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Entergy Texas, Inc.

2020 Energy Efficiency Plan and Report

Substantive Rule § 25.181 and § 25.183

APRIL 1, 2020

Project No. 50666

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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) 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 (C) 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 under paragraph (2) of this subsection.

EEPR Organization

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

• The Executive Summary highlights ETI's reported achievements for 2019 and ETI's plans for achieving its 2020 and 2021 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 introduces any programs not included in ETI's previous EEP.
- Section II provides 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 provides 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 presents ETI's actual weather-adjusted demand savings goals and energy targets for the previous five years (2015-2019) 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 2018 and 2019.
- Section VII presents ETI's incentive and administrative expenditures for the previous five years (2015-2019) broken out by program for each customer class.
- Section VIII compares ETI's actual program funding for 2019 compared to its 2019 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 describes ETI's current Energy Efficiency Cost Recovery Rider (EECRF).
- Section XII presents ETI's revenue collection through the 2019 EECRF.
- Section XIII identifies the over/under-recovery of energy efficiency program costs.

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

Appendices

• Appendix A – Reported kW and kWh savings broken out by county for each program.

Executive Summary

The 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 2020 and 2021. It also addresses 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 Budgets¹

Calendar Year	Average Growth in Demand	Peak Demand (kW at Source)	Goal Metric: 30% Growth	Goal Metric: 0.4% Peak Demand	Peak Demand Goal	Energy Goal	Projected Demand Reduction	Projected Energy Savings	Projected Budget (000's)
	(kW at Source)		(kW at Meter)	(kW at Meter)	(kW at Meter)	(kWh at Meter)	(kW at Meter)	(kWh at Meter)	
2020	-25,588	2,745,211	-7,095	10,981	15,500	27,156,000	15,500	27,156,000	\$7,615
2021	26,115	2,781,052	7,241	10,282	15,500	27,156,000	15,500	27,156,000	\$7,713

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 2021 goal is based on its previous year's goal, an example calculation at the source to at the meter conversion is shown below for 2021 using the 30% growth goal metric.

Example Goal Metric Calculation: (26,115 kW x 30%) x (1 - 0.075685 line losses) = 7,241 kWThe line loss number is based on the loss study in ETI's last completed rate case, Docket No. 48371.

Example Goal Metric Calculation: (2,781,052 kWh x 0.4%) x (1 - 0.075685 line losses) = 10,282 kWhThe line loss number is based on the loss study in ETI's last completed rate case, Docket No. 48371.

¹ For 2020 values in this table, all values are based on amounts approved in last year's EECRF proceeding, Docket No. 49493 (and they do not reflect the corrections to historical data included in Table 4 of this EEPR, which would not have affected the projected demand reduction or energy savings goals for 2020). For 2021 values in this table, 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. 2020 Programs

A. 2020 Program Portfolio

ETI plans to implement two MTPs and three SOPs in 2020. These include: the Commercial Solutions MTP, Load Management SOP, the Residential SOP, the Residential Solutions MTP, and the Hard-to-Reach SOP. All these programs have been structured to comply with the applicable 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.

Program	Target Market	Application
Commercial Solutions MTP	Commercial	Retrofit; New Construction; Behavioral; Midstream
Load Management SOP	Commercial	Existing, Demand Response
Residential SOP	Residential	Retrofit
Residential Solutions MTP	Residential	New Construction; Retrofit
Hard-to-Reach SOP	Residential	Existing; Income Qualified

Table 2: 2020 Energy Efficiency Program Portfolios

The programs listed in Table 2 are described in further detail below. ETI maintains a website containing links to the program manuals, all the requirements for project participation, and the forms required for project submission, at 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 Continuous Energy Improvement 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 opportunities to a small group of qualified commercial customers served by ETI and pays incentives to the customers for verifiable demand reductions. Each participant must participate in one scheduled curtailment and up to four unscheduled curtailments during the program year. Additionally, to ensure grid reliability, the Local Balancing Authority (LBA) can call for these customers to curtail through the Energy Efficiency Program Manager. The LBA is the entity that interacts with Midcontinent Independent System Operator, Inc. (MISO) and integrates resource plans in advance, ensuring that the necessary generation is available to reliably serve load. In 2019, for example, these customers were called upon by MISO through the LBA on three different occasions.

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) <u>Program Design</u>

The Residential SOP (RES SOP) targets ETI's residential customers. 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. The incentives will be offered at the standard incentive rate to encourage the implementation of this measure.

In 2020, the RES SOP will also deploy two subprograms. First, an A/C Tune Up program that gives contracts to project sponsors that have access to licensed HVAC contractors. Second, a multifamily HVAC retrofit program that assists in replacing all outdated HVAC equipment with energy efficient heat pumps at an apartment complex. Apartment complexes are selected by an application process provided by ENERCHOICE LLC.

b) Implementation Process

ETI will continue implementing its RES SOP by allowing any eligible Project Sponsor to apply 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 2020, ETI will select eight Project Sponsors to participate in the RES SOP 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) <u>Outreach Activities</u>

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 Residential Solutions MTP (RES SOL MTP)

a) Program Design

The Entergy Solutions High Performance Homes MTP (ENTERGY SOL MTP) has been combined with the A/C Distributor MTP (A/C and Pool Pump DIST MTP) into the RES SOL MTP for increased administrative efficiency and flexibility. Under the combined MTP, incentives are paid to builders and contractors for installing certain measures in new and existing construction applications that provide verifiable demand and energy savings.

The Entergy Solutions High Performance Homes MTP portion of the RES SOL MTP helps promote the new construction of higher efficiency homes in ETI's service territory. The program pays incentives to the builder that installed the higher energy efficiency equipment. 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). Further, the program provides incentives for builders and contractors who exceed the IECC 2015 with the ultimate aim of promoting construction to Energy Star standards.

The A/C and Pool Pump Distributor portion of the RES SOL MTP helps promote the installation of higher efficiency air conditioning and variable speed pool pumps for residential customers throughout ETI's service territory. The program pays incentives to the regional air conditioning and pool pump 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 eligible builder or contractor may apply 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.

For the A/C and pool pump distributers, 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 Activities

To market the availability of this program to builders, 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.

To market the availability of the program to A/C and pool pump distributers, 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, TLR Energy, leverages its current A/C distributor and pool pump 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.

5. Hard To Reach SOP

a) <u>Program Design</u>

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 retrofit measures that provide verifiable demand and energy savings. For 2020, 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 2020, 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 apply 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 2020 ETI will select eight 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 2021

As a research and development project for 2021, ETI plans to explore an opportunity to launch an online retail marketplace website that promotes energy efficient measures such as SMART thermostats, SMART power strips, and higher-efficiency LED light bulbs and fixtures, to its residential customers by offering the measures at a discounted price. A strategic marketing campaign will coincide with the website launch. It has not yet been determined whether the implementer will be a third party, an affiliated Entergy group, or ETI itself.

II. Customer Classes

Table 3 below identifies the customer classes targeted by ETI's energy efficiency programs and specifies the size of each class.

Customer Class	Number of Customers
Commercial	50,025
Residential	403,793
Hard to Reach	60,165

Table 3: Summary of Customer Classes²

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)(D), a utility's demand goal for any particular year cannot be less than its goal for the preceding year. In ETI's 2011 EECRF case, Docket No. 39366, ETI agreed with the other parties to a demand savings goal of 15.5 MW and an energy savings goal of 27,156 MWh for 2012. Due to the ratchet requirements, those goals have remained in place since 2012, and will again be the goals for 2020 and 2021. Table 4 presents historical annual growth in demand for the previous five years that is used to calculate demand and energy goals.

² Commercial and Residential figures based on actual historical ETI data as of December 31, 2019; Hard-to-Reach figure based on data obtained from the 2017 US Census Bureau Current Population Survey of 14.9%.

Calendar Year	Pesk Diman d at Source (kW)				Energy Consumption at Meter (kWh)				indus tria l Opt Out	Growth (kW)	Average Growth (KN)
	To tal System		Residential & Commercial		To tal System		Residential & Commercial		(kW)		
	Actual	We other Adjusted	Actual	Weather Adjusted	Actual	Weather Adjusted	Actual	Weather Adjusted	At source	Westher Adjusted	Weather Adjusted
2014	3,325,973	3,323,633	2,652,819	2,650,479	18,318,130,008	18,190,316,542	11,438,478,517	11,310,665,051	1,985	-201,000	NA
2015	3,539,765	3,372,895	2,775,607	2,608,737	18,555,375,494	18,565,515,816	11,445,891,399	11,456,031,721	1,495	-41,741	NA
2016	3,535,916	3,5 46 ,564	2,690,571	2,701,219	18,599,778,372	18,619,312,630	11,168,283,152	11,187,817,410	1,421	92,482	NA
2017	3,468,265	3,525,483	2,646,584	2,703,802	18,619,957,598	18,930,151,255	11,062,075 723	11,372,269,380	1,421	2,582	NA
2018	3,534,157	3,5 79 ,455	2,699,306	2,744,604	19,612,291,900	19,256,202,352	11,615,486 722	11,259,397,174	1,421	40,802	NA
2019	3,634 264	3,634,264	2,781,052	2,781,052	19,538,240,683	19,350,300,168	11.387,210 651	11,199,270,136	3,330	36,448	NA
2020	NA	NA	NA	NA	NA	NA	NA	NA	3,591	NA	-21,375
2021	NA	NA	NA	NA	NA	NA	NA	NA	3,591	NA	26,115

Table 4: Annual Growth in Demand and Energy Consumption³

³ In past EEPRs, data in this table had been rounded off to MW and MWh instead of kW and kWh. In updating the table for this year's EEPR to present data in kW and kWh, ETI also identified and made minor corrections to the historic data, which ETI plans to use in calculating its demand and energy goals on a going-forward basis. Note that, although the corrected data would have changed the average growth calculation for 2020, the change would not have impacted the demand and energy goals for 2020 because of the overriding impact of the "ratchet" requirements of 16 TAC § 25.181(e)(1)(E).

620	Projected	Savings
Customand Designed Metersen +	W	kWh .
Commercial	10,460	15,608,000
Commercial Solutions MTP	3,750	15,568,000
Load Management SOP	6,710	40,000
Residential	3,940	8,060,000
Residential SOP	2,140	5,836,000
Residential Solutions MTP	1,800	2,224,000
Hard-To-Reach	1,100	3,488,000
Hard-To-Reach SOP	1,100	3,488,000
Total Annual Projected Savings	15,500	27,156,000
	Projected	l Savings
Customer Chasing Program	kW	kWh
Commercial	10,460	15,608,000
Commercial Solutions MTP	3,750	15,568,000
Load Management SOP	6,710	40,000
Residential	3,940	8,060,000
Residential SOP	2,140	5,836,000
Residential Solutions MTP	1,800	2,224,000
Hard-To-Reach	1,100	3,488,000
Hard-To-Reach SOP	1,100	3,488,000
Total Annual Projected Savings	15 500	27 156 000

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

IV. Program Budgets

Table 6. Proposed Annual Rudget Broken	Out by Program for Fach Customer Class
Table 0. Troposed Annual Dudget Droken	Out by 110gram for Each Customer Class

			CY2020	
			for Review of	Potal Budget
			PT2019	
Commercial	\$3,026,978	\$341,244	\$49,251	\$3,417,474
Commercial Solutions MTP	\$2,651,478	\$288,707	\$39,804	\$2,979,990
Load Management SOP	\$375,500	\$52,537	\$9,447	\$437,484
Residential	\$2,656,919	\$309,704	\$40,741	\$3,007,364
Residential SOP	\$1,750,210	\$179,311	\$20,778	\$1,950,299
Residential Solutions MTP	\$906,709	\$130,393	\$19,963	\$1,057,065
Hard-To-Reach	\$1,026,789	\$125,037	\$16,188	\$1,168,014
Hard-To-Reach SOP	\$1,026,789	\$125,037	\$16,188	\$1,168,014
R&D	\$0	\$22,000	\$0	\$22,000
EM&V	\$0	\$0	\$106,180	\$106,180
Total Annual Budgets	\$6,710,686	\$797,985	\$106,180	\$7,614,852
			CY2021	a state a second s
21210	incontities		EM& Costs for Review of	TotalBudget
Commercial	\$3.026.978	\$341.244	EM& Costs for Review of PY2020 \$48,985	Total/Budget \$3,417,207
Commercial Solutions MTP	\$3,026,978 \$2,651,478	\$341,244 \$288,707	EM& Costs for Review of PY2020 \$48,985 \$37,044	Total/Budget \$3,417,207 \$2,977,230
Commercial Commercial Solutions MTP Load Management SOP	\$3,026,978 \$2,651,478 \$375,500	\$341,244 \$288,707 \$52,537	EM& Costs for Heview of PY2020 \$48,985 \$37,044 \$11,941	Total/Budget \$3,417,207 \$2,977,230 \$439,978
Commercial Commercial Solutions MTP Load Management SOP Residential	\$3,026,978 \$2,651,478 \$375,500 \$2,656,919	\$341,244 \$288,707 \$52,537 \$309,704	EM& Costs for Review of PY2020 \$48,985 \$37,044 \$11,941 \$41,594	Total/Budget \$3,417,207 \$2,977,230 \$439,978 \$3,008,217
Commercial Commercial Solutions MTP Load Management SOP Residential Residential SOP	\$3,026,978 \$2,651,478 \$375,500 \$2,656,919 \$1,750,210	\$341,244 \$288,707 \$52,537 \$309,704 \$179,311	EM& Costs for Review of PY2020 \$48,985 \$37,044 \$11,941 \$41,594 \$18,337	S3,417,207 \$2,977,230 \$439,978 S3,008,217 \$1,947,858
Commercial Commercial Solutions MTP Load Management SOP Residential Residential SOP Residential SOP	\$3,026,978 \$2,651,478 \$375,500 \$2,656,919 \$1,750,210 \$906,709	\$341,244 \$288,707 \$52,537 \$309,704 \$179,311 \$130,393	EM& Costs for Review of PY2020 \$48,985 \$37,044 \$11,941 \$41,594 \$18,337 \$23,257	S3,417,207 \$2,977,230 \$439,978 \$3,008,217 \$1,947,858 \$1,060,359
Commercial Commercial Solutions MTP Load Management SOP Residential Residential SOP Residential Solutions MTP Hard-To-Reach	\$3,026,978 \$2,651,478 \$375,500 \$2,656,919 \$1,750,210 \$906,709 \$1,026,789	\$341,244 \$288,707 \$52,537 \$309,704 \$179,311 \$130,393 \$125,037	EM& Costs for Review of PY2020 \$48,985 \$37,044 \$11,941 \$41,594 \$18,337 \$23,257 \$13,823	S3,417,207 \$2,977,230 \$439,978 \$3,008,217 \$1,947,858 \$1,060,359 \$1,165,649
Commercial Commercial Solutions MTP Load Management SOP Residential Residential SOP Residential Solutions MTP Hard-To-Reach Hard-To-Reach SOP	\$3,026,978 \$2,651,478 \$375,500 \$2,656,919 \$1,750,210 \$906,709 \$1,026,789 \$1,026,789	\$341,244 \$288,707 \$52,537 \$309,704 \$179,311 \$130,393 \$125,037 \$125,037	EM& Costs for Review of PY2020 \$48,985 \$37,044 \$11,941 \$41,594 \$18,337 \$23,257 \$13,823 \$13,823	S3,417,207 \$2,977,230 \$439,978 \$3,008,217 \$1,947,858 \$1,060,359 \$1,165,649 \$1,165,649
Commercial Commercial Solutions MTP Load Management SOP Residential Residential SOP Residential Solutions MTP Hard-To-Reach Hard-To-Reach SOP R&D	\$3,026,978 \$2,651,478 \$375,500 \$2,656,919 \$1,750,210 \$906,709 \$1,026,789 \$1,026,789 \$75,000	\$341,244 \$288,707 \$52,537 \$309,704 \$179,311 \$130,393 \$125,037 \$125,037 \$47,000	EM& Costs for Review of PY2020 \$48,985 \$37,044 \$11,941 \$41,594 \$18,337 \$23,257 \$13,823 \$13,823 \$0	S3,417,207 \$2,977,230 \$439,978 \$3,008,217 \$1,947,858 \$1,060,359 \$1,165,649 \$1,22,000
Commercial Commercial Solutions MTP Load Management SOP Residential Residential SOP Residential Solutions MTP Hard-To-Reach Hard-To-Reach SOP R&D EM&V	\$3,026,978 \$2,651,478 \$375,500 \$2,656,919 \$1,750,210 \$906,709 \$1,026,789 \$1,026,789 \$1,026,789 \$75,000 \$0	\$341,244 \$288,707 \$52,537 \$309,704 \$179,311 \$130,393 \$125,037 \$125,037 \$47,000 \$0	EM& Costs for Review of PY2020 \$48,985 \$37,044 \$11,941 \$41,594 \$18,337 \$23,257 \$13,823 \$13,823 \$0 \$104,402	S3,417,207 \$2,977,230 \$439,978 \$3,008,217 \$1,947,858 \$1,060,359 \$1,165,649 \$122,000 \$104,402

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

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

				•
Calendar Year	Actual Weather Adjusted Demand Goal (kW)	Actual Weather Adjusted Energy Goal (kWh)	Actual Demand Reduction (kW) [1]	Actual Energy Savings (kWh) [1]
<u>2019</u>	15,500	27,156,000	22,589	47,926,219
<u>2018</u>	15,500	27,156,000	21,153	51,740,286
<u>2017</u>	15,500	27,156,000	21,199	50,574,878
<u>2016</u>	15,500	27,156,000	19,739	45,044,145
2015	15,500	27,156,000	18,085	36,687,766

Table 7: Historical Demand and Ener	rgy Savings Goals ar	d Achievements (at the Meter,
		except as noted)

[1] Beginning with 2018, Actual Demand and Energy Savings is to reported at the Source.

Example based on 2019 Actual Savings:

Demand $21,000 \times (1+0.075685) = 22,589$

Energy 44,554,139 x (1+0.075685) = 47,926,219

The line loss number is based on the loss study in ETI's last completed rate case, Docket No. 48371.

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

		ESeving	Reported and	erified Savings
Customer Chartent angewert	HWC	4 two	*kW	kWh
Commercial	10,460	15,152,000	12,951	36,193,258
Commercial Solutions MTP	3,750	15,112,000	7,126	36,173,250
Load Management SOP	6,710	40,000	5,825	20,008
Residential	3,940	8,317,000	4,959	9,314,967
Residential SOP	2,240	6,371,000	3,728	5,617,383
Entergy Solutions High Performance Homes MTP	1,450	1,346,000	881	2,840,024
AC Distributor MTP	250	600,000	350	857,560
Hard-to-Reach	1,100	3,687,000	1,755	2,591,623
Hard-to-Reach SOP	1,100	3,687,000	1,755	2,591,623
Total	15,500	27,156,000	19,665	48,099,849
119		Sivines	Reported and	erified Savings
Customer Class and Program	in the second second	kWb	kW	kWh
Commercial	10,460	15,608,000	13,205	31,443,259
Commercial Solutions MTP	3,750	15,568,000	5,458	31,369,506
Load Management SOP	6,710	40,000	7,747	73,753
Residential	3,940	8,060,000	5,936	10,435,841
Residential SOP	2,140	5,836,000	3,962	5,725,406
Residential Solutions MTP	1,800	2,224,000	1,974	4,710,435
Hard-to-Reach	1,100	3,687,000	1,859	2,675,040
Hard-to-Reach SOP	1,100	3,687,000	1,859	2,675,040
Total	15,500	27,355,000	21,000	44,554,139

Table 8: Projected versus Reported and Verified Savings for 2018 and 2019 (at Meter)

VII. Historical Program Expenditures

This section documents ETI's incentive and administration expenditures for the previous five years (2015-2019) broken out by program for each customer class.

Table 9: Historical Program Incentive and Administrative Expenditures for 2015 through2019 (in 000's)

	- 1 - 2		2017			17	2016		6	
AN I'D THE OWNER OF A STATE	B String	Addition		The Maria	- Inerat	Automates	incent	Admin	··· Incent	Admin
Commercial	2,814	367	2,791	388	2,789	372	2,489	399	2,610	466
Commercial (Commercial Solutions) MTP	2,587	319	2,603	345	2,529	312	2,211	336	1,374	214
Load Management SOP	228	48	189	42	259	60	279	63	234	54
SCORE/City Smart MTP	NA	NA	NA	NA	NA	NA	NA	NA	1,002	198
Residential	2,541	363	2,534	322	2,481	265	2,453	345	2,568	370
Residential SOP	1,674	230	1,699	201	1,659	140	1,697	189	1,695	225
Residential Solutions MTP	866	133	NA	NA	NA	NA	NA	NA	NA	NA
Entergy Solutions High Performance Homes MTP	NA	NA	520	73	446	67	420	108	867	145
A/C Distributor MTP	NA	NA	315	47	376	58	272	48	NA	NA
Hard-to-Reach	1,014	160	1,006	146	1,072	95	1,259	148	1,023	166
Hard-to-Reach SOP	1,014	160	1,006	146	1,072	95	1,259	147	1,023	166
Total Expenditures	6,369	890	6,332	855	6,343	732	6,138	892	6,195	1,001

VIII. Program Funding for Calendar Year 2019

2019	Incentive Budget	Admin Budget	R&D Budget	EM&V Budget	Total Projected Budget	Number of Customers Participating or Inst alla tions	Actual Funds Expended (Incentives)	Actual Funds Expended - Admin (Not Including EM&V, or EECRF Proceeding Costs)	R&D Costs	Actual Funds Expended - EM&V (Admin)	Actual Funds Expended - Utility EECRF Proceeding Costs (Admin)	Actual Funds Expended - Cities EECRF Proceeding Costs (Admin)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)	10% Difference?
Commercial	\$ 3,026,978	\$ 341,244	\$ 9,675	\$ 48,985	\$ 3,426,882	125	\$ 2,814,325	\$ 278,920	S 14,581	\$ 48,985	S 19,060	\$ 5,683	\$ 3,181,555	s -	\$ 245,327	
Commercial Solutions MTP	\$ 2 651 478	\$ 288.707	\$ 8185	\$ 37 044	\$ 2.985 415	117	\$ 2 586 755	\$ 245 713	\$ 13 402	\$ 37,044	\$ 17,519	\$ 5 224	\$ 2 905 657	<u>s</u> -	\$ 79758	
I oad Management SOP	\$ 375 500	\$ 52.537	\$ 1 489	\$ 11.941	\$ 441 467	8	\$ 227 570	\$ 33,208	\$ 1 179	\$ 11.941	\$ 1 541	\$ 460	\$ 275,898	\$ -	\$ 165 569	38%
Residential	\$ 2,656,919	\$ 309,704	\$ 8,780	\$ 41,594	\$ 3,016,998	4,139	\$ 2,540,634	\$ 285,513	\$ 13,163	\$ 41,594	\$ 17,207	\$ 5,131	\$ 2,903,242	s -	\$ 113,756	
Residential SOP	\$ 1 750 210	\$ 179 311	\$ 5 084	\$ 18,337	\$ 1 952 942	2.302	\$ 1 674 242	\$ 188 242	S 8 675	\$ 18.337	\$ 11 339	\$ 3 381	\$ 1 904 215	s -	\$ 48 727	
Residential Solutions MTP	\$ 906 709	\$ 130 393	\$ 3.697	\$ 23 257	\$ 1 064 056	1,837	\$ 866 392	\$ 97 271	\$ 4 489	\$ 23 257	\$ 5,868	\$ 1 750	\$ 999.027	s -	\$ 65 029	
Hard-To-Reach	\$ 1,026,789	\$ 125,037	\$ 3,545	\$ 13,823	\$ 1,169,194	1,280	\$ 1,014,025	\$ 132,365	\$ 5,254	\$ 13,823	S 6,868	\$ 2,048	\$ 1,174,383	s -	\$ (5,189)	
Hard-to-Reach SOP	\$ 1 026 789	\$ 125 037	\$ 3 545	\$ 13,823	\$ 1169194	1 280	\$ 1 014 025	\$ 132 365	\$ 5 254	\$ 13 823	\$ 6 868	\$ 2.048	\$ 1 174,383	\$ -	\$ (5189)	
Total	\$ 6,710,686	\$ 775,985	\$ 22,000	\$ 104,402	\$ 7,613,074	5,544	\$ 6,368,984	\$ 696,798	\$ 32,999	\$ 104,402	\$ 43,134	\$ 12,862	\$ 7,259,179	s -	\$ 353,894	

Table 10: Program Funding for Calendar Year 2019

Per 16 TAC § 25.181(l)(2)(Q), please note that there was one program where the projected budget and actual total funds expended varied by more than ten percent: Load Management SOP (38%).

Costs under the Load Management SOP were lower than projected due to several factors: First, one customer that owns multiple store locations did not earn the expected level of incentive payments because they did not aggressively curtail their HVAC total load when called upon but rather achieved their load reduction by raising and lowering the thermostats' temperatures in the stores by just a few degrees. Second, a customer with a main pumping station was not able to participate in the initial testing due to meter issues and was therefore dropped from the program for 2019. Upon further investigation it was determined the Integrated Data Responder (IDR) device was faulty, and it was replaced as well, so the customer should have the opportunity to participate in the future.

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. In addition, CLEAResult continues to have success working with several schools to control costs by using behavioral measures and techniques. For 2019, this program achieved 5,458 kW and 31,369,506 kWh in reported and verified savings.

ETI issued a request for proposals for the Commercial Solutions MTP as the current contract with CLEAResult Consulting expired on December 30, 2018. Several energy efficiency service providers were solicited to submit bids. CLEAResult won the contract for years 2019-2021. A request for proposals will be issued for the Commercial Solutions MTP in 2021.

RES SOL MTP

The RES SOL MTP in 2019 included two components: the ENTERGY SOL MTP and the A/C and Pool Pump DIST MTP. For 2019, the RES SOL MTP achieved a total of 1,974 kW and 4,710,435 kWh in reported and verified savings.

The ENTERGY SOL MTP provides the attributes of an Energy Star Homes new construction program. In this program, savings 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 for installing certain measures in new construction applications that provide verifiable demand and energy savings. The incentives are designed to bridge the gap between the costs of standard efficiency models and higher efficiency models. The program implementer, Lockheed Martin Company, provides training opportunities for local Code Enforcement Officials to learn about the energy efficiency codes and how to apply them.

The A/C and Pool Pump DIST MTP portion of the RES SOL 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 and pool pump distributers 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.

ETI issued a request for proposals for the ENTERGY SOL MTP and A/C and Pool Pump DIST MTP as the current contract with ICF International expired on December 30, 2018. Several energy efficiency service providers were solicited to submit bids. Lockheed Martin Company won the contract for years 2019-2021. Subsequently, Lockheed Martin Company sold its Energy

Efficiency Division to TRC Energy, which will manage the contract until the end of 2021. A new request for proposals will be issued for the RES SOL MTP in 2021.

X. Research and Development and Administrative Costs

ETI, along with Frontier Energy, continues to develop a database that serves as the repository of all its energy efficiency program activities. It allows the Evaluation, Measurement, and Verification contractor the opportunity to access all the data from Entergy's energy efficiency programs from one database. Previously, Entergy had data housed in three different locations. As part of this project, a Dashboard was developed that allows Program Managers to see results from their programs, program pipelines from start to completion, savings goals and projections, and budget totals in a real-time environment. Each year, ETI incurs some costs to get updates and enhancements to the database.

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. In 2019, some additional administrative costs were incurred by CLEAResult Consulting for supporting the CoolSaver residential air conditioning tune up program and ENERCHOICE LLC for supporting the Multifamily HVAC retrofit program.

XI. Current Energy Efficiency Cost Recovery Factor (EECRF)

ETI filed an application for a revised EECRF rate schedule on May 1, 2019 in Docket No. 49493. The revised EECRF was approved for recovery of \$8,010,785, and ETI implemented the revised rider on January 1, 2020.

XII. Revenue Collected through EECRF (2019)

ETI's 2019 EECRF revenues as of December 31, 2019 were \$9,839,612.

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

ETI had an over-recovery of its 2019 energy efficiency programs of \$719,865, which should be refunded in the 2021 EECRF.

Acronyms

СОМ	Commercial
EEP	Energy Efficiency Plan, which was filed as a separate document prior to April 2009
EEPR	Energy Efficiency Plan and Report
EER	Energy Efficiency Report, which was filed as a separate document prior to April 2009
EE Rule	Energy Efficiency Rule, 16 TAC §§ 25.181 and 25.183
EECRF	Energy Efficiency Cost Recovery Factor
HERS	Home Energy Rating Services
HTR	Hard-To-Reach
EM&V	Evaluation, Measurement and Verification
LM	Load Management
МТР	Market Transformation Program
PUCT	Public Utility Commission of Texas
PURA	Public Utility Regulatory Act
RES	Residential
RFP	Request for Proposals
SCORE	Schools Concerned with Reducing Energy
SOP	Standard Offer Program

Appendix

Appendix A: Reported Demand and Energy Reduction by County 2019⁴

Residential SO								
County	Savings kW	Savings KW/h	Incentives					
CHAMBERS	2 57	3,517	\$ 1 091					
GALVESTON	2 91	4,741	\$ 1,284					
HARDIN	122 75	179,438	\$ 55 355					
HARRIS	2 90	3,014	\$ 1079					
JEFFERSON	1,248 44	1 658,756	\$ 504 221					
LIBERTY	39 37	69,549	\$ 17,998					
MADISON	5 40	5,374	\$ 2,135					
MONTGOMERY	1,250 55	1,9 04 137	\$ 531,955					
ORANGE	610.60	922,782	\$ 282,575					
SAN JACINTO	36 35	6 4 ,766	\$ 16 399					
TRINITY	39 19	6 6 ,939	\$ 16,452					
WALKER	600 99	842,392	\$ 243,699					
TO TAL	3,962.01	5,725,406	\$1,674,242					

Residential Solutions								
County	Savings kW	Savings KW b	Incentives					
CHAMBERS	0 62	2,343	\$	641				
GALVESTON	2 04	5 418	\$	1 1 2 7				
GRIMES	0 64	1,540	\$	175				
HARDIN	6 09	16,572	\$	2,863				
HARRIS	7 06	16,388	\$	3,401				
JEFFERSON	31 55	83,165	\$	12 323				
LIBERTY	29 38	69,379	\$	6,280				
MADISON	1 05	2 968	5	442				
MONT GOMERY	1,875 21	4,464 896	s	589,385				
ORANGE	5 99	16,825	\$	3 445				
TRINITY	2 49	5,323	s	1,012				
TYLER	0 84	1,738	s	175				
WALKER	10 48	23,880	\$	5 442				
TO TAL	1,973.44	4,710,435	\$	626,711				

Commercial Solutions MIP								
County	Savings kW	Savings KW b	Incentives					
Chambers	7 18	37 534	\$ 1 498					
Galveston	44 32	131 915	\$ 8 2 5 5					
Grimes	13011	898,246	\$ 27 984					
Hardın	3 05	12,682	\$ 603					
Harris	19 50	111,989	\$ 4.172					
Jefferson	1,048 92	5 700 583	\$ 229,384					
Liberty	113 10	465 258	\$ 25,577					
Montgomerv	2 589 93	13 820 508	\$ 622 997					
Orange	275 02	1,788,709	\$ 59 339					
Tyler	55 71	205 644	\$ 10,774					
Walker	1 136 92	8 070 302	\$ 218 101					
Burleson	11 84	43,706	\$ 2 290					
Robertson	22 35	82,430	\$ 4,322					
TOTAL	5,457.94	31,369,505	\$1,215,297					

Load Management SOP								
County	Savings kW	Savings KWh	Incentives					
Ch a mbers	130 00	1,103	\$	4 550				
Hardın	345 00	2,795	\$	8,575				
Jefferson	2 535 00	23 931	\$	82,460				
Libert y	723 00	6 1 1 4	\$	25,130				
Montgomery	3 363 00	33,742	\$	94,955				
Orange	431 00	3,387	\$	10,500				
Tyler	220 00	2,681	\$	1 400				
TO TAL	7,747.00	73,753	s	227,570				

Hard to Reach SPP								
County	Savings kW	Savings KW h	Incentives					
CHAMBERS	0 39	951	\$	334				
GALVESTON	0.15	375	\$	75				
GRIMES	19 73	32 218	\$	13,441				
HARDIN	142 54	218,347	\$	75,034				
HARRIS	8 06	11,554	\$	4,096				
JEFFERSON	560 39	738,622	5	306,996				
LIBERTY	79 14	130,103	5	44,686				
MADISON	2 32	3,464	\$	1 317				
MONTCOMERY	545 20	824,576	\$	292,526				
ORANGE	239 34	322,149	\$	127,621				
SAN JACINTO	88 42	157,583	\$	51,407				
TRINITY	17 35	23,096	\$	9119				
WALKER	143 11	194,846	\$	80,447				
WALLER	12 45	17,156	5	6,926				
TO TAL	1,858.56	2,675,040	S	,014,025				

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