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**Ms. Deven Reeves
Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711**

RE: Project No. 54470 – Revision to CenterPoint Energy Houston Electric’s 2023 Energy Plan and Report Pursuant to 16 TAC § 25.181(l)

Dear Ms. Reeves:

On March 31, 2023, CenterPoint Energy Houston Electric (“CEHE”) filed its 2023 Energy Efficiency Plan and Report (“EEPR”). CEHE has revised the document to adjust demand reduction and energy savings consistent with the EM&V Contractor’s review of project impacts. CEHE also made updates in the EEPR tables and text to correct program cost amounts reported for 2022.

Please do not hesitate to contact the Company should you have any questions.



Shea A. Richardson
Energy Efficiency Compliance Manager
(713) 207-7465

**CenterPoint Energy Houston Electric,
LLC**

2023 Energy Efficiency Plan and Report

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

(Revised)

June 1, 2023

Project No. 54470

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Introduction

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

- 0.4% reduction of the electric utility's peak demand of residential and commercial customers for the 2022, 2023 and 2024 program years.

The format used herein is consistent with the requirements outlined in 16 TAC § 25.181(l) and the Company's Revised 2022 EEPR filing in June 2022 in Project No. 52949. The EEPR presents the results of CenterPoint Houston's 2022 energy efficiency programs and describes how the Company plans to achieve its goals and meet the requirements set forth in 16 TAC § 25.181. Planning information provided focuses on calendar years 2023 and 2024 projected savings and budgets, as well as information on programs offered, and discusses customer outreach, informational activities and workshops that are designed to encourage participation by energy service providers and retail electric providers (REPs).

EEPR Organization

This EEPR consists of an executive summary, 15 sections, and three appendices. Sections one through four provide the Energy Efficiency Plan (The Plan), while sections five through eleven present energy efficiency report information. The final four sections address the Energy Efficiency Cost Recovery Factor (EECRF). The three appendices provide a description of the acronyms used throughout the report, give the location of the glossary of commonly used terms, and the demand and energy savings for each program by county.

Executive Summary

The Plan portion of this EEPR details CenterPoint Houston's plans to achieve a 0.4% reduction in its peak demand of residential and commercial customers by December 31, 2023, and another 0.4% reduction in its peak demand of residential and commercial customers by December 31, 2024. The Plan also addresses the corresponding energy savings goal, which is calculated from the demand savings goal using a 20% capacity factor. The goals, budgets, and implementation plans that are included herein are determined by the requirements of 16 TAC § 25.181 and the knowledge gained from prior implementation of the selected programs. Table 1 presents a summary of 2023 and 2024 goals, projected savings, and projected budgets.

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

	Calendar Year	Normalized Peak Demand	MW Goal	Demand (MW) Goal	Energy (MWh) Goal ²	Projected MW Savings	Projected MWh Savings ³	Projected Budget (in 000's)
Annual Goals	2023	16,273	0.4% of peak demand	65.09	114,038	200.43	227,726	\$36,602
	2024	16,565	0.4% of peak demand	66.26	116,088	234.01	215,036	\$38,191

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

² Calculated using a 20% capacity factor.

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

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

1. Commercial Standard Offer Program
2. Commercial MTP (SCORE, Healthcare, Data Center)
3. Commercial Load Management Standard Offer Program
4. Retro-Commissioning MTP
5. Commercial High Efficiency Foodservice MTP
6. Retail Products and Services MTP
7. Winter Load Management Pilot Program
8. CenterPoint Energy High Efficiency Home MTP
9. Residential & Small Commercial Standard Offer Program
10. Midstream MTP (HVAC and Pool Pump Distributor)
11. Residential Load Management Standard Offer Program
12. Multi-Family MTP Market Rate
13. Hard-to-Reach Standard Offer Program⁴
14. Multi-Family MTP Hard-to-Reach
15. Targeted Low Income MTP (Agencies in Action)

As detailed in this report, CenterPoint Houston successfully implemented SOPs and MTPs required by PURA § 39.905 that met the statutory energy efficiency savings goal of 0.4% peak demand reduction. CenterPoint Houston's goals for 2022 were 64.88 MW in peak demand reduction and 113,670 MWh in energy savings. Actual achieved peak demand and energy savings reductions in 2022 totaled 217 MW and 226,351 MWh, respectively. The total forecasted spending for 2022 was \$37.6 million, and actual 2022 spending totaled \$35.5 million.

⁴ TAC § 25.181(c)(27) defines Hard-to-Reach as "Residential customers with an annual household income at or below 200% of the federal poverty guidelines."

Energy Efficiency Plan

I. 2023 Programs

A. 2023 Program Portfolio

CenterPoint Houston plans to implement 15 programs in 2023. One new program offering, the Winter Load Management Pilot Program, will be implemented to provide reliable load curtailment that can be initiated during the winter peaking season. These programs target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. CenterPoint Houston anticipates that targeted outreach to a broad range of service providers will be necessary to meet the savings goals required by PURA § 39.905 on a continuing basis. Table 2 lists each program and identifies target markets and applications.

Table 2: 2023 Energy Efficiency Program Portfolio

Program	Target Market	Application
Commercial Standard Offer Program	Commercial	Retrofit; New Construction
Commercial MTP (SCORE, Healthcare, Data Center)	Commercial	Retrofit; New Construction
Commercial Load Management Standard Offer Program	Commercial	Load Management
Retro-Commissioning MTP	Commercial	Tune-up of existing facilities
Commercial High Efficiency Foodservice MTP	Commercial	Retrofit; New Construction
Retail Products and Services MTP	Residential & Commercial	Retrofit; New Construction
Winter Load Management Pilot Program	Commercial	Load Management
CenterPoint Energy High Efficiency Home MTP	Residential	New Construction
Residential & Small Commercial Standard Offer Program	Residential & Commercial	Retrofit
Midstream MTP (HVAC and Pool Pump Distributor)	Residential	Retrofit; New Construction
Residential Load Management Standard Offer Program	Residential	Load Management
Multi-Family MTP Market Rate	Residential	New Construction
Hard-to-Reach Standard Offer Program	Hard-to-Reach	Retrofit
Multi-Family MTP Hard-to-Reach	Hard-to-Reach	Retrofit; New Construction
Targeted Low Income MTP (Agencies in Action)	Hard-to-Reach	Retrofit

The programs listed in Table 2 are described further in Subsection B. CenterPoint Houston maintains two energy efficiency websites:⁵ one designed for the end user and one for project sponsors. The energy efficiency sponsor portal contains project participation requirements and forms required for project submission. These websites provide end-users and project sponsors with program updates and information.

B. Existing Programs

Commercial Standard Offer Program (Commercial SOP)

Program Design

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

Implementation Process

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

Outreach and Research Activities

- Maintain internet website with program processes on how to register for participation, as well as how to input a viable project, detailed project eligibility, end-use measures, incentives, workbooks to assist with providing incentive estimates, as well as procedures and application forms;
- Collaborate with internal company departments such as Commercial Customer Relationship Management, Energy Sales and Transportation Services and Distribution Operations and Service Delivery to leverage existing relationships with commercial customers, informing them of energy efficiency opportunities;
- Participate in appropriate industry-related meetings and events to generate awareness and interest; and,
- Conduct workshops as necessary to explain elements such as: project sponsor responsibilities, project requirements, incentive information, and the portal application and reporting process.

⁵ CenterPoint Houston's energy efficiency website is www.centerpointefficiency.com. CenterPoint Houston's sponsor portal is <https://cnpsponsor.programprocessing.com>.

Commercial Market Transformation Program (Commercial MTP)

Program Design

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

The SCORE program targets public and private K-12 schools, public and private higher education, cities, counties, state governmental agencies, non-profit and faith-based organizations. Program participants are provided with technical assistance, engineering analysis, and performance benchmarking to help them make informed decisions about cost-effective investments.

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

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

Implementation Process

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

Outreach and Research Activities

- Contract with third-party program implementers to conduct outreach and planning activities;
- Participate in appropriate industry-related meetings and events to generate awareness and interest; and
- Conduct training as necessary to explain elements of program requirements, incentive information, application, and reporting processes.

Commercial Load Management Standard Offer Program

Program Design

The Commercial Load Management Standard Offer Program is available to non-residential distribution customers, as well as governmental, educational, and non-profit transmission customers. Curtailments are initiated when the Electric Reliability Council of Texas (ERCOT) declares an Energy Emergency Alert 2 (EEA2)⁶ event or deems that an EEA2 event is imminent, or to support local system emergency conditions. Incentives are paid for measured and verified kW reductions to project sponsors based on average performance of all their events. Participating facilities must be equipped with an Interval Data Recorder (IDR) or smart meter and be able to curtail a minimum of 100 kW to be eligible.

Implementation Process

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

Outreach and Research Activities

- Maintain program information in the program tracking database;
- Conduct trainings as necessary to explain elements such as responsibilities of the project participant, program requirements, incentive information, and the application and reporting process; and
- Participate in appropriate industry-related meetings and events to generate awareness and interest.

⁶ Energy Emergency Alert (EEA) 2 – ERCOT may issue an EEA level 2 when operating reserves are less than 1,750 MW and are not expected to recover within 30 minutes. ERCOT may reduce demand on the system by interrupting power from large industrial customers who have contractually agreed to have their electricity turned off during an emergency. ERCOT may also use demand response resources that have been procured to address tight operating conditions. Website: <http://www.ercot.com>

Retro-Commissioning MTP

Program Design

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

Implementation Process

The program is implemented through a third-party implementer. Program information is provided on CenterPoint Houston's website. Retro-Commissioning Agents, typically engineering consulting firms, deliver the program to customers. The engineering analysis is comparable to an ASHRAE Level 2 audit.⁷

Outreach and Research Activities

- Maintain website with detailed project eligibility, procedures, and application forms;
- Participate in appropriate industry-related meetings and events to generate awareness and interest;
- Conduct workshops as necessary to explain elements such as project sponsor responsibilities and Retro-Commissioning Agents, program requirements, incentive information, and the application and reporting process;
- Utilize a bi-annual e-newsletter that highlights program offerings and relevant commercial measure articles.

⁷American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Audit Level 2 - Energy Survey and Analysis: includes the ASHRAE Level 1 walk-through analysis, but adds detailed energy calculations and financial analysis of proposed energy efficiency measures. Website: <http://www.ashrac.org/>

Commercial High Efficiency Foodservice MTP

Program Design

The Commercial High Efficiency Foodservice (CHEF) Program is a midstream Market Transformation Program designed to influence and incentivize the adoption of energy-efficient commercial kitchen equipment measures. This program targets all commercial foodservice segments in the CenterPoint Houston electric territory including restaurants, schools, quick service restaurants, convenience stores, government facilities, hospitality, healthcare, and other end-users that utilize commercial foodservice equipment.

Implementation Process

CenterPoint Houston contracts with a program implementer that has the responsibility of recruiting and overseeing the participating program sponsors. The program provides instant point of sale (POS) incentives on electric energy-efficient commercial kitchen equipment for Houston area businesses purchased through participating distributors. Eligible measures include: dishwashers, ice makers, ovens, fryers, steam cookers, hot food holding cabinets, refrigerators, and freezers.

Outreach and Research Activities

- Partner with a third-party implementer to assist with delivery;
- Recruit vendors to join the program's Market Partner Network of participating sponsors;
- Participate in appropriate industry-related meetings and events to generate awareness and interest; and
- Provide marketing materials, such as brochures and program fact sheets, to potential participants.

Retail Products and Services MTP

Program Design

The Retail Products and Services MTP incorporates three program offerings previously delivered as stand-alone programs:

- Retail Electric Provider (REP) MTP
- Smart Thermostat Program
- Advanced Retail Products Program (Previously the Advanced Lighting MTP)

Historically, each of these programs has offered energy efficient products to customers via online coupons or point of purchase discounts. CenterPoint Houston is continuing to provide these opportunities for customers, but because each program had similar delivery models and customer

outreach strategies. To improve program efficiencies, the Company is streamlining its 2023 energy efficiency portfolio by combining these programs under the Retail Products and Services Program umbrella. Components of the Retail Products and Services Program include:

Retail Electric Provider (REP) Program

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

- The CoolSaver A/C Tune-up program component utilizes specially trained air conditioning contractors to perform comprehensive A/C tune-ups for residential and commercial customers. The program pays incentives to the A/C contractor to reduce the customer's upfront cost of system diagnosis and correction. It also provides participating trade allies with training on best practices and discounts on high quality diagnostic tools.
- Efficiency Connection is an online marketplace that enables customers to shop for discounted energy efficiency products. Through the program's third-party vendor, products are delivered directly to qualifying residential customers. Program marketing informs the customer of the importance of installing LED lighting in high use areas and replacing existing incandescent, fluorescent and halogen lamps to increase savings.

Implementation Process

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

Outreach and Research Activities

- Contract with a third-party program implementer to conduct outreach and planning activities;
- REPs market the program to existing customers via e-mail, social media, and direct mail; and
- Participating contractors may do direct marketing to customers via e-mail, direct mail, and flyers

Smart Thermostat Program

The Smart Thermostat Program enables customers to receive discounts for the purchase of ENERGY STAR®⁸ Certified Smart Thermostats at online retail locations.

Implementation Process

The program utilizes an online marketplace and that offers an instant coupon code and allows the customer to shop for discounted energy efficiency products.

Outreach and Research Activities

- Contract with third-party to deliver online marketplace; and
- Provide in-store marketing materials at participating retailers.

Advanced Retail Products Program

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

Implementation Process

The Advanced Retail Products program is implemented by a third-party program implementer. Point of purchase discounts will be applied to residential customers at participating retailers.

Outreach and Research Activities

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

CenterPoint Energy High Efficiency Home MTP

Program Design

The High Efficiency Home MTP incentivizes the construction of new ENERGY STAR® certified, DOE Zero Energy Ready, and other high efficiency qualified homes. To qualify for incentives, all homes at a minimum must achieve 10% or 750 more kWh savings over the 2015 IECC reference baseline home and be rated and registered in the RESNET registry. Incentives can also be earned by meeting minimum

⁸ ENERGY STAR® is the government-backed symbol for energy efficiency, providing simple, credible, and unbiased information that consumers and businesses rely on to make well-informed decisions. Environmental Protection Agency (EPA) ensures that each product that earns the label is independently certified to deliver the quality, performance, and savings that consumers have come to expect. Website: <https://www.energystar.gov/>

prescriptive technology requirements such as high efficiency HVAC systems, heat pump water heaters, and other efficient appliances. An additional bonus is offered for those builders who build ENERGY STAR® version 3.1 certified homes. Each home is reviewed for verifiable demand and energy savings.

Outreach and Research Activities

- Contract with a third-party program implementer to conduct outreach, training and technical assistance; and
- Advertise using various media platforms, including: digital media, local TV, search engine optimization, online and targeted relocation publications, local home builder association publications, and CenterPoint Houston's website.

Residential & Small Commercial Standard Offer Program

Program Design

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

Implementation Process

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

Outreach and Research Activities

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

Mid-Stream MTP

Program Design

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

Implementation Process

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

Outreach and Research Activities

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

Residential Load Management Standard Offer Program***Program Design***

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

Implementation Process

The Residential Load Management program sponsors utilize CenterPoint Houston's energy efficiency database to enroll customers who own a Wi-Fi enabled device that can be curtailed during load management events.

Outreach and Research Activities

- Maintain a website with detailed project eligibility, end-use measures, incentive structure, procedures, application forms and list of third-party program sponsors; and
- Partner with aggregators and Retail Electric Providers to enroll customers wishing to participate.

Multi-Family MTP Market Rate***Program Design***

The Multi-family MTP Market Rate encompasses two program elements: Multi-family Water and Space Heating and Multi-Family High Efficiency New Construction. Multi-family Water and Space Heating

promotes the installation of energy efficient non-electric water heating in multi-family housing developments. Multi-family High Efficiency New Construction incentivizes energy efficiency in new multi-family buildings.

Implementation Process

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

Outreach and Research Activities

- Contract with a third-party program implementer to conduct outreach and planning; and
- Marketing materials including: brochures, cut sheets and program guidebook provided to potential participating developers and property managers; and
- Participate in appropriate industry-related meetings and events generate awareness and interest.

Multi-family MTP Hard-to-Reach

Program Design

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

Outreach and Research Activities

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

Hard-To-Reach Standard Offer Program

Program Design

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

Implementation Process

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

Outreach and Research Activities

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

Targeted Low-Income MTP (Agencies in Action)

Program Design

The Targeted Low-Income MTP facilitates the installation of energy efficiency upgrades for low-income residential customers in single family or multi-family homes. Local non-profit organizations and energy service companies provide comprehensive, whole-house retrofits that maximize electricity savings to homes with a Savings to Investment Ratio (SIR) greater than one (1). This is accomplished by installing attic and wall insulation, solar screens, lighting retrofits, water saving measures, ENERGY STAR® room air conditioners, central air conditioning systems, and air infiltration control for participants that have an annual household income of less than 200% of the federal poverty guidelines. A maximum expenditure of \$8,250 is allowed per home.

Implementation Process

CenterPoint Houston contracts with a program implementer that has the responsibility of recruiting and overseeing the participating agencies and energy service companies. An energy audit using the National

Energy Audit Assessment Tool (NEAT) is performed at the premise and the SIR score determines which projects are selected for renovation.

Outreach and Research Activities

- Contract with a third-party program implementer to conduct outreach, marketing, and planning activities;
- Conduct workshops, as necessary, to explain elements such as: responsibilities of the agencies, assessors and contractors, program requirements, incentive information, and the application and reporting process; and
- Maintain a website with detailed participant eligibility, end-use measures, incentive structure, procedures, and application forms.

Research and Development (R&D) Projects

In 2023, CenterPoint Houston has not identified specific R&D activities.

C. New Programs for 2023

Winter Load Management Pilot Program

In 2023, CenterPoint Houston implemented the Winter Load Management Pilot Program to provide reliable load curtailment that can be initiated during the winter peaking season. The Company filed a template for this pilot program in Project No. 38578 - Energy Efficiency Implementation Project (EEIP) Under 16 Tex. Admin. Code §25.181 in December of 2022. The program objectives are:

- Attain reliable peak demand reduction during grid emergencies; and
- Evaluate program impacts and processes to gain insights that support the design of future emergency load management activities.

Program Design

Historically, load management programs implemented through CenterPoint Houston's energy efficiency program portfolio (such as the previously described Commercial Load Management Program) have targeted the summer peak period to deliver demand reduction. The Winter Load Management Pilot Program expands the Company's ability to respond to grid emergencies by providing load shed capability twenty-four hours per day, seven days per week during the months of December – February. The program is available to non-residential distribution customers, as well as governmental, educational, and non-profit transmission customers. Curtailments are initiated when the Electric Reliability Council of

Texas (ERCOT) declares an Energy Emergency Alert 2 (EEA2)⁹ event or deems that an EEA2 event is imminent, or to support local system emergency conditions. Incentives are paid for measured and verified kW reductions to project sponsors based on average performance of all their events. Participating facilities must be equipped with an Interval Data Recorder (IDR) or smart meter.

Implementation Process

The program is implemented through customers and third-party entities representing eligible facilities within the CenterPoint Houston service territory. The program will initiate up to a maximum of six events totaling 22 hours per year during the winter peak period (up to a maximum of two test curtailments lasting one to three hours; and up to a maximum of four unscheduled events based on ERCOT EEA2 events lasting one to four hours each). A thirty-minute notice is given to all participants prior to each event. Curtailment times are not limited to a specific set of hours or days per week.

Timeline

Implementation of the Winter Load Management Pilot Program began in December of 2022 so that load curtailment would be available as a resource during the winter of 2022/2023. As discussed in the Company's program template filed in the EEIP project, CenterPoint Houston will utilize the 2023 program year budget to absorb costs associated with delivery of the pilot in the winter of 2022/2023. The Company has adjusted other program budgets to accommodate the Winter Load Management Pilot in the energy efficiency portfolio and it will operate within the total program costs approved for the 2023 Energy Efficiency Cost Recovery Factor. CenterPoint Houston intends to continue offering the program in the winter of 2023/2024 and has designed its 2024 budgets to include costs associated with the second year of program delivery.

Program Year	Implementation Timeline
2023	December 2022 – February 2023
2024	December 2023 – February 2024

Outreach and Research Activities

- Recruit participants through direct outreach to customers and aggregation groups;

⁹ Energy Emergency Alert (EEA) 2 – ERCOT may issue an EEA level 2 when operating reserves are less than 1,750 MW and are not expected to recover within 30 minutes. ERCOT may reduce demand on the system by interrupting power from large industrial customers who have contractually agreed to have their electricity turned off during an emergency. ERCOT may also use demand response resources that have been procured to address tight operating conditions. Website: <http://www.ercot.com>

- Conduct trainings as necessary to explain elements such as: responsibilities of the project participant, program requirements, incentive information, and the application and reporting process; and
- Participation in appropriate industry-related meetings and events to generate awareness and interest.

D. Potential New Programs for 2024

Currently, CenterPoint Houston does not plan to implement any new programs in 2024.

II. Customer Classes

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

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

Table 3: Summary of Customer Classes¹⁰

Customer Class	Number of Customers
Commercial	304,036
Residential	1,772,919
Hard to Reach ¹¹	629,410

¹⁰ The values in Table 3 are based on CenterPoint Houston's Residential and Commercial customer counts as of 12/31/2022.

¹¹ CenterPoint Houston does not require income information for electric service and no records are available to correlate revenue for the Hard-to-Reach customer class. However, according to the U.S. Census Bureau, Current Population Survey 2022 Annual Social and Economic Supplement, 26.2% of Texas families fall below 200% of the poverty threshold. Applying that percentage to CenterPoint Houston's residential customer totals, the number of HTR customers is estimated at 629,410. Program goals will be based on the requirement in the energy efficiency rule that no less than 5% of the total energy efficiency demand goal will be achieved through the programs in the Hard-to-Reach customer class.

III. Energy Efficiency Goals and Projected Savings

As prescribed by 16 TAC § 25.181, CenterPoint Houston's demand goal for 2023 is 0.4% of peak demand. For the purposes of this report, the 2023 demand goal is based on the 5-year average of weather adjusted peak demand for 2017-2021, and the 2024 demand goal is based on the 5-year average of weather adjusted peak demand for 2018-2022. The corresponding energy savings goals are determined by applying a 20 percent capacity factor to the demand savings goals.

Table 4 presents historical annual peak demand for 2017-2022 and estimated peak demand for 2023 and 2024. Table 5 presents the corresponding projected demand and energy savings broken out by program for each customer class for 2023 and 2024. The projected savings is the demand and energy savings that can be achieved based on the annual budget shown in Table 6. The kW and kWh values presented in Table 5 are at the customer meter and include line loss factors used in the latest CenterPoint Houston electric base rate case, Docket No. 49421.

Table 4: Annual Growth in Demand and Energy Consumption

Calendar Year	Peak Demand (MW)				Energy Consumption (GWh)			
	Total System		Residential & Commercial		Total System		Residential & Commercial	
	Actual ¹²	Weather Adjusted ^{13,14}	Actual	Weather Adjusted	Actual	Weather Adjusted	Actual	Weather Adjusted
2017	18,364	18,611	16,236	15,665	92,593	93,480	76,652	72,449
2018	19,125	18,662	16,726	16,078	94,736	94,889	72,668	72,821
2019	18,915	19,684	16,525	16,226	94,654	93,787	71,644	70,777
2020	18,793	19,136	16,807	17,150	97,771	97,460	71,147	70,836
2021	18,595	19,376	15,463	16,244	99,336	98,760	71,082	70,505
2022	19,940	20,114	15,501	17,125	104,192	102,202	76,369	73,378
2023	20,224	N/A ¹⁵	17,370	N/A	107,964	N/A	74,169	N/A
2024	20,591		17,644		109,432		74,437	

2023 Goals¹⁶

MW Goal = $16,273 \times 0.4\% = 65.09$ MW

MWh Goal = $65.09 \text{ MW} \times 8760 \text{ Hours} \times 20\% \text{ Load Factor} = 114,038$ MWh

2024 Goals

MW Goal = $16,565 \times 0.4\% = 66.26$ MW

MWh Goal = $66.26 \text{ MW} \times 8760 \text{ Hours} \times 20\% \text{ Load Factor} = 116,088$ MWh

¹² 2023 and 2024 Calendar Year “Actual” values are forecasted.

¹³ “Actual Weather Adjusted” Peak Demand is “Actual” Peak Demand adjusted for weather fluctuations using weather data for the most recent ten years.

¹⁴ Weather adjustment calculations are based on hourly weather data from NOAA’s Quality Controlled Local Climatological Data (QCLCD).

¹⁵ NA = Not Applicable: Energy efficiency goals are calculated based upon the actual weather-adjusted growth in demand.

¹⁶ Demand goals for 2023 and 2024 are provided at the meter level. Source level demand goals are 68.69 MW for 2023 and 69.92 MW for 2024. The source values were determined by applying a line loss factor of 5.52%

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

Program Goals by Customer Class for 2023 and 2024	2023		2024	
	Projected Savings (KW) at Meter	Projected Savings (kWh) at Meter	Projected Savings (kW) at Meter	Projected Savings (kWh) at Meter
Large Commercial	148,775	134,640,000	183,375	122,850,000
Commercial Standard Offer Program	13,200	70,000,000	13,200	70,000,000
Commercial MTP (SCORE, Healthcare, Data Center)	7,500	48,500,000	7,100	36,500,000
Commercial Load Management Standard Offer Program	110,000	660,000	110,000	660,000
Retro-Commissioning MTP	1,350	7,090,000	1,350	7,090,000
Commercial High Efficiency Foodservice MTP	500	4,300,000	500	4,300,000
Winter Load Management Pilot Program	15,000	90,000	50,000	300,000
Retail Products and Services MTP	1,225	4,000,000	1,225	4,000,000
Residential and Small Commercial	45,507	82,586,000	45,085	82,586,000
Retail Products and Services MTP	7,550	40,665,000	7,550	40,665,000
CenterPoint Energy High Efficiency Home MTP	9,422	25,000,000	9,000	25,000,000
Residential & Small Commercial Standard Offer Program	535	1,400,000	535	1,400,000
Midstream MTP (HVAC and Pool Pump Distributor)	3,500	9,855,000	3,500	9,855,000
Residential Load Management Standard Offer Program	22,000	66,000	22,000	66,000
Multi-Family MTP Market Rate	2,500	5,600,000	2,500	5,600,000
Hard-to-Reach	6,150	10,500,000	5,550	9,600,000
Hard-to-Reach Standard Offer Program	875	1,000,000	875	1,000,000
Multi-Family MTP Hard-to-Reach	275	1,500,000	275	1,500,000
Targeted Low Income MTP (Agencies in Action)	5,000	8,000,000	4,400	7,100,000
TOTAL	200,432	227,726,000	234,010	215,036,000

IV. Program Budgets

Table 6 presents proposed budget allocations required to achieve the projected demand and energy savings for calendar years 2023 and 2024. The budget allocations are a result of the projected demand and energy savings presented in Table 5. The budget allocations presented in Table 6 include incentive and administration costs for each program and customer class.

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

Program Estimated Budget by Customer Class for 2023 and 2024	2023			2024		
	Incentives	Admin	Total Budget	Incentives	Admin	Total Budget
Large Commercial	\$17,290,046	\$1,646,998	\$18,937,044	\$18,790,000	\$1,736,173	\$20,526,173
Commercial Standard Offer Program	\$5,550,000	\$728,045	\$6,278,045	\$6,000,000	\$754,798	\$6,754,798
Commercial MTP (SCORE, Healthcare, Data Center)	\$5,900,000	\$486,590	\$6,386,590	\$5,900,000	\$486,590	\$6,386,590
Commercial Load Management Standard Offer Program	\$3,300,046	\$208,590	\$3,508,636	\$3,300,000	\$208,590	\$3,508,590
Retro-Commissioning MTP	\$900,000	\$80,335	\$980,335	\$900,000	\$80,335	\$980,335
Commercial High Efficiency Foodservice MTP	\$815,000	\$84,429	\$899,429	\$815,000	\$84,429	\$899,429
Winter Load Management Pilot Program	\$450,000	\$26,753	\$476,753	\$1,500,000	\$89,176	\$1,589,176
Retail Products and Services MTP	\$375,000	\$32,257	\$407,257	\$375,000	\$32,257	\$407,257
Residential and Small Commercial	\$11,000,000	\$914,504	\$11,914,504	\$11,000,000	\$914,504	\$11,914,504
Retail Products and Services MTP	\$2,500,000	\$174,178	\$2,674,178	\$2,500,000	\$174,178	\$2,674,178
CenterPoint Energy High Efficiency Home MTP	\$4,000,000	\$310,155	\$4,310,155	\$4,000,000	\$310,155	\$4,310,155
Residential & Small Commercial Standard Offer Program	\$300,000	\$87,872	\$387,872	\$300,000	\$87,872	\$387,872
Midstream MTP (HVAC and Pool Pump Distributor)	\$2,500,000	\$178,898	\$2,678,898	\$2,500,000	\$178,898	\$2,678,898
Residential Load Management Standard Offer Program	\$900,000	\$73,409	\$973,409	\$900,000	\$73,409	\$973,409
Multi-Family MTP Market Rate	\$800,000	\$89,991	\$889,991	\$800,000	\$89,991	\$889,991
Hard-to-Reach	\$5,000,000	\$500,272	\$5,500,272	\$5,000,000	\$500,272	\$5,500,272
Hard-to-Reach Standard Offer Program	\$500,000	\$129,989	\$629,989	\$500,000	\$129,989	\$629,989
Multi-Family MTP Hard-to-Reach	\$500,000	\$70,892	\$570,892	\$500,000	\$70,892	\$570,892
Targeted Low Income MTP (Agencies in Action)	\$4,000,000	\$299,391	\$4,299,391	\$4,000,000	\$299,391	\$4,299,391
SUB TOTAL	\$33,290,046	\$3,061,773	\$36,351,819	\$34,790,000	\$3,150,949	\$37,940,949
Research and Development		\$250,000	\$250,000		\$250,000	\$250,000
PROGRAM TOTAL	\$33,290,046	\$3,311,773	\$36,601,819	\$34,790,000	\$3,400,949	\$38,190,949
EM&V			\$522,701			\$524,367
EECRF PROGRAM TOTAL			\$37,124,520			\$38,715,316

Energy Efficiency Report

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

Table 7 documents CenterPoint Houston's demand reduction and energy savings targets along with actual savings achieved for the previous five years (2018 – 2022). Each value was calculated using the methods outlined in 16 TAC § 25.181.

Table 7: Historical Demand and Energy Savings Goals (at Meter)¹⁷

Calendar Year	Weather Adjusted Demand Goal at Meter (MW)	Weather Adjusted Energy Goals at Meter (MWh)	Actual Demand Savings at Meter (MW)	Actual Weather Adjusted Energy Savings at Meter (MWh)
2022	64.88	113,670	216.72	226,351.40
2021	63.69	111,585	211.96	235,257.09
2020	62.82	110,061	171.19	189,587.89
2019	61.94	108,519	194.83	215,619.87
2018	61.42	107,608	176.36	162,439.61

¹⁷ 2022 Portfolio demand savings at the source level total 228.7 MW. The line loss values calculated for each rate class in Docket 49421 were weighted according to 2022 program participation to arrive at a final line loss value of 5.52%. This value was applied to the meter level portfolio demand savings to determine savings at the source level.

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

Table 8 breaks out the projected savings verified and reported demand energy savings by customer class for each program. The projected savings were reported in the Revised Energy Efficiency Plan and Report filed in June of 2022. The verified and reported savings are those savings that have been achieved and verified in the 2022 calendar year.

Table 8: Projected Savings versus Verified and Reported Savings for 2022 (at Meter)

	2022			
	Projected Savings		Verified and Reported Savings	
	kW	kWh	kW	kWh
Large Commercial	131,813	118,611,411	163,422.1	92,079,996.9
Commercial Standard Offer Program	13,200	70,000,000	5,801.6	31,017,802.0
Commercial MTP (SCORE, Healthcare, Data Center)	6,100	34,000,000	8,395.2	44,480,979.5
Commercial Load Management Standard Offer Program	110,000	660,000	143,798.0	786,580.0
Retro-Commissioning MTP	1,378	7,092,000	1,798.0	6,951,056.0
REP MTP (Commercial CoolSaver)	375	979,194	2,962.2	3,762,782.4
Commercial High Efficiency Foodservice MTP	510	4,380,217	303.4	2,078,600.0
Advanced Lighting Commercial MTP	250	1,500,000	363.6	3,002,196.9
Residential and Small Commercial	45,514	84,984,379	48,108.5	124,868,230.8
Advanced Lighting Residential MTP	4,750	28,500,000	6,909.0	57,041,741.5
CenterPoint Energy High Efficiency Home MTP	9,422	25,537,300	11,698.5	37,146,864.1
Residential & Small Commercial Standard Offer Program	535	1,400,000	472.7	1,832,410.3
Smart Thermostat Program	-	6,556,000	-	3,252,968.0
Midstream MTP (HVAC and Pool Pump Distributor)	3,500	9,855,000	2,847.3	10,890,811.2
REP MTP (Residential CoolSaver and Efficiency Connection)	2,807	7,470,079	3,485.4	12,987,438.7
Residential Load Management Standard Offer Program	22,000	66,000	19,628.2	58,884.6
Multi-Family MTP Market Rate	2,500	5,600,000	3,067.6	1,657,112.5
Hard-to-Reach	6,129	10,533,400	5,184.7	9,403,175.8
Hard-to-Reach Standard Offer Program	875	1,000,000	170.0	274,181.0
Multi-Family MTP Hard-to-Reach	275	1,500,000	194.5	1,287,456.3
Targeted Low Income MTP (Agencies in Action)	4,979	8,033,400	4,820.3	7,841,538.5
TOTAL	183,456	214,129,190	216,715	226,351,404

Table 9: Projected Savings versus Reported and Verified Savings for 2021 (at Meter)

	2021			
	Projected Savings		Verified and Reported Savings	
	kW	kWh	kW	kWh
Large Commercial	128,077	140,455,616	155,470	122,959,131
Commercial Standard Offer Program	11,700	75,000,000	12,474	62,724,963
Commercial MTP (SCORE, Healthcare, Data Center)	7,300	47,500,000	7,365	42,072,018
Commercial Load Management Standard Offer Program	104,761	628,566	130,971	785,823
Retro-Commissioning MTP	3,100	10,800,000	665	10,039,396
REP MTP (Commercial CoolSaver)	550	1,400,000	3,556	4,725,671
Commercial High Efficiency Foodservice MTP	470	4,082,215	117	813,510
Advanced Lighting Commercial MTP	196	1,044,835	322	1,797,750
Residential and Small Commercial	37,975	62,312,162	51,003	103,229,756
Advanced Lighting Residential MTP	3,725	19,851,862	6,125	34,157,255
CenterPoint Energy High Efficiency Home MTP	8,000	17,500,000	13,598	36,818,260
Residential & Small Commercial Standard Offer Program	600	1,000,000	277	897,261
Smart Thermostat Program	-	3,800,000	-	4,571,320
Midstream MTP (HVAC and Pool Pump Distributor)	3,500	9,855,000	3,485	13,329,650
REP MTP (Residential CoolSaver and Efficiency Connection)	2,600	7,000,000	1,677	6,387,410
Residential Load Management Standard Offer Program	17,550	105,300	24,065	144,112
Multi-Family MTP Market Rate	2,000	3,200,000	1,775	6,924,488
Smart Home Energy Management System (Pilot)	-	46,538	-	-
Hard-to-Reach	5,578	9,088,598	5,492	9,068,202
Hard-to-Reach Standard Offer Program	876	915,251	656	918,309
Multi-Family MTP Hard-to-Reach	325	645,000	71	523,668
Targeted Low Income MTP (Agencies in Action)	4,377	7,528,347	4,765	7,626,224
TOTAL	171,630	211,856,376	211,964	235,257,089

VII. Historical Program Expenditures

This section documents CenterPoint Houston's incentive and administration expenditures for the previous five years (2018 – 2022) broken out by program for each customer class. Administrative costs do not include Evaluation Measurement and Verification (EM&V) or rate case expenses.

Table 10: Historical Program Incentive and Administrative Expenditures (2018 – 2022)¹⁸

Historical Statutory Program Funding by Customer Class	2022		2021		2020		2019		2018	
	Incentives	Admin	Incentives	Admin	Incentives	Admin	Incentives	Admin	Incentives	Admin
Large Commercial	\$14,578,313	\$1,435,984	\$16,794,377	\$1,630,167	\$15,780,391	\$1,910,090	\$15,567,811	\$1,943,656	\$13,339,628	\$1,825,309
Commercial Standard Offer Program	\$2,696,585	\$673,118	\$5,522,351	\$787,972	\$5,904,584	\$923,090	\$4,633,580	\$901,274	\$3,353,840	\$897,987
Commercial MTP (SCORE, Healthcare, Data Center)	\$6,399,676	\$406,676	\$5,951,620	\$151,919	\$5,593,306	\$518,241	\$6,631,359	\$550,456	\$5,474,005	\$469,118
Commercial Load Management Standard Offer Program	\$3,638,285	\$202,415	\$3,294,615	\$200,783	\$3,291,908	\$250,126	\$3,300,000	\$251,552	\$3,346,331	\$264,402
Retro-Commissioning MTP	\$806,282	\$53,289	\$1,178,040	\$102,570	\$823,754	\$186,399	\$835,326	\$206,837	\$997,678	\$161,328
RLP MTP (Commercial CoolSaver)	\$400,444	\$27,159	\$401,455	\$41,115	\$112,041	\$26,734	\$113,317	\$28,350	\$113,636	\$27,209
Commercial High Efficiency Foodservice MTP	\$560,645	\$68,312	\$390,912	\$36,215	N/A	N/A	N/A	N/A	N/A	N/A
Advanced Lighting Commercial MTP	\$56,998	\$1,987	\$52,386	\$1,563	\$49,799	\$5,199	\$51,229	\$5,387	\$51,131	\$5,265
Residential and Small Commercial	\$13,513,325	\$909,203	\$12,170,989	\$887,463	\$11,756,271	\$1,154,513	\$11,236,554	\$1,174,011	\$8,942,381	\$1,082,326
Advanced Lighting Residential MTP	\$1,082,961	\$69,835	\$995,330	\$86,691	\$916,188	\$98,786	\$1,030,358	\$102,362	\$1,028,549	\$100,010
CenterPoint Energy High Efficiency Home MTP	\$6,889,820	\$381,532	\$4,830,976	\$318,059	\$4,678,666	\$398,218	\$4,531,218	\$404,251	\$3,519,955	\$361,655
Residential & Small Commercial Standard Offer Program	\$205,049	\$73,110	\$149,926	\$53,008	\$269,497	\$78,462	\$236,247	\$84,224	\$271,258	\$82,472
Smart Thermostat Program	\$260,482	\$25,410	\$440,739	\$42,762	\$336,000	\$62,636	\$419,235	\$66,684	\$159,256	\$43,485
Midstream MTP (HVAC and Pool Pump Distributor)	\$2,108,414	\$174,927	\$2,471,238	\$145,829	\$2,596,936	\$186,571	\$2,304,126	\$173,374	\$1,667,306	\$179,571
RLP MTP (Residential CoolSaver and Efficiency Connection)	\$1,480,157	\$74,419	\$901,936	\$62,133	\$710,111	\$121,195	\$1,457,075	\$143,891	\$1,052,474	\$133,852
Residential Load Management Standard Offer Program	\$779,715	\$59,055	\$910,742	\$73,589	\$835,751	\$101,045	\$833,982	\$108,931	\$838,260	\$100,999
Multi-Family MTP Market Rate	\$906,925	\$51,016	\$1,110,081	\$85,302	\$1,083,072	\$100,274	\$521,512	\$90,294	\$405,322	\$80,251
Smart Home Energy Management System (Pilot)	N/A	N/A	\$360,000	\$22,083	\$300,000	\$7,327	N/A	N/A	N/A	N/A
Hard-to-Reach	\$4,671,779	\$387,511	\$4,466,130	\$385,123	\$4,605,597	\$476,152	\$4,865,369	\$498,312	\$4,861,962	\$457,654
Hard-to-Reach Standard Offer Program	\$102,943	\$76,597	\$391,827	\$85,753	\$498,979	\$99,869	\$1,060,339	\$114,277	\$1,075,289	\$109,943
Multi-Family MTP Hard-to-Reach	\$526,742	\$49,066	\$203,238	\$45,385	\$332,249	\$84,773	\$24,5422	\$92,884	\$313,017	\$80,245
Targeted Low Income MTP (Agencies in Action)	\$4,042,093	\$261,849	\$3,871,065	\$253,986	\$3,774,369	\$291,509	\$3,559,609	\$291,151	\$3,473,656	\$267,466
Research and Development		\$0		\$125,312		\$318,228		\$393,131		\$0
TOTAL	\$32,763,617	\$2,732,798	\$33,431,495	\$3,028,065	\$32,142,258	\$3,858,983	\$31,769,734	\$3,009,113	\$27,143,970	\$3,365,289

¹⁸ 2022 actual spending taken from Table 11 in the current EEPR; 2021, 2020, 2019, and 2018 actual spending from the Revised 2022 EEPR filed in June 2022 under Project 52949.

VIII. Program Funding for Calendar Year 2022

As shown on Table 11, CenterPoint Houston spent a total of \$35,496,415 on energy efficiency programs in 2022. This was less than the budgeted \$37,598,993, but energy savings and demand reduction did exceed the Company's 2022 plan. Changes to individual program budgets that resulted in greater than 10% increases or decreases are described below.

- The Commercial Standard Offer Program spent 52% less than budgeted in 2022. Participation and demand for program funding was lower than expected early in the year, and the number of projects submitted and completed by sponsors declined from the previous two years due to global supply issues and increased equipment and material costs. CenterPoint Houston was, however, able to reallocate and utilize some of the unspent budget from the Commercial Standard Offer Program for other program offerings such as the Commercial MTP, the REP MTP and the Load Management Standard Offer Program.
- The Retro-Commissioning program underspent the 2022 program budget by 16%, but still exceeded demand and energy savings projections through completion of projects with school districts, medical facilities, and fitness centers.
- REP MTP (Commercial CoolSaver) exceeded the planned budget by 207%, and this was due to high demand for HVAC tune-ups at commercial facilities. As discussed above, CenterPoint Houston was able to capture these commercial HVAC opportunities by utilizing some of the unspent budgeted funds from the Commercial Standard Offer Program which did not reach its projected spend for 2022. The additional funding allowed the program to exceed expected demand reduction by nearly 700% and expected energy savings by nearly 285%.
- The Commercial High Efficiency Foodservice MTP spent 28% less than budgeted. 2022 was the second year of implementation for this program, and while spending and impacts were lower than planned, the program did experience significant growth in participation from 2021 to 2022.
- Residential & Small Commercial Standard Offer Program underspent the planned budget by 22% in 2022, and the excess funding was moved to other programs. While the program continues to serve as a good channel to promote the installation of measures such as efficient HVAC systems and solar panels, overall participation, spending, and savings have seen a decline. CenterPoint

Houston has faced similar challenges through the Hard-to-Reach Standard Offer Program and is working to increase sponsor participation and capture more projects through both offerings.

- The Smart Thermostat Program was 40% under budget in 2022, and program incentive funding was shifted to the REP MTP.
- Participation in the REP MTP (Residential CoolSaver and Efficiency Connection) was higher than expected in 2022, and spending was 20% more than projected. Due to high customer demand for commercial HVAC tune-ups the program was able to utilize unspent funds in the Smart Thermostat Program.
- Hard-to-Reach Standard Offer Program underspent by 71%. Maintaining and growing a solid level of sponsor participation and energy savings has remained a challenge in this program. The Company is amplifying sponsor outreach through participation in trade ally and industry groups and aligning incentives to increase participation and promote comprehensiveness measure installation.

Table 11: Program Funding for Calendar Year 2022

Program Funding for Calendar Year 2022	Number of Customer Meters	Forecasted Budget	Actuals Funds Expended (Incentives)	Actuals Funds Expended (Admin)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)	Percentage Change From Budgeted/ Actual
Large Commercial	1,098	\$ 19,186,399	\$ 14,578,313	\$ 1,435,984	\$ 16,014,297	\$ -	\$ (3,172,102)	-17%
Commercial Standard Offer Program	240	\$ 7,072,047	\$ 2,696,585	\$ 673,118	\$ 3,369,703	\$ -	\$ (3,702,344)	-52%
Commercial MTP (SCORE, Healthcare, Data Center)	145	\$ 6,451,130	\$ 6,399,076	\$ 406,676	\$ 6,805,751	\$ -	\$ 354,622	5%
Commercial Load Management Standard Offer Program	353	\$ 3,574,645	\$ 3,658,283	\$ 202,443	\$ 3,860,726	\$ -	\$ 286,081	8%
Retro-Commissioning MTP	7	\$ 1,018,582	\$ 806,282	\$ 53,289	\$ 859,571	\$ -	\$ (159,011)	-16%
RFP MTP (Commercial CoolSaver)	99	\$ 139,224	\$ 400,444	\$ 27,159	\$ 427,603	\$ -	\$ 288,379	207%
Commercial High Efficiency Foodservice MTP	254	\$ 876,300	\$ 560,645	\$ 68,312	\$ 628,957	\$ -	\$ (247,343)	-28%
Advanced Lighting Commercial MTP	N/A	\$ 54,471	\$ 56,998	\$ 4,987	\$ 61,986	\$ -	\$ 7,514	14%
Residential and Small Commercial	50,683	\$ 12,400,671	\$ 13,513,525	\$ 909,303	\$ 14,422,828	\$ -	\$ 2,022,157	16%
Advanced Lighting Residential MTP	N/A	\$ 1,034,955	\$ 1,082,964	\$ 69,835	\$ 1,152,800	\$ -	\$ 117,845	11%
CenterPoint Energy High Efficiency Home MTP	15,856	\$ 4,477,856	\$ 6,689,820	\$ 381,532	\$ 7,071,353	\$ -	\$ 2,593,496	58%
Residential & Small Commercial Standard Offer Program	349	\$ 356,591	\$ 205,049	\$ 73,110	\$ 278,158	\$ -	\$ (78,433)	-22%
Smart Thermostat Program	3,463	\$ 645,724	\$ 360,482	\$ 25,410	\$ 385,892	\$ -	\$ (259,833)	-40%
Midstream MTP (HVAC and Pool Pump Distributor)	3,265	\$ 2,772,443	\$ 2,108,414	\$ 174,927	\$ 2,283,341	\$ -	\$ (489,102)	-18%
RFP MTP (Residential CoolSaver and Efficiency Connection)	3,035	\$ 1,298,779	\$ 1,480,157	\$ 74,419	\$ 1,554,576	\$ -	\$ 255,797	20%
Residential Load Management Standard Offer Program	22,361	\$ 972,800	\$ 779,713	\$ 59,055	\$ 838,768	\$ -	\$ (134,032)	-14%
Multi-Family MTP Market Rate	2,354	\$ 841,523	\$ 806,925	\$ 51,016	\$ 857,941	\$ -	\$ 16,418	2%
Hard-to-Reach	6,397	\$ 5,626,923	\$ 4,671,779	\$ 387,511	\$ 5,059,290	\$ -	\$ (567,633)	-10%
Hard-to-Reach Standard Offer Program	106	\$ 627,769	\$ 102,943	\$ 76,597	\$ 179,539	\$ -	\$ (448,229)	-71%
Multi-Family MTP Hard-to-Reach	4,182	\$ 551,903	\$ 526,742	\$ 49,066	\$ 575,808	\$ -	\$ 23,905	4%
Targeted Low Income MTP (Agencies in Action)	2,109	\$ 4,447,251	\$ 4,042,093	\$ 261,849	\$ 4,303,943	\$ -	\$ (143,308)	-3%
SUB TOTAL	58,178	\$ 37,213,993	\$ 32,763,617	\$ 2,732,798	\$ 35,496,415	\$ -	\$ (1,717,578)	-5%
Research and Development		\$ 385,000	\$ -	\$ -	\$ -	\$ -	\$ (385,000)	N/A
TOTAL	58,178	\$ 37,598,993	\$ 32,763,617	\$ 2,732,798	\$ 35,496,415	\$ -	\$ (2,102,578)	-6%

IX. Market Transformation Program Results

Commercial MTP

In 2022, CenterPoint Houston projected to acquire 6,100 kW and 34,000,000 kWh savings from the SCORE, HEEP, and DCEEP program offerings included in the Commercial MTP. CenterPoint Houston verified and is reporting a savings of 8,395 kW and 44,480,980 kWh, respectively. These are an increase of approximately 71% higher than projected.

SCORE - The SCORE program paid incentives to school districts, colleges/universities, municipal governments, county governments, and faith-based organizations. The program produced savings of 5,944 kW and 25,364,039 kWh reaching a total of 30 customers through 170 projects. 2022 energy efficiency measures completed through the program included lighting, chillers/HVAC, roofing, photovoltaic systems and custom projects.

HEEP - In 2022, HEEP produced a total of 20 projects including LED installation, HVAC measures, motor retrofits, water pump retrofits, roofing, and custom projects. The program delivered savings of 1,424 kW and 8,823,365 kWh.

DCEEP - In 2022, DCEEP delivered savings of 1,027 kW and 10,293,575 kWh through the implementation of five projects. The program is comprised of new construction and retrofit applications, with incentivized measures including LED lighting, HVAC equipment and uninterruptable power supply.

Retro-Commissioning MTP

In 2022, CenterPoint Houston projected to acquire 1,378 kW and 7,092,000 kWh savings from this program. CenterPoint Houston verified and is reporting a savings of 1,798 kW and 6,951,056 kWh achieved through the completion of seven retro-commissioning projects. Demand savings exceeded 2022 projections by 31% while energy savings reached 98% of plan.

High Efficiency Home MTP

In 2022, CenterPoint Houston projected to acquire 9,422 kW and 25,537,300 kWh savings from this program. CenterPoint Houston verified and is reporting a savings of 11,698 kW and 37,146,864 kWh. This program drives builders to use energy efficient methods in design and construction for new single-family homes.

Advanced Lighting MTP

In 2022, CenterPoint Houston projected to acquire 5,000 kW and 30,000,000 kWh from this program. CenterPoint Houston verified and is reporting residential savings of 6,909 kW and 57,041,742 kWh, and commercial savings of 364 kW and 3,002,197 kWh.

Mid-Stream MTP

In 2022, the program included 13 HVAC distributors that performed over 2,700 HVAC and heat pump replacements and installed 339 thermostats. Four pool pump distributors participated and performed 570 variable speed pool pump changeouts. CenterPoint Houston projected to acquire 3,500 kW and 9,855,000 kWh from this program, and reporting verified savings of 2,847 kW and 10,890,891 kWh.

Targeted Low-Income MTP (Agencies in Action)

In 2022, the program reached 1,923 homes in the CenterPoint Houston electric territory. Of these homes, 1,689 were multi-family units and 234 were single family homes. Heat pumps were the leading measure installed and made up the majority of incentives paid. Other measures installed included: air infiltration, attic insulation, central AC, solar screens, wall insulation, and window unit air conditioners. In 2022, CenterPoint Houston projected to acquire 4,979 kW and 8,033,400 kWh from this program. 2022 verified and reporting savings totaled 4,820 kW and 7,841,538 kWh.

Retail Electric Provider MTP

CoolSaver - The CoolSaver portion of the REP MTP program provided free comprehensive air conditioning tune-ups to residential and small commercial customers in the CenterPoint Houston Electric service territory. The program was marketed by 14 retail electric providers, and tune-ups were performed by 18 specially trained A/C contractors. As a result, 2,245 residential A/C tune-ups and 1,210 commercial A/C tune-ups were performed in 2022.

Efficiency Connection - In 2022, CenterPoint Houston continued the online Efficiency Connection website to promote and deliver energy efficient LED bulbs at a reduced price. The program was marketed by retail electric providers and yielded more than 66,000 Energy Star certified LED bulbs.

In 2022, the Company projected to capture a combined savings total of 3,182 kW and 8,449,273 kWh for the Residential and Commercial segments of the program. CenterPoint Houston verified and is reporting residential savings of 3,485 kW and 12,987,439 kWh, and commercial savings of 2,962 kW and 3,762,782 kWh.

Smart Thermostat Program

In 2022, CenterPoint Houston continued offering incentives for Energy Star Certified Smart Thermostats. Thermostats were made available to customers via an online marketplace and at participating retail stores. Customers were able to receive a cash discount by downloading an electronic coupon code for redemption at the register. In 2022, CenterPoint Houston projected savings of 6,556,000 kWh, and the program yielded savings of 3,252,968 kWh. 3,463 thermostats were incentivized through the 2022 program.

Multi-Family MTP Market Rate & Multi-Family MTP Hard-to-Reach

Multi-Family MTP Market Rate

- **Water & Space Heating** – The Water & Space Heating portion of the Multi-Family Program promotes the installation of energy efficient non-electric water heating and space heating in housing projects. In 2022, it paid incentives on eight market-rate apartment complexes with a total of 2,737 units in the CenterPoint Houston service area. These projects resulted in verified savings of 322 kW and 656,859 kWh.
- **High Efficiency New Construction** - The High Efficiency New Construction program component includes both low-and mid-rise projects to expand participation and to incorporate greater flexibility in estimating and documenting above-code energy savings. In 2022, the program incentivized the construction of ten market rate properties, with a total of 2,284 units. These projects produced verified savings of 2,746 kW and 1,000,253 kWh.

Multi-Family MTP Hard-to-Reach

In 2022, the Multi-Family MTP Hard-to-Reach program produced demand savings of 194 kW and 1,287,456 kwh through the direct installation of energy efficiency equipment at eight apartment

complexes classified as Hard-to-Reach. These direct install measures which included faucet aerators, thermostats, showerheads, and lighting, were provided at no cost to property owners or tenants.

X. Research and Development Results

CenterPoint Houston did not conduct Research and Development activities in 2022

XI. Administrative Funds Expended

In 2022, CenterPoint Houston incurred administrative costs on categories such as: continued support of its energy efficiency tracking database, employees' salaries, training, and travel, purchase of supplies, and other activities necessary and appropriate for successful program implementation. The costs incurred meet the definition of "administration costs" as defined by the energy efficiency rule under 16 TAC § 25.181(g)(1) that states acceptable costs "include all reasonable and necessary costs incurred by the utility in carrying out its responsibilities..." Spending in these cost categories is monitored throughout the calendar year and mid-year adjustments are made, as necessary, to ensure the company's overall portfolio success.

XII. Current Energy Efficiency Cost Recovery Factor (EECRF)

CenterPoint Houston's 2023 EECRF was approved by the Public Utility Commission of Texas in Docket No. 53677 on November 3, 2022, in the amount of \$63,028,280.

"The Commission approves CenterPoint Houston's 2023 EECRF in the amount of \$63,028,280, which is composed of the following:

- a. CenterPoint Houston's agreed forecasted energy-efficiency costs of \$36,301,819 in program year 2023;
- b. Evaluation, measurement, and verification expenses of \$522,701 for the evaluation of program year 2022;
- c. A charge of \$2,995,416 for the total under-recovery of program year 2021 energy-efficiency costs, including interest;
- d. Rate-case expenses in the total amount of \$51,860 incurred by CenterPoint, City of Houston, and the Gulf Coast Coalition of Cities in Docket No. 52194; and
- e. A performance bonus of \$23,156,483."

XIII. Revenue Collected Through EECRF

In 2022, CenterPoint Houston collected a total of \$63,199,675 in energy efficiency program costs through the EECRF Rider.

XIV. Over or Under-Recovery of Energy Efficiency Program Costs

In Docket No. 52194, the PUCT approved CenterPoint Houston's 2022 EECRF in the amount of \$63,052,922 consisting of:

\$37,598,993	2022 Forecasted Program Costs
\$21,821,388	2020 Bonus
\$3,023,789	2020 Under-Recovery
\$539,688	2022 Forecasted EM&V Expenses
<u>\$69,063</u>	2020 EECRF Proceeding Expenses
\$63,052,922	Total EECRF Costs

In 2022, total energy efficiency related costs were \$60,950,343 which include program expenditures of \$35,496,415, EM&V costs of \$539,688, a prior period under-recovery of \$3,023,789, a program year 2020 performance bonus of \$21,821,388, and 2020 EECRF Proceeding expenses of \$69,063. Total revenues collected through the EECRF Rider were \$63,199,675 resulting in overall over-recovery of \$2,249,333.

XV. Under Served Counties

There were no counties within the CenterPoint Houston service territory that were under-served by the Company's energy efficiency programs in 2022. CenterPoint Houston's energy efficiency programs were accessible to all counties within the Company's electric service area. Appendix C lists the counties served by CenterPoint Houston and the amount of savings each county achieved in 2022 through the Company's energy efficiency programs.

Appendix A: Acronyms

ASHRAE	American Society of Heating, Refrigerating and Air-Conditioning Engineers
CCET	Center for the Commercialization of Electric Technologies
CLM	Commercial Load Management
DR	Demand Response
DSM	Demand Side Management
EEA	Energy Emergency Alert
EECRF	Energy Efficiency Cost Recovery Factor
EEP	Energy Efficiency Plan, which was filed as a separate document prior to April 2008
EEPR	Energy Efficiency Plan and Report
EER	Energy Efficiency Report, which was filed as a separate document prior to April 2008
ERCOT	Electric Reliability Council of Texas
HERS	Home Energy Ratings
HTR	Hard-To-Reach
IECC	International Energy Conservation Code
MTP	Market Transformation Program
PUCT	Public Utility Commission of Texas
RCx	Retro-Commissioning
REP	Retail Electrical Provider
RES	Residential
RESNET	Residential Energy Services Network
SCORE	Schools Conserving Resources
SOP	Standard Offer Program
SHEM	Smart Home Energy Management System

Appendix B: Glossary

Please refer to the glossary defined in 16 TAC § 25.181.

Appendix C: Reported Demand and Energy Reduction by County

Programs		C O U N T I E S											Total
		Austin	Brazoria	Chambers	Ft Bend	Galveston	Harris	Liberty	Matagorda	Montgomery	Waller	Wharton	
Commercial Standard Offer Program	kW	26	316	915	331	41	3,127	0	0	16	1,029	0	5,802
	kWh	95,624	1,683,386	5,694,002	1,890,525	303,564	16,391,361	0	0	203,176	4,815,864	0	31,017,802
SCORE	kW	0	112	84	632	436	4,148	0	0	47	486	0	5,944
	kWh	0	548,329	292,332	3,325,891	2,551,991	16,576,581	0	0	317,228	1,751,777	0	25,364,039
Healthcare	kW	0	0	0	14	0	1,410	0	0	0	0	0	1,424
	kWh	0	0	0	112,029	0	8,711,336	0	0	0	0	0	8,823,365
Data Centers Program	kW	0	0	0	0	0	1,027	0	0	0	0	0	1,027
	kWh	0	0	0	0	0	10,293,575	0	0	0	0	0	10,293,575
Commercial Load Management Standard Offer Program	kW	0	3,043	1,289	12,009	931	125,585	0	0	196	754	0	143,798
	kWh	0	18,258	5,485	60,094	5,588	693,721	0	0	1,172	2,262	0	786,580
Retro-Commissioning MTP	kW	0	0	0	0	0	1,798	0	0	0	0	0	1,798
	kWh	0	0	0	0	0	6,951,056	0	0	0	0	0	6,951,056
REP MLP (Commercial CoolSaver)	kW	0	0	0	895	0	2,011	0	0	29	27	0	2,962
	kWh	0	0	0	1,417,769	0	2,293,427	0	0	27,275	24,312	0	3,762,782
Commercial High Efficiency Foodservice MTP	kW	2	8	1	34	2	251	0	0	1	5	0	303
	kWh	14,508	47,674	6,338	202,476	15,250	1,748,445	0	0	10,695	33,213	0	2,078,600
Advanced Lighting Commercial MTP	kW	0	18	0	56	13	267	0	0	19	0	0	364
	kWh	0	147,195	0	458,898	105,746	2,208,982	0	0	81,376	0	0	3,002,197
Advanced Lighting Residential MTP	kW	0	339	0	1,056	245	5,078	0	0	190	0	0	6,909
	kWh	0	2,796,711	0	8,719,064	2,009,165	41,970,653	0	0	1,546,148	0	0	57,041,742
CenterPoint Energy High Efficiency Home MTP	kW	13	1,195	196	3,732	72	5,591	24	0	625	238	11	11,698
	kWh	50,572	3,737,181	509,346	11,564,588	280,714	17,952,126	96,743	0	2,068,510	845,428	41,656	37,146,864
Residential and Small Commercial Standard Offer Program	kW	4	30	10	52	11	354	0	0	7	4	0	473
	kWh	11,434	129,281	57,210	209,906	47,558	1,333,113	0	0	35,613	8,296	0	1,832,410
Smart Thermostat Program	kW	0	0	0	0	0	0	0	0	0	0	0	0
	kWh	1,696	180,673	15,268	685,371	64,466	2,214,733	1,696	0	82,278	5,089	1,696	3,252,968
Midstream MTP (HVAC and Pool Pump Distributor)	kW	0	240	9	486	36	1,918	0	0	111	7	41	2,847
	kWh	0	666,010	36,940	1,905,975	88,258	7,509,727	0	0	556,503	50,105	77,293	10,890,811
REP MLP (Residential CoolSaver and Efficiency Connection)	kW	3	117	6	514	46	2,724	1	1	65	4	3	3,485
	kWh	12,484	461,481	27,420	1,922,183	189,020	10,079,854	2,510	4,993	256,188	17,231	14,076	12,987,439
Residential Load Management Standard Offer Program	kW	0	1,424	14	3,999	68	14,050	0	0	59	23	0	19,628
	kWh	0	4,272	42	11,970	204	42,151	0	0	177	69	0	58,885
Multi-Family MTP Market Rate	kW	0	0	0	0	0	3,068	0	0	0	0	0	3,068
	kWh	0	0	0	0	0	1,657,112	0	0	0	0	0	1,657,112
Hard-to-Reach Standard Offer Program	kW	0	3	0	0	2	165	0	0	0	0	0	170
	kWh	0	4,590	0	0	3,184	266,408	0	0	0	0	0	274,181
Multi-Family MTP Hard-to-Reach	kW	0	0	0	0	0	194	0	0	0	0	0	194
	kWh	0	0	0	0	0	1,287,156	0	0	0	0	0	1,287,156
Targeted Low Income MTP (Agencies in Action)	kW	0	0	0	0	0	4,820	0	0	0	0	0	4,820
	kWh	0	0	0	0	0	7,841,538	0	0	0	0	0	7,841,538
Programs - TOTAL													
Total kW Savings		48	6,845	2,525	23,791	1,903	177,586	25	1	1,356	2,578	56	216,715
Total kWh Savings		186,318	10,425,041	6,644,383	32,486,649	5,664,706	157,933,355	100,949	4,993	5,186,639	7,583,647	134,721	226,351,404