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**AEP Texas Central Company**  
**2010 Energy Efficiency Plan and Report**  
**Substantive Rule § 25.181 and § 25.183**

**April 1, 2010**

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Project No. 37982



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## **INTRODUCTION**

AEP Texas Central Company (TCC or Company) presents this Energy Efficiency Plan and Report (EEPR) to comply with Public Utility Commission of Texas (PUCT) Substantive Rules 25.181 and 25.183 (EE Rule), which implement Public Utility Regulatory Act (PURA) § 39.905. As mandated by this section of PURA, the EE Rule requires that each investor owned electric transmission and distribution utility (TDU) achieve the following demand reduction goals through market-based standard offer programs (SOPs) and limited, targeted, market transformation programs (MTPs):

- at least 20% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2009;
- at least 20% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2010.

The EE Rule includes specific requirements related to the implementation of SOPs and MTPs that control the manner in which TDUs must administer their portfolio of energy efficiency programs in order to achieve their mandated annual demand reduction goals. TCC's plan enables 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 covers the periods of time as required in Substantive Rule 25.181. The following section describes the information that is contained in each of the subsequent sections and appendices.

## **EEPR Organization**

This EEPR consists of an Executive Summary, twelve sections, a list of acronyms, a glossary and four appendices.

- Executive Summary highlights TCC's achievements for program year 2009 and summarizes TCC's plans for achieving its goals and projected energy efficiency savings for program years 2010 and 2011.

### **Energy Efficiency Plan**

- Section I describes TCC's program portfolio. It details how each program will be implemented, presents related informational and outreach activities, and provides an introduction to any programs not included in TCC's 2009 EEPR.
- Section II explains TCC's targeted customer classes, describes the estimated size of each class and the method of determining those class sizes.

- Section III presents TCCø's projected energy and demand goals and savings for the prescribed planning period detailed by program for each customer class.
- Section IV describes TCCø's proposed energy efficiency budgets for the prescribed planning period detailed by program for each customer class.

### **Energy Efficiency Report**

- Section V documents TCCø's demand reduction goal for each of the previous five years (2005-2009) based on its weather-adjusted peak demand.
- Section VI compares TCCø's projected energy and demand savings to its reported and verified savings by program for calendar years 2008 and 2009.
- Section VII details TCCø's incentive and administration expenditures for each of the previous five years (2005-2009) detailed by program for each customer class.
- Section VIII compares TCCø's actual 2009 expenditures with its 2009 budget by program for each customer class. It identifies funds committed but not expended and funds remaining and not committed. It also explains any cost deviations of more than 10% from TCCø's overall program budget.
- Section IX describes the results from TCCø's MTPs. It compares existing baselines and milestones with actual results, and details updates to those baselines and milestones.
- Section X documents TCCø's most recent Energy Efficiency Cost Recovery Factor (EECRF).
- Section XI documents TCCø's Underserved Counties.
- Section XII describes TCCø's Performance Bonus calculation for program year 2009.

### **Acronyms**

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

### **Glossary**

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

### **Appendices**

- Appendix A ó Reported and Verified kW and kWh Savings detailed by county for each program.
- Appendix B ó Program templates for any new or modified programs and programs not included in TCCø's previous EEPR.
- Appendix C ó Description of TCCø's existing energy efficiency contracts and obligations.
- Appendix D - Data, explanations, or documents supporting other sections of the EEPR.

## Executive Summary – Energy Efficiency Plan (Plan)

TCC plans to achieve at least a 20% reduction in its annual growth in demand of residential and commercial customers by December 31, 2010, and at least a 20% reduction in its annual growth in demand of residential and commercial customers by December 31, 2011. TCC's Plan addresses achieving the corresponding calculated energy savings goal, which is derived from its demand savings goal each year using a 20% capacity factor [Substantive Rule 25.181(e)(2)]. The goals, budgets and implementation procedures that are included in this Plan are in concert with requirements of the EE Rule, using lessons learned from past experience and customer participation in the various historical energy efficiency programs. A summary of TCC's projected annual goals and budgets is presented in Table 1.

**Table 1: Summary of Goals, Projected Savings (at the Meter) <sup>1</sup> and Budgets**

Calendar Year	Average Growth in Demand (MW)	Growth In Demand Reduction	Demand Goal (MW)*	Energy Goal <sup>2</sup> (MWh)	Projected Savings <sup>3</sup> (MW)	Projected Savings <sup>2,3</sup> (MWh)	Projected Budget (000's)
2010	6.84	20 %	12.93	22,657	31.11	74,032	\$15,156
2011	6.84	20 %	12.93	22,657	33.60	85,795	\$15,156

\* 25.181(e)(1)(D) - Beginning in 2009 a utility's demand reduction goal in megawatts for any year shall not be less than the previous year's goal.

## Executive Summary – Energy Efficiency Report (Report)

This Report demonstrates that in 2009, TCC cost-effectively implemented SOPs and MTPs as required by PURA § 39.905. TCC exceeded its demand reduction goal to be achieved by December 31, 2009 by procuring 26,073 kW of peak demand savings at a total cost of \$12,585,140. 2009 programs included the AEP Texas CARE\$ Energy Efficiency for Not-for-Profit Agencies SOP, Appliance Recycling Pilot MTP, Commercial Solutions Pilot MTP, Commercial SOP, ENERGY STAR<sup>®</sup> New Homes MTP, Hard-to-Reach SOP, Load Management SOP, Residential Energy Efficiency Pilot MTP, Residential Demand Response Research and

<sup>1</sup> Average Growth in Demand figures are from Table 4; Projected Savings from Table 5; Projected Budgets from Table 6. All kW/MW and kWh/MWh figures in this Table and throughout this EEPR are given at the Meter.

<sup>2</sup> Calculated using a 20% capacity factor.

<sup>3</sup> Projected savings are based upon the portfolio of programs and budgets identified in Tables 5 and 6.

Development Pilot MTP, Residential SOP, SCORE/CitySmart MTP, SMART Source<sup>SM</sup> Solar PV Pilot MTP, Targeted Low-Income Energy Efficiency Program and the Texas Statewide ENERGY STAR<sup>®</sup> Residential Compact Fluorescent Lighting MTP.

TCC continues its best efforts to encourage and facilitate the involvement of Retail Electric Providers (REPs) and Energy Efficiency Service Providers (EESPs) in the delivery of its programs to customers. TCC utilizes local, regional and national conferences, trade shows and other events for outreach and information exchange with participating REPs and EESPs. TCC worked with AEP Texas Competitive Retailer Relations to present program information at its annual REP workshop in December 2009. TCC also provides new and existing energy efficiency program information to the REPs and EESPs throughout the year on a timely basis via electronic mail distribution and the [www.AEPefficiency.com](http://www.AEPefficiency.com) Web site.

## **ENERGY EFFICIENCY PLAN**

### **I. 2010 Programs**

#### ***A. 2010 Program Portfolio***

TCC has implemented a variety of programs in 2010 to enable it to meet its goals in a manner that complies with PURA § 39.905 and the EE Rule. These programs target broad market segments and specific market sub-segments with significant opportunities for cost-effective energy savings. Table 2 summarizes TCC's planned programs and targeted customer class markets for 2010. The programs listed in Table 2 are described in further detail in Subsections B and C. TCC maintains a World Wide Web site containing all of the requirements for EESP participation, forms required for project submission, and currently available funding at [www.AEPefficiency.com](http://www.AEPefficiency.com). This site is the primary method of communication used to provide program updates and information to potential REPs, EESPs and other interested parties.

**Table 2: 2010 Energy Efficiency Program Portfolio**

<b>Program</b>	<b>Target Market</b>	<b>Application</b>
AEP Texas CARE\$ Energy Efficiency for Not-for-Profit Agencies Standard Offer Program	Commercial	Retrofit
Commercial Solutions Pilot Market Transformation Program	Commercial	Retrofit & New Construction
Commercial Standard Offer Program	Commercial	Retrofit & New Construction
ENERGY STAR® New Homes Market Transformation Program	Residential	New Construction
Hard-to-Reach Standard Offer Program	Hard-to-Reach Residential	Retrofit
Load Management Standard Offer Program	Commercial	Retrofit
Residential Demand Response Research & Development Pilot Market Transformation Program	Residential	Retrofit
Residential Energy Efficiency Pilot Market Transformation Program	Residential	Retrofit
Residential Standard Offer Program	Residential	Retrofit
SCORE/CitySmart Market Transformation Program	Commercial	Retrofit & New Construction
SMART Source <sup>SM</sup> Solar PV Pilot Market Transformation Program	Commercial Residential	Retrofit & New Construction
Targeted Low-Income Energy Efficiency Program	Low-Income Residential	Retrofit
<b>New Programs for 2010</b>		
Air Conditioning Tune-Up Pilot Market Transformation Program	Commercial Residential	Retrofit

## ***B. Existing Programs***

### **AEP Texas CARE\$ Energy Efficiency for Not-for-Profit Agencies Standard Offer Program (CARE\$ SOP)**

#### ***Program design***

This program targets commercial Not-for-Profit (NFP) agencies that provide various services to Hard-to-Reach (HTR) customers in the TCC service territory. Incentives are paid to participating agencies for certain eligible energy efficiency improvements made to their administrative facilities that result in verified demand and energy savings. These improvements reduce the agencies' operating costs by making their administration facilities more energy efficient, and result in greater resources being made available to the HTR clients served.

#### ***Implementation process***

The CARE\$ SOP is implemented by annually issuing notice of the program rollout date and incentive budget to a wide range of NFP agencies. Beginning in 2010, project proposals must be submitted on-line and shall include information about the organization, planned energy efficiency improvements and specific installation costs. Proposals are reviewed and evaluated on a first-come, first-served basis until the annual program budget is fully reserved.

#### ***Outreach activities***

TCC markets the availability of its programs in the following manner:

- Conducts direct mail campaign targeting possible qualifying agencies;
- Utilizes mass electronic mail (e-mail) notifications to keep potential applicants interested and informed;
- Maintains internet Web site with detailed project eligibility, end-use measures, incentives, procedures, forms, and tools; and
- Presents program information at agency functions and meetings as available.

### **Commercial Solutions Pilot Market Transformation Program (CS MTP)**

#### ***Program design***

TCC implemented the CS MTP in the fourth quarter of 2008 as a pilot program. TCC's CS MTP targets commercial customers (other than local government entities and public schools) that do not have the in-house capacity or expertise to: 1) identify, evaluate, and undertake efficiency



improvements; 2) properly evaluate energy efficiency proposals from vendors; and/or 3) understand how to leverage their energy savings to finance projects. Incentives are paid to customers served by TCC for certain eligible energy efficiency measures that are installed in new or retrofit applications that result in verifiable demand and energy savings. After review of the pilot program experience, TCC may plan to transition this program to a full program for the 2011 implementation year.

### ***Implementation process***

Under this pilot program, TCC is targeting a number of commercial customers meeting the program participation parameters. The CS MTP facilitates the identification of demand and energy savings opportunities, general operating characteristics, long-range energy efficiency planning and overall measure and program acceptance by the targeted customer participants.

### ***Outreach activities***

TCC markets the availability of its programs in the following manner:

- Contracts with a third-party implementer to conduct outreach and planning activities;
- Targets a number of customer participants during the pilot program;
- Conducts workshops as necessary to explain elements of the program, such as responsibilities of the participants, project requirements, incentive information, and the application and reporting process;
- Participates in regional outreach activities as may be necessary; and
- Attends appropriate industry-related meetings to generate awareness and interest.

## **Commercial Standard Offer Program (CSOP)**

### ***Program design***

The program targets commercial customers of all sizes. Incentives are paid to project sponsors for certain eligible measures installed in new or retrofit applications, based upon verified demand and energy savings.

### ***Implementation process***

Any eligible project sponsor may submit an application for a project that meets minimum requirements. The program information on TCC's Web site is updated frequently to reflect participating project sponsors and the remaining available incentive budget.

### ***Outreach activities***

TCC markets the availability of its programs in the following manner:

- Utilizes mass e-mail notifications to keep potential project sponsors interested and informed;
- Maintains internet Web site with detailed project eligibility, end-use measures, incentives, procedures and application forms;
- Participates in appropriate industry-related meetings to generate awareness and interest;
- Participates in state-wide outreach activities as may be available; and
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

### **ENERGY STAR<sup>®</sup> New Homes Market Transformation Program (ES MTP)**

#### ***Program design***

The ES MTP targets several groups, primarily homebuilders and consumers. The program's goal is to create conditions in which consumers demand energy-efficient ENERGY STAR-qualified homes, and homebuilders will supply them. Incentives are paid to homebuilders who construct ENERGY STAR-qualified homes in the TCC service territory, and to independent home energy raters who verify that energy efficiency features are provided in the homes. Each home results in verifiable demand and energy savings. In addition to homebuilder and consumer outreach, the ES MTP targets key allies in the homebuilding production and sales cycle: home energy raters, homebuilder sales agents, real estate agents, mortgage lenders, product manufacturers, homebuilder associations and media outlets.

#### ***Implementation process***

Any homebuilder constructing ENERGY STAR-qualified homes in the TCC service territory may apply for incentives. The information on TCC's Web site is updated regularly to reflect the most current program information and incentives that are available.

### ***Outreach activities***

TCC markets the ES MTP in the following manner:

- Email and phone notification of informational meetings to homebuilders, home energy raters, real estate agents, homebuilder sales agents, mortgage lenders and other allies;

- Direct outreach to consumers at home and garden shows and through a multi-city advertising campaign (target areas are: Corpus Christi, Rio Grande Valley, and Laredo);
- Participates in appropriate industry-related meetings to generate awareness and interest;
- Conducts training workshops as necessary to explain elements such as responsibilities of and benefits to each party or ally, project requirements, incentive information, and the application and reporting process;
- Supports homebuilder sales efforts by providing sales training, marketing materials, and inclusion in print advertisements and the program's Web site; and
- Supports the homebuilding process by providing technical training, home plan analysis and answers to questions as needed.

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

### ***Program design***

The HTR SOP targets residential customers in existing homes with total annual household incomes at or below 200% of current federal poverty guidelines. Program incentives are higher for work performed in certain historically underserved counties and for underserved measures to encourage activity in these areas. Incentives are paid to project sponsors for a variety of eligible measures installed in retrofit applications that result in verifiable demand and energy savings. Project comprehensiveness is encouraged. Deemed Savings values are accepted as measured and verified savings for projects submitted for approval in this program.

### ***Implementation process***

Any eligible project sponsor may submit an application for a project meeting the minimum requirements. The program information on TCC's Web site is updated frequently to reflect participating project sponsors and available incentive budget.

### ***Outreach activities***

TCC markets the availability of its programs in the following manner:

- Utilizes mass e-mail notifications to keep potential project sponsors interested and informed;
- Maintains internet Web site with detailed project eligibility, end-use measures, incentives, procedures and application forms;
- Participates in appropriate industry-related meetings to generate awareness and interest;
- Participates in state-wide outreach activities as may be available; and

- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

## **Load Management Standard Offer Program (LM SOP)**

### ***Program design***

The LM SOP targets commercial customers with a peak electric demand of 500 kW or more. Incentives are paid to project sponsors to reduce peak electric load on 1-hour-ahead notice. Incentive payments are based upon the metered peak demand reduction as called for by TCC.

### ***Implementation process***

TCC implements the LM SOP whereby any eligible project sponsor in the area identified by TCC may submit an application for a project meeting the minimum requirements. The program information on TCC's Web site is updated frequently to reflect remaining available budget amounts.

### ***Outreach activities***

TCC markets the availability of its programs in the following manner:

- Utilizes mass e-mail notifications to keep potential project sponsors interested and informed;
- Maintains internet Web site with detailed project eligibility, end-use measures, incentives, procedures and application forms;
- Participates in appropriate industry-related meetings to generate awareness and interest;
- Participates in state-wide outreach activities as may be available; and
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

## **Residential Demand Response Research & Development Pilot Market Transformation Program (DR MTP)**

### ***Program design***

The DR MTP targets residential customers. Participating customers receive an advanced programmable communicating thermostat (PCT) that will allow the implementer to control the customer's central air conditioner during a defined number of summer peak load events, as

determined by TCC distribution system operators. The participating customer agrees to allow the implementer to utilize periodic cycling control of the home's air conditioning system.

### ***Implementation process***

This pilot program targets customers in the Corpus Christi area. Initially, customers will be offered a home energy audit through the EE MTP described below. The customer is provided with recommendations from the audit, and offered the installation of the PCT for participation in the DR program. Incentives will be paid to the program implementer for the peak period demand reduction at participating customer's homes when the cycling events occur.

### ***Outreach activities***

The program implementer will conduct outreach targeting existing residential customers in the Corpus Christi area. The marketing plan includes outbound telemarketing, bill inserts and mass mail and media campaigns.

## **Residential Energy Efficiency Pilot Market Transformation Program (EE MTP)**

### ***Program design***

The EE MTP targets residential customers, and is implemented by a REP, the first such program implementer in TCC's service territory. Participating customers receive a comprehensive energy audit that includes blower door and duct blaster tests performed by a residential energy auditor.

### ***Implementation process***

This pilot program targets customers in the Corpus Christi area. Customers are offered a comprehensive audit. The program implementer seeks customer agreement to install measures immediately upon completion of the audit. The program implementer may also offer coupons to defray part of the cost for any additional, higher-cost services or measures. Incentives are paid to the program implementer for measures installed that result in verified savings. The program implementer will use the Deemed Savings approved by the PUC to verify the savings for this program.

### ***Outreach activities***

The program implementer conducts outreach targeting existing residential customers in the Corpus Christi area. The marketing plan includes outbound telemarketing, bill inserts, mass mail and media campaigns.

## **Residential Standard Offer Program (RSOP)**

### ***Program design***

The RSOP targets residential customers in existing homes. Incentives are paid to project sponsors for certain eligible measures installed in retrofit applications that result in verified demand and energy savings. Program incentives are higher for work performed in certain historically underserved counties to encourage activity in these areas. Higher program incentives are also paid for certain measures which have been installed less frequently than other measures. Project comprehensiveness is encouraged. Deemed Savings values are accepted as measured and verified savings for projects submitted for approval.

### ***Implementation process***

Eligible project sponsors may submit applications for projects meeting the minimum requirements. The program information on TCC's Web site is updated frequently to reflect participating project sponsors and remaining available incentive amounts.

### ***Outreach activities***

TCC markets the availability of its programs in the following manner:

- Utilizes mass e-mail notifications to inform and update potential project sponsors such as REPs, EESPs, and national and local companies that provide energy-related services;
- Provides additional outreach using direct mail as necessary to attract more participants;
- Maintains internet Web site with detailed project eligibility, end-use measures, incentives, procedures and application forms;
- Participates in appropriate industry-related meetings to generate awareness and interest;
- Participates in state-wide outreach activities as may be available; and
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

## **SCORE/CitySmart Market Transformation Program (SCORE/CS MTP)**

### ***Program design***

TCC implemented this energy-smart schools/cities MTP in pilot form in 2006, as envisioned by Senate Bill 712 (Texas 79<sup>th</sup> Legislature), and as approved by the PUC. TCC issued a Request for Proposals (RFP) in 2008 to select a third-party to begin fully implementing the program in 2009. The program implementer seeks customer participation in order to effectively provide the program support services. The SCORE/CS MTP provides energy efficiency and demand reduction solutions for public schools and local government customers. This program is designed to help educate and assist these customers to lower energy use by integrating energy efficiency into their short- and long-term planning, budgeting and operational practices. Incentives are paid to participating customers for eligible energy efficiency measures that are installed in new or retrofit applications that result in verifiable demand and energy savings.

### ***Implementation process***

TCC has targeted a number of public school districts and local government entities in its service territory. The program facilitates the identification of potential demand and energy savings opportunities, general operating characteristics, long-range energy efficiency planning, and overall measure and program acceptance by the targeted customer participants.

### ***Outreach activities***

TCC markets the availability of its programs in the following manner:

- Contracts with a third-party implementer to conduct outreach and planning activities;
- Targets customer participants;
- Conducts workshops as necessary to explain elements of the program, such as responsibilities of the participants, project requirements, incentive information, and the application and reporting process;
- Participates in regional outreach activities as may be necessary; and
- Participates in appropriate industry-related meetings to generate awareness and interest.

## **SMART Source<sup>SM</sup> Solar PV Pilot Market Transformation Program (PV Pilot MTP)**

### ***Program design***

The PV Pilot MTP was implemented by TCC in late 2009. The program offers residential and commercial customers a financial incentive of \$2.50/watt for installations of solar electric

(photovoltaic) systems interconnected on the customer's side of the electric service meter. In addition to demand and energy savings achieved from the installations, the program also aims to transform the market by increasing the number of qualified companies offering installation services and by decreasing the average installed cost of systems, creating economies of scale.

### ***Implementation Process***

The program will primarily target solar PV installation companies in TCC's service territory; but will also promote program awareness to solar PV manufacturers and TCC distribution customers. Solar PV installers who become certified to participate in the program will submit project applications and upon completion and certification, will be eligible to receive incentive amounts based on program guidelines.

### ***Outreach Activities***

TCC markets the availability of its program in the following manner:

- Makes available clear and concise material that describes the program incentive offer;
- Maintains internet Web site and program guidebook to be used as referral tools;
- Conducts workshops and training for installers and local code enforcement officials to explain project requirements and incentive information; and
- Facilitates earned media opportunities, spotlighting successful projects and interesting stories when possible.

## **Targeted Low-Income Energy Efficiency Program (TLIP)**

### ***Program design***

TCC's TLIP is designed to cost-effectively reduce the energy consumption and energy costs for TCC's low-income residential customers. Program implementer(s) provide eligible weatherization and energy efficiency measures to residential customers who meet the current DOE income eligibility guidelines. Implementation of this Senate Bill 712 Weatherization Program also provides targeted eligible residential customers with basic on-site energy education to satisfy the requirements of Substantive Rule 25.181(p).

### ***Target market***

An eligible customer is a person residing in the TCC service area who: (1) receives electric power service through the TCC distribution system; (2) meets the current DOE income eligibility guidelines; and (3) has electric air conditioning.



### ***Implementation and outreach activities***

The program implementer conducts outreach targeting existing weatherization service providers in TCC's service territory. These weatherization service providers verify customer eligibility and conduct an energy use assessment of eligible customers' homes. The agencies select measures to be installed based on the savings-to-investment ratio (SIR), which evaluates cost effectiveness using the present value of the measure's lifetime energy savings divided by the installation costs. Energy savings are based on PUC-approved deemed savings values.

### ***C. New Programs for 2010***

#### **Air Conditioning Tune-Up Pilot Marketing Transformation Program (CoolSaver<sup>®</sup> Program)**

##### ***Program design***

The CoolSaver<sup>®</sup> Program is designed to overcome two market barriers: high performance air conditioning system tune-ups for residential and small commercial customers and air conditioning contractors who are unable to accurately convey to these customers why they should be receiving high performance tune-ups. The CoolSaver<sup>®</sup> Program will offer assistance to contractors in obtaining the tools and expertise that will allow them to develop quantitative savings information. This will further enable contractors to convey the value of the tune-up and maintenance services to the customers with the intent of educating and influencing their decisions to request these services in the future.

##### ***Implementation process***

The CoolSaver<sup>®</sup> Program will initially target residential and small commercial customers in the Corpus Christi area and contractors that provide air conditioning system tune-up services in the Corpus Christi area.

##### ***Outreach activities***

The program implementer will target various air conditioning equipment distributor networks and organizations by phone and site visits to gauge their interest in participating in this program. As contractors make the decision to participate, they sign a partnering agreement, obtain equipment and go through the program training.

### ***D. Existing DSM Contracts or Obligations***

TCC has no existing DSM contracts or obligations.

## **II. Customer Classes**

TCC's energy efficiency programs target its residential and commercial customer classes. TCC's energy efficiency programs also target certain customer subclasses, including Residential Hard-to-Reach and Low-Income; and Commercial Public Schools, Not-for-Profit Agencies and Local Governments.

The annual projected savings targets are allocated among various customer classes and subclasses by examining historical program results and evaluating certain economic trends, in compliance with Substantive Rule 25.181(e)(1)(E).

Table 3 summarizes the number of customers in each targeted customer class at TCC. The number of customers listed is the actual number of active accounts by class at TCC for the month of January, 2010. These numbers were used to determine goal and budget allocations for each customer class and each program. 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 a customer class may have in a specific program and the overriding objective of meeting TCC's mandated demand reduction goal. TCC offers a varied portfolio of SOPs and MTPs such that all targeted customer classes have access to energy efficiency alternatives.

**Table 3: Summary of Customer Classes**

<b>Customer Class</b>	<b>Number of Customers</b>
<b>Commercial</b>	110,092
<b>Total Residential</b>	657,718
<b>Hard-to-Reach <sup>4</sup></b>	213,758

<sup>4</sup> According to the U.S. Census Bureau's 2007 Current Population Survey (CPS), 32.5% of Texas families fall below 200% of the poverty threshold. Applying that percentage to TCC's residential customer base of 657,718, the number of HTR customers is estimated to be 213,758.

### **III. Energy Efficiency Goals and Projected Savings**

As prescribed by Substantive Rule 25.181, TCCø's annual demand reduction goal is specified as a percent of its historical, weather-normalized, five-year average growth in demand. TCCø's 2010 goal is based upon the average annual growth in peak demand for the years 2005 through 2009, inclusive (the most recent historical load growth data available). The 2010 Program Year demand reduction goal is to be at least 20% of this calculated average annual growth in demand of residential and commercial customers by December 31, 2010. The demand reduction goal for the 2011 Program Year is to be at least 20% of this calculated average annual growth in demand of residential and commercial customers by December 31, 2011. The corresponding annual energy savings goals are determined by applying a 20% capacity factor to the applicable demand reduction goal for each of these Program Years (2010 and 2011).

Table 4 presents historical annual growth in demand data for the previous five years that was used to calculate TCCø's goals. Table 5 presents the projected demand reduction and energy savings by program for each customer class for each of the years 2010 and 2011. Projected savings reflect the estimated demand and energy savings TCCø programs are expected to achieve.

**Table 4: Annual Growth in Demand and Energy Consumption (at the Meter)**

Calendar Year	Peak Demand (MW)				Energy Consumption (GWh)				Growth (MW)	Average Growth (MW) <sup>5</sup>
	Total System		Residential & Commercial		Total System		Residential & Commercial			
	Actual	Actual Weather Adjusted	Actual	Actual Weather Adjusted	Actual	Actual Weather Adjusted	Actual	Actual Weather Adjusted	Actual Weather Adjusted	Actual Weather Adjusted
<b>2004</b>	4,033	3,984	3,652	3,603	21,123	21,126	17,254	17,258	NAP	NAP
<b>2005</b>	4,256	4,140	3,909	3,792	21,813	21,656	18,235	18,077	189	NAP
<b>2006</b>	4,132	4,109	3,846	3,823	21,811	21,533	18,141	17,863	31	NAP
<b>2007</b>	3,972	3,971	3,634	3,633	22,166	22,191	18,265	18,289	-189	NAP
<b>2008</b>	4,300	4,321	3,854	3,876	22,371	22,513	18,307	18,402	243	NAP
<b>2009</b>	4,175	4,012	3,799	3,637	22,729	22,070	18,800	18,184	-239	NAP
<b>2010</b>	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP	6.90
<b>2011</b>	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP	6.90

<sup>5</sup> Average historical growth in demand over the prior five years for residential and commercial customers adjusted for weather fluctuations.

**Table 5: Projected Demand and Energy Savings by Program for Each Customer Class for 2010 and 2011 (at the Meter)**

<b>2010</b>	<b>Projected Savings</b>	
<b>Customer Class and Program</b>	<b>kW</b>	<b>kWh</b>
<b>Commercial</b>		
AC Tune-Up Pilot MTP	150	402,000
AEP Texas CARE\$ Energy Efficiency for Not-for-Profit Agencies SOP	20	84,000
Commercial Solutions Pilot MTP	950	3,820,000
Commercial SOP	6,570	30,338,000
Load Management SOP	9,760	27,000
SCORE/CitySmart MTP	1,650	3,978,000
SMART Source <sup>SM</sup> Solar PV Pilot MTP	60	81,000
<b>Residential</b>		
AC Tune-Up Pilot MTP	170	304,000
ENERGY STAR New Homes MTP	300	550,000
Residential Energy Efficiency Pilot MTP	430	1,164,000
Residential SOP	6,790	19,582,000
SMART Source <sup>SM</sup> Solar PV Pilot MTP	60	88,000
<b>Hard-to-Reach</b>		
Hard-to-Reach SOP	3,700	11,840,000
Targeted Low-Income Energy Efficiency Program	500	1,774,000
<b>Total Annual Projected Savings</b>	<b>31,110</b>	<b>74,032,000</b>

<b>2011</b>	<b>Projected Savings</b>	
<b>Customer Class and Program</b>	<b>kW</b>	<b>kWh</b>
<b>Commercial</b>		
AC Tune-Up Pilot MTP	150	402,000
AEP Texas CARE\$ Energy Efficiency for Not-for-Profit Agencies SOP	20	84,000
Commercial Solutions Pilot MTP	950	3,820,000
Commercial SOP	9,330	43,051,000
Load Management SOP	9,760	27,000
SCORE/CitySmart MTP	1,650	3,978,000
SMART Source <sup>SM</sup> Solar PV Pilot MTP	60	81,000
<b>Residential</b>		
AC Tune-Up Pilot MTP	170	304,000
ENERGY STAR New Homes MTP	300	550,000
Residential Energy Efficiency Pilot MTP	430	1,164,000
Residential SOP	6,790	19,582,000
SMART Source <sup>SM</sup> Solar PV Pilot MTP	60	88,000
<b>Hard-to-Reach</b>		
Hard-to-Reach SOP	3,700	11,840,000
Targeted Low-Income Energy Efficiency Program	230	824,000
<b>Total Annual Projected Savings</b>	<b>33,600</b>	<b>85,795,000</b>

#### **IV. Program Budgets**

Table 6 presents total projected budget allocations required to meet TCC's projected demand and energy savings to be achieved for the years 2010 and 2011. The budget allocations are defined by the overall projected demand and energy savings, the avoided costs of capacity and energy in Substantive Rule 25.181, allocation of demand goals and the incentive levels by customer class.

The Table 6 budget allocations are detailed by customer class, by program, and by budget categories: incentives, administration, and research and development (R&D). TCC also has an additional budgeting class for R&D to account for R&D expenditures that are not affiliated with a specific customer class or program.

**Table 6: Projected Annual Budget by Program for Each Customer Class for 2010 and 2011**

<b>2010</b>	<b>Incentives</b>	<b>Admin</b>	<b>R&amp;D</b>	<b>Total Budget</b>
<b>Commercial</b>				
AC Tune-Up Pilot MTP	\$108,293	\$12,033		\$120,326
AEP Texas CARE\$ Energy Efficiency for Not-for-Profit Agencies SOP	\$150,000	\$16,667		\$166,667
Commercial Solutions Pilot MTP	\$463,436	\$51,493		\$514,929
Commercial SOP	\$2,316,588	\$257,398		\$2,573,986
Load Management SOP	\$300,000	\$33,333		\$333,333
SCORE/CitySmart MTP	\$600,709	\$66,745		\$667,454
SMART Source <sup>SM</sup> Solar PV Pilot MTP	\$200,000	\$22,222		\$222,222
<b>Residential</b>				
AC Tune-Up Pilot MTP	\$125,143	\$13,905		\$139,048
ENERGY STAR New Homes MTP	\$765,000	\$85,000		\$850,000
Residential Energy Efficiency Pilot MTP	\$250,000	\$27,778		\$277,778
Residential SOP	\$3,240,825	\$360,092		\$3,600,917
SMART Source <sup>SM</sup> Solar PV Pilot MTP	\$200,000	\$22,222		\$222,222
<b>Hard-to-Reach</b>				
Hard-to-Reach SOP	\$2,640,984	\$293,443		\$2,934,427
Targeted Low-Income Energy Efficiency Program	\$1,813,350	\$201,483		\$2,014,833
<b>Research and Development (R&amp;D)</b>				
CCET	NAP	NAP	\$30,600	\$30,600
Low-Income Energy Monitor Program	NAP	NAP	\$222,222	\$222,222
Residential Demand Response Research & Development Pilot MTP	NAP	NAP	\$265,000	\$265,000
<b>Total Budgets</b>	<b>\$13,174,328</b>	<b>\$1,463,814</b>	<b>\$517,822</b>	<b>\$15,155,964</b>



<b>2011</b>	<b>Incentives</b>	<b>Admin</b>	<b>R&amp;D</b>	<b>Total Budget</b>
<b>Commercial</b>				
AC Tune-Up Pilot MTP	\$108,293	\$12,033		\$120,326
AEP Texas CARE\$ Energy Efficiency for Not-for-Profit Agencies SOP	\$150,000	\$16,667		\$166,667
Commercial Solutions Pilot MTP	\$463,436	\$51,493		\$514,929
Commercial SOP	\$3,287,268	\$365,251		\$3,652,519
Load Management SOP	\$300,000	\$33,333		\$333,333
SCORE/CitySmart MTP	\$600,709	\$66,745		\$667,454
SMART Source <sup>SM</sup> Solar PV Pilot MTP	\$200,000	\$22,222		\$222,222
<b>Residential</b>				
AC Tune-Up Pilot MTP	\$125,143	\$13,905		\$139,048
ENERGY STAR New Homes MTP	\$765,000	\$85,000		\$850,000
Residential Energy Efficiency Pilot MTP	\$250,000	\$27,778		\$277,778
Residential SOP	\$3,240,825	\$360,092		\$3,600,917
SMART Source <sup>SM</sup> Solar PV Pilot MTP	\$200,000	\$22,222		\$222,222
<b>Hard-to-Reach</b>				
Hard-to-Reach SOP	\$2,640,984	\$293,443		\$2,934,427
Targeted Low-Income Energy Efficiency Program	\$842,670	\$93,630		\$936,300
<b>Research and Development (R&amp;D)</b>				
CCET	NAP	NAP	\$30,600	\$30,600
Low-Income Energy Monitor Program	NAP	NAP	\$222,222	\$222,222
Residential Demand Response Research & Development Pilot MTP	NAP	NAP	\$265,000	\$265,000
<b>Total Budgets</b>	<b>\$13,174,328</b>	<b>\$1,463,814</b>	<b>\$517,822</b>	<b>\$15,155,964</b>

## ENERGY EFFICIENCY REPORT

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

Table 7 documents TCCø's actual demand and energy goals for the previous five years (2005-2009) calculated in accordance with Substantive Rule 25.181.

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

<b>Calendar Year</b>	<b>Actual Weather Adjusted Demand Goal (MW)</b>	<b>Actual Weather Adjusted Energy Goal (MWh)</b>
<b>2009</b> <sup>6</sup>	12.93	22,657
<b>2008</b> <sup>7</sup>	10.63	NAP
<b>2007</b> <sup>8</sup>	8.71	NAP
<b>2006</b> <sup>9</sup>	11.38	NAP
<b>2005</b> <sup>10</sup>	12.07	NAP

<sup>6</sup> Actual weather-adjusted MW and MWh Goals as reported in TCCø's EEPR filed April 2009 under Project No. 36689.

<sup>7</sup> Actual weather-adjusted numbers from EEPR, Project No. 35440.

<sup>8</sup> Actual weather-adjusted numbers from EER, Project No. 33884.

<sup>9</sup> Actual weather-adjusted numbers from EER, Project No. 32107.

<sup>10</sup> Actual weather-adjusted numbers from EER, Project No. 30739.

## VI. Projected, Reported and Verified Demand and Energy Savings

**Table 8: Projected versus Reported and Verified Savings for 2009 and 2008 (at the Meter)**

2009 Customer Class and Program	Projected Savings <sup>11</sup>		Reported and Verified Savings	
	kW	kWh	kW	kWh
<b>Commercial</b>				
AEP Texas CARE\$ Energy Efficiency	30	82,000	24	92,495
Commercial Solutions Pilot MTP	1,100	2,469,000	449	1,811,430
Commercial SOP	8,640	39,820,000	3,576	16,497,716
Load Management SOP	8,570	145,690	7,468	20,445
SCORE/CitySmart MTP	1,650	3,702,000	1,637	3,936,000
SMART Source <sup>SM</sup> Solar PV Pilot MTP	NAP	NAP	87	168,480
<b>Residential</b>				
Appliance Recycling Pilot MTP	540	3,887,000	69	444,909
ENERGY STAR New Homes MTP	2,450	3,303,000	271	548,816
Residential Energy Efficiency Pilot MTP	390	1,211,000	69	188,964
Residential SOP	6,560	18,081,000	7,053	20,343,195
SMART Source <sup>SM</sup> Solar PV Pilot MTP	NAP	NAP	4	8,288
Texas Statewide ENERGY STAR Residential Compact Fluorescent Lighting MTP	310	3,079,000	256	2,561,816
<b>Hard-to-Reach</b>				
Hard-to-Reach SOP	2,000	6,200,000	4,329	13,855,925
Targeted Low-Income Energy Efficiency Program	850	3,005,000	781	2,777,807
<b>Total Annual Savings</b>	<b>33,090</b>	<b>84,984,690</b>	<b>26,073</b>	<b>63,256,286</b>

<sup>11</sup> Projected savings from EEPR filed April 2009, Project No. 36689.

<b>2008 <sup>12</sup></b>	<b>Projected Savings</b>		<b>Reported and Verified Savings</b>	
<b>Customer Class and Program</b>	<b>kW</b>	<b>kWh</b>	<b>kW</b>	<b>kWh</b>
<b>Commercial</b>				
AEP Texas CARE\$ Energy Efficiency for Not-for-Profit Agencies SOP	30	82,000	27	85,526
Commercial Solutions Pilot MTP	NAP	NAP	NAP	NAP
Commercial SOP	2,600	9,113,000	2,452	11,302,656
Load Management SOP	1,090	NAP	2,093	2,093
SCORE/CitySmart MTP	1,220	2,741,000	1,465	3,280,224
Residential & Small Commercial SOP	1,920	5,260,000	20	67,492
<b>Residential</b>				
Appliance Recycling Pilot MTP	NAP	NAP	0	0
ENERGY STAR New Homes MTP	1,700	2,985,000	139	271,234
Residential & Small Commercial SOP	5,240	14,373,000	5,275	14,533,791
Texas Statewide ENERGY STAR Residential Compact Fluorescent Lighting MTP	120	2,331,000	233	2,330,431
<b>Hard-to-Reach</b>				
Hard-to-Reach SOP	960	2,670,000	1,338	4,152,093
Targeted Low-Income Energy Efficiency Program	120	3,837,000	25	92,364
<b>Total Annual Savings</b>	<b>15,000</b>	<b>43,392,000</b>	<b>13,067</b>	<b>36,117,904</b>

<sup>12</sup> Projected and Reported/Verified Savings from EEPR filed April 2009, Project No. 36689.

## VII. Historical Program Expenditures

This section documents TCC's incentive and administration expenditures for the previous five years (2005-2009) detailed by program for each customer class.

**Table 9: Historical Program Incentive and Administrative Expenditures for 2005 through 2009 (000's)<sup>13</sup>**

	2009		2008		2007		2006		2005	
	Incent.	Admin	Incent.	Admin	Incent.	Admin	Incent.	Admin	Incent.	Admin
<b>Commercial</b>										
AEP Texas CARE\$ Energy Efficiency for Not-for-Profit Agencies SOP	\$166.0	\$15.6	\$149.5	\$21.4	\$99.5	\$5.7	\$88.9	\$4.2	\$79.6	\$15.6
Commercial & Industrial Solicitation Program	NAP	NAP	NAP	\$0.2	\$285.0	\$13.0	\$218.1	\$9.8	\$281.8	\$17.8
Commercial Solutions Pilot MTP	\$219.8	\$26.8	\$137.5	\$6.5	NAP	NAP	NAP	NAP	NAP	NAP
Commercial SOP	\$1,259.8	\$121.1	\$644.4	\$81.9	\$450.4	\$42.5	\$1,753.3	\$55.4	\$1,090.8	\$115.2
Load Management SOP	\$229.4	\$11.2	\$50.9	\$6.3	\$25.7	\$4.9	\$25.1	\$6.9	NAP	NAP
SCORE/CitySmart MTP	\$594.4	\$47.5	\$574.0	\$47.4	\$656.8	\$13.4	\$74.2	\$3.3	NAP	NAP
SMART Source <sup>SM</sup> Solar PV Pilot MTP	\$180.0	\$4.2	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP
Residential & Small Commercial SOP	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP
<b>Residential</b>										
Appliance Recycling Pilot MTP	\$42.0	\$14.2	\$0.0	\$0	NAP	NAP	NAP	NAP	NAP	NAP
ENERGY STAR New Homes MTP	\$659.4	\$64.5	\$474.1	\$54.8	\$20.2	\$4.8	NAP	NAP	NAP	NAP
Residential Energy Efficiency Pilot	\$40.5	\$10.6	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP
Residential & Small Commercial SOP	\$3,366.7	\$231.9	\$2,330.7	\$195.8	\$2,937.1	\$64.9	\$2,701.6	\$83.3	\$3,054.7	\$146.6
SMART Source <sup>SM</sup> Solar PV Pilot MTP	\$13.0	\$4.2	NAP	NAP	NAP	NAP	NAP	NAP	NAP	NAP

<sup>13</sup> 2009 expenditures taken from Table 10 in the current EEPR; 2008 expenditures from EEPR, Project No. 36689; 2007 expenditures from EEPR, Project No. 35440; 2006 expenditures from EER, Project No. 33884; 2005 expenditures from EER, Project No. 32107.

Texas Statewide ENERGY STAR Residential Compact Fluorescent Lighting MTP	\$213.5	\$11.8	\$205.0	\$37.9	NAP	NAP	NAP	NAP	NAP	NAP
<b>Hard-to-Reach</b>										
Hard-to-Reach SOP	\$3,090.6	\$204.6	\$980.4	\$102.3	\$377.6	\$40.7	\$381.6	\$36.0	\$1,120.4	\$83.7
Targeted Low-Income Energy Efficiency Program	\$1,217.2	\$64.2	\$236.7	\$60.3	\$0	\$2.6	\$842.6	\$0.6	NAP	NAP
<b>M &amp; V Auditor</b>	NAP	NAP	NAP	NAP	NAP	NAP	NAP	\$49.3	NAP	NAP
<b>Research and Development (R&amp;D)</b>	\$359.8	\$100.6	\$250.9	\$0	\$131.8	\$26.5	NAP	NAP	NAP	NAP
<b>Total Expenditures</b>	\$11,652.1	\$933.0	\$6,034.1	\$614.8	\$4,984.1	\$219.0	\$6,085.4	\$248.8	\$5,627.3	\$378.9

## **VIII. Program Funding for Calendar Year 2009**

As shown in Table 10, the Total Projected Budget in 2009 was \$15,155,964. Actual Total Funds Expended in 2009 was \$12,585,140, an overall total program expenditure deviation of more than 10% from the amount budgeted. The reason for this deviation was lower than expected participation in several programs, most notably Appliance Recycling MTP and Commercial SOP.

The Commercial SOP came in under budget due to lower than expected participation. There was also a timing difference between when the funds were reserved for certain projects and when those funds were actually paid upon project completion.

The Appliance Recycling Pilot MTP did not get the projected market results; therefore, the program expenditures were less than projected. As a result, the program has been discontinued.

The ENERGY STAR New Homes MTP was under budget due to a downturn in the housing market. Builders are now re-entering the TCC market, but not at the rate that was projected for 2009.

The Residential Energy Efficiency Pilot Program encountered obstacles relating to manpower and marketing that caused the program to produce lower than projected savings and associated expenses.

The Research and Development budget was not fully expended because some anticipated projects were postponed or canceled.

**Table 10: Program Funding for Calendar Year 2009 (Dollar amounts in 000's)**

	Total Projected Budget <sup>14</sup>	Numbers of Customers Participating	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin)	Research and Development (R&D)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)
<b>Commercial</b>								
AEP Texas CARE\$ Energy Efficiency for Not-for-Profit Agencies SOP	\$166.7	19	\$166.0	\$15.6		\$181.6	\$0	\$0
Commercial Solutions Pilot MTP	\$514.9	16	\$219.8	\$26.8		\$246.6	\$0	\$268.3
Commercial SOP	\$3,270.5	110	\$1,259.8	\$121.1		\$1,380.9	\$307.5	\$1,582.1
Load Management SOP	\$333.3	33	\$229.4	\$11.3		\$240.7	\$0	\$92.6
SCORE/CitySmart MTP	\$667.5	16	\$594.4	\$47.5		\$641.9	\$0	\$25.6
SMART Source <sup>SM</sup> Solar PV Pilot MTP	NAP	2	\$180.0	\$4.2		\$184.2	\$0	\$0
<b>Residential</b>								
Appliance Recycling Pilot MTP	\$555.6	237	\$42.0	\$14.2		\$56.2	\$0	\$499.4
ENERGY STAR New Homes MTP	\$921.8	283	\$659.4	\$64.5		\$723.9	\$0	\$197.9
Residential Energy Efficiency Pilot	\$293.3	74	\$40.5	\$10.6		\$51.1	\$0	\$242.2
Residential SOP	\$3,600.9	7,925	\$3,366.7	\$231.9		\$3,598.6	\$0	\$2.3
SMART Source <sup>SM</sup> Solar PV Pilot MTP	NAP	1	\$13.0	\$4.2		\$17.2	\$0	\$0
Texas Statewide ENERGY STAR Residential Compact Fluorescent Lighting MTP	\$240.0	12,802	\$213.5	\$11.8		\$225.3	\$0	\$14.7
<b>Hard-to-Reach</b>								
Hard-to-Reach SOP	\$1,668.4	5,489	\$3,090.6	\$204.6		\$3,295.2	\$0	\$0
Targeted Low-Income Energy Efficiency SOP	\$2,222.2	836	\$1,217.2	\$64.2		\$1,281.4	NAP	NAP
<b>Research and Development</b>	\$700.8	NAP	NAP	NAP	\$460.3	\$460.3	NAP	NAP
<b>Total Expenditures</b>	<b>\$15,155.9</b>	<b>NAP</b>	<b>\$11,292.3</b>	<b>\$832.5</b>	<b>\$460.3</b>	<b>\$12,585.1</b>	<b>NAP</b>	<b>NAP</b>

<sup>14</sup> Projected Budget from the EEPR filed April 2009, Project No. 36689.



## **IX. Market Transformation Program Results**

### **Appliance Recycling Pilot MTP**

TCC implemented the Appliance Recycling Pilot MTP in 2008. Appliance Recycling Centers of America (ARCA) was chosen through competitive solicitation to implement the program. The goal of the program was to achieve long-term electric demand and energy savings by offering an incentive for TCC distribution customers to recycle older energy-inefficient refrigerators and freezers.

ARCA and TCC developed a media plan that included the following:

- Newspaper;
- Point of sale materials for placement at appliance retailers;
- Posters;
- Radio advertising;
- Web site presence;
- External bill inserts; and
- Public relation activities.

Marketing materials were developed with the goal of educating customers about the environmental and energy-saving benefits of program participation coupled with free, in-home appliance removal and a \$35 per unit incentive for recycling their old refrigerator or freezer.

The marketing campaign was kicked off in early (first quarter) 2009 and produced less than anticipated results. Revisions were made to the marketing plan during the second quarter when anticipated results were still not realized. Toward the end of the second quarter, it was evident that the advertising and marketing campaigns were not producing the number of customers needed to reach the program goals. TCC and ARCA reviewed the situation and ARCA believed that a number of market-based and program-based factors were key in not attracting high levels of participation. These included TCC's large rural service areas and lack of high-density population centers.

TCC and ARCA jointly decided to withdraw and terminate program marketing activities at the end of the third quarter and discontinue all operations once outstanding program requests for participation had been completed.

### **Commercial Solutions Pilot MTP**

TCC implemented the CS MTP in the fourth quarter of 2008 by targeting customers in the TCC service territory that met the program participation parameters. The program provided non-cash incentives such as technical assistance and communication support provided by the program implementer, as well as cash incentives for the installation of documented energy efficiency measures that reduce peak demand and energy use. TCC contracted with a third-party program implementer to provide services, education, and support to assist businesses in identifying critical needs and promote best practices.

In 2009 TCC projected to achieve 1,100 kW of demand savings from this program. TCC's verified and reported results are 449 kW. This included participation by 16 customers in nine different counties.

Program participation in 2009 was limited as a result of targeting customers that historically have not participated in energy efficiency programs due to lack of time, resources and/or technical knowledge. Further, economic uncertainty impeded customers' interest in capital investments and lengthened project commencement lead-times. TCC and the implementer have made adjustments to the program design for 2010, including identifying more likely candidates for program participation, strategies to accelerate project timelines, and targeted program marketing activities.

### **ENERGY STAR MTP**

The objective of this program is to achieve peak demand reductions and energy savings through increased sales of ENERGY STAR homes and products. Additionally, the program is designed to condition the market so that consumers understand benefits of and demand ENERGY STAR homes and products. The program also seeks to equip builders with the technical capacity to

supply ENERGY STAR homes. A baseline study was conducted in 2007 to determine the existing level of efficiency typical of new home construction in TCC's service territory.

In 2009, TCC certified 283 ENERGY STAR homes. TCC provided continuing education courses and other training opportunities for contractors, homebuilders and home energy raters on the advantages of ENERGY STAR homes. The training included various aspects of the ENERGY STAR home, from construction and measure installation, to the importance of whole-house energy efficiency.

### **Residential Demand Response R&D Pilot MTP**

TCC implemented the Residential Demand Response R&D Pilot MTP in 2009. This program offered Corpus Christi area customers an advanced programmable communicating thermostat (PCT) that allows the implementer to control the customer's central air conditioner during a defined number of summer peak load events. TCC called for four curtailments in 2009. 94 customers signed up to participate in the program. During this first full year, the program failed to have as many participants as planned. In 2010, the program implementer will step up marketing and outreach activities to attract and better educate potential customers about the program.

### **Residential Energy Efficiency Pilot MTP**

TCC initially implemented this program in partnership with CPL Retail LLP (CPL Retail), a REP, in 2009. The purpose of the program was to offer a comprehensive residential energy audit to TCC customers in the Corpus Christi area. Once the audit is done, if the customer agrees, energy efficiency measures will be installed. During 2009, CPL Retail audited 74 homes and installed 186 measures. There were obstacles encountered in 2009 with CPL Retail manpower and marketing efforts. Those issues have been resolved and 2010 should yield better results for this program.

### **SCORE/CitySmart MTP**

The program was designed to overcome obstacles to energy efficiency projects such as the institutional disconnect between finance and facilities departments, the lack of firsthand experience with efficiency measures, limited budgets, and the lack of management decision-

making processes necessary for identifying, prioritizing, and completing projects that will improve energy performance and reduce operating costs.

The 2009 SCORE/CS MTP provided non-cash incentives such as building energy analysis (benchmarking), energy master-planning seminars, technical assistance, communications support, and monetary incentives for the installation of documented energy efficiency measures that reduce peak demand and energy use.

Pursuant to Substantive Rule 25.181, as part of the 2009 SCORE/CS MTP, TCC completed a baseline study of the school and local government markets. The primary objective of this study was to document the current status of energy use, key equipment, practices, and management within schools and local governments in TCC's service territory. While the study showed that respondents are interested in finding ways to save energy, it confirmed they lack an understanding of the benefits and costs of energy efficiency improvements. In addition, they reported encountering financing constraints, internal management restrictions, and lack of energy efficiency education. Many respondents noted they lack the time and procurement process to implement efficiency improvements, and the awareness and familiarity with energy-efficient technologies.

In 2009, TCC projected to achieve 1,650 kW of demand savings from this program. TCC's verified and reported results are 1,637 kW. This included participation by 16 customers (12 school districts and four cities) in five counties. To date, the program has benchmarked facilities for 12 school districts and five local government customers.

### **SMART Source<sup>SM</sup> Solar PV Pilot MTP**

This program saw significant activity in 2009, despite the fact that the program opened in August, with only five months of program activity. By the end of 2009, non-residential funds were fully committed, and the non-residential program had developed a backlog of projects that may be funded if some existing projects withdraw or expire or if additional available funding is identified in 2010. There was slower uptake of TCC's residential funding, but the funding category has been preserved in 2010 to allow time for the residential market to develop. One residential project and two non-residential projects were completed and paid in 2009.

## **Texas Statewide ENERGY STAR® Residential Compact Fluorescent Lighting MTP**

In 2009, TCC participated with seven other Texas investor-owned utilities in the statewide "Make Your Mark" CFL Pilot MTP. This program, implemented by Ecos Consulting, encouraged the customers of the sponsor utilities to purchase compact fluorescent light bulbs (CFLs) instead of incandescent light bulbs by lowering prices and increasing the availability of CFLs at stores within the service areas of the sponsors through upstream markdowns/buy-downs. Markdowns and buy-downs consist of providing payments to lighting manufacturers to provide products to retailers at lower prices, sometimes allowing retailers to carry products that they have not carried previously. The program also involved placing point-of-purchase marketing materials in participating stores that inform consumers about CFLs and encourage their purchase.

In 2009, the program increased participation over 2008 levels by discounting over 1.6 million CFLs statewide. An estimated 98,716 bulbs were sold or provided to customers living within TCC's service territory, which translates to estimated gross annual savings of 3,996,546 kWh and 400 kW during peak periods. This included sales in at least 17 independent retail stores that had not participated in the program during 2008. The program also oversaw retailer training sessions, in-store and community outreach events, and the distribution of 4,992 free CFLs to customers served by TCC.

Frontier Associates was contracted to perform measurement and verification for the program. Frontier estimated the free-ridership and leakage associated with the program to affirm its cost-effectiveness under the Commission's rules.

Ecos obtained detailed information from lighting manufacturers about the bulbs that were discounted through the program. For each store participating in the program, the number of discounted bulbs sold at the store was recorded by stock keeping unit (SKU). This information was the starting point for Frontier's analysis.

Leakage from the program is defined in this case as the sale of CFLs that were discounted through the program to consumers that do not receive service from one of the sponsor utilities. The leakage was estimated on a store-by-store basis by evaluating the location of each participating

store in relation to the sponsor utility's service area. It was estimated that less than 0.5% of the total program bulb sales were made to non-Texans and that less than 4% were sales to consumers living outside the utility service territories.

The free-ridership ratio is the fraction of participants that bought bulbs discounted through the program that would have purchased CFLs in the absence of the program. The Net-to-Gross (NTG) factor for free-ridership is then one minus the free-ridership ratio. Frontier estimated the NTG value in two ways using data collected from a random survey of Texas residents conducted in late 2008.

First, a so-called "self-report" free-ridership ratio was determined from the answers to a question that asked CFL purchasers if they would have bought the bulbs that they bought if the price had been \$1, \$2, or \$3 higher per bulb. The program average bulb incentive was between \$1 and \$2 per bulb, so those respondents that indicated that they would have paid \$2 or \$3 more were considered free-riders. This method yielded a free-ridership ratio of 0.35 and a corresponding NTG of 0.65. This should be considered as a conservative estimate given that it ignores the effects of the program that are not related to price, like point-of-purchase marketing and increased CFL availability and visibility.

The second method used to estimate the free-ridership ratio was a statistical model referred to as a nested logit model. The model uses detailed survey results to attempt to isolate the effects of the program on a respondent's decision to participate in the program. The NTG determined by this method was in the range of 0.7-0.8.

While Substantive Rule 25.181 does not require that reported savings be adjusted for free-ridership, the sponsor utilities felt that the unique program design and current market characteristics surrounding this program warranted special treatment. Given the uncertainties in determining free-ridership and the limited data available, the sponsor utilities chose to adopt a conservative estimate for the NTG of about 0.63 for reporting purposes. (This is an average value. Specifically, a NTG of 0.6 was used for the impacts of common wattage twist CFLs, while a value of 0.85 was used for specialty bulbs, such as high wattage twist bulbs and bulbs of other shapes.)

The same NTG values used to report the program's net impacts for 2008 were used for 2009. These values are based on a comprehensive evaluation being performed for the California Public Utility Commission's update to the Database for Energy Efficient Resources (DEER) and will likely be used by California investor owned utilities for 2009-2011 program planning. While California has had utility programs in place for years, the CFL MTP is the first large-scale CFL program in Texas, and this NTG estimate is lower than both of those determined explicitly for the Texas program. Therefore, the sponsors should be confident that the program will be responsible for savings at least as great as the savings being reported.

Accounting for these adjustments, the Statewide CFL MTP provided over 1,044,000 CFLs to customers who would not have bought them otherwise. In TCC's service territory, the program's net annual impacts for 2009 were 2,561,816 kWh and 256 kW.

## **Research and Development**

In 2009, Research and Development (R&D) activities and projects accounted for 4% of TCC's total program expenses. R&D activities are intended to help TCC meet future energy efficiency goals by researching new technologies, program options and developing better, more efficient ways to administer current programs. The following is a summary of R&D efforts for 2009:

### **Center for Commercialization of Electric Technologies (CCET)**

TCC is a member of CCET, whose purpose is "to enhance the safety, reliability, security, and efficiency of the Texas electric transmission and distribution system through research, development and commercialization of emerging technologies." Activities undertaken in 2009 included research for a potential Compressed Air Energy Storage (CAES) Project, development of a Texas Smart Grid Lab Project, and research for a Distributed Generation (DG) solar project for Large Master-Planned Residential Developments.

## **Residential Demand Response Pilot MTP**

In 2009, TCC implemented a Residential Demand Response Pilot MTP. TCC wanted to determine residential customers' willingness to install a measure that would control the comfort of their home, while at the same time reduce peak demand and provide energy savings. The program offers participating customers in the Corpus Christi area an advanced programmable communicating thermostat that allows the implementer to control the customer's central air conditioner during a defined number of summer peak load events. TCC called for four curtailments in 2009. 94 customers signed up to participate in the program. The pilot R&D program will be continued in 2010.

## **Program Research and Development**

In 2009, TCC researched and reviewed new program options resulting in the addition and implementation of two new programs, the SMART Source<sup>SM</sup> Solar PV Pilot MTP that was developed and initiated in 2009 and the CoolSaver air conditioning tune-up pilot MTP that begins in 2010. TCC also developed and enhanced data collection and management systems for current programs, including new on-line Web sites for its CARE\$, Commercial Solutions, SCORE/CitySmart, CoolSaver and the Targeted Low-Income Energy Efficiency programs.

## **Other Research and Development**

Other R&D efforts in 2009 were intended to inform customers of energy-efficient technologies and opportunities available, including Memorial Day Tax-free Holiday for energy-efficient ENERGY STAR appliances. R&D expenses in 2009 also included the final payment for the Texas Statewide Potential Study conducted by Itron Consulting.



## **X. Current Energy Efficiency Cost Recovery Factor (EECRF)**

In Docket No. 36960, TCC requested an EECRF to recover the portion (\$8,821,015) of TCC's energy efficiency program costs to be incurred during 2010 to meet its energy efficiency objectives under PURA §39.905. This is the amount that exceeds the \$6,334,949 expressly included in TCC's base rates for energy efficiency, and its performance bonus of \$1,462,753 earned for 2008 results. TCC's request was granted by the PUC on December 17, 2009. The EECRF was made effective on December 30, 2009, the beginning of TCC's January 2010 billing month and is authorized to recover a total of \$10,283,768 in energy efficiency costs.

**Table 11: EECRF**

Customer Class	EECRF
Residential Service	\$0.000910 per kWh
Secondary Service (less than or equal to 10 kW)	\$0.000247 per kWh
Secondary Service (greater than 10 kW)	\$0.000288 per kWh
Primary Service	\$0.000237 per kWh

### **Revenue Collected**

In 2009, TCC collected a total of \$15,145,723 from base rates (\$6,334,949) and the EECRF (\$8,810,774).

### **Over- or Under-recovery**

In 2009, TCC over-recovered \$2,560,583 (\$15,145,723 - \$12,585,140). This over-recovery will be applied in TCC's May 1, 2010 EECRF filing.

## **XI. Underserved Counties**

TCC has defined Underserved Counties as any county in the TCC service territory that TCC did not report demand or energy savings for through any of its prior year (2009) SOPs or MTPs. Per Substantive Rule 25.181, a list of the Underserved Counties is as follows:

Caldwell	Guadalupe	McMullen
Dimmit	Kenedy	Real
Edwards	Kinney	

## **XII. Performance Bonus**

TCC achieved a 26,073 kW reduction in peak demand from its energy efficiency programs offered in 2009. TCC's demand reduction goal for 2009 was 12,930 kW. TCC's achievement represents 201.62% of its goal, qualifying it for a performance bonus. Per Substantive Rule 25.181, TCC is eligible for a Performance Bonus of \$2,768,731, which it will be requesting in its 2010 EECRF filing.

**Table 12: Energy Efficiency Performance Bonus Calculation for 2009**

	kW	kWh	As Found In Table
<b>2009 Goals</b>	12,930	22,657,000	7
<b>2009 Savings</b>			
<i>Reported/Verified Total (including HTR and measures with &lt;10yr EUL)</i>	26,073	63,256,286	8
<i>Reported/Verified Hard-to-Reach</i>	5,110		8
<b>2009 Program Costs</b>		\$12,585,140	10
<b>2009 Performance Bonus</b>		\$2,768,731	

**Performance Bonus Calculation**

201.62% Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)

TRUE Met Requirements for Performance Bonus?

\$38,197,177  $\frac{\text{Total Avoided Cost (Reported kW * PV(Avoided Capacity Cost) + \text{Reported kWh * PV(Avoided Energy Cost)})}{\text{Total Program Costs}}$

\$12,585,139 Total Program Costs

\$25,612,038 Net Benefits (Total Avoided Cost - Total Expenses)

**Pre-Bonus Calculation**

\$13,012,983  $\frac{\text{Calculated Pre-Bonus ((Goal Accomplishment kW > 100%) / 2) * \text{Net Benefits}}{\text{Pre-Bonus Limit (20\% of Program Costs)}}$

\$2,517,028 Pre-Bonus Limit (20% of Program Costs)

\$2,517,028 *Pre-Bonus (Minimum of Calculated Bonus and Bonus Limit)*

**Extra Bonus Calculation**

TRUE Met Requirements for Extra Bonus?

\$251,702.78  $\frac{\text{Extra Bonus (10\% of Pre-Bonus if Reported Savings are 120\% of Goal and HTR Reported Savings are 10\% of Total Reported Savings)}}{\text{Pre-Bonus}}$

**Bonus Calculation**

\$2,768,730.58 Bonus (Pre-Bonus + Extra Bonus)

# Acronyms

<b>C&amp;I</b>	Commercial and Industrial
<b>CCET</b>	Center for the Commercialization of Electric Technologies
<b>DR</b>	Demand Response
<b>DSM</b>	Demand Side Management
<b>EEP</b>	Energy Efficiency Plan, which was filed as a separate document prior to April 2008
<b>EEPR</b>	Energy Efficiency Plan and Report
<b>EER</b>	Energy Efficiency Report, which was filed as a separate document prior to April 2008
<b>EE Rule</b>	Energy Efficiency Rule, PUCT Substantive Rules 25.181 and 25.183
<b>HTR</b>	Hard-To-Reach
<b>M&amp;V</b>	Measurement and Verification
<b>MTP</b>	Market Transformation Program
<b>NAP</b>	Not Applicable
<b>PUCT</b>	Public Utility Commission of Texas
<b>REP</b>	Retail Electric Provider
<b>RES</b>	Residential
<b>SCORE</b>	Schools Conserving Resources
<b>SOP</b>	Standard Offer Program

# Glossary

**Actual Weather Adjusted** -- Actual Weather Adjusted peak demand and energy consumption is the historical peak demand and energy consumption adjusted for weather fluctuations using weather data for the most recent ten years.

**At Meter** – Demand (kW/MW) and energy (kWh/MWh) figures reported throughout the EEPR are reflective of impacts at the customer meter. This is the original format of the measured and deemed impacts, which the utilities collect for their energy efficiency programs. Goals are necessarily calculated at source (generator) using utility system peak data at the transmission level. In order to accurately compare program impacts, goals and projected savings have been adjusted for the line losses (7%) that one would expect going from the source to the meter.

**Average Growth** -- Average historical growth in demand (kW) over the prior five years for residential and commercial customers adjusted for weather fluctuations.

**Capacity Factor** – The ratio of the annual energy savings goal, in kWh, to the peak demand goal for the year, measured in kW, multiplied by the number of hours in the year; or the ratio of the actual annual energy savings, in kWh, to the actual peak demand reduction for the year, measured in kW, multiplied by the number of hours in the year.

**Commercial customer** -- A non-residential customer taking service at a metered point of delivery at a distribution voltage under an electric utility's tariff during the prior calendar year and a non-profit customer or government entity, including an educational institution. Each metered point of delivery shall be considered a separate customer.

**Deemed Savings** -- A pre-determined, validated estimate of energy and peak demand savings attributable to an energy efficiency measure in a particular type of application that an electric utility may use instead of energy and peak demand savings determined through measurement and verification activities.

**Demand** -- The rate at which electric energy is used at a given instant, or averaged over a designated period, usually expressed in kilowatts (kW) or megawatts (MW).

**Demand savings** -- A quantifiable reduction in demand.

**Energy efficiency** -- Improvements in the use of electricity that are achieved through facility or equipment improvements, devices, or processes that produce reductions in demand or energy consumption with the same or higher level of end-use service and that do not materially degrade existing levels of comfort, convenience, and productivity.

**Energy efficiency measures** -- Equipment, materials, and practices at a customer's site that result in a reduction in electric energy consumption, measured in kilowatt-hours (kWh), or peak demand, measured in kilowatts (kW), or both. These measures may include thermal energy storage and removal of an inefficient appliance so long as the customer need satisfied by the appliance is still met.

**Energy efficiency program** -- The aggregate of the energy efficiency activities carried out by an electric utility or a set of energy efficiency projects carried out by an electric utility under the same name and operating rules.

**Energy Efficiency Rule (EE Rule)** ó Public Utility Commission of Texas Substantive Rules 25.181 and 25.183, which implement Public Utility Regulatory Act (PURA) § 39.905.

**Energy savings** -- A quantifiable reduction in a customer's consumption of energy that is attributable to energy efficiency measures.

**Growth in demand** -- The annual increase in demand in the Texas portion of an electric utility's service area at time of peak demand, as measured in accordance with the Energy Efficiency Rule.

**Hard-to-reach (HTR) customers** -- Residential customers with an annual household income at or below 200% of the federal poverty guidelines.

**Incentive payment** -- Payment made by a utility to an energy efficiency service provider under an energy efficiency program.

**Inspection** -- Examination of a project to verify that an energy efficiency measure has been installed, is capable of performing its intended function, and is producing energy savings or demand reduction.

**Load control** -- Activities that place the operation of electricity-consuming equipment under the control or dispatch of an energy efficiency service provider, an independent system operator or other transmission organization or that are controlled by the customer, with the objective of producing energy or demand savings.

**Load management** -- Load control activities that result in a reduction in peak demand on an electric utility system or a shifting of energy usage from a peak to an off-peak period or from high-price periods to lower-price periods.

**Market transformation program (MTP)** -- Strategic programs to induce lasting structural or behavioral changes in the market that result in increased adoption of energy-efficient technologies, services, and practices.

**Measurement and verification (M&V)** -- Activities intended to determine the actual energy and demand savings resulting from energy efficiency projects.

**Peak demand** -- Electrical demand at the times of highest annual demand on the utility's system.

**Peak demand reduction** -- Reduction in demand on the utility system throughout the utility system's peak period.

**Peak period** -- The hours from one p.m. to seven p.m., during the months of June, July, August, and September, excluding weekends and federal holidays.

**Projected Demand and Energy Savings** ó Peak demand reduction and energy savings the Company projects to achieve by implementing the portfolio of programs outlined in this EEPR. These projected savings reflect the Company's goals required by the Energy Efficiency Rule (.

**Project sponsor** -- An energy efficiency service provider or customer who installs energy efficiency measures or performs other energy efficiency services under the Energy Efficiency Rule. An energy efficiency service provider may be a retail electric provider or commercial customer, provided that the commercial customer has a peak load equal to or greater than 50 kW.

**Renewable demand side management (DSM) technologies** -- Equipment that uses a renewable energy resource (renewable resource), as defined in Public Utility Commission of Texas Substantive Rule 25.173(c) (relating to Goal for Renewable Energy) that, when installed at a customer site, reduces the customer's net purchases of energy, demand, or both.

**Standard offer program (SOP)** -- A program under which a utility administers standard offer contracts between the utility and energy efficiency service providers.

**Underserved County** ó A county that did not have reported demand or energy savings through a prior year's SOP or MTP.

# **APPENDICES**

## **APPENDIX A:**

### **REPORTED AND VERIFIED DEMAND AND ENERGY REDUCTION BY COUNTY**



**CALENDAR YEAR 2009**

**AEP TEXAS CARES ENERGY EFFICIENCY  
FOR NOT-FOR-PROFIT AGENCIES SOP**

County	Reported and Verified Savings	
	kW	kWh
Cameron	2.8	8,890
Nueces	17.0	72,877
Uvalde	0.1	866
Webb	4.1	9,862
<b>Total</b>	<b>24</b>	<b>92,495</b>

**APPLIANCE RECYCLING PILOT MTP**

County	Reported and Verified Savings	
	kW	kWh
Aransas	0.6	3,736
Bee	0.3	1,868
Calhoun	0.6	3,736
Cameron	1.7	11,251
Dewitt	0.6	3,736
Hidalgo	2.1	13,119
Jackson	0.3	1,868
Kleberg	0.3	1,868
Nueces	57.3	369,931
San Patricio	1.1	7,515
Victoria	3.2	20,677
Webb	0.9	5,604
<b>Total</b>	<b>69.0</b>	<b>444,909</b>

**COMMERCIAL SOLUTIONS PILOT MTP**

County	Reported and Verified Savings	
	kW	kWh
Aransas	18.0	41,781
Cameron	32.0	11,135
Hidalgo	201.0	958,806
Jim Wells	8.0	37,138
Maverick	6.0	44,066
Medina	16.0	79,951
Nueces	161.0	590,619
San Patricio	1.0	3,868
Uvalde	6.0	44,066
<b>Total</b>	<b>449.0</b>	<b>1,811,430</b>

**COMMERCIAL SOP**

County	Reported and Verified Savings	
	kW	kWh
Atascosa	2.4	16,388
Bee	51.3	174,561
Calhoun	12.3	49,106
Cameron	988.0	2,984,676
Dimmit	3.5	14,967
Duval	3.3	23,177
Frio	3.4	14,642
Hidalgo	1,529.0	8,163,378
Jackson	8.8	35,838
Jim Hogg	2.2	14,707
Jim Wells	13.3	62,947
Karnes	7.8	44,116
Kleberg	6.1	42,296
Matagorda	24.1	99,846
Maverick	5.5	37,848
Nueces	656.4	3,335,462
Refugio	7.3	35,898
San Patricio	8.1	34,629
Uvalde	29.5	204,686
Val Verde	6.4	27,252
Victoria	78.0	472,971
Webb	102.1	482,809
Wharton	22.2	102,466
Zapata	1.2	8,614
Zavala	3.4	14,436
<b>Total</b>	<b>3,575.6</b>	<b>16,497,716</b>

### ENERGY STAR MTP

County	Reported and Verified Savings	
	kW	kWh
Aransas	12.2	23,884
Cameron	10.9	26,109
Hidalgo	31.4	72,387
Nueces	157.6	312,161
San Patricio	48.2	92,040
Victoria	1.9	3,041
Webb	6.4	13,932
Zapata	2.4	5,262
<b>Total</b>	<b>271.0</b>	<b>548,816</b>

### HARD-TO-REACH SOP

County	Reported and Verified Savings	
	kW	kWh
Aransas	20.0	61,557
Bee	90.0	337,853
Brooks	127.0	466,808
Calhoun	141.0	365,746
Cameron	365.0	1,126,288
Colorado	133.0	491,173
De Witt	11.0	39,877
Duval	6.0	19,995
Goliad	11.0	37,950
Gonzales	1.0	3,503
Hidalgo	1,312.0	4,578,573
Jackson	25.0	88,046
Jim Wells	144.0	445,142
Karnes	13.0	39,854
Kleberg	132.0	373,394
Live Oak	9.0	29,441
Matagorda	161.0	554,064
Medina	10.0	39,155
Nueces	713.0	1,949,489
Refugio	10.0	25,105
San Patricio	280.0	642,406
Starr	176.0	649,482
Uvalde	12.0	43,950
Victoria	240.0	843,170
Webb	114.0	363,978
Wharton	29.0	89,600
Willacy	17.0	47,523
Zapata	27.0	102,803
<b>Total</b>	<b>4,329.0</b>	<b>13,855,925</b>

### LOAD MANAGEMENT SOP

County	Reported and Verified Savings	
	kW	kWh
Aransas	148.6	446
Cameron	406.2	1,218
Hidalgo	2,402.6	7,207
Jim Wells	94.4	283
Lavaca	96.3	289
Maverick	55.0	165
Nueces	2,806.6	6,462
Starr	174.8	525
Uvalde	52.9	159
Victoria	442.2	1,327
Webb	656.4	1,969
Wharton	131.7	395
<b>Total</b>	<b>7,467.7</b>	<b>20,445</b>

### RESIDENTIAL ENERGY EFFICIENCY PILOT MTP

County	Reported and Verified Savings	
	kW	kWh
Aransas	0.8	1,993
Duval	1.6	5,335
Jim Wells	3.6	11,583
Kleberg	0.9	3,502
Nueces	57.5	154,337
San Patricio	4.9	11,944
<b>Total</b>	<b>69.3</b>	<b>188,694</b>

### RESIDENTIAL SOP

County	Reported and Verified Savings	
	kW	kWh
Aransas	26.0	76,116
Atascosa	2.0	3,879
Bee	47.0	149,402
Brooks	48.0	163,295
Calhoun	214.0	520,779
Cameron	671.0	1,930,162

Colorado	28.0	84,785
De Witt	5.0	13,051
Duval	1.0	5,065
Goliad	16.0	50,192
Hidalgo	2,238.0	7,363,565
Jackson	8.0	21,618
Jim Hogg	4.0	15,122
Jim Wells	77.0	221,918
Karnes	3.0	9,463
Kleberg	156.0	425,259
Live Oak	5.0	17,489
Matagorda	170.0	381,143
Nueces	2,328.0	5,967,850
Refugio	9.0	22,386
San Patricio	244.0	615,606
Starr	198.0	681,710
Uvalde	4.0	14,638
Victoria	353.0	1,085,670
Webb	117.0	371,293
Wharton	66.0	85,018
Willacy	14.0	42,061
Zapata	1.0	4,660
<b>Total</b>	<b>7,053.0</b>	<b>20,343,195</b>

**SCORE/CITYSMART MTP**

County	Reported and Verified Savings	
	kW	kWh
Cameron	101.0	228,365
Hidalgo	644.0	1,513,015
Nueces	582.0	1,418,555
San Patricio	10.0	22,959
Webb	300.0	753,106
<b>Total</b>	<b>1,637.0</b>	<b>3,936,002</b>

**SMART SOURCE<sup>SM</sup> SOLAR PV PILOT MTP**

County	Reported and Verified Savings	
	kW	kWh
Jim Wells	4.0	8,288
Hidalgo	87.0	168,480
<b>Total</b>	<b>91.0</b>	<b>177,768</b>

**TARGETED LOW-INCOME ENERGY EFFICIENCY PROGRAM**

County	Reported and Verified Savings	
	kW	kWh
Aransas	0.2	1,345
Bee	38.1	198,757
Brooks	5.2	14,040
Calhoun	0.1	999.9
Cameron	268.8	879,575
Goliad	0.4	1,372
Hidalgo	130.8	466,280
Jackson	1.2	5,605
Jim Wells	53.1	152,095
Kleberg	7.2	18,804
La Salle	0.2	1,305
Maverick	1.4	2,532
Nueces	78.8	241,983
San Patricio	15.8	48,929
Starr	75.3	301,139
Victoria	8.9	32,913
Webb	88.6	389,383
Willacy	7.3	20,750
<b>Total</b>	<b>781.4</b>	<b>2,777,807</b>

**TEXAS STATEWIDE ENERGY STAR®**  
**RESIDENTIAL COMPACT FLUORESCENT LIGHTING MTP**

County	Reported and Verified Savings	
	kW	kWh
Aransas	0.6	6,363
Bee	2.7	27,199
Brooks	2.0	19,553
Cameron	21.5	215,103
Dimmit	7.1	71,395
Duval	3.2	32,235
Gonzales	0.4	3,660
Hidalgo	88.7	886,730
Jackson	1.0	10,134
Jim Hogg	1.2	11,831
Jim Wells	5.2	51,589
Karnes	1.8	17,992
Kleberg	2.0	20,510
Matagorda	3.5	35,508
Maverick	1.9	19,746
Nueces	56.8	567,990
San Patricio	8.6	85,777
Starr	0.4	3,795
Uvalde	4.1	40,970
Val Verde	6.8	67,705
Victoria	1.4	13,609
Webb	28.1	281,000
Wharton	1.2	12,477
Willacy	1.6	15,960
Wilson	0.3	3,660
Zapata	0.2	2,426
Zavala	3.7	36,899
<b>Total</b>	<b>256.0</b>	<b>2,561,816</b>

## **APPENDIX B:**

### **PROGRAM TEMPLATES**

TCC does not have any program templates to report this year.



## **APPENDIX C:**

### **EXISTING CONTRACTS OR OBLIGATIONS**

TCC does not have any Existing Contracts or Obligation documentation to provide.

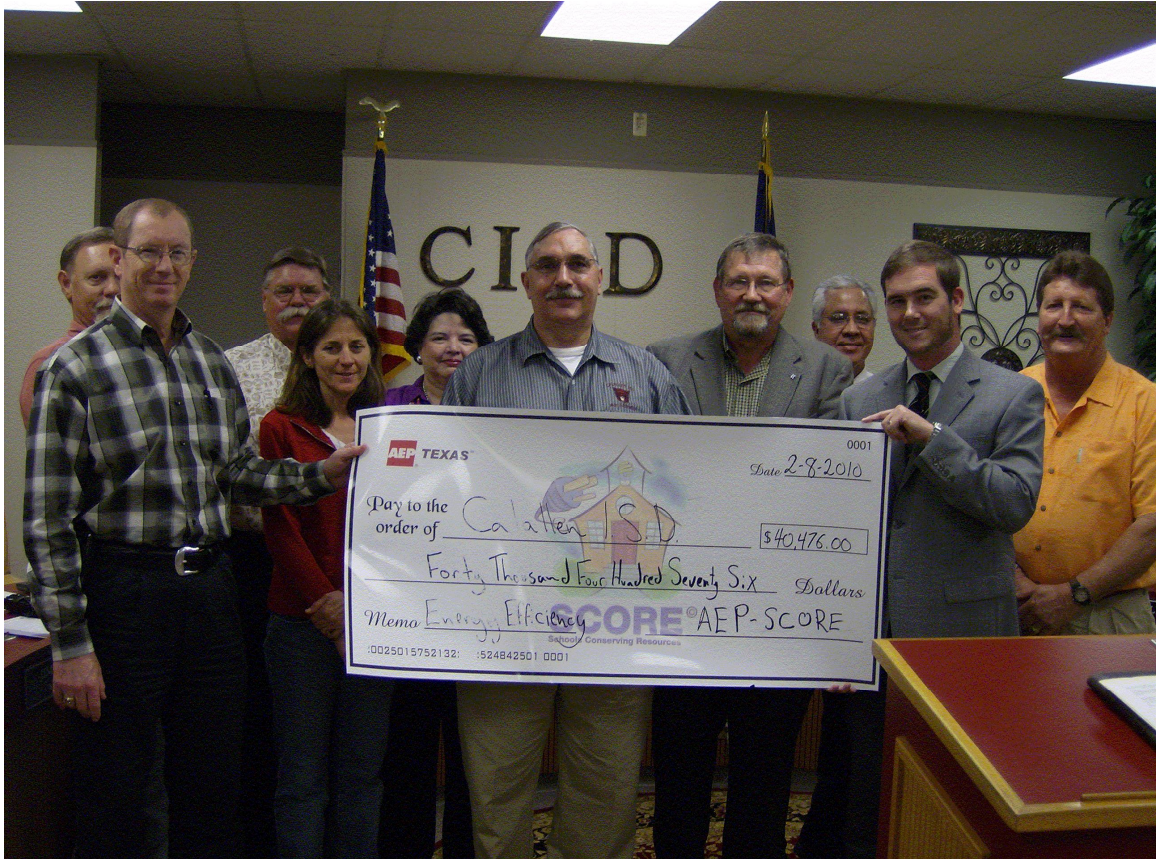
## **APPENDIX D:**

### **OPTIONAL SUPPORT DOCUMENTATION**

TCC has provided the following Optional Supporting Documentation.



AEP hosted a customer workshop for its National Accounts customers in October 2009. Energy Efficiency programs offered by AEP utilities in Texas, Arkansas and Oklahoma were the primary focus of presentations and information exchange with approximately 70 attendees.



Calallen ISD (Corpus Christi) received an incentive check from AEP Texas Central Company for energy efficiency projects the school district completed in 2009 through the AEP SCORE program. Incentives totaling \$40,476 were paid to the school district, which the ISD used to offset the costs of completing the projects.





AEP Texas Central Company provided \$739,406 in energy efficiency incentives to the City of Laredo Municipal Housing Corporation through its 2009 Targeted Low-income Energy Efficiency program. Laredo Mayor Raul Salinas commended AEP for its program, which is implemented by Frontier Associates through a number of community service agencies throughout the AEP South Texas area.