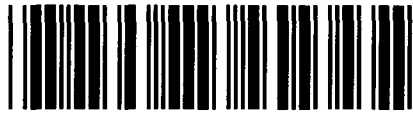




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Addendum StartPage: 0

DOCKET NO.

48333

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APPLICATION OF ENTERGY TEXAS,  
INC. TO ADJUST ITS ENERGY  
EFFICIENCY COST RECOVERY  
FACTOR

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PUBLIC UTILITY COMMISSION

OF TEXAS

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PUBLIC UTILITY COMMISSION  
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**APPLICATION OF ENTERGY TEXAS, INC. TO ADJUST ITS  
ENERGY EFFICIENCY COST RECOVERY FACTOR**

Entergy Texas, Inc. ("ETI" or "the Company") files this Application to Adjust its Energy Efficiency Cost Recovery Factor ("EECRF") pursuant to Public Utility Regulatory Act ("PURA") § 39.905 and 16 Texas Administrative Code ("TAC") § 25.181(f). In support thereof, ETI shows the following:

**I. BUSINESS ADDRESS AND AUTHORIZED REPRESENTATIVES**

The business address of the Company is:

Entergy Texas, Inc.  
350 Pine Street  
Beaumont, Jefferson County, Texas 77701

The business mailing address of the Company is:

Entergy Texas, Inc.  
P.O. Box 2951  
Beaumont, Texas 77704

The business telephone number of the Company is (409) 838-6631.

The authorized representatives for the Company in this proceeding are:

Deanna Rodriguez  
Vice President, Regulatory & Public Affairs, Texas  
Entergy Texas, Inc.  
919 Congress Avenue, Suite 740  
Austin, Texas 78701  
(512) 487-3999 telephone  
(512) 487-3998 facsimile

Wajiha Rizvi  
Senior Counsel  
Entergy Services, Inc.  
919 Congress Avenue, Suite 701  
Austin, Texas 78701  
(512) 487-3957 telephone  
(512) 487-3958 facsimile

Inquiries and pleadings concerning this Application should be directed to the following representatives:

Wajiha Rizvi  
Entergy Services, Inc.  
919 Congress Avenue, Suite 701  
Austin, Texas 78701  
(512) 487-3957 telephone  
(512) 487-3958 facsimile

Everett Britt and George Hoyt  
Duggins Wren Mann & Romero, LLP  
P.O. Box 1149  
Austin, Texas 78767  
(512) 744-9300 telephone  
(512) 744-9399 facsimile

## **II. JURISDICTION**

The Public Utility Commission of Texas (“Commission”) has jurisdiction over ETI and the subject matter of this Application under PURA § 39.905 as implemented in 16 TAC § 25.181.

## **III. AFFECTED PERSONS**

ETI provides service to approximately 444,000 customers in Texas. ETI proposes to apply the revised EECRF requested herein to all of its retail electric customers that fall within the classes subject to the EECRF as detailed in Section IV below.

## **IV. DESCRIPTION OF APPLICATION**

PURA § 39.905(b) and 16 TAC § 25.181(f) establish the mechanism under which an electric utility may recover costs associated with providing energy efficiency programs sufficient

to achieve the utility's energy efficiency goal.<sup>1</sup> Not later than May 1 of each year, a utility in an area in which customer choice is not offered must apply to adjust its EECRF effective January 1 of the following year.<sup>2</sup> ETI provides service to an area in which customer choice is not offered.

Through this Application, the Company is seeking to adjust its EECRF for 2019 to recover \$9,812,241, reflecting the following four components: (1) \$7,613,074 for the Company's forecasted 2019 energy efficiency program budget; (2) \$2,033,799 for the performance bonus associated with the results of ETI's 2017 energy efficiency programs; and (3) \$93,708 for the under-recovery of 2017 energy-efficiency costs; and (4) \$71,660 for 2017 EECRF proceeding costs (\$58,729 for ETI's costs and \$12,931 for Cities' costs).

The requested EECRF adjustment would result in a \$0.05 per month decrease to a residential customer's bill assuming a monthly usage of 1,000 kWh. This is a 0.04% decrease for such customer's bill based on charges currently approved by the Commission. The requested revised EECRF rates would be as follows:

<b><u>Rate Class</u></b>	<b><u>EECRF</u></b>
Residential Service	\$0.000911 per kWh
Small General Service	\$0.000163 per kWh
General Service	\$0.000848 per kWh
Large General Service	\$0.000653 per kWh
Large Industrial Power Service	
Transmission Customers Only	\$0.000000 per kWh
Other Than Transmission Customers	\$0.000904 per kWh
Lighting	\$0.000002 per kWh

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<sup>1</sup> Pursuant to 16 TAC § 25.181(e), the "energy efficiency goal" is a percentage reduction of the annual growth in demand of an electric utility's residential and commercial customers, based on the energy savings achieved from the utility's energy efficiency programs. The energy efficiency goal is a 30% reduction of annual growth in demand up to four-tenths of 1% of its summer weather-adjusted peak demand. However, pursuant to 16 TAC § 25.181(e)(1)(E), the Company's goal cannot be lower than the prior year's goal.

<sup>2</sup> See 16 TAC § 25.181(f)(8).

In support of the Company's Application, ETI submits the Direct Testimony of John "Kelley" Carson and Jessica C. Landry and associated exhibits and workpapers. Mr. Carson's Direct Testimony presents the projected costs of the Company's energy efficiency programs for the 2019 program year, the actual costs of the Company's energy efficiency programs for the 2017 program year, and the performance bonus calculation associated with the Company's 2017 programs. Mr. Carson's testimony also demonstrates that these costs are reasonable and consistent with 16 TAC § 25.181.

Ms. Landry's Direct Testimony presents the calculation of the 2017 under-recovery amounts as well as the adjusted EECRF rates. She further sponsors revised Rider EECRF, which is the rate schedule that contains the adjusted EECRF rates. Ms. Landry also supports the Company's request to recover affiliate expenses, including the affiliate expenses associated with ETI's 2017 EECRF proceeding.

Two affidavits accompany this Application to further support the expenses associated with ETI's 2017 EECRF proceeding. The affidavit of Wajiha Rizvi supports the reasonableness of the external litigation expenses ETI incurred in connection with its 2017 EECRF proceeding, and the affidavit of Dan Lawton supports the reasonableness of the Cities' expenses in connection with ETI's 2017 EECRF proceeding.

#### **V. NOTICE AND PROTECTIVE ORDER**

The Company will provide notice of this proceeding consistent with 16 TAC § 25.181(f)(13) within seven days of the application filing date and will file an affidavit attesting to the completion of notice within 14 days after this application is filed. The form of the notice to be provided is included in Attachment A to this Application.

The Company also proposes that a protective order be used in this proceeding for the disclosure of protected materials and highly sensitive protected materials. The proposed

protective order is included as Attachment B. The proposed protective order is consistent with the protective order approved in ETI's 2017 EECRF proceeding, Docket No. 47115.

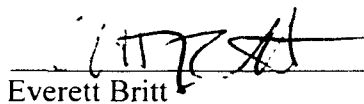
**VI. CONCLUSION AND REQUESTED RELIEF**

In light of the foregoing as well as the accompanying testimony, exhibits, and attachments, ETI requests that the Commission approve the Company's proposed (1) notice, (2) protective order, and (3) EECRF adjustment to be effective with the first billing cycle of January 2019. ETI also requests any further relief to which the Company may be entitled.

Respectfully submitted,

Courtney Nicholson  
Wajiha Rizvi  
Senior Counsel  
ENTERGY SERVICES, INC.  
919 Congress Avenue, Suite 701  
Austin, Texas 78701  
(512) 487-3957 telephone  
(512) 487-3958 facsimile

Everett Britt  
George Hoyt  
DUGGINS WREN MANN & ROMERO, LLP  
P.O. Box 1149  
Austin, Texas 78767  
(512) 744-9300 telephone  
(512) 744-9399 facsimile

By:   
Everett Britt  
State Bar No. 24001789

ATTORNEYS FOR ENTERGY TEXAS, INC.

## **Application of Entergy Texas, Inc. to Adjust Its Energy Efficiency Cost Recovery Factor**

On May 1, 2018, Entergy Texas, Inc. (“ETI” or “the Company”) filed an Application to Adjust its Energy Efficiency Cost Recovery Factor (“EECRF”). The Application was filed with the Public Utility Commission of Texas (“Commission”), pursuant to Public Utility Regulatory Act § 39.905 and 16 Texas Administrative Code § 25.181(f). In its Application, ETI requested that its adjusted EECRF become effective beginning with the first billing cycle of its January 2019 billing month. All Texas retail customers that fall within the classes subject to the EECRF and listed below would be affected by approval of the Company’s Application.

The Company is seeking to adjust its EECRF to recover \$9,812,241, which reflects the following four components: (1) \$7,613,074 for the Company’s forecasted 2019 energy efficiency program budget; (2) \$2,033,799 for the performance bonus associated with the results of ETI’s 2017 energy efficiency programs; (3) \$93,708 for the under-recovery of 2017 energy-efficiency costs; and (4) \$71,660 for 2017 EECRF proceeding costs.

The requested EECRF adjustment would result in a \$0.05 per month decrease to a residential customer’s bill assuming a monthly usage of 1,000 kWh. This is a 0.04% decrease for such customer’s bill based on charges currently approved by the Commission. The requested revised EECRF rates would be as follows:

<b><u>Rate Class</u></b>	<b><u>EECRF</u></b>
Residential Service	\$0.000911 per kWh
Small General Service	\$0.000163 per kWh
General Service	\$0.000848 per kWh
Large General Service	\$0.000653 per kWh
Large Industrial Power Service	
Transmission Customers Only	\$0.000000 per kWh
Other Than Transmission Customers	\$0.000904 per kWh
Lighting	\$0.000002 per kWh

Persons with questions or who want more information about this Application may contact ETI at 350 Pine Street, Beaumont, Texas 77701, or call 1-800-368-3749 (select option 1, then 5, then 7) during normal business hours. A copy of the Application is available for inspection at the address identified above.

The Commission will review ETI's Application, establish an intervention deadline for interested persons, and determine whether ETI's Application should be approved. The Commission's proceeding to review ETI's Application has been assigned Docket No.\_\_\_\_\_. Persons who wish to intervene in or comment upon these proceedings, or obtain further information, should contact the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326, or call the Commission's Office of Consumer Protection at 512-936-7120 or 1-888-782-8477. Hearing and speech-impaired individuals with text telephones (TTY) may contact the Commission at 512-936-7136 or use Relay Texas (toll-free) 1-800-735-2989. All communications should refer to Docket No.\_\_\_\_\_.



DOCKET NO. \_\_\_\_\_

APPLICATION OF ENTERGY TEXAS,	§	PUBLIC UTILITY COMMISSION
INC. TO ADJUST ITS ENERGY	§	
EFFICIENCY COST RECOVERY	§	OF TEXAS
FACTOR	§	

**PROTECTIVE ORDER**

This Protective Order shall govern the use of all information deemed confidential (Protected Materials) or highly confidential (Highly Sensitive Protected Materials), including information whose confidentiality is currently under dispute, by a party providing information to the Public Utility Commission of Texas (Commission) or to any other party to this proceeding.

It is ORDERED that:

1. **Designation of Protected Materials.** Upon producing or filing a document, including, but not limited to, records on a computer disk or other similar electronic storage medium in this proceeding, the producing party may designate that document, or any portion of it, as confidential pursuant to this Protective Order by typing or stamping on its face “PROTECTED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. \_\_\_\_\_” (or words to this effect) and consecutively Bates Stamping each page. Protected Materials and Highly Sensitive Protected Materials include the documents so designated, as well as the substance of the information contained in the documents and any description, report, summary, or statement about the substance of the information contained in the documents.
2. **Materials Excluded from Protected Materials Designation.** Protected Materials shall not include any information or document contained in the public files of the Commission or any other federal or state agency, court, or local governmental authority subject to the Public Information Act.<sup>1</sup> Protected Materials also shall not include documents or information which at the time of, or prior to disclosure in, a proceeding is or was public

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<sup>1</sup> TEX. GOVT. CODE ANN. §§ 552.001 – 552.353 (West 2004 and Supp. 2012).

knowledge, or which becomes public knowledge other than through disclosure in violation of this Protective Order.

3. **Reviewing Party.** For the purposes of this Protective Order, a “Reviewing Party” is any party to this docket.
4. **Procedures for Designation of Protected Materials.** On or before the date the Protected Materials or Highly Sensitive Protected Materials are provided to the Commission, the producing party shall file with the Commission and deliver to each party to the proceeding a written statement, which may be in the form of an objection, indicating: (a) any exemptions to the Public Information Act claimed to apply to the alleged Protected Materials; (b) the reasons supporting the producing party’s claim that the responsive information is exempt from public disclosure under the Public Information Act and subject to treatment as protected materials; and (c) that counsel for the producing party has reviewed the information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials designation.
5. **Persons Permitted Access to Protected Materials.** Except as otherwise provided in this Protective Order, a Reviewing Party may access Protected Materials only through its “Reviewing Representatives” who have signed the Protective Order Certification Form (see Attachment A). Reviewing Representatives of a Reviewing Party include its counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by the Reviewing Party and directly engaged in this proceeding. At the request of the PUC Commissioners, copies of Protected Materials may be produced by Commission Staff. The Commissioners and their staff shall be informed of the existence and coverage of this Protective Order and shall observe the restrictions of the Protective Order.
6. **Highly Sensitive Protected Material Described.** The term “Highly Sensitive Protected Materials” is a subset of Protected Materials and refers to documents or information that a producing party claims is of such a highly sensitive nature that making copies of such

documents or information, or providing access to such documents to employees of the Reviewing Party (except as specified herein), would expose a producing party to unreasonable risk of harm. Highly Sensitive Protected Materials include but are not limited to: (a) customer-specific information protected by § 32.101(c) of the Public Utility Regulatory Act;<sup>2</sup> (b) contractual information pertaining to contracts that specify that their terms are confidential or that are confidential pursuant to an order entered in litigation to which the producing party is a party; (c) market-sensitive fuel price forecasts, wholesale transactions information and/or market-sensitive marketing plans; and (d) business operations or financial information that is commercially sensitive. Documents or information so classified by a producing party shall bear the designation “HIGHLY SENSITIVE PROTECTED MATERIALS PROVIDED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. \_\_\_\_\_” (or words to this effect) and shall be consecutively Bates Stamped. The provisions of this Protective Order pertaining to Protected Materials also apply to Highly Sensitive Protected Materials, except where this Protective Order provides for additional protections for Highly Sensitive Protected Materials. In particular, the procedures herein for challenging the producing party’s designation of information as Protected Materials also apply to information that a producing party designates as Highly Sensitive Protected Materials.

7. **Restrictions on Copying and Inspection of Highly Sensitive Protected Material.**

Except as expressly provided herein, only one copy may be made of any Highly Sensitive Protected Materials except that additional copies may be made to have sufficient copies for introduction of the material into the evidentiary record if the material is to be offered for admission into the record. The Reviewing Party shall maintain a record of all copies made of Highly Sensitive Protected Material and shall send a duplicate of the record to the producing party when the copy or copies are made. The record shall specify the location and the person possessing the copy. Highly Sensitive Protected Material shall be made available for inspection only at the location or locations provided by the producing party, except as specified by Paragraph 9. Limited notes may be made of Highly

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<sup>2</sup> Public Utility Regulatory Act, TEX. UTIL. CODE ANN. § 32.101(c) 353 (West 2004 and Supp. 2012) (PURA).

Sensitive Protected Materials, and such notes shall themselves be treated as Highly Sensitive Protected Materials unless such notes are limited to a description of the document and a general characterization of its subject matter in a manner that does not state any substantive information contained in the document.

8. **Restricting Persons Who May Have Access to Highly Sensitive Protected Material.**

With the exception of Commission Staff, the Office of the Attorney General (OAG), and the Office of Public Utility Counsel (OPUC), and except as provided herein, the Reviewing Representatives for the purpose of access to Highly Sensitive Protected Materials may be persons who are (a) outside counsel for the Reviewing Party, (b) outside consultants for the Reviewing Party working under the direction of Reviewing Party's counsel, or (c) employees of the Reviewing Party working with and under the direction of Reviewing Party's counsel who have been authorized by the presiding officer to review Highly Sensitive Protected Materials. The Reviewing Party shall limit the number of Reviewing Representatives that review Highly Sensitive Protected materials to the minimum number of persons necessary. The Reviewing Party is under a good faith obligation to limit access to each portion of any Highly Sensitive Protected Materials to two Reviewing Representatives whenever possible. Reviewing Representatives for Commission Staff, OAG and OPUC, for the purpose of access to Highly Sensitive Protected Materials, shall consist of their respective counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by them and directly engaged in these proceedings.

9. **Copies Provided of Highly Sensitive Protected Material.**

A producing party shall provide one copy of Highly Sensitive Protected Materials specifically requested by the Reviewing Party to the person designated by the Reviewing Party who must be a person authorized to review Highly Sensitive Protected Material under Paragraph 8. Representatives of the Reviewing Party who are authorized to view Highly Sensitive Protected Material may review the copy of Highly Sensitive Protected Materials at the office of the Reviewing Party's representative designated to receive the information. Each Reviewing Party may make two additional copies of Highly Sensitive documents

for outside consultants whose business offices are located outside of Travis County. All restrictions on Highly Sensitive documents in this order shall apply to the additional copies maintained in the outside consultants' offices. Any Highly Sensitive Protected Materials provided to a Reviewing Party may not be copied except as provided in Paragraph 7 and shall be returned along with any copies made pursuant to Paragraph 7 to the producing party within two weeks after the close of the evidence in this proceeding. The restrictions contained herein do not apply to Commission Staff, OPUC, and the OAG when the OAG is representing a party to the proceeding.

10. **Procedures in Paragraphs 10-14 Apply to Commission Staff, OPUC, and the OAG and Control in the Event of Conflict.** The procedures in Paragraphs 10 through 14 apply to responses to requests for documents or information that the producing party designates as Highly Sensitive Protected Materials and provides to Commission Staff, OPUC (if OPUC is a party), and the OAG in recognition of their purely public functions. To the extent the requirements of Paragraphs 10 through 14 conflict with any requirements contained in other paragraphs of this Protective Order, the requirements of these Paragraphs shall control.
11. **Copy of Highly Sensitive Protected Material to be Provided to Commission Staff, OPUC, and the OAG.** When, in response to a request for information by a Reviewing Party, the producing party makes available for review documents or information claimed to be Highly Sensitive Protected Materials, the producing party shall also deliver one copy of the Highly Sensitive Protected Materials to the Commission Staff, OPUC, and the OAG (if the OAG is representing a party) in Austin, Texas. Provided however, that in the event such Highly Sensitive Protected Materials are voluminous, the materials will be made available for review by Commission Staff, OPUC (if OPUC is a party), and the OAG (if the OAG is representing a party) at the designated office in Austin, Texas. The Commission Staff, OPUC (if OPUC is a party), and the OAG (if the OAG is representing a party) may request such copies as are necessary of such voluminous material under the copying procedures specified herein.

12. **Delivery of the Copy of Highly Sensitive Protected Material to Commission Staff and Outside Consultants.** The Commission Staff, OPUC (if OPUC is a party), and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials received by them to the appropriate members of their staff for review, provided such staff members first sign the certification specified by Paragraph 15. After obtaining the agreement of the producing party, Commission Staff, OPUC (if OPUC is a party), and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials received by it to the agreed, appropriate members of their outside consultants for review, provided such outside consultants first sign the certification in Attachment A.
13. **Restriction on Copying by Commission Staff, OPUC, and the OAG.** Except as allowed by Paragraph 7 and Paragraph 9, Commission Staff, OPUC, and the OAG may not make additional copies of the Highly Sensitive Protected Materials furnished to them unless the producing party agrees in writing otherwise, or, upon a showing of good cause, the presiding officer directs otherwise. Commission Staff, OPUC, and the OAG may make limited notes of Highly Sensitive Protected Materials furnished to them, and all such handwritten notes will be treated as Highly Sensitive Protected Materials as are the materials from which the notes are taken.
14. **Public Information Requests.** In the event of a request for any of the Highly Sensitive Protected Materials under the Public Information Act, an authorized representative of the Commission, OPUC, or the OAG may furnish a copy of the requested Highly Sensitive Protected Materials to the Open Records Division at the OAG together with a copy of this Protective Order after notifying the producing party that such documents are being furnished to the OAG. Such notification may be provided simultaneously with the delivery of the Highly Sensitive Protected Materials to the OAG.
15. **Required Certification.** Each person who inspects the Protected Materials shall, before such inspection, agree in writing to the following certification found in Attachment A to this Protective Order:

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket, and that I have been given a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials shall not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPUC shall be used only for the purpose of the proceeding in Docket No. \_\_\_\_\_. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order. Provided, however, if the information contained in the Protected Materials is obtained from independent public sources, the understanding stated herein shall not apply.

In addition, Reviewing Representatives who are permitted access to Highly Sensitive Protected Material under the terms of this Protective Order shall, before inspection of such material, agree in writing to the following certification found in Attachment A to this Protective Order:

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

The Reviewing Party shall provide a copy of each signed certification to Counsel for the producing party and serve a copy upon all parties of record.

16. **Disclosures between Reviewing Representatives and Continuation of Disclosure Restrictions after a Person is no Longer Engaged in the Proceeding.** Any Reviewing Representative may disclose Protected Materials, other than Highly Sensitive Protected Materials, to any other person who is a Reviewing Representative provided that, if the person to whom disclosure is to be made has not executed and provided for delivery of a signed certification to the party asserting confidentiality, that certification shall be executed prior to any disclosure. A Reviewing Representative may disclose Highly Sensitive Protected Material to other Reviewing Representatives who are permitted access to such material and have executed the additional certification required for persons who receive access to Highly Sensitive Protected Material. In the event that any Reviewing Representative to whom Protected Materials are disclosed ceases to be engaged in these proceedings, access to Protected Materials by that person shall be

terminated and all notes, memoranda, or other information derived from the protected material shall either be destroyed or given to another Reviewing Representative of that party who is authorized pursuant to this Protective Order to receive the protected materials. Any person who has agreed to the foregoing certification shall continue to be bound by the provisions of this Protective Order so long as it is in effect, even if no longer engaged in these proceedings.

17. **Producing Party to Provide One Copy of Certain Protected Material and Procedures for Making Additional Copies of Such Materials.** Except for Highly Sensitive Protected Materials, which shall be provided to the Reviewing Parties pursuant to Paragraph 9, and voluminous Protected Materials, the producing party shall provide a Reviewing Party one copy of the Protected Materials upon receipt of the signed certification described in Paragraph 15. Except for Highly Sensitive Protected Materials, a Reviewing Party may make further copies of Protected Materials for use in this proceeding pursuant to this Protective Order, but a record shall be maintained as to the documents reproduced and the number of copies made, and upon request the Reviewing Party shall provide the party asserting confidentiality with a copy of that record.
18. **Procedures Regarding Voluminous Protected Materials.** P.U.C. PROC. R. 22.144(h) will govern production of voluminous Protected Materials. Voluminous Protected Materials will be made available in the producing party's voluminous room, in Austin, Texas, or at a mutually agreed upon location, Monday through Friday, 9:00 a.m. to 5:00 p.m. (except on state or Federal holidays), and at other mutually convenient times upon reasonable request.
19. **Reviewing Period Defined.** The Protected Materials may be reviewed only during the Reviewing Period, which shall commence upon entry of this Protective Order and continue until the expiration of the Commission's plenary jurisdiction. The Reviewing Period shall reopen if the Commission regains jurisdiction due to a remand as provided by law. Protected Materials that are admitted into the evidentiary record or



accompanying the evidentiary record as offers of proof may be reviewed throughout the pendency of this proceeding and any appeals.

20. **Procedures for Making Copies of Voluminous Protected Materials.** Other than Highly Sensitive Protected Materials, Reviewing Parties may take notes regarding the information contained in voluminous Protected Materials made available for inspection or they may make photographic, mechanical, or electronic copies of the Protected Materials, subject to the conditions in this Protective Order; provided, however, that before photographic, mechanical, or electronic copies may be made, the Reviewing Party seeking photographic, mechanical, or electronic copies must provide written confirmation of the receipt of copies listed on Attachment B of this Protective Order identifying each piece of Protected Materials or portions thereof the Reviewing Party will need.
21. **Protected Materials to be Used Solely for the Purposes of These Proceedings.** All Protected Materials shall be made available to the Reviewing Parties and their Reviewing Representatives solely for the purposes of these proceedings. Access to the Protected Materials may not be used in the furtherance of any other purpose, including, without limitation: (a) any other pending or potential proceeding involving any claim, complaint, or other grievance of whatever nature, except appellate review proceedings that may arise from or be subject to these proceedings; or (b) any business or competitive endeavor of whatever nature. Because of their statutory regulatory obligations, these restrictions do not apply to Commission Staff or OPUC.
22. **Procedures for Confidential Treatment of Protected Materials and Information Derived from Those Materials.** Protected Materials, as well as a Reviewing Party's notes, memoranda, or other information regarding or derived from the Protected Materials are to be treated confidentially by the Reviewing Party and shall not be disclosed or used by the Reviewing Party except as permitted and provided in this Protective Order. Information derived from or describing the Protected Materials shall be maintained in a secure place and shall not be placed in the public or general files of the Reviewing Party except in accordance with the provisions of this Protective Order. A

Reviewing Party must take all reasonable precautions to insure that the Protected Materials including notes and analyses made from Protected Materials that disclose Protected Materials are not viewed or taken by any person other than a Reviewing Representative of a Reviewing Party.

23. **Procedures for Submission of Protected Materials.** If a Reviewing Party tenders for filing any Protected Materials, including Highly Sensitive Protected Materials, or any written testimony, exhibit, brief, motion, or other type of pleading or other submission at the Commission or before any other judicial body that quotes from Protected Materials or discloses the content of Protected Materials, the confidential portion of such submission shall be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they contain Protected Material or Highly Sensitive Protected Material and are sealed pursuant to this Protective Order. If filed at the Commission, such documents shall be marked "PROTECTED MATERIAL" and shall be filed under seal with the presiding officer and served under seal to the counsel of record for the Reviewing Parties. The presiding officer may subsequently, on his/her own motion or on motion of a party, issue a ruling respecting whether or not the inclusion, incorporation, or reference to Protected Materials is such that such submission should remain under seal. If filing before a judicial body, the filing party: (a) shall notify the party which provided the information within sufficient time so that the producing party may seek a temporary sealing order; and (b) shall otherwise follow the procedures in Rule 76a, Texas Rules of Civil Procedure.
24. **Maintenance of Protected Status of Materials during Pendency of Appeal of Order Holding Materials are not Protected Materials.** In the event that the presiding officer at any time in the course of this proceeding finds that all or part of the Protected Materials are not confidential or proprietary, by finding, for example, that such materials have entered the public domain or materials claimed to be Highly Sensitive Protected Materials are only Protected Materials, those materials shall nevertheless be subject to the protection afforded by this Protective Order for three (3) full working days, unless otherwise ordered, from the date the party asserting confidentiality receives notice of the

presiding officer's order. Such notification will be by written communication. This provision establishes a deadline for appeal of a presiding officer's order to the Commission. In the event an appeal to the Commissioners is filed within those three (3) working days from notice, the Protected Materials shall be afforded the confidential treatment and status provided in this Protective Order during the pendency of such appeal. Neither the party asserting confidentiality nor any Reviewing Party waives its right to seek additional administrative or judicial remedies after the Commission's denial of any appeal.

25. **Notice of Intent to Use Protected Materials or Change Materials Designation.**

Parties intending to use Protected Materials shall notify the other parties prior to offering them into evidence or otherwise disclosing such information into the record of the proceeding. During the pendency of Docket No. \_\_\_\_\_. at the Commission, in the event that a Reviewing Party wishes to disclose Protected Materials to any person to whom disclosure is not authorized by this Protective Order, or wishes to have changed the designation of certain information or material as Protected Materials by alleging, for example, that such information or material has entered the public domain, such Reviewing Party shall first file and serve on all parties written notice of such proposed disclosure or request for change in designation, identifying with particularity each of such Protected Materials. A Reviewing Party shall at any time be able to file a written motion to challenge the designation of information as Protected Materials.

26. **Procedures to Contest Disclosure or Change in Designation.** In the event that the party asserting confidentiality wishes to contest a proposed disclosure or request for change in designation, the party asserting confidentiality shall file with the appropriate presiding officer its objection to a proposal, with supporting affidavits, if any, within five (5) working days after receiving such notice of proposed disclosure or change in designation. Failure of the party asserting confidentiality to file such an objection within this period shall be deemed a waiver of objection to the proposed disclosure or request for change in designation. Within five (5) working days after the party asserting confidentiality files its objection and supporting materials, the party challenging

confidentiality may respond. Any such response shall include a statement by counsel for the party challenging such confidentiality that he or she has reviewed all portions of the materials in dispute and, without disclosing the Protected Materials, a statement as to why the Protected Materials should not be held to be confidential under current legal standards, or that the party asserting confidentiality for some reason did not allow such counsel to review such materials. If either party wishes to submit the material in question for in camera inspection, it shall do so no later than five (5) working days after the party challenging confidentiality has made its written filing.

27. **Procedures for Presiding Officer Determination Regarding Proposed Disclosure or Change in Designation.** If the party asserting confidentiality files an objection, the appropriate presiding officer will determine whether the proposed disclosure or change in designation is appropriate. Upon the request of either the producing or Reviewing Party or upon the presiding officer's own initiative, the presiding officer may conduct a prehearing conference. The burden is on the party asserting confidentiality to show that such proposed disclosure or change in designation should not be made. If the presiding officer determines that such proposed disclosure or change in designation should be made, disclosure shall not take place earlier than three (3) full working days after such determination unless otherwise ordered. No party waives any right to seek additional administrative or judicial remedies concerning such presiding officer's ruling.
28. **Maintenance of Protected Status during Periods Specified for Challenging Various Orders.** Any party electing to challenge, in the courts of this state, a Commission or presiding officer determination allowing disclosure or a change in designation shall have a period of ten (10) days from: (a) the date of an unfavorable Commission order; or (b) if the Commission does not rule on an appeal of an interim order, the date an appeal of an interim order to the Commission is overruled by operation of law, to obtain a favorable ruling in state district court. Any party challenging a state district court determination allowing disclosure or a change in designation shall have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from a state appeals court. Finally, any party challenging a determination of a state appeals court allowing disclosure

or a change in designation shall have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from the state supreme court, or other appellate court. All Protected Materials shall be afforded the confidential treatment and status provided for in this Protective Order during the periods for challenging the various orders referenced in this paragraph. For purposes of this paragraph, a favorable ruling of a state district court, state appeals court, Supreme Court or other appellate court includes any order extending the deadlines in this paragraph.

29. **Other Grounds for Objection to Use of Protected Materials Remain Applicable.**

Nothing in this Protective Order shall be construed as precluding any party from objecting to the use of Protected Materials on grounds other than confidentiality, including the lack of required relevance. Nothing in this Protective Order constitutes a waiver of the right to argue for more disclosure, provided, however, that unless the Commission or a court orders such additional disclosure, all parties will abide by the restrictions imposed by the Protective Order.

30. **Protection of Materials from Unauthorized Disclosure.** All notices, applications, responses, or other correspondence shall be made in a manner which protects Protected Materials from unauthorized disclosure.

31. **Return of Copies of Protected Materials and Destruction of Information Derived from Protected Materials.** Following the conclusion of these proceedings, each Reviewing Party must, no later than thirty (30) days following receipt of the notice described below, return to the party asserting confidentiality all copies of the Protected Materials provided by that party pursuant to this Protective Order and all copies reproduced by a Reviewing Party, and counsel for each Reviewing Party must provide to the party asserting confidentiality a letter by counsel that, to the best of his or her knowledge, information, and belief, all copies of notes, memoranda, and other documents regarding or derived from the Protected Materials (including copies of Protected Materials) that have not been so returned, if any, have been destroyed, other than notes, memoranda, or other documents which contain information in a form which, if made

public, would not cause disclosure of the substance of Protected Materials. As used in this Protective Order, “conclusion of these proceedings” refers to the exhaustion of available appeals, or the running of the time for the making of such appeals, as provided by applicable law. If, following any appeal, the Commission conducts a remand proceeding, then the “conclusion of these proceedings” is extended by the remand to the exhaustion of available appeals of the remand, or the running of the time for making such appeals of the remand, as provided by applicable law. Promptly following the conclusion of these proceedings, counsel for the party asserting confidentiality will send a written notice to all other parties, reminding them of their obligations under this Paragraph. Nothing in this Paragraph shall prohibit counsel for each Reviewing Party from retaining two (2) copies of any filed testimony, brief, application for rehearing, hearing exhibit, or other pleading which refers to Protected Materials provided that any such Protected Materials retained by counsel shall remain subject to the provisions of this Protective Order.

32. **Applicability of Other Law.** This Protective Order is subject to the requirements of the Public Information Act, the Open Meetings Act,<sup>3</sup> the Texas Securities Act,<sup>4</sup> and any other applicable law, provided that parties subject to those acts will notify the party asserting confidentiality, if possible under those acts, prior to disclosure pursuant to those acts. Such notice shall not be required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.
33. **Procedures for Release of Information under Order.** If required by order of a governmental or judicial body, the Reviewing Party may release to such body the confidential information required by such order; provided, however, that: (a) the Reviewing Party shall notify the producing party of the order requiring the release of

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<sup>3</sup> TEX. GOV'T. CODE ANN. § 551.001-551.146 (West 2004 and Supp. 2012).

<sup>4</sup> TEX. REV. CIV. STAT. ANN. arts. 581-1 to 581-43 (Vernon 2010).

such information within five (5) calendar days of the date the Reviewing Party has notice of the order; (b) the Reviewing Party shall notify the producing party at least five (5) calendar days in advance of the release of the information to allow the producing party to contest any release of the confidential information; and (c) the Reviewing Party shall use its best efforts to prevent such materials from being disclosed to the public. The terms of this Protective Order do not preclude the Reviewing Party from complying with any valid and enforceable order of a state or federal court with competent jurisdiction specifically requiring disclosure of Protected Materials earlier than contemplated herein. The notice specified in this section shall not be required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.

34. **Best Efforts Defined.** The term “best efforts” as used in the preceding paragraph requires that the Reviewing Party attempt to ensure that disclosure is not made unless such disclosure is pursuant to a final order of a Texas governmental or Texas judicial body, the written opinion of the Texas Attorney General sought in compliance with the Public Information Act, or the request of governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials. The Reviewing Party is not required to delay compliance with a lawful order to disclose such information but is simply required to timely notify the party asserting confidentiality, or its counsel, that it has received a challenge to the confidentiality of the information and that the Reviewing Party will either proceed under the provisions of § 552.301 of the Public Information Act, or intends to comply with the final governmental or court order. Provided, however, that no notice is required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.

35. **Notify Defined.** “Notify” for purposes of Paragraphs 32, 33, and 34 means written notice to the party asserting confidentiality at least five (5) calendar days prior to release; including when a Reviewing Party receives a request under the Public Information Act. However, the Commission, OAG, or OPUC may provide a copy of Protected Materials to the Open Records Division of the OAG as provided herein.
36. **Requests for Non-Disclosure.** If the producing party asserts that the requested information should not be disclosed at all, or should not be disclosed to certain parties under the protection afforded by this Protective Order, the producing party shall tender the information for in camera review to the presiding officer within ten (10) calendar days of the request. At the same time, the producing party shall file and serve on all parties its argument, including any supporting affidavits, in support of its position of non-disclosure. The burden is on the producing party to establish that the material should not be disclosed. The producing party shall serve a copy of the information under the classification of Highly Sensitive Protected Material to all parties requesting the information that the producing party has not alleged should be prohibited from reviewing the information.
- Parties wishing to respond to the producing party’s argument for non-disclosure shall do so within five (5) working days. Responding parties should explain why the information should be disclosed to them, including why disclosure is necessary for a fair adjudication of the case if the material is determined to constitute a trade secret. If the presiding officer finds that the information should be disclosed as Protected Material under the terms of this Protective Order, the presiding officer shall stay the order of disclosure for such period of time as the presiding officer deems necessary to allow the producing party to appeal the ruling to the Commission.
37. **Sanctions Available for Abuse of Designation.** If the presiding officer finds that a producing party unreasonably designated material as Protected Material or as Highly Sensitive Protected Material, or unreasonably attempted to prevent disclosure pursuant to Paragraph 36, the presiding officer may sanction the producing party pursuant to P.U.C. PROC. R. 22.161.



38. **Modification of Protective Order.** Each party shall have the right to seek changes in this Protective Order as appropriate from the presiding officer.
39. **Breach of Protective Order.** In the event of a breach of the provisions of this Protective Order, the producing party, if it sustains its burden of proof required to establish the right to injunctive relief, shall be entitled to an injunction against such breach without any requirements to post bond as a condition of such relief. The producing party shall not be relieved of proof of any element required to establish the right to injunctive relief. In addition to injunctive relief, the producing party shall be entitled to pursue any other form of relief to which it is entitled.

ATTACHMENT A

**Protective Order Certification**

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket and that I have received a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials shall not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPUC shall be used only for the purpose of the proceeding in Docket No. \_\_\_\_\_. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order. Provided, however, if the information contained in the Protected Materials is obtained from independent public sources, the understanding stated here shall not apply.

_____ Signature	_____ Party Represented
_____ Printed Name	_____ Date

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

_____ Signature	_____ Party Represented
_____ Printed Name	_____ Date
_____ Title and Department	

ATTACHMENT B

I request to view/copy the following documents:

Document Requested	# of Copies	Non-Confidential	Protected Materials and/or Highly Sensitive Protected Materials

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Party Represented

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

DOCKET NO. \_\_\_\_\_

APPLICATION OF ENTERGY  
TEXAS, INC. TO ADJUST ITS  
ENERGY EFFICIENCY COST  
RECOVERY FACTOR

§  
§  
§  
§

PUBLIC UTILITY COMMISSION

OF TEXAS

DIRECT TESTIMONY

OF

JOHN K. CARSON

ON BEHALF OF

ENTERGY TEXAS, INC.

MAY 1, 2018

ENTERGY TEXAS, INC.  
DIRECT TESTIMONY OF JOHN K. CARSON  
2018 EECRF APPLICATION

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EXHIBITS

Exhibit JKC-1	2018 Energy Efficiency Plan and Report
Exhibit JKC-2	Program List of Measures and their Estimated Useful Life
Exhibit JKC-3	2017 Program Participants Receiving >5% of Program Incentives (Public)
Exhibit JKC-3	2017 Program Participants Receiving >5% of Program Incentives (Highly Sensitive) <b>on CD</b>
Exhibit JKC-4	Consumer Price Index

Exhibit JKC-5	Directly Assigned Costs by Rate Class for Program Year 2017
Exhibit JKC-6	Projected Evaluation, Measurement, and Verification Costs
Exhibit JKC-7	Projected Costs by Rate Class for Program Year 2019
Exhibit JKC-8	Bonus Calculation
Exhibit JKC-9	Cost-Benefit Calculations for Program Year 2017

1 I. WITNESS INTRODUCTION AND QUALIFICATIONS

2 Q1. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

3 A. My name is John “Kelley” Carson. I am employed by Entergy Texas, Inc. (“ETI”  
4 or “the Company”) as a Lead Account Service Manager. I manage several energy  
5 efficiency programs and assist with budgeting requirements and energy efficiency  
6 program forecasting. My business address is 10055 Grogan’s Mill Rd., The  
7 Woodlands, TX, 77380.

8

9 Q2. FOR WHOM ARE YOU TESTIFYING?

10 A. I am testifying on behalf of ETI.

11

12 Q3. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL BACKGROUND  
13 AND PROFESSIONAL EXPERIENCE.

14 A. I have worked for Gulf States Utilities, Inc., Entergy Gulf States, Inc., and then  
15 ETI for over 30 years in customer relations, marketing, and in managing ETI’s  
16 energy efficiency programs. I have a Bachelor’s Degree in Accounting from  
17 Southwest Texas State University, a Master of Business Administration from  
18 LeTourneau University, and a Master of Science in Military History – Civil War  
19 from American Military University. In addition, I have passed the Home Energy  
20 Rating System test from Southface Energy Institute, which certifies me as a Home  
21 Energy Rater.

1 Q4. PLEASE DESCRIBE YOUR CURRENT JOB RESPONSIBILITIES AS THEY  
2 CONCERN ENERGY EFFICIENCY PROGRAMS.

3 A. I am responsible for developing and implementing ETI's energy efficiency  
4 programs in Texas. As part of my job description, I work closely with the various  
5 vendors and participants in ETI's energy efficiency programs. I assisted the  
6 Company with the rulemakings resulting in the initial adoption of 16 Tex. Admin.  
7 Code ("TAC") § 25.181 as well as the more recent adoption of the revisions to the  
8 rule that became effective in January 2013. I am a member, and former  
9 Chairman, of the Electric Utility Marketing Managers of Texas ("EUMMOT"),  
10 which is an association of electric utilities working to achieve the goal for energy  
11 efficiency established under Section 39.905 of the Public Utility Regulatory Act  
12 ("PURA"). EUMMOT members include Oncor Electric Delivery Company LLC,  
13 CenterPoint Energy Houston Electric, LLC, AEP Texas, Inc., Southwestern  
14 Electric Power Company, Texas-New Mexico Power Company, Xcel Energy, El  
15 Paso Electric Company, Sharyland Electric Company, and ETI.

16 I currently manage most of ETI's energy efficiency programs, including  
17 the Entergy Solutions High Performance Homes Market Transformation Program  
18 ("MTP"), the A/C Distributor MTP, the Load Management Standard Offer  
19 Program ("SOP"), the Residential SOP, and the Hard-to-Reach SOP for ETI. In  
20 addition, I am charged with developing ETI's energy efficiency savings goals and  
21 the budget requirements necessary to achieve those goals.



1 II. PURPOSE OF TESTIMONY

2 Q5. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS  
3 PROCEEDING?

4 A. The purpose of my direct testimony is to support the Company's request to adjust  
5 its Energy Efficiency Cost Recovery Factor ("EECRF"). In particular, I present  
6 the Company's Energy Efficiency Plan and Report ("EEPR") as Exhibit JKC-1  
7 and provide direct testimony in support of the actual and projected costs that form  
8 the basis of the requested adjustment in EECRF rates.

9 Exhibit JKC-1 describes the Company's 2017 energy efficiency programs  
10 and the results of those programs. It also discusses the Company's current energy  
11 efficiency program portfolio, projections for next year, and the circumstances and  
12 market conditions that support the reasonableness of the Company's programs  
13 and projections. Exhibit JKC-1 includes a projection of the annual growth in  
14 demand, an estimate of the energy and peak demand reduction savings to be  
15 obtained through each of the Company's energy efficiency programs, a  
16 description of the customer classes targeted by the energy efficiency programs,  
17 and the proposed annual budget required to implement the programs for each  
18 eligible class of customers.

1           III.    ENERGY EFFICIENCY UNDER THE COMMISSION'S RULES

2    Q6.   HOW IS ENERGY EFFICIENCY DEFINED UNDER THE COMMISSION'S  
3           RULES?

4    A.    The term "energy efficiency," as defined by the Public Utility Commission of  
5           Texas ("PUCT" or "Commission") in 16 TAC § 25.181(c)(12), is as follows:

6                   Improvements in the use of electricity that are achieved through  
7                   customer facility or customer equipment improvements, devices,  
8                   processes, or behavioral or operational changes that produce  
9                   reductions in demand or energy consumption with the same or  
10                  higher level of end-use service and that do not materially degrade  
11                  existing levels of comfort, convenience, and productivity.

12

13   Q7.   HOW IS ENERGY EFFICIENCY MEASURED UNDER THE  
14           COMMISSION'S RULES?

15   A.    16 TAC § 25.181 indicates that energy efficiency is to be measured by the energy  
16           savings and peak demand reduction. Energy savings is defined in 16 TAC  
17           § 25.181(c)(18) as "[a] quantifiable reduction in a customer's consumption of  
18           energy that is attributable to energy efficiency measures, usually expressed in  
19           kWh or MWh." Peak demand reduction is defined in 16 TAC § 25.181(c)(45) as  
20           "[r]eduction in demand on the utility's system at the times of the utility's summer  
21           peak period or winter peak period."

1 Q8. WHAT ARE THE REQUIRED ENERGY EFFICIENCY GOALS UNDER THE  
2 COMMISSION'S RULES?

3 A. Pursuant to 16 TAC § 25.181(e), the Commission's "energy efficiency goal" is a  
4 percentage reduction of the average annual growth in demand of an electric  
5 utility's residential and commercial customers. Under the rule, the energy  
6 efficiency goal in 2012 was a 25% reduction of annual growth in demand.  
7 Beginning in 2013, the goal is a 30% reduction of annual growth in demand up to  
8 four-tenths of 1% of the summer weather-adjusted peak demand. Further, in  
9 accordance with the "ratchet" requirements of 16 TAC § 25.181(e)(1)(E), a  
10 utility's demand reduction goal in any year cannot be lower than its goal for the  
11 prior year. Accordingly, ETI's demand savings goal for 2019 cannot be lower  
12 than its goal for 2018, which was 15.5 MW.

13 The energy savings goal is calculated under 16 TAC § 25.181(e)(4) by  
14 applying a 20% conservation load factor against the utility's demand savings goal.  
15 Thus, the energy savings goal for ETI of 27,156 MWh has remained the same  
16 since 2012.

17

18 Q9. HOW MAY A UTILITY ACHIEVE ITS ENERGY EFFICIENCY GOALS  
19 UNDER THE COMMISSION'S RULES?

20 A. Pursuant to 16 TAC § 25.181(d), utilities are encouraged to achieve demand  
21 reduction and energy savings through a portfolio of cost-effective programs that  
22 exceed each utility's energy efficiency goals while staying within the cost caps  
23 established in 16 TAC § 25.181(f)(7). An energy efficiency program is deemed to

1           be cost-effective if the cost of the program to the utility is less than or equal to the  
2           benefits of the program. The present value of the program benefits is calculated  
3           over the projected life of the measures installed or implemented under the  
4           program.

5

6    Q10.   WHAT TYPES OF ENERGY EFFICIENCY MEASURES ARE ALLOWED IN  
7           A UTILITY'S ENERGY EFFICIENCY PROGRAM, AND WHAT IS THE  
8           ESTIMATED USEFUL LIFE OF EACH MEASURE?

9    A.     The term "energy efficiency measures" is defined in 16 TAC § 25.181(c)(14) as  
10          "[e]quipment, materials, and practices, including practices that result in  
11          behavioral or operational changes, implemented at a customer's site on the  
12          customer's side of the meter that result in a reduction at the customer level and/or  
13          on the utility's system in electric energy consumption, measured in kWh, or peak  
14          demand, measured in kW, or both."

15               The types of measures allowed in a utility's energy efficiency programs  
16               are listed in Exhibit JKC-2. The source for this list is the Texas Resource  
17               Manual, Version 4.1, which is discussed further below.

18               The Estimated Useful Life ("EUL") of a measure is defined in 16 TAC  
19               § 25.181(c)(19) as the "number of years until 50% of the installed measures are  
20               still operable and providing savings and is used interchangeably with the term  
21               'measure life.'" The EUL determines the period of time over which the benefits of  
22               the energy efficiency measure are expected to accrue.

1 Q11. HAS ANY CUSTOMER LOAD OPTED OUT OF THE ENERGY EFFICIENCY  
2 PROGRAMS PURSUANT TO 16 TAC § 25.181(W)?

3 A. Yes. Approximately 2 MW of load has opted out of the program pursuant to  
4 16 TAC § 25.181(w).

5

6 IV. 2017 PROGRAM YEAR ENERGY EFFICIENCY PROGRAMS

7 Q12. WHAT ENERGY EFFICIENCY PROGRAMS DID ETI OFFER DURING THE  
8 2017 PROGRAM YEAR?

9 A. ETI implements an array of energy efficiency programs each year that reasonably  
10 considers the market conditions, maturity of programs, and regulatory  
11 requirements. In 2017, ETI offered six energy efficiency programs: the  
12 Residential SOP, Hard-to-Reach SOP, Load Management SOP, Entergy Solutions  
13 High Performance Homes MTP, Commercial Solutions MTP, and AC Distributor  
14 MTP.

15

16 Q13. PLEASE DESCRIBE THE ENERGY EFFICIENCY PROGRAMS THAT THE  
17 COMPANY IMPLEMENTED IN 2017.

18 A. Exhibit JKC-1 provides information on each of ETI's energy efficiency programs  
19 for 2017, including a list of all programs, energy and demand savings for each  
20 program, and administrative costs associated with the energy efficiency programs.  
21 It also describes the benefits of each program. The energy efficiency programs  
22 are diverse so that all eligible customers have an opportunity to participate.

1 Q14. DURING THE 2017 PROGRAM YEAR, WHAT REDUCTIONS IN PEAK  
2 DEMAND AND ENERGY DID ETI ACHIEVE THROUGH ITS ENERGY  
3 EFFICIENCY PROGRAMS?

4 A. As shown in Table 8 of Exhibit JKC-1, ETI achieved a demand reduction of  
5 21.20 MW and energy savings of 50,575 MWh during program year 2017 as  
6 compared to the goals of 15.5 MW and 27,156 MWh. Table 8 of Exhibit JKC-1  
7 also provides a breakdown of the projected and actual peak demand reduction and  
8 energy savings for each program.

9

10 Q15. WHAT WAS ETI'S APPROVED BUDGET TO ACHIEVE ITS ENERGY  
11 EFFICIENCY GOALS FOR THE 2017 PROGRAM YEAR?

12 A. As shown in Table 10, Exhibit JKC-1, ETI's approved budget to achieve its 2017  
13 energy efficiency goals was \$7.398 million.

14

15 Q16. WHAT WERE ETI'S ACTUAL COSTS TO REACH ITS ENERGY  
16 EFFICIENCY GOALS IN PROGRAM YEAR 2017?

17 A. As shown in Table 10, Exhibit JKC-1, ETI's actual costs in 2017 totaled  
18 \$7.075 million, roughly \$300,000 less than the forecasted costs.

1 Q17. HOW MANY PROJECT SPONSORS AND PROGRAM IMPLEMENTERS  
2 PARTICIPATED IN ETI'S ENERGY EFFICIENCY PROGRAMS IN 2017  
3 AND WHICH ONES RECEIVED 5% OR MORE OF THE PROGRAM  
4 INCENTIVES?

5 A. The various Project Sponsors and Program Implementers are listed in the public  
6 version of Exhibit JKC-3. Information regarding the companies receiving 5% or  
7 more of program incentives is presented in the Highly Sensitive version of  
8 Exhibit JKC-3.

9

10 V. EECRF FOR 2019

11 Q18. DOES ETI CURRENTLY HAVE AN EECRF IN PLACE?

12 A. Yes. ETI's current EECRF was approved in Docket No. 47115<sup>1</sup> to recover  
13 \$9,768,890. As explained in the direct testimony of ETI witness Jessica C.  
14 Landry, this amount included: (a) \$7,713,653 for ETI's forecasted 2018 energy-  
15 efficiency-program budget, (b) \$2,040,450 in performance bonus associated with  
16 the results of ETI's 2016 energy efficiency programs, (c) an over-recovery of  
17 \$63,656 for 2016 amounts, and (d) 2016 EECRF rate case expenses of \$78,442.  
18 ETI began collecting revenues under the current tariff with the first billing cycle  
19 of the January 2018 billing month.

---

<sup>1</sup> *Application of Entergy Texas, Inc. for Authority to Redetermine Rates for the Energy Efficiency Cost Recovery Factor Tariff*, Docket No. 47115, Final Order (Sept. 29, 2017).

1 Q19. PLEASE DESCRIBE THE REQUESTED EECRF FOR 2019.

2 A. ETI is asking that its 2019 EECRF be set to recover \$9,812,241, which is  
3 comprised of four parts: (a) the Company's forecasted energy efficiency program  
4 budget amount of \$7,613,074; (b) a performance bonus of \$2,033,799 associated  
5 with the results of ETI's 2017 energy efficiency programs; (c) a surcharge of  
6 \$93,708 for amounts under-recovered through 2017 EECRF revenues; and  
7 (d) 2017 EECRF proceeding costs of \$71,660. The costs components included in  
8 the new EECRF are shown in detail in Ms. Landry's Exhibit JCL-3.

9  
10 Q20. HOW WERE THE PROPOSED 2019 EECRF RATES CALCULATED?

11 A. Company witness Landry describes the calculation of the proposed 2019 EECRF  
12 rates in her Direct Testimony.

13  
14 Q21. IS THE COMPANY'S PROPOSED EECRF FOR 2019 DESIGNED TO  
15 ACHIEVE THE REQUIRED ENERGY EFFICIENCY GOAL AND COMPLY  
16 WITH THE COST CAPS?

17 A. Yes. Under the Company's request, ETI projects that it can achieve the required  
18 energy efficiency goal in 2019 and comply with the prescribed cost caps under the  
19 Commission rule.

20 The cost caps, under 16 TAC § 25.181(f)(7)(E), can be "calculated to be  
21 the prior period's cost caps increased by a rate equal to the most recently available  
22 calendar year's percentage change in the South urban [Consumer Price Index  
23 ("CPI")], as determined by the Federal Bureau of Labor Statistics." The increase



1 in the CPI from 2016 to 2017 is 2.0473%, as indicated by Exhibit JKC-4.  
2 Accordingly, for residential customers, the cost cap applicable to the 2019  
3 EECRF is \$0.001303 per kWh and the commercial cost cap is \$0.000815 per  
4 kWh.

5 As shown by Company witness Landry, the Company's proposed rates are  
6 consistent with the cost cap requirements.

7

8 A. Verification and Allocation of Costs and Revenues

9 Q22. HOW DID THE COMPANY TRACK AND ALLOCATE ITS 2017 COSTS  
10 AND REVENUES?

11 A. Table 10 in Exhibit JKC-1 shows all of the 2017 costs. My Exhibit JKC-5 shows  
12 the 2017 costs that were directly assigned to specific rate classes. All costs that  
13 were incurred by a particular customer were assigned to that customer's rate class.  
14 All costs that were incurred by a particular rate class were assigned to that rate  
15 class.

16 In particular, all incentive costs, both cash payments to customers and the  
17 costs of services provided to customers, were tracked by ETI and/or its vendors so  
18 that the costs of the incentives could be assigned to the rate class of the customer  
19 who received the incentive payment or service. In that way, all incentive costs  
20 were directly assigned to the rate class that received services under the program.

21 Additionally, administrative costs were directly allocated to programs to  
22 the extent reasonably possible and, consistent with 16 TAC § 25.181(i), any  
23 portion of the administrative costs that was not directly assignable to a specific

1           program was allocated among the programs in proportion to the program  
2           incentive costs. Table 10 of Exhibit JKC-1 shows total 2017 administrative costs  
3           per program, Exhibit JKC-5 shows those costs directly allocated to rate classes,  
4           and Page 5 of Ms. Landry's Exhibit JCL-1 shows the allocation of the remaining  
5           administrative costs to the rate classes.

6                     Research and Development ("R&D") costs were allocated among the  
7           programs in proportion to the program incentive costs. Page 5 of Ms. Landry's  
8           Exhibit JCL-1 shows the allocation of the R&D costs to the rate classes.

9                     The costs of last year's EECRF proceeding were related to all programs  
10          and rate classes and so were also allocated across all programs in proportion to the  
11          program incentive costs (see Table 10 of Exhibit JKC-1) before being allocated to  
12          the rate class or classes that received services under that program as shown on  
13          page 5 of Ms. Landry's Exhibit JCL-1.

14                    As further detailed below, EM&V costs were allocated to the programs  
15          pursuant to the methodology recommended by the state EM&V evaluation team,  
16          and the Company then allocated the costs to the rate classes that received services  
17          under each program in proportion to the rate classes' share of that program's  
18          incentive costs.

19                    Revenues for 2017 were tracked by rate class and are identified in Exhibit  
20          JCL-4 by ETI witness Landry and on page 4 in Exhibit JCL-1.

1 B. Incentive Costs

2 Q23. HOW MUCH DOES THE COMPANY PROJECT TO SPEND ON INCENTIVE  
3 COSTS IN 2019?

4 A. The Company's projected incentive payments for its 2019 programs are  
5 approximately \$6.711 million, which is reflected in Table 6 of Exhibit JKC-1. In  
6 addition, a breakdown of the projected energy efficiency program costs by rate  
7 class is shown in Exhibit JKC-7.

8

9 Q24. ARE THESE INCENTIVE PAYMENT COSTS REASONABLE?

10 A. Yes. The Company only includes in its request for incentive payments those costs  
11 that meet the definition of incentive payments under 16 TAC § 25.181(c)(29).  
12 The Company regularly reviews what other utilities are paying for various  
13 measures to ensure its costs are in line with incentive payments of other utilities.  
14 In addition, several Project Sponsors that work with ETI also work for other  
15 utilities and provide feedback on many of the incentives being paid around the  
16 state.

17 For 2019, the Company has proposed no changes to its projected incentive  
18 payment costs as compared to its approved budget for 2018.

1 Q25. HOW MUCH DID THE COMPANY INCUR FOR INCENTIVE COSTS IN  
2 2017?

3 A. As shown in table 10 of Exhibit JKC-10, ETI's incentive costs for 2017 were  
4 \$6,342,751.<sup>2</sup> I discuss the reasonableness of these costs in Section VI below.  
5

6 C. Administrative Costs and R&D Costs

7 Q26. PLEASE DESCRIBE THE PROJECTED ADMINISTRATIVE COSTS FOR  
8 THE COMPANY'S 2019 ENERGY EFFICIENCY PROGRAMS.

9 A. As shown in Table 6 of Exhibit JKC-1, the Company's projected administrative  
10 costs for 2019 are \$797,985, which is the same as the approved 2018 budget  
11 amounts, and less than the approved 2017 budget amounts of \$828,574.  
12

13 Q27. DO THE COMPANY'S PROJECTED 2019 COSTS INCLUDE ANY R&D  
14 COSTS?

15 A. Yes, the Company has included \$22,000 in its proposed 2019 budget for R&D  
16 costs. This amount reflects 20% of the costs for the continued development of a  
17 database that will be the repository of all ETI's energy efficiency programs.  
18 Currently, ETI houses data with three different contractors. Having all data reside  
19 in one location will make managing and reporting on the energy efficiency

---

<sup>2</sup> Changes in Entergy's Accounts Payable System lead to some administrative issues involving invoices for 2017 activities being shown as paid in the Company's database but an actual check not being issued. The issue was identified in early 2018, and checks for these incentive payments were subsequently issued. As discussed with Commission Staff at the time, ETI manually added the costs of the invoices back to the 2017 incentive costs because the related demand and energy savings were achieved and counted in 2017, and manually removed those costs from the 2018 incentive costs. The invoices related to this issue totaled \$200,509.06.

1 programs more effective, including the submission of data to the Evaluation,  
2 Measurement, and Verification (“EM&V”) contractor.

3 Pursuant to discussions with Commission Staff over the course of ETI’s  
4 2017 EECRF proceeding, Docket No. 47115, and as reflected in Errata No. 2 filed  
5 in that docket on July 13, 2017, ETI and Staff agreed to classify 80% of the costs  
6 of the database as administrative costs and 20% as R&D costs.

7

8 Q28. DO THE COMPANY’S PROJECTED 2019 ADMINISTRATIVE COSTS  
9 INCLUDE ALL COSTS FOR THE DISSEMINATION OF INFORMATION  
10 AND OUTREACH?

11 A. Yes.

12

13 Q29. PLEASE DESCRIBE THE COMPANY’S ACTUAL ADMINISTRATIVE  
14 COSTS FOR ITS 2017 ENERGY EFFICIENCY PROGRAMS.

15 A. Tables 9 and 10 of Exhibit JKC-1 shows the Company’s actual administrative  
16 costs in 2017. The requested costs in this case include only costs that are  
17 recoverable under 16 TAC § 25.181(i)(1). The administrative costs are comprised  
18 of costs that are necessary and appropriate for successful program  
19 implementation. These costs include Company labor costs charged to specific  
20 energy efficiency programs or in support of the Company’s programs in general,  
21 as well as information and outreach programs designed to explain the Company’s  
22 energy efficiency programs and improve customer awareness of the programs and  
23 measures. Additional detail regarding these costs is provided in my workpapers.

1 Q30. ARE THE COMPANY'S 2019 AND 2017 ADMINISTRATIVE COSTS  
2 REASONABLE?

3 A. Yes, and they are also consistent with the spending caps for administrative costs  
4 in the Commission's rules. Under 16 TAC § 25.181(i), a utility may recover its  
5 administrative costs to the extent these costs do not exceed 15% of the utility's  
6 total program costs and to the extent the costs, including R&D, do not exceed  
7 20% of the total program costs.<sup>3</sup>

8 ETI's projected 2019 administrative costs total 10.36% of total projected  
9 2019 program year costs identified in Table 6 of Exhibit JKC-1. When R&D  
10 costs are included, the costs equal 10.63% of total program costs. The projections  
11 are consistent with the Commission cap on administrative costs as well as the  
12 historic levels of costs the Company has incurred to manage its energy efficiency  
13 programs.

14 The Company's actual 2017 administrative costs are also consistent with  
15 the Commission cap on administrative spending. Including the ETI costs of last  
16 year's EECRF proceeding, the 2017 administrative costs equal 8.32% of total  
17 program costs. When R&D costs are included as well, the costs equal 8.71% of  
18 total program costs. With the actual and projected amounts being under the  
19 prescribed caps, the Company's EECRF costs present a reasonable level of  
20 administrative and R&D costs.

---

<sup>3</sup> Pursuant to Rule 25.181(i)(1)(G), the costs paid by a utility to cities pursuant to PURA § 33.023(b) for the cities' EECRF proceeding costs are not included in the administrative caps, and pursuant to Rule 25.181(q)(10)(B), EM&V costs do not count against the utility's cost caps or administration spending caps.

1 Q31. ARE THE COMPANY'S TOTAL 2019 PROJECTED ENERGY EFFICIENCY  
2 COSTS REASONABLE?

3 A. Yes. The projected costs of the Company's energy efficiency programs are  
4 developed based on the experience of myself and my energy efficiency team with  
5 input from our consultants and vendors, and the costs are under the cost caps as  
6 shown on page 1 of Exhibit JCL-1 sponsored by Company witness Landry.

7

8 D. EM&V Program and Costs

9 Q32. PLEASE DESCRIBE THE STATEWIDE EM&V PROGRAM AND ITS  
10 REVIEW OF ETI'S ENERGY EFFICIENCY PROGRAMS.

11 A. Pursuant to 16 TAC § 25.181(q), the Commission selected Tetra Tech, Inc. to act  
12 as the Commission's EM&V contractor. The EM&V contractor operates under  
13 the Commission's supervision and oversight, and offers independent analysis to  
14 the Commission in order to assist in making decisions in the public interest.

15 Under the oversight of the Commission Staff and with the assistance of  
16 utilities and other parties, the EM&V contractor evaluates specific programs and  
17 the portfolio of programs for each utility. EM&V objectives include: (1)  
18 documenting the impacts of the utilities' individual energy efficiency and load  
19 management portfolios, comparing their performance with established goals, and  
20 determining cost-effectiveness; (2) providing feedback for the Commission,  
21 Commission Staff, utilities, and other stakeholders on program portfolio  
22 performance; and (3) providing input into the utilities' and ERCOT's planning  
23 activities.

1           Another major objective of the EM&V contractor is to develop a Texas  
2           Technical Reference Manual (“TRM”). The TRM contains existing deemed  
3           savings manuals, standard EM&V protocols, and work papers used to develop the  
4           TRM. The TRM is available to the public and can be found on the PUCT  
5           Interchange under Project No. 45019.

6           The contractor’s evaluation of ETI’s 2016 programs has been completed  
7           and is included in my work papers. ETI’s 2016 programs were all determined to  
8           be cost effective, with the average cost effectiveness rate of 3.60. The 2017  
9           program portfolio is still under review from the EM&V contractor, but the initial  
10          calculation of cost effectiveness rate is 3.1, which is shown in my Exhibit JKC-9.

11

12   Q33. WHAT ARE ETI’S EM&V COSTS AND HOW WERE THE EM&V COSTS  
13       ALLOCATED TO THE RATE CLASSES?

14   A.   Tetra Tech, the EM&V contractor, bills ETI monthly for ETI’s portion of the  
15       statewide EM&V program. ETI’s costs in 2016 and 2017 for the EM&V  
16       contractor’s review of ETI’s 2016 energy efficiency programs totaled \$102,491 as  
17       shown in Table 10 of Exhibit JKC-1. Tetra Tech also projected that its costs for  
18       review of ETI’s 2018 energy efficiency programs will be \$104,402, which is  
19       shown in Exhibit JKC-6 and Table 6 of Exhibit JKC-1.

20           EM&V costs were allocated to the utilities and the utilities’ various  
21       programs per the methodology recommended by the state EM&V evaluation  
22       team. The Company then allocated the costs to the rate classes that received  
23       services under each program, as needed, using the rate classes’ percentage of



5

7 Q34. DOES THE COMPANY'S REQUESTED EECRF FOR 2019 INCLUDE COSTS  
8 FOR AN EECRF PROCEEDING CONDUCTED PURSUANT TO 16 TAC  
9 § 25.181(F)?

12

15 A. ETI's proceeding costs for last year's EECRF were \$58,729. The Cities' costs for  
16 last year's proceeding were \$12,931. The reasonableness of ETI's EECRF  
17 proceeding costs that are charges from its service company affiliate (Entergy  
18 Services, Inc.) is supported by the direct testimony of Company witness Landry.  
19 The reasonableness of ETI's non-affiliate charges for last year's EECRF  
20 proceeding is supported by the affidavit of ETI attorney Wajiha Rizvi, which is  
21 included with the Company's application. The reasonableness of Cities' charges  
22 for last year's EECRF proceeding is supported by the affidavit of Cities' attorney  
23 Dan Lawton, which is included with the Company's application.

1 F. Bonus Calculation

2 Q36. DOES THE COMPANY'S PROPOSED EECRF FOR 2019 INCLUDE ANY  
3 AMOUNTS FOR A PERFORMANCE BONUS BASED ON ETI'S 2017  
4 PROGRAMS? IF SO, PLEASE EXPLAIN.

5 A. Yes. Pursuant to 16 TAC § 25.181(h), ETI is allowed to receive a performance  
6 bonus for its 2017 energy efficiency programs, and ETI has calculated the bonus  
7 amount to be \$2,033,799. The bonus calculation is shown in Exhibit JKC-8 and  
8 Table 11 of Exhibit JKC-1 and was calculated consistent with the Commission's  
9 rule.

10  
11 Q37. IS THE PERFORMANCE BONUS AMOUNT CONSISTENT WITH THE  
12 REQUIREMENT UNDER 16 TAC § 25.181(H) THAT THE BONUS NOT  
13 EXCEED 10% OF THE UTILITY'S TOTAL NET BENEFITS?

14 A. Yes. The requested bonus of \$2,033,799 is consistent with the maximum bonus  
15 allowed under the above rule. See Exhibit JKC-8 and Table 11 of Exhibit JKC-1.

16  
17 VI. REASONABLENESS OF 2017 COSTS

18 Q38. WHAT WERE THE COSTS INCURRED BY ETI FOR ENERGY EFFICIENCY  
19 PROGRAMS IN 2017?

20 A. Table 10 of Exhibit JKC-1 show the costs incurred by ETI in 2017 by cost  
21 category.

1 Q39. WERE THE COSTS IDENTIFIED IN TABLE 10 OF EXHIBIT JKC-1  
2 REASONABLE AND NECESSARY TO ACHIEVE THE COMPANY'S  
3 GOALS TO REDUCE DEMAND AND ENERGY GROWTH?

4 A. Yes, the costs incurred were reasonable and necessary to achieve the prescribed  
5 goals to reduce demand and energy growth. The reduction goals and projected  
6 costs were approved by the Commission. The Company's processes and  
7 procedures helped to ensure that the costs to achieve the goals were reasonable  
8 and necessary. The Company's testimony in this proceeding provides details  
9 about the Company's programs and costs for 2017 and includes a copy of the  
10 Company's EEPR as well.

11 Moreover, the program costs met the cost effectiveness standard definition  
12 in 16 TAC § 25.181(d), which states "an energy efficiency rule is deemed to be  
13 costs effective if the cost of the program to the utility is less than or equal to the  
14 benefits of the program." The cost effectiveness calculations for the 2017  
15 programs are presented in Exhibit JKC-9. Because all of ETI's programs costs  
16 are less than or equal to the benefits of the programs, they are deemed to be cost  
17 effective.

18

19 Q40. DID THE COSTS INCURRED IN 2017 COMPLY WITH SECTION (F) OF  
20 COMMISSION RULE 25.181?

21 A. Yes, the costs incurred in 2017 were reasonable costs of providing a portfolio of  
22 cost-effective energy efficiency programs that comply with section (f) of Rule  
23 25.181, including the cost caps of Rule 25.181(f)(7).

1 Q41. DID ANY OF THE ACTUAL 2017 PROGRAM COSTS VARY BY MORE  
2 THAN TEN PERCENT FROM THE PROJECTED PROGRAM COSTS?

3 A. Yes. There were three programs where the projected budget and actual total  
4 funds expended varied by more than ten percent: Load Management SOP  
5 (22.5%); Entergy Solutions High Performance Homes MTP (20.4%), and A/C  
6 Distributor MTP (10.8%).

7 Costs under the Load Management SOP were lower than projected  
8 because a large customer enrolled two stores that did not curtail their load during  
9 the initial test or during an unscheduled call to curtail.

10 Costs under the Entergy Solutions High Performance Homes MTP were  
11 lower than projected due to delays caused by Hurricane Harvey. Houses that were  
12 committed to be completed in 2017 could not be completed due to damage from  
13 Hurricane Harvey, and a resulting lack of labor and materials due to diverted  
14 resources to support hurricane reconstruction. Also, some projected funds in this  
15 program were moved to the A/C Distributor MTP as described below.

16 Costs under the A/C Distributor MTP were higher than projected because  
17 some funds were moved from the Entergy Solutions High Performance Homes  
18 MTP into the A/C Distributor MTP to assist in providing more incentives to  
19 customers who might be able to take advantage of the program in the aftermath of  
20 Hurricane Harvey.

1 Q42. WHAT PROCESSES DID ETI HAVE IN PLACE TO ENSURE THE  
2 REASONABLENESS OF COSTS?

3 A. ETI regularly monitored market conditions to ensure the reasonableness of its  
4 program offerings and costs. The Company also regularly participates in base-  
5 line studies. These studies look for trends in specific market sectors and show  
6 where there are weaknesses in adapting to the new International Energy  
7 Conservation Code or lagging behind as compared to other regions of Texas.  
8 Programs can then be developed to address the lack of adaptation. For example, a  
9 new baseline study was completed in 2015 showing current residential new  
10 construction habits and has been vetted by the EM&V contractor for inclusion in  
11 the TRM.

12 In addition, ETI has used Requests for Proposals (“RFPs”) for its  
13 programs to make sure it is achieving the best program delivery and a reasonable  
14 price for Program Implementers. RFPs were solicited for the Energy Solutions  
15 High Performance Homes MTP in 2012. These RFPs helped to ensure the  
16 reasonableness of the programs ETI had in place for 2017. ETI plans to continue  
17 using RFPs as a check on its programs and programs costs. RFPs for both  
18 Commercial MTPs and a new Residential MTP were developed and sent out in  
19 mid-2015 with contracts signed by December of 2015. CLEAResult was awarded  
20 a three-year contract to implement the Commercial Solutions MTP, and ICF  
21 International was awarded the contract for Entergy Solutions High Performance  
22 Homes MTP and the new A/C Distributor MTP. In 2018, RFPs will be released

1           for a Commercial Solutions Program Implementer and a Residential Solutions  
2           Program Implementer to enter into a new three-year agreement.

3  
4   Q43.   WHAT PROCESSES DID ETI HAVE IN PLACE TO MONITOR THE COSTS?

5   A.    ETI regularly monitored costs through monthly Program Implementer invoices  
6           and reports. Internally, ETI monitors its internal costs through an internal  
7           budgeting system. Monthly meetings are held with the Energy Efficiency team  
8           and a departmental analyst to discuss current expenditures as well as planned  
9           expenditures for the current year such as special promotions or trade show  
10          participation.

11

12   Q44.   HAS ETI IMPROVED ITS PROCESSES OVER THE YEARS BASED ON ITS  
13          EXPERIENCE WITH PROCURING ENERGY EFFICIENCY SERVICES?

14   A.    Yes. ETI has continued to adjust and modify its budgeting and accounting  
15          processes to meet the needs of the Energy Efficiency team and the requests raised  
16          in EECRF proceedings. ETI now tracks costs by rate class rather than customer  
17          class. In addition, ETI developed a communications plan and calendar to help  
18          track the cost of its promotional activities. In particular, a communications plan  
19          was developed for promotions and trade show participation by energy efficiency  
20          team members. This effort put in place a calendar of events in which the energy  
21          efficiency team would participate and record its associated costs, making the  
22          communications plan more effective. Process improvements such as these helped  
23          to continue to ensure the reasonableness of the 2017 programs.

1 Q45. HAS THE COMPANY'S EXPERIENCE ALSO HELPED TO ENSURE THAT  
2 COSTS RECOVERED THROUGH THE EECRF HAVE BEEN  
3 REASONABLE?

4 A. Yes. ETI manages its program costs based on over 15 years of knowledge and  
5 experience within the Texas market and the surrounding service territories. The  
6 program costs and incentives offered for 2017 were consistent with the offering of  
7 similar programs of other utilities and were necessary to encourage participation  
8 levels high enough to achieve the energy and demand goals set up by the PUCT at  
9 reasonable costs.

10

11 VII. CONCLUSION

12 Q46. DO YOU BELIEVE THE COSTS THAT ETI SEEKS TO INCLUDE IN ITS  
13 EECRF FOR 2019 INCLUDE REASONABLE ACTUAL AND ESTIMATED  
14 COSTS NECESSARY TO PROVIDE ENERGY EFFICIENCY PROGRAMS  
15 AND TO MEET THE UTILITY'S GOALS UNDER THIS SECTION?

16 A. Yes. The program costs associated with providing a quality energy efficiency  
17 program under ETI's request are reasonable and necessary and meet the cost  
18 effectiveness provisions found in the energy efficiency rule.

19

20 Q47. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

21 A. Yes, at this time.

---

**Entergy Texas, Inc.**  
**2018 Energy Efficiency Plan and Report**  
**Substantive Rule § 25.181 and § 25.183**

**APRIL 1, 2018**  
**(Revised May 1, 2018)**

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Project No. 48146



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## Introduction

Entergy Texas, Inc. (ETI) presents this Energy Efficiency Plan and Report (EEPR) to comply with 16 Tex. Admin. Code (TAC) §§ 25.181 and 25.183, which together comprise 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.

## **EEPR Organization**

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

- The Executive Summary highlights ETI's reported achievements for 2017 and ETI's plans for achieving its 2018 and 2019 projected energy efficiency savings goals.

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

- Section I describes ETI's plan for its energy efficiency 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 and goals 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 (EER)**

- Section V documents ETI's actual weather-adjusted demand savings goals and energy targets for the previous five years (2013-2017) 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 2016 and 2017.
- Section VII documents ETI's incentive and administrative expenditures for the previous five years (2013-2017) broken out by program for each customer class.
- Section VIII compares ETI's actual program funding for 2017 compared to its 2017 budget broken out by program for each customer class.
- Section IX describes the results from ETI's MTPs.
- Section X describes research and development costs and administrative costs.
- Section XI details ETI's current Energy Efficiency Cost Recovery Rider (EECRF).
- Section XII reflects ETI's revenue collection through the 2017 EECRF.
- Section XIII breaks out the over/under-recovery of energy efficiency program costs.
- Section XIV details ETI's performance bonus calculation.

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

**Appendix**

- Appendix A – Reported Demand and Energy Reduction by County 2017.

## Executive Summary

The EEP 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 2018 and 2019. 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 providers and customer participation in the various energy efficiency programs. A summary of annual goals and projected savings 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 (kW at Source)	Peak Demand (kW at Source)	Goal Metric: 30% Growth (kW at Meter)	Goal Metric: 0.4% Peak Demand (kW at Meter)	Peak Demand Goal (kW at Meter)	Energy Goal (kWh at Meter)	Projected Demand Reduction (kW at Meter)	Projected Energy Savings (kWh at Meter)	Projected Budget (000's)
2018	21,800	2,701,000	6,050	10,000	15,500	27,156,000	15,500	27,156,000	7,714
2019	25,600	2,704,000	7,110	10,800	15,500	27,156,000	15,500	27,156,000	7,613

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 2018 goal is based on its previous year's goal, an example calculation at the source to at the meter conversion is shown below for 2018 using the 30% growth goal metric.

Example Goal Metric Calculation:  $(25,600 \text{ kW} \times 30\%) \times (1 - 0.074787 \text{ line losses}) = 7,105 \text{ kW}$

Line loss number is based on the loss study in ETI's last completed rate case, Docket No. 41791.

<sup>1</sup> For 2018, all values are per last year's EECRF proceeding, Docket No. 47115. For 2019, the Average Growth in Demand and Peak Demand figures are from Table 4; the Peak Demand Goal and Energy Savings Goal were determined pursuant to the "ratchet" requirements of 16 TAC § 25.181(e)(1)(E); the Projected Demand and Energy Savings are from Table 5; and the Projected Budget is from Table 6.

## Energy Efficiency Plan

### I. 2018 Programs

#### A. 2018 Program Portfolio

ETI plans to implement three MTPs and three SOPs in 2018. These include: the Commercial Solutions MTP, 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: 2018 Energy Efficiency Program Portfolios**

<b>Program</b>	<b>Target Market</b>	<b>Application</b>
Commercial Solutions MTP	Commercial	New Construction; Retrofit; Behavioral; Midstream
Load Management SOP	Commercial	Existing, Demand Response
Residential SOP	Residential	Retrofit
Entergy Solutions High Performance Homes MTP	Residential	New Construction
A/C Distributor MTP	Residential	New Construction, Retrofit
Hard-to-Reach SOP	Residential	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.entergy-texas.com/energy\\_efficiency](http://www.entergy-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. Commercial Solutions MTP**

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

The Commercial Solutions MTP (COM SOL MTP) 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, third-party program implementer expertise, and the local network of qualified contractors, ETI helps 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 and contractor direct install components);
- A “Schools Concerned with Reducing Energy” (SCORE) component to target local K-12 public school districts, universities and colleges in the service territory (including a Resource Management Services 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 both standard and more unique, complex opportunities for energy savings; and
- 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;
- Government entities including cities, counties, state, and federal organizations; and
- Non-profit and institutional businesses such as religious institutions, private schools, and healthcare providers.

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

To market the availability of this program, ETI:

- Engages its third-party implementer, CLEAResult Consulting, to provide for outreach and training on the program;
- 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.

## **2. Load Management SOP**

### **a) Program Design**

The Load Management (LM SOP) provides demand reduction solutions to a small group of qualified commercial customers served by ETI and pays 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 Midcontinent Independent System Operator, Inc. (MISO) and integrates resource plans ahead of time, ensuring that the necessary generation is available to reliably serve load.

### **b) Implementation Process**

ETI recruits appropriate and qualified commercial customers to participate in the LM SOP. This program requires the examination of actual demand savings, operating characteristics, program design, long-range planning, and overall measure and program acceptance by the targeted customers. During the implementation process, ETI makes potential customers aware that, if the customer plans to use backup generation when curtailed, ETI assumes that their generators adhere to both state and federal guidelines for emissions.

### **c) Outreach Activities**

To market the availability of this program, ETI:

- 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 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. Residential SOP**

### **a) Program Design**

The Residential SOP (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 2018, ETI will continue to 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. In 2018, the RES SOP will also deploy an A/C Tune Up program and give contracts to project sponsors that have access to licensed HVAC contractors.

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

ETI will continue implementing its RES SOP by allowing any eligible Project Sponsor to 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 2018, ETI will select seven Project Sponsors to participate in the RES SOP in order to allow for the appropriate administrative control and visibility of Project Sponsors. 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**

To market the availability of this program, ETI:

- Utilizes mass email notifications to keep potential Project Sponsors interested and informed;
- Maintains 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 awareness of its energy efficiency programs by rolling out new program promotions through its website, social media, email blasts, radio promotions, and print media.

### **4. Entergy Solutions High Performance Homes MTP**

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

The Entergy Solutions High Performance Homes MTP (ENTERGY SOL MTP) combines the attributes of an Energy Star Homes new construction program with the attributes of a Home Performance with Energy Star retrofit program. Combining these programs is logical because both programs are driven predominantly by Home Energy Rating Services (HERS). 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 efficiency measures.

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 program provides incentives for builders and contractors who exceed the IECC 2015 with the ultimate aim of promoting construction to Energy Star standards.

**b) Implementation Process**

Any eligible builder or contractor 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 contractors and incentive amounts that are available.

**c) Outreach Activities**

To market the availability of this program, ETI:

- Utilizes mass email notifications to keep potential builders and contractors interested and informed;
- Works with local code enforcement officials to make sure they understand the need for builders and contractors to follow the requirements of the IECC 2015 and identify common efforts to bypass the code;
- Maintains 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;
- Conducts workshops as necessary to explain elements such as responsibilities of the builder or contractors, project requirements, incentive information, and the application and reporting process; and
- Promotes the awareness of its energy efficiency programs by rolling out program promotions through its website, social media, email blasts, radio promotions, and print media.

**5. A/C Distributor MTP**

**a) Program Design**

The A/C Distributor MTP (A/C DIST MTP) helps promote the installation of higher efficiency air conditioning for residential customers throughout ETI's service territory. The program pays incentives to the regional air conditioning distributors to reduce the cost of the higher efficiency rated equipment to the local dealers with the goal 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 ETI or another third-party inspector.

### **c) Outreach Activates**

To market the availability of the program, ETI attends local dealer meetings to educate the dealer population on how to participate and how to fill out the necessary paperwork. Additionally, ETI's program implementer, ICF International (ICF), leverages its current A/C 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 ETI's territory are already participating in that program.

## **6. Hard To Reach SOP**

### **a) Program Design**

The Hard-To-Reach SOP (HTR SOP) targets low-income customers who receive 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 2018, ETI will continue to 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. In 2018, the HTR SOP will also deploy an A/C Tune Up program and give contracts to project sponsors that have access to licensed HVAC contractors.

### **b) Implementation Process**

ETI will continue implementing its HTR SOP such that 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 2018, ETI will select seven Project Sponsors to participate in the HTR SOP in order to allow for the appropriate administrative control and visibility of Project Sponsors. 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**

To market the availability of this program, ETI:

- Utilizes mass email notifications to keep potential project sponsors interested and informed;
- Maintains 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 awareness of its energy efficiency programs by rolling out new program promotions through its website, social media, email blasts, radio promotions, and print media.

### ***C. New Programs for 2019***

ETI is not planning to deploy any new programs in 2019, but will be reviewing programs and measures that have been successful in other jurisdictions for possible deployment in the future.

ETI plans to combine its ENTERGY SOL MTP and AC DIST MTP in 2019 as the Residential Solutions MTP for increased administrative efficiency and flexibility.

In addition, ETI will be soliciting for program implementers through its Request for Proposal (RFP) process for its existing COM SOL MTP and RES MTP. RFPs should be available in early summer with contracts in place by the end of October.

## **II. Customer Classes**

**Table 3: Summary of Customer Classes<sup>2</sup>**

<b>Customer Class</b>	<b>Number of Customers</b>
<b>Commercial</b>	48,591
<b>Residential</b>	391,613
<b>Hard to Reach</b>	52,868

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

As prescribed by 16 TAC § 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 accordance with the "ratchet requirements" of 16 TAC § 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 15,500 kW and an energy savings goal of 27,156,000 kWh for 2012. Due to the ratchet requirements, those goals have remained in place since 2012, and will again be the goals for 2018. Table 4 presents historical annual growth in demand for the previous five years that is used to calculate demand and energy goals.

<sup>2</sup> Commercial and Residential figures based on actual historical ETI data as of December 31, 2017; Hard-to-Reach figure based on data obtained from the 2015 US Census Bureau Current Population Survey.

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

Calendar Year	Peak Demand at Source (kW)				Energy Consumption at Meter (kWh)				Growth (kW)	Average Growth (kW) <sup>[1]</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
2013	3,602,000	3,704,000	2,808,000	2,851,000	15,945,000,000	16,743,000,000	10,410,000,000	10,443,000,000	297,000	NA
2014	3,256,000	3,321,000	2,653,000	2,650,000	18,706,000,000	18,828,000,000	11,838,000,000	11,830,000,000	-201,000	NA
2015	3,540,000	2,933,000	2,776,000	2,609,000	16,268,000,000	16,311,000,000	10,625,000,000	10,624,000,000	-41,000	NA
2016	3,536,000	3,549,000	2,691,000	2,701,000	16,526,000,000	16,726,000,000	10,802,000,000	10,785,000,000	92,000	NA
2017 [1]	3,468,000	3,481,000	2,647,000	2,704,000	16,861,250,000	17,152,000,000	10,918,750,000	10,920,500,000	-19,000	NA
2018	NA	NA	NA	NA	NA	NA	NA	NA	NA	21,800
2019	NA	NA	NA	NA	NA	NA	NA	NA	NA	25,600

“NA” = Not Applicable to this EEPR.

[1] Does not include premises that, pursuant to 16 TAC § 25.181(w), 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>2018</b>	<b>Projected Savings</b>	
<b>Customer Class and Program</b>	<b>kW</b>	<b>kWh</b>
<b>Commercial</b>	<b>10,460.00</b>	<b>15,608,000</b>
Commercial Solutions MTP	3,750.00	15,568,000
Load Management SOP	6,710.00	40,000
<b>Residential</b>	<b>3,940.00</b>	<b>8,060,000</b>
Residential SOP	2,140.00	5,836,000
Entergy Solutions High Performance Homes MTP	1,500.00	1,224,000
A/C Distributor MTP	300.00	1,000,000
<b>Hard-To-Reach</b>	<b>1,100.00</b>	<b>3,488,000</b>
Hard-To-Reach SOP	1,100.00	3,488,000
<b>Total Annual Projected Savings</b>	<b>15,500.00</b>	<b>27,156,000</b>
<b>2019</b>	<b>Projected Savings</b>	
<b>Customer Class and Program</b>	<b>kW</b>	<b>kWh</b>
<b>Commercial</b>	<b>10,460.00</b>	<b>15,608,000</b>
Commercial Solutions MTP	3,750.00	15,568,000
Load Management SOP	6,710.00	40,000
<b>Residential</b>	<b>3,940.00</b>	<b>8,060,000</b>
Residential SOP	2,140.00	5,836,000
Residential Solutions MTP	1,800.00	2,224,000
<b>Hard-To-Reach</b>	<b>1,100.00</b>	<b>3,488,000</b>
Hard-To-Reach SOP	1,100.00	3,488,000
<b>Total Annual Projected Savings</b>	<b>15,500.00</b>	<b>27,156,000</b>

#### IV. Program Budgets

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

<b>2018</b>	<b>Incentives</b>	<b>Admin</b>	<b>CY2017 EM&amp;V Costs for Review of PY2016</b>	<b>CY2018 EM&amp;V Costs for Review of PY2017</b>	<b>Total Budget</b>
<b>Commercial</b>	<b>\$3,026,978</b>	<b>\$341,244</b>	<b>\$58,609</b>	<b>\$53,270</b>	<b>\$3,480,101</b>
Commercial Solutions MTP	\$2,651,478	\$288,707	\$43,216	\$47,500	\$3,030,901
Load Management SOP	\$375,500	\$52,537	\$15,393	\$5,770	\$449,200
<b>Residential</b>	<b>\$2,656,919</b>	<b>\$309,704</b>	<b>\$33,091</b>	<b>\$32,773</b>	<b>\$3,032,488</b>
Residential SOP	\$1,750,210	\$179,311	\$18,959	\$21,511	\$1,969,991
Entergy Solutions High Performance Homes MTP	\$577,649	\$80,255	\$8,557	\$4,437	\$670,898
A/C Distributor MTP	\$329,060	\$50,138	\$5,575	\$6,825	\$391,598
<b>Hard-To-Reach</b>	<b>\$1,026,789</b>	<b>\$125,037</b>	<b>\$10,791</b>	<b>\$16,448</b>	<b>\$1,179,065</b>
Hard-To-Reach SOP	\$1,026,789	\$125,037	\$10,791	\$16,448	\$1,179,065
<b>R&amp;D</b>	<b>\$0</b>	<b>\$22,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,000</b>
<b>EM&amp;V</b>	<b>\$0</b>	<b>\$0</b>	<b>\$102,491</b>	<b>\$102,491</b>	<b>\$204,982</b>
<b>Total Annual Budgets</b>	<b>\$6,710,687</b>	<b>\$797,985</b>	<b>\$102,491</b>	<b>\$102,491</b>	<b>\$7,713,654</b>
<b>2019</b>	<b>Incentives</b>	<b>Admin</b>	<b>CY2019 EM&amp;V Costs for Review of PY2018</b>		<b>Total Budget</b>
<b>Commercial</b>	<b>\$3,026,978</b>	<b>\$341,244</b>	<b>\$48,985</b>		<b>\$3,417,207</b>
Commercial Solutions MTP	\$2,651,478	\$288,707	\$37,044		\$2,977,230
Load Management SOP	\$375,500	\$52,537	\$11,941		\$439,978
<b>Residential</b>	<b>\$2,656,919</b>	<b>\$309,704</b>	<b>\$41,594</b>		<b>\$3,008,217</b>
Residential SOP	\$1,750,210	\$179,311	\$18,337		\$1,947,858
Residential Solutions MTP	\$906,709	\$130,393	\$23,257		\$1,060,359
<b>Hard-To-Reach</b>	<b>\$1,026,789</b>	<b>\$125,037</b>	<b>\$13,823</b>		<b>\$1,165,649</b>
Hard-To-Reach SOP	\$1,026,789	\$125,037	\$13,823		\$1,165,649
<b>R&amp;D</b>	<b>\$0</b>	<b>\$22,000</b>			<b>\$22,000</b>
<b>EM&amp;V</b>	<b>\$0</b>	<b>\$0</b>			<b>\$0</b>
<b>Total Annual Budgets</b>	<b>\$6,710,687</b>	<b>\$797,985</b>	<b>\$104,402</b>		<b>\$7,613,074</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 (2013-2017) calculated in accordance with 16 TAC § 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 (kW)</b>	<b>Actual Weather Adjusted Energy Goal (kWh)</b>	<b>Actual Demand Reduction (kW)</b>	<b>Actual Energy Savings (kWh)</b>
2017	15,500.00	27,156,000	21,198.55	50,574,878
2016	15,500.00	27,156,000	19,738.87	45,044,145
2015	15,500.00	27,156,000	18,084.85	36,687,766
2014	15,500.00	27,156,000	17,180.15	39,213,656
2013	15,500.00	27,156,000	19,140.93	36,995,923



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

**Table 8: Projected versus Reported and Verified Savings for 2016 and 2017 (at Meter)**

<b>2016</b>	<b>Projected Savings</b>		<b>Reported and Verified Savings</b>	
<b>Customer Class and Program</b>	<b>kW</b>	<b>kWh</b>	<b>kW</b>	<b>kWh</b>
<b>Commercial</b>	<b>10,460.00</b>	<b>15,152,000</b>	<b>13,854.18</b>	<b>24,490,171</b>
Commercial Solutions MTP	3,750.00	15,112,000	5,105.18	24,472,842
Load Management SOP	6,710.00	40,000	8,749.00	17,329
<b>Residential</b>	<b>3,940.00</b>	<b>8,317,000</b>	<b>4,460.380</b>	<b>15,576,762</b>
Residential SOP	2,240.00	6,371,000	3,378.37	12,162,000
Entergy Solutions High Performance Homes MTP	1,500.00	1,346,000	941.26	3,017,682
AC Distributor MTP	200.00	600,000	140.75	398,080
<b>Hard-to-Reach</b>	<b>1,100.00</b>	<b>3,687,000</b>	<b>1,424.31</b>	<b>4,977,213</b>
Hard-to-Reach SOP	1,100.00	3,687,000	1,424.31	4,977,213
<b>Total</b>	<b>15,500.00</b>	<b>27,156,000</b>	<b>19,738.87</b>	<b>45,044,145</b>
<b>2017</b>	<b>Projected Savings</b>		<b>Reported and Verified Savings</b>	
<b>Customer Class and Program</b>	<b>kW</b>	<b>kWh</b>	<b>kW</b>	<b>kWh</b>
<b>Commercial</b>	<b>10,460.00</b>	<b>15,152,000</b>	<b>14,389.02</b>	<b>32,005,030</b>
Commercial Solutions MTP	3,750.00	15,112,000	5,810.02	31,989,575
Load Management SOP	6,710.00	40,000	8,579.00	15,455
<b>Residential</b>	<b>3,940.00</b>	<b>8,317,000</b>	<b>5,249.10</b>	<b>14,660,972</b>
Residential SOP	2,240.00	6,371,000	3,585.84	9,210,715
Entergy Solutions High Performance Homes MTP	1,450.00	1,346,000	1,399.08	4,711,437
AC Distributor MTP	250.00	600,000	264.18	738,820
<b>Hard-to-Reach</b>	<b>1,100.00</b>	<b>3,687,000</b>	<b>1,560.43</b>	<b>3,908,876</b>
Hard-to-Reach SOP	1,100.00	3,687,000	1,560.43	3,908,876
<b>Total</b>	<b>15,500.00</b>	<b>27,156,000</b>	<b>21,198.55</b>	<b>50,574,878</b>

## VII. Historical Program Expenditures

This section documents ETI's incentive and administration expenditures for the previous five years (2013-2017) broken out by program for each customer class.

**Table 9: Historical Program Incentive and Administrative Expenditures for 2013 through 2017 (in \$000's)**

2013 through 2017	2017		2016		2015		2014		2013	
	Incent	Admin	Incent	Admin	Incent	Admin	Incent	Admin	Incent	Admin
<b>Commercial</b>	<b>2,789</b>	<b>372</b>	<b>2,489</b>	<b>399</b>	<b>2,610</b>	<b>466</b>	<b>2,490</b>	<b>505</b>	<b>2,778</b>	<b>398</b>
Commercial (Commercial Solutions) MTP	2,529	312	2,211	336	1,374	214	1,144	218	1,193	197
Load Management SOP	259	60	279	63	234	54	210	59	225	26
SCORE/City Smart MTP	NA	NA	NA	NA	1,002	198	1,136	227	1,360	175
<b>Residential</b>	<b>2,481</b>	<b>265</b>	<b>2,453</b>	<b>345</b>	<b>2,568</b>	<b>370</b>	<b>3,041</b>	<b>497</b>	<b>3,468</b>	<b>360</b>
Residential SOP	1,659	140	1,697	189	1,695	225	2,189	316	2,275	204
Entergy Solutions High Performance Homes MTP	446	67	420	108	867	145	852	1,810	1,193	156
A/C Distributor MTP	376	58	272	48	NA	NA	NA	NA	NA	NA
<b>Hard-to-Reach</b>	<b>1,072</b>	<b>95</b>	<b>1,259</b>	<b>148</b>	<b>1,023</b>	<b>166</b>	<b>1,327</b>	<b>216</b>	<b>1,324</b>	<b>139</b>
Hard-to-Reach SOP	1,072	95	1,259	147	1,023	166	1,327	216	1,324	139
<b>Total Expenditures</b>	<b>6,343</b>	<b>732</b>	<b>6,138</b>	<b>892</b>	<b>6,195</b>	<b>1,001</b>	<b>6,858</b>	<b>1,217</b>	<b>7,569</b>	<b>897</b>

## VIII. Program Funding for Calendar Year 2017

Table 10:

2017	Incentive Budget	R&D Admin	Admin Budget	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 - Other EECRF Proceeding Costs (Admin)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)	10% Difference?
<b>Commercial</b>	\$2,932,466	\$69,155	\$312,845	\$3,314,466	104	\$2,788,965	\$269,209	\$12,312	\$58,605	\$25,823	\$5,686	\$3,160,600	\$0	\$153,866	
Commercial Solutions MTP + SCORE	\$2,578,157	\$58,630	\$265,232	\$2,902,019	96	\$2,529,475	\$228,577	\$11,167	\$43,221	\$23,421	\$5,157	\$2,841,017	\$0	\$61,002	
Load Management SOP	\$354,309	\$10,525	\$47,613	\$412,447	8	\$259,490	\$40,632	\$1,146	\$15,384	\$2,403	\$529	\$319,583	\$0	\$92,863	22.5%
<b>Residential</b>	\$2,610,517	\$57,226	\$258,881	\$2,926,624	1,664	\$2,481,390	\$192,706	\$10,954	\$33,094	\$22,976	\$5,059	\$2,746,179	\$0	\$180,445	
Residential SOP	\$1,699,233	\$34,728	\$157,103	\$1,891,064	1,625	\$1,659,423	\$94,740	\$7,326	\$18,961	\$15,365	\$3,383	\$1,799,198	\$0	\$91,866	
Entergy Solutions Premium Homes MTP	\$560,807	\$15,011	\$67,906	\$643,724	31	\$445,827	\$51,272	\$1,968	\$8,558	\$4,128	\$909	\$512,662	\$0	\$131,062	20.4%
A/C Distributor	\$350,477	\$7,487	\$33,872	\$391,836	8	\$376,139	\$46,695	\$1,661	\$5,576	\$3,483	\$767	\$434,320	\$0	\$42,483	-10.8%
<b>Hard-To-Reach</b>	\$1,026,789	\$23,619	\$106,848	\$1,157,256	1,144	\$1,072,397	\$67,749	\$4,734	\$10,792	\$9,930	\$2,186	\$1,167,788	\$0	\$-10,532	
Hard-to-Reach SOP	\$1,026,789	\$23,619	\$106,848	\$1,157,256	1,144	\$1,072,397	\$67,749	\$4,734	\$10,792	\$9,930	\$2,186	\$1,167,788	\$0	\$-10,532	
<b>EM&amp;V Costs</b>				\$0										\$0	
<b>Total</b>	\$6,569,772	\$150,000	\$678,574	\$7,398,346	2,912	\$6,342,751	\$529,665	\$28,001	\$102,491	\$58,729	\$12,931	\$7,074,568	\$0	\$323,778	

Per 16 TAC § 25.181(n)(2)(Q), please note that there were three programs where the projected budget and actual total funds expended varied by more than ten percent: Load Management SOP (22.5%); Entergy Solutions High Performance Homes MTP (20.4%), and A/C Distributor MTP (-10.8%).

Costs under the Load Management SOP were lower than projected due to two factors. Walmart enrolled two stores that did not curtail their load during the initial test or during an unscheduled call to curtail.

Costs under the Entergy Solutions High Performance Homes MTP were lower than projected due to storm delays caused by Hurricane Harvey. Houses that were committed to be completed in 2017 could not be completed due to damage from Hurricane Harvey, and a resulting lack of labor and materials due to diverted resources to support hurricane reconstruction. Also, some projected funds in this program were moved to the A/C Distributor MTP as described below.

Costs under the A/C Distributor MTP were higher than projected because some funds were moved from the Entergy Solutions High Performance Homes MTP into the A/C Distributor MTP to assist in providing more incentives to customers who might be able to take advantage of the program in the aftermath of Hurricane Harvey.

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

### **COM SOL MTP**

The primary objective of the COM SOL 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 expertise in working with customers to ensure they are installing the most cost effective energy efficient measures by providing equipment recommendations, engineering oversight, consultations, and benchmarking. Under the SCORE component of the COM SOL 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 in the future are now being moved up to be completed earlier due to the "Energy Efficiency Business Plan" that is part of the program. The Midstream Program allowed ETI's commercial customers to buy LED bulbs at a discount from qualified distributors. This program helped more small businesses to participate in the program by making LED bulbs more economical. Hotels and schools were large participants in the program in 2017. In addition, CLEAResult continues to have success working with several schools to control costs by using behavioral measures and techniques. The behavioral program was offered to Lone Star College, Sam Houston State University, and Lamar University in 2017. For 2017, this program achieved 5,810 kW and 31,989,575 kWh in reported and verified savings.

### **ENTERGY SOL MTP**

The ENTERGY SOL 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 HERS. 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. ICF provided several training opportunities for local Code Enforcement Officials to learn about the energy efficiency codes and how to apply them, now that many cities are requiring third-party inspections on new construction before a Certificate of Occupancy is given. For 2017, this program achieved 1,399 kW and 4,711,437 kWh in reported and verified savings.

## **AC DIST MTP**

The A/C DIST MTP helps promote the installation of higher efficiency air conditioning for residential customers throughout ETI's service territory. The program pays incentives to the regional air conditioning distributors to reduce the cost of the higher efficiency rated equipment to the local dealers with the goal that the dealer will pass the reduced cost along to the customers. For 2017, this program achieved 264 kW and 738,820 kWh in reported and verified savings.

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

ETI continued a Research and Development (R&D) project in 2017 that will continue in 2018. The project involves the development of a database that will be the repository for all of ETI's energy efficiency programs. Currently, ETI houses data with three different implementers, and consolidation will facilitate the gathering and submission of data to the EM&V contractor. Having all data reside in one location will make managing and reporting on the energy efficiency programs more efficient.

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, marketing and advertising costs, Electric Utility Marketing Managers of Texas (EUMMOT) fees, and employee expenses used for training, Quality Assurance/Quality Control activities on program results from third parties, and cost of attending local energy efficiency conferences.

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

ETI applied for a revised EECRF rate schedule on May 1, 2017 in Docket No. 47115. The EECRF was approved for recovery of \$9,768,890, and ETI began implementation of the rider on January 1, 2018.

## **XII. Revenue Collected through EECRF (2017)**

ETI's 2017 EECRF revenues as of December 31, 2017 were \$8,469,800.

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

ETI had an under-recovery of its 2017 energy efficiency programs of \$93,708, which should be collected in the 2019 EECRF.

## **XIV. Performance Bonus Calculation**

In 2017, ETI's total spending on energy efficiency programs was \$7,074,568. This includes actual EM&V expenditures of \$102,491 for review in 2016 and 2017 of the 2016 program.

For the purposes of the performance bonus calculation, ETI's 2017 total program costs equaled \$7,074,568.

Table 11 below calculates the performance bonus consistent with 16 TAC § 25.181(h). Based on this calculation, because ETI exceeded the 2017 goal by 37% for kW and 86% for kWh savings, ETI will request a performance bonus of \$2,033,799 as part of the 2018 EECRF filing.

**Table 11: Performance Bonus Calculation**

Program Year 2017		
Energy Efficiency Performance Bonus Calculator		
	kW	kWh
Demand and Energy Goals	15,500	27,156,000
Actual Demand and Energy Savings	21,199	50,574,877
Reported/Verified Hard-to-Reach	1,560	
Program Costs (excluding bonus)	\$7,074,568	
Performance Bonus	\$2,033,799	

10%	Hard-to-Reach Goal Met?
	Bonus Calculation Details
137%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)
186%	Percentage of Energy Reduction Goal Met (Reported kWh/Goal kWh)
TRUE	Met Requirements for Performance Bonus?
\$27,412,558	Total Avoided Costs
\$7,074,568	Total Program Costs (excluding bonus)
\$20,337,990	Net Benefits
\$3,738,615	Calculated Bonus $((\text{Achieved Demand Reduction} / \text{Demand Goal} - 100\%) / 2) * \text{Net Benefits}$
\$2,033,799	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, 16 TAC §§ 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 A: Reported Demand and Energy Reduction by County 2017<sup>3</sup>

Hard to Reach SOP			
County	Savings kW	Savings KWh	Incentives
Chambers	8 88	28,578	\$ 7,144 52
Galveston	1 57	7,473	\$ 1,434 39
Hardin	147 03	333,157	\$ 97,372 77
Jefferson	501 88	1,115,970	\$ 329,782 75
Liberty	156 73	309,351	\$ 99,666 38
Madison	3 31	6,710	\$ 2,254 90
Montgomery	376 09	1,096,494	\$ 276,336 38
Orange	255 57	770,421	\$ 185,293 24
Polk	69 59	133,817	\$ 43,816 14
Trinity	9 65	23,793	\$ 6,719 79
Walker	31 61	85,649	\$ 22,575 33
<b>TOTAL</b>	<b>1,561.91</b>	<b>3,911,413</b>	<b>\$ 1,072,396.59</b>

Residential SOP			
County	Savings kW	Savings KWh	Incentives
Anderson	108 00	284,081	\$ 47,589 00
Chambers	16 77	50,898	\$ 8,112 00
Hardin	326 45	791,083	\$ 149,115 00
Harris	2 89	6,016	\$ 1,169 00
Jefferson	979 58	2,423,156	\$ 431,014 00
Liberty	259 42	558,662	\$ 111,201 00
Madison	10 18	23,442	\$ 5,367 00
Montgomery	1,559 63	4,109,115	\$ 749,550 00
Orange	309 96	938,239	\$ 149,930 00
San Jacinto	4 51	7,179	\$ 2,215 00
Trinity	3 08	9,397	\$ 1,618 00
Tyler	4 44	7,454	\$ 2,011 00
Walker	1 25	2,761	\$ 532 00
<b>TOTAL</b>	<b>3,586.16</b>	<b>9,211,483</b>	<b>\$ 1,659,423 00</b>

Load Management SOP			
County	Savings kW	Savings KWh	Incentives
Hardin	377 00	751	\$ 13,195 00
Jefferson	4,296 00	8,535	\$ 136,325 00
Liberty	1,518 00	1,618	\$ 35,000 00
Montgomery	2,017 00	4,025	\$ 67,445 00
Orange	371 00	526	\$ 7,525 00
<b>TOTAL</b>	<b>8,579.00</b>	<b>15,455</b>	<b>\$ 259,490.00</b>

Energy Solutions High Performance Homes MTP			
County	Savings kW	Savings KWh	Incentives
Galveston	1 40	3,859	\$ 75 00
Grimes	2 42	8,622	\$ 300 00
Harris	3 61	12,414	\$ 300 00
Liberty	4 35	14,919	\$ 625 00
Montgomery	1,387 30	4,671,623	\$ 209,875 00
<b>TOTAL</b>	<b>1,399.08</b>	<b>4,711,437</b>	<b>\$ 211,175.00</b>

A/C Distributor MTP			
County	Savings kW	Savings KWh	Incentives
Anderson	1 94	4,916	\$ 1,410 00
Galveston	0 58	2,006	\$ 540 00
Harris	2 87	8,009	\$ 2,330 00
Jefferson	4 08	11,378	\$ 2,540 00
Montgomery	253 56	708,755	\$ 181,820 00
Walker	1 17	3,755	\$ 1,100 00
<b>Total</b>	<b>264.20</b>	<b>738,819</b>	<b>\$ 189,740.00</b>

Commercial Solutions MTP			
County	Savings kW	Savings KWh	Incentives
Chambers	19 31	75,087	\$ 3,937 02
Grimes	11 23	43,677	\$ 2,289 72
Hardin	318 59	1,279,273	\$ 81,166 00
Harris	32 39	154,214	\$ 6,970 64
Jefferson	1,802 39	7,582,120	\$ 302,396 99
Liberty	120 15	637,244	\$ 31,497 85
Limestone	8 52	33,158	\$ 1,737 38
Madison	12 57	48,886	\$ 2,562 91
Montgomery	2,710 36	16,618,170	\$ 529,793 59
Orange	326 76	2,461,807	\$ 96,270 79
Robertson	64 75	487,788	\$ 15,561 63
Walker	416 67	2,570,233	\$ 106,204 53
<b>TOTAL</b>	<b>5,843.69</b>	<b>31,991,657</b>	<b>\$ 1,180,389.05</b>

<sup>3</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 & Commercial EULs				
Sector	TRM Measure	Energy Efficiency Measure	EUL (years)	TRM Version
Custom	NA	Custom	NA	NA
Residential	2.1.1	Res Standard Compact Fluorescent Lamps (10,000 to 11,000 hour Rated Measure Life)	11 0	4 0
Residential	2.1.1	Res Standard Compact Fluorescent Lamps (11,001 to 13,500 hour Rated Measure Life)	13 0	4 0
Residential	2.1.1	Res Standard Compact Fluorescent Lamps (13,501 to 17,500 hour Rated Measure Life)	16 0	4 0
Residential	2.1.1	Res Standard Compact Fluorescent Lamps (≥ 17,501 hour Rated Measure Life)	20 0	4 0
Residential	2.1.2	Res Specialty Compact Fluorescent Lamps (10,000 to 11,000 hour Rated Measure Life)	11 0	4 0
Residential	2.1.2	Res Specialty Compact Fluorescent Lamps (11,001 to 13,500 hour Rated Measure Life)	13 0	4 0
Residential	2.1.2	Res Specialty Compact Fluorescent Lamps (13,501 to 17,500 hour Rated Measure Life)	16 0	4 0
Residential	2.1.2	Res Specialty Compact Fluorescent Lamps (≥ 17,501 hour Rated Measure Life)	20 0	4 0
Residential	2.1.3	Res Energy Star Omni-Directional LED Lamps	20 0	4 0
Residential	2.1.4	Res Energy Star Specialty and Directional LED Lamps	20 0	4 0
Residential	2.2.1	Res AC or HP Tune-Up	5 0	4 0
Residential	2.2.2	Res Duct Efficiency Improvement	18 0	4 0
Residential	2.2.3	Res Central AC	18 0	4 0
Residential	2.2.4	Res Ground Source Heat Pump	20 0	4 0
Residential	2.2.5	Res Central Heat Pump	15 0	4 0
Residential	2.2.6	Res Room (Window) Air Conditioner	8 0	4 0
Residential	2.3.1	Res Air Infiltration	11 0	4 0
Residential	2.3.2	Res Ceiling Insulation	25 0	4 0
Residential	2.3.3	Res Attic Encapsulation	25 0	4 0
Residential	2.3.4	Res Wall Insulation	25 0	4 0
Residential	2.3.5	Res Floor Insulation	25 0	4 0
Residential	2.3.6	Res Energy Star Windows	25 0	4 0
Residential	2.3.7	Res Solar Screens	10 0	4 0
Residential	2.4.1	Res Faucet Aerators	10 0	4 0
Residential	2.4.2	Res Low-Flow Showerheads	10 0	4 0
Residential	2.4.3	Res Water Heater Pipe Insulation	13 0	4 0
Residential	2.4.4	Res Water Heater Tank Insulation	7 0	4 0
Residential	2.4.5	Res Water Heater Installation - Tankless	20 0	4 0
Residential	2.4.5	Res Water Heater Installation - Fuel Substitution	11 0	4 0
Residential	2.4.6	Res Heat Pump Water Heater	13 0	4 0
Residential	2.4.7	Res Water Heater Replacement-Solar Water Heating	15 0	4 0
Residential	2.5.1	Res Energy Star Ceiling Fans	10 0	4 0
Residential	2.5.2	Res Energy Star Clothes Washer	11 0	4 0
Residential	2.5.3	Res Energy Star Dishwashers	15 0	4 0
Residential	2.5.4	Res Energy Star Refrigerators	16 0	4 0
Residential	2.7.1	Res Direct Load Control of Outdoor Compressor Units	1 0	4 0
Residential	2.7.2	Res Direct Load Control of Swimming Pool Pump Motors	1 0	4 0
Residential	2.8.1	Res Refrigerator/Freezer Recycling	8 0	4 0
Commercial	2.1.1	Comm Lamps and Fixtures Halogen Lamps	1 5	4 0
Commercial	2.1.1	Comm Lamps and Fixtures High Intensity Discharge Lamps	15 5	4 0
Commercial	2.1.1	Comm Lamps and Fixtures Integrated-ballast CCFL Lamps	4 5	4 0
Commercial	2.1.1	Comm Lamps and Fixtures Integrated-ballast CFL Lamps	2 5	4 0
Commercial	2.1.1	Comm Lamps and Fixtures Integral LED Lamps	9 0	4 0
Commercial	2.1.1	Comm Lamps and Fixtures Light Emitting Diode	15 0	4 0
Commercial	2.1.1	Comm Lamps and Fixtures Modular CFL and CCFL Fixtures	16 0	4 0
Commercial	2.1.1	Comm Lamps and Fixtures T8 and T5 Linear Fluorescents	15 5	4 0
Commercial	2.1.2	Comm Lighting Controls Occupancy Sensor	10 0	4 0
Commercial	2.1.2	Comm Lighting Controls Photocell (Daylighting Control)	10 0	4 0
Commercial	2.1.2	Comm Lighting Controls Timedclock	10 0	4 0
Commercial	2.1.2	Comm Lighting Controls Tuning Control	10 0	4 0
Commercial	2.2.1	Comm AC or HP Tune-Up	5 0	4 0
Commercial	2.2.2	Comm Split System/Single Packaged Heat Pumps and Air Conditioners	15 0	4 0
Commercial	2.2.3	Comm HVAC Chillers Screw / Scroll / Reciprocating Chillers	20 0	4 0
Commercial	2.2.3	Comm HVAC Chillers Centrifugal Chillers	25 0	4 0
Commercial	2.2.4	Comm Packaged Terminal Air Conditioners, Heat Pumps	15 0	4 0
Commercial	2.2.4	Comm Room Air Conditioners	11 0	4 0
Commercial	2.2.5	Comm HVAC VFD on AHU Supply Fans	15 0	4 0
Commercial	2.3.1	Comm Energy Star Roofs	15 0	4 0
Commercial	2.3.2	Comm Window Film	10 0	4 0
Commercial	2.4.1	Comm High Efficiency Combination Ovens	12 0	4 0
Commercial	2.4.2	Comm High Efficiency Electric Convection Ovens	12 0	4 0
Commercial	2.4.3	Comm Energy Star Commercial Dishwashers	11 0	4 0

Commercial	2 4 4	Comm Hot Food Holding Cabinets	12 0	4 0
Commercial	2 4 5	Comm Energy Star Electric Fryers	12 0	4 0
Commercial	2 4 6	Comm Pre-Rinse Spray Valves	5 0	4 0
Commercial	2 4 7	Comm Energy Star Electric Steam Cookers	12 0	4 0
Commercial	2 5 1	Comm Door Heater Controls	12 0	4 0
Commercial	2 5 2	Comm ECM Evaporator Fan Motor	15 0	4 0
Commercial	2 5 3	Comm Electronic Defrost Controls	10 0	4 0
Commercial	2 5 4	Comm Evaporator Fan Controls	16 0	4 0
Commercial	2 5 5	Comm Night Covers for Open Refrigerated Display Cases	5 0	4 0
Commercial	2 5 6	Comm Solid and Glass Door Reach-Ins	12 0	4 0
Commercial	2 5 7	Comm Strip Curtains for Walk-In Refrigerated Storage	4 0	4 0
Commercial	2 5 8	Comm Zero Energy Doors for Refrigerated Cases	12 0	4 0
Commercial	2 6 1	Comm Vending Machine Controls	5 0	4 0
Commercial	2 6 2	Comm Lodging Guest Room Occupancy Sensor Controls	10 0	4 0
Commercial	2 6 3	Comm Pump-Off Controller	15 0	4 0
Commercial	2 1 1	M&V AC Tune-Up	5 0	4 0
Commercial	2 1 2	M&V Ground Source HP	15 0	4 0
Residential	2 2 1	New Homes	23 0	4 0
Commercial	2 3 1	Comm Solar Photovoltaic (PV)	30 0	4 0
Residential	2 3 2	Res Solar PV	30 0	4 0
Commercial	2 4 1	Comm Load Curtailment	1 0	4 0
Commercial	New Measure	Evaporative Pre-cooling	15 0	4 0
Residential	New Measure	Showerhead Thermostatic Restrictor Valve	10 0	4 0
Residential	New Measure	Tub Spout and Showerhead Restrictor valve	10 0	4 0
Residential	New Measure	ENERGY STAR Pool Pumps	10 0	4 0
Commercial	New Measure	ENERGY STAR Pool Pumps	10 0	4 0

**Project Sponsor Payments >5%**  
**JKC-3**

**Admin**

FRONTIER ASSOCIATES LLC

RAMEY AGENCY LLC

TETRA TECH MA INC

**Project Sponsor - Residential SOP >5%**  
**JKC-3**

**Residential SOP**

ALLSAVE ENERGY SOLUTIONS LLC

D&A CONSERVATION INC

E3 SOLUTIONS LLC

ENERCON RESOURCES INC

FREE LIGHTING CORP

TWO RIVERS ENERGY SERVICES

**Hard to Reach SOP >5%**  
**JKC-3**

**Hard-to Reach SOP**

ALLSAVE ENERGY SOLUTIONS LLC  
D&A CONSERVATION INC  
E3 SOLUTIONS LLC  
ENERCON RESOURCES INC  
FREE LIGHTING CORP  
GREEN EARTH CONSERVATION LLC  
TWO RIVERS ENERGY SERVICES

**Commercial Solutions >5%**  
**JKC-3**

**Commercial Solutions**  
CLEARESULT INC  
GRAINGER INC

**Load Management SOP>5%**  
**JKC-3**

**Load Management SOP**

JEFFERSON COUNTY

LONE STAR COLLEGE SYSTEM DISTRICT

LOWER NECHES VALLEY AUTHORITY

LUMBERTON MUNICIPAL UTILITY DISTRICT

MARKET BASKET

WALMART STORES TEXAS LLC

**Entergy Solutions High Performance Homes MTP>5%**  
**JKC-3**

**Entergy Solutions High Performance Homes MTP**

ICF RESOURCES LLC  
KB HOME LOAN STAR  
LENNAR HOMES



**AC Distributor MTP>5%**

**JKC-3**

**A/C Distributor Program MTP**

ACES AC SUPPLY INC

HDP LTD DBA HUNTON DISTRIBUTION

ICF RESOURCES LLC

Exhibit JKC-4

CPI - South Urban Index

Year	Annual	% Change	Source
2011	218.6		
2012	223.2	2.115105%	
2013	226.7	1.558399%	
2014	230.6	1.689742%	<a href="http://data.bls.gov/pdq/SurveyOutputServlet?series_id=CUUR0300SA0,CUUS0300SA0">http://data.bls.gov/pdq/SurveyOutputServlet?series_id=CUUR0300SA0,CUUS0300SA0</a>
2015	230.1	-0.175665%	<a href="http://data.bls.gov/pdq/SurveyOutputServlet?series_id=CUUR0300SA0,CUUS0300SA0">http://data.bls.gov/pdq/SurveyOutputServlet?series_id=CUUR0300SA0,CUUS0300SA0</a>
2016	232.7	1.105800%	<a href="https://data.bls.gov/pdq/SurveyOutputServlet?series_id=CUUR0300SA0,CUUS0300SA0">https://data.bls.gov/pdq/SurveyOutputServlet?series_id=CUUR0300SA0,CUUS0300SA0</a>
2017	237.5	2.047300%	<a href="https://data.bls.gov/pdq/SurveyOutputServlet?series_id=CUUR0300SA0,CUUS0300SA0">https://data.bls.gov/pdq/SurveyOutputServlet?series_id=CUUR0300SA0,CUUS0300SA0</a>

Cost Caps

	Res Cap \$/kWh	Comm Cap \$/kWh	
2013	\$ 0.001200	\$ 0.000750	per EE Rule Section (f)(7)(E)
2014	\$ 0.001225	\$ 0.000766	escalated based on most recent data at the time in which the 2014 costs were set -- they do not plan to recalculate this number
2015	\$ 0.001244	\$ 0.000778	escalated based on most recent data - 2015 cost cap as confirmed in docket 42449, Item 37, Therese Harris's testimony, page 11
2016	\$ 0.001266	\$ 0.000791	Hard-wired values (no calculation or rounding, based on revised EE Rule, docket 46388)
2017	\$ 0.001266	\$ 0.000791	Hard-wired values (no calculation or rounding, based on revised EE Rule, docket 46388)
2018	\$ 0.001277	\$ 0.000799	Hard-wired values (with calculation based on docket 46388)
2019	\$ 0.001303	\$ 0.000815	

Source EE Rule (f)(7)(E): For the 2019 program year and thereafter, the residential and commercial cost caps shall be calculated to be the prior period's cost caps increased or decreased by a rate equal to the most recently available calendar year's percentage change in the South urban CPI, as determined by the Federal Bureau of Labor Statistics.

**Exhibit JKC-5**

Actual 2017 Direct Costs\*

Costs by Rate Class

	<b>Direct Incentives</b>	<b>Direct Admin</b>	<b>Total</b>
Residential	\$ 3,553,786	\$ 260,456	\$ 3,814,242
Small General Service	\$ -	\$ -	\$ -
General Service	\$ 1,499,498	\$ 218,972	\$ 1,718,470
Large General Service	\$ 1,092,882	\$ 30,991	\$ 1,123,873
Large Industrial Power Service (non transmission)	\$ 196,585	\$ 19,246	\$ 215,831
Total	\$ 6,342,751	\$ 529,665	\$ 6,872,416

\* Table 10 of Exhibit JKC-1

**Exhibit JKC-6**  
**EM&V Costs**

<b>Projected PY2018 EM&amp;V costs for CY2019</b>	<b>Evaluation Costs</b>
Commercial Solutions MTP	\$ 37,044.17
Hard-To-Reach SOP	\$ 13,823.19
Load Management SOP	\$ 11,940.72
Residential Solutions MTP	\$ 23,258.00
Residential SOP	\$ 18,336.66
	\$ 104,402.74

**Exhibit JKC - 7****Projected 2019 Costs by Rate Class**

	<b>Incentive</b>	<b>Admin</b>	<b>R&amp;D</b>	<b>EM&amp;V Costs</b>	<b>Total Program</b>
Residential	3,683,708	434,741	12,076	55,417	4,185,942
Small General Service	151,349	17,062	496	2,449	171,356
General Service	1,967,536	221,809	6,450	29,391	2,225,186
Large General Service	544,856	61,424	1,786	11,267	619,333
Large Industrial Power Service (non transmission)	363,237	40,949	1,191	5,878	411,256
Total	6,710,687	775,985	22,000	104,402	7,613,074

Program Year 2017		
Energy Efficiency Performance Bonus Calculator		
	kW	kWh
Demand and Energy Goals	15,500	27,156,000
Actual Demand and Energy Savings	21,199	50,574,877
Reported/Verified Hard-to-Reach	1,560	
Program Costs (excluding bonus)	\$7,074,568	
Performance Bonus	\$2,033,799	

10%	Hard-to-Reach Goal Met?
	Bonus Calculation Details
137%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)
186%	Percentage of Energy Reduction Goal Met (Reported kWh/Goal kWh)
TRUE	Met Requirements for Performance Bonus?
\$27,412,558	Total Avoided Costs
\$7,074,568	Total Program Costs (excluding bonus)
\$20,337,990	Net Benefits
\$3,738,615	Calculated Bonus $\left(\frac{(\text{Achieved Demand Reduction}/\text{Demand Goal} - 100\%) / 2}{1} \times \text{Net Benefits}\right)$
\$2,033,799	Maximum Bonus Allowed (10% of Net Benefits)

Program (See column measure here # necessary)	Measure (Select from Drop Down Menu)	Manually enter data (It's ok to cut and paste in these cells)			Automatic Or Manual	Automatic Calculations for Cost-effectiveness and Bonus										Net Benefits	Net Cost Ratio
		# Installations	kW	kWh	Incentives	Estimated Useful Life	Total Admin for Bonus (Including Bonus; including cost paid for ECOM)	Total Admin for CE (Including Bonus; excluding cost paid for ECOM)	Total Program Cost for Bonus (Including Bonus; including cost paid for ECOM)	Total Program Cost for CE (Including Bonus; excluding cost paid for ECOM)	PV (Avoided Capacity Cost)	PV (Avoided Energy Cost)	PV And Capacity Cost + kW	PV Avoided Energy Cost + kWh	Total Avoided Cost		
Commercial Solutions	N/A	-	5,810.0	31,989,375	\$ 2,529,475.04	10.0	\$ 311,542	\$ 1,028,506	\$ 2,841,037	\$ 3,557,883	\$ 17,939	\$ 8,945	\$ 3,324,101	\$ 9,791,101	\$ 13,115,202	\$ 9,557,221	3.69
	Additional Incentive						\$ 211	\$ 697	\$ 1,526	\$ 2,411	\$ 75	\$ 0.038	\$ -	\$ -	\$ -	\$ 2,411	0.00
	Chiller Air Cooled - Screw/Scroll/Reciprocating	305.69		1,678,488	\$ 743,775.26	20.0	\$ 29,975	\$ 98,958	\$ 773,570	\$ 29,975	\$ 98,958	\$ 29,975	\$ 29,975	\$ 98,958	\$ 29,975	\$ 29,975	1.76
	Chiller Water Cooled - Centrifugal	46.81		3,627,864	\$ 258,147.60	20.0	\$ 19,575	\$ 65,562	\$ 2,512,842	\$ 19,575	\$ 65,562	\$ 19,575	\$ 19,575	\$ 65,562	\$ 19,575	\$ 19,575	2.25
	Chiller Water Cooled - Screw/Scroll/Reciprocating	25.0		1,248,424	\$ 68,424.20	20.0	\$ 6,250	\$ 20,833	\$ 1,248,424	\$ 6,250	\$ 20,833	\$ 6,250	\$ 6,250	\$ 20,833	\$ 6,250	\$ 6,250	3.60
	Electric Combustion Oven	5.4		2,984,025	\$ 2,984,025.12	12.0	\$ 1,213	\$ 3,956	\$ 3,956	\$ 1,213	\$ 3,956	\$ 1,213	\$ 1,213	\$ 3,956	\$ 1,213	\$ 1,213	2.87
	Electric Convection Oven	2.5		11,427.3	\$ 1,847.91	12.0	\$ 368	\$ 566	\$ 1,336	\$ 1,924	\$ 667	\$ 0.333	\$ 1,641	\$ 3,866	\$ 5,507	\$ 3,582	2.86
	ENERGY STAR Commercial Dishwashers	2.4		16,153.5	\$ 1,535.58	11.0	\$ 189	\$ 624	\$ 1,725	\$ 2,160	\$ 628	\$ 0.113	\$ 1,497	\$ 5,056	\$ 6,553	\$ 4,393	3.03
	ENERGY STAR Roof	78.9		53,266.5	\$ 16,704.72	15.0	\$ 2,057	\$ 6,792	\$ 18,762	\$ 23,497	\$ 772	\$ 0.135	\$ 20,781	\$ 70,563	\$ 91,345	\$ 70,563	1.76
	HVAC	0.3		1,660.5	\$ 212.97	15.0	\$ 15	\$ 50	\$ 139	\$ 169	\$ 50	\$ 0.003	\$ 134	\$ 450	\$ 584	\$ 450	3.09
High Perf Homes	N/A	-	8,579.0	47,114,337	\$ 4,458,827.15	10.0	\$ 60,093	\$ 140,795	\$ 319,483	\$ 480,285	\$ 75	\$ 0	\$ 640,863	\$ 581	\$ 647,444	\$ 242,159	1.52
	Green Load Control	17,099		3,585.8	\$ 1,659,423.31	15.0	\$ 139,774	\$ 593,324	\$ 1,799,548	\$ 2,253,129	\$ 5,595	\$ 0.113	\$ 2,294,009	\$ 3,797,116	\$ 6,091,825	\$ 4,338,696	2.93
	Heat Exchanger	1,311		565.548	\$ 265,579.40	25.0	\$ 24,055	\$ 102,174	\$ 309,534	\$ 387,754	\$ 1,013	\$ 0.505	\$ 57,064	\$ 480,107	\$ 1,062,170	\$ 674,416	2.74
	Heat Exchanger	3,331		1,394.09	\$ 618,877.5	18.0	\$ 28,055	\$ 102,174	\$ 309,534	\$ 387,754	\$ 1,013	\$ 0.505	\$ 57,064	\$ 480,107	\$ 1,062,170	\$ 674,416	2.74
	Heat Exchanger	26		0.27	\$ 18,244	10.0	\$ 2,055	\$ 7,105	\$ 21,315	\$ 23,370	\$ 61	\$ 0.003	\$ 20,759	\$ 71,055	\$ 91,814	\$ 71,055	3.36
	Heat Exchanger	10,161		17,254	\$ 22,022.33	20.0	\$ 1,155	\$ 3,469	\$ 11,315	\$ 14,784	\$ 39	\$ 0.002	\$ 11,275	\$ 36,203	\$ 47,478	\$ 47,478	2.93
	Heat Exchanger	1,000		1,000	\$ 1,000.00	10.0	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	3.36
	Heat Exchanger	6		9.60	\$ 3,733.96	25.0	\$ 315	\$ 1,316	\$ 4,048	\$ 5,070	\$ 1,013	\$ 0.505	\$ 9,276	\$ 8,421	\$ 18,148	\$ 13,078	3.58
	Heat Exchanger	1,241		4,711,437	\$ 445,827.15	10.0	\$ 66,835	\$ 196,133	\$ 512,662	\$ 642,060	\$ 976	\$ 0	\$ 1,364,838	\$ 2,291,744	\$ 3,656,582	\$ 3,014,522	5.70
	Heat Exchanger	1,241		4,711,437	\$ 445,827.15	23.0	\$ 66,835	\$ 196,133	\$ 512,662	\$ 642,060	\$ 976	\$ 0	\$ 1,364,838	\$ 2,291,744	\$ 3,656,582	\$ 3,014,522	5.70
AC Distributor	N/A	-	8,579.0	47,114,337	\$ 4,458,827.15	10.0	\$ 60,093	\$ 140,795	\$ 319,483	\$ 480,285	\$ 75	\$ 0	\$ 640,863	\$ 581	\$ 647,444	\$ 242,159	1.52
	Heat Exchanger	17,099		3,585.8	\$ 1,659,423.31	15.0	\$ 139,774	\$ 593,324	\$ 1,799,548	\$ 2,253,129	\$ 5,595	\$ 0.113	\$ 2,294,009	\$ 3,797,116	\$ 6,091,825	\$ 4,338,696	2.93
	Heat Exchanger	1,311		565.548	\$ 265,579.40	25.0	\$ 24,055	\$ 102,174	\$ 309,534	\$ 387,754	\$ 1,013	\$ 0.505	\$ 57,064	\$ 480,107	\$ 1,062,170	\$ 674,416	2.74
	Heat Exchanger	3,331		1,394.09	\$ 618,877.5	18.0	\$ 28,055	\$ 102,174	\$ 309,534	\$ 387,754	\$ 1,013	\$ 0.505	\$ 57,064	\$ 480,107	\$ 1,062,170	\$ 674,416	2.74
	Heat Exchanger	26		0.27	\$ 18,244	10.0	\$ 2,055	\$ 7,105	\$ 21,315	\$ 23,370	\$ 61	\$ 0.003	\$ 20,759	\$ 71,055	\$ 91,814	\$ 71,055	3.36
	Heat Exchanger	10,161		17,254	\$ 22,022.33	20.0	\$ 1,155	\$ 3,469	\$ 11,315	\$ 14,784	\$ 39	\$ 0.002	\$ 11,275	\$ 36,203	\$ 47,478	\$ 47,478	2.93
	Heat Exchanger	1,000		1,000	\$ 1,000.00	10.0	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	3.36
	Heat Exchanger	6		9.60	\$ 3,733.96	25.0	\$ 315	\$ 1,316	\$ 4,048	\$ 5,070	\$ 1,013	\$ 0.505	\$ 9,276	\$ 8,421	\$ 18,148	\$ 13,078	3.58
	Heat Exchanger	1,241		4,711,437	\$ 445,827.15	10.0	\$ 66,835	\$ 196,133	\$ 512,662	\$ 642,060	\$ 976	\$ 0	\$ 1,364,838	\$ 2,291,744	\$ 3,656,582	\$ 3,014,522	5.70
	Heat Exchanger	1,241		4,711,437	\$ 445,827.15	23.0	\$ 66,835	\$ 196,133	\$ 512,662	\$ 642,060	\$ 976	\$ 0	\$ 1,364,838	\$ 2,291,744	\$ 3,656,582	\$ 3,014,522	5.70
Portfolio Total	N/A	-	8,579.0	47,114,337	\$ 4,458,827.15	10.0	\$ 60,093	\$ 140,795	\$ 319,483	\$ 480,285	\$ 75	\$ 0	\$ 640,863	\$ 581	\$ 647,444	\$ 242,159	1.52
	Heat Exchanger	17,099		3,585.8	\$ 1,659,423.31	15.0	\$ 139,774	\$ 593,324	\$ 1,799,548	\$ 2,253,129	\$ 5,595	\$ 0.113	\$ 2,294,009	\$ 3,797,116	\$ 6,091,825	\$ 4,338,696	2.93
	Heat Exchanger	1,311		565.548	\$ 265,579.40	25.0	\$ 24,055	\$ 102,174	\$ 309,534	\$ 387,754	\$ 1,013	\$ 0.505	\$ 57,064	\$ 480,107	\$ 1,062,170	\$ 674,416	2.74
	Heat Exchanger	3,331		1,394.09	\$ 618,877.5	18.0	\$ 28,055	\$ 102,174	\$ 309,534	\$ 387,754	\$ 1,013	\$ 0.505	\$ 57,064	\$ 480,107	\$ 1,062,170	\$ 674,416	2.74
	Heat Exchanger	26		0.27	\$ 18,244	10.0	\$ 2,055	\$ 7,105	\$ 21,315	\$ 23,370	\$ 61	\$ 0.003	\$ 20,759	\$ 71,055	\$ 91,814	\$ 71,055	3.36
	Heat Exchanger	10,161		17,254	\$ 22,022.33	20.0	\$ 1,155	\$ 3,469	\$ 11,315	\$ 14,784	\$ 39	\$ 0.002	\$ 11,275	\$ 36,203	\$ 47,478	\$ 47,478	2.93
	Heat Exchanger	1,000		1,000	\$ 1,000.00	10.0	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	3.36
	Heat Exchanger	6		9.60	\$ 3,733.96	25.0	\$ 315	\$ 1,316	\$ 4,048	\$ 5,070	\$ 1,013	\$ 0.505	\$ 9,276	\$ 8,421	\$ 18,148	\$ 13,078	3.58
	Heat Exchanger	1,241		4,711,437	\$ 445,827.15	10.0	\$ 66,835	\$ 196,133	\$ 512,662	\$ 642,060	\$ 976	\$ 0	\$ 1,364,838	\$ 2,291,744	\$ 3,656,582	\$ 3,014,522	5.70
	Heat Exchanger	1,241		4,711,437	\$ 445,827.15	23.0	\$ 66,835	\$ 196,133	\$ 512,662	\$ 642,060	\$ 976	\$ 0	\$ 1,364,838	\$ 2,291,744	\$ 3,656,582	\$ 3,014,522	5.70

DOCKET NO. \_\_\_\_\_

APPLICATION OF ENTERGY	§	PUBLIC UTILITY COMMISSION
TEXAS, INC. TO ADJUST ITS	§	
ENERGY EFFICIENCY COST	§	OF TEXAS
RECOVERY FACTOR	§	

DIRECT TESTIMONY  
OF  
JESSICA C. LANDRY  
ON BEHALF OF  
ENTERGY TEXAS, INC.

MAY 1, 2018



ENTERGY TEXAS, INC.  
DIRECT TESTIMONY OF JESSICA C. LANDRY  
2018 EECRF APPLICATION

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EXHIBITS

Exhibit JCL-1	Calculations for 2019 EECRF
Exhibit JCL-2	Revised Rider Schedule EECRF
Exhibit JCL-3	Calculation of Costs Recoverable through 2019 EECRF
Exhibit JCL-4	2017 EECRF Revenues
Exhibit JCL-5	2017 Affiliate Costs by Account and by Class

1 I. INTRODUCTION AND PURPOSE

2 Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

3 A. My name is Jessica C. Landry. My business address is 639 Loyola Avenue, New  
4 Orleans, Louisiana 70113. I am employed by Entergy Services, Inc., (“ESI”), the  
5 service company affiliate of Entergy Texas, Inc. (“ETI” or the “Company”) as  
6 Sr. Staff Regulatory Analyst in the Fuel & Special Riders Department.

7

8 Q2. ON WHOSE BEHALF ARE YOU SUBMITTING THIS DIRECT  
9 TESTIMONY?

10 A. I am submitting this direct testimony to the Public Utility Commission of Texas  
11 (“Commission”) on behalf of ETI.

12

13 Q3. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.

14 A. I have a Bachelor of Science degree in Finance from Louisiana State University  
15 and a Master of Science degree in Accounting from the University of Virginia. I  
16 am a Certified Public Accountant licensed in the State of Louisiana.

17

18 Q4. PLEASE DESCRIBE BRIEFLY YOUR PROFESSIONAL EXPERIENCE.

19 A. I have been employed by ESI for approximately 7 years and have been an analyst  
20 in the Fuel and Special Riders group since July 2015. Prior to my current  
21 position, I worked in the Accounting organization in the Fuel Accounting  
22 department for approximately 4 years. Prior to working for Entergy, I was

1           employed by Ernst & Young in McLean, VA as part of the Assurance Practice for  
2           2 years.

3

4    Q5.   HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?

5    A.    No.

6

7    Q6.   WAS THIS TESTIMONY PREPARED BY YOU OR UNDER YOUR DIRECT  
8           SUPERVISION?

9    A.    Yes.

10

11   Q7.   WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

12   A.    My direct testimony presents the calculation of the proposed rates for the  
13           Company's 2019 Energy Efficiency Cost Recovery Factor ("EECRF") tariff  
14           ("Rider EECRF"). Attached as my Exhibit JCL-1 is the calculation of the  
15           proposed Rider EECRF rates for 2019. ETI Exhibit JCL-2 is the revised Rider  
16           EECRF tariff rate schedule for 2019. My direct testimony also supports the  
17           Company's request to recover energy efficiency affiliate expenses associated with  
18           Project Codes F3PPEECRF3 and F3PCR56902. I provide the levels of these  
19           expenses for calendar year 2017 and address the reasonableness of the expenses.

II. EECRF FOR 2019

Q8. DOES ETI CURRENTLY HAVE AN EECRF IN PLACE?

A. Yes. ETI's current EECRF was approved in Docket No. 47115<sup>1</sup> to recover \$9,768,890. This amount included: (a) \$7,713,653 for ETI's forecasted 2018 energy efficiency program budget; (b) \$2,040,450 in performance bonus associated with the results of ETI's 2016 energy efficiency programs; (c) a refund of \$63,656 for over-recovered 2016 amounts; and (d) 2016 EECRF rate-case expenses of \$78,442. ETI began collecting revenues under the current tariff with the first billing cycle of the January 2018 billing month.

10

Q9. IS ETI ASKING FOR AN ADJUSTMENT TO ITS CURRENT EECRF?

A. Yes. ETI is requesting that the 2019 EECRF be set to recover \$9,812,241. The calculation for the new EECRF is shown in Exhibit JCL-1.

14

Q10. PLEASE DETAIL THE COSTS THAT THE COMPANY IS SEEKING TO RECOVER UNDER ITS REDETERMINED EECRF.

A. As further detailed below, the costs that ETI seeks to recover in its 2019 EECRF are comprised of four parts: (a) the Company's forecasted energy efficiency program budget amount of \$7,613,074; (b) a performance bonus of \$2,033,799 associated with the results of ETI's 2017 energy efficiency programs; (c) a charge of \$93,708 for amounts under-recovered through 2017 EECRF revenues; and

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<sup>1</sup> *Application of Entergy Texas, Inc. for Authority to Determine Rates for Energy Efficiency Cost Recovery Factor*, Docket No. 47115, Final Order (Sept. 29, 2017).