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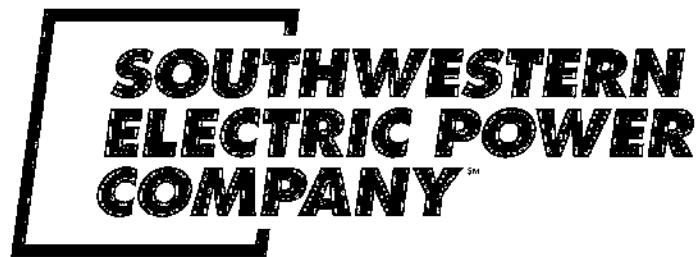
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**Southwestern Electric Power Company**  
**2024 Energy Efficiency Plan and Report**  
**16 Tex. Admin. Code §§ 25.181, 25.182 and 25.183**

**April 1, 2024**

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Project No. 56003



An **AEP** Company

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## INTRODUCTION

Southwestern Electric Power Company (SWEPCO or Company) presents this Energy Efficiency Plan and Report (EEPR) to comply with 16 Tex. Admin. Code §§ 25.181, 25.182 and 25.183 (TAC) (EE Rule), implementing Public Utility Regulatory Act (PURA) § 39.905. As mandated by this section of PURA, the EE Rule requires that each investor-owned electric utility achieve the following minimum goals through market-based standard offer programs (SOPs), targeted market transformation programs (MTPs) or other utility self-delivered programs. 16 TAC § 25.181(c)(1) provides in pertinent part as follows:

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 pursuant to paragraph (2) of this subsection.

The EE Rule includes specific requirements related to the implementation of SOPs and MTPs that control the way electric utilities must administer their portfolio of energy efficiency programs to achieve their mandated annual demand reduction goals. SWEPCO's Plan enables 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 covers the periods of time as required in the EE Rule. The following section describes the information that is contained in each of the subsequent sections and appendices.

## **EEPR ORGANIZATION**

This EEPR consists of an Executive Summary, an Energy Efficiency Plan, an Energy Efficiency Report, a list of acronyms and three appendices.

### **Executive Summary**

- Summarizes SWEPCO's plans for achieving its goals and projected energy efficiency savings for Program Years 2024 and 2025 and highlights SWEPCO's achievements for Program Year 2023.

### **Energy Efficiency Plan**

- Section I describes SWEPCO's program portfolio. It details how each program will be implemented and presents related informational and outreach activities.
- Section II describes SWEPCO's targeted customer classes, the estimated size of each class and the method used in determining those class sizes.
- Section III presents SWEPCO's demand and energy goals and projected savings for the prescribed planning period detailed by program for each customer class.
- Section IV describes SWEPCO's proposed energy efficiency budgets for the prescribed planning period detailed by program for each customer class.

### **Energy Efficiency Report**

- Section V documents SWEPCO's demand reduction goal for each of the previous five years (2019-2023) based on its weather-adjusted peak demand.
- Section VI compares SWEPCO's projected energy and demand savings to its reported and verified savings by program for calendar years 2022 and 2023.
- Section VII details SWEPCO's incentive and administration expenditures for each of the previous five years (2019-2023) detailed by program for each customer class.
- Section VIII compares SWEPCO's actual 2023 expenditures with its 2023 budget by program for each customer class. It identifies funds committed but not expended and funds remaining and not committed. It also explains any cost deviations of more than 10% from SWEPCO's overall program budget.
- Section IX describes the results from SWEPCO's MTPs.
- Section X documents SWEPCO's Administrative and Research and Development activities.
- Section XI presents SWEPCO's 2024 Energy Efficiency Cost Recovery Factor (EECRF).
- Section XII provides a summary of the 2023 EECRF.
- Section XIII identifies SWEPCO's Underserved Counties.

### **Acronyms**

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

### **Appendices**

- Appendix A – Reported and Verified Demand and Energy Reduction by County.
- Appendix B – Program Templates.
- Appendix C – Optional Supporting Documentation.

## EXECUTIVE SUMMARY

The Energy Efficiency Plan (Plan) portion of this EEPR discusses how SWEPCO intends to achieve savings of at least a 30% reduction in its annual growth in demand of residential and commercial customers by December 31, 2024. SWEPCO's Plan addresses achieving the corresponding calculated energy savings goal, which is derived from its demand savings goal each year using a 20% conservation load factor [in accordance with 16 TAC § 25.181(e)(4)]. The goals, budgets and implementation procedures that are included in this Plan are consistent with the requirements of the EE Rule, using lessons learned from experience and customer participation in the various historical energy efficiency programs. A summary of SWEPCO's projected annual goals and budgets is presented in Table 1.

**Table 1: Summary of Goals, Projected Savings (at the Meter)<sup>1</sup> and Proposed Budgets**

Calendar Year	Average Growth in Demand at Meter (MW)	Average Peak Demand at Meter (MW)	Goal Metric: 30% Growth (MW)	Goal Metric: 0.4% Peak Demand (MW)	Peak Demand Goal (MW)	Energy Goal (MWh)	Projected Demand Reduction (MW)	Projected Energy Savings (MWh)	Projected Budget (000's)*
2024	-13.52	1,216	-4.06	4.87	5.60	9,811	14.42	14,144	\$4,754
2025	6.82	1,223	2.05	4.89	5.60	9,811	16.04	14,149	\$4,879

\*The Projected Budgets include costs associated with Evaluation, Measurement & Verification (EM&V) activities.

The Energy Efficiency Report portion of this EEPR demonstrates that in 2023 SWEPCO cost-effectively implemented SOPs and MTPs as provided for by PURA §39.905. SWEPCO exceeded its demand and energy reduction goals to be achieved by December 31, 2023, by procuring 8,705 kW and 13,450,149 kWh at a total cost of \$4,111,786. Programs in 2023 included the COMPASS for Large Commercial MTP, Commercial SOP, Hard-to-Reach SOP, Load Management SOP, Residential SOP, COMPASS for Schools MTP, and the COMPASS for Small Business MTP.

<sup>1</sup> Average Growth in Demand figures are from Table 4; Projected Savings from Table 5; Projected Budgets from Table 6.

# ENERGY EFFICIENCY PLAN

## I. 2024 PROGRAMS

### A. 2024 Program Portfolio

SWEPSCO has implemented a variety of programs in 2024 to enable the Company to meet its goals in a manner that complies with PURA § 39.905 and the EE Rule. These programs target broad market segments and specific market sub-segments with significant opportunities for cost-effective energy savings.

Table 2 below summarizes SWEPSCO's programs and targeted customer class markets for Program Year 2024. The programs are described in further detail in Subsection D. SWEPSCO maintains a website containing all the requirements for energy efficiency service provider (EESP) or project sponsor participation; the Energy Efficiency Evaluation, Measurement & Verification (EM&V) guidelines; and links to the program manuals in the Contractor Center at <https://www.swepco.com/savings/contractor-center>. This site is the primary method of communication to provide program updates and information to customers, potential EESPs and other interested parties.

**Table 2: 2024 Energy Efficiency Program Portfolio**

Program	Target Market	Application	Link to Program Manual
COMPASS for Large Commercial	Commercial	Retrofit/New Construction	<a href="https://www.swepco.com/savings/contractor-center">Contractor Center (swepco.com)</a>
Commercial SOP	Commercial	Retrofit/New Construction	<a href="https://www.swepco.com/savings/contractor-center">Contractor Center (swepco.com)</a>
Hard-to-Reach SOP	Residential Income-Qualified	Retrofit	<a href="https://www.swepco.com/savings/contractor-center">Contractor Center (swepco.com)</a>
Load Management SOP	Commercial	Retrofit	<a href="https://www.swepco.com/savings/contractor-center">Contractor Center (swepco.com)</a>
COMPASS for Small Business	Commercial	Retrofit	<a href="https://www.swepco.com/savings/contractor-center">Contractor Center (swepco.com)</a>
Residential SOP	Residential	Retrofit/New Construction	<a href="https://www.swepco.com/savings/contractor-center">Contractor Center (swepco.com)</a>
Bring Your Own Device Pilot MTP	Residential	Retrofit	<a href="https://www.swepco.com/savings/contractor-center">Contractor Center (swepco.com)</a>
COMPASS for Schools	Commercial	Retrofit/New Construction	<a href="https://www.swepco.com/savings/contractor-center">Contractor Center (swepco.com)</a>

## **B. Implementation Process**

### **C. Outreach Activities**

Various outreach activities are conducted, depending on the targeted program. Many of these activities are the same for several programs. For this reason, SWEPCO's outreach activities are grouped together below.

- Maintain internet webpages with detailed project eligibility, end-use measures, incentives, procedures and application forms;
- Send direct emails to inform and update potential project sponsors on SWEPCO energy efficiency program opportunities;
- Participate in local, regional and industry-related outreach activities as necessary;
- Target SWEPCO customers with demand and energy savings opportunities;
- Conduct workshops, as necessary, to explain the program, project sponsor implementation, reporting requirements and incentive information;
- Contract with a third-party implementer to conduct outreach, planning activities and recruit additional subcontractors;
- Conduct specific project sponsor training sessions, as necessary, based on the energy efficiency programs being implemented; and
- Facilitate media opportunities to spotlight successful projects and/or interesting stories as applicable.

Additional outreach activities occur as the opportunity arises.



## **D. Description of Existing Programs**

### **Commercial Partners Achieving Specialized Solutions (COMPASS) for Large Commercial Market Transformation Program (COMPASS for Large Commercial MTP)**

SWEPCO's COMPASS for Large Commercial MTP targets commercial customers (other than public schools) served by SWEPCO that do not have the in-house capability or expertise to 1) identify, evaluate and undertake energy efficiency improvements; 2) properly evaluate energy efficiency proposals from vendors; and/or 3) understand how to leverage their energy savings to finance projects. The COMPASS for Large Commercial MTP facilitates the identification of demand and energy savings opportunities, general operating characteristics, long-range energy efficiency planning and overall measure acceptance by the targeted customers. Incentives are paid to EESPs or customers for eligible energy efficiency measures installed in new or retrofit applications resulting in verifiable demand and energy savings.

### **Commercial Standard Offer Program (CSOP)**

The CSOP targets commercial customers (other than public schools) of all sizes, providing incentives for new construction and retrofit installation of measures that reduce demand and save energy in non-residential facilities. The CSOP encourages electric energy efficiency improvements that go above and beyond the efficiency gains typically achieved in retrofit or replacement projects. Energy and demand savings will be based only on reductions that exceed current state and federal minimum efficiency standards, if such standards apply. Incentives are paid to EESPs or customers based on deemed savings or verified demand and energy savings.

### **COMPASS for Schools Market Transformation Program (COMPASS for Schools MTP)**

The COMPASS for Schools MTP provides energy efficiency and demand reduction solutions for public and private educational entities grades K-12 and colleges and universities. This program is designed to help educate and assist these customers in lowering their energy use by integrating energy efficiency into their short- and long-term planning, budgeting and operational practices. The program assists with the identification of demand and energy savings opportunities, provides detailed energy use, detailed building operational characteristics and long-range energy efficiency planning. Incentives are paid to participating customers for eligible energy efficiency measures installed in new or retrofit applications that provide verifiable demand and energy savings.

### **COMPASS for Small Business Market Transformation Program (COMPASS for Small Businesses MTP)**

The COMPASS for Small Business MTP has been developed to offer energy efficiency services to small commercial customers with peak demands less than 100 kW. This customer group is the segment least served by SWEPCO's SOPs or MTPs. The COMPASS for Small Business MTP is designed to overcome

barriers unique to small commercial customers that prevent them from participating in energy efficiency programs proven to be successful for larger business owners. These barriers include:

- Minimal technical knowledge among small business owners;
- Concerns about performance uncertainty and hidden costs;
- Owner/tenant challenges;
- Lack of capital, expertise and staff; and
- Inadequate information or the inability to research costs.

To overcome these barriers, the program offers a turnkey approach in which marketing, energy education, site-specific energy analysis, financial incentives, equipment procurement and installation can be provided.

### **Hard-to-Reach Standard Offer Program (HTR SOP)**

The HTR SOP targets residential customers in existing homes with total annual household incomes at or below 200% of current federal poverty guidelines and who have properly completed a Public Utility Commission of Texas (Commission) approved income verification form, or who have been designated as HTR-eligible through another Commission-approved verification methodology. Incentives are paid to project sponsors for eligible measures installed in retrofit applications that result in verifiable demand and energy savings. Project comprehensiveness is encouraged and customer education regarding energy conservation behavior is provided through materials distributed by project sponsors.

### **Load Management Standard Offer Program (LM SOP)**

The LM SOP targets commercial customers with a peak electric demand of 500 kW or more. Incentive payments are based on measured and verified demand reduction of curtailed loads during the summer peak period. Load management events are dispatched by SWEPCO, using a one-hour-ahead notice for load reduction periods of one to four hours duration.

### **Residential Standard Offer Program (RSOP)**

The RSOP targets all residential customers, paying incentives to project sponsors for eligible measures installed in new and retrofit applications that result in verified demand and energy savings. Project comprehensiveness is encouraged. The following requirements must be reported to claim early retirement savings from residential HVAC projects:

- Photos of gauges showing the existing unit in full functional status;
- The age of the existing unit;
- Photo of the existing unit nameplate;
- Model number, serial number and manufacturer of the existing unit;
- The sizing of the new unit must be less than or equal to that of the existing unit; and
- Customer responses to a survey questionnaire documenting the condition of the existing unit and customer motivation for unit replacement.

## **E. New Programs for 2024**

### **Bring Your Own Device Pilot MTP**

The Bring Your Own Device Pilot MTP is a voluntary program that targets reduction in air conditioning load for residential customers. The program is designed to relieve peak load during periods of high demand. Customers who have eligible smart thermostats are eligible to participate in the program. Demand response events are dispatched by SWEPCO for load reduction periods of one to four hours duration.

## **F. Discontinued Programs**

SWEPCO has no discontinued programs for 2024.

## II. CUSTOMER CLASSES

SWEPCO's energy efficiency programs target residential and commercial customer classes. SWEPCO's energy efficiency programs also target customer sub-classes, including Low-Income and Schools. The annual projected savings targets are allocated among these customer classes and sub-classes by examining historical program results and by evaluating economic trends, in compliance with 16 TAC § 25.181(e)(3)(A). Table 3 summarizes the number of active customers in each eligible customer class at SWEPCO in the month of January 2024. It should be noted that the actual distribution of the annual goal to be achieved and budget required to achieve the goal must remain flexible based upon the conditions of the marketplace, the potential interest a customer class may have in a specific program and the overriding objective of meeting SWEPCO's mandated demand reduction goal in total. SWEPCO offers a varied portfolio of SOPs and MTPs such that all eligible customer classes have access to energy efficiency alternatives.

**Table 3: Summary of Customer Classes**

Customer Class	Number of Customers
Commercial	31,349
Residential	155,509
Hard-to-Reach*	48,830

\* The Hard-to-Reach customer count is a subset of the Residential total.

<sup>2</sup> According to the U.S. Census Bureau's 2021 Current Population Survey, 31.4% of Texas families fell below 200% of the poverty threshold in 2020. Applying that percentage to SWEPCO's residential customer base of 155,509, the number of HTR customers is estimated to be 48,830.

### **III. ENERGY EFFICIENCY GOALS AND PROJECTED SAVINGS**

As prescribed by the EE Rule, SWEPCO's annual demand reduction goal is specified as a percent of its historical, weather-normalized, five-year average growth in demand. SWEPCO's 2024 goal is calculated based upon the average annual growth in peak demand for the years 2019 through 2023, inclusive (the most recent historical load growth data available). SWEPCO's 2025 goal is calculated based upon the average annual growth in peak demand for the years 2019 through 2023, inclusive (the most recent historical load growth data available).

SWEPCO's demand reduction goal to be achieved is prescribed by the EE Rule to be at least 30% of this calculated annual growth in demand of residential and commercial customers. The corresponding annual energy savings goal is determined by applying a 20% conservation load factor to the applicable demand reduction goal for the Program Year. A utility's demand reduction goal in megawatts for any year cannot be less than the previous year's goal.

Table 4 presents the actual historical annual growth in demand for the previous five years used to calculate SWEPCO's goals.

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

Calendar Year	Peak Demand (MW) @ Source						Energy Consumption (GWh) @ Meter				Energy Efficiency Goal Calculations			
	Total System		Residential & Commercial				Total System		Residential & Commercial					
	Actual	Weather Adjusted	Actual	Weather Adjusted	Opt-Out	Peak Demand at Source Net Opt-outs	Actual	Weather Adjusted	Actual	Weather Adjusted	Peak Demand at Meter*	Load Growth at Meter	5 Year Average Growth at Meter	30% Growth at Meter
2019	1,470	1,574	1,329	1,432	-100	1,332	7,233	7,224	5,431	5,421	1,230	11.08	NA	NA
2020	1,398	1,548	1,293	1,443	-93	1,350	6,685	6,877	5,077	5,270	1,251	20.54	NA	NA
2021	1,398	1,485	1,296	1,383	-64	1,319	6,746	6,720	5,346	5,320	1,233	-17.79	-0.78	-0.23
2022	1,519	1,408	1,388	1,277	-49	1,228	7,180	7,112	5,763	5,696	1,148	-84.94	13.50	4.05
2023	1,553	1,521	1,437	1,405	-64	1,341	7,447	7,207	5,853	5,613	1,253	105.20	-4.08	-1.22
2024	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-13.52	-4.06
2025	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	6.82	2.05

\*Line losses are derived from the loss factors determined in SWEPCO's most recent line loss study.

Table 5 presents the projected demand reduction and energy savings, by program, for each customer class and for each of the years 2024 and 2025. Projected savings reflect the estimated demand and energy savings that SWEPCO's programs are expected to achieve with fully developed program budgets for each of the years shown.

**Table 5: Projected Demand and Energy Savings by Program for Each Customer Class  
For 2024 and 2025 (at the Meter)**

<b>2024</b>	<b>Projected Savings</b>	
<b>Customer Class and Program</b>	<b>Demand (kW)</b>	<b>Energy (kWh)</b>
<b>Commercial</b>	<b>10,207</b>	<b>9,220,251</b>
COMPASS for Large Commercial MTP	358	1,914,322
Commercial SOP	751	3,815,036
Load Management SOP	8,428	107,040
COMPASS for Small Business MTP	369	1,574,122
COMPASS for Schools MTP	301	1,809,731
<b>Residential</b>	<b>2,915</b>	<b>2,715,241</b>
Residential SOP	1,435	2,710,801
Bring Your Own Device Pilot MTP	1,480	4,440
<b>Hard-to-Reach</b>	<b>1,295</b>	<b>2,208,921</b>
Hard-to-Reach SOP	1,295	2,208,921
<b>Total Annual Projected Savings</b>	<b>14,417</b>	<b>14,144,413</b>

<b>2025</b>	<b>Projected Savings</b>	
<b>Customer Class and Program</b>	<b>Demand (kW)</b>	<b>Energy (kWh)</b>
<b>Commercial</b>	<b>10,207</b>	<b>9,220,251</b>
COMPASS for Large Commercial MTP	358	1,914,322
Commercial SOP	751	3,815,036
Load Management SOP	8,428	107,040
COMPASS for Small Business MTP	369	1,574,122
COMPASS for Schools MTP	301	1,809,731
<b>Residential</b>	<b>4,543</b>	<b>2,720,125</b>
Residential SOP	1,435	2,710,801
Bring Your Own Device Pilot MTP	3,108	9,324
<b>Hard-to-Reach</b>	<b>1,295</b>	<b>2,208,921</b>
Hard-to-Reach SOP	1,295	2,208,921
<b>Total Annual Projected Savings</b>	<b>16,045</b>	<b>14,149,297</b>

## **IV. PROGRAM BUDGETS**

Table 6 presents total projected budget allocations required to meet SWEPCO's projected demand and energy savings to be achieved for the Program Years 2024 and 2025. The budget allocations are defined by the overall projected demand and energy savings, the avoided costs of capacity and energy specified in the EE Rule, the allocation of demand goals among customer classes and the incentive levels by customer class. Table 6 budget allocations are detailed by customer class, program and in the following budget categories: incentive payments; administration; research and development (R&D); and evaluation, measurement and verification (EM&V).



**Table 6: Projected Annual Budget by Program for Each Customer Class**

<b>2024</b>	<b>Incentives</b>	<b>Admin</b>	<b>R&amp;D &amp; EM&amp;V</b>	<b>Total</b>
<b>Commercial</b>	<b>\$1,770,000</b>	<b>\$296,014</b>	<b>\$0</b>	<b>\$2,066,014</b>
COMPASS for Large Commercial MTP	\$310,000	\$54,706		\$364,706
Commercial SOP	\$650,000	\$114,706		\$764,706
Load Management SOP	\$250,000	\$44,118		\$294,118
COMPASS for Small Business MTP	\$250,000	\$27,778		\$277,778
COMPASS for Schools MTP	\$310,000	\$54,706		\$364,706
<b>Residential</b>	<b>\$1,350,000</b>	<b>\$202,941</b>	<b>\$0</b>	<b>\$1,552,941</b>
Bring Your Own Device Pilot MTP	\$175,000	\$23,809		\$198,809
Residential SOP	\$1,175,000	\$179,132		\$1,354,132
<b>Hard-to-Reach</b>	<b>\$850,000</b>	<b>\$123,529</b>	<b>\$0</b>	<b>\$973,529</b>
Hard-to-Reach SOP	\$850,000	\$123,529		\$973,529
<b>Research and Development (R&amp;D)</b>			<b>\$125,000</b>	<b>\$125,000</b>
<b>Total Program Budget</b>	<b>\$3,970,000</b>	<b>\$622,484</b>	<b>\$125,000</b>	<b>\$4,717,484</b>
<b>EM&amp;V</b>			<b>\$36,913</b>	<b>\$36,913</b>
<b>Total Budget</b>	<b>\$3,970,000</b>	<b>\$622,484</b>	<b>\$161,913</b>	<b>\$4,754,397</b>

<b>2025</b>	<b>Incentives</b>	<b>Admin</b>	<b>R&amp;D &amp; EM&amp;V</b>	<b>Total Budget</b>
<b>Commercial</b>	<b>\$1,770,000</b>	<b>\$296,014</b>	<b>\$0</b>	<b>\$2,066,014</b>
COMPASS for Large Commercial MTP	\$310,000	\$54,706		\$364,706
Commercial SOP	\$650,000	\$114,706		\$764,706
Load Management SOP	\$250,000	\$44,118		\$294,118
COMPASS for Small Business MTP	\$250,000	\$27,778		\$277,778
COMPASS for Schools MTP	\$310,000	\$54,706		\$364,706
<b>Residential</b>	<b>\$1,465,000</b>	<b>\$212,941</b>	<b>\$0</b>	<b>\$1,677,941</b>
Bring Your Own Device Pilot MTP	\$290,000	\$33,809		\$323,809
Residential SOP	\$1,175,000	\$179,132		\$1,354,132
<b>Hard-to-Reach</b>	<b>\$850,000</b>	<b>\$123,529</b>	<b>\$0</b>	<b>\$973,529</b>
Hard-to-Reach SOP	\$850,000	\$123,529		\$973,529
<b>Research and Development (R&amp;D)</b>			<b>\$125,000</b>	<b>\$125,000</b>
<b>Total Program Budget</b>	<b>\$4,085,000</b>	<b>\$632,484</b>	<b>\$125,000</b>	<b>\$4,842,484</b>
<b>EM&amp;V</b>			<b>\$36,913</b>	<b>\$36,913</b>
<b>Total Budget</b>	<b>\$4,085,000</b>	<b>\$632,484</b>	<b>\$161,913</b>	<b>\$4,879,397</b>

## ENERGY EFFICIENCY REPORT

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

Table 7 contains SWEPCO's actual demand and energy goals, and actual savings achieved for the previous five years (2019-2023) calculated in accordance with the EE Rule.

**Table 7: Historical Demand and Energy Goals\* and Savings Achieved (at the Meter)**

Calendar Year	Actual Weather Adjusted Demand Goal (MW)	Actual Weather Adjusted Energy Goal (MWh)	Savings Achieved (MW)	Savings Achieved (MWh)
2019	5.6	9,811	11.83	16,359
2020	5.6	9,811	10.52	16,246
2021	5.6	9,811	8.86	17,402
2022	5.6	9,811	10.56	14,012
2023	5.6	9,811	9.31**	13,450

\* Actual weather-adjusted MW and MWh goals as reported in SWEPCO's EEPRs filed in years 2019-2023.

\*\* Reported savings achieved at the source are 8.7 MW ( $8.7 \times 1 / (1 - 6.51\%) = 9.31$  MW).

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

**Table 8: Projected versus Reported and Verified Savings for 2023 and 2022  
(at the Meter)**

<b>2023</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>9,718</b>	<b>9,019,764</b>	<b>6,262</b>	<b>9,013,366</b>
COMPASS for Large Commercial MTP	362	1,713,708	394	2,106,506
Commercial SOP	789	3,576,416	498	2,529,482
Load Management SOP	7,228	109,883	4,554	57,844
COMPASS for Small Business MTP	219	827,998	337	1,436,873
COMPASS for Schools MTP	1,120	2,791,758	479	2,882,661
<b>Residential</b>	<b>1,037</b>	<b>2,082,541</b>	<b>1,467</b>	<b>2,770,995</b>
Residential SOP	1,037	2,082,541	1,467	2,770,995
<b>Hard-to-Reach</b>	<b>787</b>	<b>1,444,483</b>	<b>976</b>	<b>1,665,788</b>
Hard-to-Reach SOP	787	1,444,483	976	1,665,788
<b>Total Annual Savings</b>	<b>11,542</b>	<b>12,546,787</b>	<b>8,705</b>	<b>13,450,149</b>

<b>2022</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>9,598</b>	<b>10,220,831</b>	<b>7,720</b>	<b>9,467,462</b>
Commercial Solutions MTP	490	2,112,275	270	1,389,785
Commercial SOP	836	4,202,948	765	3,768,736
Load Management SOP	7,201	107,539	5,261	86,938
Open MTP	251	1,029,100	260	1,069,607
SCORE MTP	820	2,768,969	1,164	3,152,396
<b>Residential</b>	<b>1,168</b>	<b>2,278,571</b>	<b>1,375</b>	<b>3,001,048</b>
Residential SOP	1,168	2,278,571	1,375	3,001,048
<b>Hard-to-Reach</b>	<b>962</b>	<b>1,544,167</b>	<b>774</b>	<b>1,543,698</b>
Hard-to-Reach SOP	962	1,544,167	774	1,543,698
<b>Total Annual Savings</b>	<b>11,728</b>	<b>14,043,569</b>	<b>9,868</b>	<b>14,012,208</b>

## VII. HISTORICAL PROGRAM EXPENDITURES

This section documents SWEPCO's incentive and administration expenditures for the previous five years (2019-2023) detailed by program for each customer class.

**Table 9: Historical Program Incentive and Administrative Expenditures for 2019 through 2023 (\$000's)**

	2023		2022		2021		2020		2019	
<b>Commercial</b>	Incent	Admin	Incent	Admin	Incent	Admin	Incent	Admin	Incent	Admin
COMPASS for Large Commercial MTP	\$341.12	39.78	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP
Commercial Solutions MTP	NAP	NAP	\$196.01	\$29.11	\$343.23	\$40.59	\$378.07	\$43.43	\$294.60	\$40.82
Commercial SOP	\$430.97	\$72.94	\$450.23	\$81.31	\$689.29	\$143.11	\$475.78	\$123.71	\$534.46	\$104.32
Load Management SOP	\$135.10	\$23.05	\$154.21	\$23.49	\$112.89	\$18.92	\$144.69	\$26.23	\$154.48	\$28.81
Open MTP	NAP	NAP	\$251.79	\$43.19	\$248.71	\$38.54	\$248.26	\$36.33	\$247.62	\$22.32
SCORE MTP	NAP	NAP	\$362.72	\$37.24	\$309.13	\$30.23	\$261.01	\$32.05	\$312.07	\$45.23
COMPASS for Small Business MTP	\$228.20	\$42.13	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP
COMPASS for Schools MTP	\$493.79	\$52.63	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP
<b>Residential</b>										
Residential SOP	\$1,201.09	\$170.02	\$1,262.78	\$175.71	\$1,052.44	\$156.83	\$1,138.80	\$192.01	\$999.48	\$160.17
<b>Hard-to-Reach</b>										
Hard-to-Reach SOP	\$641.00	\$97.08	\$566.44	\$86.18	\$736.59	\$99.36	\$729.48	\$98.55	\$699.00	\$107.98
<b>R&amp;D</b>		\$100.59		\$118.41		\$96.88		\$135.42		\$145.48
<b>Evaluation and Measurement &amp; Verification</b>		\$42.29		\$58.22		\$62.38		\$70.93		\$64.45
<b>Total Expenditures</b>	\$3,471.27	\$640.51	\$3,244.18	\$652.87	\$3,492.28	\$686.84	\$3,376.07	\$758.67	\$3,241.71	\$719.58

## VIII. PROGRAM FUNDING FOR CALENDAR YEAR 2023

As shown in Table 10, the Total Projected Budget for 2023 was \$4,404,280. Total Funds Expended for 2023 were \$4,111,786. This is an overall total program expenditure difference of more than 10% of the amount budgeted.

The following individual program expenditures differed from their respective proposed budgets by more than 10% as explained below.

The Commercial SOP did not fully utilize its incentive budget due to lower-than-expected participation and projects not being completed before the end of the year.

Load Management SOP did not fully utilize its budget due to customers underperforming (less kW reduction) during actual curtailment events compared to their projected kW reduction amount.

The COMPASS for Schools MTP went over budget due to a greater demand for services in this sector.

**Table 10: Program Funding for Calendar Year 2023**

<b>2023</b>	<b>Number of Participating ESI ID Accounts</b>	<b>Total Projected Budget</b>	<b>Actual Funds Expended (Incentives)</b>	<b>Admin</b>	<b>R&amp;D</b>	<b>EM&amp;V</b>	<b>Total funds Expended</b>
<b>Commercial</b>	<b>168</b>	<b>\$2,066,014</b>	<b>\$1,629,180</b>	<b>\$230,537</b>	<b>\$0</b>	<b>\$0</b>	<b>1,859,717</b>
Commercial SOP	56	\$662,706	\$430,969	\$72,943			\$503,912
COMPASS for Large Commercial MTP	17	\$364,706	\$341,122	\$39,787			\$380,909
COMPASS for Schools MTP	23	\$466,706	\$493,789	\$52,633			\$546,422
COMPASS for Small Business MTP	64	\$277,778	\$228,202	\$42,129			\$270,331
Load Management SOP	8	\$294,118	\$135,098	\$23,045			\$158,143
<b>Residential</b>	<b>1,000</b>	<b>\$1,352,941</b>	<b>\$1,201,091</b>	<b>\$170,019</b>	<b>\$0</b>	<b>\$0</b>	<b>1,371,110</b>
Residential SOP	1,000	\$1,352,941	\$1,201,091	\$170,019			\$1,371,110
<b>Hard-to-Reach</b>	<b>674</b>	<b>\$823,529</b>	<b>\$641,001</b>	<b>\$97,075</b>	<b>\$0</b>	<b>\$0</b>	<b>738,076</b>
Hard-to-Reach SOP	674	\$823,529	\$641,001	\$97,075			\$738,076
<b>R&amp;D</b>		<b>\$125,000</b>			<b>\$100,593</b>		<b>\$100,593</b>
<b>EM&amp;V</b>		<b>\$36,796</b>				<b>\$42,290</b>	<b>\$42,290</b>
<b>Total Annual Savings</b>	<b>1,842</b>	<b>\$4,404,280</b>	<b>\$3,471,272</b>	<b>\$497,631</b>	<b>\$100,593</b>	<b>\$42,290</b>	<b>\$4,111,786</b>

## **IX. MARKET TRANSFORMATION PROGRAM RESULTS**

### **COMPASS Schools MTP**

The COMPASS Schools MTP that is implemented by a third-party contractor provided non-cash incentives, such as building energy analyses, technical assistance and communications support, as well as monetary incentives for the installation of documented energy efficiency measures that reduce peak demand and energy use. In 2023, SWEPCO projected to acquire 1,120 kW in demand savings from this program. SWEPCO has verified and reported savings of 479 kW. This included participation by 23 customers in five counties.

### **COMPASS Large Commercial MTP**

SWEPCO contracted with a third-party program implementer for the COMPASS Large Commercial MTP to provide commercial facilities non-cash incentives, such as technical assistance to identify energy efficiency opportunities, education in promoting best practices and communication support services. Program participants received cash incentives for installing documented energy efficiency measures that reduced peak demand and energy consumption. For 2023, SWEPCO projected to acquire 362 kW of demand savings from this program. SWEPCO's verified and reported results are 394 kW. This included participation by 17 customers in five different counties.

**COMPASS Small Commercial MTP** The COMPASS Small Commercial MTP contractor provided small commercial customers with less than 100 kW demand non-cash incentives such as technical assistance to identify energy efficiency opportunities and education in promoting best practices. The direct install program provided a turnkey approach, providing participants cash incentives for the installation of documented energy efficiency measures that reduced peak demand and energy consumption. For 2023, SWEPCO projected 219 kW of demand savings from this program. SWEPCO's verified and reported results are 337 kW. This included participation by 64 customers in eleven different counties.

## **X. ADMINISTRATIVE AND RESEARCH AND DEVELOPMENT COSTS**

### **Administrative Costs**

Administrative costs incurred by SWEPCO to meet its energy efficiency goals and objectives include, but may not be limited to, energy efficiency employees' payroll, marketing, costs associated with regulatory filings, and EM&V costs outside of the actual cost associated with the EM&V contractor. Any portion of these costs which are not directly assignable to a specific program are allocated among the programs in proportion to the program incentive costs.

### **Program Research and Development**

R&D activities are intended to help SWEPCO meet future energy efficiency goals by researching new technologies, program options and developing better, more efficient ways to administer current programs. In 2023, SWEPCO dedicated resources to enhance electronic data collection and management system for current programs. In addition, SWEPCO participated with Electric Utility Marketing Managers of Texas (EUMMOT) in researching potentially new deemed savings measures for various programs.

## **XI. 2024 ENERGY EFFICIENCY COST RECOVERY FACTOR (EECRF)**

In Commission Docket No. 54948, SWEPCO received approval to recover the following:

- \$4,717,484 Cost of SWEPCO's Energy Efficiency programs projected for 2024
- \$1,112,532 Performance bonus for 2022 savings achievement
- \$948,991 SWEPCO's over-recovery plus interest of its actual energy efficiency program costs for 2022
- \$36,913 Projected EM&V costs
- \$17,280 SWEPCO's rate-case expenses

Approval was granted for a total revenue requirement of \$4,935,218.

The adjusted rates, as given in Table 11, went into effect on January 1, 2024.

**Table 11: 2024 EECRF**

<b>Customer Class</b>	<b>Factor per kWh</b>
Residential	\$0.001338
General Service	\$0.000999
Municipal Service	\$0.002823
Municipal Pumping	\$0.000226
Lighting and Power	\$0.000453
Cotton Gin	\$0.000081
Metal Melting < 69kV	\$0.003084
Oil Field Large Industrial Power	\$(0.000427)
Large lighting and power <69kV	\$0.003330
Lighting	\$0.000000



## **XII. 2023 EECRF SUMMARY**

### **Revenue Collected Through EECRF**

Table 12 below outlines a summary of SWEPCO's 2023 EECRF including costs, performance bonus, prior years over recovery and current years over recovery.

**Table 12: Over Recovery of Energy Efficiency Costs in 2023**

	<b>Authorized per Docket No. 53542</b>	<b>Actual Expenses</b>
2023 Program Costs	\$4,367,484	\$4,069,496
2023 EM&V costs	\$36,796	\$42,290
2021 (Over)/Under Recovery	\$34,065	\$33,747
Rate Case Expenses	\$16,137	\$16,137
2021 Bonus	\$1,918,979	\$1,918,979
2023 Total Costs & Bonus	\$6,373,461	\$6,080,968
2023 EECRF Revenue		\$6,198,154
2023 (Over)/Under Including Interest		\$(124,391)

## **XIII. UNDERSERVED COUNTIES**

An underserved county is defined by SWEPCO as any county that did not report demand or energy savings through any of the 2023 SOPs or MTPs. Per 16 TAC § 25.181(l)(2)(U), a list of the 2023 Underserved Counties is shown in Table 13:

**Table 13: Underserved Counties**

Childress	Collingsworth	Donley	Hall
Rains	Red River	Hopkins	Wheeler

## ACRONYMS

<b>A/C</b>	Air Conditioning
<b>COMMISSION</b>	Public Utility Commission of Texas
<b>COMPASS</b>	Commercial Partners Achieving Specialized Solutions
<b>CS MTP</b>	Commercial Solutions Market Transformation Program
<b>CSOP</b>	Commercial Standard Offer Program
<b>DR</b>	Demand Response
<b>EE Rule</b>	Energy Efficiency Rule, 16 TAC §§ 25.181, 25.182 and 25.183
<b>EECRF</b>	Energy Efficiency Cost Recovery Factor
<b>EEPR</b>	Energy Efficiency Plan and Report
<b>EESP</b>	Energy Efficiency Service Provider
<b>EM&amp;V</b>	Evaluation, Measurement & Verification
<b>EUMMOT</b>	Electric Utility Marketing Managers of Texas
<b>HTR SOP</b>	Hard-to-Reach Standard Offer Program
<b>LM SOP</b>	Load Management Standard Offer Program
<b>MTP</b>	Market Transformation Program
<b>NAP</b>	Not Applicable
<b>PLAN</b>	Energy Efficiency Plan
<b>PURA</b>	Public Utility Regulatory Act
<b>R&amp;D</b>	Research and Development
<b>RSOP</b>	Residential Standard Offer Program
<b>SCORE MTP</b>	Schools Conserving Resources Market Transformation Program
<b>SOP</b>	Standard Offer Program
<b>SWEPCO</b>	Southwestern Electric Power Company

**APPENDIX A:**  
**REPORTED AND VERIFIED DEMAND AND ENERGY REDUCTION**  
**BY COUNTY**

County	COMPASS Large Commercial		Commercial SOP		Load Management SOP		COMPASS Small Commercial		COMPASS Schools		Residential SOP		Hard-to-Reach SOP	
	kW	kWh	kW	kWh	kW	kWh	kW	kWh	kW	kWh	kW	kWh	kW	kWh
Bowie	188	1,156,360	237	1,377,626	955	11,456	59	259,245	37	104,546	105	217,666	186	333,101
Camp					516	6,560					18	33,182	1	2,576
Cass							10	44,713			3	6,449	12	19,738
Franklin											26	47,306		
Gregg	108	480,534	186	821,935	2,721	35,475	103	414,090	261	2,237,184	772	1,468,564	533	909,262
Hall														
Harrison	4	3,412	47	203,736	363	4,353	9	28,757			102	207,484	98	168,366
Marion			8	44,810			16	59,504			1	877	2	2,191
Morris							34	139,284			11	17,259	18	26,394
Panola			1	1,377			1	3,235	55	156,440	55	101,191	14	21,458
Rusk							30	120,088	124	363,858	196	311,637	51	76,093
Shelby			9	39,270			1	3,289			6	12,210		
Smith											25	65,559		
Titus	26	73,007	10	40,728			69	349,076	3	20,633	13	44,254		
Upshur	67	393,193					6	15,592			93	165,903	59	101,652
Van Zandt											2	4,942	2	4,957
Wood											37	66,512		
<b>Total</b>	<b>394</b>	<b>2,106,506</b>	<b>498</b>	<b>2,529,482</b>	<b>4,554</b>	<b>57,844</b>	<b>337</b>	<b>1,436,873</b>	<b>479</b>	<b>2,882,661</b>	<b>1,467</b>	<b>2,770,995</b>	<b>976</b>	<b>1,665,788</b>

## **APPENDIX B:**

### **PROGRAM TEMPLATES**

SWEPCO does not have any program templates to provide.

## **APPENDIX C:**

### **OPTIONAL SUPPORTING DOCUMENTATION**

SWEPCO has no Optional Supporting Documentation to provide.