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To: Victor Silva, El Paso Electric (EPE) and Ramya Ramaswamy, Public Utility Commission of Texas (PUCT)

Cc: Jenny DiLeo, Allison Fink, Tugi Gotor, James Harville, Patricia Garcia, Therese Harris, PUCT and Desmond Machuca, Tony Reyes, EPE

From: Lark Lee, Mark Bergum, Katie Jakober, Najoua Jouini and Tina Yoder, the PUCT Evaluation Measurement & Verification (EM&V) team

Date: April 24, 2025

Subject: EPE 2025 Energy Efficiency Plan and Report (EEPR) review

This memorandum summarizes the EM&V team's review of EPE's 2025 EEPR filed in Project No. 57468.¹ The EM&V review is based on EPE's response to the program year (PY) 2023 (PY2023) EM&V recommendations filed in the 2024 EEPR Project No. 56003.²

We first present key findings and recommendations, followed by supporting details on the integration of PY2023 EM&V recommendations.³ The EPE section of Volume 3 of the PY2024 Investor-Owned Utilities (IOUs) report will update the trend analysis of EPE's portfolio, which may result in additional recommendations for PY2026 programs.

KEY FINDINGS AND RECOMMENDATIONS

From our review of EPE's 2025 EEPR, the EM&V team identified corrections in keeping with the Energy Efficiency Rule §25.181 (EE Rule) to be made in an amended EEPR. We also provide forward-looking recommendations to improve the information provided in plans and reports starting in 2026.

CORRECTIONS

Correction #1: Categorize the residential load management program as a standard offer program (SOP) as opposed to a market transformation program (MTP) unless the program is designed to address specific market barriers,⁴ and include curtailment season.

- The factor EPE used to distinguish MTPs from SOPs is how the program is implemented,⁵ but the primary factor should be the program design.
- It is not substantiated that load management has substantial enough market barriers that a MTP is needed.
- Residential load management is not passing cost-effectiveness as a MTP.

¹ Item 7, [57468_7_1485219.PDF](#)

² Item 21, [56003_21_1456392.PDF](#)

³ The EM&V key findings and recommendations presented in this memo are in addition to corrections or clarifications requested as part of the EM&V program tracking data verification process of all claimed savings.

⁴ See §25.181 (m)(3)(G) *a description of how the program will achieve the transition from extensive market intervention activities toward a largely self-sustaining market.*

⁵ "MTPs are implemented by third-party implementers that design, market, and execute the programs." EPE 2025 EEPR, page 5.

- Identify when curtailment events will be called. For example, summer or winter and time periods.

Correction #2: Identify Research and Development (R&D) activities completed in the PY2024 report section of the EEPR similar to the discussions in the plans section of the EEPR.

Correction #3: Reference most recent EECRF in EEPR.⁶

Correction #4: Complete a program template for new programs or program components; this can be filed in EEIP or an amended EEPR.⁷

- Program templates should provide a program overview, objectives, goals and budgets, eligibility, measures, measurement and verification (M&V), program processes, promotions, and savings determinations when a new program or program component is introduced.

FORWARD-LOOKING IMPROVEMENTS

Recommendation #1: Provide projected cost cap percentage graphs by customer class for plans and actual cost cap performance graphs by customer class for reports.

- The EM&V team recommended that cost cap percentages be provided starting with 2025 filings due to stakeholder interest in this information and difficulty finding it consistently across IOU filings.⁸

Recommendation #2: Provide the required market transformation program (MTP) information that specifically discusses program strategies to address market barriers and achieve goals, program design successes and challenges, and progress toward market goals.⁹

- EPE is the only IOU that does not offer SOP energy efficiency program option for customers to participate.¹⁰
 - Providing the information specified in the EE Rule will be helpful to further discuss the correct balance of MTPs and SOPs given the maturity and success of EPE's MTPs.
 - EE Rule required information¹¹ includes: program goals; market barriers the program is designed to overcome; key intervention strategies for overcoming those barriers; estimated costs and projected energy and capacity savings; a baseline study that is appropriate in time and geographic region; program implementation timeline and milestones; a description of how the program will achieve the transition from extensive market intervention activities toward a largely self-sustaining market; a method for measuring and verifying savings; the period over which savings shall be considered to accrue, including a projected date by which the market will be sufficiently transformed so that the program should be discontinued.

⁶ In keeping with §25.181 (n)(2)(S), 2024 EECRF information should be provided as the most recent as opposed to 2023.

⁷ §25.181 (s)(3) list required program templates for new offerings and states this can be filed in EEIP if not included in EEPRs. This request is for the FutureWise MTP, which was first implemented in PY2023; however, a program template was not filed, and the program has not been cost-effective.

⁸ For 2025, cost cap performance information can be provided to Tetra Tech to include in the PY2024 IOU Energy Efficiency Report.

⁹ §25.181 (m)(3), (m)(4), and (n)(2)(M) list required information for MTPs.

¹⁰ EPE does offer a Commercial Load Management SOP.

¹¹ §25.181 (m)(3) and (m)(4) list required information for MTPs.

Recommendation #3: Organize information by programs with additional highlights to improve understanding of EPE's program design and delivery.

- List incentivized measures to demonstrate EPE's diversification of its measure offerings as indicated in its response to PY2023 EM&V recommendations.
- Highlight planned portfolio strategies such as customer education, trade ally training and community partnerships, which EPE included in its response to PY2023 EM&V recommendations followed by reporting on their successes and challenges.
- Add links to program manuals to provide streamlined access to additional program implementation details, given that EEPR program information is high-level¹².

Recommendation #4: Highlight new developments across programs to demonstrate EPE's continuous improvement of its programs.

- EPE's response to PY2023 EM&V recommendations indicated EPE is employing new strategies such as targeted marketing to increase energy efficiency measures and expanding measures such as adding HVAC tune-up and commercial refrigerated warehouse door air infiltration measures.

Recommendation #5: Explain how program tracking development will inform future program strategies or improve the management and evaluability of programs.

- It is not clear how program tracking database development will improve future programs.

EEPR INTEGRATION OF PY2023 EM&V RECOMMENDATIONS

Consistent with §25.181(q)(9), recommendations resulting from the PY2023 evaluation research—completed in 2024—are expected to be implemented in 2025. In this section, additional details for the key recommendations above are discussed based on PY2023 EM&V recommendations in the IOU Energy Efficiency Portfolio Report.¹³

We appreciate EPE's ongoing collaboration with and support of the EM&V effort. At the same time, based on a review of its 2025 EEPR, the EM&V team identified a few opportunities for EPE to improve its responsiveness to PY2023 recommendations, which are summarized in the table below. This is followed by additional opportunities to better highlight EPE's program accomplishments.

¹² EPE provides helpful program overview link on Page 6 of the EEPR to www.epelectric.com. The EEPR also states "Programs with manuals can be found at the following website: <https://www.epelectric.com/company/regulatory>. It is difficult to locate the program manuals that provide detailed implementation information, a direct link to the specific manual for each program is recommended.

¹³ Project No. 38578, Item 144, [Interchange - Documents](#).

Table 1. Responsiveness to PY2023 Recommendations

IOU report section and topic	PY2023 EM&V recommendation	EPE response	EM&V EEPR review recommendation
EM&V recommendations not incorporated into EEPR			
IOU Recommendations Portfolio-Level (Volume 1, Section 2.3.1) Cost Cap Analysis	Work with the PUCT to standardize EEPR reporting followed by EECRF reporting. Starting with 2025 filings, include a summary of sector-projected program budgets as a percentage of sector cost cap in annual EEPRs; include actual program budgets as a percentage of sector cost cap in annual EECRFs.	EPE did not include a response to this recommendation.	Projected customer cost cap information was not included in plans as recommended starting in 2025. Additional recommendations include information to consider for the standardized reporting.
IOU Recommendations Portfolio-Level (Volume 1, Section 2.3.1) Program Tracking	Include unique participant identifiers for all programs other than upstream and unique measure identifiers for all programs.	EPE did not include a response to this recommendation.	Discuss in EEPR tracking system section any changes that improve the management and evaluability of the program, particularly in relation to AMI data analysis and standardization of measure identifiers with the TRM ¹⁴ .
EPE-Specific Recommendations (Volume 3, Section 2.1) Year-Over-Year Comparisons	Discuss with EPE their reasons for not offering a Commercial SOP and Residential SOP and their future plans to balance the program design of MTP and SOP offerings to serve both commercial and residential customers.	EPE responded with a number of benefits of a program implementer given the uniqueness of their territory and reported offering SOPs in the past, which did not perform well.	Provide MTP-required information as outlined in §25.181 (m)(3) and in (m)(4) to facilitate continued discussions on this recommendation.
EPE-Specific Recommendations (Volume 3, Section 2.2) Cost-effectiveness	EPE should identify and implement any program design changes necessary for the FutureWise MTP Pilot and Residential Load Management MTP to pass cost-effectiveness.	EPE is evaluating the FutureWise MTP and its cost-effectiveness as a pilot program, which began in the spring of 2023.	Provide a program template for FutureWise MTP as this was never filed. Discuss with PUCT Staff and the EM&V team implementing the residential load management as a SOP and impacts on cost-effectiveness.

¹⁴ EPE is included in the AMI data consumption analysis starting with the PY2025 EM&V scope; the EM&V will work with EPE if any tracking data issues need to be resolved for future analyses.

IOU report section and topic	PY2023 EM&V recommendation	EPE response	EM&V EEPR review recommendation
Information to highlight in future EEPRs			
EPE-Specific Recommendations (Volume 3, Section 2.1) Year-Over-Year Comparisons	Discuss EPE's successful strategies used to deliver a high percentage of portfolio savings to Hard-To-Reach/Low-Income customers.	EPE reports having a higher percentage of low-income customers they are able to identify with geographic data, offering larger incentives to these customers, offering evaporative cooling, and partnering with a community-based organization.	Highlight these successful program strategies to serve this customer segment in the EEPR.
EPE-Specific Recommendations (Volume 3, Section 2.1) Year-Over-Year Comparisons	Discuss with EPE the reasons for the large percentage of their demand reduction goal being achieved by load management programs and their future plans to increase the percentage of their demand reduction goal being met by energy efficiency programs.	EPE reports expanding in 2025 the HVAC tune-up measure, commercial refrigerated warehouse door air infiltration, and a targeted marketing campaign for insulation, and HVAC for both residential and commercial programs. EPE is also assessing new programs through R&D.	Highlight new and expanded measure offerings in the EEPR plan and strategies to increase energy efficiency measures such as the targeted marketing campaign. The report section should then report on the successes and challenges of the program strategies.
EPE-Specific Recommendations (Volume 3, Section 2.1) Commercial Savings	Discuss with EPE the plans to continue to diversify the commercial measure mix beyond <i>lighting</i> and any challenges seen in HVAC projects.	In addition to the above strategies, EPE plans additional training of program participants in choosing the most efficient, higher EUL equipment to achieve greater savings.	In addition to identifying new and expanded measure offerings in the EEPR, discuss customer education and training activities in the plan and report.
EPE-Specific Recommendations (Volume 3, Section 2.1) Residential Savings	Discuss with EPE successful strategies in increasing HVAC residential projects and how they plan to continue building on that success.	EPE plans to continue marketing HVAC incentives including evaporative cooler rebates, introduce a residential HVAC tune-up measure along with increased marketing efforts in non-lighting and non-load management measures such as insulation, air infiltration and residential envelope.	In addition to listing new and expanded measure offerings in the EEPR, discuss in the report section both the successes and challenges of strategies to increase energy efficiency measures such as the targeted marketing campaign.

IOU report section and topic	PY2023 EM&V recommendation	EPE response	EM&V EEPR review recommendation
IOU Recommendations Residential (Volume 1, Section 2.3.1) Household Survey	Consider including more customer education in programs around the benefits of thermostat setbacks for heating and cooling and the use of smart thermostats.	EPE did not include a response to this recommendation.	Expand on customer education and marketing strategies in the EEPR.



To: Kelly O'Donnell, Entergy Texas, Inc. (ETI), and Ramya Ramaswamy, Public Utility Commission of Texas (PUCT)

Cc: Jenny DiLeo, Allison Fink, Tugi Gotoru, James Harville, Patricia Garcia, Therese Harris, PUCT and Mark Delavan, ETI

From: Lark Lee, Mark Bergum, Katie Jakober, Najoua Jouini and Tina Yoder, the PUCT Evaluation Measurement & Verification (EM&V) team

Date: April 24, 2025

Subject: ETI 2025 Energy Efficiency Plan and Report (EEPR) review

This memorandum summarizes the EM&V team's review of ETI's 2025 EEPR filed in Project No. 57468.¹ The EM&V review is based on ETI's response to the program year (PY) 2023 (PY2023) EM&V recommendations filed in the 2024 EEPR Project No. 56003.²

We first present key findings and recommendations, followed by supporting details on the integration of PY2023 EM&V recommendations³. The ETI section of Volume 3 of the PY2024 Investor-Owned Utilities (IOUs) report will update the trend analysis of ETI's portfolio, which may result in additional recommendations for PY2026 programs.

KEY FINDINGS AND RECOMMENDATIONS

From our review of ETI's 2025 EEPR, the EM&V team identified corrections in keeping with the Energy Efficiency Rule §25.181 (EE Rule) to be made in an amended EEPR. We also provide forward-looking recommendations to improve the information provided in plans and reports starting in 2026.

CORRECTIONS

Correction #1: Separate load management and energy efficiency programs in plans and reports starting with PY2025 to comply with the Texas Technical Reference Manual (TRM)⁴.

- In addition to tracking and reporting load management and energy efficiency programs separately, categorize the residential load management program as a standard offer program (SOP) as opposed to a market transformation program (MTP) unless the program is designed to address specific market barriers.⁵

¹ Item 5, [57468_5_1485044.PDF](#)

² Item 28, [56003_28_1476347.PDF](#).

³ The EM&V key findings and recommendations presented in this memo are in addition to corrections or clarifications requested as part of the EM&V program tracking data verification process of all claimed savings.

⁴ "Load management programs shall be tracked and reported separately from energy efficiency programs." PY2025 Texas Technical Reference Manual Volume 4 page 170.

⁵ See §25.181 (m)(3)(G) *a description of how the program will achieve the transition from extensive market intervention activities toward a largely self-sustaining market.*

Correction #2: Complete a program template for new programs or components added to an umbrella program; this can be filed in EEIP or an amended EEPR.⁶

- Program templates should provide a program overview, objectives, goals and budgets, eligibility, measures, measurement and verification (M&V), program processes, promotions, and savings determinations when a new program or program component is introduced.

FORWARD-LOOKING IMPROVEMENTS

Recommendation #1: Provide the required market transformation program (MTP) information that specifically discusses program strategies to address market barriers and achieve goals, program design successes and challenges, and progress toward market goals.

- ETI's EEPR provides limited information on market barriers and strategies for ETI's MTPs.
 - Providing the information specified in the EE Rule will be helpful to further discuss the correct balance of MTPs and SOPs given the maturity and success of ETI's Commercial MTP and that ETI is the largest IOU not offering a SOP option for commercial customers to participate.
 - EE Rule required information⁷ includes: program goals; market barriers the program is designed to overcome; key intervention strategies for overcoming those barriers; estimated costs and projected energy and capacity savings; a baseline study that is appropriate in time and geographic region; program implementation timeline and milestones; a description of how the program will achieve the transition from extensive market intervention activities toward a largely self-sustaining market; a method for measuring and verifying savings; the period over which savings shall be considered to accrue, including a projected date by which the market will be sufficiently transformed so that the program should be discontinued.

Recommendation #2: Provide projected cost cap percentage graphs by customer class for plans and actual cost cap performance graphs by customer class for reports.

- The EM&V team recommended that cost cap percentages be provided starting with 2025 filings due to stakeholder interest in this information and difficulty finding it consistently across IOU filings.⁸

Recommendation #3: Organize information by distinct program components with additional highlights to improve understanding of ETI's program design and delivery.

- Present EEPR plan information by each program component, including planned projected savings and budgets;⁹ this is needed given ETI's expanded use of umbrella programs with distinct offerings.
 - Transparency into each program component is important for stakeholders as well as EM&V and PUCT oversight responsibilities given ETI's umbrella program approach.

⁶ Create a program template for DEM SOL with new program components (ETI 2025 EEPR page 120) as well as being a stand-alone program as discussed in Correction #1. §25.181 (s)(3) lists required program templates for new offerings and specifies this can be filed in EEIP if not included in EEPRs.

⁷ §25.181 (m)(3), (m)(4), and (n)(2)(M) list required information for MTPs.

⁸ For 2025, cost cap performance information can be provided to Tetra Tech to include in the PY2024 IOU Energy Efficiency Report.

⁹ Provide plan information by program component in Summary Tables 5 and 6 and report Summary Tables 8 and 9.

For example, In addition to multiple components in its Commercial MTP, distinct residential offerings under one program umbrella have also expanded.¹⁰

- List incentivized measures to demonstrate ETI's diversification of its measure offerings as indicated in its response to PY2023 EM&V recommendations.
- Highlight program strategies such as tiered incentive strategies and trade ally training, which ETI included in its response to PY2023 EM&V recommendations.
- Add links to program manuals to provide streamlined access to additional program implementation details, given that EEPR program information is high-level¹¹.

Recommendation #4: Highlight new developments across programs and program components to demonstrate ETI's continuous improvement of its programs.

- ETI's response to PY2023 EM&V recommendations indicated ETI is employing new strategies such as increased customer education in its marketing, new tools such as dashboards, and expanded measures such as reintroducing air infiltration to its Residential SOP and adding food services equipment to its Commercial MTP.

Recommendation #5: Explain how research and development (R&D) expenditures will inform future program strategies or improve the management and evaluability of programs.

- It is not clear how the R&D monies for residential batteries¹² will support a future energy efficiency program.
- It is not clear if R&D database development will address the issues found in ETI's PY2023 EM&V results of imprecise processes to link program tracking data with customer advanced metering infrastructure data and inconsistency in measure names.

EEPR INTEGRATION OF PY2023 EM&V RECOMMENDATIONS

Consistent with §25.181(q)(9), recommendations resulting from the PY2023 evaluation research—completed in 2024—are expected to be implemented in 2025. In this section, additional details for the key recommendations above are discussed based on PY2023 EM&V recommendations in the IOU Energy Efficiency Portfolio Report.¹³

We appreciate ETI's ongoing collaboration with and support of the EM&V effort. At the same time, based on a review of its 2025 EEPR, the EM&V team identified opportunities for ETI to improve its responsiveness to PY2023 recommendations, which are summarized in the table below. This is followed by additional opportunities to better highlight ETI's program accomplishments.

¹⁰ "The ETI Solutions High Performance Homes MTP (NEW HOMES MTP) has been combined with the A/C Distributor MTP (DIST PROD MTP) into the Residential Solutions MTP (RES SOL MTP) for increased administrative efficiency and flexibility." (ETI EEPR page 9)

¹¹ ETI provides helpful program overview links on Page 6 of the EEPR to http://www.entergy-texas.com/energy_efficiency and [Enterigy Solutions | Enterigy Texas | We power life](#). This recommendation is specifically for program manuals, which provide detailed implementation information.

¹² ETI EEPR page 13.

¹³ Project No. 38578, Item 144, [Interchange - Documents](#).

Table 1. Responsiveness to PY2023 Recommendations

IOU report section and topic	PY2023 EM&V recommendation	ETI response	EM&V EEPR review recommendation
EM&V recommendations not incorporated into EEPR			
IOU Recommendations Portfolio-Level (Volume 1, Section 2.3.1) Cost Cap Analysis	Work with the PUCT to standardize EEPR reporting followed by EECRF reporting. Starting with 2025 filings, include a summary of sector-projected program budgets as a percentage of sector cost cap in annual EEPRs; include actual program budgets as a percentage of sector cost cap in annual EECRFs.	ETI is willing to work with staff to standardize reporting.	Projected customer cost cap information was not included in plans as recommended starting in 2025. Additional recommendations include information to consider for the standardized reporting.
IOU Recommendations Portfolio-Level (Volume 1, Section 2.3.1) Program Tracking	Load management programs should be tracked and reported as separate programs from energy efficiency.	ETI responded they would assess separating residential load management.	Separate load management from energy efficiency as discussed with the EM&V team and Staff and updated in the TRM.
	Include unique participant identifiers for all programs other than upstream and unique measure identifiers for all programs.	ETI responded that unique participants with identifiers are already tracked in its databases.	Discuss in EEPR R&D activities of database development how these improve the management and/or evaluability of the program, particularly in relation to AMI data analysis and standardization of measure identifiers with the TRM ¹⁴ .
ETI-Specific Recommendations (Volume 3, Section 3.1) Year-Over-Year Comparisons	The PUCT and EM&V team should discuss with ETI their reasons for not offering a Commercial SOP and any future plans to balance the program design of commercial MTP and SOP offerings.	ETI responded with a number of benefits of a program implementer.	Provide MTP-required information as outlined in §25.181 (m)(3) and in (m)(4) to facilitate continued discussions on this recommendation.
ETI-Specific Recommendations (Volume 3, Section 3.1) Load Management	It is important to track and report load management and energy efficiency as separate programs, given the different objectives of these offerings.	ETI responded they would assess separating residential load management.	Separate load management from energy efficiency as discussed with the EM&V team and Staff and updated in the TRM.

¹⁴ The EM&V team discussed with ETI the substantial attrition of participants in the PY2023 consumption analysis when there was not a unique identifier to tie program tracking data to unique customer accounts as well as difficulty in measure-level analysis due to different measure IDs across implementation contractors.

IOU report section and topic	PY2023 EM&V recommendation	ETI response	EM&V EEPR review recommendation
Information to highlight in future EEPRs			
IOU Recommendations Residential (Volume 1, Section 2.3.1) New Homes	Continue to offer tiered incentive levels for building above ENERGY STAR® up to Net Zero and higher efficiency HVAC equipment.	ETI reported they offer tiered incentives that are in line with this recommendation..	Add how tiered incentives address market barriers added to future EEPRs, and discuss the success/challenges of the tiered incentives toward MTP goals in the EEPR.
	Assess the timeliness of program incentive payments and consider an online program portal.	ETI developed an online portal..	Discuss the development of this portal and how/if it helped streamline participation in the EEPR.
	Consider training and outreach events specifically geared toward HVAC contractors and other trade allies that work with builders and raters to construct more efficient homes.	ETI reported that they support a variety of trainings.	List trade ally training activities ETI sponsors in support of its portfolio in the EEPR.
IOU Recommendations Residential (Volume 1, Section 2.3.1) Household Survey	Consider including more customer education in programs around the benefits of thermostat setbacks for heating and cooling and the use of smart thermostats.	ETI indicated that they expanded PY2024 marketing efforts to include more customer education.	Identify customer education and marketing strategies in the EEPR.
IOU Recommendations Residential (Volume 1, Section 2.3.1) Retrofit Programs Consumption Survey	Residential retrofit program savings measured consumption through weather-normalized AML data showed analysis variation in performance across IOUs' PY2022 and PY2023 residential SOP, hard-to-reach (HTR), and low-income programs, and measures.	ETI reported reintroducing <i>air infiltration</i> into its Residential SOP starting in PY2025.	Highlight ETI's good consumption analysis results, allowing the reintroduction of this measure.
ETI-Specific Recommendations (Volume 3, Section 3.1) Commercial Savings	The PUCT and EM&V team should discuss with ETI the plans to continue to diversify the commercial measure mix beyond <i>lighting</i> , including the potential of <i>HVAC</i> , behavior, and other measures to meet customer needs more comprehensively.	ETI reports expanding its measure mix to include HVAC subprograms, a growing behavior component, and incorporating high-efficiency kitchen measures.	Include existing, new, and expanded measure offerings in the EEPR.
ETI-Specific Recommendations (Volume 3, Section 3.1) Residential Savings	The PUCT and EM&V team should discuss with ETI successes and challenges in diversifying their residential measure mix, including best practices they have employed	ETI reported success in <i>envelope</i> measures by requiring the residential SOP & HTR contractors to perform one structural improvement	Highlight successful program strategies in the EEPR.

IOU report section and topic	PY2023 EM&V recommendation	ETI response	EM&V EEPR review recommendation
	in <i>HVAC</i> and <i>envelope</i> measures, which are evident in both the percentage of savings achieved by these measures and the favorable consumption analysis results.	to the home before doing any direct installation measures.	



To: Steve Mutiso, Southwestern Electric Power Company (SWEPCO), and Ramya Ramaswamy, Public Utility Commission of Texas (PUCT)

Cc: Jenny DiLeo, Allison Fink, Tugi Gotoru, James Harville, Patricia Garcia, Therese Harris, PUCT and Debra Miller, SWEPCO

From: Lark Lee, Mark Bergum, Katie Jakober, Najoua Jouini and Tina Yoder, the PUCT Evaluation Measurement & Verification (EM&V) team

Date: April 24, 2025

Subject: SWEPCO 2025 Energy Efficiency Plan and Report (EEPR) review

This memorandum summarizes the EM&V team's review of SWEPCO's 2025 EEPR filed in Project No. 57468.¹ The EM&V team's review is based on SWEPCO's response to the program year (PY) 2023 (PY2023) EM&V recommendations filed in the 2024 EEPR Project No. 56003.²

We first present key findings and recommendations, followed by supporting details on the integration of PY2023 EM&V recommendations.³ The SWEPCO section of Volume 3 of the PY2024 Investor-Owned Utilities (IOUs) report will update the trend analysis of SWEPCO's portfolio, which may result in additional recommendations for PY2026 programs.

KEY FINDINGS AND RECOMMENDATIONS

From our review of SWEPCO's 2025 EEPR, the EM&V team identified corrections in keeping with the Energy Efficiency Rule §25.181 (EE Rule) to be made in an amended EEPR. We also provide forward-looking recommendations to improve the information provided in plans and reports starting in 2026.

CORRECTIONS

Correction #1: Categorize the residential load management Bring Your Own Device pilot as a standard offer program (SOP) in 2026 as opposed to a market transformation program (MTP) unless the program is designed to address specific market barriers.⁴

- One of the factors SWEPCO used to distinguish MTPs from SOPs is how the program is implemented,⁵ but the primary factor should be the program design.
- It is not substantiated that load management has substantial enough market barriers that a MTP is needed.
- Identify when curtailment events will be called. For example, summer or winter and time periods.

¹ Item 8, [57468_8_1485287.PDF](#)

² Item 26, [56003_26_1469359.PDF](#)

³ The EM&V key findings and recommendations presented in this memo are in addition to corrections or clarifications requested as part of the EM&V program tracking data verification process of all claimed savings.

⁴ See §25.181 (m)(3)(G) *a description of how the program will achieve the transition from extensive market intervention activities toward a largely self-sustaining market.*

⁵ See SWEPCO 2025 EEPR, page 7, section B. Implementation Process.

Correction #2: Ensure historical claimed savings align with prior amended EEPRs.⁶

FORWARD-LOOKING IMPROVEMENTS

Recommendation #1: Conduct a baseline study to expand and update the required market transformation program (MTP) information including program strategies to address market barriers and achieve goals, program design successes and challenges, and progress toward market goals.

- SWEPCO's portfolio offers a balance of SOPs and MTPs to customers with the EEPR providing information on market barriers and strategies for SWEPCO's commercial MTPs. However a baseline study is needed to assess progress toward market goals and should also support SWEPCO's growth strategies.
 - EE Rule required information⁷ includes: program goals; market barriers the program is designed to overcome; key intervention strategies for overcoming those barriers; estimated costs and projected energy and capacity savings; a baseline study that is appropriate in time and geographic region; program implementation timeline and milestones; a description of how the program will achieve the transition from extensive market intervention activities toward a largely self-sustaining market; a method for measuring and verifying savings; the period over which savings shall be considered to accrue, including a projected date by which the market will be sufficiently transformed so that the program should be discontinued.
 - The commercial SOP did not fully utilize its incentive budget due to lower-than-expected participation while the COMPASS for Schools MTP went over budget due to a greater demand for services in this sector⁸. A baseline study can inform SWEPCO portfolio strategies to both facilitate commercial SOP participation as well as identify persistent market barriers that may require continued MTP interventions.
 - PY2023 saw a decrease in demand reductions and energy savings across SWEPCO's portfolio, a baseline study should also help SWEPCO actively identify and incorporate growth opportunities in a costeffective manner.
 - Conduct a baseline study for residential markets if a residential MTP is considered in future plans. The 2025 EEPR does not have any residential MTPs.

Recommendation #2: Provide projected cost cap percentage graphs by customer class for plans and actual cost cap performance graphs by customer class for reports.

- The EM&V team recommended that cost cap percentages be provided starting with 2025 filings due to stakeholder interest in this information and difficulty finding it consistently across IOU filings.⁹

Recommendation #3: Provide additional program information to improve understanding of SWEPCO's program design and delivery.

- List incentivized measures would demonstrate SWEPCO's diversification of its measure offerings as indicated in its response to PY2023 EM&V recommendations.

⁶ One correction is needed for SWEPCO as follows: Table 7: 2023 Savings Achieved (MWh) shown in 2025 EEPR as 13,360 instead of 2024 Amended EEPR value of 13,450. All other 2023 or other previous years tables are consistent with 2024 Amended EEPR.

⁷ §25.181 (m)(3) (m)(4), and (n)(2)(M) list required information for MTPs.

⁸ SWEPCO 2025 EEPR page 20.

⁹ For 2025, cost cap performance information can be provided to Tetra Tech to include in the PY2024 IOU Energy Efficiency Report.

- Highlight program strategies such as tiered incentive strategies and trade ally training, which SWEPCO included in its response to PY2023 EM&V recommendations, would be informative.
- Continue to include links to program manuals providing streamlined access to additional program implementation details as done in SWEPCO's 2025 EEPR.¹⁰

Recommendation #4: Highlight new developments across programs to demonstrate SWEPCO's continuous improvement of its programs.

- SWEPCO's response to PY2023 EM&V recommendations indicated SWEPCO is employing new strategies such as increased customer education in its marketing and diversifying its measure mix to both residential and commercial customers.

Recommendation #5: Explain how research and development (R&D) expenditures will inform future program strategies or improve the management and evaluability of programs.

Correction #2: Identify Research and Development (R&D) activities planned in the plan section of the EEPR similar to the discussions in the report section of the EEPR.

- One example of a R&D activity to include in plans is if database development will address the EM&V program tracking data recommendations.

EEPR INTEGRATION OF PY2023 EM&V RECOMMENDATIONS

Consistent with §25.181(q)(9), recommendations resulting from the PY2023 evaluation research—completed in 2024—are expected to be implemented in 2025. In this section, additional details for the key recommendations above are discussed based on PY2023 EM&V recommendations in the IOU Energy Efficiency Portfolio Report.¹¹

We appreciate SWEPCO's ongoing collaboration with and support of the EM&V effort. At the same time, based on a review of its 2025 EEPR, the EM&V team identified a couple of opportunities for SWEPCO to improve its responsiveness to PY2023 recommendations, which are summarized in the table below. This is followed by additional opportunities to better highlight SWEPCO's program accomplishments.

Table 1. Responsiveness to PY2023 Recommendations

IOU report section and topic	PY2023 EM&V recommendation	SWEPCO response	EM&V EEPR review recommendation
EM&V recommendations not incorporated into EEPR			
IOU Recommendations Portfolio-Level (Volume 1, Section 2.3.1) Cost Cap Analysis	Work with the PUCT to standardize EEPR reporting followed by EECRF. Include a summary of sector-projected program budgets as a percentage of sector cost cap in annual EEPRs; include actual program budgets as a percentage of sector cost cap in annual EECRFs.	SWEPCO will work with staff to standardize reporting.	Projected customer cost cap information was not included in plans as recommended starting in 2025. Additional recommendations include information to consider for the standardized reporting.

¹⁰ SWEPCO provides helpful program manual links on page 6 of their 2025 EEPR.

¹¹ Project No. 38578, Item 144, [Interchange - Documents](#).

IOU report section and topic	PY2023 EM&V recommendation	SWEPCO response	EM&V EEPR review recommendation
IOU Recommendations Portfolio-Level (Volume 1, Section 2.3.1) Program Tracking	Include unique participant identifiers for all programs other than upstream and unique measure identifiers for all programs.	SWEPCO responded that unique participants with identifiers are already tracked in its databases, which we appreciate, but the second component of this recommendation is consistent measure identifiers and was not addressed	Discuss in EEPR R&D activities of database development how these improve the management and evaluability of the program, particularly in relation to AMI data analysis and standardization of measure identifiers with the TRM ¹² .
SWEPCO-Specific Recommendations (Volume 3, Section 4.1) Year-Over-Year Comparisons and Commercial Savings	The PUCT and EM&V team should discuss with SWEPCO: 1) the decrease in demand reductions and energy savings seen in PY2023, 2) plans to continue to increase demand reductions through energy efficiency, and 3) the balance of SOPs and MTPs in their portfolio. In particular, commercial SOP savings and demand reductions have been decreasing since PY2021.	SWEPCO responded they are willing to continue to discuss with the PUCT and EM&V team growth strategies in the identified areas.	Conduct a baseline study as outlined in §25.181 (m)(E) to support program design and delivery strategies and facilitate continued discussions on these recommendations ¹³ .
Information to highlight in future EEPRs			
IOU Recommendations Residential (Volume 1, Section 2.3.1) Household Survey	Consider including more customer education in programs around the benefits of thermostat setbacks for heating and cooling and the use of smart thermostats as well as the comfort benefit of HVAC measures.	SWEPCO indicated that they would incorporate education on identified topics in their customer outreach.	Highlight new or expanded customer education and marketing strategies in the EEPR.
SWEPCO-Specific Recommendations (Volume 3, Section 4.1) Commercial Savings	The PUCT and EM&V team should discuss with SWEPCO plans to continue to diversify the commercial measure mix beyond <i>lighting</i> , including its success in expanding <i>HVAC</i> .	SWEPCO has successfully expanded its measure mix, which would be informative to describe in the EEPR.	Discuss successful program strategies to increase commercial HVAC projects in the EEPR.

¹² SWEPCO is included in the AMI data consumption analysis starting with the PY2024 EM&V scope; the EM&V will work with SWEPCO if any tracking data issues need to be resolved for future analyses.

¹³ If residential MTP offerings are considered in future EEPRs, conduct a baseline study for residential markets.

IOU report section and topic	PY2023 EM&V recommendation	SWEPCO response	EM&V EEPR review recommendation
SWEPCO-Specific Recommendations (Volume 3, Section 4.1) Residential Savings	The PUCT and EM&V team should discuss with SWEPCO the strategies they have used to successfully increase HVAC measures and maintain insulation in their residential programs and their plans to continue doing so.	SWEPCO reports continuing to assess opportunities to diversify the residential measure mix.	Discuss successful program strategies to diversify the residential measure mix in the EEPR.



To: Jeremy Lovelady, Southwestern Public Service Company (SPS) and Ramya Ramaswamy, Public Utility Commission of Texas (PUCT)

Cc: Jenny DiLeo, Allison Fink, Tugi Gotoru, James Harville, Patricia Garcia, Therese Harris, PUCT and Grant Gervais, SPS

From: Lark Lee, Mark Bergum, Katie Jakober, Najoua Jouini and Tina Yoder, the PUCT Evaluation Measurement & Verification (EM&V) team

Date: April 24, 2025

Subject: SPS 2025 Energy Efficiency Plan and Report (EEPR) review

This memorandum summarizes the EM&V team's review of SPS's 2025 EEPR filed in Project No. 57468.¹ The EM&V review is based on SPS's response to the program year (PY) 2023 (PY2023) EM&V recommendations filed in the 2024 EEPR Project No. 56003.²

We first present key findings and recommendations, followed by supporting details on the integration of PY2023 EM&V recommendations.³ The SPS section of Volume 3 of the PY2024 Investor-Owned Utilities (IOUs) report will update the trend analysis of SPS's portfolio, which may result in additional recommendations for PY2026 programs.

KEY FINDINGS AND RECOMMENDATIONS

From our review of SPS's 2025 EEPR, the EM&V team identified corrections in keeping with the Energy Efficiency Rule §25.181 (EE Rule) to be made in an amended EEPR. We also provide forward-looking recommendations to improve the information provided in plans and reports starting in 2026.

CORRECTIONS

Correction #1: Categorize the Hard-to-Reach Food Bank program as a standard offer program (SOP) as opposed to a market transformation program (MTP)⁴ unless the program is designed to address specific market barriers.⁵

- While recognizing SPS's report that this program is well-received by customers, it does not appear to be a MTP as outlined in the EE Rule.

Correction #2: Complete program templates for new programs; these can be filed in EEIP or an amended EEPR.⁶

¹ Item 11, [57468 11 1485400.PDF](#)

² Item 24, [56003 24 1464755.PDF](#)

³ The EM&V key findings and recommendations presented in this memo are in addition to corrections or clarifications requested as part of the EM&V program tracking data verification process of all claimed savings.

⁴ 2025 EEPR page 29 refers to this program as a MTP.

⁵ See §25.181 (m)(3)(G) *a description of how the program will achieve the transition from extensive market intervention activities toward a largely self-sustaining market.*

⁶ §25.181 (s)(3) list required program templates for new offerings and that this can be filed in EEIP if not included in EEPRs. This request is for the School Education Kits MTP (new in PY2026) and Residential Codes MTP (first claiming savings in PY2025).

- Program templates should provide a program overview, objectives, goals and budgets, eligibility, measures, measurement and verification (M&V), program processes, promotions, and savings determinations when a new program or program component is introduced.

Correction #3: Ensure historical claimed savings align with prior amended EEPRs.⁷

Correction #4: Identify Research and Development (R&D) activities completed in the PY2024 report section of the EEPR similar to the discussions in the plans section of the EEPR.

FORWARD-LOOKING IMPROVEMENTS

Recommendation #1: Expand the MTP section for each program to discuss program strategies to address market barriers and achieve goals, program design successes and challenges, and progress toward market goals.⁸

- While SPS's EEPR provides information on market barriers and strategies for SPS's MTPs in a specific MTP section, it does not address all the required components in the EE rule.
 - Provide all of the information specified in the EE Rule, especially in light of increased MTP offerings.
 - EE Rule required information includes: program goals; market barriers the program is designed to overcome; key intervention strategies for overcoming those barriers; estimated costs and projected energy and capacity savings; a baseline study that is appropriate in time and geographic region; program implementation timeline and milestones; a description of how the program will achieve the transition from extensive market intervention activities toward a largely self-sustaining market; a method for measuring and verifying savings; the period over which savings shall be considered to accrue, including a projected date by which the market will be sufficiently transformed so that the program should be discontinued.

Recommendation #2: Provide projected cost cap percentage graphs by customer class for plans and actual cost cap performance graphs by customer class for reports.

- The EM&V team recommended that cost cap percentages be provided starting with 2025 filings due to stakeholder interest in this information and difficulty finding it consistently across IOU filings. SPS is sending the requested information in spreadsheet format for 2025 while a consistent EEPR template is being developed for 2026.

Recommendation #3: Organize information by programs with additional highlights to improve understanding of SPS's program design and delivery.

- Continue to list incentivized measures to demonstrate SPS's diversification of its measure offerings as indicated in its response to PY2023 EM&V recommendations and inclusion in 2025 EEPR.

⁷ The following inconsistencies were found in SPS's 2025 EEPR: 2016 - 2020 Table 5: Total System Actual and Residential & Commercial Actual numbers are not the same between the 2025 and 2024 filings. 2021 Table 5: Total System Actual Weather Adjusted number is not the same between the 2025 and 2024 filings. Table 8: Calendar Year 2021 and 2020 are not the same between the 2025 and 2024 EEPRs.

⁸ §25.181 (m)(3) and (m)(4) list required information for MTPs.

- Highlight portfolio strategies such as the innovating with new MTPs, trade ally training, and community partnerships, which SPS included in its response to PY2023 EM&V recommendations.
- Add links to program manuals to provide streamlined access to additional program implementation details, given that EEPR program information is high-level⁹.
- Report all claimed savings in kW and kWh instead of rounding to MW and MWh

Recommendation #4: Highlight new developments across programs to demonstrate SPS's continuous improvement of its programs.

- SPS's response to PY2023 EM&V recommendations indicated SPS is employing new strategies such as increased customer education in its marketing, expanded measures such as VFDs and adding solar to its Commercial SOP.

Recommendation #5: Explain how program tracking development will inform future program strategies or improve the management and evaluability of programs.

- It is not clear how program tracking database development will improve future programs.

EEPR INTEGRATION OF PY2023 EM&V RECOMMENDATIONS

Consistent with §25.181(q)(9), recommendations resulting from the PY2023 evaluation research—completed in 2024—are expected to be implemented in 2025. In this section, additional details for the key recommendations above are discussed based on PY2023 EM&V recommendations in the IOU Energy Efficiency Portfolio Report.¹⁰

We appreciate SPS's ongoing collaboration with and support of the EM&V effort. At the same time, based on a review of its 2025 EEPR, the EM&V team identified a few opportunities for SPS to improve its responsiveness to PY2023 recommendations, which are summarized in the table below. This is followed by additional opportunities to better highlight SPS's program accomplishments.

⁹ SPS provides helpful program overview link on Page 16 of the EEPR to [Home | Xcel Energy | Official Site](#). This recommendation is specifically for program manuals, which provide detailed implementation information.

¹⁰ Project No. 38578, Item 144, [Interchange - Documents](#).

Table 1. Responsiveness to PY2023 Recommendations

IOU report section and topic	PY2023 EM&V recommendation	SPS response	EM&V EEPR review recommendation
EM&V recommendations not incorporated into EEPR			
IOU Recommendations Portfolio-Level (Volume 1, Section 2.3.1) Program Tracking	Include unique participant identifiers for all programs other than upstream and unique measure identifiers for all programs.	SPS responded that unique participants with identifiers are already tracked in its databases, which we appreciate, but the second component of this recommendation is consistent measure identifiers and was not addressed.	Discuss in EEPR tracking system section any changes that improve the management and evaluability of the program, particularly in relation to AMI data analysis and standardization of measure identifiers with the TRM ¹¹ .
SPS-Specific Recommendations (Volume 3, Section 5.1) Year-Over-Year Comparisons	The PUCT and EM&V team should discuss with SPS strategies used to successfully maintain program savings even with the increase in federal baseline changes.	SPS incorporates best practices and lessons learned from each of its 8 states, including the recent additions MTPs such as HVAC and Codes.	While applauding SPS's portfolio innovation and recognizing the challenges of SPS's territory, please provide MTP-required information as outlined in §25.181 (m)(3) to ensure adapting best practice programs specifically designed for SPS customers.
	Discuss Xcel SPS' successful strategies used to achieve almost two-thirds of portfolio demand reductions through energy efficiency, and any future plans to continue to achieve this level of demand reductions through energy efficiency.	A limited number of customers have the ability to participate in the Load Management SOP, SPS has seen declining enrolled kW available for curtailment over the last few years. Due to these factors SPS has had to get creative to achieve its demand savings goals.	
Information to highlight in future EEPRs			
IOU Recommendations Portfolio-Level (Volume 1, Section 2.3.1) Cost Cap Analysis	Work with the PUCT to standardize EEPR reporting followed by in(EECRF) reporting. Starting with 2025 filings, include a summary of sector-projected program budgets as a percentage of sector cost cap in annual EEPRs; include actual program budgets as a percentage of sector cost cap in annual EECRFs.	SPS is willing to work with staff to standardize reporting.	Projected customer cost cap information is sent separately by SPS in spreadsheet form to comply with this recommend starting in 2025. Additional recommendations include information to consider for the standardized reporting.
SPS-Specific Recommendations	Discuss Xcel SPS' successful strategies used to deliver a	SPS is working with low-income apartments	Highlight these successful program

¹¹ SPS is included in the AMI data consumption analysis starting with the PY2025 EM&V scope; the EM&V will work with SPS if any tracking data issues need to be resolved for future analyses.

IOU report section and topic	PY2023 EM&V recommendation	SPS response	EM&V EEPR review recommendation
(Volume 3, Section 5.1) Year-Over-Year Comparisons	high percentage of portfolio savings to Hard-To-Reach/Low-Income customers.	to offer rebates for switching from HVAC to efficient heat pumps, community-based organizations to assist low-income homeowners make their houses more energy efficient, and foodbanks to inform participants about other SPS services and programs.	strategies to serve this customer segment in the EEPR.
SPS-Specific Recommendations (Volume 3, Section 5.1) Year-Over-Year Comparisons	Discuss how SPS has been successful in fully meeting its demand reduction goal through energy efficiency and their challenges in doing so consistently.	This has become increasingly challenging due in part to an increase in the lighting baseline which impacts multiple programs across the portfolio, increased commercial contractor competition for the same projects in the Company's other service territories, and a general lack of SPS program awareness.	Discuss program changes in response to the federal lighting baseline in the Lighting MTP. Identify if the newer Refrigerator Recycling MTP and School Kits MTP are planned to also raise awareness of other energy efficiency programs in response to the program awareness barrier.
SPS-Specific Recommendations (Volume 3, Section 5.1) Commercial Savings	The PUCT and EM&V team should discuss with SPS the plans to continue to diversify the commercial measure mix beyond <i>lighting</i> .	SPS is working with contractors on diverse measures such as VFDs devices and adding solar as a measure offering. VFD pipeline for 2025 is strong.	Highlight new and expanded measure offerings in the EEPR and successful strategies to increase the measure such as discussed for VFDs.
SPS-Specific Recommendations (Volume 3, Section 3.1) Residential Savings	Discuss SPS' strategies and future plans to diversify the residential measure mix beyond lighting to serve customers more comprehensively.	SPS cites diverse residential portfolio with six residential and three HTR programs while evaluating and adding new programs. The Residential HVAC MTP program is gaining traction and should play a greater part of the portfolio in coming years. In 2024, SPS incorporated the Residential Codes & Standards program	Provide program templates in EEPRs for new programs in addition to the above-mentioned MTP information to clearly convey the value delivered to customers through SPS' portfolio innovations.

IOU report section and topic	PY2023 EM&V recommendation	SPS response	EM&V EEPR review recommendation
IOU Recommendations Residential (Volume 1, Section 2.3.1) Household Survey	Consider including more customer education in programs around the benefits of thermostat setbacks for heating and cooling and the use of smart thermostats.	SPS indicated that they are assessing marketing efforts to include more customer education.	Identify customer education and marketing strategies in the EEPR.