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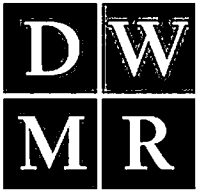
**Received - 2022-05-16 03:22:18 PM**  
**Control Number - 53551**  
**ItemNumber - 9**

The following files are not convertible:

Summary by Program.xlsx	12 Exhibit CAE-02 Cost-effectiveness
Comparison.xlsx	13 Exhibit CAE-03 Program Expenditure
Comparison.xlsx	14 Exhibit CAE-04 Incentive Expenditure
Expenses by Rate Class and Workpapers.xlsx	15 Exhibit CAE-05 2023 Budgeted Program
Calculator PY2021 (Formatted) with Work Papers.xlsx	16 CAE-06 TX Performance Bonus

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May 16, 2022

Central Records  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
Austin, Texas 78701

**RE:** PUC Docket No. 53551; Application Of El Paso Electric Company To Revise  
Its Energy Efficiency Cost Recovery Factor And Establish Revised Cost Caps

To Whom It May Concern:

On May 3, 2022, EPE inadvertently uploaded the wrong document in the original submission of documents in this Docket. Attached is the correct version of the filing. Please remove Item 1 from this Docket. Thank you for your attention to this matter.

Sincerely,

Nathaniel Castillo  
Regulatory Case Manager

**DOCKET NO. 53551**

<b>APPLICATION OF EL PASO</b>	<b>§</b>	
<b>ELECTRIC COMPANY FOR</b>	<b>§</b>	
<b>APPROVAL TO REVISE ITS ENERGY</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>EFFICIENCY COST RECOVERY</b>	<b>§</b>	<b>OF TEXAS</b>
<b>FACTOR AND REQUEST TO</b>	<b>§</b>	
<b>ESTABLISH REVISED COST CAPS</b>	<b>§</b>	
	<b>§</b>	

**APPLICATION OF EL PASO ELECTRIC COMPANY FOR APPROVAL TO REVISE  
ITS ENERGY EFFICIENCY COST RECOVERY FACTOR AND REQUEST TO  
ESTABLISH REVISED COST CAPS**

El Paso Electric Company (EPE or Company) submits this Application for Approval to Revise its Energy Efficiency Cost Recovery Factor (EECRF) and Request to Establish Revised Cost Caps (Application). In support thereof, EPE respectfully shows the following:

**I. BUSINESS ADDRESS AND AUTHORIZED REPRESENTATIVES**

EPE's business address is 100 N. Stanton Street, El Paso, Texas 79901. EPE's authorized representative for the purpose of receiving service of documents is:

Nathaniel Castillo  
El Paso Electric Company  
PO Box 982  
El Paso, Texas 79960  
(915) 351-4279  
(915) 521-4450 (fax)  
[nathaniel.castillo@epelectric.com](mailto:nathaniel.castillo@epelectric.com)

EPE's authorized legal representatives and designated recipients for service of pleadings and other documents are:

Bret J. Slocum  
Duggins Wren Mann & Romero, LLP  
P.O. Box 1149  
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[rosanna.alhakeem@epelectric.com](mailto:rosanna.alhakeem@epelectric.com)

## **II. JURISDICTION**

The Public Utility Commission of Texas (Commission or PUCT) has jurisdiction over EPE and the subject matter of this Application pursuant to Section 39.905 of the Public Utility Regulatory Act (PURA)<sup>1</sup> and 16 Tex. Admin. Code § 25.182 (TAC).

## **III. AFFECTED PERSONS**

EPE provides service to approximately 340,000 retail electric customers in Texas. EPE proposes to apply the EECRF requested herein to all of its retail electric customers in its Texas service area that fall within the classes subject to the EECRF. Those classes are listed in the proposed tariff, which is Attachment A to this Application.

## **IV. EPE'S PROPOSED EECRF FOR 2023 AND REQUEST TO ESTABLISH REVISED COST CAPS**

By this Application, EPE requests the authority to revise its EECRF for 2023 to reflect the following five components:

- 1) projected energy efficiency program costs for 2023 of \$5,325,552;
- 2) a performance bonus based on the Company's 2021 energy efficiency program performance of \$2,200,669;
- 3) EPE's prior year (2021) EECRF proceeding expenses of \$85,367;
- 4) a true-up adjustment by rate class of EPE's net under-recovery for 2021 of \$290,647, including interest; and
- 5) projected evaluation, measurement, and verification (EM&V) costs allocated to EPE by the Commission of \$67,272.

The total amount that EPE requests be included in its 2023 EECRF is therefore \$7,969,507. EPE's request is based on continuing all of its energy efficiency programs and with the same megawatt goal (11.16 MW) and at the same level they have been at since 2011. With the programs that EPE proposes to offer in 2023, EPE calculates that it will be able to achieve the equivalent of

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<sup>1</sup> Tex. Util. Code §§ 11.001-66.016. (PURA).

an energy efficiency savings of greater than both the 30% energy efficiency goal and the four-tenths of 1% (0.4%) of its summer weather-adjusted peak demand goal that are prescribed by 16 TAC § 25.181(e).

In order to operate its energy efficiency programs to accomplish its energy and demand goals, the rates for the residential and commercial customers are projected to exceed the cost caps set by 16 TAC § 25.182(d)(7). Accordingly, pursuant to 16 TAC § 25.181(e)(2), EPE requests that the Commission establish revised cost caps for the residential and commercial classes.

There is good cause to establish revised cost caps. First, EPE's proposal to continue with the same megawatt goal as it has had in previous years is consistent with the requirement of 16 TAC § 25.181(e)(1)(D) that “a utility's demand reduction goal in any year shall not be lower than its goal for the prior year, unless the commission establishes a goal for a utility pursuant to paragraph (2) of this subsection.”

Second, it may not be reasonably possible for EPE to comply with the requirement that its demand reduction goal not be lower than the previous year's goal without continuing to exceed the Commission's cost cap for residential and commercial customers. EPE's commercial customers have had an EECRF that exceeded the cost cap for each year the cost cap has been in effect, except for 2018. Historically, in order to achieve the PUCT-mandated goals, EPE had budgeted more in its commercial programs than its residential programs, and the Commission has granted good cause exceptions allowing EPE to do so. As such, EPE's commercial programs have been above the commercial cost cap. In order to reduce the 2023 EECRF commercial costs, and to strive to meet the commercial cost cap, EPE added the Residential Marketplace Pilot Market Transformation Program in 2020 and will launch the FutureWise® Market Transformation Program in the fall of 2022. Furthermore, in past years, the funding for some of the commercial programs that have been particularly successful and have had a lower cost per kilowatt (kW) of savings has been maintained while funding for commercial programs that have had a higher cost per kW of savings have been reduced. However, despite those efforts, EPE currently projects it is necessary to exceed the cost cap for residential and commercial customers during the 2023 program year in order to achieve its goals.

For the residential customer group, a revised cost cap will allow EPE to continue to meet or exceed the required goal set by 16 TAC § 25.181 in the most productive manner, continue to strive to meet the commercial cost cap, and recover the bonus EPE has earned for its 2021 performance. In 2023, EPE's residential customer group is expected to exceed the cost cap. Without the revised residential cost cap, EPE may not achieve PUCT mandated goals and would

have to revise its programs to reduce costs to the residential customer group. This would have the effect of reducing the allocation of program costs to the otherwise successful performance of the residential customer class. EPE does not believe it is in the best interest of its energy efficiency programs or the affected customer classes to make any further changes.

Furthermore, EPE does not believe it is in the best interest to reduce the bonus it earned for its 2021 performance in order to avoid revising the cost caps. First, 16 TAC § 25.182(e) requires that a bonus be based on the utility's energy efficiency achievements for the previous program year. The bonus approved in this proceeding is for EPE's energy efficiency achievements in 2021, but the revised cost caps are for EPE's energy efficiency programs in 2023. Those revised cost caps will be addressed in the appropriate year's EECRF filing. Second, the bonus is meant to encourage utilities to exceed their goals and is based on the savings actually achieved. It would dampen that encouragement to then reduce the bonus after it was earned in order to stay within the cost caps. Finally, EPE has already calculated and presented a reduction to its bonus. As ordered in Docket No. 48332,<sup>2</sup> EPE calculated a bonus reduction to account for the increase in the commercial customer cap.

Therefore, rather than undertake further restructuring of its energy efficiency programs, EPE respectfully requests revised cost caps for EPE's residential and commercial customers because it is projecting to exceed both of the cost caps in 2023. Although EPE projects it will exceed the cost caps with this request for both residential and commercial customers, the Company believes this request achieves the most benefits for its customers by continuing valuable energy-saving programs while limiting any rate increases.

In support of this application, EPE submits the Direct Testimonies of Crystal A. Enoch and Victor H. Silva and an affidavit by Bret Slocum concerning last year's EECRF proceeding expenses. In her Direct Testimony, Ms. Enoch addresses EPE's energy efficiency program and its associated costs, as well as the bidding and engagement process for contracting with energy efficiency service providers. Ms. Enoch also discusses EPE's 2021 performance bonus and the Company's request for the continuation of a revised cost cap for commercial and residential customers. In his Direct Testimony, Mr. Silva provides a summary of the relief sought by EPE and describes the specific costs to be included in EPE's revised EECRF pursuant to the requirements of 16 TAC § 25.182(d). Mr. Silva's testimony also supports the calculation of EPE's revised EECRF rates for the billing period January 2023 through December 2023. Lastly, Mr.

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<sup>2</sup> *Application of El Paso Electric Company to Adjust its Cost Recover Factor and Establish Revised Cost Cap*, Docket No. 48332, Order (Jan. 17, 2019).

Silva explains that there is good cause for the Company's request for a revised cost cap for residential customers and the continuation of a revised cost cap for commercial customers.

## **V. ADJUSTED ENERGY EFFICIENCY COST RECOVERY FACTOR**

EPE's revised EECRF tariff containing the EECRF rates for 2023 is provided as Exhibit VHS-02 to Mr. Silva's Direct Testimony and is attached to this Application as Attachment A. Based on EPE's current base rates and fixed fuel factor, EPE's EECRF request would result in a residential customer using 666 kilowatt hours of electricity per month being charged \$1.15 per month, which is an increase of \$0.18, or about a 0.18% increase in a residential customer's current average monthly bill of \$100.13.

EPE requests the Commission to approve the adjusted EECRF effective as of the first billing cycle of the January 2023 billing month.

## **VI. NOTICE**

Consistent with the notice provisions of 16 TAC § 25.182,<sup>3</sup> EPE proposes to provide notice to all parties that participated in the Company's last EECRF proceeding, Docket No. 52081,<sup>4</sup> and its last completed base rate proceeding, Docket No. 46831.<sup>5</sup> EPE will also provide notice to Texas Department of Housing and Community Affairs, which is the state agency that administers the federal weatherization program. Because EPE's service territory is not open to retail competition, no Retail Electric Provider is eligible to provide service in EPE's service area, so no notice to a retail electric provider is required. The form of the notice to be provided is set forth in Attachment B to this Application. The Company requests that the Commission find that the Company's notice is sufficient.

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<sup>3</sup> 16 TAC § 25.182(d)(13) states:

Notice of a utility's filing of an EECRF application is reasonable if the utility provides in writing a general description of the application and the docket number assigned to the application within 7 days of the application filing date to:

- (A) All parties in the utility's most recent completed EECRF docket;
- (B) All retail electric providers that are authorized by the registration agent to provide service in the utility's service area at the time the EECRF application is filed;
- (C) All parties in the utility's most recent completed base-rate proceeding; and
- (D) The state agency that administers the federal weatherization program.

<sup>4</sup> *Application of El Paso Electric Company to Adjust its Energy Efficiency Cost Recovery Factor and Establish Revised Cost Cap*, Docket No. 52081, Order (May 3, 2021).

<sup>5</sup> *Application of El Paso Electric Company to Change Rates*, Docket No. 46831, Order (Dec. 18, 2017).



**VII. DOCUMENTS FILED UNDER SEAL AND REQUEST FOR PROTECTIVE ORDER**

Portions of this filing constitute confidential or highly sensitive confidential materials and have been filed under seal. These materials will be made available to the Staff of the PUCT and any intervenors upon entry of an appropriate protective order ensuring the confidential nature of these materials. EPE proposes that the Commission adopt the protective order in Attachment C, which is the Protective Order approved in EPE's last EECRF proceeding, Docket No. 52081.

### **VIII. PRAYER**

EPE requests that its Application be deemed complete and sufficient and in compliance with PURA § 39.905(b) and 16 TAC § 25.182, that EPE's suggested notice of this filing as described above and attached to this Application be considered sufficient and authorized, that the Commission grant EPE's request to revise its residential and commercial cost caps, that EPE's Application for Approval to Revise its EECRF be approved with implementation for use beginning with the first billing cycle of its January 2023 billing month, and for such other relief to which it may be entitled.

Respectfully submitted,

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Bret J. Slocum

**ATTORNEYS FOR  
EL PASO ELECTRIC COMPANY**

**SCHEDULE NO. 97**  
**ENERGY EFFICIENCY COST RECOVERY FACTOR**

**APPLICABILITY**

Electric service billed under rate schedules having an Energy Efficiency Cost Recovery Factor Clause shall be subject to an Energy Efficiency Cost Recovery Factor ("EECRF"). The EECRF is not applicable to service billed at transmission voltage rates.

Pursuant to Section 25.182(d) of Title 16 of the Texas Administration Code, the EECRF allows the Company to recover the cost of energy efficiency programs from the customer classes that receive services under such programs.

**TERRITORY**

Texas Service Area

**MONTHLY RATE**

Rate No.	Description	Energy Efficiency Cost Recovery Factor (\$/kWh)	
01	Residential Service Rate	0.001724	(I)
EVC	Electric Vehicle Charging Rate	0.000000	
02	Small Commercial Service Rate	0.000457	(I)
07	Outdoor Recreational Lighting Service Rate	0.001948	(I)
08	Governmental Street Lighting Service Rate	0.000002	(I)
09	Governmental Traffic Signal Service	0.000011	(I)
11-TOU	Time-Of-Use Municipal Pumping Service Rate	-0.000001	(R)
WH	Water Heating	-0.000020	(I)
22	Irrigation Service Rate	0.002547	(R)
24	General Service Rate	0.001455	(I)
25	Large Power Service Rate (excludes transmission)	0.002060	(R)
34	Cotton Gin Service Rate	0.000379	(I)
41	City and County Service Rate	0.000222	(I)
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	0.000379	(I)
47	Backup Power Service For Cogeneration And Small Power Production Facilities	0.000379	(I)

Section Number 1  
Sheet Number 33  
Page 1 of 1

Revision Number 13  
Effective with bills issued on or  
after January 1, 2023

**AVISO DE SOLICITUD DE EL PASO ELECTRIC COMPANY PARA LA  
APROBACIÓN DE REVISIÓN DE SU FACTOR DE RECUPERACIÓN DE COSTOS DE  
EFICIENCIA ENERGÉTICA Y SOLICITUD DE ESTABLECIMIENTO DE LÍMITES  
DE COSTOS REVISADOS**

El 2 de mayo del 2022, El Paso Electric Company (EPE o la Compañía) presentó ante la Comisión de Servicios Públicos de Texas (PUCT) su Solicitud de Aprobación para Revisar su Factor de Recuperación de Costos de Eficiencia Energética y Solicitud para Establecer Límites de Costos Revisados (Solicitud) como permitido bajo la Sección 39.905(b) de la Ley de Regulación de Servicios Públicos (PURA) y bajo el Código Administrativo 16 de Texas § 25.182(d) (TAC) en relación con la recuperación de costos para programas de eficiencia energética. A la presentación se le asignó Expediente No. \_\_\_\_\_ por parte de la PUCT. EPE solicitó que el factor de recuperación de costos de eficiencia energética revisado (EECRF) entre en vigencia a partir del primer ciclo de facturación del mes de facturación de enero del 2023. Todos los clientes minoristas de electricidad de EPE en el área de servicio de Texas que se encuentren dentro de las clases sujetas a la EECRF se verán afectados por la aprobación de la Solicitud de la Compañía.

Se proyecta que las tarifas EECRF propuestas por EPE para clientes comerciales en conjunto y para clientes residenciales excedan los límites de costos prescritos por 16 TAC § 25.182(d)(7). Por lo tanto, de conformidad con 16 TAC § 25.181(e)(2), EPE solicitó que la Comisión encuentre una buena causa para revisar los límites de costos de la Compañía para clientes residenciales y comerciales para permitir que la Compañía recupere los costos de eficiencia energética necesarios para lograr la meta de eficiencia energética del 2023.

En su Solicitud, EPE solicitó recuperar a través de su EECRF 2023 aproximadamente \$8,495,031 en costos de eficiencia energética, reflejando los siguientes cinco componentes:

- 1) costos proyectados del programa de eficiencia energética para 2023 de \$5,325,552;
- 2) una bonificación por desempeño basada en el desempeño del programa de eficiencia energética de la Compañía en 2021 de \$2,200,669;
- 3) gastos de procedimiento EECRF del año anterior (2021) de EPE de \$85,367;
- 4) un ajuste de saneamiento por clase de tarifa de la sub-recuperación neta de EPE para 2021 de \$290,647, incluyendo intereses; y
- 5) costos proyectados de evaluación, medición y verificación (EM&V) asignados a EPE por la Comisión de \$67,272.

Según la solicitud EECRF de EPE, con base en las tarifas base actuales de EPE (establecidas en el Expediente PUCT No. 46831) y el factor de combustible fijo, a un cliente

residencial que use 666 kilovatios-hora de electricidad por mes se le cobraría \$1.15 por mes, un aumento de \$0.18 por mes, o aproximadamente un aumento del 0.18% en la factura mensual promedio actual de un cliente residencial de \$100.03, por encima del EECRF aprobado en el último procedimiento EECRF de EPE, expediente PUCT No. 52081. Las tarifas EECRF solicitadas por la Compañía son las siguientes:

Descripción	Factor de recuperación de costos de eficiencia energética \$/kWh
Tarifa de Servicio Residencial	0.001724
Tasa de Recarga de Vehículos Eléctricos	0.000000
Tarifa de Servicio para Empresas Pequeñas	0.000457
Tarifa del Servicio de Iluminación Recreativa Exterior	0.001948
Tarifa del Servicio Gubernamental de Alumbrado Público	0.000002
Servicio Gubernamental de Señales de Tránsito	0.000011
Tarifa del Servicio de Bombeo Municipal por Tiempo de Uso	-0.000001
Calentamiento de Agua	-0.000020
Tarifa de Servicio de Riego	0.002547
Tarifa de Servicios Generales	0.001455
Tarifa de Servicio de Gran Potencia (excluye transmisión)	0.002060
Tarifa de Servicio de Desmotadora de Algodón	0.000379
Tarifa de Servicio de la Ciudad y el Condado	0.000222
Servicio de Mantenimiento de Energía para Instalaciones de	0.000379
Cogeneración y Producciones Pequeñas de Energía	
Servicio de Energía de Respaldo para Cogeneración y Pequeñas	
Instalaciones de Producción de Energía	0.000379

Las personas que tengan preguntas o que deseen más información sobre la Solicitud de EPE pueden comunicarse con la Compañía en 100 N. Stanton St., El Paso, Texas 79901, o llamar al 1-800-351-1621, luego al 7, luego a la ext. 4354, durante el horario comercial normal. Una copia completa de la Solicitud está disponible para su inspección en la dirección indicada anteriormente. La Comisión revisará la Solicitud de EPE, establecerá una fecha de intervención para las personas interesadas y determinará si la Solicitud de EPE debe ser aprobada. El procedimiento de la Comisión para revisar la Solicitud de EPE ha sido asignado al Expediente No. \_\_\_\_\_. Las personas que deseen intervenir o comentar sobre estos procedimientos, u obtener más información, deben comunicarse con la Comisión de Servicios Públicos de Texas, PO Box 13326, Austin, Texas 78711-3326, o llamar a la Oficina de Protección al Consumidor de la Comisión al (512) 936 -7120 o (888) 782-8477. Adicionalmente, por cuestiones relacionadas con el COVID-19, las personas

deberán incluir en sus solicitudes de intervención sus direcciones de correo electrónico, números de fax si los hubiere, u otra información que pueda brindar a la Comisión un medio de servicio electrónico. Las personas con problemas auditivos o del habla que tengan teléfonos de texto (TTY) pueden comunicarse con la Comisión al (512) 936 -7136 o usar Relay Texas (llamada gratuita) 1-800-735-2989. Todas las comunicaciones deben referirse al Expediente No. \_\_\_\_\_.

**NOTICE OF APPLICATION OF EL PASO ELECTRIC COMPANY FOR APPROVAL  
TO REVISE ITS ENERGY EFFICIENCY COST RECOVERY FACTOR AND  
REQUEST TO ESTABLISH REVISED COST CAPS**

On May 2, 2022, El Paso Electric Company (EPE or the Company) submitted to the Public Utility Commission of Texas (PUCT) its Application for Approval to Revise Its Energy Efficiency Cost Recovery Factor and Request to Establish Revised Cost Caps (Application) as permitted under Section 39.905(b) of the Public Utility Regulatory Act (PURA) and under 16 Tex. Admin Code § 25.182(d) (TAC) relating to recovery of costs for energy efficiency programs. The filing was assigned Docket No. \_\_\_\_\_ by the PUCT. EPE requested that its revised energy efficiency cost recovery factor (EECRF) become effective beginning with the first billing cycle of its January 2023 billing month. All EPE retail electric customers in its Texas service area that fall within the classes subject to the EECRF will be affected by approval of the Company's Application.

EPE's proposed EECRF rates for commercial customers in aggregate and for residential customers are projected to exceed the cost caps prescribed by 16 TAC § 25.182(d)(7). Therefore, pursuant to 16 TAC § 25.181(e)(2), EPE requested that the Commission find good cause to revise the Company's cost caps for both residential and commercial customers to permit the Company to recover energy efficiency costs necessary to achieve the 2023 energy efficiency goal.

In its Application, EPE requested to recover through its 2023 EECRF approximately \$8,495,031 in energy efficiency costs, reflecting the following five components:

- 1) projected energy efficiency program costs for 2023 of \$5,325,552;
- 2) a performance bonus based on the Company's 2021 energy efficiency program performance of \$2,200,669;
- 3) EPE's prior year (2021) EECRF proceeding expenses of \$85,367;
- 4) a true-up adjustment by rate class of EPE's net under-recovery for 2021 of \$290,647, including interest; and
- 5) projected evaluation, measurement, and verification (EM&V) costs allocated to EPE by the Commission of \$67,272.

Under EPE's EECRF request, based on EPE's current base rates (established in PUCT Docket No. 46831) and fixed fuel factor, a residential customer using 666 kilowatt-hours of electricity per month would be charged \$1.15 per month, an increase of \$0.18 per month, or about a 0.18% increase in a residential customer's current average monthly bill of \$100.03, above the

EECRF approved in EPE's last EECRF proceeding, PUCT Docket No. 52081. The Company's requested EECRF rates are as follows:

Description	Energy Efficiency Cost Recovery Factor
	\$/kWh
Residential Service Rate	0.001724
Electric Vehicle Charging Rate	0.000000
Small Commercial Service Rate	0.000457
Outdoor Recreational Lighting Service Rate	0.001948
Governmental Street Lighting Service Rate	0.000002
Governmental Traffic Signal Service	0.000011
Time-Of-Use Municipal Pumping Service Rate	-0.000001
Water Heating	-0.000020
Irrigation Service Rate	0.002547
General Service Rate	0.001455
Large Power Service Rate (excludes transmission)	0.002060
Cotton Gin Service Rate	0.000379
City and County Service Rate	0.000222
Maintenance Power Service For Cogeneration And Small Power	0.000379
Production Facilities	
Backup Power Service For Cogeneration And Small Power	
Production Facilities	0.000379

Persons with questions or who want more information about EPE's Application may contact the Company at 100 N. Stanton St., El Paso, Texas 79901, or call 1-800-351-1621, then 7, then ext. 4354, during normal business hours. A complete copy of the Application is available for inspection at the address listed above. The Commission will review EPE's Application, establish an intervention date for interested persons, and determine whether EPE's Application should be approved. The Commission's proceeding to review EPE's Application has been assigned Docket No. \_\_\_\_\_. Persons who wish to intervene in or comment upon these proceedings, or obtain further information, should contact the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326, or call the Commission's Office of Consumer Protection at (512) 936-7120 or (888) 782-8477. Additionally, due to issues related to COVID-19, persons should include in their requests to intervene their email addresses, fax numbers if available, or other information that can provide to the Commission a means of electronic service. Hearing and speech-impaired individuals with text telephones (TTY) may contact the Commission at (512) 936-7136 or use Relay Texas (toll-free) 1-800-735-2989. All communications should refer to Docket No. \_\_\_\_\_.



DOCKET NO. \_\_\_\_\_

APPLICATION OF EL PASO	§	PUBLIC UTILITY COMMISSION
ELECTRIC COMPANY FOR	§	
APPROVAL TO REVISE ITS ENERGY	§	
EFFICIENCY COST RECOVERY	§	OF TEXAS
FACTOR AND REQUEST TO	§	
ESTABLISH REVISED COST CAPS	§	

**PROTECTIVE ORDER**

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

It is ORDERED that:

1. **Designation of Protected Materials.** Upon producing or filing a document, including, but not limited to, records 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 the documents so designated, as well as 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 Public Information Act.<sup>1</sup> 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

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<sup>1</sup> TEX. GOV'T CODE ANN. §§ 552.001-552.353 (Vernon 2004 and Supp. 2013).

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 any 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: (a) any exemptions to the Public Information Act claimed to apply to the alleged Protected Materials; (b) the reasons supporting the producing 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 (c) that counsel for the producing 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 may access Protected Materials only through its "Reviewing Representatives" who have signed the Protective Order Certification Form (see Attachment A). 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 this proceeding. At the request of the PUC Commissioners, copies of Protected Materials may be produced by Commission Staff. 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 that 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 specified herein) would expose a producing party to

unreasonable risk of harm. Highly Sensitive Protected Materials include but are not limited to: (a) customer-specific information protected by § 32.101(c) of the Public Utility Regulatory Act;<sup>2</sup> (b) contractual information pertaining to contracts that specify that their terms are confidential or that are confidential pursuant to an order entered in litigation to which the producing party is a party; (c) market-sensitive fuel price forecasts, wholesale transactions information and/or market-sensitive marketing plans; or (d) 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. 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 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. The Reviewing Party shall maintain a record of all copies made of Highly Sensitive Protected Material and shall send a duplicate of the record to the producing party when the copy or copies are made. The record shall specify the location and the person possessing 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 specified 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

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<sup>2</sup> Public Utility Regulatory Act, TEX. UTIL. CODE ANN., § 32.101(c) (Vernon 2007 & Supp. 2012) (PURA).

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 the Attorney General (OAG), and the Office of Public Utility Counsel (OPC), and except as provided herein, the Reviewing Representatives for the purpose of access to Highly Sensitive Protected Materials may be persons who are (a) outside counsel for the Reviewing Party, (b) outside consultants for the Reviewing Party working under the direction of Reviewing Party's counsel or, (c) 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 Highly Sensitive Protected Materials 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 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 must be either outside counsel or an outside consultant. Other representatives of the Reviewing Party who are authorized to view Highly Sensitive Protected Material may review the copy of Highly Sensitive Protected Materials at the office of the Reviewing Party's representative designated to receive the information. Each Reviewing Party may make two additional copies of Highly Sensitive documents for outside consultants whose business offices are located outside of Travis County. All restrictions on Highly Sensitive documents in this order shall apply to the additional copies maintained in the outside

consultants' offices. Any Highly Sensitive Protected Materials 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 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, 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, and the OAG (if the OAG is representing a party) at the designated office in Austin, Texas. The Commission Staff, OPC 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 specified herein.
12. **Delivery of the Copy of Highly Sensitive Protected Material to Commission Staff and Outside Consultants.** The Commission Staff, OPC, 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 specified by 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 in Attachment A.

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. Commission Staff, OPC, and the OAG may make limited notes 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 found in Attachment A 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 the Commission 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 found in Attachment A 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.

The Reviewing Party shall provide a copy of each signed certification to Counsel for the producing party and serve a copy 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 Paragraphs 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.** P.U.C. PROC. R. 22.144(h) will govern production of voluminous Protected Materials. 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 in this Protective Order; provided, however, that before photographic, mechanical or electronic copies may be made, the Reviewing Party seeking photographic, mechanical or electronic copies must provide written confirmation of the receipt of copies listed on Attachment B of this Protective Order 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: (a) 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 (b) 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 Protective 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 insure 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: (a) shall notify the party which provided the information within sufficient time so that the producing party may seek a temporary sealing order; and (b) shall otherwise follow the procedures 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 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: (a) the date of an unfavorable Commission order; or (b) 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 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 the Commission or a court orders such additional disclosure, 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,<sup>3</sup> the Texas Securities Act<sup>4</sup> and any other applicable law, provided that parties subject to those acts will notify the party asserting confidentiality, if possible under those acts, prior to disclosure pursuant to those acts. Such notice shall not be required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice

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<sup>3</sup> TEX. GOV'T CODE ANN. § 551.001-551.146 (Vernon 2004 & Supp. 2010).

<sup>4</sup> TEX. REV. CIV. STAT. ANN. arts. 581-1 to 581-43 (Vernon 2010).

could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.

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: (a) the Reviewing Party shall notify the producing party of the order requiring the release of such information within five (5) calendar days of the date the Reviewing Party has notice of the order; (b) the Reviewing Party shall notify the producing party at least five (5) calendar days in advance of the release of the information to allow the producing party to contest any release of the confidential information; and (c) 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. The notice specified in this section shall not be required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.
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, the written opinion of the Texas Attorney General sought in compliance with the Public Information Act, or the request of governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials. 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.

Provided, however, that no notice is required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.

35. **Notify Defined.** "Notify" for purposes of Paragraphs 32, 33 and 34 means 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 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 Protective Order, the producing party shall tender the information for in camera review to the presiding officer 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.



**ATTACHMENT A**

**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 received 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 the Commission 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 here shall not apply.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Party Represented

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

Email address \_\_\_\_\_

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

Email address \_\_\_\_\_

**ATTACHMENT B**

I request to view/copy the following documents:

Document Requested	# of Copies	Non-Confidential	Protected Materials and/or Highly Sensitive Protected Materials

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Party Represented

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

Email address \_\_\_\_\_

DOCKET NO. \_\_\_\_\_

APPLICATION OF EL PASO	§	
ELECTRIC COMPANY FOR APPROVAL	§	
TO REVISE ITS ENERGY EFFICIENCY	§	
COST RECOVERY FACTOR AND	§	PUBLIC UTILITY COMMISSION
REQUEST TO ESTABLISH REVISED	§	OF TEXAS
COST CAPS	§	
	§	

DIRECT TESTIMONY OF

CRYSTAL A. ENOCH

FOR

EL PASO ELECTRIC COMPANY

MAY 2, 2022

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## EXHIBITS

CAE-01	EPE's 2022 Energy Efficiency Plan and Report – Errata
CAE-02	2021 Cost-effectiveness Summary by Program
CAE-03	2021 Comparison of Program Expenditures
CAE-04	2021 Comparison of Incentive Expenditures
CAE-05	2023 Total Budget and Program Expenses by Rate Class
CAE-06	2021 Performance Bonus Calculation
CAE-07	CONFIDENTIAL – List of Energy Efficiency Service Providers
CAE-08	2021 Estimated Useful Life Table

**I. Introduction and Qualifications**

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Crystal A. Enoch. My business address is 100 N. Stanton Street, El Paso, Texas 79901.

Q. HOW ARE YOU EMPLOYED?

A. I am employed by El Paso Electric Company ("EPE" or "Company") as a Principal Energy Efficiency Program Analyst.

Q. PLEASE SUMMARIZE YOUR PROFESSIONAL AND EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. I graduated from New Mexico State University with a Bachelor of Science in Engineering Technology and a Master of Business Administration. In February 2003, I was employed by Tresco Inc. in White Sands Missile Range, New Mexico, as a Facilities Engineer in the High Energy Laser Systems Test Facility designing and planning facility upgrade projects across the engineering disciplines of electrical, civil, structural, and heating, ventilation and air-conditioning ("HVAC") along with the oversight of associated internal and external contractors. In September 2004, I was employed by EPE as a Senior Territorial Planner designing distribution power lines. In April 2010, I was employed by Enoch Mechanical Inc. as a Project Manager overseeing internal and external personnel on publicly funded mechanical and general construction projects throughout southern New Mexico. In November 2011, I accepted a position with Zia Natural Gas Company in Las Cruces, New Mexico, as a Project Engineer designing natural gas utility distribution systems.

In September 2014, I was rehired by EPE as a Program Coordinator in the Energy Efficiency Department. Since joining Energy Efficiency, I have been the Program Coordinator for various commercial programs, and I am the department lead for Evaluation, Measurement, and Verification ("EM&V") with the Texas and New Mexico commission-approved statewide evaluators and consultants. Also, I hold a license as a Professional Engineer in the State of New Mexico, and I am a member of the American Society of Heating, Refrigeration, and Air-Conditioning Engineers ("ASHRAE").

1 Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES WITH EPE.

2 A. As a Principal Energy Efficiency Program Analyst of the Energy Efficiency Department, I  
3 am responsible for the oversight of EPE's Texas and New Mexico Commercial and  
4 Residential Load Management Programs. I am the subject matter expert who works with  
5 the statewide evaluators and consultants in both Texas and New Mexico reviewing  
6 technical documents, evaluation of methodologies, reports, and verification of deemed  
7 energy and demand savings. I verify and validate EPE's energy efficiency program  
8 measures' incentive amounts, deemed savings calculations, and program budgets to ensure  
9 the cost effectiveness of EPE's Texas and New Mexico energy efficiency programs.

10  
11 Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE UTILITY  
12 REGULATORY BODIES?

13 A. Yes, I have previously filed testimony before the Public Utility Commission of Texas  
14 ("PUCT" or "Commission") in EPE's Docket Nos. 50806 and 52081.

15  
16 **II. Purpose of Testimony**

17 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

18 A. The purpose of my testimony is to:

- 19 • Present the results of EPE's 2021 energy efficiency program year;
- 20 • Provide the EPE 2022 Energy Efficiency Plan and Report ("EEPR");
- 21 • Describe EPE's proposed 2023 energy efficiency goals, programs, and budget;
- 22 • Explain EPE's 2021 performance bonus calculation;
- 23 • Describe EPE's bidding and engagement process for contracting with energy efficiency
- 24 service providers ("EESPs") and administrators;
- 25 • Provide a list of the EESPs and contractors that participated in EPE's energy efficiency
- 26 programs, including a list of those whose incentive payments exceeded 5% of the
- 27 overall incentive payments in EPE's 2021 energy efficiency programs; and
- 28 • Provide a list of each energy efficiency program measures' estimated useful life
- 29 ("EUL").

30  
31 Q. ARE YOU SPONSORING ANY EXHIBITS?

1 A. Yes, I am sponsoring the following exhibits that have been prepared by me or under my  
2 direction:

- 3 • Exhibit CAE-01 – EPE's 2022 Energy Efficiency Plan and Report – Errata
- 4 • Exhibit CAE-02 – 2021 Cost-effectiveness Summary by Program
- 5 • Exhibit CAE-03 – Comparison of 2021 Program Expenditures
- 6 • Exhibit CAE-04 – Comparison of 2021 Incentive Expenditures
- 7 • Exhibit CAE-05 – 2023 Total Budget and Program Expenses by Rate Class
- 8 • Exhibit CAE-06 – 2021 Performance Bonus Calculation
- 9 • Exhibit CAE-07 – (CONFIDENTIAL) – List of Energy Efficiency Service Providers
- 10 • Exhibit CAE-08 – 2021 Estimated Useful Life Table

11  
12 Q. IS EPE PRESENTING OTHER WITNESSES IN THIS PROCEEDING?

13 A. Yes, EPE witness Victor H. Silva presents and supports the calculation of EPE's Energy  
14 Efficiency Cost Recovery Factor ("EECRF") for 2023, based on the program costs and  
15 other information I discuss in my testimony. EPE witness Silva also presents and discusses  
16 EPE's request to establish a revised cost cap for the residential and commercial customer  
17 classes, as allowed by 16 Texas Administrative Code ("TAC") § 25.181(e)(2).

18  
19 **III. 2021 Energy Efficiency Program Results**

20 Q. CAN YOU LIST THE 2021 ENERGY EFFICIENCY PROGRAMS THAT EPE  
21 OFFERED?

22 A. Yes. In 2021, EPE offered the following energy efficiency programs:

- 23 • Small Commercial Solutions Market Transformation Program ("MTP"),
- 24 • Large Commercial & Industrial ("C&I") Solutions MTP,
- 25 • Texas Schools and Cities Conserving Resources ("Texas SCORE") MTP,
- 26 • Commercial Load Management Standard Offer Program ("SOP"),
- 27 • Residential Solutions MTP,
- 28 • LivingWise<sup>®</sup> MTP,
- 29 • Texas Appliance Recycling MTP,
- 30 • Residential Marketplace Pilot MTP,

- Residential Load Management MTP ("RLMP"), and
- Hard-to-Reach Solutions MTP.

Q. CAN YOU DESCRIBE EACH ENERGY EFFICIENCY PROGRAM?

A. Yes. A complete description of EPE's energy efficiency programs is provided in EPE's 2022 EEPR, attached as Exhibit CAE-01.

Q. WHAT WERE EPE'S ENERGY EFFICIENCY PROGRAM EXPENDITURES DURING THE 2021 PROGRAM YEAR?

A. In 2021, EPE accrued \$5,000,996 in total program expenditures including EM&V expenses and EECRF proceeding expenses. Program expenditures alone were \$4,859,607. A detailed breakdown of the amounts spent by program can be found in Table 10 of Exhibit CAE-01.

Q. WERE ANY DISCREPANCIES IDENTIFIED DURING THE RECONCILIATION OF PROGRAM EXPENDITURES OF THE 2021 PROGRAM YEAR?

A. Yes. During reconciliation of the LivingWise Program in early 2022 a discrepancy among the number of kits distributed and incentives paid in 2021 arose. EPE identified the discrepancy as a credit for 13 kits which were shipped in Program Year 2020 and later shipped back to the Implementer in program year 2021.

Q. WHAT ADJUSTMENT IF ANY DID EPE MAKE FOR THE THIRTEEN RETURNED LIVINGWISE KITS?

A. EPE's program year 2020 had already been reconciled in EPE's 2021 EECRF proceeding, Docket No. 52081. As such, in 2021, EPE purchased and paid for the 13 kits shipped in program year 2020 out of EPE's 2021 O&M budget. Because the impact on EPE's 2020 program was minimal (\$503.75 out of a total EECRF cost of over \$5 million) and because EPE purchased and distributed the kits anyway, EPE does not propose any adjustments for the 2020 program year.



1 Q. WHAT WAS EPE'S DEMAND REDUCTION GOAL FOR THE 2021 PROGRAM  
2 YEAR?

3 A. EPE's demand reduction goal for 2021 was 11.16 megawatts ("MW"), as described in the  
4 Executive Summary and explained in more detail in Section III of Exhibit CAE-01.  
5

6 Q. WHAT DEMAND REDUCTION DID EPE ACHIEVE THROUGH ITS 2021 ENERGY  
7 EFFICIENCY PROGRAMS?

8 A. As shown in Table 8 of Exhibit CAE-01, EPE achieved a total of 27,325 kilowatts ("kW")  
9 of demand reduction through its energy efficiency programs for 2021. This reduction  
10 represents 245% of EPE's 2020 demand reduction goal.  
11

12 Q. DID EPE'S 2021 ENERGY EFFICIENCY PROGRAMS MEET THE COST-  
13 EFFECTIVENESS STANDARD OF 16 TAC §25.181?

14 A. Yes, all of EPE's programs met the cost-effectiveness standard of 16 TAC § 25.181(d).  
15 EPE's overall portfolio of 2021 programs exceeded the cost-effectiveness standard of 1.0  
16 with a Utility Cost Test ("UCT") of 5.27, as shown in Exhibit CAE-02.  
17

18 Q. WHAT EFFECT DID THE INCREASE IN THE 2021 COMMERCIAL BUDGET HAVE  
19 ON EPE'S OVERAGE OF THE COMMERCIAL COST CAP?

20 A. EPE had seen a decrease in the commercial cost cap in prior years and with the small  
21 increase to the Commercial budget in 2021 EPE observed a slight increase in the projected  
22 overage of the commercial cost cap. However, with no adjustment to the Commercial  
23 budget in 2022, EPE observed a greater increase in the projected overage of the commercial  
24 cost cap.  
25

26 Q. WHAT FACTORS IMPACT THE COMMERCIAL AND RESIDENTIAL COST CAPS?

27 A. The projected meter consumption (kWh) and energy efficiency costs to be recovered have  
28 an effect on the commercial and residential cost caps, along with other factors presented  
29 by Victor H. Silva.  
30

1 Q. WHAT IMPACTS DOES THE COVID-19 PANDEMIC CONTINUE TO HAVE ON  
2 EPE'S ABILITY TO EFFECTIVELY IMPLEMENT ONE OR MORE OF ITS' ENERGY  
3 EFFICIENCY PROGRAMS IN 2021?

4 A. With Governor Greg Abbott's Executive Order GA-34<sup>1</sup> issued on March 2, 2021, EPE  
5 observed a return to normal implementation of its Energy Efficiency Programs in 2021. In  
6 addition, in late 2021 the passage of Senate Bill 8 from the 87<sup>th</sup> Legislature, Third Called  
7 Session, made federal funds available to the State of Texas under the federal American  
8 Rescue Plan Act of 2021 "ARPA Funds", which may increase participation in the SCORE  
9 and Large Commercial Solutions MTPs. ARPA Funds may be used for Coronavirus  
10 Capital Projects such as, broadband infrastructure, construction projects at institutions of  
11 higher education, and upgrades to filtration and ventilation systems at Texas veterans'  
12 homes.

13  
14 Q. WHAT IMPACTS DID THE COVID-19 PANDEMIC HAVE ON EPE'S ABILITY TO  
15 EFFECTIVELY IMPLEMENT THE LIVINGWISE® AND TEXAS APPLIANCE  
16 RECYCLING MTPS IN 2021?

17 A. Executive Order GA-34 lifted the mask mandate in Texas and gave schools the option to  
18 return to in-person learning. Consequently, EPE observed pre-pandemic participation  
19 levels for the LivingWise® MTP, resulting in 8,937 kits distributed to students. However,  
20 since the school districts offered a hybrid model with both in-person and remote learning,  
21 the educational material was provided electronically to teachers participating in the  
22 LivingWise® MTP. Additionally, EPE observed pre-pandemic participation levels for the  
23 Texas Appliance Recycling MTPs, resulting in 1,034 units recycled.

24  
25 Q. HOW WERE UNUSED FUNDS FROM THE RESIDENTIAL MARKETPLACE  
26 "MARKETPLACE" PILOT MTP REALLOCATED?

27 A. During the program year EPE monitors individual program participation. Realizing the  
28 Marketplace would not utilize all funds, EPE reallocated the unused 2021 funds from the

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<sup>1</sup> Governor Greg Abbott's Executive Order GA-34 issued on March 2, 2021, that lifted the mask mandate in Texas, increased capacity of all businesses and facilities in the state to 100%, and gave schools the option to return to in-person learning.

1 Marketplace to the Residential Load Management Program "RLMP", since they work in  
2 conjunction of one another.

3  
4 Q. DID EPE BELIEVE IT WAS NECESSARY TO CONTROL RLMP EXPENDITURES?

5 A. Yes. Due to the popularity of the program, EPE believed that the RLMP program would  
6 substantially exceed its budget. To avoid that, EPE believed it should take steps to curtail  
7 enrollment into the program.

8  
9 Q. WHAT CHANGES DID EPE IMPLEMENT TO CONTROL RLMP EXPENDITURES  
10 IN 2021?

11 A. To stop the pre-enrollment of thermostats into the RLMP, which results in incentives up to  
12 \$75 per device for up to two thermostats, EPE turned off the Demand Response  
13 Pre-Enrollment "DRPE" option from the Marketplace. While turning off the DRPE option  
14 does not prevent a customer from enrolling a thermostat through the Bring Your Own  
15 Device "BYOD" channel it does eliminate the additional \$50 thermostat rebate expenditure  
16 through the RLMP. Also, with the DRPE option off, OEMs will not make additional  
17 promotions available to eligible participants, therefore slowing the sale of thermostats  
18 through the Marketplace and reducing program expenditures in both the RLMP and  
19 Marketplace.

20  
21 Q. ARE EPE'S PROGRAMS IMPLEMENTED IN ACCORDANCE WITH  
22 RECOMMENDATIONS MADE BY THE COMMISSION'S EM&V CONTRACTOR?

23 A. Yes. EPE's programs are implemented in accordance with the recommendations of the  
24 Commission's EM&V contractor.

25  
26 Q. HAVE YOU PROVIDED A RECONCILIATION OF THE PREVIOUS YEAR'S  
27 ENERGY EFFICIENCY COSTS?

28 A. Yes. Table 10 of Exhibit CAE-01 presents the reconciliation based on 2021 budget and  
29 expenditures for each energy efficiency program, as well as the administrative, research  
30 and development ("R&D"), EM&V, and EECRF proceeding expenses.

1 Q. WERE ALL THE COSTS SHOWN IN TABLE 10 OF EXHIBIT CAE-01 INCURRED  
2 IN SUPPORT OF ENERGY EFFICIENCY PROGRAMS?

3 A. Yes, all of the costs shown in Table 10 of Exhibit CAE-01 were incurred for the purpose  
4 of reducing demand and energy growth. The energy efficiency program costs are presented  
5 in EPE's 2022 EEPR, Project No. 52949, which was originally filed on April 1, 2022, with  
6 an errata filing made on April 28, 2022.<sup>2</sup>  
7

8 Q. DO THE COSTS SHOWN IN TABLE 10 OF EXHIBIT CAE-01 INCLUDE ANY COSTS  
9 THAT ARE NOT ALLOWED AS AN EXPENSE UNDER 16 TAC §25.231(b)(2)?

10 A. No.  
11

12 Q. HOW DO EPE'S ENERGY EFFICIENCY COSTS COMPARE TO WHAT OTHER  
13 TEXAS UTILITIES HAVE EXPERIENCED?

14 A. While each utility faces different circumstances, EPE's 2021 energy efficiency costs are  
15 comparable to other electric investor-owned utilities ("IOU") in Texas. Exhibit CAE-03  
16 compares the program expenditures for demand or kW savings ("\$/kW") and energy or  
17 kilowatt-hour ("kWh") savings ("\$/kWh") for Texas IOUs as originally reported in their  
18 2022 EEPRs. In addition, Exhibit CAE-04 compares the incentive expenditures for  
19 demand and energy savings for Texas IOUs. In 2021, EPE's program and incentive  
20 expenditures on a \$/kW and \$/kWh basis were at or below the average program and  
21 incentive expenditures for Texas IOUs on a \$/kW and \$/kWh basis.  
22

#### 23 IV. EPE's 2023 Energy Efficiency Goal

24 Q. HOW ARE EPE'S ENERGY EFFICIENCY GOALS ESTABLISHED?

25 A. EPE's energy efficiency goals are established in compliance with the Commission's  
26 requirements found in 16 TAC § 25.181(e), which requires that an electric utility  
27 administer a portfolio of energy efficiency programs to achieve a 30% reduction of its  
28 summer weather-adjusted peak demand for the combined residential and commercial

---

<sup>2</sup> 2022 *Energy Efficiency Plans and Reports Under 16 TAC 25.181*; Project No. 52949, El Paso Electric Company 2022 Energy Efficiency Plan and Report (April 1, 2022); 2022 *Energy Efficiency Plans and Reports Under 16 TAC 25.181*, Project No. 52949, Errata to El Paso Electric Company 2022 Energy Efficiency Plan and Report (April 28, 2022).

1 customers at the meter. This goal is limited by a trigger based on 0.4% of the utility's  
2 summer weather-adjusted peak demand for the combined residential and commercial  
3 customers at the meter. Once a utility's portfolio produces demand reductions equivalent  
4 to the trigger, the annual goal is established at that level. With limited exceptions, the  
5 demand reduction goal in any year shall not be lower than its goal established for the prior  
6 year.

7  
8 Q. WHAT IS EPE'S REQUESTED DEMAND REDUCTION GOAL FOR 2023?

9 A. EPE's requested demand reduction goal for 2023 is 11.16 MW.  
10

11 Q. HAS EPE REACHED THE 0.4% TRIGGER AS PROVIDED FOR IN 16 TAC  
12 § 25.181(e)(1)(B)?

13 A. Yes. Since 2013, EPE's demand reduction goal has been greater than the 0.4% trigger.  
14 EPE's proposed 2023 demand reduction goal of 11.16 MW exceeds the trigger as well. As  
15 shown in Table 1 of Exhibit CAE-01, the 2023 trigger is equal to 5.54 MW.  
16

17 Q. HAS EPE RECEIVED ANY NOTIFICATIONS FROM INDUSTRIAL CUSTOMERS  
18 UNDER 16 TAC § 25.181(u) THAT THEY ARE AN INDUSTRIAL CUSTOMER  
19 TAKING SERVICE AT DISTRIBUTION LEVEL AND WISH TO BE EXCLUDED  
20 FROM EPE'S ENERGY EFFICIENCY PROGRAMS?

21 A. Yes.  
22

23 Q. WHAT IS THE IMPACT OF SUCH NOTIFICATIONS ON EPE'S DEMAND  
24 REDUCTION GOAL?

25 A. The impact of the notifications is reflected in Table 4 of my Exhibit CAE-01. The  
26 notifications are included in the 0.4 % trigger calculation and resulted in an exclusion of  
27 4.5 kW from that demand-reduction goal for EPE's EECRF for program year 2023.  
28 Because of rounding, it does not affect EPE's demand reduction goal of 11.16 MW.  
29

**V. 2023 Energy Efficiency Programs and Projected Expenses per EPE'S Proposal**

Q. CAN YOU LIST THE ENERGY EFFICIENCY PROGRAMS THAT EPE EXPECTS TO OFFER DURING THE 2023 PROGRAM YEAR?

A. Yes. In 2023, EPE plans to offer the following programs:

- Small Commercial Solutions MTP
- Large C&I Solutions MTP
- Texas SCORE MTP
- Commercial Load Management SOP
- Residential Solutions MTP
- LivingWise® MTP
- FutureWise® Pilot MTP
- Texas Appliance Recycling MTP
- Residential Marketplace MTP
- Residential Load Management MTP
- Hard-to-Reach Solutions MTP

Q. ARE THERE ANY SIGNIFICANT CHANGES IN EPE'S ENERGY EFFICIENCY PROGRAM PORTFOLIO FROM 2022 TO 2023?

A. Yes. EPE is proposing a budget increase for the Residential Load Management Program to account for the projected growth through program year 2023 and a budget reduction to the Texas SCORE MTP.

Q. IS EPE ANTICIPATING ANY R&D ACTIVITIES FOR 2023?

A. Yes. EPE anticipates needing R&D to perform an analysis on the benefits of residential building envelope measures, such as wall insulation and advanced framing techniques.

Q. WHAT IS THE PROPOSED 2023 ENERGY EFFICIENCY PROGRAM BUDGET?

A. The proposed 2023 program budget, excluding EM&V and EECRF proceeding expenses, is \$5,325,552. Exhibit CAE-01, Table 6, shows the forecasted energy efficiency program budget including incentive payments along with administrative, R&D, EM&V, and EECRF proceeding expenses for a total of \$5,492,824.

1  
2 Q. CAN YOU PROVIDE THE PROJECTED DEMAND AND ENERGY SAVINGS FOR  
3 EACH 2023 PROGRAM?

4 A. Yes. The projected demand and energy savings for each 2023 energy efficiency program  
5 are shown in Table 5 of Exhibit CAE-01.  
6

7 Q. DOES EPE OFFER PROGRAMS FOR ALL ELIGIBLE CUSTOMER CLASSES?

8 A. Yes. EPE offers programs for all eligible customer classes.  
9

10 Q. HOW WERE THE 2023 ENERGY EFFICIENCY PROGRAM COSTS AND  
11 ADMINISTRATIVE COSTS ALLOCATED TO EACH RATE CLASS?

12 A. The proposed 2023 incentive costs were allocated by program to each rate class based on  
13 EPE's actual 2021 energy efficiency incentive costs. The 2023 proposed administrative  
14 costs not directly assigned to specific programs were first allocated among each program  
15 in proportion to the budgeted 2023 program incentive costs and then the same methodology  
16 described above was used to allocate these expenses to each rate class within the programs.  
17 The administrative costs that were directly assigned to a specific program were distributed  
18 across rate classes based on the allocation of costs applicable to that program. Please see  
19 Exhibit CAE-05 for these proposed 2023 rate class allocations.  
20

21 Q. HOW WERE THE 2023 R&D COSTS DIRECTLY ASSIGNED TO EACH RATE  
22 CLASS?

23 A. The proposed 2023 R&D costs were directly assigned to each applicable program in  
24 proportion to that program's budgeted incentive costs. The same methodology described  
25 in the previous question was then used to allocate these expenses to each rate class within  
26 the programs.  
27

28 Q. IS THIS THE SAME APPROACH THAT EPE HAS UTILIZED IN ITS PREVIOUS  
29 ENERGY EFFICIENCY PROGRAM FILING?

30 A. Yes, this is the same approach that EPE utilized in its previous energy efficiency program  
31 filing.

1  
2 Q. DOES THIS APPROACH REDUCE THE OVER- OR UNDER-RECOVERY OF  
3 PROGRAM COSTS BY RATE CLASSES?

4 A. Yes, this approach should reduce the over- or under-recovery of program costs by rate  
5 classes in future EECRF filings. The methodology aligns the program budgets and  
6 projected costs that are used to set the EECRF rate with actual occurrences in prior program  
7 years. A combination of historical participation rates and other known factors concerning  
8 particular types of customers is a good indicator of how rate classes will participate in  
9 energy efficiency programs going forward.

10  
11 Q. IS THE PROPOSED PROGRAM BUDGET REASONABLE?

12 A. Yes. EPE is proposing a budget of \$5,325,552, excluding EM&V and EECRF proceeding  
13 expenses, with exception to the budget adjustments for the RLMP and the SCORE MTP,  
14 the budget consists of the same program costs approved for EPE's 2022 programs.

15  
16 Q. WHAT ADJUSTMENTS WERE MADE TO THE RLMP AND SCORE MTP  
17 BUDGETS?

18 A. EPE increased the RLMP budget by \$246,320 to \$700,000, to accommodate growth. To  
19 reduce the commercial cost cap, EPE elected to decrease the SCORE MTP budget by  
20 \$50,000 to \$469,902. Adjustments to the budget are projected to increase the residential  
21 demand and energy savings by nearly 11,380 kW and 243,830 kWh.

22  
23 Q. ARE EPE'S PROPOSED INCENTIVE COSTS REASONABLE?

24 A. Yes, the Company's proposed incentive costs are reasonable. As stated earlier,  
25 Exhibit CAE-04 shows a comparison of the 2021 incentive expenditures per kW and kWh  
26 for each Texas IOU as originally reported in the utilities' 2022 EEPRs. This comparison  
27 shows that EPE's incentive expenditures are comparable to other Texas IOUs on a per kW  
28 and per kWh basis for 2021.

29  
30 Q. WHAT ARE THE COMPANY'S PROJECTED ADMINISTRATIVE COSTS FOR 2023?



1 A. The projected administrative costs for 2023 are \$280,065 as shown in Exhibit CAE-01,  
2 Table 6. Besides program administration, these administrative costs include R&D, EM&V,  
3 and EECRF proceeding expenses.  
4

5 Q. WHAT ARE THE PROJECTED EXPENSES FOR R&D AND EECRF PROCEEDING  
6 COSTS FOR 2023?

7 A. The projected expenses for R&D are \$25,000. EPE's projected EECRF proceeding costs  
8 are \$100,000.  
9

10 Q. WHAT ARE THE COMPANY'S 2023 PROJECTED EM&V EXPENSES?

11 A. The 2023 projected recoverable EM&V expenses for the PUCT's EM&V contractor,  
12 pursuant to 16 TAC § 25.181(o)(10), are \$67,272, as shown in Exhibit CAE-01, Table 6.  
13

14 Q. ARE THE PROPOSED 2023 ADMINISTRATIVE EXPENSES, INCLUDING R&D,  
15 REASONABLE?

16 A. Yes, the Company's proposed administrative expenses, including R&D, are reasonable.  
17 Pursuant to 16 TAC § 25.181(g), a utility's cost of administering its energy efficiency  
18 programs shall not exceed 15% of the utility's total program costs, and the cost of R&D  
19 shall not exceed 10% of the utility's total program costs for the previous program year. The  
20 cumulative cost of administration and R&D shall not exceed 20% of a utility's total  
21 program costs unless a good cause exception is filed. EPE's total proposed program costs  
22 for 2023 are \$5,492,824, which includes administrative, R&D, EM&V, and EECRF  
23 proceeding expenses and are shown in Exhibit CAE-01, Table 6. The Company's projected  
24 administrative, R&D, EM&V, and EECRF proceeding costs of \$280,065 represent  
25 approximately 5.10% of its projected total program costs and, when taken individually, the  
26 administrative and R&D costs are well below the thresholds stated above. As such, EPE's  
27 proposed 2023 administrative costs are well within the PUCT's limits and are reasonable.  
28

29 Q. DOES THIS AMOUNT INCLUDE COSTS FOR THE DISSEMINATION OF  
30 INFORMATION AND OUTREACH?

31 A. Yes.

1  
2 Q. ARE THERE ANY EXISTING MARKET CONDITIONS THAT AFFECT EPE'S  
3 ABILITY TO IMPLEMENT ONE OR MORE OF ITS PROPOSED ENERGY  
4 EFFICIENCY PROGRAMS?

5 A. Yes. Supply chain delays and inflationary costs may have an unknown effect on EESPs to  
6 obtain materials to complete energy efficiency upgrades.  
7

8 Q. HAVE ANY CIRCUMSTANCES IN EPE'S SERVICE AREA CHANGED SINCE THE  
9 PUCT APPROVED EPE'S BUDGET FOR THE IMPLEMENTATION YEAR THAT  
10 MAY AFFECT EPE'S ABILITY TO IMPLEMENT ANY OF ITS ENERGY  
11 EFFICIENCY PROGRAMS?

12 A. Yes. The ongoing supply chain issues, rising costs of consumer goods due to inflation, and  
13 other market conditions, such as labor shortages, may affect EPE's ability to implement its  
14 energy efficiency programs.  
15

16 Q. ARE THERE ANY OTHER CIRCUMSTANCES THAT MAY AFFECT EPE'S  
17 ABILITY TO ACHIEVE ITS PROPOSED 2023 GOALS?

18 A. Yes. The projected federal interest rate increases, rate of inflation and the effect to various  
19 construction materials and the labor needed to install may have an unknown impact on  
20 EPE's ability to achieve its energy efficiency goals.

21 Another circumstance that may affect EPE's ability to achieve its proposed 2023  
22 goals is the EECRF commercial and residential cost cap identified in 16 TAC  
23 § 25.182(d)(7)(B). Historically, in order to achieve the PUCT-mandated goals, EPE had  
24 budgeted more in its commercial programs than its residential programs, and the  
25 Commission has granted good cause exceptions allowing EPE to do so. With the continued  
26 expansion of the Residential Load Management MTP the projected budget for the  
27 residential sector programs will exceed commercial programs. EPE has proposed to reduce  
28 the commercial budget by \$50,000, but these changes, however, still may not be sufficient  
29 for EPE to meet the 2023 commercial cost cap.  
30

1 Q. DOES THE NUMBER OF ENERGY EFFICIENCY SERVICE PROVIDERS  
2 OPERATING IN EPE'S SERVICE TERRITORY AFFECT EPE'S ABILITY TO  
3 IMPLEMENT ANY OF ITS ENERGY EFFICIENCY PROGRAMS?

4 A. No. EPE anticipates that the local contractors will continue to participate in EPE's 2023  
5 programs. However, EPE observed a continued reduction in the number of EESPs in each  
6 of the Small Commercial, and Hard-to-Reach Solutions MTPs, which are primarily  
7 contractor based from PY2020 to PY2021<sup>3</sup>.

8  
9 Q. WHAT BARRIERS ARE THE ENERGY EFFICIENCY SERVICE PROVIDERS,  
10 OPERATING IN EPE'S SERVICE TERRITORY, ENCOUNTERING IN THEIR  
11 ABILITY TO PARTICIPATE IN EPE'S ENERGY EFFICIENCY PROGRAMS?

12 A. Local contractors have expressed internal staffing shortages and turnover, which result in  
13 repetitive training on the documentation requirements are an administrative burden.  
14 Implementers have expressed lack of continuity, with external staffing turnover leads to a  
15 breakdown in communication channels and causes delays in documentation acquisition,  
16 pre and post inspections, and requires the added burden of continuous repetitive training of  
17 program participants. Which is resulting in increased costs, and reduced profits. Also, the  
18 PUCT approved Low Income and Hard to Reach Forms were modified during program  
19 year 2021, and a pro forma customer validation process was put in place on July 1, 2021.  
20 The forms were finalized for use in 2022, however, since EPE had exhausted all 2021 hard  
21 to reach funding prior to July 1, 2021. EPE does not know the effect or unintended barriers  
22 created from the changes to the PUCT approved forms and EPE processes, may have on  
23 EESPs participating in the hard-to-reach program.

24  
25 Q. WHAT INTERVENTION STRATEGIES HAS EPE IMPLEMENTED TO OVERCOME  
26 BARRIERS?

27 A. EPE and program implementers in an effort to maintain communication channels hold an  
28 annual kickoff meeting and meet periodically throughout the year with participants, while  
29 building relationships with local associations such as the Chamber of Commerce and

---

<sup>3</sup> Compare Exhibit CAE-07 from Docket No. 52081, *Application of El Paso Electric Company to Revise Its Energy Efficiency Cost Recovery Factor and Establish a Revised Cost Cap*, to Exhibit CAE-07 attached to this testimony.

1 El Paso Apartment Association to facilitate participation through energy efficiency  
2 programs. Program implementer also provide annual training or training as needed on  
3 project submission and required documentation to expedite incentive payment processing.  
4 Implementers are also providing more visual aids and simplifying guidelines to assist with  
5 project submission processes.  
6

7 Q. DOES PAST CUSTOMER PARTICIPATION IN EPE'S ENERGY EFFICIENCY  
8 PROGRAMS AFFECT ANTICIPATED CUSTOMER PARTICIPATION IN THE  
9 PROPOSED ENERGY EFFICIENCY PROGRAMS?

10 A. No, past participation is not an indicator of future participation.  
11

#### 12 VI. EPE's 2021 Performance Bonus

13 Q. IS EPE REQUESTING A PERFORMANCE BONUS FOR 2021?

14 A. Yes.  
15

16 Q. CAN YOU DESCRIBE THE CALCULATION OF EPE'S ENERGY EFFICIENCY  
17 PERFORMANCE BONUS OF \$2,620,096 FOR THE 2021 PROGRAM YEAR?

18 A. Yes. In 2021, EPE's energy efficiency programs achieved a 27,325kW reduction in  
19 demand. EPE's demand reduction goal for 2021 was 11,160 kW. EPE's achievement  
20 represents 245% of its goal, qualifying it for a performance bonus. 16 TAC § 25.182(e)(3)  
21 states that "a utility that exceeds 100% of its demand and energy reduction goals shall  
22 receive a bonus equal to 1% of the net benefits for every 2% that the demand reduction  
23 goal has been exceeded with a maximum of 10% of the utility's total net benefits." The  
24 performance bonus calculation is as follows:

$$25 \quad (((\text{Achieved Demand Reduction}/\text{Demand Goal} - 100\%)/2) * \text{Net Benefits})$$

26 Because this calculation results in a performance bonus of \$18,975,597, which  
27 exceeds the maximum of 10% of EPE's total net benefits of \$26,200,963, EPE's  
28 performance bonus is capped at \$2,620,096 as shown in Exhibit CAE-06.  
29

30 Q. WAS THE PERFORMANCE BONUS REDUCED AND ALLOCATED TO EACH  
31 CLASS?

1 A. Yes. As ordered in Docket No. 48332, EPE calculated a bonus reduction to account for  
2 the increase in the commercial customer cap. This resulted in a reduction in the  
3 performance bonus from \$2,620,096 to \$2,200,669, as addressed by EPE witness Silva and  
4 shown in Exhibit VHS-05. 16 TAC § 25.182(e)(6) provides that any performance bonus  
5 be allocated in proportion to the program costs associated with meeting the demand and  
6 energy goals and allocated to eligible customers on a rate class basis. This allocation is  
7 addressed by EPE witness Silva and shown in Exhibit VHS-01.

8  
9 **VII. EPE's Bidding and Engagement Process**

10 Q. CAN YOU DESCRIBE THE BIDDING PROCESS BY WHICH EPE SELECTED THE  
11 PROGRAM ADMINISTRATORS AND IMPLEMENTERS FOR EACH OF ITS  
12 EXISTING AND PROPOSED ENERGY EFFICIENCY PROGRAMS?

13 A. Yes. EPE has used a request for proposals ("RFP") process to select its program  
14 administrators for its energy efficiency programs. In general, this process involves issuing  
15 an RFP and distributing it to potential administrators and implementers, reviewing the  
16 proposals based on predetermined criteria, and selecting an administrator based on the  
17 merits of its proposal. This same general process was used to select the current program  
18 administrators.

19 In 2009, EPE initiated an RFP for the implementation of the Texas SCORE MTP.  
20 The RFP was distributed to the members of the Association of Energy Service  
21 Professionals as well as to other entities that expressed an interest in participating in EPE's  
22 programs. The proposals were scored on a scale of one to ten in four evaluation criteria  
23 categories - Innovative Approach, Bidder Qualifications and Experience, Quality and  
24 Completeness of Proposal, and Price. EPE selected CLEAResult to administer this  
25 program.

26 The administrator of EPE's LivingWise® educational program, AM Conservation  
27 (formerly Resource Action Programs), was selected through a solicited proposal.  
28 AM Conservation administers its proprietary LivingWise® program nationally and had  
29 previously administered this program in EPE's New Mexico service territory. Based on  
30 the success of the New Mexico program, EPE selected AM Conservation to administer this  
31 educational program in EPE's Texas service territory.

1 In 2011, EPE initiated RFPs for the Small Commercial Solutions MTP, the Large  
2 C&I Solutions MTP, the Residential Solutions MTP, and the Hard-to-Reach Solutions  
3 MTP. As was the case with the Texas SCORE MTP, the RFPs were distributed, and two  
4 companies responded with proposals. The proposals were scored on a scale of one to ten  
5 in the four evaluation criteria categories mentioned above. EPE selected CLEAResult to  
6 administer these programs.

7 EPE's Commercial Load Management SOP is internally implemented, therefore no  
8 RFP was required.

9 EPE solicited a sole source procurement from ARCA Recycling, Inc., ("ARCA"),  
10 for the Texas Appliance Recycling MTP in 2017 as they were the only vendor capable of  
11 providing a utility scale recycling program in the region. EPE's Texas Appliance Recycling  
12 MTP is similar in nature to the Appliance Recycling Program that EPE administered  
13 previously and that was discontinued in 2015. ARCA is currently implementing EPE's  
14 Texas Appliance Recycling MTP based on the cost effectiveness of the proposed program.

15 In 2019, through a public RFP open to third-party vendors, EPE selected Simple  
16 Energy, Inc. as the new program administrator, for its Marketplace Program. EPE received  
17 three proposals. EPE took into consideration the proposed program design, the bidders'  
18 technical and functional capabilities, overall project cost, and ability to meet EPE's  
19 proposed project schedule Completeness.

20 In 2019, through a public RFP open to third-party vendors, EPE selected Uplight,  
21 Inc. as the new administrator for its Residential Load Management MTP, formerly known  
22 as the DRPP to launch in 2020. EPE received six proposals. EPE took into consideration  
23 the proposed program design, the bidders' technical and functional capabilities, overall  
24 project cost, program scalability, and ability to meet EPE's proposed project schedule.

25 AM Conservation, as the implementer for its proprietary LivingWise® education  
26 program, was selected to expand EPE's educational program to high school students with  
27 the proprietary FutureWise® program. As such, EPE solicited a sole source procurement  
28 from AM Conservation in 2021.

1 Q. CAN YOU EXPLAIN THE ENGAGEMENT PROCESS WITH EESPS AND  
2 CONTRACTORS WHO ARE PAID WITH FUNDS COLLECTED THROUGH THE  
3 EECRF?

4 A. Yes. The EESPs, based on the definition found in 16 TAC § 25.181(c)(17) as "a person or  
5 other entity that installs energy efficiency measures," are recruited in different manners  
6 depending upon the associated program, as explained below:

- 7 • The Large C&I Solutions MTP and Texas SCORE MTP are primarily customer-driven  
8 programs. CLEAResult and EPE personnel work through various venues, such as  
9 direct contact and the use of EPE's website, to inform eligible customers of EPE's Large  
10 C&I Solutions MTP and the Texas SCORE MTP.
- 11 • The Small Commercial Solutions, Residential Solutions and Hard-to-Reach Solutions  
12 MTPs are primarily contractor driven. CLEAResult and EPE personnel provide  
13 outreach and training throughout the year to participating contractors and EESPs.  
14 EPE's website also contains information on how to participate in these programs and  
15 provides direct contact information for potential EESPs, contractors and interested  
16 customers.
- 17 • Appliance Recycling, implemented by ARCA, Inc., provides an online portal, available  
18 through EPE's website, where customers can schedule the pickup and removal of an  
19 old refrigerator or freezer.
- 20 • LivingWise, implemented by AM Conservation, identifies and enrolls sixth grade  
21 teachers and students into the program, providing them with a LivingWise® kit that  
22 contains energy savings devices and education materials to educate them on ways to  
23 use energy more efficiently.
- 24 • The proposed FutureWise, implemented by AM Conservation, identifies and enrolls  
25 high school teachers and students into the program, providing them with a  
26 FutureWise® kit, that contains education materials on career development in the green  
27 energy sector, how to pay and read utility bills, energy conservation behaviors, as well  
28 as energy saving devices.
- 29 • EPE's Marketplace Program, implemented by Simple Energy Inc., provides an online  
30 marketplace where residential customers can receive an instant rebate for the purchase  
31 of energy efficient products.

- Residential Load Management MTP, implemented by Uplight Inc., which targets residential customers for the reduction in central refrigerated air conditioning load through Wi-fi enabled smart thermostats during load management events. Customers receive an incentive for enrolling an existing qualifying internet enabled smart thermostat or for continued participation in the Program. Customers may also receive an additional rebate for the purchase and enrollment of a new internet enabled smart thermostat through EPE's online marketplace.
- EPE's internally implemented Commercial Load Management SOP, identifies commercial customers, who are not deemed critical load without back up generation, who take service at the distribution level equipped with an EPE interval demand meter and are capable of curtailing a minimum of 100 kW. Customers are engaged directly by EPE employees. Applications are considered on a first-come, first-served basis, and reviewed for eligibility.

#### **VIII. Incentive Payments and Energy Efficiency Service Providers and Administrators**

Q. HAVE YOU PROVIDED A LIST OF INCENTIVE PAYMENTS BY PROGRAM, INCLUDING A LIST OF EACH ENERGY EFFICIENCY ADMINISTRATOR AND EESP RECEIVING MORE THAN 5% OF THE UTILITY'S OVERALL INCENTIVE PAYMENTS AND THE PERCENTAGE OF THE UTILITY'S INCENTIVES RECEIVED BY THOSE PROVIDERS?

A. Yes, I have. CONFIDENTIAL Exhibit CAE-07 provides that information.

#### **IX. Estimated Useful Life**

Q. WHAT IS THE DEFINITION OF ESTIMATED USEFUL LIFE?

A. 16 TAC § 25.181(c)(19) states that the definition of Estimated Useful Life ("EUL") is "[t]he number of years until 50% of installed measures are still operable and providing savings, and is used interchangeably with the term "measure life." The EUL determines the period of time over which the benefits of the energy efficiency measure are expected to accrue."



1 Q. HAVE YOU PROVIDED AN ESTIMATED USEFUL LIFE TABLE AND LINK FOR  
2 EPE'S PROGRAM MANUALS?

3 A. Yes. The 2021 EUL Table used by EPE is provided in Exhibit CAE-08 and the link for  
4 EPE's Energy Efficiency programs with manuals can be found at  
5 [www.epelectric.com/tx/business/program-manuals-and-guidelines](http://www.epelectric.com/tx/business/program-manuals-and-guidelines).  
6

7 **X. Conclusion**

8 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

9 A. Yes, it does.



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

April 28, 2022

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

Re: Project No. 52949 – El Paso Electric Company 2021 Energy Efficiency Plan and Report  
Pursuant to 16 TAC § 25.181 and 25.183

Dear Ms. Treviño:

On April 1, 2022, El Paso Electric Company (“EPE”) filed its 2022 Energy Efficiency Plan and Report (“EEPR”). EPE is hereby filing an errata to that report. The errata is based on three changes. Firstly, there was a change to the verified savings for 2021 that affected Tables 7, 8, 14, and the Tables in Appendix A. Secondly, there was a change to the incentives in the 2021 Residential Load Management MTP that affected Tables 9, 10, 11, and 13. Thirdly, there was a revision to the weather adjusted data that affected Table 4. These changes are also reflected in the text of the document as applicable. At the end of this EEPR Errata are the redlined pages indicating the specific changes made to the EEPR filed April 1, 2022.

If there are any questions regarding this filing, please contact me at 915-494-6784.

Sincerely,

A handwritten signature in black ink, appearing to read "N. Castillo", is written above the name Nathaniel Castillo.

Nathaniel Castillo  
Regulatory Case Management

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**El Paso Electric Company**  
**2022 Energy Efficiency Plan and Report**  
**16 Texas Administrative Codes § 25.181**  
**and § 25.183**

**April 28, 2022 - Errata**

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**Project No. 52949**



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## INTRODUCTION

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

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

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

The EE Rule includes specific requirements related to the implementation of SOPs, MTPs, and utility self-delivered programs that control the manner that utilities must administer their portfolio of energy efficiency programs in order to achieve their mandated annual demand reduction goals. EPE's plan is intended to enable it to meet its statutory goals through implementation of energy efficiency programs in a manner that complies with PURA § 39.905 and the EE Rule. This EEPR reports EPE's achievements for 2021 and its projections for 2022 and 2023 as required by the EE Rule. The following section describes the information that is contained in each of the subsequent sections and appendix.

## **ENERGY EFFICIENCY PLAN AND REPORT ORGANIZATION**

This EEPR consists of the following information:

### **Executive Summary**

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

### **Energy Efficiency Plan**

- Section I describes EPE's program portfolio. It details how each program will be implemented, discusses related informational and outreach activities, and provides an explanation of any new or discontinued program(s).
- Section II explains EPE's targeted customer classes, specifying the size of each class and the method for determining those class sizes.
- Section III presents EPE's goal calculation and projected energy efficiency savings for the prescribed planning period by program for each customer class.
- Section IV describes EPE's proposed energy efficiency budgets for 2022 and 2023 by program for each customer class.

### **Energy Efficiency Report**

- Section V documents EPE's demand reduction goals for each of the previous five years (2017-2021) and the actual savings achieved for those years.
- Section VI compares EPE's projected energy and demand savings to its reported savings by program for calendar years 2020 and 2021.
- Section VII details EPE's incentive and administration expenditures for the previous five years (2017-2021) detailed by program for each customer class.
- Section VIII compares EPE's actual and budgeted program costs for 2021 detailed by program for each customer class. It also provides an explanation of EPE's administrative costs and any expenditure deviation of more than 10% from the anticipated program budget.
- Section IX describes the results from EPE's MTPs.
- Section X documents EPE's most recent Energy Efficiency Cost Recovery Factor (EECRF).
- Section XI reflects EPE's revenue collection through the 2021 EECRF.
- Section XII details the over/under recovery of EPE's energy efficiency program costs for 2021.
- Section XIII reports the number of customers served and the savings relative to the three counties served by EPE in Texas.

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

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

## EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details EPE's plan to meet the energy efficiency demand reduction goal for 2022, as established pursuant to 16 TAC § 25.181(e)(3). The Final Order of Docket No. 52081<sup>1</sup> issued on December 16, 2021, established the EECRF rates applicable to EPE for 2022. The order left in place the same demand reduction goal of 11.16 MW, which is what it has been since 2011 and is greater than four-tenths of one percent of EPE's average weather-adjusted peak demand at meter. Since EPE has reached a demand reduction goal of greater than four-tenths of one percent of its summer weather-adjusted peak demand in accordance with 16 TAC § 25.181(e)(1)(C), EPE's 2023 demand reduction goal should remain at 11.16 MW.

The Final Order of Docket No. 52081 also established an energy efficiency program budget for 2022 of \$5,129,232.<sup>2</sup> The goals, budgets, and implementation plans that are included in this EEPR are influenced substantially by the requirements of the EE Rule and lessons learned regarding energy efficiency service providers and customer participation in the various energy efficiency programs. A summary of projected goals, savings and budgets is presented in Table 1.

**Table 1: Summary of 2022 & 2023 Projected Goals, Savings and Budgets<sup>3</sup>**

Calendar Year	Average Growth in Demand (MW at Meter)	Goal Metric: 30% of 5-year Average Growth in Demand (MW at Meter)	Goal Metric: .4% of 5-year Average Peak Demand (MW at Meter)*	Demand Goal (MW)	Energy Goal (MWh)**	Projected MW Savings (at Meter)	Projected MWh Savings (at Meter)	Proposed Budget (000's)***
2022	57.4	17.21	5.45	11.16	19,552	19.827	26,882	\$5,286
2023	22.0	6.60	5.54	11.16	19,552	31.207	27,125	\$5,493

\* The 2023 Demand Goal of 0.4% of peak demand (5.54 MW) is calculated according to 16 TAC § 25.181(e)(3)(B) and is based on a 7.54% system demand line loss factor approved in Docket No. 50058; (1,497 MW Average Peak Demand at Source Net Opt-Outs x 0.004) x (1-0.0754 system demand line loss factor). However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal, thus, the 2023 goal is 11.16 MW.

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

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

In 2021, EPE achieved a demand reduction of 27,325 kW, which was 245% of the 11,160 kW demand reduction goal. This was accomplished through the implementation of one SOP and several MTPs. To reach the projected savings for 2022 and 2023, EPE proposes to offer the following programs:

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

<sup>1</sup> *Application of El Paso Electric Company to Adjust Its Energy Efficiency Cost Recovery Factor and Establish Revised Cost Cap*, Docket No. 52081, Order (Dec. 16, 2021).

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

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



- LivingWise® MTP
- FutureWise® Pilot MTP
- Texas Appliance Recycling MTP
- Residential Marketplace Pilot MTP
- Residential Load Management MTP
- Hard-to-Reach Solutions MTP

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

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

EPE contracts with AM Conservation Group (previously Franklin Energy Services) to implement EPE's LivingWise® MTP.

EPE will contract with AM Conservation Group to implement EPE's FutureWise® Pilot MTP.

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

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

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

**Note – Totals in tables may not tie due to rounding.**

## ENERGY EFFICIENCY PLAN

### I. 2022 PROGRAMS

#### A. 2022 Program Portfolio

EPE plans to continue the implementation of one SOP and ten MTPs in 2022. These programs have been structured to comply with the rules of the Public Utility Commission of Texas (PUCT) governing program design and evaluation. These programs target both broad market segments and specific market segments that offer significant opportunities for cost-effective savings. EPE anticipates that targeted outreach to a broad range of service providers and customers will be necessary to meet the demand reduction goals established by the PUCT. Table 2 below summarizes the programs and target markets:

**Table 2: 2022 Energy Efficiency Program Portfolios**

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

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

## **B. Existing Programs**

### **Small Commercial Solutions MTP**

The Small Commercial Solutions Program offers incentives to commercial customers with a peak demand of less than 100 kW at one facility or a total demand of less than 250 kW at multiple facilities operated by the same customer. The program pays a cash incentive to customers of up to \$400 per kW reduced, generally through participating contractors, for eligible measures that are installed in new or retrofit applications. Additionally, beginning in 2022, the program will pay a \$500 cash incentive per unit for the installation of eligible high-efficient evaporative air conditioning units. This program also provides non-cash incentives that include technical assistance, education, and marketing materials. The program helps small business owners and contractors improve their ability to identify and evaluate energy efficiency improvements. The Small Commercial Solutions Program conducts community outreach activities and provides for collaboration with contractors, business owners, and other building professionals to promote energy efficiency awareness. EPE plans to continue this program in 2022 and 2023.

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

The Large C&I Solutions Program offers incentives to commercial customers with a peak demand of 100 kW or greater at one facility or an aggregate demand of at least 250 kW at multiple facilities operated by the same customer. Local government entities that are primarily used for industrial applications may qualify for participation in the Large C&I Solutions Program. The program pays a cash incentive of up to \$240 per kW reduced to customers for eligible measures that are installed in new or retrofit applications. This program also provides non-cash incentives that include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps large business owners and contractors improve their ability to identify and evaluate energy efficiency improvements and to understand how to leverage their energy savings to finance projects. The implementer also provides measurement and verification for projects, as necessary. The Large C&I Solutions MTP conducts community outreach activities and provides for collaboration with contractors, architectural and engineering firms, and other building professionals to promote energy efficiency awareness. EPE plans to continue this program in 2022 and 2023.

### **Texas SCORE MTP**

The Texas SCORE Program offers incentives to public schools, higher education, and local government customers to identify and implement energy efficiency measures. The program pays a cash incentive of up to \$240 per kW reduced to customers for eligible measures that are installed in new or retrofit applications. This program also provides non-cash incentives that include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers improve their ability to identify and evaluate energy efficiency improvements. Facility Energy Benchmarking and Energy Master Planning Workshops are provided annually to selected customers. The implementer also provides measurement and verification for projects, as necessary. The Texas SCORE Program conducts community outreach activities and provides for collaboration with public schools, higher education, and local government customers to promote energy efficiency awareness. EPE plans to continue this program in 2022 and 2023.

## **Commercial Load Management SOP**

The Commercial Load Management SOP allows participating customers to provide on-call, voluntary curtailment of electric consumption during peak demand periods in return for incentive payments. A commercial customer equipped with an EPE demand interval meter capable of curtailing a minimum of 100 kW, and not deemed critical load, that takes service at the distribution level is eligible to participate. Critical load customers with back up generation are eligible to participate. EPE will notify its current participants of the 2022 Commercial Load Management SOP via email in April to inform them of the opening of the program. All applications are considered on a first-come, first-served basis and reviewed for eligibility. Demand savings and incentives are based on verified average demand savings that customers achieve due to EPE's voluntary curtailment events. EPE plans to continue this program in 2022 and 2023.

## **Residential Solutions MTP**

The Residential Solutions Program offers incentives to residential customers for installing eligible energy efficiency measures. Participating contractors offer the incentives based on the energy savings of the measure and deducts the amount from the customer's final invoice. This program also provides the participating contractors with non-cash incentives, which include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers improve their ability to identify and evaluate energy efficiency improvements. EPE plans to continue this program in 2022 and 2023.

## **LivingWise® MTP**

The LivingWise® MTP teaches sixth-grade students to use energy more efficiently in their homes. The program is available at no cost to the teacher, school district, and students and serves as an effective community outreach program to improve energy efficiency awareness. The program enrolls students and teachers and provides them with a LivingWise® kit that contains energy saving devices and educational materials. The students install the devices in their home and, with the help of their parents, complete a home energy audit report. EPE plans on continuing this program in 2022 and 2023.

## **FutureWise® Pilot MTP**

The FutureWise® Pilot MTP teaches high-school students about the importance of saving energy, understanding an energy bill, and careers in the field of energy. The program is available at no cost to the teacher, school district, and students and serves as an effective community outreach program to improve energy efficiency awareness. The program enrolls high school students and teachers and provides them with educational materials and a FutureWise® kit that contains energy saving devices they install in their homes. EPE plans to begin this program in the fall of 2022 and continue the program in 2023.

## **Texas Appliance Recycling MTP**

The Texas Appliance Recycling Program provides incentives to encourage residential customers to recycle their older, less efficient refrigerators and freezers rather than use them as secondary or backup units. The Texas Appliance Recycling MTP offers eligible customers a cash incentive for EPE to remove and recycle their old refrigerator or freezer. EPE plans to continue this program in 2022 and 2023.

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

The Hard-to-Reach Solutions MTP offers incentives to low-income residential customers for installing eligible energy efficiency measures. This program targets residential customers that are at or below 200% of the Federal Poverty Guidelines. Participating contractors offer the incentives based on the energy savings of the measure and deducts the amount from the customer's final invoice. This program also provides the participating contractors with non-cash incentives which include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers improve their ability to identify and evaluate energy efficiency improvements. EPE plans to continue this program in 2022 and 2023.

## **Residential Marketplace Pilot MTP**

The Residential Marketplace Pilot Program provides eligible residential customers instant rebates through an online marketplace for installing energy efficiency measures. The EPE Marketplace will offer customers a variety of energy-efficient products including smart thermostats, lighting products, window air conditioners, air purifiers, energy saving kits, and advanced power strips. EPE plans to implement this program in 2022 and 2023.

## **Residential Load Management MTP**

The Residential Load Management Program targets reduction in central refrigerated air conditioning load for residential customers. EPE has the capability of remotely adjusting participating customers' internet-enabled smart thermostats during load management events to relieve peak load. Customers receive a \$25 incentive for enrolling an existing qualifying internet enabled smart thermostat or for continued participation in the Program. Customers may also receive an additional \$50 rebate for the purchase and enrollment of a new internet enabled smart thermostat through EPE's online marketplace. EPE plans to continue this program in 2022 and 2023.

## **C. Research and Development**

EPE has allocated \$25,000 to Research and Development (R&D) for 2022. To date, no R&D funds have been expended for 2022. For 2023, R&D will be utilized for the benefit analysis of residential building envelope measures such as wall insulation and advanced wall framing techniques. This funding amount is less than 10% of EPE's 2022 total program costs in accordance with 16 TAC § 25.181(g).

## **D. New Program(s) for 2022 and 2023**

EPE is launching the FutureWise® Pilot MTP, an efficiency education program for high school students, in the fall of 2022. EPE does not currently plan to add any new programs in 2023.

## **E. Discontinued Program(s) for 2022 and 2023**

EPE does not currently plan to discontinue any programs in 2022 or 2023.

## **F. General Implementation Process**

### **Program Implementation**

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

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

### **Program Tracking**

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

## Measurement and Verification

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

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

Based on the EE Rule, the PUCT implemented an EM&V process that included the selection of an EM&V contractor in 2013. The PUCT selected the current third-party EM&V contractor through the Request for Proposal 473-20-00002, Project No. 51021. The selected EM&V team is led by Tetra Tech. Tetra Tech's contract was extended and will continue the evaluation of programs through Program Year 2024, and EPE will continue to provide the necessary information and data to the EM&V team.

## G. Outreach Activities

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

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

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

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

EPE contracts with AM Conservation Group to implement EPE's LivingWise® MTP.

EPE will contract with AM Conservation Group to implement EPE's FutureWise® Pilot MTP.

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

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

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



## II. CUSTOMER CLASSES

For the twelve months ending December 2021, there was an average of 303,732 residential accounts in the EPE Texas service territory. Based on the 2021 Annual Social and Economic Supplement of the U.S. Census Bureau's Current Population Survey, 26.1% of Texas families are at or below 200% of the poverty threshold. Applying this standard pursuant to 16 TAC § 25.181(c)(27), approximately 79,274 of EPE's residential accounts fall into the Hard-to-Reach Customer Class.

The average number of commercial accounts in 2021 was 37,276. EPE includes residential and commercial customer classes that take service at the distribution level in the energy efficiency programs. Transmission level customers, other than governmental entities, are not eligible to participate. The total residential class includes the Hard-to-Reach accounts. Table 3 summarizes the number of customers in each of the customer classes for 2021.

**Table 3: Summary of Texas Residential and Commercial Customer Classes (2021)**

<b>Customer Class</b>	<b>Number of Texas Customers</b>
<b>Total Residential</b>	<b>303,732</b>
<b>Total Hard-to-Reach</b>	<b>79,274</b>
<b>Total Commercial</b>	<b>37,276</b>

## III. PROJECTED ENERGY EFFICIENCY SAVINGS AND GOALS

As reflected in PUCT Docket No. 52081, EPE's energy efficiency demand reduction goal for 2022 is 11.16 MW, which mirrors the 2021 goal. The following is the section of the EE Rule that describes how utilities are to calculate their minimum demand reduction goals:

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

- (A) Beginning with the 2013 program year, until the trigger described in subparagraph (B) of this paragraph is reached, the utility shall acquire a 30% reduction of its annual growth in demand of residential and commercial customers.
- (B) If the demand reduction goal to be acquired by a utility under subparagraph (A) of this paragraph is equivalent to at least four-tenths of 1% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year, the utility shall meet the energy efficiency goal described in subparagraph (C) of this paragraph for each subsequent program year.
- (C) Once the trigger described in subparagraph (B) of this paragraph is reached, the utility shall acquire four-tenths of 1% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year.

- (D) Except as adjusted in accordance with subsection (u) of this section, a utility's demand reduction goal in any year shall not be lower than its goal for the prior year, unless the commission establishes a goal for a utility under paragraph (2) of this subsection.

The demand reduction goal to be acquired in 2022 (11.16 MW) is greater than four-tenths of one percent of EPE's 5-year average summer weather-adjusted peak demand for 2016 through 2020, which is 5.45 MW as shown in Table 1. In accordance with section (e)(1)(D) of the EE Rule, EPE's demand reduction goal in any year shall not be lower than its goal for the prior year. Considering the parameters established by the EE Rule, EPE's 2023 goal should remain at 11.16 MW (0.81% of the average summer weather-adjusted peak demand for 2017 through 2021) as shown in Table 1. The corresponding energy savings goals for all years are determined by applying a 20% conservation load factor to the demand reduction goals.

Table 4 presents historical annual growth in demand. Table 5 presents projected demand reduction and energy savings by customer class and program for 2022 and 2023.

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

Calendar Year	Peak Demand (MW at Source)						Energy Consumption (MWh at Meter)				Growth (MW at Source)	Growth (MW at Meter) <sup>4</sup>	Average Growth (MW at Meter) <sup>5</sup>
	Total System		Residential & Commercial				Total System		Residential & Commercial				
	Actual	Weather Adjusted	Actual	Weather Adjusted	Opt-Out	Peak Demand @ Source Net Opt-Outs	Actual	Weather Adjusted	Actual	Weather Adjusted	Weather Adjusted	Weather Adjusted	Weather Adjusted
2013	1,357	1,352	1,252	1,248	0	1,248	6,028,388	6,008,772	5,276,023	5,256,408	64.0	58.4	NA
2014	1,385	1,387	1,289	1,291	0	1,291	5,973,273	5,981,108	5,211,869	5,219,704	43.0	39.3	NA
2015	1,398	1,386	1,279	1,266	0	1,266	6,141,917	6,086,745	5,318,795	5,263,622	-25.0	-22.8	NA
2016	1,509	1,509	1,397	1,397	-1.1	1,396	6,188,610	6,187,025	5,381,661	5,380,076	129.9	118.6	NA
2017	1,575	1,579	1,459	1,463	-1.1	1,462	6,205,925	6,223,229	5,387,064	5,404,368	66.0	60.5	NA
2018	1,560	1,545	1,446	1,429	-1.2	1,428	6,377,762	6,313,451	5,537,652	5,473,342	-34.1	-31.3	NA
2019	1,596	1,583	1,516	1,501	-1.2	1,500	6,322,247	6,267,981	5,528,608	5,474,342	72.0	66.0	NA
2020	1,730	1,703	1,609	1,580	-1.3	1,579	6,446,008	6,345,116	5,655,757	5,554,865	78.9	73.0	NA
2021	1,610	1,628	1,498	1,517	-1.3	1,516	6,499,885	6,571,421	5,685,095	5,756,631	-63.0	-58.2	NA
2022	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	57.4
2023	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	22.0

The 2023 Demand Goal of 0.4% of peak demand is calculated according to 16 TAC § 25.181(e)(3)(B) and is based on a 7.54% system demand line loss factor approved in Docket No. 50058 as shown below:

Average of residential and commercial peak demand at source net Opt-Outs =  $(1,462 + 1,428 + 1,500 + 1,579 + 1,516) / 5 = 1,497$  MW.  
 $(1,498 \text{ MW Average Peak Demand at source net Opt-Outs} \times 0.004) \times (1 - 0.0754 \text{ system demand line loss factor}) = 5.54 \text{ MW}.$

However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal, thus, the 2023 goal is 11.16 MW.

<sup>4</sup> Growth at meter for calendar year 2021 to 2023 includes the 7.54% system demand line loss factor as approved in Docket No. 50058.

<sup>5</sup> Average 5-year historical growth in demand for residential and commercial customers for 2022 (2016-2020) and 2023 (2017-2021).

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

<b>2022</b>		<b>Projected Savings (at meter)</b>	
<b>Customer Class and Program</b>		<b>kW</b>	<b>kWh</b>
<b>Commercial</b>		<b>10,541</b>	<b>18,208,716</b>
Small Commercial Solutions MTP		730	3,197,400
Large C&I Solutions MTP		2,011	10,569,816
Texas SCORE MTP		750	4,270,500
Commercial Load Management SOP		7,000	21,000
Residential Marketplace Pilot MTP		50	150,000
<b>Residential</b>		<b>8,486</b>	<b>7,621,590</b>
Residential Solutions MTP		545	954,840
LivingWise® MTP		200	727,600
FutureWise® MTP		106	494,000
Texas Appliance Recycling MTP		195	1,579,200
Residential Marketplace Pilot MTP		950	2,850,000
Residential Load Management MTP		6490	1,015,950
<b>Hard-to-Reach</b>		<b>800</b>	<b>1,051,200</b>
Hard-to-Reach Solutions MTP		800	1,051,200
<b>Total</b>		<b>19,827</b>	<b>26,881,506</b>
<b>2023</b>		<b>Projected Savings (at meter)</b>	
<b>Customer Class and Program</b>		<b>kW</b>	<b>kWh</b>
<b>Commercial</b>		<b>10,411</b>	<b>17,468,496</b>
Small Commercial Solutions MTP		730	3,197,400
Large C&I Solutions MTP		2,011	10,569,816
Texas SCORE MTP		620	3,530,280
Commercial Load Management SOP		7,000	21,000
Residential Marketplace Pilot MTP		50	150,000
<b>Residential</b>		<b>19,996</b>	<b>8,605,640</b>
Residential Solutions MTP		545	954,840
LivingWise® MTP		200	727,600
FutureWise® MTP		106	494,000
Texas Appliance Recycling MTP		195	1,579,200
Residential Marketplace Pilot MTP		950	2,850,000
Residential Load Management MTP		18,000	2,000,000
<b>Hard-to-Reach</b>		<b>800</b>	<b>1,051,200</b>
Hard-to-Reach Solutions MTP		800	1,051,200
<b>Total</b>		<b>31,207</b>	<b>27,125,336</b>

## IV. PROGRAM BUDGETS

Table 6 presents the total proposed budget allocations required to achieve EPE's projected demand reduction and energy savings shown in Table 5. The budget allocations are broken down by customer class, program, and the budget categories of incentive payments and administration and R&D expenses. The program budget for 2022 is \$5,129,232. Table 6 also includes the estimated annual expenses for the statewide EM&V contractor and the EECRF proceeding expenses.

The number of customers in Table 3, Summary of Texas Residential and Commercial Customer Classes (2021), was considered in the budget allocations. EPE first ensured that the 5% goal for Hard-to-Reach customers was met and then allocated the remaining funding to the residential and commercial classes. The decision-making process for developing the budget included additional factors and assumptions.

Hard-to-Reach customers are residential customers at or below 200% of the Federal Poverty Guidelines. This is estimated to be approximately 79,274 customers or 26.1% of EPE's total residential load in Texas.

Avoided costs for 2022, as established by the PUCT and filed in Project No. 38578, were set at \$80 per kW per year and \$0.15648 per kWh.

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

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

It is assumed that an EESP that completes an energy efficiency project will receive the associated incentives within that program year. Administration costs, however, may be incurred in one year and expended in another.

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

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

<b>2022</b>	<b>Incentives</b>	<b>Admin &amp; R&amp;D</b>	<b>Total Budget</b>
<b>Commercial</b>	<b>\$2,461,413</b>	<b>\$0</b>	<b>\$2,461,413</b>
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large C&I Solutions MTP	\$1,005,396	\$0	\$1,005,396
Texas SCORE MTP	\$519,902	\$0	\$519,902
Commercial Load Management SOP	\$460,000	\$0	\$460,000
Residential Marketplace Pilot MTP	\$15,000	\$0	\$15,000
<b>Residential</b>	<b>\$1,955,026</b>	<b>\$0</b>	<b>\$1,955,026</b>
Residential Solutions MTP	\$315,000	\$0	\$315,000
LivingWise™ MTP	\$346,346	\$0	\$346,346
FutureWise MTP	\$300,000	\$0	\$300,000
Texas Appliance Recycling MTP	\$255,000	\$0	\$255,000
Residential Marketplace Pilot MTP	\$285,000	\$0	\$285,000
Residential Load Management MTP	\$453,680	\$0	\$453,680
<b>Hard-to-Reach</b>	<b>\$600,000</b>	<b>\$0</b>	<b>\$600,000</b>
Hard-to-Reach Solutions MTP	\$600,000	\$0	\$600,000
Administration		\$87,793	\$87,793
Research and Development		\$25,000	\$25,000
<b>Subtotal Budgets</b>	<b>\$5,016,439</b>	<b>\$112,793</b>	<b>\$5,129,232</b>
EM&V *		\$57,216	\$57,216
EECRF Proceeding Expenses		\$100,000	\$100,000
<b>Total Budgets</b>	<b>\$5,016,439</b>	<b>\$270,009</b>	<b>\$5,286,448</b>
<b>2023</b>	<b>Incentives</b>	<b>Admin &amp; R&amp;D</b>	<b>Total Budget</b>
<b>Commercial</b>	<b>\$2,411,413</b>	<b>\$0</b>	<b>\$2,411,413</b>
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large C&I Solutions MTP	\$1,005,396	\$0	\$1,005,396
Texas SCORE MTP	\$469,902	\$0	\$469,902
Commercial Load Management SOP	\$460,000	\$0	\$460,000
Residential Marketplace Pilot MTP	\$15,000	\$0	\$15,000
<b>Residential</b>	<b>\$2,201,346</b>	<b>\$0</b>	<b>\$2,201,346</b>
Residential Solutions MTP	\$315,000	\$0	\$315,000
LivingWise® MTP	\$346,346	\$0	\$346,346
FutureWise® MTP	\$300,000	\$0	\$300,000
Texas Appliance Recycling MTP	\$255,000	\$0	\$255,000
Residential Marketplace Pilot MTP	\$285,000	\$0	\$285,000
Residential Load Management MTP	\$700,000	\$0	\$700,000
<b>Hard-to-Reach</b>	<b>\$600,000</b>	<b>\$0</b>	<b>\$600,000</b>
Hard-to-Reach Solutions MTP	\$600,000	\$0	\$600,000
Administration		\$87,793	\$87,793
Research and Development		\$25,000	\$25,000
<b>Subtotal Budgets</b>	<b>\$5,212,759</b>	<b>\$112,793</b>	<b>\$5,325,552</b>
EM&V		\$67,272	\$67,272
EECRF Proceeding Expenses		\$100,000	\$100,000
<b>Total Budgets</b>	<b>\$5,212,759</b>	<b>\$280,065</b>	<b>\$5,492,824</b>

## ENERGY EFFICIENCY REPORT

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

Table 7 documents EPE's actual demand reduction goals and energy targets for the previous five years (2017-2021) calculated in accordance with 16 TAC § 25.181.

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

Calendar Year	Demand Goals (kW)	Energy Targets (kWh)	Actual Demand Reduction (kW)	Actual Energy Savings (kWh)
2021 <sup>6</sup>	11,160	19,552,320	27,325 <sup>7</sup>	27,951,498
2020 <sup>8</sup>	11,160	19,552,320	20,740	30,704,424
2019 <sup>9</sup>	11,160	19,552,320	19,424	24,825,792
2018 <sup>10</sup>	11,160	19,552,320	16,846	20,726,306
2017 <sup>11</sup>	11,160	19,552,320	15,285	23,311,792

<sup>6</sup> 2021 demand goal and energy target as reported in EPE's EEPR Errata filed April 28, 2021 under Project No. 51672. 2021 actual demand reduction and energy savings reported in Project No. 52949.

<sup>7</sup> 2021 actual demand reduction at the source is calculated as follows:  
27,325 kW at meter \* (1/(1-0.0754)) line losses = 29,553 kW at the source.

<sup>8</sup> 2020 demand goal and energy target as reported in EPE's EEPR Errata filed July 15, 2020, under Project No. 50666. 2020 actual demand reduction and energy savings reported in Project No. 51672.

<sup>9</sup> 2019 demand goal and energy target as reported in EPE's EEPR Errata filed July 26, 2019, under Project No. 49297. 2019 actual demand reduction and energy savings reported in Project No. 50666.

<sup>10</sup> 2018 demand goal and energy target as reported in EPE's EEPR filed April 2, 2018, under Project No. 48146. 2018 actual demand reduction and energy savings reported in Project No. 49297.

<sup>11</sup> 2017 demand goal and energy target as reported in EPE's EEPR filed April 3, 2017, under Project No. 46907. 2017 actual demand reduction and energy savings reported in Project No. 48146.

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

Table 8: Projected versus Reported Savings for 2020 and 2021

<b>Table 8: Projected versus Reported Savings for 2020 and 2021 (at Meter)</b>				
<b>2020</b>	<b>Projected Savings</b>		<b>Reported and Verified Savings</b>	
<b>Customer Class and Program</b>	<b>kW</b>	<b>kWh</b>	<b>kW</b>	<b>kWh</b>
<b>Commercial</b>	<b>10,266</b>	<b>16,681,094</b>	<b>16,044</b>	<b>23,664,620</b>
Small Comm. Solutions MTP	730	3,197,400	750	2,925,568
Large C&I Solutions MTP	2,011	10,569,816	3,615	15,054,617
Texas SCORE MTP	500	2,847,000	1,191	5,197,201
Load Management SOP	7,000	21,000	10,397	40,975
Residential Marketplace Pilot MTP	25	45,878	91	446,259
<b>Residential</b>	<b>5,375</b>	<b>4,323,399</b>	<b>3,732</b>	<b>5,736,975</b>
Residential Solutions MTP	545	954,840	734	1,219,380
LivingWise® MTP	200	727,600	326	855,290
Texas Appliance Recycling	195	1,579,200	77	620,400
Residential Marketplace Pilot MTP	475	871,679	627	2,152,247
Residential Load Management MTP	3,960	190,080	1,968	889,658
<b>Hard-to-Reach</b>	<b>800</b>	<b>1,051,200</b>	<b>964</b>	<b>1,302,829</b>
Hard-to-Reach Solutions MTP	800	1,051,200	964	1,302,829
<b>Total at Meter</b>	<b>16,441</b>	<b>22,055,693</b>	<b>20,740</b>	<b>30,704,424</b>

<b>2021</b>	<b>Projected Savings</b>		<b>Reported and Verified Savings</b>	
<b>Customer Class and Program</b>	<b>kW</b>	<b>kWh</b>	<b>kW</b>	<b>kWh</b>
<b>Commercial</b>	<b>10,516</b>	<b>18,104,594</b>	<b>16,124</b>	<b>17,840,092</b>
Small Comm. Solutions MTP	730	3,197,400	728	2,954,835
Large C&I Solutions MTP	2,011	10,569,816	2,043	11,952,274
Texas SCORE MTP	750	4,270,500	982	2,810,405
Load Management SOP	7,000	21,000	12,344	12,344
Residential Marketplace Pilot MTP	25	45,878	26	110,234
<b>Residential</b>	<b>5,375</b>	<b>4,323,399</b>	<b>10,084</b>	<b>8,548,911</b>
Residential Solutions MTP	545	954,840	1,115	1,932,842
LivingWise® MTP	200	727,600	333	1,159,617
Texas Appliance Recycling MTP	195	1,579,200	90	729,252
Residential Marketplace Pilot MTP	475	871,679	502	2,094,440
Residential Load Management MTP	3,960	190,080	8,044	2,632,759
<b>Hard-to-Reach</b>	<b>800</b>	<b>1,051,200</b>	<b>1,117</b>	<b>1,562,495</b>
Hard-to-Reach Solutions MTP	800	1,051,200	1,117	1,562,495
<b>Total at Meter</b>	<b>16,691</b>	<b>23,479,193</b>	<b>27,325</b>	<b>27,951,498</b>



## VII. HISTORICAL PROGRAM EXPENDITURES

Table 9 documents EPE's incentive and administration expenditures for the previous five years (2017-2021) by program for each customer class. Note that this table does not include R&D, EM&V, or general administration expenditures. R&D, EM&V, and general administration expenditures for 2021 can be found in Table 10.

**Table 9: Historical Program Incentive and Administration Expenditures for 2017 through 2021<sup>12</sup>**

**Table 9: Historical Program Incentive & Administrative Expenditures for 2017 through 2021**

Programs	2021		2020		2019		2018		2017	
	Incent.	Admin			Incent.	Admin	Incent.	Admin	Incent.	Admin.
<b>Commercial</b>	\$2,465,274	\$0	\$3,121,640	\$0	\$2,672,190	\$0	\$2,317,476	\$0	\$2,589,932	\$0
Commercial SOP	NA	NA	NA	NA	NA	NA	NA	NA	\$23,821	\$0
Small Comm. Solutions MTP	\$460,529	\$0	\$470,425	\$0	\$502,403	\$0	\$487,160	\$0	\$487,385	\$0
Large C&I Solutions MTP	\$1,014,932	\$0	\$1,512,746	\$0	\$1,131,460	\$0	\$1,006,553	\$0	\$1,038,708	\$0
Texas SCORE MTP	\$528,379	\$0	\$704,020	\$0	\$597,687	\$0	\$417,779	\$0	\$652,225	\$0
Comm. Load Management SOP	\$453,753	\$0	\$423,754	\$0	\$440,641	\$0	\$405,984	\$0	\$387,793	\$0
Residential Marketplace Pilot MTP	\$7,682	\$0	\$10,695	\$0	NA	NA	NA	NA	NA	NA
<b>Residential</b>	\$1,691,497	\$0	\$1,120,183	\$0	\$796,927	\$0	\$757,856	\$0	\$585,053	\$0
Residential Solutions MTP	\$484,376	\$0	\$354,427	\$0	\$312,731	\$0	\$411,547	\$0	\$238,744	\$0
LivingWise® MTP	\$346,309	\$0	\$179,994	\$0	\$345,534	\$0	\$346,309	\$0	\$346,309	\$0
Texas Appliance Recycling MTP	\$186,240	\$0	\$99,150	\$0	\$138,663	NA	NA	NA	NA	NA
Residential Marketplace Pilot MTP	\$124,744	\$0	\$203,212	\$0	NA	NA	NA	NA	NA	NA
Residential Load Management MTP	\$549,829	\$0	\$283,400	\$0	NA	NA	NA	NA	NA	NA
<b>Hard-to-Reach</b>	\$623,570	\$0	\$664,708	\$0	\$571,016	\$0	\$601,732	\$0	\$555,425	\$0
Hard-to-Reach Solutions MTP	\$623,570	\$0	\$664,708	\$0	\$571,016	\$0	\$601,732	\$0	\$555,425	\$0
<b>Residential/Commercial</b>	\$0	\$0	\$0	\$0	\$145,658	\$0	\$287,988	\$0	\$0	\$0
Texas Appliance Recycling MTP	NA	NA	NA	NA	NA	NA	\$87,438	\$0	NA	NA
Demand Response Pilot MTP	NA	NA	NA	NA	\$145,658	\$0	\$200,551	\$0	NA	NA
<b>Total</b>	<b>\$4,780,341</b>	<b>\$0</b>	<b>\$4,906,531</b>	<b>\$0</b>	<b>\$4,185,791</b>	<b>\$0</b>	<b>\$3,965,053</b>	<b>\$0</b>	<b>\$3,730,410</b>	<b>\$0</b>

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<sup>12</sup> 2021 expenditures are from EEPR filed in Project No. 52942, 2020 expenditures are from EEPR filed in Project No. 51672, 2019 expenditures are from EEPR Errata filed in Project No. 50666, 2018 expenditures are from EEPR filed in Project No. 49297, and 2017 expenditures are from EEPR filed in Project No. 48146.

## **VIII. PROGRAM FUNDING AND EXPLANATION OF ADMINISTRATION COSTS FOR CALENDAR YEAR 2021**

As shown in the subtotal for the "Total Funds Expended" column of Table 10, EPE spent \$4,859,607 on program expenses (excluding EM&V and EECRF Proceeding Expenses) for its PUCT-approved energy efficiency programs in 2021. These programs were funded by EPE's 2021 EECRF. These expenses account for 104% of the total forecasted 2021 program budget of \$4,685,552. Actual program funding levels are shown in Table 10 and Table 11.

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

**Table 10: Program Funding for Calendar Year 2021**

	Total Projected Budget	Number of Participants	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin & R&D)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining
<b>Commercial</b>	<b>\$2,461,413</b>	<b>374</b>	<b>\$ 2,465,274</b>	<b>\$ -</b>	<b>\$ 2,465,274</b>	<b>\$ -</b>	<b>\$ (3,861)</b>
Small Commercial Solutions MTP	\$461,115	173	\$ 460,529		\$ 460,529		\$ 586
Large C&I Solutions MTP	\$1,005,396	97	\$ 1,014,932		\$ 1,014,932		\$ (9,536)
Texas SCORE MTP	\$519,902	37	\$ 528,379		\$ 528,379		\$ (8,477)
Comm. Load Management SOP	\$460,000	12	\$ 453,753		\$ 453,753		\$ 6,247
Residential Marketplace Pilot MTP	\$15,000	55	\$ 7,682		\$ 7,682		\$ 7,318
<b>Residential</b>	<b>\$1,511,346</b>	<b>19,068</b>	<b>\$ 1,691,497</b>	<b>\$ -</b>	<b>\$ 1,691,497</b>	<b>\$ -</b>	<b>\$ (180,151)</b>
Residential Solutions MTP	\$315,000	1,221	\$ 484,376		\$ 484,376		\$ (169,376)
LivingWise® MTP	\$346,346	8,937	\$ 346,309		\$ 346,309		\$ 37
Texas Appliance Recycling MTP	\$255,000	950	\$ 186,240		\$ 186,240		\$ 68,760
Residential Marketplace Pilot MTP	\$285,000	1,038	\$ 124,744		\$ 124,744		\$ 160,256
Residential Load Management MTP	\$310,000	6,922	\$ 549,829		\$ 549,829		\$ (239,829)
<b>Hard-to-Reach</b>	<b>\$600,000</b>	<b>437</b>	<b>\$ 623,570</b>	<b>-</b>	<b>\$ 623,570</b>	<b>\$ -</b>	<b>\$ (23,570)</b>
Hard-to-Reach Solutions MTP	\$600,000	437	\$ 623,570		\$ 623,570		\$ (23,570)
Administration	\$87,793			\$ 79,266	\$ 79,266		\$ 8,527
Research and Development	\$25,000						\$ 25,000
<b>Subtotal</b>	<b>\$4,685,552</b>	<b>19,879</b>	<b>\$ 4,780,341</b>	<b>\$ 79,266</b>	<b>\$ 4,859,607</b>	<b>\$ -</b>	<b>\$ (174,055)</b>
<b>EM&amp;V</b>	<b>\$57,378</b>			<b>\$ 56,022</b>	<b>\$ 56,022</b>		<b>\$ -</b>
<b>EECRF Proceeding Expenses (EPE &amp; Municipal expenses)*</b>	<b>\$100,000</b>			<b>\$ 85,367</b>	<b>\$ 85,367</b>		<b>\$ 14,633</b>
<b>Total</b>	<b>\$4,842,930</b>	<b>19,879</b>	<b>\$ 4,780,341</b>	<b>\$ 220,655</b>	<b>\$ 5,000,996</b>	<b>\$ -</b>	<b>\$ (159,422)</b>

\* Actual EECRF proceeding expenses of \$85,367, consists of \$57,124 in EPE proceeding expenses and \$28,243 in municipal proceeding expenses.

\*\* Residential Marketplace Pilot MTP is also listed under the Commercial sector due to the Upstream/Midstream Program Cross-Sector Savings guidance memo issued by Tetra Tech to calculate and allocate savings at the sector-level for upstream and midstream programs.

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

Programs	2021 Budget	2021 Expenditures	Percent	>10% Variance Explanation
<b>Commercial</b>	<b>\$ 2,461,413</b>	<b>\$ 2,465,274</b>	<b>100.2%</b>	
Small Commercial Solutions MTP	\$ 461,115	\$ 460,529	99.9%	
Large C&I Solutions MTP	\$ 1,005,396	\$ 1,014,932	100.9%	
Texas SCORE MTP	\$ 519,902	\$ 528,379	101.6%	
Comm. Load Management SOP	\$ 460,000	\$ 453,753	98.6%	
Residential Marketplace Pilot MTP	\$ 15,000	\$ 7,682	51.2%	Remaining program funds were reallocated to the Residential Load Management MTP as the programs work in tangent.
<b>Residential</b>	<b>\$ 1,511,346</b>	<b>\$ 1,691,497</b>	<b>111.9%</b>	
Residential Solutions MTP	\$ 315,000	\$ 484,376	153.8%	Program had more participation than was anticipated.
LivingWise® MTP	\$ 346,346	\$ 346,309	100.0%	
Texas Appliance Recycling MTP	\$ 255,000	\$ 186,240	73.0%	Program did not achieve anticipated participation. Funds were reallocated to programs with higher participation.
Residential Marketplace Pilot MTP	\$ 285,000	\$ 124,744	43.8%	Remaining program funds were reallocated to the Residential Load Management MTP as the programs work in tangent.
Residential Load Management MTP	\$ 310,000	\$ 549,829	177.4%	Additional funds were reallocated from the Residential Marketplace Pilot MTP as the programs work in tangent.
<b>Hard-to-Reach</b>	<b>\$ 600,000</b>	<b>\$ 623,570</b>	<b>103.9%</b>	
Hard-to-Reach Solutions MTP	\$ 600,000	\$ 623,570	103.9%	
Administration	\$ 87,793	\$ 79,266		
Research and Development	\$ 25,000	\$ -		
<b>Total</b>	<b>\$ 4,685,552</b>	<b>\$ 4,859,607</b>	<b>103.7%</b>	

## **IX. PROGRAM RESULTS FOR MTPs**

### **Market Transformation Programs:**

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

The 2021 projected savings for the Small Commercial Solutions MTP were 730 kW. There were 173 participants during 2021 that reduced demand by 728 kW and saved 2,954,835 kWh in energy.

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

The 2021 projected savings for the Large C&I Solutions MTP were 2,011 kW. There were 97 participants during 2021 that reduced demand by 2,043 kW and saved 11,952,274 kWh in energy.

#### **Texas SCORE MTP**

The 2021 projected savings for the Texas SCORE MTP were 750 kW. There were 37 participants in this program that reduced demand by 982 kW and saved 2,810,405 kWh in energy.

#### **Residential Solutions MTP**

The 2021 projected savings for the Residential Solutions MTP were 545 kW. There were 1,221 participants in this program that reduced demand by 1,115 kW and saved 1,932,842 kWh in energy.

#### **LivingWise® MTP**

The 2021 projected savings for the LivingWise® MTP were 200 kW. There were 8,937 kits provided in this program that reduced demand by 333 kW and saved 1,159,617 kWh in energy.

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

The 2021 projected savings for the Hard-to-Reach Solutions MTP were 800 kW. There were 437 participants in this program that reduced demand by 1,117 kW and saved 1,562,495 kWh in energy.

#### **Appliance Recycling MTP**

The 2021 projected savings for the Appliance Recycling MTP were 195 kW. There were 950 participants in this program that reduced demand by 90 kW and saved 729,252 kWh in energy.

#### **Residential Marketplace Pilot MTP**

The 2021 projected savings for the Residential Marketplace MTP were 500 kW. There were 1,093 participants in this program that reduced demand by 529 kW and saved 2,204,674 kWh in energy.

#### **Residential Load Management MTP**

The 2021 projected savings for the Residential Load Management MTP were 3,960 kW. There were 6,922 participants in this program that reduced demand by 8,044 kW and saved 2,632,759 kWh in energy.

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

### Report for 2021

In Docket No. 50806, EPE was granted approval for recovery through its 2021 EECRF of (a) \$4,685,552 in energy efficiency program costs projected to be incurred from January 1 through December 31, 2021; (b) projected cost of evaluation, measurement, and verification (EM&V) of \$57,378 for program year 2021; (c) the 2019 net under-recovery revenue amount of \$2,455, including interest; (d) performance incentive for 2019 of \$1,175,558; (e) EPE's 2019 EECRF proceeding expenses of \$56,641 (\$46,364 for EPE and \$10,277 for the City of El Paso); and (f) a \$75,000 reduction of the residential class's EECRF requirement to true-up costs for the 2019 residential programs. The Final Order in Docket No. 50806 concluded that the filing conformed to the requirements of the EE Rule. The order also found that the allocation of the energy efficiency costs, and performance incentive were in accordance with the EE Rule. The EECRF was approved on November 5, 2020, and became effective with the first billing cycle in January 2021. The recovery of the agreed-upon EECRF amount of \$5,902,584 is based on a dollar per kWh rate. The 2021 cost recovery factors by rate are listed in Table 12.

**Table 12: 2021 EECRF Monthly Rates**

Rate No.	Description	Energy Efficiency Cost Recovery Factor (\$/kWh)
01	Residential Service Rate	\$ 0.000979
02	Small Commercial Service Rate	\$ 0.000933
07	Outdoor Recreational Lighting Service Rate	\$ (0.000002)
08	Governmental Street Lighting Service Rate	\$ 0.000302
09	Governmental Traffic Signal Service	\$ 0.000422
11-TOU	Time-Of-Use Municipal Pumping Service Rate	\$ 0.000017
WH	Water Heating	\$ (0.000035)
22	Irrigation Service Rate	\$ 0.000037
24	General Service Rate	\$ 0.000928
25	Large Power Service Rate (excludes transmission)	\$ 0.001585
34	Cotton Gin Service Rate	\$ 0.000482
41	City and County Service Rate	\$ 0.003493
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$ 0.000482
47	Backup Power Service For Cogeneration And Small Power Production Facilities	\$ 0.000482

## XI. REVENUE COLLECTED THROUGH EECRF

In 2021, EPE collected a total of \$5,787,344 under Rate Schedule No. 97 – Energy Efficiency Cost Recovery Factor.

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

In 2021, EPE under-recovered an amount of \$287,938 as shown in Table 13. The EM&V expenses of \$56,022 from Tetra Tech in their 2021 Prioritization and Cost Allocation table replaced the recovery of EM&V costs of \$57,378 in Docket No. 50806 for program year 2021. A reduction of the residential class's EECRF revenue requirement in the amount of \$75,000 was ordered in Docket No. 50806.

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

Description	Authorized in Docket No. 50806	Actual
January 1 – December 31, 2021 Energy Efficiency Costs	\$ 4,685,552	\$ 4,859,607
Program Year 2021 EM&V Costs	\$ 57,378	\$ 56,022
2019 Over/(Under) Recovery	\$ 2,455	\$ 2,455
2019 Performance Bonus	\$ 1,175,558	\$ 1,175,558
Reduction to Residential Class's EECRF Pursuant to Docket No. 50806	\$ (75,000)	\$ (75,000)
2019 EECRF Proceeding Costs	\$ 56,641	\$ 56,641
2021 Total Costs	\$ 5,902,584	\$ 6,075,283
2021 EECRF Revenues		\$ 5,787,344
2021 (Over)/Under Recovery		\$ 287,938

## XIII. UNDERSERVED COUNTIES

EPE serves customers in three Texas counties: Culberson, Hudspeth, and El Paso. During 2021, the majority of energy efficiency projects were installed in El Paso County. EPE has defined Underserved Counties as any county in the Texas EPE service territory where demand or energy savings were not reported in its 2021 EPE energy efficiency programs. Based on this definition, EPE had no Underserved Counties in 2021.

**Table 14: 2021 Energy Efficiency Activities by County**

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	19,766	27,298.20	27,852,739
Culberson	37	23.81	88,549
Hudspeth	76	2.85	10,211
<b>Total</b>	<b>19,879</b>	<b>27,324.87</b>	<b>27,951,498</b>

## ACRONYMS

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

## GLOSSARY

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



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

### Program Savings by County \*

All programs funded through EPE's EECRF.

#### Small Commercial Solutions MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	167	722.19	2,933,988
Culberson County	6	6.17	20,847
Hudspeth County	0	0	0
<b>Total</b>	<b>173</b>	<b>728.36</b>	<b>2,954,835</b>

#### Large C&I Solutions MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	97	2,042.78	11,952,274
Culberson County	0	0	0
Hudspeth County	0	0	0
<b>Total</b>	<b>97</b>	<b>2,042.78</b>	<b>11,952,274</b>

#### Texas SCORE MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	32	967.13	2,750,648
Culberson County	5	14.95	59,757
Hudspeth County	0	0	0
<b>Total</b>	<b>37</b>	<b>982.08</b>	<b>2,810,405</b>

#### Commercial Load Management SOP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	12	12,343.91	12,344
Culberson County	0	0	0
Hudspeth County	0	0	0
<b>Total</b>	<b>12</b>	<b>12,343.91</b>	<b>12,344</b>

### Residential Solutions MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	1,220	1,113.54	1,931,119
Culberson County	1	1.17	1,724
Hudspeth County	0	0	0
<b>Total</b>	<b>1,221</b>	<b>1,114.72</b>	<b>1,932,842</b>

### LivingWise® MTP

County	# of Kits	Reported	Savings
		kW	kWh
El Paso County	8,839	329.28	1,146,901
Culberson County	23	.86	2,984
Hudspeth County	75	2.79	9,732
<b>Total</b>	<b>8,937</b>	<b>332.93</b>	<b>1,159,617</b>

### Hard-to-Reach Solutions MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	437	1,117.15	1,562,495
Culberson County	0	0	0
Hudspeth County	0	0	0
<b>Total</b>	<b>437</b>	<b>1,117.15</b>	<b>1,562,495</b>

### Appliance Recycling MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	949	89.93	728,773
Culberson County	0	0	0
Hudspeth County	1	0.06	479.23
<b>Total</b>	<b>950</b>	<b>89.99</b>	<b>729,252</b>

### Residential Marketplace Pilot MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	1,091	528.27	2,201,438
Culberson County	2	0.66	3,237
Hudspeth County	0	0	0
<b>Total</b>	<b>1,093</b>	<b>528.93</b>	<b>2,204,674</b>

**Residential Load Management MTP**

<b>County</b>	<b># of Participants</b>	<b>Reported</b>	<b>Savings</b>
		<b>kW</b>	<b>kWh</b>
El Paso County	6,922	8,044.02	2,632,759
Culberson County	0	0	0
Hudspeth County	0	0	0
<b>Total</b>	<b>6,922</b>	<b>8,044.02</b>	<b>2,632,759</b>

\* Totals may not tie due to rounding.

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**El Paso Electric Company**  
**2022 Energy Efficiency Plan and Report**  
**16 Texas Administrative Codes § 25.181**  
**and § 25.183**

**April 28, 2022 - Errata Redline**

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**Project No. 52949**



## EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details EPE's plan to meet the energy efficiency demand reduction goal for 2022, as established pursuant to 16 TAC § 25.181(e)(3). The Final Order of Docket No. 52081<sup>1</sup> issued on December 16, 2021, established the EECRF rates applicable to EPE for 2022. The order left in place the same demand reduction goal of 11.16 MW, which is what it has been since 2011 and is greater than four-tenths of one percent of EPE's average weather-adjusted peak demand at meter. Since EPE has reached a demand reduction goal of greater than four-tenths of one percent of its summer weather-adjusted peak demand in accordance with 16 TAC § 25.181(e)(1)(C), EPE's 2023 demand reduction goal should remain at 11.16 MW.

The Final Order of Docket No. 52081 also established an energy efficiency program budget for 2022 of \$5,129,232.<sup>2</sup> The goals, budgets, and implementation plans that are included in this EEPR are influenced substantially by the requirements of the EE Rule and lessons learned regarding energy efficiency service providers and customer participation in the various energy efficiency programs. A summary of projected goals, savings and budgets is presented in Table 1.

**Table 1: Summary of 2022 & 2023 Projected Goals, Savings and Budgets<sup>3</sup>**

Calendar Year	Average Growth in Demand (MW at Meter)	Goal Metric: 30% of 5-year Average Growth in Demand (MW at Meter)	Goal Metric: .4% of 5-year Average Peak Demand (MW at Meter)*	Demand Goal (MW)	Energy Goal (MWh)**	Projected MW Savings (at Meter)	Projected MWh Savings (at Meter)	Proposed Budget (000's)***
2022	57.4	17.21	5.45	11.16	19,552	19.827	26,882	\$5,286
2023	22.0	6.60	5.54	11.16	19,552	31.207	27,125	\$5,493

\* The 2023 Demand Goal of 0.4% of peak demand (5.54 MW) is calculated according to 16 TAC § 25.181(e)(3)(B) and is based on a 7.54% system demand line loss factor approved in Docket No. 50058;  $(1,497 \text{ MW Average Peak Demand at Source Net Opt-Outs} \times 0.004) \times (1 - 0.0754 \text{ system demand line loss factor})$ . However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal, thus, the 2023 goal is 11.16 MW.

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

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

In 2021, EPE achieved a demand reduction of ~~28,029~~27,325 kW, which was ~~245~~54% of the 11,160 kW demand reduction goal. This was accomplished through the implementation of one SOP and several MTPs. To reach the projected savings for 2022 and 2023, EPE proposes to offer the following programs:

- **Standard Offer Program**
  - Commercial Load Management SOP
- **Market Transformation Programs**
  - Small Commercial Solutions MTP
  - Large C&I Solutions MTP

- LivingWise® MTP
- FutureWise® Pilot MTP
- Texas Appliance Recycling MTP
- Residential Marketplace Pilot MTP
- Residential Load Management MTP
- Hard-to-Reach Solutions MTP

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

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

EPE contracts with AM Conservation Group (previously Franklin Energy Services) to implement EPE's LivingWise® MTP.

EPE will contract with AM Conservation Group to implement EPE's FutureWise® Pilot MTP.

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

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

**Note – Totals in tables may not tie due to rounding.**

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

Calendar Year	Peak Demand (MW at Source)						Energy Consumption (MWh at Meter)				Growth (MW at Source)	Growth (MW at Meter) <sup>4</sup>	Average Growth (MW at Meter) <sup>5</sup>
	Total System		Residential & Commercial				Total System		Residential & Commercial				
	Actual	Weather Adjusted	Actual	Weather Adjusted	Opt-Out	Peak Demand @ Source Net Opt-Outs	Actual	Weather Adjusted	Actual	Weather Adjusted	Weather Adjusted	Weather Adjusted	Weather Adjusted
2013	1,357	1,352	1,252	1,248	0	1,248	6,028,388	6,008,772	5,276,023	5,256,408	64.0	58.4	NA
2014	1,385	1,387	1,289	1,291	0	1,291	5,973,273	5,981,108	5,211,869	5,219,704	43.0	39.3	NA
2015	1,398	1,386	1,279	1,266	0	1,266	6,141,917	6,086,745	5,318,795	5,263,622	-25.0	-22.8	NA
2016	1,509	1,509	1,397	1,397	-1.1	1,396	6,188,610	6,187,025	5,381,661	5,380,076	129.9	118.6	NA
2017	1,575	1,579	1,459	1,463	-1.1	1,462	6,205,925	6,223,229	5,387,064	5,404,368	66.0	60.5	NA
2018	1,560	1,545	1,446	1,429	-1.2	1,428	6,377,762	6,313,451	5,537,652	5,473,342	-34.1	-31.3	NA
2019	1,596	1,583	1,516	1,501	-1.2	1,500	6,322,247	6,267,981	5,528,608	5,474,342	72.0	66.0	NA
2020	1,730	1,703	1,609	1,580	-1.3	1,579	6,446,008	6,345,116	5,655,757	5,554,865	78.9	73.0	NA
2021	1,610	1,628	1,498	1,517	-1.3	1,516	6,499,885	6,571,421	5,685,095	5,756,631	-63.0	-58.2	NA
2022	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	57.4
2023	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	22.0

The 2023 Demand Goal of 0.4% of peak demand is calculated according to 16 TAC § 25.181(e)(3)(B) and is based on a 7.54% system demand line loss factor approved in Docket No. 50058 as shown below:

Average of residential and commercial peak demand at source net Opt-Outs =  $(1,462 + 1,428 + 1,500 + 1,579 + 1,516) / 5 = 1,497.8$  MW.  
 $(1,498 \text{ MW Average Peak Demand at source net Opt-Outs} \times 0.004) \times (1 - 0.0754 \text{ system demand line loss factor}) = 5.54 \text{ MW}.$

However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal, thus, the 2023 goal is 11.16 MW.

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<sup>4</sup> Growth at meter for calendar year 2021 to 2023 includes the 7.54% system demand line loss factor as approved in Docket No. 50058.

<sup>5</sup> Average 5-year historical growth in demand for residential and commercial customers for 2022 (2016-2020) and 2023 (2017-2021).

## ENERGY EFFICIENCY REPORT

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

Table 7 documents EPE's actual demand reduction goals and energy targets for the previous five years (2017-2021) calculated in accordance with 16 TAC § 25.181.

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

Calendar Year	Demand Goals (kW)	Energy Targets (kWh)	Actual Demand Reduction (kW)	Actual Energy Savings (kWh)
2021 <sup>6</sup>	11,160	19,552,320	<del>28,029</del> <u>27,325</u> <sup>7</sup>	<del>27,921,007</del> <u>51,498</u>
2020 <sup>8</sup>	11,160	19,552,320	20,740	30,704,424
2019 <sup>9</sup>	11,160	19,552,320	19,424	24,825,792
2018 <sup>10</sup>	11,160	19,552,320	16,846	20,726,306
2017 <sup>11</sup>	11,160	19,552,320	15,285	23,311,792

<sup>6</sup> 2021 demand goal and energy target as reported in EPE's EEPR Errata filed April 28, 2021 under Project No. 51672. 2021 actual demand reduction and energy savings reported in Project No. 52949.

<sup>7</sup> 2021 actual demand reduction at the source is calculated as follows:  
~~28,029~~27,325 kW at meter \* (1/(1-0.0754)) line losses = ~~30,345~~29,553 kW at the source.

<sup>8</sup> 2020 demand goal and energy target as reported in EPE's EEPR Errata filed July 15, 2020, under Project No. 50666. 2020 actual demand reduction and energy savings reported in Project No. 51672.

<sup>9</sup> 2019 demand goal and energy target as reported in EPE's EEPR Errata filed July 26, 2019, under Project No. 49297. 2019 actual demand reduction and energy savings reported in Project No. 50666.

<sup>10</sup> 2018 demand goal and energy target as reported in EPE's EEPR filed April 2, 2018, under Project No. 48146. 2018 actual demand reduction and energy savings reported in Project No. 49297.

<sup>11</sup> 2017 demand goal and energy target as reported in EPE's EEPR filed April 3, 2017, under Project No. 46907. 2017 actual demand reduction and energy savings reported in Project No. 48146.



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

Table 8: Projected versus Reported Savings for 2020 and 2021

Table 8: Projected versus Reported Savings for 2020 and 2021 (at Meter)				
2020	Projected Savings		Reported and Verified Savings	
Customer Class and Program	kW	kWh	kW	kWh
<b>Commercial</b>	<b>10,266</b>	<b>16,681,094</b>	<b>16,044</b>	<b>23,664,620</b>
Small Comm. Solutions MTP	730	3,197,400	750	2,925,568
Large C&I Solutions MTP	2,011	10,569,816	3,615	15,054,617
Texas SCORE MTP	500	2,847,000	1,191	5,197,201
Load Management SOP	7,000	21,000	10,397	40,975
Residential Marketplace Pilot MTP	25	45,878	91	446,259
<b>Residential</b>	<b>5,375</b>	<b>4,323,399</b>	<b>3,732</b>	<b>5,736,975</b>
Residential Solutions MTP	545	954,840	734	1,219,380
LivingWise® MTP	200	727,600	326	855,290
Texas Appliance Recycling	195	1,579,200	77	620,400
Residential Marketplace Pilot MTP	475	871,679	627	2,152,247
Residential Load Management MTP	3,960	190,080	1,968	889,658
<b>Hard-to-Reach</b>	<b>800</b>	<b>1,051,200</b>	<b>964</b>	<b>1,302,829</b>
Hard-to-Reach Solutions MTP	800	1,051,200	964	1,302,829
<b>Total at Meter</b>	<b>16,441</b>	<b>22,055,693</b>	<b>20,740</b>	<b>30,704,424</b>

2021	Projected Savings		Reported and Verified Savings	
Customer Class and Program	kW	kWh	kW	kWh
<b>Commercial</b>	<b>10,516</b>	<b>18,104,594</b>	<b>16,124</b>	<b>17,840,092</b>
Small Comm. Solutions MTP	730	3,197,400	728	2,954,835
Large C&I Solutions MTP	2,011	10,569,816	2,043	11,952,274
Texas SCORE MTP	750	4,270,500	982	2,810,405
Load Management SOP	7,000	21,000	12,344	12,344
Residential Marketplace Pilot MTP	25	45,878	26	110,234
<b>Residential</b>	<b>5,375</b>	<b>4,323,399</b>	<b>10,084</b>	<b>8,548,911</b>
Residential Solutions MTP	545	954,840	1,115	1,932,842
LivingWise® MTP	200	727,600	333	1,159,617
Texas Appliance Recycling MTP	195	1,579,200	90	729,252
Residential Marketplace Pilot MTP	475	871,679	502	2,094,440
Residential Load Management MTP	3,960	190,080	8,044	2,632,759
<b>Hard-to-Reach</b>	<b>800</b>	<b>1,051,200</b>	<b>1,117</b>	<b>1,562,495</b>
Hard-to-Reach Solutions MTP	800	1,051,200	1,117	1,562,495
<b>Total at Meter</b>	<b>16,691</b>	<b>23,479,193</b>	<b>27,325</b>	<b>27,951,498</b>

## VII. HISTORICAL PROGRAM EXPENDITURES

Table 9 documents EPE's incentive and administration expenditures for the previous five years (2017-2021) by program for each customer class. Note that this table does not include R&D, EM&V, or general administration expenditures. R&D, EM&V, and general administration expenditures for 2021 can be found in Table 10.

**Table 9: Historical Program Incentive and Administration Expenditures for 2017 through 2021<sup>12</sup>**

**Table 9: Historical Program Incentive & Administrative Expenditures for 2017 through 2021**

Programs	2021		2020		2019		2018		2017	
	Incent.	Admin			Incent.	Admin	Incent.	Admin	Incent.	Admin.
<b>Commercial</b>	<b>\$2,465,274</b>	<b>\$0</b>	<b>\$3,121,640</b>	<b>\$0</b>	<b>\$2,672,190</b>	<b>\$0</b>	<b>\$2,317,476</b>	<b>\$0</b>	<b>\$2,589,932</b>	<b>\$0</b>
Commercial SOP	NA	NA	NA	NA	NA	NA	NA	NA	\$23,821	\$0
Small Comm. Solutions MTP	\$460,529	\$0	\$470,425	\$0	\$502,403	\$0	\$487,160	\$0	\$487,385	\$0
Large C&I Solutions MTP	\$1,014,932	\$0	\$1,512,746	\$0	\$1,131,460	\$0	\$1,006,553	\$0	\$1,038,708	\$0
Texas SCORE MTP	\$528,379	\$0	\$704,020	\$0	\$597,687	\$0	\$417,779	\$0	\$652,225	\$0
Comm. Load Management SOP	\$453,753	\$0	\$423,754	\$0	\$440,641	\$0	\$405,984	\$0	\$387,793	\$0
Residential Marketplace Pilot MTP	\$7,682	\$0	\$10,695	\$0	NA	NA	NA	NA	NA	NA
<b>Residential</b>	<b>\$1,691,497</b>	<b>\$0</b>	<b>\$1,120,183</b>	<b>\$0</b>	<b>\$796,927</b>	<b>\$0</b>	<b>\$757,856</b>	<b>\$0</b>	<b>\$585,053</b>	<b>\$0</b>
Residential Solutions MTP	\$484,376	\$0	\$354,427	\$0	\$312,731	\$0	\$411,547	\$0	\$238,744	\$0
LivingWise® MTP	\$346,309	\$0	\$179,994	\$0	\$345,534	\$0	\$346,309	\$0	\$346,309	\$0
Texas Appliance Recycling MTP	\$186,240	\$0	\$99,150	\$0	\$138,663	NA	NA	NA	NA	NA
Residential Marketplace Pilot MTP	\$124,744	\$0	\$203,212	\$0	NA	NA	NA	NA	NA	NA
Residential Load Management MTP	\$549,829	\$0	\$283,400	\$0	NA	NA	NA	NA	NA	NA
<b>Hard-to-Reach</b>	<b>\$623,570</b>	<b>\$0</b>	<b>\$664,708</b>	<b>\$0</b>	<b>\$571,016</b>	<b>\$0</b>	<b>\$601,732</b>	<b>\$0</b>	<b>\$555,425</b>	<b>\$0</b>
Hard-to-Reach Solutions MTP	\$623,570	\$0	\$664,708	\$0	\$571,016	\$0	\$601,732	\$0	\$555,425	\$0
<b>Residential/Commercial</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$145,658</b>	<b>\$0</b>	<b>\$287,988</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Texas Appliance Recycling MTP	NA	NA	NA	NA	NA	NA	\$87,438	\$0	NA	NA
Demand Response Pilot MTP	NA	NA	NA	NA	\$145,658	\$0	\$200,551	\$0	NA	NA
<b>Total</b>	<b>\$4,780,341</b>	<b>\$0</b>	<b>\$4,906,531</b>	<b>\$0</b>	<b>\$4,185,791</b>	<b>\$0</b>	<b>\$3,965,053</b>	<b>\$0</b>	<b>\$3,730,410</b>	<b>\$0</b>

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<sup>12</sup> 2021 expenditures are from EEPR filed in Project No. 52942, 2020 expenditures are from EEPR filed in Project No. 51672, 2019 expenditures are from EEPR Errata filed in Project No. 50666, 2018 expenditures are from EEPR filed in Project No. 49297, and 2017 expenditures are from EEPR filed in Project No. 48146.

## **VIII. PROGRAM FUNDING AND EXPLANATION OF ADMINISTRATION COSTS FOR CALENDAR YEAR 2021**

As shown in the subtotal for the "Total Funds Expended" column of Table 10, EPE spent \$4,859,~~607,477~~ on program expenses (excluding EM&V and EECRF Proceeding Expenses) for its PUCT-approved energy efficiency programs in 2021. These programs were funded by EPE's 2021 EECRF. These expenses account for 104% of the total forecasted 2021 program budget of \$4,685,552. Actual program funding levels are shown in Table 10 and Table 11.

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

**Table 10: Program Funding for Calendar Year 2021**

	Total Projected Budget	Number of Participants	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin & R&D)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining
<b>Commercial</b>	<b>\$2,461,413</b>	<b>374</b>	<b>\$ 2,464,274</b>	<b>\$ -</b>	<b>\$ 2,465,274</b>	<b>\$ -</b>	<b>\$ (3,861)</b>
Small Commercial Solutions MTP	\$461,115	173	\$ 460,529		\$ 460,529		\$ 586
Large C&I Solutions MTP	\$1,005,396	97	\$ 1,014,932		\$ 1,014,932		\$ (9,536)
Texas SCORE MTP	\$519,902	37	\$ 528,379		\$ 528,379		\$ (8,477)
Comm. Load Management SOP	\$460,000	12	\$ 453,753		\$ 453,753		\$ 6,247
Residential Marketplace Pilot MTP	\$15,000	55	\$ 7,682		\$ 7,682		\$ 7,318
<b>Residential</b>	<b>\$1,511,346</b>	<b>19,068</b>	<b>\$ 1,691,497</b>	<b>\$ -</b>	<b>\$ 1,691,497</b>	<b>\$ -</b>	<b>\$ (180,151)</b>
Residential Solutions MTP	\$315,000	1,221	\$ 484,376		\$ 484,376		\$ (169,376)
LivingWise® MTP	\$346,346	8,937	\$ 346,309		\$ 346,309		\$ 37
Texas Appliance Recycling MTP	\$255,000	950	\$ 186,240		\$ 186,240		\$ 68,760
Residential Marketplace Pilot MTP	\$285,000	1,038	\$ 125,805		\$ 125,805		\$ 159,195
Residential Load Management MTP	\$310,000	6,922	\$ 549,829		\$ 549,829		\$ (239,829)
<b>Hard-to-Reach</b>	<b>\$600,000</b>	<b>437</b>	<b>\$ 623,570</b>	<b>-</b>	<b>\$ 623,570</b>	<b>\$ -</b>	<b>\$ (23,570)</b>
Hard-to-Reach Solutions MTP	\$600,000	437	\$ 623,570		\$ 623,570		\$ (23,570)
Administration	\$87,793			\$ 79,266	\$ 79,266		\$ 8,527
Research and Development	\$25,000						\$ 25,000
<b>Subtotal</b>	<b>\$4,685,552</b>	<b>19,879</b>	<b>\$ 4,780,341</b>	<b>\$ 79,266</b>	<b>\$ 4,859,607</b>	<b>\$ -</b>	<b>\$ (174,055)</b>
<b>EM&amp;V</b>	<b>\$57,378</b>			<b>\$ 56,022</b>	<b>\$ 56,022</b>		<b>\$ -</b>
<b>EECRF Proceeding Expenses (EPE &amp; Municipal expenses)*</b>	<b>\$100,000</b>			<b>\$ 85,367</b>	<b>\$ 85,367</b>		<b>\$ 14,633</b>
<b>Total</b>	<b>\$4,842,930</b>	<b>19,879</b>	<b>\$ 4,780,341</b>	<b>\$ 220,655</b>	<b>\$ 5,000,996</b>	<b>\$ -</b>	<b>\$ (159,422)</b>

\* Actual EECRF proceeding expenses of \$85,367, consists of \$57,124 in EPE proceeding expenses and \$28,243 in municipal proceeding expenses.

\*\* Residential Marketplace Pilot MTP is also listed under the Commercial sector due to the Upstream/Midstream Program Cross-Sector Savings guidance memo issued by Tetra Tech to calculate and allocate savings at the sector-level for upstream and midstream programs.