II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my direct testimony is to present information supporting SWEPCO's request to adjust its EECRF for Program Year (PY) 2026. SWEPCO's current EECRF was authorized in Docket No. 56552. As SWEPCO witness Paddy discusses in his direct testimony, SWEPCO seeks an adjustment in PY 2026 to reflect:

1. recovery of $4,842,484 in energy efficiency program costs projected to be incurred in 2026;
2. an adjustment in the amount of $104,743, representing SWEPCO's under-recovery of its actual energy efficiency costs in PY 2024, including $9,891 in interest;
3. recovery of $3,605,072 representing SWEPCO's performance bonus for achieving demand and energy reductions that exceeded its minimum goals for PY 2024;
4. recovery of $38,976, SWEPCO's projected share of the statewide Evaluation, Measurement & Verification (EM&V) costs for evaluation of PY 2025; and
5. recovery of $26,480 SWEPCO's 2024 EECRF proceeding expenses incurred in Docket No. 56552.

The total amount that SWEPCO requests be recovered through its adjusted 2026 EECRF is $8,617,755.

In my direct testimony, I first outline SWEPCO's compliance with the demand and energy reduction goals set forth by PURA § 39.905 and the impact of 16 Tex. Admin. Code (TAC) § 25.181(u) pertaining to industrial customer identification notices. I then present the actual energy efficiency expenditures incurred by SWEPCO to achieve savings through its 2024 programs and describe each of the programs implemented to achieve those savings. I also present SWEPCO's projected costs

necessary to achieve its energy efficiency objectives for PY 2026 and the proposed programs to achieve those savings.

III. ENERGY EFFICIENCY REQUIREMENTS AND OBJECTIVES

A. Statutory and Regulatory Requirements

Q. PLEASE DESCRIBE THE BASIC REQUIREMENTS OF PURA § 39.905 AS RELEVANT TO YOUR TESTIMONY.

A. As also discussed by SWEPCO witness Paddy in his direct testimony, the requirements of PURA § 39.905 relevant to my testimony are:

- A utility must administer energy efficiency programs as follows:
  - Provide incentives adequate for the purpose of acquiring cost-effective energy efficiency equivalent to not less than 30% of the utility's annual growth in demand of residential and commercial customers by December 31 of each year beginning with the 2013 calendar year or four-tenths of one percent of the utility's summer weather-adjusted peak demand in the previous calendar year, but not less than the amount of energy efficiency to be acquired for the most recent preceding year.
  - Provide incentives through market-based standard offer programs (SOPs), targeted market transformation programs (MTPs), or programs other than SOPs and MTPs to the extent that they satisfy the same cost-effectiveness requirements.
  - Provide incentives in such a manner that competitive energy efficiency service providers (EESPs) install the measures that produce the energy efficiency necessary to meet the utility's mandated annual goal.

Q. HAS THE COMMISSION ADOPTED RULES TO IMPLEMENT PURA § 39.905?

A. Yes, 16 TAC §§ 25.181 and 25.182 have been adopted to implement PURA § 39.905.

Q. WHAT ARE SOME OF THE KEY COMPONENTS OF 16 TAC §§ 25.181 and 25.182?

A. Some of the key components of 16 TAC §§ 25.181 and 25.182 are:

- Beginning with the 2013 program year, an electric utility must administer energy efficiency programs to achieve at least a 30% reduction of the utility's annual growth in demand of residential and commercial customers or four-tenths of one percent of the utility's summer weather-adjusted peak demand in the previous calendar year, but not less than the amount of energy efficiency to be acquired for the most recent preceding year.
- Each utility must administer energy efficiency programs to achieve its energy efficiency goals effectively and efficiently.
- For each utility to achieve these goals, 16 TAC § 25.182 allows a utility to establish an EECRF.
- A utility is required to adjust its EECRF to timely recover forecasted annual energy efficiency program costs in excess of the costs recovered through base rates.
- 16 TAC § 25.182(e) allows a utility exceeding the minimum goal to earn a performance bonus.
- A utility may use up to 15% of its total program costs for administration of its energy efficiency programs.
- A utility may use up to 10% of total program costs for the previous program year to perform necessary energy efficiency research and development (R&D) to foster continuous improvement and innovation in the application of energy efficiency technology, program design, and implementation.
- The cumulative cost of administration and R&D cannot exceed 20% of a utility's total program costs.
- 16 TAC § 25.181(u) allows a distribution for-profit customer who is engaged in an industrial process that qualifies for a tax exemption under Tax Code § 151.317 to submit a notice identifying itself as an industrial customer with the result that it cannot be charged with any of the costs associated with the EECRF and cannot participate in any of the energy efficiency programs for three years.

Q. HOW DOES SWEPCO IMPLEMENT THESE REQUIREMENTS?

A. SWEPCO offers cost-effective energy efficiency programs to third-party EESPs, who, in turn, market their services to end-use customers. To do so, SWEPCO develops and administers programs that offer incentives to encourage these EESPs to participate as project sponsors of energy efficiency measures. The project sponsors supply and install the measures at homes or businesses that produce the energy efficiency savings that SWEPCO needs to satisfy its energy efficiency objectives. The Commission's energy efficiency rule allows commercial customers with a load of 50 kilowatts (kW) or greater to act as project sponsors of energy efficiency measures, they install for themselves. Energy efficiency savings may be in the form of a reduction in peak demand (i.e., kW), energy usage (i.e., kilowatt-hours or kWh), or both. Incentives are paid to the project sponsors for peak demand reduction and energy savings resulting from the energy efficiency measures installed. The energy efficiency objectives and goals are established annually so that each year, SWEPCO must procure the necessary demand reduction and energy savings from participating project sponsors to meet SWEPCO's objectives for that respective year.

Q. PLEASE DEFINE THE TERM STANDARD OFFER PROGRAM OR SOP.

A. 16 TAC § 25.181(c)(55) defines an SOP as a program under which a utility administers standard offer contracts between the utility and EESPs. The Commission defines a standard offer contract in 16 TAC § 25.181(c)(54) as a contract between the EESP and the utility that specifies the standard payments based upon the amount of energy and peak demand savings achieved through energy efficiency measures, measurement and verification protocols, and other terms and conditions that are standard.

Q. PLEASE DEFINE THE TERM MARKET TRANSFORMATION PROGRAM OR MTP.

A. 16 TAC § 25.181(c)(37) defines an MTP as a strategic program intended to induce lasting structural or behavioral changes in the market that result in increased adoption of energy efficiency technologies, services, and practices.

B. Annual Demand Reduction Goal

Q. PLEASE DESCRIBE HOW A UTILITY'S DEMAND REDUCTION GOAL IS CALCULATED UNDER 16 TAC § 25.181.

A. 16 TAC § 25.181(e)(3)(A) provides that the demand reduction goal be calculated based on a "rolling average" of the most recent five years' load growth preceding the year in which the goal is to be achieved. Load growth is based on the growth in residential and commercial retail load in SWEPCO's service area, measured at the annual system peak. Each year's historical demand is adjusted for weather fluctuations, using weather data for the most recent ten years. The average growth rate is calculated based on the actual historical peak demand for the previous five years. SWEPCO's demand reduction goal is then calculated by applying the given percentage demand reduction goal to the calculated average growth in demand.

Q. WHAT IS SWEPCO'S DEMAND REDUCTION GOAL BASED ON THE 30% OF THE ROLLING FIVE-YEAR AVERAGE?

A. The demand reduction goal based on the 30% rolling average of the load growth during the years 2020 to 2024 is -4.06 megawatts (MW).

Q. DOES THE ENERGY EFFICIENCY RULE HAVE OTHER CRITERIA FOR CALCULATING A UTILITY'S DEMAND REDUCTION GOAL?

A. Yes, 16 TAC § 25.181(e)(1)(B) determines that when the demand reduction goal to be acquired by a utility is equivalent to at least four-tenths of one percent of its summer weather-adjusted peak demand for combined residential and commercial customers for the previous program year, the four-tenths of one percent of its summer weather-adjusted peak demand calculation should be used.

Q. HAS SWEPCO CALCULATED WHAT ITS DEMAND REDUCTION GOAL WOULD BE AT FOUR-TENTHS OF ONE PERCENT?

A. Yes, it is 4.81 MW.

Q. HAS SWEPCO REACHED THE FOUR-TENTHS OF ONE PERCENT TRIGGER?

A. No.

Q. PLEASE DESCRIBE THE IDENTIFICATION NOTICE REFERENCED IN 16 TAC § 25.181.

A. 16 TAC § 25.181(u) states that an industrial customer taking electric service at distribution voltage that qualifies under subsection 16 TAC § 25.181(c)(30) may submit an identification notice to the utility for those metered points of delivery of the industrial process. The Electric Service Identifier (ESID) number(s) identified under this section are not to be charged for any costs associated with and will not be able to participate in energy efficiency programs for three years.

Q. COULD THE IDENTIFICATION NOTICE REQUIREMENT AFFECT THE UTILITY'S GOAL?

A. Yes, 16 TAC § 25.181(u) requires that the utility's demand reduction goal be adjusted to remove any load lost because of the identification notices submitted to the utility.

Q. DID SWEPCO RECEIVE ANY SUCH NOTICES TO BE EFFECTIVE FOR 2026?

A. Yes. SWEPCO received identification notices for 962 metered accounts, representing approximately 145 MW of peak demand.

Q. WHAT IS SWEPCO'S DEMAND REDUCTION GOAL TO BE ACHIEVED IN 2026?

A. A requirement in 16 TAC § 25.181(e)(1)(D) states that a utility's demand reduction goal in any year shall not be lower than its goal for the prior year. Therefore, SWEPCO's demand reduction goal for 2026 is 5.60 MW. The 2026 demand reduction goal is set forth in Schedule N, which I sponsor. However, SWEPCO projects it will achieve 16.36 MW of demand reduction from the programs it will implement in 2026. As SWEPCO witness Paddy explains in his testimony, SWEPCO interprets the intent of PURA § 39.905 and 16 TAC § 25.181 to encourage utilities to achieve as much cost-effective energy efficiency as can reasonably be achieved. In keeping with this interpretation, SWEPCO has established a projected demand reduction objective of 16.36 MW for 2026.

Q. WERE LINE LOSSES INCORPORATED IN THE CALCULATION OF THE DEMAND REDUCTION GOAL?

A. Yes. The calculation of the demand reduction goal shown in Table 4 of SWEPCO's 2025 Energy Efficiency Plan and Report (EEPR) used the line loss numbers referenced

in Schedule Q. Line losses are derived from loss factors determined in SWEPCO's most recent line loss study.

C. Annual Energy Savings Goal

Q. HOW IS SWEPCO'S ENERGY SAVINGS GOAL CALCULATED UNDER 16 TAC § 25.181?

A. The minimum annual energy savings goal is calculated from the utility's demand goal, using a 20% conservation load factor, as set forth in 16 TAC § 25.181(e)(4).

Q. WHAT IS SWEPCO'S ENERGY SAVINGS GOAL TO BE ACHIEVED IN 2026?

A. The energy savings goal for SWEPCO to achieve in 2026 is 9,811 megawatt-hours (MWh) in energy savings. The 2026 energy savings goal is set forth in Schedule N. However, SWEPCO projects to achieve as much as 20,479 MWh of energy savings from the programs it will implement in 2026. As I mentioned above and as SWEPCO witness Paddy explains in his direct testimony, SWEPCO interprets PURA § 39.905 and 16 TAC § 25.181 as encouraging utilities to achieve as much cost-effective energy efficiency as can reasonably be achieved. In keeping with this understanding, SWEPCO has projected its energy savings objective of 20,479 MWh for 2026.

D. Process to Achieve Savings

Q. WILL SWEPCO OFFER PROGRAMS TO ACHIEVE THESE SAVINGS?

A. Yes, SWEPCO will offer eight programs in 2026 to achieve these savings. I will discuss the programs that SWEPCO will offer in Section V. of my testimony. SWEPCO's energy efficiency program portfolio is designed to achieve both its demand reduction and energy savings goals for 2026.

Q. WILL ALL RESIDENTIAL AND COMMERCIAL CUSTOMERS HAVE ACCESS TO ENERGY EFFICIENCY PROGRAMS OFFERED BY SWEPCO TO ACHIEVE THESE SAVINGS?

A. Yes, all customers in the residential and commercial customer segments will have access to energy efficiency programs offered by SWEPCO, except customers filing industrial identification notices under 16 TAC § 25.181(u) and lighting customers, for whom no energy efficiency programs are offered.

IV. ENERGY EFFICIENCY PROGRAM COSTS

A. 2024

Q. WHAT COSTS DID SWEPCO INCUR TO IMPLEMENT ITS 2024 ENERGY EFFICIENCY PROGRAMS?

A. The costs incurred by SWEPCO to implement its 2024 energy efficiency programs and EM&V costs totaled $4,390,012 as set forth in Schedule B.

Q. WAS THE AMOUNT ACTUALLY INCURRED FOR 2024 ENERGY EFFICIENCY COSTS MORE OR LESS THAN THE AMOUNT COLLECTED PURSUANT TO THE 2024 EECRF ORDER IN DOCKET NO. 56552?

A. In 2024, SWEPCO collected $104,743, including interest, less than the actual energy efficiency program costs for 2024.

Q. DID SWEPCO SPEND MORE OR LESS THAN IT BUDGETED ON ITS 2024 ENERGY EFFICIENCY PROGRAMS?

A. SWEPCO incurred a total of $4,390,012 in energy efficiency and EM&V costs for its 2024 programs, which is $364,385 less than its 2024 budget of $4,754,397 for energy efficiency.

Q. WERE SWEPCO'S 2024 PROGRAM PORTFOLIO COSTS LESS THAN OR EQUAL TO THE BENEFITS OF THE PROGRAMS?

A. SWEPCO's program portfolio costs were less than the total net benefits that resulted from the savings produced by the 2024 programs, as shown on Schedule P.

Q. DID SWEPCO HAVE ANY EXPENSES ASSOCIATED WITH R&D IN 2024?

A. Yes, SWEPCO expended $123,682 for R&D in 2024, as detailed in Schedule B. R&D costs included:

- Refinements and enhancements were made in the data collection and management systems for existing programs.
- Updates and improvements were made to its customer-facing website, ensuring it provides a more user-friendly experience and better access to program information.
- Participated with the Electric Utility Marketing Managers of Texas organization in activities that included providing technical support for updates to the Technical Resource Manual.

All R&D expenditures incurred in 2024 were for the purpose of fostering continuous improvement and innovation in the application of energy efficiency technology and energy efficiency program design and implementation.

Q. WHAT IS SWEPCO'S BIDDING AND ENGAGEMENT PROCESS USED FOR CONTRACTING WITH EESPs?

A. Schedule L describes the process used to select and contract with EESPs.

Q. WAS MORE THAN 5% OF SWEPCO'S OVERALL INCENTIVE PAYMENT AMOUNT PAID TO ANY SINGLE EESP?

A. Yes, a list of each EESP receiving more than 5% of SWEPCO's overall incentive payments, as well as the contracts with those EESPs, is contained in Confidential Schedule J. Schedule J also includes a list of all EESPs that participated in the 2024 programs.

Q. IS SWEPCO REQUESTING RECOVERY OF ANY AFFILIATE COSTS AS PART OF ITS 2024 ADMINISTRATIVE COSTS?

A. No.

B. 2024 EECRF Proceeding Expenses

Q. DOES SWEPCO REQUEST RECOVERY OF ANY COSTS RELATED TO THE 2024 EECRF PROCEEDING?

A. Yes. SWEPCO requests recovery of $26,480 for legal expenses incurred during the Company's 2024 EECRF proceeding, Docket No. 56552. Please see the direct testimony of SWEPCO witness Paddy for further discussion of the Company's requested recovery of its 2024 EECRF proceeding expenses.

C. 2026

Q. WHAT ARE SWEPCO'S ENERGY EFFICIENCY PLANS FOR 2026?

A. As shown in Schedule A, SWEPCO will implement eight energy efficiency programs in 2026 with a total budget of $4,881,460, including EM&V costs of $38,976. These eight programs are designed to allow SWEPCO to acquire as much energy efficiency savings as it can reasonably achieve in a cost-effective manner. Each year, SWEPCO reviews the programs and activities that have taken place to plan for the upcoming year.

SWEPCO has selected a program portfolio that will maximize its energy efficiency results in 2026 and comply with Commission rules.

Q. HOW DID SWEPCO DETERMINE ITS 2026 ENERGY EFFICIENCY OBJECTIVES?

A. SWEPCO first determined to achieve greater cost-effective energy efficiency savings than the minimum required by the Commission's rule. SWEPCO then allocated portions of its 2026 budget among customer classes using criteria such as customer counts, historical budget allocation, and previous programs. SWEPCO next estimated projected impacts from each program based on historical results and previous years' experience. The hard-to-reach program was designed to achieve savings of no less than 5.0% of the total demand reduction goal. The projected impacts from all programs within each customer class were rolled together to formulate customer class projected savings. Finally, all customer class savings were added together to comprise SWEPCO's 2026 energy efficiency objectives.

Q. WHAT ARE THE TYPES OF ADMINISTRATIVE COSTS ASSOCIATED WITH THE ENERGY EFFICIENCY PROGRAMS INCLUDED IN THE BUDGET FOR THE 2026 PROGRAMS?

A. Administrative costs are incurred for various administrative tasks that include participating in workshop activities to explain the programs to EESPs, conducting outreach for these programs, reviewing measurement and verification plans for projects that do not utilize deemed savings measures, reviewing project applications, awarding contracts, performing site inspections of installed measures, making incentive payments and corresponding with project sponsors on an as-needed basis. Costs are

also associated with administrative duties that include the development, review, and selection of new or revised programs that may be considered for successful program implementation. Costs associated with energy efficiency-related work activities include regulatory reports, such as the filing of this EECRF tariff reconciliation and the EEPR. Since SWEPCO is a fully regulated utility, costs also include interface with customers.

Q. WHAT DOES SWEPCO PROJECT FOR R&D COSTS FOR 2026?

A. SWEPCO has included $125,000 for R&D costs. This will include any database and informational tracking expenses and costs involved with improving current programs and planning for future programs.

Q. DID SWEPCO INCLUDE ANY PROJECTED EM&V EXPENSES IN ITS 2026 ENERGY EFFICIENCY COSTS?

A. Yes, for 2026, SWEPCO is including $38,976 in EM&V costs, which is SWEPCO's projected share of the statewide EM&V costs for the evaluation of PY 2025.

V. ENERGY EFFICIENCY PROGRAM

A. 2024 Programs

Q. WHAT PROGRAMS DID SWEPCO OFFER IN 2024 TO ACHIEVE ITS ENERGY EFFICIENCY OBJECTIVES?

A. SWEPCO offered the following programs in 2024:

- Commercial SOP
- COMPASS for Large Commercial MTP
- COMPASS for Schools MTP
- COMPASS for Small Business MTP
- Hard-to-Reach SOP
- Load Management SOP

- Residential SOP
- Bring Your Own Device Pilot SOP

Q. PLEASE DESCRIBE THE COMMERCIAL SOP.

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

Q. PLEASE DESCRIBE THE COMPASS FOR LARGE COMMERCIAL MTP.

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

Q. PLEASE DESCRIBE THE COMPASS FOR SCHOOLS MTP.

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

Q. PLEASE DESCRIBE THE COMPASS FOR SMALL BUSINESS MTP.

A. The COMPASS for Small Business MTP has been developed to offer energy efficiency services to small commercial customers with peak demands less than 100 kW. This customer group is the segment least served by SWEPCO's SOPs or MTPs. The COMPASS for Small Business MTP is designed to overcome barriers unique to small commercial customers that prevent them from participating in energy efficiency programs proven to be successful for larger business owners. These barriers include:

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

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

Q. PLEASE DESCRIBE THE HARD-TO-REACH SOP.

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

Q. PLEASE DESCRIBE THE LOAD MANAGEMENT SOP.

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

Q. PLEASE DESCRIBE THE RESIDENTIAL SOP.

A. The RSOP targets all residential customers, paying incentives to project sponsors for eligible measures installed in new and retrofit applications that result in verified demand and energy savings. Project comprehensiveness is encouraged. The following

requirements must be reported to claim early retirement savings from residential HVAC projects:

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

Q. PLEASE DESCRIBE THE BRING YOUR OWN DEVICE PILOT SOP.

A. The BYOD SOP targets residential customers who have an eligible smart thermostat installed in their homes. The program's purpose is to encourage energy efficiency and grid stability by offering incentive payments based on participation in demand reduction events during summer peak periods. SWEPCO dispatches these events with at least two hours' notice, and they typically last between one to four hours. By participating, customers help reduce stress on the electric grid and contribute to lower electric costs for the community.

B. 2024 Achievements

Q. DID SWEPCO ACHIEVE ITS REQUIRED DEMAND REDUCTION GOAL IN 2024?

A. Yes, SWEPCO exceeded its required demand reduction of 5.6 MW with an achievement of 10.82 MW of peak demand reduction from its 2024 energy efficiency programs.

Q. DID SWEPCO ACHIEVE ITS REQUIRED ENERGY REDUCTION GOAL IN 2024?

A. Yes, SWEPCO exceeded its required energy reduction goal of 9,811 MWh by achieving 19,985 MWh of energy savings from its 2024 energy efficiency programs.

Q. PLEASE DESCRIBE THE AMOUNT OF DEMAND REDUCTION THAT SWEPCO ACHIEVED FROM ITS HARD-TO-REACH PROGRAM IN 2024.

A. SWEPCO achieved 931 kW in demand reduction from its hard-to-reach program.

Q. DID SWEPCO ACHIEVE MORE THAN 5% OF ITS STATUTORY DEMAND REDUCTION GOAL FROM ITS HARD-TO-REACH PROGRAM?

A. Yes, SWEPCO achieved 17% of its demand reduction goal from its hard-to-reach program in 2024.

Q. DOES SWEPCO REQUEST A PERFORMANCE BONUS FOR HAVING ACHIEVED A DEMAND REDUCTION THAT EXCEEDED ITS GOAL FOR 2024?

A. Yes, it does. SWEPCO witness Paddy discusses the $3,605,072 performance bonus requested by SWEPCO for its 2024 results.

C. 2026 Programs

Q. WHAT PROGRAMS WILL SWEPCO OFFER IN 2026 TO ACHIEVE ITS ENERGY EFFICIENCY OBJECTIVES?

A. SWEPCO will offer the following programs in 2026:

- Bring Your Own Device Pilot SOP
- Commercial SOP
- COMPASS for Large Commercial MTP
- COMPASS for Schools MTP
- COMPASS for Small Business MTP
- Hard-to-Reach SOP

- Load Management SOP
- Residential SOP

These programs are described in Schedule R.

Q. WILL SWEPCO BE OFFERING ANY NEW PROGRAMS IN 2026?

A. No.

Q. WHAT ARE THE PROJECTED COSTS FOR EACH PROGRAM IN 2026?

A. Schedule A details the projected costs for each of SWEPCO's programs in 2026.

Q. WHAT ARE THE PROJECTED SAVINGS FOR EACH PROGRAM IN 2026?

A. Schedule O contains the projected savings for each program in 2026.

VI. CONCLUSION

Q. IS THE EXPENDED AMOUNT FOR 2024 CONSISTENT WITH THE APPLICABLE COMMISSION RULE?

A. Yes. The costs of $4,390,012 incurred in connection with the 2024 energy efficiency programs, including EM&V costs, were reasonable and necessary to provide energy efficiency services to residential and commercial customers.

Q. IS THE PROJECTED AMOUNT FOR 2026 CONSISTENT WITH THE APPLICABLE COMMISSION RULE?

A. SWEPCO's calculation of its goals and projected energy efficiency costs to be incurred in 2026 and included in the EECRF complies with the Commission's rules. The minimum goals for SWEPCO to achieve in 2026 are a demand reduction of 5.6 MW and energy savings of 9,811 MWh. These energy efficiency goals are calculated in accordance with the Commission's rules. As discussed above, PURA § 39.905 and the

Commission's rule encourage utilities to achieve as much cost-effective energy efficiency savings as reasonably possible. Therefore, SWEPCO has established energy efficiency objectives for 2026 that exceed the minimum goals contained in the rule. SWEPCO projects that $4,881,460, including EM&V costs, is a reasonable estimate of the costs necessary to provide an adequate portfolio of energy efficiency programs to meet SWEPCO's demand reduction objectives for 2026 in furtherance of PURA § 39.905 and 16 TAC § 25.181.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

PUC DOCKET NO. 58014

PUBLIC UTILITY COMMISSION OF TEXAS

APPLICATION OF

SOUTHWESTERN ELECTRIC POWER COMPANY

TO ADJUST

ENERGY EFFICIENCY COST RECOVERY FACTOR AND RELATED RELIEF

DIRECT TESTIMONY OF

JONATHAN GRIFFIN

FOR

SOUTHWESTERN ELECTRIC POWER COMPANY

May 1, 2025

TESTIMONY INDEX

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

A. My name is Jonathan Griffin. I am employed as a Regulatory Pricing & Analysis Manager in the Regulatory Services department of Southwestern Electric Power Company (SWEPCO or the Company). My business address is 400 West 15th Street, Suite 1500, Austin, Texas 78701.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. I began my employment with SWEPCO in 2016 in the position of Regulatory Consultant Staff, responsible for regulatory strategy, reporting, and policy. I accepted my current position in 2024, for which my job duties include rate analysis and support, pricing design, and regulatory compliance. Prior to joining SWEPCO, I held tariff and rate analysis, internal audit, and pricing positions at the Public Utility Commission of Texas (PUC or Commission) and Duke Energy from 2006 until joining SWEPCO. I have a Bachelor of Science degree in Commerce with a concentration in Accounting from the University of Virginia.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE ANY REGULATORY AGENCY?

A. Yes, I have sponsored testimony before the PUC on behalf of Commission Staff in Docket Nos. 36958, 36956, 35717, 35634, 35269, and 34800.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. 16 Tex. Admin. Code § 25.182(d) (TAC) provides for a cost recovery factor to allow a utility to recover its reasonable expenditures on energy efficiency programs, a performance bonus for exceeding its minimum goals and recovery of Evaluation, Measurement and Verification (EM&V) costs as well as the proceeding expenses attributable to a utility's immediately previous EECRF proceeding. The purpose of my testimony is to: (1) support the calculation of the annual redetermination of SWEPCO's Energy Efficiency Cost Recovery Factor (EECRF) rates, and (2) support the revised tariff (Rider EECRF) accompanying this filing to be effective January 1, 2026.

Q. WHAT SCHEDULES IN THIS FILING DO YOU SPONSOR?

A. I sponsor the following schedules: Schedule E (Calculation of the Revised EECRF Factors), Schedule F (Updated Energy Efficiency Cost Recovery Rider), Schedule G (Cost Cap Calculation), Schedule H (Development of Forecasted Billing Units), and Schedule I (Amount of Energy Efficiency Costs Recovered through Base Rates). The 2026 factors are calculated by dividing energy efficiency costs for each EECRF rate class by the forecasted 2026 billing units for each class. Energy efficiency costs include projected 2026 energy efficiency program costs, a true-up adjustment for the under-recovery of 2024 program costs including interest, and the 2024 performance bonus.

Schedule H includes the development of the forecasted kilowatt-hour (kWh) billing units for January through December 2026, the effective period for the revised EECRF factors. The 2026 kWh forecast is assigned to EECRF rate classes based on billed kWh from January through December 2024.

I also cosponsor Schedule A and Schedule C (2024 Under Recovery) with SWEPCO witness, Robert Paddy. I also cosponsor Schedules A and B with SWEPCO witness, Montana Fichtel.

III. ADJUSTED ENERGY EFFICIENCY COST RECOVERY REVENUE REQUIREMENT

Q. WHY IS SWEPCO REQUESTING APPROVAL OF REVISED EECRF FACTORS?

A. 16 TAC § 25.182(d)(8) requires a bundled utility with an EECRF to apply no later than May 1 of each year to adjust its EECRF to reflect changes in costs and performance bonuses and minimize any over- or under-collection in prior years' program costs. SWEPCO is currently billing its customers the 2025 EECRF factors approved in Docket No. 56552. SWEPCO is requesting that the EECRF factors be revised for 2026 to include projected 2026 energy efficiency program costs to be recovered in 2026, an under-recovery of 2024 EECRF revenue compared to actual 2024 costs including interest, projected EM&V costs for budget year 2026 for the evaluation of Program Year (PY) 2025, SWEPCO's 2024 performance bonus for demand and energy reduction that exceeded the 2024 minimum goal, and 2024 EECRF proceeding expenses incurred in Docket No. 56552. The updated Rider EECRF with revised factors is proposed to be effective January 1, 2026.

Q. DO SWEPCO'S CURRENT BASE RATES INCLUDE ANY AMOUNT THAT IS EXPRESSLY SPECIFIED AS ENERGY EFFICIENCY COSTS?

A. No. In establishing SWEPCO's base rates, the Commission orders in Docket No. 51415, SWEPCO's most recent base rate case, did not expressly include energy efficiency program costs to be recovered in base rates.

Q. WHAT IS THE REVENUE REQUIREMENT SWEPCO IS REQUESTING THROUGH THE REVISED EECRF?

A. SWEPCO is requesting $8,617,755 to be recovered in 2026 through its revised EECRF Rider pursuant to 16 TAC § 25.182(d)(1) and supported by SWEPCO witnesses Paddy and Fichtel. The $8,617,755 includes $4,842,484 in projected 2026 energy efficiency program costs, a $3,605,072 performance bonus for 2024, Docket No. 56552 expenses of $26,480, projected EM&V costs of $38,976 for budget year 2026 for the evaluation of PY 2025, an under-recovery of $94,851 of EECRF revenues compared to actual costs in 2024, and interest of $9,891 due from customers.

Q. HOW ARE 2026 PROGRAM COSTS ASSIGNED TO EACH EECRF RATE CLASS?

A. 2026 program costs are assigned to EECRF rate classes on a program-by-program basis following the methodology from SWEPCO's 2025 EECRF approved in Docket No. 56552. The rate classes in the EECRF tariff are: Residential, General Service, Lighting and Power, Municipal Service, Municipal Pumping, Cotton Gin, Large Lighting and Power < 69 kV, Metal Melting < 69 kV, Oil Field Large Industrial Power, and Lighting. When a program is directly associated with a specific EECRF rate class, the cost of the program is directly assigned to that class, otherwise an allocation is made to eligible rate classes.

Q. HOW ARE COSTS ALLOCATED THAT ARE NOT SPECIFICALLY ASSIGNED TO EECRF RATE CLASSES?

A. If a program is available to more than one EECRF rate class, an allocator is used to distribute costs among applicable rate classes. Residential program costs are directly

assigned to the residential rate class. Program costs for the non-residential classes are allocated to all eligible rate classes using the 2026 adjusted production demand allocation factor. Certain research and development (R&D) costs not directly attributable to specific rate classes and projected EM&V costs are allocated to rate classes using the same allocator. EECRF 2024 proceeding expenses incurred in Docket No. 56552 are allocated using 2024 program costs less EM&V.

Q. PLEASE DESCRIBE THE 2026 ADJUSTED PRODUCTION DEMAND ALLOCATION FACTOR USED TO ALLOCATE COSTS THAT ARE NOT DIRECTLY ASSIGNED TO RATE CLASSES.

A. The production demand allocator from SWEPCO's most recent base rate case in Docket No. 51415 is adjusted using 2026 projected kWh and adjusted to remove transmission customers at or above 69 kV along with other exempt distribution industrial customers that have provided identification notice and lighting customers, all of which are not eligible for energy efficiency programs at this time. This adjustment is shown in the Schedule E workpapers.

Q. HOW IS THE 2024 TRUE-UP DETERMINED?

A. The true-up in Schedule C includes 2024 EECRF revenues by rate class compared to actual 2024 program costs including 2024 actual EM&V costs, the 2022 bonus, the 2022 over-recovery by rate class, the 2022 EECRF proceeding expenses, and the interest on the 2022 over-recovery. Program costs are directly assigned to rate classes based on the participation of customers in a rate class in each program. A portion of 2024 administrative and R&D costs as well as 2024 EM&V costs are allocated to rate

classes using the 2024 program cost allocator. The 2024 true-up shows an overall under-collection of $94,851 plus $9,891 in interest.

Q. HOW IS THE 2024 PERFORMANCE BONUS ALLOCATED TO EECRF RATE CLASSES?

A. The 2024 performance bonus of $3,605,072 in Schedule D and included in Schedule E is allocated to EECRF rate classes using the 2024 program cost allocator, which complies with 16 TAC § 25.182(e)(6).

Q. ARE SOME RATE CLASSES EXCLUDED FROM PAYING EECRF CHARGES?

A. Yes, customers taking service at 69 kV and above are not eligible for participation in energy efficiency programs in 2026; therefore, they are not assigned or allocated 2026 projected program costs. Exempt distribution industrial customers that have provided identification notices, as discussed in the testimony of SWEPCO witnesses Paddy and Fichtel, are also excluded from paying EECRF charges. The Lighting class has not been assigned or allocated any 2026 costs since there are no programs currently available to lighting customers.

IV. DEVELOPMENT OF REVISED ENERGY EFFICIENCY COST RECOVERY FACTORS

Q. HOW ARE THE EECRF FACTORS DETERMINED?

A. Once the EECRF class revenue requirement is developed and assigned to rate classes, the EECRF factors are calculated by dividing the revenue requirement for each EECRF rate class by the 2026 projected billing units for each rate class. The EECRF factors will be applied to each month's billed kWh of each retail customer eligible to

participate in energy efficiency programs. The 2026 EECRF factors are shown in Schedule E and the revised tariff, Rider EECRF, is contained in Schedule F.

Q. PLEASE DESCRIBE THE 2026 FORECASTED BILLING UNITS USED IN THE DEVELOPMENT OF THE EECRF RATES.

A. As part of the normal course of business, AEP projects monthly kWh sales and demand growth factors for each of its operating companies, including SWEPCO. The AEPSC Economic Forecasting department provided monthly sales forecasts for the projected energy efficiency budget year of January through December 2026. Because the monthly kWh sales are projected on a total retail and revenue class basis, rate class forecasted kWh sales had to be established by first determining each rate class's percentage of total retail sales based on historical kWh sales data for the twelve months ending December 2024. 2026 forecasted kWh sales by rate class were then determined by multiplying total retail 2026 forecasted kWh sales by each rate class's percentage of 2024 total retail kWh sales. Adjusted annual class projected kWh sales were used to develop the adjusted 2026 EECRF factors. For allocation purposes, the adjusted forecast excludes kWh associated with industrial customers exempt from EECRF charges by opting out and lighting customers to which no programs apply. Schedule H determines the projected kWh sales by class.

Q. WHAT ARE THE REVISED 2026 EECRF FACTORS?

A. The revised 2026 EECRF factors by rate class are:

EECRF Rate Class	kWh Factor
Residential	$0.002343
General Service	$0.002324
Lighting and Power	$0.001029
Municipal Pumping	$0.000124
Municipal Service	$0.001330
Cotton Gin	($0.000276)
Large Lighting and Power < 69 kV	$0.003805
Metal Melting < 69 kV	$0.007107
Oil Field Large Industrial Power	$0.000326
Lighting	$0.000000

Note: Customers who opted out will not be charged.

Q. HAVE ANY OF THE PROPOSED 2026 EECRF RATES BEEN SET TO ZERO IN THE RATE CALCULATION IN SCHEDULE E?

A. Yes. The EECRF rate for the Lighting class has been set to zero. The Lighting rate class has not been allocated energy efficiency costs in several years due to not being eligible for any energy efficiency programs offered by the Company. Because the rate calculation for that class contains only a small true-up amount because of a kWh forecast variance from a prior period, the EECRF rate for the Lighting class has been set to zero for 2026.

Q. WHAT ARE THE EECRF COST CAP RATES FOR 2026 AS DETAILED IN 16 TAC § 25.182(d)(7)?

A. The 2026 residential cap is $0.001674 and commercial cap is $0.001047. The cost cap calculation is included in Schedule G.

Q. HOW HAS SWEPCO TREATED EM&V COSTS, MUNICIPAL EECRF PROCEEDING EXPENSES, AND INTEREST ON THE UNDER-RECOVERY WHEN DETERMINING WHETHER EECRF FACTORS EXCEED THE LIMITATIONS DETAILED IN 16 TAC § 25.182(d)(7)?

A. SWEPCO has not included EM&V costs, municipal EECRF proceeding expenses, or interest on the under-recovery in its determination of the EECRF rate limitations based on 16 TAC § 25.182(d)(7), which states that these amounts shall not count against the utility's cost caps.

Q. DO THE REVISED 2026 EECRF FACTORS EXCLUDING EM&V COSTS, MUNICIPAL EECRF PROCEEDING EXPENSES, AND INTEREST ON THE UNDER-RECOVERY EXCEED THE MAXIMUM PRICE PER KWH FOR RESIDENTIAL AND COMMERCIAL CUSTOMERS SPECIFIED IN 16 TAC § 25.182(d)(7)?

A. Yes. SWEPCO's revised residential factor for purposes of the cost cap is $0.002331 per kWh, which exceeds the residential maximum price of $0.001674 per kWh as calculated pursuant to 16 TAC § 25.182(d)(7). SWEPCO's revised commercial factor for purposes of the cost cap is $0.001230 per kWh, which exceeds the commercial maximum price of $0.001047 per kWh as calculated pursuant to 16 TAC § 25.182(d)(7).

Q. DO ACTUAL 2024 PROGRAM COSTS EXCLUDING EM&V COSTS AND INTEREST ON THE OVER-RECOVERY EXCEED THE COMMISSION APPROVED 2024 COST CAP?

A. No. As shown in Schedule G, the residential rate of spending in 2024 was $0.001379 per kWh, which is below the approved residential cost cap of $0.001556. The commercial rate of spending in 2024 was $0.000571 per kWh, which is below the approved commercial cost cap of $0.000973.

Q. HAVE YOU PROVIDED THE REVISED TARIFF REFLECTING UPDATED EECRF FACTORS?

A. Yes. The proposed Rider EECRF shown in Schedule F includes the changes from the current tariff. SWEPCO requests that the Commission approve an adjusted Rider EECRF containing the proposed rate class kWh factors to be effective January 1, 2026.

V. CONCLUSION

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. SWEPCO is requesting recovery of $8,617,755 through its adjusted EECRF, which includes: projected 2026 energy efficiency program costs of $4,842,484; an adjustment for the under-recovery of $94,851 plus interest of $9,891; projected EM&V costs of $38,976 for budget year 2026 for the evaluation of PY 2025; SWEPCO's 2024 performance bonus of $3,605,072; and expenses of $26,480 for Docket No. 56552.

The adjusted energy efficiency revenue requirement has been assigned to the EECRF classes on a direct program-by-program assignment when possible; otherwise, an appropriate allocation factor is used to allocate the costs. The direct assignment and allocation of energy efficiency costs to SWEPCO's rate classes is reasonable. Recovery of the revenue requirement is based on projected 2026 kWh sales for all rate classes eligible to participate in energy efficiency programs.

Q. WHAT RELIEF IS SWEPCO REQUESTING IN THIS PROCEEDING?

A. SWEPCO is requesting that Rider EECRF contained in Schedule F be approved effective January 1, 2026.

Q. HAVE THE REQUESTED EECRF FACTORS BEEN CALCULATED IN A MANNER CONSISTENT WITH 16 TAC § 25.182 AND THE METHODOLOGY FROM DOCKET NO. 56552?

A. Yes, they have.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

SCHEDULE A

2026 Projected Energy Efficiency Costs

2026					
Customer Class and Program	**Incentives**	**Administrative Costs**	**R&D**	**EM&V**	**Total Budget**
Commercial					
Commercial SOP	$650,000	$114,706			$764,706
COMPASS for Large Commercial MTP	$310,000	$54,706			$364,706
COMPASS for Schools MTP	$310,000	$54,706			$364,706
COMPASS for Small Business MTP	$250,000	$27,778			$277,778
Load Management SOP	$250,000	$44,118			$294,118
Residential					
Bring Your Own Device Pilot SOP	$290,000	$33,809			$323,809
Residential SOP	$1,175,000	$179,132			$1,354,132
Hard-to-Reach					
Hard-to-Reach SOP	$850,000	$123,529			$973,529
Research & Development (R&D)			$125,000		$125,000
Total Program Budget	**$4,085,000**	**$632,484**	**$125,000**		**$4,842,484**

Evaluation, Measurement & Verification (EM&V)					
EM&V				**$38,976**	**$38,976**
Total Projected Energy Efficiency Costs (including EM&V)					**$4,881,460**

Sponsored by: Montana K. Fichtel, Jonathan Griffin, and Robert W. Paddy

Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

SCHEDULE A
2026 Projected Energy Efficiency Costs

Customer Class and Program	PROJECTED PROGRAM COSTS BY RETAIL RATE CLASS											
Commercial	Residential	General Service	Lighting & Power	Municipal Pumping	Municipal Service	Cotton Gin	Large Lighting & Power less than 69kV	Interruptible less than 69kV	Metal Melting < 69 kV	Oil Field Large Industrial	Total
COMPASS for Large Commercial MTP	$ -	$ 54,421	$ 284,958	$ 4,886	$ 2,730	$ 224	$ 6,100	$ -	$ 2,508	$ 8,879	$ 364,706
Commercial SOP	$ -	$ 114,109	$ 597,493	$ 10,244	$ 5,724	$ 470	$ 12,790	$ -	$ 5,259	$ 18,617	$ 764,706
COMPASS for Schools MTP	$ -	$ 57,000	$ 298,458	$ -	$ 2,859	$ -	$ 6,389	$ -	$ -	$ -	$ 364,706
COMPASS for Small Business MTP	$ -	$ 43,566	$ 228,116	$ 3,911	$ 2,185	$ -	$ -	$ -	$ -	$ -	$ 277,778
Load Managment SOP	$ -	$ 43,888	$ 229,804	$ 3,940	$ 2,202	$ 181	$ 4,919	$ -	$ 2,023	$ 7,161	$ 294,118
Total Commercial Budgets	$ -	$ 312,984	$ 1,638,829	$ 22,981	$ 15,700	$ 875	$ 30,198	$ -	$ 9,790	$ 34,657	$ 2,066,014
Residential											
Residential SOP	$ 1,354,132										$ 1,354,132
Hard-to-Reach SOP	$ 973,529										$ 973,529
Bring Your Own Device Pilot SOP	$ 323,809										$ 323,809
Total Residential Budgets	2,651,470	-	-	-	-	-	-	-	-	-	2,651,470
EM&V	$ 13,530	$ 3,853	$ 20,174	$ 279	$ 193	$ 11	$ 381	$ -	$ 122	$ 433	$ 38,976
Research and Development (R&D)	$ 70,257	$ 8,293	$ 43,425	$ 609	$ 416	$ 23	$ 800	$ -	$ 259	$ 918	$ 125,000
TOTAL	$ **2,735,257**	$ **325,130**	$ **1,702,428**	$ **23,869**	$ **16,309**	$ **909**	$ **31,379**	$ -	$ **10,171**	$ **36,008**	$ **4,881,460**

Note: 2026 projected program costs are allocated to eligible rate classes using the adjusted 2026 production demand allocation factor.

Sponsored by: Montana Fichtel, Jonathan Griffin, and Robert Paddy

Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

SCHEDULE B
2024 Actual Energy Efficiency Expenditures

2024					
	Incentives Paid	**Administrative Costs**	**R&D**	**EM&V**	**Total Funds Expended**
Commercial					
Commercial SOP	$426,108	$56,290			**$482,398**
COMPASS for Large Commercial MTP	$319,097	$30,970			**$350,068**
COMPASS for Schools MTP	$428,471	$44,615			**$473,087**
COMPASS for Small Business MTP	$255,054	$21,896			**$276,950**
Load Management SOP	$148,459	$28,234			**$176,693**
Residential					
Residential SOP	$1,368,354	$186,357			**$1,554,711**
Bring Your Own Device Pilot SOP	$107,296	$14,565			**$121,861**
Hard-to-Reach					
Hard-to-Reach SOP	$685,711	$107,948			**$793,659**
Research & Development					
Research & Development			$123,682		**$123,682**
Evaluation, Measurement and Evaluation (EM&V)				$36,904	**$36,904**
Totals	**$3,738,550**	**$490,877**	**$123,682**	**$36,904**	**$4,390,012**

Sponsored by: Montana K. Fichtel, Jonathan Griffin, and Robert W. Paddy

Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

SCHEDULE B
2024 Actual Energy Efficiency Expenditures

Customer Class and Program	PROGRAM COSTS BY RETAIL RATE CLASS											
	Residential	General Service	Lighting & Power	Municipal Pumping	Municipal Service	Cotton Gin	Large Lighting & Power less than 69kV	Interruptible less than 69kV	Metal Melting <69 kV	Oil Field Large Industrial	Total
Incentive Payments & Administrative Costs											
Commercial											
COMPASS Large Commercial	$ -	$ 157,112	$ 192,002	$ -	$ 5,283	$ -	$ -	$ -	$ -	$ -	$ 354,397
Commercial SOP	$ -	$ 96,262	$ 386,136	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 482,398
Load Management SOP	$ -	$ -	$ 47,362	$ 4,929	$ 13,261	$ -	$ -	$ -	$ 111,141	$ -	$ 176,693
COMPASS Schools	$ -	$ 51,506	$ 421,580	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 473,086
COMPASS Small Business	$ -	$ 40,213	$ 232,409	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 272,622
Total Commercial	$ -	$ 345,093	$ 1,279,489	$ 4,929	$ 18,544	$ -	$ -	$ -	$ 111,141	$ -	$ 1,759,196
Residential											
Residential SOP	$ 1,554,710										$ 1,554,710
Hard-to-Reach SOP	$ 793,659										$ 793,659
Bring Your Own Device Pilot SOP	$ 121,861										$ 121,861
Total Residential	$ 2,470,230	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,470,230
Total Incentive Payments & Administrative Costs	$ 2,470,230	$ 345,093	$ 1,279,489	$ 4,929	$ 18,544	$ -	$ -	$ -	$ 111,141	$ -	$ 4,229,426
Research & Development											
COMPASS Large Commercial	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commercial SOP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Load Management SOP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
COMPASS Schools	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
COMPASS Small Business	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Residential SOP	$ 263	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 263
Hard-to-Reach SOP	$ 137	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 137
Bring Your Own Device Pilot SOP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nonspecific and New/Existing	$ 71,273	$ 10,290	$ 37,977	$ 137	$ 526	$ -	$ -	$ -	$ 3,079	$ -	$ 123,282
Total R&D	$ 71,673	$ 10,290	$ 37,977	$ 137	$ 526	$ -	$ -	$ -	$ 3,079	$ -	$ 123,682
EM&V	$ 21,335	$ 3,080	$ 11,368	$ 41	$ 158	$ -	$ -	$ -	$ 922	$ -	36,904
TOTAL	**$ 2,563,238**	**$ 358,463**	**$ 1,328,834**	**$ 5,107**	**$ 19,228**	**$ -**	**$ -**	**$ -**	**$ 115,142**	**$ -**	**$ 4,390,012**

Note: 2024 program costs are direct-assigned to participating rate classes and include administrative costs. R&D is allocated to rate classes using the 2024 program cost allocator.

SWEPCO 2026 EECRF
Schedule C 2024 Over-/Under-Calculation

SWEPCO 2024 EECRF Over- and Under-Collections by Retail Rate Class

Retail Rate Class	2024 Program Costs a	2024 EM&V b	2022 Bonus c	2022 Outside Legal d	2022 O/U e	2022 & 2023 O/U Interest f	2024 EE Costs g=a+b+c+d+e+f	2024 EECRF Collections h	2024 (Over)/Under-Collection i=h-g	4.90% 2024 Interest on O/U j	5.27% 2025 Interest on O/U k	Total O/U Interest l	Total (O)/U with Interest m
Residential	$2,541,903	$ 21,335	$627,297	$9,506	($296,223)	($3,885)	$2,899,933	$2,789,467	$110,466	$5,413	$6,107	$11,520	$121,985
General Service	$355,384	$3,080	$82,270	$1,098	($91,750)	($1,203)	$348,878	$292,776	$56,103	$2,749	$3,101	$5,851	$61,953
Lighting & Power Secondary	$1,223,856	$10,574	$239,578	$5,278	$150,188	$1,970	$1,631,444	$923,215	$708,229	$34,703	$39,153	$73,856	$782,085
Lighting & Power Primary	$93,609	$794	$34,930	$880	($983,747)	($12,901)	($866,434)	$202,672	($1,069,106)	($52,386)	($59,103)	($111,489)	($1,180,595)
Municipal Pumping	$5,065	$41	$3,611	$84	($12,559)	($165)	($3,923)	$14,209	($18,132)	($888)	($1,002)	($1,891)	($20,023)
Municipal Service	$19,070	$158	$17,792	$45	$41,662	$546	$79,273	$75,452	$3,821	$187	$211	$398	$4,219
Cotton Gin	$0	$0	$0	$6	($1,310)	($17)	($1,321)	$234	($1,555)	($76)	($86)	($162)	($1,717)
Large Lighting & Power less than 69kV	$0	$0	$73,397	$216	$264,198	$3,465	$341,275	$165,109	$176,166	$8,632	$9,739	$18,371	$194,537
Metal Melting less than 69kV	$114,220	$922	$33,656	$40	$83,025	$1,089	$232,951	$106,767	$126,185	$6,183	$6,976	$13,159	$139,344
Oil Field Large Industrial Power	$0	$0	$0	$126	($90,172)	($1,183)	($91,228)	($93,921)	$2,692	$132	$149	$281	$2,973
Lighting Major Rate Class	$0	$0	$0	$0	($17)	($0)	($18)	$0	($18)	($1)	($1)	($2)	($19)
Total	$4,353,107	$ 36,904	$1,112,532	$17,280	($936,707)	($12,284)	$4,570,831	$4,475,980	$94,852	$4,648	$5,244	$9,891	$104,743

Sponsored by: Jonathan Griffin and Robert Paddy

Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

Schedule D

2024 Goal Achievement and Performance Bonus Calculation

SWEPCO achieved 10,822 kW in demand savings and 19,985,116 kWh in energy savings by December 31, 2024. The total present value of the avoided costs associated with these demand reductions and energy savings is $41,581,821. SWEPCO's total program costs for the 2024 program year was $5,531,096. SWEPCO's demand reduction goal (DRG) was 5,600 kW and its energy savings goal was 9,811,000 kWh. SWEPCO achieved 193% of its DRG and 204% of its energy savings goal, qualifying for a performance bonus as calculated under 16 TAC § 25.182 (e).

SWEPCO's calculated bonus is $16,808,184 however, the maximum bonus allowed is $3,605,072 which is 10% of the total net benefits (16 TAC § 25.182 (e) (3)).

	kW (Demand)	kWh (Energy)
2024 Goals	5,600	9,811,000
2024 Savings	10,822	19,985,116
Reported/Verified HTR	931	
2024 Program Costs (excluding bonus)	$4,418,564	
2024 Performance Bonus	$3,605,072	

Performance Bonus Calculation

193%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)
204%	Percentage of Energy Reduction Goal Met (Reported kWh/Goal kWh)
TRUE	Met Requirements for Performance Bonus?
$41,581,821	Total Avoided Costs
$1,112,532	Docket No. 48297 requirement (add previous bonus to current year bonus calculation)
$5,531,096	Total Program Costs (including bonus)
$36,050,725	Net Benefits (Total Avoided Cost – Total Expenses)

Bonus Calculation

$16,808,184	Calculated Bonus [(Achieved Demand Reduction/Demand Goal - 100%) / 2 * Net Benefits]
$3,605,072	Maximum Bonus Allowed (10% of Net Benefits)
$3,605,072	*Bonus (Minimum of Calculated Bonus and Bonus Limit)*

Sponsored by: Robert W. Paddy

SWEPCO 2026 EECRF
Docket No. 58014
Schedule E

EECRF Customer Class	Rate Codes	2026 Budget	2026 EM&V	2024 Bonus	2024 Outside Legal	2024 O/U	2024 & 2025 O/U Interest	2026 EECRF Rev Req	2026 Forecasted Billing Units	2026 EECRF	
		a	b	c	d	c	f	g=a+b+c+d+c+f	h	i=g/h	
Residential	12 15 16 19 32 38 61 62	$2,721,726	$13,530	$2,084,193	$15,309	$110,466	$11,520	$4,956,744	2,115,969,480	$0.002343	per kWh
General Service	200 202 204 205 207 208 210 212 215 218 224 235 238 259 281 282	$321,276	$3,853	$300,903	$2,210	$56,103	$5,851	$690,195	296,950,594	$0.002324	per kWh
Lighting & Power	60 63 66 223 225 240 242 243 245 246 249 251 252 254 276 277 291 292 323	$1,682,253	$20,174	$1,110,542	$8,157	($360,877)	($37,633)	$2,422,617	2,354,689,648	$0.001029	per kWh
Municipal Pumping	541 543 550	$23,590	$279	$3,993	$29	($18,132)	($1,891)	$7,869	63,662,194	$0.000124	per kWh
Municipal Service	544 548	$16,117	$193	$15,393	$113	$3,821	$398	$36,035	27,084,929	$0.001330	per kWh
Cotton Gin	253	$898	$11	$0	$0	($1,555)	($162)	($808)	2,922,011	($0.000276)	per kWh
Large Lighting & Power < 69kV	346 351	$30,997	$381	$0	$0	$176,166	$18,371	$225,915	59,380,142	$0.003805	per kWh
Metal Melting < 69kV	312 315 324 325 335	$10,050	$122	$90,048	$661	$126,185	$13,159	$240,225	33,801,150	$0.007107	per kWh
Oil Field Large Industrial Power	330 331	$35,575	$433	$0	$0	$2,692	$281	$38,981	119,645,867	$0.000326	per kWh
Lighting	90-153 203 510-538	$0	$0	$0	$0	($18)	($2)	($19)	-	$0.000000	per kWh
TOTAL		$4,842,484	$38,976	$3,605,072	$26,480	$94,851	$9,891	$8,617,755	5,074,106,015		

Note: Lighting rate is set to zero.

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SOUTHWESTERN ELECTRIC POWER COMPANY

Tariff Manual - Public Utility Commission of Texas

Section Title: Rates, Charges, and Fees	Sheet No: IV-35	
Section No: IV	Effective Date: January 1, 2026	|T
Applicable: All Areas	Revision 18	|T
Docket No: 58014	Page 1 of 1	|T

ENERGY EFFICIENCY COST RECOVERY RIDER

APPLICABILITY

Rider Energy Efficiency Cost Recovery Factor (EECRF) recovers the cost of energy efficiency programs not included in base rates and is applicable to the kWh of Retail Customers taking retail service from the Company. The EECRF does not apply to customers taking service at transmission voltage or exempt industrial distribution customers unless there is a true-up from a prior period. 16 Tex. Admin. Code 25.182(d)(8) provides that no later than May 1 of each year, a utility with an EECRF shall apply to adjust the EECRF in order to adjust for changes in costs and bonuses and to minimize any over- or under-collections of energy efficiency costs resulting from the use of the EECRF. The EECRF filed by May 1 of each year will be calculated in accordance with the following methodology and will be applied to the billing kWh billed by the Company.

AVAILABILITY

The following factors will be applied to the energy usage (metered or unmetered) of retail customers taking service from the Company.

MONTHLY RATE

Rate Schedule[1]	Rate Code[2]	Factor per kWh	
Residential	12,15,16,19,32,38,61,62	$0.002343	|I
General Service[3]	200,202,204,205,207,208,210,212 215,218,224,235,238,259,281,282	$0.002324	|I
Municipal Service	544,548	$0.001330	|R
Municipal Pumping	541,543,550	$0.000124	|R
Lighting and Power	60,63,66,223,225,240,242,243,245, 246,249,251,252,254,276,277,291 292,323	$0.001029	|I
Cotton Gin	253	($0.000276)	|R
Metal Melting < 69 kV	312,315,324,325,335	$0.007107	|I
Oil Field Large Industrial Power	330,331	$0.000326	|R
Large Lighting and Power < 69 kV	346,351	$0.003805	|I
Lighting	90-153,203,510,521,528,529,532, 534,535,538	$0.000000	

[1] Standby, Supplementary, Backup, Maintenance and As-Available Power Service are included with the Rate Schedule under which the customer takes service.

[2] Rate codes may be added or discontinued during the year. Any new rate code will be billed the EECRF rate based on the customer's applicable Rate Schedule.

[3] General Service includes Recreational Lighting.

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SWEPCO 2026 EECRF
Schedule G Calculation of Cost Caps and Comparison to SWEPCO 2026 and 2024 EECRF without EM&V and Interest

2026 Cost Cap Rate Calculation	2025 Cost Cap Rate	CPI Factor (2024 % Change)	Unadjusted 2026 Cap Rate	Adj. 2026 Cost Cap Rate
Classes for Cost Cap Determination	a	b	c	d=c+c*b
Residential	$ 0.001626	2.96%	$ 0.001626	$ 0.001674
Commercial	$ 0.001017	2.96%	$ 0.001017	$ 0.001047

2026 CAP STATUS	2026 SWEPCO EECRF Rev Req	EM&V and any O/U interest	2026 SWEPCO EECRF Rev Req without EM&V & Interest	2026 Forecasted Billing Units	2026 SWEPCO EECRF Rate without EM&V & Interest for Cost	2026	2026 Cap Status
SWEPCO Classes for Cost Cap Comparison	Schedule E	included in 2026 EECRF Rev Req	for Cost Cap Comparison	Schedule E	Cap Comparison	Cost Cap Rate	Over/(Under)
	c	f	g=c-f	h	i=g/h	j=d	k=i-j
Residential	$ 4,956,744	$ 25,050	$ 4,931,694	2,115,969,480	$ 0.002331	$ 0.001674	$ 0.000657
Non-Residential	$ 3,661,011	$ 23,817	$ 3,637,193	2,958,136,535	$ 0.001230	$ 0.001047	$ 0.000183
Total	$ 8,617,755	$ 48,867	$ 8,568,888	5,074,106,015			

2024 CAP STATUS	2024 Energy	EM&V and any O/U Interest	2024 Costs without EM&V and	2024 Billing	2024 Energy Efficiency Spend Rate	2024	2024 Cap Status
SWEPCO Classes for Cost Cap Comparison	Efficiency Costs	Included in 2024 EECRF Rev Req	Interest for Cost Cap Comparison	Units	without EM&V and Interest	Cost Cap Rate	Over/(Under)
	l	m	n=l-m	o	p=n/o	q	r=p-q
Residential	$ 2,899,933	$ 17,450	$ 2,882,483	2,089,587,974	$ 0.001379	$ 0.001556	$ (0.000177)
Non-Residential	$ 1,670,898	$ 7,169	$ 1,663,729	2,912,179,364	$ 0.000571	$ 0.000973	$ (0.000402)
Total	$ 4,570,831	$ 24,620	$ 4,546,212	5,001,767,338			

Note: Cap rates calculated per 16 TAC §25.182 (d)(7).

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SWEPCO 2026 EECRF
Schedule H Forecasted Billing Units

SWEPCO Texas Projected 2026 Retail kWh Sales	7,213,736,518

Development of Forecasted Billing Units

Rate Classes	2024 Historical Billing Units	Percent of Class kWh	Percent of Total kWh	2026 Forecasted Billing Units	Unit	Customer kWh Adjustment (2026 Opt Out Forecast, Lighting & Exempt Transmission)	2026 Adjusted kWh (Excludes Opt Out, Trans., Lights)	Docket No. 51415 Test Year Adjusted kWh
Total Residential Rate Class	2,089,587,974	100.00%	29.33%	2,115,969,480		-	2,115,969,480	2,165,609,056
Commercial Rate Class								
General Service	287,451,474	9.62%	4.04%	291,080,612	kWh	145,231	290,935,381	277,409,827
Lighting & Power Service Secondary	2,058,853,978	68.91%	28.90%	2,084,847,460	kWh	128,787,470	1,956,059,990	2,161,933,051
Lighting & Power Service Primary	543,057,291	18.18%	7.62%	549,913,508	kWh	151,283,850	398,629,658	633,053,471
Municipal Pumping Service	62,868,466	2.10%	0.88%	63,662,194	kWh	-	63,662,194	60,026,735
Municipal Service	26,747,239	0.90%	0.38%	27,084,929	kWh	-	27,084,929	26,943,781
Recreational Lighting	5,940,216	0.20%	0.08%	6,015,213	kWh	-	6,015,213	included in GS
Cotton Gin Service	2,885,580	0.10%	0.04%	2,922,011	kWh	-	2,922,011	4,565,380
Total Commercial Rate Class	2,987,804,244	100.00%	41.94%	3,025,525,927		280,216,551	2,745,309,376	3,163,932,243
Industrial Rate Class								
Large Lighting & Power Service - Pri	-	0.00%	0.00%	-	kWh	-	-	-
Large Lighting & Power Service - Pri Sub	218,630,050	33.52%	3.07%	221,390,302	kWh	162,010,160	59,380,142	164,644,585
Interruptible Power Service	-	0.00%	0.00%	-	kWh	-	-	-
Metal Melting Service Distribution	36,328,256	5.57%	0.51%	36,786,908	kWh	2,985,758	33,801,150	39,650,975
Oil Field Large Power Service	397,346,290	60.91%	5.58%	402,362,874	kWh	282,717,007	119,645,867	405,176,637
Total Industrial Rate Class	652,304,596	100.00%	9.16%	660,540,084		447,712,925	212,827,159	609,472,197
Industrial 69 kV & Above								
Metal Melting Service 69 kV & Above	-	0.00%	0.00%	-	kWh	-	-	53,731,559
Large Lighting & Power Service - 69 kV	-	0.00%	0.00%	-	kWh	-	-	135,656,519
Large Lighting & Power Service - 138 kV	1,201,578,401	90.46%	16.87%	1,216,748,591	kWh	1,216,748,591	-	683,064,467
Lighting & Power Service Transmission	90,096,457	6.78%	1.26%	91,233,944	kWh	91,233,944	-	34,002,539
Interruptible Power Service	36,592,000	2.75%	0.51%	37,053,982	kWh	37,053,982	-	included in non-firm
Special Contract	-	0.00%	0.00%	-	kWh	-	-	-
Total Industrial Excluding 69 kV & Above	1,328,266,858	100.00%	18.65%	1,345,036,517	kWh	1,345,036,517	-	906,455,084
Lighting Rate Class								
Total Lighting Rate Class	65,833,349	100.00%	0.92%	66,664,509	kWh	66,664,509	-	77,699,464
Total SWEPCO Texas	7,123,797,021		100.00%	7,213,736,517		2,139,630,502	5,074,106,015	6,923,168,045

Sponsored by: Jonathan Griffin

Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

Schedule I

2026 SWEPCO EECRF
Amount of Energy Efficiency Costs Recovered Through Base Rates

The amount of energy efficiency program costs recovered through SWEPCO's base rates is zero.

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Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

SCHEDULE J

A list of the energy service providers, those receiving more than 5% of the total incentive funds for 2024 and the associated contracts are provided.

The information provided in Schedule J is voluminous. The information is also CONFIDENTIAL, under the terms of the Protective Order. The Confidential information is available for review at the Austin offices of American Electric Power Company (AEP), 400 West 15th Street, Suite 1520, Austin, Texas, 78701, (512) 481-4562, during normal business hours, by parties to this case who have agreed to be bound by the Protective Order.

Sponsored by: Robert W. Paddy and Montana K. Fichtel

Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

SCHEDULE K

2023 Energy Efficiency Administrative & Research & Development (R&D) Affiliate Costs

For 2024, SWEPCO does not have any affiliate costs for energy efficiency administration or R&D.

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Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

Schedule L

Bidding and Engagement Process

SWEPCO has several procedural paths through which it contracts with energy efficiency service providers (EESPs) for the purpose of implementing energy efficiency (EE) programs. The procedures and processes SWEPCO uses differ according to the program type, as shown in more detail below.

Standard Offer Program (SOP) Process

SWEPCO posts its program manuals, including specific application procedures and timelines, on the swepco.com/save website. In accordance with the published schedule, EESPs may submit their project applications and all supplemental documentation required for the program.

EESPs identify and describe the project measures to be installed, including applicable measurement and verification (M&V) methods. The M&V plan may include approved deemed savings values or the appropriate International Performance Measurement and Verification Protocol to be utilized.

SWEPCO reviews each Project Application on a first-come, first-served basis. SWEPCO awards contracts based upon each EESP's qualifications, history, and appropriate reference information, and meeting the timely and complete application requirements. SWEPCO may request clarification of, or additional information about, any item submitted as part of the Project Application. SWEPCO may reject any Project Application for failure to meet the required procedures or deadlines.

SWEPCO notifies each EESP of its application status according to program procedures and, if approved as a Project Sponsor, of the associated incentive budget. For any programs that may require a Project Sponsor security deposit, the security deposit must be provided to SWEPCO within the published timeline.

SWEPCO and the Residential Project Sponsor enter into a standard offer agreement. When the contract is fully executed, the Project Sponsor can solicit and engage customers to implement eligible EE measures.

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Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

Schedule L

Bidding and Engagement Process

Market Transformation Program (MTP) Process

Before implementing MTP programs, SWEPCO may implement a limited pilot of the program. Pilot programs may be selected based on a concept presented by an EESP or from observation of successful programs already implemented at another utility. For programs proposed by an EESP that SWEPCO deems viable, SWEPCO selects the initiating EESP to implement the program on a limited pilot basis for a period typically not longer than one year.

When a pilot program has been deemed successful by SWEPCO and a baseline study has been completed, SWEPCO implements a competitive solicitation process. A Request for Proposals is developed and sent to EESPs who have notified SWEPCO of a desire to implement programs in the Texas market and have also posted on industry-related websites.

Interested EESPs submit program proposals according to the published requirements and schedule. SWEPCO forms an internal proposal evaluation and scoring team, and all proposals are individually evaluated according to standard scoring criteria. References submitted by EESPs are contacted and interviewed. Scoring and reference results are consolidated, and the EESP proposal with the highest score is selected for further negotiation as the program implementer.

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Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

SCHEDULE M

Sector	TRM Measure	Energy Efficiency Measure	EUL (years)	*TRM Version*
Custom	NA	Custom	NA	*NA*
Residential	2.1.1	Res Energy Star General Service LED Lamps: ≤ 17,500 hour rated life	16.0	*11.0*
Residential	2.1.1	Res Energy Star General Service LED Lamps: >17,500 hour rated life	20.0	*11.0*
Residential	2.1.2	Res Specialty LED Lamps: < 17,500 hour rated life	16.0	*11.0*
Residential	2.1.2	Res Specialty LED Lamps: > 17,500 hour rated life	20.0	*11.0*
Residential	2.1.3	Res LED Nightlights	8.0	*11.0*
Residential	2.2.1	Res Air Conditioner (AC) and Heat Pump (HP) Tune-Ups	5.0	*11.0*
Residential	2.2.2	Res Central and Mini-Split ACs and HPs: ACs	18.0	*11.0*
Residential	2.2.2	Res Central and Mini-Split ACs and HPs: HPs	15.0	*11.0*
Residential	2.2.3	Res Room Air Conditioners (RAC)	10.0	*11.0*
Residential	2.2.4	Res Packaged Terminal HPs (PTHP)	15.0	*11.0*
Residential	2.2.5	Res Ground Source Heat Pumps (GSHP)	24.0	*11.0*
Residential	2.2.6	Res Large Capacity Split System and Packaged ACs and HPs - ACs	18.0	*11.0*
Residential	2.2.6	Res Large Capacity Split System and Packaged ACs and HPs - HPs	15.0	*11.0*
Residential	2.2.6	Res Large Capacity Split System and Packaged ACs and HPs - GSHPs	24.0	*11.0*
Residential	2.2.7	Res Evaporative Cooling	15.0	*11.0*
Residential	2.2.8	Res Connected Thermostats	11.0	*11.0*
Residential	2.2.9	Res Smart Thermostat Load Management	1.0	*11.0*
Residential	2.2.10	Res Duct Sealing	18.0	*11.0*
Residential	2.3.1	Res Air Infiltration	11.0	*11.0*
Residential	2.3.2	Res Ceiling Insulation	25.0	*11.0*
Residential	2.3.3	Res Attic Encapsulation	25.0	*11.0*
Residential	2.3.4	Res Wall Insulation	25.0	*11.0*
Residential	2.3.5	Res Floor Insulation	25.0	*11.0*
Residential	2.3.6	Res Duct Insulation	20.0	*11.0*
Residential	2.3.7	Res Radiant Barriers	25.0	*11.0*
Residential	2.3.8	Res Cool Roofs	15.0	*11.0*
Residential	2.3.9	Res Solar Screens	10.0	*11.0*
Residential	2.3.10	Res Windows	25.0	*11.0*
Residential	2.3.11	Res Storm Windows	20.0	*11.0*
Residential	2.4.1	Res Water Heater Installations - Electric Tankless and Fuel Substitution (Gas and Electric Tankless)	20.0	*11.0*
Residential	2.4.1	Res Water Heater Installations - Electric Tankless and Fuel Substitution (Gas Storage)	11.0	*11.0*
Residential	2.4.2	Res Heat Pump Water Heaters (HPWH)	13.0	*11.0*
Residential	2.4.3	Res Solar Water Heaters	15.0	*11.0*
Residential	2.4.4	Res Water Heater Tank Insulation	7.0	*11.0*
Residential	2.4.5	Res Water Heater Pipe Insulation	13.0	*11.0*
Residential	2.4.6	Res Faucet Aerators	10.0	*11.0*
Residential	2.4.7	Res Low-Flow Showerheads (LFSH)	10.0	*11.0*
Residential	2.4.8	Res Showerhead Temperature Sensitive Restrictor Valves (TSRV)	10.0	*11.0*
Residential	2.4.9	Res Tub Spout and Showerhead TSRVs	10.0	*11.0*
Residential	2.4.10	Res Water Heater Temperature Setback	2.0	*11.0*
Residential	2.5.1	Res Ceiling Fans	10.0	*11.0*
Residential	2.5.2	Res Clothes Washers	11.0	*11.0*
Residential	2.5.3	Res Clothes Dryers	16.0	*11.0*
Residential	2.5.4	Res Dishwashers	15.0	*11.0*
Residential	2.5.5	Res Refrigerators	16.0	*11.0*
Residential	2.5.6	Res Freezers	22.0	*11.0*
Residential	2.5.7	Res Refrigerator/Freezer Recycling	8.0	*11.0*
Residential	2.5.8	Res Air Purifiers	9.0	*11.0*
Residential	2.5.9	Res Pool Pumps	10.0	*11.0*
Residential	2.5.10	Res Advanced Power Strips (APS)	10.0	*11.0*
Residential	2.5.11	Res Electric Vehicle Supply Equipment (EVSE)	10.0	*11.0*
Residential	2.5.12	Res Induction Cooking	16.0	*11.0*
Commercial	2.1.1	Com Lamps and Fixtures - Halogen Lamps	1.5	*11.0*
Commercial	2.1.1	Com Lamps and Fixtures - High-Intensity Discharge (HID) Lamps	15.0	*11.0*
Commercial	2.1.1	Com Lamps and Fixtures - Integrated-Ballast Cold Cathode Fluorescent Lamps (CCFL)	4.5	*11.0*
Commercial	2.1.1	Com Lamps and Fixtures - Integrated-Ballast Compact Fluorescent Lamps (CFL)	2.5	*11.0*
Commercial	2.1.1	Com Lamps and Fixtures - Integral Light Emitting Diode (LED) Lamps	9.0	*11.0*
Commercial	2.1.1	Com Lamps and Fixtures - LED Fixtures	15.0	*11.0*

Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

SCHEDULE M

Commercial	2.1.1	Com Lamps and Fixtures - LED Corn Cob Lamps	15.0	*11.0*
Commercial	2.1.1	Com Lamps and Fixtures - LED Tubes (TLED)	15.0	*11.0*
Commercial	2.1.1	Com Lamps and Fixtures - Solar LEDs	10.0	*11.0*
Commercial	2.1.1	Com Lamps and Fixtures - Modular CFL and CCFL Fixtures	15.0	*11.0*
Commercial	2.1.1	Com Lamps and Fixtures - T8 and T5 Linear Fluorescent Lamps	15.0	*11.0*
Commercial	2.1.1	Com Lamps and Fixtures - New Construction Interior Fixtures & Controls	14.0	*11.0*
Commercial	2.1.1	Com Lamps and Fixtures - New Construction Exterior Fixtures	15.0	*11.0*
Commercial	2.1.2	Com Lighting Controls - Retrofit Sensors and Controls	10.0	*11.0*
Commercial	2.1.2	Com Lighting Controls - New Construction Interior Fixtures & Controls	14.0	*11.0*
Commercial	2.1.3	Com Exterior Photocell and Timeclock Repair	1.0	*11.0*
Commercial	2.1.4	Com LED Traffic Signals - 8" and 12" Red, Green, and Yellow Balls	6.0	*11.0*
Commercial	2.1.4	Com LED Traffic Signals - 8" and 12" Red, Green, and Yellow Arrows	6.0	*11.0*
Commercial	2.1.4	Com LED Traffic Signals - Large (16" x 18") Pedestrian Signals	5.0	*11.0*
Commercial	2.1.4	Com LED Traffic Signals - Small (12" x 12") Pedestrian Signals	5.0	*11.0*
Commercial	2.2.1	Com Air Conditioner (AC) and Heat Pump (HP) Tune-Ups	5.0	*11.0*
Commercial	2.2.2	Com Split-System/Packaged ACs and HPs	15.0	*11.0*
Commercial	2.2.3	Com Chillers (Screw, Scroll, and Reciprocating)	20.0	*11.0*
Commercial	2.2.3	Com Chillers (Centrifugal)	25.0	*11.0*
Commercial	2.2.4	Com Packaged Terminal ACs and HPs (PTAC/PTHP)	15.0	*11.0*
Commercial	2.2.4	Com Single Packaged Vertical ACs and HPs (SPVAC/SPVHP)	15.0	*11.0*
Commercial	2.2.4	Com Room Air Conditioners (RAC)	10.0	*11.0*
Commercial	2.2.5	Com Computer Room Air Conditioners (CRAC)	15.0	*11.0*
Commercial	2.2.6	Com Computer Room Air Handlers (CRAH) - Premium Efficiency Motors	15.0	*11.0*
Commercial	2.2.6	Com Computer Room Air Handlers (CRAH) - HVAC VFDs	15.0	*11.0*
Commercial	2.2.7	Com HVAC Variable Frequency Drives (VFD)	15.0	*11.0*
Commercial	2.2.8	Com Condenser Air Evaporative Pre-Cooling	10.0	*11.0*
Commercial	2.2.9	Com High-Volume Low-Speed (HVLS) Fans	9.0	*11.0*
Commercial	2.2.10	Com Small Commercial Evaporative Cooling	15.0	*11.0*
Commercial	2.2.11	Com Small Commercial Smart Thermostats	11.0	*11.0*
Commercial	2.3.1	Com Cool Roofs	15.0	*11.0*
Commercial	2.3.2	Com Window Treatments	10.0	*11.0*
Commercial	2.3.3	Com Entrance and Exit Door Air Infiltration	11.0	*11.0*
Commercial	2.4.1	Com Combination Ovens	12.0	*11.0*
Commercial	2.4.2	Com Electric Convection Ovens	12.0	*11.0*
Commercial	2.4.3	Com Dishwashers - Under Counter	10.0	*11.0*
Commercial	2.4.3	Com Dishwashers - Stationary Single Tank Door	15.0	*11.0*
Commercial	2.4.3	Com Dishwashers - Single Tank Conveyor	20.0	*11.0*
Commercial	2.4.3	Com Dishwashers - Multiple Tank Conveyor	20.0	*11.0*
Commercial	2.4.3	Com Dishwashers - Pot, Pan, and Utensil	10.0	*11.0*
Commercial	2.4.4	Com Electric Griddles	12.0	*11.0*
Commercial	2.4.5	Com Electric Fryers	12.0	*11.0*
Commercial	2.4.6	Com Electric Steam Cookers	12.0	*11.0*
Commercial	2.4.7	Com Hot Food Holding Cabinets (HFHC)	12.0	*11.0*
Commercial	2.4.8	Com Ice Makers	8.5	*11.0*
Commercial	2.4.9	Com Demand Controlled Kitchen Ventilation (DCKV)	15.0	*11.0*
Commercial	2.4.10	Com Pre-Rinse Spray Valves (PRSV)	5.0	*11.0*
Commercial	2.4.11	Com Vacuum-Sealing and Packaging Machines	10.0	*11.0*
Commercial	2.5.1	Com Door Heater Controls	12.0	*11.0*
Commercial	2.5.2	Com Electronically Commutated Motors (ECM) Evaporator Fan Motors	15.0	*11.0*
Commercial	2.5.3	Com Electronic Defrost Controls	10.0	*11.0*
Commercial	2.5.4	Com Evaporator Fan Controls	16.0	*11.0*
Commercial	2.5.5	Com Night Covers for Open Refrigerated Display Cases	5.0	*11.0*
Commercial	2.5.6	Com Solid and Glass Door Reach-Ins	12.0	*11.0*
Commercial	2.5.7	Com Strip Curtains for Walk-In Refrigerated Storage	4.0	*11.0*
Commercial	2.5.8	Com Zero-Energy Doors for Refrigerated Cases	12.0	*11.0*
Commercial	2.5.9	Com Door Gaskets for Walk-In and Reach-In Coolers and Freezers	3.0	*11.0*
Commercial	2.5.10	Com High Speed Doors for Cold Storage	5.0	*11.0*
Commercial	2.6.1	Com Heat Pump Water Heaters (HPWH)	13.0	*11.0*
Commercial	2.6.2	Com Central Domestic Hot Water (DHW) Controls	15.0	*11.0*
Commercial	2.6.3	Com Showerhead Temperature Sensitive Restrictor Valves (TSRV)	10.0	*11.0*
Commercial	2.6.4	Com Tub Spout and Showerhead TSRVs	10.0	*11.0*
Commercial	2.7.1	Com VFDs for Water Pumping	12.5	*11.0*
Commercial	2.7.2	Com Premium Efficiency Motors	15.0	*11.0*
Commercial	2.7.3	Com Pump-Off Controllers	15.0	*11.0*

Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

SCHEDULE M

Commercial	2.7.4	Com Pool Pumps	10.0	*11.0*
Commercial	2.7.5	Com Lodging Guest Room Occupancy Sensor Controls	10.0	*11.0*
Commercial	2.7.6	Com Vending Machine Controls	5.0	*11.0*
Commercial	2.7.7	Com Computer Power Management	3.0	*11.0*
Commercial	2.7.8	Com Electric Vehicle Supply Equipment (EVSE)	10.0	*11.0*
Commercial	2.7.9	Com Industrial High-Frequency Battery Chargers	15.0	*11.0*
Commercial	2.7.10	Com Steam Trap Repair and Replacement - Standard Steam Traps	6.0	*11.0*
Commercial	2.7.10	Com Steam Trap Repair and Replacement - Venturi Steam Traps	20.0	*11.0*
Commercial	2.7.11	Com Hydraulic Gear Lubricants	10.0	*11.0*
Commercial	2.7.12	Com Hydraulic Oils	10.0	*11.0*
Commercial	2.7.13	Com Hand Dryers	10.0	*11.0*
Commercial	2.7.14	Com Laser Projectors	10.0	*11.0*
Measurement and Verification	2.1.1	M&V Air Conditioning Tune-Ups	5.0	*11.0*
Measurement and Verification	2.1.2	M&V Ground Source Heat Pumps (GSHP)	24.0	*11.0*
Measurement and Verification	2.1.3	M&V Variable Refrigerant Flow (VRF) Systems	15.0	*11.0*
Measurement and Verification	2.2.1	M&V Residential New Construction	23.0	*11.0*
Measurement and Verification	2.2.2	M&V Smart Home Energy Management Systems (SHEMS)	10.0	*11.0*
Measurement and Verification	2.3.1	M&V Residential Energy Code Compliance	23.0	*11.0*
Measurement and Verification	2.4.1	M&V Non-Residential Solar Photovoltaics (PV)	30.0	*11.0*
Measurement and Verification	2.4.2	M&V Residential Solar Photovoltaics (PV)	30.0	*11.0*
Measurement and Verification	2.4.3	M&V Solar Shingles	20.0	*11.0*
Measurement and Verification	2.4.4	M&V Solar Attic Fans	15.0	*11.0*
Measurement and Verification	2.5.1	M&V Behavioral Measures	1.0	*11.0*
Measurement and Verification	2.5.2	M&V Air Compressors Less than 75 hp	10.0	*11.0*
Measurement and Verification	2.5.3	M&V Custom - Custom Project Equipment	10.0	*11.0*
Measurement and Verification	2.5.3	M&V Custom - Setpoint Adjustments on Existing Controls	5.0	*11.0*
Measurement and Verification	2.5.3	M&V Custom - New Advanced Controls and Sensors	10.0	*11.0*
Measurement and Verification	2.5.4	M&V Measurement & Verification - Custom Project Equipment	10.0	*11.0*
Measurement and Verification	2.5.4	M&V Measurement & Verification - Retrocommissioning (RCx)	5.0	*11.0*
Measurement and Verification	2.5.4	M&V Measurement & Verification - Advanced Controls and Sensors	10.0	*11.0*
Measurement and Verification	2.5.5	M&V Energy Storage	15.0	*11.0*
Measurement and Verification	2.5.6	M&V Uninterruptible Power Supplies	10.0	*11.0*
Measurement and Verification	2.6.1	M&V Residential Load Curtailment	1.0	*11.0*
Measurement and Verification	2.6.2	M&V Non-Residential Load Curtailment	1.0	*11.0*

Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

Schedule N

2026 Projected Energy Efficiency Goals and Objectives

Calendar Year	Average Growth in Demand (MW)	Average Peak Demand (MW)	Goal Metric: 30% Growth (MW)	Goal Metric: 0.4 of 1% Peak Demand (MW)	Peak Demand Goal (MW) [1]	Energy Savings Goal (MWh)	Projected Demand Reduction (MW) [2]	Projected Energy Savings (MWh) [2]
2026	-20.13	1,203	-6.04	4.81	5.60	9,811	16.36	20,479

[1] SWEPCO's 2026 Demand Reduction Goal is based on 16 TAC § 25.181 (e)(1)(E) which states that, Except as adjusted in accordance with subsection (w) of this section, a utility's demand reduction goal in any year shall not be lower than its goal for the prior year.

[2] Please see p. 8-11 of SWEPCO witness Fichtel's testimony for an explanation of how the Projected Demand Reduction and Energy Savings Targets were determined.

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Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

SCHEDULE O

2026 Projected Energy Efficiency Objectives

2026		
Customer Class and Program	**Projected Demand Reduction (MW)**	**Projected Energy Savings (MWh)**
Commercial		
Commercial SOP	0.95	5,514
COMPASS for Large Commercial MTP	1.17	5,717
COMPASS for Schools MTP	0.28	3,174
COMPASS for Small Business MTP	0.34	1,394
Load Management SOP	8.38	106
Residential		
Residential SOP	1.36	2,599
Bring Your Own Device Pilot SOP	2.73	8
Hard-to-Reach		
Hard-to-Reach SOP	1.15	1,967
Total Annual Projected Savings	**16.36**	**20,479**

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Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

SCHEDULE P

2024 Energy Efficiency Programs' Cost - Net Benefit Ratio

2024	Savings		Costs	Benefits				Benefit-Cost Ratio
Customer Class and Program	kW	kWh	Total Program Costs	Avoided Capacity Costs	Avoided Energy Costs	Total Avoided Cost	Net Benefits	
Commercial								
Commercial SOP	624	3,614,518	$ 633,480	$ 664,652	$ 6,406,064	$ 7,070,716	$6,437,237	**11.16**
COMPASS for Large Commercial MTP	1,200	5,884,771	$ 459,944	$ 1,282,959	$ 10,443,463	$ 11,726,422	$11,266,478	**25.50**
COMPASS for Schools MTP	393	4,387,275	$ 616,590	$ 338,244	$ 5,871,610	$ 6,209,854	$5,593,264	**10.07**
COMPASS for Small Business MTP	343	1,422,302	$ 361,318	$ 364,406	$ 2,511,911	$ 2,876,317	$2,514,999	**7.96**
Load Management SOP	4,976	62,902	$ 230,574	$ 475,748	$ 9,995	$ 485,743	$255,168	**2.11**
Residential								
Bring Your Own Device Pilot SOP	766	0	$ 159,987	$ 73,233	$ -	$ 73,233	($86,754)	**0.46**
Residential SOP	1,588	3,026,938	$ 2,012,907	$ 2,122,383	$ 6,341,768	$ 8,464,151	$6,451,244	**4.20**
Hard-to-Reach								
Hard-To-Reach SOP	931	1,586,412	$ 1,029,815	$ 1,233,690	$ 3,441,695	$ 4,675,385	$3,645,569	**4.54**
Portfolio Total	**10,822**	**19,985,116**	**$ 5,504,616**	**$ 6,555,316**	**$ 35,026,505**	**$ 41,581,821**	**$ 36,077,205**	**7.55**

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Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

Schedule Q

2024 SWEPCO EECRF
Line Losses

2022 SWEPCO Line Loss Study

Voltage	kWh Factor	kW Factor
Transmission	1.01540	1.02002
Subtransmission	1.03141	1.03735
Primary Sub	1.02832	1.03377
Primary	1.03911	1.05313
Secondary	1.07580	1.08258

Southwestern Electric Power Company
Energy Efficiency Cost Recovery Factor

SCHEDULE R
2024 Energy Efficiency Programs

PROGRAM	CUSTOMER CLASS	DESCRIPTION
Bring Your Own Device Pilot Market Transformation Programs (MTP)	Residential	The Bring Your Own Device Pilot MTP is a voluntary program that targets a reduction in air conditioning load for residential customers. The program is designed to relieve peak load during periods of high demand. Customers who have eligible smart thermostats are eligible to participate in the program. Demand response events are dispatched by SWEPCO for load reduction periods of one to four hours.
Commercial Standard Offer Program (SOP)	Commercial	The CSOP targets commercial customers (other than public schools) of all sizes, providing incentives for new construction and retrofit installation of measures that reduce demand and save energy in non-residential facilities. The CSOP encourages electric energy efficiency improvements that go above and beyond the efficiency gains typically achieved in retrofit or replacement projects. Energy and demand savings will be based only on reductions that exceed current state and federal minimum efficiency standards if such standards apply. Incentives are paid to EESPs or customers based on deemed savings or verified demand and energy savings.
Commercial Partners Achieving Specialized Solutions (COMPASS) for Large Commercial MTP	Commercial	SWEPCO's COMPASS for Large Commercial MTP targets commercial customers (other than public schools) served by SWEPCO that do not have the in-house capability or expertise to 1) identify, evaluate and undertake energy efficiency improvements; 2) properly evaluate energy efficiency proposals from vendors; and/or 3) understand how to leverage their energy savings to finance projects. COMPASS for Large Commercial MTP facilitates the identification of demand and energy savings opportunities, general operating characteristics, long-range energy efficiency planning, and overall measure acceptance by the targeted customers. Incentives are paid to EESPs or customers for eligible energy efficiency measures installed in new or retrofit applications resulting in verifiable demand and energy savings.
COMPASS for Schools MTP	Commercial	The COMPASS for Schools MTP provides energy efficiency and demand reduction solutions for public and private educational entities grades K-12 and colleges and universities. This program is designed to help educate and assist these customers in lowering their energy use by integrating energy efficiency into their short- and long-term planning, budgeting, and operational practices. The program assists with the identification of demand and energy savings opportunities, provides detailed energy use, detailed building operational characteristics, and long-range energy efficiency planning. Incentives are paid to participating customers for eligible energy efficiency measures installed in new or retrofit applications that provide verifiable demand and energy savings.
COMPASS for Small Business MTP	Commercial	The COMPASS for Small Business MTP has been developed to offer energy efficiency services to small commercial customers with peak demands less than 100 kW. This customer group is the segment least served by SWEPCO's SOPs or MTPs. The COMPASS for Small Business MTP is designed to overcome barriers unique to small

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		commercial customers that prevent them from participating in energy efficiency programs proven to be successful for larger business owners. These barriers include Minimal technical knowledge among small business owners; Concerns about performance uncertainty and hidden costs; Owner/tenant challenges; Lack of capital, expertise, and staff; and inadequate information or the inability to research costs. To overcome these barriers, the program offers a turnkey approach in which marketing, energy education, site-specific energy analysis, financial incentives, equipment procurement, and installation can be provided.
Hard-to-Reach SOP	Residential	The HTR SOP targets residential customers in existing homes with total annual household incomes at or below 200% of current federal poverty guidelines and who have properly completed a Public Utility Commission of Texas (Commission) -approved income verification form or who have been designated as HTR-eligible through another Commission-approved verification methodology. Incentives are paid to project sponsors for eligible measures installed in retrofit applications that result in verifiable demand and energy savings. Project comprehensiveness is encouraged, and customer education regarding energy conservation behavior is provided through materials distributed by project sponsors.
Load Management SOP	Commercial	The LM SOP targets commercial customers with a peak electric demand of 500 kW or more. Incentive payments are based on measured and verified demand reduction of curtailed loads during the summer peak period. Load management events are dispatched by SWEPCO, using a one-hour-ahead notice for load reduction periods of one to four hours duration.
Residential SOP	Residential	The RSOP targets all residential customers, paying incentives to project sponsors for eligible measures installed in new and retrofit applications that result in verified demand and energy savings. Project comprehensiveness is encouraged. The following requirements must be reported to claim early retirement savings from residential HVAC projects: Photos of gauges showing the existing unit in full functional status; The age of the existing unit; Photo of the existing unit nameplate; Model number, serial number and manufacturer of the existing unit; The sizing of the new unit must be less than or equal to that of the existing unit; and customer responses to a survey questionnaire documenting the condition of the existing unit and customer motivation for unit replacement.

Southwestern Electric Power Company

2025 Energy Efficiency Plan and Report

16 Tex. Admin. Code §§ 25.181, 25.182 and 25.183

Amended May 1, 2025

Project No. 57468

SOUTHWESTERN ELECTRIC POWER COMPANY℠

An AEP Company

SCHEDULE S

TABLE OF CONTENTS

INTRODUCTION

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

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

The EE Rule includes specific requirements related to the implementation of SOPs and MTPs that control the way electric utilities must administer their portfolio of energy efficiency programs to achieve their mandated annual demand reduction goals. SWEPCO's Plan enables it to meet its statutory goals through the implementation of energy efficiency programs in a manner that complies with PURA § 39.905 and the EE Rule. This EEPR covers the periods of time as required in the EE Rule. The following section describes the information that is contained in each of the subsequent sections and appendices.

EEPR ORGANIZATION

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

Executive Summary

- Summarizes SWEPCO's plans for achieving its goals and projected energy efficiency savings for Program Years 2025 and 2026 and highlights SWEPCO's achievements for Program Year 2024.

Energy Efficiency Plan

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

Energy Efficiency Report

- Section V documents SWEPCO's demand reduction goal for each of the previous five years (2020-2024) based on its weather-adjusted peak demand.
- Section VI compares SWEPCO's projected energy and demand savings to its reported and verified savings by program for calendar years 2023 and 2024.
- Section VII details SWEPCO's incentive and administration expenditures for each of the previous five years (2020-2024) detailed by program for each customer class.
- Section VIII compares SWEPCO's actual 2024 expenditures with its 2024 budget by program for each customer class. It identifies funds committed but not expended and funds remaining and not committed. It also explains any cost deviations of more than 10% from SWEPCO's overall program budget.
- Section IX describes the results from SWEPCO's MTPs.
- Section X documents SWEPCO's Administrative and Research and Development activities.
- Section XI presents SWEPCO's 2025 Energy Efficiency Cost Recovery Factor (EECRF).
- Section XII provides a summary of the 2024 EECRF.
- Section XIII identifies SWEPCO's Underserved Counties.

Acronyms

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

Appendices

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

EXECUTIVE SUMMARY

The Energy Efficiency Plan (Plan) portion of this EEPR discusses how SWEPCO intends to achieve savings of at least a 30% reduction in its annual growth in demand of residential and commercial customers by December 31, 2025. SWEPCO's Plan addresses achieving the corresponding calculated energy savings goal, which is derived from its demand savings goal each year using a 20% conservation load factor [in accordance with 16 TAC § 25.181(e)(4)]. The goals, budgets, and implementation procedures that are included in this Plan are consistent with the requirements of the EE Rule, using lessons learned from experience and customer participation in the various historical energy efficiency programs. A summary of SWEPCO's projected annual goals and budgets is presented in Table 1.

Table 1: Summary of Goals, Projected Savings (at the Meter)[1] and Proposed Budgets

Calendar Year	Average Growth in Demand at Meter (MW)	Average Peak Demand at Meter (MW)	Goal Metric: 30% Growth (MW)	Goal Metric: 0.4% Peak Demand (MW)	Peak Demand Goal (MW)	Energy Goal (MWh)	Projected Demand Reduction (MW)	Projected Energy Savings (MWh)	Projected Budget (000's)*
2025	6.82	1,223	2.05	4.89	5.60	9,811	15.69	20,477	$4,881
2026	-20.13	1,203	-6.04	4.81	5.60	9,811	16.36	20,479	$4,881

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

The Energy Efficiency Report portion of this EEPR demonstrates that in 2024 SWEPCO cost-effectively implemented SOPs and MTPs as provided for by PURA §39.905. SWEPCO exceeded its demand and energy reduction goals to be achieved by December 31, 2024, by procuring 11,191 kW and 23,364,810 kWh at a total cost of $4,390,012. Programs in 2024 included the COMPASS for Large Commercial MTP, Commercial SOP, Hard-to-Reach SOP, Load Management SOP, Residential SOP, Bring Your Own Device Pilot SOP, COMPASS for Schools MTP, and COMPASS for Small Business MTP.

[1] Average Growth in Demand figures are from Table 4; Projected Savings from Table 5; Projected Budgets from Table 6.

ENERGY EFFICIENCY PLAN

I. 2025 PROGRAMS

A. 2025 Program Portfolio

SWEPCO has implemented a variety of programs in 2025 to enable the Company to meet its goals in a manner that complies with PURA § 39.905 and the EE Rule. These programs target broad market segments and specific market sub-segments with significant opportunities for cost-effective energy savings.

Table 2 below summarizes SWEPCO's programs and targeted customer class markets for Program Year 2025. The programs are described in further detail in Subsection D. SWEPCO maintains a website containing all the requirements for energy efficiency service provider (EESP) or project sponsor participation; the Energy Efficiency Evaluation, Measurement & Verification (EM&V) guidelines; and links to the program manuals in the Contractor Center at https://swepcosolutions.com. This site is the primary method of communication to provide program updates and information to customers, potential EESPs, and other interested parties.

Table 2: 2025 Energy Efficiency Program Portfolio

Program	Target Market	Application	Link to Program Manual
COMPASS for Large Commercial	Commercial	Retrofit/New Construction	https://swepcosolutions.com
Commercial SOP	Commercial	Retrofit/New Construction	https://swepcosolutions.com
Hard-to-Reach SOP	Residential Income-Qualified	Retrofit	https://swepcosolutions.com
Load Management SOP	Commercial	Retrofit	https://swepcosolutions.com
COMPASS for Small Business	Commercial	Retrofit	https://swepcosolutions.com
Residential SOP	Residential	Retrofit/New Construction	https://swepcosolutions.com
Bring Your Own Device Pilot SOP	Residential	Retrofit	https://swepcosolutions.com
COMPASS for Schools	Commercial	Retrofit/New Construction	https://swepcosolutions.com

B. Implementation Process

MTPs are managed by third-party implementers. These program implementers design, market, and execute the applicable MTP. Based on the specific MTP, the implementer may perform outreach activities to recruit local contractors and provide participating contractors with specialized education, training/certification, and tools, as necessary. Implementers validate proposed measures and projects, perform quality assurance/quality control, and verify and report savings derived from the program.

SOPs are administered by the utility with project sponsors providing eligible program measures. Project sponsors are usually EESPs or SWEPCO customers. A SWEPCO customer can act as an EESP if it is a commercial customer with a peak load equal to or greater than 50 kW. SWEPCO monitors projects submitted so as not to accept duplicate enrollments.

C. Outreach Activities

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

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

Additional outreach activities occur as the opportunity arises.

D. Description of Existing Programs

Bring Your Own Device Pilot SOP (BYOD Pilot SOP)

The BYOD Pilot SOP targets residential customers who have an eligible smart thermostat installed in their homes. The program's purpose is to encourage energy efficiency and grid stability by offering incentive payments based on participation in demand reduction events during summer peak periods. SWEPCO dispatches these events using a one-hour-ahead notice, and they typically last between one to four hours. By participating, customers help reduce stress on the electric grid and contribute to lower electric costs for the community.

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

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

Commercial Standard Offer Program (CSOP)

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

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

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

participating customers for eligible energy efficiency measures installed in new or retrofit applications that provide verifiable demand and energy savings.

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

The COMPASS for Small Business MTP has been developed to offer energy efficiency services to small commercial customers with peak demands less than 100 kW. This customer group is the segment least served by SWEPCO's SOPs or MTPs. The COMPASS for Small Business MTP is designed to overcome barriers unique to small commercial customers that prevent them from participating in energy efficiency programs proven to be successful for larger business owners. These barriers include:

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

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

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

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

Load Management Standard Offer Program (LM SOP)

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

Residential Standard Offer Program (RSOP)

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

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

E. New Programs for 2025

SWEPCO has no new programs for 2025.

F. Discontinued Programs

SWEPCO has no discontinued programs for 2025.

II. CUSTOMER CLASSES

SWEPCO's energy efficiency programs target residential and commercial customer classes. SWEPCO's energy efficiency programs also target customer sub-classes, including Low-Income and Schools. The annual projected savings targets are allocated among these customer classes and sub-classes by examining historical program results and by evaluating economic trends, in compliance with 16 TAC § 25.181(e)(3)(A). Table 3 summarizes the number of active customers in each eligible customer class at SWEPCO in the month of January 2025. It should be noted that the actual distribution of the annual goal to be achieved and the budget required to achieve the goal must remain flexible based on the conditions of the marketplace, the potential interest a customer class may have in a specific program, and the overriding objective of meeting SWEPCO's mandated demand reduction goal in total. SWEPCO offers a varied portfolio of SOPs and MTPs such that all eligible customer classes have access to energy efficiency alternatives.

Table 3: Summary of Customer Classes

Customer Class	Number of Customers
Commercial	31,296
Residential	156,618
Hard-to-Reach*	49,178

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

[2] According to the U.S. Census Bureau's 2021 Current Population Survey, 31.4% of Texas families fell below 200% of the poverty threshold in 2020. Applying that percentage to SWEPCO's residential customer base of 156,618, the number of HTR customers is estimated to be 49,178.

III. ENERGY EFFICIENCY GOALS AND PROJECTED SAVINGS

As prescribed by the EE Rule, SWEPCO's annual demand reduction goal is specified as a percent of its historical, weather-normalized, five-year average growth in demand. SWEPCO's 2025 goal was calculated based on the average annual growth in peak demand for the years 2019 through 2023, inclusive (the most recent historical load growth data available). SWEPCO's 2026 goal is calculated based on the average annual growth in peak demand for the years 2020 through 2024, inclusive (the most recent historical load growth data available).

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

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

Table 4: Annual Growth in Demand and Energy Consumption

Calendar Year	Peak Demand (MW) @ Source						Energy Consumption (GWh) @ Meter				Energy Efficiency Goal Calculations			
	Total System		Residential & Commercial				Total System		Residential & Commercial					
	Actual	Weather Adjusted	Actual	Weather Adjusted	Opt-Out	Peak Demand at Source Net Opt-outs	Actual	Weather Adjusted	Actual	Weather Adjusted	Peak Demand at Meter*	Load Growth at Meter	5 Year Average Growth at Meter	30% Growth at Meter
2019	1,470	1,574	1,329	1,432	-100	1,332	7,233	7,224	5,431	5,421	1,230	11.08	NA	NA
2020	1,398	1,548	1,293	1,443	-93	1,350	6,685	6,877	5,077	5,270	1,251	20.54	NA	NA
2021	1,398	1,485	1,296	1,383	-64	1,319	6,746	6,720	5,346	5,320	1,233	-17.79	-0.78	-0.23
2022	1,519	1,408	1,388	1,277	-49	1,228	7,180	7,112	5,763	5,696	1,148	-84.94	13.50	4.05
2023	1,553	1,521	1,437	1,405	-64	1,341	7,447	7,207	5,853	5,613	1,253	105.20	-4.08	-1.22
2024	1,466	1,453	1,326	1,313	-111	1,202	7,037	6,960	4,592	4,515	1,130	-123.67	-13.52	-4.06
2025	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	6.82	2.05
2026	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	-20.13	-6.04

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

SCHEDULE S

SCHEDULE S

Table 5 presents the projected demand reduction and energy savings, by program, for each customer class and each of the years 2025 and 2026. Projected savings reflect the estimated demand and energy savings that SWEPCO's programs are expected to achieve with fully developed program budgets for each of the years shown.

Table 5: Projected Demand and Energy Savings by Program for Each Customer Class For 2025 and 2026 (at the Meter)

2025	Projected Savings	
Customer Class and Program	**Demand (kW)**	**Energy (kWh)**
Commercial	**11,118**	**15,904,953**
COMPASS for Large Commercial MTP	1,166	5,716,997
Commercial SOP	952	5,513,710
Load Management SOP	8,380	105,925
COMPASS for Small Business MTP	336	1,394,119
COMPASS for Schools MTP	284	3,174,202
Residential	**3,415**	**2,605,373**
Residential SOP	1,364	2,599,220
Bring Your Own Device Pilot SOP	2,051	6,153
Hard-to-Reach	**1,154**	**1,966,500**
Hard-to-Reach SOP	1,154	1,966,500
Total Annual Projected Savings	**15,687**	**20,476,826**

2026	Projected Savings	
Customer Class and Program	**Demand (kW)**	**Energy (kWh)**
Commercial	**11,118**	**15,904,953**
COMPASS for Large Commercial MTP	1,166	5,716,997
Commercial SOP	952	5,513,710
Load Management SOP	8,380	105,925
COMPASS for Small Business MTP	336	1,394,119
COMPASS for Schools MTP	284	3,174,202
Residential	**4,092**	**2,607,404**
Residential SOP	1,364	2,599,220
Bring Your Own Device Pilot SOP	2,728	8,184
Hard-to-Reach	**1,154**	**1,966,500**
Hard-to-Reach SOP	1,154	1,966,500
Total Annual Projected Savings	**16,364**	**20,478,857**

IV. PROGRAM BUDGETS

Table 6 presents the total projected budget allocations required to meet SWEPCO's projected demand and energy savings to be achieved for the Program Years 2025 and 2026. The budget allocations are defined by the overall projected demand and energy savings, the avoided costs of capacity and energy specified in the EE Rule, the allocation of demand goals among customer classes, and the incentive levels by customer class. Table 6 budget allocations are detailed by customer class, program, and in the following budget categories: incentive payments; administration; research and development (R&D); and evaluation, measurement, and verification (EM&V).

SCHEDULE S

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

2025	Incentives	Admin	R&D & EM&V	Total
Commercial	**$1,770,000**	**$296,014**	**$0**	**$2,066,014**
COMPASS for Large Commercial MTP	$310,000	$54,706		$364,706
Commercial SOP	$650,000	$114,706		$764,706
Load Management SOP	$250,000	$44,118		$294,118
COMPASS for Small Business MTP	$250,000	$27,778		$277,778
COMPASS for Schools MTP	$310,000	$54,706		$364,706
Residential	**$1,465,000**	**$212,941**	**$0**	**$1,677,941**
Bring Your Own Device Pilot SOP	$290,000	$33,809		$323,809
Residential SOP	$1,175,000	$179,132		$1,354,132
Hard-to-Reach	**$850,000**	**$123,529**	**$0**	**$973,529**
Hard-to-Reach SOP	$850,000	$123,529		$973,529
Research and Development (R&D)			**$125,000**	**$125,000**
Total Program Budget	**$4,085,000**	**$632,484**	**$125,000**	**$4,842,484**
EM&V			**$38,976**	**$38,976**
Total Budget	**$4,085,000**	**$632,484**	**$163,976**	**$4,881,460**

2026	Incentives	Admin	R&D & EM&V	Total Budget
Commercial	**$1,770,000**	**$296,014**	**$0**	**$2,066,014**
COMPASS for Large Commercial MTP	$310,000	$54,706		$364,706
Commercial SOP	$650,000	$114,706		$764,706
Load Management SOP	$250,000	$44,118		$294,118
COMPASS for Small Business MTP	$250,000	$27,778		$277,778
COMPASS for Schools MTP	$310,000	$54,706		$364,706
Residential	**$1,465,000**	**$212,941**	**$0**	**$1,677,941**
Bring Your Own Device Pilot SOP	$290,000	$33,809		$323,809
Residential SOP	$1,175,000	$179,132		$1,354,132
Hard-to-Reach	**$850,000**	**$123,529**	**$0**	**$973,529**
Hard-to-Reach SOP	$850,000	$123,529		$973,529
Research and Development (R&D)			**$125,000**	**$125,000**
Total Program Budget	**$4,085,000**	**$632,484**	**$125,000**	**$4,842,484**
EM&V			**$38,976**	**$38,976**
Total Budget	**$4,085,000**	**$632,484**	**$163,976**	**$4,881,460**

ENERGY EFFICIENCY REPORT

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

Table 7 contains SWEPCO's actual demand and energy goals and actual savings achieved for the previous five years (2020-2024), calculated in accordance with the EE Rule.

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

Calendar Year	Actual Weather Adjusted Demand Goal (MW)	Actual Weather Adjusted Energy Goal (MWh)	Savings Achieved (MW)	Savings Achieved (MWh)
2020	5.6	9,811	10.52	16,246
2021	5.6	9,811	8.86	17,402
2022	5.6	9,811	10.56	14,012
2023	5.6	9,811	9.28	13,450
2024	5.6	9,811	11.51**	19,985

* Actual weather-adjusted MW and MWh goals as reported in SWEPCO's EEPRs filed in years 2020-2024.

** Reported savings achieved at the source are 10.82 MW (10.82 x 1/(1-5.99%)) = 11.51 MW.

VI. PROJECTED, REPORTED AND VERIFIED DEMAND AND ENERGY SAVINGS

Table 8: Projected versus Reported and Verified Savings for 2024 and 2023
(at the Meter)

2024	Projected Savings		Reported and Verified Savings	
Customer Class and Program	**kW**	**kWh**	**kW**	**kWh**
Commercial	**10,183**	**9,128,763**	**7,537**	**15,371,767**
COMPASS for Large Commercial MTP	356	1,899,487	1,200	5,884,771
Commercial SOP	750	3,812,459	624	3,614,518
Load Management SOP	8,428	107,040	4,976	62,902
COMPASS for Small Business MTP	350	1,504,433	343	1,422,302
COMPASS for Schools MTP	298	1,805,344	393	4,387,275
Residential	**2,915**	**2,714,127**	**2,354**	**3,026,938**
Residential SOP	1,435	2,709,687	1,588	3,026,938
Bring Your Own Device Pilot SOP	1,480	4,440	766	0
Hard-to-Reach	**1,295**	**2,208,921**	**931**	**1,586,412**
Hard-to-Reach SOP	1,295	2,208,921	931	1,586,412
Total Annual Savings	**14,392**	**14,051,812**	**10,822**	**19,985,116**

2023	Projected Savings		Reported and Verified Savings	
Customer Class and Program	**kW**	**kWh**	**kW**	**kWh**
Commercial	**9,718**	**9,019,764**	**6,238**	**8,924,733**
COMPASS for Large Commercial MTP	362	1,713,708	392	2,090,182
Commercial SOP	789	3,576,416	498	2,527,773
Load Management SOP	7,228	109,883	4,554	57,844
COMPASS for Small Business MTP	219	827,998	319	1,373,260
COMPASS for Schools MTP	1,120	2,791,758	475	2,875,674
Residential	**1,037**	**2,082,541**	**1,466**	**2,769,857**
Residential SOP	1,037	2,082,541	1,466	2,769,857
Hard-to-Reach	**787**	**1,444,483**	**976**	**1,665,788**
Hard-to-Reach SOP	787	1,444,483	976	1,665,788
Total Annual Savings	**11,542**	**12,546,787**	**8,681**	**13,360,378**

VII. HISTORICAL PROGRAM EXPENDITURES

This section documents SWEPCO's incentive and administration expenditures for the previous five years (2020-2024) detailed by program for each customer class.

Table 9: Historical Program Incentive and Administrative Expenditures for 2020 through 2024 ($000's)

	2024		2023		2022		2021		2020	
Commercial	Incent	Admin	Incent	Admin	Incent	Admin	Incent	Admin	Incent	Admin
COMPASS for Large Commercial MTP	$319.10	$30.97	$341.12	39.78	NAP	NAP	NAP	NAP	NAP	NAP
Commercial Solutions MTP	NAP	NAP	NAP	NAP	$196.01	$29.11	$343.23	$40.59	$378.07	$43.43
Commercial SOP	$426.11	$56.29	$430.97	$72.94	$450.23	$81.31	$689.29	$143.11	$475.78	$123.71
Load Management SOP	$148.46	$28.23	$135.10	$23.05	$154.21	$23.49	$112.89	$18.92	$144.69	$26.23
Open MTP	NAP	NAP	NAP	NAP	$251.79	$43.19	$248.71	$38.54	$248.26	$36.33
SCORE MTP	NAP	NAP	NAP	NAP	$362.72	$37.24	$309.13	$30.23	$261.01	$32.05
COMPASS for Small Business MTP	$255.05	$21.90	$228.20	$42.13	NAP	NAP	NAP	NAP	NAP	NAP
COMPASS for Schools MTP	$428.47	$44.62	$493.79	$52.63	NAP	NAP	NAP	NAP	NAP	NAP
Residential										
Residential SOP	$1,368.35	$186.36	$1,201.09	$170.02	$1,262.78	$175.71	$1,052.44	$156.83	$1,138.80	$192.01
Bring Your Own Device Pilot SOP	$107.30	$14.57	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP
Hard-to-Reach										
Hard-to-Reach SOP	$685.71	$107.95	$641.00	$97.08	$566.44	$86.18	$736.59	$99.36	$729.48	$98.55
R&D		$123.68		$100.59		$118.41		$96.88		$135.42
Evaluation and Measurement & Verification		$36.90		$42.29		$58.22		$62.38		$70.93
Total Expenditures	$3,738.55	$651.47	$3,471.27	$640.51	$3,244.18	$652.87	$3,492.28	$686.84	$3,376.07	$758.67

VIII. PROGRAM FUNDING FOR CALENDAR YEAR 2024

As shown in Table 10, the Total Projected Budget for 2024 was $4,754,397. Total Funds Expended for 2024 were $4,390,012.

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

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

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

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

The Bring Your Own Device Pilot SOP did not fully utilize its incentive budget due to lower-than-expected participation.

The Residential SOP went over budget due to a greater demand for services in this sector.

The Hard-to-Reach SOP did not fully utilize its incentive budget due to lower-than-expected participation

SCHEDULE S

Table 10: Program Funding for Calendar Year 2024

2024	Number of Participating ESI ID Accounts	Total Projected Budget	Actual Funds Expended (Incentives)	Admin	R&D	EM&V	Total Funds Expended
Commercial	**118**	**$2,066,014**	**$1,577,190**	**$182,006**	**$0**	**$0**	**$1,759,196**
Commercial SOP	25	$764,706	$426,108	$56,290			$482,398
COMPASS for Large Commercial MTP	19	$364,706	$319,097	$30,970			$350,068
COMPASS for Schools MTP	17	$364,706	$428,471	$44,615			$473,087
COMPASS for Small Business MTP	49	$277,778	$255,054	$21,896			$276,950
Load Management SOP	8	$294,118	$148,459	$28,234			$176,693
Residential	**1,763**	**$1,552,941**	**$1,475,649**	**$200,922**	**$0**	**$0**	**$1,676,572**
Residential SOP	1,112	$1,354,132	$1,368,354	$186,357			$1,554,711
Bring Your Own Device Pilot SOP	651	$198,809	$107,296	$14,565			$121,861
Hard-to-Reach	**672**	**$973,529**	**$685,711**	**$107,948**	**$0**	**$0**	**$793,659**
Hard-to-Reach SOP	672	$973,529	$685,711	$107,948			$793,659
R&D		$125,000			$123,682		$123,682
EM&V		$36,913				$36,904	$36,904
Totals	**2,553**	**$4,754,397**	**$3,738,550**	**$490,877**	**$123,682**	**$36,904**	**$4,390,012**

IX. MARKET TRANSFORMATION PROGRAM RESULTS

COMPASS Schools MTP

The COMPASS Schools MTP that is implemented by a third-party contractor provided non-cash incentives, such as building energy analyses, technical assistance, and communications support, as well as monetary incentives for the installation of documented energy efficiency measures that reduce peak demand and energy use. In 2024, SWEPCO projected to acquire 284 kW in demand savings from this program. SWEPCO has verified and reported savings of 393 kW. This included participation by 17 customers in six counties.

COMPASS Large Commercial MTP

SWEPCO contracted with a third-party program implementer for the COMPASS Large Commercial MTP to provide commercial facilities non-cash incentives, such as technical assistance to identify energy efficiency opportunities, education in promoting best practices, and communication support services. Program participants received cash incentives for installing documented energy efficiency measures that reduced peak demand and energy consumption. For 2024, SWEPCO projected to acquire 1,525 kW of demand savings from this program. SWEPCO's verified and reported results are 1,570 kW. This included participation by 19 customers in seven different counties.

COMPASS Small Commercial MTP

The COMPASS Small Commercial MTP contractor provided small commercial customers with less than 100 kW demand non-cash incentives such as technical assistance to identify energy efficiency opportunities and education in promoting best practices. The direct install program provided a turnkey approach, providing participants cash incentives for the installation of documented energy efficiency measures that reduced peak demand and energy consumption. For 2024, SWEPCO projected 336 kW of demand savings from this program. SWEPCO's verified and reported results are 343 kW. This included participation by 49 customers in ten different counties.

BYOD Pilot SOP

The BYOD Pilot SOP provided residential customers incentives for signing up and participating in demand reduction events during peak periods. In 2024, SWEPCO projected to acquire 1,480 kW in demand savings from this program. SWEPCO has verified and reported savings of 766 kW.

X. ADMINISTRATIVE AND RESEARCH AND DEVELOPMENT COSTS

Administrative Costs

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

Program Research and Development

R&D activities are intended to help SWEPCO meet future energy efficiency goals by researching new technologies, and program options and developing better, more efficient ways to administer current programs. In 2024, SWEPCO dedicated resources to enhance electronic data collection and management systems for current programs. In addition, SWEPCO allocated R&D funds to update and improve its customer-facing website, ensuring it provides a more user-friendly experience and better access to program information. Furthermore, SWEPCO participated with Electric Utility Marketing Managers of Texas (EUMMOT) in researching potentially new deemed savings measures for various programs.

XI. 2025 ENERGY EFFICIENCY COST RECOVERY FACTOR (EECRF)

In Commission Docket No. 56552, SWEPCO received approval to recover the following:

- $4,842,484 Cost of SWEPCO's Energy Efficiency programs projected for 2025
- $1,132,539 Performance bonus for 2023 savings achievement
- (-$124,392) SWEPCO's over-recovery plus interest of its actual energy efficiency program costs for 2023
- $36,913 Projected EM&V costs
- $21,789 SWEPCO's rate-case expenses

Approval was granted for a total revenue requirement of $5,909,333.

The adjusted rates, as given in Table 11, went into effect on January 1, 2025.

Table 11: 2025 EECRF

Customer Class	Factor per kWh
Residential	$0.001643
General Service	$0.000828
Municipal Service	$0.015085
Municipal Pumping	$0.000221
Lighting and Power	$0.000637
Cotton Gin	$0.000077
Metal Melting < 69kV	$0.003573
Oil Field Large Industrial Power	$0.000761
Large lighting and power <69kV	$0.001808
Lighting	$0.000000

XII. 2024 EECRF SUMMARY

Revenue Collected Through EECRF

Table 12 below outlines a summary of SWEPCO's 2024 EECRF including costs, performance bonus, prior years over recovery, and current years over recovery.

Table 12: Over Recovery of Energy Efficiency Costs in 2024

	Authorized per Docket No. 54948	Actual Expenses
2024 Program Costs	$4,717,484	$4,353,107
2024 EM&V costs	$36,913	$36,904
2022 (Over)/Under Recovery	($948,991)	($948,991)
Rate Case Expenses	$17,280	$17,280
2022 Bonus	$1,112,532	$1,112,532
2024 Total Costs & Bonus	$4,935,218	$4,570,831
2024 EECRF Revenue		$4,475,980
2024 (Over)/Under Including Interest		$104,743

XIII. UNDERSERVED COUNTIES

An underserved county is defined by SWEPCO as any county that did not report demand or energy savings through any of the 2024 SOPs or MTPs. Per 16 TAC § 25.181(l)(2)(U), a list of the 2024 Underserved Counties is shown in Table 13:

Table 13: Underserved Counties

Childress	Hall	Rains
Red River	Hopkins	Wheeler

SCHEDULE S

ACRONYMS

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

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

County	COMPASS Large Commercial		Commercial SOP		COMPASS Small Commercial		COMPASS Schools		Residential SOP		Hard-to-Reach SOP		Load Management SOP	
	kW	kWh	kW	kWh	kW	kWh	kW	kWh	kW	kWh	kW	kWh		
Bowie	164	807,322	366	2,253,986	182	812,576	37	60,570	245	511,744	157	316,798	838	10,957
Camp					1	5,824			15	23,330	19	28,073	489	4,410
Cass									2	4,582	3	2,254		
Collingsworth					2	8,161								
Donley									0	1,549				
Franklin					2	7,100			21	37,522	5	5,299		
Gregg	64	159,298	251	1,352,977	77	323,715	258	4,114,148	761	1,455,740	426	674,405	3,278	42,499
Harrison	7	27,171	5	6,332	6	15,322	4	9,852	188	365,360	155	295,743	371	5,036
Marion									23	42,371	3	2,811		
Morris					35	103,118			2	6,327				
Panola	2	6,545	2	1,223			8	23,343	62	116,811	7	9,263		
Rusk									135	202,916	109	176,410		
Shelby	33	103,247			1	4,669								
Smith									10	25,149				
Titus	929	4,749,730			32	118,257	39	45,045	7	26,515				
Upshur	2	31,458							69	107,343	25	47,146		
Van Zandt									1	2,712	4	6,583		
Wood					6	23,560	47	134,317	49	96,967	18	21,627		
Total	**1,200**	**3,614,518**	**624**	**3,614,518**	**343**	**1,422,302**	**393**	**4,387,275**	**1,588**	**3,026,938**	**931**	**1,586,412**	**4,976**	**62,902**

APPENDIX B:

PROGRAM TEMPLATES

SWEPCO does not have any program templates to provide.

APPENDIX C:

OPTIONAL SUPPORTING DOCUMENTATION

SWEPCO has no Optional Supporting Documentation to provide.

The following files are not convertible:

Sch A-2B-2.xlsx
Schedule A-B-J-K-M-N-O-P-Q.xlsx
Schedule D Workpapers.xlsx
Schedule S Workpapers.xlsx
SWEPCO 2026 EECRF Rates.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.