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Entergy Texas, Inc.

2018 Energy Efficiency Plan and Report

Substantive Rule § 25.181 and § 25.183

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Introduction

Entergy Texas, Inc. (ETI) presents this Energy Efficiency Plan and Report (EEPR) to comply with 16 Tex. Admin. Code (TAC) §§ 25.181 and 25.183, which together comprise the Energy Efficiency Rule (EE Rule) implementing Public Utility Regulatory Act (PURA) § 39.905. As mandated by this section of PURA, the EE Rule requires that each investor owned electric utility achieve the following minimum goals through market-based standard offer programs (SOPs), targeted market transformation programs (MTPs), or utility self-delivered programs:

25.181(e)(1) An electric utility shall administer a portfolio of energy efficiency programs to acquire, at a minimum, the following:

(A) The utility shall acquire no less than a 25% reduction of the electric utility's annual growth in demand of residential and commercial customers for the 2012 program year.

(B) Beginning with the 2013 program year, until the trigger described in subparagraph (C) of this paragraph is reached, the utility shall acquire a 30% reduction of its annual growth in demand of residential and commercial customers.

(C) If the demand reduction goal to be acquired by a utility under subparagraph (B) of this paragraph is equivalent to at least four-tenths of 1 % its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year, the utility shall meet the energy efficiency goal described in subparagraph (D) of this paragraph for each subsequent program year.

(D) Once the trigger described in subparagraph (C) of this paragraph is reached, the utility shall acquire four-tenths of 1% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year.

(E) Except as adjusted in accordance with subsection (w) of this section, a utility's demand reduction goal in any year shall not be lower than its goal for the prior year, unless the commission establishes a goal for a utility pursuant to paragraph (2) of this subsection.

EEPR Organization

This EEPR consists of an executive summary, fourteen sections, and one appendix.

- The Executive Summary highlights ETI's reported achievements for 2017 and ETI's plans for achieving its 2018 and 2019 projected energy efficiency savings goals.

Energy Efficiency Plan (EEP)

- Section I describes ETI's plan for its energy efficiency 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 ETI's previous EEP.
- Section II explains ETI's targeted customer classes, specifying the size of each class and the method for determining those sizes.
- Section III presents ETI's projected energy efficiency savings and goals for the prescribed planning period broken out by program for each customer class.
- Section IV describes ETI's proposed energy efficiency budgets for the prescribed planning period broken out by program for each customer class.

Energy Efficiency Report (EER)

- Section V documents ETI's actual weather-adjusted demand savings goals and energy targets for the previous five years (2013-2017) with actual demand reduction and energy savings achieved.
- Section VI compares ETI's projected energy and demand savings to its reported and verified savings by program for calendar years 2016 and 2017.
- Section VII documents ETI's incentive and administrative expenditures for the previous five years (2013-2017) broken out by program for each customer class.
- Section VIII compares ETI's actual program funding for 2017 compared to its 2017 budget broken out by program for each customer class.
- Section IX describes the results from ETI's MTPs.
- Section X describes research and development costs and administrative costs.
- Section XI details ETI's current Energy Efficiency Cost Recovery Rider (EECRF).
- Section XII reflects ETI's revenue collection through the 2017 EECRF.
- Section XIII breaks out the over/under-recovery of energy efficiency program costs.
- Section XIV details ETI's performance bonus calculation.

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

Appendix

- Appendix A – Reported Demand and Energy Reduction by County 2017.

Executive Summary

The EEP portion of this EEPR details ETI's plans to achieve its required reduction in its annual growth in demand of residential and commercial customers in 2018 and 2019. In the process, ETI will also address the corresponding energy savings goal, which is calculated from its demand savings goal using a 20% capacity factor. The goals, budgets, and implementation plans that are included in this EEPR reflect the requirements of the EE Rule and lessons learned regarding energy efficiency service providers and customer participation in the various energy efficiency programs. A summary of annual goals and projected savings and budgets is presented in Table 1.

Table 1: Summary of Goals, Projected Savings, and Projected Budgets[1]

Calendar Year	Average Growth in Demand (kW at Source)	Peak Demand (kW at Source)	Goal Metric: 30% Growth (kW at Meter)	Goal Metric: 0.4% Peak Demand (kW at Meter)	Peak Demand Goal (kW at Meter)	Energy Goal (kWh at Meter)	Projected Demand Reduction (kW at Meter)	Projected Energy Savings (kWh at Meter)	Projected Budget (000's)
2018	21,800	2,701,000	6,050	10,000	15,500	27,156,000	15,500	27,156,000	7,714
2019	25,600	2,704,000	7,110	10,800	15,500	27,156,000	15,500	27,156,000	7,613

Note: Goals are calculated by multiplying peak demand values at the source by the applicable goal metric (30% of growth or 0.4% of peak demand) and by the utility's line losses. Although ETI's 2018 goal is based on its previous year's goal, an example calculation at the source to at the meter conversion is shown below for 2018 using the 30% growth goal metric.

Example Goal Metric Calculation: (25,600 kW x 30%) x (1 - 0.074787 line losses) = 7,105 kW
Line loss number is based on the loss study in ETI's last completed rate case, Docket No. 41791.

[1] For 2018, all values are per last year's EECRF proceeding, Docket No. 47115. For 2019, the Average Growth in Demand and Peak Demand figures are from Table 4; the Peak Demand Goal and Energy Savings Goal were determined pursuant to the "ratchet" requirements of 16 TAC § 25.181(e)(1)(E); the Projected Demand and Energy Savings are from Table 5; and the Projected Budget is from Table 6.

Energy Efficiency Plan

I. 2018 Programs

A. 2018 Program Portfolio

ETI plans to implement three MTPs and three SOPs in 2018. These include: the Commercial Solutions MTP, Load Management SOP, the Residential SOP, the Entergy Solutions High Performance Homes MTP, the A/C Distributor MTP, and the Hard-to-Reach SOP. All of these programs have been structured to comply with approved Public Utility Commission of Texas (PUCT) rules governing program design and evaluation.

These programs target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. ETI 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: 2018 Energy Efficiency Program Portfolios

Program	Target Market	Application
Commercial Solutions MTP	Commercial	New Construction; Retrofit; Behavioral; Midstream
Load Management SOP	Commercial	Existing, Demand Response
Residential SOP	Residential	Retrofit
Entergy Solutions High Performance Homes MTP	Residential	New Construction
A/C Distributor MTP	Residential	New Construction, Retrofit
Hard-to-Reach SOP	Residential	Retrofit

The programs listed in Table 2 are described in further detail below. ETI maintains a website containing links to the program manuals, all of the requirements for project participation, and the forms required for project submission, at http://www.entergy-texas.com/energy_efficiency. This website will be the primary method of communication used to provide potential Project Sponsors with program updates and information.

B. Existing Programs

1. Commercial Solutions MTP

a) Program Description

The Commercial Solutions MTP (COM SOL MTP) offers technical support and incentives for a suite of offerings that help eligible customers overcome the market barriers to adopt energy efficiency measures. Using a combination of utility staff, third-party program implementer expertise, and the local network of qualified contractors, ETI helps customers identify energy efficiency opportunities, complete projects, and capture savings for the program. This approach is flexible depending on customer, project type, and market sector to effectively reach and deliver energy savings to the broadest audience possible. The COM SOL MTP program includes:

- A Commercial Solutions component designed to target small, medium, and large for-profit commercial customers in the service territory (this includes midstream and contractor direct install components);
- A "Schools Concerned with Reducing Energy" (SCORE) component to target local K-12 public school districts, universities and colleges in the service territory (including a Resource Management Services component driving behavioral changes in public schools);
- A City Smart component to target local, state, and federal governmental customers in the service territory;
- Prescriptive and custom measures to address both standard and more unique, complex opportunities for energy savings; and
- A Midstream point-of-sale lighting component through local wholesale distributors to achieve long-term coincident peak demand reduction and annual energy savings.

b) Implementation Process

With this program offering, ETI will target the following customers for program participation:

- Small, medium, and large commercial and small industrial businesses;
- Rural and urban public K-12 school districts, colleges, and universities;
- Government entities including cities, counties, state, and federal organizations; and
- Non-profit and institutional businesses such as religious institutions, private schools, and healthcare providers.

c) Outreach Activities

To market the availability of this program, ETI:

- Engages its third-party implementer, CLEAResult Consulting, to provide for outreach and training on the program;
- Conducts workshops and webinars to explain the benefits of the program and the necessary information needed to begin or continue participation;

- Participates in regional or area outreach opportunities;
- Attends appropriate industry-related meetings to generate awareness and interest; and
- Promotes awareness of the program through the Company's website, social media, email blasts, radio promotions, and print media.

2. Load Management SOP

a) Program Design

The Load Management (LM SOP) provides demand reduction solutions to a small group of qualified commercial customers served by ETI and pays incentives to the customers for verifiable demand reductions. To ensure grid reliability, the Load Balancing Authority (LBA) can call for these customers to curtail. The LBA is the entity that interacts with Midcontinent Independent System Operator, Inc. (MISO) and integrates resource plans ahead of time, ensuring that the necessary generation is available to reliably serve load.

b) Implementation Process

ETI recruits appropriate and qualified commercial customers to participate in the LM SOP. This program requires the examination of actual demand savings, operating characteristics, program design, long-range planning, and overall measure and program acceptance by the targeted customers. During the implementation process, ETI makes potential customers aware that, if the customer plans to use backup generation when curtailed, ETI assumes that their generators adhere to both state and federal guidelines for emissions.

c) Outreach Activities

To market the availability of this program, ETI:

- Targets several large commercial customers during the program year;
- Conducts workshops to explain elements such as responsibilities of the customers, project requirements, incentive information, and the application and reporting process; and
- Promotes awareness of its energy efficiency programs by rolling out new program promotions through its website, social media, email blasts, radio promotions, and print media.

3. Residential SOP

a) Program Design

The Residential SOP (RES SOP) targets residential customers who receive service from ETI. Participating Project Sponsors receive incentive payments for installing pre-approved measures that provide verifiable demand and energy savings. Project Sponsors are encouraged to install comprehensive measures in their projects, and only retrofit projects qualify for incentive payments. Deemed savings are accepted and widely used by Project Sponsors to measure and verify savings for projects submitted in this program. For 2018, ETI will continue to provide

incentives to Project Sponsors for installing LED lighting in addition to previously employed measures. The incentives will be offered at the standard incentive rate to encourage the implementation of this measure. In 2018, the RES SOP will also deploy an A/C Tune Up program and give contracts to project sponsors that have access to licensed HVAC contractors.

b) Implementation Process

ETI will continue implementing its RES SOP by allowing any eligible Project Sponsor to submit an application for a project meeting the minimum program requirements. The program information on ETI's RES SOP website is updated frequently with participating Project Sponsor information and the incentives available for installing eligible measures. In 2018, ETI will select seven Project Sponsors to participate in the RES SOP in order to allow for the appropriate administrative control and visibility of Project Sponsors. The funding awarded to each Project Sponsor should increase the chances that there will be Project Sponsors working in ETI's service territory throughout the entire year and that available funds will not be exhausted by mid-year.

c) Outreach Activities

To market the availability of this program, ETI:

- Utilizes mass email notifications to keep potential Project Sponsors interested and informed;
- Maintains website 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; and
- Promotes awareness of its energy efficiency programs by rolling out new program promotions through its website, social media, email blasts, radio promotions, and print media.

4. Entergy Solutions High Performance Homes MTP

a) Program Design

The Entergy Solutions High Performance Homes MTP (ENTERGY SOL MTP) combines the attributes of an Energy Star Homes new construction program with the attributes of a Home Performance with Energy Star retrofit program. Combining these programs is logical because both programs are driven predominantly by Home Energy Rating Services (HERS). HERS raters provide professional assessments on new and existing homes to bring them up to Energy Star standards. Incentives are paid to builders and contractors for installing certain measures in new construction applications that provide verifiable demand and energy savings. For the retrofit application, incentives can be paid to either the builder or contractor that installed the energy efficiency measures.

The Program requires the involvement of a third-party rating service to verify the home meets the current energy efficiency code in Texas, which is the 2015 International Energy Conservation

Code (IECC). The program provides incentives for builders and contractors who exceed the IECC 2015 with the ultimate aim of promoting construction to Energy Star standards.

b) Implementation Process

Any eligible builder or contractor may submit an application for a home to participate in the program. The program information on ETI's website is updated frequently to reflect participating builders and contractors and incentive amounts that are available.

c) Outreach Activities

To market the availability of this program, ETI:

- Utilizes mass email notifications to keep potential builders and contractors interested and informed;
- Works with local code enforcement officials to make sure they understand the need for builders and contractors to follow the requirements of the IECC 2015 and identify common efforts to bypass the code;
- Maintains website 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;
- Conducts workshops as necessary to explain elements such as responsibilities of the builder or contractors, project requirements, incentive information, and the application and reporting process; and
- Promotes the awareness of its energy efficiency programs by rolling out program promotions through its website, social media, email blasts, radio promotions, and print media.

5. A/C Distributor MTP

a) Program Design

The A/C Distributor MTP (A/C DIST MTP) helps promote the installation of higher efficiency air conditioning for residential customers throughout ETI's service territory. The program pays incentives to the regional air conditioning distributors to reduce the cost of the higher efficiency rated equipment to the local dealers with the goal that the dealer will pass the reduced cost along to the customers.

b) Implementation Process

Any participating distributor or manufacturer may submit a qualifying batch of invoices to ETI for incentive payment, after a random sampling of inspections from each invoice is completed by either ETI or another third-party inspector.

c) Outreach Activates

To market the availability of the program, ETI attends local dealer meetings to educate the dealer population on how to participate and how to fill out the necessary paperwork. Additionally, ETI's program implementer, ICF International (ICF), leverages its current A/C distributor and manufacturer contacts from a similar program with another utility to enroll them in the one offered by ETI. Most of the distributors and manufacturers that service ETI's territory are already participating in that program.

6. Hard To Reach SOP

a) Program Design

The Hard-To-Reach SOP (HTR SOP) targets low-income customers who receive service from ETI with an income at or below 200% of the federal poverty level. Participating Project Sponsors receive incentive payments for installing eligible measures in retrofit fashion that provide verifiable demand and energy savings. For 2018, ETI will continue to provide incentives to Project Sponsors for installing LED lighting in addition to previously employed measures. The incentives will be offered at the standard incentive rate to encourage the implementation of this measure. In 2018, the HTR SOP will also deploy an A/C Tune Up program and give contracts to project sponsors that have access to licensed HVAC contractors.

b) Implementation Process

ETI will continue implementing its HTR SOP such that any eligible Project Sponsor may submit an application for a project meeting the minimum program requirements. The program information on ETI's HTR SOP website is updated frequently with participating Project Sponsor information and the incentives available for installing eligible measures. In 2018, ETI will select seven Project Sponsors to participate in the HTR SOP in order to allow for the appropriate administrative control and visibility of Project Sponsors. By limiting the number of Project Sponsors allowed to participate in the program, ETI believes that there will be sufficient funds available to keep Project Sponsors working in ETI's service territory throughout the entire year and that program funding will not be exhausted by mid-year.

c) Outreach Activities

To market the availability of this program, ETI:

- Utilizes mass email notifications to keep potential project sponsors interested and informed;
- Maintains website 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; and

- Promotes awareness of its energy efficiency programs by rolling out new program promotions through its website, social media, email blasts, radio promotions, and print media.

C. New Programs for 2019

ETI is not planning to deploy any new programs in 2019, but will be reviewing programs and measures that have been successful in other jurisdictions for possible deployment in the future.

ETI plans to combine its ENTERGY SOL MTP and AC DIST MTP in 2019 as the Residential Solutions MTP for increased administrative efficiency and flexibility.

In addition, ETI will be soliciting for program implementers through its Request for Proposal (RFP) process for its existing COM SOL MTP and RES MTP. RFPs should available in early summer with contracts in place by the end of October.

II. Customer Classes

Table 3: Summary of Customer Classes[2]

Customer Class	Number of Customers
Commercial	48,591
Residential	391,613
Hard to Reach	52,868

III. Projected Energy Efficiency Savings and Goals

As prescribed by 16 TAC § 25.181(e), a utility's demand goal is specified as a percentage of its historical five-year average growth in demand and the corresponding energy savings goal is determined by applying a 20% capacity factor to the applicable demand goal. However, in accordance with the "ratchet requirements" of 16 TAC § 25.181(e)(1)(E), a utility's demand goal for any particular year cannot be less than its goal for the preceding year. In ETI's 2011 EECRF case, Docket No. 39366, ETI agreed with the other parties to a demand savings goal of 15,500 kW and an energy savings goal of 27,156,000 kWh for 2012. Due to the ratchet requirements, those goals have remained in place since 2012, and will again be the goals for 2018. Table 4 presents historical annual growth in demand for the previous five years that is used to calculate demand and energy goals.

[2] Commercial and Residential figures based on actual historical ETI data as of December 31, 2017; Hard-to-Reach figure based on data obtained from the 2015 US Census Bureau Current Population Survey.

Table 4: Annual Growth in Demand and Energy Consumption

Calendar Year	Peak Demand at Source (kW)				Energy Consumption at Meter (kWh)				Growth (kW)	Average Growth (kW)[1]
	Total System		Residential & Commercial		Total System		Residential & Commercial			
	Actual	Weather Adjusted	Actual	Weather Adjusted	Actual	Weather Adjusted	Actual	Weather Adjusted	Weather Adjusted	Weather Adjusted
2013	3,602,000	3,704,000	2,808,000	2,851,000	15,945,000,000	16,743,000,000	10,410,000,000	10,443,000,000	297,000	NA
2014	3,256,000	3,321,000	2,653,000	2,650,000	18,706,000,000	18,828,000,000	11,838,000,000	11,830,000,000	-201,000	NA
2015	3,540,000	2,933,000	2,776,000	2,609,000	16,268,000,000	16,311,000,000	10,625,000,000	10,624,000,000	-41,000	NA
2016	3,536,000	3,549,000	2,691,000	2,701,000	16,526,000,000	16,726,000,000	10,802,000,000	10,785,000,000	92,000	NA
2017 [1]	3,468,000	3,481,000	2,647,000	2,704,000	16,861,250,000	17,152,000,000	10,918,750,000	10,920,500,000	-19,000	NA
2018	NA	NA	NA	NA	NA	NA	NA	NA	NA	21,800
2019	NA	NA	NA	NA	NA	NA	NA	NA	NA	25,600

"NA" = Not Applicable to this EEPR.

[1] Does not include premises that, pursuant to 16 TAC § 25.181(w), have opted-out from ETI's energy efficiency programs.

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

2018	Projected Savings	
Customer Class and Program	**kW**	**kWh**
Commercial	**10,460.00**	**15,608,000**
Commercial Solutions MTP	3,750.00	15,568,000
Load Management SOP	6,710.00	40,000
Residential	**3,940.00**	**8,060,000**
Residential SOP	2,140.00	5,836,000
Entergy Solutions High Performance Homes MTP	1,500.00	1,224,000
A/C Distributor MTP	300.00	1,000,000
Hard-To-Reach	**1,100.00**	**3,488,000**
Hard-To-Reach SOP	1,100.00	3,488,000
Total Annual Projected Savings	**15,500.00**	**27,156,000**
2019	**Projected Savings**	
Customer Class and Program	**kW**	**kWh**
Commercial	**10,460.00**	**15,608,000**
Commercial Solutions MTP	3,750.00	15,568,000
Load Management SOP	6,710.00	40,000
Residential	**3,940.00**	**8,060,000**
Residential SOP	2,140.00	5,836,000
Residential Solutions MTP	1,800.00	2,224,000
Hard-To-Reach	**1,100.00**	**3,488,000**
Hard-To-Reach SOP	1,100.00	3,488,000
Total Annual Projected Savings	**15,500.00**	**27,156,000**

IV. Program Budgets

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

2018	Incentives	Admin	CY2017 EM&V Costs for Review of PY2016	CY2018 EM&V Costs for Review of PY2017	Total Budget
Commercial	**$3,026,978**	**$341,244**	**$58,609**	**$53,270**	**$3,480,101**
Commercial Solutions MTP	$2,651,478	$288,707	$43,216	$47,500	$3,030,901
Load Management SOP	$375,500	$52,537	$15,393	$5,770	$449,200
Residential	**$2,656,919**	**$309,704**	**$33,091**	**$32,773**	**$3,032,488**
Residential SOP	$1,750,210	$179,311	$18,959	$21,511	$1,969,991
Entergy Solutions High Performance Homes MTP	$577,649	$80,255	$8,557	$4,437	$670,898
A/C Distributor MTP	$329,060	$50,138	$5,575	$6,825	$391,598
Hard-To-Reach	**$1,026,789**	**$125,037**	**$10,791**	**$16,448**	**$1,179,065**
Hard-To-Reach SOP	$1,026,789	$125,037	$10,791	$16,448	$1,179,065
R&D	**$0**	**$22,000**	**$0**	**$0**	**$22,000**
EM&V	**$0**	**$0**	**$102,491**	**$102,491**	**$204,982**
Total Annual Budgets	**$6,710,687**	**$797,985**	**$102,491**	**$102,491**	**$7,713,654**
2019	**Incentives**	**Admin**	**CY2019 EM&V Costs for Review of PY2018**		**Total Budget**
Commercial	**$3,026,978**	**$341,244**	**$48,985**		**$3,417,207**
Commercial Solutions MTP	$2,651,478	$288,707	$37,044		$2,977,230
Load Management SOP	$375,500	$52,537	$11,941		$439,978
Residential	**$2,656,919**	**$309,704**	**$41,594**		**$3,008,217**
Residential SOP	$1,750,210	$179,311	$18,337		$1,947,858
Residential Solutions MTP	$906,709	$130,393	$23,257		$1,060,359
Hard-To-Reach	**$1,026,789**	**$125,037**	**$13,823**		**$1,165,649**
Hard-To-Reach SOP	$1,026,789	$125,037	$13,823		$1,165,649
R&D	**$0**	**$22,000**			**$22,000**
EM&V	**$0**	**$0**			**$0**
Total Annual Budgets	**$6,710,687**	**$797,985**	**$104,402**		**$7,613,074**

Energy Efficiency Report

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

Table 7 documents ETI's demand and energy reduction goals for the previous five years (2013-2017) calculated in accordance with 16 TAC § 25.181 and actual demand reduction and energy savings achieved.

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

Calendar Year	Actual Weather Adjusted Demand Goal (kW)	Actual Weather Adjusted Energy Goal (kWh)	Actual Demand Reduction (kW)	Actual Energy Savings (kWh)
2017	15,500.00	27,156,000	21,198.55	50,574,878
2016	15,500.00	27,156,000	19,738.87	45,044,145
2015	15,500.00	27,156,000	18,084.85	36,687,766
2014	15,500.00	27,156,000	17,180.15	39,213,656
2013	15,500.00	27,156,000	19,140.93	36,995,923

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

Table 8: Projected versus Reported and Verified Savings for 2016 and 2017 (at Meter)

2016	Projected Savings		Reported and Verified Savings	
Customer Class and Program	**kW**	**kWh**	**kW**	**kWh**
Commercial	**10,460.00**	**15,152,000**	**13,854.18**	**24,490,171**
Commercial Solutions MTP	3,750.00	15,112,000	5,105.18	24,472,842
Load Management SOP	6,710.00	40,000	8,749.00	17,329
Residential	**3,940.00**	**8,317,000**	**4,460.380**	**15,576,762**
Residential SOP	2,240.00	6,371,000	3,378.37	12,162,000
Entergy Solutions High Performance Homes MTP	1,500.00	1,346,000	941.26	3,017,682
AC Distributor MTP	200.00	600,000	140.75	398,080
Hard-to-Reach	**1,100.00**	**3,687,000**	**1,424.31**	**4,977,213**
Hard-to-Reach SOP	1,100.00	3,687,000	1,424.31	4,977,213
Total	**15,500.00**	**27,156,000**	**19,738.87**	**45,044,145**
2017	**Projected Savings**		**Reported and Verified Savings**	
Customer Class and Program	**kW.**	**kWh**	**kW**	**kWh**
Commercial	**10,460.00**	**15,152,000**	**14,389.02**	**32,005,030**
Commercial Solutions MTP	3,750.00	15,112,000	5,810.02	31,989,575
Load Management SOP	6,710.00	40,000	8,579.00	15,455
Residential	**3,940.00**	**8,317,000**	**5,249.10**	**14,660,972**
Residential SOP	2,240.00	6,371,000	3,585.84	9,210,715
Entergy Solutions High Performance Homes MTP	1,450.00	1,346,000	1,399.08	4,711,437
AC Distributor MTP	250.00	600,000	264.18	738,820
Hard-to-Reach	**1,100.00**	**3,687,000**	**1,560.43**	**3,908,876**
Hard-to-Reach SOP	1,100.00	3,687,000	1,560.43	3,908,876
Total	**15,500.00**	**27,156,000**	**21,198.55**	**50,574,878**

VII. Historical Program Expenditures

This section documents ETI's incentive and administration expenditures for the previous five years (2013-2017) broken out by program for each customer class.

Table 9: Historical Program Incentive and Administrative Expenditures for 2013 through 2017 (in $000's)

2013 through 2017	2017		2016		2015		2014		2013	
	Incent	Admin	Incent	Admin	Incent	Admin	Incent	Admin	Incent	Admin
Commercial	**2,789**	**372**	**2,489**	**399**	**2,610**	**466**	**2,490**	**505**	**2,778**	**398**
Commercial (Commercial Solutions) MTP	2,529	312	2,211	336	1,374	214	1,144	218	1,193	197
Load Management SOP	259	60	279	63	234	54	210	59	225	26
SCORE/City Smart MTP	NA	NA	NA	NA	1,002	198	1,136	227	1,360	175
Residential	**2,481**	**265**	**2,453**	**345**	**2,568**	**370**	**3,041**	**497**	**3,468**	**360**
Residential SOP	1,659	140	1,697	189	1,695	225	2,189	316	2,275	204
Entergy Solutions High Performance Homes MTP	446	67	420	108	867	145	852	1,810	1,193	156
A/C Distributor MTP	376	58	272	48	NA	NA	NA	NA	NA	NA
Hard-to-Reach	**1,072**	**95**	**1,259**	**148**	**1,023**	**166**	**1,327**	**216**	**1,324**	**139**
Hard-to-Reach SOP	1,072	95	1,259	147	1,023	166	1,327	216	1,324	139
Total Expenditures	**6,343**	**732**	**6,138**	**892**	**6,195**	**1,001**	**6,858**	**1,217**	**7,569**	**897**

VIII. Program Funding for Calendar Year 2017

Table 10:

2017	Incentive Budget	R&D Admin	Admin Budget	Total Projected Budget	Number of Customers Participating or Installations	Actual Funds Expended (Incentives)	Actual Funds Expended - Admin (Not Including EM&V, or EECRF Proceeding Costs)	R & D Costs	Actual Funds Expended - EM&V (Admin)	Actual Funds Expended - Utility EECRF Proceeding Costs (Admin)	Actual Funds Expended - Cities EECRF Proceeding Costs (Admin)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)	10% Difference?
Commercial	**$2,932,466**	**$69,155**	**$312,845**	**$3,314,466**	**104**	**$2,788,965**	**$269,209**	**$12,312**	**$58,605**	**$25,823**	**$5,686**	**$3,160,600**	**$0**	**$153,866**	
Commercial Solutions MTP + SCORE	$2,578,157	$58,630	$265,232	$2,902,019	96	$2,529,475	$228,577	$11,167	$43,221	$23,421	$5,157	$2,841,017	$0	$61,002	
Load Management SOP	$354,309	$10,525	$47,613	$412,447	8	$259,490	$40,632	$1,146	$15,384	$2,403	$529	$319,583	$0	$92,863	22.5%
Residential	**$2,610,517**	**$57,226**	**$258,881**	**$2,926,624**	**1,664**	**$2,481,390**	**$192,706**	**$10,954**	**$33,094**	**$22,976**	**$5,059**	**$2,746,179**	**$0**	**$180,445**	
Residential SOP	$1,699,233	$34,728	$157,103	$1,891,064	1,625	$1,659,423	$94,740	$7,326	$18,961	$15,365	$3,383	$1,799,198	$0	$91,866	
Entergy Solutions Premium Homes MTP	$560,807	$15,011	$67,906	$643,724	31	$445,827	$51,272	$1,968	$8,558	$4,128	$909	$512,662	$0	$131,062	20.4%
AC Distributor	$350,477	$7,487	$33,872	$391,836	8	$376,139	$46,695	$1,661	$5,576	$3,483	$767	$434,320	$0	-$42,483	-10.8%
Hard-To-Reach	**$1,026,789**	**$23,619**	**$106,848**	**$1,157,256**	**1,144**	**$1,072,397**	**$67,749**	**$4,734**	**$10,792**	**$9,930**	**$2,186**	**$1,167,788**	**$0**	**-$10,532**	
Hard-to-Reach SOP	$1,026,789	$23,619	$106,848	$1,157,256	1,144	$1,072,397	$67,749	$4,734	$10,792	$9,930	$2,186	$1,167,788	$0	-$10,532	
EM&V Costs				$0										$0	
Total	**$6,569,772**	**$150,000**	**$678,574**	**$7,398,346**	**2,912**	**$6,342,751**	**$529,665**	**$28,001**	**$102,491**	**$58,729**	**$12,931**	**$7,074,568**	**$0**	**$323,778**	

Per 16 TAC § 25.181(n)(2)(Q), please note that there were three programs where the projected budget and actual total funds expended varied by more than ten percent: Load Management SOP (22.5%); Entergy Solutions High Performance Homes MTP (20.4%), and A/C Distributor MTP (-10.8%).

Costs under the Load Management SOP were lower than projected due to two factors. Walmart enrolled two stores that did not curtail their load during the initial test or during an unscheduled call to curtail.

Costs under the Entergy Solutions High Performance Homes MTP were lower than projected due to storm delays caused by Hurricane Harvey. Houses that were committed to be completed in 2017 could not be completed due to damage from Hurricane Harvey, and a resulting lack of labor and materials due to diverted resources to support hurricane reconstruction. Also, some projected funds in this program were moved to the A/C Distributor MTP as described below.

Costs under the A/C Distributor MTP were higher than projected because some funds were moved from the Entergy Solutions High Performance Homes MTP into the A/C Distributor MTP to assist in providing more incentives to customers who might be able to take advantage of the program in the aftermath of Hurricane Harvey.

IX. Market Transformation Program Results

COM SOL MTP

The primary objective of the COM SOL MTP is to provide a conduit for ETI's commercial customers to install more energy efficient measures in their facilities, both new and existing. CLEAResult Consulting, Inc. was hired to provide expertise in working with customers to ensure they are installing the most cost effective energy efficient measures by providing equipment recommendations, engineering oversight, consultations, and benchmarking. Under the SCORE component of the COM SOL MTP, school districts and governmental entities targeted by the program have had great success in reducing their demand and energy consumption. Program participants are touting the value of the program and recommending participation to others. Many projects that were scheduled for several years in the future are now being moved up to be completed earlier due to the "Energy Efficiency Business Plan" that is part of the program. The Midstream Program allowed ETI's commercial customers to buy LED bulbs at a discount from qualified distributors. This program helped more small businesses to participate in the program by making LED bulbs more economical. Hotels and schools were large participants in the program in 2017. In addition, CLEAResult continues to have success working with several schools to control costs by using behavioral measures and techniques. The behavioral program was offered to Lone Star College, Sam Houston State University, and Lamar University in 2017. For 2017, this program achieved 5,810 kW and 31,989,575 kWh in reported and verified savings.

ENTERGY SOL MTP

The ENTERGY SOL MTP combines the attributes of an Energy Star Homes new construction program with the attributes of a Home Performance with Energy Star retrofit program. This combined program is logical because both programs are driven predominantly by HERS. HERS raters provide professional assessments on new and existing homes to bring them up to Energy Star standards. Incentives are paid to builders and contractors for installing certain measures in new construction applications that provide verifiable demand and energy savings. For the retrofit application, incentives can be paid to either the builder or contractor that installed the energy efficient measures. ICF provided several training opportunities for local Code Enforcement Officials to learn about the energy efficiency codes and how to apply them, now that many cities are requiring third-party inspections on new construction before a Certificate of Occupancy is given. For 2017, this program achieved 1,399 kW and 4,711,437 kWh in reported and verified savings.

AC DIST MTP

The A/C DIST MTP helps promote the installation of higher efficiency air conditioning for residential customers throughout ETI's service territory. The program pays incentives to the regional air conditioning distributors to reduce the cost of the higher efficiency rated equipment to the local dealers with the goal that the dealer will pass the reduced cost along to the customers. For 2017, this program achieved 264 kW and 738,820 kWh in reported and verified savings.

X. Research and Development and Administrative Costs

ETI continued a Research and Development (R&D) project in 2017 that will continue in 2018. The project involves the development of a database that will be the repository for all of ETI's energy efficiency programs. Currently, ETI houses data with three different implementers, and consolidation will facilitate the gathering and submission of data to the EM&V contractor. Having all data reside in one location will make managing and reporting on the energy efficiency programs more efficient.

ETI's Administrative Costs consist of employee salaries and benefits, EM&V costs for both the State's contractor as well as ETI, EECRF proceeding costs, marketing and advertising costs, Electric Utility Marketing Managers of Texas (EUMMOT) fees, and employee expenses used for training, Quality Assurance/Quality Control activities on program results from third parties, and cost of attending local energy efficiency conferences.

XI. Current Energy Efficiency Cost Recovery Factor (EECRF)

ETI applied for a revised EECRF rate schedule on May 1, 2017 in Docket No. 47115. The EECRF was approved for recovery of $9,768,890, and ETI began implementation of the rider on January 1, 2018.

XII. Revenue Collected through EECRF (2017)

ETI's 2017 EECRF revenues as of December 31, 2017 were $8,469,800.

XIII. Over/Under-recovery of Energy Efficiency Program Costs

ETI had an under-recovery of its 2017 energy efficiency programs of $93,708, which should be collected in the 2019 EECRF.

XIV. Performance Bonus Calculation

In 2017, ETI's total spending on energy efficiency programs was $7,074,568. This includes actual EM&V expenditures of $102,491 for review in 2016 and 2017 of the 2016 program.

For the purposes of the performance bonus calculation, ETI's 2017 total program costs equaled $7,074,568.

Table 11 below calculates the performance bonus consistent with 16 TAC § 25.181(h). Based on this calculation, because ETI exceeded the 2017 goal by 37% for kW and 86% for kWh savings, ETI will request a performance bonus of $2,033,799 as part of the 2018 EECRF filing.

Table 11: Performance Bonus Calculation

Program Year 2017		
Energy Efficiency Performance Bonus Calculator		
	kW	**kWh**
Demand and Energy Goals	**15,500**	**27,156,000**
Actual Demand and Energy Savings	**21,199**	**50,574,877**
Reported/Verified Hard-to-Reach	***1,560***	
Program Costs (excluding bonus)	**$7,074,568**	
Performance Bonus	**$2,033,799**	

10%	**Hard-to-Reach Goal Met?**
	Bonus Calculation Details
137%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)
186%	Percentage of Energy Reduction Goal Met (Reported kWh/Goal kWh)
TRUE	Met Requirements for Performance Bonus?
$27,412,558	Total Avoided Costs
$7,074,568	Total Program Costs (excluding bonus)
$20,337,990	Net Benefits
$3,738,615	Calculated Bonus (((Achieved Demand Reduction/Demand Goal - 100%) / 2) * Net Benefits)
$2,033,799	Maximum Bonus Allowed (10% of Net Benefits)

Acronyms

COM	Commercial
EEP	Energy Efficiency Plan, which was filed as a separate document prior to April 2009
EEPR	Energy Efficiency Plan and Report
EER	Energy Efficiency Report, which was filed as a separate document prior to April 2009
EE Rule	Energy Efficiency Rule, 16 TAC §§ 25.181 and 25.183
EECRF	Energy Efficiency Cost Recovery Factor
HERS	Home Energy Rating Services
HTR	Hard-To-Reach
EM&V	Evaluation, Measurement and Verification
LM	Load Management
MTP	Market Transformation Program
PUCT	Public Utility Commission of Texas
PURA	Public Utility Regulatory Act
RES	Residential
RFP	Request for Proposals
SCORE	Schools Concerned with Reducing Energy
SOP	Standard Offer Program

Appendix A: Reported Demand and Energy Reduction by County 2017[3]

Hard to Reach SOP			
County	Savings kW	Savings KWh	Incentives
Chambers	8 88	28,578	$ 7,144 52
Galveston	1 57	7,473	$ 1,434 39
Hardin	147 03	333,157	$ 97,372 77
Jefferson	501 88	1,115,970	$ 329,782 75
Liberty	156 73	309,351	$ 99,666 38
Madison	3 31	6,710	$ 2,254 90
Montgomery	376 09	1,096,494	$ 276,336 38
Orange	255 57	770,421	$ 185,293 24
Polk	69 59	133,817	$ 43,816 14
Trinity	9 65	23,793	$ 6,719 79
Walker	31 61	85,649	$ 22,575 33
TOTAL	**1,561 91**	**3,911,413**	**$ 1,072,396.59**

Residential SOP			
County	Savings kW	Savings KWh	Incentives
Anderson	108 00	284,081	$ 47,589 00
Chambers	16 77	50,898	$ 8,112 00
Hardin	326 45	791,083	$ 149,115 00
Harris	2 89	6,016	$ 1,169 00
Jefferson	979 58	2,423,156	$ 431,014 00
Liberty	259 42	558,662	$ 111,201 00
Madison	10 18	23,442	$ 5,367 00
Montgomery	1,559 63	4,109,115	$ 749,550 00
Orange	309 96	938,239	$ 149,930 00
San Jacinto	4 51	7,179	$ 2,215 00
Trinity	3 08	9,397	$ 1,618 00
Tyler	4 44	7,454	$ 2,011 00
Walker	1 25	2,761	$ 532 00
TOTAL	**3,586.16**	**9,211,483**	**$ 1,659,423.00**

Load Management SOP			
County	Savings kW	Savings KWh	Incentives
Hardin	377 00	751	$ 13,195 00
Jefferson	4,296 00	8,535	$ 136,325 00
Liberty	1,518 00	1,618	$ 35,000 00
Montgomery	2,017 00	4,025	$ 67,445 00
Orange	371 00	526	$ 7,525 00
TOTAL	**8,579.00**	**15,455**	**$ 259,490.00**

Entergy Solutions High Performance Homes MTP			
County	Savings kW	Savings KWh	Incentives
Galveston	1 40	3,859	$ 75 00
Grimes	2 42	8,622	$ 300 00
Harris	3 61	12,414	$ 300 00
Liberty	4 35	14,919	$ 625 00
Montgomery	1,387 30	4,671,623	$ 209,875 00
TOTAL	**1,399.08**	**4,711,437**	**$ 211,175.00**

A/C Distributor MTP			
County	Savings kW	Savings KWh	Incentives
Anderson	1 94	4,916	$ 1,410 00
Galveston	0 58	2,006	$ 540 00
Harris	2 87	8,009	$ 2,330 00
Jefferson	4 08	11,378	$ 2,540 00
Montgomery	253 56	708,755	$ 181,820 00
Walker	1 17	3,755	$ 1,100 00
Total	**264.20**	**738,819**	**$ 189,740 00**

Commercial Solutions MTP			
County	Savings kW	Savings KWh	Incentives
Chambers	19 31	75,087	$ 3,937 02
Grimes	11 23	43,677	$ 2,289 72
Hardin	318 59	1,279,273	$ 81,166 00
Harris	32 39	154,214	$ 6,970 64
Jefferson	1,802 39	7,582,120	$ 302,396 99
Liberty	120 15	637,244	$ 31,497 85
Limestone	8 52	33,158	$ 1,737 38
Madison	12 57	48,886	$ 2,562 91
Montgomery	2,710 36	16,618,170	$ 529,793 59
Orange	326 76	2,461,807	$ 96,270 79
Robertson	64 75	487,788	$ 15,561 63
Walker	416 67	2,570,233	$ 106,204 53
TOTAL	**5,843 69**	**31,991,657**	**$ 1,180,389.05**

[3] The reported demand and energy reductions by county tables may not match up exactly with the tables above due to minor rounding discrepancies.