

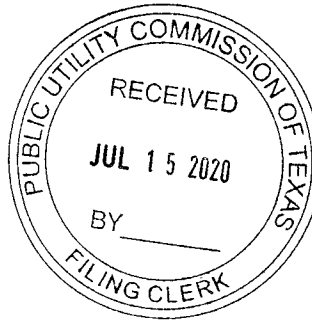


Control Number: 50666



Item Number: 18

Addendum StartPage: 0



P.O. Box 982  
El Paso, Texas  
79960-0982  
(915) 543-2057

July 15, 2020

Ms. Ana Treviño  
Commission Filing Clerk  
Public Utility Commission of Texas  
1701 N. Congress Ave  
P.O. Box 13326  
Austin, TX 78711

Re: Project No. 50666 – El Paso Electric Company 2020 Energy Efficiency Plan and Report  
Pursuant to 16 TAC § 25.181 and 25.183

Dear Ms. Treviño:

On April 1, 2020, El Paso Electric Company (“EPE”) filed its 2020 Energy Efficiency Plan and Report (“EEPR”). EPE is hereby filing an errata to that report. The errata is based on correcting the amount for the evaluation, measurement, and verification (EM&V) costs reported in Table 6, page 16, for the 2021 Program Year, which also changed the Total Budget for the 2021 Program year. At the end of this EEPR revision is the redlined page indicating the specific changes made to the EEPR filed April 1, 2020.

The correct values were included in EPE’s *Application for Approval to Revise its Energy Efficiency Cost Recovery Factor and Request to Establish Revised Cost Cap*, Docket No. 50806. If there are any questions regarding this filing, please contact me at 915-543-4354.

Sincerely,

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

Curtis Hutcheson  
Supervisor-Regulatory Case Management

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**El Paso Electric Company**  
**2020 Energy Efficiency Plan and Report**  
**16 Texas Administrative Code §25.181 and §25.183**

**April 1, 2020**  
**(Errata July 15, 2020)**

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**Project No. 50666**



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## INTRODUCTION

El Paso Electric Company (EPE) presents this Energy Efficiency Plan and Report (EEPR) to comply with 16 Tex. Admin. Code (TAC) §25.181 and §25.183, which are the sections of the Energy Efficiency Rule (EE Rule) implementing the Public Utility Regulatory Act (PURA) §39.905. As mandated by this section of PURA, 16 TAC §25.181(e)(1) states that each investor-owned electric utility must achieve the following minimum demand reduction goals through market-based Standard Offer Programs (SOPs), targeted Market Transformation Programs (MTPs), or utility self-delivered programs:

§25.181(e)(1) An electric utility shall administer a portfolio of energy efficiency programs to acquire, at a minimum, the following:

- (A) Beginning with the 2013 program year, until the trigger described in subparagraph (B) of this paragraph is reached, the utility shall acquire a 30% reduction of its annual growth in demand of residential and commercial customers.
- (B) If the demand reduction goal to be acquired by a utility under subparagraph (A) of this paragraph is equivalent to at least four-tenths of 1% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year, the utility shall meet the energy efficiency goal described in subparagraph (C) of this paragraph for each subsequent program year.
- (C) Once the trigger described in subparagraph (B) 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.
- (D) Except as adjusted in accordance with subsection (u) of this section, a utility's demand reduction goal in any year shall not be lower than its goal for the prior year, unless the commission establishes a goal for a utility pursuant to paragraph (2) of this subsection.

The EE Rule includes specific requirements related to the implementation of SOPs, MTPs, and utility self-delivered programs that control the manner that utilities must administer their portfolio of energy efficiency programs in order to achieve their mandated annual demand reduction goals. EPE's plan is intended to enable it to meet its statutory goals through implementation of energy efficiency programs in a manner that complies with PURA §39.905 and the EE Rule. This EEPR reports EPE's achievements for 2019 and its projections for 2020 and 2021 as required by the EE Rule. The following section describes the information that is contained in each of the subsequent sections and appendix.

# ENERGY EFFICIENCY PLAN AND REPORT ORGANIZATION

This EEPR consists of the following information:

## Executive Summary

- The Executive Summary highlights EPE's reported achievements for 2019 and EPE's plans for achieving its 2020 and 2021 projected energy efficiency savings.

## Energy Efficiency Plan

- Section I describes EPE's program portfolio. It details how each program will be implemented, discusses related informational and outreach activities and provides an explanation of any new or discontinued program(s).
- Section II explains EPE's targeted customer classes, specifying the size of each class and the method for determining those class sizes.
- Section III presents EPE's goal calculation and projected energy efficiency savings for the prescribed planning period by program for each customer class.
- Section IV describes EPE's proposed energy efficiency budgets for 2020 and 2021 by program for each customer class.

## Energy Efficiency Report

- Section V documents EPE's demand reduction goals for each of the previous five years (2015-2019) and the actual savings achieved for those years.
- Section VI compares EPE's projected energy and demand savings to its reported savings by program for calendar years 2018 and 2019.
- Section VII details EPE's incentive and administration expenditures for the previous five years (2015-2019) detailed by program for each customer class.
- Section VIII compares EPE's actual and budgeted program costs for 2019 detailed by program for each customer class. It also provides an explanation of EPE's administrative costs and any expenditure deviation of more than 10% from the anticipated program budget.
- Section IX describes the results from EPE's MTPs.
- Section X documents EPE's most recent Energy Efficiency Cost Recovery Factor (EECRF).
- Section XI reflects EPE's revenue collection through the 2019 EECRF.
- Section XII details the over/under recovery of EPE's energy efficiency program costs for 2019.
- Section XIII reports the number of customers served and the savings relative to the three counties served by EPE in Texas.

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

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

## EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details EPE's plan to meet the energy efficiency demand reduction goal for 2020, as established pursuant to 16 TAC §25.181(e)(2). The Final Order of Docket No. 49496<sup>1</sup> issued on November 21, 2019, established the EECRF rates applicable to EPE for 2020. The order left in place the same demand reduction goal of 11.16 MW, which is what it has been since 2011 and is greater than four-tenths of one percent of EPE's average weather-adjusted peak demand at meter. Since EPE has reached a demand reduction goal of greater than four-tenths of one percent of its summer weather-adjusted peak demand in accordance with 16 TAC §25.181(e)(1)(C), EPE's 2021 demand reduction goal should remain at 11.16 MW.

The Final Order of Docket No. 49496 also established an energy efficiency program budget for 2020 of \$4,675,650.<sup>2</sup> The goals, budgets, and implementation plans that are included in this EEPR are influenced substantially by the requirements of the EE Rule and lessons learned regarding energy efficiency service providers and customer participation in the various energy efficiency programs. A summary of projected goals, savings and budgets is presented in Table 1.

**Table 1: Summary of 2020 & 2021 Projected Goals, Savings and Budgets<sup>3</sup>**

Calendar Year	Average Growth in Demand (MW at Meter)	Goal Metric: 30% of 5-year Average Growth in Demand (MW at Meter)	Goal Metric: .4% of 5-year Average Peak Demand (MW at Meter)*	Demand Goal (MW)	Energy Goal (MWh)**	Projected MW Savings (at Meter)	Projected MWh Savings (at Meter)	Proposed Budget (000's)***
2020	32.8	9.85	5.02	11.16	19,552	16.441	22,056	\$4,884
2021	38.2	11.46	5.17	11.16	19,552	16.691	23,479	\$4,844

\* The 2021 Demand Goal of 0.4% of peak demand is calculated according to 16 TAC §25.181(e)(3)(B) and is based on an 8.32% system demand line loss factor approved in Docket No. 46308;  $(1,410.4 \text{ MW Average Peak Demand at Source Net Opt-Outs} \times 0.004) \times (1 - 0.0832 \text{ system demand line loss factor})$ . However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal, thus, the 2021 goal is 11.16 MW.

\*\* Calculated using a 20% conservation load factor

\*\*\* Proposed budget includes the overall program budget, EM&V expenses, and EECRF proceeding expenses

In 2019, EPE achieved a demand reduction of 19,424 kW, which was 174% of the 11,160 kW demand reduction goal. This was accomplished through the implementation of one SOP and several MTPs. To reach the projected savings for 2020 and 2021, EPE proposes to offer the following programs:

- **Standard Offer Program**
  - Commercial Load Management SOP
- **Market Transformation Programs**
  - Small Commercial Solutions MTP
  - Large C&I Solutions MTP
  - Texas SCORE MTP
  - Residential Solutions MTP
  - LivingWise® MTP

<sup>1</sup> *Application of El Paso Electric Company to Adjust Its Energy Efficiency Cost Recovery Factor and Establish Revised Cost Cap*, Docket No. 49496, Order (Nov. 21, 2019).

<sup>2</sup> *Id.* at Ordering Paragraph No. 1.

<sup>3</sup> Average Growth in Demand and Weather Adjusted Peak Demand are found in Table 4, Projected Demand and Energy Savings are found in Table 5, and Proposed Budgets are found in Table 6.



- Texas Appliance Recycling MTP
- Hard-to-Reach Solutions MTP
- Residential Load Management MTP (Previously Demand Response Pilot MTP)
- Residential Marketplace Pilot MTP (new for 2020)

MTPs are implemented by third-party implementers that design, market, and execute the programs. Depending on the program, the implementer may inspect and validate proposed projects, perform quality assurance/quality control, and verify savings.

EPE contracts with CLEAResult Consulting, Inc. (CLEAResult) to implement EPE's Texas SCORE MTP and the four "Solutions" MTPs.

EPE contracts with Franklin Energy Services to implement EPE's LivingWise® MTP.

EPE contracts with ARCA Recycling, Inc. (ARCA) to implement the Texas Appliance Recycling MTP.

EPE contracts with Uplight, Inc. (Uplight) to implement the Residential Load Management MTP.

EPE contracts with Simple Energy to implement the Residential Marketplace Pilot MTP.

# ENERGY EFFICIENCY PLAN

## I. 2020 PROGRAMS

### A. 2020 Program Portfolio

EPE plans to continue the implementation of one SOP, eight existing MTPs, and a new online Residential Marketplace in 2020. These programs have been structured to comply with the rules of the Public Utility Commission of Texas (PUCT) governing program design and evaluation. These programs target both broad market segments and specific market segments that offer significant opportunities for cost-effective savings. EPE anticipates that targeted outreach to a broad range of service providers and customers will be necessary to meet the demand reduction goals established by the PUCT. Table 2 below summarizes the programs and target markets:

**Table 2: 2020 Energy Efficiency Program Portfolios**

Program	Target Market	Application
Small Commercial Solutions MTP	Small Commercial (<100kW)	Retrofit; New Construction
Large C&I Solutions MTP	Large Commercial and Industrial (≥100kW)	Retrofit; New Construction
Texas SCORE MTP	City, County Governments and Schools	Retrofit; New Construction
Commercial Load Management SOP	Commercial, Government and Schools	Load Management
Residential Solutions MTP	Residential	Retrofit; New Construction
LivingWise® MTP	Residential	Educational; Retrofit
Texas Appliance Recycling MTP	Residential	Appliance Recycling
Hard-to-Reach Solutions MTP	Residential Hard-to-Reach	Retrofit; New Construction
Residential Load Management MTP	Residential	Load Management
Residential Marketplace Pilot MTP	Residential	Rebate

The programs in Table 2 are described in further detail below. EPE maintains a website containing links to the program manuals, the requirements for project participation, and available electronic forms at [www.epelectric.com](http://www.epelectric.com). Programs with manuals can be found at the following website:

[www.epelectric.com/tx/business/program-manuals-and-guidelines](http://www.epelectric.com/tx/business/program-manuals-and-guidelines).

## **B. Existing Programs**

### **Small Commercial Solutions MTP**

The Small Commercial Solutions Program offers incentives to commercial customers with a peak demand of less than 100 kW at one facility or a total demand of less than 250 kW at facilities operated by the same customer. The program pays a cash incentive of \$400 per kW reduced to customers, generally through participating contractors for eligible measures that are installed in new or retrofit applications. This program also provides non-cash incentives that include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps small business owners and contractors improve their ability to identify and evaluate energy efficiency improvements. The Small Commercial Solutions Program conducts community outreach activities and provides for collaboration with contractors, business owners, and other building professionals to promote energy efficiency awareness. EPE plans to continue this program in 2020 and 2021.

### **Large Commercial & Industrial Solutions MTP**

The Large C&I Solutions Program offers incentives to commercial customers with a peak demand that exceeds 100 kW at one facility or a total demand of at least 250 kW at facilities operated by the same customer. The program pays a cash incentive of \$240 per kW reduced to customers for eligible measures that are installed in new or retrofit applications. This program also provides non-cash incentives that include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps large business owners and contractors improve their ability to identify and evaluate energy efficiency improvements and to understand how to leverage their energy savings to finance projects. The implementer also provides measurement and verification for projects, as necessary. The Large C&I Solutions MTP conducts community outreach activities and provides for collaboration with contractors, architectural and engineering firms, and other building professionals to promote energy efficiency awareness. EPE plans to continue this program in 2020 and 2021.

### **Texas SCORE MTP**

The Texas SCORE Program offers incentives to schools and local government customers to identify and implement energy efficiency measures. The program pays a cash incentive of \$240 per kW reduced to customers for eligible measures that are installed in new or retrofit applications. This program also provides non-cash incentives that include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers improve their ability to identify and evaluate energy efficiency improvements. The implementer also provides measurement and verification for projects, as necessary. The Texas SCORE Program conducts community outreach activities and provides for collaboration with schools and local government customers to promote energy efficiency awareness. EPE plans to continue this program in 2020 and 2021.

### **Commercial Load Management SOP**

The Commercial Load Management SOP allows participating customers to provide on-call, voluntary curtailment of electric consumption during peak demand periods in return for incentive payments. A commercial customer equipped with an EPE demand interval meter capable of curtailing a minimum of 100 kW that takes service at the distribution level is eligible to participate. EPE will notify its current participants of the 2020 Commercial Load Management SOP via email in April to inform them of the opening of the program. All applications are considered on a first-come, first-served basis and

reviewed for eligibility. Demand savings and incentives are based on verified average demand savings that customers achieve due to EPE's voluntary curtailment events. EPE plans to continue this program in 2020 and 2021.

### **Residential Solutions MTP**

The Residential Solutions Program offers incentives to residential customers for installing eligible energy efficiency measures. Participating contractors offer the incentives based on the energy savings of the measure and deducts the amount from the customer's final invoice. This program also provides non-cash incentives which include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers improve their ability to identify and evaluate energy efficiency improvements. EPE plans to continue this program in 2020 and 2021.

### **LivingWise® MTP**

The LivingWise® MTP teaches students easy ways to use energy more efficiently in their homes. The program is available at no cost to the teacher, school district, or to the students and serves as an effective community outreach program to improve energy efficiency awareness. The program identifies and enrolls students and teachers and provides them with a LivingWise® kit that contains energy saving devices and educational materials. The students install the devices in their home and, with the help of their parents, complete a home energy audit report. EPE plans on continuing this program in 2020 and 2021.

### **Texas Appliance Recycling MTP**

The Texas Appliance Recycling Program provides incentives to encourage residential customers to recycle their older, less efficient refrigerators and freezers rather than use them as secondary or backup units. The Texas Appliance Recycling MTP offers eligible customers a \$50 cash incentive for EPE to remove and recycle their old refrigerator or freezer. EPE plans to continue this program in 2020 and 2021.

### **Hard-to-Reach Solutions MTP**

The Hard-to-Reach Solutions MTP offers incentives to low income residential customers for installing eligible energy efficiency measures. This program targets residential customers that are at or below 200% of the Federal Poverty Guidelines. Participating contractors offer the incentives based on the energy savings of the measure and deducts the amount from the customer's final invoice. This program also provides non-cash incentives which include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers improve their ability to identify and evaluate energy efficiency improvements. EPE plans to continue this program in 2020 and 2021.

### **Residential Load Management MTP**

The Residential Load Management Program, formerly known as the Demand Response Pilot MTP, targets reduction in central refrigerated air conditioning load for residential customers. EPE has the capability of remotely adjusting participating customers' internet-enabled smart thermostats during load management events. Customers receive a \$25 cash incentive for participation. EPE plans to continue this program in 2020 and 2021.

## **Residential Marketplace Pilot MTP**

The Residential Marketplace Pilot Program provides eligible residential customers rebates through an online marketplace for installing energy efficiency measures. The EPE Marketplace will offer customers a variety of energy efficient products including smart thermostats, lighting, and advanced power strips. EPE plans to implement this program in 2020 and 2021.

## **C. Research and Development**

EPE has allocated \$25,000 to Research and Development (R&D) for 2020. R&D will be utilized for the development of new measures such as Level II EV Chargers and midstream HVAC for commercial applications. This funding amount is less than 10% of EPE's 2020 total program costs in accordance with 16 TAC §25.181(g).

## **D. New Program(s) for 2020 and 2021**

For 2020, EPE added the Residential Marketplace Pilot MTP that provides eligible residential customers rebates through an online marketplace. The Marketplace will offer customers a variety of energy efficient products including smart thermostats, lighting and advanced power strips.

## **E. Discontinued Program(s) for 2020 and 2021**

EPE currently has no plan to discontinue any programs in 2020 or 2021.

## **F. General Implementation Process**

### **Program Implementation**

EPE continues to contract with third-party implementers to provide energy efficiency and demand reduction programs. Third-party implementers help EPE design, market, and execute the programs, and identify, evaluate, and undertake energy efficiency improvements. EPE will continue to conduct activities to implement energy efficiency programs in a cost-effective and non-discriminatory manner.

Based on the specific MTP, EPE and the implementer may perform outreach activities to recruit local contractors and provide education and training. We validate proposed projects, perform quality assurance/quality control, and verify and report savings associated with the programs.

### **Program Tracking**

EPE uses online databases to track program activity for most of its MTPs. Depending upon the associated program, these databases are accessible to project sponsors, Energy Efficiency Service Providers (EESPs), implementers, and administrators. The on-line databases capture customer and project information such as utility meter number or account number, proposed measures and associated energy savings, and incentive amounts.

## Measurement and Verification

The majority of projects implemented through EPE's energy efficiency programs report demand and energy reductions utilizing deemed savings as approved by the PUCT. If the deemed savings approach is not applicable for a particular installation, savings will be reported using an approved measurement and verification approach. Guidelines within the International Performance Measurement and Verification Protocol (IPMVP) will be used in instances in which:

- a PUCT-approved deemed savings is not available for the energy efficiency measure(s) included in an eligible project; or
- an EESP has elected to follow the protocol because it believes that measurement and verification activities will result in a more accurate estimate of the savings associated with the project than would the application of the PUCT-approved deemed savings value.

Based on the EE Rule, the PUCT implemented an evaluation, measurement, and verification (EM&V) process that included the selection of an EM&V contractor in 2013. The PUCT selected the current third-party EM&V contractor through the Request for Proposal 473-17-00002 (RFP), Project No. 46302. The selected EM&V team is led by Tetra Tech and includes Texas Energy Engineering Services, Inc. (TEESI). Tetra Tech's contract was extended and continues the evaluation of programs through Program Year (PY) 2021. EPE will continue to provide the necessary information and data to the EM&V team.

## G. Outreach Activities

EPE anticipates that outreach to a broad range of EESPs and market segments will be necessary in order to meet the savings goals required by Section (e)(1) of the EE Rule and PURA § 39.905. EPE markets the availability of its programs in the following manner:

- EPE maintains the [www.epelectric.com](http://www.epelectric.com) website. The use of the website is one of the primary methods of communication to provide potential project sponsors and customers with program information. The website may contain detailed information such as requirements for program participation, project eligibility, end-use measure eligibility, incentive levels, application procedures, program manuals, and available funding.
- EPE offers outreach workshops for some of the MTPs. EPE invites the appropriate EESPs to participate in the workshops. The workshops describe the requirements for program participation, project eligibility, end-use measure eligibility, incentive levels, application procedures, and available funding.
- EPE includes information on the availability of energy efficiency programs several times a year through the monthly newsletter that is included in customers' bills.
- EPE maintains a dedicated energy efficiency phone line to provide customers with direct access to energy efficiency personnel on program availability, participation requirements, incentive levels, application procedures, and available funding.
- EPE maintains a dedicated energy efficiency e-mail address to allow customers to contact energy efficiency personnel directly.

## H. Existing Demand Side Management (DSM) Contracts or Obligations

EPE contracts with CLEAResult to implement EPE's Texas SCORE MTP and the four "Solutions" MTPs.

EPE contracts with Franklin Energy Services to implement EPE's LivingWise® MTP.

EPE contracts with Uplight to implement the Residential Load Management Program MTP.

EPE contracts with ARCA to implement the Texas Appliance Recycling MTP.

EPE contracts with Simple Energy to implement the Residential Marketplace Pilot MTP.

## II. CUSTOMER CLASSES

For the twelve months ending December 2019, there was an average of 292,203 residential accounts in the EPE Texas service territory. Based on the 2019 Annual Social and Economic Supplement of the U.S. Census Bureau's Current Population Survey, 27.7% of Texas families are at or below 200% of the poverty threshold. Applying this standard pursuant to 16 TAC §25.181(c)(27), approximately 80,940 of EPE's residential accounts fall into the Hard-to-Reach Customer Class.

The average number of commercial accounts in 2019 was 35,733. EPE includes residential and commercial customer classes that take service at the distribution level in the energy efficiency programs. Transmission level customers are not eligible to participate. The total residential class includes the Hard-to-Reach accounts. Table 3 summarizes the number of customers in each of the customer classes for 2019.

**Table 3: Summary of Texas Residential and Commercial Customer Classes (2019)**

<b>Customer Class</b>	<b>Number of Texas Customers</b>
<b>Total Residential</b>	<b>292,203</b>
<b>Total Hard-to-Reach</b>	<b>80,940</b>
<b>Total Commercial</b>	<b>35,733</b>

## III. PROJECTED ENERGY EFFICIENCY SAVINGS AND GOALS

As reflected in PUCT Docket No. 49496, EPE's energy efficiency demand reduction goal for 2020 is 11.16 MW, which mirrors the 2019 goal. The following is the Section of the recently revised EE Rule that describes how utilities are to calculate their minimum demand reduction goals:

- §25.181(e)(1) An electric utility shall administer a portfolio of energy efficiency programs to acquire, at a minimum, the following:
- (A) Beginning with the 2013 program year, until the trigger described in subparagraph (B) of this paragraph is reached, the utility shall acquire a 30% reduction of its annual growth in demand of residential and commercial customers.

- (B) If the demand reduction goal to be acquired by a utility under subparagraph (A) of this paragraph is equivalent to at least four-tenths of 1% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year, the utility shall meet the energy efficiency goal described in subparagraph (C) of this paragraph for each subsequent program year.
- (C) Once the trigger described in subparagraph (B) 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.
- (D) Except as adjusted in accordance with subsection (u) of this section, a utility's demand reduction goal in any year shall not be lower than its goal for the prior year, unless the commission establishes a goal for a utility pursuant to paragraph (2) of this subsection.

The demand reduction goal to be acquired in 2020 (11.16 MW) is greater than four-tenths of one percent of EPE's 5-year average summer weather-adjusted peak demand for 2014 through 2018, which is 5.02 MW as shown in Table 1. In accordance with Section (e)(1)(D) of the EE Rule, EPE's demand reduction goal in any year shall not be lower than its goal for the prior year. In light of the parameters established by the EE Rule, EPE's 2021 goal should remain at 11.16 MW (0.86% of the average summer weather-adjusted peak demand for 2015 through 2019) as shown in Table 1. The corresponding energy savings goals for all years are determined by applying a 20% conservation load factor to the demand reduction goals.

Table 4 presents historical annual growth in demand. Table 5 presents projected demand reduction and energy savings by customer class and program for 2020 and 2021.



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

Calendar Year	Peak Demand (MW at Source)						Energy Consumption (MWh at Meter)				Growth (MW at Source)	Growth (MW at Meter) <sup>4</sup>	Average Growth (MW at Meter) <sup>5</sup>
	Total System		Residential & Commercial				Total System		Residential & Commercial				
	Actual	Weather Adjusted	Actual	Weather Adjusted	Opt-Out	Peak Demand @ Source Net Opt-Outs	Actual	Weather Adjusted	Actual	Weather Adjusted	Weather Adjusted	Weather Adjusted	Weather Adjusted
2013	1,357	1,352	1,252	1,248	0	1,248	6,028,388	6,008,772	5,276,023	5,256,408	64.0	58.4	NA
2014	1,385	1,387	1,289	1,291	0	1,291	5,973,273	5,981,108	5,211,869	5,219,704	43.0	39.3	NA
2015	1,398	1,386	1,279	1,266	0	1,266	6,141,917	6,086,745	5,318,795	5,263,622	-25.0	-22.8	NA
2016	1,509	1,509	1,397	1,397	-1.1	1,396	6,188,610	6,187,025	5,381,661	5,380,076	129.9	118.6	NA
2017	1,575	1,579	1,459	1,463	-1.1	1,462	6,205,925	6,223,229	5,387,064	5,404,368	66.0	60.5	NA
2018	1,560	1,545	1,446	1,429	-1.2	1,428	6,377,762	6,313,451	5,537,652	5,473,342	-34.1	-31.3	NA
2019	1,596	1,583	1,516	1,501	-1.2	1,500	6,322,247	6,267,981	5,528,608	5,474,342	72.0	66.0	NA
2020	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	32.8
2021	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	38.2

The 2021 Demand Goal of 0.4% of peak demand is calculated according to 16 TAC §25.181(e)(3)(B) and is based on an 8.32% system demand line loss factor approved in Docket No. 46308 as shown below:

Average of residential and commercial peak demand at source net Opt-Outs =  $(1,266 + 1,396 + 1,462 + 1,428 + 1,500) / 5 = 1,410.4$   
 $(1,410.4 \text{ MW Average Peak Demand at source net Opt-Outs} \times 0.004) \times (1 - 0.0832 \text{ system demand line loss factor}) = 5.17 \text{ MW}.$

However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal, thus, the 2021 goal is 11.16 MW.

<sup>4</sup> Growth at meter for calendar year 2017 to present includes the 8.32% system demand line loss factor as approved in Docket No. 46308.

<sup>5</sup> Average 5-year historical growth in demand for residential and commercial customers for 2020 (2014-2018) and 2021 (2015-2019).

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

<b>2020</b>	<b>Projected Savings (at meter)</b>	
<b>Customer Class and Program</b>	<b>kW</b>	<b>kWh</b>
<b>Commercial</b>	<b>10,241</b>	<b>16,635,216</b>
Small Commercial Solutions MTP	730	3,197,400
Large C&I Solutions MTP	2,011	10,569,816
Texas SCORE MTP	500	2,847,000
Commercial Load Management SOP	7,000	21,000
<b>Residential</b>	<b>1,440</b>	<b>4,179,197</b>
Residential Solutions MTP	545	954,840
LivingWise® MTP	200	727,600
Texas Appliance Recycling MTP	195	1,579,200
Residential Marketplace Pilot MTP	500	917,557
<b>Hard-to-Reach</b>	<b>800</b>	<b>1,051,200</b>
Hard-to-Reach Solutions MTP	800	1,051,200
<b>Residential</b>	<b>3,960</b>	<b>190,080</b>
Residential Load Management MTP	3,960	190,080
<b>Total</b>	<b>16,441</b>	<b>22,055,693</b>

<b>2021</b>	<b>Projected Savings (at meter)</b>	
<b>Customer Class and Program</b>	<b>kW</b>	<b>kWh</b>
<b>Commercial</b>	<b>10,491</b>	<b>18,058,716</b>
Small Commercial Solutions MTP	730	3,197,400
Large C&I Solutions MTP	2,011	10,569,816
Texas SCORE MTP	750	4,270,500
Commercial Load Management SOP	7,000	21,000
<b>Residential</b>	<b>1,440</b>	<b>4,179,197</b>
Residential Solutions MTP	545	954,840
LivingWise® MTP	200	727,600
Texas Appliance Recycling MTP	195	1,579,200
Residential Marketplace Pilot MTP	500	917,557
<b>Hard-to-Reach</b>	<b>800</b>	<b>1,051,200</b>
Hard-to-Reach Solutions MTP	800	1,051,200
<b>Residential</b>	<b>3,960</b>	<b>190,080</b>
Residential Load Management MTP	3,960	190,080
<b>Total</b>	<b>16,691</b>	<b>23,479,193</b>

#### **IV. PROGRAM BUDGETS**

Table 6 presents the total proposed budget allocations required to achieve EPE's projected demand reduction and energy savings shown in Table 5. The budget allocations are broken down by customer class, program, and the budget categories of incentive payments and administration and R&D expenses. Table 6 also includes the estimated annual expenses for the statewide EM&V contractor and the EECRF proceeding expenses. The overall program budget for 2020 is \$4,675,650.

The number of customers in Table 3, Summary of Texas Residential and Commercial Customer Classes (2019), was considered in the budget allocations. EPE first ensured that the 5% goal for Hard-to-Reach customers was met and then allocated the remaining funding to the residential and commercial classes. The decision-making process for developing the budget included additional factors and assumptions.

Hard-to-Reach customers are residential customers at or below 200% of the Federal Poverty Guidelines. This is estimated to be approximately 80,940 customers or 27.7% of EPE's total residential load in Texas.

Avoided costs for 2020, as established by the PUCT, were set at \$80 per kW per year and \$0.11366 per kWh.

As directed in the EE Rule, EPE will limit administrative costs to a maximum of 15% of the total program costs, R&D costs to a maximum of 10% of the total program costs, and the cumulative cost of administration and R&D will not exceed 20% of total program costs.

EPE used a 7.025% post-tax discount rate to calculate the present value of the avoided cost associated with a project and assumed a 2% escalation rate.

It is assumed that an EESP that completes an energy efficiency project in a given year receives the incentives associated with that project in that year. Administration costs, however, may be incurred in one year and expended in another.

EPE will offer its portfolio of programs to each eligible customer class. It should be noted, however, that the actual distribution of the goal and budget must remain flexible based upon the response of the marketplace, the potential interest of customer classes towards specific programs, and the overriding objective of meeting the legislative savings goal. EPE reserves the right to reallocate unused funds amongst programs as necessary.

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

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

<b>2020</b>	<b>Incentives</b>	<b>Admin &amp; R&amp;D</b>	<b>Total Budget</b>
<b>Commercial</b>	<b>\$2,436,511</b>	<b>\$0</b>	<b>\$2,436,511</b>
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large C&I Solutions MTP	\$1,005,396	\$0	\$1,005,396
Texas SCORE MTP	\$510,000	\$0	\$510,000
Commercial Load Management SOP	\$460,000	\$0	\$460,000
<b>Residential</b>	<b>\$1,206,346</b>	<b>\$10,000</b>	<b>\$1,216,346</b>
Residential Solutions MTP	\$315,000	\$0	\$315,000
LivingWise® MTP	\$346,346	\$0	\$346,346
Texas Appliance Recycling MTP	\$245,000	\$10,000	\$255,000
Residential Marketplace Pilot MTP	\$300,000	\$0	\$300,000
<b>Hard-to-Reach</b>	<b>\$600,000</b>	<b>\$0</b>	<b>\$600,000</b>
Hard-to-Reach Solutions MTP	\$600,000	\$0	\$600,000
<b>Residential</b>	<b>\$310,000</b>	<b>\$0</b>	<b>\$310,000</b>
Residential Load Management MTP	\$310,000	\$0	\$310,000
Administration		\$87,793	\$87,793
Research and Development		\$25,000	\$25,000
<b>Subtotal Budgets</b>	<b>\$4,552,857</b>	<b>\$122,793</b>	<b>\$4,675,650</b>
EM&V		\$58,364	\$58,364
EECRF Proceeding Expenses		\$150,000	\$150,000
<b>Total Budgets</b>	<b>\$4,552,857</b>	<b>\$331,157</b>	<b>\$4,884,014</b>
<b>2021</b>	<b>Incentives</b>	<b>Admin &amp; R&amp;D</b>	<b>Total Budget</b>
<b>Commercial</b>	<b>\$2,446,413</b>	<b>\$0</b>	<b>\$2,446,413</b>
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large C&I Solutions MTP	\$1,005,396	\$0	\$1,005,396
Texas SCORE MTP	\$519,902	\$0	\$519,902
Commercial Load Management SOP	\$460,000	\$0	\$460,000
<b>Residential</b>	<b>\$1,206,346</b>	<b>\$10,000</b>	<b>\$1,216,346</b>
Residential Solutions MTP	\$315,000	\$0	\$315,000
LivingWise® MTP	\$346,346	\$0	\$346,346
Texas Appliance Recycling MTP	\$245,000	\$10,000	\$255,000
Residential Marketplace Pilot MTP	\$300,000	\$0	\$300,000
<b>Hard-to-Reach</b>	<b>\$600,000</b>	<b>\$0</b>	<b>\$600,000</b>
Hard-to-Reach Solutions MTP	\$600,000	\$0	\$600,000
<b>Residential</b>	<b>\$310,000</b>	<b>\$0</b>	<b>\$310,000</b>
Residential Load Management MTP	\$310,000	\$0	\$310,000
Administration		\$87,793	\$87,793
Research and Development		\$25,000	\$25,000
<b>Subtotal Budgets</b>	<b>\$4,562,759</b>	<b>\$122,793</b>	<b>\$4,685,552</b>
EM&V		\$57,378	\$57,378
EECRF Proceeding Expenses		\$100,000	\$100,000
<b>Total Budgets</b>	<b>\$4,562,759</b>	<b>\$280,171</b>	<b>\$4,842,930</b>

## ENERGY EFFICIENCY REPORT

### V. HISTORICAL DEMAND GOALS AND ENERGY TARGETS FOR PREVIOUS FIVE YEARS

Table 7 documents EPE's actual demand reduction goals and energy targets for the previous five years (2015-2019) calculated in accordance with 16 TAC §25.181.

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

<b>Calendar Year</b>	<b>Demand Goals (kW)</b>	<b>Energy Targets (kWh)</b>	<b>Actual Demand Reduction (kW)</b>	<b>Actual Energy Savings (kWh)</b>
2019 <sup>6</sup>	11,160	19,552,320	19,424 <sup>7</sup>	24,825,792
2018 <sup>8</sup>	11,160	19,552,320	16,846	20,726,306
2017 <sup>9</sup>	11,160	19,552,320	15,285	23,311,792
2016 <sup>10</sup>	11,160	19,552,320	12,790	22,912,026
2015 <sup>11</sup>	11,160	19,552,320	12,305	22,282,527

<sup>6</sup> 2019 demand goal and energy target as reported in EPE's EEPR Errata filed July 19, 2019 under Project No.49297. 2019 actual demand reduction and energy savings reported in Project No. 50666.

<sup>7</sup> 2019 actual demand reduction at the source is calculated as follows:  
19,424 kW at meter \* (1/1-8.32% line losses) = 21,187 kW at the source.

<sup>8</sup> 2018 demand goal and energy target as reported in EPE's EEPR filed April 2, 2018 under Project No. 48146. 2018 actual demand reduction and energy savings reported in Project No. 49297.

<sup>9</sup> 2017 demand goal and energy target as reported in EPE's EEPR filed April 3, 2017 under Project No. 46907. 2017 actual demand reduction and energy savings reported in Project No. 48146.

<sup>10</sup> 2016 demand goal and energy target as reported in EPE's EEPR filed April 1, 2016 under Project No. 45675. 2016 actual demand reduction and energy savings reported in Project No. 46907.

<sup>11</sup> 2015 demand goal and energy target as reported in EPE's EEPR filed April 1, 2015 under Project No. 44480. 2015 actual demand reduction and energy savings reported in Project No. 45675.

## VI. PROJECTED, REPORTED AND VERIFIED DEMAND AND ENERGY SAVINGS

Table 8: Projected versus Reported Savings for 2018 and 2019\*

2018	Projected Savings		Reported and Verified Savings	
Customer Class and Program	kW	kWh	kW	kWh
<b>Commercial</b>	<b>10,241</b>	<b>16,635,216</b>	<b>12,887</b>	<b>15,490,094</b>
Small Comm. Solutions MTP	730	3,197,400	765	3,548,068
Large C&I Solutions MTP	2,011	10,569,816	2,011	10,901,315
Texas SCORE MTP	500	2,847,000	507	1,016,120
Load Management SOP	7,000	21,000	9,604	24,591
<b>Residential</b>	<b>940</b>	<b>3,261,640</b>	<b>1,444</b>	<b>3,552,891</b>
Residential Solutions MTP	545	954,840	809	1,577,535
LivingWise® MTP	200	727,600	573	1,476,780
Texas Appliance Recycling MTP	195	1,579,200	62	498,576
<b>Hard-to-Reach</b>	<b>800</b>	<b>1,051,200</b>	<b>741</b>	<b>1,640,748</b>
Hard-to-Reach Solutions MTP	800	1,051,200	741	1,640,748
<b>Residential/Commercial</b>	<b>2,200</b>	<b>105,600</b>	<b>1,774</b>	<b>42,574</b>
Demand Response Pilot MTP	2,200	105,600	1,774	42,574
<b>Total at Meter</b>	<b>14,181</b>	<b>21,053,656</b>	<b>16,846</b>	<b>20,726,306</b>

2019	Projected Savings		Reported and Verified Savings	
Customer Class and Program	kW	kWh	kW	kWh
<b>Commercial</b>	<b>10,241</b>	<b>16,635,216</b>	<b>15,626</b>	<b>20,095,620</b>
Small Comm. Solutions MTP	730	3,197,400	818	3,232,821
Large C&I Solutions MTP	2,011	10,569,816	2,395	11,493,121
Texas SCORE MTP	500	2,847,000	940	5,352,469
Comm. Load Management SOP	7,000	21,000	11,473	17,209
<b>Residential</b>	<b>940</b>	<b>3,261,640</b>	<b>1,281</b>	<b>3,572,639</b>
Residential Solutions MTP	545	954,840	601	1,228,399
LivingWise® MTP	200	727,600	572	1,475,680
Texas Appliance Recycling MTP	195	1,579,200	107	868,560
<b>Hard-to-Reach</b>	<b>800</b>	<b>1,051,200</b>	<b>781</b>	<b>1,112,828</b>
Hard-to-Reach Solutions MTP	800	1,051,200	781	1,112,828
<b>Residential/Commercial</b>	<b>1,774</b>	<b>42,574</b>	<b>1,736</b>	<b>44,705</b>
Demand Response Pilot MTP	1,774	42,574	1,736	44,705
<b>Total at Meter</b>	<b>13,755</b>	<b>20,990,630</b>	<b>19,424</b>	<b>24,825,792</b>

\*Due to rounding, totals may not match the sum of individual programs as summarized in this table.

## VII. HISTORICAL PROGRAM EXPENDITURES

Table 9 documents EPE's incentive and administration expenditures for the previous five years (2015-2019) by program for each customer class. Note that this table does not include R&D, EM&V, or general administration expenditures. R&D, EM&V, and general administration expenditures for 2019 can be found in Table 10.

**Table 9: Historical Program Incentive and Administration Expenditures for 2015 through 2019<sup>12</sup>**

	2019		2018		2017		2016		2015	
Programs	Incent.	Admin	Incent.	Admin	Incent.	Admin.	Incent.	Admin.	Incent.	Admin.
<b>Commercial</b>	<b>\$2,672,190</b>	<b>\$0</b>	<b>\$2,317,476</b>	<b>\$0</b>	<b>\$2,589,932</b>	<b>\$0</b>	<b>\$2,354,215</b>	<b>\$0</b>	<b>\$2,308,969</b>	<b>\$739</b>
Commercial SOP	\$0	\$0	\$0	\$0	\$23,821	\$0	\$14,605	\$0	\$160,945	\$739
Small Comm. Solutions MTP	\$502,403	\$0	\$487,160	\$0	\$487,385	\$0	\$524,420	\$0	\$426,637	\$0
Large C&I Solutions MTP	\$1,131,460	\$0	\$1,006,553	\$0	\$1,038,708	\$0	\$1,054,659	\$0	\$932,618	\$0
Texas SCORE MTP	\$597,687	\$0	\$417,779	\$0	\$652,225	\$0	\$436,538	\$0	\$447,792	\$0
Comm Load Management SOP	\$440,641	\$0	\$405,984	\$0	\$387,793	\$0	\$323,993	\$0	\$318,627	\$0
Commercial Rebate Pilot MTP	NA	NA	NA	NA	NA	NA	\$0	\$0	\$22,350	\$0
<b>Residential</b>	<b>\$658,264</b>	<b>\$0</b>	<b>\$757,856</b>	<b>\$0</b>	<b>\$585,053</b>	<b>\$0</b>	<b>\$592,090</b>	<b>\$0</b>	<b>\$548,496</b>	<b>\$0</b>
Residential Solutions MTP	\$312,731	\$0	\$411,547	\$0	\$238,744	\$0	\$245,748	\$0	\$202,144	\$0
LivingWise® MTP	\$345,534	\$0	\$346,309	\$0	\$346,309	\$0	\$346,342	\$0	\$346,352	\$0
<b>Hard-to-Reach</b>	<b>\$571,016</b>	<b>\$0</b>	<b>\$601,732</b>	<b>\$0</b>	<b>\$555,425</b>	<b>\$0</b>	<b>\$662,577</b>	<b>\$0</b>	<b>\$651,474</b>	<b>\$0</b>
Hard-to-Reach Solutions MTP	\$571,016	\$0	\$601,732	\$0	\$555,425	\$0	\$662,577	\$0	\$651,474	\$0
<b>Residential/Commercial</b>	<b>\$284,321</b>	<b>\$0</b>	<b>\$287,988</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$334,648</b>	<b>\$30,178</b>
Texas Appliance Recycling MTP	\$138,663	\$0	\$87,438	\$0	NA	NA	NA	NA	\$140,418	\$0
Solar PV Pilot MTP	NA	NA	NA	NA	NA	NA	NA	NA	\$194,230	\$30,178
Demand Response Pilot MTP	\$145,658	\$0	\$200,551	\$0	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>\$4,185,790</b>	<b>\$0</b>	<b>\$3,965,053</b>	<b>\$0</b>	<b>\$3,730,410</b>	<b>\$0</b>	<b>\$3,608,882</b>	<b>\$0</b>	<b>\$3,843,587</b>	<b>\$30,917</b>

<sup>12</sup> 2019 expenditures are from EEPR filed in Project No. 50666, 2018 expenditures are from EEPR filed in Project No. 49297, 2017 expenditures are from EEPR filed in Project No. 48146, 2016 expenditures are from EEPR filed in Project No. 46907, and 2015 expenditures are from EEPR filed in Project No. 45675.

## **VIII. PROGRAM FUNDING AND EXPLANATION OF ADMINISTRATION COSTS FOR CALENDAR YEAR 2019**

As shown in the subtotal for the “Total Funds Expended” column of Table 10, EPE spent \$4,272,216 on program expenses (excluding EM&V and EECRF Proceeding Expenses) for its PUCT-approved energy efficiency programs in 2019. These programs were funded by EPE’s 2019 EECRF. These expenses account for 97.2% of the total forecasted 2019 program budget of \$4,394,650. Actual program funding levels are shown in Table 10 and Table 11.

The administration expenses shown in Table 10 benefited the entire portfolio of programs. These expenses include, but were not limited to, outsourced program administration, marketing (e.g., website maintenance and promotional items), Electric Utility Marketing Managers of Texas (EUMMOT) expenses, costs associated with regulatory filings, and EM&V administration expenses outside of those associated with the PUCT-appointed EM&V contractor.



**Table 10: Program Funding for Calendar Year 2019**

	<b>Total Projected Budget</b>	<b>Number of Participants</b>	<b>Actual Funds Expended (Incentives)</b>	<b>Actual Funds Expended (Admin &amp; R&amp;D)</b>	<b>Total Funds Expended</b>	<b>Funds Committed (Not Expended)</b>	<b>Funds Remaining</b>
<b>Commercial</b>	<b>\$ 2,436,511</b>	<b>266</b>	<b>\$ 2,672,190</b>	<b>\$ -</b>	<b>\$ 2,672,190</b>	<b>\$ -</b>	<b>\$ (235,679)</b>
Small Commercial Solutions MTP	461,115	115	\$ 502,403		\$ 502,403	-	(41,288)
Large C&I Solutions MTP	1,005,396	96	\$ 1,131,460		\$ 1,131,460	-	(126,064)
Texas SCORE MTP	510,000	43	\$ 597,687		\$ 597,687	-	(87,687)
Comm. Load Management SOP	460,000	12	\$ 440,641		\$ 440,641	-	19,359
<b>Residential</b>	<b>\$ 916,346</b>	<b>10,679</b>	<b>\$ 796,927</b>	<b>\$ -</b>	<b>\$ 796,927</b>	<b>\$ -</b>	<b>\$ 119,419</b>
Residential Solutions MTP	315,000	1,045	\$ 312,731		\$ 312,731	-	2,269
LivingWise MTP	346,346	8,917	\$ 345,534		\$ 345,534	-	812
Texas Appliance Recycling MTP	255,000	717	\$ 138,663		\$ 138,663		116,338
<b>Hard-to-Reach</b>	<b>\$ 600,000</b>	<b>1,420</b>	<b>\$ 571,016</b>	<b>\$ -</b>	<b>\$ 571,016</b>	<b>\$ -</b>	<b>\$ 28,984</b>
Hard-to-Reach Solutions MTP	600,000	1,420	571,016		\$ 571,016	-	28,984
<b>Residential/Commercial</b>	<b>\$ 279,000</b>	<b>1,271</b>	<b>\$ 145,658</b>	<b>\$ -</b>	<b>\$ 145,658</b>	<b>\$ -</b>	<b>\$ 133,342</b>
Demand Response Pilot MTP	279,000	1,271	\$ 145,658		\$ 145,658	-	133,342
Administration	\$ 87,793		\$ -	\$ 62,779	\$ 62,779	-	\$ 25,014
Research and Development	\$ 75,000		-	23,647	23,647	-	51,354
<b>Subtotal</b>	<b>\$ 4,394,650</b>	<b>13,636</b>	<b>\$ 4,185,790</b>	<b>\$ 86,425</b>	<b>\$ 4,272,216</b>	<b>\$ -</b>	<b>\$ 122,434</b>
<b>EM&amp;V</b>	<b>\$ 57,387</b>		<b>-</b>	<b>\$ 57,378</b>	<b>\$ 57,378</b>	<b>\$ -</b>	<b>\$ 8.79</b>
<b>EECRF Proceeding Expenses (EPE &amp; Municipal expenses)*</b>	<b>\$ 100,000</b>		<b>-</b>	<b>\$ 56,641</b>	<b>\$ 56,641</b>		<b>\$ 43,359</b>
<b>Total</b>	<b>\$ 4,552,037</b>	<b>13,636</b>	<b>\$ 4,185,790</b>	<b>\$ 200,444</b>	<b>\$ 4,386,235</b>	<b>\$ -</b>	<b>\$ 165,802</b>

\*Actual EECRF proceeding expenses of \$56,641 consists of \$46,364 in EPE proceeding expenses and \$10,277 in municipal proceeding expenses

**Table 11: Program Comparison – Budget to Actual Expenditures**

<b>Programs</b>	<b>2019 Budget</b>	<b>2019 Expenditures</b>	<b>Percent</b>	<b>&gt;10% Variance Explanation</b>
<b>Commercial</b>	<b>\$ 2,436,511</b>	<b>\$ 2,672,190</b>	<b>109.7%</b>	
Small Commercial Solutions MTP	461,115	502,403	109.0%	
Large C&I Solutions MTP	1,005,396	1,131,460	112.5%	Program had more participation than was anticipated.
Texas SCORE MTP	510,000	597,687	117.2%	Program had more participation than was anticipated.
Comm. Load Management SOP	460,000	440,641	95.8%	
<b>Residential</b>	<b>\$ 916,346</b>	<b>\$ 796,927</b>	<b>87.0%</b>	
Residential Solutions MTP	315,000	312,731	99.3%	
LivingWise MTP	346,346	345,534	99.8%	
Texas Appliance Recycling MTP	255,000	138,663	54.4%	Program did not achieve anticipated participation. Funds were reallocated to programs with higher participation.
<b>Hard-to-Reach</b>	<b>\$ 600,000</b>	<b>\$ 571,016</b>	<b>95.2%</b>	
Hard-to-Reach Solutions MTP	600,000	571,016	95.2%	
<b>Residential/Commercial</b>	<b>\$ 279,000</b>	<b>145,658</b>	<b>52.2%</b>	
Demand Response Pilot MTP	279,000	145,658	52.2%	Program had less participation than was anticipated. Funds were reallocated to programs with higher participation.
Administration	\$ 87,793	\$ 62,779	71.5%	Administration expenses were less than anticipated.
Research and Development	\$ 75,000	\$ 23,647	31.5%	Administration expenses for R&D were less than anticipated.
<b>Total</b>	<b>\$ 4,394,650</b>	<b>\$ 4,272,216</b>	<b>97.2%</b>	

## **IX. PROGRAM RESULTS FOR MTPS**

### **A. Market Transformation Programs**

#### **Small Commercial Solutions MTP**

The 2019 projected savings for the Small Commercial Solutions MTP were 730 kW. There were 115 projects completed during 2019 that reduced demand by 818 kW and saved 3,232,821 kWh in energy.

#### **Large C&I Solutions MTP**

The 2019 projected savings for the Large C&I Solutions MTP were 2,011 kW. There were 96 projects completed during 2019 that reduced demand by 2,395 kW and saved 11,493,121 kWh in energy.

#### **Texas SCORE MTP**

The 2019 projected savings for the Texas SCORE MTP were 500 kW. There were 43 projects in this program that reduced demand by 940 kW and saved 5,352,469 kWh in energy.

#### **Residential Solutions MTP**

The 2019 projected savings for the Residential Solutions MTP were 545 kW. There were 1,045 participants in this program that reduced demand by 602 kW and saved 1,228,399 kWh in energy.

#### **LivingWise® MTP**

The 2019 projected savings for the LivingWise® MTP were 200 kW. There were 8,917 kits provided in this program that reduced demand by 572 kW and saved 1,475,680 kWh in energy.

#### **Hard-to-Reach Solutions MTP**

The 2019 projected savings for the Hard-to-Reach Solutions MTP were 800 kW. There were 1,420 participants in this program that reduced demand by 781 kW and saved 1,112,828 kWh in energy.

#### **Appliance Recycling MTP**

The 2019 projected savings for the Appliance Recycling MTP were 195 kW. There were 717 participants in this program that reduced demand by 107 kW and saved 868,560 kWh in energy.

#### **Demand Response Pilot MTP**

The 2019 projected savings for the Demand Response Pilot MTP were 2,200 kW. There were 1,271 participants in this program that reduced demand by 1,736 kW and saved 44,705 kWh in energy. 2019 was the last year this program was considered a pilot and is now the Residential Load Management MTP.

## X. CURRENT ENERGY EFFICIENCY COST RECOVERY FACTOR (EECRF)

### Report for 2019

In Docket No.48332, EPE was granted approval for recovery through its 2019 EECRF of (a) \$4,394,650 in energy efficiency program costs projected to be incurred from January 1 through December 31, 2019; (b) a performance incentive for 2017 of \$938,096; (c) EPE's 2017 EECRF proceeding expenses of \$124,718 (\$108,017 for EPE and \$16,701 for the City of El Paso); and (d) the 2017 over-recovery revenue amount of \$302,124, and projected cost of evaluation, measurement, and verification (EM&V) of \$57,387. The Final Order in Docket No. 48332 concluded that the filing conformed to the requirements of the EE Rule. The order also found that the allocation of the energy efficiency costs and performance incentive were in accordance with the EE Rule. The approved EECRF became effective January 17, 2019. The recovery of the agreed-upon EECRF amount of \$5,212,727 is based on a dollar per kWh rate. The 2019 cost recovery factors by rate are listed in Table 12.

**Table 12: 2019 EECRF Monthly Rates**

<b>Rate No.</b>	<b>Description</b>	<b>Energy Efficiency Cost Recovery Factor (\$/kWh)</b>
01	Residential Service Rate	\$ 0.001050
02	Small Commercial Service Rate	\$ 0.000724
07	Outdoor Recreational Lighting Service Rate	\$ (0.000042)
08	Governmental Street Lighting Service Rate	\$ 0.000015
09	Governmental Traffic Signal Service	\$ 0.000000
11-TOU	Time-Of-Use Municipal Pumping Service Rate	\$ (0.000127)
WH	Water Heating	\$ (0.000008)
22	Irrigation Service Rate	\$ (0.000375)
24	General Service Rate	\$ 0.000902
25	Large Power Service Rate (excludes transmission)	\$ 0.000966
34	Cotton Gin Service Rate	\$ (0.000075)
41	City and County Service Rate	\$ 0.002401
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$ (0.000075)
47	Backup Power Service For Cogeneration And Small Power Production Facilities	\$ (0.000075)

## XI. REVENUE COLLECTED THROUGH EECRF

In 2019, EPE collected a total of \$5,087,933 under Rate Schedule No. 97 – Energy Efficiency Cost Recovery Factor.

## XII. OVER/UNDER RECOVERY OF ENERGY EFFICIENCY PROGRAM COSTS

In 2019, EPE under-recovered an amount of \$2,351 as shown in Table 13. Docket No. 48332 ordered the recovery of EM&V costs of \$57,387 for program year 2018.

**Table 13: Authorized and Actual Recovery Amounts**

Description	Authorized in Docket No. 48332	Actual
January 1 – December 31, 2019 Energy Efficiency Costs	\$ 4,394,650	\$ 4,272,216
Program Year 2019 EM&V Costs	\$ 57,387	\$ 57,378
2017 (Over)/Under Recovery	\$ (302,124)	\$ (302,124)
2017 Performance Bonus	\$ 938,096	\$ 938,096
2017 EECRF Proceeding Costs	\$ 124,718	\$ 124,718
2019 Total Costs	\$ 5,212,727	\$ 5,090,284
2019 EECRF Revenues		\$ 5,087,933
2019 (Over)/Under Recovery		\$ 2,351

## XIII. UNDERSERVED COUNTIES

EPE serves customers in three Texas counties: Culberson, Hudspeth, and El Paso. During 2019, the majority of energy efficiency projects were installed in El Paso County. EPE has defined Underserved Counties as any county in the Texas EPE service territory where demand or energy savings were not reported in its 2019 EPE energy efficiency programs. Based on this definition, EPE had no Underserved Counties in 2019.

**Table 14: 2019 Energy Efficiency Activities by County**

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	13,598	19,373.66	24,606,955
Culberson	5	27.51	98,530
Hudspeth	33	22.37	120,307
Total	13,636	19,423.54	24,825,792

## ACRONYMS

C&I	– Commercial and Industrial
DR	– Demand Response
DRPP	– Demand Response Pilot Program
DSM	– Demand Side Management
EECRF	– Energy Efficiency Cost Recovery Factor
EEPR	– Energy Efficiency Plan and Report
EE Rule	– Energy Efficiency Rule, 16 TAC §25.181 and §25.183
EESP	– Energy Efficiency Service Provider
EPE	– El Paso Electric Company
EM&V	– Evaluation, Measurement & Verification
HTR	– Hard-To-Reach
LM	– Load Management
kW	– Kilowatt
kWh	– Kilowatt Hour
M&V	– Measurement and Verification
MW	– Megawatt
MTP	– Market Transformation Program
PUCT	– Public Utility Commission of Texas
PURA	– Public Utility Regulatory Act
R&D	– Research and Development
RES	– Residential
SCORE	– Schools and Cities Conserving Resources
SOP	– Standard Offer Program
TAC	– Texas Administrative Code
TRM	– Texas Technical Reference Manual

## **GLOSSARY**

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

## APPENDIX A: REPORTED DEMAND AND ENERGY REDUCTION BY COUNTY

All programs funded through EPE's EECRF.

**Table 16: Program Savings by County**

### Small Commercial Solutions MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	115	817.59	3,232,821
Culberson County			
Hudspeth County			
<b>Total</b>	<b>115</b>	<b>817.59</b>	<b>3,232,821</b>

### Large C&I Solutions MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	95	2,387.31	11,461,545
Culberson County	1	7.90	31,576
Hudspeth County			
<b>Total</b>	<b>96</b>	<b>2,395.21</b>	<b>11,493,121</b>

### Texas SCORE MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	38	900.41	5,171,466
Culberson County	3	19.61	65,826
Hudspeth County	2	20.38	115,177
<b>Total</b>	<b>43</b>	<b>940.40</b>	<b>5,352,469</b>

### Commercial Load Management SOP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	12	11,472.53	17,209
Culberson County			
Hudspeth County			
<b>Total</b>	<b>12</b>	<b>11,472.53</b>	<b>17,209</b>



### Residential Solutions MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	1,045	601.50	1,228,399
Culberson County			
Hudspeth County			
<b>Total</b>	<b>1,045</b>	<b>601.50</b>	<b>1,228,399</b>

### LivingWise® MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	8,886	569.98	1,470,550
Culberson County			
Hudspeth County	31	1.99	5,130
<b>Total</b>	<b>8,917</b>	<b>571.97</b>	<b>1,475,680</b>

### Hard-to-Reach Solutions MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	1,420	780.87	1,112,828
Culberson County			
Hudspeth County			
<b>Total</b>	<b>1,420</b>	<b>780.87</b>	<b>1,112,828</b>

### Appliance Recycling MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	716	107.04	867,432
Culberson County	1	0.14	1,128
Hudspeth County			
<b>Total</b>	<b>717</b>	<b>107.18</b>	<b>868,560</b>

### Demand Response Pilot Program MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	1,271	1,736.43	44,705
Culberson County			
Hudspeth County			
<b>Total</b>	<b>1,271</b>	<b>1,736.43</b>	<b>44,705</b>

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

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

2020	Incentives	Admin & R&D	Total Budget
<b>Commercial</b>	<b>\$2,436,511</b>	<b>\$0</b>	<b>\$2,436,511</b>
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large C&I Solutions MTP	\$1,005,396	\$0	\$1,005,396
Texas SCORE MTP	\$510,000	\$0	\$510,000
Commercial Load Management SOP	\$460,000	\$0	\$460,000
<b>Residential</b>	<b>\$1,206,346</b>	<b>\$10,000</b>	<b>\$1,216,346</b>
Residential Solutions MTP	\$315,000	\$0	\$315,000
LivingWise® MTP	\$346,346	\$0	\$346,346
Texas Appliance Recycling MTP	\$245,000	\$10,000	\$255,000
Residential Marketplace Pilot MTP	\$300,000	\$0	\$300,000
<b>Hard-to-Reach</b>	<b>\$600,000</b>	<b>\$0</b>	<b>\$600,000</b>
Hard-to-Reach Solutions MTP	\$600,000	\$0	\$600,000
<b>Residential</b>	<b>\$310,000</b>	<b>\$0</b>	<b>\$310,000</b>
Residential Load Management MTP	\$310,000	\$0	\$310,000
Administration		\$87,793	\$87,793
Research and Development		\$25,000	\$25,000
<b>Subtotal Budgets</b>	<b>\$4,552,857</b>	<b>\$122,793</b>	<b>\$4,675,650</b>
EM&V		\$58,364	\$58,364
EECRF Proceeding Expenses		\$150,000	\$150,000
<b>Total Budgets</b>	<b>\$4,552,857</b>	<b>\$331,157</b>	<b>\$4,884,014</b>
2021	Incentives	Admin & R&D	Total Budget
<b>Commercial</b>	<b>\$2,446,413</b>	<b>\$0</b>	<b>\$2,446,413</b>
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large C&I Solutions MTP	\$1,005,396	\$0	\$1,005,396
Texas SCORE MTP	\$519,902	\$0	\$519,902
Commercial Load Management SOP	\$460,000	\$0	\$460,000
<b>Residential</b>	<b>\$1,206,346</b>	<b>\$10,000</b>	<b>\$1,216,346</b>
Residential Solutions MTP	\$315,000	\$0	\$315,000
LivingWise® MTP	\$346,346	\$0	\$346,346
Texas Appliance Recycling MTP	\$245,000	\$10,000	\$255,000
Residential Marketplace Pilot MTP	\$300,000	\$0	\$300,000
<b>Hard-to-Reach</b>	<b>\$600,000</b>	<b>\$0</b>	<b>\$600,000</b>
Hard-to-Reach Solutions MTP	\$600,000	\$0	\$600,000
<b>Residential</b>	<b>\$310,000</b>	<b>\$0</b>	<b>\$310,000</b>
Residential Load Management MTP	\$310,000	\$0	\$310,000
Administration		\$87,793	\$87,793
Research and Development		\$25,000	\$25,000
<b>Subtotal Budgets</b>	<b>\$4,562,759</b>	<b>\$122,793</b>	<b>\$4,685,552</b>
EM&V		\$57,378	\$57,378
EECRF Proceeding Expenses		\$100,000	\$100,000
<b>Total Budgets</b>	<b>\$4,562,759</b>	<b>\$280,171</b>	<b>\$4,842,930</b>