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PUC DOCKET NO. 49583
SOAH DOCKET NO. 473-19-5243

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APPLICATION OF CENTERPOINT
ENERGY HOUSTON ELECTRIC, LLC
TO ADJUST ITS ENERGY
EFFICIENCY COST RECOVERY
FACTOR

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PUBLIC UTILITY COMMISSION
OF TEXAS

ORDER

This Order addresses the application of CenterPoint Energy Houston Electric, LLC (CenterPoint Houston) to adjust its energy-efficiency cost recovery factor (EECRF). CenterPoint Houston filed an unopposed agreement that resolves certain issues between the parties to this proceeding. The Commission approves CenterPoint Houston's EECRF, as modified by the agreement, to the extent provided in this Order.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant PURA § 31.002(6) and 16 TAC § 25.181(b)

1. CenterPoint Houston is a Texas limited liability company and a wholly owned subsidiary of CenterPoint Energy, Inc., whose principal offices are located in Houston, Texas.
2. CenterPoint Houston provides electric transmission and distribution services in Texas under CCN number 30086.

Application 16 TAC §§ 25.182(d)(10)(A)-(M), (d)(11)(A)-(J)

3. On May 31, 2019, CenterPoint Houston filed an application to adjust its 2020 EECRF, effective with its March 2020 billing month.
4. On June 10 and July 19, 2019, CenterPoint Houston amended the testimony, schedules, and workpapers included in the application.
5. No party objected to the sufficiency of the application.

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6. In the application as amended, CenterPoint Houston sought Commission approval to adjust its EECRF to recover \$39,101,638 during program year 2020. The amount included the following:
- (a) CenterPoint Houston's forecasted energy-efficiency costs of \$37,820,991 in program year 2020;
 - (b) Projected evaluation, measurement, and verification (EM&V) expenses for program year 2020 in the amount of \$550,514;
 - (c) An adjustment of \$6,101,507 for CenterPoint Houston's net over-recovery, including interest, of program year 2018 energy-efficiency costs;
 - (d) Rate-case expenses in the amount of \$93,211 (\$59,266 for CenterPoint Houston, \$16,536 for the Gulf Coast Coalition of Cities, and \$17,410 for the City of Houston) for participation in Docket No. 48420,¹ CenterPoint Houston's 2018 EECRF proceeding; and
 - (e) A performance bonus of \$6,738,428.
7. In State Office of Administrative Hearings (SOAH) Order No. 3 issued July 8, 2019, the SOAH administrative law judge (ALJ) found the application sufficient.

Notice 16 TAC §§ 22.55 and 25.182(d)(13), (14)

8. On May 31, 2019, CenterPoint Houston provided notice by first-class mail to the following: each party that participated in Docket No. 48420; all retail electric providers that were authorized to provide service in CenterPoint Houston's service area at the time the EECRF application was filed; all parties that participated in CenterPoint Houston's most recent base-rate case in Docket No. 38339;² and the Texas Department of Housing and Community Affairs, which is the state agency that administers the federal weatherization program. In an affidavit filed by CenterPoint Houston on June 6, 2019, Alice S. Hart, supervisor of regulatory support services for CenterPoint Energy Service Company, LLC, attested that notice was provided as described in this finding of fact.
9. No party objected to the adequacy of notice of the application.

¹ *Application of CenterPoint Energy Houston Electric, LLC to Adjust its Energy Efficiency Cost Recovery Factor*, Docket No. 48420, Order (Dec. 10, 2018).

² *Application of CenterPoint Electric Delivery Company, LLC for Authority to Change Rates*, Docket No. 38339, Order on Rehearing (Jun. 23, 2011).

10. In SOAH Order No. 3 issued July 8, 2019, the SOAH ALJ deemed CenterPoint Houston's notice of the application sufficient.

Intervenors and Intervenor Alignment 16 TAC §§ 22.103–22.105

11. Commission Staff participated in this docket.
12. In SOAH Order No. 2 issued June 18, 2019, the SOAH ALJ granted the Gulf Coast Coalition of Cities' motion to intervene.

Statements of Position and Pre-filed Testimony 16 TAC §§ 22.124 and 22.225

13. As part of the application filed on May 31, 2019, CenterPoint Houston provided the direct testimonies, exhibits, and workpapers of Shea A. Richardson, CenterPoint Houston's manager of energy-efficiency compliance, and John R. Durland, manager of rates for CenterPoint Energy Service Company, LLC.
14. On August 1, 2019, the Gulf Coast Coalition of Cities filed the direct testimony of Karl J. Nalepa and the affidavit of attorney Thomas L. Brocato in support of its requested rate-case expenses from Docket No. 48420.
15. On August 14, 2019, Commission Staff filed the affidavits of Alicia Maloy, Joe Luna, and Brian Murphy in support of the agreement.

Referral to SOAH for Hearing 16 TAC §§ 22.121 and 25.182(d)(9)

16. On June 3, 2019, the Commission referred this docket to SOAH.
17. On June 12, 2019, Commission Staff requested a hearing on the merits.
18. On June 27, 2019, the Commission issued a preliminary order identifying the issues to be addressed in this proceeding.
19. In SOAH Order No. 3 issued July 8, 2019, the SOAH ALJ gave notice of a hearing on the merits set to begin at 9:00 a.m. on September 18, 2019, at SOAH's hearing facility in Austin, Texas.
20. In SOAH Order No. 4 issued July 22, 2019, the SOAH ALJ abated the proceeding because the parties had announced an agreement in principle.

21. On August 14, 2019, CenterPoint Houston, Commission Staff, and the Gulf Coast Coalition of Cities filed a unanimous agreement resolving certain issues between them.
22. In SOAH Order No. 5 issued August 16, 2019, the SOAH ALJ dismissed the case from SOAH's docket and remanded it to the Commission.

Evidentiary Record

23. In SOAH Order No. 5 issued August 16, 2019, the SOAH ALJ admitted the following into the evidentiary record: (a) CenterPoint Houston's application, including the direct testimony, exhibits, and workpapers of Shea A. Richardson and John R. Durland, filed on May 31, 2019; (b) CenterPoint Houston's proof of notice, filed on June 6, 2019; (c) CenterPoint Houston's amendments to the application, filed on June 10 and July 29, 2019, respectively; (d) the direct testimony of Gulf Coast Coalition of Cities' witness Karl J. Nalepa, filed on August 1, 2019; (e) Commission Staff's affidavits in support of the agreement, filed on August 14, 2019; and (f) the agreement and attachments filed on August 14, 2019.

Energy-Efficiency Goals *PURA § 39.905 and 16 TAC § 25.181(e)*

24. CenterPoint Houston's 2020 demand-reduction goal is four-tenths of 1% of CenterPoint Houston's summer weather-adjusted peak demand for residential and commercial customers; thus, its demand-reduction goal is 62.82 megawatts (MW).
25. CenterPoint Houston's weather-adjusted average annual growth in demand for residential and commercial customers for the previous five years (2014 through 2018) is 15,704 MW.
26. CenterPoint Houston projects that it will achieve 161.76 MW in demand reductions in program year 2020, which exceeds the demand-reduction goal of 62.82 MW.
27. The estimated savings to be achieved through CenterPoint Houston's 2020 programs for hard-to-reach customers is 5.8 MW, which is 9.2% of the proposed goal of 62.82 MW.
28. Because of the mix of energy and demand savings achievable through its programs, CenterPoint Houston projects that it will achieve energy savings of 189,482 megawatt-hours (MWh) in program year 2020, which exceeds the minimum of 110,061 MWh.

Agreement PURA § 14.054 and 16 TAC § 22.35

29. Under the agreement, CenterPoint Houston's EECRF will recover \$35,401,638, which includes:
- (a) Forecasted energy-efficiency costs of \$37,820,991 during program year 2020;
 - (b) Projected EM&V expenses in the amount of \$550,514 for program year 2020;
 - (c) An adjustment of \$6,101,507 for CenterPoint Houston's net over-recovery, including interest, of program year 2018 energy-efficiency costs;
 - (e) Rate-case expenses in the amount of \$93,211 (\$59,266 for CenterPoint Houston, \$16,536 for the Gulf Coast Coalition of Cities, and \$17,410 for the City of Houston) for participation in Docket No. 48420;
 - (f) A performance bonus of \$6,738,428; and
 - (g) A black-box reduction of \$3,700,000 to the 2020 EECRF revenue requirement.
30. Under the agreement, allocation adjustments are made to CenterPoint Houston's proposed EM&V expenses, the reconciliation of CenterPoint Houston's 2016 performance bonus, and 2018 EECRF rate-case expenses. Also, the revenue requirement to be collected through the 2020 EECRF tariff is reduced by \$3,700,000.
31. Under the agreement, the \$3,700,000 reduction to CenterPoint Houston's EECRF revenue requirement is intended solely as a reduction to the total amount of rates collected under the EECRF tariff to reduce the possibility that CenterPoint Houston would over-recover in program year 2020. Under the agreement, the reduction is not related to the reasonableness of CenterPoint Houston's 2020 program estimates, proposed bonus calculation, or historical program expenses.
32. Under the agreement, CenterPoint Houston's 2020 EECRF is effective beginning with its March 2020 billing month until February 28, 2021.

33. Under the agreement, CenterPoint Houston's rate-class factors for its 2020 EECRF tariff rider are as follows:

Rate Class	EECRF Charge	Billing Unit
Residential	\$0.000546	per kWh
Secondary \leq 10 kVA	\$0.000229	per kWh
Secondary \geq 10 kVA	\$0.000428	per kWh
Primary	\$0.000934	per kWh
Transmission – Non-profit governmental	\$0.000240	per kWh
Transmission – Industrial	\$0.000000	per kWh
Lighting	N/A	N/A

Elements of Recovery and Coordination of Base Rate Recovery 16 TAC §§ 25.182(d)(1) and (d)(6)

34. CenterPoint Houston's EECRF is calculated to recover its forecasted annual energy-efficiency program expenditures, proceeding expenses from its 2018 EECRF docket, a performance bonus, and EM&V expenses allocated to CenterPoint Houston by the Commission. The EECRF is also calculated to refund the preceding year's over-recovery.
35. CenterPoint Houston does not recover any energy-efficiency costs in its base rates.
36. CenterPoint Houston's EECRF is designed to provide only for energy charges for residential and commercial rate classes in compliance with 16 Texas Administrative Code (TAC) § 25.182(d)(6).

EECRF Cost Caps 16 TAC § 25.182(d)(7)

37. Before applying the consumer-price index adjustment, CenterPoint Houston used a base cap of \$.001303 per kWh for the residential class and \$.000815 per kWh for the commercial classes. CenterPoint Houston calculated its EECRF cost caps for the 2020 program year to be \$.001332 per kWh for the residential class and \$.000833 per kWh for commercial customers.
38. CenterPoint Houston's EECRF tariff rider will impose a charge of \$0.000546 per kWh on residential customers and a range of \$0.000000 per kWh to \$0.000934 per kWh for the commercial classes. The group rate is \$0.000469 per kWh for the purpose of the commercial cost cap.

Over- or Under-Recovery 16 TAC § 25.182(d)(2)

39. CenterPoint Houston requests to refund to each rate class the difference between the actual EECRF revenues and the actual costs for that class, which results in a net over-recovery.
40. CenterPoint Houston accurately calculated the over-recovery of 2018 program costs in the amount of \$5,920,293 plus \$181,214 in interest.

Proceeding Expenses 16 TAC § 25.182(d)(3)

41. As part of the application, CenterPoint Houston filed the affidavit of Se H. Chang to support the reasonableness and necessity of its rate-case expenses in Docket No. 48420. Based on his experience, Mr. Chang opined that CenterPoint Houston's rate-case expenses of \$59,265.71 incurred in Docket No. 48420 were reasonable and necessary.
42. The Gulf Coast Coalition of Cities filed the affidavit of attorney Thomas L. Brocato and the direct testimony of Karl J. Nalepa in support of the reasonableness and necessity of its rate-case expenses incurred in Docket No. 48420. Based on his experience, Mr. Brocato opined that the Cities' rate-case expenses of \$16,535.70 incurred in Docket No. 48420 were reasonable and necessary.
43. In the amendment to the application filed on July 19, 2019, CenterPoint Houston filed on behalf of the City of Houston the affidavits of Alisa Talley, the city's division manager in its administration and regulatory affairs department, and YuShan Chang, a senior assistant city attorney, to support the reasonableness and necessity of the city's rate-case expenses in Docket No. 48420. Based on their experience, Mss. Talley and Chang together opined that the City of Houston's rate-case expenses of \$17,410 incurred in Docket No. 48420 were reasonable and necessary.

Performance Bonus Calculation 16 TAC § 25.182(e)

44. The total present value of the avoided costs associated with CenterPoint Houston's 2018 demand reductions and energy savings is \$109,553,416. CenterPoint Houston's total program costs in 2018 were \$42,169,140. The resulting net benefits are \$67,384,276.
45. In the agreement, CenterPoint Houston sought the maximum allowable performance bonus under 16 TAC § 25.182(e), which is 10% of the net benefits of \$67,384,276 achieved

through its energy-efficiency incentive program costs, for exceeding its goal for calendar year 2018. The resulting performance bonus from this calculation is \$6,738,428.

Evaluation, Measurement, and Verification Costs 16 TAC § 25.181(o)

46. CenterPoint Houston's share of the estimated total 2020 EM&V expenses is \$550,514, and to the maximum extent reasonably possible, it is directly assigned to each rate class that receives services under its programs.

Administrative and Research and Development Cost Caps 16 TAC § 25.181(g)

47. CenterPoint Houston incurred \$3,365,289 (11% of its total program costs) in necessary administrative costs and \$0 in research and development costs for the 2018 energy-efficiency programs to meet CenterPoint Houston's goals. Therefore, CenterPoint Houston's cumulative cost of administration and research and development was approximately 11.0% of the total program costs.
48. CenterPoint Houston's cost of administration did not exceed 15% of its total costs. CenterPoint Houston's cost of research and development did not exceed 10% of its total program costs. CenterPoint Houston's cumulative cost of administration and research and development did not exceed 20% of its total program costs for program year 2018.

Cost Effectiveness 16 TAC § 25.181(d)

49. In determining the cost effectiveness of its 2018 EECRF program, CenterPoint Houston used an avoided cost of capacity of \$80 per kilowatt-year and Commission Staff's posted avoided cost of energy of \$0.03757 per kWh for 2018.
50. CenterPoint Houston determined that its 2018 portfolio of energy-efficiency programs produced a benefit-cost ratio of 2.6, which exceeds the benefit-cost ratio of 1.0 or greater required by 16 TAC § 25.181(d).
51. CenterPoint Houston's forecasted 2020 energy-efficiency program costs of \$37,820,991 are a reasonable estimate of the costs necessary to provide energy-efficiency programs and meet CenterPoint Houston's goals for program year 2020.

Total Cost Recovery 16 TAC § 25.182(d)

52. CenterPoint Houston's net cost recovery of \$1,280,646—which consists of CenterPoint Houston's projected EM&V expenses to be recovered in 2020, CenterPoint Houston's net

over-recovery of program year 2018 energy-efficiency costs plus interest, CenterPoint Houston's performance bonus earned in 2018, and rate-case expenses from Docket No. 48420—is a reasonable amount.

Rate Classes and Direct Assignment of Costs 16 TAC § 25.182(d)(2)

53. To the maximum extent reasonably possible, CenterPoint Houston directly assigned costs to each rate class that receives services under the programs.

Fostering of Competition Among Energy-Efficiency Service Providers 16 TAC § 25.181(g)(2)

54. CenterPoint Houston has furthered the development of energy-efficiency service providers through training, seminars, and adjusting to changes in the market as they arise. CenterPoint Houston also uses its purchasing policy, which requires competitive bidding for all purchases that equal or exceed \$50,000, to foster competition among energy-efficiency service providers.

Requirements for Standard Offer, Market Transformation, and Self-Delivered Programs 16 TAC §§ 25.181(h)–(j)

55. CenterPoint Houston's energy-efficiency program includes standard offer and market transformation programs.

Incentive Payments 16 TAC § 25.181(f)

56. CenterPoint Houston's incentive payments for each customer class in program year 2018 are less than 100% of avoided cost for that class.

Affiliate Costs PURA § 36.058, 16 TAC §§ 25.181(c)(1) and 25.182(d)(10)(I)

57. The application included the affidavit of Michelle Townsend, manager of business service planning and performance management for CenterPoint Energy, Inc. Ms. Townsend attested that CenterPoint Energy, Inc.'s wholly owned subsidiary CenterPoint Energy Service Company, LLC provides centralized support services to CenterPoint Houston.
58. Ms. Townsend stated that CenterPoint Energy Service Company, LLC's direct charges of \$10,288 to CenterPoint Houston's energy-efficiency department were for information technology and legal services necessary to operate CenterPoint Houston's energy-efficiency programs.

59. The Commission makes the following findings regarding CenterPoint Energy Service Company, LLC's charges to CenterPoint Houston:
- (a) the charges do not include any affiliate costs that are deemed unrecoverable or prohibited by PURA³ or Commission rules;
 - (b) the services are necessary for CenterPoint Houston's operations regardless of whether the service is performed centrally or by CenterPoint Houston;
 - (c) the services are not duplicative of any of the services provided by CenterPoint Houston;
 - (d) the charges constitute corporate support services under 16 TAC § 25.272(c)(4) and otherwise comply with 16 TAC § 25.272 and PURA § 36.058; and
 - (e) the costs charged to CenterPoint Houston are reasonable and necessary and have been priced no higher than CenterPoint Energy Service Company, LLC's charges to other affiliates for the same service.

Energy-Efficiency Plan and Report 16 TAC § 25.182(d)(10)

60. On May 31, 2019, CenterPoint Houston filed its 2019 energy-efficiency plan and report required by 16 TAC § 25.182(d)(10), and on June 10, 2019, it filed changes to the plan and report.

Low-Income Energy Efficiency PURA § 39.905(f) and 16 TAC § 25.181(p)

61. CenterPoint Houston's total program expenditures for its targeted low-income program in 2018 were \$3,741,121, which is greater than the required 10% of the total portfolio budget amount of \$36,435,833.
62. CenterPoint Houston's budgeted incentive amount for its targeted low-income program in program year 2020 is \$4,893,350, which is 12.9% of the total estimated 2020 program costs of \$37,320,991.

Outreach to Retail Electric Providers 16 TAC § 25.181(r)

63. CenterPoint Houston conducted outreach to retail electric providers and continues to promote the participation of retail electric providers in CenterPoint Houston's energy efficiency programs. In 2018, 15 retail electric providers participated in CenterPoint

³ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016.

Houston's retail electric provider program by marketing energy savings products and services to residential and commercial customers.

Industrial Customer Exclusions 16 TAC § 25.181(u)

64. CenterPoint Houston received qualifying identification notices from 83 industrial customers to exclude a total of 129.82 MW of lost load from CenterPoint Houston energy-efficiency programs for program year 2020. Those excluded customers have been reflected in the EECRF calculations.
65. The lost load that was associated with CenterPoint Houston's excluded customers was removed from the calculation of the energy-efficiency demand-reduction goals, and the kWh associated with the excluded customers was removed from the billing determinant forecasts used to establish the EECRF rates.

Line Losses 16 TAC § 25.182(d)(10)(M)

66. CenterPoint Houston's proposed EECRF rates are based solely on energy usage at the meter and require no adjustment for system losses or line losses.

Billing Determinants 16 TAC § 25.182(d)(10)(E)

67. The estimate of billing determinants in calculating CenterPoint Houston's 2020 EECRF and the calculation of the 2020 EECRF rates are reasonable.

Good Cause Exceptions 16 TAC §§ 22.5(b), 22.35(b)(2), and 25.181(e)(2) and (d)(2)

68. CenterPoint Houston did not seek a good cause exception to be eligible for a lower demand-reduction goal, a higher administrative spending cap, or a higher EECRF cost cap under 16 TAC § 25.181(e)(2). CenterPoint Houston also did not seek a good-cause exception to combine rate classes under 16 TAC § 25.182(d)(2).

Informal Disposition 16 TAC § 22.35(a)

69. More than 15 days have passed since the completion of notice provided in this docket.
70. Commission Staff requested a hearing but effectively withdrew that request by executing the agreement. No hearing is necessary.
71. The decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. CenterPoint Houston is a public utility as that term is defined in PURA § 11.004(1) and an electric utility as that term is defined in PURA § 31.002(6).
2. The Commission has jurisdiction over this matter under PURA §§ 14.001, 32.001, 36.001, 36.204, and 39.905.
3. Under PURA § 39.905 and 16 TAC § 25.182(d)(8), an electric utility must file for an EECRF.
4. CenterPoint Houston complied with the requirement under 16 TAC § 25.182(d)(8) to apply by June 1 to adjust its EECRF, effective March 1 of the following year.
5. The Commission processed the application in accordance with the requirements of PURA, the Administrative Procedure Act,⁴ and Commission rules.
6. SOAH exercised jurisdiction over this proceeding in accordance with PURA § 14.053 and Texas Government Code § 2003.049.
7. CenterPoint Houston provided notice of the application in accordance with 16 TAC § 25.182(d)(13) and 16 TAC § 22.55, and CenterPoint Houston's affidavit regarding the completion of notice complied with 16 TAC § 25.182(d)(14).
8. CenterPoint Houston's application is sufficient under 16 TAC § 25.182(d)(10) and (d)(11).
9. The hearing on the merits was set, and notice of the hearing was given, in compliance with Texas Government Code §§ 2001.051 and 2001.052.
10. CenterPoint Houston calculated its weather-adjusted average annual growth in demand in compliance with 16 TAC § 25.181(e)(3).
11. CenterPoint Houston has acquired a reduction of four-tenths of 1% of its summer weather-adjusted peak demand of residential and commercial customers in compliance with 16 TAC § 25.181(e)(1)(B) and (e)(1)(C) and (e)(3)(B).

⁴ Tex. Gov't Code §§ 2001.001–2001.902.

12. CenterPoint Houston's portfolio of energy-efficiency programs achieves more than 5% of its savings through programs for hard-to-reach customers as required by 16 TAC § 25.181(e)(3)(F).
13. CenterPoint Houston's minimum energy-savings goal was calculated in compliance with 16 TAC § 25.181(e)(4).
14. CenterPoint Houston's portfolio of energy-efficiency programs effectively and efficiently achieves the goals set out in PURA § 39.905(a) and 16 TAC § 25.181 as required by 16 TAC § 25.181(e)(5).
15. CenterPoint Houston's proposed EECRF rates comply with the requirements for cost caps under 16 TAC § 25.182(d)(7).
16. CenterPoint Houston's refund of \$6,101,507, including interest, to customers through the 2020 EECRF for the over-recovery of 2018 energy-efficiency program costs complies with PURA § 39.905(b-1) and 16 TAC § 25.182(d)(2).
17. EECRF proceeding expenses are rate-case expenses.
18. The requirements of 16 TAC § 25.245 apply to the recovery of EECRF proceeding expenses.
19. CenterPoint Houston's 2018 rate-case expenses of \$59,266 comply with PURA § 36.061(b)(2) and 16 TAC §§ 25.182(d)(3)(A) and 25.245.
20. The Gulf Coast Coalition of Cities' 2018 rate-case expenses of \$16,536 and the City of Houston's 2018 rate-case expenses of \$17,410 comply with PURA § 33.023(a) and 16 TAC §§ 25.182(d)(3)(B) and 25.245.
21. CenterPoint Houston qualified for and accurately calculated its energy-efficiency performance bonus of \$6,738,428 for its energy-efficiency achievements in program year 2018 in compliance with the requirements of PURA § 39.905 and 16 TAC § 25.182(e).
22. An adjustment to lower CenterPoint Houston's 2020 EECRF revenue requirement by \$3,700,000 is permissible under 16 TAC 25.182(d)(15).

23. The amounts and allocation of CenterPoint Houston's administrative and research and development costs comply with 16 TAC § 25.181(g).
24. CenterPoint Houston's energy-efficiency programs adhere to the cost-effectiveness parameters contained in 16 TAC § 25.181(d).
25. CenterPoint Houston's cost recovery of \$1,280,646—which consists of EM&V expenses to be recovered in 2020, CenterPoint Houston's net over-recovery of program year 2018 energy-efficiency costs plus interest, CenterPoint Houston's performance bonus earned in 2018, and rate-case expenses from Docket No. 48420—complies with PURA § 39.905 and 16 TAC § 25.182(d).
26. The assignments and allocations of CenterPoint Houston's proposed 2020 EECRF rates to the rate classes are reasonable and comply with PURA § 39.905(b)(4) and 16 TAC § 25.182(d)(2).
27. CenterPoint Houston has adopted measures to foster competition among energy-efficiency service providers in compliance with 16 TAC § 25.181(g)(2).
28. CenterPoint Houston's standard offer and market transformation programs comply with PURA § 39.905(a)(3) and 16 TAC § 25.181(h) through (k).
29. CenterPoint Houston's incentive payments, which do not exceed 100% of avoided cost, comply with 16 TAC § 25.181(f).
30. In compliance with PURA § 36.058, CenterPoint Houston's affiliate costs are reasonable and necessary, and the price to the utility was not higher than the prices charged by CenterPoint Energy Service Company, LLC for the same services to CenterPoint Houston's other affiliates or divisions.
31. In compliance with PURA § 39.905(f) and 16 TAC § 25.181(p), the total program expenditures for CenterPoint Houston's targeted low-income energy-efficiency program exceed the minimum of 10% of its total energy-efficiency budget for the program year.
32. CenterPoint Houston's outreach and information programs meet the requirement in PURA § 39.905(a)(4) and 16 TAC § 25.181(r) to encourage and facilitate the involvement of retail electric providers in the delivery of efficiency and demand-response programs.

33. CenterPoint Houston's load associated with industrial customers who provided qualifying identification notice was excluded from CenterPoint Houston's calculated demand-reduction goal in accordance with 16 TAC § 25.181(u).
34. CenterPoint Houston's proposed 2020 EECRF rates are just and reasonable under PURA § 36.003(a).
35. In accordance with PURA § 36.003(b), CenterPoint Houston's proposed 2020 EECRF rates are not unreasonably preferential, prejudicial, or discriminatory and are sufficient, equitable, and consistent in application to each consumer class.
36. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

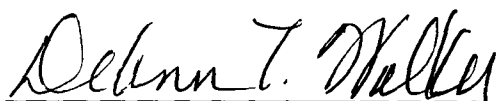
In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves CenterPoint Houston's EECRF, as modified by the agreement, to the extent provided in this Order.
2. The Commission approves CenterPoint Houston's 2020 EECRF in the amount of \$35,401,638, which is comprised of the following: (a) forecasted 2020 energy-efficiency program costs of \$37,820,991; (b) projected EM&V expenses of \$550,514 for program year 2020; (c) a credit of \$6,101,507, including interest, for the over-recovery of 2018 program costs; (e) 2018 EECRF proceeding expenses in the amount of \$93,211; (f) a performance bonus of \$6,738,428; and (g) an adjustment to lower the EECRF revenue requirement by \$3,700,000.
3. The Commission approves CenterPoint Houston's EECRF tariff-rider schedule attached as attachment B to the parties' agreement.
4. CenterPoint Houston is authorized to apply the EECRF tariff rider approved by this Order starting on March 1, 2020.

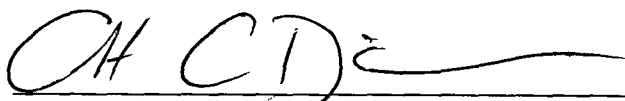
5. Within ten days of the date of this Order, CenterPoint Houston must provide a clean copy of the EECRF tariff approved by this Order to central records to be marked *Approved* and filed in the Commission's tariff books.
6. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.
7. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the 14th day of October 2019.

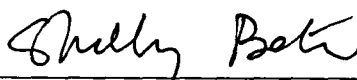
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