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Southwestern Public Service Company

Amended

2025 Energy Efficiency Plan and Report

Substantive Rules §§ 25.181, 25.182, and 25.183

May 1, 2025

Project No. 57468

Xcel Energy℠
SOUTHWESTERN PUBLIC SERVICE

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Introduction

Southwestern Public Service Company ("SPS") presents this Amended Energy Efficiency Plan and Report ("EEPR") to comply with 16 Tex. Admin. Code ("TAC") §§ 25.181, 25.182, and 25.183 (collectively referred to herein as the "EE Rules"), which are the Public Utility Commission of Texas's ("Commission") rules implementing Public Utility Regulatory Act ("PURA") § 39.905.[1] As mandated by this section of PURA, 16 TAC § 25.181(e)(1) requires that each investor-owned electric utility achieve the following minimum goal through market-based standard offer programs ("SOPs"), targeted market transformation programs ("MTPs"), or utility self-delivered programs:

- A utility shall acquire a 30% reduction of its annual growth in demand of residential and commercial customers.
- A utility may have a different demand reduction goal if the demand reduction goal of 30% of its annual growth in demand is equivalent to at least four-tenths of 1% of its summer weather-adjusted peak demand for the combined residential and commercial customers. This is also known as the "trigger."
- Once the trigger is satisfied, 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.

[1] PURA is codified at Tex. Util. Code Ann. §§ 11.001–66.016.

Energy Efficiency Plan and Report Organization

This EEPR consists of an executive summary and two main components: the Energy Efficiency Plan ("EEP") and the Energy Efficiency Report ("EER").

- The Executive Summary highlights SPS's reported achievements for 2024 and SPS's plans for achieving its 2025 and 2026 projected energy efficiency savings goals.

Energy Efficiency Plan

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

Energy Efficiency Report

- Section V documents SPS's actual weather-adjusted demand savings goals and energy targets for the previous five years (2020-2024).
- Section VI compares SPS's projected energy and demand savings to its reported and verified savings by program for calendar years 2023 and 2024.
- Section VII documents SPS's incentive and administration expenditures for the previous five years (2020-2024) broken out by program for each customer class.
- Section VIII compares SPS's actual program expenditures for 2024 to its 2024 budget categorized by program for each customer class.
- Section IX describes the results from SPS's MTPs.
- Section X details SPS's current Energy Efficiency Cost Recovery Factor ("EECRF") collection.
- Section XI reflects revenue SPS collected through the 2024 EECRF.
- Section XII breaks out the over/under-recovery of energy efficiency program costs.

Appendices

- Appendix A – Reported kilowatt ("kW") and kilowatt-hour ("kWh") savings listed by county for each program.

Executive Summary

SPS submits this EEPR to comply with the EE Rules for Program Years ("PY") 2025 and 2026. The EEP portion of this EEPR details SPS's efforts to achieve reductions in peak demand and energy use among its residential and commercial customers. For PYs 2025 and 2026, SPS has developed energy efficiency portfolios designed to meet goals prescribed by 16 TAC § 25.181.

EEP Summary

Table 1 shows SPS's goal(s) calculations for PYs 2025 and 2026.[2] SPS's PY 2025 Demand and Energy goals were approved in Commission Docket No. 56570.

Table 1: Summary of Goals, Projected Savings, and Projected Budgets (at Meter)

Calendar Year	2025	2026
5-Year Average Peak Demand (MW)	(44.257)	(10.431)
Goal Metric: 0.4% Peak Demand (MW)	5.757	5.716
Demand Goal (MW)	6.027	6.027
Goal Metric: 0.4% Peak Energy (MWh)	10,087	10,014
Energy Goal (MWh)	10,559	10,559
Budget[3]	$4,977,309	$5,130,854

[2] All megawatt ("MW") and megawatt hour ("MWh") figures in Table 1 are given "at Meter."

[3] Projected Budget amounts are set forth in Table 7.

In 2019, SPS met the demand goal trigger described in 16 TAC § 25.181(e)(1)(B). Because the trigger has been met, SPS calculated its demand reduction goal for PY 2026 using four-tenths of 1% of its summer weather-adjusted five-year average (2020-2024) peak demand for the combined residential and commercial customers. This calculation yields a goal metric of 5.716 MW, which is lower than SPS's PY 2025 goal of 6.027 MW. Therefore, in accordance with 16 TAC § 25.181(e)(1)(D), SPS is using its previous year's goal of 6.027 MW for PY 2026.

The "Energy (MWh) Goal" is calculated from the demand goal using a 20% conservation load factor, as mandated in 16 TAC § 25.181(e)(4). Thus, the "Energy (MWh) Goal" is 20% of the product of the "Demand Goal (MW)" and 8,760 (the number of hours in a typical year).

SPS will implement the following SOP and MTP programs in 2025:

- Large Commercial SOP;
- Small Commercial MTP;
- Load Management SOP;
- Retro-Commissioning MTP;
- Residential SOP;
- Smart Thermostat MTP;
- Refrigerator Recycling MTP;
- Home Lighting MTP;
- Hard-to-Reach SOP;
- Low-Income Weatherization SOP;
- Residential HVAC MTP;
- Hard-to-Reach Food Bank SOP; and
- Residential Codes MTP.

The projected savings, budgets, and implementation plans included in this EEPR comply with the EE Rules and incorporate lessons learned from energy efficiency service providers ("EESP") and customer participation in the various energy efficiency programs. The projected savings reported in this document assume that all the available funds for energy efficiency programs are reserved by contractors and/or for self-delivered MTPs and expended energy efficiency projects.

EER Summary

The EER portion of this EEPR demonstrates that in 2024, SPS achieved 6,473 kW of reduction in demand and 13,631,436 kWh of energy savings, which equals 107% and 129%, respectively, of SPS's demand goal of 6,027 kW and energy savings goal of 10,559,329 kWh.

The expenditures for these 2024 programs were $4,320,979,[4] which was 95% of SPS's budget. To meet the goal of a four-tenths of 1% reduction in the summer weather-adjusted peak demand through energy efficiency, SPS implemented: the Large Commercial SOP; Small Commercial MTP; the Load Management SOP; the Retro-Commissioning MTP; the Residential SOP for single- and multi-family residences; the Smart Thermostat MTP; the Refrigerator Recycling MTP; the Home Lighting MTP; the Hard-to-Reach SOP for low-income, single- and multi-family residences; the Low-Income Weatherization SOP; the Residential HVAC MTP; the Hard-to-Reach Food Banks SOP; and Residential Codes MTP. Table 2 below compares the 2024 projected savings and budget to the reported savings as well as actual expended funds for 2024.

Table 2: Summary of 2024 Projected Savings and Budget, Reported Savings, and Expended Funds

Calendar Year	2024
Demand Goal (MW)	6.027
Energy Goal (MWh)	10,559
Projected MW Savings	9.44
Projected MWh Savings	16,678
Reported/Verified MW Savings	6.47
Reported/Verified MWh Savings	13,631
Total Funds Budgeted	$4,545,219
Total Funds Expended	$4,320,979

[4] This number includes costs associated with all 2023 Evaluation, Measurement, and Verification ("EM&V") activities and SPS's 2024 EECRF expenses.

Energy Efficiency Plan

I. 2025 and 2026 Programs

A. Program Portfolios

PURA § 39.905 and 16 TAC § 25.181 establish peak demand reduction goals and program guidelines for investor-owned electric utilities in Texas. SPS is committed to offering cost-effective energy efficiency programs to ensure that its Texas retail customers are offered the same energy efficiency services that are available to consumers in other areas of the state.

This EEP reflects SPS's continued commitment to provide its customers with energy efficiency opportunities. For PY 2025, SPS proposes to offer multiple SOPs, multiple MTPs, and a weatherization program to its residential and commercial customer classes to meet the requirements under the EE Rules. The following EEP outlines SPS's planned efforts to encourage its residential and commercial customers to participate in its energy efficiency programs, including a discussion of proposed programs, budgets, and program impact estimates.

Table 3 below summarizes SPS's PY 2025 programs and targeted customer classes. SPS is proposing to incorporate its School Kits MTP as a full program in 2026.

Table 3: 2025/2026 Energy Efficiency Program Portfolio

Program	Target Customer Class	Application
Large Commercial SOP	Large Commercial	Retrofit; New Construction
Small Commercial MTP	Small Commercial	Retrofit; New Construction
Load Management SOP	Commercial	Curtailable Load
Retro-Commissioning MTP	Large Commercial	Retrofit
Residential SOP	Residential	Retrofit; New Construction
Smart Thermostat MTP	Residential	Buydown
Refrigerator Recycling MTP	Residential	Retrofit
Home Lighting MTP	Residential/Small Commercial	Buydown
Hard-to-Reach SOP	Residential Hard-to-Reach	Retrofit
Low-Income Weatherization SOP	Low-Income	Retrofit
Residential HVAC MTP	Residential	Retrofit
Hard-to-Reach Food Banks SOP	Residential Hard-to-Reach	Retrofit
Residential Codes MTP	Residential	Codes
School Kit MTP	Residential	Retrofit

The programs listed in

Table 3 are described in further detail below. SPS also maintains a website describing all the requirements for project participation, the forms required for project submission, and the current available funding. That website, which can be accessed at *http://www.xcelefficiency.com/*, is the primary method by which SPS communicates with potential project sponsors about program updates and information.

B. Administrative and Research Costs for 2025 and 2026

SPS's administrative costs are incurred to support the development and implementation of its programs, as well as the regulatory compliance requirements associated with PURA § 39.905 and 16 TAC § 25.181. The costs include but are not limited to employee labor and loading costs, employee travel expenses, the purchase of supplies, updating program databases, and legal costs. SPS monitors these costs on an ongoing basis and will make regular corrections to administrative spending, wherever possible, to ensure cost-effectiveness and regulatory compliance.

Research and Development ("R&D") costs include those costs for conducting studies and analyses to identify new programs or measures that enhance the energy efficiency or load management offerings and meet future energy and demand goals. For 2026, SPS is planning to continue research and test product strategies for the Codes & Standards program. This includes some research required to support compliance and attribution values specific to SPS for the residential measure that is already in implementation and may include additional research into the viability of a non-residential measure for proposal in a future TRM.

C. Existing Programs for 2026

SPS will continue to offer the following pre-existing programs in 2026.

Large Commercial Standard Offer Program

The Large Commercial SOP targets commercial customers with single-meter demand of at least 100 kW or aggregate meter demand of at least 250 kW. Incentives are paid to project sponsors based on verified deemed savings for a wide range of measures installed in new or retrofit applications. Typical eligible measures include light emitting diode ("LED") lighting, lighting

controls, commercial cooling and ventilation, commercial refrigeration enhancements, building envelope measures, and industrial process upgrades.

Small Commercial Market Transformation Program

The Small Commercial MTP is designed to assist small business customers with identifying and implementing cost-effective energy efficiency solutions for their workplace. Small business customers often encounter greater barriers to participation in energy efficiency programs that are not experienced by larger commercial and industrial ("C&I") customers. Often the two biggest barriers are lack of access to capital and a lack of information about what energy efficiency measures and strategies are the most cost-effective for the customer's individual situation. The Small Commercial MTP seeks to assist customers in overcoming these challenges by providing increased guidance throughout the decision-making process to help small business customers plan for, prioritize, and implement energy efficient measures. Successful program measures include LED lighting, lighting controls, and HVAC measures.

Load Management Standard Offer Program

The Load Management SOP was developed in 2012 in accordance with 16 TAC § 25.181, which authorizes participating project sponsors (customers or third-party sponsors) to provide on-call, voluntary curtailment of electricity consumption during peak demand periods in return for incentive payments. Incentives are based on verified demand savings that occur at SPS distribution sites taking primary or secondary service or at eligible institutional customers' sites. Customers are not required to produce a specific level of curtailed load, but they will receive payments for only the amount of load curtailed.

Retro-Commissioning Market Transformation Program

The Retro-Commissioning MTP is designed for identifying and implementing low-cost/no-cost measures, as well as capital projects to optimize and enhance existing facility systems by improving performance, reducing peak demand (kW), and saving energy (kWh). The program is flexible as to facility size, but caters to facilities with significant savings potential, which typically requires a minimum of 50,000 square feet of air-conditioned space.

Residential Standard Offer Program

The Residential SOP provides incentives to service providers for retrofit and new construction installations of residential measures that provide verifiable demand and energy savings. Successful measures include insulation, and LED lighting measures. This program has two components, one for single-family residences and one for multi-family residences. Incentives and savings are tracked separately for these components but are reported together in this EEPR.

Smart Thermostat Market Transformation Program

The Smart Thermostat MTP is designed to provide customers discounts on ENERGY STAR® Connected Thermostats through Xcel Energy's online storefront, which is owned and managed by an independent third party. An instant rebate will be applied at the point of sale to qualifying customers, which can be combined with manufacturer-sponsored discounts to lower the purchase price further. All SPS residential customers will be eligible to participate in this upstream offering, with a limit of two thermostat discounts per customer.

Refrigerator Recycling Market Transformation Program

The Refrigerator Recycling MTP is designed to decrease the number of inefficient refrigerators and freezers in the Company's service territory in an environmentally safe and compliant manner and, by doing so, achieve electric energy savings and peak demand reduction. Customers receive an incentive plus free pickup and disposal of their operable, inefficient refrigerator and freezer. A third-party implementer administers the product, including customer scheduling, pickup, recycling, and rebating. This product is primarily marketed through email, bill onserts, and online/social media efforts.

Home Lighting Market Transformation Program

The Home Lighting MTP offers SPS's customers point-of-sale rebates to reduce the cost of purchasing new, efficient LED bulbs through qualifying retailers. Point-of-sale rebates occur when the bulb manufacturer, retailer, and SPS combine efforts and/or funds to offer instant rebates on a

variety of bulb models, targeted mostly for residential use, enabling customers to purchase discounted LEDs without completing rebate forms.

Hard-to-Reach Standard Offer Program

Hard-to-Reach customers are defined by 16 TAC § 25.181(c)(27) as customers with an annual household income at or below 200% of federal poverty guidelines. The Hard-to-Reach SOP provides incentives for the comprehensive retrofit installations of a wide range of measures (ceiling insulation, duct sealing, air infiltration, LEDs, shower heads, and other) that reduce demand and save energy. This program is split into two segments, one for single-family residences and one for multi-family residences. Incentives and savings are tracked separately for these segments but are reported together in this EEPR.

Low-Income Weatherization Standard Offer Program

SPS's Low-Income Weatherization program is designed to cost-effectively reduce the energy consumption and energy costs of SPS's low-income customers. Under this program, one or more program implementers contract with not-for-profit community organizations and government agencies to provide weatherization services to SPS residential customers who meet the current Department of Energy income-eligibility guidelines. Implementation of SPS's Low-Income Weatherization program provides eligible residential customers appropriate weatherization measures and basic on-site energy education and satisfies the requirements of 16 TAC § 25.181(p).

Residential HVAC Market Transformation Program

The HVAC Market Transformation Program targets residential customers and participating HVAC contractors. The program seeks to install highly efficient HVAC equipment by influencing the dealers/contractors, distributors, and the customers. The customer receives a rebate when they purchase qualifying equipment, and the contractor may also receive an incentive for the installation of the equipment. A third-party implementor manages the program and assists the customers and HVAC contractors in the process of obtaining rebates and marketing of the program to all areas of SPS' Texas service territory.

Hard-to-Reach Food Bank Standard Offering Program

The Hard-to-Reach Food Bank program is designed to help income qualified customers save money by providing free energy efficiency measures through local food bank distribution sites. SPS is working with a third-party administrator and/or our third-party home-lighting implementer to provide lighting kits that are distributed through local food banks. Each kit consists of a four-pack of LEDs as well as an LED night light. Giving away free LED lighting kits provides customers with an easy start toward implementing energy efficiency in their home.

Residential Codes Market Transformation Program

The Residential Codes Market Transformation Program will proactively encourage and support jurisdictions to ensure compliance with the latest state-wide building codes for the residential market. Support will be designed to meet each jurisdiction where they are in the code adoption and implementation cycle, and work to build relationships with architects, builders, and city officials. Communities are given tools and resources to help them realize the economic and energy performance benefits of energy efficient buildings. Resources and training are provided to assist with barriers such as limited code staff time, how to ensure compliance, misinformation about the costs and benefits, and homebuilder awareness and knowledge about how to meet the new codes efficiently and cost effectively. Due to staffing constraints, SPS was unable to deliver 2024 savings results to the Independent Evaluator in time for them to be included in the 2024 evaluation. SPS is therefore not claiming savings for this program in 2024. SPS will file the program template for the Codes and Standards program before the Fall 2025 EEIP meeting.

D. New and Modified Programs for 2026

SPS is proposing to incorporate School Education Kits MTP as a full program in 2026.

School Education Kits Market Transformation Program

The School Education Kits program offers a multi-component kit that combines classroom activities and in-home projects primarily to fifth grade students and their parents to teach energy and water conservation. The program offers additional conservation education to high school

students and through community outreach. The kits include energy saving and water conservation measures that students implement at home with their families, including LED bulbs, a high-efficiency showerhead, and faucet aerators. The program offers electric savings, supports state education standards, and educates the next generation of energy consumers on how to be energy efficient. Additional low-cost incentives are offered to encourage students to return their Home Energy Worksheets, which help ensure installation of the provided measures and help determine installation rates. Marketing and outreach communications are implemented by the program vendor and consist of email and direct mail to teachers at eligible schools. SPS will file the program template for the School Education Kits program before the Fall 2025 EEIP meeting.

General Implementation Plan

Program Implementation

SPS will implement its energy efficiency programs in a non-discriminatory and cost-effective manner. For PYs 2025 and 2026, SPS intends to conduct programs using the following activity schedule:

- For each program year, SPS conducts a kick-off meeting with sponsors in early Q1 of that year or Q4 of the previous year. Sponsors are allowed to submit applications within one week of the kick-off meeting. These applications are reviewed and accepted in order of receipt.
- Throughout 2025, SPS has and will offer approved EESPs contracts to implement projects. After contract execution, the EESP may begin implementation and reporting of measures. All projects must be completed, and results reported to SPS before November 15, 2025. SPS will continue to inform the EESP community of pertinent news and updates by posting program notices on its energy efficiency website, offering local and Internet-based workshops (if necessary), and sending email notices to various energy service company associations.
- No later than January 1, 2026, SPS will announce its 2026 energy efficiency programs and open its website application pages to assist EESPs in preparing project applications for PY 2026. The application process gives sponsors feedback on whether projects are eligible and the level of incentives for which they may qualify.
- Throughout 2026, SPS will offer contracts to approved EESPs to implement energy efficiency projects. After contract execution, the EESP may begin implementation and

reporting of measures. All projects must be completed, and results reported to SPS before November 15, 2026. SPS will continue to inform the EESP community of pertinent news and updates by posting program notices on its energy efficiency website, offering local and Internet-based workshops (if necessary), and sending email notices to various energy service company associations.

- During 2025 and 2026, the Small Commercial MTP, Load Management SOP, Retro-Commissioning MTP, Refrigerator Recycling MTP, Home Lighting MTP, Smart Thermostat MTP, Low-Income Weatherization, Residential HVAC MTP, Hard-to-Reach Food Bank, and Residential Codes MTP will utilize third-party program implementers who will conduct a wide range of activities to facilitate and enable customer participation in these programs.

Program Tracking

SPS uses an online database to track program activity in its SOPs. The online database is accessible to project sponsors, implementers, and administrators. All program data can be entered in real-time, capturing added customer information (class, location by county, and utility account), installed measures (quantity, deemed or measured, serial numbers, and paid incentives), authorized incentives, inspection results (including adjustments), invoice requests, and payments. The database allows SPS to guard against duplicate incentive requests to SPS's programs.

SPS uses separate databases to track program activity for the Load Management SOP, Retro-Commissioning MTP, Smart Thermostat MTP, Home Lighting MTP, and Residential Codes MTP programs. These databases are managed by the third-party implementers for the programs.

Measurement and Verification

Many of the projects implemented under these programs will report demand and energy savings utilizing "deemed savings estimates" reviewed by the Independent Evaluator and approved by the Commission. If deemed savings have not been approved for a particular installation, such savings will be reported using an approved measurement and verification approach as allowed under 16 TAC § 25.181(o).

The International Performance Measurement and Verification Protocol will be used in the following situations:

- A Commission-approved deemed savings estimate is not available for the energy efficiency measures included in an eligible project; or
- An EESP has elected to follow the protocol because it believes that measurement and verification activities will result in a more accurate estimate of the savings associated with the project than would application of the Commission-approved deemed savings value.

Outreach and Research Activities

SPS anticipates that outreach to a broad range of EESPs and market segments will be necessary to meet the savings goals required by PURA § 39.905 and the EE Rules. SPS markets the availability of its programs by maintaining its website (http://www.xcelenergyefficiency.com/), which is the primary method of communication used to provide potential project sponsors with program updates and information. It contains detailed information regarding requirements for project participation, project eligibility, end-use measure eligibility, incentive levels, application procedures, and current available funding. All application forms required for project submission are available for download on the website.

SPS offers outreach workshops for the Residential and Hard-to-Reach SOPs. These workshops are held in person or via webinar. SPS invites air conditioning contractors, weatherization service providers, lighting vendors, big-box retailers, and national energy service companies to participate in the workshops. These workshops explain program elements, such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process. These workshops increase accessibility to EESPs who may work in several areas. SPS also offers workshops for the codes program, which includes city officials, builders and architects in order to promote building to the adopted code.

SPS participates in statewide outreach activities and attends industry-related meetings to generate awareness and interest in its energy efficiency programs.

SPS uses a mix of large C&I customer account management staff and third-party implementation staff to educate customers about the Large Commercial SOP, Load Management SOP, and Retro-Commissioning MTP. In 2025, the account management team and third-party implementation staff will continue their efforts to hold customer meetings and use marketing materials to explain the program and the requirements for participation.

II. Customer Classes

SPS targets the Commercial, Residential, and Hard-to-Reach customer classes with its energy efficiency programs. Table 4 summarizes the number of customers in each of the target customer classes. The annual budgets are allocated to customer classes by examining historical program results, evaluating economic trends, and considering 16 TAC § 25.181(e)(3)(F), which states that no less than 5% of the utility's total demand goal should be achieved through programs for Hard-to-Reach customers. SPS has relied on historical achievements to determine the budget allocations for PYs 2025 and 2026. Although these guidelines have been set, the actual distribution of the budget must remain flexible based upon the response of the marketplace and the potential interest that a customer class may have in a specific program.

Table 4: Summary of Customer Classes

Customer Class	Qualifications	Number of Customers[5]
Commercial	< 69 kV service voltage	54,178
Residential	All Residential	222,775
Hard-to-Reach[6]	Hard-To-Reach Income Requirement Residential subset	67,724

III. Projected Energy Efficiency Savings and Goals

As prescribed by 16 TAC § 25.181(e)(3), SPS's 2025 demand reduction goal is calculated by applying four-tenths of 1% (0.004) to the five-year average (2020-2024) peak demand, for residential and commercial customers combined, at the meter. Table 5 provides the peak load data used to calculate the demand reduction projection for the demand goal for PY 2026, as required by the EE Rules. To calculate this goal, SPS applied an average line loss factor of 8.06%[7] to the weather-normalized peak demand value for residential and commercial customers. SPS then

[5] Commercial and Residential number of customers reflect actual SPS customer counts as of December 2024. Hard-to-Reach customers were estimated based on the most recently available U.S. Census data. In 2023, 30.4% of Texans were below the 200% poverty threshold. https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pov/pov-06.html

[6] Hard-to-Reach customer counts are a subset of the Residential customer counts.

[7] SPS's most recently approved line loss study can be found in Docket No. 54634. For purposes of the EEPR, SPS used a simple average of line losses for all levels from the source to the meter.

removed the peak demand of opt-out customers from the residential and commercial peak demand values. SPS calculated the average peak demand for the combined residential and commercial customers for the previous five years (2020-2024). As shown in Table 5, during the previous five-year period, SPS has experienced an average summer weather-adjusted peak demand for the combined residential and commercial customers at the meter of 1,414 MW. SPS applied four-tenths of 1% (0.004) to the five-year average (2020-2024) peak demand resulting in a goal of 5.716 MW. Because this goal is lower than PY 2025's goal of 6.027 MW, SPS is using the previously approved goal for PY 2025 of 6.027 MW for PY 2026 in accordance with 16 TAC § 25.181(e)(1)(D).

Table 5: Annual Growth in Demand and Energy Consumption (at Meter)[8]

Calendar Year	Peak Demand (MW) @ Source						Energy Consumption (MWh) @ Meter				Energy Efficiency Goal Calculations			Previous Goal Metric		
	Total System		Residential & Commercial				Total System		Residential & Commercial							
	Actual	Actual Weather Adjusted	Actual	Actual Weather Adjusted	Opt-Out	Peak Demand @ Source Net Opt-outs	Actual	Actual Weather Adjusted	Actual	Actual Weather Adjusted	Peak Demand @ Meter (8.06% line losses)	5-year Average Peak Demand @ Meter	Goal Metric: 0.4% Peak Demand at Meter	Load Growth at Meter	5 Year Average Growth at Meter	30% Growth at Meter
2016	2,499	2,449	1,727	1,677	43	1,634	13,958,248	13,905,333	7,498,352	7,445,437	1,475	1,525	6.10	-5	-1.63	-0.49
2017	2,464	2,434	1,675	1,645	47	1,597	13,844,659	13,912,071	7,358,371	7,425,783	1,442	1,519	6.07	-33	-6.64	-1.99
2018	2,583	2,567	1,848	1,832	51	1,781	14,297,147	14,100,463	7,723,000	7,526,316	1,608	1,506	6.02	169	-12.39	-3.72
2019	2,483	2,510	1,702	1,729	37	1,692	14,037,836	13,944,983	7,465,519	7,372,666	1,528	1,457	5.94	-82	-21.52	-6.46
2020	2,371	2,329	1,677	1,634	49	1,585	13,360,219	13,247,232	7,260,442	7,147,455	1,431	1,499	6.11	-98	41.89	12.57
2021	2,271	2,196	1,580	1,504	10	1,494	14,145,895	14,127,188	7,632,057	7,013,178	1,349	1,507	6.14	-85	8.23	2.47
2022	2,314	2,269	1,570	1,525	9	1,516	14,749,444	14,524,533	8,063,727	7,220,870	1,369	1,497	6.10	20	-9.91	-2.97
2023	2,411	2,266	1,555	1,546	5	1,542	14,403,122	14,299,014	7,977,255	7,327,319	1,417	1,472	6.00	24	-26.00	-7.80
2024	2,529	2,359	1,675	1,652	15	1,637	14,659,092	14,438,858	8,172,537	7,400,988	1,505	1,457	5.93	87	-15.28	-4.58
2025	NA	NA	NA	1,573	NA	NA	NA	NA	NA	7,990,297	NA	1,419	5.76	59	-44.26	-13.28
2026	NA	NA	0	1,725	NA	NA	NA	NA	NA	8,620,762	NA	1,414	5.72	13	-10.43	-3.13

[8] Line loss factors for 2023 were approved for SPS in Docket No. 54634.

For PYs 2025 and 2026, SPS developed budgets to meet the energy and demand goals in a cost-effective manner, as prescribed by 16 TAC § 25.181. Details of these budgets, including the allocation of funds to specific programs, are given in Section IV.

SPS calculated the projected savings of its energy efficiency programs from these proposed budgets, using the cost per kW of demand reduction achieved in previous SPS programs and the budget allocation for each program. SPS then calculated the expected energy savings from the projected demand reductions using the average load factors from previous PYs (with adjustments for market conditions and other potential changes). Table 6 shows the projected demand and energy savings broken out by program.

Table 6: Projected Demand and Energy Savings Broken Out by Program for Each Customer Class (at Meter)

2025	Projected Savings	
	MW	MWh
Commercial	**6.48**	**8,553**
Commercial SOP	0.70	3,900
Retro-Commissioning MTP	0.70	2,500
Load Management SOP	4.50	18
Small Commercial MTP	0.23	1,100
Home Lighting MTP	0.35	1,035
Residential	**1.80**	**5,161**
Residential SOP	0.38	850
Home Lighting MTP	1.16	3,465
Smart Thermostat MTP	-	100
Refrigerator Recycling MTP	0.03	190
Residential HVAC MTP	0.24	360
Residential Codes MTP	-	196
Hard-to-Reach	**1.35**	**4,150**
Hard-to-Reach SOP	0.50	1,300
Hard-to-Reach Food Bank	0.50	2,000
Low-Income Weatherization	0.35	850
Total Annual Projected Savings	**9.62**	**17,864**
2026	**Projected Savings**	
	MW	MWh
Commercial	**6.82**	**9,810**
Commercial SOP	1.10	4,250
Retro-Commissioning MTP	0.90	3,969
Load Management SOP	4.50	18
Small Commercial MTP	0.25	1,200
Home Lighting MTP	0.07	373
Residential	**0.83**	**2,790**
Residential SOP	0.25	730
Home Lighting MTP	0.29	1,009
Smart Thermostat MTP	-	168
Refrigerator Recycling MTP	0.04	327
Residential HVAC MTP	0.24	360
Residential Codes MTP	-	196
School Kit MTP	0.90	3,727
Hard-to-Reach	**1.20**	**3,105**
Hard-to-Reach SOP	0.50	1,300
Hard-to-Reach Food Bank	0.45	1,180
Low-Income Weatherization	0.25	625
Total Annual Projected Savings	**8.85**	**15,706**

IV. Program Budgets

Table 7: Proposed Annual Budget Broken Out by Program for Each Cost Class

2025	Incentives	Admin	R&D	EM&V	Total Budget
Commercial	$ 1,945,200	$ 92,277	$ -	$ -	$ 2,037,477
Commercial SOP	$ 390,200	$ 48,878	$ -	$ -	$ 439,078
Retro-Commissioning MTP	$ 900,000	$ -	$ -	$ -	$ 900,000
Load Management SOP	$ 225,000	$ 33,683	$ -	$ -	$ 258,683
Small Commercial MTP	$ 400,000	$ 5,966	$ -	$ -	$ 405,966
Home Lighting MTP	$ 30,000	$ 3,750	$ -	$ -	$ 33,750
Residential	$ 1,227,400	$ 131,226	$ -	$ -	$ 1,358,626
Residential SOP	$ 272,400	$ 27,898	$ -	$ -	$ 300,298
Home Lighting MTP	$ 570,000	$ 71,250	$ -	$ -	$ 641,250
Smart Thermostat MTP	$ 5,000	$ 1,000	$ -	$ -	$ 6,000
Refrigerator Recycling MTP	$ 110,000	$ 15,000	$ -	$ -	$ 125,000
Residential HVAC MTP	$ 200,000	$ 10,927	$ -	$ -	$ 210,927
Residential Codes MTP	$ 70,000	$ 5,150	$ -	$ -	$ 75,150
Hard-to-Reach	$ 1,115,275	$ 29,398	$ -	$ -	$ 1,144,673
Hard-to-Reach SOP	$ 385,275	$ 20,656	$ -	$ -	$ 405,931
Hard-to-Reach Food Bank	$ 200,000	$ 8,742	$ -	$ -	$ 208,742
Low-Income Weatherization	$ 530,000	$ -	$ -	$ -	$ 530,000
Research & Development	$ -	$ -	$ 160,000	$ -	$ 160,000
General Administration	$ -	$ 224,119	$ -	$ -	$ 224,119
Evaluation, Measurement & Verification	$ -	$ -	$ -	$ 52,415	$ 52,415
Rider Expenses	$ -	$ -	$ -	$ -	$ -
Grand Total	**$ 4,287,875**	**$ 477,019**	**$ 160,000**	**$ 52,415**	**$ 4,977,309**

2026	Incentives	Admin	R&D	EM&V	Total Budget
Commercial	$ 1,964,650	$ 92,183	$ -	$ -	$ 2,056,833
Commercial SOP	$ 475,000	$ 50,000	$ -	$ -	$ 525,000
Retro-Commissioning MTP	$ 800,000	$ -	$ -	$ -	$ 800,000
Load Management SOP	$ 225,000	$ 33,683	$ -	$ -	$ 258,683
Small Commercial MTP	$ 450,000	$ 8,000	$ -	$ -	$ 458,000
Home Lighting MTP	$ 14,650	$ 500	$ -	$ -	$ 15,150
Residential	$ 1,229,350	$ 92,927	$ -	$ -	$ 1,322,277
Residential SOP	$ 228,000	$ 36,000	$ -	$ -	$ 264,000
Home Lighting MTP	$ 278,350	$ 9,500	$ -	$ -	$ 287,850
Smart Thermostat MTP	$ 6,000	$ 3,000	$ -	$ -	$ 9,000
Refrigerator Recycling MTP	$ 97,000	$ 12,500	$ -	$ -	$ 109,500
Residential HVAC MTP	$ 200,000	$ 10,927	$ -	$ -	$ 210,927
Residential Codes MTP	$ 70,000	$ 5,000	$ -	$ -	$ 75,000
School Kits MTP	$ 350,000	$ 16,000	$ -	$ -	$ 366,000
Hard-to-Reach	$ 1,253,275	$ 56,054	$ -	$ -	$ 1,309,329
Hard-to-Reach SOP	$ 338,000	$ 36,000	$ -	$ -	$ 374,000
Hard-to-Reach Food Bank	$ 385,275	$ 20,054	$ -	$ -	$ 405,329
Low-Income Weatherization	$ 530,000	$ -	$ -	$ -	$ 530,000
Research & Development	$ -	$ -	$ 160,000	$ -	$ 160,000
General Administration	$ -	$ 230,000	$ -	$ -	$ 230,000
Evaluation, Measurement & Verification	$ -	$ -	$ -	$ 52,415	$ 52,415
Rider Expenses	$ -	$ -	$ -	$ -	$ -
Grand Total	**$ 4,447,275**	**$ 471,164**	**$ 160,000**	**$ 52,415**	**$ 5,130,854**

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

Table 8 documents SPS's demand and energy reduction goals for the previous five years (2020-2024) calculated in accordance with 16 TAC § 25.181 and actual demand reduction and energy savings achieved.

Table 8: Historical Demand and Energy Savings Goals and Achievements (at the Meter)

Calendar Year	Actual Weather-Adjusted Demand Goal (MW)	Actual Weather-Adjusted Energy Goal (MWh)	Actual Demand Reduction (MW)	Actual Energy Savings (MWh)
2024	6.03	10,559	6.47	13,631
2023	6.03	10,559	8.56	20,073
2022	6.03	10,559	8.43	18,883
2021	6.03	10,559	10.06	25,411
2020	5.99	10,502	11.67	25,663

VI. Projected Versus Reported and Verified Demand and Energy Savings

This section documents SPS's projected savings and its reported and verified savings for PYs 2023 and 2024. Table 9 shows the savings for SOPs, MTPs. In 2024, SPS's programs produced 6,473 kW of demand savings at the meter or 107% of the statutory goal of 6,027 kW. Taking into account line losses approved in Docket No. 54634, SPS's 2024 programs produced 7.04 MW of demand savings at the source.

Table 9: Projected versus Reported/Verified Savings for 2023 and 2024 (at Meter)

2023	Projected Savings		Reported/Verified Savings	
	kW	kWh	kW	kWh
Commercial	7,730	10,884,000	5,233	9,237,643
Commercial SOP	1,020	3,826,000	684	3,746,110
Retro-Commissioning MTP	900	3,969,000	678	2,635,099
Load Management SOP	5,000	20,000	3,275	3,275
Small Commercial MTP	220	1,000,000	277	1,214,970
Home Lighting MTP	590	2,069,000	319	1,638,189
Residential	2,690	9,255,000	1,942	6,530,636
Residential SOP	400	900,000	305	863,996
Home Lighting MTP	2,000	7,000,000	1,630	5,520,111
Smart Thermostat MTP	-	600,000	-	92,202
Refrigerator Recycling MTP	50	395,000	7	54,327
Residential HVAC MTP			N/A	N/A
Residential Codes MTP			N/A	N/A
Hard-to-Reach	1,650	5,875,000	1,383	4,304,702
Hard-to-Reach SOP	500	1,310,000	355	944,058
Hard-to-Reach Food Bank	900	3,800,000	678	2,487,826
Low-Income Weatherization	250	765,000	350	872,817
Total Annual Savings Goals	**12,070**	**26,014,000**	**8,558**	**20,072,981**
2024	**Projected Savings**		**Reported/Verified Savings**	
	kW	**kWh**	**kW**	**kWh**
Commercial	7,280	9,328,000	4,280	6,853,527
Commercial SOP	1,020	3,826,000	945	4,423,388
Retro-commissioning MTP	900	3,969,000	269	1,247,575
Load Management SOP	5,000	20,000	2,816	2,816
Small Commercial MTP	220	1,000,000	177	806,061
Home Lighting MTP	140	513,000	72	373,686
Residential	1,120	4,079,000	809	2,383,677
Residential SOP	360	810,000	303	903,892
Home Lighting MTP	470	1,718,000	297	1,008,930
Smart Thermostat MTP	-	600,000	-	40,513
Refrigerator Recycling MTP	50	395,000	3	24,233
Residential HVAC MTP	240	360,000	206	406,108
Residential Codes MTP	-	196,000	-	361,303
Hard-to-Reach	1,039	3,271,000	1,384	4,394,233
Hard-to-Reach SOP	450	1,180,000	350	895,252
Hard-to-Reach Food Bank	339	1,326,000	759	2,844,875
Low-Income Weatherization	250	765,000	275	654,106
Total Annual Savings Goals	**9,439**	**16,678,000**	**6,473**	**13,631,436**

VII. Historical Program Expenditures

This section documents SPS's incentive and administrative expenditures for the previous five years (2020-2024) broken out by program for each customer class. Table 10 shows expenditures for SOPs and MTPs.

Table 10: Historical Program Incentive and Administrative Expenditures for 2020 through 2024[9]

Program	2024		2023		2022		2021		2020	
	Incent. (000s)	Admin (000s)	Incent. (000s)	Admin (000s)	Incent. (000s)	Admin (000s)	Incent. (000s)	Admin (000s)	Incent. (000s)	Admin (000s)
Commercial	$ 1,532	$ 39	$ 1,948	$ 44	$ 1,332	$ 61	$ 1,795	$ 49	$ 1,627	$ 61
Large Commercial SOP	$ 464	$ 30	$ 381	$ 32	$ 258	$ 34	$ 387	$ 36	$ 218	$ 35
Retro-Commissioning MTP	$ 660	$ -	$ 949	$ -	$ 670	$ -	$ 922	$ -	$ 947	$ -
Load Management SOP	$ 127	$ -	$ 156	$ 12	$ 204	$ 26	$ 199	$ 12	$ 246	$ 21
Small Commercial MTP	$ 266	$ -	$ 415	$ -	$ 182	$ -	$ 270	$ -	$ 198	$ -
Home Lighting MTP	$ 15	$ 0	$ 47	$ -	$ 18	$ 1	$ 16	$ 1	$ 17	$ 5
Residential	$ 786	$ 64	$ 1,343	$ 73	$ 788	$ 72	$ 639	$ 70	$ 947	$ 134
Residential SOP	$ 328	$ 39	$ 288	$ 36	$ 415	$ 34	$ 297	$ 46	$ 597	$ 35
Home Lighting MTP	$ 294	$ 8	$ 900	$ 25	$ 338	$ 26	$ 298	$ 14	$ 329	$ 91
Smart Thermostat MTP	$ 2	$ 11	$ 3	$ 1	$ 10	$ 2	$ 23	$ 7	$ 9	$ -
Refrigerator Recycling MTP	$ 47	$ 6	$ 37	$ 10	$ 24	$ 10	$ 21	$ 4	$ 13	$ 7
Residential HVAC MTP	$ 59	$ 0	$ 116	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Residential Codes MTP	$ 55	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hard-to-Reach	$ 1,487	$ 0	$ 1,108	$ 37	$ 1,205	$ 10	$ 1,137	$ 38	$ 952	$ 35
Hard-to-Reach SOP	$ 520	$ 0	$ 396	$ 36	$ 758	$ 10	$ 685	$ 38	$ 491	$ 35
Hard-to-Reach Food Bank	$ 513	$ -	$ 195	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Low-Income Weatherization	$ 454	$ 0	$ 195	$ 1	$ 447	$ -	$ 452	$ -	$ 461	$ -
Research & Development	$ -	$ 94	$ -	$ 105	$ -	$ 98	$ -	$ 20	$ -	$ 24
General Administration	$ -	$ 227	$ -	$ 105	$ -	$ 148	$ -	$ 142	$ -	$ 136
Evaluation, Measurement & Verification	$ -	$ 52	$ -	$ 52	$ -	$ 34	$ -	$ 33	$ -	$ 31
Rider Expenses	$ -	$ 40	$ -	$ 20	$ -	$ 17	$ -	$ 17	$ -	$ 23
Total Expenditures	$ 3,805	$ 517	$ 4,399	$ 436	$ 3,325	$ 440	$ 3,570	$ 369	$ 3,526	$ 444

[9] 2024 expenditures from Docket No. 56570, 2023 expenditures from Docket No. 54949; 2022 expenditures from Docket No. 53540; 2021 expenditures from Project No. 52949, and 2020 expenditures from Project No. 51672.

VIII. Program Funding for Calendar Year 2024

As shown in Table 11, SPS spent a total of $4,320,979[10] on its energy efficiency programs in 2024, which is $224,240 less than SPS's 2024 approved budget of $4,545,219.

Table 11: Program Funding for Calendar Year 2024

Customer Segment and Program	Total Projected Budget	Participants	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin)	Total Funds Expended	Budget and Expenditure Variance
Commercial & Industrial	$ 1,945,426	8,115	$ 1,531,923	$ 39,426	$ 1,571,349	81%
Large Commercial SOP	$ 437,654	178	$ 463,906	$ 30,231	$ 494,138	113%
Retro-commissioning MTP	$ 800,000	12	$ 659,791	$ -	$ 659,791	82%
Load Management SOP	$ 286,836	6	$ 126,744	$ 8,793	$ 135,537	47%
Small Commercial MTP	$ 405,793	134	$ 266,007	$ -	$ 266,007	66%
Home Lighting MTP	$ 15,144	7,785	$ 15,476	$ 401	$ 15,877	105%
Residential	$ 1,090,970	151,602	$ 785,506	$ 63,507	$ 849,013	78%
Residential SOP	$ 299,486	931	$ 327,686	$ 39,183	$ 366,869	122%
Home Lighting MTP	$ 287,731	150,513	$ 294,333	$ 7,625	$ 301,957	105%
Smart Thermostat MTP	$ 33,899	29	$ 2,350	$ 10,539	$ 12,889	38%
Refrigerator Recycling MTP	$ 184,246	37	$ 47,402	$ 5,955	$ 53,357	29%
Residential HVAC MTP	$ 210,609	92	$ 58,696	$ 205	$ 58,901	28%
Residential Codes MTP	$ 75,000	-	$ 55,039	$ -	$ 55,039	73%
Hard-to-Reach	$ 1,078,816	86,490	$ 1,487,166	$ 137	$ 1,487,303	138%
Hard-to-Reach SOP	$ 405,329	1,110	$ 520,455	$ 3	$ 520,458	128%
Hard-to-Reach Food Bank	$ 208,487	84,984	$ 512,911	$ -	$ 512,911	246%
Low-Income Weatherization	$ 465,000	396	$ 453,799	$ 134	$ 453,933	98%
Research & Development	$ 160,000		$ -	$ 93,785	$ 93,785	59%
General Administration	$ 217,591		$ -	$ 227,461	$ 227,461	105%
Evaluation, Measurement & Verification	$ 52,415		$ -	$ 52,402	$ 52,402	NA
EECRF Rider Expenses	$ -		$ -	$ 39,667	$ 39,667	NA
Total	$ 4,545,219	246,207	$ 3,804,595	$ 516,384	$ 4,320,979	95%

Pursuant to 16 TAC § 25.181(l)(2)(Q), SPS is required to provide an explanation of annual program spending variance from budgets if the variance exceeds a positive or negative 10%. In 2024, 11 programs met this criterion:

- The Large Commercial SOP was over budgeted spend in 2024 due to a greater number of projects than forecasted being completed. A number of large projects were completed at the end of the 2024, while a few carry over projects that started towards the end of 2023 finished in early 2024.

- The Retro-Commissioning MTP underspent its budget in 2024. The lower realized savings were due to the timing of project closings for 2024, customers delaying the project to a later

[10] This number includes SPS's direct program costs, as well as indirect programs costs including R&D, EM&V, and EECRF rate case expenses.

date and material being delayed. Thus, a portion of the budget was spent building the pipeline and interest in the program for 2025.

- The Load Management SOP program was below the budgeted spend in 2024 and did not meet its savings target. Several factors contributed to this including the loss of a large, long-term participant, who represented approximately 20% of the SOP program's past enrollment, and that the program was only called once during its season. The company introduced a rule to disincentivize underperformance in 2023 that reduced the incentive amount if the participant did not meet 70% or more of their contracted load reduction. This rule is yielding positive results by having actual performance match closer to enrolled load.

- The Small Commercial MTP underspent its projected 2024 budget due to several factors including material delays and low contractor participation. Inflation and pricing for materials made small businesses hesitant to participate in the offering.

- The Residential SOP overspent its budget in 2024. SPS increased the residential budget to hit forecasted achievement for the portfolio. SPS slightly exceeded its energy savings forecast in 2024.

- The Smart Thermostat MTP program spent 38% of its budgeted spend in spite of marketing campaigns aimed at highlighting the benefits of this technology and the ease of participating in the program. Historically, SPS has focused on a few major marketing pushes throughout the year, and in 2025 SPS intends to adjust future marketing campaigns by increasing the frequency and messaging to effectively advertise smart thermostats and increase participation in the program.

- The Refrigerator Recycling program did not achieve its forecasted goals or spending in 2024. In Q1 of 2024 the new implementor began with the program, but participation was slow to pick up due to growing pains of a new implementer, limited availability for pickup days, and decreased brand recognition of the program. Additionally, minimal advertising in the area also made participation come in lower than forecasted. Future marketing efforts are being expanded and an additional pick-up day will be offered in 2025, which should increase participation going forward.

- The Residential HVAC MTP program did not achieve its forecasted budget in 2024. Underspend was due to the program not having reached maturity with the new implementer that was brought on to run it. Despite this underspend the program achieved savings were comparable to forecasted savings.

- The Residential Codes MTP was below budgeted spend for 2024. The program hosted weekly online webinars throughout the year, as well as set up several in-person meetings and events. The program offered informal circuit rider visits to help jurisdictions with code compliance, technical assistance, and answering questions regarding best practices, but there was a lower number of these visits in 2024 than expected.

- The Hard-to-Reach SOP overspent its budget in 2024. A significant contributor to this overspend was increased spend needed to achieve forecasted energy and demand savings due to inflationary pressures.

- The Hard-to-Reach Food Bank SOP overspent its budget as SPS exceeded its initial kit distribution goal of 25,000 kits due to greater than anticipated demand. Instead, SPS distributed close to 85,000 kits, which required SPS to spend more than its forecasted budget.

IX. Market Transformation Program Results

SPS launched its Small Commercial MTP in January 2017. In 2024, SPS completed 22 projects. This program has proven to be effective at increasing participation amongst small commercial customers which was the focus for this offering. The small commercial program had a variety of projects completed to a diverse group of customers including churches, restaurants, and office complexes.

SPS launched its Retro-Commissioning MTP in April 2013. In 2024, SPS completed 12 projects. The Retro-Commissioning MTP focused on larger commercial projects including several schools in the Texas Panhandle as well as hospitals, and banks SPS expects additional, similar projects to be completed in 2025.

SPS launched its Smart Thermostat MTP on January 1, 2020. In the program's fourth year as a program, SPS sold 29 Thermostats. The Smart Thermostats are sold on the SPS store front online marketplace where they are available for customers to purchase. SPS did not meet its forecasted goal in the Smart Thermostat program, but greater marketing efforts will be made to achieve greater reduction goals in 2025.

SPS launched its Refrigerator Recycling MTP on January 1, 2019. In the program's sixth year as a program, SPS recycled 37 old refrigerators within the service territory.

SPS launched its Home Lighting MTP in January 2017. The program saw a large drop in sales compared to 2023.

SPS launched the Residential HVAC MTP in 2023 with Frontier Energy as the implementer. No savings were reported in 2023 due the program just being started, however in 2024 SPS saw an increase in savings, which SPS anticipates continuing as the program matures.

SPS Hard to Reach Food Banks MTP Program had a total of 84,984 kits distributed to SPS customers. Xcel Energy partnered with various Food Bank locations across the Texas Panhandle and passed out LED bulbs and a nightlight to customers. This program was a great success for SPS that was well-received by our customers. SPS expects this program to continue to have great success in the future. In 2024, the R&D program had two components. The first component was related to Codes and Standards. For the Codes and Standards related R&D, Xcel contracted with a third party to gather data and perform research necessary to evaluate Codes and Standards savings. Specifically, the third party collected information and conducted a structured judgement research panel (also known as a Delphi Panel) to substantiate the compliance rate and naturally occurring market adoption values that SPS must provide to the statewide evaluator to demonstrate program impacts. The other component of the R&D program in 2024 was a pilot of the School Education Kits program. The School Education Kits program distributed 1,339 kits to schools in low-income areas in 2024. Included in these kits were Home Energy Worksheets, which inform customers about various ways to conserve energy and have questions about customer habits that will change as a result of the worksheet. Xcel received 601 Home Energy Worksheets back from participants. More than 80% of respondents indicated that they either have installed or will install the high efficiency showerheads or bathroom aerators provided in the kits. More than 95% or respondents indicated

that they either have installed or will install the LED bulbs provided in the kits. The Home Energy Worksheets also gathered data on customer willingness to adjust their thermostats up during summer and down during winter. Approximately 60% of respondents indicated that they would turn their thermostats down at least three degrees during the winter heating season. A similar proportion of respondents indicated that they would turn their thermostat down by three degrees during the summer cooling season.

X. 2025 Energy Efficiency Cost Recovery Factor (EECRF)

On October 24, 2024, in Docket No. 56570, the Commission approved SPS's 2025 EECRF to recover a total of $6,804,882 in expenses associated with its 2025 energy efficiency programs, effective January 1, 2025.

Table 13: 2025 EECRF Rates

Rate Schedule	$/kWh
Residential Service	$0.001567
Small General Service	$0.001370
Secondary General Service	$0.000687
Primary General Service	$0.000098
Small Municipal and School Service	$0.004211
Large Municipal Service	$0.001315
Large School Service	$0.003444

XI. Revenue Collected through EECRF (2024)

SPS collected $5,084,240 through its 2024 EECRF, which became effective January 1, 2024.

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

SPS recovered $493,738 more than actual PY 2024 expenses approved in Docket No. 54949, as shown in Table 14 below.

Table 14: Over/Under Recovery (2024)

2024 Program Costs	$	4,228,910
2023 EM&V costs	$	52,402
2022 Net Over Recovery	$	(762,343)
2022 Rate Case Expenses (D. 53540)	$	17,062
2022 Performance Bonus	$	1,054,471
Total	**$**	**4,590,502**
EECRF Recovery	$	(5,084,240)
Net (Over) Under Recovery	**$**	**(493,738)**

Acronyms

C&I	Commercial and Industrial
Commission	Public Utility Commission of Texas
EECRF	Energy Efficiency Cost Recovery Factor
EEP	Energy Efficiency Plan
EEPR	Energy Efficiency Plan and Report
EER	Energy Efficiency Report
EE Rules	Energy Efficiency Rules, 16 Tex. Admin. Code §§ 25.181, 25.182 and 25.183
EESP	Energy Efficiency Service Provider
EM&V	Evaluation, Measurement, and Verification
kW	kilowatt
kWh	kilowatt hour
LED	Light Emitting Diode
MTP	Market Transformation Program
MW	Megawatt
MWh	Megawatt hour
PURA	Public Utility Regulatory Act
PY	Program Year
R&D	Research & Development
SOP	Standard Offer Program
SPS	Southwestern Public Service Company
TAC	Texas Administrative Code

APPENDIX A: REPORTED DEMAND AND ENERGY REDUCTION BY COUNTY 2024

Large Commercial SOP			
County	**# of Premises**	**kW**	**kWh**
Gray	21	140	1,082,212
Hockley	8	6	31,083
Lamb	1	27	82,143
Potter	106	393	1,602,623
Randall	42	377	1,625,327
Total	**178**	**945**	**4,423,388**

Recommissioning MTP			
County	**# of Premises**	**kW**	**kWh**
Bailey	1	14	48,539
Lubbock	2	17	98,924
Moore	3	54.32	204,353
Ochiltree	1	3	14,130
Potter	5	181	881,629
Total	**12**	**269**	**1,247,575**

Load Management			
County	**# of Premises**	**kW**	**kWh**
Hartley	2	563	563
Parmer	2	995	995
Potter	1	767	767
Yoakum	1	491	491
Total	**6**	**2,816**	**2,816**

Small Commercial MTP			
County	**# of Premises**	**kW**	**kWh**
Armstrong	7	2	8,109
Gray	13	7	28,995
Hockley	5	2	7,020
Potter	34	37	158,691
Randall	75	130	603,246
Total	**134**	**177**	**806,061**

Home Lighting MTP			
County	**# of Premises** [1]	**kW**	**kWh**
Deaf Smith	4,665	12	45,778
Gaines	5,121	13	49,795
Garza	278	1	2,039
Gray	6,422	17	62,203
Hale	10,249	29	108,408
Hockley	5,767	14	53,579
Hutchinson	5,714	14	53,350
Lamb	2,948	8	32,003
Moore	6,215	16	58,248
Potter	38,441	90	336,109
Randall	72,478	155	580,104
Total	**158,298**	**370**	**1,382,616**
[1] Sum of bulbs sold and not individual premises.			

Residential SOP			
County	**# of Premises**	**kW**	**kWh**
Deaf Smith	12	6	23,260
Gray	160	74	243,705
Hale	90	21	26,067
Hockley	75	37	120,628
Hutchinson	2	0	810
Lamb	4	4	5,928
Parmer	3	1	1,368
Potter	239	79	245,046
Randall	346	80	237,080
Total	**931**	**303**	**903,892**

Hard-to-Reach SOP			
County	**# of Premises**	**kW**	**kWh**
Cochran	23	8	29,837
Deaf Smith	11	5	17,034
Gray	356	94	258,428
Hale	175	45	55,455
Hockley	61	24	80,328
Parmer	8	3	10,819
Potter	236	102	287,647
Randall	240	68	155,705
Total	**1,110**	**349**	**895,252**

Low-income Weatherization			
County	**# of Premises**	**kW**	**kWh**
Carson	12	2	2,511
Deaf Smith	78	15	22,467
Hutchinson	34	4	6,588
Potter	244	250	616,684
Randall	28	4	5,856
Total	**396**	**275**	**654,106**

Refrigerator Recycling			
County	**# of Premises**	**kW**	**kWh**
Carson	1	0	981
Deaf Smith	1	0	0
Gray	1	0	561
Hale	1	0	561
Hockley	2	0	829
Hutchinson	3	0	2,889
Lubbock	2	0	2,008
Moore	1	0	375
Potter	10	1	4,224
Randall	14	1	10,997
Wheeler	1	0	808
Total	**37**	**3**	**24,233**

Smart Thermostats			
County	**# of Premises**	**kW**	**kWh**
Gaines	1	0	1,397
Hale	1	0	1,397
Hockley	2	0	2,794
Moore	1	0	1,397
Potter	22	0	29,337
Randall	2	0	2,794
Total	**29**	0	**39,116**

Texas Food Bank Kits			
County	**# of Premises**	**kW**	**kWh**
Gray	6	77	301,568
Hale	5	21	88,839
Hockley	4	100	339,537
Hutchinson	1	58	197,000
Ochiltree	3	72	297,535
Potter	17	430	1,620,395
Total	**36**	**970**	**4,531,848**

Residential HVAC			
County	**# of Premises**	**kW**	**kWh**
Gaines	18	126	304,711
Hale	71	77	93,263
Potter	3	3	8,135
Total	**92**	**206**	**406,265**