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August 5, 2024

Commission Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Ave
P.O. Box 13326
Austin, TX 78711

Re: Project No. 56003 – El Paso Electric Company 2024 Energy Efficiency Plan and Report
Pursuant to 16 TAC § 25.181 and 25.183
Second Errata

To Whom It May Concern:

On April 1, 2024, El Paso Electric Company (“EPE”) filed its 2024 Energy Efficiency Plan and Report (“EEPR”). On April 30, 2024, EPE filed its first errata to the report. It has been brought to EPE’s attention that the amount EPE included for municipal rate case expenses for last year’s proceeding was in error. Therefore, EPE is hereby filing a second errata to this report that corrects the error.

This change is also reflected in the text of the document as applicable. At the end of this EEPR Second Errata are the redlined pages indicating the specific changes made to the EEPR filed April 1, 2024.

If there are any questions regarding this filing, please contact me at 915-543-4378.

Sincerely,

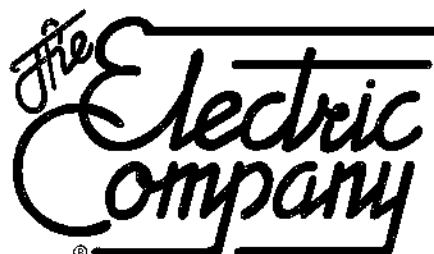
A handwritten signature in black ink that reads "Michelle Pedroza". The signature is written in a cursive style.

Michelle Pedroza
Regulatory Case Management

El Paso Electric Company
2024 Energy Efficiency Plan and Report
16 Texas Administrative Codes § 25.181
and § 25.183

August 5, 2024 – Second Errata

Project No. 56003



El Paso Electric

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INTRODUCTION

El Paso Electric Company (EPE) presents this Energy Efficiency Plan and Report (EEPR) to comply with 16 Tex. Admin. Code (TAC) § 25.181 and § 25.183, which are sections of the Energy Efficiency Rule (EE Rule) implementing the Public Utility Regulatory Act (PURA) § 39.905. As mandated by this section of PURA, 16 TAC § 25.181(e)(1) states that each investor-owned electric utility must achieve the following minimum demand reduction goals through market-based Standard Offer Programs (SOPs), targeted Market Transformation Programs (MTPs), or utility self-delivered programs:

§ 25.181(e)(1) 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 under paragraph (2) of this subsection.

The EE Rule includes specific requirements related to the implementation of SOPs, MTPs, and utility self-delivered programs that control the manner that utilities must administer their portfolio of energy efficiency programs in order to achieve their mandated annual demand reduction goals. EPE's plan is intended to enable it to meet its statutory goals through implementation of energy efficiency programs in a manner that complies with PURA § 39.905 and the EE Rule. This EEPR reports EPE's achievements for 2023 and its projections for 2024 and 2025 as required by the EE Rule. The following section describes the information that is contained in each of the subsequent sections and appendix.

ENERGY EFFICIENCY PLAN AND REPORT ORGANIZATION

This EEPR consists of the following information:

Executive Summary

- The Executive Summary highlights EPE's reported achievements for 2023 and EPE's plans for achieving its 2024 and 2025 projected energy efficiency savings.

Energy Efficiency Plan

- Section I describes EPE's program portfolio. It details how each program will be implemented, discusses related informational and outreach activities, and provides an explanation of any new or discontinued program(s).
- Section II explains EPE's targeted customer classes, specifying the size of each class and the method for determining those class sizes.
- Section III presents EPE's goal calculation and projected energy efficiency savings for the prescribed planning period by program for each customer class.
- Section IV describes EPE's proposed energy efficiency budgets for 2024 and 2025 by program for each customer class.

Energy Efficiency Report

- Section V documents EPE's demand reduction goals for each of the previous five years (2019-2023) and the actual savings achieved for those years.
- Section VI compares EPE's projected energy and demand savings to its reported savings by program for calendar years 2022 and 2023.
- Section VII details EPE's incentive and administration expenditures for the previous five years (2019-2023) detailed by program for each customer class.
- Section VIII compares EPE's actual and budgeted program costs for 2023 detailed by program for each customer class. It also provides an explanation of EPE's administrative costs and any expenditure deviation of more than 10% from the anticipated program budget.
- Section IX describes the results from EPE's MTPs.
- Section X documents EPE's most recent Energy Efficiency Cost Recovery Factor (EECRF).
- Section XI reflects EPE's revenue collection through the 2023 EECRF.
- Section XII details the over/under recovery of EPE's energy efficiency program costs for 2023.
- Section XIII reports the number of customers served and the savings relative to the three counties served by EPE in Texas.

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

Appendix A – Reported kW and kWh savings by county for each program.

EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details EPE's plan to meet the energy efficiency demand reduction goal for 2024, as established pursuant to 16 TAC § 25.181(e)(3). The Final Order of Docket No. 54950¹ issued on December 1, 2023, established the EECRF rates applicable to EPE for 2024. The order left in place the same demand reduction goal of 11.16 MW, which is what it has been since 2011 and is greater than four-tenths of one percent of EPE's average weather-adjusted peak demand at meter. Since EPE has reached a demand reduction goal of greater than four-tenths of one percent of its summer weather-adjusted peak demand in accordance with 16 TAC § 25.181(e)(1)(C), EPE's 2025 demand reduction goal should remain at 11.16 MW.

The Final Order of Docket No. 54950 also established an energy efficiency program budget for 2024 of \$5,337,006.² The goals, budgets, and implementation plans that are included in this EEPR are influenced substantially by the requirements of the EE Rule and lessons learned regarding energy efficiency service providers and customer participation in the various energy efficiency programs. A summary of projected goals, savings and budgets is presented in Table 1.

Table 1: Summary of 2024 & 2025 Projected Goals, Savings and Budgets³

Calendar Year	Average Growth in Demand (MW at Meter)	Goal Metric: 30% of 5-year Average Growth in Demand (MW at Meter)	Goal Metric: .4% of 5-year Average Peak Demand (MW at Meter)*	Demand Goal (MW)	Energy Goal (MWh)**	Projected MW Savings (at Meter)	Projected MWh Savings (at Meter)	Proposed Budget (000's)***
2024	24.2	7.26	5.63	11.16	19,552	26.984	24,363	\$5,288
2025	44.3	13.29	5.81	11.16	19,552	26.984	24,363	\$5,329

* The 2025 Demand Goal of 0.4% of peak demand (5.81 MW) is calculated according to 16 TAC § 25.181(e)(3)(B) and is based on a 7.58% system demand line loss factor approved in Docket No. 54142; (1,571 MW Average Peak Demand at Source Net Opt-Outs x 0.004) x (1-0.0758 system demand line loss factor). However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal, thus, the 2025 goal is 11.16 MW.

** Calculated using a 20% conservation load factor.

*** Proposed budget includes the overall program budget, EM&V expenses, and EECRF proceeding expenses.

In 2023, EPE achieved a demand reduction of 20,553 kW, which was 184% of the 11,160 kW demand reduction goal. This was accomplished through the implementation of one SOP and several MTPs. To reach the projected savings for 2024 and 2025, EPE proposes to offer the following programs:

- **Standard Offer Program**
 - Commercial Load Management SOP
- **Market Transformation Programs**
 - Small Commercial Solutions MTP
 - Large Commercial Plus Solutions MTP
 - Residential Solutions MTP

¹ Application of El Paso Electric Company to Adjust Its Energy Efficiency Cost Recovery Factor and Establish Revised Cost Cap, Docket No. 54950, Order (Dec. 1, 2023).

² *Id.* at Ordering Paragraph No. 2.

³ Average Growth in Demand and Weather Adjusted Peak Demand are found in Table 4, Projected Demand and Energy Savings are found in Table 5, and Proposed Budgets are found in Table 6.

- LivingWise® MTP
- FutureWise Pilot MTP
- Residential Marketplace MTP
- Residential Load Management MTP
- Hard-to-Reach Solutions MTP

MTPs are implemented by third-party implementers that design, market, and execute the programs. Depending on the program, the implementer may inspect and validate proposed projects, perform quality assurance and quality control, and verify savings.

EPE contracts with CLEAResult Consulting, Inc. (CLEAResult) to implement EPE's four "Solutions" MTPs.

EPE contracts with AM Conservation Group (previously Franklin Energy Services) to implement EPE's LivingWise® MTP and FutureWise Pilot MTP.

EPE contracts with Uplight, Inc. (Uplight) to implement the Residential Load Management MTP.

EPE contracts with Simple Energy to implement the Residential Marketplace MTP.

Note – Totals in tables may not tie due to rounding.

ENERGY EFFICIENCY PLAN

I. 2024 PROGRAMS

A. 2024 Program Portfolio

EPE plans to continue the implementation of one SOP and eight MTPs in 2024. These programs have been structured to comply with the rules of the Public Utility Commission of Texas (PUCT) governing program design and evaluation. These programs target both broad market segments and specific market segments that offer significant opportunities for cost-effective savings. EPE anticipates that targeted outreach to a broad range of service providers and customers will be necessary to meet the demand reduction goals established by the PUCT. Table 2 below summarizes the programs and target markets:

Table 2: 2024 Energy Efficiency Program Portfolios

Program	Target Market	Application
Small Commercial Solutions MTP	Small Commercial (<100kW)	Retrofit; New Construction
Large Commercial Plus Solutions MTP	Large Commercial and Industrial (≥100kW) City, County Governments and Schools	Retrofit; New Construction
Commercial Load Management SOP	Commercial, Government and Schools	Load Management
Residential Solutions MTP	Residential	Retrofit; New Construction
LivingWise® MTP	Residential	Educational; Retrofit
FutureWise Pilot MTP	Residential	Educational; Retrofit
Residential Marketplace MTP	Residential	Rebate
Residential Load Management MTP	Residential	Load Management
Hard-to-Reach Solutions MTP	Residential Hard-to-Reach	Retrofit; New Construction

The programs in Table 2 are described in further detail below. EPE maintains a website containing links to the program manuals, the requirements for project participation, and available electronic forms at www.epelectric.com. Programs with manuals can be found at the following website: www.epelectric.com/tx/business/program-manuals-and-guidelines.

B. Existing Programs

Small Commercial Solutions MTP

The Small Commercial Solutions Program offers incentives to commercial customers with an annual peak demand of less than 100 kW at one facility or a total annual peak demand of less than 250 kW at multiple facilities operated by the same customer. The program pays a cash incentive to customers of up to \$400 per kW reduced, generally through participating contractors, for eligible measures that are installed in new or retrofit applications. Additionally, the program pays a \$500 cash incentive per unit for the installation of eligible high-efficient evaporative air conditioning units. This program also provides non-cash incentives that include technical assistance, education, and marketing materials. The program helps small business owners and contractors improve their ability to identify and evaluate energy efficiency improvements. The Small Commercial Solutions Program conducts community outreach activities and provides for collaboration with contractors, business owners, and other building professionals to promote energy efficiency awareness. EPE plans to continue this program in 2024 and 2025.

Large Commercial & Industrial Solutions MTP

The Large C&I Solutions Program offers incentives to large commercial and industrial customers, schools, higher education, and government customers with an annual average peak demand of 100 kW or greater at one facility or an aggregate annual peak demand of 250 kW or greater at multiple facilities operated by the same customer. The program pays a cash incentive of up to \$240 per kW reduced to customers for eligible measures that are installed in new or retrofit applications. This program also provides non-cash incentives that include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers improve their ability to identify and evaluate energy efficiency improvements and to understand how to leverage their energy savings to finance projects. The implementer also provides measurement and verification for projects, as necessary. The Large C&I Solutions Program conducts community outreach activities and provides for collaboration with contractors, architectural and engineering firms, and other building professionals to promote energy efficiency awareness. EPE plans to merge the Large C&I Solutions Program and the Texas SCORE Program in 2024 and 2025.

Texas SCORE MTP

The Texas SCORE Program offers incentives to public schools, higher education, and local government customers to identify and implement energy efficiency measures. The program pays a cash incentive of up to \$240 per kW reduced to customers for eligible measures that are installed in new or retrofit applications. This program also provides non-cash incentives that include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers improve their ability to identify and evaluate energy efficiency improvements. Facility Energy Benchmarking and Energy Master Planning Workshops are provided annually to selected customers. The implementer also provides measurement and verification for projects, as necessary. The Texas SCORE Program conducts community outreach activities and provides for collaboration with public schools, higher education, and local government customers to promote energy efficiency awareness. EPE plans to merge the Large C&I Solutions Program and the Texas SCORE Program in 2024 and 2025.

Commercial Load Management SOP

The Commercial Load Management SOP allows participating customers to provide on-call, voluntary curtailment of electric consumption during peak demand periods in return for incentive payments. A commercial customer equipped with an EPE demand interval meter capable of curtailing a minimum of 100 kW, and not deemed critical load, that takes service at the distribution level is eligible to participate. Critical load customers with back up generation are eligible to participate. EPE will notify its current participants of the 2024 Commercial Load Management SOP via email in April to inform them of the opening of the program. All applications are considered on a first-come, first-served basis and reviewed for eligibility. Demand savings and incentives are based on verified average demand savings that customers achieve due to EPE's voluntary curtailment events. EPE was not able to obtain metered interval data for one participant, AT&T, but rather utilized AT&T's 2022 Load Management events data, 2022 non-interval metered data for the months of the events, 2023 non-interval metered data for the months of the events, and AT&T's logged 15-minute interval generator data for 2023. EPE demonstrated that the demand reduction was consistent with previous years of participation and Commission Staff allowed the alternate means for EPE to claim savings for AT&T's participation. EPE plans to continue this program in 2024 and 2025.

Residential Solutions MTP

The Residential Solutions Program offers incentives and rebates to residential customers for installing eligible energy efficiency measures. This program also provides participants with non-cash incentives, which include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers improve their ability to identify and evaluate energy efficiency improvements. EPE plans to continue this program in 2024 and 2025.

LivingWise® MTP

The LivingWise® MTP teaches sixth-grade students to use energy more efficiently in their homes. The program is available at no cost to the teacher, school district, and students and serves as an effective community outreach program to improve energy efficiency awareness. The program enrolls students and teachers and provides them with educational materials and a LivingWise® kit that contains energy saving devices. The students install the devices in their homes and, with the help of their parents, complete a home energy audit report. EPE plans on continuing this program in 2024 and 2025.

FutureWise Pilot MTP

The FutureWise Pilot MTP teaches high-school students about the importance of saving energy, understanding an energy bill, and careers in the field of energy. The program is available at no cost to the teacher, school district, and students and serves as an effective community outreach program to improve energy efficiency awareness. The program enrolls high school students and teachers and provides them with educational materials and a FutureWise kit that contains energy saving devices. The students install the devices in their homes and complete a home energy audit report. EPE plans on continuing this program in 2024 and 2025.

Texas Appliance Recycling MTP

The Texas Appliance Recycling Program provided incentives to encourage residential customers to recycle their older, less efficient refrigerators, freezers, and window air conditioning units rather than use them as secondary or backup units. The Texas Appliance Recycling MTP offered eligible customers a cash incentive for EPE to remove and recycle their old refrigeration appliances. EPE discontinued this program in August 2023 and does not expect to reinstate this program in 2024 or 2025.

Residential Marketplace MTP

The Residential Marketplace Program provides eligible residential customers instant rebates through an online marketplace for installing energy efficiency measures. The EPE Marketplace will offer customers a variety of energy-efficient products including smart thermostats, lighting products, window air conditioners, air purifiers, energy saving kits, and advanced power strips. EPE plans to continue implementation of this program in 2024 and 2025.

Residential Load Management MTP

The Residential Load Management Program targets reduction in central refrigerated air conditioning load for residential customers. EPE has the capability of remotely adjusting participating customers' internet-enabled smart thermostats during load management events to relieve peak load. Customers receive a \$25 incentive for enrolling a new or existing qualifying internet enabled smart thermostat or for continued participation in the Program. Customers may also receive an additional \$50 rebate for the purchase of a new internet enabled smart thermostat through EPE's online marketplace. EPE plans to continue this program in 2024 and 2025.

Hard-to-Reach Solutions MTP

The Hard-to-Reach Solutions MTP offers incentives and rebates to low-income residential customers for installing eligible energy efficiency measures. This program targets residential customers that are at or below 200% of the Federal Poverty Guidelines. This program also provides participants with non-cash incentives which include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers develop their ability to identify and evaluate energy efficiency improvements. EPE plans to continue this program in 2024 and 2025.

C. Research and Development

EPE has allocated \$25,000 to Research and Development (R&D) for 2024. R&D funds will be utilized to research Advanced Construction Techniques (Department of Energy Advanced Framing, Insulated Concrete Forms, passive solar, 3D Printing) Bring Your Own Battery Demand Response, Window AC Demand Response, Hot Water Heater Demand Response, Behavioral Demand Response and Virtual Audits. This funding amount is less than 10% of EPE's 2024 total program costs in accordance with 16 TAC § 25.181(g).

D. New Program(s) for 2024 and 2025

EPE does not currently plan to add any new programs in 2024 or 2025. EPE did merge the Large C&I Solutions MTP and the Texas SCORE MTP into one program called Large Commercial Plus Solutions MTP in January 2024. The merged program serves large commercial and industrial

customers, schools, higher education, and government customers with an annual average peak demand of 100 kW or greater at one facility or an aggregate annual peak demand of 250 kW or greater at multiple facilities operated by the same customer.

E. Discontinued Program(s) for 2024 and 2025

EPE discontinued the Texas Appliance Recycling Program in August 2023, due to the implementer, ARCA Recycling, going out of business.

F. General Implementation Process

Program Implementation

EPE continues to contract with third-party implementers to provide energy efficiency and demand reduction programs. Third-party implementers help EPE design, market, and execute the programs, and identify, evaluate, and undertake energy efficiency improvements. EPE will continue to conduct activities to implement energy efficiency programs in a cost-effective and non-discriminatory manner.

Based on the specific MTP, EPE and the implementer may perform outreach activities to recruit local contractors and provide education and training. We validate proposed projects, perform quality assurance/quality control, and verify and report savings associated with the programs.

Program Tracking

EPE uses online databases to track program activity for most of its MTPs. Depending upon the associated program, these databases are accessible to project sponsors, EESPs, implementers, and administrators. The on-line databases capture customer and project information such as utility meter number or account number, proposed measures and associated energy savings, and incentive amounts.

Measurement and Verification

Most of EPE's energy efficiency projects will use deemed savings for demand and energy reductions as approved by the PUCT. If the deemed savings approach is not applicable for a particular installation, savings will be reported using an approved measurement and verification approach. Guidelines within the International Performance Measurement and Verification Protocol (IPMVP) will be used in instances in which:

- a PUCT-approved deemed savings or M&V protocol is not available for the energy efficiency measure(s) included in an eligible project or
- an EESP has elected to follow the protocol because it believes that measurement and verification activities will result in a more accurate estimate of the savings associated with the project than would the application of the PUCT-approved deemed savings value.

In accordance with 17.7.2.15 C of the Commission's Energy Efficiency rules, the PUCT implemented an EM&V process that included the selection of an EM&V contractor in 2013. The PUCT selected the current third-party EM&V contractor through the Request for Proposal 473-23-00002, Project No. 54307. The selected EM&V team is led by Tetra Tech. Tetra Tech's contract was extended and will continue the evaluation of programs through July 2025, and EPE will continue to provide the necessary information and data to the EM&V team.

G. Outreach Activities

EPE anticipates that outreach to a broad range of EESPs and market segments will be necessary to meet the savings goals required by section (e)(1) of the EE Rule and PURA § 39.905. EPE markets the availability of its programs in the following manner:

- EPE maintains the www.epelectric.com website. The use of the website is one of the primary methods of communication to provide potential project sponsors and customers with program information. The website contains detailed information such as requirements for program participation, project eligibility, end-use measure eligibility, incentive levels, application procedures, program manuals, and available funding.
- EPE offers outreach workshops for some of the MTPs. EPE invites the appropriate EESPs to participate in the workshops. The workshops describe the requirements for program participation, project eligibility, end-use measure eligibility, incentive levels, application procedures, and available funding.
- EPE includes information on the availability of energy efficiency programs through the monthly newsletter, social media, and public outreach activities.
- EPE maintains a dedicated energy efficiency phone line to provide customers with direct access to energy efficiency personnel on program availability, participation requirements, incentive levels, application procedures, and available funding.
- EPE maintains a dedicated energy efficiency e-mail address to allow customers to contact energy efficiency personnel directly.

H. Existing Demand Side Management (DSM) Contracts or Obligations

EPE contracts with CLEAResult to implement EPE's four Texas "Solutions" MTPs.

EPE contracts with AM Conservation Group to implement EPE's LivingWise® MTP and FutureWise Pilot MTP.

EPE contracts with Uplight to implement the Residential Load Management Program MTP.

EPE contracts with Simple Energy to implement the Residential Marketplace MTP.

II. CUSTOMER CLASSES

For the twelve months ending December 2023, there was an average of 310,976 residential accounts in the EPE Texas service territory. Based on the 2023 Annual Social and Economic Supplement of the U.S. Census Bureau's Current Population Survey, 25.9% of Texas families are at or below 200% of the poverty threshold. Applying this standard pursuant to 16 TAC § 25.181(c)(27), approximately 80,543 of EPE's residential accounts fall into the Hard-to-Reach Customer Class.

The average number of commercial accounts in 2023 was 37,794. EPE includes residential and commercial customer classes that take service at the distribution level in the energy efficiency programs. Transmission level customers, other than governmental entities, are not eligible to participate. The total residential class includes the Hard-to-Reach accounts. Table 3 summarizes the number of customers in each of the customer classes for 2023.

Table 3: Summary of Texas Residential and Commercial Customer Classes (2023)

Customer Class	Number of Texas Customers
Total Residential	310,976
Total Hard-to-Reach	80,543
Total Commercial	37,794

III. PROJECTED ENERGY EFFICIENCY SAVINGS AND GOALS

As reflected in PUCT Docket No. 54950, EPE's energy efficiency demand reduction goal for 2024 is 11.16 MW, which mirrors the 2023 goal. The following is the section of the EE Rule that describes how utilities are to calculate their minimum demand reduction goals:

- § 25.181(e)(1) 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 under paragraph (2) of this subsection.

The demand reduction goal to be acquired in 2024 (11.16 MW) is greater than four-tenths of one percent of EPE's 5-year average summer weather-adjusted peak demand for 2018 through 2022, which is 5.63 MW as shown in Table 1. In accordance with section (e)(1)(D) of the EE Rule, EPE's demand reduction goal in any year shall not be lower than its goal for the prior year. Considering the parameters established by the EE Rule, EPE's 2025 goal should remain at 11.16 MW (0.77% of the average summer weather-adjusted peak demand for 2019 through 2023) as shown in Table 1. The corresponding energy savings goals for all years are determined by applying a 20% conservation load factor to the demand reduction goals.

Table 4 presents historical annual growth in demand. Table 5 presents projected demand reduction and energy savings by customer class and program for 2024 and 2025.

Table 4: Annual Growth in Demand and Energy Consumption

Calendar Year	Peak Demand (MW at Source)						Energy Consumption (MWh at Meter)				Growth (MW at Source)	Growth (MW at Meter) ⁴	Average Growth (MW at Meter) ⁵
	Total System		Residential & Commercial				Total System		Residential & Commercial				
	Actual	Weather Adjusted	Actual	Weather Adjusted	Opt-Out	Peak Demand @ Source Net Opt-Outs	Actual	Weather Adjusted	Actual	Weather Adjusted	Weather Adjusted	Weather Adjusted	Weather Adjusted
2013	1,357	1,352	1,252	1,248	0	1,248	6,028,388	6,008,772	5,276,023	5,256,408	64.0	58.4	NA
2014	1,385	1,387	1,289	1,291	0	1,291	5,973,273	5,981,108	5,211,869	5,219,704	43.0	39.3	NA
2015	1,398	1,386	1,279	1,266	0	1,266	6,141,917	6,086,745	5,318,795	5,263,622	-25.0	-22.8	NA
2016	1,509	1,509	1,397	1,397	-1.1	1,396	6,188,610	6,187,025	5,381,661	5,380,076	129.9	118.6	NA
2017	1,575	1,579	1,459	1,463	-1.1	1,462	6,205,925	6,223,229	5,387,064	5,404,368	66.0	60.5	NA
2018	1,560	1,545	1,446	1,429	-1.2	1,428	6,377,762	6,313,451	5,537,652	5,473,342	-34.1	-31.3	NA
2019	1,596	1,583	1,516	1,501	-1.2	1,500	6,322,247	6,267,981	5,528,608	5,474,342	72.0	66.0	NA
2020	1,730	1,703	1,609	1,580	-1.3	1,579	6,446,008	6,345,116	5,655,757	5,554,865	78.9	73.0	NA
2021	1,610	1,628	1,498	1,517	-1.3	1,516	6,499,885	6,571,421	5,685,095	5,756,631	-63.0	-58.2	NA
2022	1,709	1,702	1,601	1,593	0	1,593	6,676,488	6,649,552	5,847,428	5,820,492	77.3	71.5	NA
2023	1,841	1,781	1,732	1,668	0	1,668	6,908,520	6,681,310	6,120,631	5,893,421	75.0	69.3	NA
2024	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	24.2
2025	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	44.3

The 2025 Demand Goal of 0.4% of peak demand is calculated according to 16 TAC § 25.181(e)(3)(B) and is based on a 7.58% system demand line loss factor approved in Docket No. 54142 as shown below:

Average of residential and commercial peak demand at source net Opt-Outs = (1,500 + 1,579 + 1,516 + 1,593 + 1,668) / 5 = 1,571 MW.
 (1,571 MW Average Peak Demand at source net Opt-Outs x 0.004) x (1 - 0.0758 system demand line loss factor) = 5.81 MW.

However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal, thus, the 2025 goal is 11.16 MW.

⁴ Growth at meter for calendar year 2023 to 2025 includes the 7.58% system demand line loss factor as approved in Docket No. 54142.

⁵ Average 5-year historical growth in demand for residential and commercial customers for 2024 (2018-2022) and 2025 (2019-2023).

Table 5: Projected Demand and Energy Savings Broken Out by Program for Each Customer Class

2024	Projected Savings (at meter)	
Customer Class and Program	kW	kWh
Commercial	10,411	17,468,496
Small Commercial Solutions MTP	730	3,197,400
Large Commercial Plus Solutions MTP	2,631	14,100,096
Commercial Load Management SOP	7,000	21,000
Residential Marketplace MTP	50	150,000
Residential	15,773	5,843,488
Residential Solutions MTP	545	954,840
LivingWise® MTP	200	727,600
FutureWise Pilot MTP	106	494,000
Residential Marketplace MTP	950	2,850,000
Residential Load Management MTP	13,972	817,048
Hard-to-Reach	800	1,051,200
Hard-to-Reach Solutions MTP	800	1,051,200
Total	26,984	24,363,184
2025	Projected Savings (at meter)	
Customer Class and Program	kW	kWh
Commercial	10,411	17,468,496
Small Commercial Solutions MTP	730	3,197,400
Large Commercial Plus Solutions MTP	2,631	14,100,096
Commercial Load Management SOP	7,000	21,000
Residential Marketplace Pilot MTP	50	150,000
Residential	15,773	5,843,488
Residential Solutions MTP	545	954,840
LivingWise® MTP	200	727,600
FutureWise Pilot MTP	106	494,000
Residential Marketplace MTP	950	2,850,000
Residential Load Management MTP	13,972	817,048
Hard-to-Reach	800	1,051,200
Hard-to-Reach Solutions MTP	800	1,051,200
Total	26,984	24,363,184

IV. PROGRAM BUDGETS

Table 6 presents the total proposed budget allocations required to achieve EPE's projected demand reduction and energy savings shown in Table 5. The budget allocations are broken down by customer class, program, and the budget categories of incentive payments and administration and R&D expenses. The program budget for 2024 is \$5,120,552. Table 6 also includes the estimated annual expenses for the statewide EM&V contractor and the EECRF proceeding expenses.

The number of customers in Table 3, Summary of Texas Residential and Commercial Customer Classes (2023), was considered in the budget allocations. EPE first ensured that the 5% goal for Hard-to-Reach customers was met and then allocated the remaining funding to the residential and commercial classes. The decision-making process for developing the budget included additional factors and assumptions.

Hard-to-Reach customers are residential customers at or below 200% of the Federal Poverty Guidelines. This is estimated to be approximately 80,543 customers or 25.9% of EPE's total residential load in Texas.

Avoided costs for 2023, as established by the PUCT and filed in Project No. 38578, were set at \$100 per kW per year and \$0.16620 per kWh.

As directed in the EE Rule, EPE will limit administrative costs to a maximum of 15% of the total program costs, R&D costs to a maximum of 10% of the total program costs, and the cumulative cost of administration and R&D will not exceed 20% of total program costs.

EPE used a 7.025% post-tax discount rate to calculate the present value of the avoided cost associated with a project and assumed a 2% escalation rate.

It is assumed that an EESP that completes an energy efficiency project will receive the associated incentives within that program year. Administration costs, however, may be incurred in one year and expended in another.

EPE will offer its portfolio of programs to each eligible customer class. It should be noted, however, that the actual distribution of the goal and budget must remain flexible based upon the response of the marketplace, the potential interest of customer classes towards specific programs, and the overriding objective of meeting the legislative savings goal. EPE reserves the right to reallocate unused funds amongst programs as necessary.

Table 6: Proposed Annual Budget Broken Out by Program for Each Customer Class

2024	Incentives	Admin & R&D	Total Budget
Commercial	\$2,411,413	\$0	\$2,411,413
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large Commercial Plus Solutions MTP	\$1,475,298	\$0	\$1,475,298
Commercial Load Management SOP	\$460,000	\$0	\$460,000
Residential Marketplace MTP	\$15,000	\$0	\$15,000
Residential	\$1,996,346	\$0	\$1,996,346
Residential Solutions MTP	\$315,000	\$0	\$315,000
LivingWise® MTP	\$346,346	\$0	\$346,346
FutureWise Pilot MTP	\$300,000	\$0	\$300,000
Residential Marketplace MTP	\$285,000	\$0	\$285,000
Residential Load Management MTP	\$750,000	\$0	\$750,000
Hard-to-Reach	\$600,000	\$0	\$600,000
Hard-to-Reach Solutions MTP	\$600,000	\$0	\$600,000
Administration		\$87,793	\$87,793
Research and Development		\$25,000	\$25,000
Subtotal Budgets	\$5,007,759	\$112,793	\$5,120,552
EM&V		\$67,486	\$67,486
EECRF Proceeding Expenses		\$100,000	\$100,000
Total Budgets	\$5,007,759	\$280,279	\$5,288,038
2025	Incentives	Admin & R&D	Total Budget
Commercial	\$2,427,073	\$0	\$2,427,073
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large Commercial Plus Solutions MTP	\$1,490,958	\$0	\$1,490,958
Commercial Load Management SOP	\$460,000	\$0	\$460,000
Residential Marketplace MTP	\$15,000	\$0	\$15,000
Residential	\$1,996,346	\$0	\$1,996,346
Residential Solutions MTP	\$315,000	\$0	\$315,000
LivingWise® MTP	\$346,346	\$0	\$346,346
FutureWise Pilot MTP	\$300,000	\$0	\$300,000
Residential Marketplace MTP	\$285,000	\$0	\$285,000
Residential Load Management MTP	\$750,000	\$0	\$750,000
Hard-to-Reach	\$600,000	\$0	\$600,000
Hard-to-Reach Solutions MTP	\$600,000	\$0	\$600,000
Administration		\$87,793	\$87,793
Research and Development		\$50,000	\$50,000
Subtotal Budgets	\$5,023,419	\$137,793	\$5,161,212
EM&V		\$67,486	\$67,486
EECRF Proceeding Expenses		\$100,000	\$100,000
Total Budgets	\$5,023,419	\$305,279	\$5,328,698

ENERGY EFFICIENCY REPORT

V. HISTORICAL DEMAND GOALS AND ENERGY TARGETS FOR PREVIOUS FIVE YEARS

Table 7 documents EPE's actual demand reduction goals and energy targets for the previous five years (2019-2023) calculated in accordance with 16 TAC § 25.181.

Table 7: Historical Demand Savings Goals and Energy Targets (at Meter)

Calendar Year	Demand Goals (kW)	Energy Targets (kWh)	Actual Demand Reduction (kW)	Actual Energy Savings (kWh)
2023 ⁷	11,160	19,552,320	20,553 ⁸	21,383,085
2022 ⁹	11,160	19,552,320	21,762	22,498,875
2021 ¹⁰	11,160	19,552,320	27,325	27,951,498
2020 ¹¹	11,160	19,552,320	20,740	30,704,424
2019 ¹²	11,160	19,552,320	19,424	24,825,792

⁷ 2023 demand goal and energy target as reported in EPE's EEPR Errata filed April 28, 2023 under Project No. 54470. 2022 actual demand reduction and energy savings reported in Project No. 56003.

⁸ 2023 actual demand reduction at the source is calculated as follows:
 $20,553 \text{ kW at meter} * (1/(1-0.0758)) \text{ line losses} = 22,238 \text{ kW at the source.}$

⁹ 2022 demand goal and energy target as reported in EPE's EEPR Errata filed April 28, 2022 under Project No. 52949. 2021 actual demand reduction and energy savings reported in Project No. 54470.

¹⁰ 2021 demand goal and energy target as reported in EPE's EEPR Errata filed April 28, 2021, under Project No. 51672. 2021 actual demand reduction and energy savings reported in Project No. 52949.

¹¹ 2020 demand goal and energy target as reported in EPE's EEPR filed July 15, 2020, under Project No. 50666. 2020 actual demand reduction and energy savings reported in Project No. 51672.

¹² 2019 demand goal and energy target as reported in EPE's EEPR filed July 26, 2019, under Project No. 49297. 2019 actual demand reduction and energy savings reported in Project No. 50666.

VI. PROJECTED, REPORTED AND VERIFIED DEMAND AND ENERGY SAVINGS

Table 8: Projected versus Reported Savings for 2022 and 2023

2022 Customer Class and Program	Projected Savings		Reported and Verified Savings	
	kW	kWh	kW	kWh
Commercial	10,541	18,208,716	11,210	15,085,426
Small Comm. Solutions MTP	730	3,197,400	710	2,551,236
Large Commercial Solutions MTP	2,011	10,569,816	1,986	8,182,897
Texas SCORE MTP	750	4,270,500	771	3,967,728
Load Management SOP	7,000	21,000	7,676	61,479
Residential Marketplace Pilot MTP	50	150,000	66	322,086
Residential	8,486	7,621,590	9,659	6,163,870
Residential Solutions MTP	545	954,840	852	1,423,945
LivingWise® MTP	200	727,600	170	574,910
FutureWise Pilot MTP	106	494,000	-	-
Texas Appliance Recycling	195	1,579,200	99	802,053
Residential Marketplace MTP	950	2,850,000	481	2,870,266
Residential Load Management MTP	6,490	1,015,950	8,056	492,696
Hard-to-Reach	800	1,051,200	894	1,249,579
Hard-to-Reach Solutions MTP	800	1,051,200	894	1,249,579
Total at Meter	19,827	26,881,506	21,762	22,498,875

2023 Customer Class and Program	Projected Savings		Reported and Verified Savings	
	kW	kWh	kW	kWh
Commercial	10,540	18,208,716	8,100	15,436,541
Small Comm. Solutions MTP	730	3,197,400	593	1,952,362
Large C&I Solutions MTP	2,011	10,569,816	2,032	8,104,287
Texas SCORE MTP	750	4,270,500	895	5,296,019
Load Management SOP	7,000	21,000	4,572	44,868
Residential Marketplace MTP	49	150,000	8	39,005
Residential	8,486	7,621,590	11,360	4,401,789
Residential Solutions MTP	545	954,840	801	1,236,837
LivingWise® MTP	200	727,600	241	814,000
FutureWise Pilot MTP	106	494,000	78	493,481
Texas Appliance Recycling MTP	195	1,579,200	44	271,078
Residential Marketplace MTP	950	2,850,000	78	1,075,805
Residential Load Management MTP	6,490	1,015,950	10,118	510,588
Hard-to-Reach	800	1,051,200	1,092	1,544,755
Hard-to-Reach Solutions MTP	800	1,051,200	1,092	1,544,755
Total at Meter	19,826	26,881,506	20,553	21,383,085

VII. HISTORICAL PROGRAM EXPENDITURES

Table 9 documents EPE's incentive and administration expenditures for the previous five years (2019-2023) by program for each customer class. Note that this table does not include R&D, EM&V, or general administration expenditures. R&D, EM&V, and general administration expenditures can be found in Table 10.

Table 9: Historical Program Incentive and Administration Expenditures for 2019 through 2023¹³

Programs	2023			2022			2021		2020		2019	
	Customer Incent.	Implementor Incent.	Admin	Customer Incent.	Implementor Incent.	Admin	Incent	Admin	Incent	Admin	Incent	Admin
Commercial	\$1,122,637	\$1,054,385	\$0	\$1,269,218	\$1,035,247	\$0	\$2,465,274	\$0	\$3,121,640	\$0	\$2,672,190	\$0
Commercial SOP	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Small Comm. Solutions MTP	\$218,090	\$ 159,853	\$0	\$277,342	\$168,134	\$0	\$460,529	\$0	\$470,425	\$0	\$502,403	\$0
Large C&I Solutions MTP	\$487,603	\$ 524,593	\$0	\$489,358	\$525,438	\$0	\$1,014,932	\$0	\$1,512,746	\$0	\$1,131,460	\$0
Texas SCORE MTP	\$214,368	\$ 385,364	\$0	\$180,000	\$340,177	\$0	\$528,379	\$0	\$704,020	\$0	\$597,887	\$0
Comm. Load Management SOP	\$200,128	\$ -	\$0	\$320,349	\$0	\$0	\$453,753	\$0	\$423,754	\$0	\$440,641	\$0
Residential Marketplace MTP	\$2,447	\$ 4,575	\$0	\$2,169	\$1,500	\$0	\$7,882	\$0	\$10,695	\$0	NA	NA
Residential	\$1,236,423	\$532,309	\$0	\$875,660	\$641,305	\$260	\$1,631,497	\$0	\$1,120,183	\$0	\$796,927	\$0
Residential Solutions MTP	\$240,494	\$ 128,171	\$0	\$266,314	\$131,479	\$0	\$484,376	\$0	\$354,427	\$0	\$312,731	\$0
LivingWise [®] MTP	\$259,896	\$ -	\$0	\$183,559	\$0	\$0	\$346,309	\$0	\$179,994	\$0	\$345,534	\$0
FututreWise Pilot MTP	\$330,505	\$ -	\$0	\$0	\$0	\$0						
Texas Appliance Recycling MTP	\$22,550	\$ 51,435	\$0	\$68,660	\$150,660	\$0	\$186,240	\$0	\$99,150	\$0	\$138,663	NA
Residential Marketplace MTP	\$46,502	\$ 86,925	\$0	\$88,103	\$90,000	\$0	\$124,744	\$0	\$203,212	\$0	NA	NA
Residential Load Management MTP	\$336,475	\$ 265,778	\$0	\$269,025	\$269,168	\$260	\$549,829	\$0	\$283,400	\$0	NA	NA
Hard-to-Reach	\$323,390	\$301,355	\$0	\$256,050	\$281,269	\$0	\$623,570	\$0	\$664,708	\$0	\$571,016	\$0
Hard-to-Reach Solutions MTP	\$323,390	\$ 301,355	\$0	\$256,050	\$281,269	\$0	\$623,570	\$0	\$664,708	\$0	\$571,016	\$0
Residential/Commercial	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$145,658	\$0
Texas Appliance Recycling MTP	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Demand Response Pilot MTP	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$145,658	\$0
Total	\$2,682,450	\$1,888,049	\$0	\$2,400,929	\$1,957,820	\$260	\$4,780,341	\$0	\$4,906,531	\$0	\$4,185,791	\$0

¹³ 2023 expenditures are from EEPR filed in Project No. 54470, 2021 expenditures are from EEPR filed in Project No. 52949, 2020 expenditures are from EEPR filed in Project No. 51672, 2019 expenditures are from EEPR Errata filed in Project No. 50666, and 2019 expenditures are from EEPR filed in Project No. 49297.

VIII. PROGRAM FUNDING AND EXPLANATION OF ADMINISTRATION COSTS FOR CALENDAR YEAR 2023

As shown in the subtotal for the "Total Funds Expended" column of Table 10, EPE spent \$4,694,253 on program expenses (excluding EM&V and EECRF Proceeding Expenses) for its PUCT-approved energy efficiency programs in 2023. These programs were funded by EPE's 2023 EECRF. These expenses account for 88% of the total forecasted 2023 program budget of \$5,325,552. Actual program funding levels are shown in Table 10 and Table 11.

The administration expenses shown in Table 10 benefited the entire portfolio of programs. These expenses include, but were not limited to, outsourced program administration, marketing (e.g., website maintenance and promotional items), Electric Utility Marketing Managers of Texas expenses, costs associated with regulatory filings, and EM&V administration expenses outside of those associated with the PUCT-appointed EM&V contractor.

Table 10: Program Funding for Calendar Year 2023

	Total Projected Budget	Number of Participants	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin & R&D)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining
Commercial	\$2,411,413	269	\$ 2,177,021	\$ 5,465	\$ 2,182,486	\$ -	\$ 228,927
Small Commercial Solutions MTP	\$461,115	79	\$ 377,943	\$ 904	\$ 378,847		\$ 82,268
Large C&I Solutions MTP	\$1,005,396	100	\$ 1,012,196	\$ 2,890	\$ 1,015,086		\$ (9,690)
Texas SCORE MTP	\$469,902	31	\$ 579,732	\$ 1,670	\$ 581,403		\$ (111,501)
Comm. Load Management SOP	\$460,000	9	\$ 200,128		\$ 200,128		\$ 259,872
Residential Marketplace MTP	\$15,000	50	\$ 7,022		\$ 7,022		\$ 7,978
Residential	\$2,201,346	26,139	\$ 1,768,732	\$ 5,491	\$ 1,774,223	\$ -	\$ 427,123
Residential Solutions MTP	\$315,000	924	\$ 368,666	831	\$ 369,496		\$ (54,496)
LivingWise [®] MTP	\$346,346	6,707	\$ 259,896		\$ 259,896		\$ 86,450
FutureWise Pilot MTP	\$300,000	6,317	\$ 330,505		\$ 330,505		
Texas Appliance Recycling MTP	\$255,000	375	\$ 73,985	4,660	\$ 78,645		\$ 176,355
Residential Marketplace MTP	\$285,000	949	\$ 133,427		\$ 133,427		\$ 151,573
Residential Load Management MTP	\$700,000	10,867	\$ 602,253		\$ 602,253		\$ 97,747
Hard-to-Reach	\$600,000	546	\$ 624,745	1,341	\$ 626,086	\$ -	\$ (26,086)
Hard-to-Reach Solutions MTP	\$600,000	546	\$ 624,745	1,341	\$ 626,086		\$ (26,086)
Administration	\$87,793			\$ 86,369	\$ 86,369		\$ 1,424
Research and Development	\$25,000			25,089	\$ 25,089		\$ (89)
Subtotal	\$5,325,552	26,954	\$ 4,570,499	\$ 123,754	\$ 4,694,253	\$ -	\$ 631,299
EM&V	\$67,271			\$ 67,596	\$ 67,596		\$ (325)
EECRF Proceeding Expenses (EPE & Municipal expenses)*	\$100,000			\$ 44,876	\$ 44,876		\$ 55,125
Total	\$5,492,823	26,954	\$ 4,570,499	\$ 236,226	\$ 4,806,725	\$ -	\$ 686,098

* Actual EECRF proceeding expenses of \$44,875.50, consists of \$33,488 in EPE proceeding expenses and \$11,387.50 in municipal proceeding expenses.

** Residential Marketplace MTP is also listed under the Commercial sector due to the Upstream/Midstream Program Cross-Sector Savings guidance memo issued by Tetra Tech to calculate and allocate savings at the sector-level for upstream and midstream programs.

Table 11: Program Comparison – Budget to Actual Expenditures

Programs	2023 Budget	2023 Expenditures	Percent	>10% Variance Explanation
Commercial	\$ 2,411,413	\$ 2,182,486	90.5%	
Small Commercial Solutions MTP	\$ 461,115	\$ 378,847	82.2%	Contractors in 2023 faced staffing shortages, hindering their ability to handle paperwork and manage incentive reimbursement accounting.
Large C&I Solutions MTP	\$ 1,005,396	\$ 1,015,086	101.0%	
Texas SCORE MTP	\$ 469,902	\$ 561,403	123.7%	Program had more participation than was anticipated due to a school district that was able to complete retrofits at many schools at the end of the year.
Comm. Load Management SOP	\$ 460,000	\$ 200,128	43.5%	Program had less participation than was anticipated. One participant had a back-up generator fail.
Residential Marketplace Pilot MTP	\$ 15,000	\$ 7,022	46.8%	Constraints in the supply chain led to varying out of stock inventory.
Residential	\$ 2,201,346	\$ 1,774,223	80.6%	
Residential Solutions MTP	\$ 315,000	\$ 369,496	117.3%	Program had more participation than was anticipated.
LivingWise® MTP	\$ 346,346	\$ 259,896	75.0%	Program had less participation than was anticipated due to teacher attention.
FutureWise Pilot MTP	\$ 300,000	\$ 330,505	110.2%	
Texas Appliance Recycling MTP	\$ 255,000	\$ 78,645	30.8%	EPE discontinued the Program in August 2023, due to the implementer, ARCA Recycling, going out of business.
Residential Marketplace Pilot MTP	\$ 285,000	\$ 133,427	46.8%	Constraints in the supply chain led to out of stock inventory.
Residential Load Management MTP	\$ 700,000	\$ 602,253	86.0%	Program had slightly less participation than anticipated.
Hard-to-Reach	\$ 600,000	\$ 626,086	104.3%	
Hard-to-Reach Solutions MTP	\$ 600,000	\$ 626,086	104.3%	
Administration	\$ 87,793	\$ 86,369		
Research and Development	\$ 25,000	\$ 25,089		
Total	\$ 5,325,552	\$ 4,694,253	88.1%	

IX. PROGRAM RESULTS FOR MARKET TRANSFORMATION PROGRAMS (MTPs)

Small Commercial Solutions MTP

The 2023 projected savings for the Small Commercial Solutions MTP were 730 kW. There were 79 participants during 2023 that reduced demand by 593 kW and saved 1,952,362 kWh in energy.

Large C&I Solutions MTP

The 2023 projected savings for the Large C&I Solutions MTP were 2,011 kW. There were 100 participants during 2023 that reduced demand by 2,032 kW and saved 8,104,287 kWh in energy.

Texas SCORE MTP

The 2023 projected savings for the Texas SCORE MTP were 620 kW. There were 31 participants in this program that reduced demand by 895 kW and saved 5,296,019 kWh in energy.

Residential Solutions MTP

The 2023 projected savings for the Residential Solutions MTP were 545 kW. There were 924 participants in this program that reduced demand by 801 kW and saved 1,236,837 kWh in energy.

LivingWise® MTP

The 2023 projected savings for the LivingWise® MTP were 200 kW. There were 6,707 kits provided in this program that reduced demand by 241 kW and saved 814,000 kWh in energy.

FutureWise Pilot MTP

The 2023 projected savings for the FutureWise Pilot MTP were 106 kW. There were 6,317 kits provided in this program that reduced demand by 78 kW and saved 493,481 kWh in energy.

Appliance Recycling MTP

The 2023 projected savings for the Appliance Recycling MTP were 195 kW. There were 375 participants in this program that reduced demand by 44 kW and saved 271,078 kWh in energy.

Residential Marketplace MTP

The 2023 projected savings for the Residential Marketplace MTP were 950 kW. There were 999 participants in this program that reduced demand by 86 kW and saved 1,114,810 kWh in energy.

Residential Load Management MTP

The 2023 projected savings for the Residential Load Management MTP were 18,000 kW. There were 10,867 participants in this program that reduced demand by 10,118 kW and saved 510,588 kWh in energy.

Hard-to-Reach Solutions MTP

The 2023 projected savings for the Hard-to-Reach Solutions MTP were 800 kW. There were 546 participants in this program that reduced demand by 1,092 kW and saved 1,544,755 kWh in energy.

X. CURRENT ENERGY EFFICIENCY COST RECOVERY FACTOR (EECRF) Report for 2023

In Docket No. 53551, EPE was granted approval for recovery through its 2023 EECRF of (a) \$5,283,153 in forecasted energy efficiency program costs projected to be incurred from January 1 through December 31, 2023; (b) projected cost of evaluation, measurement, and verification (EM&V) of \$67,272 for program year 2023; (c) the 2021 net under-recovery revenue amount of \$290,647, including interest; (d) performance incentive for 2021 of \$2,200,669; and (e) EPE's 2021 EECRF proceeding expenses of \$85,367 (\$57,124 for EPE and \$28,243 for the City of El Paso). The Final Order in Docket No. 53551 concluded that the filing conformed to the requirements of the EE Rule. The order also found that the allocation of the energy efficiency costs, and performance incentive were in accordance with the EE Rule. The EECRF was approved on December 15, 2022, and became effective with the first billing cycle in January 2023. The recovery of the agreed-upon EECRF amount of \$7,789,507 is based on a dollar per kWh rate. The 2023 cost recovery factors by rate are listed in Table 12.

Table 12: 2023 EECRF Monthly Rates

Rate No.	Description	Energy Efficiency Cost Recovery Factor (\$/kWh)
01	Residential Service Rate	\$ 0.001685
EVC	Electric Vehicle Charging Rate	\$ 0.000000
02	Small Commercial Service Rate	\$ 0.000436
07	Outdoor Recreational Lighting Service Rate	\$ 0.001883
08	Governmental Street Lighting Service Rate	\$ 0.000002
09	Governmental Traffic Signal Service	\$ 0.000011
11-TOU	Time-Of-Use Municipal Pumping Service Rate	\$ (0.000001)
WH	Water Heating	\$ (0.000020)
22	Irrigation Service Rate	\$ 0.002547
24	General Service Rate	\$ 0.001425
25	Large Power Service Rate (excludes transmission)	\$ 0.002015
34	Cotton Gin Service Rate	\$ 0.000379
41	City and County Service Rate	\$ 0.000197
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$ 0.000379
47	Backup Power Service For Cogeneration And Small Power Production Facilities	\$ 0.000379

XI. REVENUE COLLECTED THROUGH EECRF

In 2023, EPE collected a total of \$ 8,218,524 under Rate Schedule No. 97 – Energy Efficiency Cost Recovery Factor.

XII. OVER/UNDER RECOVERY OF ENERGY EFFICIENCY PROGRAM COSTS

In 2023, EPE over-recovered an amount of \$1,059,992 as shown in Table 13. Docket No. 53551 ordered the recovery of an agreed reduction of \$42,399 to EPE’s estimated incentives, research and development, and administrative costs; EM&V costs of \$67,272 for the evaluation of program year 2023; an adjustment of \$290,647 for EPE’s net under-recovery, including interest, of program year 2021 energy-efficiency costs; a voluntary refund of \$137,601 for incentive costs for 2021; rate-case expenses of \$85,367 (consisting of \$57,124 incurred by EPE and \$28,243 incurred by the City of El Paso) for Docket No. 52081; and a performance bonus of \$2,200,669.

Table 13: Authorized and Actual Recovery Amounts

Description	Authorized in Docket No. 53551	Actual
January 1 – December 31, 2023 Energy Efficiency	\$ 5,325,552	\$ 4,694,253
2023 Agreed Reduction to Costs	\$ (42,399)	\$ (42,399)
Program Year 2023 EM&V Costs	\$ 67,272	\$ 67,596
2021 Over/(Under) Recovery	\$ 290,647	\$ 290,647
2021 Voluntary Refund for Incentive Costs	\$ (137,601)	\$ (137,601)
2021 Performance Bonus	\$ 2,200,669	\$ 2,200,669
2021 EECRF Proceeding Costs	\$ 85,367	\$ 85,367
2023 Total Costs	\$ 7,789,507	\$ 7,158,532
2023 EECRF Revenues		\$ 8,218,524
2023 (Over)/Under Recovery		\$ (1,059,992)

XIII. UNDERSERVED COUNTIES

EPE serves customers in three Texas counties: Culberson, Hudspeth, and El Paso. During 2023, the majority of energy efficiency projects were installed in El Paso County. EPE has defined Underserved Counties as any county in the Texas EPE service territory where demand or energy savings were not reported in its 2023 EPE energy efficiency programs. Based on this definition, EPE had one Underserved County in 2023.

Table 14: 2023 Energy Efficiency Activities by County

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	26,952	20,524.23	21,172,011
Culberson	0	0.00	0
Hudspeth	2	28.39	211,074
Total	26,954	20,552.62	21,383,085

ACRONYMS

C&I	–	Commercial and Industrial
DR	–	Demand Response
DSM	–	Demand Side Management
EECRF	–	Energy Efficiency Cost Recovery Factor
EEPR	–	Energy Efficiency Plan and Report
EE Rule	–	Energy Efficiency Rule, 16 TAC § 25.181 and § 25.183
EESP	–	Energy Efficiency Service Provider
EPE	–	El Paso Electric Company
EM&V	–	Evaluation, Measurement & Verification
HTR	–	Hard-To-Reach
LM	–	Load Management
kW	–	Kilowatt
kWh	–	Kilowatt Hour
M&V	–	Measurement and Verification
MW	–	Megawatt
MTP	–	Market Transformation Program
PUCT	–	Public Utility Commission of Texas
PURA	–	Public Utility Regulatory Act
R&D	–	Research and Development
RES	–	Residential
SCORE	–	Schools and Cities Conserving Resources
SOP	–	Standard Offer Program
TAC	–	Texas Administrative Code
TRM	–	Texas Technical Reference Manual

GLOSSARY

Glossary is the same as the definitions in 16 TAC § 25.181(c).

APPENDIX A: REPORTED DEMAND AND ENERGY REDUCTION BY COUNTY

Program Savings by County *

All programs funded through EPE's EECRF.

Small Commercial Solutions MTP

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	79	593.38	1,952,362
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	79	593.38	1,952,362

Large C&I Solutions MTP

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	98	2,003.29	7,893,213
Culberson County	0	0	0
Hudspeth County	2	28.39	211,074
Total	100	2,031.68	8,104,287

Texas SCORE MTP

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	31	894.86	5,296,019
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	31	894.86	5,296,019

Commercial Load Management SOP

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	9	4,572.45	44,868
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	9	4,572.45	44,868

Residential Solutions MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	924	800.92	1,236,837
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	924	800.92	1,236,837

LivingWise® MTP

County	# of Kits	Reported	Savings
		kW	kWh
El Paso County	6,707	241.13	814,000
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	6,707	241.13	814,000

FutureWise Pilot MTP

County	# of Kits	Reported	Savings
		kW	kWh
El Paso County	6,317	77.59	493,481
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	6,317	77.59	493,481

Hard-to-Reach Solutions MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	546	1,092.42	1,544,755
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	546	1,092.42	1,544,755

Appliance Recycling MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	375	44.30	271,078
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	375	44.30	271,078

Residential Marketplace MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	999	547.31 85.91	1,114,810
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	999	85.91	1,114,810

Residential Load Management MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	10,867	10,118.00	510,588
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	10,867	10,118.00	510,588

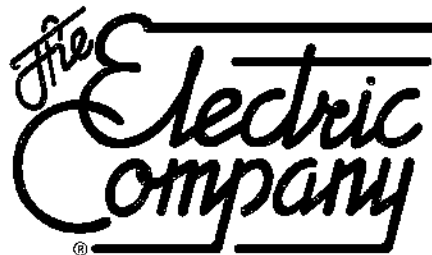
* Totals may not tie due to rounding

REDLINE

**El Paso Electric Company
2024 Energy Efficiency Plan and Report
16 Texas Administrative Codes § 25.181
and § 25.183**

August 5, 2024 – Second Errata

Project No. 56003



El Paso Electric

VIII. PROGRAM FUNDING AND EXPLANATION OF ADMINISTRATION COSTS FOR CALENDAR YEAR 2023

As shown in the subtotal for the "Total Funds Expended" column of Table 10, EPE spent \$4,694,253 on program expenses (excluding EM&V and EECRF Proceeding Expenses) for its PUCT-approved energy efficiency programs in 2023. These programs were funded by EPE's 2023 EECRF. These expenses account for 88% of the total forecasted 2023 program budget of \$5,325,552. Actual program funding levels are shown in Table 10 and Table 11.

The administration expenses shown in Table 10 benefited the entire portfolio of programs. These expenses include, but were not limited to, outsourced program administration, marketing (e.g., website maintenance and promotional items), Electric Utility Marketing Managers of Texas expenses, costs associated with regulatory filings, and EM&V administration expenses outside of those associated with the PUCT-appointed EM&V contractor.

Table 10: Program Funding for Calendar Year 2023

	Total Projected Budget	Number of Participants	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin & R&D)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining
Commercial	\$2,411,413	269	\$ 2,177,021	\$ 5,465	\$ 2,182,486	\$ -	\$ 228,927
Small Commercial Solutions MTP	\$461,115	79	\$ 377,943	\$ 904	\$ 378,847		\$ 82,268
Large C&I Solutions MTP	\$1,005,396	100	\$ 1,012,196	\$ 2,890	\$ 1,015,086		\$ (9,690)
Texas SCORE MTP	\$469,902	31	\$ 579,732	\$ 1,670	\$ 581,403		\$ (111,501)
Comm. Load Management SOP	\$460,000	9	\$ 200,128		\$ 200,128		\$ 259,872
Residential Marketplace MTP	\$15,000	50	\$ 7,022		\$ 7,022		\$ 7,978
Residential	\$2,201,346	26,139	\$ 1,768,732	\$ 5,491	\$ 1,774,223	\$ -	\$ 427,123
Residential Solutions MTP	\$315,000	924	\$ 368,666	831	\$ 369,496		\$ (54,496)
LivingWise® MTP	\$346,346	6,707	\$ 259,896		\$ 259,896		\$ 86,450
FutureWise Pilot MTP	\$300,000	6,317	\$ 330,505		\$ 330,505		
Texas Appliance Recycling MTP	\$255,000	375	\$ 73,985	4,660	\$ 78,645		\$ 176,355
Residential Marketplace MTP	\$285,000	949	\$ 133,427		\$ 133,427		\$ 151,573
Residential Load Management MTP	\$700,000	10,867	\$ 602,253		\$ 602,253		\$ 97,747
Hard-to-Reach	\$600,000	546	\$ 624,745	1,341	\$ 626,086	\$ -	\$ (26,086)
Hard-to-Reach Solutions MTP	\$600,000	546	\$ 624,745	1,341	\$ 626,086		\$ (26,086)
Administration	\$87,793			\$ 86,369	\$ 86,369		\$ 1,424
Research and Development	\$25,000			25,089	\$ 25,089		\$ (89)
Subtotal	\$5,325,552	26,954	\$ 4,570,499	\$ 123,754	\$ 4,694,253	\$ -	\$ 631,299
EM&V	\$67,271			\$ 67,596	\$ 67,596		\$ (325)
EECRF Proceeding Expenses (EPE & Municipal expenses)*	\$100,000			\$ 55,747	\$ 55,747		\$ 44,253
				\$ 44,876	\$ 44,876		\$ 55,125
				\$ 247,087	\$ 4,847,596		\$ 676,227
Total	\$5,492,823	26,954	\$ 4,570,499	\$ 236,226	\$ 4,806,725	\$ -	\$ 686,098

* Actual EECRF proceeding expenses of ~~\$44,875.50~~\$55,747, consists of \$33,488 in EPE proceeding expenses and ~~\$11,387.50~~ 22,259 in municipal proceeding expenses.

** Residential Marketplace MTP is also listed under the Commercial sector due to the Upstream/Midstream Program Cross-Sector Savings guidance memo issued by Tetra Tech to calculate and allocate savings at the sector-level for upstream and midstream programs.

The following files are not convertible:

2024 EPE EEPR 2nd Errata Tables

Clean.xlsx

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