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Entergy Texas, Inc.

2009 Energy Efficiency Plan and Report

Substantive Rule § 25.181 and § 25.183

April 1, 2009

Project No. 36689

Entergy
THE POWER OF PEOPLE

Table of Contents

INTRODUCTION

Entergy Texas, Inc. (Entergy) presents this Energy Efficiency Plan and Report (EEPR) to comply with Substantive Rules § 25.181 and § 25.183, which are the sections of the Energy Efficiency Rule (EE Rule) implementing 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"):

- 10 % of the electric utility's total annual growth in demand by January 1, 2008, and
- 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.
- 20 % of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2010, since no new legislation or rule has been passed or adopted

The EE Rule includes specific requirements related to the implementation of SOPs and MTPs by investor-owned electric utilities that control the manner in which investor-owned electric utilities must administer their portfolio of energy efficiency programs in order to achieve their mandated energy efficiency savings goals. Entergy's EEPR is intended to enable the Company to meet its statutory savings 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 outlined in Substantive Rule § 25.181. The following section provides a description of what information is contained in each of the subsequent sections and appendices.

ENERGY EFFICIENCY PLAN AND REPORT (EEPR) ORGANIZATION

This EEPR consists of an executive summary, ten sections and four appendices.

- Executive Summary highlights Entergy's reported achievements for 2008 and Entergy's plans for achieving its 2009 and 2010 projected energy efficiency savings.

Energy Efficiency Plan

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

- Section III presents Entergy's projected energy efficiency savings for the prescribed planning period broken out by program for each customer class.
- Section IV describes Entergy's proposed energy efficiency budgets for the prescribed planning period broken out by program for each customer class.

Energy Efficiency Report

- Section V documents Entergy's actual weather-adjusted demand savings goals and energy targets for the previous five years (2004-2008).
- Section VI compares Entergy's projected energy and demand savings to its reported and verified savings by program for calendar year 2008.
- Section VII details Entergy's incentive and administration expenditures for the previous five years (2004-2008) broken out by program for each customer class.
- Section VIII compares Entergy's actual and budgeted program costs from 2008 broken out by program for each customer class. It also explains any cost increases or decreases of more than 10 percent for Entergy's overall program budget.
- Section IX describes the results from Entergy's Market Transformation (MTP) programs. It compares existing baselines and existing milestones with actual results, and details any updates to those baselines and milestones.
- Section X documents Entergy's most recent Energy Efficiency Cost Recovery Factor (EECRF).

Appendices

- Appendix A – Reported kW and kWh Savings broken out by county for each program.
- Appendix B– Program templates for any new or newly-modified programs not included in Entergy's previous EEP.
- Appendix C – Description of Entergy's existing energy efficiency contracts and obligations.
- Appendix D provides data, explanations, or documents supporting other sections of the EEPR.

EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details Entergy'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 and each year thereafter. In the process, Entergy will also address the corresponding energy savings goal, which is calculated from its demand savings goal using a 20 percent capacity factor. The goals, budgets and implementation plans that are included in this EEPR are highly influenced by requirements of the EE Rule and lessons learned regarding energy efficiency service provider and customer participation in the various energy efficiency programs. A summary of annual goals and budgets is presented in Table 1.

This Energy Efficiency Report portion of this EEPR demonstrates that in 2008 Entergy successfully implemented Standard Offer Programs (SOP) and Market Transformation Programs (MTP) required by the Public Utility Regulatory Act (PURA) § 39.905 that met Entergy's 15% energy efficiency savings goal by procuring 5341 kW in demand savings. These programs included the Residential and Small Commercial Standard Offer Program (RES COM SOP), Commercial and Industrial Standard Offer Program (C&I SOP), and the Hard-to-Reach Standard Offer Program (HTR SOP). In addition, Entergy also continued the Energy Star for New Homes (Energy Star) MTP, which continues to be Entergy's best performing program.

Table 1: Summary of Goals, Projected Savings, and Projected Budgets (at Meter) [1]

Calendar Year	Average Growth in Demand (MW)	MW Goal (% of Growth in Demand)	Demand (MW) Goal	Energy (GWh) Goal [2]	Projected MW Savings [3]	Projected GWh Savings [2, 3]	Projected Budget (000's)
2009	53	20 %	10.6	18.6	10.6	18.6	$7,456
2010	53	20 %	10.6	18.6	10.6	18.6	$7,456

In order to reach the above projected savings, Entergy proposes to implement the following standard offer and market transformation programs:

- Residential SOP
- Hard-to-Reach SOP
- Load Management SOP
- ENTERGYAssist Low Income Program

[1] Average Growth in Demand figures are from Table 4; Projected Savings from Table 5; Projected Budget from Table 6. All kW/MW and kWh/MWh figures in this Table and throughout this EEPR are given "at Meter".
[2] Calculated using a 20 percent capacity factor.
[3] Peak demand reduction and energy savings for the current and following calendar year that Entergy is planning and budgeting for in the EEPR. These projected savings reflect Entergy's calculated goals and Entergy's continued commitment to provide emphasis on the needs of its low income customers.

- Energy Star® Homes MTP
- Texas SCORE Pilot MTP
- Statewide Compact Fluorescent Lighting Pilot MTP
- Commercial Solutions Pilot Standard Offer Program
- Solar and Photo Voltaic Pilot Market Transformation Program

ENERGY EFFICIENCY PLAN

I. 2009 Programs

A. 2009 Program Portfolio

Entergy plans to implement five market transformation and standard offer programs. In addition, four pilot programs will be funded in 2009: the Texas SCORE Pilot MTP, the Statewide Compact Fluorescent Lighting Pilot MTP, The Commercial Solutions Standard Offer Program, and the Solar and Photo Voltaic Market Transformation Pilot Program. These programs have been structured to comply with recently passed rules governing pilot program design and evaluation.

These programs target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. Entergy anticipates that targeted outreach to a broad range of service provider types will be necessary in order to meet the savings goals required by PURA § 39.905 on a continuing basis. Table 2 below summarizes the programs and target markets.

Table 2: 2009 Energy Efficiency Program Portfolio

Program	Target Market	Application
Residential SOP	Residential	Retrofit
Commerial SOP	Commercial	New Construction,Retrofit
Hard-to-Reach SOP	Hard-to-Reach residential	Retrofit
Load Management SOP	Large Commercial	Retrofit
Energy Star® Homes MTP	Residential	New Construction
Statewide Compact Fluorescent Lighting Pilot MTP	Residential	Retrofit
Texas SCORE /City Smart Pilot MTP	Large Commercial (K-12 schools); Municipality and County Entities	New Construction, Retrofit
New Programs for 2009		
ENTERGYAssist	Residential	Retrofit
Solar Photo Voltaic MTP	Residential/Commercial	New Construction, Retrofit

The programs listed in Table 2 are described in further detail below. Entergy maintains a Web site containing all of the requirements for project participation, the forms required for project submission, and the current available funding at www.ENTERGYefficiency.com. The Web site will be the primary method of communication used to provide potential Project Sponsors with program updates and information. Additional information about the programs can be found in Appendix B, which includes program templates for the new programs listed in Table 2.

B. Existing Programs

Hard To Reach Standard Offer Program (HTR SOP)

Program design

The HTR SOP targets low income customers with an income of 200% of the federal poverty level. Incentives are paid to project sponsors for certain measures installed in retrofit applications, which provide verifiable demand and energy savings.

Implementation process

Entergy will continue implementation of its HTR SOP whereby any eligible project sponsor may submit an application for a project meeting the minimum requirements. The program information on Entergy's website is updated frequently to reflect participating Project Sponsors and incentive amounts that are available.

Outreach activities

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

- Utilizes mass electronic mail (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;
- Attends appropriate industry-related meetings 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

Residential Offer Program (RES SOP)

Program Design

The RES SOP targets residential customers that may not qualify for the HTR SOP. Incentives are paid to project sponsors for certain measures installed in new or retrofit applications, which provide verifiable demand and energy savings.

Implementation Process

Entergy will continue implementation of its RES SOP whereby any eligible project sponsor may submit an application for a project meeting the minimum requirements. The program information on Entergy's website is updated frequently to reflect participating Project Sponsors and incentive amounts that are available.

Outreach activities

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

- Utilizes mass electronic mail (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;
- Attends appropriate industry-related meetings 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

Commercial Standard Offer Program (COM SOP)

Program design

The COM SOP targets Commercial customers. Incentives are paid to project sponsors for certain measures installed in new or retrofit applications, which provide verifiable demand and energy savings. The program has been modified from 2008 with small commercial customer set aside. This will allow Entergy to target commercial customers with demand usage <=100. This class of customer has typically underutilized the energy efficiency programs in the past.

Implementation process

Entergy will continue implementation of its COM SOP whereby any eligible project sponsor may submit an application for a project meeting the minimum requirements. The program information on Entergy's website is updated frequently to reflect participating Project Sponsors and incentive amounts that are available.

Outreach activities

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

- Utilizes mass electronic mail (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;
- Attends appropriate industry-related meetings 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.

Energy Star Homes Market Transformation Program (ENERGY STAR MTP)

Program design

The ENERGY STAR MTP targets builders in residential new construction that build to the Environmental Protection Agency's Energy Star standards, which is 15% above the state building code. Incentives are paid to builders for installing certain measures new construction applications, which provide verifiable demand and energy savings.

Implementation process

Entergy will continue implementation of its ENERGY STAR MTP whereby any eligible builder may submit an application for a homes meeting the requirements. The program information on Entergy's website is updated frequently to reflect participating builders and incentive amounts that are available.

Outreach activities

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

- Utilizes mass electronic mail (e-mail) notifications to keep potential builders interested and informed;
- Maintains internet Web site with detailed builder eligibility, end-use measures, incentives, procedures and application forms;
- Attends appropriate industry-related meetings 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.

Energy Smart Schools and City Smart Pilot Programs (Texas SCORE)

Consistent with SB712, which was passed by the Texas Legislature in 2005, and the Pilot Program Template adopted by the Public Utility Commission of Texas in November 2005, Entergy has chosen to offer a pilot Energy Smart Schools (referred to as Texas SCORE) and City Smart Programs in its service territory in 2009. Entergy recognizes that public school districts in Texas are experiencing the burden of high energy costs now more than ever. While energy costs have historically accounted for only about 3% of Texas school districts' total budgets, those costs have

now soared into the 5 to 6% range. The same is true for city and county buildings. Further, a majority of school districts and city and county governments lack the technical knowledge, first-hand experience, and management decision-making processes that are necessary for identifying, prioritizing, and completing projects that will improve their schools' energy performance and reduce operating costs. Additional details of this newly-implemented program can be found in Appendix A.

Load Management Standard Offer Program (LM SOP)

Program design

Entergy will implement the LM SOP Under the approved PUCT template. The LM SOP will provide demand reduction solutions to a select group of customers the calendar year 2009. Incentives will be paid to customers served by Entergy for certain measures installed in retrofit applications, which provide verifiable demand savings.

Implementation process

Under the program, Entergy will initially target several select customers for participation in the LM SOP This program will facilitate the examination of actual demand savings, operating characteristics, program design, long range planning and overall measure and program acceptance by the targeted customers.

Outreach activities

Entergy will target the availability of its programs in the following manner:

- Contracts with a third-party project sponsor to implement outreach and planning activities.
- Targets several large commercial customers during the program.
- Conducts workshops as necessary to explain elements such as responsibilities of the customers, project requirements, incentive information, and the application and reporting process.

Statewide Compact Fluorescent Light Market Transformation Program (CFL MTP)

Program design

Entergy will participate as one of the EUMMOT member utilities in the CFL MTP Pilot Program. This statewide CFL program's primary goal is to produce reductions in electrical peak demand and energy usage through verifiable incremental sales of ENERGY STAR qualified CFLs throughout the service areas of the EUMMOT sponsor utilities An Implementer will be utilized to coordinate activities for the EUMMOT utilities.

Implementation process

Under the pilot program, the EUMMOT utilities will target residential customers to migrate towards the acceptance of CFL's as the standard form of lighting in their homes. The program will:

- Motivate and help residential customers to replace incandescent lights with CFLs
- To educate the consumer of the benefits of CFLs vs. incandescent lights and create a no-regret decision for the residential customer through incentives/discounts that makes the purchase of a CFL at parity to that of an incandescent bulb.
- Produce utility electricity savings through incremental sales of CFLs
- Deliver additional efficiency messages through a coordinated CFL program
- Expand customer awareness of the benefits of energy efficiency and direct them to participating vendors
- Co-brand with willing "partners"
- Offer "no-regret" partnership options
- Engage municipal utilities and electric cooperatives in the statewide effort to expand program reach and effectiveness

Outreach and Research activities

The Implementer will provide all outreach necessary to obtain the needed program exposure to merchants, marketers, and manufacturers In addition, all analysis will done by Implementer as well.

C. New Programs for 2009

Low Income Weatherization Program

Program design

The 2009 Low Income Weatherization Program will go back to the ENTERGYAssist Program that was run in earlier years. The difference will be with the Implementer. The earlier program utilized the Texas Department of Housing and Community Affairs (TDHCA) as its Implementer and the new version will utilize the Texas Association of Community Action Agencies (TACAA) as its Implementer. It is targeted to Entergy's low-income residential customers who meet DOE's income eligibility guidelines which are at or below 125% of the federal poverty level and be connected to Entergy's electric system and have been qualified through the Implementer's guidelines.

Implementation process

Entergy has contracted with TACAA to implement the program. Reporting will be through an approved spreadsheet using state approved deemed savings calculations.

Outreach activities

Low income advocates from throughout Entergy's service territory will be called upon to participate. Workshops will take place and updates to policies and procedures will take place as needed.

Solar/Photovoltaic Market Transformation Pilot Program (SOLAR MTP))

Program design

The 2009 Solar MTP targets those customers, both residential and commercial, who are interested in reducing their energy costs by installing a solar alternative as a renewable energy source. The program calls for education, training, and incentives to attract customers to this renewable resource.

Implementation process

Entergy has contracted with Frontier Associates and Clean Energy Associates to design and implement a successful solar program by offering:

- Education on the use of solar technologies to reduce energy consumption for potential customers and Project Sponsors,
- Training for Project Sponsors on proper applications, installation, marketing, and verification of savings from solar equipment

Outreach activities

Solar advocates from all over the state will be made aware of Entergy's Solar MTP by the use of:

- Workshops held in various locations
- Partnerships with educational institutions
- Partnerships with state agencies
- Program details on Entergy's energy efficiency website

II. Customer Classes

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

The annual demand 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 goal should be achieved through programs for hard-to-reach customers. Table 3 summarizes the number of customers in each of the customer classes, which was used to determine budget allocations for those 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, the potential interest that a customer class may have toward a specific program and the overriding objective of meeting the legislative goal. Entergy will offer a portfolio of Standard Offer and Market Transformation Programs that will be available to all customer classes.

Table 3: Summary of Customer Classes

Customer Class	Number of Customers
Commercial	43,121
Residential	352,756
Hard-to-Reach [4]	114,646

III. Projected Energy Efficiency Savings and Goals

As prescribed by Substantive Rule § 25.181, Entergy's demand goal is specified as a percent of its historical five-year average growth in demand. As an example, the December 31, 2009 goal is based on the average annual growth in peak demand from 2003 to 2008. The demand goal for 2009 is based on meeting 20% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2009. The demand goal for 2010 is also based 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 goals.

Table 4 presents historical annual growth in demand for the previous five years that is used to calculate demand and energy goals. The removal of industrial loads and reduced sales due to the impacts of Hurricane Rita and an increased reliance on cogeneration have significantly impacted

[4] 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 Entergy's residential customer base of 352,756, the number of HTR customers is estimated at 114,646.

Entergy's savings goal. Industrial customers are only 1% of Entergy's customer base but 19% of growth in demand, and over 30% in annual revenue. Growth in demand is now determined by a smaller segment of Entergy's overall customer base, but a significant contributor to its load growth has been exempted from participation. The exemption of this significant contributor, coupled with Hurricane Rita and the shift of several large commercial customers to cogeneration facilities has led to sharp declines in load growth.

Table 5 presents the projected demand and energy savings broken out by program for each customer class for 2009 and 2010. Projected savings reflect Entergy's calculated goals and Entergy's continued commitment to provide emphasis on the needs of its low income customers.

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

Calendar Year	Peak Demand (MW)				Energy Consumption (MWh)				Growth (MW)	Average Growth (MW) [5]
	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
2002	2873	3080	2431	2396	15,209,852	15,289,478	9,152,632	9,136,568	NA	NA
2003	3,046	2,907	2,484	2,354	15,365,955	15,360,230	9,094,230	9,088,930	NA	NA
2004	3,130	3,178	2.569	2,612	16,025,726	15,989,736	8,526,841	9,150,623	258	NA
2005	3,055	2,965	2,471	2,391	14,978,861	15,063,405	9,715,816	9,413,266	-221	NA
2006	3,112	3,160	2,530	2,572	15,383,259	15,359,498	9,451,106	9,444,649	181	NA
2007	3,269	3,183	2,663	2,587	15,522,096	15,457,959	9,454,931	9,546,936	15	NA
2008	3,192	3,224	2,567	2,617	15,625,211	15,767,996	9,688,365	9,758,758	30	NA
2009	NA	NA	NA	NA	NA	NA	NA	NA	NA	53
2010	NA	NA	NA	NA	NA	NA	NA	NA	NA	53

"NA" = Not Applicable; Growth for 2003 over 2002 and average growth from 2003-2008 are not applicable to any of the calculations or goals in this EEPR. Energy efficiency goals are calculated based upon the actual historical weather-adjusted growth in demand for the five most recent years, so peak demand and energy consumption forecasts for 2009 and 2010 are not applicable.

[5] Average historical growth in demand over the prior 5 years for residential and commercial customers adjusted for weather fluctuations.

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

2009	Projected Savings	
Customer Class and Program	**kW**	**kWh**
Commercial	**4,100**	**7,183,200**
Commercial Solutions MTP	1,100	3,447,936
Load Management SOP	1,800	0
Texas SCORE Pilot MTP	1,200	3,735,264
Residential	**5,100**	**8,935,200**
Residential SOP	2,600	4,555,200
Energy Star® Homes MTP	2,110	3,696,720
Solar/Photovoltaic Pilot MTP	90	101,000
Statewide Compact Fluorescent Lighting MTP	300	582,280
Hard-to-Reach	**1,400**	**2,452,800**
Hard-to-Reach SOP	1,100	1,927,200
Low Income Weatherization SOP	300	525,600
Total Annual Savings Goals	**10,600**	**18,571,200**
2010	**Projected Savings**	
Customer Class and Program	**kW**	**kWh**
Commercial	**4,100**	**7,183,200**
Commercial Solutions MTP	1,100	3,447,936
Load Management SOP	1,800	0
Texas SCORE MTP	1,200	3,735,264
Residential	**5,170**	**8,935,200**
Residential SOP	2,600	4,555,200
Energy Star® Homes MTP	2,110	3,696,720
Solar/Photovoltaic Pilot MTP	90	101,000
Statewide Compact Fluorescent MTP	300	582,280
Hard-to-Reach	**1,400**	**2,452,800**
Hard-to-Reach SOP	1,100	1,927,200
Low Income Weatherization SOP	300	525,600
Total Annual Savings Goals	**10,600**	**18,571,200**

IV. Program Budgets

Table 6 presents total proposed budget allocations required to achieve the projected demand and energy savings shown in Table 5. The budget for the Commercial class includes costs for SOPs as well as existing demand-side management ("DSM") contracts. 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 among customer classes, the incentive levels by customer class, and projected costs for existing DSM contracts. The budget allocations presented in Table 6 below are broken down by customer class, program, and the different budget categories: incentive payments, administration, and research and development (R&D). Entergy Texas added 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: Proposed Annual Budget Broken Out by Program for Each Customer Class (000's)

2009	Incentives	Admin	R&D	Total Budget
Commercial	**$2,186**	**$254**	**$0**	**$2,440**
Commercial Solutions MTP	$1,018	$102	$0	$1,120
Load Management SOP	$150	$50	$0	$200
Texas SCORE MTP	$1,018	$102	$0	$1,120
Residential	**$2,446**	**$291**	**$0**	**$2,737**
Residential SOP	$1,146	$115	$0	$1,261
Energy Star® Homes MTP	$400	$76	$0	$476
Solar/Photovoltaic Pilot MTP	$450	$50	$0	$500
Statewide Compact Fluorescent MTP	$450	$50	$0	$500
Hard-to-Reach	**$2,100**	**$179**	**$0**	**$2,279**
Hard-to-Reach SOP	$1,000	$69	$0	$1,069
Low Income Weatherization SOP	$1,100	$110	$0	$1,210
Total Budgets by Category	**$6,732**	**$724**	**$0**	**$7,456**
2010	**Incentives**	**Admin**	**R&D**	**Total Budget**
Commercial	**$2,186**	**$254**	**$0**	**$2,440**
Commercial Solutions MTP	$1,018	$102	$0	$1,120
Load Management SOP	$150	$50	$0	$200
Texas SCORE MTP	$1,018	$102	$0	$1,120
Residential	**$2,446**	**$291**	**$0**	**$2,737**
Residential SOP	$1,146	$115	$0	$1,261
Energy Star® Homes MTP	$400	$76	$0	$476
Solar/Photovoltaic Pilot MTP	$450	$50	$0	$500
Statewide Compact Fluorescent MTP	$450	$50	$0	$500
Hard-to-Reach	**$2,100**	**$179**	**$0**	**$2,279**
Hard-to-Reach SOP	$1,000	$69	$0	$1,069
Low Income Weatherization SOP	$1,100	$110	$0	$1,210
Total Budgets by Category	**$6,732**	**$724**	**$0**	**$7,456**

ENERGY EFFICIENCY REPORT

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

Table 7 documents Entergy's actual demand goals and energy targets for the previous five years (2004-2008) calculated in accordance with Substantive Rule § 25.181.

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

Calendar Year	Actual Weather Adjusted Demand Goal (MW)	Actual Weather Adjusted Energy Targets (MWh)
2008 [14]	3.6	6,307
2007 [6]	3.74	12,833
2006 [7]	4.89	16,504
2005 [8]	7.96	30,219
2004 [9]	8.97	38,679

[14] Actual weather-adjusted MW and MWH targets as reported in Entergy's Energy Efficiency Plan (EEP) filed in current plan.

[6] Actual weather-adjusted MW Goals and MWh targets as reported in Entergy's Energy Efficiency Plan (EEP) filed in April of 2007 under Project No. 33884.

[7] Actual weather-adjusted numbers from Energy Efficiency Report (EER) filed in April of 2007 under Project No. 33384.

[8] Actual weather-adjusted numbers from EER, Project No. 32107.

[9] 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 2008 and 2007 (at Meter)

2008	Projected Savings [10]		Reported and Verified Savings	
Customer Class and Program	**MW**	**MWh**	**MW**	**MWh**
Commercial	**.810**	**2,109**	**1.618**	**3,447**
Large Commercial SOP	.350	1,265	.209	800
Load Management MTP	.200	0	.504	0
SCORE MTP	.260	844	.905	2,647
Residential	**.900**	**2.343**	**2.802**	**6,817**
Residential & Small Commercial SOP	.300	781	1.094	2,768
Energy Star® Homes MTP	.400	1,041	1.429	1,259
Statewide CFL MTP	.200	521	.279	2,790
Hard-to-Reach	**.990**	**2,578**	**1.11**	**3,097**
Hard-to-Reach SOP	.740	1,953	.956	2,678
Low Income Weatherization SOP	.250	625	.154	419
Total Annual Savings Goals	**2.7**	**7,030**	**5.53**	**13,361**
2007 [11]	**Projected Savings**		**Reported and Verified Savings**	
Customer Class and Program	**MW**	**MWh**	**MW**	**MWh**
Commercial	**1.57**	**4,286**	**1.42**	**8,068**
Large Commercial SOP	1.57	4,286	1.42	8,068
Residential	**2.40**	**7,232**	**2.77**	**4,049**
Residential & Small Commercial SOP	.720	2,284	1.06	2,540
Energy Star® Homes MTP	1.68	4,948	1.71	1,509
Hard-to-Reach	**1.25**	**4,607**	**1.15**	**2,917**
Hard-to-Reach SOP	.752	2,767	.954	2,546
Low Income Weatherization SOP	.500	1,840	.199	371
Total Annual Savings Goals	**5.22**	**16,125**	**5.34**	**15,034**

[10] Projected savings from Energy Efficiency Plan (EEP) filed in April of 2007, Project No. 33884.
[11] Projected and Reported/Verified Savings from Energy Efficiency Report (EER) filed under Project No. 33884.

VII. Historical Program Expenditures

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

Table 9: Historical Program Incentive and Administrative Expenditures for 2004 through 2008 (000's)[12]

2004 through 2008	2008		2007		2006		2005		2004	
	Incent.	Admin	Incent.	Admin	Incent.	Admin	Incent.	Admin	Incent.	Admin
Commercial	**470**	**64**	**447**	**23**	**638**	**71**	**496**	**58**	**216**	**28**
Large Commercial SOP	93	16	**447**	**23**	**638**	**71**	**492**	**58**	**216**	**28**
Load Management SOP	47	12	**NA**	**NA**	**NA**	**NA**	**4**	**0**	**0**	**0**
SCORE Pilot MTP	330	36	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Residential	**952**	**104**	**720**	**63**	**625**	**70**	**775**	**136**	**889**	**190**
Residential & Small Commercial SOP	448	49	**428**	**26**	**323**	**36**	**335**	**16**	**421**	**115**
Energy Star® Homes MTP	256	27	**292**	**37**	**302**	**34**	**334**	**70**	**285**	**75**
AC Distributor MTP	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**106**	**50**	**183**	**0**
Statewide CFL Pilot MTP	248	28	NA	NA	NA	NA	NA	NA	NA	NA
Hard-to-Reach	**1,164**	**84**	**1,711**	**96**	**1,979**	**90**	**1,805**	**84**	**1,811**	**101**
Hard-to-Reach SOP	823	50	**835**	**21**	**810**	**90**	**801**	**84**	**807**	**101**
Low Income Weatherization SOP	341	34	**876**	**75**	**1,169**	**0**	**1,004**	**0**	**1,004**	**0**
Total Expenditures	**2586**	**252**	**2,786**	**182**	**3,242**	**231**	**3,076**	**278**	**2,916**	**319**

[12] 2008 budget taken from Table 10 in the current EEPR; 2007 budget from Energy Efficiency Report (EER) filed under Project No. 33884; 2006 budget from EER, Project No. 33884; 2005 budget from EER, Project No. 32107; 2004 budget from EER, Project No. 30739.

VIII. Program Funding for Calendar Year 2008

As shown in Table 10, Entergy spent a total of $2.838 million on all of its energy efficiency programs in 2008. The total forecasted budget for 2007 was $2.983 million.

Table 10: Program Funding for Calendar Year 2008 (Dollar amounts in 000's)

2008	Total Projected Budget[13]	Numbers of Customers Participating	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)
Commercial	**688**	**13**	**470**	**64**	**534**	**0**	**154**
Large Commercial SOP	320	4	93	16	108	0	212
Load Management MTP	93	1	47	12	57	0	36
Score Pilot MTP	275	8	330	36	366	0	(91)
Residential	**958**	**11,589**	**952**	**104**	**1,056**	**0**	**(98)**
Residential & Small Commercial SOP	485	1964	448	49	497	0	(12)
Energy Star® Homes MTP	248	825	256	27	283	0	(35)
Statewide CFL MTP	225	8,800	248	28	276	0	(51)
Hard-to-Reach	**1,338**	**1799**	**1,164**	**84**	**1,248**	**0**	**90**
Hard-to-Reach SOP	838	1630	823	50	873	0	(35)
Low Income Weatherization SOP	500	169	341	34	375	0	125
Total Expenditures	**2,984**	**13,401**	**2586**	**252**	**2,838**	**0**	**146**

[13] Projected Budget from the Energy Efficiency Plan (EEP) filed in May 2008 under Project No. 35440.

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 demand Energy Star® homes and products and builders have the technical capacity to supply them. A baseline study was conducted in the first quarter of 2007 to determine the existing level of efficiency typical of new home construction in Entergy's service territory. The study, which included homes built by builders participating in the Entergy's 2007 Energy Star® Homes Program but not included in the program, showed the average Home Energy Rating System (HERS) Index for homes not in the program to be 91. This compares to a minimum qualifying Energy Star® Index of 85.

There were two significant changes to the 2007 EPA Energy Star® Program requirements. All homes must be certified using the HERS Index and a Thermal Bypass Inspection Checklist must be completed on each home. There is a perception among some builders that these new requirements will require additional costs and some elected not to participate in the Program in 2007. Therefore, the 2008 Program focused on the benefits of Energy Star® homes to builders and consumers in an effort to continue making an energy saving impact in the new home market.

The economic recession played a major impact the Energy Star® Homes Program in 2008. Builders were having trouble securing lines of credit to build additional homes and customers were having trouble getting mortgages for similar reasons. The effect resulted in about a 10% decrease in numbers of homes certified in 2008 as compared to 2007. The result could have been worse but ICF International was hired to promote the program to non participating builders to get them interested. ICF International has been retained in the same capacity for 2009.

Statewide CFL Pilot MTP

In 2008, Entergy-Texas participated with seven other Texas investor-owned utilities in the Statewide "Make Your Mark" CFL Pilot Market Transformation Program (MTP). This program, implemented by Ecos Consulting, encourages the customers of the sponsor utilities to purchase compact fluorescent light bulbs 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 involves placing in participating stores point-of-purchase marketing materials that inform consumers about CFLs and encourage their purchase.

In the last six months of 2008, the program achieved its annual goal by discounting over 1.4 million CFLs statewide. In the service territory of Entergy-Texas, 103% of the bulb sales goal was achieved with 110,540 bulbs sold, which translates to gross annual savings of 4.51 million kWh and 451 kW. This included sales in at least 11 stores that had never carried CFLs prior to the program. In addition, the program oversaw retailer training sessions, 6 in-store and community outreach events, and the distribution of 1,000 free CFLs.

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 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 here 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 utilities' service areas. It was estimated that less than half of one percent of the total program bulb sales were made to non-Texans and that less than 5% 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 made the purchase 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 to Texas residents.

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, meaning a 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 value is 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 IOUs for 2009-2011 program planning. The CFL Pilot MTP is the first large scale CFL program in Texas, while California has had utility programs in place for years, and this estimate is lower than both of those determined explicitly for the Texas program, so the sponsors should be confident that the program will be responsible for savings at least as great as the savings being reported.

Accounting for this adjustment, the CFL Pilot MTP put over 875,000 CFLs in the hands of customers who would not have bought them otherwise. In Entergy-Texas's service territory, the program's net annual impacts for 2008 were 2.72 million kWh and 272 kW. Using these savings estimates and a conservative effective useful life estimate of 5 years, the program is very cost-effective, with an avoided costs-to-program costs ratio over 3.

The potential for greater market change exists for, as reported in ENERGY STAR's 2009 CFL Market Profile, nationwide 30% of homes have no CFLs in use and only 11% of all residential sockets contain a CFL. Entergy-Texas is proud to be participating in the CFL Pilot MTP in 2009. Planned milestones for the 2009 program include an increase in sales to over 1.6 million bulbs statewide (192,240 in Entergy-Texas's service territory), increased participation from independent retailers, and an expanded recycling effort.

X. Current Energy Efficiency Cost Recovery Factor (EECRF)

Entergy applied for its first Energy Efficiency Cost Recovery Factor (EECRF) rate schedule on May 1, 2008. The EECRF was approved for $7.456 million and Entergy began implementation of the rider on January 1, 2009.

Revenue Collected

Entergy has billed out $1,047,978 as of February 28, 2009.

Over- or Under-recovery

Not Applicable

XI. Performance Bonus

In 2008, the energy efficiency programs offered by Entergy and implemented under Substantive Rule 25.181 achieved demand reductions of 5.53 MW, which is 204.8% of their mandated goal calculated according 25.181(e), and annual energy savings of 13,361 MWh, exceeding their mandated energy goal. The present value of the avoided costs that these savings will produce over the lives of the measures responsible for them is $7,825,456. Given the $2,838,000 costs of the programs, this equates to $4,987,456 in net benefits from Entergy's 2008 programs.

Taking 1% of the net benefits for every 2% that Entergy exceeded its goal comes to $2,613,797, which is well above the bonus maximum of 20% of their program costs, or $567,600. Demand reductions from Hard-to-Reach programs constituted over 20% of their total demand reductions, so Entergy is eligible for the additional bonus of 10% of that $567,000. Thus, Entergy's cumulative performance bonus for 2008 is $624,360. See Appendix D for performance bonus calculation details.

Acronyms

C&I	Commercial and Industrial
CCET	Center for the Commercialization of Electric Technologies
CFL	Compact Fluorescent Lamp
DR	Demand Response
DSM	Demand Side Management
EEP	Energy Efficiency Plan, which was filed as a separate document prior to April 2008
EEPR	Energy Efficiency Plan and Report
EER	Energy Efficiency Report, which was filed as a separate document prior to April 2008
EE Rule	Energy Efficiency Rule, PUCT Substantive Rules § 25.181 and § 25.183
ERCOT	Electric Reliability Council of Texas
HTR	Hard-To-Reach
M&V	Measurement and Verification
MTP	Market Transformation Program
PUCT	Public Utility Commission of Texas
REP	Retail Electrical Provider
RES	Residential
SCORE	Schools Conserving Resources
SOP	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 5 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. For purposes of this section, 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 (kWs), 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 under this section 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) -- § 25.181 and § 25.183, which are the sections of the Public Utility Commission of Texas' Substantive Rules implementing 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 an energy saving 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, as described in this section.

Measurement and verification (M&V) -- Activities intended to determine the actual energy and demand savings resulting from energy efficiency projects as described in this section.

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 -- For the purpose of this section, the peak period consists of 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 – Peak demand reduction and energy savings for the current and following calendar year that Entergy is planning and budgeting for in the EEPR. These Projected savings reflect Entergy's calculated goals and Entergy's continued commitment to provide emphasis on the needs of its low income customers.

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 50kW.

Renewable demand side management (DSM) technologies -- Equipment that uses a renewable energy resource (renewable resource), as defined in §25.173(c) of this title (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.

Appendices

APPENDIX A: REPORTED DEMAND AND ENERGY REDUCTION BY COUNTY 2008

	Projected Savings		Contracted Savings		Reported Savings	
Program	**kW**	**kWh**	**kW**	**kWh**	**kW**	**kWh**
Res./Small Com. SOP	**300**	**781,100**	**1,094.02**	**2,768,307**	**1,094.02**	**2,768,307**
Brazos	--	--	71	889	.71	889
Chambers	--	--	4.10	10,466	4.10	10,466
Galveston	--	--	.92	3,438	.92	3,438
Grimes	--	--	17.81	56,029	17.81	56,029
Hardin		--	16.88	51,069	16.88	51,069
Harris	--	--	.56	2,070	.56	2,070
Jefferson	--	--	267.38	773,587	267.38	773,587
Liberty	--	--	30.38	51,227	30.385	51,227
Madison	--	--	.87	3,158	.87	3,158
Montgomery	--	--	535.14	1,252,500	535.14	1,252,500
Orange	--	--	111.14	312,693	111.14	312,693
San Jacinto	--	--	12.14	29,241	12.14	29,241
Walker	--	--	88.73	194,561	88.73	194,561
Washington	--	--	7.26	27,019	7.26	27,019
Hard-to-Reach SOP	**740**	**1,953,333**	**956**	**2,678,**	**956**	**2,678,**
Chambers	--	--	.95	2,501	.95	2,501
Grimes	--	--	6.13	26,277	6.13	26,277
Hardin	--	--	33.32	104,474	33.32	104,474
Jefferson	--	--	431.19	1,098,511	431.19	1,098,511
Liberty	--	--	32.33	124,428	32.33	124,428
Montgomery	--	--	233.76	751,200	233.76	751,200
Newton	--	--	.97	5,389	.97	5,389
Orange	--	--	96.57	297,578	96.57	297,578
Walker	--	--	108.33	227,293	108.33	227,293
Com. SOP	**350**	**1,265,400**	**208.85**	**800,267**	**208.85**	**800,267**
Jefferson	--	--	143.9	573,490	143.9	573,490
Montgomery	--	--	64.95	226,776	64.95	226,776
Energy Star MTP	**400**	**1,041,000**	**1,429.30**	**1,259,395**	**1,429.30**	**1,259,395**
Grimes	--	--	5.90	4,978	5.9	4,978
Hardin	--	--	58.32	47,721	58.32	47,721
Harris	--	--	142.45	120,710	142.45	120,710
Jefferson	--	--	22.80	21,591	22.8	21,591
Montgomery	--	--	1,177.05	1,043,879	1,177.05	1,043,879
Orange	--	--	22.78	20,516	22.78	20.516
Load Management MTP	**200**	**0**	**500**	**0**	**504**	**0**
Montgomery	--	--	500	0	504	0
Statewide CFL MTP	**200**	**520,500**	**200**	**520,500**	**279**	**2,789,828**
Hardin	--	--	--	--	1.73	17,299
Jefferson	--	--	--	--	73.38	733,692
Liberty	--	--	--	--	7.52	75,235
Montgomery	--	--	--	--	177.16	1,771,390
Orange	--	--	--	--	15.83	158,327
San Jacinto	--	--	--	--	.03	309

Trinity	--	--	--	--	.01	106
Walker	--	--	--	--	3.35	33,469
SCORE MTP	**260**	**843,600**	**500**	**876,000**	**905**	**2,646,998**
Hardin	--	--			31.20	19,547
Jefferson	--	--			146.53	257,763
Liberty	--	--	--	--	69.97	50,095
Montgomery	--	--	--	--	657.30	2,319,593
Low Income Weatherization	**250**	**625,067**	**154**	**419,189**	**154**	**419,189**
TOTAL	**2,700**	**7,030,000**	**5.53**	**13,361,000**	**5.53**	**1`361,000**

Underutilized Counties

Entergy serves parts of 26 counties, but not all are served at the retail level. Several parts are served at the wholesale level to either a municipality or to a cooperative. In addition, Entergy may only serve a small portion of a county. Many smaller counties, by way of population, when divided by several utilities, municipalities, or cooperatives, make the promotion of energy efficiency program not cost effective under current rules. Some of the counties that fall in this category are: Burleson, Falls, Jasper, Leon, Limestone, Milam, Polk, and Waller. However, there a few counties that need some additional attention paid. The only negative for them is their proximity to where the Project Sponsors are located. These counties are:

- Madison
- Robertson
- Tyler

For 2009, additional emphasis will be placed on attracting customers from these counties by working with Project Sponsors to promote the energy efficiency programs in these areas by other than current promotional practices or by rewarding Project Sponsors who work in these areas by paying more for installed measures.

APPENDIX B: PROGRAM TEMPLATES

Statewide CFL Pilot MTP Program Description

In 2008, Entergy-Texas participated with seven other Texas investor-owned utilities in the Statewide "Make Your Mark" CFL Pilot Market Transformation Program (MTP). This program, implemented by Ecos Consulting, encourages the customers of the sponsor utilities to purchase compact fluorescent light bulbs 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 involves placing in participating stores point-of-purchase marketing materials that inform consumers about CFLs and encourage their purchase.

In the last six months of 2008, the program achieved its annual goal by discounting over 1.4 million CFLs statewide. In the service territory of Entergy-Texas, 103% of the bulb sales goal was achieved with 110,540 bulbs sold, which translates to gross annual savings of 4.51 million kWh and 451 kW. This included sales in at least 11 stores that had never carried CFLs prior to the program. In addition, the program oversaw retailer training sessions, 6 in-store and community outreach events, and the distribution of 1,000 free CFLs.

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 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 here 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 utilities' service areas. It was estimated that less than half of one percent of the total program bulb sales were made to non-Texans and that less than 5% 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 made the purchase 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 to Texas residents.

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, meaning a 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.

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Accounting for this adjustment, the CFL Pilot MTP put over 875,000 CFLs in the hands of customers who would not have bought them otherwise. In Entergy-Texas's service territory, the program's net annual impacts for 2008 were 2.72 million kWh and 272 kW. Using these savings estimates and a conservative effective useful life estimate of 5 years, the program is very cost-effective, with an avoided costs-to-program costs ratio over 3.

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Solar Photovoltaic Pilot Program

Entergy Texas (Entergy) will roll out a Solar Photovoltaic Pilot Program in the second quarter of 2009. The program is designed to attract customers and project sponsors to the possibility of installing a renewable resource in their home or business to reduce their energy usage. The program will be similar to Oncor's *Take a Load Off, Texas Solar PV Program.* Entergy will contract will a proven third party to implement the program. The incentive levels will be around $2.50/watt.

Entergy believes that the market for renewable energy savings measures is on the up tick and that providing an attractive incentive coupled with the federal tax credit, earlier adoption by consumers

could be achieved. Due to the long term expected implementation of this program, Entergy is proposing this pilot be at least years in scope.

Market Development

Providing incentives may drive some market development, but the market needs to be pushed by additional means. The addition of training for PV installers and local code officials will be provided. Workshops will be developed to provide PV installers and code officials the opportunity to obtain the same knowledge and be on the same page when discussing PV installations. Next, builders and developers will be targeted to take advantage of PV costs through economies of scale. Additionally, if funding becomes available through other means such as from the State Energy Conservation Office (SECO), the program will attempt to leverage those funds to promote the program.

Program Budget

The overall program budget for the Solar Photovoltaic program $1 million , to be divided equally among program years 2009 and 2010.

Impact on Other Programs

No other Entergy program should be effected by this program,.

APPENDIX C: EXISTING CONTRACTS AND OBLIGATIONS

APPENDIX D: OPTIONAL SUPPORT DOCUMENTATION

Performance Bonus Calculation Details

Energy Efficiency Performance Bonus Calculator			
	kW	kWh	
2008 Goals	2,700	7,030,000	
2008 Savings			
Reported/Verified Total (including HTR)	5,530	13,361,000	
Reported/Verified Hard-to-Reach	1,150		
2008 Program Costs	$2,838,000		
2008 Performance Bonus	$624,360		

Performance Bonus Calculation

204.81%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)
TRUE	Met Requirements for Performance Bonus?
$7,825,456	Total Avoided Cost (Reported kW * PV(Avoided Capacity Cost) + Reported kWh * PV(Avoided Energy Cost))
$2,838,000	Total Program Costs
$4,987,456	Net Benefits (Total Avoided Cost - Total Expenses)

Pre-Bonus Calculation

$2,613,797	Calculated Pre-Bonus ((Goal Accomplishment kW > 100%) / 2) * Net Benefits
$567,600	Pre-Bonus Limit (20% of Program Costs)
$567,600	*Pre-Bonus (Minimum of Calculated Bonus and Bonus Limit)*

Extra Bonus Calculation

20.80%	Percentage of Total Demand Reduction from HTR Programs
204.81%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)
TRUE	Met Requirements for Extra Bonus?
$ 56,760.00	*Extra Bonus (10% of Pre-Bonus if Reported Savings are 120% of Goal and HTR Reported Savings are 10% of Total Reported Savings)*

Bonus Calculation

$624,360.00	**Bonus (Pre-Bonus + Extra Bonus)**