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Entergy Texas, Inc.
2022 Energy Efficiency Plan and Report
16 Tex. Admin. Code §§ 25.181 and 25.183

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Introduction

Entergy Texas, Inc. (ETI) presents this Energy Efficiency Plan and Report (EEPR) to comply with 16 Tex. Admin. Code (TAC) §§ 25.181 and 25.183, which together comprise the Energy Efficiency Rule (EE Rule) implementing Public Utility Regulatory Act (PURA) § 39.905. As mandated by this section of PURA, the EE Rule requires that each investor-owned electric utility achieve the following minimum goals through market-based standard offer programs (SOPs), targeted market transformation programs (MTPs), or utility self-delivered programs:

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

EEPR Organization

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

- The Executive Summary highlights ETI's reported achievements for 2021 and ETI's plans for achieving its 2022 and 2023 projected energy efficiency savings goals.

Energy Efficiency Plan (EEP)

- Section I describes ETI's plan for its energy efficiency program portfolio. It details how each program will be implemented, discusses related informational and outreach activities, and introduces any programs not included in ETI's previous EEP.
- Section II provides ETI's targeted customer classes, specifying the size of each class and the method for determining those sizes.
- Section III presents ETI's projected energy efficiency savings and goals for the prescribed planning period broken out by program for each customer class.
- Section IV provides ETI's proposed energy efficiency budgets for the prescribed planning period broken out by program for each customer class.

Energy Efficiency Report (EER)

- Section V presents ETI's actual weather-adjusted demand savings goals and energy targets for the previous five years (2017-2021) with actual demand reduction and energy savings achieved.
- Section VI compares ETI's projected energy and demand savings to its reported and verified savings by program for calendar years 2020 and 2021.
- Section VII presents ETI's incentive and administrative expenditures for the previous five years (2017-2021) broken out by program for each customer class.
- Section VIII compares ETI's actual program funding for 2021 compared to its 2021 budget broken out by program for each customer class.
- Section IX describes the results from ETI's MTPs.
- Section X describes research and development costs and administrative costs.
- Section XI describes ETI's current Energy Efficiency Cost Recovery Rider (EECRF).
- Section XII presents ETI's revenue collection through the 2021 EECRF.
- Section XIII identifies the over/under-recovery of energy efficiency program costs.

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

Appendices

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

Executive Summary

The EEP portion of this EEPR details ETI’s plans to achieve its required reduction in its annual growth in demand of residential and commercial customers in 2022 and 2023. It also addresses the corresponding energy savings goal, which is calculated from ETI’s demand savings goal using a 20% capacity factor. The goals, budgets, and implementation plans that are included in this EEPR reflect the requirements of the EE Rule and lessons learned regarding energy efficiency service providers and customer participation in the various energy efficiency programs. A summary of annual goals and projected savings and budgets is presented in Table 1.

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

Calendar Year	Average Growth in Demand (kW at Source)	Peak Demand (kW at Source)	Goal Metric: 30% Growth (kW at Meter)	Goal Metric: 0.4% Peak Demand (kW at Meter)	Peak Demand Goal (kW at Meter)	Energy Goal (kWh at Meter)	Projected Demand Reduction (kW at Meter)	Projected Energy Savings (kWh at Meter)	Projected Budget (000’s)
2022	56,936	2,893,417	15,697	10,636	15,697	27,500,598	15,697	27,500,598	\$7,903
2023	4,625	2,724,347	1,275	10,014	10,014	17,545,142	15,697	27,500,598	\$8,024

Note: Goals are calculated by multiplying peak demand values at the source by the applicable goal metric (30% of growth or 0.4% of peak demand) and by the utility’s line losses.

Example Goal Metric Calculation: $(4,625 \text{ kW} \times 30\%) \times (1 - 0.081032 \text{ line losses}) = 1,275 \text{ kW}$

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

Example Goal Metric Calculation: $(2,724,347 \text{ kW} \times 0.4\%) \times (1 - 0.081032 \text{ line losses}) = 10,014 \text{ kW}$

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

¹ For 2022 values in this table, all values are based on amounts approved in last year’s EECRF proceeding, Docket No. 52067 (and they do not reflect the corrections to historical data included in Table 4 of this EEPR, which would not have affected the projected demand reduction or energy savings goals for 2022). For 2023 values in this table, the Average Growth in Demand and Peak Demand figures are from Table 4; the Projected Demand and Energy Savings are from Table 5; and the Projected Budget is from Table 6.

Energy Efficiency Plan

I. 2022 Programs

A. 2022 Program Portfolio

ETI plans to implement two MTPs and three SOPs in 2022: the Commercial Solutions MTP, Load Management SOP, the Residential SOP, the Residential Solutions MTP, and the Hard-to-Reach SOP. All of these programs have been structured to comply with the applicable Public Utility Commission of Texas rules governing program design and evaluation.

These programs target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. ETI anticipates that targeted outreach to a broad range of service provider types will be necessary to meet the savings goals required by PURA § 39.905 on a continuing basis.

Table 2 below summarizes the programs and target markets.

Table 2: 2022 Energy Efficiency Program Portfolios

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

The programs listed in Table 2 are described in further detail below. ETI maintains a website containing links to the program manuals, all the requirements for project participation, and the forms required for project submission, at http://www.entropy-texas.com/energy_efficiency. This website will be the primary method of communication used to provide potential Project Sponsors with program updates and information.

B. Existing Programs

1. Commercial Solutions MTP

a) Program Design

The Commercial Solutions MTP (COM SOL MTP) offers technical support and incentives for a suite of offerings that help eligible customers overcome the market barriers to adopt energy efficiency measures. Using a combination of utility staff, third-party program implementer expertise, and the local network of qualified contractors, ETI helps non-residential customers identify energy efficiency opportunities, complete projects, and capture savings for the program. This approach is flexible depending on customer, project type, and market sector to effectively reach and deliver energy savings to the broadest audience possible. The COM SOL MTP program includes:

- A Commercial Solutions component designed to target small, medium, and large for-profit commercial customers in the service territory (this includes midstream and contractor direct install components);
- A “Schools Concerned with Reducing Energy” (SCORE) component to target local K-12 public school districts, universities, and colleges in the service territory (including a Continuous Energy Improvement component driving behavioral changes in public schools);
- A City Smart component to target local, state, and federal governmental customers in the service territory;
- Prescriptive and custom measures to address both standard and more unique, complex opportunities for energy savings; and
- A Midstream point-of-sale lighting and HVAC component through local wholesale distributors to achieve long-term coincident peak demand reduction and annual energy savings.
- A commercial CoolSaver HVAC tune-up component to target small businesses, non-profits, and school districts to promote HVAC equipment health and peak summer demand savings.

b) Implementation Process

With this program offering, ETI will target the following customers for program participation:

- Small, medium, and large commercial and small industrial businesses;
- Rural and urban public K-12 school districts, colleges, and universities;
- Government entities including cities, counties, state, and federal organizations; and
- Non-profit and institutional businesses such as religious institutions, private schools, and healthcare providers.

c) Outreach Activities

To market the availability of this program, ETI:

- Engages its third-party implementer, CLEAResult Consulting, Inc., to provide for outreach and training on the program;
- Conducts workshops and webinars to explain the benefits of the program and the necessary information needed to begin or continue participation;
- Participates in regional or area outreach opportunities;
- Attends appropriate industry-related meetings to generate awareness and interest; and
- Promotes awareness of the program through the Company's website, social media, email blasts, radio promotions, and print media.

2. Load Management SOP

a) Program Design

The Load Management (LM SOP) provides demand reduction opportunities to a small group of qualified commercial customers served by ETI and pays incentives to the customers for verifiable demand reductions. Each participant must participate in one scheduled curtailment and up to four unscheduled curtailments during the program year. Additionally, to ensure grid reliability, the Local Balancing Authority can call for these customers to curtail through the Energy Efficiency Program Manager.²

b) Implementation Process

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

c) Outreach Activities

To market the availability of this program, ETI:

- Targets several large commercial customers during the program year;
- Conducts workshops to explain elements such as responsibilities of the customers, project requirements, incentive information, and the application and reporting process; and
- Promotes awareness of its energy efficiency programs by rolling out new program promotions through its website, social media, email blasts, radio promotions, and print media.

² The Load Balancing Authority is the entity that interacts with Midcontinent Independent System Operator, Inc. and integrates resource plans in advance, ensuring that the necessary generation is available to reliably serve load.

3. Residential SOP

a) Program Design

The Residential SOP (RES SOP) targets ETI's residential customers. Participating Project Sponsors receive incentive payments for installing pre-approved measures that provide verifiable demand and energy savings. Project Sponsors are encouraged to install comprehensive measures in their projects, and only retrofit projects qualify for incentive payments. Deemed savings are accepted and widely used by Project Sponsors to measure and verify savings for projects submitted in this program. The incentives will be offered at the standard incentive rate to encourage the implementation of this measure.

In 2022, the RES SOP will also deploy two sub-programs. The first is an A/C tune-up program that gives contracts to Project Sponsors that have access to licensed HVAC contractors. The A/C tune-up program is referred to as the CoolSaver program and is implemented by CLEARResult Consulting, Inc. The second is a Multifamily HVAC Retrofit program that assists in replacing all outdated HVAC equipment with energy efficient heat pumps at apartment complexes. Apartment complexes are selected through an application process provided by ENERCHOICE LLC.

b) Implementation Process

ETI will continue implementing its RES SOP by allowing eligible Project Sponsors to apply for projects meeting the minimum program requirements. The program information is on ETI's RES SOP website and is updated frequently with participating Project Sponsor information and the incentives available for installing eligible measures. In 2022, ETI will select ten Project Sponsors to participate in the RES SOP to allow for the appropriate administrative control and visibility of Project Sponsors. The funding awarded to each Project Sponsor should increase the chances that there will be Project Sponsors working in ETI's service territory throughout the entire year and that available funds will not be exhausted by mid-year.

c) Outreach Activities

To market the availability of this program, ETI:

- Utilizes mass email notifications to keep potential Project Sponsors interested and informed;
- Maintains a website with detailed project eligibility, end-use measures, incentives, procedures, and application forms;
- Attends appropriate industry-related meetings to generate awareness and interest;
- Conducts workshops as necessary to explain elements such as responsibilities of the Project Sponsor, project requirements, incentive information, and the application and reporting process; and
- Promotes awareness of its energy efficiency programs by rolling out new program promotions through its website, social media, email blasts, radio promotions, and print media.

4. Entergy Residential Solutions MTP (RES SOL MTP)

a) Program Design

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

The Entergy Solutions High Performance Homes MTP portion of the RES SOL MTP helps promote the new construction of higher efficiency homes in ETI's service territory. The program pays incentives to the builder that installed the higher energy efficiency equipment. The Program requires the involvement of a third-party rating service to verify the home meets the current energy efficiency code in Texas, which is the 2015 International Energy Conservation Code (IECC 2015). Further, the program provides incentives for builders and contractors who exceed the IECC 2015 with the ultimate aim of promoting construction to Energy Star standards.

In PY 2021, the Entergy Solutions High Performance Homes MTP partnered with a production builder to install 24 heat pump water heaters in a development in Jefferson County, Texas.³ These are the first heat pump water heaters that have been installed as part of the ENTERGY SOL MTP and they are part of a Heat Pump Water Heater Pilot program. The heat pump technology is far more efficient than the heating coils used in typical electric water heater technology. These water heaters were equipped with demand response technology. ETI is looking forward to monitoring these unique homes in anticipation of developing new programs that will capitalize on the demand response technology.

The A/C and Pool Pump Distributor portion of the RES SOL MTP helps promote the installation of higher efficiency air conditioning and variable speed pool pumps for residential customers throughout ETI's service territory. The program pays incentives to the regional air conditioning and pool pump distributors to reduce the cost of the higher efficiency rated equipment to the local dealers with the goal that the dealer will pass the reduced cost along to the customers.

The RES SOL MTP program will also implement an Online Marketplace Pilot program in 2022. This marketplace will offer residential customers the option to purchase energy efficiency products (e.g., LED bulbs, SMART power strips, and SMART thermostats) to help reduce their bill. TRC Companies will be setting up and managing the Online Marketplace Pilot program.

b) Implementation Process

Any eligible builder or contractor may apply for a home to participate in the Entergy Solutions High Performance Home MTP portion of the RES SOL MTP. The program information on ETI's website is updated frequently to reflect participating builders and contractors and incentive amounts that are available.

For the A/C and Pool Pump Distributor portion of the RES SOL MTP, any participating A/C or pool pump distributor or manufacturer may submit a qualifying batch of invoices to ETI for

³ In its 2021 EEPR, ETI reported that these heat pump water heaters were planned for installation in a development in Orange County, Texas. However, the referenced county should have been Jefferson County.

incentive payment after an inspection of a random sampling from each invoice is completed by either ETI or another third-party inspector.

ETI is working with TRC Companies to launch the Online Marketplace in PY 2022. Customers will be able to use this website to purchase from a collection of different pre-approved energy efficiency products. TRC Companies will keep track of all sales and energy savings and invoice ETI for reimbursement.

c) Outreach Activities

To market the availability of this program to builders, ETI:

- Utilizes mass email notifications to keep potential builders and contractors interested and informed;
- Works with local code enforcement officials to make sure they understand the need for builders and contractors to follow the requirements of the IECC 2015 and identify common efforts to bypass the code;
- Maintains a website with detailed builder eligibility, end-use measures, incentives, procedures, and application forms;
- Attends appropriate industry-related meetings to generate awareness and interest;
- Participates in state-wide outreach activities;
- Conducts workshops as necessary to explain responsibilities of the builder or contractors, project requirements, incentive information, and the application and reporting process; and
- Promotes the awareness of its energy efficiency programs by rolling out program promotions through its website, social media, email blasts, radio promotions, and print media.

To market the availability of the program to A/C and pool pump distributors, ETI attends local dealer meetings to educate the dealer population on how to participate and how to fill out the necessary paperwork. Additionally, ETI's program implementer, TRC Companies, leverages its current A/C distributor and pool pump manufacturer contacts from a similar program with another utility to also enroll them in ETI's program. Most of the distributors and manufacturers that service ETI's territory participate in multiple utilities' programs.

The Online Marketplace Pilot program will be placed on ETI's energy efficiency website and marketed through a targeted social media campaign to reach residential customers in ETI's territory.

5. Hard-To-Reach SOP

a) Program Design

The Hard-To-Reach SOP (HTR SOP) targets low-income customers who receive service from ETI with an income at or below 200% of the federal poverty level. Participating Project Sponsors receive incentive payments for installing eligible retrofit measures that provide verifiable demand and energy savings. For 2022, ETI will continue to provide incentives to Project Sponsors for installing LED lighting in addition to previously employed measures. The incentives will be

offered at the standard incentive rate to encourage the implementation of this measure. In 2022, the HTR SOP will also deploy the two sub-programs in RES SOP: an A/C tune-up program (which gives contracts to Project Sponsors that have access to licensed HVAC contractors) and the Multifamily HVAC Retrofit program (which assists in replacing all outdated HVAC equipment with energy efficient heat pumps at apartment complexes). The A/C tune-up program is referred to as the CoolSaver program and is implemented by CLEAResult Consulting, Inc. The Multifamily HVAC Retrofit program is implemented by ENERCHOICE LLC.

b) Implementation Process

ETI will continue implementing its HTR SOP such that any eligible Project Sponsor may apply for a project meeting the minimum program requirements. The program information on ETI's HTR SOP website is updated frequently with participating Project Sponsor information and the incentives available for installing eligible measures. In 2022 ETI selected ten Project Sponsors to participate in the HTR SOP in order to allow for the appropriate administrative control and visibility of Project Sponsors. By limiting the number of Project Sponsors allowed to participate in the program, ETI believes that there will be sufficient funds available to keep Project Sponsors working in ETI's service territory throughout the entire year and that program funding will not be exhausted by mid-year.

c) Outreach Activities

To market the availability of this program, ETI:

- Utilizes mass email notifications to keep potential project sponsors interested and informed;
- Maintains website with detailed project eligibility, end-use measures, incentives, procedures, and application forms;
- Attends appropriate industry-related meetings to generate awareness and interest;
- Conducts workshops as necessary to explain elements such as responsibilities of the Project Sponsor, project requirements, incentive information, and the application and reporting process; and
- Promotes awareness of its energy efficiency programs by rolling out new program promotions through its website, social media, email blasts, radio promotions, and print media.

C. New Programs for 2023

In 2023, ETI plans to grow the Heat Pump Water Heater Pilot program. This program works in two parts: incentivizing customers to install heat pump water heaters and to participate in residential demand response. To grow the program in 2023, the pilot will incentivize more heat pump water heaters being installed in residential homes. Second, the program will include outreach to these customers to encourage enrollment in an anticipated demand response program that will utilize the demand response technology. The purpose of the residential demand response program will be to reduce summer or winter demand.

II. Customer Classes

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

Table 3: Summary of Customer Classes⁴

<i>Customer Class</i>	<i>Number of Customers</i>
<i>Commercial</i>	52,360
<i>Residential</i>	424,701
<i>Hard-To-Reach</i>	57,759

⁴ Commercial and Residential figures based on actual historical ETI data as of December 31, 2021; Hard-To-Reach figure based on 13.6% of Residential customers. Percentage rate was obtained from the US Census Bureau American Community Survey, Table S1701, 2019: ACS 1-Year Estimates Subject Tables.

III. Projected Energy Efficiency Savings and Goals

As prescribed by 16 TAC § 25.181(e), a utility’s demand goal is specified as a percentage of its historical five-year average growth in demand and the corresponding energy savings goal is determined by applying a 20% conservation load factor to the applicable demand goal. Table 4 presents historical annual growth in demand for the previous five years that is used to calculate demand and energy goals. The weather adjusted data for 2021 resulted in no change to the demand and energy goals.

The five-year average for growth from 2017 to 2021 was 4,625 kW. Using the goal metric calculation of 30% of growth at the meter, the demand goal is 1,275 kW. Using the goal metric calculation of 0.4% of peak demand at the meter, the demand goal is 10,014 kW. Using the 20% conservation load factor calculation, the energy goal is 17,545,142 kWh. However, in accordance with the “ratchet requirements” of 16 TAC § 25.181(e)(1)(D), a utility’s demand goal for any particular year cannot be less than its goal for the preceding year. Therefore, ETI’s demand and energy goals for 2023 will remain the same as 2022. The demand and energy goals for 2023 will be 15,697 kW and 27,500,598 kWh.

Table 5 presents the demand and energy goals for years 2022 and 2023. This table also shows the breakdown in goals by energy efficiency program.

Table 4: Annual Growth in Demand and Energy Consumption⁵

Calendar Year	Peak Demand at Source (kW)				Energy Consumption at Meter (kWh)				Industrial Opt Out (kW)	Growth (kW)	Average Growth (kW)
	Total System		Residential & Commercial		Total System		Residential & Commercial				
	Actual	Weather Adjusted	Actual	Weather Adjusted	Actual	Weather Adjusted	Actual	Weather Adjusted	At source	Weather Adjusted	Weather Adjusted
2016	3,535,916	3,546,564	2,690,571	2,701,219	18,599,778,372	18,619,312,630	11,168,283,152	11,187,817,410	1,421	92,482	NA
2017	3,468,265	3,525,483	2,646,584	2,703,802	18,619,957,598	18,930,151,255	11,062,075,723	11,372,269,380	1,421	2,582	NA
2018	3,534,157	3,579,455	2,699,306	2,744,604	19,612,291,900	19,256,202,352	11,615,486,722	11,259,397,174	1,421	40,802	NA
2019	3,634,264	3,634,264	2,781,052	2,781,052	19,538,240,683	19,350,300,168	11,387,210,651	11,199,270,136	3,330	36,448	NA
2020	3,708,061	3,890,578	2,710,900	2,893,417	19,452,864,015	19,270,964,119	11,174,638,619	11,356,538,516	3,591	112,365	NA
2021	3,703,710	3,750,424	2,677,633	2,724,347	20,319,695,355	20,359,046,609	10,989,074,281	11,028,425,535	10,502	-169,070	NA
2022	NA	NA	NA	NA	NA	NA	NA	NA	7,391	NA	56,936
2023	NA	NA	NA	NA	NA	NA	NA	NA	1,437	NA	4,625

⁵ In past EEPs, data in this table had been rounded off to MW and MWh instead of kW and kWh. In updating the table for this year’s EEP to present data in kW and kWh, ETI also identified and made minor corrections to the historical data, which ETI plans to use in calculating its demand and energy goals on a going-forward basis. The years that have been corrected were years 2016 to 2018.

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

2022	Projected Savings	
Customer Class and Program	kW	kWh
Commercial	11,697	18,363,798
Commercial Solutions MTP	4,697	18,323,798
Load Management SOP	7,000	40,000
Residential	3,000	7,036,800
Residential SOP	1,000	3,236,000
Residential Solutions MTP	2,000	3,800,800
Hard-To-Reach	1,000	2,100,000
Hard-To-Reach SOP	1,000	2,100,000
Total Annual Projected Savings	15,697	27,500,598
2023	Projected Savings	
Customer Class and Program	kW	kWh
Commercial	10,988	18,975,413
Commercial Solutions MTP	3,988	18,961,413
Load Management SOP	7,000	14,000
Residential	3,767	6,875,150
Residential SOP	1,319	2,406,302
Residential Solutions MTP	2,449	4,468,847
Hard-To-Reach	942	1,650,036
Hard-To-Reach SOP	942	1,650,036
Total Annual Projected Savings	15,697	27,500,598

IV. Program Budgets

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

2022	Incentives	Admin	Total Budget
Commercial	\$3,106,522	\$341,244	\$3,447,766
Commercial Solutions MTP	\$2,731,022	\$288,707	\$3,019,729
Load Management SOP	\$375,500	\$52,537	\$428,037
Residential	\$2,736,626	\$309,704	\$3,046,330
Residential SOP	\$1,802,716	\$179,311	\$1,982,027
Residential Solutions MTP	\$933,910	\$130,393	\$1,064,303
Hard-To-Reach	\$1,057,593	\$125,037	\$1,182,630
Hard-To-Reach SOP	\$1,057,593	\$125,037	\$1,182,630
R&D	\$75,000	\$47,000	\$122,000
EM&V	\$0	\$104,092	\$104,092
Total Annual Budgets	\$6,975,741	\$927,077	\$7,902,818
2023	Incentives	Admin	Total Budget
Commercial	\$3,050,074	\$324,207	\$3,374,281
Commercial Solutions MTP	\$2,695,824	\$288,707	\$2,984,531
Load Management SOP	\$354,250	\$35,500	\$389,750
Residential	\$2,891,626	\$313,897	\$3,205,523
Residential SOP	\$1,802,716	\$199,311	\$2,002,027
Residential Solutions MTP	\$1,088,910	\$114,586	\$1,203,496
Hard-To-Reach	\$1,057,593	\$125,037	\$1,182,630
Hard-To-Reach SOP	\$1,057,593	\$125,037	\$1,182,630
R&D	\$130,896	\$37,500	\$168,396
EM&V	\$0	\$93,438	\$93,438
Total Annual Budgets	\$7,130,189	\$894,079	\$8,024,268

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

Table 7 presents ETI’s demand and energy reduction goals for the previous five years (2017-2021) calculated in accordance with 16 TAC § 25.181 and actual demand reduction and energy savings achieved.

**Table 7: Historical Demand and Energy Savings Goals and Achievements
(at the Meter, except as noted)⁶**

Calendar Year	Actual Weather Adjusted Demand Goal (kW)	Actual Weather Adjusted Energy Goal (kWh)	Actual Demand Reduction (kW) [1]	Actual Energy Savings (kWh) [1]
<u>2021</u>	15,500	27,156,000	22,277	61,827,532
<u>2020</u>	15,500	27,156,000	21,629	48,282,450
<u>2019</u>	15,500	27,156,000	22,595	47,945,445
<u>2018</u>	15,500	27,156,000	21,153	51,740,286
<u>2017</u>	15,500	27,156,000	21,199	50,574,878

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

Example based on 2021 Actual Savings:

Demand $20,607 \times (1+0.081032) = 22,277$

Energy $57,477,358 \times (1+0.075685) = 61,827,532$

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

⁶ Savings include interim impact findings from EM&V. Final savings will be reported in ETI’s Energy Efficiency Cost Recovery Factor application to be filed no later than May 2, 2022.

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

Table 8: Projected versus Reported and Verified Savings for 2020 and 2021 (at Meter)⁷

2020	Projected Savings		Reported and Verified Savings	
Customer Class and Program	kW	kWh	kW	kWh
Commercial	10,460	15,608,000	12,419	31,766,415
Commercial Solutions MTP	3,750	15,568,000	6,196	31,760,192
Load Management SOP	6,710	40,000	6,223	6,223
Residential	3,940	8,060,000	5,820	10,425,987
Residential SOP	2,140	5,836,000	3,814	5,774,166
Residential Solutions MTP	1,800	2,224,000	2,006	4,651,821
Hard-to-Reach	1,100	3,488,000	1,768	2,692,904
Hard-to-Reach SOP	1,100	3,488,000	1,768	2,692,904
Total	15,500	27,156,000	20,008	44,885,306
2021	Projected Savings		Reported and Verified Savings	
Customer Class and Program	kW	kWh	kW	kWh
Commercial	10,460	15,608,000	13,660	36,636,450
Commercial Solutions MTP	3,750	15,568,000	6,644	36,629,435
Load Management SOP	6,710	40,000	7,015	7,015
Residential	3,940	8,060,000	5,202	16,059,515
Residential SOP	2,140	5,836,000	1,602	7,298,167
Residential Solutions MTP	1,800	2,224,000	3,600	8,761,348
Hard-to-Reach	1,100	3,488,000	1,745	4,781,393
Hard-to-Reach SOP	1,100	3,488,000	1,745	4,781,393
Total	15,500	27,156,000	20,607	57,477,358

⁷ Savings include interim impact findings from EM&V. Final savings will be reported in ETI's Energy Efficiency Cost Recovery Factor application to be filed no later than May 2, 2022.

VII. Historical Program Expenditures

This section documents ETI's incentive and administration expenditures for the previous five years (2017-2021) broken out by program for each customer class.

Table 9: Historical Program Incentive and Administrative Expenditures for 2017 through 2021 (in 000's)

2017 through 2021	2021		2020		2019		2018		2017	
	Incent	Admin								
Commercial	2,668	358	2,721	350	2,814	367	2,791	388	2,789	372
Commercial (Commercial Solutions) MTP	2,463	314	2,569	309	2,587	319	2,603	345	2,529	312
Load Management SOP	205	45	152	41	228	48	189	42	259	60
Residential	2,435	308	2,304	320	2,541	363	2,534	322	2,481	265
Residential SOP	1,528	183	1,557	201	1,674	230	1,699	201	1,659	140
Residential Solutions MTP	907	125	747	120	866	133	NA	NA	NA	NA
Entergy Solutions High Performance Homes MTP	NA	NA	NA	NA	NA	NA	520	73	446	67
A/C Distributor MTP	NA	NA	NA	NA	NA	NA	315	47	376	58
Hard-to-Reach	1,408	238	884	153	1,014	160	1,006	146	1,072	95
Hard-to-Reach SOP	1,408	238	884	153	1,014	160	1,006	146	1,072	95
Total Expenditures	6,512	904	5,909	823	6,369	890	6,332	855	6,343	732

VIII. Program Funding for Calendar Year 2021

Table 10: Program Funding for Calendar Year 2021

2021	Incentive Budget	Admin Budget	R&D Budget	EM&V Budget	Total Projected Budget	Number of Customers Participating or Installations	Actual Funds Expended (Incentives)	Actual Funds Expended - Admin (Not Including EM&V, or EECRF Proceeding Costs)	R&D Costs	Actual Funds Expended - EM&V (Admin)	Actual Funds Expended - Utility EECRF Proceeding Costs (Admin)	Actual Funds Expended - Cities EECRF Proceeding Costs (Admin)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)	10% Difference?
Commercial	\$ 3,026,978	\$ 341,244	\$ 54,598	\$ 60,649	\$ 3,483,469	264	\$ 2,668,482	\$ 259,360	\$ 12,579	\$ 51,828	\$ 27,735	\$ 6,961	\$ 3,026,946	\$ -	\$ 456,524	
Commercial Solutions MTP	\$ 2,651,478	\$ 288,707	\$ 46,192	\$ 48,814	\$ 3,035,191	256	\$ 2,463,479	\$ 226,339	\$ 11,612	\$ 43,533	\$ 25,605	\$ 6,427	\$ 2,776,996	\$ -	\$ 258,196	No
Load Management SOP	\$ 375,500	\$ 52,537	\$ 8,406	\$ 11,835	\$ 448,278	8	\$ 205,002	\$ 33,021	\$ 966	\$ 8,294	\$ 2,131	\$ 535	\$ 249,950	\$ -	\$ 198,328	44%
Residential	\$ 2,656,919	\$ 309,704	\$ 49,551	\$ 30,805	\$ 3,046,980	5,607	\$ 2,435,468	\$ 233,208	\$ 11,480	\$ 31,883	\$ 25,314	\$ 6,354	\$ 2,743,706	\$ -	\$ 303,273	
Residential SOP	\$ 1,750,210	\$ 179,311	\$ 28,689	\$ 22,712	\$ 1,980,922	1,540	\$ 1,528,129	\$ 130,952	\$ 7,203	\$ 24,881	\$ 15,883	\$ 3,987	\$ 1,711,036	\$ -	\$ 269,886	14%
Residential Solutions MTP	\$ 906,709	\$ 130,393	\$ 20,862	\$ 8,093	\$ 1,066,058	4,067	\$ 907,338	\$ 102,256	\$ 4,277	\$ 7,002	\$ 9,431	\$ 2,367	\$ 1,032,670	\$ -	\$ 33,387	No
Hard-To-Reach	\$ 1,026,789	\$ 111,572	\$ 17,851	\$ 10,465	\$ 1,166,677	934	\$ 1,407,899	\$ 192,333	\$ 6,637	\$ 20,381	\$ 14,633	\$ 3,673	\$ 1,645,556	\$ -	\$ (478,879)	
Hard-to-Reach SOP	\$ 1,026,789	\$ 111,572	\$ 17,851	\$ 10,465	\$ 1,166,677	934	\$ 1,407,899	\$ 192,333	\$ 6,637	\$ 20,381	\$ 14,633	\$ 3,673	\$ 1,645,556	\$ -	\$ (478,879)	-41%
Total	\$ 6,710,686	\$ 762,520	\$ 122,000	\$ 101,920	\$ 7,697,126	6,805	\$ 6,511,849	\$ 684,901	\$ 30,696	\$ 104,092	\$ 67,682	\$ 16,988	\$ 7,416,208	\$ -	\$ 280,918	

Per 16 TAC § 25.181(l)(2)(Q), please note that there were three programs where the projected budget and actual total funds expended varied by more than ten percent: Load Management SOP (44%), Residential SOP (14%), and Hard-To-Reach SOP (-41%).

Costs under the Load Management SOP were lower than projected due to reduced participation in the program largely attributable to the COVID-19 pandemic, as certain participants were not able or willing to curtail during the curtailment periods given the essential nature of their businesses.

Costs under the Residential SOP were also lower than projected. The Residential SOP was affected due to the removal of the Air Infiltration as a measure in PY 2021. Air Infiltration was removed as a measure for standard offer programs as a result of the residential consumption study. As a result, RES SOP contractor participation was low in PY 2021 and many of the RES SOP contractors moved to other utility programs. ETI added new measures and increased incentive levels for other measures to boost participation. Additionally, the ongoing COVID-19 pandemic continued to have an impact in project submittal.

The Hard-To-Reach SOP program exceeded its projected budget due to a large project submitted by the Multifamily HVAC Retrofit program, which qualified 100% as Hard-To-Reach.

IX. Market Transformation Program Results

COM SOL MTP

The primary objective of the COM SOL MTP is to provide a conduit for ETI's commercial customers to install more energy efficient measures in their facilities, both new and existing. CLEAResult Consulting, Inc. was hired to provide expertise in working with customers to ensure they are installing the most cost-effective energy efficient measures by providing equipment recommendations, engineering oversight, consultations, and benchmarking. Under the SCORE component of the COM SOL MTP, school districts and governmental entities targeted by the program have had great success in reducing their demand and energy consumption. Program participants are touting the value of the program and recommending participation to others. Many projects that were scheduled for several years in the future are now being moved up to be completed earlier due to the "Energy Efficiency Business Plan" that is part of the program.

In addition, CLEAResult Consulting, Inc. continues to have success working with several schools and businesses to control costs by using behavioral measures and techniques. This sub-program is referred to as the Continuous Energy Improvement (CEI) program. For 2021, this sub-program achieved 1,873 kW and 12,181,041 kWh in reported and verified savings.

In 2021, ETI issued a request for proposals for the Commercial Solutions MTP as the current contract with CLEAResult Consulting, Inc. expired on December 31, 2021. Several energy efficiency service providers were solicited to submit bids. Two bids were submitted for the Commercial Solutions MTP. After a review of the bids, CLEAResult Consulting, Inc. provided the best bid that fit the needs of the Commercial Solutions MTP and was awarded the contract for years 2022-2024.

COVID-19 Effects

The effects of COVID-19 on the COM SOL MTP were minimal. Some projects were delayed to later in 2021 or into 2022. Inspections were conducted with added COVID-19 protections, such as mask wearing and limiting in-person site visits by ETI employees. Some inspections had to be completed virtually, as certain facilities did not allow outside personnel to enter due to COVID-19 protocols. Projects that were impacted by COVID-19 restrictions were tagged in ETI's database to identify changes to these projects.

RES SOL MTP

The RES SOL MTP in 2021 included two components: the ENTERGY SOL MTP and the A/C and Pool Pump DIST MTP. For 2021, the RES SOL MTP achieved a total of 3,600 kW and 8,761,348 kWh in reported and verified savings.

The ENTERGY SOL MTP provides the attributes of an Energy Star Homes new construction program. In this program, savings are driven predominantly by Home Energy Rating Services (HERS). HERS raters provide professional assessments on new and existing homes to bring them up to Energy Star standards. Incentives are paid to builders for installing certain measures in new construction applications that provide verifiable demand and energy savings. The incentives are designed to bridge the gap between the costs of standard efficiency models and higher efficiency models. The program implementer, TRC Companies, provides training opportunities for local Code Enforcement Officials to learn about the energy efficiency codes and how to apply them.

The A/C and Pool Pump DIST MTP portion of the RES SOL MTP helps promote the installation of higher efficiency air conditioning for residential customers throughout ETI's service territory. The program pays incentives to the regional air conditioning distributors and pool pump distributors to reduce the cost of the higher efficiency rated equipment to the local dealers with the goal that the dealer will pass the reduced cost along to the customers.

COVID-19 Effects

The effects that COVID-19 had on residential new construction in ETI's service territory were minimal. The State of Texas deemed residential new construction an essential occupation during COVID-19, allowing construction to continue with requirements for smaller work crews and special health and safety practices for those crews. The only major disruption in new construction occurred as a result of building material shortages.

X. Research and Development and Administrative Costs

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

ETI's Administrative Costs consist of employee salaries and benefits, EM&V costs for both the State's contractor as well as ETI, EECRF proceeding costs, marketing and advertising costs, Electric Utility Marketing Managers of Texas (EUMMOT) fees, employee expenses used for training, Quality Assurance/Quality Control activities on program results from third parties, and cost of attending local energy efficiency conferences. In 2021, some additional administrative costs were incurred by CLEAResult Consulting, Inc. for supporting the residential CoolSaver A/C tune-up program and ENERCHOICE LLC for supporting the Multifamily HVAC Retrofit program.

XI. Current Energy Efficiency Cost Recovery Factor (EECRF)

ETI filed an application for a revised EECRF rate schedule on May 1, 2021 in Docket No. 52067. The revised EECRF was approved for recovery of \$12,080,334, and ETI implemented the revised rider on January 1, 2022.

XII. Revenue Collected through EECRF (2021)

ETI's 2021 EECRF revenues as of December 31, 2021 were \$9,288,873.

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

ETI had an over-recovery of its 2021 energy efficiency programs of \$239,218, which should be refunded in the 2023 EECRF.

Acronyms

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

Appendix

Appendix A: Reported Demand and Energy Reduction by County 2021 Update⁸

Residential SOP			
County	Savings kW	Savings KWh	Incentives
CHAMBERS	1.65	10,866	\$ 1,960
GRIMES	3.72	10,907	\$ 3,304
HARDIN	40.56	132,765	\$ 21,822
HARRIS	3.29	10,098	\$ 3,008
JASPER	0.91	5,433	\$ 980
JEFFERSON	728.98	3,645,545	\$ 794,266
MONTGOMERY	463.61	1,293,364	\$ 294,521
ORANGE	307.02	1,862,480	\$ 346,752
SAN JACINTO	4.11	7,819	\$ 3,318
TRINITY	13.05	88,749	\$ 16,868
WALKER	35.16	230,139	\$ 41,330
TO TAL	1,602.06	7,298,167	\$1,528,129

Hard to Reach SOP			
County	Savings kW	Savings KWh	Incentives
GRIMES	41.70	177,107	\$ 42,161
HARDIN	12.56	19,558	\$ 7,217
JEFFERSON	447.67	1,729,128	\$ 381,587
LIBERTY	10.65	23,324	\$ 6,419
MADISON	2.43	3,583	\$ 1,387
MONTGOMERY	1,106.74	2,236,443	\$ 843,190
ORANGE	24.82	35,518	\$ 13,766
SAN JACINTO	12.52	23,119	\$ 7,232
WALKER	82.74	527,689	\$ 102,920
WALLER	3.37	5,925	\$ 2,020
TO TAL	1,745.20	4,781,393	\$1,407,899

Residential Solutions			
County	Savings kW	Savings KWh	Incentives
CHAMBERS	18.87	40,451	\$ 1,984
GALVESTON	0.55	1,089	\$ 200
GRIMES	9.00	14,164	\$ 1,740
HARDIN	4.74	9,284	\$ 658
HARRIS	5.60	13,873	\$ 2,192
JACKSON	0.89	1,742	\$ 320
JEFFERSON	51.37	105,351	\$ 14,946
LIBERTY	52.78	126,307	\$ 7,601
MILAM	0.64	1,333	\$ 275
MONTGOMERY	3,433.45	8,396,799	\$ 688,316
ORANGE	9.19	14,129	\$ 1,572
POLK	0.33	1,298	\$ 175
SAN JACINTO	0.75	2,296	\$ 350
TRINITY	1.15	3,647	\$ 600
TYLER	0.32	1,141	\$ 175
WALKER	10.54	28,444	\$ 4,540
TO TAL	3,600.17	8,761,348	\$ 725,642

Commercial Solutions MTP			
County	Savings kW	Savings KWh	Incentives
Chambers	20.91	103,793	\$ 4,637
Galveston	17.98	82,869	\$ 5,033
Grimes	791.32	2,802,368	\$ 185,298
Hardin	236.78	1,046,136	\$ 47,530
Harris	210.29	1,023,713	\$ 46,254
Jefferson	1,035.56	5,161,053	\$ 254,059
Liberty	15.96	69,385	\$ 3,193
Madison	183.71	3,715,350	\$ 12,221
Montgomery	1,649.76	8,770,252	\$ 339,328
Orange	221.34	1,049,806	\$ 51,649
Polk	15.65	66,287	\$ 3,781
Robertson	223.09	1,956,935	\$ 69,947
San Jacinto	8.50	35,918	\$ 1,830
Trinity	9.00	35,017	\$ 1,835
Tyler	32.97	147,328	\$ 9,174
Walker	1,971.63	10,563,225	\$ 124,821
TOTAL	6,644.45	36,629,435	\$1,160,592

Load Management SOP			
County	Savings kW	Savings KWh	Incentives
Chambers	167.72	168	\$ 5,451
Hardin	487.10	487	\$ 13,039
Jefferson	2,583.64	2,584	\$ 78,857
Liberty	111.43	111	\$ 3,621
Montgomery	3,091.68	3,092	\$ 93,140
Orange	505.58	506	\$ 8,749
Tyler	68.12	68	\$ 2,145
TOTAL	7,015.27	7,015	\$ 205,002

⁸ The reported demand and energy reductions by county tables may not match up exactly with the tables above due to minor rounding discrepancies. Savings include interim impact findings from EM&V. Final savings will be reported in ETI's Energy Efficiency Cost Recovery Factor application to be filed no later than May 2, 2022.