

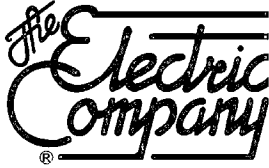


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El Paso Electric

P.O. Box 982
El Paso, Texas
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April 28, 2022

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

Re: Project No. 52949 – El Paso Electric Company 2021 Energy Efficiency Plan and Report
Pursuant to 16 TAC § 25.181 and 25.183

Dear Ms. Treviño:

On April 1, 2022, El Paso Electric Company (“EPE”) filed its 2022 Energy Efficiency Plan and Report (“EEPR”). EPE is hereby filing an errata to that report. The errata is based on three changes. Firstly, there was a change to the verified savings for 2021 that affected Tables 7, 8, 14, and the Tables in Appendix A. Secondly, there was a change to the incentives in the 2021 Residential Load Management MTP that affected Tables 9, 10, 11, and 13. Thirdly, there was a revision to the weather adjusted data that affected Table 4. These changes are also reflected in the text of the document as applicable. At the end of this EEPR Errata are the redlined pages indicating the specific changes made to the EEPR filed April 1, 2022.

If there are any questions regarding this filing, please contact me at 915-494-6784.

Sincerely,

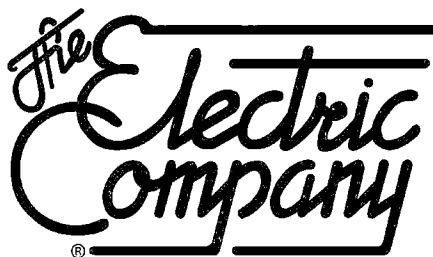
A handwritten signature in black ink, appearing to read "N. Castillo".

Nathaniel Castillo
Regulatory Case Management

El Paso Electric Company
2022 Energy Efficiency Plan and Report
16 Texas Administrative Codes § 25.181
and § 25.183

April 28, 2022 - Errata

Project No. 52949



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 2021 and its projections for 2022 and 2023 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 2021 and EPE's plans for achieving its 2022 and 2023 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 2022 and 2023 by program for each customer class.

Energy Efficiency Report

- Section V documents EPE's demand reduction goals for each of the previous five years (2017-2021) 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 2020 and 2021.
- Section VII details EPE's incentive and administration expenditures for the previous five years (2017-2021) detailed by program for each customer class.
- Section VIII compares EPE's actual and budgeted program costs for 2021 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 2021 EECRF.
- Section XII details the over/under recovery of EPE's energy efficiency program costs for 2021.
- 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 2022, as established pursuant to 16 TAC § 25.181(e)(3). The Final Order of Docket No. 52081¹ issued on December 16, 2021, established the EECRF rates applicable to EPE for 2022. 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 2023 demand reduction goal should remain at 11.16 MW.

The Final Order of Docket No. 52081 also established an energy efficiency program budget for 2022 of \$5,129,232.² 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 2022 & 2023 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)***
2022	57.4	17.21	5.45	11.16	19,552	19.827	26,882	\$5,286
2023	22.0	6.60	5.54	11.16	19,552	31.207	27,125	\$5,493

* The 2023 Demand Goal of 0.4% of peak demand (5.54 MW) is calculated according to 16 TAC § 25.181(e)(3)(B) and is based on a 7.54% system demand line loss factor approved in Docket No. 50058; (1,497 MW Average Peak Demand at Source Net Opt-Outs x 0.004) x (1-0.0754 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 2023 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 2021, EPE achieved a demand reduction of 27,325 kW, which was 245% 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 2022 and 2023, EPE proposes to offer the following programs:

- **Standard Offer Program**
 - Commercial Load Management SOP
- **Market Transformation Programs**
 - Small Commercial Solutions MTP
 - Large C&I Solutions MTP
 - Texas SCORE 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. 52081, Order (Dec. 16, 2021).

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
- Texas Appliance Recycling MTP
- Residential Marketplace Pilot 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 Texas SCORE MTP and the four "Solutions" MTPs.

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

EPE will contract with AM Conservation Group to implement EPE's FutureWise® Pilot MTP.

EPE contracts with ARCA Recycling, Inc. (ARCA) to implement the Texas Appliance Recycling MTP.

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

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

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

ENERGY EFFICIENCY PLAN

I. 2022 PROGRAMS

A. 2022 Program Portfolio

EPE plans to continue the implementation of one SOP and ten MTPs in 2022. 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: 2022 Energy Efficiency Program Portfolios

Program	Target Market	Application
Small Commercial Solutions MTP	Small Commercial (<100kW)	Retrofit; New Construction
Large C&I Solutions MTP	Large Commercial and Industrial (≥100kW)	Retrofit; New Construction
Texas SCORE MTP	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
Texas Appliance Recycling MTP	Residential	Appliance Recycling
Residential Marketplace Pilot 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 a peak demand of less than 100 kW at one facility or a total 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, beginning in 2022, the program will pay 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 2022 and 2023.

Large Commercial & Industrial Solutions MTP

The Large C&I Solutions Program offers incentives to commercial customers with a peak demand of 100 kW or greater at one facility or an aggregate demand of at least 250 kW at multiple facilities operated by the same customer. Local government entities that are primarily used for industrial applications may qualify for participation in the Large C&I Solutions Program. 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 large business owners and contractors 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 MTP 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 continue this program in 2022 and 2023.

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 continue this program in 2022 and 2023.

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 2022 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 plans to continue this program in 2022 and 2023.

Residential Solutions MTP

The Residential Solutions Program offers incentives to residential customers for installing eligible energy efficiency measures. Participating contractors offer the incentives based on the energy savings of the measure and deducts the amount from the customer's final invoice. This program also provides the participating contractors 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 2022 and 2023.

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 a LivingWise® kit that contains energy saving devices and educational materials. The students install the devices in their home and, with the help of their parents, complete a home energy audit report. EPE plans on continuing this program in 2022 and 2023.

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 they install in their homes. EPE plans to begin this program in the fall of 2022 and continue the program in 2023.

Texas Appliance Recycling MTP

The Texas Appliance Recycling Program provides incentives to encourage residential customers to recycle their older, less efficient refrigerators and freezers rather than use them as secondary or backup units. The Texas Appliance Recycling MTP offers eligible customers a cash incentive for EPE to remove and recycle their old refrigerator or freezer. EPE plans to continue this program in 2022 and 2023.

Hard-to-Reach Solutions MTP

The Hard-to-Reach Solutions MTP offers incentives 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. Participating contractors offer the incentives based on the energy savings of the measure and deducts the amount from the customer's final invoice. This program also provides the participating contractors 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 2022 and 2023.

Residential Marketplace Pilot MTP

The Residential Marketplace Pilot 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 implement this program in 2022 and 2023.

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 an existing qualifying internet enabled smart thermostat or for continued participation in the Program. Customers may also receive an additional \$50 rebate for the purchase and enrollment of a new internet enabled smart thermostat through EPE's online marketplace. EPE plans to continue this program in 2022 and 2023.

C. Research and Development

EPE has allocated \$25,000 to Research and Development (R&D) for 2022. To date, no R&D funds have been expended for 2022. For 2023, R&D will be utilized for the benefit analysis of residential building envelope measures such as wall insulation and advanced wall framing techniques. This funding amount is less than 10% of EPE's 2022 total program costs in accordance with 16 TAC § 25.181(g).

D. New Program(s) for 2022 and 2023

EPE is launching the FutureWise® Pilot MTP, an efficiency education program for high school students, in the fall of 2022. EPE does not currently plan to add any new programs in 2023.

E. Discontinued Program(s) for 2022 and 2023

EPE does not currently plan to discontinue any programs in 2022 or 2023.

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.

Based on the EE Rule, 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 473-20-00002, Project No. 51021. The selected EM&V team is led by Tetra Tech. Tetra Tech's contract was extended and will continue the evaluation of programs through Program Year 2024, 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 Texas SCORE MTP and the four "Solutions" MTPs.

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

EPE will contract with AM Conservation Group to implement EPE's FutureWise® Pilot MTP.

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

EPE contracts with ARCA to implement the Texas Appliance Recycling MTP.

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

II. CUSTOMER CLASSES

For the twelve months ending December 2021, there was an average of 303,732 residential accounts in the EPE Texas service territory. Based on the 2021 Annual Social and Economic Supplement of the U.S. Census Bureau's Current Population Survey, 26.1% of Texas families are at or below 200% of the poverty threshold. Applying this standard pursuant to 16 TAC § 25.181(c)(27), approximately 79,274 of EPE's residential accounts fall into the Hard-to-Reach Customer Class.

The average number of commercial accounts in 2021 was 37,276. 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 2021.

Table 3: Summary of Texas Residential and Commercial Customer Classes (2021)

Customer Class	Number of Texas Customers
Total Residential	303,732
Total Hard-to-Reach	79,274
Total Commercial	37,276

III. PROJECTED ENERGY EFFICIENCY SAVINGS AND GOALS

As reflected in PUCT Docket No. 52081, EPE's energy efficiency demand reduction goal for 2022 is 11.16 MW, which mirrors the 2021 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 2022 (11.16 MW) is greater than four-tenths of one percent of EPE's 5-year average summer weather-adjusted peak demand for 2016 through 2020, which is 5.45 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 2023 goal should remain at 11.16 MW (0.81% of the average summer weather-adjusted peak demand for 2017 through 2021) 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 2022 and 2023.

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	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	57.4
2023	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	22.0

The 2023 Demand Goal of 0.4% of peak demand is calculated according to 16 TAC § 25.181(e)(3)(B) and is based on a 7.54% system demand line loss factor approved in Docket No. 50058 as shown below:

Average of residential and commercial peak demand at source net Opt-Outs = $(1,462 + 1,428 + 1,500 + 1,579 + 1,516) / 5 = 1,497$ MW.
 $(1,498$ MW Average Peak Demand at source net Opt-Outs $\times 0.004) \times (1 - 0.0754$ system demand line loss factor) = 5.54 MW.

However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal, thus, the 2023 goal is 11.16 MW.

⁴ Growth at meter for calendar year 2021 to 2023 includes the 7.54% system demand line loss factor as approved in Docket No. 50058.

⁵ Average 5-year historical growth in demand for residential and commercial customers for 2022 (2016-2020) and 2023 (2017-2021).

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

2022	Projected Savings (at meter)	
Customer Class and Program	kW	kWh
Commercial	10,541	18,208,716
Small Commercial Solutions MTP	730	3,197,400
Large C&I Solutions MTP	2,011	10,569,816
Texas SCORE MTP	750	4,270,500
Commercial Load Management SOP	7,000	21,000
Residential Marketplace Pilot MTP	50	150,000
Residential	8,486	7,621,590
Residential Solutions MTP	545	954,840
LivingWise® MTP	200	727,600
FutureWise® MTP	106	494,000
Texas Appliance Recycling MTP	195	1,579,200
Residential Marketplace Pilot MTP	950	2,850,000
Residential Load Management MTP	6490	1,015,950
Hard-to-Reach	800	1,051,200
Hard-to-Reach Solutions MTP	800	1,051,200
Total	19,827	26,881,506
2023	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 C&I Solutions MTP	2,011	10,569,816
Texas SCORE MTP	620	3,530,280
Commercial Load Management SOP	7,000	21,000
Residential Marketplace Pilot MTP	50	150,000
Residential	19,996	8,605,640
Residential Solutions MTP	545	954,840
LivingWise® MTP	200	727,600
FutureWise® MTP	106	494,000
Texas Appliance Recycling MTP	195	1,579,200
Residential Marketplace Pilot MTP	950	2,850,000
Residential Load Management MTP	18,000	2,000,000
Hard-to-Reach	800	1,051,200
Hard-to-Reach Solutions MTP	800	1,051,200
Total	31,207	27,125,336

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 2022 is \$5,129,232. 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 (2021), 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 79,274 customers or 26.1% of EPE's total residential load in Texas.

Avoided costs for 2022, as established by the PUCT and filed in Project No. 38578, were set at \$80 per kW per year and \$0.15648 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

2022	Incentives	Admin & R&D	Total Budget
Commercial	\$2,461,413	\$0	\$2,461,413
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large C&I Solutions MTP	\$1,005,396	\$0	\$1,005,396
Texas SCORE MTP	\$519,902	\$0	\$519,902
Commercial Load Management SOP	\$460,000	\$0	\$460,000
Residential Marketplace Pilot MTP	\$15,000	\$0	\$15,000
Residential	\$1,955,026	\$0	\$1,955,026
Residential Solutions MTP	\$315,000	\$0	\$315,000
LivingWise™ MTP	\$346,346	\$0	\$346,346
FutureWise MTP	\$300,000	\$0	\$300,000
Texas Appliance Recycling MTP	\$255,000	\$0	\$255,000
Residential Marketplace Pilot MTP	\$285,000	\$0	\$285,000
Residential Load Management MTP	\$453,680	\$0	\$453,680
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	\$5,016,439	\$112,793	\$5,129,232
EM&V *		\$57,216	\$57,216
EECRF Proceeding Expenses		\$100,000	\$100,000
Total Budgets	\$5,016,439	\$270,009	\$5,286,448
2023	Incentives	Admin & R&D	Total Budget
Commercial	\$2,411,413	\$0	\$2,411,413
Small Commercial Solutions MTP	\$461,115	\$0	\$461,115
Large C&I Solutions MTP	\$1,005,396	\$0	\$1,005,396
Texas SCORE MTP	\$469,902	\$0	\$469,902
Commercial Load Management SOP	\$460,000	\$0	\$460,000
Residential Marketplace Pilot MTP	\$15,000	\$0	\$15,000
Residential	\$2,201,346	\$0	\$2,201,346
Residential Solutions MTP	\$315,000	\$0	\$315,000
LivingWise® MTP	\$346,346	\$0	\$346,346
FutureWise® MTP	\$300,000	\$0	\$300,000
Texas Appliance Recycling MTP	\$255,000	\$0	\$255,000
Residential Marketplace Pilot MTP	\$285,000	\$0	\$285,000
Residential Load Management MTP	\$700,000	\$0	\$700,000
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	\$5,212,759	\$112,793	\$5,325,552
EM&V		\$67,272	\$67,272
EECRF Proceeding Expenses		\$100,000	\$100,000
Total Budgets	\$5,212,759	\$280,065	\$5,492,824

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 (2017-2021) 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)
2021 ⁶	11,160	19,552,320	27,325 ⁷	27,951,498
2020 ⁸	11,160	19,552,320	20,740	30,704,424
2019 ⁹	11,160	19,552,320	19,424	24,825,792
2018 ¹⁰	11,160	19,552,320	16,846	20,726,306
2017 ¹¹	11,160	19,552,320	15,285	23,311,792

⁶ 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.

⁷ 2021 actual demand reduction at the source is calculated as follows:
 $27,325 \text{ kW at meter} * (1/(1-0.0754)) \text{ line losses} = 29,553 \text{ kW at the source.}$

⁸ 2020 demand goal and energy target as reported in EPE's EEPR Errata filed July 15, 2020, under Project No. 50666. 2020 actual demand reduction and energy savings reported in Project No. 51672.

⁹ 2019 demand goal and energy target as reported in EPE's EEPR Errata filed July 26, 2019, under Project No. 49297. 2019 actual demand reduction and energy savings reported in Project No. 50666.

¹⁰ 2018 demand goal and energy target as reported in EPE's EEPR filed April 2, 2018, under Project No. 48146. 2018 actual demand reduction and energy savings reported in Project No. 49297.

¹¹ 2017 demand goal and energy target as reported in EPE's EEPR filed April 3, 2017, under Project No. 46907. 2017 actual demand reduction and energy savings reported in Project No. 48146.

VI. PROJECTED, REPORTED AND VERIFIED DEMAND AND ENERGY SAVINGS

Table 8: Projected versus Reported Savings for 2020 and 2021

2020 Customer Class and Program	Projected Savings		Reported and Verified Savings	
	kW	kWh	kW	kWh
Commercial	10,266	16,681,094	16,044	23,664,620
Small Comm. Solutions MTP	730	3,197,400	750	2,925,568
Large C&I Solutions MTP	2,011	10,569,816	3,615	15,054,617
Texas SCORE MTP	500	2,847,000	1,191	5,197,201
Load Management SOP	7,000	21,000	10,397	40,975
Residential Marketplace Pilot MTP	25	45,878	91	446,259
Residential	5,375	4,323,399	3,732	5,736,975
Residential Solutions MTP	545	954,840	734	1,219,380
LivingWise® MTP	200	727,600	326	855,290
Texas Appliance Recycling	195	1,579,200	77	620,400
Residential Marketplace Pilot MTP	475	871,679	627	2,152,247
Residential Load Management MTP	3,960	190,080	1,968	889,658
Hard-to-Reach	800	1,051,200	964	1,302,829
Hard-to-Reach Solutions MTP	800	1,051,200	964	1,302,829
Total at Meter	16,441	22,055,693	20,740	30,704,424

2021 Customer Class and Program	Projected Savings		Reported and Verified Savings	
	kW	kWh	kW	kWh
Commercial	10,516	18,104,594	16,124	17,840,092
Small Comm. Solutions MTP	730	3,197,400	728	2,954,835
Large C&I Solutions MTP	2,011	10,569,816	2,043	11,952,274
Texas SCORE MTP	750	4,270,500	982	2,810,405
Load Management SOP	7,000	21,000	12,344	12,344
Residential Marketplace Pilot MTP	25	45,878	26	110,234
Residential	5,375	4,323,399	10,084	8,548,911
Residential Solutions MTP	545	954,840	1,115	1,932,842
LivingWise® MTP	200	727,600	333	1,159,617
Texas Appliance Recycling MTP	195	1,579,200	90	729,252
Residential Marketplace Pilot MTP	475	871,679	502	2,094,440
Residential Load Management MTP	3,960	190,080	8,044	2,632,759
Hard-to-Reach	800	1,051,200	1,117	1,562,495
Hard-to-Reach Solutions MTP	800	1,051,200	1,117	1,562,495
Total at Meter	16,691	23,479,193	27,325	27,951,498

VII. HISTORICAL PROGRAM EXPENDITURES

Table 9 documents EPE's incentive and administration expenditures for the previous five years (2017-2021) 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 for 2021 can be found in Table 10.

Table 9: Historical Program Incentive and Administration Expenditures for 2017 through 2021¹²

Table 9: Historical Program Incentive & Administrative Expenditures for 2017 through 2021

Programs	2021		2020		2019		2018		2017	
	Incent.	Admin			Incent.	Admin	Incent.	Admin	Incent.	Admin.
Commercial	\$2,465,274	\$0	\$3,121,640	\$0	\$2,672,190	\$0	\$2,317,476	\$0	\$2,589,932	\$0
Commercial SOP	NA	NA	NA	NA	NA	NA	NA	NA	\$23,821	\$0
Small Comm. Solutions MTP	\$460,529	\$0	\$470,425	\$0	\$502,403	\$0	\$487,160	\$0	\$487,385	\$0
Large C&I Solutions MTP	\$1,014,932	\$0	\$1,512,746	\$0	\$1,131,460	\$0	\$1,006,553	\$0	\$1,038,708	\$0
Texas SCORE MTP	\$528,379	\$0	\$704,020	\$0	\$597,687	\$0	\$417,779	\$0	\$652,225	\$0
Comm. Load Management SOP	\$453,753	\$0	\$423,754	\$0	\$440,641	\$0	\$405,984	\$0	\$387,793	\$0
Residential Marketplace Pilot MTP	\$7,682	\$0	\$10,695	\$0	NA	NA	NA	NA	NA	NA
Residential	\$1,691,497	\$0	\$1,120,183	\$0	\$796,927	\$0	\$757,856	\$0	\$585,053	\$0
Residential Solutions MTP	\$484,376	\$0	\$354,427	\$0	\$312,731	\$0	\$411,547	\$0	\$238,744	\$0
LivingWise® MTP	\$346,309	\$0	\$179,994	\$0	\$345,534	\$0	\$346,309	\$0	\$346,309	\$0
Texas Appliance Recycling MTP	\$186,240	\$0	\$99,150	\$0	\$138,663	NA	NA	NA	NA	NA
Residential Marketplace Pilot MTP	\$124,744	\$0	\$203,212	\$0	NA	NA	NA	NA	NA	NA
Residential Load Management MTP	\$549,829	\$0	\$283,400	\$0	NA	NA	NA	NA	NA	NA
Hard-to-Reach	\$623,570	\$0	\$664,708	\$0	\$571,016	\$0	\$601,732	\$0	\$555,425	\$0
Hard-to-Reach Solutions MTP	\$623,570	\$0	\$664,708	\$0	\$571,016	\$0	\$601,732	\$0	\$555,425	\$0
Residential/Commercial	\$0	\$0	\$0	\$0	\$145,658	\$0	\$287,988	\$0	\$0	\$0
Texas Appliance Recycling MTP	NA	NA	NA	NA	NA	NA	\$87,438	\$0	NA	NA
Demand Response Pilot MTP	NA	NA	NA	NA	\$145,658	\$0	\$200,551	\$0	NA	NA
Total	\$4,780,341	\$0	\$4,906,531	\$0	\$4,185,791	\$0	\$3,965,053	\$0	\$3,730,410	\$0

¹² 2021 expenditures are from EEPR filed in Project No. 52942, 2020 expenditures are from EEPR filed in Project No. 51672, 2019 expenditures are from EEPR Errata filed in Project No. 50666, 2018 expenditures are from EEPR filed in Project No. 49297, and 2017 expenditures are from EEPR filed in Project No. 48146.

VIII. PROGRAM FUNDING AND EXPLANATION OF ADMINISTRATION COSTS FOR CALENDAR YEAR 2021

As shown in the subtotal for the "Total Funds Expended" column of Table 10, EPE spent \$4,859,607 on program expenses (excluding EM&V and EECRF Proceeding Expenses) for its PUCT-approved energy efficiency programs in 2021. These programs were funded by EPE's 2021 EECRF. These expenses account for 104% of the total forecasted 2021 program budget of \$4,685,552. 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 2021

	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	\$2,461,413	374	\$ 2,465,274	\$ -	\$ 2,465,274	\$ -	\$ (3,861)
Small Commercial Solutions MTP	\$461,115	173	\$ 460,529		\$ 460,529		\$ 586
Large C&I Solutions MTP	\$1,005,396	97	\$ 1,014,932		\$ 1,014,932		\$ (9,536)
Texas SCORE MTP	\$519,902	37	\$ 528,379		\$ 528,379		\$ (8,477)
Comm. Load Management SOP	\$460,000	12	\$ 453,753		\$ 453,753		\$ 6,247
Residential Marketplace Pilot MTP	\$15,000	55	\$ 7,682		\$ 7,682		\$ 7,318
Residential	\$1,511,346	19,068	\$ 1,691,497	\$ -	\$ 1,691,497	\$ -	\$ (180,151)
Residential Solutions MTP	\$315,000	1,221	\$ 484,376		\$ 484,376		\$ (169,376)
LivingWise® MTP	\$346,346	8,937	\$ 346,309		\$ 346,309		\$ 37
Texas Appliance Recycling MTP	\$255,000	950	\$ 186,240		\$ 186,240		\$ 68,760
Residential Marketplace Pilot MTP	\$285,000	1,038	\$ 124,744		\$ 124,744		\$ 160,256
Residential Load Management MTP	\$310,000	6,922	\$ 549,829		\$ 549,829		\$ (239,829)
Hard-to-Reach	\$600,000	437	\$ 623,570	-	\$ 623,570	\$ -	\$ (23,570)
Hard-to-Reach Solutions MTP	\$600,000	437	\$ 623,570		\$ 623,570		\$ (23,570)
Administration	\$87,793			\$ 79,266	\$ 79,266		\$ 8,527
Research and Development	\$25,000						\$ 25,000
Subtotal	\$4,685,552	19,879	\$ 4,780,341	\$ 79,266	\$ 4,859,607	\$ -	\$ (174,055)
EM&V	\$57,378			\$ 56,022	\$ 56,022		\$ -
EECRF Proceeding Expenses (EPE & Municipal expenses)*	\$100,000			\$ 85,367	\$ 85,367		\$ 14,633
Total	\$4,842,930	19,879	\$ 4,780,341	\$ 220,655	\$ 5,000,996	\$ -	\$ (159,422)

* Actual EECRF proceeding expenses of \$85,367, consists of \$57,124 in EPE proceeding expenses and \$28,243 in municipal proceeding expenses.

** Residential Marketplace Pilot 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	2021 Budget	2021 Expenditures	Percent	>10% Variance Explanation
Commercial	\$ 2,461,413	\$ 2,465,274	100.2%	
Small Commercial Solutions MTP	\$ 461,115	\$ 460,529	99.9%	
Large C&I Solutions MTP	\$ 1,005,396	\$ 1,014,932	100.9%	
Texas SCORE MTP	\$ 519,902	\$ 528,379	101.6%	
Comm. Load Management SOP	\$ 460,000	\$ 453,753	98.6%	
Residential Marketplace Pilot MTP	\$ 15,000	\$ 7,682	51.2%	Remaining program funds were reallocated to the Residential Load Management MTP as the programs work in tangent.
Residential	\$ 1,511,346	\$ 1,691,497	111.9%	
Residential Solutions MTP	\$ 315,000	\$ 484,376	153.8%	Program had more participation than was anticipated.
LivingWise® MTP	\$ 346,346	\$ 346,309	100.0%	
Texas Appliance Recycling MTP	\$ 255,000	\$ 186,240	73.0%	Program did not achieve anticipated participation. Funds were reallocated to programs with higher participation.
Residential Marketplace Pilot MTP	\$ 285,000	\$ 124,744	43.8%	Remaining program funds were reallocated to the Residential Load Management MTP as the programs work in tangent.
Residential Load Management MTP	\$ 310,000	\$ 549,829	177.4%	Additional funds were reallocated from the Residential Marketplace Pilot MTP as the programs work in tangent.
Hard-to-Reach	\$ 600,000	\$ 623,570	103.9%	
Hard-to-Reach Solutions MTP	\$ 600,000	\$ 623,570	103.9%	
Administration	\$ 87,793	\$ 79,266		
Research and Development	\$ 25,000	\$ -		
Total	\$ 4,685,552	\$ 4,859,607	103.7%	

IX. PROGRAM RESULTS FOR MTPs

Market Transformation Programs:

Small Commercial Solutions MTP

The 2021 projected savings for the Small Commercial Solutions MTP were 730 kW. There were 173 participants during 2021 that reduced demand by 728 kW and saved 2,954,835 kWh in energy.

Large C&I Solutions MTP

The 2021 projected savings for the Large C&I Solutions MTP were 2,011 kW. There were 97 participants during 2021 that reduced demand by 2,043 kW and saved 11,952,274 kWh in energy.

Texas SCORE MTP

The 2021 projected savings for the Texas SCORE MTP were 750 kW. There were 37 participants in this program that reduced demand by 982 kW and saved 2,810,405 kWh in energy.

Residential Solutions MTP

The 2021 projected savings for the Residential Solutions MTP were 545 kW. There were 1,221 participants in this program that reduced demand by 1,115 kW and saved 1,932,842 kWh in energy.

LivingWise® MTP

The 2021 projected savings for the LivingWise® MTP were 200 kW. There were 8,937 kits provided in this program that reduced demand by 333 kW and saved 1,159,617 kWh in energy.

Hard-to-Reach Solutions MTP

The 2021 projected savings for the Hard-to-Reach Solutions MTP were 800 kW. There were 437 participants in this program that reduced demand by 1,117 kW and saved 1,562,495 kWh in energy.

Appliance Recycling MTP

The 2021 projected savings for the Appliance Recycling MTP were 195 kW. There were 950 participants in this program that reduced demand by 90 kW and saved 729,252 kWh in energy.

Residential Marketplace Pilot MTP

The 2021 projected savings for the Residential Marketplace MTP were 500 kW. There were 1,093 participants in this program that reduced demand by 529 kW and saved 2,204,674 kWh in energy.

Residential Load Management MTP

The 2021 projected savings for the Residential Load Management MTP were 3,960 kW. There were 6,922 participants in this program that reduced demand by 8,044 kW and saved 2,632,759 kWh in energy.

X. CURRENT ENERGY EFFICIENCY COST RECOVERY FACTOR (EECRF)

Report for 2021

In Docket No. 50806, EPE was granted approval for recovery through its 2021 EECRF of (a) \$4,685,552 in energy efficiency program costs projected to be incurred from January 1 through December 31, 2021; (b) projected cost of evaluation, measurement, and verification (EM&V) of \$57,378 for program year 2021; (c) the 2019 net under-recovery revenue amount of \$2,455, including interest; (d) performance incentive for 2019 of \$1,175,558; (e) EPE's 2019 EECRF proceeding expenses of \$56,641 (\$46,364 for EPE and \$10,277 for the City of El Paso); and (f) a \$75,000 reduction of the residential class's EECRF requirement to true-up costs for the 2019 residential programs. The Final Order in Docket No. 50806 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 November 5, 2020, and became effective with the first billing cycle in January 2021. The recovery of the agreed-upon EECRF amount of \$5,902,584 is based on a dollar per kWh rate. The 2021 cost recovery factors by rate are listed in Table 12.

Table 12: 2021 EECRF Monthly Rates

Rate No.	Description	Energy Efficiency Cost Recovery Factor (\$/kWh)
01	Residential Service Rate	\$ 0.000979
02	Small Commercial Service Rate	\$ 0.000933
07	Outdoor Recreational Lighting Service Rate	\$ (0.000002)
08	Governmental Street Lighting Service Rate	\$ 0.000302
09	Governmental Traffic Signal Service	\$ 0.000422
11-TOU	Time-Of-Use Municipal Pumping Service Rate	\$ 0.000017
WH	Water Heating	\$ (0.000035)
22	Irrigation Service Rate	\$ 0.000037
24	General Service Rate	\$ 0.000928
25	Large Power Service Rate (excludes transmission)	\$ 0.001585
34	Cotton Gin Service Rate	\$ 0.000482
41	City and County Service Rate	\$ 0.003493
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$ 0.000482
47	Backup Power Service For Cogeneration And Small Power Production Facilities	\$ 0.000482

XI. REVENUE COLLECTED THROUGH EECRF

In 2021, EPE collected a total of \$5,787,344 under Rate Schedule No. 97 – Energy Efficiency Cost Recovery Factor.

XII. OVER/UNDER RECOVERY OF ENERGY EFFICIENCY PROGRAM COSTS

In 2021, EPE under-recovered an amount of \$287,938 as shown in Table 13. The EM&V expenses of \$56,022 from Tetra Tech in their 2021 Prioritization and Cost Allocation table replaced the recovery of EM&V costs of \$57,378 in Docket No. 50806 for program year 2021. A reduction of the residential class's EECRF revenue requirement in the amount of \$75,000 was ordered in Docket No. 50806.

Table 13: Authorized and Actual Recovery Amounts

Description	Authorized in Docket No. 50806	Actual
January 1 – December 31, 2021 Energy Efficiency Costs	\$ 4,685,552	\$ 4,859,607
Program Year 2021 EM&V Costs	\$ 57,378	\$ 56,022
2019 Over/(Under) Recovery	\$ 2,455	\$ 2,455
2019 Performance Bonus	\$ 1,175,558	\$ 1,175,558
Reduction to Residential Class's EECRF Pursuant to Docket No. 50806	\$ (75,000)	\$ (75,000)
2019 EECRF Proceeding Costs	\$ 56,641	\$ 56,641
2021 Total Costs	\$ 5,902,584	\$ 6,075,283
2021 EECRF Revenues		\$ 5,787,344
2021 (Over)/Under Recovery		\$ 287,938

XIII. UNDERSERVED COUNTIES

EPE serves customers in three Texas counties: Culberson, Hudspeth, and El Paso. During 2021, 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 2021 EPE energy efficiency programs. Based on this definition, EPE had no Underserved Counties in 2021.

Table 14: 2021 Energy Efficiency Activities by County

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	19,766	27,298.20	27,852,739
Culberson	37	23.81	88,549
Hudspeth	76	2.85	10,211
Total	19,879	27,324.87	27,951,498

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	167	722.19	2,933,988
Culberson County	6	6.17	20,847
Hudspeth County	0	0	0
Total	173	728.36	2,954,835

Large C&I Solutions MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	97	2,042.78	11,952,274
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	97	2,042.78	11,952,274

Texas SCORE MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	32	967.13	2,750,648
Culberson County	5	14.95	59,757
Hudspeth County	0	0	0
Total	37	982.08	2,810,405

Commercial Load Management SOP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	12	12,343.91	12,344
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	12	12,343.91	12,344

Residential Solutions MTP

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	1,220	1,113.54	1,931,119
Culberson County	1	1.17	1,724
Hudspeth County	0	0	0
Total	1,221	1,114.72	1,932,842

LivingWise® MTP

County	# of Kits	Reported Savings	
		kW	kWh
El Paso County	8,839	329.28	1,146,901
Culberson County	23	.86	2,984
Hudspeth County	75	2.79	9,732
Total	8,937	332.93	1,159,617

Hard-to-Reach Solutions MTP

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	437	1,117.15	1,562,495
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	437	1,117.15	1,562,495

Appliance Recycling MTP

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	949	89.93	728,773
Culberson County	0	0	0
Hudspeth County	1	0.06	479.23
Total	950	89.99	729,252

Residential Marketplace Pilot MTP

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	1,091	528.27	2,201,438
Culberson County	2	0.66	3,237
Hudspeth County	0	0	0
Total	1,093	528.93	2,204,674

Residential Load Management MTP

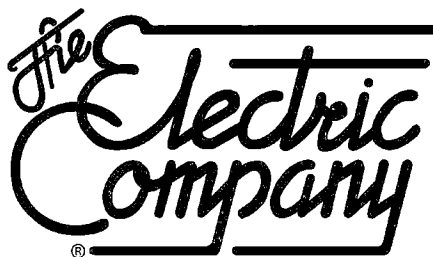
County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	6,922	8,044.02	2,632,759
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	6,922	8,044.02	2,632,759

* Totals may not tie due to rounding.

El Paso Electric Company
2022 Energy Efficiency Plan and Report
16 Texas Administrative Codes § 25.181
and § 25.183

April 28, 2022 - Errata Redline

Project No. 52949



El Paso Electric

EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details EPE's plan to meet the energy efficiency demand reduction goal for 2022, as established pursuant to 16 TAC § 25.181(e)(3). The Final Order of Docket No. 52081¹ issued on December 16, 2021, established the EECRF rates applicable to EPE for 2022. 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 2023 demand reduction goal should remain at 11.16 MW.

The Final Order of Docket No. 52081 also established an energy efficiency program budget for 2022 of \$5,129,232.² 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 2022 & 2023 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)***
2022	57.4	17.21	5.45	11.16	19,552	19.827	26,882	\$5,286
2023	22.0	6.60	5.54	11.16	19,552	31.207	27,125	\$5,493

* The 2023 Demand Goal of 0.4% of peak demand (5.54 MW) is calculated according to 16 TAC § 25.181(e)(3)(B) and is based on a 7.54% system demand line loss factor approved in Docket No. 50058; (1,497 MW Average Peak Demand at Source Net Opt-Outs x 0.004) x (1-0.0754 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 2023 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 2021, EPE achieved a demand reduction of ~~28,029~~27,325 kW, which was ~~245~~54% 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 2022 and 2023, EPE proposes to offer the following programs:

- **Standard Offer Program**
 - Commercial Load Management SOP
- **Market Transformation Programs**
 - Small Commercial Solutions MTP
 - Large C&I Solutions MTP

- LivingWise® MTP
- FutureWise® Pilot MTP
- Texas Appliance Recycling MTP
- Residential Marketplace Pilot 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 Texas SCORE MTP and the four "Solutions" MTPs.

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

EPE will contract with AM Conservation Group to implement EPE's FutureWise® Pilot MTP.

EPE contracts with ARCA Recycling, Inc. (ARCA) to implement the Texas Appliance Recycling MTP.

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

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

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	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	57.4
2023	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	22.0

The 2023 Demand Goal of 0.4% of peak demand is calculated according to 16 TAC § 25.181(e)(3)(B) and is based on a 7.54% system demand line loss factor approved in Docket No. 50058 as shown below:

Average of residential and commercial peak demand at source net Opt-Outs = $(1,462 + 1,428 + 1,500 + 1,579 + 1,516) / 5 = 1,497.8$ MW.
 $(1,498 \text{ MW Average Peak Demand at source net Opt-Outs} \times 0.004) \times (1 - 0.0754 \text{ system demand line loss factor}) = 5.54 \text{ MW}.$

However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal, thus, the 2023 goal is 11.16 MW.

⁴ Growth at meter for calendar year 2021 to 2023 includes the 7.54% system demand line loss factor as approved in Docket No. 50058.

⁵ Average 5-year historical growth in demand for residential and commercial customers for 2022 (2016-2020) and 2023 (2017-2021).

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 (2017-2021) 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)
2021 ⁶	11,160	19,552,320	28,029 <u>27,325</u> ⁷	27,921,007 <u>51,498</u>
2020 ⁸	11,160	19,552,320	20,740	30,704,424
2019 ⁹	11,160	19,552,320	19,424	24,825,792
2018 ¹⁰	11,160	19,552,320	16,846	20,726,306
2017 ¹¹	11,160	19,552,320	15,285	23,311,792

⁶ 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.

⁷ 2021 actual demand reduction at the source is calculated as follows:

$$\underline{28,029} \underline{27,325} \text{ kW at meter} * (1/(1-0.0754)) \text{ line losses} = \underline{30,345} \underline{29,553} \text{ kW at the source.}$$

⁸ 2020 demand goal and energy target as reported in EPE's EEPR Errata filed July 15, 2020, under Project No. 50666. 2020 actual demand reduction and energy savings reported in Project No. 51672.

⁹ 2019 demand goal and energy target as reported in EPE's EEPR Errata filed July 26, 2019, under Project No. 49297. 2019 actual demand reduction and energy savings reported in Project No. 50666.

¹⁰ 2018 demand goal and energy target as reported in EPE's EEPR filed April 2, 2018, under Project No. 48146. 2018 actual demand reduction and energy savings reported in Project No. 49297.

¹¹ 2017 demand goal and energy target as reported in EPE's EEPR filed April 3, 2017, under Project No. 46907. 2017 actual demand reduction and energy savings reported in Project No. 48146.

VI. PROJECTED, REPORTED AND VERIFIED DEMAND AND ENERGY SAVINGS

Table 8: Projected versus Reported Savings for 2020 and 2021

2020 Customer Class and Program	Projected Savings		Reported and Verified Savings	
	kW	kWh	kW	kWh
Commercial	10,266	16,681,094	16,044	23,664,620
Small Comm. Solutions MTP	730	3,197,400	750	2,925,568
Large C&I Solutions MTP	2,011	10,569,816	3,615	15,054,617
Texas SCORE MTP	500	2,847,000	1,191	5,197,201
Load Management SOP	7,000	21,000	10,397	40,975
Residential Marketplace Pilot MTP	25	45,878	91	446,259
Residential	5,375	4,323,399	3,732	5,736,975
Residential Solutions MTP	545	954,840	734	1,219,380
LivingWise® MTP	200	727,600	326	855,290
Texas Appliance Recycling	195	1,579,200	77	620,400
Residential Marketplace Pilot MTP	475	871,679	627	2,152,247
Residential Load Management MTP	3,960	190,080	1,968	889,658
Hard-to-Reach	800	1,051,200	964	1,302,829
Hard-to-Reach Solutions MTP	800	1,051,200	964	1,302,829
Total at Meter	16,441	22,055,693	20,740	30,704,424

2021 Customer Class and Program	Projected Savings		Reported and Verified Savings	
	kW	kWh	kW	kWh
Commercial	10,516	18,104,594	16,124	17,840,092
Small Comm. Solutions MTP	730	3,197,400	728	2,954,835
Large C&I Solutions MTP	2,011	10,569,816	2,043	11,952,274
Texas SCORE MTP	750	4,270,500	982	2,810,405
Load Management SOP	7,000	21,000	12,344	12,344
Residential Marketplace Pilot MTP	25	45,878	26	110,234
Residential	5,375	4,323,399	10,084	8,548,911
Residential Solutions MTP	545	954,840	1,115	1,932,842
LivingWise® MTP	200	727,600	333	1,159,617
Texas Appliance Recycling MTP	195	1,579,200	90	729,252
Residential Marketplace Pilot MTP	475	871,679	502	2,094,440
Residential Load Management MTP	3,960	190,080	8,044	2,632,759
Hard-to-Reach	800	1,051,200	1,117	1,562,495
Hard-to-Reach Solutions MTP	800	1,051,200	1,117	1,562,495
Total at Meter	16,691	23,479,193	27,325	27,951,498

VII. HISTORICAL PROGRAM EXPENDITURES

Table 9 documents EPE's incentive and administration expenditures for the previous five years (2017-2021) 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 for 2021 can be found in Table 10.

Table 9: Historical Program Incentive and Administration Expenditures for 2017 through 2021¹²

Table 9: Historical Program Incentive & Administrative Expenditures for 2017 through 2021

Programs	2021		2020		2019		2018		2017	
	Incent.	Admin			Incent.	Admin	Incent.	Admin	Incent.	Admin.
Commercial	\$2,465,274	\$0	\$3,121,640	\$0	\$2,672,190	\$0	\$2,317,476	\$0	\$2,589,932	\$0
Commercial SOP	NA	NA	NA	NA	NA	NA	NA	NA	\$23,821	\$0
Small Comm. Solutions MTP	\$460,529	\$0	\$470,425	\$0	\$502,403	\$0	\$487,160	\$0	\$487,385	\$0
Large C&I Solutions MTP	\$1,014,932	\$0	\$1,512,746	\$0	\$1,131,460	\$0	\$1,006,553	\$0	\$1,038,708	\$0
Texas SCORE MTP	\$528,379	\$0	\$704,020	\$0	\$597,687	\$0	\$417,779	\$0	\$652,225	\$0
Comm. Load Management SOP	\$453,753	\$0	\$423,754	\$0	\$440,641	\$0	\$405,984	\$0	\$387,793	\$0
Residential Marketplace Pilot MTP	\$7,682	\$0	\$10,695	\$0	NA	NA	NA	NA	NA	NA
Residential	\$1,691,497	\$0	\$1,120,183	\$0	\$796,927	\$0	\$757,856	\$0	\$585,053	\$0
Residential Solutions MTP	\$484,376	\$0	\$354,427	\$0	\$312,731	\$0	\$411,547	\$0	\$238,744	\$0
LivingWise® MTP	\$346,309	\$0	\$179,994	\$0	\$345,534	\$0	\$346,309	\$0	\$346,309	\$0
Texas Appliance Recycling MTP	\$186,240	\$0	\$99,150	\$0	\$138,663	NA	NA	NA	NA	NA
Residential Marketplace Pilot MTP	\$124,744	\$0	\$203,212	\$0	NA	NA	NA	NA	NA	NA
Residential Load Management MTP	\$549,829	\$0	\$283,400	\$0	NA	NA	NA	NA	NA	NA
Hard-to-Reach	\$623,570	\$0	\$664,708	\$0	\$571,016	\$0	\$601,732	\$0	\$555,425	\$0
Hard-to-Reach Solutions MTP	\$623,570	\$0	\$664,708	\$0	\$571,016	\$0	\$601,732	\$0	\$555,425	\$0
Residential/Commercial	\$0	\$0	\$0	\$0	\$145,658	\$0	\$287,988	\$0	\$0	\$0
Texas Appliance Recycling MTP	NA	NA	NA	NA	NA	NA	\$87,438	\$0	NA	NA
Demand Response Pilot MTP	NA	NA	NA	NA	\$145,658	\$0	\$200,551	\$0	NA	NA
Total	\$4,780,341	\$0	\$4,906,531	\$0	\$4,185,791	\$0	\$3,965,053	\$0	\$3,730,410	\$0

¹² 2021 expenditures are from EEPR filed in Project No. 52942, 2020 expenditures are from EEPR filed in Project No. 51672, 2019 expenditures are from EEPR Errata filed in Project No. 50666, 2018 expenditures are from EEPR filed in Project No. 49297, and 2017 expenditures are from EEPR filed in Project No. 48146.

VIII. PROGRAM FUNDING AND EXPLANATION OF ADMINISTRATION COSTS FOR CALENDAR YEAR 2021

As shown in the subtotal for the "Total Funds Expended" column of Table 10, EPE spent \$4,859,~~607,477~~ on program expenses (excluding EM&V and EECRF Proceeding Expenses) for its PUCT-approved energy efficiency programs in 2021. These programs were funded by EPE's 2021 EECRF. These expenses account for 104% of the total forecasted 2021 program budget of \$4,685,552. 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 2021

	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	\$2,461,413	374	\$ 2,464,274	\$ -	\$ 2,465,274	\$ -	\$ (3,861)
Small Commercial Solutions MTP	\$461,115	173	\$ 460,529		\$ 460,529		\$ 586
Large C&I Solutions MTP	\$1,005,396	97	\$ 1,014,932		\$ 1,014,932		\$ (9,536)
Texas SCORE MTP	\$519,902	37	\$ 528,379		\$ 528,379		\$ (8,477)
Comm. Load Management SOP	\$460,000	12	\$ 453,753		\$ 453,753		\$ 6,247
Residential Marketplace Pilot MTP	\$15,000	55	\$ 7,682		\$ 7,682		\$ 7,318
Residential	\$1,511,346	19,068	\$ 1,691,497	\$ -	\$ 1,691,497	\$ -	\$ (180,151)
Residential Solutions MTP	\$315,000	1,221	\$ 484,376		\$ 484,376		\$ (169,376)
LivingWise® MTP	\$346,346	8,937	\$ 346,309		\$ 346,309		\$ 37
Texas Appliance Recycling MTP	\$255,000	950	\$ 186,240		\$ 186,240		\$ 68,760
Residential Marketplace Pilot MTP	\$285,000	1,038	\$ 125,805		\$ 125,805		\$ 159,195
Residential Load Management MTP	\$310,000	6,922	\$ 549,829		\$ 549,829		\$ (239,829)
Hard-to-Reach	\$600,000	437	\$ 623,570	-	\$ 623,570	\$ -	\$ (23,570)
Hard-to-Reach Solutions MTP	\$600,000	437	\$ 623,570		\$ 623,570		\$ (23,570)
Administration	\$87,793			\$ 79,266	\$ 79,266		\$ 8,527
Research and Development	\$25,000						\$ 25,000
Subtotal	\$4,685,552	19,879	\$ 4,780,341	\$ 79,266	\$ 4,859,607	\$ -	\$ (174,055)
EM&V	\$57,378			\$ 56,022	\$ 56,022		\$ -
EECRF Proceeding Expenses (EPE & Municipal expenses)*	\$100,000			\$ 85,367	\$ 85,367		\$ 14,633
Total	\$4,842,930	19,879	\$ 4,780,341	\$ 220,655	\$ 5,000,996	\$ -	\$ (159,422)

* Actual EECRF proceeding expenses of \$85,367, consists of \$57,124 in EPE proceeding expenses and \$28,243 in municipal proceeding expenses.

** Residential Marketplace Pilot 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	2021 Budget	2021 Expenditures	Percent	>10% Variance Explanation
Commercial	\$ 2,461,413	\$ 2,465,274	100.2%	
Small Commercial Solutions MTP	\$ 461,115	\$ 460,529	99.9%	
Large C&I Solutions MTP	\$ 1,005,396	\$ 1,014,932	100.9%	
Texas SCORE MTP	\$ 519,902	\$ 528,379	101.6%	
Comm. Load Management SOP	\$ 460,000	\$ 453,753	98.6%	
Residential Marketplace Pilot MTP	\$ 15,000	\$ 7,682	51.2%	Remaining program funds were reallocated to the Residential Load Management MTP as the programs work in tangent.
Residential	\$ 1,511,346	\$ 1,691,497	111.9%	
Residential Solutions MTP	\$ 315,000	\$ 484,376	153.8%	Program had more participation than was anticipated.
LivingWise® MTP	\$ 346,346	\$ 346,309	100.0%	
Texas Appliance Recycling MTP	\$ 255,000	\$ 186,240	73.0%	Program did not achieve anticipated participation. Funds were reallocated to programs with higher participation.
Residential Marketplace Pilot MTP	\$ 285,000	\$ 124,744	43.8%	Remaining program funds were reallocated to the Residential Load Management MTP as the programs work in tangent.
Residential Load Management MTP	\$ 310,000	\$ 549,829	177.4%	Additional funds were reallocated from the Residential Marketplace Pilot MTP as the programs work in tangent.
Hard-to-Reach	\$ 600,000	\$ 623,570	103.9%	
Hard-to-Reach Solutions MTP	\$ 600,000	\$ 623,570	103.9%	
Administration	\$ 87,793	\$ 79,266	90.3%	
Research and Development	\$ 25,000	\$ -	0.0%	
Total	\$ 4,685,552	\$ 4,859,607	103.7%	

IX. PROGRAM RESULTS FOR MTPs

Market Transformation Programs:

Small Commercial Solutions MTP

The 2021 projected savings for the Small Commercial Solutions MTP were 730 kW. There were 173 participants during 2021 that reduced demand by 729~~8~~3 kW and saved ~~2,928,570~~2,954,835 kWh in energy.

Large C&I Solutions MTP

The 2021 projected savings for the Large C&I Solutions MTP were 2,011 kW. There were 97 participants during 2021 that reduced demand by 2,041~~3~~3 kW and saved ~~11,948,444~~11,952,274 kWh in energy.

Texas SCORE MTP

The 2021 projected savings for the Texas SCORE MTP were 750 kW. There were 37 participants in this program that reduced demand by 984~~2~~2 kW and saved ~~2,802,963~~2,810,405 kWh in energy.

Residential Solutions MTP

The 2021 projected savings for the Residential Solutions MTP were 545 kW. There were 1,221 participants in this program that reduced demand by 1,115 kW and saved 1,932,842 kWh in energy.

LivingWise® MTP

The 2021 projected savings for the LivingWise® MTP were 200 kW. There were 8,937 kits provided in this program that reduced demand by 333 kW and saved 1,159,617 kWh in energy.

Hard-to-Reach Solutions MTP

The 2021 projected savings for the Hard-to-Reach Solutions MTP were 800 kW. There were 437 participants in this program that reduced demand by 1,117 kW and saved 1,562,495 kWh in energy.

Appliance Recycling MTP

The 2021 projected savings for the Appliance Recycling MTP were 195 kW. There were 950 participants in this program that reduced demand by 90 kW and saved 729,252 kWh in energy.

Residential Marketplace Pilot MTP

The 2021 projected savings for the Residential Marketplace MTP were 500 kW. There were 1,093 participants in this program that reduced demand by 529 kW and saved 2,204,674 kWh in energy.

Residential Load Management MTP

The 2021 projected savings for the Residential Load Management MTP were 3,960 kW. There were 6,922 participants in this program that reduced demand by 8,748~~8,044~~8,044 kW and saved ~~2,639,806~~2,632,759 kWh in energy.

XI. REVENUE COLLECTED THROUGH EECRF

In 2021, EPE collected a total of \$5,787,344 under Rate Schedule No. 97 – Energy Efficiency Cost Recovery Factor.

XII. OVER/UNDER RECOVERY OF ENERGY EFFICIENCY PROGRAM COSTS

In 2021, EPE under-recovered an amount of ~~\$287,508~~287,938 as shown in Table 13. The EM&V expenses of \$56,022 from Tetra Tech in their 2021 Prioritization and Cost Allocation table replaced the recovery of EM&V costs of \$57,378 in Docket No. 50806 for program year 2021. A reduction of the residential class's EECRF revenue requirement in the amount of \$75,000 was ordered in Docket No. 50806.

Table 13: Authorized and Actual Recovery Amounts

Description	Authorized in Docket No. 50806	Actual
January 1 – December 31, 2021 Energy Efficiency Costs	\$ 4,685,552	\$ 4,859,607
Program Year 2021 EM&V Costs	\$ 57,378	\$ 56,022
2019 Over/(Under) Recovery	\$ 2,455	\$ 2,455
2019 Performance Bonus	\$ 1,175,558	\$ 1,175,558
Reduction to Residential Class's EECRF Pursuant to Docket No. 50806	\$ (75,000)	\$ (75,000)
2019 EECRF Proceeding Costs	\$ 56,641	\$ 56,641
2021 Total Costs	\$ 5,902,584	\$ 6,075,283
2021 EECRF Revenues		\$ 5,787,344
2021 (Over)/Under Recovery		\$ 287,938

XIII. UNDERSERVED COUNTIES

EPE serves customers in three Texas counties: Culberson, Hudspeth, and El Paso. During 2021, 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 2021 EPE energy efficiency programs. Based on this definition, EPE had no Underserved Counties in 2021.

Table 14: 2021 Energy Efficiency Activities by County

County	# of Participants	Reported Savings	
		kW	kWh
El Paso County	19,766	27,298.20	27,852,739
Culberson	37	23.81	88,549
Hudspeth	76	2.85	10,211
Total	19,879	27,324.87	27,951,498

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	167	722.1958	2,933,98807,723
Culberson County	6	6.17	20,847
Hudspeth County	0	0	0
Total	173	728.3675	2,954,83528,570

Large C&I Solutions MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	97	2,042.781.02	11,952,27448,444
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	97	2,042.781.02	11,952,27448,444

Texas SCORE MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	32	967.136.03	2,750,64843,206
Culberson County	5	14.95	59,757
Hudspeth County	0	0	0
Total	37	982.080.98	2,810,40502,963

Commercial Load Management SOP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	12	12,343.91	12,344
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	12	12,343.91	12,344

Residential Load Management MTP

County	# of Participants	Reported	Savings
		kW	kWh
El Paso County	6,922	8,044.02748.14	2,632,7599,806
Culberson County	0	0	0
Hudspeth County	0	0	0
Total	6,922	8,044.02748.14	2,632,7599,806

* Totals may not tie due to rounding.

The following files are not convertible:

2022 EEPR Errata Tables Final.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.