



**El Paso Electric**

**ANNUAL REPORT FOR ENERGY EFFICIENCY PROGRAMS  
CALENDAR YEAR 2013**

**NMPRC EFFICIENT USE OF ENERGY RULE 17.7.2 NMAC**

**JUNE 1, 2014**

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## Exhibits

- EXHIBIT A: 2013 MEASUREMENT AND VERIFICATION (“M&V”) REPORT PREPARED BY ADM ASSOCIATES
- EXHIBIT B: AVOIDED COST
- EXHIBIT C: ADVISE NOTICE AND EUERF TARIFF ADJUSTMENT

## Section I. Executive Summary

### ***Introduction***

El Paso Electric Company (“EPE”) respectfully submits its annual report on the performance of the EPE’s Energy Efficiency Programs for calendar year 2013 (“2013 Program” or “2013 Programs”). This 2013 annual report for energy efficiency programs (“Annual Report”) provides expenditures and savings resulting from ten energy efficiency programs. This report relies on the statewide independent evaluator’s measurement and verification report (“M&V Report”) prepared by ADM Associates Inc. (“ADM”) which is included as Appendix A.

### ***Background***

The programs evaluated in this Annual Report include programs that were approved by the New Mexico Public Regulation Commission (“NMPRC” or “Commission”) in NMPRC Case No. 07-00411-UT and NMPRC Case No. 09-00390-UT. EPE’s most recent program additions and modifications that are included in this report were approved by the Commission on February 21, 2012 in NMPRC Case No. 11-00047-UT. This Annual Report covers all expenses incurred in the implementation of the 2013 Programs from January 1, 2013 through December 31, 2013.

### ***Summary of Results***

This is the sixth annual report on EPE energy efficiency programs. Results are based upon independent measurement and verification by ADM. The following programs are included in this Annual Report:

- LivingWise<sup>®</sup> Program
- Home Efficiency Program
- High Efficiency Cooling Program
- CFL Program
- Appliance Recycling Program
- ENERGY STAR<sup>®</sup> New Homes Program
- New Mexico Energy Saver Program
- Schools & Business Assistance (“SCORE Plus”) Program
- Small Business Energy Savings Program
- Commercial Comprehensive Program

The following is a short summary of the overall results:

- The 2013 Programs were cost effective as measured by the total resource cost (“TRC”) test. The TRC for the portfolio of programs was 2.52<sup>1</sup>. The 2013 Program portfolio was also cost effective as measured by the utility cost test (“UCT”) with a UCT of 2.67.
- The total annual net savings after free rider and other adjustments was 12.8 GWh.
- The total 2013 Program expenditures were \$3,259,172.

Table 1 shows the total number of participants or units by program, the verified annual energy and demand savings, the lifetime energy savings, and total costs for each of the programs for calendar year 2013.

<b>Program</b>	<b>Participants or Units</b>	<b>Annual Savings (kW)</b>	<b>Annual Savings (kWh)</b>	<b>Lifetime Savings (kWh)</b>	<b>Total Program Costs</b>
<b>Educational</b>					
LivingWise® Program	3,030	11	333,129	2,981,471	\$ 134,434
<b>Residential</b>					
Home Efficiency	97	109	207,422	4,734,507	\$ 51,995
High Efficiency Cooling	1,020	936	1,467,012	22,005,182	\$ 532,897
CFL Program*	32,615	427	3,293,051	21,075,529	\$ 333,960
Appliance Recycling	537	68	419,784	2,043,910	\$ 74,460
ENERGY STAR New Homes	196	43	153,902	3,539,752	\$ 265,896
<b>Low Income</b>					
New Mexico Energy Saver	1,838	244	1,279,293	16,377,736	\$ 580,393
<b>Commercial</b>					
Schools & Business Assistance	43	428	2,999,529	36,208,262	\$ 655,326
Small Business Energy Savings	98	438	2,340,755	23,890,835	\$ 426,533
Commercial Comprehensive	41	89	339,118	4,054,272	\$ 148,053
<b>Marketing for All Programs</b>					\$ 55,225
<b>TOTAL</b>	<b>39,515</b>	<b>2,793</b>	<b>12,832,995</b>	<b>136,911,456</b>	<b>\$ 3,259,172</b>

\*CFL Program assumes 5 CFLs per participant

Table 2 shows the net present values of the lifetime energy savings and the program costs, as well as the benefit-cost analysis for the 2013 Programs.

<sup>1</sup> Programs included in the 2013 Annual Report were approved by the Commission based on being cost effective using the TRC test. Amendments to the Efficient Use of Energy Act in 2013 changed the cost effectiveness criteria to the UCT. Cost effectiveness of future programs proposed to the Commission will be based on the UCT.

**Table 2 - Benefit-Cost Analysis by Program**

<b>Program</b>	<b>NPV of TRC Benefits</b>	<b>NPV of UC Benefits</b>	<b>NPV of TRC Costs</b>	<b>NPV of UC Costs</b>	<b>TRC</b>	<b>UCT</b>
<b>Educational</b>						
LivingWise® Program	\$ 334,548	\$ 142,309	\$ 103,838	\$ 134,434	3.22	1.06
<b>Residential</b>						
Home Efficiency	\$ 354,419	\$ 306,774	\$ 141,719	\$ 51,995	2.50	5.90
High Efficiency Cooling	\$ 1,801,902	\$ 1,801,902	\$ 328,532	\$ 532,897	5.48	3.38
CFL Program	\$ 1,539,382	\$ 1,539,382	\$ 301,316	\$ 333,960	5.11	4.61
Appliance Recycling	\$ 118,896	\$ 118,896	\$ 58,470	\$ 74,460	2.03	1.60
ENERGY STAR New Homes	\$ 989,205	\$ 242,396	\$ 635,616	\$ 265,896	1.56	0.91
<b>Low Income</b>						
New Mexico Energy Saver	\$ 743,867	\$ 662,618	\$ 580,393	\$ 580,393	1.28	1.14
<b>Commercial</b>						
Schools & Business Assistance	\$ 2,235,424	\$ 2,235,424	\$ 853,668	\$ 655,326	2.62	3.41
Small Business Energy Savings	\$ 1,381,085	\$ 1,381,085	\$ 614,204	\$ 411,075	2.25	3.36
Commercial Comprehensive	\$ 224,954	\$ 224,954	\$ 185,290	\$ 148,053	1.21	1.52
<b>Marketing for All Programs</b>	\$ -	\$ -	\$ 55,225	\$ 55,225	-	-
<b>TOTAL</b>	\$ 9,723,682	\$ 8,655,740	\$ 3,858,271	\$ 3,243,714	2.52	2.67

The NMPRC Efficient Use of Energy Act (“Act”), revised through the 2008 House Bill 305 and the 2013 House Bill 267, requires EPE to pursue cost-effective energy efficiency programs in its service territory. The Act requires that EPE achieve a cumulative savings equivalent to 65,815,596 kWh by 2014. This is based upon a reduction of 5% of EPE’s applicable retail sales in 2005. Through 2013, EPE has achieved 51,792,988 kWh or 79% of the 2014 goal. EPE is continuing to monitor and evaluate existing program savings results and will request that the Commission make any necessary adjustments to the statutory goals upon determination that EPE cannot achieve the minimum requirements based on its implementation of its Commission approved energy efficiency programs.

## Section II. Program Descriptions

### ***Residential Programs***

#### **LivingWise® Program**

The LivingWise® Program is an educational program that targets Fifth Grade students. Students receive a kit of energy and water efficient devices for installation at home. In 2013, EPE distributed 3,030 kits and achieved a savings of 333,129 kWh. EPE contracts with Resource Action Programs to implement and manage this program.

#### **Residential Home Efficiency Program**

The Residential Home Efficiency Program offers residential customers rebates on the following measures:

- Ceiling, Wall, and Floor Insulation
- Duct Sealing
- Air Infiltration
- Solar Screens

EPE had 97 participants and saved a total of 207,422 kWh. The outreach for this program is provided by EPE personnel, and Frontier Associates administers the rebate process.

#### **Residential High Efficiency Cooling Program**

The Residential High Efficiency Cooling Program offers residential customers a rebate of \$300 or \$700, depending upon the efficiency of the unit, for energy efficient evaporative coolers as an alternative to refrigerated air conditioning (“A/C”) units. Residential customers that purchase energy efficient refrigerated A/C systems can also receive rebates of \$200 to \$600, depending upon the efficiency of the unit. The outreach for this program is provided by EPE personnel, and Frontier Associates administers the rebate process. In 2013, a total of 1,020 rebates were distributed with an annual savings of 1,467,012 kWh.

#### **Residential Compact Fluorescent Lamp (“CFL”) Program**

The Residential CFL Program offers residential customers CFLs at a reduced price through a buy-down process at participating retail locations. Through this program, there were over 163,000 CFLs sold at the reduced prices and a total of 3,293,051 kWh was saved. Energy Federation Incorporated and Applied Proactive Technologies Inc. provide the outreach and administration for this program. For M&V reporting purposes, ADM has referenced the Residential CFL Program as the CFL Buy-down Program.

#### **Appliance Recycling Program**

The Appliance Recycling Program offers residential and commercial customers a \$30 rebate per recycled appliance to allow EPE to remove and recycle older refrigerators and freezers. EPE contracts with a third party, JACO Environmental, to implement and manage this program. A total of 537 appliances were recycled this year, saving 419,784 kWh annually.

## ENERGY STAR® New Homes Program

The ENERGY STAR® New Homes Program offers rebates to builders for construction of new homes that exceed current building standards by a minimum of 15%. The program provides tiered rebates of \$600 or \$1,000 per home based on the Home Energy Rating System (“HERS”). Homes that qualify for ENERGY STAR® Version 2.5 are considered High Performance Homes and receive a \$600 rebate. Homes that qualify for ENERGY STAR® Version 3.0 are considered ENERGY STAR® Homes and receive a \$1,000 rebate. In 2013, 196 homes participated in this program and a total annual savings of 153,902 kWh was achieved. EPE contracts with a third party, ICF International, to implement and manage this program.

## New Mexico Energy Saver Program

The New Mexico Energy Saver Program offers income-qualified customers a variety of energy efficiency measures. These measures include CFL installations, duct sealing, air infiltration, and insulation installation. This program had 1,838 participants and had an annual savings of 1,279,293 kWh. Frontier Associates administers and tracks the results of this program and GreenWorks NM (“GreenWorks”) implements it. The outreach for this program is provided by EPE and GreenWorks personnel, and Frontier Associates administers the rebate process for this program.

## ***Commercial Programs***

### SCORE Plus Program

The SCORE Plus Program offers customer incentives, technical support, and outreach services to businesses, school districts and governmental entities encouraging them to implement a range of energy efficiency measures. These measures include lighting retrofits, upgrading refrigerated A/C units, and building envelope improvements. In 2013, a total of 43 participants saved 2,999,529 kWh through various energy efficiency measures. EPE contracts with CLEAResult to actively recruit eligible customers and provide them with assistance in identifying energy efficiency improvements that can be made to their facilities. CLEAResult also assists them in the program application process.

### Small Business Energy Savings Program

The Small Business Energy Savings Program provides small commercial customers with incentives for energy efficient lighting, upgrading of refrigerated A/C units, and other energy efficiency measures. This program had 98 participants and saved a total of 2,340,755 kWh. The outreach is provided by EPE personnel, and Frontier Associates administers the rebate process and tracks the results of this program.

### Commercial Comprehensive Program

The Commercial Comprehensive Program offers commercial customers incentives to implement energy efficiency projects that fall outside the scope of the other EPE commercial program offerings. These projects include a variety of rebate offerings as well as special lighting and industrial process measures, compressed air measures, refrigeration and pumping measures. In 2013, this program had a total of 41 participants and saved a total of 339,118 kWh. The outreach for this program is provided by EPE personnel, and Frontier Associates administers the rebate process and tracks the results.

## Section III. Energy Efficiency Rule Reporting Requirements

Section III of the Annual Report follows the reporting requirements and section headings as specified in NMPRC Energy Efficiency Rule 17.7.2.13.C NMAC (“Rule”).

### (1) Independent Measurement and Verification Report

EPE contracted with ADM to conduct the independent evaluation of its 2013 Programs. The M&V Report is included as Appendix A of this report and includes:

- Expenditure documentation at both the total portfolio and individual program levels;
- Measured and verified kW and kWh savings;
- Cost-effectiveness of all of EPE’s 2013 Programs;
- Deemed savings and other assumptions used by ADM; and
- Description of the M&V process used by ADM.

EPE is in the process of reviewing the M&V Report results, conclusions and recommendations.

### (2) Program Expenditures not Included in the M&V Report

All program-related expenditures are included in the M&V Report. EPE spent a total of \$3,259,172 for all of the 2013 Programs.

### (3) Budgeted Funds Not Spent

EPE’s 2013 Program budget of \$5,240,900 was approved in NMPRC Case No. 11-00047-UT. EPE incurred program expenditures of \$3,259,172 for the 2013 Programs. EPE spent 62% of the approved 2013 Program budget.

### (4) Material Variances in Program Costs

EPE’s 2013 Program budget was approved in NMPRC Case No. 11-00047-UT. EPE incurred program expenses of \$3,259,172 as compared to its 2013 budget of \$5,240,900. EPE spent 62% of its 2013 budget. Table 3 shows a comparison of the 2013 Program budget and the actual 2013 expenditures by program. The material variances greater than 25% in program expenses are explained as follows:

- The Appliance Recycling Program expended 66% of its 2013 budget with 527 participants. The number of participants was lower for 2013 than expected. EPE increased its marketing efforts for this program through bill inserts and additional outreach activities and will continue to do so going forward.
- The Commercial Comprehensive Program had 41 participants for 2013. The lack of participation resulted in reduced program expenditures. Many of the customer measures in this program, such as thermal energy storage and variable frequency drives, had a high initial investment in time and money for the customers. Many of the projects in this program also required customers and/or vendors to perform pre- and post-measurement and verification in order to quantify the savings. In NMPRC Case No. 13-00176-UT,



approval was given for EPE to combine this program with the Small Business Energy Savings Program.

**Table 3 - Budget Variances**

Program	2013 Budget	2013 Program Expenditures	Variance %
<b>Educational</b>			
LivingWise® Program	\$ 135,418	\$ 134,434	-0.73%
<b>Residential</b>		-	
Home Efficiency	\$ 58,377	\$ 51,995	-10.93%
High Efficiency Cooling	\$ 527,875	\$ 532,897	0.95%
CFL Program	\$ 300,669	\$ 333,960	11.07%
Appliance Recycling	\$ 132,976	\$ 74,460	-44.00%
ENERGY STAR New Homes	\$ 224,508	\$ 265,896	18.43%
<b>Low Income</b>			
New Mexico Energy Saver	\$ 578,722	\$ 580,393	0.29%
<b>Commercial</b>			
Schools & Business Assistance	\$ 815,991	\$ 655,326	-19.69%
Small Business Energy Savings	\$ 466,038	\$ 426,533	-8.48%
Commercial Comprehensive	\$ 1,950,326	\$ 148,053	-92.41%
<b>Marketing for All Programs</b>	\$ 50,000	\$ 55,225	10.45%
<b>TOTAL</b>	<b>\$5,240,900</b>	<b>\$ 3,259,172</b>	<b>-37.81%</b>

### (5) Tariff Reconciliation

Table 4 below compares EPE's 2013 Program expenditures and recovery through its Rate Schedule No. 17 - Efficient Use of Energy Recovery Factor ("EUERF") for January through December, 2013. The costs recovered through the EUERF are not otherwise recovered through EPE's base rates.

**Table 4: Energy Efficiency Historical Under(Over) Recovery**

Description	Expenses	Recovery	Balance
2012 Over Recovery Balance			\$ (689,680)
2013 Energy Efficiency Activity	\$ 3,259,172	\$ 5,927,492	\$ (3,358,000)
<b>Ending Balance</b>			<b>\$ (3,358,000)</b>

EPE has a cumulative over-recovery balance of \$3,358,000 for the costs of implementing energy efficiency programs and the recovery through the EUERF through December 2013. The over recovered balance shown above reflects the difference between the 2013 Program budget and the 2013 Program expenditures. No incentive/disincentive adder for 2013 has been included in EPE's true-up calculations.

Table 5 shows the reconciliation for the prior calendar year's program expenses and the EUERF collections on a monthly basis.

**Table 5: Energy Efficiency Historical Under(Over) Recovery**

Month	Expenses	Recovery	Under (Over) Recovery Balance
Beg. Bal.			\$ (689,680)
Jan 2013	\$ 61,437	\$ 433,728	\$ (1,061,971)
Feb 2013	\$ 97,095	\$ 430,180	\$ (1,395,056)
Mar 2013	\$ 188,610	\$ 372,996	\$ (1,579,442)
Apr 2013	\$ 206,483	\$ 366,870	\$ (1,739,829)
May 2013	\$ 251,782	\$ 463,103	\$ (1,951,150)
Jun 2013	\$ 478,346	\$ 641,671	\$ (2,114,475)
Jul 2013	\$ 375,199	\$ 740,455	\$ (2,479,731)
Aug 2013	\$ 191,787	\$ 693,083	\$ (2,981,027)
Sep 2013	\$ 172,073	\$ 577,075	\$ (3,386,029)
Oct 2013	\$ 269,990	\$ 456,265	\$ (3,572,304)
Nov 2013	\$ 290,977	\$ 368,892	\$ (3,650,219)
Dec 2013	\$ 675,393	\$ 383,174	\$ (3,358,000)
<b>Total</b>	<b>\$ 3,259,172</b>	<b>\$ 5,927,492</b>	

EPE has submitted the documentation for an Advice Notice and EUERF tariff adjustment to account for this over-collection, with supporting testimony, in a separate filing concurrent with this report and has attached a copy of that filing as Exhibit C to this report.

### (6) & (9) Cost Allocation, Program Expenses and Rate of Return

All 2013 Program expenses were tracked as a regulatory asset through a specific account number using a unique work order number. Likewise, all revenue collected through the EUERF was booked to the same regulatory asset account using a separate work order number. The expenses and revenue are balanced against each other. These expenses and revenues were kept separate from EPE rate-base accounting; therefore, there is no cross-subsidization or impact on EPE's rate of return. Table 6 shows the 2013 Program expenditures:

**Table 6: 2013 Program Expenditures**

Programs	2013 Budget	Customer Incentive	Administrative	Marketing	Development	M&V	Total Costs
<b>Educational</b>							
Living Wise®	\$ 135,418	\$ 130,623	\$ 2,629	\$ -	\$ -	\$ 1,182	\$ 134,434
<b>Residential</b>							
Home Efficiency	\$ 58,377	\$ 41,504	\$ 2,038	\$ -	\$ -	\$ 8,453	\$ 51,995
High Efficiency Cooling	\$ 527,875	\$ 495,100	\$ 24,312	\$ -	\$ -	\$ 13,485	\$ 532,897
CFL Program	\$ 300,669	\$ 174,304	\$ 141,138	\$ 2,184	\$ -	\$ 16,334	\$ 333,960
Appliance Recycling	\$ 132,976	\$ 15,990	\$ 44,828	\$ 9,177	\$ -	\$ 4,465	\$ 74,460
ENERGY STAR New Homes	\$ 224,508	\$ 161,092	\$ 86,384	\$ -	\$ -	\$ 18,420	\$ 265,896
<b>Low Income</b>							
New Mexico Energy Saver	\$ 578,722	\$ 497,948	\$ 79,835	\$ -	\$ -	\$ 2,610	\$ 580,393
<b>Commercial</b>							
Schools & Business Assistance	\$ 815,991	\$ 297,513	\$ 334,208	\$ -	\$ -	\$ 23,605	\$ 655,326
Small Business Energy Savings	\$ 466,038	\$ 387,293	\$ 22,351	\$ -	\$ -	\$ 16,889	\$ 426,533
Commercial Comprehensive	\$ 1,950,326	\$ 107,414	\$ 5,753	\$ -	\$ 2,554	\$ 32,332	\$ 148,053
<b>Marketing for All Programs</b>	\$ 50,000	\$ -	\$ -	\$ 55,225	\$ -	\$ -	\$ 55,225
<b>TOTAL</b>	<b>\$5,240,900</b>	<b>\$2,308,781</b>	<b>\$ 743,476</b>	<b>\$ 66,586</b>	<b>\$ 2,554</b>	<b>\$137,775</b>	<b>\$3,259,172</b>

## (7) Program-Specific Metrics

The following paragraphs and tables provide the program-specific information in sections a) through g) as listed in the Rule 17.7.2.13.C(7) NMAC.

- a. Comparison of forecasted savings to verified achieved savings for each of the utility's energy efficiency programs

Please refer to Table 7 for EPE's forecasted and verified achieved savings.

**Table 7 - Forecasted Savings vs. Verified Savings**

Program	Forecasted Net Savings			Verified Net Savings		
	Annual Energy Savings (kWh)	Lifetime Energy Savings (kWh)	Peak Demand Savings (kW)	Annual Energy Savings (kWh)	Lifetime Energy Savings (kWh)	Peak Demand Savings (kW)
<b>Educational</b>						
LivingWise® Program	558,066	5,134,207	23.1	333,129	2,981,471	11
<b>Residential</b>						
Home Efficiency	460,202	3,681,618	86.0	207,422	4,734,507	109
High Efficiency Cooling	630,273	9,454,095	169.5	1,467,012	22,005,182	936
CFL Program	3,484,376	27,875,006	369.2	3,293,051	21,075,529	427
Appliance Recycling	979,352	4,896,760	66.8	419,784	2,043,910	68
ENERGY STAR New Homes	428,088	9,846,024	215.4	153,902	3,539,752	43
<b>Low Income</b>						
New Mexico Energy Saver	1,351,805	12,166,245	192.0	1,279,293	16,377,736	244
<b>Commercial</b>						
Schools & Business Assistance	6,001,413	78,018,369	1,334.5	2,999,529	36,208,262	428
Small Business Energy Savings	3,016,778	46,750,059	737.3	2,340,755	23,890,835	438
Commercial Comprehensive	13,780,264	173,077,103	4,034.8	339,118	4,054,272	89
<b>TOTAL</b>	<b>30,690,617</b>	<b>370,899,486</b>	<b>7,228.6</b>	<b>12,832,995</b>	<b>136,911,456</b>	<b>2,793</b>

- b. Number of program participants

See Table 1 for number of participants by program. Participants for the CFL Program assume 5 CFLs per participant.

- c. Utility and participant costs, including M&V costs, broken down by program

See Table 8 for EPE and participant costs including M&V costs by program.

**Table 8 - Utility and Participant Costs**

Program	Avoided Energy Production	Avoided Capacity Expansion	Avoided Gas Costs	Net Participant Costs	Program Administration Costs*	Customer Incentives*	NPV of TRC Benefits	NPV of UCT Benefits
<b>Educational</b>								
LivingWise® Program	\$ 133,419	\$ 8,890	\$ 192,239	-	\$ 103,838	\$ 30,596	\$ 334,548	\$ 142,309
<b>Residential</b>								
Home Efficiency	\$ 164,801	\$ 141,973	\$ 47,645	\$ 131,228	\$ 10,491	\$ 41,504	\$ 354,419	\$ 306,774
High Efficiency Cooling	\$ 840,262	\$ 961,640	-	\$ 290,735	\$ 37,797	\$ 495,100	\$ 1,801,902	\$ 1,801,902
CFL Program	\$ 1,276,589	\$ 262,793	-	\$ 141,660	\$ 159,656	\$ 174,304	\$ 1,539,382	\$ 1,539,382
Appliance Recycling	\$ 90,056	\$ 28,840	-	-	\$ 58,470	\$ 15,990	\$ 118,896	\$ 118,896
ENERGY STAR New Homes	\$ 131,958	\$ 110,438	\$ 746,809	\$ 530,812	\$ 104,804	\$ 161,092	\$ 989,205	\$ 242,396
<b>Low Income</b>								
New Mexico Energy Saver	\$ 491,730	\$ 170,888	\$ 81,249	\$ 497,948	\$ 82,445	\$ 497,948	\$ 743,867	\$ 662,618
<b>Commercial</b>								
Schools & Business Assistance	\$ 1,799,880	\$ 435,544	-	\$ 495,855	\$ 357,813	\$ 297,513	\$ 2,235,424	\$ 2,235,424
Small Business Energy Savings	\$ 1,031,042	\$ 350,043	-	\$ 590,904	\$ 39,240	\$ 387,293	\$ 1,381,085	\$ 1,381,085
Commercial Comprehensive	\$ 160,064	\$ 64,890	-	\$ 144,651	\$ 40,639	\$ 107,414	\$ 224,954	\$ 224,954
<b>TOTAL</b>	<b>\$ 6,119,801</b>	<b>\$ 2,535,939</b>	<b>\$ 1,067,942</b>	<b>\$ 2,823,793</b>	<b>\$ 995,193</b>	<b>\$ 2,208,754</b>	<b>\$ 9,723,682</b>	<b>\$ 8,655,740</b>

\*As Identified by ADM

Please note that the Program Administration Costs and the Customer Incentives in Table 8 are different from those identified in Table 6. This difference is due to ADM's cost allocations in the M&V Report for the LivingWise® Program.

d. Avoided energy and capacity costs

See Table 8 above for avoided supply-side costs.

e. Total cost per kWh and kW saved over the life of the measure

The total cost per kWh and kW saved over the life of the measure is shown in Table 9 and is determined by dividing the total program cost by the lifetime energy and savings.

<i>Program</i>	<i>Total Program Costs</i>	<i>Lifetime Energy Savings (kWh)</i>	<i>Lifetime Cost per kWh</i>	<i>Peak Demand Savings (kW)</i>	<i>Cost per kW</i>
<b>Educational</b>					
LivingWise® Program	\$ 134,434	2,981,471	\$ 0.0451	11	\$ 11,792
<b>Residential</b>					
Home Efficiency	\$ 51,995	4,734,507	\$ 0.0110	109	\$ 476
High Efficiency Cooling	\$ 532,897	22,005,182	\$ 0.0242	936	\$ 569
CFL Program	\$ 333,960	21,075,529	\$ 0.0158	427	\$ 782
Appliance Recycling	\$ 74,460	2,043,910	\$ 0.0364	68	\$ 1,100
ENERGY STAR New Homes	\$ 265,896	3,539,752	\$ 0.0751	43	\$ 6,141
<b>Low Income</b>					
New Mexico Energy Saver	\$ 580,393	16,377,736	\$ 0.0354	244	\$ 2,377
<b>Commercial</b>					
Schools & Business Assistance	\$ 655,326	36,208,262	\$ 0.0181	428	\$ 1,533
Small Business Energy Savings	\$ 426,533	23,890,835	\$ 0.0179	438	\$ 973
Commercial Comprehensive	\$ 148,053	4,054,272	\$ 0.0365	89	\$ 1,662
<b>Marketing for All Programs</b>	\$ 55,225	-		-	
<b>TOTAL</b>	<b>\$ 3,259,172</b>	<b>136,911,456</b>	<b>\$ 0.0238</b>	<b>2,793.3</b>	<b>\$ 1,166.78</b>

f. Total economic benefits for the reporting period

The 2013 economic benefit for each program is shown in Table 10.

<i>Program</i>	<i>Net Annual kWh</i>	<i>Net Lifetime kWh</i>	<i>Program EUL</i>	<i>Annual TRC Benefits</i>	<i>Annual UCT Benefits</i>
<b>Educational</b>					
LivingWise® Program	333,129	2,981,471	8.95	\$ 48,463	\$ 13,232
<b>Residential</b>					
Home Efficiency	207,422	4,734,507	22.83	\$ 21,610	\$ 17,253
High Efficiency Cooling	1,467,012	22,005,182	15	\$ 138,857	\$ 138,857
CFL Program	3,293,051	21,075,529	6.40	\$ 181,244	\$ 181,244
Appliance Recycling	419,784	2,043,910	4.87	\$ 22,224	\$ 22,224
ENERGY STAR New Homes	153,902	3,539,752	23	\$ 52,121	\$ 12,124
<b>Low Income</b>					
New Mexico Energy Saver	1,279,293	16,377,736	12.80	\$ 83,248	\$ 68,358
<b>Commercial</b>					
Schools & Business Assistance	2,999,529	36,208,262	12.07	\$ 181,363	\$ 181,363
Small Business Energy Savings	2,340,755	23,890,835	10.21	\$ 125,346	\$ 125,346
Commercial Comprehensive	339,118	4,054,272	11.96	\$ 19,169	\$ 19,169
<b>TOTAL</b>	<b>12,832,995</b>	<b>136,911,456</b>	<b>10.67</b>	<b>\$873,645</b>	<b>\$ 779,170</b>

g. The net present value of all economic benefits for the life of the measures

The net present value of the economic benefits for the 2013 Programs is shown above in Table 8.

**(8) Non-Energy Benefits**

Table 11 shows the emission reductions and Table 12 shows the water savings associated with the 2013 Programs. The annual and lifetime avoided emissions are determined by multiplying the emission rates times the annual and lifetime MWh saved. The water savings are determined by multiplying EPE’s average portfolio water consumption per MWh times the annual and lifetime energy savings.

<i>Emission Type</i>	<i>Avoided Electric Emmission Rate (lbs/MWh)</i>	<i>Annual Avoided Emissions (tons)</i>	<i>Lifetime Avoided Emissions (tons)</i>
<b>SO<sub>2</sub></b>	0.006	0.04	0.41
<b>NO<sub>x</sub></b>	1.24	7.94	84.66
<b>CO<sub>2</sub></b>	1173.51	7529.84	80333.66
<b>Particles</b>	0.0985	0.63	6.74

<i>Water Impact</i>	<i>EPE Portfolio Water Consumption (gal/MWh)</i>	<i>Annual Water Saved (gal)</i>	<i>Lifetime Water Saved (gal)</i>
<b>Water Saved</b>	615.4	7,897,883	84,260,197

**(10) Self-Direct Programs**

El Paso Electric did not receive any applications for customer self-direct programs in 2013.