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PUBLIC UTILITY COMMISSION

May 1, 2009

Commission Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, TX 78711-3326

RE: Project No. 36689 – CenterPoint Energy Houston Electric, LLC 2009 Energy Efficiency Plan and Report – Updated Report

Dear Ladies and Gentlemen:

Please find attached an updated copy of the CenterPoint Energy Houston Electric, LLC 2009 Energy Efficiency Plan and Report which replaces the filing that was made on April 1, 2009, in Project 36689. The updated report revises Section XIV “Performance Bonus Calculation” discussed and shown on pages 49 and 50 of the report.

If you, the Commission's Staff, or anyone else who may be reviewing this Annual Energy Efficiency Report and Plan has any questions, please feel free to contact me at 713-207-5372 or andrew.machtemes@centerpointenergy.com.

Respectfully submitted,

Andrew P. Machtemes
Administrator - Regulatory Activities & Compliance

Attachment

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CenterPoint Energy Houston Electric, LLC

2009 Energy Efficiency Plan and Report

Substantive Rule § 25.181 and § 25.183

April 1, 2009

Project No. 36689

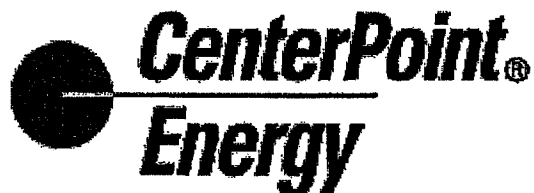


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Introduction

CenterPoint Energy Houston Electric, LLC (CenterPoint Energy Houston) presents this Energy Efficiency Plan and Report (EEPR) to comply with Substantive Rules § 25.181 and § 25.183, which implement Public Utility Regulatory Act (PURA) § 39.905. PURA § 39.905 requires that each investor-owned electric utility achieve the following savings goals through market-based standard offer programs (“SOPs”) and limited, targeted, market transformation programs (“MTPs”):

- 15 % of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2008, and
- 20 % of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2009, and
- Beginning in 2009, a utility's demand reduction goal for any year shall not be less than the previous year's goal.

The format used in the EEPR primarily follows the one outlined in § 25.181 (m). The EEPR presents the results of CenterPoint Energy Houston's 2008 energy efficiency programs and describes how the company plans to achieve its goals and meet the requirements set forth in §25.181. Planning information provided focuses on 2009 and 2010 projected savings and projected budgets. The planning information presents information on programs to be offered and discusses outreach and informational activities and workshops designed to encourage participation by energy service providers and retail electric providers (REPs).

EEPR Organization

This EEPR consists of an executive summary, fourteen sections and three appendices.

Sections one through four form the planning section of the EEPR, while sections five through nine present energy efficiency report information. The final five sections address the Energy Efficiency Cost Recovery Factor (EECRF) and the performance bonus achieved in 2008. The three appendices provide a description of the acronyms used throughout the report, a glossary of commonly used terms, and the demand and energy savings for each program by county.

Executive Summary

The Energy Efficiency Plan portion of this EEPR details CenterPoint Energy Houston's plans to achieve a 20% reduction in its annual growth in demand of residential and commercial customers by December 31, 2009, and a 20% reduction in its annual growth in demand of residential and commercial customers by December 31, 2010. The Plan also addresses the corresponding energy savings goal, which is calculated from the demand savings goal using a 20% capacity factor.

CenterPoint Energy Houston also plans to meet the energy efficiency requirements of the stipulation and agreement of the parties ("settlement agreement") in Docket No. 32093. The goals, budgets, and implementation plans that are included in this EEPR are determined by requirements of Rule §25.181 and the information gained from prior implementation of the selected programs.

Table 1 presents a summary of 2009 and 2010 goals, projected savings, and projected budgets.

Table 1: Summary of Annual Goals, Projected Savings and Projected Budgets¹

Programs	Calendar Year	Avg Growth in Demand	MW Goal (% of Growth in Demand)	Demand (MW) Goal	Energy (MWh) Goal ²	Projected MW Savings ³	Projected MWh Savings ^{2,3}	Projected Budget (000's)
Total - All Programs	2009	210.7	20%	39.2	68,661.23	83.12	134,499.2	\$25,535
	2010	171.5	20%	39.2	68,661.23	125.75	145,803.5	\$30,053

Note that the 2010 demand and energy goals are established pursuant to the Rule §25.181 provision which states the goal for any year shall not be less than the previous year's goal. Since the actual five-year average demand growth in 2010 is lower than in 2009, the 2010 goals are the same as the 2009 goals.

¹ Average Growth in Demand figures are from Table 4; Projected Savings from Table 5; Projected Budget from Table 6. All MW and MWh figures in this Table and throughout this EEPR are measured at the meter.

² Calculated using a 20% capacity factor.

³ Peak demand reduction and energy savings for the current and following calendar year that CenterPoint Energy Houston is planning and budgeting for in the EEPR. These projected savings reflect CenterPoint Energy Houston's goals required by the Energy Efficiency Rule (Substantive Rule § 25.181).

In order to reach the projected savings presented in Table 1, CenterPoint Energy Houston has implemented the following programs:

1. Large Commercial and Industrial SOP
2. Residential SOP
3. Hard-to-Reach SOP
4. Energy Share Large Commercial Load Management SOP
5. TDHCA Low-Income Weatherization (SB-712)
6. ENERGY STAR® Homes MTP
7. The Texas SCORE MTP
8. Multi-Family Water & Space Heating MTP
9. Statewide CFL MTP
10. A/C Residential and Small Commercial Pilot MTP
11. Retro-Commissioning MTP
12. Rebuilding Together Houston
13. City of Houston Weatherization
14. Agencies in Action MTP

The Energy Efficiency Report portion of this EEPR demonstrates that in 2008, CenterPoint Energy Houston successfully implemented SOPs and MTPs required by PURA § 39.905 that met the statutory 15% energy efficiency savings goal. CenterPoint Energy Houston's goals for 2008 were 34.1 MW in peak demand reduction and 59,732 MWh in energy savings. Actual total achieved reductions in 2008 were 68.11 MW and 177,220 MWh. The total forecasted spending for 2008 was \$26.3 million. Actual 2008 spending totaled \$24.27 million, with \$977,847 being accrued.

Energy Efficiency Plan

I. 2009 Programs

A. 2009 Program Portfolio

CenterPoint Energy Houston plans to implement thirteen programs in 2009. In addition, one pilot program will be funded in 2009. These programs target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. CenterPoint Energy Houston anticipates that targeted outreach to a broad range of service providers will be necessary in order to meet the savings goals required by PURA § 39.905 on a continuing basis. Table 2 lists each program and identifies target markets and applications.

Table 2: 2009 Energy Efficiency Program Portfolio

Program	Target Market	Application
Large Commercial and Industrial SOP	Large Commercial and Industrial	Retrofit; New Construction
Residential SOP	Residential	Retrofit; New Construction
Hard-to-Reach SOP	Hard-to-Reach Residential	Retrofit
Multi-Family Water & Space Heating MTP	Residential / Hard-to-Reach Residential	New Construction
Energy Share Load Management SOP	Large Commercial and existing Industrial	Load Management
TDHCA Low Income Weatherization (SB-712)	Hard-to-Reach Residential	Retrofit
City of Houston Weatherization	Residential / Hard-to-Reach Residential	Retrofit
Agencies in Action MTP	Hard-to-Reach Residential	Retrofit
Rebuilding Together Houston	Hard-to-Reach Residential	Retrofit
ENERGY STAR® Homes MTP	Residential	New Construction
Retro-Commissioning MTP	Large Commercial and Industrial	Retrofit
Texas SCORE MTP	Large and Small Commercial (K-12 public schools & City facilities)	Retrofit; New Construction
State-wide CFL Program	Residential	Retrofit
New Programs for 2009		
A/C Residential & Small Commercial Pilot MTP	Residential and Small Commercial	Retrofit

The programs listed in Table 2 are described further in sub-sections B and C. CenterPoint Energy Houston maintains a website⁴ containing requirements for project participation and most of the forms required for project submission. The website is one method of communication used to provide project sponsors with program updates and information.

The Agencies in Action program is a settlement agreement program which replaced the TDHCA Low-income Weatherization program. Additional settlement programs include City of Houston Weatherization, Rebuilding Together Houston, and Retro-Commissioning. The TDHCA Low-Income Weatherization program is the low-income weatherization program required by Senate Bill 712. In 2008 in Docket No. 34630 the Public Utility Commission of Texas (PUCT) made a ruling on this program allowing the utilities to seek alternative methods for implementing and administering the program. CenterPoint Energy Houston elected to implement the TDHCA 712 program by utilizing the Agencies in Action program.

⁴ CenterPoint Energy Houston energy efficiency website is www.centerpointefficiency.com.

B. Existing Programs

ENERGY STAR® Homes MTP

Program design

The ENERGY STAR® Homes MTP targets residential new construction homes. Incentives are paid to builders for building ENERGY STAR® certified homes in the CenterPoint Energy Houston service territory, and the program is also supported by training, education and advertising components. The builders are selected through an application process and their homes must achieve a HERS rating of 85 or lower. These homes are built to strict EPA standards. ENERGY STAR® homes must be at least 15% more efficient than specified by building codes and certified by a third party energy rater. In 2009 the ENERGY STAR® program will offer incentives based on a three tier system, with higher incentives being paid for higher impacts. These higher impacts are achievable in tiers 2 and 3. The three tier system was put in place to encourage builders to push for savings exceeding 15% above code.

Implementation process

CenterPoint Energy Houston will continue implementation of its ENERGY STAR® Homes MTP whereby any eligible home builder meeting the minimum requirements may submit an application for participation in the program. Program information is provided on CenterPoint Energy Houston's website.

Outreach and Research activities

CenterPoint Energy Houston promotes the ENERGY STAR® Homes MTP in the following manner:

- Advertises using a multitude of news media, including billboards, radio and television announcements, and targeted relocation publications as well as supporting the local home builder association publications;
- Provides point of purchase materials including yard signs, door mats and brochures free to participating builders;
- Maintains internet website, www.HoustonEnergyStarHomes.com with detailed program information, such as the advertising campaign, links to participating builders websites, and the general features and benefits of ENERGY STAR® homes;
- Conducts various energy rater testing for all local raters annually;
- Conducts training sessions for builders' sales staff throughout the year to increase the knowledge and awareness of the features and benefits of ENERGY STAR® homes;

- Participates in quarterly roundtables with the builder's home energy raters to discuss and exchange information concerning program issues;
- Attends appropriate industry-related meetings and seminars to generate awareness and interest;
- Participates in state-wide outreach activities
- Conducts builder workshops covering program requirements, incentive information, and the application and reporting process.

Commercial and Industrial Standard Offer Program (C&I SOP)

Program design

The C&I SOP targets large commercial and industrial customers with a minimum demand of 100 kW. Incentives are paid to project sponsors on a first-come, first-served basis for a variety of measures installed in new or retrofit applications, which provide verifiable demand and energy savings.

Implementation process

CenterPoint Energy Houston will continue implementation of its C&I SOP whereby any eligible project sponsor may submit an application for qualifying projects. Program information is provided on CenterPoint Energy Houston's website.

Outreach and Research activities

CenterPoint Energy Houston markets the availability of this program in the following manner:

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

Program design

The Residential SOP targets residential customers with a maximum demand of less than 100 kW. Incentives are paid to project sponsors, for certain measures installed in new or retrofit applications, which provide verifiable demand and energy savings. Sponsors submit applications for measures installed in households and are awarded contracts on a first-come, first-served basis. The Residential SOP will remain the same in 2009. The program is open to all qualifying energy efficiency measures, including, but not limited to air conditioning duct sealing, weatherization, ceiling insulation, water saving measures and ENERGY STAR® windows.

Implementation process

CenterPoint Energy Houston will continue implementation of its Residential SOP whereby any eligible project sponsor may submit an application for a project meeting the minimum requirements. Program information is provided on CenterPoint Energy Houston's website.

Outreach and Research activities

CenterPoint Energy Houston markets the availability of this program in the following manner:

- Utilizes mass e-mail notifications to potential project sponsors to inform them of the program start date and informational meetings;
- Maintains internet website with detailed project eligibility, end-use measures, incentive structure, procedures and application forms;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

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

Program design

The HTR SOP targets hard-to-reach residential customers. Incentives are paid to project sponsors for qualifying measures installed in retrofit applications which provide verifiable demand and energy savings to customers whose annual total household income is less than 200% of current federal poverty guidelines. Project sponsors are encouraged to install comprehensive measures and are paid on the basis of “deemed” savings as approved by the PUCT.

Project funding is based on a first-come, first-served approach. Qualifying measures include those allowed in the Residential SOP as well as compact fluorescent lamps.

Implementation process

CenterPoint Energy Houston will continue implementation of its HTR SOP whereby any eligible project sponsor may submit an application for a project meeting the minimum requirements.

Program information is provided on CenterPoint Energy Houston’s website.

Outreach and Research activities

CenterPoint Energy Houston markets the availability of this program in the following manner:

- Utilizes mass e-mail notifications to potential project sponsors to inform them of the program start date and informational meetings;
- Maintains internet website with detailed project eligibility, end-use measures, incentive structure, procedures and application forms;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Participates in state-wide outreach activities as may be available;
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

Retro-Commissioning MTP (RCx MTP)

Program design

The RCx MTP is a building tune-up program that targets no-cost or low-cost measures to reduce the demand and energy usage in commercial facilities. The program is designed to provide energy end-users with an expert analysis to improve the performance of energy using systems in order to reduce peak demand and annual energy usage. RCx Agents, typically engineering firms, are used to deliver the program to customers. Incentives are paid to RCx Agents at the completion of each

of three phases: planning phase, implementation phase and verification phase. Facility owners must be willing to invest a minimum of \$10,000 to upgrade their facilities. Facility owners can earn incentives if all schedules are maintained and savings are acceptable.

Implementation process

The program is implemented through selected RCX agents. Program information is provided on CenterPoint Energy Houston's website.

Outreach and Research activities

CenterPoint Energy Houston markets the availability of this program in the following manner:

- Maintains internet website with detailed project eligibility, procedures and application forms;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Participates in service area-wide outreach activities as may be available;
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

Multi-Family Water & Space Heating MTP

Program design

The Multi-Family Water and Space Heating MTP promotes the installation of energy efficient non-electric water heating and space heating in multi-family housing projects. In 2007 the program began incorporating boiler systems into the program as well as individual non-electric water and space heating units. The program is based on a PUCT- approved template and projects are funded based on qualifying measures, estimated completion date and available funds.

Implementation process

CenterPoint Energy Houston will continue implementation of its Multi-Family Water and Space Heating MTP whereby any eligible project sponsor may submit an application for review for a project meeting the minimum requirements.

Outreach and Research activities

CenterPoint Energy Houston markets the availability of this program in the following manner:

- Utilizes mass e-mail notifications to potential project sponsors to inform them of the program start date and informational meetings;

- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

City of Houston Weatherization

Program design

The City of Houston Weatherization Program targets both hard-to-reach and non hard-to-reach residential customers. The program utilizes a neighborhood approach, where whole neighborhoods are targeted for energy efficiency retrofit. The city of Houston provides the targeted neighborhoods for the program. Incentives are paid to project sponsors for certain measures installed in retrofit applications that provide verifiable demand and energy savings. The program's hard-to-reach participants are determined as having an annual total household income of less than 200% of the federal poverty guidelines. The 2009 City of Houston Weatherization Program will operate the same as the 2008 program. The program is based on a PUCT- approved Hard-To-Reach template and projects are funded based on qualifying measures and available funds. Qualifying measures include air conditioning duct sealing, weatherization, ceiling insulation, compact fluorescent lamps, and water saving measures.

Implementation process

The program is implemented through the City of Houston and its contractors.

Outreach and Research activities

CenterPoint Energy Houston markets the availability of this program in the following manner:

- Attends neighborhood walks and kick-off meetings with city of Houston staff informing residents about the program;
- Participates in periodic meetings with the City of Houston to assess program progress and program needs;
- Participates in service area-wide outreach activities as may be available.

Agencies in Action MTP

Program design

The Agencies in Action MTP is a low- income energy efficiency program which involves partnerships with a number of community agencies in the CenterPoint Energy Houston electric

distribution service area. These agencies provide energy efficiency measures to low-income participants. The measures installed by participating agencies as a part of this program include: attic insulation, solar screens, compact fluorescent lamps, ENERGY STAR® room air conditioners, ENERGY STAR® ceiling fans, ENERGY STAR® refrigerators, duct efficiency improvement and air infiltration control. Incentives are paid to agencies based on verifiable demand and energy savings. Participants must have an annual total household income less than 125% of current federal poverty guidelines.

Implementation process

CenterPoint Energy Houston will continue implementation of its Agencies in Action MTP whereby any eligible local agency may submit an application for funding provided they meet the program participation requirements and funding is available.

Outreach and Research activities

CenterPoint Energy Houston markets the availability of its programs in the following manner:

- Utilizes mass e-mail notifications to potential agencies to inform them of the program;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Participates in city-wide outreach activities as may be available;
- Contacts non-profit organizations for potential participation;
- Conducts workshops as necessary to explain elements such as responsibilities of the agency, project requirements, incentive information, and the application and reporting process.

Rebuilding Together Houston (RTH)

Program design

The RTH program offers incentives for the installation of energy efficiency measures in low-income housing. The measures include ceiling insulation, and compact fluorescent lamps. The program is administered by Rebuilding Together Houston, a private, non-profit organization. It is offered to low-income participants defined as existing households with income at or below 200% of the federal poverty guidelines. This program resulted from negotiations in CenterPoint Energy Houston's 2006 Rate Case Settlement. The energy efficiency component is a direct compliment to Rebuilding Together Houston's core business of home repair for low income residents.

Implementation process

CenterPoint Energy Houston will continue implementation of the program through RTH in 2009.

Outreach and Research activities

CenterPoint Energy Houston markets the availability of its programs in the following manner:

- Participates in periodic meetings with RTH to assess program progress and program needs.

The Texas SCORE MTP

Program design

The Texas SCORE MTP targets school districts and cities within the CenterPoint Energy Houston service territory. Direct incentives are paid to school districts for certain energy efficiency measures installed in new or retrofit applications, that provide verifiable demand and energy savings. A third party program implementer provides engineering analysis to school administrators to help them make decisions about cost effective investments. The Texas SCORE MTP was modified in 2008 to include the CitySmart MTP program which targets cities and local governments. Incentives are paid to cities served by CenterPoint Energy Houston for measures similar to the SCORE program.

Implementation process

CenterPoint Energy Houston will continue implementation of the Texas SCORE MTP and the CitySmart MTP whereby any eligible project meeting the minimum requirements from any participating school district or city may be submitted for incentive payment.

Outreach and Research activities

CenterPoint Energy Houston markets the availability of this program in the following manner:

- Contracts with a third-party project sponsor to implement outreach and planning activities;
- Participates in appropriate industry-related meetings and events to generate awareness and interest;
- Participates in service area-wide outreach activities as may be available;
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

State-wide CFL MTP Program

Program design

The State-wide CFL MTP program is a combination of two programs. The first program is implemented state-wide in which point of purchase rebates are given to customers at retail stores for the purchase of various CFL's. The second program is a continuation of the City of Houston's Summer Youth Conservation Corp program, in which teenagers deliver compact fluorescent lamps (CFLs) in low and middle income neighborhoods in the Houston area over a six-week period.

Implementation process

The program will be implemented in the Houston area in 2009 in coordination with the other Texas utilities participating in the program and the city of Houston.

Outreach and Research activities

CenterPoint Energy Houston plans to market the availability of this program in the following manner:

- Contracts with a third-party project implementer to implement outreach and planning activities;
- Participates in regional outreach activities as may be available;
- Participates in appropriate industry-related meetings and events to generate awareness and interest.

Energy Share Load Management SOP

Program design

CenterPoint Energy Houston will implement an expanded load management program in 2009. The Energy Share Load Management program will be available to non-residential distribution customers, governmental customers, educational customers and non-profit customers. The call for curtailment will be initiated when ERCOT reaches its Step 3 emergency conditions. Incentives will be paid to project sponsors for each kW they curtail during emergency conditions. Project sponsors must have a normal aggregate peak demand of 750 kW or more, and must be equipped with a CenterPoint Energy Houston Interval Data Recorder (IDR) meter.

Implementation process

Implementation of this program will be through customers and third-party entities representing distribution level or other governmental, educational and non-profit customers within the CenterPoint Energy Houston service territory. In 2009, CenterPoint Energy Houston will initiate a minimum of two curtailment calls and a maximum of five curtailment calls. The first call is scheduled for June and will last two to three hours. The remaining calls will last from one to four hours each.

Outreach and Research activities

CenterPoint Energy Houston plans to market the availability of this program in the following manner:

- Maintains program information on the company website.
- Conducts workshops as necessary to explain elements such as responsibilities of the cities, project requirements, incentive information, and the application and reporting process;
- Participates in appropriate industry-related meetings and events to generate awareness and interest.

TDHCA Low Income Weatherization (SB-712)

Same as Agencies in Action program. See page 15.

C. New Programs for 2009

A/C Residential and Small Commercial Pilot MTP

Program design

The A/C Residential and Small Commercial Pilot MTP provides incentives to air conditioning distributors and/or air conditioning dealers who agree to facilitate the installation of high-efficiency (>13 SEER) air conditioners and heat pumps in single-family homes, multi-family homes and small commercial businesses within CenterPoint Energy Houston's electric distribution service territory. Units installed in single-family new construction applications are eligible as long as the builder is not a participant in CenterPoint Energy Houston's ENERGY STAR® New Home Program.

Implementation process

CenterPoint Energy Houston will implement the A/C Residential and Small Commercial Pilot MTP by overseeing the selection and oversight of a program implementer to provide marketing and other program support services. CenterPoint Energy Houston will also verify installations, manage and allocate available incentive funds, process all claims for incentive payments and provide other oversight functions.

Outreach and Research activities

CenterPoint Energy Houston plans to market the availability of this program in the following manner:

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

Research and Development (R&D) Projects

Program: Renewable Energy Integration with Smart Grid Project

Discovery at Spring Trails (DST) subdivision is a master-planned gated community north of Houston that is currently under construction. The developer, Land Tejas, is requiring builders to use ultra-high energy efficient construction and appliances, plus a minimum of 1 kW of rooftop solar photovoltaic (PV). Land Tejas estimates that this combination will reduce energy consumption by about 40% over comparable new code-built homes. Also, a 250 kW solar farm will be constructed to offset an estimated 15% to 20% of the overall community infrastructure including water and sewage treatment, lighting, recreation and community pools and buildings. CenterPoint Energy Houston is funding this R&D project to measure energy (kWh) and demand (KVA) savings and assess the performance of the solar and energy efficiency systems.

Program: Solar Energy Pilot

The Houston Advanced Research Center (HARC), on behalf of the Houston Architecture Foundation and the City of Houston, has initiated a project consisting of two 50 kW solar energy systems and associated research measurement equipment, to be installed on the George R. Brown Convention Center in Houston. HARC is partnering with the Houston Architecture Foundation and the City of Houston to install and test two 50 kW solar energy systems. The Solar Energy Pilot Program will provide information that may be used to design a solar energy system that would cover the available roof of the convention center. The objective of the Solar Energy Pilot Program is to collect, analyze and report data related to two different solar energy technologies - one based on flexible thin-film solar cells to be installed on the roof, and one based on PV panels to be attached to the building's back wall. CenterPoint Energy Houston will provide measurement and verification support for the project.

Program: City of Houston Dashboard Project

This project will evaluate the energy saving potential of a commercial dashboard product that allows commercial customers to better monitor and control facility energy usage. The project will be carried out in partnership with the City of Houston and will involve the monitoring of several fire stations, waste water treatment facilities, and a solar energy installation. CenterPoint Energy Houston's advanced metering infrastructure will be utilized to the extent possible.

D. Existing DSM Contracts or Obligations

There will be no new projects installed under CenterPoint Energy Houston's existing DSM contracts as of January 1, 2006 forward and, thus, there will be no additional savings reported from the existing DSM contracts. The program will be terminated after final contract payments in 2009.

II. Customer Classes

Customer classes targeted by CenterPoint Energy Houston's energy efficiency programs are the Hard-to-Reach, Residential, and Commercial customer classes.

The annual MW savings goal will be allocated to customer classes by examining historical program results, evaluating economic trends, and taking into account Substantive Rule § 25.181, which states that no less than 5% of the utility's total demand reduction savings goal should be achieved through programs for hard-to-reach customers. Table 3 summarizes the number of customers in each of the customer classes. It should be noted, however, that the actual distribution of the goal and budget must remain flexible based upon the response of the marketplace and the overriding objective of meeting the legislative goal.

Table 3: Summary of Customer Classes

Customer Class	Number of Customers
Commercial and Industrial	265,000
Residential	1,299,000
Hard-to-Reach ⁵	592,000

⁵ CenterPoint Energy Houston does not require income information for electric service and no records are available to correlate revenue for the Hard-to-Reach customer class. However, according to the US Census Bureau's 2007 Current Population Survey, 32.5% of Texas families fall below 200% of the poverty threshold. Applying that percentage to CenterPoint Energy Houston's residential customer totals, the number of HTR customers is estimated at 592,000. Program goals will be based on the requirement in the energy efficiency rule that no less than 5% of the total energy efficiency demand goal will be achieved through the programs in the Hard-to-Reach customer class.

III. Energy Efficiency Goals and Projected Savings

As prescribed by Substantive Rule § 25.181, CenterPoint Energy Houston's demand goal is specified as a percentage of its five-year average rate of growth in demand. Therefore, the annual growth in demand for each year during the planning period is based upon a combination of actual historical system peak demand and forecasted peak demand. As an example, the average annual growth in demand defined for the December 31, 2009 goal reflects the growth in actual peak demand from 2004 to 2008. For the purposes of this report, the 2010 goal will be based on the same historical load growth data as the 2009 goal. Once actual weather adjusted load data is obtained for the 2009 calendar year, the 2010 goal will be adjusted and based on growth in actual peak demand from 2005 to 2009. The demand savings goals are based on meeting 20% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2009 and on meeting 20 % of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2010. The corresponding energy savings goals are determined by applying a 20 percent capacity factor to the applicable demand savings goals.

Table 4 presents historical annual growth in demand for 2004-2008 and estimated annual growth for 2009 and 2010. Table 5 presents the corresponding projected demand and energy savings broken out by program for each customer class for 2009 and 2010. The projected savings is the demand and energy savings that can be achieved based on the annual budget shown in Table 6. All of the MW and MWh values presented in tables 4 and 5 are at the customer meter. To derive values at the source, or power plant level, the values shown in the tables should be increased by 7% to account for line losses.

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

Calendar Year	Peak Demand (MW)			Energy Consumption (MWh)			Growth (MW)	Average Growth (MW) ⁶
	Total System		Residential & Commercial	Total System		Residential & Commercial		
	Actual ⁸	Weather Adjusted ⁷	Actual	Weather Adjusted	Actual	Weather Adjusted		
2004	15,396	15,573	13,291	13,468	78,089,128	78,986,879	68,310,235	427
2005	15,068	15,457	13,420	13,809	76,425,499	78,398,522	70,039,800	341
2006	15,686	15,825	13,809	13,948	79,560,019	80,265,033	70,744,814	139
2007	16,263	16,227	14,076	14,040	80,919,484	80,740,359	69,860,985	92
2008	15,484	15,845	13,734	14,095	77,721,628	79,533,661	70,747,061	54
2009	15,956	N/A ⁹	14,271	N/A	82,606,765	N/A	N/A	231
2010	16,388		14,582		84,412,621			N/A

Table 4 shows the annual growth in Demand and Energy over the past five years. The average growth over the previous five years multiplied by the PUCT stated annual goal reduction percentage gives the annual MW and MWh goal shown in Table 1.

2009 Goals

MW Goal = 210.7 x 20% x (100% - 7% T&D line losses) = 39.2 MW

MWh Goal = 39.2 MW x 8760 Hours x 20% Load Factor = 68,661 MWh

2010 Goals

MW Goal = 171.5 x 20% x (100% - 7% T&D line losses) = 31.9 MW

MWh Goal = 31.9 MW x 8760 Hours x 20% Load Factor = 55,887 MWh

Goal adjusted to 39.2 MW and 68,661 MWh since 5 year average growth in 2010 was less than in 2009.

⁶ "Average Growth" for previous 5 years. NA = Not Applicable: Averages from 2004-2008 are not applicable to any of the calculations or forecasts in this EEP.

⁷ "Actual Weather Adjusted" Peak Demand is "Actual" Peak Demand adjusted for weather fluctuations using weather data for the most recent ten years.

⁸ 2009 and 2010 Calendar Year "Actual" values are forecasted.

⁹ NA = Not Applicable: Energy efficiency goals are calculated based upon the actual weather-adjusted growth in demand, so non weather adjusted "actual" forecasts are not applicable.

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

Statutory Program Goals by Customer Class for 2009 and 2010	2009		2010	
	Projected Savings (MW) at Meter	Projected Savings (MWh) at Meter	Projected Savings (MW) at Meter	Projected Savings (MWh) at Meter
Commercial and Industrial	42.94	44,751.31	81.76	45,095.07
Large and Industrial Commercial SOP	7.97	36,174.16	8.00	36,309.52
The Texas Score MT	3.71	8,483.41	3.76	8,575.55
Energy Share Load Management SOP	31.25	93.75	70.00	210.00
Residential and Small Commercial	21.63	22,982.98	24.49	29,252.59
Energy Star MT	19.84	17,281.31	19.84	17,281.31
Residential SOP	0.89	1,694.48	0.89	1,687.53
Residential Demand Response Pilot	0.00	0.00	0.00	0.00
Statewide CFL Program Pilot	0.53	3,193.75	0.53	3,193.75
A/C Pilot Program	0.37	813.44	3.24	7,090.00
Hard-to-Reach	2.95	7,598.82	2.97	7,635.47
Hard-To-Reach SOP	2.03	5,007.19	2.05	5,046.05
Multi-Family Water & Space Htg HTR	0.76	2,191.62	0.75	2,175.72
TDHCA Low-Income Weatherization (SB-712)	0.16	400.00	0.17	413.70
TOTAL	67.52	75,333.12	109.21	81,983.13

Settlement Program Goals by Customer Class for 2009 and 2010	2009		2010	
	Projected Savings (MW) at Meter	Projected Savings (MWh) at Meter	Projected Savings (MW) at Meter	Projected Savings (MWh) at Meter
Commercial and Industrial	11.14	48,604.15	12.19	53,397.11
Large and Industrial Commercial SOP	8.57	38,901.38	9.65	43,776.67
Retro-Commissioning MT	2.57	9,702.77	2.54	9,620.44
Hard-to-Reach	4.42	10,421.63	4.35	10,423.28
Rebuilding Together Houston	0.65	1,371.40	0.65	1,362.70
City of Houston Weatherization	2.26	4,857.46	1.94	4,180.63
Agencies in Action MT	1.51	4,192.77	1.76	4,879.96
TOTAL	15.56	59,025.77	16.54	63,820.40

TOTAL ALL PROGRAMS	83.07	134,358.89	125.75	145,803.53
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IV. Program Budgets

Table 6 presents total projected budget allocations required to achieve the projected demand and energy savings for calendar years 2009 and 2010. The budget for the Large Commercial & Industrial class includes costs for SOP's as well as existing demand-side management (DSM) contracts. The budget allocations are defined by the projected demand and energy savings presented in Table 5, avoided costs, allocation of projected demand and energy savings among customer classes, and projected costs for existing DSM contracts. The budget allocations presented in Table 6 include incentive and administration costs for each program and customer class.

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

Statutory Programs Estimated Budget by Customer Class for 2009 and 2010	2009			2010		
	Incentives	Admin.	Total Budget	Incentives	Admin.	Total Budget
Commercial and Industrial	\$5,370,000	\$748,336	\$6,118,336	\$6,900,000	\$845,408	\$7,745,408
Large Commercial and Industrial SOP	\$2,600,000	\$379,721	\$2,979,721	\$2,600,000	\$390,871	\$2,990,871
The Texas Score MT	\$1,500,000	\$178,918	\$1,678,918	\$1,500,000	\$197,154	\$1,697,154
Energy Share Load Management SOP	\$1,250,000	\$187,523	\$1,437,523	\$2,800,000	\$257,384	\$3,057,384
DSM	\$20,000	\$2,175	\$22,175	\$0	\$0	\$0
Residential and Small Commercial	\$4,700,000	\$417,138	\$5,117,138	\$5,900,000	\$513,605	\$6,413,605
Energy Star MT	\$3,500,000	\$260,870	\$3,760,870	\$3,500,000	\$272,539	\$3,772,539
Residential SOP	\$400,000	\$58,984	\$458,984	\$400,000	\$57,102	\$457,102
Statewide CFL Program Pilot	\$500,000	\$62,992	\$562,992	\$500,000	\$65,243	\$565,243
A/C Pilot Program	\$300,000	\$34,292	\$334,292	\$1,500,000	\$118,721	\$1,618,721
Hard-to-Reach	\$2,390,000	\$306,395	\$2,696,395	\$2,410,000	\$310,837	\$2,720,837
Hard-To-Reach SOP	\$1,650,000	\$198,913	\$1,848,913	\$1,650,000	\$213,260	\$1,863,260
Multi-Family Water & Space Htg HTR	\$400,000	\$56,091	\$456,091	\$400,000	\$52,781	\$452,781
TDHCA Low-Income Weatherization (SB-712)	\$340,000	\$51,391	\$391,391	\$360,000	\$44,796	\$404,796
TOTAL	\$12,460,000	\$1,471,869	\$13,931,869	\$15,210,000	\$1,669,850	\$16,879,850

Settlement Programs Estimated Budget by Customer Class for 2009 and 2010	2009			2010		
	Incentives	Admin.	Total Budget	Incentives	Admin.	Total Budget
Commercial and Industrial	\$3,900,000	\$526,949	\$4,426,949	\$4,300,000	\$543,350	\$4,843,350
Large Commercial and Industrial SOP	\$3,000,000	\$392,613	\$3,392,613	\$3,400,000	\$417,791	\$3,817,791
Retro-Commissioning MT	\$900,000	\$134,336	\$1,034,336	\$900,000	\$125,559	\$1,025,559
Hard-to-Reach	\$6,150,000	\$645,871	\$6,795,871	\$6,600,000	\$656,471	\$7,256,471
Rebuilding Together Houston	\$900,000	\$123,508	\$1,023,508	\$900,000	\$117,014	\$1,017,014
City of Houston Weatherization	\$1,400,000	\$179,598	\$1,579,598	\$1,200,000	\$159,499	\$1,359,499
Agencies in Action MT	\$3,850,000	\$342,765	\$4,192,765	\$4,500,000	\$379,957	\$4,879,957
TOTAL	\$10,050,000	\$1,172,820	\$11,222,820	\$10,900,000	\$1,199,821	\$12,099,821

R&D	\$0	\$343,117	\$343,117	\$0	\$1,072,847	\$1,072,847
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TOTAL ALL PROGRAMS	\$22,510,000	\$2,938,306	\$25,447,806	\$26,110,000	\$2,869,671	\$28,979,671
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Energy Efficiency Report

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

Table 7 documents CenterPoint Energy Houston's actual demand goals and energy targets for the previous five years (2004-2008). Each value was calculated using the methods outlined in Substantive Rule § 25.181.

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

Calendar Year	Statutory	
	Actual Weather Adjusted Demand Goal at Meter (MW)	Actual Weather Adjusted Energy Goals at Meter (MWh)
2008 ¹⁰	34.09	59,732
2007 ¹¹	25.31	62,211
2006 ¹²	20.43	76,224
2005 ¹³	27.72	102,848
2004 ¹⁴	20.01	94,805

¹⁰ Actual weather-adjusted MW Goals and MWh goals as reported in the corresponding Energy Efficiency Plan (EEP) filed in April of 2008 under Project No. 35440.

¹¹ Actual weather-adjusted MW Goals and MWh goals as reported in the corresponding Energy Efficiency Report (EER) filed in April of 2007 under Project No. 35440.

¹² Actual weather-adjusted numbers from EER, Project No. 33884.

¹³ Actual weather-adjusted numbers from EER, Project No. 32107.

¹⁴ Actual weather-adjusted numbers from EER, Project No. 30739.

VI. Goals, Reported and Verified Demand and Energy Savings

Table 8 breaks out the projected goals, verified savings and reported and verified savings by customer class for each program. The projected goals were reported in the Energy Efficiency Plan filed in April of 2008. The reported and verified savings are those savings that have been achieved and verified in the 2008 calendar year.

Table 8: Goals versus Reported and Verified Savings for 2008 (at Meter)

Statutory Programs by Customer Class for 2008	2008					
	Goals		Verified Savings		Reported / Verified Savings	
	MW	MWh	MW	MWh	MW	MWh
Commercial and Industrial	23.01	50,014.7	29.92	79,643.5	29.92	79,643.5
Large Commercial and Industrial SOP	9.01	40,880.09	9.52	68,826.1	9.52	68,826.10
The Texas Score MT	4.00	9,134.63	4.62	10,801.6	4.62	10,801.65
Load Management SOP	10.00	-	15.79	15.8	15.79	15.79
Residential and Small Commercial	21.39	24,269.5	22.21	23,609.0	22.21	23,609.0
Energy Star MT	19.80	17,248.19	20.64	18,075.5	20.64	18,075.48
Trees for Efficiency	N/A					
CCET Residential Demand Response Pilot	0.50	-	-	-	-	-
Res & SC SOP	0.80	1,521.24	0.91	1,648.8	0.91	1,648.84
CFL Program	0.29	5,500.09	0.53	3,193.8	0.53	3,193.75
Multi-Family Water & Space Htg - RES	-	-	0.14	690.9	0.14	690.94
Hard-to-Reach	2.60	6,614.4	2.72	8,626.3	2.72	8,626.3
Hard-To-Reach SOP	1.60	3,943.07	2.03	5,067.9	2.03	5,067.94
Multi-Family Water & Space Htg HTR	0.50	1,444.92	0.39	2,483.6	0.39	2,483.63
Res & SC HTR - Afford. Home	-	-	0.02	14.6	0.02	14.57
TDHCA Low-Income Weatherization (SB-712)	0.50	1,226.40	0.29	1,060.2	0.29	1,060.20
TOTAL	47.00	80,898.6	54.85	111,878.9	54.85	111,878.9

Settlement Programs by Customer Class for 2008	2008					
	Goals		Verified Savings		Reported / Verified Savings	
	MW	MWh	MW	MWh	MW	MWh
Commercial and Industrial	11.35	49,545.1	9.54	56,736.0	9.54	56,736.0
Large Commercial and Industrial SOP	8.74	39,640.48	8.57	51,638.6	8.57	51,638.57
Retro-Commissioning \	2.62	9,904.63	0.97	5,097.5	0.97	5,097.47
Residential and Small Commercial	-	-	0.09	125.8	0.09	125.8
Res & SC SOP	N/A					
Energy Star MT	N/A					
City of Houston Weatherization - RES	-	-	0.09	125.8	0.09	125.80
Hard-to-Reach	4.58	10,866.4	3.63	8,480.2	3.63	8,480.2
Hard-To-Reach SOP	N/A	N/A	N/A	N/A	N/A	N/A
City of Houston Weatherization - HTR	2.24	4,834.94	2.06	4,291.7	2.06	4,291.73
Rebuilding Together Houston	0.68	1,431.41	0.64	1,299.9	0.64	1,299.95
Agencies in Action MT	1.66	4,600.00	0.93	2,888.5	0.93	2,888.52
TDHCA	N/A					
TOTAL	15.94	60,411.5	13.26	65,342.0	13.26	65,342.0

TOTAL ALL PROGRAMS	62.94	141,310.1	68.11	177,220.9	68.11	177,220.9
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Table 9: Goals versus Reported and Verified Savings for 2007 (at Meter)

Statutory Programs by Customer Class for 2007	2007					
	Goals		Verified Savings		Reported / Verified Savings	
	MW	MWh	MW	MWh	MW	MWh
Commercial and Industrial	9.81	30,736.0	13.66	52,724.2	13.66	52,794.1
Large Commercial and Industrial SOP	5.89	27,303.0	10.65	45,857.3	10.66	45,927.1
The Texas Score MT	3.92	3,433.0	3.01	6,867.0	3.01	6,867.0
Load Management SOP	N/A					
Residential and Small Commercial	13.15	22,910.0	22.16	20,891.1	22.16	20,891.1
Energy Star MT	11.57	20,976.0	20.78	18,099.5	20.78	18,099.5
Trees for Efficiency	0.15	133.0	0.00	15.6	0.00	15.6
CCEI Residential Demand Response Pilot	0.74	-	-	-	-	-
Res & SC SOP	0.69	1,801.0	0.95	1,877.2	0.95	1,877.2
CFL Program	N/A					
Multi-Family Water & Space Htg - RES	-	-	0.43	898.9	0.43	898.9
Hard-to-Reach	2.35	8,565.0	1.98	5,411.1	1.98	5,411.1
Hard-To-Reach SOP	1.20	5,237.0	1.80	4,581.1	1.80	4,581.1
Multi-Family Water & Space Htg HTR	0.38	1,315.0	0.17	826.3	0.17	826.3
Res & SC HTR - Afford. Home	N/A		0.00	3.6	0.00	3.6
TDHCA Low-Income Weatherization (SB-712)	0.77	2,013.0	-	-	-	-
TOTAL	25.31	62,211.0	37.80	79,026.4	37.80	79,096.3

Settlement Programs by Customer Class for 2007	2007					
	Goals		Verified Savings		Reported / Verified Savings	
	MW	MWh	MW	MWh	MW	MWh
Commercial and Industrial	6.12	40,661.0	10.90	49,981.2	10.90	49,981.2
Large Commercial and Industrial SOP	4.65	30,570.0	8.39	40,510.6	8.39	40,510.6
Retro-Commissioning \	1.47	10,091.0	2.50	9,470.6	2.50	9,470.6
Residential and Small Commercial	1.43	1,170.0	2.05	2,984.7	2.05	2,984.7
Res & SC SOP	0.76	625.0	1.15	2,122.0	1.15	2,122.0
Energy Star MT	0.67	545.0	0.83	729.8	0.83	729.8
City of Houston Weatherization - RES	N/A		0.06	132.9	0.06	132.9
Hard-to-Reach	6.31	5,168.0	1.53	3,302.1	1.53	3,302.1
Hard-To-Reach SOP	0.76	625.0	0.61	1,370.4	0.61	1,370.4
City of Houston Weatherization - HTR	N/A		0.12	259.1	0.12	259.1
Rebuilding Together Houston	1.39	1,136.0	0.79	1,658.9	0.79	1,658.9
Agencies in Action MT	N/A		0.01	13.7	0.01	13.7
TDHCA	4.16	3,407.0	-	-	-	-
TOTAL	13.86	46,999.0	14.47	56,267.9	14.47	56,267.9

TOTAL ALL PROGRAMS	39.17	109,210.0	52.27	135,294.3	52.27	135,364.2
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VII. Historical Program Expenditures

This section documents CenterPoint Energy Houston's incentive and administration expenditures for the previous five years (2004-2008) broken out by program for each customer class.

Table 10: Historical Program Incentive and Administrative Expenditures (2004 – 2008) – Statutory Programs¹⁵

Historical Statutory Program Funding by Customer Class	2008		2007		2006		2005		2004	
	Incentives	Admin	Incentives	Admin	Incentives	Admin	Incentives	Admin	Incentives	Admin
Commercial and Industrial	\$4,695,913	\$554,522	\$4,800,557	\$541,859	\$6,318,347	\$548,124	\$5,124,839	\$563,061	\$4,951,465	\$593,892
Large Commercial and Industrial SOP	\$2,590,002	\$312,646	\$3,599,895	\$383,508	\$5,113,289	\$387,364	\$4,059,113	\$445,373	\$4,501,319	\$447,934
Retro-Commissioning MT	N/A	N/A	N/A	N/A	\$865,111	\$33,537	\$1,065,726	\$117,688	\$450,146	\$145,958
The Texas Score MT	\$1,498,540	\$131,402	\$1,200,662	\$158,351	\$339,947	\$48,251	N/A	N/A		
Load Management SOP	\$607,371	\$110,474	N/A	\$58,972	\$0	N/A	N/A	N/A		
Residential and Small Commercial	\$4,781,347	\$720,382	\$4,375,710	\$454,256	\$3,695,847	\$410,233	\$4,872,356	\$562,721	\$5,495,547	\$524,927
Energy Star MT	\$3,602,391	\$255,098	\$3,325,235	\$240,688	\$2,890,946	\$237,114	\$2,474,168	\$289,116	\$3,038,488	\$286,288
Trees for Efficiency	N/A	N/A	\$3,459	\$10,473	\$122,613	\$37,218	N/A	N/A		
CCET Residential Demand Response Pilot	\$0	\$32,902	\$0	\$0	N/A	N/A	N/A	N/A		
Res & SC SOP	\$390,915	\$65,109	\$426,662	\$61,303	\$682,288	\$135,901	\$961,367	\$114,367	\$993,151	\$107,321
CFL Program	\$707,821	\$14,097				N/A				
Multi-Family Water & Space Htg - RES	\$80,220	\$12,187	\$220,354	\$35,876						
AC Distributor MT			N/A							
R&D	\$0	\$340,989	\$400,000	\$105,916					\$1,436,821	\$159,238
Hard-to-Reach	\$3,228,478	\$291,039	\$1,674,402	\$188,042	\$1,892,957	\$264,474	\$2,348,642	\$238,662	\$1,875,969	\$175,593
Hard-to-Reach SOP	\$1,656,645	\$166,052	\$1,488,866	\$152,756	\$1,451,547	\$192,929	\$1,350,750	\$151,497	\$921,443	\$79,174
Res & SC SOP - HTR									\$591,022	\$59,060
Multi-Family Water & Space Htg - HTR	\$414,450	\$62,964	\$183,150	\$29,818	\$281,217	\$56,874	\$991,987	\$87,165	\$363,504	\$37,359
Res & SCHTR - Afford. Home	\$9,734	\$1,621	\$2,386	\$0	\$99,116	\$0	\$5,905	\$0	N/A	N/A
TDHCA Low-Income Weatherization (SB-712)	\$1,147,649	\$60,402	\$0	\$5,468	\$61,077	\$14,671	N/A	N/A		
TOTAL	\$12,705,738	\$1,565,943	\$10,850,669	\$1,184,157	\$11,907,151	\$1,222,831	\$12,345,837	\$1,364,444	\$12,322,981	\$1,294,412

¹⁵ 2008 actual spending taken from Table 12 in the current EEP; 2007 actual spending from Energy Efficiency Report (EER) filed under Project No. 35440; 2006 actual spending from Energy Efficiency Report (EER) filed under Project No. 33884; 2005 actual spending from EER, Project No. 32107; 2004 actual spending from EER, Project No. 30739.

Table 11: Historical Program Expenditures (2006 – 2008) – Settlement^{16,17}

Historical Settlement Program Funding by Customer Class	2008		2007		2006	
	Incentives	Admin	Incentives	Admin	Incentives	Admin
Commercial and Industrial	\$4,118,561	\$369,467	\$3,957,079	\$373,376	\$578,319	\$60,116
Large Commercial and Industrial SOP	\$3,219,195	\$296,945	\$3,048,150	\$272,723	\$578,319	\$60,116
Retro-Commissioning MT	\$899,366	\$72,522	\$908,929	\$100,653	N/A	
Residential and Small Commercial	\$34,837	\$1,895	\$832,391	\$113,976	\$323,035	\$35,919
Res & SC SOP	N/A		\$498,617	\$53,477	N/A	
Energy Star MT	N/A		\$294,616	\$56,513	\$323,035	\$35,919
City of Houston Weatherization - RES	\$34,837	\$1,895	\$39,158	\$3,986	N/A	
Hard-to-Reach	\$5,097,229	\$376,351	\$1,994,418	\$257,032	\$458,922	\$50,960
Hard-To-Reach SOP	N/A		\$482,388	\$43,291	N/A	
City of Houston Weatherization - HTR	\$1,557,328	\$126,901	\$91,526	\$9,317	N/A	
Rebuilding Together Houston	\$713,351	\$119,710	\$1,120,504	\$117,534	\$204,000	\$22,665
Agencies in Action MT	\$2,826,550	\$129,740	\$300,000	\$86,890	N/A	
TDHCA	N/A		\$0	\$0	\$254,922	\$28,295
TOTAL	\$9,250,627	\$747,713	\$6,783,888	\$744,384	\$1,360,276	\$146,995

TOTAL ALL PROGRAMS	\$21,956,365	\$2,218,656	\$17,634,557	\$1,928,541	\$3,626,022	\$1,168,226
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¹⁶ Settlement spending was not applicable from 2004 – 2005.

¹⁷ 2008 actual spending taken from Table 12 in the current EEPR; 2007 actual spending from Energy Efficiency Report (EER) filed under Project No. 35440; 2006 actual spending from Energy Efficiency Report (EER) filed under Project No. 33884.

VIII. Program Funding for Calendar Year 2008

As shown on the following Table 12, CenterPoint Energy Houston spent a total of \$13,930,692 on statutory energy efficiency programs in 2008. The total funds spent on the settlement energy efficiency programs in 2008 were \$9,998,340 yielding total energy efficiency spending of \$23,929,033. The total forecasted budget for the 2008 statutory and settlement energy efficiency programs was \$25,894,084. While the total spending underun vs. the budget was under 10%, several programs showed greater than 10% increases or decreases as follows:

The Commercial and Industrial SOP showed a 13.8% decrease in spending due to reallocating funds from the program to settlement programs in an effort to spend carryover from previous years. The Energy Share Load Management Program showed a 34.7% increase in spending due to over-achieving performances by several participating program sponsors. The CCET Residential Demand Response Pilot showed a 74.8% decrease in spending due primarily to contract delays. The state-wide CFL program showed a 33.8% increase in spending due to a change in program scope in which a City of Houston CFL program was included. The Multi-family Water and Space Heating program showed a 16.9% increase in spending due to increased program scope and reallocation of funds from programs that were under spending in 2008. The R&D budget showed a 10.1% decrease in spending due to under spending in the CCET Residential Demand Response Program. Rebuilding Together Houston Settlement program showed a 22.0% decrease in spending due to a true-up at the end of the year to account for advanced payments made at the beginning of the program. The Agencies in Action program showed a 38.7% decrease in spending due to reallocation of some funds to the TDHCA/SB 712 program and a continuing ramp-up of the program in 2008.

Table 12: Program Funding for Calendar Year 2008

Statutory Program Funding for Calendar Year 2008	Number of Customers	Forecasted Budget	Actuals Funds Expended (Incentives)	Actuals Funds Expended (Admin)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)	Percentage Change From Budgeted/ Actual
Commercial and Industrial	305	\$5,579,786	\$3,718,066	\$554,522	\$4,272,588	\$977,847	\$329,351	94.1%
Large Commercial and Industrial SOP	66	\$3,367,356	\$1,612,155	\$312,646	\$1,924,801	\$977,847	\$464,708	86.2%
The Texas Score MT	193	\$1,679,604	\$1,498,540	\$131,402	\$1,629,942	\$0	\$49,662	97.0%
Load Management	46	\$532,826	\$607,371	\$110,474	\$717,845	\$0	-\$185,019	134.7%
Residential and Small Commercial	75,691	\$4,786,279	\$4,781,347	\$379,393	\$5,160,740	\$0	-\$374,461	107.8%
Energy Star MT	11,687	\$3,650,946	\$3,602,391	\$255,098	\$3,857,489	\$0	-\$206,543	105.7%
CEET Residential Demand Response Pilot	0	\$130,783	\$0	\$32,902	\$32,902	\$0	\$97,881	25.2%
Res & SC SOP	1,186	\$464,984	\$390,915	\$65,109	\$456,023	\$0	\$8,961	98.1%
CFL Program	62,500	\$539,566	\$707,821	\$14,097	\$721,918	\$0	-\$182,352	133.8%
Multi-Family Water & Space Htg - RES ¹⁸	318	N/A	\$80,220	\$12,187	\$92,407	\$0	-\$92,407	N/A
Hard-to-Reach	2,747	\$3,549,092	\$3,228,478	\$291,039	\$3,519,518	\$0	\$29,574	99.2%
Hard-To-Reach SOP	1,826	\$1,840,042	\$1,656,645	\$166,052	\$1,822,697	\$0	\$17,345	99.1%
Multi-Family Water & Space Htg HTR ¹⁸	921	\$487,324	\$414,450	\$62,964	\$477,414	\$0	\$9,910	116.9%
Res & SC HTR - Afford. Home	16	N/A	\$9,734	\$1,621	\$11,356	\$0	-\$11,356	N/A
TDHCA Low-Income Weatherization (SB-712)	416	\$1,221,726	\$1,147,649	\$60,402	\$1,208,051	\$0	\$13,675	98.9%
TOTAL	78,743	\$13,915,156	\$11,727,891	\$1,224,954	\$12,952,845	\$977,847	-\$15,536	100.1%
Settlement Program Funding for Calendar Year 2008								
Commercial and Industrial	89	\$4,512,926	\$4,118,561	\$369,467	\$4,488,028	\$0	\$24,898	99.4%
Large Commercial and Industrial SOP	81	\$3,457,072	\$3,219,195	\$296,945	\$3,516,140	\$0	-\$59,068	101.7%
Retro-Commissioning MT	8	\$1,055,854	\$899,366	\$72,522	\$971,888	\$0	\$83,966	92.0%
Residential and Small Commercial	127	\$0	\$34,837	\$1,895	\$36,733	\$0	-\$36,733	0.0%
City of Houston Weatherization - RES	127	N/A	\$34,837	\$1,895	\$36,733	\$0	-\$36,733	N/A
Hard-to-Reach	4,170	\$7,466,002	\$5,097,229	\$376,351	\$5,473,580	\$0	\$1,992,423	73.3%
City of Houston Weatherization - HTR ¹⁹	2,421	\$1,572,277	\$1,557,328	\$126,901	\$1,684,229	\$0	-\$111,952	95.5%
Rebuilding Together Houston	700	\$1,068,294	\$713,351	\$119,710	\$833,061	\$0	\$235,233	78.0%
Agencies in Action MT ²⁰	1,049	\$4,825,432	\$2,826,550	\$129,740	\$2,956,290	\$0	\$1,869,142	61.3%
TOTAL	4,386	\$11,978,928	\$9,250,627	\$747,713	\$9,998,340	\$0	\$1,980,588	83.5%
R&D	0	\$379,131	\$0	\$340,989	\$340,989	\$0	\$38,142	89.9%
TOTAL ALL PROGRAMS	83,129	\$26,274,216	\$21,985,518	\$2,166,654	\$23,295,175	\$977,847	\$2,013,194	82.2%

¹⁸ Multi-Family Space and Water Heating was budgeted and operated as one program in 2008. Therefore the percentage for both is only 16.9%.

¹⁹ City of Houston Weatherization Program was budgeted and operated as one program in 2008. Therefore the percentage for both is only 4.5%

²⁰ TDHCA Settlement replacement programs.

IX. Market Transformation Program Results

ENERGY STAR® MTP Program

The primary objective of this program is to achieve peak demand reductions and/or energy savings through increased sales of ENERGY STAR® homes and products. Additionally, the program is designed to condition the market so that consumers are aware of and request ENERGY STAR® homes and products.

- In 2001, the national Model Energy Code (MEC) was utilized as the baseline for the ENERGY STAR® Program. The equivalent Home Energy Rating System (HERS) score for this baseline was 80. In 2001, out of approximately 26,000 new home starts in the Houston area and with five participating builders, 1,409 ENERGY STAR® homes were certified and labeled as the result of CenterPoint Energy Houston's program. The average HERS score for these homes for 2001 was 88.2.
- In 2002, out of approximately 33,000 new home starts and with twenty participating builders, 5,202 ENERGY STAR® homes were certified and labeled within the service territory, and the average HERS score for the program was 87.45. A field baseline study conducted in 2001 produced a new HERS baseline,
- In 2003, out of approximately 35,000 new home starts and with 28 participating builders, 11,965 ENERGY STAR® homes were certified and labeled within CenterPoint Energy Houston's electric service territory. The average HERS score in the program was 87.9.
- In 2004, out of approximately 43,000 new home starts and with 22 participating builders, 12,995 ENERGY STAR® homes were certified and labeled within CenterPoint Energy Houston's electric service territory. The average HERS score in the program was 88.35.
- In 2005, out of approximately 48,000 home starts and with 28 participating builders, 9,033 ENERGY STAR® homes were certified and labeled within CenterPoint Energy Houston's electric service territory. The average HERS score in the program was 89.16.
- In 2006, out of approximately 51,000 home starts and with 29 participating builders, 9,834 ENERGY STAR® homes were certified and labeled within CenterPoint Energy Houston electric service territory. The average HERS score achieved in the program was 89.08.

- In 2007, out of approximately 38,000 home starts and with 30 participating builders, 12,435 ENERGY STAR® homes were certified and labeled within CenterPoint Energy Houston's electric service territory. The average HERS index achieved in the program was 81. The baseline study that was completed in 2007 indicated that the average HERS index in the CNP territory was 88. ENERGY STAR® requires a minimum HERS index of 85, therefore indicating the market has not been transformed.
- The EPA recognized CenterPoint Energy Houston's accomplishments in the ENERGY STAR® Homes Program by awarding it the ENERGY STAR® Partner of the Year – New Homes in 2003, 2004, 2005, 2006 and 2007 and the ENERGY STAR® Sustained Excellence Award in 2006 and 2007. These awards are a result of training and certifying HERS raters, educating and recruiting builders, educating consumers and involving market actors associated with new home sales.

Discussion with the City of Houston was held throughout 2008 to determine the implications and impact on the program, if the City increased the code to 15% above IECC 2006 standards or to equivalent ENERGY STAR® standards. The City approved the new code which will go into effect October 2009. Therefore, the 2009 Program will focus on encouraging the builder to build even more efficient homes with lower indexes.

The milestones for 2009 are to certify 10,000 ENERGY STAR® homes and to provide basic training of the benefits of ENERGY STAR® homes to builder sales representatives. Also a major goal in 2009 is to encourage the builder to lower the HERS index of the homes to greater than 15% above the IECC 2006 code.

Retro-Commissioning MTP (RCx)

The RCx program offers commercial and industrial customers the opportunity to make operational performance improvements in their facilities. In 2004, CenterPoint Energy Houston completed a baseline study to determine the amount of retro-commissioning currently taking place in the service area. The study concluded that less than 4% of these customer classes are undertaking retro-commissioning activities.

- In 2004, CenterPoint Energy Houston initiated a pilot program with a goal of five buildings or 2,000,000 square feet to be retro-commissioned. The RCx pilot program was very successful, resulting in contracted savings of 2,665 kW in demand reductions, and 2,688,931 kWh in energy savings.
- In 2005, CenterPoint Energy Houston added a compressed air component to the RCx program and had a total of sixteen projects for the year. The project mix consisted of three compressed air projects, five schools, two universities, five office buildings, and one entertainment facility. Savings of 5,815 kW in demand reductions and 18,165,990 kWh in energy savings were achieved.
- In 2006, the RCx program completed and verified a total of nine projects resulting in a program savings of 3,234 kW demand reduction and 12,315,753 kWh in energy savings. An additional six projects began in 2006 and were completed and verified in 2007. In an effort to continue to expand the RCx program in the CenterPoint Energy Houston territory, three new RCx agents completed program training and began participation in the program.
- In 2007, the RCx program completed and verified a total of 13 projects. The resulting demand and energy savings was 2,504 kW and 8,297,536 kWh, respectively. Nine additional projects began in 2007 and are on-going with verified results expected in 2008.
- Also in 2007 a study was conducted to determine the “persistence” of savings of the RCx projects from previous years. A sampling of measures across six projects was reviewed. The conclusion of the study showed that 92% of the measures sampled have remained operational and savings from those measures are persisting as expected.
- Several projects were initiated in 2008, which will be carried over into 2009. The final demand and energy savings for the 2008 program were 0.97 MW and 5,097 MWh, respectively.
- In 2009, the RCx program will improve on the benefits available to RCx agents by providing added bonuses for reaching project milestones and for completing the program within the calendar year.

Multi-Family Water & Space Heating MTP Program

The Multi-Family Water/ Space Heating MTP promotes the installation of energy efficient non-electric water heating and space heating in multi-family housing projects.

- CenterPoint Energy Houston in 2004 paid on installations of gas water heaters that passed minimum energy efficiency standards and maintained compliance with state and local codes. A total of 712 units were submitted, randomly inspected, and subsequently granted incentive dollars based on program guidelines. All of the units submitted for 2004 were classified as Hard-To-Reach. A baseline study was conducted during the latter part of 2004 and completed during February 2005. The baseline study indicated that the apartment market in the Houston area was 98.5 % all electric.
- In 2005, participation in the Multi-Family Water and Space Heating Program was 2079 apartment units in the CenterPoint Energy Houston service area. Seventy-seven percent of these apartments were classified as Hard-To-Reach. The number of projects in the 2005 program more than doubled the number of participating projects in 2004.
- In 2006, the Multi-Family Water and Space Heating Program processed and paid on 562 apartment units in the CenterPoint Energy Houston service area. One hundred percent of these apartments were classified as Hard-To-Reach.
- In 2007, the Multi-Family Water and Space Heating MTP paid on 1171 apartment units in the CenterPoint Energy Houston service area. Of these, 471 were classified as Hard-To-Reach and 764 units were classified as Residential. Also in 2007, central boiler systems were introduced into the program as an alternative to individual gas water heating units.
- In 2008, the Multi-family Water and Space Heating MTP paid on 1,239 apartment units in the CenterPoint Energy Houston service area. Of these units, 921 were classified as Hard-To-Reach and 318 units were classified as Residential complexes. Two apartment complexes had gas boiler systems installed.
- The Multi-Family Water and Space Heating MTP is expected to pay incentives on approximately 1,000 apartment units in 2009.

The Texas SCORE MTP

The mission of the Texas SCORE MTP is to provide viable energy efficiency and demand reduction solutions for public schools in order to minimize the impacts of volatile energy costs, ease budget pressures, provide infrastructure improvements, and optimize learning/working environments in their buildings.

- The Texas SCORE Program was introduced in 2006 as a pilot program that promotes a structured process to K-12 school districts to identify opportunities and implement energy efficiency measures. The program pays incentives to school districts for the installation of energy efficiency measures that reduce peak demand and energy use as well as non-cash incentive tools that identify each district's critical needs and promote best business practices.
- As each district commits to participating in the Texas SCORE program, benchmarking analysis is conducted for each campus within the district. The benchmarking data compares energy performance within district campuses, and against state and national averages. This data also serves as the program baseline data.
- The 2006 Texas SCORE program had six participating districts in the CenterPoint Energy Houston service territory. Each district completed the benchmarking and planning process. Program savings of 959 kW peak demand reduction and 2,663,052 kWh energy savings were achieved through the implemented of several energy efficiency measures.
- In 2007, the Texas SCORE program had 15 participating school districts in the CenterPoint Energy Houston service territory. Each new district completed the benchmarking and planning process. The cumulative savings for all 15 districts more than tripled from 2006 to 3,007 kW of peak demand reduction and 6,866,959 kWh of energy savings.
- The Texas SCORE Program expanded in 2008 by incorporating cities and local governments into the program. The program worked with three cities in 2008-- Bellaire, West University and Sugar Land--along with 16 school districts throughout CenterPoint Energy Houston's service territory.
- The program achieved 4.62 MW of demand savings and 10,801 MWh of energy savings in 2008.

- The Texas SCORE program is expected in 2009 to increase participation in the program by adding private schools, more cities and possibly higher education facilities.

Agencies in Action MTP

The Agencies in Action program involves partnerships with a number of community action agencies in the CenterPoint Energy Houston service area that can provide energy efficiency services to low-income customers. Frontier Associates administers the program for CenterPoint Energy Houston.

This program is designed to cost-effectively reduce the energy consumption and energy costs of CenterPoint Energy Houston's low-income customers. Appropriate weatherization measures and basic on-site energy education will be provided to eligible residential energy consumers. Funds are made available annually to non-profit community agencies that can provide or arrange to provide energy efficiency measures such as attic and wall insulation, energy-efficient lighting, ENERGY STAR[®] appliances and other home improvements that can have a significant impact on energy bills.

In 2008, Frontier Associates contracted with eight different agencies throughout the CenterPoint Energy service area. These agencies are Baytown Resource and Assistance Center, Chinese Community Center, Vietnamese Teamwork, Sheltering Arms Senior Services, Fort Bend Corps, Antioch Baptist Church, City of Houston, and Harris County. New agencies are reviewed throughout the year for inclusion in the program.

The Agencies in Action program served 1,049 participants in 2008 with kW savings of 927.86 and kWh savings of 2,888,520.90.

The 2009 milestones are to save approximately 1.5 MW of demand and 4,000 MWh of energy.

TDHCA Low Income Weatherization (SB-712)

The TDHCA 712 Low Income Weatherization program is bundled with the Agencies in Action program and follows the same program guidelines. The only distinction between the two programs is that incentives are split between the settlement agreement for Agencies in Action, and the SB-712 requirement for the TDHCA Low Income Weatherization program.

In 2008, the TDHCA program served 416 customers with 386 kW and 1,060,199.52 kWh of demand and energy savings.

The 2009 goals for the program are approximately 150 kW and 400,000 kWh of demand and energy savings.

X. Current Energy Efficiency Cost Recovery Factor (EECRF)

CenterPoint Energy Houston does not currently have an EECRF in place.

XI. Revenue Collected Through EECRF

Because CenterPoint Energy Houston does not currently have an EECRF in place, this section is not applicable.

XII. Over or Under-recovery of Energy Efficiency Program Costs

Because CenterPoint Energy Houston does not currently have an EECRF in place, this section is not applicable.

XIII. Under-served Counties²¹

There were no counties within the CenterPoint Energy Houston service territory that were under-served by the Company's energy efficiency programs in 2008. All of CenterPoint Energy Houston's energy efficiency programs were accessible to all counties within the Company's electric service area. Appendix C lists the counties served by CenterPoint Energy Houston and the amount of savings each county experienced in 2008 through the Company's energy efficiency programs.

²¹ PUC Subst. R. 25.181(m)(2)(T) requires utilities to include in their EEPRs filed in 2009 "a list of any counties that in the prior year were under-served by the energy efficiency program."