EECRF)	Present Value Avoided Capacity Cost * kW	Present Value Avoided Energy Cost * kWh	Total Avoided Cost	Net Benefits	Ben-Cost Ratio
Commercial SOP	328.65	1,896,843	\$ 160,944.45	15.0	\$ 100,983	\$ 261,927	\$ 282,082	\$ 1,082,682	\$ 1,364,763	\$ 1,102,836	5.21
Commercial Rebate Program	15.79	46,488	\$ 22,350.00	10.0	\$ 14,668	\$ 37,018	\$ 9,984	\$ 19,551	\$ 29,536	\$ (7,482)	0.80
Load Management SOP	6,711.0	33,555	\$ 318,677.00	1.0	\$ 178,293	\$ 496,920	\$ 513,650	\$ 1,708	\$ 515,358	\$ 18,438	1.04
Large Commercial Solutions Program	1,944.66	9,503,826	\$ 932,618.12	13.7	\$ 538,358	\$ 1,470,976	\$ 1,530,524	\$ 5,026,400	\$ 6,556,924	\$ 5,085,948	4.46
Texas SCORE Program	577.25	2,774,905	\$ 447,792.14	11.0	\$ 257,421	\$ 705,213	\$ 435,426	\$ 1,217,799	\$ 1,653,225	\$ 948,012	2.34
Hard-to-Reach Solutions Program	964.1821	1,479,742	\$ 651,473.94	24.1	\$ 371,828	\$ 1,023,302	\$ 1,103,058	\$ 1,136,772	\$ 2,239,829	\$ 1,216,528	2.19
Residential Solutions Program	400.15	600,956	\$ 202,144.31	22.5	\$ 122,165	\$ 324,309	\$ 439,432	\$ 437,459	\$ 876,891	\$ 552,582	2.70
Small Commercial Solutions	671.84	3,007,513	\$ 426,636.93	12.3	\$ 244,775	\$ 671,412	\$ 477,251	\$ 1,451,258	\$ 1,928,509	\$ 1,257,097	2.87
LivingWise Educational Program	222.98	1,165,897	\$ 346,352.16	9.1	\$ 196,474	\$ 542,776	\$ 131,051	\$ 455,761	\$ 586,812	\$ 44,036	1.08
Solar PV Program	278.91	537,642	\$ 194,230.00	30.0	\$ 155,378	\$ 349,608	\$ 362,483	\$ 464,758	\$ 827,241	\$ 477,632	2.37
Appliance Recycling Program	189.44	1,235,160	\$ 140,418.39	8.0	\$ 82,490	\$ 222,908	\$ 99,867	\$ 433,101	\$ 532,969	\$ 310,061	2.39
Portfolio Total	12,304.84	22,282,527	\$ 3,843,587		\$ 2,262,781	\$ 6,106,369	\$ 5,384,808	\$ 11,727,248	\$ 17,112,057	\$ 11,005,688	2.80

Program Level EULs
= weighted average
of installed measure
EUL

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Texas SCORE	-	112,684.00	165,092.00	61,720.00	382,375.00	-
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Large C&I Solutions	-	290,057.00	651,999.00	63,340.00	-	-
Texas SCORE	-	109,983.00	161,135.00	60,241.00	373,210.00	-
Load Management SOP	-	-	-	460,000.00	-	-
Commercial Rebates Pilot	-	-	45,000.00	-	-	-
Residential Solutions	230,000.00	-	-	-	-	-
LivingWise	346,346.00	-	-	-	-	-
Hard-to-Reach Solutions	600,000.00	-	-	-	-	-
TOTAL	1,176,346.00	612,245.00	1,354,471.00	728,149.00	373,210.00	-
						4,244,421.00

Budget for 2017 Program Expenses by Rate Class

Budget for Direct Administration Expenses by Rate Class							
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	-	-	25,248.00	14,752.00	-	-	40,000.00
Small Commercial Solutions	-	-	-	-	-	-	-
Large C&I Solutions	-	-	-	-	-	-	-
Texas SCORE	-	-	-	-	-	-	-
Load Management SOP	-	-	-	-	-	-	-
Commercial Rebates Pilot	-	-	6,000.00	-	-	-	6,000.00
Residential Solutions	-	-	-	-	-	-	-
LivingWise	-	-	-	-	-	-	-
Hard-to-Reach Solutions	-	-	-	-	-	-	-
TOTAL	-	-	31,248.00	14,752.00	-	-	46,000.00

Budget for Indirect Administration Expenses by Rate Class							
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	-	-	5,496.00	3,211.00	-	-	8,707.00
Small Commercial Solutions	-	4,709.00	5,524.00	-	-	-	10,233.00
Large C&I Solutions	-	6,438.00	14,470.00	1,406.00	-	-	22,314.00
Texas SCORE	-	2,442.00	3,577.00	1,337.00	8,286.00	-	15,642.00
Load Management SOP	-	-	-	10,214.00	-	-	10,214.00
Commercial Rebates Pilot	-	-	999.00	-	-	-	999.00
Residential Solutions	5,107.00	-	-	-	-	-	5,107.00
LivingWise	7,689.00	-	-	-	-	-	7,689.00
Hard-to-Reach Solutions	13,324.00	-	-	-	-	-	13,324.00
TOTAL	26,120.00	13,589.00	30,066.00	16,168.00	8,286.00	-	94,229.00

Budget for 2017 Program Expenses by Rate Class

Budget for R&D Expenses by Rate Class							
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	-	-	583.00	341.00	-	-	924.00
Small Commercial Solutions	-	500.00	586.00	-	-	-	1,086.00
Large C&I Solutions	-	683.00	1,536.00	149.00	-	-	2,368.00
Texas SCORE	-	259.00	380.00	142.00	879.00	-	1,660.00
Load Management SOP	-	-	-	1,084.00	-	-	1,084.00
Commercial Rebates Pilot	-	-	106.00	-	-	-	106.00
Residential Solutions	542.00	-	-	-	-	-	542.00
LivingWise	816.00	-	-	-	-	-	816.00
Hard-to-Reach Solutions	1,414.00	-	-	-	-	-	1,414.00
TOTAL	2,772.00	1,442.00	3,191.00	1,716.00	879.00	-	10,000.00

Budget for EM&V Expenses by Rate Class							
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	-	-	-	-	-	-	-
Small Commercial Solutions	-	-	-	-	-	-	-
Large C&I Solutions	-	-	-	-	-	-	-
Texas SCORE	-	-	-	-	-	-	-
Load Management SOP	-	-	-	-	-	-	-
Commercial Rebates Pilot	-	-	-	-	-	-	-
Residential Solutions	-	-	-	-	-	-	-
LivingWise	-	-	-	-	-	-	-
Hard-to-Reach Solutions	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-

Exhibit AGP-06 Workpapers

PROGRAMS	2015 Actual Incentives Paid						TOTAL
	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	
Commercial SOP			56,994.38	103,950.07			160,944.45
Small Commercial Solutions		196,346.56	230,290.37				426,636.93
Large C&I Solutions		293,688.31	574,765.79	64,164.02			932,618.12
Texas SCORE		85,074.47	27,448.11		288,650.79	46,618.77	447,792.14
Load Management SOP				318,627.00			318,627.00
Commercial Rebates Pilot			22,350.00				22,350.00
Residential Solutions	202,144.31						202,144.31
LivingWise	346,352.16						346,352.16
Appliance Recycling	140,418.39						140,418.39
Solar PV Pilot	179,230.00	7,500.00	7,500.00				194,230.00
Hard-to-Reach Solutions	651,473.94						651,473.94
TOTAL	1,519,618.80	582,609.34	919,348.65	486,741.09	288,650.79	46,618.77	3,843,587.44

PROGRAMS	2015 to 2017 Budget Adjustment #1						TOTAL
	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	
Commercial SOP			77,692.00				77,692.00
Small Commercial Solutions							-
Large C&I Solutions			85,461.20				85,461.20
Texas SCORE							-
Load Management SOP							-
Commercial Rebates Pilot							-
Residential Solutions	31,076.80						31,076.80
LivingWise							-
Appliance Recycling							-
Solar PV Pilot	(179,230.00)	(7,500.00)	(7,500.00)				(194,230.00)
Hard-to-Reach Solutions							-
TOTAL	(148,153.20)	(7,500.00)	155,653.20	-	-	-	-

*Discontinued Solar PV Pilot Program Expenses Shifted to Other Programs based on % used in 2015 EECRF

Exhibit AGP-06 Workpapers

PROGRAMS	2015 to 2017 Budget Adjustment #2				
	TXRT01	TXRT02	TXRT24	TXRT25	TXRT43
Commercial SOP			43,243.03		
Small Commercial Solutions					
Large C&I Solutions					
Texas SCORE			97,175.36		
Load Management SOP					
Commercial Rebates Pilot					
Residential Solutions					
LivingWise					
Appliance Recycling	(140,418.39)				
Solar PV Pilot					
Hard-to-Reach Solutions					
TOTAL	(140,418.39)	-	140,418.39	-	-

*Discontinued Appliance Recycling Program Expenses Shifted to Other Programs

PROGRAMS	2015 to 2017 Budget Adjustment #3				
	TXRT01	TXRT02	TXRT24	TXRT25	TXRT43*
Commercial SOP					
Small Commercial Solutions					
Large C&I Solutions					
Texas SCORE				46,618.77	(46,618.77)
Load Management SOP					
Commercial Rebates Pilot					
Residential Solutions					
LivingWise					
Appliance Recycling					
Solar PV Pilot					
Hard-to-Reach Solutions					
TOTAL	-	-	-	46,618.77	(46,618.77)

*Rate 43 has been combined with Rate 25 beginning with 2016 Texas Interim Rates

PROGRAMS	2015 Incentives after Adjustments Spread to Class						
	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	-	-	177,929.41	103,950.07	-	-	281,879.48
Small Commercial Solutions	-	196,346.56	230,290.37	-	-	-	426,636.93
Large C&I Solutions	-	293,688.31	660,226.99	64,164.02	-	-	1,018,079.32
Texas SCORE	-	85,074.47	124,623.47	46,618.77	288,650.79	-	544,967.50
Load Management SOP	-	-	-	318,627.00	-	-	318,627.00
Commercial Rebates Pilot	-	-	22,350.00	-	-	-	22,350.00
Residential Solutions	233,221.11	-	-	-	-	-	233,221.11
LivingWise	346,352.16	-	-	-	-	-	346,352.16
Appliance Recycling	-	-	-	-	-	-	-
Solar PV Pilot	-	-	-	-	-	-	-
Hard-to-Reach Solutions	651,473.94	-	-	-	-	-	651,473.94
TOTAL	1,231,047.21	575,109.34	1,215,420.24	533,359.86	288,650.79	-	3,843,587.44

PROGRAMS	2015 Incentive Percentages after Adjustments Spread to Class						
	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP			63.12%	36.88%			100.00%
Small Commercial Solutions		46.02%	53.98%				100.00%
Large C&I Solutions		28.85%	64.85%	6.30%			100.00%
Texas SCORE		15.61%	22.87%	8.55%	52.97%		100.00%
Load Management SOP				100.00%			100.00%
Commercial Rebates Pilot			100.00%				100.00%
Residential Solutions	100.00%						100.00%
LivingWise	100.00%						100.00%
Appliance Recycling							0.00%
Solar PV Pilot							0.00%
Hard-to-Reach Solutions	100.00%						100.00%

Exhibit AGP-06 Workpapers

2017 Incentives Spread to Class (Based on 2015 Percentages with Adjustments)								2017 Program Incentive Percentages
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL	
Commercial SOP	-	-	247,427.00	144,568.00	-	-	391,995.00	9.24%
Small Commercial Solutions	-	212,205.00	248,910.00	-	-	-	461,115.00	10.86%
Large C&I Solutions	-	290,057.00	651,999.00	63,340.00	-	-	1,005,396.00	23.68%
Texas SCORE	-	109,983.00	161,135.00	60,241.00	373,210.00	-	704,569.00	16.60%
Load Management SOP	-	-	-	460,000.00	-	-	460,000.00	10.84%
Commercial Rebates Pilot	-	-	45,000.00	-	-	-	45,000.00	1.06%
Residential Solutions	230,000.00	-	-	-	-	-	230,000.00	5.42%
LivingWise	346,346.00	-	-	-	-	-	346,346.00	8.16%
Hard-to-Reach Solutions	600,000.00	-	-	-	-	-	600,000.00	14.14%
TOTAL	1,176,346.00	612,245.00	1,354,471.00	728,149.00	373,210.00	-	4,244,421.00	100.00%

2017 Program-Direct Administration Expenses Spread to Class							
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	-	-	25,248.00	14,752.00	-	-	40,000.00
Small Commercial Solutions	-	-	-	-	-	-	-
Large C&I Solutions	-	-	-	-	-	-	-
Texas SCORE	-	-	-	-	-	-	-
Load Management SOP	-	-	-	-	-	-	-
Commercial Rebates Pilot	-	-	6,000.00	-	-	-	6,000.00
Residential Solutions	-	-	-	-	-	-	-
LivingWise	-	-	-	-	-	-	-
Hard-to-Reach Solutions	-	-	-	-	-	-	-
TOTAL	-	-	31,248.00	14,752.00	-	-	46,000.00

Exhibit AGP-06 Workpapers

2017 Indirect Administrative Budget Spread to Program and Class						
Amount To Spread: \$	94,229					
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43
Commercial SOP	-	-	5,496.00	3,211.00	-	-
Small Commercial Solutions	-	4,709.00	5,524.00	-	-	-
Large C&I Solutions	-	6,438.00	14,470.00	1,406.00	-	-
Texas SCORE	-	2,442.00	3,577.00	1,337.00	8,286.00	-
Load Management SOP	-	-	-	10,214.00	-	-
Commercial Rebates Pilot	-	-	999.00	-	-	-
Residential Solutions	5,107.00	-	-	-	-	-
LivingWise	7,689.00	-	-	-	-	-
Hard-to-Reach Solutions	13,324.00	-	-	-	-	-
TOTAL	26,120.00	13,589.00	30,066.00	16,168.00	8,286.00	-
						94,229.00

2017 R&D Budget Spread To Program and Class						
Amount To Spread: \$	10,000					
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43
Commercial SOP	-	-	583.00	341.00	-	-
Small Commercial Solutions	-	500.00	586.00	-	-	-
Large C&I Solutions	-	683.00	1,536.00	149.00	-	-
Texas SCORE	-	259.00	380.00	142.00	879.00	-
Load Management SOP	-	-	-	1,084.00	-	-
Commercial Rebates Pilot	-	-	106.00	-	-	-
Residential Solutions	542.00	-	-	-	-	-
LivingWise	816.00	-	-	-	-	-
Hard-to-Reach Solutions	1,414.00	-	-	-	-	-
TOTAL	2,772.00	1,442.00	3,191.00	1,716.00	879.00	-
						10,000.00

Exhibit AGP-06 Workpapers

PROGRAMS	2017 Program Expenses Spread to Class (Prior to EM&V Costs)						
	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	-	-	278,754.00	162,872.00	-	-	441,626.00
Small Commercial Solutions	-	217,414.00	255,020.00	-	-	-	472,434.00
Large C&I Solutions	-	297,178.00	668,005.00	64,895.00	-	-	1,030,078.00
Texas SCORE	-	112,684.00	165,092.00	61,720.00	382,375.00	-	721,871.00
Load Management SOP	-	-	-	471,298.00	-	-	471,298.00
Commercial Rebates Pilot	-	-	52,105.00	-	-	-	52,105.00
Residential Solutions	235,649.00	-	-	-	-	-	235,649.00
LivingWise	354,851.00	-	-	-	-	-	354,851.00
Hard-to-Reach Solutions	614,738.00	-	-	-	-	-	614,738.00
TOTAL	1,205,238.00	627,276.00	1,418,976.00	760,785.00	382,375.00	-	4,394,650.00

Exhibit AGP-06 Workpapers

2017 Program Expense Percentages of Total Program Budget (Prior to EM&V Costs)							2016 Total Program Expenses
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	Percentages
Commercial SOP	0.00%	0.00%	6.34%	3.71%	0.00%	0.00%	10.05%
Small Commercial Solutions	0.00%	4.95%	5.80%	0.00%	0.00%	0.00%	10.75%
Large C&I Solutions	0.00%	6.76%	15.20%	1.48%	0.00%	0.00%	23.44%
Texas SCORE	0.00%	2.56%	3.76%	1.40%	8.70%	0.00%	16.42%
Load Management SOP	0.00%	0.00%	0.00%	10.72%	0.00%	0.00%	10.72%
Commercial Rebates Pilot	0.00%	0.00%	1.19%	0.00%	0.00%	0.00%	1.19%
Residential Solutions	5.36%	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%	8.07%
Hard-to-Reach Solutions	14.00%	0.00%	0.00%	0.00%	0.00%	0.00%	14.00%
TOTAL	27.43%	14.27%	32.29%	17.31%	8.70%	0.00%	100.00%

2017 Rate Class Percentages by Program							TOTAL
PROGRAMS	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	0.00%	0.00%	63.12%	36.88%	0.00%	0.00%	100.00%
Small Commercial Solutions	0.00%	46.02%	53.98%	0.00%	0.00%	0.00%	100.00%
Large C&I Solutions	0.00%	28.85%	64.85%	6.30%	0.00%	0.00%	100.00%
Texas SCORE	0.00%	15.61%	22.87%	8.55%	52.97%	0.00%	100.00%
Load Management SOP	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
Commercial Rebates Pilot	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%	100.00%
LivingWise	100.00%	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%	100.00%

Exhibit AGP-06 Workpapers

PROGRAMS	2017 EM&V Expenses Spread to Class						
	TXRT01	TXRT02	TXRT24	TXRT25	TXRT41	TXRT43	TOTAL
Commercial SOP	-	-	-	-	-	-	-
Small Commercial Solutions	-	-	-	-	-	-	-
Large C&I Solutions	-	-	-	-	-	-	-
Texas SCORE	-	-	-	-	-	-	-
Load Management SOP	-	-	-	-	-	-	-
Commercial Rebates Pilot	-	-	-	-	-	-	-
Residential Solutions	-	-	-	-	-	-	-
LivingWise	-	-	-	-	-	-	-
Hard-to-Reach Solutions	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-

Bonus and Cost-effectiveness Calculator

Version v8.0

updated 2/26/2015

FRONTIER

Frontier Associates

	2013	2014	2015
Fixed Inputs per PUC Rule			
Avoided Cost per kW	\$	80.00	\$ 80.00
Avoided Cost per kWh	\$	0.05321	\$ 0.05321
Utility Specific Discount Rate (WACC)		6.6130%	
Inflation Rate		2.0%	
Maximum % Net Benefits for Bonus		10.0%	

PUC Goals	kW	kWh
2015 Goals	11,160	19,552,320

Cost-effectiveness Input	
Bonus Collected in 2015 = Bonus Earned in 2013	\$ 2,035,783

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 PY2015 cost-effectiveness, the *bonus collected* (= 2013 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 PY2015.

[illegible]

[illegible]

Program Year 2015			
Energy Efficiency Performance Bonus Calculator			
	kW	kWh	
Demand and Energy Goals	11,160	19,552,320	
Actual Demand and Energy Savings	12,305	22,282,527	
Reported/Verified Hard-to-Reach	964		
Program Costs (excluding bonus)	\$4,097,490		
Performance Bonus	\$667,545		
9%	Hard-to-Reach Goal Met?		
110%	Bonus Calculation Details		
114%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)		
TRUE	Percentage of Energy Reduction Goal Met (Reported kWh/Goal kWh)		
\$17,112,057	Met Requirements for Performance Bonus?		
\$4,097,490	Total Avoided Costs		
\$13,014,567	Total Program Costs (excluding bonus)		
\$667,545	Net Benefits		
\$1,301,457	Calculated Bonus (((Achieved Demand Reduction/Demand Goal - 100%) / 2) * Net Benefits)		
	Maximum Bonus Allowed (10% of Net Benefits)		

Residential & Commercial EULs				
Sector	TRM Measure	Energy Efficiency Measure	EUL (years)	TRM Version
Residential	2 1 1	Res Compact Fluorescent Lamps	7 7	2 1
Residential	2 2 1	Res Duct Efficiency Improvement	18 0	2 1
Residential	2 2 2	Res Central AC	19 0	2 1
Residential	2 2 3	Res Ground Source Heat Pump	20 0	2 1
Residential	2 2 4	Res Central Heat Pump	16 0	2 1
Residential	2 2 5	Res Window Air Conditioner	11 0	2 1
Residential	2 3 1	Res Air Infiltration	11 0	2 1
Residential	2 3 2	Res Ceiling Insulation	25 0	2 1
Residential	2 3 3	Res Wall Insulation	25 0	2 1
Residential	2 3 4	Res Floor Insulation	25 0	2 1
Residential	2 3 5	Res Energy Star Windows	25 0	2 1
Residential	2 3 6	Res Solar Screens	10 0	2 1
Residential	2 4 1	Res Faucet Aerators	10 0	2 1
Residential	2 4 2	Res Low-Flow Showerheads	10 0	2 1
Residential	2 4 3	Res Water Heater Pipe Insulation	13 0	2 1
Residential	2 4 4	Res Water Heater Tank Insulation	7 0	2 1
Residential	2 4 5	Res Water Heater Installation-Electric Tankless and Fuel Substitution	20 0	2 1
Residential	2 4 6	Res Heat Pump Water Heater	13 0	2 1
Residential	2 4 7	Res Water Heater Replacement-Solar Water Heating	15 0	2 1
Residential	2 5 1	Res Energy Star Ceiling Fans	10 0	2 1
Residential	2 5 2	Res Energy Star Clothes Washer	14 0	2 1
Residential	2 5 3	Res Energy Star Dishwashers	15 0	2 1
Residential	2 5 4	Res Energy Star Refrigerators	17 0	2 1
Residential	2 6 1	Res New Homes	23 0	2 1
Residential	2 7 1	Res Solar Photovoltaic (PV)	30 0	2 1
Residential	2 8 1	Res Direct Load Control of Outdoor Compressor Units	1 0	2 1
Residential	2 8 2	Res Direct Load Control of Swimming Pool Pump Motors	1 0	2 1
Residential	2 9 1	Res Refrigerator/Freezer Recycling	6 0	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: Halogen Lamps	1 5	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: High Intensity Discharge Lamps	15 6	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: Integrated-ballast CCFL Lamps	4 5	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: Integrated-ballast CFL Lamps	2 5	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: Integral LED Lamps	9 0	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: Light Emitting Diode	15 0	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: Modular CFL and CCFL Fixtures	16 0	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: T8 and T5 Linear Fluorescents	15 5	2 1
Commercial	2 1 1	Comm Lamps and Fixtures: LEDs or T8 and T5 Linear Fluorescents replacing T12s with magnetic ballasts	8 5	2 1
Commercial	2 1 2	Comm Lighting Controls: Occupancy Sensor	10 0	2 1
Commercial	2 1 2	Comm Lighting Controls: Photocell (Daylighting Control)	10 0	2 1
Commercial	2 1 2	Comm Lighting Controls: Timeclock	10 0	2 1
Commercial	2 2 1	Comm Split System/Single Packaged Heat Pumps and Air Conditioners	15 0	2 1
Commercial	2 2 2	Comm HVAC Chillers: Screw / Scroll / Reciprocating Chillers	20 0	2 1
Commercial	2 2 2	Comm HVAC Chillers: Centrifugal Chillers	25 0	2 1
Commercial	2 2 3	Comm Packaged Terminal Air Conditioners: Heat Pumps	15 0	2 1
Commercial	2 2 3	Comm Room Air Conditioners	11 0	2 1
Commercial	2 2 4	Comm HVAC VFD on AHU Supply Fans	15 0	2 1
Commercial	2 3 1	Comm Energy Star Roofs	15 0	2 1
Commercial	2 3 2	Comm Window Film	10 0	2 1
Commercial	2 4 1	Comm High Efficiency Combination Ovens	12 0	2 1
Commercial	2 4 2	Comm High Efficiency Electric Convection Ovens	12 0	2 1
Commercial	2 4 3	Comm Energy Star Commercial Dishwashers	11 0	2 1
Commercial	2 4 4	Comm Hot Food Holding Cabinets	12 0	2 1
Commercial	2 4 5	Comm Energy Star Electric Fryers	12 0	2 1
Commercial	2 4 6	Comm Pre-Rinse Spray Valves	5 0	2 1
Commercial	2 4 7	Comm Energy Star Electric Steam Cookers	12 0	2 1
Commercial	2 5 1	Comm Door Heater Controls	12 0	2 1
Commercial	2 5 2	Comm ECM Evaporator Fan Motor	15 0	2 1
Commercial	2 5 3	Comm Electronic Defrost Controls	10 0	2 1
Commercial	2 5 4	Comm Evaporator Fan Controls	16 0	2 1
Commercial	2 5 5	Comm Night Covers for Open Refrigerated Display Cases	5 0	2 1
Commercial	2 5 6	Comm Solid and Glass Door Reach-Ins	12 0	2 1
Commercial	2 5 7	Comm Strip Curtains for Walk-In Refrigerated Storage	4 0	2 1
Commercial	2 5 8	Comm Zero Energy Doors for Refrigerated Cases	12 0	2 1
Commercial	2 6 1	Comm Vending Machine Controls	5 0	2 1
Commercial	2 6 2	Comm Lodging Guest Room Occupancy Sensor Controls	10 0	2 1
Commercial	2 6 3	Comm Pump-Off Controller	15 0	2 1
Commercial	2 7 1	Comm Solar Photovoltaic (PV)	30 0	2 1
Commercial	2 8 1	Comm Load Curtailment	1 0	2 1

DOCKET NO. 45885

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

APRIL 29, 2016

TABLE OF CONTENTS

<u>SUBJECT</u>	<u>PAGE</u>
I. INTRODUCTION.....	1
II. PURPOSE OF TESTIMONY	2
III. REQUIREMENT TO ADJUST EECRF FOR 2017.....	3
IV. EPE'S PROPOSED 2017 EECRF	5
V. EPE'S REQUEST TO ESTABLISH REVISED COST CAP	14
VI. CONCLUSION	17

EXHIBITS

Exhibit RFG-01	2017 Energy Efficiency Cost Recovery Factor ("EECRF") Calculations
Exhibit RFG-02	2017 EECRF Tariff
Exhibit RFG-03	2017 EECRF Comparison
Exhibit RFG-04	2017 Regulatory Cap Calculation

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 **A.** My name is Rene F. Gonzalez. My business address is 100 North Stanton Street,
4 El Paso, Texas, 79901.
5

6 **Q. HOW ARE YOU EMPLOYED?**

7 **A.** I am employed by El Paso Electric Company ("EPE" or "Company") as a Staff
8 Financial Analyst for Economic and Rate Research.
9

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

12 **A.** In 2005, I graduated from the University of Texas at El Paso with a Bachelor of
13 Business Administration with a double major in Economics and Finance. After
14 graduation, I joined ADP (Automatic Data Processing) as an Account Executive in
15 the Insurance Services Division, as a licensed Property and Casualty insurance agent
16 specializing in the sale of Workers Compensation Insurance, and later transferred and
17 worked as a Retention Specialist for the same division. In 2010, I obtained a position
18 working for the City of El Paso as a Procurement Analyst in the Purchasing
19 Department, where I worked until I obtained the position with EPE. I was employed
20 by EPE in October 2012 in Economic and Rate Research as an Associate Rate
21 Analyst. In November of 2014, I earned a progressive promotion to Staff Financial
22 Analyst.
23

24 **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 conducting economic, statistical cost and rate design studies, and bill reports and
3 customer analyses. I am also responsible for annualization, jurisdictional and class
4 cost of service studies, and the filing of the Federal Energy Regulatory Commission
5 Electric Quarterly Report.

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

8 A. Yes, I am sponsoring the following Exhibits;

9 Exhibit RFG-01 2017 EECRF Calculations

10 Exhibit RFG-02 2017 EECRF Tariff

11 Exhibit RFG-03 2017 EECRF Comparison

12 Exhibit RFG-04 2017 Regulatory Cap Calculation

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

16 A. Yes, they were.

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

20 A. Yes. I have previously filed testimony with the Public Utility Commission of Texas
21 ("PUCT" or "Commission") for EPE's 2015 EECRF filing, Docket No. 44677.

22
23 **II. PURPOSE OF TESTIMONY**

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

1 **A.** The purpose of my direct testimony is to present and support the Company's request
2 to revise its EECRF for 2017. In my testimony, I provide a summary of the relief
3 sought by EPE and the costs to be included in EPE's revised EECRF pursuant to the
4 requirements of Title 16 of the Texas Administrative Code ("16 TAC") § 25.181-
5 ("EE Rule"). I also support the calculation of EPE's revised EECRF rates for the
6 billing period January 1 through December 31, 2017, based on an allocation of energy
7 efficiency costs among the customer classes.

8 I discuss the impacts on EPE's filing of the cost caps provided by the EE Rule,
9 and I present EPE's proposal to recover costs that would enable EPE to achieve
10 demand and energy savings for 2017 at the same level as was necessary to meet
11 EPE's goal for 2011 through 2016.

12
13 **III. REQUIREMENT TO ADJUST EECRF FOR 2017**

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

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

22 EPE's total energy efficiency costs are recovered through an energy charge
23 applicable to all non-transmission voltage level customer classes except the Private
24 Area Lighting Service class. In addition, for customers taking Interruptible Power

1 Service, only that portion of their requirements designated as firm service is subject to
2 the EECRF.

3 The EECRF rates are calculated for each rate class based on the aggregate
4 amount of costs allocated to the class divided by the projected 2017 kWh at the meter
5 for the class. Public Utility Regulatory Act ("PURA") § 39.905(b)(4) provides that
6 the EECRF should "ensur[e] that the costs associated with programs provided under
7 this section and any shareholder bonus awarded are borne by the customer classes
8 that receive the services under the programs". EPE's rate design for the EECRF
9 ensures that only the customer classes that are eligible to participate in the energy
10 efficiency programs pay the EECRF. The calculation of EPE's proposed EECRF for
11 2017 is shown in Exhibit RFG-01.

12
13 **Q. WHY IS EPE FILING THIS REQUEST TO ADJUST ITS EECRF FOR THE**
14 **2017 PROGRAM YEAR?**

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

1
2 **IV. EPE'S PROPOSED 2017 EECRF**

3 **Q. WHAT ARE THE TOTAL RECOVERABLE ENERGY EFFICIENCY**
4 **EXPENSES THAT EPE IS SEEKING TO RECOVER IN THE PROPOSED**
5 **2017 EECRF?**

6 **A.** Based on the 2017 energy efficiency program costs described by EPE witness Araceli
7 Perca, EPE is seeking to recover \$4,765,446 through its 2017 EECRF. That amount
8 includes the following:

- 9 • EPE's 2017 Total Proposed Energy Efficiency Program Budget of \$4,394,650;
- 10 • EPE's 2015 Energy Efficiency Performance Incentive amount of \$667,545;
- 11 • EPE's prior year (2015) EECRF proceeding expenses of \$83,290;
- 12 • A true-up adjustment, by rate class, of EPE's net over-recovery for 2015 of
- 13 \$380,039; and
- 14 • Currently, the PUCT has not assigned any expenses to the EM&V contractor for
- 15 2017; as such, the projected EM&V costs are shown as \$0.
- 16

17 **Q. ARE ANY OF THOSE COSTS, OR ANY OTHER COSTS ASSOCIATED**
18 **WITH EPE'S ENERGY EFFICIENCY PROGRAMS, RECOVERED IN BASE**
19 **RATES?**

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

22

23 **Q. HOW DO THOSE COSTS COMPARE TO THE COSTS THAT EPE SOUGHT**

TO RECOVER THROUGH THE EECRF FOR 2016?

A. Pursuant to the Commission's Final Order in Docket No. 44677, EPE's 2016 EECRF was designed to recover \$5,487,895. EPE's request for 2017 total recoverable energy efficiency costs of \$4,765,446 is therefore 13% less than the amount included in 2016 EECRF rates.

Q. WHAT ARE THE FACTORS THAT ACCOUNT FOR THE DECREASE IN TOTAL RECOVERABLE ENERGY EFFICIENCY COSTS FOR 2017 RELATIVE TO THOSE AUTHORIZED FOR THE 2016 EECRF?

A. The following factors contribute to the change in total energy efficiency program costs for 2017. First, the requested 2015 performance incentive of \$667,545, as described more fully in EPE witness Perea's testimony, is lower than the 2014 performance incentive of \$970,201 authorized in Docket No. 44677. Second, proceeding expenses went from \$181,470 for 2014 to \$83,290 for 2015, which is \$98,180 lower. Third, the 2017 EECRF proposed in this Application includes an over-collection for 2015 based on the difference between energy efficiency costs authorized for 2015 and those actually recovered through the EECRF in 2015 of \$380,039, which is greater than the over-collection for 2014 of \$106,636. Finally, there is also currently a difference of \$58,210 for this EECRF associated with projected 2017 EM&V expenses as compared to that of 2016. The anticipated 2017 EM&V expense is listed as \$0 in Exhibit RFG-01. As stated in EPE witness Perea's testimony, at the time of this filing, the PUCT had not yet registered any expenses to the EM&V contractor for 2017.

1
2 **Q. WHAT ARE THE TOTAL PROJECTED ENERGY EFFICIENCY PROGRAM**
3 **COSTS EPE IS SEEKING TO RECOVER IN THE 2017 EECRF?**

4 **A.** As contained in EPE's filed 2016 Energy Efficiency Plan and Report Revised
5 ("EEPR"), EPE is seeking to recover total projected 2017 program costs of
6 \$4,394,650. The EEPR is attached as Exhibit AGP-01 to EPE witness Perea's
7 testimony, and the breakdown of individual program costs is summarized in Table 6
8 of that Exhibit.

9
10 **Q. CAN YOU EXPLAIN HOW THE PROPOSED OVER-RECOVERY TRUE-UP**
11 **WAS CALCULATED?**

12 **A.** Yes. The 2015 over-recovery amount of \$380,039 is based on the difference between
13 the actual amount of program costs incurred from January to December 2015, which
14 is the period during which EPE's 2015 EECRF was in effect, and the amount of
15 revenue recovered through the 2015 EECRF for each rate class for the same period.
16 As reported in the EEPR (EPE witness Perea's Exhibit AGP-01, Table 13), the total
17 costs for 2015 were \$6,254,631. The total revenue collected under the authorized
18 2015 EECRF was \$6,634,670, which results in a total system over-recovery of
19 \$380,039 for the 2015 program year.

20 The contribution of each rate class to the total over-collection is returned to
21 that class in the proposed 2017 EECRF. Because Rate 43 - University Service is
22 combined into Rate 25 - Large Power Service for the reason I explain below, the
23 under-collection for Rate 43 was included in Rate 25. As shown in Exhibit RFG-01,

1 page 4. when considered on a per-class basis, this net over-recovery consists of both
2 over- and under-recovery of actual expenses.
3

4 **Q. HOW WAS THE PROPOSED EECRF DETERMINED USING 2017**
5 **PROJECTED BILLING UNITS?**

6 **A.** The total energy efficiency costs associated with the 2017 EECRF, consisting of the
7 proposed 2017 energy efficiency program costs, including incentives and
8 administration, EM&V, the prior year's EECRF proceeding costs, and the 2015
9 performance incentive, are first allocated to each rate class. These costs are then
10 adjusted for the 2015 over-recovery for each rate class. The total costs by rate class
11 are then divided by 2017 projected kWh sales for that rate class to produce the
12 EECRF.

13 As described by EPE witness Perea, 2017 program incentives, administrative
14 costs, and EM&V costs are allocated to rate classes based on expected participation
15 levels. The 2015 EECRF proceeding costs and the calculated 2015 performance
16 incentive are allocated to rate classes based on actual program costs experienced in 2015
17 with minor adjustments as explained in EPE witness Perea's testimony.
18

19 **Q. WHAT BILLING DETERMINANTS DID EPE USE TO CALCULATE THE**
20 **PROPOSED 2017 EECRF?**

21 **A.** EPE utilized projected 2017 kWh sales by rate class based on EPE's 2016 Long-Term
22 and Budget Year Forecast, as shown in Exhibit RFG-01.
23

1 **Q. DOES EPE CALCULATE OR ESTIMATE SYSTEM LOSSES FOR**
2 **PURPOSES OF CALCULATING THE PROPOSED 2017 EECRF?**

3 **A.** No. The forecasted 2017 kWh sales utilized in calculating the EECRF proposed
4 herein are developed at the meter, and no adjustment for losses is required.
5

6 **Q. HAVE YOU INCLUDED THE PRIOR YEAR BILLING DETERMINANTS IN**
7 **THIS FILING?**

8 **A.** Yes, the 2015 billing determinants are included in Workpaper RFG-01.
9

10 **Q. IS EPE PROPOSING TO COMBINE ANY RATE CLASSES AS ALLOWED**
11 **UNDER THE EE RULE?**

12 **A.** Yes. Consistent with the Final Order in EPE's 2014 EECRF proceeding, Docket
13 No. 42449, for the 2015 program year EPE requests a good cause exception to
14 combine rate classes which receive similar services under the same energy efficiency
15 programs, as provided for in 16 TAC § 25.181(f)(2). For purposes of calculating the
16 2017 EECRF, EPE proposes to again combine Rate 34 - Cotton Gin Service with the
17 Rate 46/47 - Cogeneration Service rate class.

18 There is good cause to combine these rate classes because the conditions
19 outlined in 16 TAC § 25.181(f)(2) are met and because the combination will ease
20 administration of cost recovery.

21 As EPE did in Docket No. 44677, EPE has allocated program costs for 2017
22 based on historical participation rates of the individual rate classes, adjusted for other
23 known or expected changes in the programs that are to be offered, and specific

customer changes. Additionally, one adjustment was made to take into account the elimination of Rate 43 and the switch of these customers to Rate 25.

Q. WHY HAS EPE PROPOSED TO COMBINE RATE 43 - UNIVERSITY SERVICE WITH RATE 25 - LARGE POWER SERVICE INTO ONE EECRF RATE CLASS?

A. EPE is currently awaiting a final order in its pending rate case, Docket No. 44941. In the rate case, EPE has proposed to eliminate Rate 43 - University Service and to transfer the accounts currently served under that rate to Rate 25 - Large Power Service. Since EPE anticipates that this aspect of its rate case will be approved, it makes sense to combine the classes for purposes of the 2017 EECRF. Furthermore, the Commission has previously approved the combination of these classes for prior EECRFs.

Q. HAVE ANY NEW RATE CLASSES BEEN ADDED TO THE PROPOSED 2017 EECRF?

A. Yes. In EPE's pending rate case, EPE has proposed Rate 09 - Governmental Traffic Signal Service. This rate is a subset of the current Rate 08 - Governmental Street Lighting and Signal Service Rate. Note, however, that Rate 09 - Governmental Traffic Signal Service currently has no anticipated budget or expenses to be collected for the 2017 program year.

Q. HAVE YOU PROVIDED A PROPOSED EECRF TARIFF?

A. Yes. EPE's tariff showing proposed 2017 EECRF is provided as Exhibit RFG-02 to

1 this testimony, and is included with EPE's Application as Attachment A.

2
3 **Q. HOW DO THE PROPOSED EECRF RATES COMPARE TO THE CURRENT**
4 **EECRF RATES?**

5 **A.** A comparison of the proposed 2017 EECRF and authorized 2016 program year
6 EECRF is included in Exhibit RFG-03 and summarized in Table 1 below.

7

8 **Table 1**
EECRF Comparison (\$/kWh)

Rate Class	2016 EECRF	Proposed 2017 EECRF	Change
Residential Service	0.000998	0.000704	(0.000294)
Small Commercial Service	0.001482	0.004160	0.002678
Outdoor Recreational Lighting	(0.000409)	(0.000407)	0.000002
Governmental Street Lighting Service	0.006738	(0.000110)	(0.006848)
Municipal Pumping Service	(0.000833)	(0.001121)	(0.000288)
Water Heating Service	(0.000493)	(0.000188)	0.000305
Irrigation Service	(0.000808)	(0.001053)	(0.000245)
General Service	0.001165	0.000663	(0.000502)
Large Power Service - Sec. Pri.	0.001201	0.001238	0.000037
Cotton Gin Service	0.002224	(0.000142)	(0.002366)
City / County Service	0.001433	0.001602	0.000169

17

18 **Q. WHAT HAS CAUSED THE CHANGE IN EECRF TO VARY BY RATE**
19 **CLASS?**

20 **A.** EPE is proposing substantially the same total program budget for 2017 as was
21 adopted for 2016 in Docket No. 44677, although it now includes an additional
22 \$10,000 for Research and Development expense. Additionally, and as mentioned
23 above, Program Costs for 2017 have been assigned based on EPE's expectations of

1 program level participation for each class. Considering this, the largest change in
2 non-incentive expenses is the decrease relative to 2016 in the requested performance
3 incentive. The impact of this change varies by class (based on actual program
4 expenses in 2015), and generally represents a decrease for classes over the incentive
5 amount approved for the 2016 EECRF.

6 The bulk of the remaining variation in EECRF from 2016 to the proposed
7 2017 rate is the result of a change in the over- or under-collected condition of cost
8 recovery and the difference in proceeding expenses. The 2016 EECRF rates adopted
9 by Final Order in Docket No. 44677 were designed to collect a prior year over-
10 recovery of \$106,636 associated with the 2014 program year. The EECRF rates
11 proposed herein also include an over-recovery for 2015 programs of \$380,039, based
12 on actual EECRF expenditures for the 2015 program year. The net impact is a
13 relative change of \$273,403. The effect of the change in this portion of the EECRF
14 varies between classes.

15 Finally, the difference in proceeding costs between those experienced for
16 Docket No. 44677 and those included for 2017 is a net decrease of \$98,180.
17

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

22 **A.** The contribution of the individual components to each rate class's total EECRF is
23 shown in Exhibit RFG-03, including the magnitude and percent contribution to the

total change for each class from 2016 to 2017. 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. For Residential Service customers, the decrease of both the proposed program budget and the allocated performance incentive, accounts for the bulk of the approximate 26 percent decrease in the EECRF.

Table 2
Residential Service - EECRF Comparison

	Authorized 2016 EECRF	Proposed 2017 EECRF	Total Change	Percent Change	Percent Contribution to Total Change
Forecasted MWh Sales	2,082,645	2,193,936	111,292	5.3%	
Proposed Program Budget	\$ 1,497,082	\$ 1,205,238	\$ (291,844)	-19.5%	54.7%
	0.000719	0.000549	(0.002622)		
Energy Efficiency Bonus	\$ 389,817	\$ 266,562	\$ (123,255)	-31.6%	23.1%
	0.000187	0.000121	(0.001107)		
Total EECRF Proceeding Expenses	\$ 71,503	\$ 33,259	\$ (38,244)	-53.5%	7.2%
	0.000034	0.000015	(0.000344)		
(Over)/Under Recovery	\$ 98,260	\$ 39,136	\$ (59,124)	-60.2%	11.1%
	0.000047	0.000018	(0.000531)		
E&M&V Expenses	\$ 20,966	\$ -	\$ (20,966)	-100.0%	3.9%
	0.000010	-	(0.000188)		
Total Energy Efficiency Costs to be Recovered	\$ 2,077,628	\$ 1,544,195	\$ (533,433)	-25.7%	100.0%
	0.000998	0.000704	(0.000294)		

1 **Q. HOW DOES THE EECRF, AS PROPOSED, AFFECT A TYPICAL EPE**
2 **RESIDENTIAL CUSTOMER?**

3 **A.** The EECRF for Rate 01 - Residential Service as proposed for 2017 is \$0.000704 per
4 kWh. Based on an average usage of 625 kWh per month, if approved as requested, a
5 typical residential customer will pay an EECRF charge in 2017 of \$0.44 per month as
6 compared to \$0.62 based on the current rate of \$0.000998. This represents a 30%
7 decrease in the EECRF applicable to the average residential customer, a decrease of
8 \$0.18 cents per month or about a 0.23% decrease in a residential customer's current
9 average summer monthly bill of \$79.76.

10
11 **V. EPE'S REQUEST TO ESTABLISH REVISED COST CAP**

12 **Q. DO THE COMMISSION'S RULES PROVIDE FOR A LIMITATION ON THE**
13 **EXPENDITURES A UTILITY MAY RECOVER FOR ENERGY**
14 **EFFICIENCY PROGRAMS?**

15 **A.** Yes. 16 TAC § 25.181(f)(7) sets cost caps on the amount that can be charged to a
16 customer for recovery of costs related to Energy Efficiency on a per kWh basis.
17 16 TAC § 25.181(f)(7) Subsection (E) states that "[f]or the 2014 program year and
18 thereafter, the residential and commercial cost caps shall be calculated to be the prior
19 period's cost caps increased by a rate equal to the most recently available calendar
20 year's percentage change in the South urban consumer price index (CPI), as
21 determined by the Federal Bureau of Labor Statistics."

22
23 **Q. WHAT IS THE COST CAP THAT IS APPLICABLE TO EPE FOR ITS 2016**
24 **PROGRAM COSTS?**

1 A. As discussed in the previous questions, normally the cost caps are adjusted based on
2 the most recently-available calendar year's percentage change in the CPI. However,
3 the South urban CPI for 2015 was a negative number. Therefore, as instructed by the
4 PUCT, the 2016 cost caps for the 2017 program year will remain at the 2015 cost cap
5 level of \$0.001265 per kWh for residential customers and \$0.000791 per kWh for
6 commercial customers.

7
8 **Q. HOW DOES THE TOTAL OF EPE'S 2017 EECRF COSTS THAT ARE**
9 **SUBJECT TO THE CAPS FOR THE RESIDENTIAL AND COMMERCIAL**
10 **CUSTOMER GROUPS COMPARE TO THE REGULATORY COST CAP?**

11 A. EPE's 2017 EECRF costs that are subject to the cost cap for the residential customer
12 group would result in an EECRF charge of \$0.000685 per kWh, which is below the
13 cost cap for 2017 of \$0.001265 per kWh. However, the commercial customer group
14 is above the 2017 cost cap of \$0.000791 per kWh because EPE's 2017 EECRF costs
15 that are subject to the cap would result in an EECRF charge of \$0.001059 per kWh.
16 Calculation of the cost caps and a comparison to energy efficiency costs subject to the
17 cap are shown in Exhibit RFG-04.

18
19 **Q. WHAT IS THE COMMISSION RULE REGARDING REVISING THE**
20 **ENERGY EFFICIENCY COST CAPS?**

21 A. 16 TAC § 25.181(e)(2) states in part:

22 The commission may establish for a utility ... an EECRF greater than
23 the cap specified in subsection(f)(7) of this section if the utility
24 demonstrates that compliance with that ... EECRF cost cap is not
25 reasonably possible and that good cause supports the ...higher EECRF

1 cost cap. To be eligible for a ... higher EECRF cost cap, the utility
2 must request a good cause exception as part of its EECRF application.
3 If approved, the good cause exception is limited to the program year
4 associated with the EECRF application.
5

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

8 **A.** Yes. EPE requests that the Commission establish a revised cost cap for commercial
9 service customers so that EPE can maintain its existing programs with roughly the
10 same level of funding, and demand savings goals that were set for 2011 through 2016.
11 As stated previously, for 2017, the program budget now also includes an additional
12 \$10,000 for Research and Development expenses.
13

14 **Q. IS THERE GOOD CAUSE FOR THE COMMISSION TO ESTABLISH A**
15 **REVISED COST CAP FOR EPE?**

16 **A.** Yes. As stated in the testimony of EPE witness Perca, EPE has met its goals and can
17 continue with the same goal as in previous years by utilizing funds in the most
18 productive manner. A requirement that EPE maintain allocated costs at or below the
19 commercial cap established pursuant to the EE Rule would necessitate either a lower
20 overall goal or revisions to EPE's programs in order to reduce the allocation of costs
21 to commercial customers. This would have the effect of increasing the allocation of
22 program costs to the residential rate class and increasing the residential EECRF. It
23 would be better to continue with current programs as budgeted and not re-allocate
24 funds to different programs that may not perform as well as current programs. This
25 would allow EPE to still meet its 2017 goal. Additionally, the Commission has

1 previously found merit in this approach and approved revised cost caps for EPE in
2 response to EPE's three previous EECRF filings, most recently for the 2016 program
3 year in Docket No. 44677.
4

5 **VI. CONCLUSION**

6 **Q. UNDER EPE'S PROPOSAL, IS THE EECRF APPROPRIATELY DESIGNED,**
7 **CALCULATED AND ALLOCATED TO RATE CLASSES IN ACCORDANCE**
8 **WITH THE REQUIREMENTS OF PURA § 39.905 AND 16 TAC § 25.181?**

9 **A.** Yes. The EECRF is designed consistent with the requirements of the statutory goal
10 and the requirements of the Rule, with all revenues allocated to classes consistent
11 with the methods previously approved in Docket No. 44677. As with the 2015
12 proceeding, EPE assigned costs to rate groups based on experience and historical
13 participation rates as a reasonable approach to reduce over- or under-collections of
14 program costs in subsequent proceedings.
15

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

17 **A.** Yes. EPE is requesting the cap for commercial customers be revised to allow the
18 continuation of EPE's existing programs at the current level and to permit the
19 continuation of an overall effective energy efficiency program portfolio.
20

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

22 **A.** Yes, it does.

Exhibit RFG-1
Page 1 of 5

EL PASO ELECTRIC COMPANY
EPE's Rate Calculation for
2017 Energy Efficiency Cost Recovery Factor (EECRF)
Applicable January through December 2017

Line No	Rate	Applicable Rate	Rate Class	2017 Projected Metered kWh	2017 Proposed Program Budget	2015 Energy Efficiency Bonus	2015 Total EECRF Proceeding Expenses	2015 (Over)/Under Recovery	2017 EM&V Expenses	Total Energy Efficiency Costs to be Recovered	2017 Total Rate per kWh
1	01	01	Residential Service	2,193,936,324	\$ 1,205,238	\$ 266,562	\$ 33,259	\$ 39,136	\$ -	\$ 1,544,195	\$ 0.000704
2	02	02	Small Commercial Service	271,923,752	627,276	100,592	12,551	390,685	-	1,131,104	0.004160
3	07	07	Outdoor Recreational Lighting	5,733,203	-	-	-	(2,332)	-	(2,332)	(0.000407)
4	08	08	Governmental Street Lighting Service	29,420,588	-	-	-	(3,224)	-	(3,224)	(0.000110)
5	09	09	Governmental Traffic Signal Service (a)	3,041,534	-	-	-	-	-	-	-
6	11	11	Municipal Pumping Service	181,002,778	-	-	-	(202,872)	-	(202,872)	(0.001121)
7	15	15	Electrolytic Refining Service	-	-	-	-	-	-	-	-
8	21	21	Water Heating Service	9,615,998	-	-	-	(1,806)	-	(1,806)	(0.000188)
9	22	22	Irrigation Service	5,656,849	-	-	-	(5,956)	-	(5,956)	(0.001053)
10	24	24	General Service	1,546,603,072	1,418,976	158,662	19,796	(572,311)	-	1,025,123	0.000663
11	25	25/43	Large Power Service - Sec Pn	660,412,473	760,785	91,988	11,477	(46,352)	-	817,899	0.001238
12	25T	25T	Large Power Service- Trans	-	-	-	-	-	-	-	-
13	26	26	Petroleum Refining Service	-	-	-	-	-	-	-	-
14	28	28	Private Area Lighting	-	-	-	-	-	-	-	-
15	30	30	Electric Furnace Service	-	-	-	-	-	-	-	-
16	31	31	Military Reservation Service	-	-	-	-	-	-	-	-
17	34	34	Colton Gin Service	2,219,982	-	-	-	(316)	-	(316)	(0.000142)
18	38	38	Interruptible Service	-	-	-	-	-	-	-	-
19	41	41	City / County Service	289,494,852	382,375	49,740	6,206	25,309	-	463,631	0.001602
20	43	43	University Service (b)	-	-	-	-	-	-	-	-
21	46/47	46/47	Cogeneration (c)	-	-	-	-	-	-	-	-
22			Texas Total	5,199,061,405	\$ 4,394,650	\$ 667,545	\$ 83,290	\$ (380,039)	\$ -	\$ 4,765,446	\$ 0.000917

(a) Rate 09 above reflects a new rate class that EPE has proposed in its pending rate case, Docket 44941.

(b) Note that in EPE's pending rate case EPE has proposed that Rate 43 - University Service be combined with Rate 25-LargePower Service Sec Pn

(c) Rate combined with Rate 34 - Colton Gin Service in accordance with P U C Title 16 of the Texas Administrative ("16 TAC") § 25.181 (f) (2)

EL PASO ELECTRIC COMPANY
EPE's Rate Calculation for
2017 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of 2017 Proposed Energy Efficiency Budget

Line No.	Program	2017 Proposed EE Budget	01 Residential Service	02 Small Commercial Service	24 General Service	25 Large Power Service - Sec. Pri	41 City / County Service	Total
1	Commercial SOP	\$ 391,995	-	-	247,427	144,568	-	391,995
2	Small Commercial Solutions MTP	461,115	-	212,205	248,910	-	-	461,115
3	Large C&I Solutions MTP	1,005,396	-	290,057	651,999	63,340	-	1,005,396
4	Texas SCORE MTP	704,569	-	109,983	161,135	60,241	373,210	704,569
5	Load Management SOP	460,000	-	-	-	460,000	-	460,000
6	Commercial Rebate Pilot MTP	45,000	-	-	45,000	-	-	45,000
7	Residential Solutions MTP	230,000	230,000	-	-	-	-	230,000
8	Living Wise MTP	346,346	346,346	-	-	-	-	346,346
9	Hard To Reach Solutions MTP	600,000	600,000	-	-	-	-	600,000
10	Total Program Incentives	\$ 4,244,421	1,176,346	612,245	1,354,471	728,149	373,210	4,244,421
11	Commercial SOP Administration	\$ 40,000	-	-	25,248	14,752	-	40,000
12	Commercial Rebate Pilot MTP Administration	6,000	-	-	6,000	-	-	6,000
13	Total Direct Administration	\$ 46,000	-	-	31,248	14,752	-	46,000
14	Administration Expenses	94,229	26,120	13,589	30,066	16,168	8,286	94,229
15	Research and Development	10,000	2,772	1,442	3,191	1,716	879	10,000
16	Total Program Budget	\$ 4,394,650	1,205,238	627,276	1,418,976	760,785	382,375	4,394,650

* No program allocation to non-participating rate classes Outdoor Recreational Lighting, Governmental Street Lighting, Governmental Traffic Signal Service, Municipal Pumping Service, 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, University Service, Interruptible Service, or Cogeneration.