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APPLICATION OF CENTERPOINT § BEFORE THE
ENERGY HOUSTON ELECTRIC, LLC §
FOR APPROVAL OF AN ADJUSTMENT § PUBLIC UTILITY COMMISSION
TO ITS ENERGY EFFICIENCY COST §
RECOVERY FACTOR § OF TEXAS

June 1, 2021

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**APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC FOR
APPROVAL OF AN ADJUSTMENT TO ITS
ENERGY EFFICIENCY COST RECOVERY FACTOR**

CenterPoint Energy Houston Electric, LLC (“CenterPoint Houston” or the “Company”) files this Application for Approval of an Adjustment to Its Energy Efficiency Cost Recovery Factor (“Application”).

I. AUTHORIZED REPRESENTATIVES

The telephone number and address of CenterPoint Houston’s authorized business representative is:

Alana Lewis
Regulatory Portfolio Management
CenterPoint Energy, Inc.
1111 Louisiana St.
Houston, TX 77002
713.207.4220
713.207.9819 (fax)
alana.lewis@centerpointenergy.com

The telephone numbers and addresses of CenterPoint Houston’s authorized legal representatives are:

Sam Chang
State Bar No. 24078333
CenterPoint Energy Service Company, LLC
1005 Congress Avenue, Suite 650
Austin, Texas 78701
512.397.3005
512.949.3050 (e-fax)
se.chang@centerpointenergy.com

Mark Santos
Coffin Renner LLP
P.O. Box 13366
Austin, TX 78711
512.879.0900
512.879.0912 (fax)
mark.santos@crtxlaw.com

CenterPoint Houston requests that all information and documents in this filing be served on each of the persons above at their respective addresses, email addresses or fax numbers.

II. JURISDICTION

The Public Utility Commission of Texas (“Commission”) has jurisdiction over the Application pursuant to the Public Utility Regulatory Act § 39.905 (“PURA”)¹ and 16 Tex. Admin. Code (“TAC”) §§ 25.181 and 25.182.

III. AFFECTED PERSONS AND TERRITORIES

The Application affects all retail electric providers (“REPs”) serving end-use retail electric customers in CenterPoint Houston’s certificated service territory and will affect the retail electric customers of those REPs to the extent the REPs pass along to their customers the charges under Rider EECRF.

IV. 2022 EECRF REQUEST

As set forth in CenterPoint Houston’s revised Energy Efficiency Plan and Report (“EEPR”), the Company’s energy efficiency goal for 2022 is a 0.4% reduction in its peak demand of residential and commercial customers.² The projected demand and energy savings necessary to achieve the goal are 64.88 MW and 113,670 MWh.³ In order to achieve its goal and associated

¹ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (Supp.).

² See 16 TAC § 25.181(e). The Company’s 2021 Revised EEPR is attached as Ex. SAR-1 to the Direct Testimony of Shea Richardson (Richardson Direct).

³ See Richardson Direct, Ex. SAR-1 at 5.

projected savings, CenterPoint Houston estimates that it will spend approximately \$37,713,993 on energy efficiency program incentives and administrative costs in 2022.⁴

Additionally, CenterPoint Houston's successful 2020 energy efficiency programs caused the Company to exceed its 2020 energy efficiency goals.⁵ The total avoided cost achieved was \$263,551,040 and the net benefit to ratepayers was equal to \$220,213,884.⁶ Per 16 TAC § 25.182(e)(3), the Company's earned performance incentive is equal to 10% of the net benefits achieved or \$22,021,388.

Further, consistent with 16 TAC § 25.181 and Commission precedent, the Company: requests recovery of \$539,688⁷ in certain Evaluation, Measurement and Verification ("EM&V") expenses assigned to the Company by Commission Staff for the 2022 program year; has included a charge in the amount of \$2,930,333 to account for the under-recovery of energy efficiency revenues during 2020; and a charge in the amount of \$93,456 for interest on that under-recovery. CenterPoint Houston is also requesting recovery of 2020 Energy Efficiency Cost Recovery Factor ("EECRF") proceeding expenses in the amount of \$69,063.⁸

Accordingly, and pursuant to PURA § 39.905 and 16 TAC §§ 25.181 and 25.182, CenterPoint Houston requests approval to recover a total of \$63,367,922 through its Rider EECRF in 2022, consisting of: (1) estimated 2022 energy efficiency program costs of \$37,713,993; (2) a performance incentive for 2020 program achievements of \$22,021,388; (3) \$539,688 for 2022 EM&V expenses assigned to the Company by Commission Staff; (4) a charge of \$2,930,333

⁴ *Id.* at 23; *See also* Richardson Direct at 3. This amount does not include 2021 Energy Efficiency Cost Recovery Factor proceeding expenses, which are considered an administrative expense under 16 TAC § 25.181(g) but are listed separately in the Application to make them more easily identifiable.

⁵ *See* Direct Testimony of John Durland at 8 & Ex. JRD-2, Schedule E.

⁶ *Id.* at Schedule E – Workpaper 1.

⁷ Richardson Direct at 28-29.

⁸ This amount includes the Company's incurred expenses for its 2020 EECRF proceeding, *Application of CenterPoint Energy Houston Electric, LLC for Approval of an Adjustment to Its Energy Efficiency Cost Recovery Factor*, Docket No. 50908 (Oct. 16, 2020) and expenses incurred by municipalities that participated in that proceeding.

related to the under-recovery of 2020 program costs; (5) a charge of \$93,456 for the interest related to the under-recovery and (6) \$69,063 in 2020 EECRF proceeding expenses.

V. DESCRIPTION OF FILING PACKAGE

In support of its request, CenterPoint Houston has included the direct testimonies, exhibits and schedules of Shea A. Richardson and John Durland. Mr. Richardson, Manager of Energy Efficiency Compliance for CenterPoint Houston, explains and supports: (1) the background for the Commission's energy efficiency requirements for investor-owned utilities; (2) the reasonableness of CenterPoint Houston's energy efficiency programs and the Company's historical 2020 expenditures; (3) the Company's planned 2022 energy efficiency program expenditures; and (4) how CenterPoint Houston met the Commission's requirements for an energy efficiency performance bonus based on 2020 program achievements and the amount in performance bonus to be included in this year's EECRF filing.

Mr. Durland, Manager of Rates for CenterPoint Energy Service Company, LLC, explains and supports: (1) the overall level of costs in Rider EECRF to recover energy efficiency costs for 2022; (2) the calculation of rates included in the Company's Rider EECRF for the various rate classes; and (3) the Company's Rider EECRF tariff. Together, Mr. Richardson and Mr. Durland address the thirteen metrics identified under 16 TAC § 25.182(d)(10) and the applicable factors identified in 16 TAC § 25.182(d)(11) relating to EECRF applications and the recovery of those related costs.

VI. REVIEW OF 2020 PROGRAM COSTS

As required by 16 TAC § 25.182(d)(10)-(11), the Company is providing the testimony of Mr. Richardson to support the reasonableness of its program costs for the 2020 program year. 16 TAC § 25.182(d)(12) states that the scope of an EECRF proceeding includes the extent to which the costs recovered through the EECRF complied with PURA and the Commission's rules, and

the extent to which the costs recovered were reasonable and necessary to reduce demand and energy growth. As described in Mr. Richardson's testimony, the Company's costs recovered through the EECRF in 2020 complied with PURA and the Commission's rules and were reasonable and necessary to reduce demand and energy growth.

VII. NOTICE

Consistent with the notice provisions in 16 TAC § 25.182(d)(13), within seven days of this filing, CenterPoint Houston proposes to provide notice to each party that participated in the Company's 2020 EECRF proceeding, Docket No. 50908; to all REPs that are authorized to provide service in CenterPoint Houston's service area at the time the EECRF application is filed; to all parties that participated in the Company's most recent base rate case, Docket No. 49421;⁹ and to the state agency that administers the federal weatherization program. Attachment 1 to the Application is CenterPoint Houston's proposed form of notice. The Company requests approval of the attached notice as sufficient and in accordance with 16 TAC § 25.181(d)(13) and 16 TAC § 22.55. The Company will file proof of notice within 14 days after this Application is filed.

VIII. REQUEST FOR PROTECTIVE ORDER

In accordance with 16 TAC § 25.182(d)(10)(G), CenterPoint Houston is including with this Application a list of each energy efficiency administrator and/or service provider receiving more than 5% of its overall incentive payments and the percentage of the Company's incentives received by those providers. The rule provides that this information may be treated as confidential. Additionally, in response to requests for information, CenterPoint Houston may be compelled to provide information that is considered confidential or highly sensitive under the Commission's rules, PURA § 32.101 or the Texas Public Information Act.¹⁰ Therefore, CenterPoint Houston

⁹ *Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates*, Docket No. 49421 (Mar. 9, 2020).

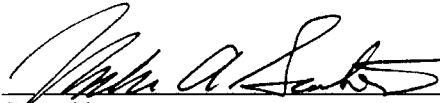
¹⁰ Tex. Gov't Code Ann. §§ 552.001-552.353 (Supp.).

proposes that the Commission adopt the protective order included as Attachment 2, which is the same protective order approved in the Company's last EECRF proceeding, Docket No. 50908, and the Company's most recent base rate proceeding, Docket No. 49421.

IX. PRAYER

CenterPoint Houston requests that this Application be granted, that the proposed adjustments to Rider EECRF be approved effective with the commencement of the Company's March 2022 billing month, that the Commission find that the Company's 2020 EECRF program costs were reasonable, and that CenterPoint Houston be granted such other relief to which it may be entitled.

Respectfully submitted,



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**ATTORNEYS FOR CENTERPOINT ENERGY
HOUSTON ELECTRIC, LLC**

**NOTICE OF APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC,
LLC FOR APPROVAL OF AN ADJUSTMENT TO ITS ENERGY
EFFICIENCY COST RECOVERY FACTOR**

On June 1, 2021, CenterPoint Energy Houston Electric, LLC (“CenterPoint Houston” or the “Company”) filed with the Public Utility Commission of Texas (“Commission”) an Application for Approval of an Adjustment to Its Energy Efficiency Cost Recovery Factor (“the Application”).

CenterPoint Houston’s energy efficiency goal for 2022, as required by 16 Texas Administrative Code (“TAC”) §25.181(e)(1)(C)-(D), is a 0.4% reduction in its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year. To achieve that goal and the accompanying savings, CenterPoint Houston plans to implement 18 energy efficiency programs in 2022. 16 TAC § 25.182(d) permits CenterPoint Houston to recover funding for its energy efficiency programs through an Energy Efficiency Cost Recovery Factor (“EECRF”). The Application therefore seeks recovery of the following costs through Rider EECRF beginning with the commencement of the Company’s March 2022 billing month: (1) estimated 2022 energy efficiency program costs of \$37,713,993; (2) a performance incentive for 2020 program achievements of \$22,021,388; (3) \$539,688 for 2022 Evaluation, Measurement and Verification expenses assigned to the Company by Commission Staff; (4) a charge of \$2,930,333 related to the under-recovery of 2020 program costs; (5) a charge of \$93,456 for interest on the under-recovery amount; and (6) \$69,063 in 2020 EECRF proceeding expenses. The Company’s total EECRF revenue requirement is \$63,367,922. In addition, pursuant to 16 TAC § 25.182(d)(12), the Company is seeking a determination as to the reasonableness of its program costs for the 2020 program year.

The 2022 Rider EECRF will apply to all retail electric providers (“REPs”) serving end-use retail electric customers in CenterPoint Houston’s certificated service territory. Rider EECRF will affect the retail electric customers of those REPs to the extent that the REPs pass along to their customers the charges under Rider EECRF.

The 2022 Rider EECRF will include the following charges on bills rendered to REPs:

| Rate Class | EECRF Charge | Billing Unit |
|--|---------------------|----------------------------|
| Residential Service | \$0.000983 | Per kWh of Usage Per Month |
| Secondary Service Less than or Equal to 10 kVA | \$0.001072 | Per kWh of Usage Per Month |
| Secondary Service Greater than 10 kVA | \$0.000739 | Per kWh of Usage Per Month |
| Primary Service | \$0.001930 | Per kWh of Usage Per Month |
| Transmission Non-Profit Governmental | \$0.000227 | Per kWh of Usage Per Month |
| Transmission Service – Industrial | \$0.000000 | Per kWh of Usage Per Month |
| Lighting Services | N/A | N/A |

Persons with questions or who want more information about this filing may contact CenterPoint Energy, 1111 Louisiana, Houston, Texas 77002, or call Ms. Alana Lewis at (713) 207-4220. Persons who wish to intervene in or comment upon these proceedings should notify the Public Utility Commission of Texas as soon as possible, as an intervention deadline will be imposed. A request to intervene or for further information should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326. Further information may also be obtained by calling the Public Utility Commission of Texas at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the Commission at (512) 936-7136. All communications should refer to Docket No. _____.

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PROTECTIVE ORDER

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

It is ORDERED that:

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

3. Reviewing Party. For the purposes of this Protective Order, a Reviewing Party is a party to this docket.
4. Procedures for Designation of Protected Materials. On or before the date the Protected Materials or Highly Sensitive Protected Materials are provided to the Commission, the producing party shall file with the Commission and deliver to each party to the proceeding a written statement, which may be in the form of an objection, indicating: (1) any and all exemptions to the Public Information Act, Tex. Gov't. Code Ann., Chapter 552, claimed to be applicable to the alleged Protected Materials; (2) the reasons supporting the providing party's claim that the responsive information is exempt from public disclosure under the Public Information Act and subject to treatment as protected materials; and (3) that counsel for the providing party has reviewed the information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials designation.
5. Persons Permitted Access to Protected Materials. Except as otherwise provided in this Protective Order, a Reviewing Party shall be permitted access to Protected Materials only through its Reviewing Representatives who have signed the Protective Order Certification Form. Reviewing Representatives of a Reviewing Party include its counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by the Reviewing Party and directly engaged in these proceedings. At the request of the Commissioners or their staff, copies of Protected Materials may be produced by the Staff of the Public Utility Commission of Texas (Commission Staff) or the Commission's Policy Development Division (PDD) to the Commissioners. The Commissioners and their staff shall be informed of the existence and coverage of this Protective Order and shall observe the restrictions of the Protective Order.
6. Highly Sensitive Protected Material Described. The term Highly Sensitive Protected Materials is a subset of Protected Materials and refers to documents or information which

a producing party claims is of such a highly sensitive nature that making copies of such documents or information or providing access to such documents to employees of the Reviewing Party (except as set forth herein) would expose a producing party to unreasonable risk of harm, including but not limited to: (1) customer-specific information protected by § 32.101(c) of the Public Utility Regulatory Act; (2) contractual information pertaining to contracts that specify that their terms are confidential or which are confidential pursuant to an order entered in litigation to which the producing party is a party; (3) market-sensitive fuel price forecasts, wholesale transactions information and/or market-sensitive marketing plans; and (4) business operations or financial information that is commercially sensitive. Documents or information so classified by a producing party shall bear the designation “HIGHLY SENSITIVE PROTECTED MATERIALS PROVIDED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. _____” or words to this effect and shall be consecutively Bates Stamped in accordance with the provisions of this Protective Order. The provisions of this Protective Order pertaining to Protected Materials also apply to Highly Sensitive Protected Materials, except where this Protective Order provides for additional protections for Highly Sensitive Protected Materials. In particular, the procedures herein for challenging the producing party’s designation of information as Protected Materials also apply to information that a producing party designates as Highly Sensitive Protected Materials.

7. Restrictions on Copying and Inspection of Highly Sensitive Protected Material. Except as expressly provided herein, only one copy may be made of any Highly Sensitive Protected Materials except that additional copies may be made in order to have sufficient copies for introduction of the material into the evidentiary record if the material is to be offered for admission into the record. A record of any copies that are made of Highly Sensitive Protected Material shall be kept and a copy of the record shall be sent to the producing party at the time the copy or copies are made. The record shall include information on the location and the person in possession of the copy. Highly Sensitive Protected Material

shall be made available for inspection only at the location or locations provided by the producing party, except as provided by Paragraph 9. Limited notes may be made of Highly Sensitive Protected Materials, and such notes shall themselves be treated as Highly Sensitive Protected Materials unless such notes are limited to a description of the document and a general characterization of its subject matter in a manner that does not state any substantive information contained in the document.

8. Restricting Persons Who May Have Access to Highly Sensitive Protected Material. With the exception of Commission Staff, the Office of Public Utility Counsel (OPC), and the Office of the Attorney General (OAG) when the OAG is representing a party to the proceeding and except as provided herein, the Reviewing Representatives for the purpose of access to Highly Sensitive Protected Materials may be persons who are: (1) outside counsel for the Reviewing Party; (2) outside consultants for the Reviewing Party working under the direction of Reviewing Party's counsel; or (3) employees of the Reviewing Party working with and under the direction of Reviewing Party's counsel who have been authorized by the presiding officer to review Highly Sensitive Protected Materials. The Reviewing Party shall limit the number of Reviewing Representatives that review each Highly Sensitive Protected document to the minimum number of persons necessary. The Reviewing Party is under a good faith obligation to limit access to each portion of any Highly Sensitive Protected Materials to two Reviewing Representatives whenever possible. Reviewing Representatives for Commission Staff, OAG and OPC, for the purpose of access to Highly Sensitive Protected Materials, shall consist of their respective counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by them and directly engaged in these proceedings.
9. Copies Provided of Highly Sensitive Protected Material. A producing party shall provide one copy of Highly Sensitive Protected Materials specifically requested by the Reviewing Party to the person designated by the Reviewing Party who must be a person authorized to

review Highly Sensitive Protected Material under Paragraph 8 and be either outside counsel or an outside consultant. Other representatives of the reviewing party who are authorized to view Highly Sensitive Material may review the copy of Highly Sensitive Protected Materials at the office of the Reviewing Party's representative designated to receive the information. Any Highly Sensitive Protected documents provided to a Reviewing Party may not be copied except as provided in Paragraph 7 and shall be returned along with any copies made pursuant to Paragraph 7 to the producing party within two weeks after the close of the evidence in this proceeding. The restrictions contained herein do not apply to Commission Staff, OPC, and the OAG when the OAG is representing a party to the proceeding.

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

Staff, OPC (if OPC is a party), and the OAG (if the OAG is representing a party) may request such copies as are necessary of such voluminous material under the copying procedures set forth herein.

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

15. Required Certification. Each person who inspects the Protected Materials shall, before such inspection, agree in writing to the following certification set forth in the attachment to this Protective Order:

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

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

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

A copy of each signed certification shall be provided by the reviewing party to counsel for the producing party and served upon all parties of record.

16. Disclosures Between Reviewing Representatives and Continuation of Disclosure Restrictions After a Person is no Longer Engaged in the Proceeding. Any Reviewing Representative may disclose Protected Materials, other than Highly Sensitive Protected Materials, to any other person who is a Reviewing Representative provided that, if the person to whom disclosure is to be made has not executed and provided for delivery of a

signed certification to the party asserting confidentiality, that certification shall be executed prior to any disclosure. A Reviewing Representative may disclose Highly Sensitive Protected Material to other Reviewing Representatives who are permitted access to such material and have executed the additional certification required for persons who receive access to Highly Sensitive Protected Material. In the event that any Reviewing Representative to whom Protected Materials are disclosed ceases to be engaged in these proceedings, access to Protected Materials by that person shall be terminated and all notes, memoranda, or other information derived from the Protected Material shall either be destroyed or given to another Reviewing Representative of that party who is authorized pursuant to this Protective Order to receive the protected materials. Any person who has agreed to the foregoing certification shall continue to be bound by the provisions of this Protective Order so long as it is in effect, even if no longer engaged in these proceedings.

17. Producing Party to Provide One Copy of Certain Protected Material and Procedures for Making Additional Copies of Such Materials. Except for Highly Sensitive Protected Materials, which shall be provided to the Reviewing Parties pursuant to Paragraph 9, and voluminous Protected Materials, the producing party shall provide a Reviewing Party one copy of the Protected Materials upon receipt of the signed certification described in Paragraph 15. Except for Highly Sensitive Protected Materials, a Reviewing Party may make further copies of Protected Materials for use in this proceeding pursuant to this Protective Order, but a record shall be maintained as to the documents reproduced and the number of copies made, and upon request the Reviewing Party shall provide the party asserting confidentiality with a copy of that record.
18. Procedures Regarding Voluminous Protected Materials. Production of voluminous Protected Materials will be governed by P.U.C. PROC. R. 22.144(h). Voluminous Protected Materials will be made available in the producing party's voluminous room, in Austin, Texas, or at a mutually agreed upon location, Monday through Friday, 9:00 a.m. to 5:00

p.m. (except on state or Federal holidays), and at other mutually convenient times upon reasonable request.

19. Reviewing Period Defined. The Protected Materials may be reviewed only during the Reviewing Period, which shall commence upon entry of this Protective Order and continue until the expiration of the Commission's plenary jurisdiction. The Reviewing Period shall reopen if the Commission regains jurisdiction due to a remand as provided by law. Protected materials that are admitted into the evidentiary record or accompanying the evidentiary record as offers of proof may be reviewed throughout the pendency of this proceeding and any appeals.
20. Procedures for Making Copies of Voluminous Protected Materials. Other than Highly Sensitive Protected Materials, Reviewing Parties may take notes regarding the information contained in voluminous Protected Materials made available for inspection or they may make photographic, mechanical, or electronic copies of the Protected Materials, subject to the conditions hereof; provided, however, that before photographic, mechanical, or electronic copies can be made, the Reviewing Party seeking photographic, mechanical, or electronic copies must complete a written receipt for copies on the attached form identifying each piece of Protected Materials or portions thereof the Reviewing Party will need.
21. Protected Materials to be Used Solely for the Purposes of These Proceedings. All Protected Materials shall be made available to the Reviewing Parties and their Reviewing Representatives solely for the purposes of these proceedings. Access to the Protected Materials may not be used in the furtherance of any other purpose, including, without limitation: (1) any other pending or potential proceeding involving any claim, complaint, or other grievance of whatever nature, except appellate review proceedings that may arise from or be subject to these proceedings; or (2) any business or competitive endeavor of whatever nature. Because of their statutory regulatory obligations, these restrictions do not apply to Commission Staff or OPC.

22. Procedures for Confidential Treatment of Protected Materials and Information Derived from those Materials. Protected Materials, as well as a Reviewing Party's notes, memoranda, or other information regarding or derived from the Protected Materials are to be treated confidentially by the Reviewing Party and shall not be disclosed or used by the Reviewing Party except as permitted and provided in this Protected Order. Information derived from or describing the Protected Materials shall be maintained in a secure place and shall not be placed in the public or general files of the Reviewing Party except in accordance with the provisions of this Protective Order. A Reviewing Party must take all reasonable precautions to ensure that the Protected Materials including notes and analyses made from Protected Materials that disclose Protected Materials are not viewed or taken by any person other than a Reviewing Representative of a Reviewing Party.
23. Procedures for Submission of Protected Materials. If a Reviewing Party tenders for filing any Protected Materials, including Highly Sensitive Protected Materials, or any written testimony, exhibit, brief, motion, or other type of pleading or other submission at the Commission or before any other judicial body that quotes from Protected Materials or discloses the content of Protected Materials, the confidential portion of such submission shall be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they contain Protected Material or Highly Sensitive Protected Material and are sealed pursuant to this Protective Order. If filed at the Commission, such documents shall be marked "PROTECTED MATERIAL" and shall be filed under seal with the Presiding Officer and served under seal to the counsel of record for the Reviewing Parties. The Presiding Officer may subsequently, on his/her own motion or on motion of a party, issue a ruling respecting whether or not the inclusion, incorporation or reference to Protected Materials is such that such submission should remain under seal. If filing before a judicial body, the filing party: (1) shall notify the party which provided the information within sufficient time so that the providing party may seek a temporary sealing order; and

- (2) shall otherwise follow the procedures set forth in Rule 76a, Texas Rules of Civil Procedure.
24. Maintenance of Protected Status of Materials During Pendency of Appeal of Order Holding Materials are Not Protected Materials. In the event that the Presiding Officer at any time in the course of this proceeding finds that all or part of the Protected Materials are not confidential or proprietary, by finding, for example, that such materials have entered the public domain or materials claimed to be Highly Sensitive Protected Materials are only Protected Materials, those materials shall nevertheless be subject to the protection afforded by this Protective Order for three (3) full working days, unless otherwise ordered, from the date the party asserting confidentiality receives notice of the Presiding Officer's order. Such notification will be by written communication. This provision establishes a deadline for appeal of a Presiding Officer's order to the Commission. In the event an appeal to the Commissioners is filed within those three (3) working days from notice, the Protected Materials shall be afforded the confidential treatment and status provided in this Protective Order during the pendency of such appeal. Neither the party asserting confidentiality nor any Reviewing Party waives its right to seek additional administrative or judicial remedies after the Commission's denial of any appeal.
25. Notice of Intent to Use Protected Materials or Change Materials Designation. Parties intending to use Protected Materials shall notify the other parties prior to offering them into evidence or otherwise disclosing such information into the record of the proceeding. During the pendency of Docket No. _____ at the Commission, in the event that a Reviewing Party wishes to disclose Protected Materials to any person to whom disclosure is not authorized by this Protective Order, or wishes to have changed the designation of certain information or material as Protected Materials by alleging, for example, that such information or material has entered the public domain, such Reviewing Party shall first file and serve on all parties written notice of such proposed disclosure or request for change in designation, identifying with particularity each of such Protected Materials. A Reviewing

Party shall at any time be able to file a written motion to challenge the designation of information as Protected Materials.

26. Procedures to Contest Disclosure or Change in Designation. In the event that the party asserting confidentiality wishes to contest a proposed disclosure or request for change in designation, the party asserting confidentiality shall file with the appropriate Presiding Officer its objection to a proposal, with supporting affidavits, if any, within five (5) working days after receiving such notice of proposed disclosure or change in designation. Failure of the party asserting confidentiality to file such an objection within this period shall be deemed a waiver of objection to the proposed disclosure or request for change in designation. Within five (5) working days after the party asserting confidentiality files its objection and supporting materials, the party challenging confidentiality may respond. Any such response shall include a statement by counsel for the party challenging such confidentiality that he or she has reviewed all portions of the materials in dispute and without disclosing the Protected Materials, a statement as to why the Protected Materials should not be held to be confidential under current legal standards, or alternatively that the party asserting confidentiality for some reason did not allow such counsel to review such materials. If either party wishes to submit the material in question for in camera inspection, it shall do so no later than five (5) working days after the party challenging confidentiality has made its written filing.
27. Procedures for Presiding Officer Determination Regarding Proposed Disclosure or Change in Designation. If the party asserting confidentiality files an objection, the appropriate Presiding Officer will determine whether the proposed disclosure or change in designation is appropriate. Upon the request of either the producing or reviewing party or upon the Presiding Officer's own initiative, the presiding officer may conduct a prehearing conference. The burden is on the party asserting confidentiality to show that such proposed disclosure or change in designation should not be made. If the Presiding Officer determines that such proposed disclosure or change in designation should be made, disclosure shall

not take place earlier than three (3) full working days after such determination unless otherwise ordered. No party waives any right to seek additional administrative or judicial remedies concerning such Presiding Officer's ruling.

28. Maintenance of Protected Status During Periods Specified for Challenging Various Orders.

Any party electing to challenge, in the courts of this state, a Commission or Presiding Officer determination allowing disclosure or a change in designation shall have a period of ten (10) days from: (1) the date of an unfavorable Commission order; or (2) if the Commission does not rule on an appeal of an interim order, the date an appeal of an interim order to the Commission is overruled by operation of law, to obtain a favorable ruling in state district court. Any party challenging a state district court determination allowing disclosure or a change in designation shall have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from a state appeals court. Finally, any party challenging a determination of a state appeals court allowing disclosure or a change in designation shall have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from the state supreme court, or other appellate court. All Protected Materials shall be afforded the confidential treatment and status provided for in this Protective Order during the periods for challenging the various orders referenced in this Paragraph. For purposes of this Paragraph, a favorable ruling of a state district court, state appeals court, supreme court or other appellate court includes any order extending the deadlines set forth in this Paragraph.

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

30. Protection of Materials from Unauthorized Disclosure. All notices, applications, responses, or other correspondence shall be made in a manner, which protects Protected Materials from unauthorized disclosure.
31. Return of Copies of Protected Materials and Destruction of Information Derived from Protected Materials. Following the conclusion of these proceedings, each Reviewing Party must, no later than thirty (30) days following receipt of the notice described below, return to the party asserting confidentiality all copies of the Protected Materials provided by that party pursuant to this Protective Order and all copies reproduced by a Reviewing Party, and counsel for each Reviewing Party must provide to the party asserting confidentiality a letter by counsel that, to the best of his or her knowledge, information, and belief, all copies of notes, memoranda, and other documents regarding or derived from the Protected Materials (including copies of Protected Materials) that have not been so returned, if any, have been destroyed, other than notes, memoranda, or other documents which contain information in a form which, if made public, would not cause disclosure of the substance of Protected Materials. As used in this Protective Order, “conclusion of these proceedings” refers to the exhaustion of available appeals, or the running of the time for the making of such appeals, as provided by applicable law. If, following any appeal, the Commission conducts a remand proceeding, then the “conclusion of these proceedings” is extended by the remand to the exhaustion of available appeals of the remand, or the running of the time for making such appeals of the remand, as provided by applicable law. Promptly following the conclusion of these proceedings, counsel for the party asserting confidentiality will send a written notice to all other parties, reminding them of their obligations under this Paragraph. Nothing in this Paragraph shall prohibit counsel for each Reviewing Party from retaining two (2) copies of any filed testimony, brief, application for rehearing, hearing exhibit, or other pleading which refers to Protected Materials provided that any such Protected Materials retained by counsel shall remain subject to the provisions of this Protective Order.

32. Applicability of Other Law. This Protective Order is subject to the requirements of the Public Information Act, the Open Meetings Act, and any other applicable law, provided that parties subject to those acts will give the party asserting confidentiality notice, if possible under those acts, prior to disclosure pursuant to those acts.
33. Procedures for Release of Information Under Order. If required by order of a governmental or judicial body, the Reviewing Party may release to such body the confidential information required by such order; provided, however, that: (1) the Reviewing Party shall notify the party asserting confidentiality of such order at least five (5) calendar days in advance of the release of the information in order for the party asserting confidentiality to contest any release of the confidential information; (2) the Reviewing Party shall notify the producing party that there is a request for such information within five (5) calendar days of the date the Reviewing Party is notified of the request for information; and (3) the Reviewing Party shall use its best efforts to prevent such materials from being disclosed to the public. The terms of this Protective Order do not preclude the Reviewing Party from complying with any valid and enforceable order of a state or federal court with competent jurisdiction specifically requiring disclosure of Protected Materials earlier than contemplated herein.
34. Best Efforts Defined. The term “best efforts” as used in the preceding paragraph requires that the Reviewing Party attempt to ensure that disclosure is not made unless such disclosure is pursuant to a final order of a Texas governmental or Texas judicial body or written opinion of the Texas Attorney General which was sought in compliance with the Public Information Act. The Reviewing Party is not required to delay compliance with a lawful order to disclose such information but is simply required to timely notify the party asserting confidentiality, or its counsel, that it has received a challenge to the confidentiality of the information and that the Reviewing Party will either proceed under the provisions of § 552.301 of the Public Information Act, or intends to comply with the final governmental or court order.

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

Paragraph 36, the Presiding Officer may sanction the producing party pursuant to P.U.C. PROC. R. 22.161.

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

Protective Order Certification

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

Signature

Party Represented

Printed Name

Date

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

Signature

Party Represented

Printed Name

Date

DOCKET NO. _____

I request to view/copy the following documents:

[illegible]

Signature _____

Party Represented

Printed Name _____

Date

DOCKET NO. _____

| | | |
|--------------------------------------|----------|----------------------------------|
| APPLICATION OF CENTERPOINT | § | BEFORE THE |
| ENERGY HOUSTON ELECTRIC, LLC | § | |
| FOR APPROVAL OF AN ADJUSTMENT | § | PUBLIC UTILITY COMMISSION |
| TO ITS ENERGY EFFICIENCY COST | § | |
| RECOVERY FACTOR | § | OF TEXAS |

DIRECT TESTIMONY OF

SHEA A. RICHARDSON

FOR

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

June 1, 2021

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TABLE OF EXHIBITS

| <u>Exhibit</u> | <u>Description</u> |
|-----------------------|--|
| Exhibit SAR-1 | CenterPoint Houston’s 2021 Revised Energy Efficiency Plan and Report filed in Project No. 51672 |
| Exhibit SAR-2 | Affidavit of Ms. Michelle Townsend |
| Exhibit SAR-3 | Affidavit of Ms. Mary Kirk |
| Exhibit SAR-4 | Affidavit of Ms. Bertha Villatoro |
| Exhibit SAR-5 | Affidavit of Mr. Se Chang |
| Exhibit SAR-6 | Affidavit of Jamie Mauldin |
| Exhibit SAR-7 | Affidavit of Alisa Talley |

DIRECT TESTIMONY OF SHEA RICHARDSON

I. INTRODUCTION AND BACKGROUND

Q. PLEASE STATE YOUR NAME AND POSITION.

A. My Name is Shea Richardson, and I serve as the Manager of Energy Efficiency Compliance for CenterPoint Energy Houston Electric, LLC (“CenterPoint Houston” or the “Company”). My business address is 1111 Louisiana St., Houston, Texas 77002.

Q. PLEASE SUMMARIZE YOUR EDUCATION AND PROFESSIONAL EXPERIENCE.

A. In August of 2008, I began my career in the energy efficiency field as an Energy Efficiency Consultant for CenterPoint Houston in Houston, Texas. In that role, I managed several energy efficiency programs, assisted in the delivery of the Company’s Energy Efficiency Plan & Report (“EEPR”), and supported the Company’s efforts to pilot Home Area Network equipment that utilized the newly deployed Advanced Metering System. In March of 2013, I accepted a position as CenterPoint Energy’s Manager of Conservation Improvement Program (CIP) Implementation for Arkansas and Oklahoma and relocated to Little Rock, Arkansas. In that role I managed the Company’s natural gas energy efficiency programs delivered in Arkansas and Oklahoma. I also provided regulatory support and ensured that the programs complied with all regulatory requirements. In November of 2018, I accepted my current role as Manager of Energy Efficiency Compliance for CenterPoint Houston and returned to Houston, Texas to perform

1 those duties. I graduated with a Bachelor of Arts degree in Business from
2 Southwestern University in Georgetown, Texas.

3 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

4 A. I am testifying on behalf of CenterPoint Houston.

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

6 A. The purpose of my testimony is to: (1) provide background on the Public Utility
7 Commission of Texas' ("Commission") energy efficiency requirements for
8 investor-owned utilities; (2) support the reasonableness of CenterPoint Houston's
9 energy efficiency programs and the Company's 2020 expenditures on those
10 programs; (3) describe the Company's planned 2022 energy efficiency program
11 expenditures; and (4) explain how CenterPoint Houston met the Commission's
12 requirements for an energy efficiency performance bonus based on 2020 program
13 achievements and the amount of the performance bonus to be included in the
14 Energy Efficiency Cost Recovery Factor ("EECRF").

15 **Q. WHAT EXHIBITS HAVE YOU INCLUDED WITH YOUR TESTIMONY?**

16 A. Exhibit SAR-1 is CenterPoint Houston's 2021 Revised Energy Efficiency Plan and
17 Report, filed in Project No. 51672. Exhibit SAR-2 is an affidavit from
18 Ms. Michelle Townsend supporting affiliate expenses. Exhibit SAR-3 is an
19 affidavit from Ms. Mary Kirk verifying accounting practices. Exhibit SAR-4 is an
20 affidavit from Ms. Bertha Villatoro describing the Company's employee
21 compensation and benefits program. Exhibit SAR-5 is an affidavit from Mr. Se
22 Chang verifying and supporting the Company's 2020 EECRF rate case expenses.
23 Exhibit SAR-6 is an affidavit from Jamie Mauldin verifying and supporting 2020

1 EECRF rate case expenses associated with the participation of the Gulf Coast
 2 Coalition of Cities (“GCCC”). Exhibit SAR-7 is an affidavit from Alisa Talley
 3 verifying and supporting 2020 EECRF rate case expenses associated with the
 4 participation of the City of Houston (“COH”).

5 **Q. WAS YOUR TESTIMONY AND THE EXHIBITS ATTACHED THERETO**
 6 **PREPARED BY YOU OR UNDER YOUR DIRECT SUPERVISION AND**
 7 **CONTROL?**

8 A. Yes.

9 **Q. HOW DOES YOUR TESTIMONY RELATE TO THE DIRECT**
 10 **TESTIMONY OF ANY OTHER WITNESS?**

11 A. Company witness John Durland’s testimony focuses on the design of the tariff and
 12 calculation of the rates for the 2022 Rider EECRF. Together, with the affidavits
 13 attached to my testimony, our two testimonies demonstrate that the Company has
 14 complied with the requirements of the Commission’s energy efficiency rules, 16
 15 Tex. Admin. Code (“TAC”) §§ 25.181 and 25.182.

16 **Q. PLEASE SUMMARIZE THE COSTS REQUESTED BY THE COMPANY**
 17 **IN THIS CASE.**

18 A. CenterPoint Houston requests approval to recover a total of \$63,367,922 through
 19 its 2022 Rider EECRF. The requested amount is derived as described below and
 20 in the testimony of Mr. Durland, and consists of: (1) estimated 2022 energy
 21 efficiency program costs of \$37,713,993; (2) an earned performance bonus for 2020
 22 program achievements of \$22,021,388; (3) \$69,063 in 2020 EECRF rate case
 23 expenses; (4) \$539,688 in evaluation, measurement and verification (“EM&V”)

costs for 2022; (5) a charge of \$2,930,333 for the under-recovery of 2020 program costs and (6) a charge of \$93,456 for calculated interest on the under-recovery.

II. THE COMMISSION'S ENERGY EFFICIENCY RULES

Q. WOULD YOU PLEASE PROVIDE A SUMMARY OF THE ANNUAL ENERGY EFFICIENCY GOALS PRESCRIBED BY COMMISSION RULES?

A. 16 TAC § 25.181(e) requires investor-owned utilities to achieve savings goals through market-based standard offer programs ("SOPs") and limited, targeted, market transformation programs ("MTPs"). Specifically, the rule requires a 0.4% reduction of the electric utility's annual peak demand of residential and commercial customers for the 2014 program year and for subsequent program years. 16 TAC § 25.181(h) and (i) set forth the requirements for the SOPs and MTPs.

Q. ARE THERE ANY LIMITS ON WHAT THE COMPANY MAY SPEND IN ORDER TO ACHIEVE THESE GOALS?

A. Yes. 16 TAC § 25.182(d)(7) states that the sum of energy efficiency costs shall not exceed the following:

- For residential customers for program year 2018, \$0.001263 per kWh increased or decreased by a rate equal to the 2016 calendar year's percentage change in the South urban consumer price index ("CPI"), as determined by the Federal Bureau of Labor Statistics; and
- For commercial customers for program year 2018, rates designed to recover revenues equal to \$0.000790 per kWh increased or decreased by a rate equal to the 2016 calendar year's percentage change in the South urban CPI, as

1 determined by the Federal Bureau of Labor Statistics times the aggregate of
2 all eligible commercial customers' kWh consumption.

- 3 • For the 2019 program year and thereafter, the residential and commercial
4 cost caps shall be calculated to be the prior period's cost caps increased or
5 decreased by a rate equal to the most recently available calendar year's
6 percentage change in the South urban CPI, as determined by the Federal
7 Bureau of Labor Statistics.

8 **Q. IS THE COMPANY ADMINISTERING ITS ENERGY EFFICIENCY**
9 **PROGRAMS IN COMPLIANCE WITH THE COMMISSION'S RULES?**

10 A. Yes.

11 **Q. IS THE AMOUNT THAT CUSTOMERS WILL BE REQUIRED TO PAY AS**
12 **A RESULT OF THE COMPANY'S EECRF REQUEST LESS THAN THE**
13 **BUDGET CAP IMPOSED BY 16 TAC § 25.182(d)(7)?**

14 A. Yes. If the Company's request is approved as filed, the 2022 Residential monthly
15 per-customer EECRF charge will be \$0.000983 per kWh, Secondary Service Less
16 than or Equal to 10 kVA will be \$0.001072 per kWh, Secondary Service Greater
17 than 10 kVA will be \$0.000739 per kWh, Primary Service will be \$.001930 per
18 kWh, and Transmission Service – Non-Profit Governmental will be \$0.000227 per
19 kWh.

20 **Q. HAVE THERE BEEN ANY CHANGES TO PURA § 39.905 OR THE**
21 **COMMISSION'S ENERGY EFFICIENCY RULES SINCE THE**
22 **COMPANY'S LAST EECRF FILING?**

23 A. No.

III. CENTERPOINT HOUSTON'S CURRENT AND FUTURE ENERGY EFFICIENCY PROGRAMS

Q. PLEASE DESCRIBE THE ENERGY EFFICIENCY PROGRAMS CENTERPOINT HOUSTON CURRENTLY OFFERS.

A. CenterPoint Houston currently offers eighteen energy efficiency programs. These programs target broad market segments as well as specific market sub-segments and technologies. Six programs target the Company's commercial customers, nine programs involve residential customers, and three programs serve the hard-to-reach ("HTR") class. The eighteen current programs are listed as follows:

1. Commercial SOP
2. Commercial Load Management SOP
3. Commercial High Efficiency Foodservice MTP (Pilot)
4. Retro-Commissioning MTP Retail Electric Provider ("REP")
5. REP MTP (Commercial CoolSaver)
6. CenterPoint Energy High Efficiency Homes MTP
7. Advanced Lighting MTP
8. Midstream MTP (HVAC and Pool Pump Distributor)
9. REP MTP (Residential CoolSaver and Efficiency Connection)
10. Smart Thermostat Program
11. Multi-Family Market Rate MTP
12. Residential Load Management SOP
13. Residential & Small Commercial SOP
14. Hard-to-Reach SOP
15. Multi-Family MTP HTR
16. Targeted Low Income MTP (Agencies in Action)
17. Smart Home Energy Management System (Pilot)
18. Commercial MTP (SCORE, Healthcare, Data Center)

A description of each program can be found in Section I of Exhibit SAR-1.

1 **Q. DOES CENTERPOINT HOUSTON OFFER ENERGY EFFICIENCY**
2 **PROGRAMS TO ALL OF ITS ELIGIBLE CUSTOMERS?**

3 A. Yes. CenterPoint Houston’s energy efficiency programs meet the Commission’s
4 requirement in 16 TAC § 25.181(a)(2) that all eligible customers “have a choice of
5 and access to the utility’s portfolio of energy efficiency programs that allow each
6 customer to reduce energy consumption, summer and winter peak demand, or
7 energy costs.”

8 **Q. WILL CENTERPOINT HOUSTON OFFER THE SAME 2021 ENERGY**
9 **EFFICIENCY PROGRAMS IN 2022?**

10 A. In 2022, the Company will offer its current portfolio of energy efficiency programs
11 with the exception of the Smart Home Energy Management System Pilot.

12 **Q. WHAT IS THE COMPANY’S 2022 ENERGY EFFICIENCY PROGRAM**
13 **BUDGET?**

14 A. The total 2022 program budget amount reflected in Table 6 of Section IV of
15 Exhibit SAR-1 is \$37,713,993, excluding EM&V costs.

16 **Q. HOW DID CENTERPOINT HOUSTON DETERMINE THE BUDGET FOR**
17 **ITS ENERGY EFFICIENCY PROGRAMS IN 2022?**

18 A. Several factors went into the determination of CenterPoint Houston’s 2022 energy
19 efficiency budget. First and foremost, CenterPoint Houston must meet the
20 requirements set forth in PURA § 39.905¹ and 16 TAC § 25.181. The key
21 requirements of the statute and rule can be summarized as follows:

- 22 • Meet a demand goal of a 0.4% reduction of peak demand;

¹ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (Supp.).

- 1 • Meet an energy goal based on a 20% capacity factor applied to the demand
- 2 goal;
- 3 • Achieve savings for HTR customers of at least 5% of the total demand goal;
- 4 • Offer programs to all eligible customer classes;
- 5 • Ensure programs are cost-effective;
- 6 • Budget not less than 10% of the energy efficiency program on the targeted
- 7 low-income energy efficiency program; and
- 8 • Spend up to 15% of total program cost on program administration and up to
- 9 10% of costs on research and development (“R&D”) but spend no more
- 10 than 20% on program administration and R&D combined.

11 Other key factors that played a role in establishing CenterPoint Houston’s 2022
 12 energy efficiency budget included:

- 13 • Maintaining the continuity of SOPs and MTPs;
- 14 • Responding to market and customer needs;
- 15 • Positioning CenterPoint Houston to meet future goals through R&D and
- 16 pilot program investments; and

17 Additional details of CenterPoint Houston’s 2022 energy efficiency budget can be
 18 found in Exhibit SAR-1.

19 **Q. PLEASE EXPLAIN THE BASIS FOR THE \$3,815,289 OF ESTIMATED**
 20 **2022 ADMINISTRATION COSTS AS SHOWN ON TABLE 6 OF**
 21 **EXHIBIT SAR-1.**

22 A. The estimated administration costs include labor to administer the programs,
 23 outreach for those programs, and verification activities. To estimate the 2022 costs,

1 I started with 2020 actual costs, adjusted those costs to account for program changes
 2 in 2021 and the labor to run those programs, and then further adjusted those 2021
 3 costs based on expected 2022 programs to meet 2022 goals as well as future goal
 4 requirements. The budgeted amount is less than the 20% limit on administration
 5 and R&D combined costs provided by the Commission's Substantive Rules as
 6 shown below.

7 **Q. PLEASE EXPLAIN THE BASIS FOR THE \$500,000 OF ESTIMATED 2022**
 8 **R&D COSTS AS SHOWN ON TABLE 6 OF EXHIBIT SAR-1.**

9 A. To stimulate the market for new energy efficiency technologies, the Company
 10 budgeted that amount for the continuation of R&D projects in 2022. Current R&D
 11 projects are described on page 18 of Exhibit SAR-1. That budgeted amount is
 12 reasonable based on prior years' budgets and possible new programs and is less
 13 than the 10% limit on recoverable R&D costs provided by the Commission's
 14 Substantive Rules. CenterPoint Houston will continue to pursue new technologies
 15 and processes that can help the Company deliver cost-effective energy savings. As
 16 in past years, additional projects may be added during the 2022 program year as
 17 needed or as demand increases.

18 **Q. FOR THE 2022 ENERGY EFFICIENCY PROGRAM YEAR, ARE**
 19 **CENTERPOINT HOUSTON'S BUDGETED ADMINISTRATIVE AND**
 20 **R&D COSTS OF \$4,315,289 LOWER THAN THE COST CAPS REQUIRED**
 21 **BY 16 TAC § 25.181(g)?**

22 A. Yes. 16 TAC § 25.181(g) requires that in a program year:

- 23 • Administrative costs shall not exceed 15% of total program costs;

- R&D costs shall not exceed 10% of total program costs; and
- Cumulative administrative and R&D costs shall not exceed 20% of total program costs.

The table below compares CenterPoint Houston's planned administrative and R&D costs in 2022 to the budget for total program expenditures. As shown on the table, the Company's planned expenditures are within the cost caps set forth in 16 TAC § 25.181(g).

| Year | Budgeted Administration Costs | Budgeted Administration + R&D Costs | Total Budget | Admin. Costs as % of Total | Admin. + R&D as % of Total |
|------|-------------------------------|-------------------------------------|--------------|----------------------------|----------------------------|
| 2022 | \$3,815,289 | \$4,315,289 | \$37,713,993 | 10% | 11% |

Q. WHAT SAVINGS WILL OCCUR IF THE COMPANY SUCCESSFULLY IMPLEMENTS ITS PLANNED ENERGY EFFICIENCY PROGRAMS IN 2022?

A. The Company projects program savings at the meter of 183 MW and 214 MWh for 2022. Please see Table 5 in Exhibit SAR-1 for additional detail.

Q. PLEASE COMMENT ON THE OVERALL COST-EFFECTIVENESS OF CENTERPOINT HOUSTON'S 2022 ENERGY EFFICIENCY PROGRAMS.

A. The average cost of peak demand reduction expected by CenterPoint Houston's programs in 2022 is projected to be approximately \$37 per kW.² While cost-effectiveness can be impacted by factors such as fluctuations in avoided cost, higher

² Total Projected Program Spend in 2022 divided by Projected Demand Savings using a 5.5 year estimated useful life.

1 baselines, and changes in market conditions, the Company believes that its energy
2 efficiency portfolio will remain cost-effective in 2022 and continue to deliver net
3 economic benefits to ratepayers.

4 **IV. CENTERPOINT HOUSTON'S 2020 ENERGY EFFICIENCY PROGRAMS**

5 **Q. WHAT FACTORS HAVE BEEN IDENTIFIED BY THE COMMISSION AS**
6 **RELEVANT TO THE EVALUATION OF ENERGY EFFICIENCY**
7 **PROGRAM COSTS?**

8 A. 16 TAC § 25.182(d)(11) identifies certain factors that are to be addressed in the
9 evaluation of program costs. I address each of these factors below.

10 **Q. CAN YOU PROVIDE A BRIEF SUMMARY OF HOW CENTERPOINT**
11 **HOUSTON HAS DEVELOPED AND IMPLEMENTED ITS ENERGY**
12 **EFFICIENCY PROGRAM PORTFOLIO?**

13 A. The Company has been developing and implementing an energy efficiency
14 program portfolio since 2002 when the Texas Legislature began requiring utilities
15 to achieve savings equal to a 10% reduction in annual growth in demand for
16 residential and commercial customers. In 2005, a result of a settlement in its then
17 pending base rate case,³ CenterPoint Houston's existing programs were expanded
18 to include additional low-income and HTR programs. Since 2009, following the
19 Texas Legislature's direction related to increasing goals, these programs have been
20 expanded further. Throughout the life of its program portfolio, the Company has
21 consistently and diligently followed Commission rule requirements, solicited

³ See *Petition by Commission Staff for a Review of the Rates of CenterPoint Energy Houston Electric LLC Pursuant to PURA § 36.151*, Docket No. 32093 (Sept. 5, 2006).

1 program participants and stakeholders for feedback on market demands and needs
2 (both inside and outside of the Energy Efficiency Implementation Project process),
3 and developed an annual review process for assessing accomplishments and
4 challenges in individual programs. In recent years, this annual review has taken
5 place after the close of the calendar year while the Company was preparing its
6 annual EEPR filing, allowing the Company to annually assess the effectiveness of
7 the program portfolio and make necessary changes in order to maintain successful
8 and cost-effective programs.

9 **Q. PLEASE ASSESS THE OVERALL SUCCESS OF AND BENEFITS**
10 **PROVIDED BY CENTERPOINT HOUSTON'S ENERGY EFFICIENCY**
11 **PROGRAMS.**

12 A. CenterPoint Houston's energy efficiency programs have performed well and
13 achieved significant benefits. The Company has exceeded its energy efficiency
14 goal each year since the inception of the initial rules. In 2020, over 50,000
15 participants benefited from the programs. Demand was reduced by 171 MWs and
16 energy savings were over 189,587 MWHs. The Company achieved 273% of the
17 statutory peak demand reduction goal and 172% of the energy goal. CenterPoint
18 Houston's low-income customers also benefited greatly from the Company's
19 energy efficiency program in 2020, with \$5,081,748 out of total expenditures of
20 \$36,001,242 (approximately 14%) going to low-income programs. 5,430 low-
21 income customers participated in 2020 programs, and these customers will enjoy
22 projected electric savings that total more than 5.8 MW and 9,787 MWH.

1 **Q. WHAT WERE CENTERPOINT HOUSTON'S ENERGY EFFICIENCY**
2 **PROGRAM COSTS IN 2020?**

3 A. \$36,001,242. The Company's historical program costs are provided on Table 11
4 of the 2021 EEPR, Exhibit SAR-1.

5 **Q. WERE THE COMPANY'S ENERGY EFFICIENCY PROGRAM COSTS**
6 **LESS THAN OR EQUAL TO THE AVOIDED COST OF THOSE**
7 **PROGRAMS, AS CALCULATED PER SUBSECTION (d) OF 16 TAC**
8 **§ 25.181?**

9 A. Yes. In 2020, the total energy efficiency program costs were less than the avoided
10 cost of those programs, resulting in positive total benefits to ratepayers. The overall
11 benefit-cost ratio of the Company's portfolio was 6.09, and all of CenterPoint
12 Houston's programs were cost-effective with the exception of the Smart Home
13 Energy Management System Pilot. The Company has not claimed savings
14 associated with this pilot for program year 2020 as analysis is still underway to
15 determine the impacts associated with the smart home technology delivered
16 through the pilot. CenterPoint Houston expects the pilot to deliver verifiable energy
17 savings at its conclusion in 2021. Beginning in 2022, smart home measures that
18 have shown to produce cost-effective energy savings will be incorporated into the
19 CenterPoint High Efficiency Home Program.

1 **Q. HOW DID CENTERPOINT HOUSTON DETERMINE THE COST-**
 2 **EFFECTIVENESS OF ITS 2020 PROGRAMS?**

3 A. The Company calculated total avoided costs based on the evaluated demand and
 4 energy savings and estimated useful life of each measure and applied an avoided
 5 capacity cost of \$80 per kW-year and avoided energy costs of \$0.11366 per kWh-
 6 year. As prescribed in 16 TAC § 25.181(d)(1), the total program costs used in this
 7 calculation included incentives, EM&V costs, administrative and R&D costs, and
 8 awarded shareholder bonus⁴.

9 **Q. HAVE CENTERPOINT HOUSTON’S SAVINGS BEEN ACHIEVED IN A**
 10 **MANNER THAT IS CONSISTENT WITH THE COST-EFFECTIVENESS**
 11 **STANDARD IN 16 TAC § 25.181?**

12 A. Yes. The Company’s portfolio of programs exceeds CenterPoint Houston’s energy
 13 efficiency goals while staying within the costs caps established under 16 TAC
 14 § 25.182(d)(7).

15 **Q. WHAT DO PURA § 39.905 AND 16 TAC § 25.182 SAY ABOUT THE**
 16 **MATCHING OF COSTS AND REVENUE?**

17 A. PURA § 39.905(b-1) is set out below.

18 The energy efficiency cost recovery factor under Subsection (b)(1)
 19 may not result in an over-recovery of costs but may be adjusted each
 20 year to change rates to enable utilities to match revenues against
 21 energy efficiency costs and any incentives to which they are granted.
 22 The factor shall be adjusted to reflect any over-collection or under-
 23 collection of energy efficiency cost recovery revenues in previous
 24 years.

⁴ The shareholder bonus awarded for performance in program year 2018 (and collected in 2020) was applied as a cost to determine the cost-effectiveness of 2020 programs.

1 This provision calls for a process of setting rates to match revenues and costs of the
2 energy efficiency program. In this context, the first sentence, which states that an
3 EECRF may not result in an over-recovery of costs, suggests the kind of process
4 that the Commission has established in 16 TAC § 25.182, in which rates are
5 adjusted on an annual basis. This annual adjustment process prevents the over-
6 recovery of energy efficiency program costs. Among the provisions of 16 TAC
7 § 25.182 that address the matching issue in PURA § 39.905(b-1) are provisions that
8 require the review of key rate elements in each EECRF, namely, estimated costs in
9 16 TAC § 25.182 (d)(10)(A), calculations of over- or under-recovery of costs in
10 subsection (d)(10)(D), cost allocations in subsection (d)(10)(F), and estimated
11 billing determinants in subsection (d)(10)(E).

12 **Q. HAVE CENTERPOINT HOUSTON'S COSTS AND REVENUES**
13 **MATCHED?**

14 A. Yes. As detailed below and in the testimony of Mr. Durland, in 2020 CenterPoint
15 Houston had an under-recovery of \$2,930,333 on \$37,281,888 of energy efficiency-
16 related program expenditures. Including the interest calculated on the under-
17 recovery, the Company proposes to recover \$924,015 in under-collection for 2020
18 residential programs and billing to residential customers and to collect \$2,099,774
19 in under-collection for 2020 commercial programs and billing to commercial
20 customers.

1 **Q. HAVE LINE LOSSES BEEN FACTORED INTO THE CALCULATION OF**
2 **THE COMPANY’S GOALS?**

3 A. Yes. The line loss values approved in the latest CenterPoint Houston’s rate case,
4 Docket No. 49421, were incorporated into the peak demand values used to calculate
5 the MW goal. Line loss values for each rate class were weighted according to 2020
6 program participation to arrive at a cumulative line loss of 5.76%.⁵

7 **Q. HAVE ANY EXISTING MARKET CONDITIONS IN THE COMPANY’S**
8 **SERVICE TERRITORY AFFECTED CENTERPOINT HOUSTON’S**
9 **ENERGY EFFICIENCY COSTS?**

10 A. While CenterPoint Houston has been able to keep its program costs low and
11 maintain the cost effectiveness of its programs, market conditions are gradually
12 increasing costs and requiring the diversification of measures offered through
13 energy efficiency programs. Higher baselines, updates to deemed savings within
14 the Texas Technical Reference Manual, and the overall adoption of efficient
15 equipment are factors that erode potential savings for traditional energy efficiency
16 measures such as lighting, and the Company must pursue new technologies and
17 approaches to delivering energy savings. Examples of these opportunities include
18 smart home technology and midstream incentives for commercial equipment.

⁵ Refer to SARWP1 for detailed line loss calculation.

1 **Q. WERE THE ENERGY EFFICIENCY COSTS INCURRED BY**
2 **CENTERPOINT HOUSTON CONSISTENT WITH THE ACHIEVEMENTS**
3 **OF ITS ENERGY EFFICIENCY PROGRAMS IN 2020?**

4 A. Yes. CenterPoint Houston's programs produced \$220,213,884 in net benefits in
5 2020. Since 2002, CenterPoint Houston's programs have produced more than \$1
6 billion in total net benefits for customers in the Company's service area.

7 **Q. HOW DO CENTERPOINT HOUSTON'S COSTS COMPARE TO COSTS**
8 **IN OTHER MARKETS WITH SIMILAR CONDITIONS?**

9 A. CenterPoint Houston's portfolio of programs is the lowest cost, on a total dollar-
10 per-kW achieved basis, of all the ERCOT utilities.⁶

11 **Q. HAVE ANY CIRCUMSTANCES CHANGED IN THE COMPANY'S**
12 **SERVICE TERRITORY THAT AFFECTED CENTERPOINT HOUSTON'S**
13 **ABILITY TO IMPLEMENT ANY OF ITS ENERGY EFFICIENCY**
14 **PROGRAMS?**

15 A. The COVID-19 pandemic has created challenges with respect to the
16 implementation of the Company's energy efficiency programs. Most notably, in
17 2020, hospital participation was impacted and other commercial energy efficiency
18 activities, such as data center projects, experienced delays and supply shortages due
19 to the pandemic. COVID-19 also negatively affected the participation in the
20 Company's Residential REP MTP. Despite the difficulties presented by the
21 pandemic, CenterPoint Houston was able to continue the implementation of all

⁶ Refer to SARWP2 for a detailed calculation of portfolio costs versus other ERCOT utilities.

1 programs in the Company's portfolio and a strong pipeline continues to exist for
2 both residential and commercial projects.

3 **Q. HOW DID THE NUMBER OF ENERGY EFFICIENCY SERVICE**
4 **PROVIDERS OPERATING IN THE COMPANY'S TERRITORY AFFECT**
5 **ITS ABILITY TO IMPLEMENT PROGRAMS IN 2020?**

6 A. In 2020, despite COVID-19, interest and participation in CenterPoint Houston's
7 energy efficiency programs remained steady, and the number of available service
8 providers remains sufficient for the Company to meet its goals. CenterPoint
9 Houston continues to encourage the growth of service providers in its territory
10 through outreach, training, and program workshops.

11 **Q. DID THE COMPANY'S PROGRAMS INCORPORATE**
12 **RECOMMENDATIONS MADE BY THE EM&V CONTRACTOR?**

13 A. Yes, CenterPoint Houston has implemented applicable recommendations provided
14 in the EM&V Contractor's Statewide Energy Efficiency Portfolio Reports. The
15 Company also adjusted the 2020 peak demand and energy savings for the
16 Commercial SOP, the Commercial MTP, the Retro-Commissioning MTP, and the
17 Hard-to-Reach SOP based on the EM&V Contractor's review of project impacts.

18 **Q. CAN YOU DESCRIBE THE COMPANY'S BIDDING AND ENGAGEMENT**
19 **PROCESS FOR CONTRACTING WITH PROGRAM IMPLEMENTERS**
20 **AND/OR PROGRAM ADMINISTRATORS?**

21 A. The selection process for energy efficiency program implementers and/or program
22 administrators is governed by the Company's Purchasing Policy. CenterPoint
23 Houston's Purchasing Policy (May 31, 2016) states:

1 Competitive bidding is required for all purchases that equal or
 2 exceed \$50,000. As part of that process, if there are compelling
 3 business reasons to forgo the bidding process and award a sole
 4 source contract, or if competitive bids have been received and
 5 evaluated, and a decision is made not to award the ensuing purchase
 6 to the lowest evaluated bidder, CNP Purchasing and the requisition
 7 initiator must agree on and document the decision in sufficient detail
 8 to justify it. The requisition, including the sole source or premium
 9 justification documentation, must be properly approved by the next
 10 authorization level above that is required for the transaction in the
 11 Authorization Policy.

12 The steps to the formal competitive bid process, which may vary slightly depending
 13 on the nature of the project, are outlined below:

- 14 1. Secure Authorization for the purchase per Authorization Policy;
- 15 2. Collaborate with Client to define the Scope of Work/Specifications,
 16 including:
 - 17 a) Contract Value and Term,
 - 18 b) Compensation basis, and
 - 19 c) Contract form & format
- 20 3. Determine performance metrics/service level agreement;
- 21 4. Develop Request for Proposal (“RFP”) Document;
- 22 5. Create Bid Sheet or Salary/Task Matrix;
- 23 6. Determine the Evaluation Criteria and weights (weights are not
 24 disclosed to RFP participants);
- 25 7. Establish Contract Documents (Terms and Conditions, Compensation
 26 Schedule, Non-Disclosure Agreement, Supplier Diversity Documents);
- 27 8. Pre-qualify Bidders (include MWBEs or justify exclusion);
- 28 9. Distribute RFP Document via electronic sourcing system (ESO);

- 1 10. Pre-Bid Conference (optional);
 - 2 11. Close of Vendor Questions;
 - 3 12. Proposal Submittal;
 - 4 13. Proposal Evaluation;
 - 5 14. Determine “Short List” (optional);
 - 6 15. Vendor Presentations/Site Visit (optional);
 - 7 16. Preliminary Award;
 - 8 17. Contract Negotiation;
 - 9 18. Final Award;
 - 10 19. Executive Approval; and
 - 11 20. Implementation.
- 12 **Q. HOW DOES THE BIDDING PROCESS DESCRIBED ABOVE FOSTER**
13 **COMPETITION AMONG ENERGY EFFICIENCY SERVICE**
14 **PROVIDERS, AS REQUIRED BY 16 TAC § 25.181(g)(2)?**
- 15 A. The bidding process provides implementers with the opportunity to compete for
16 contracts on a level playing field and incentivizes them to propose quality programs
17 and services at the lowest rates possible. Through the development of a detailed
18 RFP and a thorough review of each bid, CenterPoint Houston can determine which
19 vendor provides the lowest cost solution that meets the Company’s needs. This
20 process promotes competition among service providers and ultimately provides
21 value to ratepayers through the delivery of cost-effective energy savings.

1 **Q. HAS CENTERPOINT HOUSTON PROVIDED A LIST OF ALL ENERGY**
2 **EFFICIENCY SERVICE PROVIDERS IN THIS FILING CONSISTENT**
3 **WITH 16 TAC § 25.182(d)(10)(K)’S DIRECTION?**

4 A. Yes, a confidential list of all energy efficiency service providers can be found in
5 my workpapers.⁷

6 **Q. CAN YOU SPEAK TO HOW CENTERPOINT HOUSTON HAS**
7 **EVALUATED CUSTOMER PARTICIPATION IN ITS PROGRAMS AND**
8 **IMPLEMENTED CHANGES TO GENERATE MORE PARTICIPATION**
9 **OR TRANSFORM THE MARKET FOR THE COMPANY’S PROGRAMS?**

10 A. CenterPoint Houston continues to review its programs on an annual basis to
11 determine if adjustments are needed to generate more participation. CenterPoint
12 Houston reviews participation levels at both the program and measure
13 level. Program adjustments can include raising or lowering incentive payments,
14 adding or removing measures or instituting new program rules based on changes in
15 market conditions and/or Commission rules. The Company has also reduced
16 market barriers by adding program offerings that target specific customer segments
17 such as schools, faith-based organizations, healthcare facilities, data centers, and
18 new for 2021, a mid-stream commercial food service program.

⁷ Refer to SARWP3 – Confidential Energy Efficiency Service Providers.

1 **Q. HAS CENTERPOINT HOUSTON SET ITS INCENTIVE PAYMENTS**
2 **WITH THE OBJECTIVE OF ACHIEVING ITS ENERGY AND DEMAND**
3 **GOALS AT THE LOWEST REASONABLE COST PER PROGRAM?**

4 A. Yes. Through the annual review process described above, the Company
5 consistently evaluates its incentive payment levels to ensure that its programs are
6 provided at the lowest reasonable cost.

7 **Q. HAS THE COMPANY CONDUCTED OUTREACH TO REPS IN**
8 **COMPLIANCE WITH 16 TAC § 25.181(r)?**

9 A. Yes, CenterPoint Houston has conducted outreach to REPs, and where possible,
10 continues to seek increased participation of REPs in the Company's energy
11 efficiency programs. In 2020, 14 REPs participated in CenterPoint Houston's REP
12 Program by marketing energy savings products and services to residential and
13 commercial customers. The Company will continue in its efforts to conduct
14 outreach to REPs and, where possible, seek increased participation.

15 **Q. CAN YOU SPEAK TO THE REASONABLENESS OF CENTERPOINT**
16 **HOUSTON'S R&D AND ADMINISTRATIVE COSTS IN 2020?**

17 A. In 2020, the Company incurred \$318,228 in R&D costs and \$3,540,755 in
18 administrative costs. The combined R&D and administrative cost total of
19 \$3,858,983 were well below the 20% cap of total program costs required in 16 TAC
20 § 25.181(g). The table below compares administration costs to the 2020 actual
21 level of total program costs.

| Year | Administration Costs | Administration + R&D Costs | 2020 Program Costs | Admin. Costs as % of Total | Admin. + R&D as % of Total |
|------|----------------------|----------------------------|--------------------|----------------------------|----------------------------|
| 2020 | \$3,540,755 | \$3,858,983 | \$36,001,242 | 9.84% | 10.71% |

1 In summary, the total administrative costs are well below the caps established by
2 the statute and the rule.

3 **Q. HAS THE COMPANY COMPLIED WITH ANY OTHER RELEVANT**
4 **COMMISSION RULES WITH RESPECT TO ITS HISTORICAL EECRF**
5 **PROGRAM EXPENDITURES?**

6 A. Yes. As detailed in the attached affidavit of Ms. Mary Kirk at Exhibit SAR-3, the
7 Company's books and records have been maintained at all times in accordance with
8 the FERC Uniform System of Accounts, as prescribed by PURA § 14.151, and
9 meet all applicable requirements of 16 TAC § 25.72.

10 **V. PROGRAMS FOR HARD-TO-REACH AND LOW-INCOME CUSTOMERS**

11 **Q. WHAT ARE THE COMMISSION'S REQUIREMENTS REGARDING**
12 **PROGRAM SAVINGS ASSOCIATED WITH HTR CUSTOMERS?**

13 A. 16 TAC § 25.181(e)(3)(F) requires that savings achieved through programs for
14 HTR customers shall be no less than 5.0% of the utility's total demand reduction
15 goal.

16 **Q. DID CENTERPOINT HOUSTON MEET THE COMMISSION'S HTR**
17 **REQUIREMENTS IN 2020?**

18 A. Yes. In 2020, the Company spent \$5,081,748 on programs for HTR customers
19 resulting in a savings of 5.85 MW, which is more than 5.0% of the Company's HTR
20 demand reduction goal of 3.1 MW.

1 **Q. WILL THE COMPANY MEET ITS HTR REQUIREMENT IN 2022?**

2 A. Yes. The Company has budgeted to spend \$5,626,923 on programs for HTR
3 customers. The Company anticipates this investment will result in 6.1 MW in
4 savings, which is more than 5.0% of the Company's demand reduction goal.

5 **Q. WHAT ARE THE COMMISSION'S REQUIREMENTS WITH RESPECT**
6 **TO SPENDING ON PROGRAMS FOR LOW-INCOME CUSTOMERS?**

7 A. Under PURA § 39.905(f) and 16 TAC § 25.181(p), each unbundled transmission
8 and distribution utility shall include in its energy efficiency plan a targeted low-
9 income energy efficiency program, including the following requirements:

- 10 • Each utility shall ensure that annual expenditures for the targeted low-
11 income energy efficiency program are not less than 10% of the utility's
12 energy efficiency budget for the program year.
- 13 • The utility's targeted low-income program shall incorporate a whole-house
14 assessment that will evaluate all applicable energy efficiency measures for
15 which there are commission-approved deemed savings. The cost-
16 effectiveness of measures eligible to be installed and the overall program
17 shall be evaluated using the Savings-to-Investment (SIR) ratio.
- 18 • Any funds that are not obligated after July of a program year may be made
19 available for use in the HTR program.

20 **Q. DID CENTERPOINT HOUSTON MEET ITS TARGETED LOW-INCOME**
21 **ENERGY EFFICIENCY PROGRAM REQUIREMENTS IN 2020?**

22 A. Yes. The Company met the requirements of PURA § 39.905(f). Targeted low-
23 income spending was 11.3% of total spending in 2020.

1 **Q. DOES THE COMPANY ANTICIPATE THAT IT WILL MEET THE**
2 **TARGETED LOW-INCOME ENERGY EFFICIENCY PROGRAM**
3 **REQUIREMENTS IN 2022?**

4 A. Yes. CenterPoint Houston estimates that it will spend \$4,447,251 on targeted low-
5 income programs in 2022, which is 12% of the Company's total 2022 estimate for
6 all energy efficiency programs.

7 **VI. UNDER-RECOVERY OF PROGRAM COSTS**

8 **Q. DO THE COMMISSION'S RULES REQUIRE AN ELECTRIC UTILITY**
9 **TO ADJUST ITS EECRF FOR THE OVER- OR UNDER-RECOVERY OF**
10 **PROGRAM COSTS?**

11 A. Yes. 16 TAC § 25.182(d)(10)(D) states that a utility must include in its EECRF
12 application the amount of any over- or under-recovery of energy efficiency program
13 costs whether collected through base rates or the EECRF.

14 **Q. DID CENTERPOINT HOUSTON OVER- OR UNDER-RECOVER**
15 **PROGRAM COSTS FOR ITS 2020 PROGRAMS AND BILLING?**

16 A. CenterPoint Houston under-recovered program costs and billing in 2020. The total
17 under-recovered amount is \$2,930,333.

18 **Q. WHY DID CENTERPOINT HOUSTON UNDER-RECOVER \$2,930,333 IN**
19 **PROGRAM COSTS AND BILLING IN 2020?**

20 A. The Company's 2020 program costs of \$36,001,242 were approximately
21 \$1.8 million under the planned program costs of \$37,820,991. CenterPoint
22 Houston's total 2020 energy efficiency-related costs were \$37,281,888 which
23 include program expenditures of \$36,001,242, EM&V costs of \$550,514, a prior

1 period over-recovery of \$6,101,507, a 2018 performance bonus of \$6,738,428, and
 2 2018 rate case expenses of \$93,211. However, the Company's 2020 EECRF rates
 3 were designed to collect \$3,700,000 less than the approved total of \$37,820,991 in
 4 an effort to reduce the possibility that CenterPoint Houston might over-recover
 5 energy efficiency costs during the 2020 program year. The \$3,700,000 adjustment
 6 to the EECRF rate calculation achieved its intended result as total EECRF revenues
 7 collected were only \$34,351,554. Accordingly, the 2020 Rider EECRF under-
 8 recovered the Commission's approved 2020 EECRF costs by \$2,930,333.

9 **Q. HOW DOES THE COMPANY PROPOSE TO ADDRESS THE UNDER-**
 10 **RECOVERY OF 2020 PROGRAM COSTS IN THE 2022 RIDER EECRF?**

11 A. As discussed in the direct testimony of Mr. Durland and shown in his
 12 accompanying workpapers, the Company proposes to recover \$924,015 from
 13 residential customers and \$2,099,774 in under-collected costs from commercial
 14 customers. Please see Mr. Durland's direct testimony for further detail.

15 **VII. ENERGY EFFICIENCY PERFORMANCE BONUS**

16 **Q. WHAT DOES 16 TAC § 25.182 PROVIDE REGARDING AN ELECTRIC**
 17 **UTILITY'S ABILITY TO EARN AN ENERGY EFFICIENCY**
 18 **PERFORMANCE BONUS?**

19 A. 16 TAC § 25.182(e) states that a utility that exceeds its demand reduction goal and
 20 does not exceed the cost cap "*shall* be awarded a performance bonus."⁸ The
 21 EECRF Rule states that the performance bonus shall equal 1% of the net benefits
 22 the utility's energy efficiency programs achieve for every 2% that the utility

⁸ Emphasis added.

1 exceeds the demand reduction goal, up to a maximum of 10% of the utility's total
2 net benefits.

3 **Q. DOES CENTERPOINT HOUSTON QUALIFY FOR A PERFORMANCE**
4 **BONUS BASED ON ITS 2020 ENERGY EFFICIENCY PROGRAMS?**

5 A. Yes. CenterPoint Houston achieved over 270% of its 2020 goal, and costs were
6 well within the avoided cost limits defined by 16 TAC § 25.181. Net benefits
7 (avoided cost minus program costs) generated by the 2020 programs totaled
8 \$220,213,884. The Company's program costs in 2020 were \$36,001,242, and after
9 applying program year 2020 EM&V costs, 2020 rate case expenses, and the prior
10 year's awarded performance bonus, the total cost used to determine the 2020
11 performance bonus is \$43,337,156. CenterPoint Houston is therefore requesting a
12 performance bonus of \$22,021,388.

13 **Q. HOW WAS THE AMOUNT OF THE REQUESTED PERFORMANCE**
14 **BONUS CALCULATED?**

15 A. A detailed performance bonus calculation can be found in my workpapers and is
16 also discussed by Mr. Durland.

1 Q. IS THE CALCULATION USED TO DETERMINE CENTERPOINT
2 HOUSTON'S PROPOSED ENERGY EFFICIENCY PERFORMANCE
3 BONUS CORRECT AND CONSISTENT WITH THE METHODOLOGY
4 APPROVED BY THE COMMISSION IN DOCKET NO. 48297,
5 COMMISSION STAFF'S PETITION FOR A DECLARATORY ORDER
6 INTERPRETING 16 TAC § 25.181?

7 A. It is. Docket No. 48297 requires that prior year performance bonus be included as
8 a cost when determining net benefits for the bonus calculation, and the Company
9 has included the \$6,738,428 performance bonus awarded for the 2018 program year
10 (collected in 2020).

11 **VIII. EM&V AND RATE CASE EXPENSES**

12 Q. CAN YOU SPEAK TO THE EM&V COSTS INCLUDED IN THE
13 COMPANY'S FILING?

14 A. Yes. 16 TAC § 25.181 was amended in 2012 to include a new subsection detailing
15 the new EM&V process.⁹ Consistent with that amendment, the Commission has
16 entered into an agreement with an EM&V contractor and that contractor is currently
17 evaluating each utility's programs and the costs incurred. The EM&V contractor's
18 expenses are to be collected through each utility's EECRF, and those costs are not
19 subject to the cost caps established in 16 TAC § 25.182(d)(7).¹⁰

⁹ 16 TAC § 25.181(o).

¹⁰ *Id.* § 25.181 (o)(10)(B).

1 **Q. HOW WERE THE ESTIMATED EM&V COSTS IN THE FILING**
 2 **DETERMINED?**

3 A. The EM&V costs are based on data provided to all Texas utilities from Commission
 4 Staff. For 2022, the total projected EM&V costs are \$539,688.¹¹ Details from the
 5 Tetra Tech forecast can be found in SARWP8.

6 **Q. PLEASE ADDRESS THE RATE CASE EXPENSES INCLUDED IN THIS**
 7 **FILING.**

8 A. The Energy Efficiency Rule permits the recovery of rate case expenses through the
 9 EECRF process. Specifically, utilities are permitted to include outside legal and
 10 consulting expenses relating to the previous year's EECRF proceeding.¹² As such,
 11 CenterPoint Houston has included in this filing a request of \$69,063 in 2020
 12 EECRF rate case expenses incurred in Docket No. 50908. These expenses include
 13 the Company's EECRF proceeding expenses of \$44,698 as well as \$24,365 in
 14 municipal rate expenses received from the GCCC and the COH. The invoices
 15 relating to the Company's 2020 EECRF rate case expenses in Docket No. 50908
 16 are included with the affidavit of Mr. Se Chang attesting to the reasonableness of
 17 those costs at Exhibit SAR-5. Invoices relating to the GCCC and the COH rate
 18 case expenses in Docket No. 50908 are included in Exhibits SAR-6 and SAR-7. A
 19 description of how the 2020 EECRF rate case expenses are incorporated into the
 20 2022 Rider EECRF rates can be found in Mr. Durland's testimony.

¹¹ Projected 2022 calendar year EM&V costs of \$539,688 are costs for evaluation of the 2021 program year.

¹² 16 TAC § 25.182(d)(3).

1 **Q. DOES THE COMPANY SUPPORT THE REASONABLENESS OF THE**
2 **INCLUDED MUNICIPAL EXPENSES?**

3 A. CenterPoint Houston does not oppose recovery of municipal rate case expenses.
4 However, consistent with prior Commission practice and precedent, the Company
5 believes that any cities or city groups that seek rate case expense recovery must
6 support, in the form of testimony or an affidavit, the reasonableness of their own
7 rate case expenses.

8 **Q. ARE THERE ANY OTHER DIFFERENCES IN THIS FILING COMPARED**
9 **TO THE COMPANY'S PREVIOUS EECRF CASES?**

10 A. No. The Company has supported the reasonableness of its estimated 2022 energy
11 efficiency program costs and corresponding allocations in the same manner as it
12 did in all of its previous EECRF dockets.

13 **IX. AFFILIATE AND ADMINISTRATIVE COSTS**

14 **Q. 16 TAC § 25.182(d)(10)(I) REQUIRES UTILITIES TO PROVIDE AN**
15 **EXPLANATION OF ANY AFFILIATE AND ADMINISTRATIVE COSTS**
16 **AS PART OF ITS EECRF APPLICATION. WERE ANY AFFILIATE OR**
17 **ADMINISTRATIVE COSTS INCLUDED IN THE COSTS RECOVERED**
18 **THROUGH THE COMPANY'S 2020 EECRF?**

19 A. Yes. The administrative expenses necessary to implement the Company's energy
20 efficiency programs in 2020 are summarized in my workpapers.¹³ A portion of the
21 Company's administrative costs included shared service expenses.

¹³ Refer to SARWP6 – Administrative Expenses.

1 **Q. WHAT WAS THE NATURE OF THE AFFILIATE EXPENSE INCURRED**
 2 **IN 2020?**

3 A. The affiliate expenses were provided by the Company's Shared Services division
 4 and were all direct-billed pursuant to the methodology presented in the Company's
 5 last EECRF proceeding, Docket No. 50908. Additionally, accompanying my
 6 testimony at Exhibit SAR-2 is the affidavit of Ms. Michelle Townsend.
 7 Ms. Townsend's sworn statement, describes the nature of the costs, confirms that
 8 these costs were reasonable and necessary, and demonstrates that the affiliate
 9 standard in PURA has been met for recovery of these costs.

10 **Q. PLEASE DESCRIBE THE GENERAL NATURE OF THE REMAINING**
 11 **ADMINISTRATIVE EXPENSES.**

12 A. The remaining administrative expenses include labor costs, consultant fees,
 13 inspections, and miscellaneous program administrative expenses. CenterPoint
 14 Houston's energy efficiency department consists of one Director, a Manager of
 15 Compliance, a Manager of Program Implementation, six Energy Efficiency
 16 Consultants that are responsible for implementing the programs, one staff engineer
 17 that oversees three inspectors, two analysts and three Administrative and Budget
 18 professionals. As noted in the affidavit of Ms. Bertha Villatoro, accompanying my
 19 testimony at Exhibit SAR-4, compensation for Energy Efficiency staff has been
 20 determined according to the same corporate methodology presented in EECRF
 21 Docket No. 50908. Additionally, consultant fees are paid to third-party
 22 implementers for various programs. These consultants are selected using
 23 CenterPoint Houston's previously described bidding and engagement process.

1 Training for Company personnel is offered annually through corporate training
2 programs as well as outside energy efficiency and other professional conferences
3 and seminars.

4 **Q. HAS THE COMPANY MADE ANY ADJUSTMENTS IN THIS FILING TO**
5 **REMOVE ADMINISTRATIVE EXPENSES?**

6 A. Yes. Prior to this filing, CenterPoint Houston conducted an analysis of its
7 administrative costs and, consistent with Commission precedent and 16 TAC
8 § 25.182, has made an adjustment of \$9,514 to remove certain expenses.¹⁴
9 Adjustments were made at the program level.

10 **Q. ARE ANY ALLOCATED ADMINISTRATIVE GENERAL COSTS OR**
11 **ALLOCATED GENERAL PLANT COSTS INCLUDED IN THE EECRF**
12 **PROGRAM COSTS AND/OR ADMINISTRATIVE COSTS?**

13 A. No.

14 **Q. ARE ANY OUT-OF-STATE TRAVEL, LODGING, MEALS OR**
15 **CONFERENCE COSTS INCLUDED IN 2020 EECRF EXPENSE?**

16 A. Yes. CenterPoint Houston staff members travel to out-of-state energy efficiency
17 and professional conferences to learn from other utilities and markets in effort to
18 make CenterPoint Houston's energy efficiency programs as effective as possible.

19 **Q. DOES THE ADMINISTRATION COSTS INCLUDE COSTS FOR ANY**
20 **EMPLOYEES WHO WORK ON ACTIVITIES OTHER THAN ENERGY**
21 **EFFICIENCY?**

22 A. No.

¹⁴ These include certain meals and relocation expenses the Company has removed from administrative costs.

AFFIDAVIT

The State of Texas §

County of Harris §


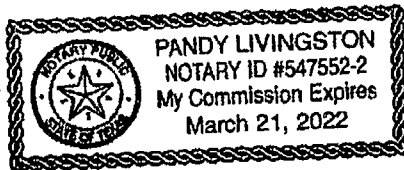
BEFORE ME, the undersigned notary public, this day personally appeared Shea A. Richardson, to me known, whom being duly sworn according to law, deposes and says:

"My name is Shea A. Richardson. I am of legal age and a resident of the State of Texas. The foregoing testimony and the opinions stated therein are, in my judgment and based upon my professional experience, true and correct."



Shea A. Richardson

SWORN TO AND SUBSCRIBED before me on the 28th day of May, 2021.



Notary Public in and for the State of Texas

**CenterPoint Energy Houston Electric,
LLC**

2021 Energy Efficiency Plan and Report

Pursuant to 16 Tex. Admin. Code § 25.181(l)

(Revised)

June 1, 2021

Project No. 51672

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Introduction

CenterPoint Energy Houston Electric, LLC (CenterPoint Houston or the Company) presents this Energy Efficiency Plan and Report (EEPR) to comply with 16 Tex. Admin. Code (TAC) § 25.181, § 25.182 and §25.183, which implement Public Utility Regulatory Act (PURA) § 39.905. PURA § 39.905 and 16 TAC § 25.181 require that each investor-owned electric utility achieve the following savings goal through market-based standard offer programs (SOPs) and limited, targeted, market transformation programs (MTPs):

- 0.4% reduction of the electric utility's peak demand of residential and commercial customers for the 2020, 2021 and 2022 program years.

The format used herein is consistent with the requirements outlined in 16 TAC § 25.181(l) and the Company's Errata 2020 EEPR filing in July 2020 under Project 50666. The EEPR presents the results of CenterPoint Houston's 2020 energy efficiency programs and describes how the Company plans to achieve its goals and meet the requirements set forth in 16 TAC § 25.181. Planning information provided focuses on 2021 and 2022 projected savings and budgets, as well as information on programs to be offered, and discusses outreach, informational activities and workshops designed to encourage participation by energy service providers and retail electric providers (REPs).

EEPR Organization

This EEPR consists of an executive summary, fifteen sections, and three appendices. Sections one through four provide the Energy Efficiency Plan (The Plan), while sections five through eleven present energy efficiency report information. The final four sections address the Energy Efficiency Cost Recovery Factor (EECRF). The three appendices provide a description of the acronyms used throughout the report, give the location of the glossary of commonly used terms, and the demand and energy savings for each program by county.

Executive Summary

The Plan portion of this EEPR details CenterPoint Houston's plans to achieve a 0.4% reduction in its peak demand of residential and commercial customers by December 31, 2021, and another 0.4% reduction in its peak demand of residential and commercial customers by December 31, 2022. The Plan also addresses the corresponding energy savings goal, which is calculated from the demand savings goal using a 20% capacity factor. The goals, budgets, and implementation plans that are included herein are determined by requirements of 16 TAC § 25.181 and the information gained from prior implementation of the selected programs. Table 1 presents a summary of 2021 and 2022 goals, projected savings, and projected budgets.

Table 1: Summary of Annual Goals, Projected Savings and Projected Budgets¹

| | Calendar Year | Normalized Peak Demand | MW Goal | Demand (MW) Goal | Energy (MWh) Goal ² | Projected MW Savings | Projected MWh Savings ³ | Projected Budget (in 000's) |
|--------------|---------------|------------------------|---------------------|------------------|--------------------------------|----------------------|------------------------------------|-----------------------------|
| Annual Goals | 2021 | 15,923 | 0.4% of peak demand | 63.69 | 111,585 | 171.63 | 211,903 | \$38,253 |
| | 2022 | 16,219 | 0.4% of peak demand | 64.88 | 113,670 | 183.46 | 214,129 | \$37,714 |

¹ Peak Demand figures are from Table 4; Projected MW and MWh Savings from Table 5; Projected Budget from Table 6. All MW and MWh figures in this Table and throughout this EEPR are measured at the meter.

² Calculated using a 20% capacity factor.

³ Peak demand reduction and energy savings projections are for the current and following calendar year that CenterPoint Houston is planning and budgeting for in the EEPR. These projected savings reflect estimates based on information gained from prior implementation of the programs.

To reach the projected savings presented in Table 1, CenterPoint Houston will implement the following programs:

1. Commercial Standard Offer Program
2. Commercial MTP (SCORE, Healthcare, Data Center)
3. Commercial Load Management Standard Offer Program
4. Retro-Commissioning MTP
5. Retail Electric Provider MTP (Commercial CoolSaver)
6. Commercial High Efficiency Foodservice MTP (Pilot)
7. CenterPoint Energy High Efficiency Home MTP
8. Advanced Lighting MTP
9. Midstream MTP (HVAC and Pool Pump Distributor)
10. Retail Electric Provider MTP (Residential CoolSaver and Efficiency Connection)
11. Smart Thermostat Program
12. Multi-Family MTP Market Rate
13. Residential Load Management Standard Offer Program
14. Residential & Small Commercial Standard Offer Program
15. Smart Home Energy Management System (Pilot)
16. Hard-to-Reach Standard Offer Program
17. Multi-Family MTP Hard-to-Reach
18. Targeted Low Income MTP (Agencies in Action)

As detailed in this report, CenterPoint Houston successfully implemented SOPs and MTPs required by PURA § 39.905 that met the statutory energy efficiency savings goal of 0.4% peak demand reduction. CenterPoint Houston's goals for 2020 were 62.82 MW in peak demand reduction and 110,061 MWh in energy savings. Actual achieved reductions in 2020 totaled 171.1 MW and 189,588 MWh respectively. The total forecasted spending for 2020 was \$37.82 million, and actual 2020 spending totaled \$36.001 million.

Energy Efficiency Plan

I. 2021 Programs

A. 2021 Program Portfolio

CenterPoint Houston plans to implement 18 programs in 2021. These programs target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. CenterPoint Houston anticipates that targeted outreach to a broad range of service providers will be necessary to meet the savings goals required by PURA § 39.905 on a continuing basis. Table 2 lists each program and identifies target markets and applications.

Table 2: 2021 Energy Efficiency Program Portfolio

| Program | Target Market | Application |
|--|--------------------------|--------------------------------|
| Commercial Standard Offer Program | Large Commercial | Retrofit; New Construction |
| Commercial MTP (SCORE, Healthcare, Data Center) | Large Commercial | Retrofit; New Construction |
| Commercial Load Management Standard Offer Program | Large Commercial | Load Management |
| Retro-Commissioning MTP | Large Commercial | Tune-up of existing facilities |
| Retail Electric Provider (REP) MTP (Commercial CoolSaver) | Large Commercial | Retrofit |
| Commercial High Efficiency Foodservice MTP (Pilot) | Large Commercial | Retrofit; New Construction |
| CenterPoint Energy High Efficiency Home MTP | Residential | New Construction |
| Residential & Small Commercial Standard Offer Program | Residential & Commercial | Retrofit |
| Smart Thermostat Program | Residential | Retrofit; New Construction |
| Advanced Lighting MTP | Residential & Commercial | Retrofit; New Construction |
| Midstream MTP (HVAC and Pool Pump Distributor) | Residential & Commercial | Retrofit; New Construction |
| Retail Electric Provider (REP) MTP (Residential CoolSaver and Efficiency Connection) | Residential | Retrofit |
| Residential Load Management Standard Offer Program | Residential | Load Management |
| Multi-Family MTP Market Rate | Residential | New Construction |
| Smart Home Energy Management System (Pilot) | Residential | New Construction |
| Hard-to-Reach Standard Offer Program | Hard-to-Reach | Retrofit |
| Multi-Family MTP Hard-to-Reach | Hard-to-Reach | Retrofit; New Construction |
| Targeted Low Income MTP (Agencies in Action) | Hard-to-Reach | Retrofit |

The programs listed in Table 2 are described further in sub-section B. CenterPoint Houston maintains two energy efficiency websites:⁴ one designed for the end user and one for project sponsors. The energy efficiency sponsor portal contains project participation requirements and forms required for project submission. These websites provide project sponsors with program updates and information.

B. Existing Programs

Commercial Standard Offer Program

Program Design

The Commercial SOP targets commercial customers by offering financial incentives for the installation of efficient measures in new or retrofit applications. Eligible measures include lighting, HVAC, chillers, motors, refrigeration, and other custom projects.

Implementation Process

CenterPoint Houston will continue implementation of its Commercial SOP where any eligible project sponsor may submit applications for qualifying projects.

Outreach and Research Activities

- Maintains internet website with program processes on how to register for participation, as well as how to input a viable project, detailed project eligibility, end-use measures, incentives, workbooks to assist with providing incentive estimates, as well as procedures and application forms;
- Collaborates with internal departments to leverage existing relationships with commercial customers, informing them of energy efficiency opportunities;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Utilizes a bi-annual e-newsletter that highlights program offerings and relevant commercial measure articles; and
- Conducts workshops as necessary to explain elements such as: responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

⁴ CenterPoint Houston's energy efficiency website is www.centerpointefficiency.com. CenterPoint Houston's sponsor portal is <https://cnpsponsor.programprocessing.com/>.

Commercial Market Transformation Program (Commercial MTP)

Program Design

The Commercial MTP includes the following three program offerings: SCORE/CitySmart, Healthcare Energy Efficiency Program (HEEP), and the Data Center Energy Efficiency Program (DCEEP).

The SCORE/CitySmart program targets public and private K-12 schools, public and private higher education, cities, counties, state governmental agencies, non-profit and faith-based organizations.

Program participants are provided with technical assistance, engineering analysis, and performance benchmarking to help them make decisions about cost-effective investments.

HEEP provides technical support and financial incentives for implementing energy efficiency projects to eligible healthcare facilities including hospitals, doctors' offices, clinics, laboratories, medical office buildings, and assisted living/nursing care facilities. Program participants are provided with technical assistance, engineering analysis, and performance benchmarking to help them make informed decisions about installing cost-effective energy efficient measures.

DCEEP provides technical support and incentives for implementing energy efficiency projects to commercial customers that have a dedicated data center, server room or server closets. Program participants are incentivized for installing a variety of energy saving measures, e.g. data storage, web hosting and telecommunications.

Implementation Process

The Commercial MTP uses third party implementers to help eligible participants identify energy efficient measure upgrades in their facilities. The program pays incentives to participants for approved measures that result in both demand and energy savings.

Outreach and Research Activities

- Contracts with third-party program implementers to conduct outreach and planning activities;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Utilizes a bi-annual e-newsletter that highlights program offerings and relevant commercial measure articles; and
- Conducts workshops as necessary to explain elements of program requirements, incentive information, application and reporting processes.

Commercial Load Management Standard Offer Program

Program Design

The Commercial Load Management Standard Offer Program is available to non-residential distribution customers, as well as governmental, educational, and non-profit transmission customers. Curtailments will be initiated when the Electric Reliability Council of Texas (ERCOT) declares an EEA2⁵ event or deems that an EEA2 event is imminent, or to support local system emergency situations. Incentives will be paid for measured and verified kW reductions to project sponsors based on average performance of all their events. Participating facilities must be equipped with an Interval Data Recorder (IDR) or smart meter and be able to curtail a minimum of 100 kW to be eligible.

Implementation Process

Implementation of this program will be through customers and third-party entities representing eligible facilities within the CenterPoint Houston service territory. The program will initiate up to a maximum of six events totaling 22 hours per year during the summer on peak period (up to a maximum of two test curtailments lasting one to three hours; and up to a maximum of four unscheduled events based on ERCOT EEA2 events lasting one to four hours each). A thirty-minute notice is given to all participants prior to each event.

Outreach and Research Activities

- Maintains program information in the program tracking database;
- Conducts workshops as necessary to explain elements such as responsibilities of the project participant, program requirements, incentive information, and the application and reporting process;
- Utilizes a bi-annual e-newsletter that highlights program offerings and relevant commercial measure articles; and
- Participates in appropriate industry-related meetings and events to generate awareness and interest.

⁵ Energy Emergency Alert (EEA) 2 – ERCOT may issue an EEA level 2 when operating reserves are less than 1,750 MW and are not expected to recover within 30 minutes. ERCOT may reduce demand on the system by interrupting power from large industrial customers who have contractually agreed to have their electricity turned off during an emergency. ERCOT may also use demand response resources that have been procured to address tight operating conditions. Website: <http://www.ercot.com>

Retro-Commissioning MTP

Program Design

Retro-Commissioning MTP is an optimization program that identifies no cost or low-cost measures (up to a three-year simple payback) the customer can implement to reduce the demand and energy usage in existing commercial facilities. The program provides end-users with a free engineering analysis to identify measures that will improve the performance within their facilities by reducing electric demand and consumption. Facility owners are required to implement all identified measures with simple payback of less than one and a half years or pay the cost of the analysis. Customers are also eligible to receive incentives based on kWh savings and how quickly the low-cost or no-cost measures are implemented.

Implementation Process

The program is implemented through a third-party implementer. Program information is provided on CenterPoint Houston's website. Retro-Commissioning Agents, typically engineering consulting firms, are used to deliver the program to customers. The engineering analysis is comparable to an ASHRAE Level 2 audit.⁶

Outreach and Research Activities

- Maintains internet website with detailed project eligibility, procedures, and application forms;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor and RCx Agents, program requirements, incentive information, and the application and reporting process;
- Utilizes a bi-annual e-newsletter that highlights program offerings and relevant commercial measure articles; and
- An optional Monitored Based Commissioning (MBCx) component was added in 2021. MBCx involves the use of hardware and software to commission buildings on a more frequent basis, using trend data to identify new energy savings opportunities and to evaluate underperforming measures to improve persistence of savings.

⁶American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Audit Level 2 - Energy Survey and Analysis: includes the ASHRAE Level 1 walk-through analysis, but adds detailed energy calculations and financial analysis of proposed energy efficiency measures. Website: <http://www.ashrae.org/>

Retail Electric Provider (REP) MTP

Program Design

This program offers energy saving products and services to end use residential and/or commercial customers through participating Retail Electric Providers (REPs). Participating REPs market energy saving measures and services to their customers in the CenterPoint Houston service territory. REPs can participate in the following programs:

- CoolSaver A/C Tune-up Program – Residential
- CoolSaver A/C Tune-up Program – Commercial
- Efficiency Connection Electronic Marketplace

CoolSaver A/C Tune-Up Program – Residential and Commercial

The CoolSaver A/C Tune-up program utilizes specially trained air conditioning contractors to perform comprehensive A/C tune-ups for residential and commercial customers. The program pays incentives to the A/C contractor to reduce the customer's upfront cost of system diagnosis and correction. It also provides participating trade allies with training on best practices and discounts on high quality diagnostic tools.

Efficiency Connection

Efficiency Connection is an online marketplace that enables customers to shop for discounted energy efficiency products. Through the program's third-party vendor, products are delivered directly to qualifying residential customers. Program marketing informs the customer of the importance of installing LED lighting in high use areas and replacing existing incandescent, fluorescent and halogen lamps to increase savings.

Implementation Process

The Retail Electric Provider program works with REPs to recruit and enroll customers. Incentives are paid to program service providers or contractors for the average verified demand and energy savings achieved through the program.

Outreach and Research Activities

- Contracts with a third-party program implementer to conduct outreach and planning activities; and
- REPs market the program to existing customers via e-mail, social media, and direct mail.

Smart Thermostat Program

Program Design

The Smart Thermostat Program enables customers to receive discounts for the purchase of ENERGY STAR®⁷ Certified Smart Thermostats at online retail locations. The program was launched as a pilot in November 2018 to coincide with the holiday shopping season. 2019 was the first full year of program delivery.

Implementation Process

The program utilizes two methods for purchase, an online marketplace promoted by REPs and an internet portal that offers an instant coupon code and allows customers to shop for discounted energy efficiency products.

Outreach and Research Activities

- Contracts with third-party internet marketplace and online portals; and
- Implements in-store marketing materials with participating retailers.

Residential Load Management Standard Offer Program

Program Design

The Residential Load Management program provides demand reduction during the summer peak period, when ERCOT issues an EEA2 Energy Emergency Alert. Participants are randomly tested twice during the summer peak period and agree to be available for up to five additional demand response events. Events may last from one to four hours and may be initiated Monday through Friday between the hours of 1:00 pm and 7:00 pm. The program begins June 1 and ends on September 30.

Implementation Process

The Residential Load Management program sponsors utilize CenterPoint Houston's Vision DSM database to enroll customers who own a Wi-Fi enabled device that can provide curtailment during energy saving events.

⁷ ENERGY STAR® is the government-backed symbol for energy efficiency, providing simple, credible, and unbiased information that consumers and businesses rely on to make well-informed decisions. Environmental Protection Agency (EPA) ensures that each product that earns the label is independently certified to deliver the quality, performance, and savings that consumers have come to expect. Website: <https://www.energystar.gov/>

Outreach and Research Activities

- Maintains internet website with detailed project eligibility, end-use measures, incentive structure, procedures, application forms and list of third-party project sponsors; and
- CenterPoint Houston works with aggregators and vendors to enroll customers who wish to participate.

CenterPoint Energy High Efficiency Home MTP

Program Design

The High Efficiency Home MTP incentivizes the construction of new ENERGY STAR® certified and other high efficiency qualified homes. To qualify for incentives, all homes at a minimum must achieve 10% or 750 more kWh savings over the 2015 IECC reference baseline home. Incentives can also be earned by meeting minimum prescriptive technology requirements such as high efficiency HVAC systems, and above code attic and wall insulation. An additional bonus will be offered for those builders who build ENERGY STAR® version 3.1 certified homes. Each home is reviewed for verifiable demand and energy savings.

Outreach and Research Activities

- Contracts with a third-party program implementer to conduct outreach, training and technical assistance; and
- Advertise using a multitude of media, including, digital media, local TV, search engine optimization, online and targeted relocation publications, and local home builder association publications.

Residential & Small Commercial Standard Offer Program

Program Design

The Residential & Small Commercial SOP targets retrofit measures for residential and small commercial customers with incentives being paid to project sponsors for qualifying measures that provide verifiable demand and energy savings. The program is open to all qualifying energy efficiency measures, including, but not limited to, air conditioning, duct sealing, weatherization, ceiling insulation, water saving measures, solar photovoltaics, and ENERGY STAR® appliances.

Outreach and Research Activities

- Maintains internet website with detailed project eligibility, end-use measures, incentive structure, procedures, and application forms.

Advanced Lighting MTP

Program Design

This program offers point of purchase discounts to residential customers at participating retail stores for the purchase of qualified (i.e., ENERGY STAR® rated) high efficiency LED lighting products.

Implementation Process

The Advanced Lighting MTP is implemented by a third-party program implementer. Point of purchase discounts will be applied to residential customers at participating retailers, including Home Depot, Lowes, and Sam's Club. Five percent of the savings and cost associated with the Advanced Lighting MTP will be allocated to the commercial sector. The program is administered as a single program, but the savings and cost are detailed by segment throughout this document.

Outreach and Research Activities

- In-store promotions of the program via signage; and
- Participates in appropriate industry-related meetings and events to generate awareness and interest.

Mid-Stream MTP

Program Design

The Mid-Stream MTP (HVAC and Pool Pump Distributor) provides incentives to air conditioning and pool pump distributors who agree to facilitate the installation of high-efficiency pool pumps, air conditioners, heat pumps, and smart thermostats in existing single-family and multi-family properties.

Implementation Process

Any registered A/C or pool pump distributor may apply for participation in the program. Program information is provided on CenterPoint Houston's website.

Outreach and Research Activities

- Contracts with a third-party program implementer to conduct outreach, marketing, and planning activities; and
- Conducts workshops as necessary to explain elements such as responsibilities of the distributors and contractors, program requirements, incentive information, and the application and reporting process.

Hard-To-Reach Standard Offer Program

Program Design

The Hard-to-Reach Standard Offer Program provides incentives to project sponsors for qualifying measures installed in retrofit applications which provide verifiable demand and energy savings to customers whose annual total household income is less than 200% of current federal poverty guidelines. Qualifying energy efficiency measures include, but are not limited to, air conditioning, AC tune-ups, duct sealing, weatherization, ceiling insulation, water saving measures, and ENERGY STAR® windows.

Implementation Process

Any registered project sponsor may apply for a project meeting the minimum requirements. Program information is provided on CenterPoint Houston's website.

Outreach and Research Activities

- Maintain an internet website with detailed project eligibility, end-use measures, incentive structure, procedures, and application forms; and
- Conduct workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

Multi-Family MTP Market Rate

Program Design

The Multi-family MTP Market Rate encompasses two program elements: Multi-family Water and Space Heating and Multi-Family High Efficiency New Construction. Multi-family Water and Space Heating promotes the installation of energy efficient non-electric water heating in multi-family housing developments. Multi-family High Efficiency New Construction incentivizes energy efficiency in new multi-family buildings.

Implementation Process

The program is implemented through a third-party implementer. Program information is provided on CenterPoint Energy Houston's website.

Outreach and Research Activities

- Contracts with a third-party program implementer to conduct outreach and planning; and
- Marketing materials including brochures, cut sheets and program guidebook provided to potential participating developers and property managers.

Multi-family MTP Hard-to-Reach

Program Design

The Multi-family MTP Hard-to-Reach encompasses three program elements: Multi-family Water and Space Heating, Multi-family High Efficiency New Construction, and Direct Install (DI). Multi-family Water and Space Heating promotes the installation of energy efficient non-electric water heating in multi-family housing developments. Multi-family High Efficiency New Construction incentivizes energy efficiency in new multi-family buildings. The Multi-Family Direct Install element offers property owners and managers a free visual audit of existing units to see if the property is eligible for energy efficient direct installation measures, which may include CFLs / LED lights and water saving measures. These three elements are only available to properties with tenants whose annual total household income is less than 200% of current federal poverty guidelines. In the DI element, applicable measures will be installed at no cost and include an educational component for those eligible.

Outreach and Research Activities

- Contracts with a third-party program implementer to implement outreach and planning; and
- Marketing materials including brochures, cut sheets and program guidebook provided to potential participating developers and property managers.

Targeted Low-Income MTP (Agencies in Action)

Program Design

The Targeted Low-Income MTP facilitates the installation of energy efficiency upgrades for low-income residential customers in single family or multi-family homes. Local non-profit organizations and energy service companies provide comprehensive, whole-house retrofits that maximize electricity savings to

homes with a Savings to Investment Ratio (SIR) greater than one (1). This is accomplished by installing attic insulation, solar screens, lighting retrofits, water saving measures, ENERGY STAR® room air conditioners, central air conditioning systems, ENERGY STAR® refrigerators, and air infiltration control for participants that have an annual household income of less than 200% of the federal poverty guidelines. A maximum expenditure of \$7,541 is allowed per home.

Implementation Process

CenterPoint Houston contracts with a program implementer that has the responsibility of recruiting and overseeing the participating agencies and energy service companies. An energy audit using the National Energy Audit Assessment Tool (NEAT) is performed at the premise and the SIR score determines which projects are selected for renovation.

Outreach and Research Activities

- Partner with a third-party implementer; and
- Contact non-profit organizations for potential participation.

Smart Home Energy Management System (Pilot)

Program Design

CenterPoint Houston began implementing this pilot program in 2020 to determine the market potential and verifiable energy savings associated with Smart Home Energy Management Systems (SHEMs) and their related technologies. This pilot integrates hardware such as thermostats, plugs, lighting, and other controls with internet connectivity, new software, and advanced analytics to validate energy savings potential. More than 600 pieces of equipment have been installed at 22 homes in CenterPoint Energy's service territory and a total of 80 homes are expected to receive SHEMs by the close of 2021.

CenterPoint Houston has not claimed energy savings for program year 2020 as analysis is still underway to determine savings impacts for homes that have participated in the pilot. This analysis will continue to be performed as additional SHEM's are deployed in 2021 and the Company expects that effort to provide verifiable impacts attributable to implementation of the pilot. 2021 is expected to be the last year of implementation for this pilot, and smart home measures with verified energy savings will be incorporated to the CenterPoint Energy High Efficiency Home MTP as part of the overall suite of incentives available to builders for residential new construction.

Implementation Process

CenterPoint Houston works with a third-party implementer to conduct program outreach, participant enrollment, equipment installation, and data collection.

Outreach and Research Activities

- Provides marketing materials through traditional and digital channels
- Program participants interviewed to determine the type of equipment and number of units applicable to each specific home.

Research and Development (R&D) Projects

In 2021, CenterPoint Houston plans to implement the following R&D activities. Additional projects may be implemented depending on research opportunities and the availability of budgeted R&D funds.

- **Commercial Smart Thermostat**

CenterPoint Houston plans to continue evaluating the energy savings potential for ENERGY STAR® Smart Thermostats in commercial buildings. This R&D project focuses on building types that do not traditionally have Building Management or Automation Systems installed, such as convenience stores, converted residences, retail stores, and strip malls.

- **Commercial Food Service Measures**

CenterPoint Houston plans to research new kitchen measures to be considered for submission to the Technical Reference Manual. The addition of food service equipment with verifiable energy savings would expand the measures available through the Company's Commercial Midstream Market Transformation Program.

C. New Programs for 2021

Commercial High Efficiency Foodservice MTP (Pilot)

In 2021, CenterPoint Houston is implementing the Commercial High Efficiency Foodservice Pilot, a midstream Market Transformation Program designed to influence and incentivize the adoption of energy-efficient commercial kitchen equipment measures recently approved in the TRM. This program targets small and mid-sized business segments including restaurants, schools, quick service restaurants, government facilities, and other customers that utilize commercial food service equipment.

D. Potential New Programs for 2022

Currently, CenterPoint Houston does not plan to implement any new programs in 2022.

II. Customer Classes

CenterPoint Houston’s energy efficiency programs target the Hard-to-Reach, Residential, and Commercial customer classes.

The annual MW savings goal will be allocated to customer classes by examining historical program results, evaluating economic trends, and considering 16 TAC § 25.181(e)(3)(F) and (p), which respectively state that no less than 5% of the utility’s total demand reduction savings goal should be achieved through programs for hard-to-reach customers and no less than 10% of the energy efficiency budget is to be spent on targeted low-income programs. Table 3 summarizes the number of customers in each of the customer classes. It should be noted, however, that the actual distribution of the goal and budget must remain flexible based upon the response of the marketplace and the overriding objective of meeting legislative and Commission goals.

Table 3: Summary of Customer Classes

| Customer Class | Number of Customers |
|----------------------------|----------------------------|
| Commercial | 296,294 |
| Residential | 1,755,126 |
| Hard to Reach ⁸ | 548,189 |

⁸ CenterPoint Houston does not require income information for electric service and no records are available to correlate revenue for the Hard-to-Reach customer class. However, according to the U.S. Census Bureau, Current Population Survey 2020 Annual Social and Economic Supplement, 23.8% of Texas families fall below 200% of the poverty threshold. Applying that percentage to CenterPoint Houston’s residential customer totals, the number of HTR customers is estimated at 548,189. Program goals will be based on the requirement in the energy efficiency rule that no less than 5% of the total energy efficiency demand goal will be achieved through the programs in the Hard-to-Reach customer class.

III. Energy Efficiency Goals and Projected Savings

As prescribed by 16 TAC § 25.181, and because CenterPoint Houston satisfied its goal to meet 30% of its five-year average rate of growth in demand in 2013, CenterPoint Houston's demand goal for 2021 is 0.4% of peak demand. For the purposes of this report, the 2021 demand goal is based on the 5-year average of weather adjusted peak demand for 2015-2019, and the 2022 demand goal is based on the 5-year average of weather adjusted peak demand for 2016-2020. The corresponding energy savings goals are determined by applying a 20 percent capacity factor to the demand savings goals.

Table 4 presents historical annual peak demand for 2015-2020 and estimated peak demand for 2021 and 2022. Table 5 presents the corresponding projected demand and energy savings broken out by program for each customer class for 2021 and 2022. The projected savings is the demand and energy savings that can be achieved based on the annual budget shown in Table 6. The MW and MWh values presented in Table 5 are at the customer meter and include line loss factors used in the latest CenterPoint Houston electric base rate case, Docket No. 49421.

Table 4: Annual Growth in Demand and Energy Consumption

| Calendar Year | Peak Demand (MW) | | | | Energy Consumption (GWh) | | | |
|---------------|---------------------|-----------------------------------|--------------------------|------------------|--------------------------|------------------|--------------------------|------------------|
| | Total System | | Residential & Commercial | | Total System | | Residential & Commercial | |
| | Actual ⁹ | Weather Adjusted ^{10,11} | Actual | Weather Adjusted | Actual | Weather Adjusted | Actual | Weather Adjusted |
| 2015 | 18,056 | 17,768 | 15,960 | 15,672 | 88,232 | 88,326 | 71,013 | 71,107 |
| 2016 | 17,957 | 18,201 | 15,731 | 15,975 | 91,322 | 91,336 | 72,022 | 72,036 |
| 2017 | 18,364 | 18,611 | 16,236 | 15,665 | 92,593 | 93,480 | 76,652 | 72,449 |
| 2018 | 19,125 | 18,662 | 16,726 | 16,078 | 94,736 | 94,889 | 72,668 | 72,821 |
| 2019 | 18,915 | 19,684 | 16,525 | 16,226 | 94,654 | 93,787 | 71,644 | 70,777 |
| 2020 | 18,793 | 19,136 | 16,807 | 17,150 | 97,771 | 97,460 | 71,147 | 70,836 |
| 2021 | 19,963 | N/A ¹² | 16,905 | N/A | 97,886 | N/A | 73,394 | N/A |
| 2022 | 20,603 | | 17,039 | | 98,538 | | 72,849 | |

2021 Goals¹³

MW Goal = $15,923 \times 0.4\% = 63.69$ MW

MWh Goal = $63.69\text{MW} \times 8760 \text{ Hours} \times 20\% \text{ Load Factor} = 111,585$ MWh

2022 Goals

MW Goal = $16,219 \times 0.4\% = 64.88$ MW

MWh Goal = $64.88 \text{ MW} \times 8760 \text{ Hours} \times 20\% \text{ Load Factor} = 113,670$ MWh

⁹ 2021 and 2022 Calendar Year “Actual” values are forecasted.

¹⁰ “Actual Weather Adjusted” Peak Demand is “Actual” Peak Demand adjusted for weather fluctuations using weather data for the most recent ten years.

¹¹ Weather adjustment calculations are based on hourly weather data from NOAA’s Quality Controlled Local Climatological Data (QCLCD).

¹² NA = Not Applicable: Energy efficiency goals are calculated based upon the actual weather-adjusted growth in demand.

¹³ Demand goals for 2021 and 2022 are provided at the meter level. Source level demand goals are 67.36 MW for 2021 and 68.62 MW for 2022. The source values were determined by applying a line loss factor of 5.76%

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

| Program Goals by Customer Class for 2021 and 2022 | 2021 | | 2022 | |
|---|---------------------------------------|--|---------------------------------------|--|
| | Projected Savings (KW) at Meter | Projected Savings (kWh) at Meter | Projected Savings (kW) at Meter | Projected Savings (kWh) at Meter |
| Large Commercial | 128,077 | 140,455,616 | 131,813 | 118,611,411 |
| Commercial Standard Offer Program | 11,700 | 75,000,000 | 13,200 | 70,000,000 |
| Commercial MTP (SCORE, Healthcare, Data Center) | 7,300 | 47,500,000 | 6,100 | 34,000,000 |
| Commercial Load Management Standard Offer Program | 104,761 | 628,566 | 110,000 | 660,000 |
| Retro-Commissioning MTP | 3,100 | 10,800,000 | 1,378 | 7,092,000 |
| REP MTP (Commercial CoolSaver) | 550 | 1,400,000 | 375 | 979,194 |
| Advanced Lighting Commercial MTP | 196 | 1,044,835 | 250 | 1,500,000 |
| Commercial High Efficiency Foodservice MTP (Pilot) | 470 | 4,082,215 | 510 | 4,380,217 |
| Residential and Small Commercial | 37,975 | 62,358,700 | 45,514 | 84,984,379 |
| REP MTP (Residential CoolSaver and Efficiency Connection) | 2,600 | 7,000,000 | 2,807 | 7,470,079 |
| Residential Load Management Standard Offer Program | 17,550 | 105,300 | 22,000 | 66,000 |
| Residential & Small Commercial Standard Offer Program | 600 | 1,000,000 | 535 | 1,400,000 |
| Smart Thermostat Program | - | 3,800,000 | - | 6,556,000 |
| Advanced Lighting Residential MTP | 3,725 | 19,851,862 | 4,750 | 28,500,000 |
| Midstream MTP (HVAC and Pool Pump Distributor) | 3,500 | 9,855,000 | 3,500 | 9,855,000 |
| Multi-Family MTP Market Rate | 2,000 | 3,200,000 | 2,500 | 5,600,000 |
| CenterPoint Energy High Efficiency Home MTP | 8,000 | 17,500,000 | 9,422 | 25,537,300 |
| Smart Home Energy Management System (Pilot) | - | 46,538 | - | - |
| Hard-to-Reach | 5,578 | 9,088,598 | 6,129 | 10,533,400 |
| Hard-to-Reach Standard Offer Program | 876 | 915,251 | 875 | 1,000,000 |
| Multi-Family MTP Hard-to-Reach | 325 | 645,000 | 275 | 1,500,000 |
| Targeted Low Income MTP (Agencies in Action) | 4,377 | 7,528,347 | 4,979 | 8,033,400 |
| TOTAL | 171,630 | 211,902,914 | 183,456 | 214,129,190 |

IV. Program Budgets

Table 6 presents proposed budget allocations required to achieve the projected demand and energy savings for calendar years 2021 and 2022. The budget allocations are a result of the projected demand and energy savings presented in Table 5. The budget allocations presented in Table 6 include incentive and administration costs for each program and customer class.

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

| Program Estimated Budget by Customer Class for 2021 and 2022 | 2021 | | | 2022 | | |
|---|---------------------|--------------------|---------------------|---------------------|--------------------|---------------------|
| | Incentives | Admin | Total Budget | Incentives | Admin | Total Budget |
| Large Commercial | \$17,167,250 | \$2,040,350 | \$19,207,600 | \$17,290,030 | \$1,896,369 | \$19,186,399 |
| Commercial Standard Offer Program | \$5,000,000 | \$703,264 | \$5,703,264 | \$6,200,000 | \$872,047 | \$7,072,047 |
| Commercial MTP (SCORE, Healthcare, Data Center) | \$6,700,000 | \$782,324 | \$7,482,324 | \$5,900,000 | \$551,130 | \$6,451,130 |
| Commercial Load Management Standard Offer Program | \$3,300,000 | \$323,112 | \$3,623,112 | \$3,300,000 | \$274,645 | \$3,574,645 |
| Retro-Commissioning MTP | \$1,200,000 | \$158,109 | \$1,358,109 | \$900,000 | \$118,582 | \$1,018,582 |
| REP MTP (Commercial CoolSaver) | \$100,000 | \$7,568 | \$107,568 | \$125,030 | \$14,194 | \$139,224 |
| Advanced Lighting Commercial MTP | \$52,250 | \$4,673 | \$56,923 | \$50,000 | \$4,471 | \$54,471 |
| Commercial High Efficiency Foodservice MTP (Pilot) | \$815,000 | \$61,300 | \$876,300 | \$815,000 | \$61,300 | \$876,300 |
| Residential and Small Commercial | \$11,392,750 | \$1,299,975 | \$12,692,725 | \$11,208,674 | \$1,191,997 | \$12,400,671 |
| RLP MTP (Residential CoolSaver and Efficiency Connection) | \$1,300,000 | \$103,812 | \$1,403,812 | \$1,202,734 | \$96,045 | \$1,298,779 |
| Residential Load Management Standard Offer Program | \$900,000 | \$72,800 | \$972,800 | \$900,000 | \$72,800 | \$972,800 |
| CenterPoint Energy High Efficiency Home MTP | \$3,600,000 | \$452,706 | \$4,052,706 | \$4,000,000 | \$477,856 | \$4,477,856 |
| Residential & Small Commercial Standard Offer Program | \$300,000 | \$56,591 | \$356,591 | \$300,000 | \$56,591 | \$356,591 |
| Advanced Lighting Residential MTP | \$992,750 | \$88,778 | \$1,081,528 | \$950,000 | \$84,955 | \$1,034,955 |
| Midstream MTP (HVAC and Pool Pump Distributor) | \$2,500,000 | \$340,553 | \$2,840,553 | \$2,500,000 | \$272,443 | \$2,772,443 |
| Multi-Family MTP Market Rate | \$1,000,000 | \$51,903 | \$1,051,903 | \$800,000 | \$41,523 | \$841,523 |
| Smart Thermostat Program | \$500,000 | \$95,000 | \$595,000 | \$555,940 | \$89,784 | \$645,724 |
| Smart Home Energy Management System (Pilot) | \$300,000 | \$37,832 | \$337,832 | - | - | - |
| Hard-to-Reach | \$5,000,000 | \$852,260 | \$5,852,260 | \$4,900,000 | \$726,923 | \$5,626,923 |
| Hard-to-Reach Standard Offer Program | \$500,000 | \$127,769 | \$627,769 | \$500,000 | \$127,769 | \$627,769 |
| Multi-Family MTP Hard-to-Reach | \$300,000 | \$31,142 | \$331,142 | \$500,000 | \$51,903 | \$551,903 |
| Targeted Low Income MTP (Agencies in Action) | \$4,200,000 | \$693,350 | \$4,893,350 | \$3,900,000 | \$547,251 | \$4,447,251 |
| SUB TOTAL | \$33,560,000 | \$4,192,585 | \$37,752,585 | \$33,398,704 | \$3,815,289 | \$37,213,993 |
| Research and Development | | \$500,000 | \$500,000 | | \$500,000 | \$500,000 |
| PROGRAM TOTAL | \$33,560,000 | \$4,692,585 | \$38,252,585 | \$33,398,704 | \$4,315,289 | \$37,713,993 |
| EM&V | | | \$528,424 | | | \$539,688 |
| EECRF PROGRAM TOTAL | | | \$38,781,009 | | | \$38,253,681 |

Energy Efficiency Report

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

Table 7 documents CenterPoint Houston's actual demand goals and energy targets for the previous five years (2016 – 2020). Each value was calculated using the methods outlined in 16 TAC § 25.181.

Table 7: Historical Demand and Energy Savings Goals (at Meter)¹⁴

| Calendar Year | Actual Weather Adjusted Demand Goal at Meter (MW) | Actual Weather Adjusted Energy Goals at Meter (MWh) | Actual Demand Savings at Meter (MW) | Actual Weather Adjusted Energy Savings at Meter (MWh) |
|---------------|---|---|-------------------------------------|---|
| 2020 | 62.82 | 110,061.00 | 171.19 | 189,587.89 |
| 2019 | 61.94 | 108,519.00 | 194.83 | 215,619.87 |
| 2018 | 61.42 | 107,608.00 | 176.36 | 162,439.61 |
| 2017 | 60.42 | 105,855.84 | 188.42 | 183,438.84 |
| 2016 | 59.40 | 104,314.00 | 167.70 | 190,892.42 |

¹⁴ 2020 Portfolio demand savings at the source level total 181.04 MW. The line loss values calculated for each rate class Docket 42491 were weighted according to 2020 program participation to arrive at a final line loss value of 5.76%. This value was applied to the meter level portfolio demand savings to determine savings at the source level.

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

Table 8 breaks out the projected savings verified and reported demand energy savings by customer class for each program. The projected savings were reported in the Errata Energy Efficiency Plan and Report filed in July of 2020. The verified and reported savings are those savings that have been achieved and verified in the 2020 calendar year.

Table 8: Projected Savings versus Verified and Reported Savings for 2020 (at Meter)

| | 2020 | | | | | |
|---|-------------------|--------------------|------------------|---------------------|---------------------|---------------------|
| | Projected Savings | | Verified Savings | | Reported / Verified | |
| | kW | kWh | kW | kWh | kW | kWh |
| Large Commercial | 120,275 | 127,713,774 | 119,005.3 | 92,258,072.7 | 119,005.3 | 92,258,072.7 |
| Commercial Standard Offer Program | 11,700 | 75,000,000 | 11,118.9 | 52,856,003.0 | 11,118.9 | 52,856,003.0 |
| Commercial MIP (SCORE, Healthcare, Data Center) | 7,100 | 40,000,000 | 6,448.5 | 29,989,757.0 | 6,448.5 | 29,989,757.0 |
| Commercial Load Management Standard Offer Program | 98,000 | 590,000 | 99,493.2 | 596,959.0 | 99,493.2 | 596,959.0 |
| Retro-Commissioning MTP | 3,100 | 10,800,000 | 1,128.9 | 6,460,231.4 | 1,128.9 | 6,460,231.4 |
| REP MTP (Commercial CoolSaver) | 226 | 699,341 | 509.1 | 644,644.0 | 509.1 | 644,644.0 |
| Advanced Lighting Commercial MTP | 149 | 624,433 | 306.7 | 1,710,478.2 | 306.7 | 1,710,478.2 |
| Residential and Small Commercial | 35,632 | 52,855,638 | 46,327.6 | 87,542,763.9 | 46,327.6 | 87,542,763.9 |
| REP MTP (Residential CoolSaver and Efficiency Connection) | 1,900 | 5,900,000 | 1,088.5 | 3,388,349.3 | 1,088.5 | 3,388,349.3 |
| Residential Load Management Standard Offer Program | 17,550 | 105,300 | 20,552.0 | 123,311.7 | 20,552.0 | 123,311.7 |
| Residential & Small Commercial Standard Offer Program | 660 | 1,200,000 | 480.4 | 1,286,821.8 | 480.4 | 1,286,821.8 |
| Smart Thermostat Program | - | 4,470,000 | - | 2,741,600.0 | - | 2,741,600.0 |
| Advanced Lighting Residential MTP | 2,823 | 11,864,230 | 5,827.8 | 32,499,086.5 | 5,827.8 | 32,499,086.5 |
| Midstream MTP (HVAC and Pool Pump Distributor) | 3,500 | 9,855,000 | 3,516.1 | 10,308,960.8 | 3,516.1 | 10,308,960.8 |
| Multi-Family MTP Market Rate | 1,199 | 1,914,570 | 3,842.7 | 7,324,459.8 | 3,842.7 | 7,324,459.8 |
| CenterPoint Energy High Efficiency Home MTP | 8,000 | 17,500,000 | 11,020.1 | 29,870,174.0 | 11,020.1 | 29,870,174.0 |
| Smart Home Energy Management System (Pilot) | - | 46,538 | - | - | - | - |
| Hard-to-Reach | 5,850 | 8,912,129 | 5,853.6 | 9,787,057.6 | 5,853.6 | 9,787,057.6 |
| Hard-to-Reach Standard Offer Program | 876 | 97,700 | 862.9 | 1,022,188.5 | 862.9 | 1,022,188.5 |
| Multi-Family MTP Hard-to-Reach | 597 | 1,286,082 | 172.5 | 990,290.3 | 172.5 | 990,290.3 |
| Targeted Low Income MTP (Agencies in Action) | 4,377 | 7,528,347 | 4,818.3 | 7,774,578.8 | 4,818.3 | 7,774,578.8 |
| TOTAL | 161,757 | 189,481,541 | 171,187 | 189,587,894 | 171,187 | 189,587,894 |

Table 9: Projected Savings versus Reported and Verified Savings for 2019 (at Meter)

| | 2019 | | | | | |
|---|-------------------|--------------------|------------------|--------------------|---------------------|--------------------|
| | Projected Savings | | Verified Savings | | Reported / Verified | |
| | kW | kWh | kW | kWh | kW | kWh |
| Large Commercial | 121,581 | 137,131,254 | 144,030 | 126,737,286 | 144,030 | 126,737,286 |
| Commercial Standard Offer Program | 13,846 | 79,384,615 | 8,998 | 55,504,537 | 8,998 | 55,504,537 |
| Commercial MTP (SCORE, Healthcare, Data Center) | 7,700 | 41,800,000 | 9,670 | 63,217,039 | 9,670 | 63,217,039 |
| Commercial Load Management Standard Offer Program | 98,000 | 590,000 | 123,670 | 742,022 | 123,670 | 742,022 |
| Retro-Commissioning MTP | 1,652 | 14,000,000 | 861 | 4,458,399 | 861 | 4,458,399 |
| REP MTP (Commercial CoolSaver) | 226 | 699,341 | 584 | 1,467,968 | 584 | 1,467,968 |
| Advanced Lighting Commercial MTP | 156 | 657,298 | 246 | 1,347,321 | 246 | 1,347,321 |
| Residential and Small Commercial | 33,053 | 43,536,833 | 44,724 | 79,397,057 | 44,724 | 79,397,057 |
| REP MTP (Residential CoolSaver and Efficiency Connection) | 2,280 | 6,910,672 | 3,509 | 9,349,133 | 3,509 | 9,349,133 |
| Residential Load Management Standard Offer Program | 17,550 | 105,300 | 17,817 | 106,905 | 17,817 | 106,905 |
| Residential & Small Commercial Standard Offer Program | 952 | 1,740,893 | 396 | 1,329,658 | 396 | 1,329,658 |
| Smart Thermostat Program | 500 | 2,400,000 | - | 2,389,960 | - | 2,389,960 |
| Advanced Lighting Residential MTP | 2,972 | 12,488,663 | 4,683 | 25,599,104 | 4,683 | 25,599,104 |
| Midstream MTP (HVAC and Pool Pump Distributor) | 1,379 | 3,790,617 | 3,471 | 9,950,514 | 3,471 | 9,950,514 |
| Multi-Family MTP Market Rate | 1,012 | 1,100,689 | 849 | 2,391,384 | 849 | 2,391,384 |
| CenterPoint Energy High Efficiency Home MTP | 6,408 | 15,000,000 | 13,999 | 28,280,400 | 13,999 | 28,280,400 |
| Hard-to-Reach | 4,616 | 7,562,854 | 6,075 | 9,485,530 | 6,075 | 9,485,530 |
| Hard-to-Reach Standard Offer Program | 1,876 | 3,668,810 | 1,357 | 1,940,952 | 1,357 | 1,940,952 |
| Multi-Family MTP Hard-to-Reach | 1,168 | 1,135,539 | 388 | 834,145 | 388 | 834,145 |
| Targeted Low Income MTP (Agencies in Action) | 1,572 | 2,758,505 | 4,329 | 6,710,433 | 4,329 | 6,710,433 |
| TOTAL | 159,250 | 188,230,942 | 194,829 | 215,619,873 | 194,829 | 215,619,873 |

VII. Historical Program Expenditures

This section documents CenterPoint Houston's incentive and administration expenditures for the previous five years (2016 – 2020) broken out by program for each customer class. Administrative costs do not include Evaluation Measurement and Verification (EM&V) or rate case expenses.

Table 10: Historical Program Incentive and Administrative Expenditures (2016 – 2020)¹⁵

| Historical Statutory Program Funding by Customer Class | 2020 | | 2019 | | 2018 | | 2017 | | 2016 | |
|---|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| | Incentives | Admin | Incentives | Admin | Incentives | Admin | Incentives | Admin | Incentives | Admin |
| Large Commercial | \$15,780,391 | \$1,910,090 | \$15,567,811 | \$1,943,656 | \$13,339,628 | \$1,825,309 | \$13,090,927 | \$1,621,148 | \$14,984,848 | \$1,874,746 |
| Commercial Standard Offer Program | \$5,904,584 | \$923,090 | \$4,633,580 | \$901,274 | \$3,353,840 | \$897,987 | \$4,239,883 | \$846,554 | \$5,932,906 | \$973,862 |
| Retro-Commissioning MIP | \$823,754 | \$186,399 | \$835,326 | \$206,837 | \$997,678 | \$161,328 | \$298,214 | \$46,658 | \$451,417 | \$52,715 |
| Commercial MIP (SCORF Healthcare Data Center) | \$5,598,306 | \$518,241 | \$6,631,359 | \$550,456 | \$5,474,005 | \$469,118 | \$5,059,102 | \$397,526 | \$4,639,648 | \$448,834 |
| Commercial Load Management Standard Offer Program | \$3,291,908 | \$250,426 | \$3,300,000 | \$251,352 | \$3,346,334 | \$264,402 | \$3,027,561 | \$261,179 | \$3,106,220 | \$327,570 |
| Sustainable Schools | N/A | N/A | N/A | N/A | N/A | N/A | \$344,898 | \$22,450 | \$334,782 | \$28,914 |
| Advanced Lighting Commercial MIP | \$49,799 | \$5,199 | \$54,229 | \$5,387 | \$54,134 | \$5,265 | \$46,267 | \$2,438 | N/A | N/A |
| RLP MIP (Commercial CoolSaver) | \$112,041 | \$26,734 | \$113,317 | \$28,350 | \$113,636 | \$27,209 | \$75,000 | \$44,342 | \$400,300 | \$30,474 |
| Pool Pump Program Commercial | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$119,576 | \$12,377 |
| Residential and Small Commercial | \$11,756,271 | \$1,154,513 | \$11,336,554 | \$1,174,011 | \$8,942,381 | \$1,082,326 | \$10,820,380 | \$1,022,888 | \$9,832,154 | \$1,126,186 |
| CenterPoint Energy High Efficiency Home MIP | \$4,678,666 | \$398,218 | \$4,531,218 | \$404,251 | \$3,519,955 | \$361,655 | \$3,677,205 | \$277,696 | \$2,636,756 | \$339,512 |
| Residential & Small Commercial Standard Offer Program | \$269,497 | \$78,462 | \$236,247 | \$84,224 | \$271,258 | \$82,472 | \$35,832 | \$107,863 | \$79,596 | \$31,791 |
| Advanced Lighting Residential MIP | \$946,188 | \$98,786 | \$1,050,358 | \$102,362 | \$1,028,549 | \$100,040 | \$879,069 | \$46,330 | \$943,324 | \$74,665 |
| Multi-Family MIP Market Rate | \$1,083,072 | \$100,274 | \$524,312 | \$90,294 | \$405,322 | \$80,251 | \$443,524 | \$95,973 | \$462,168 | \$28,541 |
| Mid-stream MIP (HVAC and Pool Pump Distribution) | \$2,596,986 | \$186,571 | \$2,304,126 | \$173,374 | \$1,667,306 | \$179,571 | \$2,827,330 | \$193,395 | \$2,519,151 | \$264,834 |
| Smart Thermostat Program | \$336,000 | \$62,636 | \$419,235 | \$66,684 | \$159,256 | \$43,485 | N/A | N/A | N/A | N/A |
| Residential Load Management Standard Offer Program | \$835,751 | \$101,045 | \$833,982 | \$108,931 | \$838,260 | \$100,999 | \$778,937 | \$72,943 | \$542,750 | \$52,766 |
| Energy Wise Resource Action MIP | N/A | N/A | N/A | N/A | N/A | N/A | \$499,992 | \$31,293 | \$502,515 | \$103,808 |
| RLP MIP (Residential CoolSaver and Efficiency Connection) | \$710,111 | \$121,195 | \$1,457,075 | \$143,891 | \$1,052,474 | \$133,852 | \$1,678,490 | \$197,396 | \$2,145,893 | \$230,470 |
| Smart Home Energy Management System (Pilot) | \$300,000 | \$7,327 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Hard-to-Reach | \$4,605,597 | \$476,152 | \$4,865,369 | \$498,312 | \$4,861,962 | \$457,654 | \$4,265,535 | \$477,199 | \$4,488,903 | \$481,142 |
| Hard-to-Reach Standard Offer Program | \$498,979 | \$99,869 | \$1,060,339 | \$114,277 | \$1,075,289 | \$109,943 | \$320,078 | \$129,723 | \$245,907 | \$111,156 |
| Multi-Family MIP Hard-to-Reach | \$332,249 | \$84,773 | \$245,422 | \$92,884 | \$313,017 | \$80,245 | \$286,980 | \$88,796 | \$554,407 | \$48,936 |
| Targeted Low Income MIP (Agencies in Action) | \$3,774,369 | \$291,509 | \$3,559,609 | \$291,151 | \$3,473,656 | \$267,466 | \$3,658,477 | \$258,680 | \$3,656,549 | \$318,396 |
| RLP (CoolSaver Income Qualified) | N/A | N/A | N/A | N/A | N/A | N/A | \$0 | \$0 | \$32,040 | \$2,655 |
| Research and Development | | \$318,228 | | \$393,134 | | \$0 | | \$122,775 | | \$322,930 |
| TOTAL | \$32,142,258 | \$3,858,983 | \$31,769,734 | \$4,009,113 | \$27,143,970 | \$3,365,289 | \$28,176,842 | \$3,244,010 | \$29,305,905 | \$3,805,004 |

¹⁵ 2020 actual spending taken from Table 11 in the current EEPR; 2019, 2018, 2017, and 2016 actual spending from the Errata 2020 EEPR filed in July 2020 under Project 50666.

VIII. Program Funding for Calendar Year 2020

As shown on Table 11, CenterPoint Houston spent a total of \$36,001,242 on energy efficiency programs in 2020. This was less than the budgeted \$37,820,991. Changes to individual program budgets that resulted in greater than 10% increases or decreases are described below.

- The Commercial Standard Offer Program spent an additional 20% in 2020. Following two program years in which spending was less than projected, 2020 proved to be a strong year for program impacts and spending. The Commercial Standard Offer program experienced a solid pipeline of project opportunities in 2020, and the Company worked with program participants to secure these projects and capture cost-effective energy and demand savings. Unspent funding from the Retro Commissioning MTP and the SCORE and DCEEP components of the Commercial MTP were shifted to the Commercial Standard Offer Program.
- The Commercial MTP spent less than expected in HEEP and DCEEP program components, and spending was 24% less than budgeted in 2020. Unspent funding from the Commercial MTP was utilized in the Commercial Standard Offer Program. Hospital participation was negatively impacted as several energy efficiency projects were canceled or postponed due to COVID-19 issues, and data centers experienced shortages of materials due to the pandemic
- The Retro-Commissioning MTP spent 26% less than budgeted in 2020 due to COVID-19 related issues that delayed completion of several projects until 2021. The program did produce an increase in participation, kW reduction, and energy savings from the 2019 program year. Funding not utilized in the Retro-Commissioning Market Transformation Program was shifted to the Commercial Standard Offer Program.
- Residential & Small Commercial Standard Offer Program has seen a decline in spending due to more stringent requirements for certain measures such as duct efficiency and weatherization, as well as a lack of interest from ceiling insulation contractors. This led to an 16% underrun in budget, and the excess funding was moved to other programs.
- The High Efficiency Home MTP spent an additional 25% in 2020 and was able to leverage funds not utilized in other residential programs.

- The Multi-Family HTR MTP spent 24% less than budgeted for 2020 due to a lack of opportunities for multi-family water and space heating and high efficiency new construction projects.
- The Multi-Family Market Rate MTP saw an increase in projects in 2020. Funds from underspent programs were leveraged to support these projects allowing the program to spend an additional 87% over budget plan.
- The Smart Thermostat Program did not experience the increase in participation and spending that was expected in 2020, and program spending was 33% under budget. REP participation was negatively affected because of COVID-19 issues, and the lack of REP marketing reduced customer participation.
- Participation in the REP MTP (Residential Coolsaver and Efficiency Connection) was lower than expected in 2020, and spending was 41% less than projected. REP participation was negatively affected because of COVID-19 issues, and the lack of REP marketing reduced enrollments and customer participation.
- In 2020, the Targeted Low Income MTP (Agencies in Action) spent 17% less than budgeted, but the program saw increases in participation, savings impacts, and spending compared to 2019. The program did spend the required 10% of the Company's energy efficiency budget for 2020.

Table 11: Program Funding for Calendar Year 2020

| Program Funding for Calendar Year 2020 | Number of Customer Meters | Forecasted Budget | Actuals Funds Expended (Incentives) | Actuals Funds Expended (Admin) | Total Funds Expended | Funds Committed (Not Expended) | Funds Remaining (Not Committed) | Percentage Change From Budgeted/ Actual |
|---|---------------------------|----------------------|-------------------------------------|--------------------------------|----------------------|--------------------------------|---------------------------------|---|
| Large Commercial | 816 | \$ 18,916,574 | \$ 15,780,391 | \$ 1,910,090 | \$ 17,690,481 | \$ - | \$ (1,226,093) | -6% |
| Commercial Standard Offer Program | 297 | \$ 5,703,264 | \$ 5,904,584 | \$ 923,090 | \$ 6,827,674 | \$ - | \$ 1,124,410 | 20% |
| Commercial MTP (SCORE, Healthcare, Data Center) | 144 | \$ 8,040,706 | \$ 5,598,306 | \$ 518,241 | \$ 6,116,546 | \$ - | \$ (1,924,160) | -24% |
| Commercial Load Management Standard Offer Program | 302 | \$ 3,623,112 | \$ 3,291,908 | \$ 250,426 | \$ 3,542,334 | \$ - | \$ (80,778) | -2% |
| Retro-Commissioning MTP | 27 | \$ 1,358,109 | \$ 823,754 | \$ 186,399 | \$ 1,010,153 | \$ - | \$ (347,956) | -26% |
| REP MTP (Commercial CoolSaver) | 46 | \$ 134,461 | \$ 112,041 | \$ 26,734 | \$ 138,775 | \$ - | \$ 4,315 | 3% |
| Advanced Lighting Commercial MTP | N/A | \$ 56,923 | \$ 49,799 | \$ 5,199 | \$ 54,999 | \$ - | \$ (1,924) | -3% |
| Residential and Small Commercial | 44,956 | \$ 12,331,396 | \$ 11,756,271 | \$ 1,154,513 | \$ 12,910,784 | \$ - | \$ 579,388 | 5% |
| CenterPoint Energy High Efficiency Home MTP | 12,800 | \$ 4,052,706 | \$ 4,678,666 | \$ 398,218 | \$ 5,076,883 | \$ - | \$ 1,024,177 | 25% |
| Residential & Small Commercial Standard Offer Program | 393 | \$ 416,023 | \$ 269,497 | \$ 78,462 | \$ 347,959 | \$ - | \$ (68,064) | -16% |
| Advanced Lighting Residential MTP | N/A | \$ 1,081,528 | \$ 946,188 | \$ 98,786 | \$ 1,044,974 | \$ - | \$ (36,554) | -3% |
| Midstream MTP (HVAC and Pool Pump Distributor) | 3,492 | \$ 2,840,553 | \$ 2,596,986 | \$ 186,571 | \$ 2,783,557 | \$ - | \$ (56,996) | -2% |
| REP MTP (Residential CoolSaver and Efficiency Connection) | 2,871 | \$ 1,403,812 | \$ 710,111 | \$ 121,195 | \$ 831,306 | \$ - | \$ (572,506) | -41% |
| Residential Load Management Standard Offer Program | 18,790 | \$ 972,800 | \$ 835,751 | \$ 101,045 | \$ 936,795 | \$ - | \$ (36,005) | -4% |
| Multi-Family MTP Market Rate | 4,342 | \$ 631,142 | \$ 1,083,072 | \$ 100,274 | \$ 1,183,346 | \$ - | \$ 552,204 | 87% |
| Smart Thermostat Program | 2,268 | \$ 595,000 | \$ 336,000 | \$ 62,636 | \$ 398,636 | \$ - | \$ (196,364) | -33% |
| Smart Home Energy Management System (Pilot) | | \$ 337,832 | \$ 300,000 | \$ 7,327 | \$ 307,327 | \$ - | \$ (30,504) | -9% |
| Hard-to-Reach | 5,430 | \$ 6,073,021 | \$ 4,605,597 | \$ 476,152 | \$ 5,081,748 | \$ - | \$ (991,273) | -16% |
| Hard-to-Reach Standard Offer Program | 477 | \$ 627,769 | \$ 498,979 | \$ 99,869 | \$ 598,848 | \$ - | \$ (28,920) | -5% |
| Multi-Family MTP Hard-to-Reach | 3,245 | \$ 551,903 | \$ 332,249 | \$ 84,773 | \$ 417,022 | \$ - | \$ (134,881) | -24% |
| Targeted Low Income MTP (Agencies in Action) | 1,708 | \$ 4,893,350 | \$ 3,774,369 | \$ 291,509 | \$ 4,065,878 | \$ - | \$ (827,472) | -17% |
| SUB TOTAL | 51,202 | \$ 37,320,991 | \$ 32,142,258 | \$ 3,540,755 | \$ 35,683,014 | \$ - | \$ (1,637,978) | -4% |
| | | | | | | | | |
| Research and Development | | \$ 500,000 | \$ - | \$ 318,228 | \$ 318,228 | \$ - | \$ (181,772) | -36% |
| | | | | | | | | |
| TOTAL | 51,202 | \$ 37,820,991 | \$ 32,142,258 | \$ 3,858,983 | \$ 36,001,242 | \$ - | \$ (1,819,750) | -5% |

IX. Market Transformation Program Results

Commercial MTP

In 2020, CenterPoint Houston projected to acquire 7,100 kW and 40,000,000 kWh savings from the SCORE, HEEP, and DCEEP program offerings included in the Commercial MTP. CenterPoint Houston verified and is reporting a savings of 6,449 kW and 29,989,757 kWh.

SCORE - The SCORE program paid incentives to school districts, colleges/universities, municipal governments, county governments, and faith-based organizations. The program produced savings of 5,224 kW and 20,364,40 kWh reaching a total of 120 customers through 162 projects. Lighting, Chillers, and Roofing represented most of the projects incentivized in 2020.

HEEP - In 2020, HEEP produced a total of 15 projects including LED lighting retrofits, HVAC projects, window installation and food service measures. The program delivered savings of 826 kW and 5,971,385 kWh.

DCEEP - In 2020, DCEEP delivered savings of 398 kW and 3,654,332 kWh through the implementation of seven projects. The program is comprised of new construction and retrofit applications, with incentivized measures including immersion cooling, LED lighting, cooling equipment, and uninterruptable power supply.

Retro-Commissioning MTP

In 2020, CenterPoint Houston projected to acquire 3,100 kW and 10,800,000 kWh savings from this program. CenterPoint Houston verified and is reporting a savings of 1,129 kW and 6,460,231 kWh.

High Efficiency Home MTP

In 2020, CenterPoint Houston projected to acquire 8,000 kW and 17,500,000 kWh savings from this program. CenterPoint Houston verified and is reporting a savings of 11,020 kW and 29,870,174 kWh. This program drives builders to use energy efficient methods in design and construction for new single-family homes.

Advanced Lighting MTP

In 2020, CenterPoint Houston projected to acquire 2,972 kW and 12,488,663 kWh from this program. CenterPoint Houston verified and is reporting residential savings of 5.828 kW and 32,499,087 kWh, and commercial savings of 307 kW and 1,710,478 kWh.

Mid-Stream MTP

In 2020, the program included twelve HVAC distributors that performed over 3,000 HVAC and heat pump replacements and installed 457 thermostats. Six pool pump distributors participated and performed 910 variable speed pool pump changeouts. CenterPoint Houston projected to acquire 3,500 kW and 9,855,000 kWh from this program, and reporting verified savings of 3,516 kW and 10,308,961 kWh.

Targeted Low-Income MTP (Agencies in Action)

In 2020, the program reached 1,710 homes in the CenterPoint Houston electric territory. Of these homes, 1,427 were multi-family units and 167 were single family homes. Heat pumps were the leading measure installed and made up most of incentives paid. Other measures installed included: air infiltration, attic insulation, central AC, refrigerator replacement, solar screen, wall insulation, and window AC. In 2020, CenterPoint Houston projected to acquire 4,377 kW and 7,528,347 kWh from this program. 2020 verified and reporting savings totaled 4,818 kW and 7,774,579 kWh.

Retail Electric Provider MTP

CoolSaver - The CoolSaver portion of the REP MTP program provided free comprehensive air conditioning tune-ups to residential and small commercial customers in the CenterPoint Houston Electric service territory. The program was marketed by 14 retail electric providers, and tune-ups were performed by eighteen specially trained A/C contractors. As a result, 1,191 residential A/C tune-ups and 461 commercial A/C tune-ups were performed in 2020

Efficiency Connection - In 2020, CenterPoint Houston continued the online Efficiency Connection website to promote and deliver energy efficient LED bulbs at a reduced price. The program was marketed by retail electric providers and yielded more than 58,000 Energy Star certified LED bulbs.

In 2020, the Company projected to capture a combined savings total of 2,126 kw and 6,599,341 kwh for the Residential and Commercial segments of the program. CenterPoint Houston verified and is reporting residential savings of 1,089 kW and 3,388,349 kWh, and commercial savings of 509 kW and 644,644 kWh.

Smart Thermostat Program