

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF EL PASO ELECTRIC)
COMPANY’S APPLICATION FOR)
APPROVAL OF ITS 2022-2024 ENERGY)
EFFICIENCY AND LOAD MANAGEMENT)
PLAN, UTILITY INCENTIVE AND REVISED)
RATE NO. 17- EFFICIENT USE OF ENERGY)
RECOVERY FACTOR)**

Case No. 21-00114-UT

**EL PASO ELECTRIC COMPANY,)
Applicant.)**

EXECUTIVE SUMMARY

El Paso Electric Company’s (“EPE”) *Application for Approval of Its 2022-2024 Energy Efficiency and Load Management Plan, Utility Incentive, and Revised Rate No. 17- Efficient Use of Energy Recovery Factor* seeks approval of its proposed Energy Efficiency and Load Management (“EE/LM”) Plan for new and modified Energy Efficiency Programs (“Programs”) and Program budgets for plan years 2022-2024 (“EE/LM Plan”), 2022-2024 Utility incentive mechanism, and revisions to Rate No. 17 - Efficient Use of Energy Recovery Factor rate rider (“Rate No. 17 - EUERF”). EPE files its Application pursuant to the New Mexico Efficient Use of Energy Act (“EUEA”), NMSA 1978, Sections 62-17-1 et seq., as amended, and the New Mexico Public Regulation Commission’s (“NMPRC” or “Commission”) Energy Efficiency Rule, 17.7.2 NMAC (“Rule”).

EPE requests recovery of the proposed EE/LM Plan annual budgets, based on three to five percent of EPE’s eligible historical 2020 total retail revenues. This resulted in a base annual budget range of \$4,773,144 to \$7,888,573. For program year 2022, EPE proposes a budget of \$6,226,213, which is 3.95 percent of EPE’s 2020 eligible retail revenues. For 2023 and 2024, EPE proposes a

budget of \$6,357,367 and \$6,510,060 for each program year, respectively, and requests approval to modify its 2023 and 2024 program budgets based on actual 2021 and 2022 revenues.

EPE proposes to recover the 2020 program year overage of \$902,001 through the proposed Rate No. 17 – EUERF rate rider. EPE also seeks a variance from existing Rule 17.7.2.8(C)(1) and 8(E) to authorize EPE to carry forward EPE’s 2020 program year overage and collect it through the proposed Rate No. 17 - EUERF rate rider in excess of the current rule’s three percent funding standard. EPE seeks the variance for consistency with the EUEA, because the 2019 EUEA amendments which allows for a three to five percent EE/LM Plan budget.

EPE determined the cost-effectiveness of the EE/LM Plan portfolio based on the utility cost test (“UCT”), which is a standard that is met if the monetary costs that are borne by the public utility and that are incurred to develop, acquire and operate energy efficiency or load management resources on a life-cycle basis are less than the avoided monetary costs associated with developing, acquiring and operating the associated supply-side resources. EPE’s 2022 EE/LM Plan Program portfolio meets the UCT with an overall UCT ratio of 1.49. Each Program included in the proposed 2022-2024 EE/LM Plan has an individual UCT greater than 1.0.

EPE’s nine existing EE/LM Programs were approved by the Commission in NMPRC Case No. 18-00116-UT. EPE selected its proposed portfolio of new and modified programs after investigating cost effective and achievable energy efficiency and load management resources available in its New Mexico service territory. EPE requests approval to add the EnergySmart Program and the Marketplace program. EPE also request to continue the remaining existing Programs, some with modifications, with revised budgets and participation levels. EPE’s proposed 2022-2024 EE/LM Plan includes the following eleven EE/LM Programs:

- Smart Students¹® Program (modified and with a new name),
- Residential Comprehensive Program (modified),
- Residential Lighting Program,
- ENERGY STAR® New Homes Program,
- Residential Load Management Program
- EnergySaver Program,
- Commercial Comprehensive Program,
- SCORE Plus Program,
- Commercial Load Management Program,
- Energy\$mart Program, and
- Marketplace Program.

EPE additionally requests approval to continue the utility incentive mechanism approved in Case No. 18-00116-UT and requests a baseline utility incentive of 6.6 percent of program expenditures for 2022 through 2024. The proposed baseline utility incentive is \$410,930 annually. The annual utility incentive will be subject to a true-up based on actual expenses and energy savings achieved each year. Finally, EPE proposes a revised EUERF of 4.6442 percent to recover the funding for the proposed EE/LM Plan and the utility incentive.

¹ The name of this program may change in the future for marketing purposes.

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**EL PASO ELECTRIC COMPANY,)
Applicant.)**

**EL PASO ELECTRIC COMPANY’S APPLICATION FOR APPROVAL OF
2022-2024 PLAN, 2022-2024 UTILITY INCENTIVE AND REVISED
RATE NO. 17- EUERF**

El Paso Electric Company (“EPE”) hereby files its Application for approval of its proposed Energy Efficiency and Load Management (“EE/LM”) Plan for new and modified Energy Efficiency Programs (“Programs”) and Program budgets for plans year 2022-2024 (“EE/LM Plan”), 2022-2024 utility incentive, and revisions to Rate No. 17 - Efficient Use of Energy Recovery Factor rate rider (“Rate No. 17 - EUERF”). EPE files its Application pursuant to the New Mexico Efficient Use of Energy Act (“EUEA”), NMSA 1978, Sections 62-17-1 et seq. and the New Mexico Public Regulation Commission’s (“NMPRC” or “Commission”) Energy Efficiency Rule, 17.7.2 NMAC (“Rule”).¹ EPE’s EE/LM Plan is supported by the Direct Testimonies of EPE witnesses Araceli G. Perea, Amy D. Martin, and Adrian Hernandez. EPE’s Advice Notice No. 273, requesting approval of its Revised Rate No. 17 - EUERF effective January 1, 2022, is being filed concurrently with this

¹ This Rule is currently being amended by the NMPRC to conform to the amended EUEA. EPE complies with the existing Rule, except where it conflicts with the amended EUEA. As explained in testimony, EPE requests a variance from the Rule where it conflicts with an amendment in the EUEA.

Application. EPE requests approval by the Commission of its Application together with all other approvals, authorization, and actions that may be required for implementation thereof in accordance with the EUEA, the Rule, and the New Mexico Public Utility Act (“PUA”), NMSA 1978, Section 62-3-1 et seq.

In support of this Application, EPE states the following:

1. EPE is certified and authorized to conduct the business of providing public utility service within the State of New Mexico, is a public utility subject to the jurisdiction of the Commission under the PUA, and is a wholly-owned subsidiary of Sun Jupiter, LLC.

2. EPE generates, transmits and distributes electricity through an interconnected system to customers in southern New Mexico and Texas. EPE owns, operates, leases or controls the plant, property and facilities used by it for the generation, transmission, distribution, sale or furnishing of electricity to or for the public within New Mexico and Texas.

3. EPE’s principal business address and telephone number for its New Mexico service area are:

El Paso Electric Company
100 N. Stanton Street
El Paso, Texas 79901
(915) 543-5711

4. Service of all notices, pleadings and other documents related to this Application should be made as follows:

Curtis Hutcheson
Regulatory Case Manager
El Paso Electric Company
100 N. Stanton Street
El Paso, Texas 79901
(915) 543-4354

Jordan L. Kessler
Senior Attorney
El Paso Electric Company
300 Galisteo Street, Suite 206
Santa Fe, New Mexico 87501
(505) 982-7391

In addition, pleadings and other documents should be emailed to the following electronic addresses:

araceli.parea@epelectric.com
curtis.hutcheson@epelectric.com
james.schichtl@epelectric.com
jwechsler@montand.com
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kolson@montand.com

5. EPE’s current portfolio of Programs and budgets was approved by the Commission in NMPRC Case No. 18-00116-UT.²

6. Concurrent with the filing of this Application and in accordance with the Rule, EPE has filed its 2021 Annual Report for Energy Efficiency Programs for the 2020 Program Year (“2021 Annual Report”) in NMPRC Case No. 18-00116-UT, the docket in which the 2020 Programs were approved. The 2020 Annual Report includes the statewide independent evaluator’s report, *Evaluation of the 2020 El Paso Electric Energy Efficiency Programs*, prepared by Evergreen Economics.

7. EPE proposes to include in its 2022-2024 EE/LM Plan the following cost-effective Programs:

Educational Smart Students® Program
Residential Residential Comprehensive Program Residential Lighting Program ENERGY STAR® New Homes Program Residential Load Management Program MarketPlace Program
Low Income EnergySaver Program Energy\$mart Program

² NMPRC Case No. 18-00116-UT, Final Order Adopting Recommended Decision (March 6, 2019) (hereinafter “Final Order”), and Order Granting El Paso Electric Company’s Motion to Modify its EE/LM Plan by Approving a New Residential Load Management Program (July 22, 2020).

Commercial

Commercial Comprehensive Program

SCORE Plus Program

Commercial Load Management Program

The EUEA requires public utilities to obtain Commission approval of proposed Programs prior to implementation. NMSA 1978, Section 62-17-5. EPE seeks approval to implement the proposed Programs, together with the proposed Program budgets. EPE also offers assistance in accordance with Rule 17.7.2 NMAC to Large Customers choosing to pursue their own energy efficiency efforts.

8. EPE developed the proposed 2022-2024 EE/LM Plan after soliciting input from interested parties, including, among others, the Attorney General of New Mexico (“AG”), the Energy, Minerals and Natural Resources Department (“EMNRD”), Coalition for Clean Affordable Energy (“CCAEE”), the City of Las Cruces, and Commission Staff.

9. The EUEA Section 62-17-5 provides public utilities an opportunity to earn a profit on cost-effective energy efficiency and load management resource development that is financially more attractive to the utility than supply-side utility resources.

10. EPE is seeking approval to continue to recover the performance-based utility incentive approved by the Commission in Case No. 18-00116-UT for the 2022-2024 EE/LM Plan. Specifically, EPE requests recovery of a baseline utility incentive of \$410,930 for each year of the EE/LM Plan (2022-2024) which will be subject to true-up based on actual expenses and savings achieved for the EE/LM Plan. EPE’s utility incentive request is consistent with Rule 17.7.2.8(L) and Section 62-17-5(F).

11. EPE has reconciled its 2020 Plan Year Expenditures and Collections, including 2020 utility incentive. EPE seeks approval of this reconciliation which resulted

in the following:

(a) an overage of \$902,001, which EPE proposes to include in its proposed EUERF for 2022;

(b) a 2020 plan year utility incentive in the amount of \$381,102 based on actual verified 2020 program costs and achieved savings; and

(c) \$227,942 of base rate administration costs not recovered through Rate No. 17-EUERF.

12. The total funding amount the proposed Programs for plan years 2022-2024 is based on not less than three percent and not more than five percent of EPE's historical 2020 total retail kilowatt-hour revenues. Section 62-17-6(A).

13. EPE requests approval of a variance from existing Rule 17.7.2.8(C)(1) and 8(E) to authorize EPE to carry forward EPE's 2020 program year overage and collect it through the proposed Rate No. 17 - EUERF rate rider in excess of the current rule's three percent funding standard. EPE seeks the variance for consistency with the EUEA, which allows for a three to five percent EE/LM Plan budget.

14. EPE anticipates exceeding its statutory energy level targets. The EUEA requires no less than five percent reduction of total 2020 retail kilowatt-hour sales over the period of 2021 to 2025. EPE's total sales to applicable customer classes was \$157,771,452.50 in 2020. Accordingly, EPE's EUEA cumulative savings by 2025 is required to be 78,872,865 kWh.

(a) EPE's proposed annual Program budgets for the EE/LM Plan is calculated at three to five percent funding level of 2020 revenues for customer classes that are subject to the EUERF for program years 2021 through 2025. This resulted in a base

annual budget range of \$4,773,144 to \$7,888,573. The proposed budget for program year 2022 is \$6,226,213.

(b) Because EPE intends to collect the 2020 overage in the EUERF instead of adding it to the 2022 Plan Year budget, the budget will not be affected by the overage.

(c) Because the current Rule sets a three-year cycle for EUEA plan application filing, EPE will modify its 2023 and 2024 Program budgets based on actual 2021 and 2022 revenues.

(d) Within each plan year of the approved 2022-2024 EE/LM Plan, EPE will shift funding among Programs and will adjust plan year expenditures within the ten percent authorized by the Rule, thereby modifying approved EE/LM budgets to align plan year expenditures with required plan year funding requirements.

(e) Consistent with the EUEA and the Rule, EPE will reconcile authorized EE/LM Plan collections and expenditures, including utility incentive amounts, and overages or underages, on an annual basis. EPE will report this annual reconciliation, as well as plan year and expected next plan year budget adjustments, in its Annual Report filed with the Commission.

(f) EPE will monitor its authorized EE/LM Plan expenditures and collections, as well as annual revenues and required funding levels. If required, EPE will take appropriate action to revise its Rate No. 17 - EUERF and/or to request any variances or approvals under the Rule to modify approved Programs and budgets before its next scheduled plan application filing in 2024.

15. The EUEA in Section 62-17-6 authorizes cost recovery of all Program costs

and incentives through a tariff rider set forth in EPE's Rate No. 17 - EUERF. EPE seeks approval to change its current rate rider factor through an advice notice filing, consistent with the Commission's approvals for EPE's EE/LM Plan program budgets and incentives, as adjusted for any necessary true-ups.

16. EPE's current monthly percentage-of-bill rate rider under Rate No. 17 - EUERF is 3.0793 percent for affected customer classes, not to exceed \$75,000 per year for any customer. If EPE's EE/LM Plan program budgets and incentives are approved for the initial 12-month recovery period, EPE has estimated that its Rate No. 17 - EUERF percentage-of-bill rate factor, including reconciliation amounts, would increase to approximately 4.5914 percent. EPE's proposed Rate No. 17 - EUERF rate rider will result in EPE collecting costs within the cost caps and funding requirements contained in the EUEA.

17. If EPE's Application is approved, for a typical residential customer using a monthly average of 700 kilowatt-hours, a Rate No. 17 - EUERF of 4.6442 percent of pre-tax bills would represent \$3.69 of the monthly bill. This is an increase of \$1.24 over the current EUERF charge of \$2.45, or a 1.50 percent increase relative to the current bill.

18. EPE's proposed form of Notice contains a statement of typical bill impacts for the affected rate classes based on EPE's requested Program budgets and incentives. EPE's proposed Notice is attached hereto (Attachment A).

19. EPE is filing the Direct Testimonies and Exhibits of Araceli G. Perea, Amy D. Martin, and Adrian Hernandez in support of its EE/LM Plan and related budgets; proposed incentives, and proposed changes to Rate No. 17 - EUERF rate rider. The Direct Testimonies and Exhibits explain how EPE has met the Rule's applicable criteria and

requirements, as well as the requirements of the Commission's Final Order in Case No. 18-00116-UT.

20. As indicated on the Certificate of Service attached hereto, EPE has mailed a copy of its Application and supporting Direct Testimonies and Exhibits to the AG, EMNRD, CCAE, parties to EPE's most recent general rate case (NMPRC Case No. 20-00104-UT), and other interested parties.

21. Pursuant to the requirements of 17.1.2.10 NMAC, Applications for New Rates, EPE is attaching to the following documents to the Application:

- (a) EPE's Proposed Notice to Customers (Attachment A); and
- (b) a copy of EPE's Advice Notice No. 273, Table of Contents, and Rate No. 17 - EUERF (Attachment B).

22. Pursuant to 17.1.2.10(B)(2)(d) NMAC, EPE has fully complied with all Commission final orders in each of EPE's cases decided during the preceding five years, as evidence by EPE's annual informational filing.

WHEREFORE, EPE respectfully requests that the Commission, after such notice and hearing as it deems necessary, issue a Final Order in this case that:

- 1) Approves EPE's reconciliation of its 2020 Plan Year expenditures and collections including:
 - a) a 2020 overage in the amount of \$902,001.
 - b) a 2020 plan year utility incentive in the amount of \$381,102; and
 - c) a 2020 base rate administration costs of \$227,942 not recovered through Rate No. 17 - EUERF;

2) Approves EPE's proposed EE/LM Plan and budgets for 2022-2024 plan years including:

a) authority to modify 2023 and 2024 budgets based upon actual 2021 and 2022 revenues, respectively, and any overage/underage pursuant to the Rule; and

b) authority, within each plan year, to shift funding among Programs and to adjust plan year expenditure within the ten percent authorized by the Rule, to align plan year expenditures with the required plan year funding requirements;

3) Approves EPE's proposed variance to accommodate a 2021 program year budget in excess of three percent;

4) Approves EPE's proposed utility incentive for the 2022-2024 plan years;

5) Approves EPE's proposed revisions to Rate No. 17 - EUERF to increase EPE's uniform percentage-of-bill rate rider factor; and,

6) Grants such other approvals as may be necessary or appropriate in accordance with the EUEA and Commission Rule.

Respectfully submitted,

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)
EL PASO ELECTRIC COMPANY,)
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_____)

Case No. 21-00114-UT

NOTICE TO EPE CUSTOMERS

Notice is hereby given of the following matters pertaining to the above captioned case pending before the New Mexico Public Regulation Commission ("NMPRC" or "Commission"):

On July 15, 2021, El Paso Electric Company ("EPE") filed its Application for proposed 2022-2024 Energy Efficiency and Load Management Programs ("EE/LM Programs"), 2022-2024 utility incentive, and revisions to EPE's Rate No. 17 - Efficient Use of Energy Recovery Factor ("EUERF") rate rider, pursuant to the New Mexico Efficient Use of Energy Act ("EUEA"), NMSA 1978, Sections 62-17-1 et seq. and the NMPRC Energy Efficiency Rule ("Rule"), 17.7.2 NMAC. If the proposed Program budgets and incentives were to be approved by the Commission, EPE estimates the proposed uniform percentage of bill rate rider under its Rate No. 17 - EUERF would be approximately 4.6442 percent. EPE requests that the Commission approve its Application and proposed tariff revisions together with all other approvals, authorization and actions that may be required for implementation.

Along with changes to various Program budgets and rebates for its existing
PROPOSED NOTICE
CASE NO. 21-00114-UT

residential and commercial Programs, EPE seeks approval for the continuation, addition or modification of the following energy efficiency programs:

The proposed existing and modified programs are as follows:

- Smart Students® Program (modified and with a new name),
- Residential Comprehensive Program (modified),
- Residential Lighting Program,
- ENERGY STAR® New Homes Program,
- Residential Load Management Program
- EnergySaver Program,
- Commercial Comprehensive Program,
- SCORE Plus Program, and
- Commercial Load Management Program.

The proposed two new programs are as follows:

- Energy\$mart Program, and
- Marketplace Program.

The proposed 2022 program budget is \$6,226,213 and results in monthly charges that represent approximately 4.6442 percent of the average bill for each customer in the eligible customer classes. The EUERF charge would be paid in addition to the current charges that the customer is paying and will be collected through a line item charge on the customer's bill. EPE's average residential customer uses approximately 700 kilowatt-hours ("kWh") per month, and for that average use, a customer would pay approximately \$3.69 of the monthly bill. This is an increase of \$1.24 over the current EUERF charge of \$2.45, or a 1.5 percent increase relative to the total current bill. EPE's proposed EUERF factor is subject to the statutory dollar cap of \$75,000 per year for a customer, contained

in the EUEA and Rule. If approved by the Commission, Rate No. 17 - EUERF would apply to those EPE service customer classes that are eligible to participate in the energy efficiency programs.

For informational purposes only, the following table shows typical EUERF bill impacts by rate class. These impacts are subject to change by the Commission based upon its findings in this case.

EL PASO ELECTRIC COMPANY Analysis of EUERF Impacts on Typical Bills by Rate Class									
kWh	kW	Load Factor	Total Pre-Tax Bill	Current EUERF Chrg	Current Bill	Proposed EUERF Chrg	Proposed Bill	Bill Impact	
<u>RATE NO. 01 - RESIDENTIAL SERVICE</u>									
0			\$ 7.00	\$ 0.22	\$ 7.22	\$ 0.33	\$ 7.33	1.52%	
100			\$ 16.78	\$ 0.52	\$ 17.30	\$ 0.78	\$ 17.56	1.50%	
250			\$ 31.45	\$ 0.97	\$ 32.42	\$ 1.46	\$ 32.91	1.51%	
500			\$ 56.69	\$ 1.75	\$ 58.44	\$ 2.63	\$ 59.32	1.51%	
700			\$ 79.55	\$ 2.45	\$ 82.00	\$ 3.69	\$ 83.24	1.51%	
1,000			\$ 113.92	\$ 3.51	\$ 117.43	\$ 5.29	\$ 119.21	1.52%	
2,000			\$ 228.55	\$ 7.04	\$ 235.59	\$ 10.61	\$ 239.16	1.52%	
<u>RATE NO. 03 - SMALL COMMERCIAL SERVICE (0 to 50 kW)</u>									
730	5	20%	\$ 127.02	\$ 3.91	\$ 130.93	\$ 5.90	\$ 132.92	1.52%	
1,460	5	40%	\$ 168.94	\$ 5.20	\$ 174.14	\$ 7.85	\$ 176.79	1.52%	
2,190	5	60%	\$ 210.87	\$ 6.49	\$ 217.36	\$ 9.79	\$ 220.66	1.52%	
2,920	5	80%	\$ 252.80	\$ 7.78	\$ 260.58	\$ 11.74	\$ 264.54	1.52%	
2,190	15	20%	\$ 353.05	\$ 10.87	\$ 363.92	\$ 16.40	\$ 369.45	1.52%	
4,380	15	40%	\$ 478.83	\$ 14.74	\$ 493.57	\$ 22.24	\$ 501.07	1.52%	
6,570	15	60%	\$ 604.62	\$ 18.62	\$ 623.24	\$ 28.08	\$ 632.70	1.52%	
8,760	15	80%	\$ 730.40	\$ 22.49	\$ 752.89	\$ 33.92	\$ 764.32	1.52%	
3,650	25	20%	\$ 579.09	\$ 17.83	\$ 596.92	\$ 26.89	\$ 605.98	1.52%	
7,300	25	40%	\$ 788.72	\$ 24.29	\$ 813.01	\$ 36.63	\$ 825.35	1.52%	
10,950	25	60%	\$ 998.36	\$ 30.74	\$ 1,029.10	\$ 46.37	\$ 1,044.73	1.52%	
14,600	25	80%	\$ 1,208.00	\$ 37.20	\$ 1,245.20	\$ 56.10	\$ 1,264.10	1.52%	
5,840	40	20%	\$ 918.14	\$ 28.27	\$ 946.41	\$ 42.64	\$ 960.78	1.52%	
11,680	40	40%	\$ 1,253.56	\$ 38.60	\$ 1,292.16	\$ 58.22	\$ 1,311.78	1.52%	
17,520	40	60%	\$ 1,588.98	\$ 48.93	\$ 1,637.91	\$ 73.80	\$ 1,662.78	1.52%	
23,360	40	80%	\$ 1,924.40	\$ 59.26	\$ 1,983.66	\$ 89.37	\$ 2,013.77	1.52%	
<u>RATE NO. 03 - SMALL COMMERCIAL ALTERNATE (0 to 50 kW)</u>									
1,000			\$ 137.36	\$ 4.23	\$ 141.59	\$ 6.38	\$ 143.74	1.52%	
2,000			\$ 260.72	\$ 8.03	\$ 268.75	\$ 12.11	\$ 272.83	1.52%	
4,000			\$ 507.44	\$ 15.63	\$ 523.07	\$ 23.57	\$ 531.01	1.52%	
6,000			\$ 754.15	\$ 23.22	\$ 777.37	\$ 35.02	\$ 789.17	1.52%	
<u>RATE NO. 04 - GENERAL SERVICE RATE (secondary rate, 50 to 800 kW)</u>									
7,300	50	20%	\$ 1,094.54	\$ 33.70	\$ 1,128.24	\$ 50.83	\$ 1,145.37	1.52%	
14,600	50	40%	\$ 1,472.82	\$ 45.35	\$ 1,518.17	\$ 68.40	\$ 1,541.22	1.52%	
21,900	50	60%	\$ 1,851.11	\$ 57.00	\$ 1,908.11	\$ 85.97	\$ 1,937.08	1.52%	
29,200	50	80%	\$ 2,229.39	\$ 68.65	\$ 2,298.04	\$ 103.54	\$ 2,332.93	1.52%	
43,800	300	20%	\$ 6,437.24	\$ 198.22	\$ 6,635.46	\$ 298.96	\$ 6,736.20	1.52%	
87,600	300	40%	\$ 8,706.94	\$ 268.11	\$ 8,975.05	\$ 404.37	\$ 9,111.31	1.52%	
131,400	300	60%	\$ 10,976.64	\$ 338.00	\$ 11,314.64	\$ 509.78	\$ 11,486.42	1.52%	
175,200	300	80%	\$ 13,246.35	\$ 407.89	\$ 13,654.24	\$ 615.19	\$ 13,861.54	1.52%	
73,000	500	20%	\$ 10,711.39	\$ 329.84	\$ 11,041.23	\$ 497.46	\$ 11,208.85	1.52%	
146,000	500	40%	\$ 14,494.23	\$ 446.32	\$ 14,940.55	\$ 673.14	\$ 15,167.37	1.52%	
219,000	500	60%	\$ 18,277.07	\$ 562.81	\$ 18,839.88	\$ 848.82	\$ 19,125.89	1.52%	
292,000	500	80%	\$ 22,059.91	\$ 679.29	\$ 22,739.20	\$ 1,024.51	\$ 23,084.42	1.52%	
<u>RATE NO. 04 - GENERAL SERVICE RATE (primary rate, 50 to 800 kW)</u>									
7,300	50	20%	\$ 961.96	\$ 29.62	\$ 991.58	\$ 44.68	\$ 1,006.64	1.52%	
14,600	50	40%	\$ 1,330.82	\$ 40.98	\$ 1,371.80	\$ 61.81	\$ 1,392.63	1.52%	
21,900	50	60%	\$ 1,699.68	\$ 52.34	\$ 1,752.02	\$ 78.94	\$ 1,778.62	1.52%	
29,200	50	80%	\$ 2,068.54	\$ 63.70	\$ 2,132.24	\$ 96.07	\$ 2,164.61	1.52%	
43,800	300	20%	\$ 5,641.76	\$ 173.73	\$ 5,815.49	\$ 262.01	\$ 5,903.77	1.52%	
87,600	300	40%	\$ 7,854.93	\$ 241.88	\$ 8,096.81	\$ 364.80	\$ 8,219.73	1.52%	
131,400	300	60%	\$ 10,068.09	\$ 310.03	\$ 10,378.12	\$ 467.58	\$ 10,535.67	1.52%	
175,200	300	80%	\$ 12,281.26	\$ 378.18	\$ 12,659.44	\$ 570.37	\$ 12,851.63	1.52%	

73,000	500	20%	\$	9,385.61	\$	289.01	\$	9,674.62	\$	435.89	\$	9,821.50	1.52%
146,000	500	40%	\$	13,074.22	\$	402.59	\$	13,476.81	\$	607.19	\$	13,681.41	1.52%
219,000	500	60%	\$	16,762.82	\$	516.18	\$	17,279.00	\$	778.50	\$	17,541.32	1.52%
292,000	500	80%	\$	20,451.43	\$	629.76	\$	21,081.19	\$	949.81	\$	21,401.24	1.52%
RATE NO. 05 - IRRIGATION SERVICE RATE													
1,000			\$	118.77	\$	3.66	\$	122.43	\$	5.52	\$	124.29	1.52%
5,000			\$	513.84	\$	15.82	\$	529.66	\$	23.86	\$	537.70	1.52%
10,000			\$	1,007.68	\$	31.03	\$	1,038.71	\$	46.80	\$	1,054.48	1.52%
15,000			\$	1,501.53	\$	46.24	\$	1,547.77	\$	69.73	\$	1,571.26	1.52%
RATE NO. 07 - CITY AND COUNTY SERVICE													
1,460	10	20%	\$	206.77	\$	6.37	\$	213.14	\$	9.60	\$	216.37	1.52%
2,920	10	40%	\$	297.04	\$	9.15	\$	306.19	\$	13.80	\$	310.84	1.52%
4,380	10	60%	\$	387.31	\$	11.93	\$	399.24	\$	17.99	\$	405.30	1.52%
5,840	10	80%	\$	477.59	\$	14.71	\$	492.30	\$	22.18	\$	499.77	1.52%
14,600	100	20%	\$	1,910.15	\$	58.82	\$	1,968.97	\$	88.71	\$	1,998.86	1.52%
29,200	100	40%	\$	2,812.89	\$	86.62	\$	2,899.51	\$	130.64	\$	2,943.53	1.52%
43,800	100	60%	\$	3,715.62	\$	114.42	\$	3,830.04	\$	172.56	\$	3,888.18	1.52%
58,400	100	80%	\$	4,618.36	\$	142.21	\$	4,760.57	\$	214.49	\$	4,832.85	1.52%
43,800	300	20%	\$	5,695.46	\$	175.38	\$	5,870.84	\$	264.51	\$	5,959.97	1.52%
87,600	300	40%	\$	8,403.66	\$	258.77	\$	8,662.43	\$	390.28	\$	8,793.94	1.52%
131,400	300	60%	\$	11,111.87	\$	342.17	\$	11,454.04	\$	516.06	\$	11,627.93	1.52%
175,200	300	80%	\$	13,820.08	\$	425.56	\$	14,245.64	\$	641.83	\$	14,461.91	1.52%
73,000	500	20%	\$	9,480.77	\$	291.94	\$	9,772.71	\$	440.31	\$	9,921.08	1.52%
146,000	500	40%	\$	13,994.44	\$	430.93	\$	14,425.37	\$	649.93	\$	14,644.37	1.52%
219,000	500	60%	\$	18,508.12	\$	569.92	\$	19,078.04	\$	859.55	\$	19,367.67	1.52%
292,000	500	80%	\$	23,021.79	\$	708.91	\$	23,730.70	\$	1,069.18	\$	24,090.97	1.52%
RATE NO. 08 - MUNICIPAL WATER, SEWAGE, AND PUMPING (Secondary)													
1,000			\$	104.85	\$	3.23	\$	108.08	\$	4.87	\$	109.72	1.52%
10,000			\$	868.48	\$	26.74	\$	895.22	\$	40.33	\$	908.81	1.52%
50,000			\$	4,262.39	\$	131.25	\$	4,393.64	\$	197.95	\$	4,460.34	1.52%
100,000			\$	8,504.78	\$	261.89	\$	8,766.67	\$	394.98	\$	8,899.76	1.52%
250,000			\$	21,231.96	\$	653.80	\$	21,885.76	\$	986.05	\$	22,218.01	1.52%
500,000			\$	42,443.91	\$	1,306.98	\$	43,750.89	\$	1,971.18	\$	44,415.09	1.52%
RATE NO. 08 - MUNICIPAL WATER, SEWAGE, AND PUMPING (Primary)													
1,000			\$	100.00	\$	3.08	\$	103.08	\$	4.64	\$	104.64	1.51%
10,000			\$	819.99	\$	25.25	\$	845.24	\$	38.08	\$	858.07	1.52%
50,000			\$	4,019.94	\$	123.79	\$	4,143.73	\$	186.69	\$	4,206.63	1.52%
100,000			\$	8,019.88	\$	246.96	\$	8,266.84	\$	372.46	\$	8,392.34	1.52%
250,000			\$	20,019.70	\$	616.47	\$	20,636.17	\$	929.75	\$	20,949.45	1.52%
500,000			\$	40,019.39	\$	1,232.32	\$	41,251.71	\$	1,858.58	\$	41,877.97	1.52%
RATE NO. 09 - LARGE POWER SERVICE (secondary, above 800 kW)													
146,000	1,000	20%	\$	20,690.23	\$	637.11	\$	21,327.34	\$	960.90	\$	21,651.13	1.52%
292,000	1,000	40%	\$	27,259.19	\$	839.39	\$	28,098.58	\$	1,265.97	\$	28,525.16	1.52%
438,000	1,000	60%	\$	33,828.15	\$	1,041.67	\$	34,869.82	\$	1,571.05	\$	35,399.20	1.52%
584,000	1,000	80%	\$	40,397.11	\$	1,243.95	\$	41,641.06	\$	1,876.12	\$	42,273.23	1.52%
292,000	2,000	20%	\$	41,253.46	\$	1,270.32	\$	42,523.78	\$	1,915.89	\$	43,169.35	1.52%
584,000	2,000	40%	\$	54,391.39	\$	1,674.87	\$	56,066.26	\$	2,526.04	\$	56,917.43	1.52%
876,000	2,000	60%	\$	67,529.31	\$	2,079.43	\$	69,608.74	\$	3,136.20	\$	70,665.51	1.52%
1,168,000	2,000	80%	\$	80,667.23	\$	2,483.99	\$	83,151.22	\$	3,746.35	\$	84,413.58	1.52%
438,000	3,000	20%	\$	61,816.69	\$	1,903.52	\$	63,720.21	\$	2,870.89	\$	64,687.58	1.52%
876,000	3,000	40%	\$	81,523.58	\$	2,510.36	\$	84,033.94	\$	3,786.12	\$	85,309.70	1.52%
1,314,000	3,000	60%	\$	101,230.46	\$	3,117.19	\$	104,347.65	\$	4,701.35	\$	105,931.81	1.52%
1,752,000	3,000	80%	\$	120,937.34	\$	3,724.02	\$	124,661.36	\$	5,616.57	\$	126,553.91	1.52%
RATE NO. 09 - LARGE POWER SERVICE (primary, above 800 kW)													
146,000	1,000	20%	\$	20,107.49	\$	619.17	\$	20,726.66	\$	933.83	\$	21,041.32	1.52%
292,000	1,000	40%	\$	26,552.64	\$	817.64	\$	27,370.28	\$	1,233.16	\$	27,785.80	1.52%
438,000	1,000	60%	\$	32,997.79	\$	1,016.10	\$	34,013.89	\$	1,532.48	\$	34,530.27	1.52%
584,000	1,000	80%	\$	39,442.94	\$	1,214.57	\$	40,657.51	\$	1,831.81	\$	41,274.75	1.52%
292,000	2,000	20%	\$	40,087.97	\$	1,234.43	\$	41,322.40	\$	1,861.77	\$	41,949.74	1.52%
584,000	2,000	40%	\$	52,978.27	\$	1,631.36	\$	54,609.63	\$	2,460.42	\$	55,438.69	1.52%
876,000	2,000	60%	\$	65,868.58	\$	2,028.29	\$	67,896.87	\$	3,059.07	\$	68,927.65	1.52%
1,168,000	2,000	80%	\$	78,758.88	\$	2,425.22	\$	81,184.10	\$	3,657.72	\$	82,416.60	1.52%
438,000	3,000	20%	\$	60,068.46	\$	1,849.69	\$	61,918.15	\$	2,789.70	\$	62,858.16	1.52%
876,000	3,000	40%	\$	79,403.91	\$	2,445.08	\$	81,848.99	\$	3,687.68	\$	83,091.59	1.52%
1,314,000	3,000	60%	\$	98,739.36	\$	3,040.48	\$	101,779.84	\$	4,585.65	\$	103,325.01	1.52%
1,752,000	3,000	80%	\$	118,074.82	\$	3,635.88	\$	121,710.70	\$	5,483.63	\$	123,558.45	1.52%
RATE NO. 11 - STREET LIGHTING SERVICE													
O.H. Wiring System Wood													
175W MV 7,000 L - 195 Watts			\$	14.65	\$	0.45	\$	15.10	\$	0.68	\$	15.33	1.52%
250W MV 11,000 L - 275 Watts			\$	18.17	\$	0.56	\$	18.73	\$	0.84	\$	19.01	1.49%
400W MV 20,000 L - 450 Watts			\$	25.80	\$	0.79	\$	26.59	\$	1.20	\$	27.00	1.54%
150W HPS 14,400 L - 193 Watts			\$	14.72	\$	0.45	\$	15.17	\$	0.68	\$	15.40	1.52%
250W HPS 23,200 L - 313 Watts			\$	20.24	\$	0.62	\$	20.86	\$	0.94	\$	21.18	1.53%
400W HPS 45,000 L - 485 Watts			\$	27.85	\$	0.86	\$	28.71	\$	1.29	\$	29.14	1.50%
31W - 50W LED 14,400 L - 31 - 50 Watts			\$	\$8.39	\$	0.26	\$	8.65	\$	0.39	\$	8.78	1.50%
51W - 100W LED 23,200 L - 51-100 Watts				\$11.01	\$	0.34	\$	11.35	\$	0.51	\$	11.52	1.50%
O.H. Wiring Sys Met Poles Co.Owned													
150W HPS 14,400 L - 193 Watts			\$	18.20	\$	0.56	\$	18.76	\$	0.85	\$	19.05	1.55%
250W HPS 23,200 L - 313 Watts			\$	23.72	\$	0.73	\$	24.45	\$	1.10	\$	24.82	1.51%

400W HPS 45,000 L - 485 Watts	\$	33.82	\$	1.04	\$	34.86	\$	1.57	\$	35.39	1.52%		
31W - 50W LED 14,400 L - 31 - 50 Watts	\$	10.80	\$	0.33	\$	11.13	\$	0.50	\$	11.30	1.53%		
51W - 100W LED 23,200 L - 51-100 Watts	\$	13.42	\$	0.41	\$	13.83	\$	0.62	\$	14.04	1.52%		
U.G. Wiring Sys Met Poles Co Owned													
150W HPS 14,400 L - 193 Watts	\$	21.95	\$	0.68	\$	22.63	\$	1.02	\$	22.97	1.50%		
250W HPS 23,200 L - 313 Watts	\$	27.60	\$	0.85	\$	28.45	\$	1.28	\$	28.88	1.51%		
400W HPS 45,000 L - 485 Watts	\$	35.37	\$	1.09	\$	36.46	\$	1.64	\$	37.01	1.51%		
31W - 50W LED 14,400 L - 31 - 50 Watts	\$	14.06	\$	0.43	\$	14.49	\$	0.65	\$	14.71	1.52%		
51W - 100W LED 23,200 L - 51-100 Watts	\$	16.67	\$	0.51	\$	17.18	\$	0.77	\$	17.44	1.51%		
RATE NO. 11 - STREET LIGHTING SERVICE - CONTINUED													
U.G. Wiring System on Wood Poles													
150W HPS 14,400 L - 193 Watts	\$	16.63	\$	0.51	\$	17.14	\$	0.77	\$	17.40	1.52%		
250W HPS 23,200 L - 313 Watts	\$	22.07	\$	0.68	\$	22.75	\$	1.03	\$	23.10	1.54%		
400W HPS 45,000 L - 485 Watts	\$	29.66	\$	0.91	\$	30.57	\$	1.38	\$	31.04	1.54%		
31W - 50W LED 14,400 L - 31 - 50 Watts	\$	11.08	\$	0.34	\$	11.42	\$	0.51	\$	11.59	1.49%		
51W - 100W LED 23,200 L - 51-100 Watts	\$	13.69	\$	0.42	\$	14.11	\$	0.64	\$	14.33	1.56%		
U.G. Wiring System City Owned													
175W MV 7,000 L - 195 Watts	\$	3.79	\$	0.12	\$	3.91	\$	0.18	\$	3.97	1.53%		
400W MV 20,000 L - 450 Watts	\$	8.73	\$	0.27	\$	9.00	\$	0.41	\$	9.14	1.55%		
150W HPS 14,400 L - 175 Watts	\$	3.41	\$	0.11	\$	3.52	\$	0.16	\$	3.57	1.42%		
180W LPS 19,800 L - 250 Watts	\$	4.85	\$	0.15	\$	5.00	\$	0.23	\$	5.08	1.60%		
250W HPS 23,200 L - 313 Watts	\$	6.06	\$	0.19	\$	6.25	\$	0.28	\$	6.34	1.44%		
250W LPS 33,000L - 365 Watts	\$	7.06	\$	0.22	\$	7.28	\$	0.33	\$	7.39	1.51%		
400W HPS 45,000 L - 485 Watts	\$	9.37	\$	0.29	\$	9.66	\$	0.44	\$	9.81	1.55%		
21W-30W LED	\$	0.52	\$	0.02	\$	0.54	\$	0.02	\$	0.54	0.00%		
31W-40W LED	\$	0.71	\$	0.02	\$	0.73	\$	0.03	\$	0.74	1.36%		
41W-50W LED	\$	0.91	\$	0.03	\$	0.94	\$	0.04	\$	0.95	1.06%		
51W-60W LED	\$	1.10	\$	0.03	\$	1.13	\$	0.05	\$	1.15	1.76%		
61W-70W LED	\$	1.28	\$	0.04	\$	1.32	\$	0.06	\$	1.34	1.51%		
71W-80W LED	\$	1.47	\$	0.05	\$	1.52	\$	0.07	\$	1.54	1.31%		
81W-90W LED	\$	1.66	\$	0.05	\$	1.71	\$	0.08	\$	1.74	1.75%		
91W-100W LED	\$	1.85	\$	0.06	\$	1.91	\$	0.09	\$	1.94	1.57%		
101W-110W LED	\$	2.04	\$	0.06	\$	2.10	\$	0.09	\$	2.13	1.43%		
111W-130W LED	\$	2.33	\$	0.07	\$	2.40	\$	0.11	\$	2.44	1.66%		
131W-150W LED	\$	2.71	\$	0.08	\$	2.79	\$	0.13	\$	2.84	1.79%		
151W-170W LED	\$	3.09	\$	0.10	\$	3.19	\$	0.14	\$	3.23	1.25%		
171W-190W LED	\$	3.47	\$	0.11	\$	3.58	\$	0.16	\$	3.63	1.39%		
191W-210W LED	\$	3.84	\$	0.12	\$	3.96	\$	0.18	\$	4.02	1.51%		
211W-230W LED	\$	4.22	\$	0.13	\$	4.35	\$	0.20	\$	4.42	1.61%		
231W-250W LED	\$	4.60	\$	0.14	\$	4.74	\$	0.21	\$	4.81	1.48%		
251W-270W LED	\$	4.98	\$	0.15	\$	5.13	\$	0.23	\$	5.21	1.56%		
RATE NO. 19 - SEASONAL AGRICULTURAL PROCESSING SERVICE													
1,460	10	20%	\$	197.44	\$	6.08	\$	203.52	\$	9.17	\$	206.61	1.52%
2,920	10	40%	\$	374.88	\$	11.54	\$	386.42	\$	17.41	\$	392.29	1.52%
4,380	10	60%	\$	552.33	\$	17.01	\$	569.34	\$	25.65	\$	577.98	1.52%
5,840	10	80%	\$	729.77	\$	22.47	\$	752.24	\$	33.89	\$	763.66	1.52%
7,300	50	20%	\$	907.21	\$	27.94	\$	935.15	\$	42.13	\$	949.34	1.52%
14,600	50	40%	\$	1,794.42	\$	55.26	\$	1,849.68	\$	83.34	\$	1,877.76	1.52%
21,900	50	60%	\$	2,681.64	\$	82.58	\$	2,764.22	\$	124.54	\$	2,806.18	1.52%
29,200	50	80%	\$	3,568.85	\$	109.90	\$	3,678.75	\$	165.74	\$	3,734.59	1.52%
14,600	100	20%	\$	1,794.42	\$	55.26	\$	1,849.68	\$	83.34	\$	1,877.76	1.52%
29,200	100	40%	\$	3,568.85	\$	109.90	\$	3,678.75	\$	165.74	\$	3,734.59	1.52%
43,800	100	60%	\$	5,343.27	\$	164.54	\$	5,507.81	\$	248.15	\$	5,591.42	1.52%
58,400	100	80%	\$	7,117.70	\$	219.18	\$	7,336.88	\$	330.56	\$	7,448.26	1.52%
43,800	300	20%	\$	5,343.27	\$	164.54	\$	5,507.81	\$	248.15	\$	5,591.42	1.52%
87,600	300	40%	\$	10,666.55	\$	328.45	\$	10,995.00	\$	495.38	\$	11,161.93	1.52%
131,400	300	60%	\$	15,989.82	\$	492.37	\$	16,482.19	\$	742.60	\$	16,732.42	1.52%
175,200	300	80%	\$	21,313.09	\$	656.29	\$	21,969.38	\$	989.82	\$	22,302.91	1.52%
RATE NO. 25 - OUTDOOR RECREATIONAL LIGHTING													
0			\$	18.00	\$	0.55	\$	18.55	\$	0.84	\$	18.84	1.56%
100			\$	29.36	\$	0.90	\$	30.26	\$	1.36	\$	30.72	1.52%
500			\$	74.79	\$	2.30	\$	77.09	\$	3.47	\$	78.26	1.52%
1,000			\$	131.58	\$	4.05	\$	135.63	\$	6.11	\$	137.69	1.52%
5,000			\$	585.90	\$	18.04	\$	603.94	\$	27.21	\$	613.11	1.52%
10,000			\$	1,153.80	\$	35.53	\$	1,189.33	\$	53.58	\$	1,207.38	1.52%
20,000			\$	2,289.60	\$	70.50	\$	2,360.10	\$	106.33	\$	2,395.93	1.52%
RATE NO. 26 - STATE UNIVERSITY SERVICE													
1,460,000	10,000	20%	\$	158,631.73	\$	4,884.75	\$	163,516.48	\$	7,367.17	\$	165,998.90	1.52%
2,920,000	10,000	40%	\$	228,482.35	\$	7,035.66	\$	235,518.01	\$	10,611.18	\$	239,093.53	1.52%
4,380,000	10,000	60%	\$	298,332.96	\$	9,186.57	\$	307,519.53	\$	13,855.18	\$	312,188.14	1.52%
5,840,000	10,000	80%	\$	368,183.58	\$	11,337.48	\$	379,521.06	\$	17,099.18	\$	385,282.76	1.52%

Further information regarding this case may be obtained by contacting EPE or the Commission at the addresses and telephone numbers provided below. The Commission has assigned Case No. 21-00114-UT to this proceeding, and all inquiries or written comments concerning this matter should refer to that case number.

The present procedural schedule established by the Commission for this proceeding is as follows:

1. Any person who desires to intervene to become a party to this case must file a Motion for Leave to Intervene, pursuant to 17.1.2.26(A) NMAC and 17.1.2.26(B) NMAC, on or before _____, 2021.
2. The Commission Staff shall and Interveners may file any direct testimony on or before _____, 2021.
3. Any rebuttal testimony by EPE, Staff or Intervenor must be filed on or before _____, 2021.

A public hearing will be held via Zoom beginning at 9:30 A.M. on _____, 2021, or at the Commission's offices, Bokum Building at 142 W. Palace Ave., Santa Fe, New Mexico, for the purpose of hearing and receiving evidence, arguments and any other appropriate matters in order to determine whether EPE's proposed rate, programs and budgets, and incentives, should be approved by the Commission.

Any interested person should contact the Commission at (505) 827-6956 for confirmation of the hearing date, time and place since hearings are on occasion rescheduled.

Any interested person may examine EPE's filing in this case together with any exhibits and related papers that may be filed in this case at EPE's office, 201 N. Water Street, Las Cruces, New Mexico 88001, telephone (575) 526-5551, or at the

Commission's offices, Bokum Building at 142 W. Palace Ave., Santa Fe, New Mexico 87501, telephone: (505) 827-6941.

The Commission's Utility Division Procedures (Rule 17.1.2 NMAC) apply to this proceeding except as modified by order of the Commission or Hearing Examiner. A copy of the rules may be obtained from the offices of the Commission.

Any interested person may appear at the time of hearing and make a written or oral comment without becoming an intervener, but the comment will not be considered as evidence in this proceeding. Interested persons may also send written comments, which shall reference NMPRC Case No. 21-00114-UT, to the Commission at the address set out above or to P.O. Box 1269, Santa Fe, NM 87504.

Anyone filing pleadings or testimony will serve copies upon all parties of record the Commission Staff, and the Hearing Examiner by first class mail or hand-delivery and by e-mail. Any person whose testimony has been pre-filed will attend the hearing and submit to examination under oath.

Any person with a disability requiring special assistance in order to participate in this proceeding should contact the offices of the Commission at least 24 hours prior to the commencement of the hearing.

I S S U E D at Santa Fe, New Mexico this ____ day of ____ 2021.

NEW MEXICO PUBLIC REGULATION COMMISSION

Hearing Examiner

EL PASO ELECTRIC COMPANY

ADVICE NOTICE NO. 273

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NEW MEXICO PUBLIC REGULATION COMMISSION
OF THE STATE OF NEW MEXICO

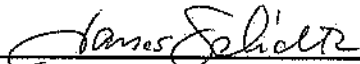
El Paso Electric Company (EPE) hereby gives notice to the public and the Commission of the filing and publishing of the following changes in its Rates, which are attached hereto:

RATES

Rate Number	Title of Rate	Cancelling Rate Number	Date Effective
12 th Revised Rate No. 17	Efficient Use of Energy Recovery Factor (EUERF)	11 th Revised Rate No. 17	01/01/2022

x

Advice Notice No. 273

Signature/Title 
James Schichtl
Vice President - Regulatory and
Governmental Affairs

EL PASO ELECTRIC COMPANY

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RATE SCHEDULES

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<u>Rate Schedule Number</u>	<u>Title</u>	
12 th Revised Rate 1	Residential Service Rate	
14 th Revised Rate 3	Small General Service Rate	
14 th Revised Rate 4	General Service Rate	
15 th Revised Rate 5	Irrigation Service Rate	
11 th Revised Rate 7	City and County Service Rate	
12 th Revised Rate 8	Water, Sewage, Storm Sewage Pumping or Sewage Disposal Rate	
12 th Revised Rate 9	Large Power Service Rate	
14 th Revised Rate 10	Military Research and Development Power Rate	
13 th Revised Rate 11	Street Lighting Service Rate	
13 th Revised Rate 12	Private Area Lighting Rate	
9 th Revised Rate 15	Miscellaneous Service Charges	
41 st Revised Rate 16	Purchased Power Service	
12 th Revised Rate 17	Efficient Use of Energy Recovery Factor (EUERF)	X
20 th Revised Rate 18	Fuel and Purchased Power Cost Adjustment Clause (FPPCAC)	
11 th Revised Rate 19	Seasonal Agriculture Processing Service Rate	
11 th Revised Rate 21	Supplementary Power Service for Cogeneration and Small Power Production Facilities	
11 th Revised Rate 22	Backup Power Service for Cogeneration and Small Power Production Facilities	

Advice Notice No. 273

Signature/Title James Schichtl
James Schichtl
Vice President – Regulatory and
Governmental Affairs

EL PASO ELECTRIC COMPANY

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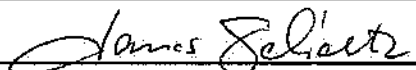
RATE SCHEDULES

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11 th Revised Rate 23	Maintenance Power Service for Cogeneration and Small Power Production Facilities
11 th Revised Rate 24	Curtable Power Service for Cogeneration and Small Power Production Facilities
9 th Revised Rate 25	Outdoor Recreational Lighting Service Rate
8 th Revised Rate 26	State University Service Rate
6 th Revised Rate 29	Noticed Interruptible Service for Rate Large Power Service
7 th Revised Rate 30	Load Retention Rate
3 rd Revised Rate 32	Voluntary Renewable Energy Rate
5 th Revised Rate 33	Small System Renewable Energy Certificate Purchase
4 th Revised Rate 34	Medium System Renewable Energy Certificate Purchase
2 nd Revised Rate 35	Large System Renewable Energy Certificate Purchase
3 rd Revised Rate 38	Renewable Portfolio Standard (RPS) Cost Rider
1 st Revised Rate 39	Economic Development Rate
1 st Revised Rate 41	Federal Tax Credit Factor (FTCF)
Original Rate 42	Experimental Electric Vehicle Charging Rate (EEVC)
Original Rate 43	Merger Rate Credit Factor (MRCF)

Advice Notice No. 273

Signature/Title


James Schichtl
Vice President – Regulatory and
Governmental Affairs

**EL PASO ELECTRIC COMPANY
TWELFTH REVISED RATE NO. 17
CANCELLING ELEVENTH REVISED RATE NO. 17**

Attachment B

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X
X

EFFICIENT USE OF ENERGY RECOVERY FACTOR (EUERF)

Page 1 of 2

APPLICABILITY

This rate schedule is applicable to electric service billed under the rate schedules indicated below.

Pursuant to the New Mexico Public Regulation Commission Rule 17.7.2, the EUERF allows the Company to recover the cost of energy efficiency programs from the customer classes with an opportunity to participate under such programs.

TERRITORY

Areas served by the Company in Doña Ana, Sierra, Otero and Luna Counties.

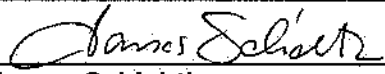
EUERF MONTHLY FACTOR

The monthly charge for the EUERF hereunder shall be comprised of the following rate charges, not to exceed \$75,000 per customer per year.

<u>Rate No.</u>	<u>Rate Schedule Description</u>	<u>Total EUERF per Pre-Tax Charges</u>	
01	Residential Service Rate	4.6442%.	X
03	Small General Service Rate	4.6442%.	X
04	General Service Rate	4.6442%.	X
05	Irrigation Service Rate	4.6442%.	X
07	City and County Service Rate	4.6442%.	X
08	Water, Sewage, Storm Sewage Pumping or Sewage Disposal Rate	4.6442%.	X
09	Large Power Service Rate	4.6442%.	X

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Attachment B
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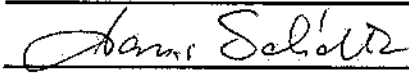
EFFICIENT USE OF ENERGY RECOVERY FACTOR (EUERF)

Page 2 of 2

11	Street Lighting Service Rate	4.6442%.	X
19	Seasonal Agriculture Processing Service Rate	4.6442%.	X
25	Outdoor Recreational Lighting Service Rate	4.6442%.	X
26	State University Service Rate	4.6442%.	X
29	Noticed Interruptible Service Rate for Large Power Service	4.6442%.	X
30	Load Retention Rate	4.6442%.	X

Advice Notice No. 273

Signature/Title


James Schichtl
Vice President – Regulatory and
Governmental Affairs

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF EL PASO ELECTRIC)
COMPANY'S APPLICATION FOR)
APPROVAL OF ITS 2022-2024 ENERGY)
EFFICIENCY AND LOAD MANAGEMENT)
PLAN, UTILITY INCENTIVE AND REVISED)
RATE NO. 17- EFFICIENT USE OF ENERGY)
RECOVERY FACTOR)

Case No. 21-00114-UT

EL PASO ELECTRIC COMPANY,)
Applicant.)
_____)

DIRECT TESTIMONY

OF

ARACELI G. PEREA

ON BEHALF OF

EL PASO ELECTRIC COMPANY

JULY 15, 2021

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
ARACELI G. PEREA**

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EXHIBITS

Exhibit AGP-1	EPE’s 2021 Existing Program Portfolio Budget
Exhibit AGP-2	EPE’s 2022-2024 Proposed Program Portfolio Budget
Exhibit AGP-3	Public Advisory Meetings – Official Service List
Exhibit AGP-4	Public Advisory Meeting – List of Attendees
Exhibit AGP-5	Energy Efficiency and Load Management Rule Requirements
Exhibit AGP-6	Case No. 18-00116-UT List of Compliance Requirements

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
ARACELI G. PEREA**

I. INTRODUCTION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Araceli G. Perea. My business address is 100 N. Stanton, El Paso, Texas 79901.

Q. HOW ARE YOU EMPLOYED?

A. I am employed by El Paso Electric Company ("EPE" or "Company") as the Supervisor of Energy Efficiency.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND AND EXPERIENCE.

A. I graduated from Saginaw Valley State University with a Bachelor of Science Degree in Mechanical Engineering. In December 1990, I was employed by General Motors, Saginaw, Michigan, as a Manufacturing Engineer, responsible for two machining departments. In 1996, I transferred to the Delphi Mexico Technical Center, in Cd. Juarez, Mexico, as an Industrial Engineering Supervisor, responsible for several departments. In March 2008, I was employed by EPE as a Program Coordinator in the Energy Efficiency Department for several Energy Efficiency Programs. On May 14, 2018, I was promoted to Supervisor of the Energy Efficiency Department. I currently hold the following certifications from the Association of Energy Engineers: Certified Energy Manager and Certified Demand-Side Management Professional. I also hold a Professional Energy Manager certification from the Institute of Energy Professionals

**EL PASO ELECTRIC COMPANY
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1 from North Carolina State University. I attained a Graduate Certificate in Public Utility
2 Regulation and Economics from New Mexico State University in May 2018.

3
4 **Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES WITH EPE.**

5 **A.** As Supervisor of the Energy Efficiency Department, my primary responsibilities
6 include the oversight of the energy efficiency personnel as well as managing the
7 development, implementation, and administration of EPE's energy efficiency and load
8 management programs. I am also responsible for the New Mexico and Texas
9 regulatory aspects of the Department.

10
11 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE UTILITY
12 REGULATORY BODIES?**

13 **A.** Yes, I have previously filed testimony before the New Mexico Public Regulation
14 Commission ("Commission" or "NMPRC") and the Public Utility Commission of
15 Texas.

16
17 **II. PURPOSE OF DIRECT TESTIMONY**

18 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

19 **A.** The purpose of my direct testimony is to support EPE's application for NMPRC
20 approval of its 2022-2024 Energy Efficiency and Load Management Plan ("EE/LM
21 Plan"), utility incentives, and Tenth Revised Rate No. 17 - Efficient Use of Energy
22 Recovery Factor ("EUERF") ("Revised Rider") in accordance with the Efficient Use

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1 of Energy Act, (“EUEA”). Additionally, EPE is requesting approval of a variance.

2 Specifically, my direct testimony:

- 3 1. Introduces EPE’s other witnesses that are presenting direct testimony in this
- 4 case;
- 5 2. Summarizes EPE’s Application;
- 6 3. Provides support for a requested variance;
- 7 4. Summarizes the statutory goals of EPE’s programs and EPE’s progress
- 8 towards meeting those goals;
- 9 5. Provides an overview of EPE’s 2020 program achievements, the impacts on
- 10 EE/LM projects due to the pandemic, and summarizes its existing 2021
- 11 programs;
- 12 6. Supports the proposed EE/LM Plan, including EE/LM Plan budgets and
- 13 utility incentive;
- 14 7. Addresses pre-filing requirements for stakeholder input; and
- 15 8. Addresses compliance requirements from the Final Order in Case
- 16 No. 18-00116-UT.

17
18 **Q. WHAT CHANGES HAS THE LEGISLATURE MADE TO THE EUEA SINCE**
19 **THE LAST EPE EE/LM PLAN APPLICATION?**

20 **A.** The EUEA was amended in 2019 and 2020. The applicable changes include: 1) a
21 requirement for investor-owned utilities to increase their energy efficiency budgets to
22 no less than three percent and no more than five percent of customer bills; 2) a savings
23 target of five percent of 2020 retail sales by 2025 for customer classes that have the

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1 opportunity to participate in programs between 2021-2025; and 3) a requirement that
2 the discount rate not be adjusted for taxes when considering the lifecycle costs and
3 benefits of EE and LM programs.

4
5 **Q. DOES EPE'S APPLICATION COMPLY WITH THESE AMENDMENTS?**

6 **A.** Yes.

7
8 **Q. DOES EPE'S APPLICATION COMPLY WITH NMPRC RULE 17.7.2?**

9 **A.** Yes, however, the Commission is in the process of revising 17.7.2 NMAC ("Rule") to
10 conform with the statutory changes to the EUEA. As described above, the EUEA
11 includes an increase in the energy efficiency budget from three percent to three to five
12 percent. This increase has not yet been reflected in the Rule. Accordingly, EPE is
13 seeking a variance from the existing rule to accommodate a 2021 program year budget
14 in excess of three percent.

15
16 **Q. WHO ARE EPE'S OTHER WITNESSES PROVIDING DIRECT TESTIMONY**
17 **IN THIS CASE?**

18 **A.** EPE witness Amy D. Martin, Vice President of Consulting and Engineering at Frontier
19 Energy ("Frontier"), presents the details of EPE's EE/LM Plan, which is set forth in
20 Exhibit ADM-1. EPE witness Martin's direct testimony addresses the program cost-
21 effectiveness and validation analysis undertaken to arrive at EPE's EE/LM Plan
22 proposal. EPE witness Martin also addresses certain recommendations that EPE
23 solicited and received regarding its proposed plan.

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EPE witness Adrian Hernandez, Senior Rate Analyst – Rate Research, provides the discount rate EPE used to calculate the Utility Cost Test ("UCT"); reconciles EPE's 2020 plan year tariff rider collections, plan year expenditures, and the utility incentive; addresses carrying charges, including appropriate rates and to what costs carrying charges should apply; and supports EPE's proposed revision to Rate No. 17 – Efficient Use of Energy Recovery Factor ("EUERF") pursuant to 17.7.2.13 NMAC.

Q. ARE YOU SPONSORING ANY EXHIBITS IN SUPPORT OF YOUR DIRECT TESTIMONY?

A. Yes, I am sponsoring the following exhibits:

- Exhibit AGP-1 EPE's 2021 Existing Program Portfolio Budget;
- Exhibit AGP-2 EPE's 2022-2024 Proposed Program Portfolio Budget;
- Exhibit AGP-3 Public Advisory Meetings – Official Service List;
- Exhibit AGP-4 Public Advisory Meeting – List of Attendees;
- Exhibit AGP-5 Energy Efficiency and Load Management Rule Requirements;
- and,
- Exhibit AGP-6 Case No. 18-00116-UT List of Compliance Requirements.

III. SUPPORT FOR REQUESTED VARIANCE

Q. PLEASE DESCRIBE WHAT VARIANCE EPE IS REQUESTING.

A. Pursuant to 17.7.2.19 NMAC, EPE requests a variance from Sections 8(C)(1) and 8(E) of the Rule to authorize EPE to carry forward EPE's 2020 program year overage in the amount of \$902,001 and collect it through the Revised Rider in excess of the rule's

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1 three percent funding standard. The overage and budget calculations are addressed by
2 EPE witness Hernandez in his direct testimony.

3

4 **Q. WHAT IS THE REASON FOR THE REQUESTED VARIANCE? [17.7.2.19(A)]**

5 **A.**EPE seeks the variance for consistency with the EUEA, because the 2019 EUEA
6 amendments allow for a three to five percent EE/LM Plan budget.

7

8 **Q. IDENTIFY EACH OF THE SECTIONS OF THE RULE FOR WHICH THE**
9 **VARIANCE IS REQUESTED. [17.7.2.19(B)]**

10 **A.**Section 8(E) requires a utility “to make its best efforts to expend its applicable plan
11 funding as calculated in Subsection (C) of 17.7.2.8 NMAC above subtracting any prior
12 plan year overage....” Section 8(C)(1) requires estimated “plan year funding” to be
13 “three percent” of estimated plan year billing revenues of applicable customer.

14

15 **Q. IF GRANTED, WHAT EFFECT WILL THE VARIANCES HAVE ON**
16 **COMPLIANCE WITH THE RULE AND EUEA? [17.7.2.19(C)]**

17 **A.**EPE requests the variance to accommodate a 2022 program year budget of \$6,226,213,
18 which complies with the statute but not with the Rule. Further, EPE requests a variance
19 to accommodate collection of a 2020 program year overage of \$902,001 which exceeds
20 the Rule’s three percent funding for that program year but again complies with the
21 statute.

22

23 **Q. DESCRIBE HOW GRANTING OF THE REQUESTED VARIANCES WILL**

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**FURTHER THE PURPOSES OF THE EUEA AND WHY IT IS A
REASONABLE ALTERNATIVE TO THE RULE.**

A. The requested variance is reasonable because it allows EPE to comply with the funding requirements of the EUEA and will promote EE/LM Plan funding at the level described in the revised statute, which authorizes spending over three percent. It also allows EPE to increase levels authorized by the statute, rather than force a reconciliation limiting EPE's spending to only three percent.

IV. SUMMARY OF APPLICATION

Q. PLEASE SUMMARIZE EPE'S APPLICATION IN THIS CASE.

A. EPE is seeking Commission approval of its proposed 2022-2024 EE/LM Plan, corresponding annual budgets, a reasonable utility incentive, request for a variance, and the Revised Rider. EPE is proposing to continue all its existing energy efficiency and load management programs that were approved in Case No. 18-00116-UT, with modifications to two programs. EPE is also proposing two new programs.

The proposed existing and modified programs are as follows:

- Smart Students¹® Program (modified and with a new name),
- Residential Comprehensive Program (modified),
- Residential Lighting Program,
- ENERGY STAR® New Homes Program,
- Residential Load Management Program

¹ The name of this program may change in the future for marketing purposes.

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- EnergySaver Program,
- Commercial Comprehensive Program,
- SCORE Plus Program, and
- Commercial Load Management Program.

The proposed two new programs are as follows:

- Energy\$mart Program, and
- Marketplace Program.

EPE's proposed EE/LM Plan's program portfolio is cost effective pursuant to the UCT, as set forth in EPE witness Martin's direct testimony and Exhibit ADM-1. EPE witness Martin presents and supports the UCTs of EPE's proposed program portfolio. The proposed programs meet the UCT.

With the exception of the proposed Energy\$mart Program, EPE selected its proposed new programs and modifications to existing programs utilizing the same third-party implementers currently under contract with EPE. EPE proposes to use the LivingWise® Program third-party implementer to implement the Smart Student Program, which is similar to the LivingWise® Program. The same third-party implementer that EPE uses in Texas will be used to implement the New Mexico Marketplace program.

In the development of its proposed EE/LM Plan, EPE carefully considered recommendations it received, which it solicited through email communications and discussions at the two public advisory meetings that EPE-hosted virtually.

**EL PASO ELECTRIC COMPANY
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EPE also requests approval to recover the proposed EE/LM Plan annual budgets, based on not less than three percent and not more than five percent of EPE's historical 2020 total eligible retail revenues. For 2022, the proposed program budget is \$6,226,213, which does not include the overage amount of \$902,001. The proposed program budget is 3.95 percent of EPE's 2020 eligible retail revenues. For 2023 and 2024, EPE proposes a budget of \$6,357,367 and \$6,510,060 for each program year, respectively. The 2023 and 2024 budgets are 4.03 percent and 4.13 percent of historical 2020 eligible retail revenues, respectively. EPE requests approval to modify its proposed budgets for program years 2023 and 2024 based on actual 2021 and 2022 eligible retail revenues. EPE additionally requests approval to continue the utility incentive mechanism approved in Case No. 18-00116-UT and requests a baseline utility incentive of 6.6 percent of program expenditures for 2022 through 2024, with a single modification to address EPE's decreased weighted average cost of capital ("WACC") from EPE's last general rate case, Case No. 20-00104-UT. The proposed baseline utility incentive is \$410,930 annually. The annual utility incentive will be subject to a true-up based on actual expenses and energy savings achieved each year. Finally, EPE proposes a revised EUERF of 4.6442 percent to recover the three to five percent funding for the proposed EE/LM Plan and the utility incentive as calculated in Exhibit AH-5 of EPE witness Hernandez.

**V. SUMMARY OF EPE'S ENERGY EFFICIENCY SAVINGS GOALS
AND EPE'S PROGRESS TOWARDS THOSE GOALS**

Q. WHAT ARE THE ENERGY EFFICIENCY SAVINGS GOALS THAT EPE

1 **MUST OBTAIN?**

9

12 **A.** Yes.

13

16 **A.** As of 2020, EPE has achieved a verified, cumulative energy savings of 163,517,159
17 kWh, which exceeds the 2020 Goal by about 55 percent. Please see Table 1 for the
18 annual and cumulative energy savings for each year.

19 /

20 /

21 /

22 /

23 /

**EL PASO ELECTRIC COMPANY
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ARACELI G. PEREA**

Table 1

Table 3 - 2020 Cumulative Energy Savings					
Year	Portfolio EUL	Annual kWh Savings	Annual Expired Portfolio kWh	Cumulative kWh Savings	EUEA Goal
2008	7	855,912		855,912	
2009	11	4,667,928		5,523,840	
2010	13	5,169,908		10,693,748	
2011	13	14,728,590		25,422,338	
2012	13	13,537,655		38,959,993	
2013	11	12,832,995		51,792,988	
2014	13	20,692,228		72,485,216	65,815,596
2015	13	15,729,342		88,214,558	
2008 Expired			(855,912)	87,358,646	
2016	13	18,213,422		105,572,068	
2017	14	12,729,242		118,301,310	
2018	14	17,216,718		135,518,028	
2019	16	16,549,072		152,067,100	
2020	16	16,117,987		168,185,087	105,304,953
2009 Expired			(4,667,928)	163,517,159	

**VI. OVERVIEW OF EPE'S 2020 ACHIEVEMENTS AND 2021 EXISTING
ENERGY EFFICIENCY PROGRAMS**

Q. HAS EPE FILED ITS 2021 ANNUAL REPORT FOR ITS 2020 ENERGY EFFICIENCY PROGRAMS WITH THE COMMISSION?

A. Yes. EPE has filed its 2021 Annual Report for Energy Efficiency Programs, Program Year 2020 ("2021 Annual Report"). In accordance with 17.7.2.8.A NMAC, EPE filed its 2021 Annual Report and the statewide evaluator's measurement and verification report, *Evaluation of the 2020 El Paso Electric Energy Efficiency Programs, May 21, 2021* ("M&V Report"), as an Appendix to the Annual Report in Case No. 18-00116-UT.

**EL PASO ELECTRIC COMPANY
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1 **Q. WHAT WERE THE ENERGY SAVINGS EPE ACHIEVED FOR THE 2020**
2 **PROGRAM YEAR?**

3 **A.**EPE achieved a total of 16,117,987 kWh of energy reduction through its 2020 EE/LM
4 programs. A complete accounting of EPE's program year 2020 EE/LM programs is
5 provided in EPE's 2021 Annual Report. EPE's energy reduction achievements were
6 verified by the statewide M&V evaluator, Evergreen Economics.

7
8 **Q. WHAT EFFECT DID COVID-19 HAVE ON EPE'S EXISTING PROGRAMS**
9 **AND BUDGET?**

10 **A.**The 2020 COVID-19 pandemic caused an abrupt pause on EPE's residential and
11 commercial programs and it had a significant lasting impact on the LivingWise®
12 Program. The implementers and contractors were limited due to the COVID-19
13 mandated restrictions on businesses, business occupancy levels, school closures and
14 the initial unknown implications of the virus; it limited the implementers' ability to
15 effectively market the programs. In time, the implementers and contractors developed
16 strategies to meet with participants and captured projects. The LivingWise® program
17 was negatively affected by school closures and mandatory quarantines, and never
18 recovered. The LivingWise® implementer was able to send the program materials
19 digitally, to allow for distance learning, and coordinate the distribution of kits to the
20 teachers due to the at-home environment situation. Teachers that did enroll in the
21 program were able to hand out the LivingWise® kits when students would arrive at the
22 school to pick up school materials. However, due to the at-home environment, the
23 implementer was unable to receive participation surveys at the levels of previous years.

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1 Once the Center for Disease Control and Prevention (“CDC”) provided safety
2 guidelines, implementers created procedures for safe inspections, some of which
3 consisted of virtual inspections utilizing apps or cell phones. Utilizing these virtual
4 inspections methods and CDC guidelines, the residential and commercial implementers
5 were able to slowly ramp-up the activity of these programs.

6 The EnergySaver program’s incredible success during the pandemic was
7 attributed to the EnergySaver’s contractor and EPE’s Energy Efficiency staff’s
8 outreach efforts at EPE’s payment centers both in Las Cruces and in Anthony during
9 the last quarter of 2020. The contractor was able to schedule many customers during
10 these outreach events. The customers’ ‘word-of-mouth’ helped accelerate the
11 program’s visibility within their neighborhoods.

12
13 **Q. PLEASE SUMMARIZE EPE'S 2021 EXISTING EE/LM PROGRAMS.**

14 **A.** EPE’s 2021 existing EE/LM programs were approved by the Commission in Case
15 No. 18-00116-UT in accordance with 17.7.2.8.A NMAC. These programs are
16 available to customers in participating rate classes, as discussed further in EPE witness
17 Hernandez’s direct testimony.

18 A detailed description of these programs can be found in EPE’s 2021 Annual
19 Report. Please see Exhibit AGP-1 for the 2021 program portfolio and the budget. For
20 New Mexico residential customers, EPE currently offers the following programs:

- 21 • LivingWise® Program,
- 22 • Residential Comprehensive Program,
- 23 • Residential Lighting Program,

**EL PASO ELECTRIC COMPANY
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- 1 • ENERGY STAR® New Homes Program,
- 2 • Residential Load Management Program, and
- 3 • EnergySaver Program.

4 For New Mexico commercial and industrial customers, EPE currently offers the
5 following programs:

- 6 • Commercial Comprehensive Program,
- 7 • SCORE Plus Program, and
- 8 • Commercial Load Management Program.

9 In addition, large commercial customers who choose not to participate in any of
10 EPE's commercial EE/LM programs have the option of pursuing their own energy
11 efficiency efforts through the Large Customer Self-Direct Program under 17.7.2.10-11
12 NMAC. To date, no EPE customer has sought to pursue this option.

**VII. EPE'S PROPOSED 2022, 2023, AND 2024 ENERGY
EFFICIENCY AND LOAD MANAGEMENT PLAN**

EE/LM Plan Overview

17 **Q. WHAT PERIOD OF TIME DOES THE PROPOSED EE/LM PLAN COVER?**

18 **A.** The proposed EE/LM Plan contains a proposed portfolio of programs and budgets for
19 calendar years 2022 through 2024. Once approved, the portfolio of programs will
20 continue in effect until modified by the Commission. In accordance with the Rule,
21 EPE will file its next new EE/LM Plan filing in 2024.

23 **Q. ARE THERE ANY CHANGES COMPARED TO THE EXISTING**

**EL PASO ELECTRIC COMPANY
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1 PORTFOLIO IN THE PROPOSED 2022-2024 EE/LM PLAN?

2 **A.** Yes. EPE requests approval to add two new programs and to modify two existing
3 programs. These are noted in more detail later in my testimony.

4
5 **Q. WHY IS EPE PROPOSING TWO NEW STANDALONE PROGRAMS AND**
6 **MODIFICATIONS?**

7 **A.** EPE is proposing two new standalone programs and modifications to two existing
8 programs to provide a more holistic program portfolio for our customers. The proposed
9 programs are varied in nature; some have been requested by our customers and others
10 have been successful in EPE's Texas service territory. Additionally, these two new
11 proposed standalone and modified programs will assist in satisfying the new metrics
12 set by the statutory requirements.

13
14 **Q. WHAT MODIFICATIONS ARE BEING MADE TO TWO OF THE EXISTING**
15 **PROGRAMS?**

16 **A.** EPE is proposing to modify the existing Residential Comprehensive Program to
17 include appliance recycling measures, such as refrigerator, freezer, and window room
18 air conditioner. EPE is able to offer this environmentally important measure in New
19 Mexico as part of a cost-effective program. EPE is also proposing to modify and
20 rename the existing LivingWise® Program to EPE's Smart Students Program, which
21 would expand the existing educational program to also include a FutureWise®
22 educational kit for high school students.

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1 **Q. HAVE CERTAIN PROGRAMS OR MEASURES BEEN REQUESTED BY EPE**
2 **CUSTOMERS?**

3 A. Yes. EPE's New Mexico customers have requested both the Marketplace Program and
4 the recycling of appliances. Currently, EPE does not implement this program nor this
5 measure in New Mexico.

6
7 **Q. HAVE ANY OF THESE PROGRAMS OR MEASURES BEEN PREVIOUSLY**
8 **DEPLOYED IN OTHER EPE SERVICE TERRITORIES?**

9 A. Yes, both the Marketplace Program and the recycling of appliances are currently
10 deployed in EPE's Texas service territory. The Texas Marketplace Program has been
11 successfully used and enjoyed by customers to purchase energy efficient products in a
12 convenient, online forum. The recycling of refrigerators and freezers is also popular in
13 EPE's Texas service territory due to its environmental impact, the convenience of free
14 pick-up of old units, and the rebate.

15

16 **Q. WHAT TYPES OF PROGRAMS IS EPE PROPOSING IN THE EE/LM PLAN?**

17 A. EPE is proposing eight residential programs and three commercial programs in the
18 EE/LM Plan. The residential programs consist of one educational program, providing
19 age appropriate educational kits for fifth graders and for high school students, two low-
20 income weatherization programs, one comprehensive rebate program, which includes
21 appliance recycling opportunities, one retail lighting buy-down program, one
22 residential new homes program, an online marketplace, and one residential load
23 management program. The three commercial programs consist of a comprehensive

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1 commercial rebate program, a comprehensive program for large customers that allows
2 special projects, and a commercial load management program. These programs are
3 shown in Exhibit AGP-2, and in Exhibit ADM-1 of EPE witness Martin's direct
4 testimony.

5
6 **Q. DOES EPE'S PROPOSED PORTFOLIO OF PROGRAMS MEET THE**
7 **UTILITY COST TEST?**

8 **A.** Yes, EPE's proposed portfolio of programs meet the UCT. Please refer to the direct
9 testimony of EPE witness Martin and Exhibit ADM-1 for more details.

10
11 ***2022-2024 EE/LM Plan Budgets***

12 **Q. HOW DID EPE CALCULATE THE FUNDING LEVEL FOR THE PROPOSED**
13 **2022-2024 EE/LM PLAN YEAR BUDGETS?**

14 **A.** EPE witness Hernandez presents the three to five percent funding level for the proposed
15 EE/LM Plan budgets based on historical 2020 revenues for all customer classes that
16 are be subject to the EUERF for program years 2022 through 2024. Annual budgets
17 were then set at not less than three percent and not more than five percent of the 2020
18 revenues for all three years as required by the EUEA and Rule. This resulted in a base
19 annual budget range of \$4,773,144 to \$7,888,573. The projected annual budgets are as
20 follows: \$6,226,213 for 2022, \$6,357,367 for 2023, and \$6,510,060 for 2024. Please
21 refer to EPE witness Hernandez's Exhibit AH-5.

22
23 **Q. HOW DOES EPE PROPOSE TO ADJUST ITS 2023 AND 2024 EE/LM PLAN'S**

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BUDGETS?

A. EPE requests approval to modify its proposed budgets for plan years 2023 and 2024 based on actual 2021 and 2022 revenues. Within each program year of the approved EE/LM Plan, EPE proposes to shift funding among Programs and to adjust program year expenditures within the ten percent authorized by the Rule, thereby modifying approved EE/LM budgets to align program year expenditures with required program year funding requirements. Consistent with the EUEA and the Rule, EPE will reconcile authorized EE/LM Plan collections and expenditures, including utility incentive amounts, on an annual basis. EPE will report this annual reconciliation, as well as program year and expected next program year budget adjustments, in its Annual Report filed with the Commission.

Q. HOW DID EPE BUDGET FOR EACH PROGRAM?

A. Once EPE established its overall portfolio budget, based on the amended EUERF funding requirement, EPE then refined the budget to the program level. The proposed budgets were developed based on past three-year experience, anticipated participation levels by measure, and the associated measure incentive levels that were necessary to encourage participation. Each program was then reviewed pursuant to the cost effectiveness test as addressed in the direct testimony of EPE witness Martin.

Q. WHAT EXPENSES ARE INCLUDED IN THE 2022-2024 EE/LM PLAN BUDGETS AND HOW ARE THESE EXPENSES ALLOCATED TO INDIVIDUAL PROGRAM BUDGETS?

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1 **A.** The EE/LM Plan budgets include programs expenses, marketing, general
2 administration expenses, research and development, and internal administration costs.
3 These expenses were allocated to the individual program budgets, primarily based on
4 projected participant numbers, as shown in Exhibit AGP-2.

5

6 **Q. HOW ARE THE INTERNAL ADMINISTRATION COSTS RECOVERED?**

7 **A.** The internal administration costs are recovered through base rates. These costs are not
8 recovered in the EUERF, as shown in EPE witness Hernandez's Exhibit AH-5.

9

10 **Q. DOES EPE'S EE/LM PLAN MEET THE REQUIREMENT UNDER THE EUEA**
11 **THAT AT LEAST FIVE PERCENT OF THE TOTAL EXPENDITURES MUST**
12 **BE DIRECTED TOWARDS LOW INCOME CUSTOMERS?**

13 **A.** Yes. For the 2022-2024 Plan, EPE added an additional program to its proposed
14 portfolio that is directed to low income customers. The EnergySaver Program and the
15 proposed Energy\$mart Program, which are EPE's low income residential programs,
16 have a proposed combined budget that is approximately 17.9 percent for 2022,
17 18.9 percent for 2023, and 20.6 percent for 2024 of the overall annual budget for that
18 year.

19

20 *2022-2024 EE/LM Plan Utility Incentive*

21 **Q. IS EPE REQUESTING RECOVERY OF A UTILITY INCENTIVE FOR ITS**
22 **EE/LM PLAN?**

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1 **A.** Yes. EPE is proposing the continuation of the incentive mechanism approved in Case
2 No. 18-00116-UT for its EE/LM Plan utility incentive, which was also approved in
3 Case No. 16-00185-UT. In Case No. 18-00116-UT, EPE agreed with Staff's proposed
4 utility incentive mechanism with an approved baseline incentive of 7.1 percent for
5 verified annual savings of at least 12 gigawatt-hours ("GWh"), with an adder incentive
6 of 0.075 percent for each 1.0 GWh of additional energy savings, up to a maximum of
7 7.6657 percent. Consistent with that approved approach, EPE requests a baseline
8 incentive of 6.6 percent of plan year program costs for verified annual savings of at
9 least 12 GWh, with an adder incentive of 0.075 percent for each 1.0 GWh of additional
10 energy savings up to a maximum of 7.18 percent as addressed in EPE witness
11 Hernandez's direct testimony.

12
13 **Q. IS THE REQUESTED EE/LM PLAN UTILITY INCENTIVE CONSISTENT**
14 **WITH THE RULE?**

15 **A.** Yes. Section 8.L of the Rule requires a proposed utility incentive to be based on a
16 utility's costs and on satisfactory performance of measures and programs, and to not
17 exceed the product of its WACC and approved programs costs. The amended EUEA
18 specifies that the Commission shall not adjust for taxes when selecting a discount rate.
19 EPE's incentive proposal is based on EPE's EE/LM Plan program costs and is
20 performance based subject to true-up based on verified savings of program
21 performance as shown in EPE witness Hernandez's direct testimony. This proposal
22 will not result in a utility incentive which exceeds the amount of EPE's WACC of 7.18
23 percent approved by the Commission in EPE's last general rate case, Case No. 20-

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1 00104-UT.

2
3 *Description of Proposed EE/LM Plan Programs*

4 **Q. PLEASE PROVIDE A DESCRIPTION OF EPE'S 2022-2024 PROPOSED**
5 **RESIDENTIAL PROGRAMS.**

6 **A.** EPE is proposing to continue six existing residential EE Programs, to include a
7 modified version of the Residential Comprehensive Program, and to rename and
8 expand the educational program, The Smart Students Program. In addition, EPE is
9 proposing two new standalone programs. Following is a description of each program:

10 **Proposed residential programs:**

- 11 1. Smart Students[®] Program – This program will include the LivingWise[®] and the
12 new FutureWise[®] educational kits. LivingWise[®] kit – The LivingWise[®] educational
13 kit serves as an effective community outreach tool to improve customer awareness
14 of energy efficiency measures and programs. EPE identifies and enrolls teachers
15 of fifth grade students, providing them with a LivingWise[®] kit that contains energy
16 saving devices and energy efficiency educational materials. The kits will continue
17 to include three light emitting diode ("LED") light bulbs, two 1.5 gpm low-flow
18 showerheads, one 1.5 gallons per minute ("gpm") kitchen faucet aerator, two 0.5
19 gpm bathroom faucet aerators, a digital thermometer, a flow rate test bag, a natural
20 resource fact chart, and instructions on how to install all of the measures. All of
21 the materials provided meet state and national educational standards, which allow
22 the program to easily fit into the teacher's existing requirements. The students take
23 the LivingWise[®] kit home, and with the help of their parents, install the devices in

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1 their home and complete a home energy audit report. All of the responses,
2 including the home audits, teacher responses, student input and parent responses,
3 are tabulated. This kit is designed to generate immediate and long-term energy
4 savings for participants. The FutureWise® kit – The FutureWise® educational kit
5 serves as an effective community outreach tool for high school students which will
6 bring an awareness of how they can save energy. This educational program will
7 take the students into the ‘future’ real world by providing real life scenarios of some
8 of the complex situations that await them, for example: how to read utility bills,
9 how to save money on energy usage and how to navigate thru career opportunities
10 in the green job sector. EPE identifies and enrolls teachers of high school students,
11 providing them with a FutureWise® kit that contains energy saving devices and
12 energy efficiency educational materials. The kits will include an advanced power
13 strips, (1) smart LEDs, (2) LEDs, and educational material to promote energy
14 savings through behavioral changes. Both of these kits are ideal in providing results
15 in behavioral changes for families in saving energy at home.

- 16 2. Residential Comprehensive Program – This program is an existing program,
17 however, EPE is proposing to modify it by incorporating appliance recycling
18 measures. Therefore, this program will offer rebates for recycling of appliances
19 and the installation of various deemed energy saving measures such as ceiling
20 insulation, attic encapsulation, duct sealing, air infiltration reduction, solar screen
21 installation, ENERGY STAR® cool roofs, , ENERGY STAR® connected smart
22 thermostats, ENERGY STAR® windows, and energy efficient pool pump motors.
23 This program also offers rebates for HVAC measures such as eligible high

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1 efficiency evaporative coolers, central refrigerated air conditioners, mini-split air
2 conditioning (“a/c”) systems, and heat pumps. In addition, EPE provides rebates
3 for insulation for homes with evaporative cooling that have electric resistance
4 heating. EPE proposes to add rebates for TRM approved deemed measures such as
5 attic solar fans, a/c window units, heat pump water heaters, and as stated earlier,
6 recycling of appliances. The appliance recycling measure will provide rebates
7 designed to encourage EPE’s residential customers to recycle their older, less
8 efficient refrigerators and freezers rather than use them as secondary or backup
9 units; additionally, this program proposes to recycle air conditioning window units
10 as well. The appliance recycling measure offers customers a rebate for EPE to
11 remove and recycle their refrigerator and/or freezer and their a/c window unit(s).

12 The rebates are paid directly to the customer or, upon customer approval, can
13 be paid to the contractors that perform the installation.

14 3. Residential Lighting Program – This program is an existing program which provides
15 incentives in the form of markdowns at retail locations. The program encourages
16 customers to replace their existing inefficient light bulbs with more energy efficient
17 Light Emitting Diodes (“LED”) lighting. Retail locations participate in this program
18 and provide the markdown incentive at the point of purchase.

19 4. ENERGY STAR® New Homes Program ("New Homes Program") – This is an
20 existing program which provides incentives for homebuilders to construct more
21 energy efficient homes that exceed the current building code. EPE proposes to
22 provide a higher incentive to homebuilders that construct low income housing.
23 There are two incentive paths in this program that homebuilders can choose from,

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1 depending upon which one fits their needs: the Prescriptive Path or the Performance
2 Path. The measure-specific Prescriptive Path provides incentives based on above-
3 code installation of a combination of measures including ENERGY STAR®
4 lighting and refrigerators, high-efficiency cooling equipment, radiant barriers, and
5 insulation. The Performance Path provides tiered incentive levels for new homes
6 that exceed the 2018 International Energy Conservation Code. The minimum tier
7 for homebuilders to qualify for the Performance Path is ten percent above the
8 standard. The incentives for the New Homes Program are paid directly to the
9 homebuilder or, upon their approval, to one of their subcontractors.

- 10 5. Marketplace Program – This program is a new standalone program which will
11 provide eligible customers instant rebates through an online marketplace for
12 deemed energy efficiency products. The EPE Marketplace will offer customers a
13 variety of energy efficient products such as smart thermostats, lighting, advanced
14 power strips, room window air conditioners, and bundled energy efficiency kits.
- 15 6. Residential Load Management Program – This is an existing program which
16 provides incentives for residential customers that target reduction in demand. For
17 example, EPE has the capability of remotely adjusting participating customers’
18 internet-enabled smart thermostats during load management events to relieve peak
19 load. Customers receive a \$25 incentive for the enrollment of a new internet
20 enabled smart thermostat or for registering an existing qualifying unit. Customers
21 may also receive an additional \$50 rebate for the purchase of a new internet enabled
22 smart thermostat through EPE’s proposed online marketplace.

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- 1 7. EnergySaver Program – This is an existing low income program that currently
2 offers eligible residential customers, depending on their cooling and heating type,
3 a variety of deemed energy efficiency measures such as an evaporative cooler unit,
4 insulation, lighting upgrades, low-flow showerheads, faucet aerators, ENERGY
5 STAR® connected smart, duct sealing, air infiltration reduction, domestic hot water
6 tank and pipe insulation at no cost. EPE is proposing to provide ENERGY STAR®
7 window a/c units as an additional measure on a limited basis. Qualification for the
8 Program is based on an annual household income at or below 200 percent of the
9 federal poverty guidelines. In the EE/LM Plan, EPE will focus program promotions
10 to those customers experiencing ability-to-pay problems. This program has been
11 extremely successful due to the extensive collaboration with other community
12 organizations that provide services to low income customers. In 2022-2024, EPE
13 plans to collaborate with the City of Las Cruces Utilities and other area gas utilities
14 to provide EPE customers additional measures that EPE would not be able to
15 otherwise install due to the cost effectiveness constraint. Mainly, this collaboration
16 may allow for the more holistic installation of energy efficiency measures such as
17 attic insulation, duct efficiency, air infiltration, and water saving measures in
18 customers' homes with natural gas who otherwise would not qualify. EPE is able
19 to install attic insulation on homes with natural gas if the customer is eligible for a
20 new evaporative cooler at this time.
- 21 8. EnergySmart Program – This program is a new standalone program to EPE's
22 portfolio and will provide a proven weatherization program with an established
23 network of trained service providers and a staff with many years of experience.

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1 MFA will subcontract with two nonprofit service providers: Southwestern
2 Regional Housing and Community Development Corporation (“SRHCDC”) to
3 implement the single-family (“SF”) aspect of this program, and International
4 Center for Appropriate and Sustainable Technology (“ICAST”) to implement the
5 multi-family (“MF”) aspect of this program. SRHCDC has been in operation since
6 2001 and has partnered with MFA utilizing the HOME Investment Partnerships
7 Program (“HOME”) funds to serve low income families since that time. For SF
8 homes, this program provides home energy audits utilizing the National Energy
9 Assessment Tool (“NEAT”) modeling to determine costs and savings estimates.
10 ICAST is a 501(c)3 nonprofit focused on sustainable development of underserved
11 communities. ICAST has 19 years of experience in developing, launching, and
12 managing EE retrofit programs in multiple states for local Governments and Utility
13 companies. ICAST provides an innovative, turn-key, EE retrofit services to MF
14 customers such as outreach, qualification and enrollments, energy audits, audits
15 reports using Targets Retrofit Energy Assessment Tool (“TREAT”) modeling to
16 determine costs and savings estimates, supervision of the ECM installation
17 services, rebate processing, data tracking and reporting, and assistance with
18 financing. This program also provides a holistic approach to the building science
19 by performing audits on the mechanical measures, the building shell measures and
20 the electric baseload measures. The implementer, MFA, leverages other funding
21 sources to maximize energy efficiency benefits to customers which would
22 otherwise not be cost effective for EPE to do so.

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1 **Q. WHAT ARE THE BENEFITS OF THE PROPOSED NEW FUTUREWISE® KIT**
2 **IN THE EDUCATIONAL PROGRAM?**

3 **A.**The FutureWise® curriculum prepares high school students for the future. Not only
4 does it teach students about energy and water conservation, it also teaches them
5 essential life skills such as understanding utility bills – water, gas & electric;
6 challenging them and their family to reduce their energy consumption. This program
7 is also unique because it introduces them to employment opportunities in the “green
8 sector”—exploring new and emerging career options in the energy industry. This
9 program also proposes to provide the students with a kit which includes smart devices
10 which will spark/entice their interest in technology. The LivingWise® kits, as will the
11 FutureWise® kits, educate students and parents alike. As the high school students
12 venture to graduate and leave their family homes, this curriculum will provide them
13 some guidance when looking for housing and how to be energy conscious.

14

15 **Q. WHAT ARE THE BENEFITS OF THE PROPOSED NEW APPLIANCE**
16 **RECYCLING MEASURE OF THE RESIDENTIAL COMPREHENSIVE**
17 **PROGRAM?**

18 **A.**The benefits of the proposed new appliance recycling measure allows for recycling of
19 appliances in an environmentally safe way, is convenient for customers because the
20 appliances are removed directly from their homes, free of charge, and the customer
21 receives a rebate for their appliance.

22

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1 **Q. WHAT ARE THE BENEFITS OF THE PROPOSED NEW ENERGY\$SMART**
2 **PROGRAM?**

3 **A.** EPE is proposing a new low-income program, Energy\$mart Program which provides a
4 holistic offering to our low-income customers for both single family (“SF”) homes and
5 multi-family (“MF”) homes. The Energy\$mart Program is implemented by the NM
6 Mortgage Finance Authority (“MFA”) which is a self-supporting quasi-governmental
7 entity that assists low income customers in accessing additional funds and financing to
8 help pay for deeper retrofits to get high levels of energy savings. The Energy\$mart
9 Program will be able to leverage the United States Department of Energy (“DOE”),
10 Low Income Home Energy Assistance Program (“LIHEAP”), federal green loan
11 incentives, tax credits and deductions, and energy financing such as Property Assessed
12 Clean Energy (“PACE”), Energy Performance Contracts (“EPC”), Power Purchase
13 Agreements (“PPA”), etc. MFA also subcontracts with the Southwestern Regional
14 Housing and Community Development Corporation (“SRHCDC”) which services SF
15 homes and subcontracts with the International Center for Appropriate & Sustainable
16 Technology (“ICAST”) which services MF homes. The Energy\$mart Program is a
17 well-established program with solid processes, tools, relationships and countless other
18 benefits.

19

20 **Q. WHY IS EPE PROPOSING A SECOND PROGRAM FOR LOW INCOME**
21 **CUSTOMERS?**

22 **A.** EPE is proposing a new second program for low income customers utilizing a
23 significant amount of leveraged funding that MFA will bring to our community. MFA

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1 will have the capability to provide more expensive retrofits to low income customers
2 which EPE would not be able to afford, or would not be cost-effective, without MFA's
3 partnership. EPE is also proposing an additional low-income program in order to assist
4 in meeting the new EUEA requirements.

5

6 **Q. WHAT ARE THE BENEFITS OF THE PROPOSED NEW MARKETPLACE**
7 **PROGRAM?**

8 **A.** The benefits of the proposed new Marketplace Program is that it is flexible in nature in
9 that it offers manufacturer discounted prices on a variety of energy efficiency products,
10 coupled with energy efficiency rebates to reduce out-of-pocket costs to customers and
11 offers customers a convenient trusted online marketplace.

12

13 **Q. PLEASE PROVIDE A DESCRIPTION OF EPE'S 2022-2024 PROPOSED**
14 **COMMERCIAL PROGRAMS.**

15 **A.** EPE is proposing to continue its three existing commercial EE Programs in addition to
16 offering a Building Operating Certification training incentive to all commercial
17 programs. Following is a description of each program:

18 **Proposed commercial programs:**

19 1. Commercial Comprehensive Program – This is an existing program which offers
20 incentives for lighting retrofits and new construction projects to commercial
21 customers with an average demand of equal to or less than 100 kW, as well as
22 technical support and outreach services as necessary. EPE proposes to offer a
23 Building Operating Certification training to participants. This program also

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1 includes all of EPE's commercial direct rebates, for retrofit and new construction
2 projects, such as commercial HVAC, building envelope, refrigeration, motor
3 controls, and ENERGY STAR[®] certified equipment measures as approved in the
4 TRM or State Evaluator. EPE proposes to add a behavior M&V measure option for
5 Building Operator Certification training participants. EPE also extends program
6 rebates to commercial customers with an average demand greater than 100 kW.
7 Incentives and rebates are paid directly to the customer or, upon customer approval,
8 may be paid to the contractors that perform the installation.

9 2. SCORE Plus Program – This is an existing program which offers incentives for
10 commercial customers with an average demand of greater than 100 kW, as well as
11 all schools, city, county, and government facilities. EPE proposes to offer a
12 Building Operating Certification training to participants. This program also
13 provides customers with technical support, facility energy benchmarking and
14 Energy Master Planning Workshops are available to selected customers. The
15 SCORE Plus Program provides incentives for a wide range of energy efficiency
16 measures such as lighting, HVAC, equipment controls, behavioral M&V, and
17 custom projects. New construction and retrofit projects are accepted in this
18 program as well. Incentives are paid directly to the customer or, upon customer
19 approval, can be paid to the contractors that perform the installation.

20 3. Commercial Load Management Program – This is an existing program which
21 allows participating customers to provide, when requested by EPE, voluntary
22 curtailment of electric consumption during peak demand periods in return for
23 incentive payments. Incentives are based on verified demand savings that

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1 customers are able to achieve in response to notifications of voluntary curtailment
2 events by EPE. Demand savings and incentive payment amounts are based on the
3 actual, verified load curtailments. In addition, EPE proposes to offer a Building
4 Operating Certification training to participants.

5
6 **Q. WHY IS EPE PROPOSING A BUILDING OPERATING CERTIFICATION**
7 **TRAINING FOR COMMERCIAL CUSTOMERS?**

8 **A.** EPE is proposing a Building Operating Certification Training for commercial
9 customers to help them learn how to further reduce their energy usage and take a
10 systematic approach to improving their energy performance. This training will provide
11 technical training on subjects such as the building science, HVAC systems, energy
12 management systems, etc.

13
14 **VIII. PREFILING REQUIREMENT FOR STAKEHOLDER INPUT**

15 **Q. PLEASE DESCRIBE EPE'S PROCESS FOR SOLICITING**
16 **RECOMMENDATIONS FOR EPE'S EE/LM PLAN.**

17 **A.** EPE issued a request for recommendations on the design and implementation of the
18 programs via email on December 15, 2020, to stakeholder groups, including the
19 Commission Staff, the New Mexico Attorney General's office, and the New Mexico
20 Energy, Minerals and Natural Resources Department, and other interested persons
21 before seeking NMPRC approval. EPE then held a Public Virtual Advisory Meeting
22 on December 17, 2020. EPE invited, via e-mail, parties whose e-mail addresses are
23 listed on the official service list from EPE's most recent general rate case, Case No.

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20-00104-UT, Renewable Procurement Standard case, Case No. 19-00099-UT, Energy Efficiency case, Case No. 18-00116-UT, and Integrated Resource Plan case, Case No.18-00293-UT. Please see Exhibit AGP-3 for the Official Service List and Exhibit AGP-4 for the list of the attendees. Only Southwest Energy Efficiency Project (“SWEEP”) and the City of Las Cruces’ Sustainability Office (“CLC”) provided program recommendations. SWEEP submitted their recommendations on February 1st; the City of Las Cruces submitted theirs on June 12th. EPE then met with representatives of each shortly after their submittals to discuss the recommendations. EPE then further evaluated the recommendations. EPE witness Martin provides analysis for certain recommendations. EPE held a second Virtual Public Advisory Meeting on May 20, 2021, mainly to present EPE’s preliminary 2022 – 2024 proposed program portfolio.

Q. AFTER MEETING AND DISCUSSING RECOMMENDATIONS PROPOSED BY SWEEP, WHICH SWEEP RECOMMENDATIONS DOES EPE PROPOSE?

A. EPE proposes to include the following SWEEP recommendations:

- Expand EE/LM budget and program offerings,
- Significantly increase the income-qualified program budget by adding an additional low-income program which may provide additional measures that would not be otherwise cost effective for EPE, e.g. air source heat pumps, HPWH, etc.,
- Shift the Residential Comprehensive Program’s focus from air conditioning to heat pumps through higher incentive amounts. This incentive has been

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1 modified as much as possible while still complying with the cost effective UCT
2 considerations,

3 ○ Provide incentives for ENERGY STAR® HPWH to be installed in both new
4 homes and in the replacement market. EPE is proposing inclusion of this
5 recommendation, however, not at the incentive range suggested by SWEEP
6 because they were not cost effective,

7 ○ Promote and incentivize all-electric new construction in ENERGY STAR®
8 New Homes Program; include HPWH incentives to the prescriptive path and
9 may offer an extra rebate in the performance path,

10 ○ Include builder and contractor training focused on increasing comfort with all-
11 electric new construction in the ENERGY STAR® New Homes Program,

12 ○ Capture the MF housing market within the proposed EnergySmart Program –
13 (already included in existing programs but EPE can expand),

14 ○ Include a Marketplace Program,

15 ○ Evaluate a residential behavioral program – (included as measures in proposed
16 programs),

17 ○ Implement a Strategic Energy Management (“SEM”) Program, for commercial,
18 industrial and government entities, based on best practices from around the
19 region – (already included in EPE’s SCORE Plus Program),

20 ○ Offer a standalone new construction offering for the commercial market to
21 include incentives for design assistance, proven energy performance
22 improvements and all-electric new construction (currently included in existing
23 Commercial Comprehensive Program),

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- 1 ○ Assess the Direct Install model for either a stand-alone program or create a track
2 within the Commercial Comprehensive Program – (direct install activities
3 currently offered).

4 Regarding SWEEP’s statement that the majority of programs are only available to
5 households with refrigerated air units, EPE has considered and evaluated additional
6 measures for homes with evaporative cooling and natural gas heating type.

7

8 **Q. AFTER MEETING WITH THE CLC, DID EPE AGREE TO ADDITIONAL**
9 **COLLABORATION?**

10 **A.** Yes. EPE and CLC agreed to collaborate in bringing additional interested parties to
11 work further on the needs of low-income customers. Through this collaboration, EPE
12 and CLC will gain information on the needs of the low-income community. The CLC
13 agreed to organize the initial meeting. EPE and CLC also agreed to collaborate in
14 community outreach efforts to learn of any possible gaps or needs within the CLC’s
15 services and/or EPE’s energy efficiency programs. EPE is also already implementing
16 some of CLC’s suggestions, such as the attic insulation, and may implement CLC’s
17 heat pump recommendation if the Energy\$mart program is approved.

18

19 **Q. DID EPE MEET AND WORK WITH ITS M&V EVALUATOR AND THE**
20 **PARTIES TO DEVISE A MORE COMPREHENSIVE ENERGY SAVER**
21 **PROGRAM?**

22 **A.** Yes, subsequent to the conclusion of EPE’s 2018-2021 EE/LM Plan proceeding, EPE
23 met with its M&V Evaluator and other parties to that case to devise a more

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1 comprehensive EnergySaver Program. The collaboration resulted in EPE reporting
2 additional data on the measures installed on individual homes. Also, after an extensive
3 analysis, a significant result for low income customers was the ability to provide
4 installation of insulation, 15 LEDs, 1 advanced power strip and a new evaporative
5 cooler for eligible low income customers with natural gas heating who qualify for new
6 evaporative cooler..

7
8 **Q. WHAT OTHER COLLABORATION EFFORTS HAS EPE INITIATED?**

9 **A.** EPE initiated a collaboration with all of the natural gas utilities in EPE's service
10 territory, which include ZIA Natural Gas, New Mexico Gas Company and the City of
11 Las Cruces Utilities. EPE also initiated a collaboration with the City of Las Cruces'
12 Water utility and the City of Las Cruces Sustainability Officer.

13
14 **Q. WHAT DO THESE COLLABORATIONS ENTAIL?**

15 **A.** The collaboration with the natural gas utilities allows for additional measures to be
16 included for low-income customers in which it would not be cost effective for EPE to
17 do alone. Mainly, this collaboration may allow for the more holistic installation of
18 energy efficiency measures such as attic insulation, duct efficiency, air infiltration, and
19 water saving measures in customers' homes with natural gas. As stated earlier, the
20 collaboration with the City of Las Cruces' Sustainability Officer may include customer
21 outreach for low- and moderate-income customers to learn of their needs and where
22 there may be gaps within the City of Las Cruces' services and/or EPE's energy
23 efficiency programs. The collaboration with these entities is ongoing.

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2

IX. COMPLIANCE REQUIREMENTS

3 **Q. HAS EPE MET THE FILING REQUIREMENTS OF THE RULE?**

4 **A.** Yes. See Exhibit AGP-5 for the complete listing of all of the filing requirements of the
5 Rule.

6

7 **Q. WHAT WERE THE COMPLIANCE ITEMS IN THE FINAL ORDER IN CASE**
8 **NO. 18-00116-UT?**

9 **A.** In Case No. 18-00116-UT, the Final Order, dated March 6, 2019, contained the
10 following compliance items for EPE:

11 ¶ 8 disapproves the Appliance Recycling program and orders that the
12 funds...be used to serve the Residential Lighting Program.

13 ¶ 13 review annually the cost effectiveness of the Residential Lighting Program,
14 employing the UCT. This annual review must compare the cost
15 effectiveness of the total program, including CFL and halogen lighting, to
16 LED lighting alone within the program. The results of this review must be
17 included in EPE's annual energy efficiency report.

18 ¶ 14 annual reviews in the Commercial Comprehensive Program as well,
19 including (1) cost effectiveness for LED, CFL and halogen (2) participation
20 rates for each type of lighting, (3) savings for each type of lighting actually
21 received. The results of this review must be included in EPE's annual
22 energy efficiency report.

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¶ 29 EPE and its M&V Evaluator to meet with Staff and the parties, on or before June 1, 2019, to devise more comprehensive and meaningful measures of the program's effectiveness and to include such measures in EPE's next annual report and thereafter. The measures suggested by the City, as described on pages 43-44 of the Recommended Decision, and any reasonable alternatives to such measures, should be among the measures considered at the meeting.

Q. WHAT ARE THE COMPLIANCE REQUIREMENTS OF THE RECOMMENDED DECISION?

A. Under the Finding of Fact, Conclusion of Law section of the Recommended Decision were four compliance items.

¶ 14 EPE shall work with the M&V Evaluator to analyze and incorporate cost-effective measures.

¶ 15 EPE shall incorporate all program modifications that it agreed to during the course of this case, as well as all ordered modifications, and within five days of the final order in this case, and should file any revised tariff and all budget documents that may be necessary.

¶ 17 In its next EE/LM filing EPE shall address the issue of carrying charges in its testimony, including appropriate rates and to what costs carrying charges should apply.

¶ 18 EPE shall file the information regarding the Commercial Load Management program within 30 days of the Final Order in this case.

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1 Additionally, the Decretal Paragraphs contain one compliance item for EPE;

2 ¶ H Within five days of issuance of the Final Order in this case, EPE shall
3 file any revised tariff and all budget documents that may be necessary
4 to comply with the provisions of this Order.

5
6 **Q. DID EPE FILE AN EXPEDITED MOTION TO MODIFY ITS EE/LM**
7 **PROGRAMS IN THIS CASE?**

8 **A.** Yes, on May 22, 2020, EPE filed an Expedited Motion to Modify its EE/LM Programs
9 (“Motion to Modify”) in this same case. EPE received the Order granting the motion
10 on July 22, 2020.

11
12 **Q. WERE THERE ANY COMPLIANCE ITEMS IN THE ORDER FOR THE**
13 **MOTION TO MODIFY?**

14 **A.** Yes, the Decretal Paragraph in the Order approving the Motion to Modify contained
15 two compliance items for EPE:

16 ¶ B EPE is hereby ordered to file the update report described in Paragraph 22,
17 above, promptly in this docket.

18 ¶ 22 EPE shall file an update report on the lighting programs LED vs CFL as stated
19 in ¶ 13 and 14 in the Final Order in Case No. 18-00116-UT.

20
21 **Q. HAS EPE COMPLIED WITH ALL OF THESE REQUIREMENTS?**

22 **A.** Yes. EPE has complied with the requirements of the Final Order and Recommended
23 Decision in Case No. 18-00116-UT, and the Order in the Motion to Modify. Please

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1 refer to Exhibit AGP-6 for the reference to the dates of each compliance filing or the EPE
2 witness addressing each specific requirement in their direct testimony.

3

4 **Q. DID EPE MEET WITH THE M&V EVALUATOR, STAFF AND THE**
5 **PARTIES, ON OR BEFORE JUNE 1, 2019, TO DEVISE MORE**
6 **COMPREHENSIVE AND MEANINGFUL MEASURES OF THE PROGRAM'S**
7 **EFFECTIVENESS AND TO INCLUDE SUCH MEASURES IN EPE'S NEXT**
8 **ANNUAL REPORT AND THEREAFTER IN COMPLIANCE WITH**
9 **PARAGRAPH 29 OF THE FINAL ORDER?**

10 **A.** Yes. As I discussed in detail previously, EPE and the M&V Evaluator met with Staff
11 and the parties on May 16, 2019 to discuss a more comprehensive and meaningful
12 measures of the program's effectiveness.

13

14 **Q. WHAT CHANGES WERE INCORPORATED TO EVALUATE PROGRAM**
15 **EFFECTIVENESS?**

16 **A.** EPE has included additional tables in its annual reports to show program effectiveness
17 and will continue to work with the parties going forward.

18

19 **Q. DID EPE WORK WITH THE M&V EVALUATOR TO ANALYZE AND**
20 **INCORPORATE COST-EFFECTIVE MEASURES IN COMPLIANCE WITH**
21 **PARAGRAPH 14 OF THE RECOMMENDED DECISION IN THE FINDING**
22 **OF FACT, CONCLUSION OF LAW?**

23 **A.** Yes.

**EL PASO ELECTRIC COMPANY
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ARACELI G. PEREA**

1

2 **Q. HAS EPE MET THE M&V REQUIREMENTS OF THE EUEA AND THE**
3 **RULE?**

4 **A. Yes. The Commission-approved M&V evaluator, Evergreen Economics, performed**
5 its independent M&V evaluation of EPE's 2020 EE/LM Programs.

6

7

X. CONCLUSION

8 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

9 **A. Yes, it does.**

2021 Program Budget					
Programs	Budget				
	Customer Incentives	Administration*	Marketing	M&V	Total
Education					
LivingWise® Program	\$40,413	\$33,508	\$2,745	\$8,000	\$84,665
	\$40,413	\$33,508	\$2,745	\$8,000	\$84,665
Residential	\$1,316,530	\$771,365	\$50,149	\$27,000	\$2,165,043
Residential Comprehensive Program	\$677,465	\$161,594	\$22,583	\$20,000	\$881,641
Residential Lighting Program	\$240,560	\$224,469	\$17,557	\$0	\$482,586
ENERGY STAR® New Homes Program	\$241,005	\$192,803	\$10,009	\$7,000	\$450,816
Residential Load Management Program	\$157,500	\$192,500	\$0	\$0	\$350,000
Low Income	\$465,076	\$61,771	\$10,368	\$0	\$537,215
NM EnergySaver Program	\$465,076	\$61,771	\$10,368	\$0	\$537,215
Commercial	\$1,224,570	\$864,812	\$127,340	\$110,000	\$2,326,721
Commercial Comprehensive Program	\$302,738	\$78,697	\$43,250	\$40,000	\$464,685
SCORE Plus Program	\$666,832	\$688,097	\$60,828	\$60,000	\$1,475,758
Commercial Load Management Program	\$255,000	\$98,018	\$23,261	\$10,000	\$386,279
Marketing All Programs	\$0	\$0	\$0	\$0	\$0
Awareness Building Campaign	\$0	\$0	\$0	\$0	\$0
General Administration	\$0	\$0	\$0	\$0	\$0
Total Portfolio Costs	\$3,046,589	\$1,731,455	\$190,601	\$145,000	\$5,113,645

*Administration includes EPE's internal administration costs of \$227,942 recovered through base rates as approved in Case No. 18-00116-UT

2022						
Programs	Customer Incentives	Administrative Expenses	Marketing	R&D	M&V Costs	Program Cost
Education	\$ 114,700	\$ 20,291	\$ -	\$ -	\$ -	\$ 134,991
Smart Students	\$ 114,700	\$ 20,291	\$ -	\$ -	\$ -	\$ 134,991
Residential	\$ 1,421,634	\$ 940,984	\$ 66,307	\$ 26,971	\$ 50,743	\$ 2,506,638
Residential Comprehensive	\$ 687,593	\$ 328,425	\$ 37,415	\$ 23,618	\$ 16,779	\$ 1,093,830
Residential Lighting	\$ 255,533	\$ 153,487	\$ 824	\$ -	\$ -	\$ 409,844
ENERGY STAR® New Homes	\$ 228,924	\$ 157,517	\$ 313	\$ 3,352	\$ 14,223	\$ 404,329
Marketplace	\$ 109,734	\$ 148,434	\$ 14,119	\$ -	\$ 4,741	\$ 277,028
Residential Load Management	\$ 139,850	\$ 153,120	\$ 13,636	\$ -	\$ 15,000	\$ 321,606
Low Income	\$ 882,825	\$ 163,051	\$ 26,051	\$ 15,582	\$ 26,957	\$ 1,114,467
EnergySaver	\$ 688,113	\$ 136,177	\$ 24,347	\$ 13,101	\$ 26,957	\$ 888,694
Energy\$mart	\$ 194,712	\$ 26,875	\$ 1,705	\$ 2,481	\$ -	\$ 225,773
Commercial	\$ 1,387,568	\$ 943,297	\$ 7,642	\$ 57,447	\$ 74,162	\$ 2,470,116
Commercial Comprehensive	\$ 327,053	\$ 128,249	\$ 5,341	\$ 15,017	\$ 26,331	\$ 501,990
SCORE Plus	\$ 879,015	\$ 649,175	\$ 2,017	\$ 41,968	\$ 27,831	\$ 1,600,007
Commercial Load Management	\$ 181,500	\$ 165,873	\$ 284	\$ 462	\$ 20,000	\$ 368,119
Totals	\$ 3,806,728	\$ 2,067,623	\$ 100,000	\$ 100,000	\$ 151,862	\$ 6,226,213

*Total 2022 Program Costs are based on 3-5% of 2020 retail revenues.

**Amounts may not add or tie due to rounding.

2023						
Programs	Customer Incentives	Administrative Expenses	Marketing	R&D	M&V Costs	Program Cost
Education	\$ 114,700	\$ 20,235	\$ -	\$ -	\$ 9,000	\$ 143,935
Smart Students	\$ 114,700	\$ 20,235	\$ -	\$ -	\$ 9,000	\$ 143,935
Residential	\$ 1,446,634	\$ 930,448	\$ 65,470	\$ 26,971	\$ 54,972	\$ 2,524,494
Residential Comprehensive	\$ 687,593	\$ 326,994	\$ 36,942	\$ 23,618	\$ 25,750	\$ 1,100,897
Residential Lighting	\$ 255,533	\$ 153,455	\$ 813	\$ -	\$ -	\$ 409,802
ENERGY STAR® New Homes	\$ 228,924	\$ 157,505	\$ 309	\$ 3,352	\$ 14,223	\$ 404,313
Marketplace	\$ 109,734	\$ 117,894	\$ 13,941	\$ -	\$ -	\$ 241,569
Residential Load Management	\$ 164,850	\$ 174,599	\$ 13,464	\$ -	\$ 15,000	\$ 367,913
Low Income	\$ 980,182	\$ 176,753	\$ 26,985	\$ 15,582	\$ -	\$ 1,199,502
EnergySaver	\$ 688,113	\$ 135,245	\$ 24,039	\$ 13,101	\$ -	\$ 860,499
Energy\$mart	\$ 292,068	\$ 41,508	\$ 2,945	\$ 2,481	\$ -	\$ 339,003
Commercial	\$ 1,387,568	\$ 943,005	\$ 7,546	\$ 57,447	\$ 93,870	\$ 2,489,436
Commercial Comprehensive	\$ 327,053	\$ 128,044	\$ 5,273	\$ 15,017	\$ 37,927	\$ 513,314
SCORE Plus	\$ 879,015	\$ 649,098	\$ 1,992	\$ 41,968	\$ 35,943	\$ 1,608,016
Commercial Load Management	\$ 181,500	\$ 165,862	\$ 281	\$ 462	\$ 20,000	\$ 368,105
Totals	\$ 3,929,084	\$ 2,070,441	\$ 100,000	\$ 100,000	\$ 157,842	\$ 6,357,367

*Total 2023 Program Costs are based on 3-5% of 2020 retail revenues.

**Amounts may not add or tie due to rounding.

2024						
Programs	Customer Incentives	Administrative Expenses	Marketing	R&D	M&V Costs	Program Cost
Education	\$ 114,700	\$ 20,180	\$ -	\$ -	\$ -	\$ 134,880
Smart Students	\$ 114,700	\$ 20,180	\$ -	\$ -	\$ -	\$ 134,880
Residential	\$ 1,471,634	\$ 949,974	\$ 64,654	\$ 26,971	\$ 54,243	\$ 2,567,475
Residential Comprehensive	\$ 687,593	\$ 325,598	\$ 36,482	\$ 23,618	\$ 20,279	\$ 1,093,570
Residential Lighting	\$ 255,533	\$ 153,425	\$ 803	\$ -	\$ 4,741	\$ 414,502
ENERGY STAR® New Homes	\$ 228,924	\$ 157,494	\$ 305	\$ 3,352	\$ 14,223	\$ 404,298
Marketplace	\$ 109,734	\$ 117,367	\$ 13,767	\$ -	\$ -	\$ 240,869
Residential Load Management	\$ 189,850	\$ 196,090	\$ 13,296	\$ -	\$ 15,000	\$ 414,236
Low Income	\$ 1,077,538	\$ 190,384	\$ 27,895	\$ 15,582	\$ 26,957	\$ 1,338,356
EnergySaver	\$ 688,113	\$ 134,337	\$ 23,740	\$ 13,101	\$ 26,957	\$ 886,248
EnergySmart	\$ 389,425	\$ 56,047	\$ 4,155	\$ 2,481	\$ -	\$ 452,108
Commercial	\$ 1,387,568	\$ 942,720	\$ 7,452	\$ 57,447	\$ 74,162	\$ 2,469,348
Commercial Comprehensive	\$ 327,053	\$ 127,845	\$ 5,208	\$ 15,017	\$ 26,331	\$ 501,453
SCORE Plus	\$ 879,015	\$ 649,023	\$ 1,967	\$ 41,968	\$ 27,831	\$ 1,599,804
Commercial Load Management	\$ 181,500	\$ 165,852	\$ 277	\$ 462	\$ 20,000	\$ 368,091
Totals	\$ 4,051,440	\$ 2,103,258	\$ 100,000	\$ 100,000	\$ 155,362	\$ 6,510,060

*Total 2024 Program Costs are based on 3-5% of 2020 retail revenues.

**Amounts may not add or tie due to rounding.

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2022-2024 EE/LM PUBLIC ADVISORY ATTENDEE LIST - May 20, 2021

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2022-2024 EE/LM PUBLIC ADVISORY ATTENDEE LIST - May 20, 2021			
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17.7.2.8

PUBLIC UTILITY FILING REQUIREMENTS FOR APPLICATIONS AND ANNUAL REPORTS:

Witness/Reference

Perea

A.

Timing. Beginning in the year specified below, each public utility shall file an application every three years:

2018	2019	2020
El Paso Electric Company (and its successors)	Southwest Public Service Company (and its successors)	Public Service Company of New Mexico (and its successors)
Zia Natural Gas Company (and its successors)	New Mexico Gas Company (and its successors)	Raton Natural Gas Company (and its successors)
		Any other public utility

Each of the three years covered by an application shall, for the purposes of 17.7.2.7 NMAC, be treated as a plan year. Each public utility may, but is not required to, file an application prior to the year specified in this subsection. If a utility does not elect to file an application prior to the year specified in this subsection, the measures, programs and incentive approved in the utility's last energy efficiency case shall continue in effect until modified or terminated. If a utility does elect to file an application prior to the year specified in this subsection, the measures, programs and incentive approved in that case shall continue in effect as provided by the commission. All utilities shall file their annual reports each year and in the same docket as the application that covered the period of the annual report. Public service company of New Mexico (and its successors) shall file its application and its annual reports on April 15 of the applicable year. Southwestern public service company (and its successors) shall file its application and its annual reports on May 15 of the applicable year. El Paso Electric Company (and its successors) shall file its application and its annual reports on June 1 of the applicable year. A natural gas company shall file its annual report on or before July 1 of each year, and shall file its application on or before August 31 of the applicable year in which it is required to file an application. If a specified filing date falls on a weekend or legal holiday, the public utility shall file on the next business day.

B.

Compliance with pre-filing requirements. Applications shall describe how the public utility has met the pre-filing requirements of Subsection E of Section 62-17-5 NMSA 1978, including descriptions of the process used to solicit non-binding recommendations, and any competitive bids required by the commission for good cause. The public utility shall identify by name, association, and contact information, each interested party that participated in the process, including commission staff, the attorney general, and the energy, minerals and natural resources department. The public utility shall summarize each participant's non-binding recommendation on the design, implementation, and use of third-party energy service contractors through competitive bidding for programs and measures.

Perea

C.

The public utility shall identify within its application its estimated plan year funding for energy efficiency and load management program costs.

Perea

(1)

Estimated plan year funding for electric public utilities' energy efficiency and load management program costs shall be three percent of billing revenues from all of its customers' bills that the public utility estimates to be billed during the plan year, excluding:

Variance -Perea

(a)

gross receipts taxes and franchise and right-of-way access fees;

Perea

(b)

revenues that the public utility estimates to bill during the plan year to any single customer that exceed seventy five thousand (\$75,000);

Perea

(c)

any customer's plan year self-directed program credits approved by the public utility or by a commission approved self-direct administrator; and

Perea

17.7.2.8 PUBLIC UTILITY FILING REQUIREMENTS FOR APPLICATIONS AND ANNUAL REPORTS:		Witness/Reference
(d)	any customer's plan year self-directed program exemptions approved by the public utility or by a commission approved self-direct administrator.	Perea
(2)	Estimated plan year funding for gas public utilities' energy efficiency and load management program costs shall not exceed three percent of customers' bills that the public utility estimates to be billed during the plan year, excluding:	N/A
(a)	gross receipts taxes and franchise and right-of-way access fees;	N/A
(b)	revenues that the public utility estimates to bill during the plan year to any single customer that exceed seventy five thousand (\$75,000);	N/A
(c)	any customer's plan year self-directed program credits approved by the public utility or by a commission approved self-direct administrator; and	N/A
(d)	any customer's plan year self-directed program exemptions approved by the public utility or by a commission approved self-direct administrator	N/A
D.	The public utility's application shall calculate and provide the difference between its actual prior plan year expenditures for measures and programs and the same plan year's applicable funding required by statute. At the end of each plan year, the public utility shall calculate the following applicable values:	Perea/Hernandez
(1)	any plan year overage; or	Perea/Hernandez
(2)	any plan year underage.	Variance - Perea
E.	In each plan year, a public utility shall make its best efforts to expend its applicable plan funding as calculated in Subsection C of 17.7.2.8 NMAC above subtracting any applicable prior plan year overage or adding any applicable prior plan year underage; provided, however, that a public utility may periodically adjust its plan year expenditures by an amount not greater than ten percent of the applicable funding required by statute if the adjustment will result in aligning plan year expenditures more closely with projected plan year collections under the utility's energy efficiency rider. By motion in the docket of its most recent energy efficiency case a utility may seek approval to adjust its plan year expenditures by more than ten percent of the applicable funding required by statute.	
F.	The application shall include an executive summary to facilitate commission review.	Application
G.	The utility shall utilize well known, commercially available or standard engineering, economic and financial calculations, ratings, and simulations, or other reasonable methods, to determine monetary costs and avoided monetary costs of measures and programs.	Martin
H.	For each proposed measure or program, including previously approved measures and programs submitted for reauthorization, the application shall provide:	Perea
(1)	the public utility's statement that the measure or program is estimated to be cost-effective and meets the utility cost test;	Perea
(2)	a detailed description of the proposed measure or program;	Perea
(3)	the expected useful life of the measure or program;	Martin
(4)	any participation requirements and restrictions of the measure or program;	Perea/Martin
(5)	the time period during which the measure or program will be offered;	Perea
(6)	a description of any competitive bid process for utility measures or programs;	Perea
(7)	the estimated number of measure or program participants, supported by written testimony and exhibits;	Perea
(8)	the estimated economic benefit to the participants attributable to the measure or program, supported by written testimony and exhibits;	Martin
(9)	the estimated annual energy savings and the estimated energy savings over the useful life for the measure or program (expressed in kilowatt hours and dollars), supported by written testimony and exhibits;	Perea
(10)	the estimated annual demand savings and the estimated demand savings over the useful life for the measure or program (expressed in kilowatts and dollars), supported by written testimony and exhibits;	Perea

17.7.2.8 PUBLIC UTILITY FILING REQUIREMENTS FOR APPLICATIONS AND ANNUAL REPORTS:		Witness/Reference
(11)	the proposed program costs to be incurred by the utility to support more than one measure or program, along with the associated allocation of this cost to each measure or program, and the method used to determine each allocation, supported by written testimony and exhibits;	Perea
(12)	a detailed separate measure or program budget that identifies the estimated monetary program costs to be incurred by the public utility in acquiring, developing, and operating each measure and program on a life cycle basis, for each year of the expected useful life of the measure or program;	Perea
(13)	the estimated monetary program costs to be incurred by the public utility in acquiring, developing, and operating each measure or program on a life cycle basis, supported by written testimony and workpapers that:	Perea
(a)	demonstrate and justify how the estimated monetary program costs will be equal to or greater than the actual monetary program costs; and	Perea
(b)	explain the public utility's rationale and methodology used to determine the estimated monetary program	Perea
(14)	the estimated avoided monetary cost associated with developing, acquiring and operating associated supply side resources, supported by written testimony and exhibits that:	Perea
(a)	demonstrate and justify how the estimated avoided monetary cost will be equal to or greater than the actual avoided monetary cost; and	Perea
(b)	explain the public utility's rationale and methodology used to estimate the avoided monetary cost associated with acquiring, developing, and operating the associated supply side resource.	Perea
(15)	supporting documentation, underlying data, calculations, estimates and other items shall be presented in a manner that facilitates the preparation of a measurement and verification report by an independent program evaluator, along with compilation and preparation of the public utility's reporting requirements, and that facilitates a simple comparison of measure or program estimated results to actual results, including the public utility's cost of capital and discount rate; and	Perea
(16)	if the utility cost test is not met, justify why the utility is proposing to implement the program within its portfolio of proposed programs.	Perea
I.	The public utility shall demonstrate, and has the burden to demonstrate, that it has evaluated and determined that the proposed measure or program is cost-effective and will reduce energy usage or energy demand or both, if approved by the commission and implemented by the utility.	Perea
J.	The public utility shall demonstrate that its portfolio of proposed measures and programs are cost-effective, meets the utility cost test as defined by Subsection C of Section 62-17-4 NMSA 1978 and are designed to provide every affected customer class with the opportunity to participate and benefit economically.	Perea
K.	The public utility shall demonstrate that no less than five percent of the funding for measure and program costs shall be specifically directed to measures or programs for low-income customers.	Perea
L.	As stated in Subsection F of Section 62-17-5 NMSA 1978, applications may include a proposal for an opportunity to earn a profit on cost effective energy efficiency and load management resource development that, with satisfactory program performance, is financially more attractive to the public utility than a supply- side utility resource. Accordingly, any application that includes a proposed annual incentive award shall:	Hernandez
(1)	be based on the utility's costs;	Hernandez
(2)	be based on satisfactory performance of measures and programs;	Hernandez
(3)	be supported by written testimony and exhibits; and	Hernandez
(4)	shall not exceed the product (expressed in dollars) of:	Hernandez
(a)	its weighted cost of capital (expressed as a percent), and	Hernandez
(b)	its approved annual program costs.	Hernandez

17.7.2.8 PUBLIC UTILITY FILING REQUIREMENTS FOR APPLICATIONS AND ANNUAL REPORTS:		Witness/Reference
M.	For each approved large customer self-directed program, the utility's application shall describe, in an annual report, the process that enabled the utility to determine that a large customer self-directed program met the cost-effective definition set forth in Subsection B of Section 62-17-9 NMSA 1978 and merited the credit or exemption.	Perea
N.	The commission shall act expeditiously on the public utility's request for approval of its energy efficiency and load management measures and programs.	Perea
17.7.2.9 RESIDENTIAL PROGRAMS:		
A.	The programs should enable residential customers or households to conserve energy, reduce demand, or reduce residential energy bills.	Perea
B.	Provided that the public utility's total portfolio of programs remains cost-effective, no less than five percent of the amount received by the public utility for program costs shall be specifically directed to energy efficiency programs for low-income customers.	Perea
(1)	A public utility may coordinate with existing community resources, including affordable housing programs, and low-income weatherization programs managed by federal, state, county, or local governments. This section does not preclude the public utility from designing and proposing other low-income programs.	Perea
(2)	Whenever possible, providers of low-income energy efficiency measures or programs should have demonstrated experience and effectiveness in the design, administration and provision of low-income measures and programs, along with experience in identifying and conducting outreach to low-income households. In the absence of qualified independent agencies, a public utility that does not provide measures or programs directly, may solicit qualified competitive bids for these services.	Perea
(3)	Public utilities shall notify customers experiencing ability-to-pay problems of the availability of energy efficiency and load management measures and programs, as well as hardship funds.	Perea
(4)	In developing the utility cost test for energy efficiency and load management measures and programs directed to low-income customers, unless otherwise quantified in a commission proceeding, the public utility shall assume that twenty percent of the calculated energy savings is the reasonable value of reductions in working capital, reduced collection costs, lower bad-debt expense, improved customer service, effectiveness, and other appropriate factors qualifying as utility system economic benefits.	Perea
17.7.2.10 SELF-DIRECTED PROGRAM CREDITS FOR LARGE CUSTOMERS: The following criteria apply to large customer utility credits for self-directed programs.		N/A
A.	The expenditures made by the large customer at its facilities shall be cost-effective according to the utility cost test.	N/A
B.	Projects that have received rebates, financial or other program support from a utility are not eligible for a credit.	N/A
C.	Eligible expenditures must have a simple payback period of more than one year but less than seven years.	N/A
D.	Large customers shall seek and receive approval for credits from the utility or a commission-approved self-direct administrator.	N/A
E.	Large customers applying for an investor-owned electric utility bill credit must meet the electricity consumption size criteria set forth in Subsection G of Section 62-17-4 NMSA 1978 and the utility cost test.	N/A
F.	Large customers applying for gas utility bill credit must meet the gas consumption criteria as set forth in Subsection G of Section 62-17-4 NMSA 1978 and the utility cost test.	N/A
G.	Large customers seeking a credit shall provide, to the public utility or the commission-approved self-direct program administrator, access to all relevant engineering studies and documentation needed to verify energy savings of the project, and allow access to its site for reasonable inspections, at reasonable times. All records relevant to a self-direct program shall be maintained by the large customer for the duration of that program, which shall be evaluated in accordance with 17.7.2.15 NMAC, subject to appropriate protections for confidentiality.	N/A

17.7.2.8 PUBLIC UTILITY FILING REQUIREMENTS FOR APPLICATIONS AND ANNUAL REPORTS:		Witness/Reference
H.	The utility shall designate a qualified representative to review, approve, or disapprove large customer requests for credits.	N/A
I.	The commission may appoint a "commission-approved" self-direct program administrator to review, approve, or disapprove large customer requests for credits.	N/A
J.	Approvals or disapprovals by the utility representative or administrator shall be subject to commission review. Within 30 business days of the action, the utility representative or administrator shall file and serve notice of each self-direct program review, approval, or disapproval with the commission, and on all interested parties. Notice of an appeal of a utility or administrator approval or disapproval of a large customer credit request shall be filed with the commission within 30 calendar days of the approval or disapproval action by Staff, the large customer or any interested party.	N/A
K.	Once approved, the credit may be used to offset up to seventy percent of the tariff rider authorized by the Efficient Use of Energy Act, until said credit is exhausted.	N/A
L.	Any credit not fully utilized in the year it is received shall carry over to subsequent years.	N/A
M.	Implementation of credits shall be designed to minimize utility administrative costs.	N/A
N.	Self-direct program participants, or large customers seeking exemption, shall submit qualified in-house or contracted engineering studies, and such other information as may be reasonably required by the utility or program administrator, to demonstrate qualification for self-direct program credits.	N/A
O.	Large customers must respond to reasonable utility or administrator information requests and allow the utility or an administrator to perform necessary site visits.	N/A
P.	The utility or administrator shall act in a timely manner on requests for self-direct program approval.	N/A
Q.	For investor-owned electric utilities, the equivalent amount of energy savings associated with a large customer's self-directed program will be accounted for in calculating its compliance with minimum required energy savings.	N/A
R.	Large customer expenditures incurred to produce electric energy savings or electric demand savings are only eligible for an electric utility bill credit. Large customer expenditures incurred to produce natural gas energy savings or natural gas demand savings are only eligible for a gas utility bill credit. Large customer expenditures incurred to produce both electric and natural gas energy savings, both electric and natural gas demand savings, or any combination of energy savings and demand savings for both electric and natural gas are eligible for both an electricity bill credit and a gas utility bill credit, provided that the same energy efficiency expenditures or load management expenditures cannot be accounted for twice.	N/A
S.	Upon written request by the large customer, the information provided by that customer to the utility or program administrator, program evaluator, or others, shall remain confidential, except as otherwise ordered by the commission.	N/A
17.7.2.11 SELF-DIRECTED PROGRAM EXEMPTIONS FOR LARGE CUSTOMERS: The following criteria apply to utility exemptions to large customers for self-directed programs.		N/A
A.	To receive approval for an exemption to paying seventy percent of the tariff rider, a large customer must demonstrate to the reasonable satisfaction of the utility or self-direct program administrator that it has exhausted all cost-effective energy efficiency measures at its facility.	N/A
B.	Projects that have received rebates, financial or other program support from a utility are not eligible for an exemption.	N/A
C.	Eligible expenditures must have a simple payback period of more than one year but less than seven years.	N/A
D.	Large customers shall seek and receive approval for exemptions from the utility or a commission-approved self-direct administrator.	N/A
E.	Large customers applying for an investor-owned electric utility bill exemption must meet the electricity consumption size criterion set forth in Subsection G of Section 62-17-4 NMSA 1978.	N/A

17.7.2.8 PUBLIC UTILITY FILING REQUIREMENTS FOR APPLICATIONS AND ANNUAL REPORTS:		Witness/Reference
F.	Large customers applying for a gas utility bill exemption must meet the gas consumption criterion set forth in Subsection G of Section 62-17-4 NMSA 1978	N/A
G.	The utility shall designate a qualified representative to review and approve, or disapprove, large customer requests for exemptions.	N/A
H.	The commission may appoint a "commission-approved" self-direct program administrator to review and approve, or disapprove, large customer requests for exemptions.	N/A
I.	Approvals or disapprovals by the utility representative or administrator shall be subject to commission review. Within 30 business days of the action, the utility representative or administrator shall file and serve notice of each self-direct program approval or disapproval with the commission, and on all interested parties. Notice of an appeal of a utility or administrator approval or disapproval of a large customer exemption request shall be filed with the commission within 30 calendar days of the approval or disapproval action by staff, the large customer or any interested party.	N/A
J.	Self-direct program participants, or large customers seeking an exemption shall provide, to the public utility or the commission approved self-direct program administrator, access to all relevant engineering studies and documentation needed to verify energy saving of the project, and allow access to its site for reasonable inspections, at reasonable times. All records relevant to a self-direct program shall be maintained by the large customer for the duration of that program, which shall be evaluated in accordance with 17.7.2.15 NMAC, subject to appropriate protections for confidentiality.	N/A
K.	Self-direct program participants, or large customers seeking exemption, shall submit qualified in-house or contracted engineering studies, and such other information as may be reasonably required by the utility or program administrator, to demonstrate qualification for self-direct program exemptions.	N/A
L.	Large customers must respond to reasonable utility or administrator information requests and allow the utility or an administrator to perform necessary site visits.	N/A
M.	The utility or administrator shall act in a timely manner on requests for self-direct program approval.	N/A
N.	For investor-owned electric utilities, the equivalent amount of energy savings associated with a large customer's self-directed program will be accounted for in calculating its compliance with minimum required energy savings.	N/A
O.	Large customer expenditures incurred to produce electric energy savings or electric demand savings are only eligible for an electric utility bill credit. Large customer expenditures incurred to produce natural gas energy savings or natural gas demand savings are only eligible for a gas utility bill credit. Large customer expenditures incurred to produce both electric and natural gas energy savings, both electric and natural gas demand savings or any combination of energy savings and demand savings for both electric and natural gas are eligible for both an electricity bill credit and a gas utility bill credit, provided that the same energy efficiency expenditures or load management expenditures cannot be accounted for twice.	N/A
P.	Upon written request by the large customer, the information provided by large customers to the utility or program administrator, program evaluator or others shall remain confidential, except as otherwise ordered by the commission.	N/A
17.7.2.12	MODIFICATION OR TERMINATION OF PROGRAMS: Within each plan year, the utility, commission staff, attorney general, energy, minerals and natural resources department, or any other interested party, may petition the commission to modify or terminate a measure or program, or to approve a new program, for good cause by filing a motion in the same docket in which the public utility filed its most recent application. Program modification or termination shall not nullify any preexisting obligations of the utility, alternative energy efficiency provider, or contractor, for performance or failure to perform. Termination of a program or programs shall be accomplished in a manner that allows the utility to fully recover its prudent and reasonable program costs.	Perea
17.7.2.13	FILING REQUIREMENTS FOR COST RECOVERY :	

17.7.2.8 PUBLIC UTILITY FILING REQUIREMENTS FOR APPLICATIONS AND ANNUAL REPORTS:		Witness/Reference
A.	Public utility recovery of program costs shall only be from customer classes with an opportunity to participate in approved measures and programs and shall be three percent of customers' bills or seventy-five thousand dollars (\$75,000) per customer per plan year, whichever is less.	Hernandez
B.	The public utility, at its option, may recover its prudent and reasonable program costs and approved incentives, either through an approved tariff rider, in base rates or by combining recovery through a tariff rider and base rates.	Hernandez
C.	If a public utility seeks recovery of costs through a tariff rider, a utility shall present the proposed ratemaking treatment to the commission for approval. The proposal shall reconcile recovery of any costs currently being recovered through a tariff rider or in base rates, or by a combination of the two, as well as any new costs proposed to be recovered through a tariff rider or in base rates, or by a combination of the two.	Hernandez
(1)	The tariff rider shall be applied on a monthly basis, unless otherwise allowed by the commission.	Hernandez
(2)	Unless otherwise ordered by the commission, a tariff rider approved by the commission shall require language on customer bills explaining program benefits.	Hernandez
(3)	A public utility seeking approval of a tariff rider shall file an advice notice containing the information required by 17.1.2.2.10.11 NMAC and served upon the individuals and entities set forth in that rule. The proposed tariff rider shall go into effect 30 days after filing, unless suspended by the commission for a period not to exceed 180 days. If the commission has not acted to approve or disapprove the tariff rider by the end of an ordered suspension period, or within 30 days of filing, it shall be deemed approved as a matter of law.	Hernandez
D.	If base rate recovery of costs is sought, a utility shall present the proposed ratemaking treatment to the commission for approval. The proposal shall reconcile recovery of any costs currently being recovered through a tariff rider or in base rates, or by a combination of the two, as well as any new costs proposed to be recovered through a tariff rider or in base rates, or by a combination of the two.	Hernandez
E.	Program costs and incentives may be deferred for future recovery through creation of a regulatory asset. Prior commission approval is required for the public utility to create a regulatory asset and to establish any associated carrying charge.	Hernandez
17.7.2.14 ANNUAL REPORT:		
A.	Annual reports shall provide information relating to the public utility's actions to comply with the Efficient Use of Energy	Perea
B.	Each public utility shall post its annual report on a publicly accessible website.	Perea
C.	Annual reports shall include the following for each measure and program:	Perea
(1)	documentation of program expenditures and estimates of the program expenditures expected in the next year, including documentation of any adjustments to expenditures in the plan year and expected adjustments to the next plan year;	Perea
(2)	estimated and actual customer participation levels;	Perea
(3)	estimated and actual energy savings;	Perea
(4)	estimated and actual demand savings;	Perea
(5)	estimated and actual monetary costs of the public utility;	Perea
(6)	estimated and actual avoided monetary costs of the public utility;	Perea
(7)	an evaluation of its cost-effectiveness; and	Perea
(8)	an evaluation of the cost-effectiveness and pay-back periods of self-directed programs.	Perea
D.	Annual reports also shall include the following:	Perea

T 1
T 1
T 1
T 1
T 8
T 9
P 1

17.7.2.8 PUBLIC UTILITY FILING REQUIREMENTS FOR APPLICATIONS AND ANNUAL REPORTS:		Witness/Reference
Att	(1) the most recent measurement and verification report of the independent program evaluator, which includes documentation, at both the portfolio and individual program levels of expenditures, savings, and cost-effectiveness of all energy efficiency measures and programs and load management measures and programs, expenditures, savings, and cost-effectiveness of all self-direct programs, and all assumptions used by the evaluator;	Perea
P 1	(2) a listing of each measure or program expenditure not covered by the independent measurement and verification report and related justification as to why the evaluation was not performed;	Perea
T 4	(3) a comparison of estimated energy savings, demand savings, monetary costs and avoided monetary costs to actual energy savings, demand savings, actual monetary costs, and avoided monetary costs for each of the utility's approved measures or programs by year;	Perea
T 1	(4) a listing of the number of program participants served for each of the utility's approved measures or programs by year;	Perea
T 1	(5) a listing of the calculated economic benefits for each of the utility's approved measures or programs by year;	Perea
P 1	(6) information on the number of customers applying for and participating in self-direct programs, the number of customers applying for and receiving exemptions, measurement and verification of self-direct program targets, payback periods and achievements, customer expenditures on qualifying projects, oversight expenses incurred by the utility representative or administrator; and	Perea
	(7) any other information required by the commission.	Perea
17.7.2.15 MEASUREMENT AND VERIFICATION:		
	A. Every energy efficiency and load management program shall be independently evaluated at least every three years. Every year, a public utility shall submit to the commission a comprehensive measurement, verification and program evaluation report prepared by an independent program evaluator.	Perea
	(1) The independent program evaluator shall, at a minimum determine and verify energy and demand savings;	Perea
	(a) determine and verify energy and demand savings;	Perea
	(b) determine program cost effectiveness by applying the monetary values contained in the utility's approved plan year application;	Perea
	(c) assess the public utility's performance in implementing energy efficiency and load management programs;	Perea
	(d) assess whether the utility has failed to meet its requirements under the Efficient Use of Energy Act or has not operated in good faith;	Perea
	(e) provide recommended improvements on program performance for commission directed modification;	Perea
	(f) confirm that commission approved measures and programs were installed or implemented, meet reasonable quality standards, and are operating fully and correctly;	Perea
	(g) utilize applicable international performance measurement and verification protocols, describe any deviation from those protocols, and explain the reason for that deviation; and	Perea
	(h) fulfill any other measurement and verification statutory requirements not specifically delineated herein.	Perea
	(2) The public utility shall cooperate with the independent program evaluator and commission staff in making information and personnel available to facilitate the independent program evaluator's proper evaluation of each public utility and completion of a comprehensive measurement, verification and program evaluation report.	Perea
	B. The commission, through its staff, will select and direct an independent program evaluator to prepare a comprehensive measurement, verification and program evaluation report to the commission. Staff, to fulfill its obligation under Subsection B of this Section, may consult with public utilities and other interested parties.	Perea

17.7.2.8 PUBLIC UTILITY FILING REQUIREMENTS FOR APPLICATIONS AND ANNUAL REPORTS:		Witness/Reference
C.	Staff shall:	Perea
	(1) undertake a competitive bid process and abide by state purchasing rules and commission policies in selecting a sole independent program evaluator to evaluate public utility compliance with the Efficient Use of Energy Act;	Perea
	(2) develop a request for proposals ("RFP"), including the scope, terms of work, and evaluation process to score the RFP responses;	Perea
	(3) receive, review, score and rank the RFP responses;	Perea
	(4) subsequently rank and recommend competitive qualified bidders to the commission;	Perea
	(5) negotiate a contract with the competitive bidder awarded the contract; and	Perea
	(6) administer the contract, including: confirming that contract deliverables are met, reviewing invoices and related contract performance, and approving utility invoices after staff's review and approval.	Perea
D.	Funding for services of the independent program evaluator's completion of a comprehensive measurement and verification report will be paid initially by the public utility and treated as a regulatory asset; to be recovered through rates established in the public utility's next general rate proceeding.	Perea
E.	Self-direct measures, programs, expenditures, credits and exemptions shall be evaluated and reported in the utility's annual report by the independent program evaluator using the same measurement and verification standards applied to utility measures and programs by the utility or commission-approved self-direct program administrator.	Perea
F.	Upon written request by the large customer, the information provided by large customers to the utility or program administrator, program evaluator, or others, shall remain confidential except as otherwise ordered by the commission.	Perea
G.	The commission may require other information.	Perea
17.7.2.16 RURAL ELECTRIC COOPERATIVES:		N/A
A.	Distribution cooperative utilities shall, within 24 months after the effective date of this rule, and every 24 months thereafter, examine potential customer assistance in reducing energy consumption or peak electricity demand in a cost-effective manner. Based on these studies, distribution cooperative utilities shall establish and implement energy efficiency and load management targets and programs that are economically feasible and practical for their members and customers. Approval for such programs shall reside with the governing body of each distribution cooperative utility rather than the commission.	N/A
B.	Each distribution cooperative utility shall simultaneously file with the commission its annual report by May 1st, along with a report describing the cooperative's examination of efficiency potential set forth in Subsection A of Section 17.7.2.18 NMSA 1978. The distribution cooperative utility's report will also address all of its programs or measures that promote energy efficiency, conservation or load management. The report shall set forth the costs of each of the programs or measures for the previous calendar year and the resulting effect on electricity consumption. In offering or implementing energy efficiency, conservation or load management programs, a distribution cooperative utility shall attempt to minimize any cross-subsidies between customer classes.	N/A
C.	Each distribution cooperative utility shall include in the report required by Subsection B of Section 17.7.2.18 NMSA 1978, a description of all planned programs or measures to promote energy efficiency, conservation or load management and the anticipated implementation date.	N/A
D.	Costs resulting from programs or measures to promote energy efficiency, conservation or load management may be recovered by the distribution cooperative utility through its general rates. In requesting approval to recover such costs in general rates, the distribution cooperative utility may elect to use the procedure set forth in Subsection G of Section 62-8-7 NMSA 1978.	N/A
E.	The commission may develop necessary compliance forms.	N/A

17.7.2.8 PUBLIC UTILITY FILING REQUIREMENTS FOR APPLICATIONS AND ANNUAL REPORTS:		Witness/Reference
17.7.2.17 REGULATORY DISINCENTIVES:	The commission shall, upon petition or its own motion, identify regulatory disincentives or barriers for public utility expenditures on energy efficiency and load management measures and ensure that they are removed in a manner that balances the public interest, consumers' interests and investors' interests. Public utility petitions for regulatory disincentive removal shall be supported by testimony and exhibits.	N/A
17.7.2.18 AUDIT:	The commission may order a public utility to submit to an audit that examines whether the public utility's energy efficiency and load management program costs are prudent, reasonable and being properly assigned to programs in accordance with this rule, commission orders, and other applicable requirements and standards. The cost of such audit shall be considered recoverable program costs, unless it results in a commission order containing findings of the public utility's malfeasance, in which case, audit costs shall not be recoverable from the public utility's customers.	N/A
17.7.2.19 VARIANCES:	Written applications for a variance from any of the provisions of this guideline shall:	Perea
A.	state the reason(s) for the variance request;	Perea
B.	identify each of the sections of this guideline for which a variance is requested;	Perea
C.	describe the effect the variance will have, if granted, on compliance with this guideline;	Perea
D.	describe how granting the variance will not compromise, or will further, the purposes of this guideline; and	Perea
E.	indicate why the proposed variance is a reasonable alternative to the requirements of this guideline.	Perea

[17.7.2.19 NMAC - N, 9/26/2017]

HISTORY OF 17.7.2 NMAC:

Pre NMAC History: none.

History of Repealed Material:

17.7.2 NMAC, Energy Efficiency (filed 2/2/2007), repealed 5/3/2010.

17.7.2 NMAC, Energy Efficiency (filed 4/16/2010), repealed 1/1/2015.

17.7.2 NMAC, Energy Efficiency, filed (04/16/2010) - Repealed effective 9/26/2017.

NMAC History:

17.7.2 NMAC, Energy Efficiency (filed 2/2/2007) was replaced by 17.7.2 NMAC, Energy Efficiency, effective 5/3/2010.

17.7.2 NMAC, Energy Efficiency, (filed 04/16/2010) was replaced by 17.7.2 NMAC, Energy Efficiency, effective 9/26/2017.

Case No. 18-00116-UT - Final Order Finding Paragraph

		Witness	Compliance
8	[the] Commission disapproves Appliance recycling program and orders that the funds that EPE planned to dedicate to that program be used to serve the Residential Lighting Program.	Perea	EPE transferred the funds from the Appliance Recycling Program to the Residential Lighting Program as was filed in the compliance budget filing made on March 11, 2019.
13	review annually the cost effectiveness of the Residential Lighting Program, employing the UCT. This annual review must compare the cost effectiveness of the total program, including CFL and halogen lighting, to LED lighting alone within the program. The results of this review must be included in EPE's annual energy efficiency report.	Perea/ Martin	EPE provided an annual review of the UCT for the Residential Lighting Program, included in each of its annual reports filed on June 1, 2019, June 1, 2020, and in this filing on July 15, 2021
14	annual reviews in the Commercial Comprehensive Program as well, including (1) cost effectiveness for LED, CFL and halogen (2) participation rates for each type of lighting, (3) savings for each type of lighting actually received. The results of this review must be included in EPE's annual energy efficiency report.	Perea	Results were provided in the annual reports that were filed on June 1, 2019, June 1, 2020, and in this filing on July 15, 2021.
29	EPE and its M&V Evaluator to meet with Staff and the parties, on or before June 1, 2019, to devise more comprehensive and meaningful measures of the program's effectiveness and to include such measures in EPE's next annual report and thereafter. The measures suggested by the City, as described on pages 43-44 of the Recommended Decision, and any reasonable alternatives to such measures, should be among the measures considered at the meeting.	Perea	

Case No. 18-00116-UT - Recommended Decision - Finding of Fact, Conclusion of Law

14	EPE shall work with the M&V Evaluator to analyze and incorporate cost-effective measures.	Perea	
15	EPE shall incorporate all program modifications that it agreed to during the course of this case, as well as all ordered modifications, and within five days of the final order in this case, and should file any revised tariff and all budget documents that may be necessary.	Perea	EPE modified its programs and budget to incorporate the program modification. These budget modifications did not change the total budget, so a revised tariff was unnecessary. The modified budget was filed in Case No. 18-00116-UT on March 11, 2019,
17	In its next EE/LM filing EPE shall address the issue of carrying charges in its testimony, including appropriate rates and to what costs carrying charges should apply.	Hernandez	
18	EPE shall file the information regarding the Commercial Load Management program within 30 days of the Final Order in this case.	Perea	EPE filed the information regarding the Commercial Load Management program on April 5, 2019

Case No. 18-00116-UT - Recommended Decision - Decretal Paragraph

H	Within five days of issuance of the Final Order in this case, EPE shall file any revised tariff and all budget documents that may be necessary to comply with the provisions of this Order.	Perea	EPE filed the modified budget documents in Case No. 18-00116-UT on March 11, 2019, within five days of the Final Order. There was no change to the total budget, so a revised tariff was unnecessary.
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Case No. 18-00116-UT - Motion to Modify - Decretal Paragraph - FINAL ORDER

B.	EPE is hereby ordered to file the update report described in Paragraph 22, above, promptly in this docket.	Perea	EPE filed the updated report on August 7, 2020.
22	EPE shall file an update report on the lighting programs LED vs CFL as stated in ¶ 13 and 14 in the Final Order in Case No. 18-00116-UT.	Perea	EPE filed the updated report on August 7, 2020.

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF EL PASO ELECTRIC)
COMPANY'S APPLICATION FOR)
APPROVAL OF ITS 2022-2024 ENERGY)
EFFICIENCY AND LOAD MANAGEMENT)
PLAN, UTILITY INCENTIVE AND REVISED)
RATE NO. 17- EFFICIENT USE OF ENERGY)
RECOVERY FACTOR)
)
EL PASO ELECTRIC COMPANY,)
Applicant.)
_____)

Case No. 21-00114-UT

DECLARATION OF ARACELI G. PEREA IN SUPPORT OF
THE FOREGOING DIRECT TESTIMONY IN EL PASO
ELECTRIC'S APPLICATION FOR APPROVAL OF ITS 2022-2024
ENERGY EFFICIENCY AND LOAD MANAGEMENT PLAN, UTILITY
INCENTIVE AND REVISED RATE NO. 17-EFFICIENT USE OF
ENERGY RECOVERY FACTOR

I *Araceli G. Perea*, pursuant to Rule 1-011 NMRA, state as follows:

1. I affirm in writing under penalty of perjury under the laws of the State of New Mexico that the following statements are true and correct.

2. I am over 18 years of age and have personal knowledge of the facts stated herein. I am employed by El Paso Electric Company ("EPE" or "the Company") as the *Supervisor of Energy Efficiency*.

3. The foregoing Direct Testimony of Araceli G. Perea, together with all exhibits sponsored therein and attached thereto, is true and accurate based on my knowledge and belief.

4. I submit this Declaration, based upon my personal knowledge and upon information and belief, in support of EPE's *Application for Approval of Its 2022-2024 Energy Efficiency and Load Management Plan, Utility Incentive and Revised Rate No. 17-Efficient Use of Energy Recovery Factor*.

FURTHER, DECLARANT SAYETH NAUGHT.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 15, 2021.

/s/ Araceli G. Perea

ARACELI G. PEREA

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF EL PASO ELECTRIC)
COMPANY'S APPLICATION FOR)
APPROVAL OF ITS 2022-2024 ENERGY)
EFFICIENCY AND LOAD MANAGEMENT)
PLAN, UTILITY INCENTIVE AND REVISED)
RATE NO. 17- EFFICIENT USE OF ENERGY)
RECOVERY FACTOR)

Case No. 21-00114-UT

EL PASO ELECTRIC COMPANY,)
Applicant.)
_____)

DIRECT TESTIMONY

OF

AMY D. MARTIN

ON BEHALF OF

EL PASO ELECTRIC COMPANY

July 15, 2021

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EXHIBITS

Exhibit ADM-1 EPE's 2022-2024 Energy Efficiency and Load Management Plan

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
AMY D. MARTIN**

I. INTRODUCTION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

A. My name is Amy D. Martin. I am the Vice President of Consulting and Engineering at Frontier Energy ("Frontier"), 1515 S. Capital of Texas Highway, Suite 110, Austin, Texas 78746.

Q. WHAT IS FRONTIER'S ROLE IN THIS PROCEEDING?

A. Frontier has been retained by El Paso Electric Company ("EPE" or "Company") to analyze and validate the cost-effectiveness of EPE's proposed energy efficiency and load management programs for residential, commercial, and industrial customers in EPE's New Mexico service territory.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE.

A. I earned a Bachelor of Science degree in biology from The University of Texas at Austin ("UT Austin") in August 2003 and a Master of Public Affairs degree from the LBJ School of Public Affairs at UT Austin in May 2009.

In 2005, I was hired by the Electric Power Research Institute as a technical resource specialist. In 2006, I began work as an Enforcement Coordinator in the public drinking water division of the Texas Commission on Environmental Quality. In this role, I coordinated efforts to expeditiously settle enforcement actions against environmental violators. In 2008, while at the LBJ School of Public Affairs, I began interning at Frontier; after graduation I was hired full time as an Energy Analyst II. In

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
AMY D. MARTIN**

1 this capacity, I conducted cost-effectiveness analyses, provided qualitative research
2 and quantitative analysis to analyze utility energy efficiency programs, and supported
3 the testimony of Frontier staff in regulatory filings in New Mexico, Arkansas,
4 Oklahoma, and Texas. In 2012, I transitioned to Manager of Program Design &
5 Evaluation, and in 2014, I was promoted to my current role, Vice President of
6 Consulting and Engineering. I am currently a member of the Association of Energy
7 Service Professionals, the Association of Energy Engineers, and the Gulf Coast Power
8 Association EmPOWERing Women organization.

9

10 **Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES WITH**
11 **FRONTIER.**

12 **A.** As the Vice President of Consulting and Engineering, my primary responsibilities
13 include overseeing the firm's consulting projects, including the planning and evaluation
14 of utility energy efficiency and load management programs. In addition, I provide
15 regulatory support to Frontier's client base and administer the Texas investor-owned
16 utilities' energy efficiency organization, the Electric Utility Marketing Managers of
17 Texas.

18

19 **Q. HAVE YOU TESTIFIED BEFORE IN REGULATORY OR LEGISLATIVE**
20 **PROCEEDINGS?**

21 **A.** Yes.

22

23

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
AMY D. MARTIN**

II. PURPOSE OF DIRECT TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my direct testimony is to present and support EPE's 2022-2024 Energy Efficiency and Load Management Plan ("EE/LM Plan") attached as Exhibit ADM-1. In doing so, I describe the program screening and cost-effectiveness analysis EPE used to develop its EE/LM Plan.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. Yes, I am sponsoring Exhibit ADM-1: EPE's EE/LM Plan. This exhibit contains the details of the energy efficiency and load management ("EE/LM") portfolio and programs' benefit-cost analyses, including the technical assumptions, program costs and energy and demand savings used to estimate cost-effectiveness. More specifically, Exhibit ADM-1 contains information pertaining to program descriptions, eligible measures, estimated useful lives, requirements and restrictions, estimated participants, supporting documentation, underlying data, calculations, and estimates used to calculate cost-effectiveness.

Q. WAS THE ATTACHED EXHIBIT PREPARED UNDER YOUR DIRECT SUPERVISION AND CONTROL?

A. Yes.

**EL PASO ELECTRIC COMPANY
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III. PROGRAM ANALYSIS AND VALIDATION

Q. HOW DID FRONTIER PARTICIPATE IN THE ANALYSIS AND VALIDATION OF EPE'S PROPOSED ENERGY EFFICIENCY AND LOAD MANAGEMENT PROGRAMS?

A. Frontier worked collaboratively with EPE to analyze potential modifications of its selected EE/LM programs, consider new programs and measures, and conduct the program- and portfolio-level cost-effectiveness analyses supporting EPE's proposed EE/LM Plan.

Q. PLEASE DESCRIBE THE GENERAL PROCESS USED TO ANALYZE AND VALIDATE EPE'S PROPOSED PROGRAMS' COST-EFFECTIVENESS.

A. Frontier conducted the quantitative analyses used to estimate the costs and benefits of EPE's potential EE/LM program portfolio. Previous program year participation levels and savings data and implementer-provided estimates formed the basis for the initial projections.¹ Frontier analyzed how program designs and measure mixes impacted likely participation, estimated savings, and overall cost-effectiveness. In collaboration with EPE, Frontier used the results of this analysis to propose the necessary program design inputs, budgets and participation levels required to demonstrate a portfolio of cost-effective energy efficiency and load management programs accessible to every

¹ Estimated savings were projected based on past program participant-level data, including, but not limited to, measure mix and housing characteristics. Implementer-provided costs and savings were used to inform estimated program performance. Technical assumptions provided in the New Mexico Technical Resource Manual ("NM TRM") were used to calculate savings. The Texas Technical Reference Manual version 8.0 ("TX TRM") and Illinois Statewide Technical Reference Manual for Energy Efficiency version 9.0 ("IL TRM") were used for measures not included in the NM TRM. Please see Exhibit ADM-1 for details regarding technical assumptions and savings calculations.

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DIRECT TESTIMONY OF
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1 affected customer class, which were included in EPE's EE/LM Plan.

2 Exhibit ADM-1 provides additional details regarding the proposed programs
3 and associated measures, including the expected useful life, participation requirements
4 and restrictions, and the time period during which the programs will be offered. In
5 addition, Exhibit ADM-1 also details the estimated number of program participants,
6 estimated economic benefit to the participants, and projected energy and demand
7 savings and budgets.

8
9 **Q. DID FRONTIER REVIEW ANY OF THE RECOMMENDATIONS EPE**
10 **RECEIVED FOR THE EE/LM PLAN?**

11 **A.** Yes. In collaboration with EPE, Frontier reviewed the recommendations related to heat
12 pumps and heat pump water heaters. Specifically, Frontier reviewed the heat pump
13 incentive levels currently offered to residential customers, conducted a cost-
14 effectiveness analysis for heat pump water heaters, and integrated the measures into the
15 EE/LM plan as directed by EPE.

16 Within the Residential Comprehensive program, Frontier increased the
17 assumed incentive payment for a typical heat pump installation 15% over the 2020
18 average. Frontier believes the program can support this increase in incentive rates and
19 remain cost-effective.

20 For heat pump water heaters, Frontier ran a cost-effectiveness test assuming
21 varying incentive levels to assist EPE's decision-making regarding potential incentive
22 rates for its 2022-2024 program designs. The 2022 UCT per assumed incentive rate is
23 provided below for typical residential installations (taking free-ridership into account):

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- \$1,200/unit incentive: UCT = 0.26
- \$700/unit incentive: UCT = 0.44
- \$300/unit incentive: UCT = 1.03

Q. WHAT COST-EFFECTIVENESS STANDARD WAS USED TO ANALYZE THE PROPOSED PROGRAMS?

A. EPE used the Utility Cost Test ("UCT") to analyze the measure mix for each program, as directed by Rule 17.7.2 of the New Mexico Administrative Code ("NMAC") (the "Rule").²

Q. WERE ANY OTHER COST-EFFECTIVENESS TESTS USED TO ANALYZE POTENTIAL PROGRAMS?

A. No.

Q. PLEASE DESCRIBE ANY DEFINING CHARACTERISTICS OF EPE'S SERVICE TERRITORY THAT IMPACT SAVINGS POTENTIAL.

A. EPE's residential sector has a particularly high saturation of evaporative cooling for residences. EPE's 2019 Residential Appliance Saturation Survey indicates that 36.3 percent of EPE's residential customers have evaporative cooling systems. The most common household heating source across EPE service territory is a natural gas furnace, with a saturation rate of 78.2 percent. Commercial customer facilities also exhibit a relatively higher saturation of evaporative cooling systems and gas space and

² 17.7.2.8(J) NMAC.

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1 water heating.

2 This creates a risk with regard to EPE's program selection because market
3 projections may be overly weighted with savings potential from commercial
4 refrigerated air systems. EPE's residential customer electricity consumption is much
5 lower than in many other parts of the country with similar ambient summer and winter
6 temperatures, which results in a corresponding lowering of the savings potential
7 associated with those customers.

8 The lower electricity consumption is primarily an outcome of the high
9 evaporative cooling saturation. This characteristic establishes a lower energy savings
10 potential on a per customer basis, creating ongoing challenges for EPE in achieving
11 energy savings. Frontier was mindful of EPE's service territory characteristics in the
12 development of the EE/LM Plan.

13 In addition, the COVID pandemic continues to impact program outreach and
14 implementation efforts. EPE and its contractors have devised remote outreach and
15 inspection processes to overcome challenges and achieve program savings targets
16 during these unprecedented times. However, uncertainty remains as to how COVID
17 could impact future programs. EPE is committed to ensuring customer and employee
18 safety while working toward program goals.

19

20 **Q. IS EPE'S PROPOSED EE/LM PLAN COST-EFFECTIVE?**

21 **A.** Yes. Applying the UCT, every proposed program and the overall energy efficiency
22 portfolio were found to be cost-effective. Please see section IV of my direct testimony
23 and Exhibit ADM-1 for more details.

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
AMY D. MARTIN**

IV. COST-EFFECTIVENESS CALCULATIONS

Q. DESCRIBE THE UCT STANDARD EPE USED TO DETERMINE THE COST EFFECTIVENESS OF EPE'S PROPOSED PROGRAMS AND OVERALL PORTFOLIO.

The Efficient Use of Energy Act ("EUEA"), defines the UCT as "a standard that is met if the monetary costs that are borne by the public utility and that are incurred to develop, acquire and operate energy efficiency or load management resources on a life-cycle basis are less than the avoided monetary costs associated with developing, acquiring and operating the associated supply-side resources."³

As such, the UCT restricts the benefit-cost test perspective to a comparison of avoided supply-side costs to utility program costs. The present value of avoided capacity and energy costs across the life of the measures are treated as benefits and included in the numerator of the benefit-cost ratio. EPE's avoided capacity and energy costs used to calculate the program benefits are detailed in Exhibit ADM-1, Appendix C. The present value of program costs and incentives as detailed in Exhibit ADM-1 are included in the denominator of the benefit-cost ratio. A benefit-cost ratio greater than 1.0 indicates the program is cost-effective.

The UCT is expressed using the following inputs:

Benefits	Costs
• Energy-related costs avoided by the utility • Capacity-related costs avoided by the utility	• Administrative ("admin") costs⁴ • Participant Incentives

³ NMSA 1978, Section 62-17-4(K).

⁴ For the purpose of cost-effectiveness testing, "administrative costs" include program administration, marketing, research and development, and measurement & verification ("M&V") expenses. Please see EPE witness Perea's Exhibit AGP-2 for a breakdown of administrative costs per program.

**EL PASO ELECTRIC COMPANY
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AMY D. MARTIN**

1 **Q. WHAT DISCOUNT RATES WERE USED TO CALCULATE THE UCT?**

2 **A.**EPE used a discount rate of 7.18 percent⁵ to calculate the present value of costs and
3 benefits for the UCT calculation, as shown in EPE witness Adrian Hernandez's Exhibit
4 AH-2. All other factors held constant, the higher the discount rate, the lower the UCT
5 value.

6
7 **Q. WHAT OTHER FACTORS WERE USED TO CALCULATE THE UCT?**

8 **A.**Because cost-effectiveness is calculated by first converting estimated gross savings at
9 the meter to estimated net savings at the source, two additional factors were applied to
10 estimated program impacts in the cost-effectiveness calculation: (1) EPE's energy and
11 capacity line loss factors of 6.90% percent and 7.54%, respectively,⁶ were used to
12 convert program savings calculated at the meter to savings at the source; and (2)
13 program-level net-to-gross ("NTG") ratios obtained from EPE's 2020 measurement and
14 verification evaluation report as prepared by the statewide evaluator, Evergreen
15 Economics ("Evergreen"),⁷ were used to adjust participant savings to reflect the impact
16 of customers who are not influenced by an energy efficiency incentive program, but
17 who accept a utility rebate. This factor converts gross program savings to net program
18 savings. Please see Exhibit ADM-1 for the NTG factors used for each program.

19
20 **Q. DID EPE PROVIDE THE COSTS ASSOCIATED WITH THE ACQUISITION,**

⁵ Approved in Case No. 20-00104-UT.

⁶ EPE's 2019 system line loss study used in EPE's most recent New Mexico rate case, CN 20-00104-UT, Schedule M-3.

⁷ Evaluation of the 2020 El Paso Electric Energy Efficiency Programs Final Report, May 21, 2021, Evergreen Economics. For programs not included in this report, EPE obtained NTG factors directly from Evergreen.

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
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DEVELOPMENT, AND OPERATION OF EACH PROGRAM?

A. Yes. Costs associated with the acquisition, development, and operation for each program in EPE's EE/LM Plan are included in the analyses shown in Exhibit ADM-1. Program-level costs used to calculate cost-effectiveness are also provided in Exhibit ADM-1 and summarized in the tables below. As described in EPE witness Araceli G. Perea's direct testimony, EPE established the total program funding based on the Rule requirements outlined in the EUEA. From that total, EPE and Frontier developed projected budgets to implement cost-effective programs.

Q. DID EPE ASSEMBLE A COST-EFFECTIVE PORTFOLIO OF ENERGY EFFICIENCY PROGRAMS?

A. Yes. Table 1, Table 2 and Table 3 on the following pages list the 2022, 2023, and 2024 projected program participants,⁸ energy and demand savings,⁹ and estimated program costs used to calculate the UCT for each program in EPE's proposed EE/LM Plan. Based on this analysis, every program and the overall portfolio are cost-effective, in accordance with the Rule. Please see Exhibit ADM-1 for the program-level technical assumptions used to produce these results.

⁸ For some programs, the number of program participants may represent the projected number of homes or businesses participating in a program. For others, the number of participants may represent the number of installed measures or number of completed projects (which consist of various measure mixes and quantities). Please see Exhibit ADM-1 for details.

⁹ Savings (kW and kWh) represent annual savings resulting from installed measures each program year.

**EL PASO ELECTRIC COMPANY
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Table 1*

2022	Participants	Annual kW	Annual kWh	Annual Incentive Costs (\$)	Annual Admin Costs (\$)	Total Annual Costs (\$)
Smart Students ¹⁰	5,000	306	1,787,089	\$114,700	\$20,291	\$134,991
Residential Comprehensive	2,046	1,582	2,845,595	\$687,593	\$406,237	\$1,093,830
Residential Lighting	145,189	636	3,746,692	\$255,533	\$154,311	\$409,844
Energy Star® New Homes	490	238	510,271	\$228,924	\$175,405	\$404,329
Marketplace	10,910	143	947,495	\$109,734	\$167,294	\$277,028
Residential Load Management	4,797	3,676	443,859	\$139,850	\$181,756	\$321,606
EnergySaver	1,712	806	1,823,689	\$688,113	\$200,581	\$888,694
EnergySmart	60	218	432,599	\$194,712	\$31,061	\$225,773
Commercial Comprehensive	225	325	2,298,176	\$327,053	\$174,937	\$501,990
SCORE Plus	102	1,039	6,630,633	\$879,015	\$720,992	\$1,600,007
Commercial Load Management	10	4,056	80,559	\$181,500	\$186,619	\$368,119
Total Portfolio Budget	170,541	13,026	21,546,657	\$3,806,728	\$2,419,485	\$6,226,213

*Due to rounding, totals may not match the sum of individual programs as summarized in this table.

Table 2*

2023	Participants	Annual kW	Annual kWh	Annual Incentive Costs (\$)	Annual Admin Costs (\$)	Total Annual Costs (\$)
Smart Students	5,000	306	1,787,089	\$114,700	\$29,235	\$143,935
Residential Comprehensive	2,046	1,582	2,845,595	\$687,593	\$413,304	\$1,100,897
Residential Lighting	145,189	636	3,746,692	\$255,533	\$154,269	\$409,802
Energy Star® New Homes	490	238	510,271	\$228,924	\$175,389	\$404,313
Marketplace	10,910	143	947,495	\$109,734	\$131,835	\$241,569
Residential Load Management	5,797	4,582	443,859	\$164,850	\$203,063	\$367,913
EnergySaver	1,712	806	1,823,689	\$688,113	\$172,386	\$860,499
EnergySmart	105	306	696,914	\$292,068	\$46,935	\$339,003
Commercial Comprehensive	225	325	2,298,176	\$327,053	\$186,262	\$513,314
SCORE Plus	102	1,039	6,630,633	\$879,015	\$729,001	\$1,608,016
Commercial Load Management	10	4,056	80,559	\$181,500	\$186,605	\$368,105
Total Portfolio Budget	171,586	14,020	21,810,972	\$3,929,084	\$2,428,283	\$6,357,367

*Due to rounding, totals may not match the sum of individual programs as summarized in this table.

¹⁰ Program name may change.

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
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Table 3*

2024	Participants	Annual kW	Annual kWh	Annual Incentive Costs (\$)	Annual Admin Costs (\$)	Total Annual Costs (\$)
Smart Students	5,000	306	1,787,089	\$114,700	\$20,180	\$134,880
Residential Comprehensive	2,046	1,582	2,845,595	\$687,593	\$405,977	\$1,093,570
Residential Lighting	145,189	636	3,746,692	\$255,533	\$158,969	\$414,502
Energy Star® New Homes	490	238	510,271	\$228,924	\$175,374	\$404,298
Marketplace	10,910	143	947,495	\$109,734	\$131,135	\$240,869
Residential Load Management	6,797	5,489	443,859	\$189,850	\$224,386	\$414,236
EnergySaver	1,712	806	1,823,689	\$688,113	\$171,178	\$859,291
EnergySmart	150	384	961,229	\$389,425	\$89,641	\$479,065
Commercial Comprehensive	225	325	2,298,176	\$327,053	\$174,400	\$501,453
SCORE Plus	102	1,039	6,630,633	\$879,015	\$720,789	\$1,599,804
Commercial Load Management	10	4,056	80,559	\$181,500	\$186,591	\$368,091
Total Portfolio Budget	172,631	15,005	22,075,287	\$4,051,440	\$2,458,620	\$6,510,060

*Due to rounding, totals may not match the sum of individual programs as summarized in this table.

Table 4 provides a snapshot of the EE/LM Plan's UCT results per year. A benefit-cost ratio greater than 1.0 demonstrates that the program and overall portfolio is cost-effective under the EUEA's standards.¹¹

Table 4

Program	UCT 2022	UCT 2023	UCT 2024
Smart Students	1.09	1.03	1.12
Residential Comprehensive	1.90	1.92	1.97
Residential Lighting	3.54	3.60	3.63
Energy Star® New Homes	1.02	1.04	1.06
Marketplace	1.12	1.30	1.33
Residential Load Management	1.38	1.49	1.59
EnergySaver	1.36	1.42	1.45
EnergySmart	1.73	1.69	1.56
Commercial Comprehensive	1.38	1.37	1.43
SCORE Plus	1.09	1.11	1.13
Commercial Load Management	1.16	1.19	1.21
Portfolio	1.49	1.52	1.55

¹¹ NMSA 1978, Sections 62-17-4(C) and (K)

1 **Q. WHAT ARE THE PROJECTED LIFETIME SAVINGS FOR EACH YEAR OF**
2 **EPE'S PROPOSED EE/LM PLAN?**

3 **A.** The projected lifetime energy and demand savings for each year of EPE's proposed
4 portfolio are shown in Table 5* (2022), Table 6* (2023), and Table 7* (2024). Lifetime
5 savings per program are provided in Exhibit ADM-1.

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**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
AMY D. MARTIN**

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Table 5*

Year	Annual Participants	kW	kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Costs (\$)
2022	170,541	13,026	21,546,657	\$3,806,728	\$2,419,485	\$6,226,213
2023	-	5,053	20,176,003	-	-	-
2024	-	5,052	20,168,602	-	-	-
2025	-	5,052	20,168,602	-	-	-
2026	-	4,943	19,865,447	-	-	-
2027	-	4,928	19,743,490	-	-	-
2028	-	4,928	19,743,490	-	-	-
2029	-	4,923	19,694,307	-	-	-
2030	-	4,923	19,694,307	-	-	-
2031	-	4,923	19,693,862	-	-	-
2032	-	4,801	18,175,721	-	-	-
2033	-	4,745	18,086,851	-	-	-
2034	-	3,847	12,187,477	-	-	-
2035	-	3,840	12,134,813	-	-	-
2036	-	3,840	12,134,675	-	-	-
2037	-	1,658	8,486,395	-	-	-
2038	-	1,377	6,274,285	-	-	-
2039	-	1,377	6,274,285	-	-	-
2040	-	1,188	5,519,071	-	-	-
2041	-	1,188	5,519,071	-	-	-
2042	-	369	735,784	-	-	-
2043	-	207	413,550	-	-	-
2044	-	207	413,550	-	-	-
2045	-	52	68,210	-	-	-
2046	-	52	68,210	-	-	-
2047	-	18	14,283	-	-	-
2048	-	18	14,283	-	-	-
2049	-	18	14,283	-	-	-
2050	-	18	14,283	-	-	-
2051	-	18	14,283	-	-	-
Lifetime kWh			307,058,131			

2 * Due to rounding, lifetime kWh may not match the sum of individual years as summarized in this table.

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
AMY D. MARTIN**

1

Table 6*

Year	Annual Participants	kW	kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Costs (\$)
2023	171,586	14,020	21,810,972	\$3,929,084	\$2,428,283	\$6,357,367
2024	-	5,141	20,440,318	-	-	-
2025	-	5,140	20,432,917	-	-	-
2026	-	5,140	20,432,917	-	-	-
2027	-	5,031	20,129,762	-	-	-
2028	-	5,016	20,007,805	-	-	-
2029	-	5,016	20,007,805	-	-	-
2030	-	5,010	19,957,709	-	-	-
2031	-	5,010	19,957,709	-	-	-
2032	-	5,010	19,957,265	-	-	-
2033	-	4,889	18,437,183	-	-	-
2034	-	4,833	18,348,265	-	-	-
2035	-	3,935	12,448,891	-	-	-
2036	-	3,928	12,393,283	-	-	-
2037	-	3,928	12,393,146	-	-	-
2038	-	1,745	8,744,866	-	-	-
2039	-	1,464	6,532,756	-	-	-
2040	-	1,464	6,532,756	-	-	-
2041	-	1,276	5,777,022	-	-	-
2042	-	1,276	5,777,022	-	-	-
2043	-	449	965,854	-	-	-
2044	-	222	434,487	-	-	-
2045	-	222	434,487	-	-	-
2046	-	67	89,147	-	-	-
2047	-	67	89,147	-	-	-
2048	-	26	19,447	-	-	-
2049	-	26	19,447	-	-	-
2050	-	26	19,447	-	-	-
2051	-	26	19,447	-	-	-
2052	-	26	19,447	-	-	-
Lifetime kWh			312,630,725			

2 * Due to rounding, lifetime kWh may not match the sum of individual years as summarized in this table.

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**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
AMY D. MARTIN**

1

Table 7*

Year	Annual Participants	kW	kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Costs (\$)
2024	172,631	15,005	22,075,287	\$4,051,440	\$2,458,620	\$6,510,060
2025	-	5,219	20,704,633	-	-	-
2026	-	5,218	20,697,232	-	-	-
2027	-	5,218	20,697,232	-	-	-
2028	-	5,109	20,394,077	-	-	-
2029	-	5,094	20,272,120	-	-	-
2030	-	5,094	20,272,120	-	-	-
2031	-	5,088	20,221,111	-	-	-
2032	-	5,088	20,221,111	-	-	-
2033	-	5,088	20,220,667	-	-	-
2034	-	4,967	18,698,644	-	-	-
2035	-	4,911	18,609,679	-	-	-
2036	-	4,013	12,710,305	-	-	-
2037	-	4,006	12,651,754	-	-	-
2038	-	4,006	12,651,617	-	-	-
2039	-	1,823	9,003,337	-	-	-
2040	-	1,542	6,791,227	-	-	-
2041	-	1,542	6,791,227	-	-	-
2042	-	1,353	6,034,974	-	-	-
2043	-	1,353	6,034,974	-	-	-
2044	-	516	1,195,923	-	-	-
2045	-	224	455,424	-	-	-
2046	-	224	455,424	-	-	-
2047	-	70	110,084	-	-	-
2048	-	70	110,084	-	-	-
2049	-	34	24,610	-	-	-
2050	-	34	24,610	-	-	-
2051	-	34	24,610	-	-	-
2052	-	34	24,610	-	-	-
2053	-	34	24,610	-	-	-
Lifetime kWh			318,203,317			

2 * Due to rounding, lifetime kWh may not match the sum of individual years as summarized in this table.

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4 **Q. HOW WERE FUTURE COSTS AND BENEFITS ACCOUNTED FOR IN YOUR**

1 ANALYSIS?

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18 **Q. HAS EPE MET THE COST-EFFECTIVENESS REQUIREMENTS OF THE EE**
19 **RULE?**

23

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
AMY D. MARTIN**

1 **Q.** **DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

2 **A.** Yes.

EL PASO ELECTRIC'S 2022-2024 ENERGY EFFICIENCY AND LOAD MANAGEMENT PLAN



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JULY 15, 2021

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Executive Summary

Pursuant to the New Mexico Efficient Use of Energy Act (NMSA 1978, Section 62-17-1 et seq.) (“EUEA”) and the New Mexico Public Regulation Commission (“Commission” or “NMPRC”) Energy Efficiency Rule (“EE Rule” or “Rule”),¹ El Paso Electric Company (“EPE,” or “Company”) submits its proposed 2022-2024 Energy Efficiency and Load Management Plan (“EE/LM Plan”). The EUEA and Rule require public utilities to offer customers cost-effective energy efficiency (“EE”) and load management (“LM”) programs (“Programs”). The EUEA and Rule further authorize cost recovery for qualified expenditures relating to the study, development and implementation of these Programs.

EPE’s EE/LM Plan proposes modifications to EPE’s existing portfolio of programs that have been designed to increase participation and to expedite EPE’s achievement of EUEA goals. These proposed adjustments will be implemented upon Commission review and approval.

EPE offers retail electric service in both Texas and New Mexico to approximately 437,000 customers, with approximately 23 percent of customers located in New Mexico. EPE’s New Mexico service territory encompasses the City of Las Cruces, and nearby municipalities located in the New Mexico counties of Doña Ana, Luna, Otero and Sierra.

Energy Efficiency Plan Overview

2021 Programs

EPE’s existing EE Programs were approved by the Commission in NMPRC Case No. 18-00116-UT. This EE/LM Program portfolio is available to customers in EPE’s New Mexico residential, commercial, and industrial customer classes and includes the following programs:

- LivingWise® Program
- Residential Comprehensive Program
- Residential Lighting Program
- ENERGY STAR® New Homes Program
- Residential Load Management Program
- NM EnergySaver (Low Income) Program
- Commercial Comprehensive Program
- SCORE Plus Program
- Commercial Load Management Program

Proposed EE/LM Plan Overview

EPE contracted with Frontier Energy (“Frontier”) to assist in the analysis and validation of EPE’s proposed program offerings selected for 2022, 2023, and 2024.

¹ New Mexico Administrative Code (“NMAC”) Title 17 Chapter 7 Part 2.

Frontier worked collaboratively with EPE to analyze potential new programs, existing program modifications, consider new measures, and conduct the program- and portfolio-level cost-effectiveness analyses supporting EPE's proposed EE/LM Plan.

Proposed Changes

EPE is proposing to continue all its existing energy efficiency and load management programs that were approved in Case No. 18-00116-UT, with program design modifications to the LivingWise® and Residential Comprehensive Programs.

Specifically, the proposed LivingWise® Program, re-named the Smart Students Program,² will be expanded to include a new FutureWise® kit component with energy efficiency measures and educational materials for high-school students.

EPE is also proposing to modify the Residential Comprehensive Program design by incorporating appliance recycling measures. The proposed program design will continue to offer the existing rebate path which promotes comprehensive energy efficiency upgrades and will add a new appliance recycling path allowing customers to recycle eligible appliances.

In addition, EPE is proposing the addition of two residential programs, Marketplace and Energy\$aver. The Marketplace Program allows residential customers to purchase energy efficiency measures directly via an online marketplace. Energy\$aver will focus on energy efficiency improvements for low- and moderate-income New Mexicans.

For commercial programs, EPE proposes to offer a Building Operating Certification training to participants. The goal is to help commercial customers learn how to further reduce their energy usage and take a systematic approach to improving their energy performance. This certification will provide technical training on subjects such as the building science, HVAC systems, energy management systems, and related topics.

Finally, several new measures were incorporated in the proposed portfolio as potential energy efficiency opportunities for EPE's customers including appliance recycling, heat pump water heaters, solar attic fans, and behavioral opportunities via educational outreach.

Additional program descriptions of the proposed EE/LM Plan are provided in witness Perea's testimony. Program design considerations and assumptions used for the purpose of cost-effectiveness analysis are provided in the following sections. This includes a detailed list of proposed measures included per program for the purpose of cost-effectiveness analysis. This measure mix per program was selected for analysis based on past program performance, program implementer goals and projections, stakeholder input, and EPE-provided targets.

With these updates, the proposed EE/LM Plan consists of the following programs:

² Program name may change

1. Smart Students,³
2. Residential Comprehensive,
3. Residential Lighting,
4. ENERGY STAR® New Homes,
5. Marketplace,
6. Residential Load Management,
7. EnergySaver,
8. Energy\$mart,
9. Commercial Comprehensive,
10. SCORE Plus, and
11. Commercial Load Management.

Proposed Budget

EPE established the portfolio budget based on the three to five percent funding methodology outlined in the EUEA. The proposed program budgets shown in the below tables were developed based on past experience, anticipated participation levels by measure, and the associated measure incentive levels that were deemed necessary to encourage participation.⁴

Table 1: 2022 Proposed Program and Total Portfolio Budgets

EPE Plan	Annual Incentive Costs (\$)	Annual Admin Costs (\$)	Total Annual Costs (\$)
Smart Students	\$114,700	\$20,291	\$134,991
Residential Comprehensive	\$687,593	\$406,237	\$1,093,830
Residential Lighting	\$255,533	\$154,311	\$409,844
Energy Star® New Homes	\$228,924	\$175,405	\$404,329
Marketplace	\$109,734	\$167,294	\$277,028
Residential Load Management	\$139,850	\$181,756	\$321,606
EnergySaver	\$688,113	\$200,581	\$888,694
Energy\$mart	\$194,712	\$31,061	\$225,773
Commercial Comprehensive	\$327,053	\$174,937	\$501,990
SCORE Plus	\$879,015	\$720,992	\$1,600,007
Commercial Load Management	\$181,500	\$186,619	\$368,119
Total Portfolio	\$3,806,728	\$2,419,485	\$6,226,213

³ Program name may change.

⁴ Due to rounding, totals may not match the sum of individual programs as summarized in these tables, or others throughout this document.

Table 2: 2023 Proposed Program and Total Portfolio Budgets

EPE Plan	Annual Incentive Costs (\$)	Annual Admin Costs (\$)	Total Annual Costs (\$)
Smart Students	\$114,700	\$29,235	\$143,935
Residential Comprehensive	\$687,593	\$413,304	\$1,100,897
Residential Lighting	\$255,533	\$154,269	\$409,802
Energy Star® New Homes	\$228,924	\$175,389	\$404,313
Marketplace	\$109,734	\$131,835	\$241,569
Residential Load Management	\$164,850	\$203,063	\$367,913
EnergySaver	\$688,113	\$172,386	\$860,499
Energy\$mart	\$292,068	\$46,935	\$339,003
Commercial Comprehensive	\$327,053	\$186,262	\$513,314
SCORE Plus	\$879,015	\$729,001	\$1,608,016
Commercial Load Management	\$181,500	\$186,605	\$368,105
Total Portfolio	\$3,929,084	\$2,428,283	\$6,357,367

Table 3: 2024 Proposed Program and Total Portfolio Budgets

EPE Plan	Annual Incentive Costs (\$)	Annual Admin Costs (\$)	Total Annual Costs (\$)
Smart Students	\$114,700	\$20,180	\$134,880
Residential Comprehensive	\$687,593	\$405,977	\$1,093,570
Residential Lighting	\$255,533	\$158,969	\$414,502
Energy Star® New Homes	\$228,924	\$175,374	\$404,298
Marketplace	\$109,734	\$131,135	\$240,869
Residential Load Management	\$189,850	\$224,386	\$414,236
EnergySaver	\$688,113	\$171,178	\$859,291
Energy\$mart	\$389,425	\$89,641	\$479,065
Commercial Comprehensive	\$327,053	\$174,400	\$501,453
SCORE Plus	\$879,015	\$720,789	\$1,599,804
Commercial Load Management	\$181,500	\$186,591	\$368,091
Total Portfolio	\$4,051,440	\$2,458,620	\$6,510,060

Program Screening & Cost-effectiveness Analysis

Overview

Frontier conducted the quantitative analyses used to estimate the costs and benefits of EPE's potential EE/LM Plan.

EPE used a discount rate of 7.18 percent⁵ to calculate the present value of costs and benefits for the UCT calculation, as shown in EPE witness Adrian Hernandez's Exhibit AH-2. All other factors held constant, the higher the discount rate, the lower the UCT value.

The below tables provide the cost-effectiveness of EPE's EE/LM Plan.

Table 4. Portfolio Cost-Effectiveness Results

	2022	2023	2024
Benefit/Cost Ratio	1.49	1.52	1.55
Total Benefits (\$000s)	\$9,248	\$9,667	\$10,101
Total Costs (\$000s)	\$6,226	\$6,357	\$6,510

The following three tables provide the program-level results. Because all programs have a benefit-cost ratio equal to or greater than 1.00, the programs and overall portfolio are cost-effective based on the Utility Cost Test ("UCT").

Table 5. Program Cost-Effectiveness Results

Program	UCT 2022	UCT 2023	UCT 2024
Smart Students	1.09	1.03	1.12
Residential Comprehensive	1.90	1.92	1.97
Residential Lighting	3.54	3.60	3.63
Energy Star® New Homes	1.02	1.04	1.06
Marketplace	1.12	1.30	1.33
Residential Load Management	1.38	1.49	1.59
EnergySaver	1.36	1.42	1.45
EnergySmart	1.73	1.69	1.56
Commercial Comprehensive	1.38	1.37	1.43
SCORE Plus	1.09	1.11	1.13
Commercial Load Management	1.16	1.19	1.21
Total Portfolio	1.49	1.52	1.55

The projected annual kilowatt ("kW") and kilowatt-hour ("kWh") savings and costs for EPE's EE/LM Plan are summarized in the following tables. In addition, total projected lifetime energy savings for the overall

⁵ Approved in Case No. 20-00104-UT

portfolio is presented in the last row of each table. Projected savings per measure are detailed in the individual program sections of this EE/LM Plan.

Table 6. 2022 Projected Impacts*

Year	Annual Participants ⁶	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Costs (\$)
2022	170,541	13,026	21,546,657	\$3,806,728	\$2,419,485	\$6,226,213
2023		5,053	20,176,003			
2024		5,052	20,168,602			
2025		5,052	20,168,602			
2026		4,943	19,865,447			
2027		4,928	19,743,490			
2028		4,928	19,743,490			
2029		4,923	19,694,307			
2030		4,923	19,694,307			
2031		4,923	19,693,862			
2032		4,801	18,175,721			
2033		4,745	18,086,851			
2034		3,847	12,187,477			
2035		3,840	12,134,813			
2036		3,840	12,134,675			
2037		1,658	8,486,395			
2038		1,377	6,274,285			
2039		1,377	6,274,285			
2040		1,188	5,519,071			
2041		1,188	5,519,071			
2042		369	735,784			
2043		207	413,550			
2044		207	413,550			
2045		52	68,210			
2046		52	68,210			
2047		18	14,283			
2048		18	14,283			
2049		18	14,283			
2050		18	14,283			
2051		18	14,283			
Lifetime kWh			307,058,131			

*Due to rounding, totals may not match the sum of individual parts as summarized in this table.

⁶ For some programs, the number of program participants may represent the projected number of homes or businesses participating in a program. For others, the number of participants may represent the number of installed measures or number of completed projects (which consists of various measure mixes and quantities). Please see the program descriptions for details

Table 7. 2023 Projected Impacts*

Year	Annual Participants ⁷	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Costs (\$)
2023	171,586	14,020	21,810,972	\$3,929,084	\$2,428,283	\$6,357,367
2024		5,141	20,440,318			
2025		5,140	20,432,917			
2026		5,140	20,432,917			
2027		5,031	20,129,762			
2028		5,016	20,007,805			
2029		5,016	20,007,805			
2030		5,010	19,957,709			
2031		5,010	19,957,709			
2032		5,010	19,957,265			
2033		4,889	18,437,183			
2034		4,833	18,348,265			
2035		3,935	12,448,891			
2036		3,928	12,393,283			
2037		3,928	12,393,146			
2038		1,745	8,744,866			
2039		1,464	6,532,756			
2040		1,464	6,532,756			
2041		1,276	5,777,022			
2042		1,276	5,777,022			
2043		449	965,854			
2044		222	434,487			
2045		222	434,487			
2046		67	89,147			
2047		67	89,147			
2048		26	19,447			
2049		26	19,447			
2050		26	19,447			
2051		26	19,447			
2052		26	19,447			
Lifetime kWh			312,630,725			

*Due to rounding, totals may not match the sum of individual parts as summarized in this table.

⁷ For some programs, the number of program participants may represent the projected number of homes or businesses participating in a program. For others, the number of participants may represent the number of installed measures or number of completed projects (which consists of various measure mixes and quantities). Please see the program descriptions for details

Table 8. 2024 Projected Impacts*

Year	Annual Participants ⁸	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Costs (\$)
2024	172,631	15,005	22,075,287	\$4,051,440	\$2,458,620	\$6,510,060
2025		5,219	20,704,633			
2026		5,218	20,697,232			
2027		5,218	20,697,232			
2028		5,109	20,394,077			
2029		5,094	20,272,120			
2030		5,094	20,272,120			
2031		5,088	20,221,111			
2032		5,088	20,221,111			
2033		5,088	20,220,667			
2034		4,967	18,698,644			
2035		4,911	18,609,679			
2036		4,013	12,710,305			
2037		4,006	12,651,754			
2038		4,006	12,651,617			
2039		1,823	9,003,337			
2040		1,542	6,791,227			
2041		1,542	6,791,227			
2042		1,353	6,034,974			
2043		1,353	6,034,974			
2044		516	1,195,923			
2045		224	455,424			
2046		224	455,424			
2047		70	110,084			
2048		70	110,084			
2049		34	24,610			
2050		34	24,610			
2051		34	24,610			
2052		34	24,610			
2053		34	24,610			
Lifetime kWh			318,203,317			

*Due to rounding, totals may not match the sum of individual parts as summarized in this table.

Progress towards Goal

The amended EUEA requires investor-owned electric utilities to achieve no less than five percent reduction of total 2020 retail kilowatt-hour sales over the period of 2021 to 2025. The 2025 target may be reduced by the Commission if a utility cannot achieve the target within the three percent to five percent funding level prescribed by the EUEA. EPE's total retail sales to applicable customer classes was

⁸ For some programs, the number of program participants may represent the projected number of homes or businesses participating in a program. For others, the number of participants may represent the number of installed measures or number of completed projects (which consists of various measure mixes and quantities). Please see the program descriptions for details

1,577,457,302 in 2020. Accordingly, EPE's EUEA cumulative savings requirements by 2025 is 78,872,865 kWh. As of 2020, EPE has achieved a verified, cumulative energy savings of 163,517,159 kWh, which exceeds the 2020 Goal by about 55 percent.

EE/LM Plan Development

Background of Existing Programs

EPE began its New Mexico EE Programs with the LivingWise® Program and CFL Program in 2008, followed with more extensive Program offerings in subsequent years. These offerings included residential customer rebate measures for high efficiency cooling and weatherization and a continuation of a markdown program for CFLs and a CFL giveaway measure. The commercial customer class was provided with longstanding offers for incentives on a variety of efficiency projects since 2009. The initial commercial measures eligible for incentives included lighting and HVAC technologies, motors, variable speed drives ("VSD") and thermal energy storage. EPE also offered a low-income program for qualifying residential customers.

In NMPRC Case 11-00047-UT, EPE filed and received approval for program changes to its 2010 Programs for 2011 through 2013. EPE's 2014-2016 EE Programs were approved by the Commission in NMPRC Case No. 13-00176-UT, the 2017/2018 offerings were approved in NMPRC Case No. 16-00185-UT, and the 2019-2021 EE/LM Plan was approved in NMPRC Case No. 18-00116-UT.

In addition to formal rebate and incentive programs currently offered in New Mexico and Texas, EPE's website (www.EPESaver.com) contains energy conservation and energy efficiency information for its customers. At this website, customers and the general public are also provided with links to additional websites for energy efficiency tips and information. In addition, EPE offers a variety of rates to residential, commercial and industrial customers in its New Mexico and Texas jurisdictions that are designed to promote load management and energy efficiency.

Regulatory Requirements

17.7.2.8.J NMAC requires that the utility's portfolio of EE Programs be cost-effective. Section 62-17-4(C) of the EUEA states that the UCT shall be used to determine cost-effectiveness. All Programs proposed by EPE in the EE/LM Plan are cost-effective, achieving a positive UCT of 1.00 or greater.

Program Analysis & Validation

EPE employed Frontier to analyze potential program modifications of its selected EE/LM programs, consider new measures, and conduct the program- and portfolio-level cost-effectiveness analyses supporting EPE's proposed EE/LM Plan.

Frontier has significant experience in program analysis, development, and validation. As a nationally recognized consulting firm, it provides energy efficiency and demand response program design, evaluation, implementation, and measurement and verification ("M&V") services to clients across the country. Frontier has provided significant contributions to program design, implementation, and evaluation activities in Arkansas, California, Colorado, New Mexico, New York, Oklahoma, and Texas.

Cost-effectiveness Analysis

EPE used the UCT to analyze, screen, and validate the measure mix for each program design, as directed by the EUEA. The EUEA defines the UCT as “a standard that is met if the monetary costs that are borne by the public utility and that are incurred to develop, acquire and operate energy efficiency or load management resources on a life-cycle basis are less than the avoided monetary costs associated with developing, acquiring and operating the associated supply-side resources.”

As such, the UCT restricts the benefit-cost test perspective to a comparison of avoided supply-side costs to utility program costs. The present value of avoided capacity and energy costs across the life of the measures are treated as benefits and included in the numerator of the benefit-cost ratio. The present value of program costs and incentives as detailed herein are included in the denominator of the benefit-cost ratio. A benefit-cost ratio greater than or equal to 1.00 indicates the program is cost-effective and demonstrates that the utility will benefit from implementation of the EE/LM Plan. In turn, this will translate into benefits to customers in the form of lower electricity rates in the long run. The UCT is expressed using the following inputs:

Benefits:

- Energy-related costs avoided by the utility
- Capacity-related costs avoided by the utility

Costs:

- Administrative costs⁹
- Participant incentives

Assumptions and Methodologies

EPE employed standard methods and resources to analyze this plan. Technical assumptions provided in the NM TRM were used to calculate projected savings. For new measures and programs, EPE and implementer-provided costs and savings were used to inform estimated program performance. The Texas Technical Reference Manual version 8.0 (“TX TRM”) and the Illinois Statewide Technical Reference Manual for Energy Efficiency version 9.0 (“IL TRM”) were used for measures not included in the NM TRM. In addition, EPE worked directly with the M&V Evaluator to inform other key assumptions necessary for the cost-effectiveness analysis.

To calculate cost-effectiveness for EPE’s selected programs, Frontier projected typical participant incentives and savings based on previous results, program administrator experience, and program implementer planning documents including, but not limited to, projected measure mix and housing characteristics. The incentive and annual savings per average participant used in the cost-effectiveness calculations are provided in the forecasting assumptions per measure for each program. The measures included in the forecasting assumptions for each program represent the eligible measures most likely to be installed in the program, or the measures EPE and its program implementer, if applicable, are targeting for increased installation. EPE may choose to increase or decrease the list of eligible measures per program based on new information, cost-effectiveness potential, or other reasons as deemed appropriate by the utility in coordination with the M&V evaluator.

⁹ For the purpose of cost-effectiveness testing, “administrative costs” include program administration, marketing, research & development, and M&V expenses. Please see EPE witness Perea’s Exhibit AGP-2 for a breakdown of administrative costs per program.

Each program was analyzed following the steps below:

1. Collect program inputs, including:
 - a. Measure specifications or typical savings;
 - b. Estimated useful lives ("EUL"); and
 - c. Net-to-gross factors.
2. Estimate projected participation and incentive costs.
3. Calculate UCT.
4. Review program savings, cost, and cost-effectiveness results and revise inputs where appropriate.

The sources for these inputs and estimates include the following:

- NM TRM;
- TX TRM;
- IL TRM;
- ENERGY STAR® resources;
- Implementer provided projections;
- M&V reports and resources; and
- EPE and program administrator experience.

Utility Economic and Technical Assumptions

EPE used a discount rate of 7.18 percent to calculate the present value of costs and benefits for the UCT calculation. All other factors held constant, the higher the discount rate, the lower the UCT value.

Supply and production avoided cost values were supplied by EPE (see Appendix C: Avoided Costs). All energy and demand impact estimates have been adjusted for EPE's energy and capacity line loss factors of 6.90% and 7.54%, respectively.¹⁰

Measurement and Verification

Unless otherwise specified within the program-specific details of this Plan, the M&V described in this section is applicable to all Programs within EPE's EE/LM Plan.

EPE will utilize deemed savings values for most projects when available. If formal M&V is required for a custom project by the statewide evaluator, Evergreen Economics, EPE will work with the customer to develop a formal M&V process in accordance with the International Performance Measurement and Verification Protocol ("IPMVP"). For measures utilizing deemed or stipulated savings, participants' contractors or EPE Program implementers will record pre- and post-installation equipment and building characteristics on EPE-provided measure calculators. For example, on commercial lighting projects, contractors or implementers will need to complete the appropriate Lighting Survey Form to indicate pre-

¹⁰ EPE's 2019 system line loss study used in EPE's most recent New Mexico rate case, CN 20-00104-UT, Schedule M-3.

and post-installation lighting fixtures, as well as identify the correct building type where the project will be completed.

EPE will coordinate to ensure that an adequate number of installations are pre- and post-inspected to ensure that the Programs are producing the expected savings. An EPE employee or EPE's Program implementers will be sent to perform a pre- and post-inspection of a sample of the projects.

The statewide evaluator will also provide additional installation inspections to increase the confidence in the results of the EE/LM Plan. EPE will rely on the statewide evaluator to provide evaluation, measurement, and verification ("EM&V") review and feedback. The statewide evaluator will be responsible for developing EM&V activities to be performed, as well as a method to evaluate expenditures, free-ridership, and energy savings for the Programs. Additionally, they will review all technical assumptions used by EPE to confirm that the expected savings were achieved at the end of the program year. Going forward, EPE will adjust future plans based on the findings and results of the statewide evaluator.

EPE retains the right to modify rebate levels and remove or add measures, as deemed necessary, based on economic conditions and program performance while maintaining cost-effectiveness.

Customer Self-Directed Alternatives

The EUEA and the Rule allow for large commercial customers to develop self-directed alternatives. Large customer self-sponsors are required to develop their M&V plans in accordance with the EUEA and the Rule and follow EPE's procedures for filing and approval of self-directed projects. Based on the criteria in the Rule, EPE or the Commission-approved self-direct program administrator will verify that a reasonable M&V plan has been developed and that this plan is followed to quantify the energy savings for each project. Credits will be applied against the large customer's Efficient Use of Energy Recovery Factor charged by EPE in accordance with the EUEA and the Rule.

EPE 2022-2024 Residential Program Portfolio

EPE's Residential Energy Efficiency Program portfolio includes the following programs:

1. Smart Students
2. Residential Comprehensive;
3. Residential Lighting;
4. ENERGY STAR® New Homes;
5. Marketplace
6. Residential Load Management;
7. EnergySaver; and
8. Energy\$mart

Smart Students Program

Program Overview and Goals

The Smart Students Program delivers residential energy efficiency education and measures to fifth grade and high-school students via its LivingWise® and FutureWise® kits. The program produces energy savings through the installation of high efficiency measures and supplemental materials to educate students and their families on valuable ways to save energy, water, and money. The program's ultimate objective is to instill life-long energy saving behaviors.

The LivingWise® educational kit serves as an effective community outreach tool to improve customer awareness of energy efficiency measures and programs. EPE identifies and enrolls teachers of fifth grade students, providing them with a LivingWise® kit that contains energy saving devices and energy efficiency educational materials. The kits will continue to include three light emitting diode ("LED") light bulbs, two 1.5 gallons per minute ("gpm") low-flow showerheads, one 1.5 gpm kitchen faucet aerator, two 0.5 gpm bathroom faucet aerators, a digital thermometer, a flow rate test bag, a natural resource fact chart, and instructions on how to install all of the measures. It also provides instructions to adjust smart thermostat and water heater settings to achieve behavior-related energy and demand savings. All of the materials provided meet state and national educational standards, which allow the program to easily fit into the teacher's existing requirements. The students take the LivingWise® kit home, and with the help of their parents, install the devices in their home and complete a home energy audit report. All of the responses, including the home audits, teacher responses, student input and parent responses, are tabulated. This kit is designed to generate immediate and long-term energy savings for participants.

The FutureWise® kit – The FutureWise® educational kit serves as an effective community outreach tool for high school students which will bring an awareness of how they can save energy. This educational program will take the students into the 'future' real world by providing real life scenarios of some of the complex situations that await them, for example: how to read utility bills and how to navigate thru career opportunities in the green job sector. EPE identifies and enrolls teachers of high school students, providing them with a FutureWise® kit that contains energy saving devices and energy efficiency educational materials. The kits will include advanced power strips, one smart LED, two standard LEDs, and educational material.

Both the LivingWise® and FutureWise® kits provide instructions to adjust smart thermostat and water heater settings to achieve behavior-related energy and demand savings.

Implementation and Administration Plan

Assignment of Responsibilities

AM Conservation Group ("AMC"), formerly Resource Action Programs ("RAP"), is EPE's implementer for this program. AMC will produce custom Program materials with EPE's approval. EPE will review and approve a list of schools to be targeted by AMC. AM Conservation will identify and enroll 5th grade and high school teachers, providing them the LivingWise® and FutureWise® kits for both participating students and teacher, along with education materials.

AMC staff will contact the participating/enrolled teachers at various times throughout the program to provide support for the teachers and to request the return of the audit forms and evaluations. AMC will provide EPE with a Program Summary Report in time for inclusion in EPE's Annual Report to the NMPRC.

Target Market Segment and Marketing Plan

The program targets fifth grade and high school students living in EPE's service territory. Specifically, AMC will conduct the research and marketing efforts necessary to identify eligible schools and sign 5th grade classes up to receive the LivingWise® kit and high school classes to receive the FutureWise® kit. Participating teachers will deliver the kits as part of a classroom lesson. Take home activities and measure installation in each student's home will engage the student's families.

The program will also provide information and incentives tied to enrollment and participation in other EPE Programs.

Participation Requirements

The schools that are approached for participation in this program will be located in EPE's New Mexico service territory.

Program Assumptions and Cost-Effectiveness

Program Timeframe

For planning purposes, three years (2022-2024) of program implementation has been assumed.

Program Forecasting Assumptions

The below table details the estimated useful life ("EUL" or "measure life"), incentive levels, projected gross annual savings at the meter per participant, measure quantity/participation levels, and free-ridership.¹¹ Sources for each of these assumptions are found in Appendix A.

Table 9. Smart Students Program Forecasting Assumptions¹²

	LW: Behavior Change - T-stat set-back	LW: Showerhead 1	LW: Showerhead 2	LW: Kitchen Aerator	LW: Bathroom Aerator 1	LW: Bathroom Aerator 2
Measure Life (years)	1.00	10.00	10.00	10.00	10.00	10.00
Incentive per avg participant (\$) 2022	Kit Cost = \$22.88					
Incentive per avg participant (\$) 2023	Kit Cost = \$22.88					
Incentive per avg participant (\$) 2024	Kit Cost = \$22.88					
Annual kWh	498.62	28.91	21.17	4.01	3.82	3.16
Annual kW	0.10	0.00	0.00	0.00	0.00	0.00
Measure Quantity 2022	1,200	2,500	2,500	2,500	2,500	2,500
Measure Quantity 2023	1,200	2,500	2,500	2,500	2,500	2,500
Measure Quantity 2024	1,200	2,500	2,500	2,500	2,500	2,500
Units of Measurement	# adjusted setting ¹³	unit	unit	unit	unit	unit
Free-ridership	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

¹¹ Incentive dollars and savings may be rounded to the year, dollar, kW, kWh, or measure quantity as appropriate for each measure. This applies to the Smart Students Program and all other Programs within the EE/LM Plan.

¹² Measures denoted as "LW" represent LivingWise® kits; measures denoted as "FW" represent FutureWise® kits.

¹³ Based on actual 2020 participant data, Frontier assumed 48% of students [kits] would turn their thermostat up during the summer months.

Table 10. Smart Students Program Forecasting Assumptions Continued

	LW: 1st LED	LW: 2nd LED	LW: 3rd LED	LW: Behavior Change - Water Heating Temp Set-back ¹⁴	FW: Behavior Change - T-stat set-back ¹⁵	FW: Behavior Change - Water Heating Temp Set-back ¹⁶
Measure Life (years)	20.00	20.00	20.00	2.00	1.00	2.00
Incentive per avg participant (\$) 2022	Kit Cost = \$22.88				Kit Cost = \$23	
Incentive per avg participant (\$) 2023	Kit Cost = \$22.88				Kit Cost = \$23	
Incentive per avg participant (\$) 2024	Kit Cost = \$22.88				Kit Cost = \$23	
Annual kWh	13.83	11.28	10.41	10.60	498.62	10.60
Annual kW	0.00	0.00	0.00	0.00	0.10	0.00
Measure Quantity 2022	2,500	2,500	2,500	325	1,200	325
Measure Quantity 2023	2,500	2,500	2,500	325	1,200	325
Measure Quantity 2024	2,500	2,500	2,500	325	1,200	325
Units of Measurement	unit	unit	unit	# adjusted setting	# adjusted setting	# adjusted setting
Free-ridership	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table 11. Smart Students Program Forecasting Assumptions Continued

	FW: Advanced Power Strip	FW: 1st LED	FW: 2nd LED	FW: 3rd LED
Measure Life (years)	4.00	20.00	20.00	20.00
Incentive per avg participant (\$) 2022	Kit Cost = \$23			
Incentive per avg participant (\$) 2023	Kit Cost = \$23			
Incentive per avg participant (\$) 2024	Kit Cost = \$23			
Annual kWh	52.00	13.83	11.28	10.41
Annual kW	0.01	0.00	0.00	0.00
Measure Quantity 2022	2,500	2,500	2,500	2,500
Measure Quantity 2023	2,500	2,500	2,500	2,500
Measure Quantity 2024	2,500	2,500	2,500	2,500
Units of Measurement	unit	unit	unit	unit
Free-ridership	0.00%	0.00%	0.00%	0.00%

The incentive amount includes the measure costs of the materials provided in the kits, as well as the implementation costs.

¹⁴ Based on actual 2020 participant data, Frontier assumed 13% of students [kits] would have electric water heaters and adjust settings.

¹⁵ Based on actual 2020 participant data, Frontier assumed 48% of students [kits] would turn their thermostat up during the summer months.

¹⁶ Based on actual 2020 participant data, Frontier assumed 13% of students [kits] would have electric water heaters and adjust settings.

Projected Program Savings and Cost-effectiveness

Projected participation, net savings at the source (annual and lifetime), and costs are shown in the tables below.

Table 12. 2022 Smart Students Program Projections

Year	Annual Participants ¹⁷	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2022	5,000	306	1,787,089	\$114,700	\$20,291	\$134,991
2023		49	501,762			
2024		49	494,361			
2025		49	494,361			
2026		32	354,726			
2027		32	354,726			
2028		32	354,726			
2029		32	354,726			
2030		32	354,726			
2031		32	354,726			
2032		32	190,655			
2033		32	190,655			
2034		32	190,655			
2035		32	190,655			
2036		32	190,655			
2037		32	190,655			
2038		32	190,655			
2039		32	190,655			
2040		32	190,655			
2041		32	190,655			
Lifetime kWh			7,312,481			

¹⁷ Projected number of educational kits (2500 LW, 2500 FW).

Table 13. 2023 Smart Students Program Projections

Year	Annual Participants ¹⁸	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2023	5,000	306	1,787,089	\$114,700	\$29,235	\$143,935
2024		49	501,762			
2025		49	494,361			
2026		49	494,361			
2027		32	354,726			
2028		32	354,726			
2029		32	354,726			
2030		32	354,726			
2031		32	354,726			
2032		32	354,726			
2033		32	190,655			
2034		32	190,655			
2035		32	190,655			
2036		32	190,655			
2037		32	190,655			
2038		32	190,655			
2039		32	190,655			
2040		32	190,655			
2041		32	190,655			
2042		32	190,655			
Lifetime kWh			7,312,481			

¹⁸ Projected number of educational kits (2500 LW, 2500 FW).

Table 14. 2024 Smart Students Program Projections

Year	Annual Participants ¹⁹	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2024	5,000	306	1,787,089	\$114,700	\$20,180	\$134,880
2025		49	501,762			
2026		49	494,361			
2027		49	494,361			
2028		32	354,726			
2029		32	354,726			
2030		32	354,726			
2031		32	354,726			
2032		32	354,726			
2033		32	354,726			
2034		32	190,655			
2035		32	190,655			
2036		32	190,655			
2037		32	190,655			
2038		32	190,655			
2039		32	190,655			
2040		32	190,655			
2041		32	190,655			
2042		32	190,655			
2043		32	190,655			
Lifetime kWh			7,312,481			

Cost-effectiveness per year is shown in the table below.

Table 15. Smart Students Program Cost-Effectiveness Analysis

	UCT 2022	UCT 2023	UCT 2024
Benefit/Cost Ratio	1.09	1.03	1.12
Total Benefits (\$000s)	147	148	150
Total Costs (\$000s)	135	144	135

¹⁹ Projected number of educational kits (2500 LW, 2500 FW).

Residential Comprehensive Program

Program Overview and Goals

The Residential Comprehensive Program seeks to generate energy and demand savings for residential customers through the promotion of comprehensive energy efficiency upgrades and appliance recycling options.

This proposed program will continue to offer rebates for the installation of various deemed energy saving measures including, but not limited to, ceiling insulation, attic encapsulation, duct sealing, air infiltration reduction, solar screen installation, ENERGY STAR® cool roofs, ENERGY STAR® connected smart thermostats, ENERGY STAR® windows, and energy efficient pool pump motors. This program also offers rebates for HVAC measures such as eligible high efficiency evaporative coolers, central refrigerated air conditioners, mini-split air conditioning ("a/c") systems, and heat pumps. In addition, EPE provides insulation rebates for homes with evaporative cooling with electric resistance heating. EPE is planning to add rebates for TRM approved deemed measures such as attic solar fans, A/C window units, and heat pump water heaters.

The proposed program modification involves adding a new participation path for appliance recycling. EPE will provide rebates designed to encourage residential customers to recycle their older, less efficient refrigerators and freezers rather than use them as secondary or backup units; additionally, this program proposes to recycle air conditioning window units. The rebates are paid directly to the customer or, upon customer approval, can be paid to the contractors that perform the installation.

EPE seeks to accomplish the following objectives through the Residential Comprehensive Program:

- Long-term and permanent changes in behavior, attitudes, awareness, and knowledge of energy efficiency;
- Peak electric demand reduction;
- Energy cost savings and cost-effectiveness;
- Encourage comprehensive upgrades (customers installing more than one measure);
- Increase customer awareness of the benefits of energy efficient equipment;
- Increase customer awareness of the ENERGY STAR® label; and
- Encourage private sector delivery of energy efficient equipment.

The program is designed to facilitate the installation of a wide range of cost-effective measures.

Implementation and Administration Plan

The implementation of the Residential Comprehensive Program consists of the following tasks:

- Marketing and promotion to customers;
- Outreach to contractors;
- Application processing; and
- Program tracking and reporting.

The program paths will be marketed to all prospective residential participants, encouraging customers to increase their homes' efficiency and recycle inefficient eligible equipment. It will also encourage customers to implement additional measures through this program. In addition, EPE will offer outreach to

local contractors to make them aware of the program's offerings. Applications are received via online submission or mail, then reviewed to confirm the applications meet the requirements of the program.

Assignment of Responsibilities

EPE will provide marketing and program outreach efforts for all measures. EPE will continue to use program implementers to process applications and track the program energy and demand savings. Frontier will also maintain the epesaver.com website for EPE. Savings are calculated using a deemed savings approach in compliance with the NM TRM where applicable. Other state TRMs are also referenced for select measures. EPE performs verification processes through onsite inspections post-installation to confirm that the installations reported in applications did occur. Evaluation, measurement, and further verification processes will be carried out by the statewide evaluator who will provide reviews.

Target Market Segment and Marketing Plan

This program targets existing residential customers. New construction is not eligible for this program.

The program will be marketed to all EPE residential customers. Marketing activities will promote the availability of the program, energy savings to the customer, and available rebates through the program. Mechanisms used to promote the program may include direct mail (including bill stuffers), EPE website, media advertising, and in-store displays.

Participation Requirements

All EPE residential customers with existing homes and equipment are eligible to participate in this program. Depending upon the measure, homes may be required to have refrigerated air conditioning or evaporative cooling with resistance heating to participate. Measure specific requirements are established based on the TRM. New home construction is excluded from this program.

Program Assumptions and Cost-Effectiveness

Program Timeframe

For planning purposes, three years (2022-2024) of program implementation has been assumed.

Program Forecasting Assumptions

The tables below detail the measure life, incentive levels, projected gross annual savings at the meter per participant unit, measure quantity/participation levels, and free-ridership used to calculate program savings. Sources for each of these assumptions are found in Appendix A.

Table 16. Residential Comprehensive Program Forecasting Assumptions

	Air Infiltration [Gas Heating]	Duct Efficiency [Gas Heating]	Evaporative Cooling	Cool Roofs	ENERGY STAR® Pool Pump
Measure Life (years)	11	18	15	15	10
Incentive per avg participant (\$) 2022	\$56.25	\$56.14	\$600.00	\$155.53	\$300.00
Incentive per avg participant (\$) 2023	\$56.25	\$56.14	\$600.00	\$155.53	\$300.00
Incentive per avg participant (\$) 2024	\$56.25	\$56.14	\$600.00	\$155.53	\$300.00
Annual kWh	132.15	172.87	3,878.00	194.53	2,733.97
Annual kW	0.09	0.12	2.46	0.16	0.56
Measure Quantity 2022	4	60	801	5	25
Measure Quantity 2023	4	60	801	5	25
Measure Quantity 2024	4	60	801	5	25
Units of Measurement	average project	average project	average project	average project	average project
Free-ridership	36.32%	36.32%	36.32%	36.32%	36.32%

Table 17. Residential Comprehensive Program Forecasting Assumptions Continued

	ENERGY STAR® Windows [Gas Heating]	Smart T-stat [Gas Heating]	Solar Screen [Gas Heating]	AC	HP
Measure Life (years)	25	10	10	18	15
Incentive per avg participant (\$) 2022	\$413.43	\$50.00	\$64.85	\$358.55	\$313.36
Incentive per avg participant (\$) 2023	\$413.43	\$50.00	\$64.85	\$358.55	\$313.36
Incentive per avg participant (\$) 2024	\$413.43	\$50.00	\$64.85	\$358.55	\$313.36
Annual kWh	654.42	513.72	372.24	775.85	2,860.23
Annual kW	0.54	-	0.21	0.34	0.11
Measure Quantity 2022	50	134	5	305	65
Measure Quantity 2023	50	134	5	305	65
Measure Quantity 2024	50	134	5	305	65
Units of Measurement	average project	average project	average project	average project	average project
Free-ridership	36.32%	36.32%	36.32%	36.32%	36.32%

Table 18. Residential Comprehensive Program Forecasting Assumptions Continued

	Heat Pump Water Heater [< 55 gal]	Solar Attic Fan	ENERGY STAR® Window Air Conditioner [8k – 14k Btu/hr]	Refrigerator Recycling	Window AC Recycling
Measure Life (years)	13	15	11	5	4
Incentive per avg participant (\$) 2022	\$300.00	\$100.00	\$50.00	\$50.00	\$50.00
Incentive per avg participant (\$) 2023	\$300.00	\$100.00	\$50.00	\$50.00	\$50.00
Incentive per avg participant (\$) 2024	\$300.00	\$100.00	\$50.00	\$50.00	\$50.00
Annual kWh	1,865.00	325.00	67.99	713.25	825.00
Annual kW	0.22	0.24	0.09	0.09	0.52
Measure Quantity 2022	30	12	50	250	250
Measure Quantity 2023	30	12	50	250	250
Measure Quantity 2024	30	12	50	250	250
Units of Measurement	unit	unit	unit	unit	unit
Free-ridership	36.32%	36.32%	36.32%	36.32%	36.32%

Projected Program Savings and Cost-effectiveness

Projected participation, net savings at the source (annual and lifetime), and costs are shown in the tables below.

Table 19. 2022 Residential Comprehensive Program Projections

Year	Annual Participants ²⁰	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2022	2,046	1,582	2,845,595	\$687,593	\$406,237	\$1,093,830
2023		1,582	2,845,595			
2024		1,582	2,845,595			
2025		1,582	2,845,595			
2026		1,492	2,704,520			
2027		1,477	2,582,564			
2028		1,477	2,582,564			
2029		1,477	2,582,564			
2030		1,477	2,582,564			
2031		1,477	2,582,564			
2032		1,467	2,487,457			
2033		1,464	2,484,769			
2034		1,464	2,484,769			
2035		1,459	2,446,500			
2036		1,459	2,446,500			
2037		94	191,322			
2038		94	191,322			
2039		94	191,322			
2040		19	22,380			
2041		19	22,380			
2042		19	22,380			
2043		19	22,380			
2044		19	22,380			
2045		19	22,380			
2046		19	22,380			
Lifetime kWh			40,080,343			

²⁰ Projected number of installed measures based on typical average projects (does not represent number of homes).

Table 20. 2023 Residential Comprehensive Program Projections

Year	Annual Participants ²¹	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2023	2,046	1,582	2,845,595	\$687,593	\$413,304	\$1,100,897
2024		1,582	2,845,595			
2025		1,582	2,845,595			
2026		1,582	2,845,595			
2027		1,492	2,704,520			
2028		1,477	2,582,564			
2029		1,477	2,582,564			
2030		1,477	2,582,564			
2031		1,477	2,582,564			
2032		1,477	2,582,564			
2033		1,467	2,487,457			
2034		1,464	2,484,769			
2035		1,464	2,484,769			
2036		1,459	2,446,500			
2037		1,459	2,446,500			
2038		94	191,322			
2039		94	191,322			
2040		94	191,322			
2041		19	22,380			
2042		19	22,380			
2043		19	22,380			
2044		19	22,380			
2045		19	22,380			
2046		19	22,380			
2047		19	22,380			
Lifetime kWh			40,080,343			

²¹ Projected number of installed measures based on typical average projects (does not represent number of homes).

Table 21. 2024 Residential Comprehensive Program Projections

Year	Annual Participants ²²	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2024	2,046	1,582	2,845,595	\$687,593	\$405,977	\$1,093,570
2025		1,582	2,845,595			
2026		1,582	2,845,595			
2027		1,582	2,845,595			
2028		1,492	2,704,520			
2029		1,477	2,582,564			
2030		1,477	2,582,564			
2031		1,477	2,582,564			
2032		1,477	2,582,564			
2033		1,477	2,582,564			
2034		1,467	2,487,457			
2035		1,464	2,484,769			
2036		1,464	2,484,769			
2037		1,459	2,446,500			
2038		1,459	2,446,500			
2039		94	191,322			
2040		94	191,322			
2041		94	191,322			
2042		19	22,380			
2043		19	22,380			
2044		19	22,380			
2045		19	22,380			
2046		19	22,380			
2047		19	22,380			
2048		19	22,380			
Lifetime kWh			40,080,343			

Cost-effectiveness per year is shown in the table below.

Table 22. Residential Comprehensive Program Cost-Effectiveness Analysis

	UCT 2022	UCT 2023	UCT 2024
Benefit/Cost Ratio	1.90	1.92	1.97
Total Benefits (\$000s)	2,079	2,113	2,150
Total Costs (\$000s)	1,094	1,101	1,094

²² Projected number of installed measures based on typical average projects (does not represent number of homes).

Residential Lighting Program

Program Overview and Goals

The Residential Lighting Program provides incentives in the form of markdowns at retail locations. The program encourages customers to replace their existing inefficient light bulbs with more energy efficient Light Emitting Diodes ("LED") lighting. Retail locations participate in this program and provide the markdown incentive at the point of time of purchase.

Implementation and Administration Plan

Assignment of Responsibilities

EPE plans to continue its contract with CLEAResult Consulting to provide outreach and program administration.

Target Market Segment and Marketing Plan

The implementer will continue to promote the Residential Lighting Program through point-of-purchase displays in stores. Additionally, EPE will continue to partner with the community to promote energy efficiency and provide free LED light bulbs at events and EPE payment centers in areas across the state.

Participation Requirements

Participating retail location must be located within EPE's New Mexico service territory.

Program Assumptions and Cost-Effectiveness

Program Timeframe

For planning purposes, three years (2022-2024) of program implementation has been assumed.

Program Forecasting Assumptions

The below table details the estimated useful life ("EUL" or "measure life"), incentive levels, projected gross annual savings at the meter per participant, measure quantity/participation levels, and free-ridership. Sources for each of these assumptions are found in Appendix A.

Table 23. Residential Lighting Program Forecasting Assumptions

	LED [per bulb]
Measure Life (years)	20
Incentive per avg participant (\$) 2022	\$1.76
Incentive per avg participant (\$) 2023	\$1.76
Incentive per avg participant (\$) 2024	\$1.76
Annual kWh	35.86
Annual kW	0.01
Measure Quantity 2022	145,189
Measure Quantity 2023	145,189
Measure Quantity 2024	145,189
Units of Measurement	unit
Free-ridership	33.00%

Projected Program Savings and Cost-effectiveness

Projected participation, net savings at the source (annual and lifetime), and costs are shown in the tables below.

Table 24. 2022 Residential Lighting Program Projections

Year	Annual Participants ²³	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2022	145,189	636	3,746,692	\$255,533	\$154,311	\$409,844
2023		636	3,746,692			
2024		636	3,746,692			
2025		636	3,746,692			
2026		636	3,746,692			
2027		636	3,746,692			
2028		636	3,746,692			
2029		636	3,746,692			
2030		636	3,746,692			
2031		636	3,746,692			
2032		636	3,746,692			
2033		636	3,746,692			
2034		636	3,746,692			
2035		636	3,746,692			
2036		636	3,746,692			
2037		636	3,746,692			
2038		636	3,746,692			
2039		636	3,746,692			
2040		636	3,746,692			
2041		636	3,746,692			
Lifetime kWh			74,933,849			

²³ Projected Number of bulbs.

Table 25. 2023 Residential Lighting Program Projections

Year	Annual Participants ²⁴	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2023	145,189	636	3,746,692	\$255,533	\$154,269	\$409,802
2024		636	3,746,692			
2025		636	3,746,692			
2026		636	3,746,692			
2027		636	3,746,692			
2028		636	3,746,692			
2029		636	3,746,692			
2030		636	3,746,692			
2031		636	3,746,692			
2032		636	3,746,692			
2033		636	3,746,692			
2034		636	3,746,692			
2035		636	3,746,692			
2036		636	3,746,692			
2037		636	3,746,692			
2038		636	3,746,692			
2039		636	3,746,692			
2040		636	3,746,692			
2041		636	3,746,692			
2042		636	3,746,692			
Lifetime kWh			74,933,849			

²⁴ Projected Number of bulbs.

Table 26. 2024 Residential Lighting Program Projections

Year	Annual Participants ²⁵	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2024	145,189	636	3,746,692	\$255,533	\$158,969	\$414,502
2025		636	3,746,692			
2026		636	3,746,692			
2027		636	3,746,692			
2028		636	3,746,692			
2029		636	3,746,692			
2030		636	3,746,692			
2031		636	3,746,692			
2032		636	3,746,692			
2033		636	3,746,692			
2034		636	3,746,692			
2035		636	3,746,692			
2036		636	3,746,692			
2037		636	3,746,692			
2038		636	3,746,692			
2039		636	3,746,692			
2040		636	3,746,692			
2041		636	3,746,692			
2042		636	3,746,692			
2043		636	3,746,692			
Lifetime kWh			74,933,849			

Cost-effectiveness per year is shown in the table below.

Table 27. Residential Lighting Program Cost-Effectiveness Analysis

	UCT 2022	UCT 2023	UCT 2024
Benefit/Cost Ratio	3.54	3.60	3.63
Total Benefits (\$000s)	1,453	1,476	1,504
Total Costs (\$000s)	410	410	415

²⁵ Projected Number of bulbs.

ENERGY STAR® New Homes Program

Program Overview and Goals

The ENERGY STAR® New Homes Program leverages the nationally-recognized ENERGY STAR® name to improve residential new construction practices. EPE's ENERGY STAR® New Homes Program generates energy and demand savings for residential customers through the promotion of high efficiency home building practices. The purpose of the ENERGY STAR® New Homes Program is to provide incentives for building houses that meet current ENERGY STAR® standards and high-performance standards set by EPE.

The objective of the ENERGY STAR® New Homes Program is to make home builders and homebuyers aware of the benefits and comforts of high efficiency home building practices. The program is designed to increase the overall efficiency of customer homes in compliance with the ENERGY STAR® New Home guidelines.

EPE also seeks to accomplish the following objectives and goals through the ENERGY STAR® New Homes Program:

- Achieve customer energy and cost savings;
- Peak electric demand reduction;
- Increase customer awareness of, and demand for ENERGY STAR® homes; and
- Increase the number of builders having the technical capacity to build ENERGY STAR® homes.

There are two incentive paths in this program that homebuilders can choose from, depending upon which best fits their needs: (1) Prescriptive Path or (2) Performance Path. The measure-specific Prescriptive Path provides incentives based on above-code installation of a combination of measures including ENERGY STAR® lighting, refrigerated air conditioning, radiant barrier, ENERGY STAR® refrigerators and insulation. The Performance Path provides tiered incentive levels for new homes that exceed the 2018 International Energy Conservation Code. The minimum tier for homebuilders to qualify for the Performance Path is ten percent above the standard. EPE also plans to provide a higher incentive to homebuilders that construct low-income housing. The incentives for this program are paid directly to the homebuilder or, upon their approval, to one of their subcontractors.

Implementation and Administration Plan

Implementation of the ENERGY STAR® New Home Program consists of the following tasks:

- Marketing and promotion to customers;
- Outreach to contractors;
- Application processing; and
- Program tracking and reporting.

The program will be marketed to applicable residential customers and local home builders, encouraging customers to recognize the benefits of the different paths of the program and contractors to acknowledge the opportunities participating in the program could offer. All application processing and program tracking and reporting will be administered by an implementer. Homes that meet the criteria and participate in the program will be tracked in a database administered by the program implementer.

Assignment of Responsibilities

EPE will provide marketing and program outreach efforts in conjunction with the implementer. EPE has contracted with ICF Resources LLC ("ICF") to implement this program. ICF and EPE will perform verification processes through a sample of onsite inspections at construction completion to confirm that the installations reported did occur and that homes met the program criteria. Evaluation, measurement, and further verification processes will be carried out by the statewide evaluator who will provide reviews.

Target Market Segment and Marketing Plan

This program targets new construction residential single and multifamily homes.

The program will be marketed to applicable residential customers and local home builders. Marketing activities will promote the availability of the program, the energy savings to the customer, and the available incentives of the program. Mechanisms that may be used to promote the program may include the EPE website, media, and advertising.

Participation Requirements

To participate in this program, a homebuilder will submit home applications through the Performance or Prescriptive Path. An approved Performance Path home must achieve the ENERGY STAR® Home Energy Rating System ("HERS") Index Target, as defined in the EPA's ENERGY STAR® Certified Homes, Version 3 (Rev. 08) by incorporating a variety of measures including: tight construction and ducts, effective insulation systems, efficient heating and cooling systems, high-performance windows, and ENERGY STAR® appliances and products. HERS Rater independent testing of energy performance is required for each Performance Path home, and each home must perform a minimum of ten percent above IECC code to be eligible for incentive payout to the homebuilder. An approved Prescriptive Path home receives incentives for the installation of above-code products in new construction homes. Prescriptive Path incentive payments differ by measure type and measure quantity.

Program Assumptions and Cost-Effectiveness

Program Timeframe

For planning purposes three years (2022-2024) of program implementation has been assumed.

Program Forecasting Assumptions

The table below details the measure life, incentive levels, projected gross annual savings at the meter per participant, measure quantity/participation levels, and free-ridership. Sources for each of these assumptions are found in Appendix A.

Table 28. ENERGY STAR® New Homes Program Forecasting Assumptions

	Performance Path: ENERGY STAR®	Low Income ENERGY STAR® ²⁶	Performance Path: High Performance Home	Low Income High Performance Home ²⁷
Measure Life (years)	23	23	23	23
Incentive per avg participant (\$) 2022	\$967.88	\$1,217.48	\$1,126.79	\$1,193.37
Incentive per avg participant (\$) 2023	\$967.88	\$1,217.48	\$1,126.79	\$1,193.37
Incentive per avg participant (\$) 2024	\$967.88	\$1,217.48	\$1,126.79	\$1,193.37
Annual kWh	2,586.00	2,608.14	3,264.93	2,610.55
Annual kW	1.29	1.25	1.34	1.04
Measure Quantity 2022	64	1	82	1
Measure Quantity 2023	64	1	82	1
Measure Quantity 2024	64	1	82	1
Units of Measurement	average project	average project	average project	average project
Free-ridership	26.67%	26.67%	26.67%	26.67%

Table 29. ENERGY STAR® New Homes Program Forecasting Assumptions Continued

	Heat Pump Water Heater [<55 gal]	Solar Attic Fans
Measure Life (years)	13	15
Incentive per avg participant (\$) 2022	\$300.00	\$100.00
Incentive per avg participant (\$) 2023	\$300.00	\$100.00
Incentive per avg participant (\$) 2024	\$300.00	\$100.00
Annual kWh	1,865.00	325.00
Annual kW	0.22	0.24
Measure Quantity 2022	1	1
Measure Quantity 2023	1	1
Measure Quantity 2024	1	1
Units of Measurement	unit	unit
Free-ridership	26.67%	26.67%

²⁶ For cost-effectiveness analysis, Frontier included an assumed incentive increase for potential low-income projects.

²⁷ For cost-effectiveness analysis, Frontier included an assumed incentive increase for potential low-income projects.

Table 30. ENERGY STAR® New Homes Program Forecasting Assumptions Continued

	AC	ENERGY STAR® Fridge	ENERGY STAR® T-stat	Insulation	Lighting
Measure Life (years)	18	16	10	30	20
Incentive per avg participant (\$) 2022	\$250.00	\$12.00	\$50.00	\$114.17	\$100.00
Incentive per avg participant (\$) 2023	\$250.00	\$12.00	\$50.00	\$114.17	\$100.00
Incentive per avg participant (\$) 2024	\$250.00	\$12.00	\$50.00	\$114.17	\$100.00
Annual kWh	769.91	60.00	338.82	38.00	581.33
Annual kW	0.41	-	-	0.02	0.09
Measure Quantity 2022	253	6	10	60	11
Measure Quantity 2023	253	6	10	60	11
Measure Quantity 2024	253	6	10	60	11
Units of Measurement	average project	average project	average project	average project	average project
Free-ridership	26.67%	26.67%	26.67%	26.67%	26.67%

Projected Program Savings and Cost-effectiveness

Projected participation, net savings at the source (annual and lifetime), and costs are shown in the tables below.

Table 31. 2022 ENERGY STAR® New Homes Program Projections

Year	Annual Participants ²⁸	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2022	490	238	510,271	\$228,924	\$175,405	\$404,329
2023		238	510,271			
2024		238	510,271			
2025		238	510,271			
2026		238	510,271			
2027		238	510,271			
2028		238	510,271			
2029		238	510,271			
2030		238	510,271			
2031		238	510,271			
2032		238	507,602			
2033		238	507,602			
2034		238	507,602			
2035		238	506,133			
2036		238	506,133			
2037		238	505,877			
2038		238	505,594			
2039		238	505,594			
2040		156	352,172			
2041		156	352,172			
2042		156	347,136			
2043		156	347,136			
2044		156	347,136			
2045		1	1,796			
2046		1	1,796			
2047		1	1,796			
2048		1	1,796			
2049		1	1,796			
2050		1	1,796			
2051		1	1,796			
Lifetime kWh			10,913,167			

²⁸ Projected number of performance path homes and prescriptive measure units.

Table 32. 2023 ENERGY STAR® New Homes Program Projections

Year	Annual Participants ²⁹	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2023	490	238	510,271	\$228,924	\$175,389	\$404,313
2024		238	510,271			
2025		238	510,271			
2026		238	510,271			
2027		238	510,271			
2028		238	510,271			
2029		238	510,271			
2030		238	510,271			
2031		238	510,271			
2032		238	510,271			
2033		238	507,602			
2034		238	507,602			
2035		238	507,602			
2036		238	506,133			
2037		238	506,133			
2038		238	505,877			
2039		238	505,594			
2040		238	505,594			
2041		156	352,172			
2042		156	352,172			
2043		156	347,136			
2044		156	347,136			
2045		156	347,136			
2046		1	1,796			
2047		1	1,796			
2048		1	1,796			
2049		1	1,796			
2050		1	1,796			
2051		1	1,796			
2052		1	1,796			
Lifetime kWh			10,913,167			

²⁹ Projected number of performance path homes and prescriptive measure units.

Table 33. 2024 ENERGY STAR® New Homes Program Projections

Year	Annual Participants ³⁰	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2024	490	238	510,271	\$228,924	\$175,374	\$404,298
2025		238	510,271			
2026		238	510,271			
2027		238	510,271			
2028		238	510,271			
2029		238	510,271			
2030		238	510,271			
2031		238	510,271			
2032		238	510,271			
2033		238	510,271			
2034		238	507,602			
2035		238	507,602			
2036		238	507,602			
2037		238	506,133			
2038		238	506,133			
2039		238	505,877			
2040		238	505,594			
2041		238	505,594			
2042		156	352,172			
2043		156	352,172			
2044		156	347,136			
2045		156	347,136			
2046		156	347,136			
2047		1	1,796			
2048		1	1,796			
2049		1	1,796			
2050		1	1,796			
2051		1	1,796			
2052		1	1,796			
2053		1	1,796			
Lifetime kWh			10,913,167			

³⁰ Projected number of performance path homes and prescriptive measure units.

Cost-effectiveness per year is shown in the table below.

Table 34. ENERGY STAR® New Homes Program Cost-Effectiveness Analysis

	UCT 2022	UCT 2023	UCT 2024
Benefit/Cost Ratio	1.02	1.04	1.06
Total Benefits (\$000s)	413	420	427
Total Costs (\$000s)	404	404	404

Marketplace Program

Program Overview and Goals

The Marketplace is a new standalone program which will provide eligible customers instant rebates through an online marketplace for deemed energy efficiency products. This program will offer customers an energy saving kit (consisting of LEDs, faucet aerators, showerheads, and advanced power strips) and potential individual energy efficient products including LEDs, advanced power strips, smart thermostats, air filter alarms, and efficient window air conditioners.

The goal of this program design is to create a flexible implementation strategy offering customers manufacturer discounted prices on variety of energy efficiency products, coupled with energy efficiency rebates to reduce out-of-pocket costs and offers customers a convenient trusted online marketplace.

Implementation and Administration Plan

Assignment of Responsibilities

EPE will contract with Uplight to implement the Marketplace. This third-party implementer will work with EPE to design, market, and execute the program.

Target Market Segment and Marketing Plan

This program targets existing residential customers.

Marketing activities will promote the availability of the program, energy savings to the customer, and available rebates through the program.

Participation Requirements

Participant must receive electric service from EPE under a residential rate class to purchase energy efficiency products through the online marketplace.

Program Assumptions and Cost-Effectiveness

Program Timeframe

For planning purposes, three years (2022-2024) of program implementation has been assumed.

Program Forecasting Assumptions

The below table details the estimated useful life ("EUL" or "measure life"), incentive levels, projected gross annual savings at the meter per participant, measure quantity/participation levels, and free-ridership. Sources for each of these assumptions are found in Appendix A.

Table 35. Marketplace Program Forecasting Assumptions

	Energy Saving Kit Measure 1: LED [6-pack]	Energy Saving Kit Measure 2: Faucet Aerator	Energy Saving Kit Measure 3: Showerhead	Energy Saving Kit Measure 4: Advanced Power Strip
Measure Life (years)	20	10	10	4
Incentive per avg participant (\$) 2022	Kit Cost = \$19			
Incentive per avg participant (\$) 2023	Kit Cost = \$19			
Incentive per avg participant (\$) 2024	Kit Cost = \$19			
Annual kWh	173.46	29.15	212.40	52.00
Annual kW	0.03	-	-	0.01
Measure Quantity 2022	50	50	50	50
Measure Quantity 2023	50	50	50	50
Measure Quantity 2024	50	50	50	50
Units of Measurement	6 pack of LED bulbs	unit	unit	unit
Free-ridership	33.00%	24.50%	24.50%	24.50%

Table 36. Marketplace Program Forecasting Assumptions Continued

	LEDs	Advanced Power Strip	Smart T-stat	Air filter alarm	ENERGY STAR® Window Air Conditioners
Measure Life (years)	20	4	10	1	11
Incentive per avg participant (\$) 2022	\$6.44	\$9.56	\$50.00	\$10.00	\$50.00
Incentive per avg participant (\$) 2023	\$6.44	\$9.56	\$50.00	\$10.00	\$50.00
Incentive per avg participant (\$) 2024	\$6.44	\$9.56	\$50.00	\$10.00	\$50.00
Annual kWh	100.04	52.00	637.86	14.72	67.99
Annual kW	0.02	0.01	-	0.00	0.09
Measure Quantity 2022	9,000	400	460	400	400
Measure Quantity 2023	9,000	400	460	400	400
Measure Quantity 2024	9,000	400	460	400	400
Units of Measurement	LED package [3.46 avg bulbs ³¹]	unit	unit	unit	unit
Free-ridership	33.00%	24.50%	24.50%	24.50%	24.50%

Projected Program Savings and Cost-effectiveness

Projected participation, net savings at the source (annual and lifetime), and costs are shown in the tables below.

³¹ Based on 2020 Residential Lighting Program

Table 37. 2022 Marketplace Program Projections

Year	Annual Participants ³²	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2022	10,910	143	947,495	\$109,734	\$167,294	\$277,028
2023		143	942,726			
2024		143	942,726			
2025		143	942,726			
2026		141	923,750			
2027		141	923,750			
2028		141	923,750			
2029		141	923,750			
2030		141	923,750			
2031		141	923,750			
2032		141	675,992			
2033		112	653,934			
2034		112	653,934			
2035		112	653,934			
2036		112	653,934			
2037		112	653,934			
2038		112	653,934			
2039		112	653,934			
2040		112	653,934			
2041		112	653,934			
Lifetime kWh			15,879,569			

³² Projected number of measures.

Table 38. 2023 Marketplace Program Projections

Year	Annual Participants ³³	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2023	10,910	143	947,495	\$109,734	\$131,835	\$241,569
2024		143	942,726			
2025		143	942,726			
2026		143	942,726			
2027		141	923,750			
2028		141	923,750			
2029		141	923,750			
2030		141	923,750			
2031		141	923,750			
2032		141	923,750			
2033		141	675,992			
2034		112	653,934			
2035		112	653,934			
2036		112	653,934			
2037		112	653,934			
2038		112	653,934			
2039		112	653,934			
2040		112	653,934			
2041		112	653,934			
2042		112	653,934			
Lifetime kWh			15,879,569			

³³ ³³ Projected number of measures.

Table 39. 2024 Marketplace Program Projections

Year	Annual Participants ³⁴	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2024	10,910	143	947,495	\$109,734	\$131,135	\$240,869
2025		143	942,726			
2026		143	942,726			
2027		143	942,726			
2028		141	923,750			
2029		141	923,750			
2030		141	923,750			
2031		141	923,750			
2032		141	923,750			
2033		141	923,750			
2034		141	675,992			
2035		112	653,934			
2036		112	653,934			
2037		112	653,934			
2038		112	653,934			
2039		112	653,934			
2040		112	653,934			
2041		112	653,934			
2042		112	653,934			
2043		112	653,934			
Lifetime kWh			15,879,569			

Cost-effectiveness per year is shown in the table below.

Table 40. Marketplace Program Cost-Effectiveness Analysis

	UCT 2022	UCT 2023	UCT 2024
Benefit/Cost Ratio	1.12	1.30	1.33
Total Benefits (\$000s)	309	314	320
Total Costs (\$000s)	277	242	241

³⁴ ³⁴ Projected number of measures.

Residential Load Management Program

Program Overview and Goals

This program offers residential customers an opportunity to reduce their home's demand and energy usage by enrolling in a voluntary load management program. Eligible customers will receive a rebate for enrolling an existing qualifying internet-enabled smart thermostat or window air conditioner for load management events or for the purchase and enrollment of a new internet-enabled smart thermostat or window air conditioner. The program goal is to reduce peak demand while offering customers energy saving opportunities.

Implementation and Administration Plan

The Residential Load Management Program will use an online website to enroll and validate prospective residential participants. Through the online website, a participant can purchase a new unit or enroll an existing unit under guidelines, including:

- Residential customers must receive electric service within El Paso Electric Company's New Mexico service territory and have a central refrigerated air conditioning system connected to an eligible internet-enabled smart thermostat or an eligible window unit.
- Participant can receive an incentive up to \$75; \$50 for the purchase and \$25 for enrollment of an eligible unit through the online website. If a participant does not install the device purchased through the online website and connect to Wi-Fi within 90 days of purchase, EPE may pull back the enrollment incentive of \$25. Participant can enroll an existing eligible device to participate in the program and receive a \$25 enrollment incentive.
- The season would commence annually on June 1st and continue through September 30th. The event may be continuous or segmented throughout the weekday, with any segment lasting a maximum of four (4) hours in duration, for a maximum of twelve (12) events per season.
- EPE may only call an event on non-holiday weekdays during the hours of 1:00 p.m. to 8:00 p.m. MDT.

Assignment of Responsibilities

EPE has contracted with Uplight, Inc. to implement the turn-key Residential Load Management Program. EPE will maintain oversight of the program implementation and budget processes at all times. EPE will define who may schedule, manage, and change load management events utilizing the roles-based permissions of the program manager tool. The implementer will provide event and program reporting to EPE on event parameters and demand reduction.

Target Market Segment and Marketing Plan

The proposed Residential Load Management Program will initially be available on a voluntary basis to residential customers taking service under EPE's New Mexico Rate No. 01-Residential Service Rate and who have central refrigerated air conditioning (for smart thermostats) or an eligible window air conditioner.

Potential participants will be contacted through EPE marketing campaigns and social media. In addition, the program implementer will play a vital role in outreach. Uplight will use a multi-faceted, integrated campaign strategy to drive awareness across the EPE service area. This will include email marketing, website referrals, and public relations campaigns, as well as secondary marketing strategies such as Facebook and Instagram ads, search engine optimization and Gmail-sponsored ads. Uplight's customer

acquisition approach will use a combination of digital advertisement, messaging through device manufacturers, and email promotions to acquire rebate participants. Uplight may also employ recruitment tactics in utility newsletters, direct mail, and paid media.

Participation Requirements

Residential customers who have central refrigerated air conditioning controlled by an eligible internet-enabled smart thermostat or an eligible window air conditioner.

Program Assumptions and Cost-Effectiveness

Program Timeframe

For planning purposes, three years (2022-2024) of program implementation has been assumed.

Program Forecasting Assumptions

The table below details the measure life, incentive levels, projected gross annual savings at the meter per participant, measure quantity/participation levels, and net-to-gross assumptions.

There are two energy efficiency measures built into the cost-effectiveness model: (1) smart thermostats and (2) window air conditioners. For both measures, there are two components for incentives payments, savings estimates, and participation projections: (A) demand response component and (B) new measure purchase component.

EPE estimates approximately a total of 3,000 participants will be enrolled in load management smart thermostat events during 2022, increasing to 4,000 in 2023 and 5,000 in 2024. To estimate program costs and savings it was assumed 1,000 window air conditioners would be part of the demand response events. Of these counts, 630 and 167 units are projected to be purchased by participants to upgrade to a smart thermostat and window air conditioner, respectively, via the program's website each program year.

The balance of participants and new enrollees per measure type via EPE's program website are projections only. Actual participation rates and balance between existing and new enrollees will vary.

Table 41. Residential Load Management Program Forecasting Assumptions

	Smart t-stat DR	Smart t-stat	Window AC DR	Window AC
Measure Life (years)	1	10	1	11
Incentive per avg participant (\$) 2022	\$25.00	\$50.00	\$25.00	\$50.00
Incentive per avg participant (\$) 2023	\$25.00	\$50.00	\$25.00	\$50.00
Incentive per avg participant (\$) 2024	\$25.00	\$50.00	\$25.00	\$50.00
Annual kWh	-	637.86	-	67.99
Annual kW	0.84	-	0.87	0.09
Measure Quantity 2022	3,000	630	1,000	167
Measure Quantity 2023	4,000	630	1,000	167
Measure Quantity 2024	5,000	630	1,000	167
Units of Measurement	enrolled units	new units purchased	enrolled units	new units purchased
Free-ridership	0.00%	0.00%	0.00%	0.00%

Projected Program Savings and Cost-effectiveness

Projected participation, net savings at the source (annual and lifetime), and costs are shown in the tables below.

Table 42. 2022 Residential Load Management Program Projections

Year	Annual Participants ³⁵	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2022	4,797	3,676	443,859	\$139,850	\$181,756	\$321,606
2023		16	443,859			
2024		16	443,859			
2025		16	443,859			
2026		16	443,859			
2027		16	443,859			
2028		16	443,859			
2029		16	443,859			
2030		16	443,859			
2031		16	443,859			
2032		16	12,198			
Lifetime kWh			4,450,791			

Table 43. 2023 Residential Load Management Program Projections

Year	Annual Participants ³⁶	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2023	5,797	4,582	443,859	\$164,850	\$203,063	\$367,913
2024		16	443,859			
2025		16	443,859			
2026		16	443,859			
2027		16	443,859			
2028		16	443,859			
2029		16	443,859			
2030		16	443,859			
2031		16	443,859			
2032		16	443,859			
2033		16	12,198			
Lifetime kWh			4,450,791			

³⁵ Projected sum of enrolled and new units.

³⁶ Projected sum of enrolled and new units.

Table 44. 2024 Residential Load Management Program Projections

Year	Annual Participants ³⁷	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2024	6,797	5,489	443,859	\$189,850	\$224,386	\$414,236
2025		16	443,859			
2026		16	443,859			
2027		16	443,859			
2028		16	443,859			
2029		16	443,859			
2030		16	443,859			
2031		16	443,859			
2032		16	443,859			
2033		16	443,859			
2034		16	12,198			
Lifetime kWh			4,450,791			

Cost-effectiveness per year is shown in the table below.

Table 45. Residential Load Management Program Cost-Effectiveness Analysis

	UCT 2022	UCT 2023	UCT 2024
Benefit/Cost Ratio	1.38	1.49	1.59
Total Benefits (\$000s)	444	550	660
Total Costs (\$000s)	322	368	414

³⁷ Projected sum of enrolled and new units.

EnergySaver Program

Program Overview and Goals

EPE's EnergySaver Program seeks to generate energy and demand savings for low-income residential customers through the installation of cost-effective measures in eligible residences. Depending on home heating type, a variety of energy efficiency measures are offered at no cost, including insulation, LEDs, duct sealing, air infiltration reduction, and other measures deemed eligible by the TRM. Homes with electric water heaters may also be eligible for low-flow showerheads and bathroom and kitchen faucet aerators. EPE plans to potentially offer solar attic fans and window air conditioners as new measures.

In addition, EPE plans to collaborate with the City of Las Cruces Utilities and area natural gas utilities to provide EPE customers additional measures that EPE would not be able to otherwise install due to the cost-effectiveness constraint. For example, this collaboration may allow the installation of attic insulation in customers' homes with natural gas who do not qualify for a new evaporative cooler. As a conservative approach, for the cost-effectiveness analysis, Frontier assumed eligible envelope and water measures would be paid for under the program without any savings being counted toward the UCT result. EPE may work with the evaluator to pursue additional savings opportunities if possible.

The purpose of the EnergySaver Program is to help EPE low-income residential customers make their homes more energy efficient, increase comfort levels, and reduce utility bills. The primary goal of this program is to achieve cost-effective reduction in energy consumption and peak demand. EPE also seeks to accomplish the following objectives through the EnergySaver Program:

- Achieve customer energy and cost savings;
- Educate customers on the benefits of continued or expanded energy efficiency and conservation efforts; and
- Supplement the resources of existing state, federal, and nonprofit programs to allow more energy efficiency measures to be completed in eligible homes.

Implementation and Administration Plan

The implementation of the EnergySaver Program consists of the following tasks:

- Marketing, promotion, and outreach to eligible customers;
- Customer service and scheduling;
- Direct installation of energy efficiency services to customers; and
- Program tracking and reporting.

The program will be marketed to all low-income residential customers. EPE will contract with Frontier to implement the EnergySaver Program through Participating Service Provider(s). Frontier has demonstrated experience and effectiveness in the design, administration and provision of low-income measures and programs, along with experience in identifying and conducting outreach to low-income households. Frontier will work with Participating Service Provider(s) to provide outreach to eligible low-income customers.

Assignment of Responsibilities

For the EnergySaver Program, EPE and Frontier will provide marketing, promotion and program outreach efforts. Participating Service Provider(s) will be responsible for scheduling and performing installations of

energy efficiency measures and educating customers on the benefits of energy efficiency and conservation efforts. Homes participating in this program will be tracked in an online database administered by Frontier. Frontier will provide EPE with customer information, as well as data on the measures installed for each customer.

Savings are calculated using a deemed savings approach. EPE performs verification processes through onsite inspections post installation to confirm that the installations reported in applications did occur. Evaluation, measurement, and further verification processes will be carried out by the statewide evaluator who will provide reviews.

Target Market Segment and Marketing Plan

This program targets low-income residential customers that are at or below 200% of the Federal Poverty Guidelines. Eligible customers may be homeowners or renters. Low-income single-family homes, multifamily homes, townhomes, duplexes, apartments, or manufactured homes meeting the poverty guidelines are eligible for this program.

Marketing activities will promote the availability of the program and the energy savings to the customer. Mechanisms that may be used to promote the program may include direct mail (bill stuffers), the EPE website, media advertising, and community outreach.

Participation Requirements

Only customers at or below 200% of the Federal Poverty Guidelines are eligible to participate in this program. Each year the Federal Poverty Guidelines are published in the Federal Register.

Program Assumptions and Cost-Effectiveness

Program Timeframe

For planning purposes, three years (2022-2024) of program implementation has been assumed.

Program Forecasting Assumptions

The tables below detail the measure life, incentive levels, projected gross annual savings at the meter per participant, measure quantity/participation levels, and free-ridership. Sources for each of these assumptions are found in Appendix A.

Table 46. EnergySaver Program Forecasting Assumptions

	Ceiling Insulation	LED Candelabra- 5W B11	Duct Efficiency	Evaporative Cooling	Faucet Aerator	LED Globe- 6W G25
Measure Life (years)	30	20	18	15	10	20
Incentive per avg participant (\$) 2022	\$679.93	\$29.08	\$749.99	\$1,700.00	\$17.44	\$39.00
Incentive per avg participant (\$) 2023	\$679.93	\$29.08	\$749.99	\$1,700.00	\$17.44	\$39.00
Incentive per avg participant (\$) 2024	\$679.93	\$29.08	\$749.99	\$1,700.00	\$17.44	\$39.00
Annual kWh	287.33	139.69	3,495.81	3,878.00	69.72	180.50
Annual kW	0.21	0.02	0.25	2.46	-	0.02
Measure Quantity 2022	7	10	115	283	116	1
Measure Quantity 2023	7	10	115	283	116	1
Measure Quantity 2024	7	10	115	283	116	1
Units of Measurement	average project	average project	average project	average project	average project	average project
Free-ridership	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table 47. EnergySaver Program Forecasting Assumptions Continued

	Infiltration	LED	Low Flow Showerhead	Par 38 LEDs	Advanced Power Strips	Pipe Wrap
Measure Life (years)	11	20	10	20	4	13
Incentive per avg participant (\$) 2022	\$128.43	\$61.80	\$52.12	\$29.48	\$20.00	\$8.93
Incentive per avg participant (\$) 2023	\$128.43	\$61.80	\$52.12	\$29.48	\$20.00	\$8.93
Incentive per avg participant (\$) 2024	\$128.43	\$61.80	\$52.12	\$29.48	\$20.00	\$8.93
Annual kWh	470.29	157.99	267.28	139.10	62.00	56.49
Annual kW	0.06	0.02	0.00	0.00	0.01	0.01
Measure Quantity 2022	100	239	153	27	28	116
Measure Quantity 2023	100	239	153	27	28	116
Measure Quantity 2024	100	239	153	27	28	116
Units of Measurement	average project	average project	average project	average project	average project	average project
Free-ridership	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table 48. EnergySaver Program Forecasting Assumptions Continued

	LED Flood-11W BR30	Smart Thermostats	Water Heater Jacket	Solar Attic Fan	Window AC
Measure Life (years)	20	10	7	15	11
Incentive per avg participant (\$) 2022	\$39.00	\$180.00	\$60.00	\$100.00	\$50.00
Incentive per avg participant (\$) 2023	\$39.00	\$180.00	\$60.00	\$100.00	\$50.00
Incentive per avg participant (\$) 2024	\$39.00	\$180.00	\$60.00	\$100.00	\$50.00
Annual kWh	286.50	453.43	440.91	325.00	67.99
Annual kW	0.04	-	0.05	0.24	0.09
Measure Quantity 2022	2	8	100	1	5
Measure Quantity 2023	2	8	100	1	5
Measure Quantity 2024	2	8	100	1	5
Units of Measurement	average project	average project	average project	average project	average project
Free-ridership	0.00%	0.00%	0.00%	0.00%	0.00%

Table 49. EnergySaver Program Forecasting Assumptions Continued

	Gas Home Ceiling Insulation ³⁸	Gas Home Duct Efficiency	Gas Home Faucet Aerator	Gas Home Infiltration	Gas Home Low Flow Showerhead	Gas Home Pipe Wrap	Gas Home Water Heater Jacket
Measure Life (years)	30	18	10	11	10	13	7
Incentive per avg participant (\$) 2022	\$679.93	\$749.99	\$17.44	\$128.43	\$52.12	\$8.93	\$60.00
Incentive per avg participant (\$) 2023	\$679.93	\$749.99	\$17.44	\$128.43	\$52.12	\$8.93	\$60.00
Incentive per avg participant (\$) 2024	\$679.93	\$749.99	\$17.44	\$128.43	\$52.12	\$8.93	\$60.00
Annual kWh	-	-	-	-	-	-	-
Annual kW	-	-	-	-	-	-	-
Measure Quantity 2022	3	65	66	57	87	66	57
Measure Quantity 2023	3	65	66	57	87	66	57
Measure Quantity 2024	3	65	66	57	87	66	57
Units of Measurement	average project	average project	average project	average project	average project	average project	average project
Free-ridership	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Projected Program Savings and Cost-effectiveness

Projected participation, net savings at the source (annual and lifetime), and costs are shown in the tables below.

³⁸ Participation levels for all gas home measures assume 57% of potential participants will be natural gas homes.

Table 50. 2022 EnergySaver Program Projections

Year	Annual Participants ³⁹	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2022	1,712	806	1,823,689	\$688,113	\$200,581	\$888,694
2023		806	1,823,689			
2024		806	1,823,689			
2025		806	1,823,689			
2026		806	1,821,824			
2027		806	1,821,824			
2028		806	1,821,824			
2029		800	1,774,467			
2030		800	1,774,467			
2031		800	1,774,467			
2032		800	1,717,958			
2033		793	1,667,078			
2034		793	1,667,078			
2035		792	1,660,038			
2036		792	1,660,038			
2037		39	480,877			
2038		39	480,877			
2039		39	480,877			
2040		8	49,065			
2041		8	49,065			
2042		2	2,160			
2043		2	2,160			
2044		2	2,160			
2045		2	2,160			
2046		2	2,160			
2047		2	2,160			
2048		2	2,160			
2049		2	2,160			
2050		2	2,160			
2051		2	2,160			
Lifetime kWh			28,018,182			

³⁹ Projected sum of project counts and measure installations (does not represent number of homes).

Table 51. 2023 EnergySaver Program Projections

Year	Annual Participants ⁴⁰	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2023	1,712	806	1,823,689	\$688,113	\$172,386	\$860,499
2024		806	1,823,689			
2025		806	1,823,689			
2026		806	1,823,689			
2027		806	1,821,824			
2028		806	1,821,824			
2029		806	1,821,824			
2030		800	1,774,467			
2031		800	1,774,467			
2032		800	1,774,467			
2033		800	1,717,958			
2034		793	1,667,078			
2035		793	1,667,078			
2036		792	1,660,038			
2037		792	1,660,038			
2038		39	480,877			
2039		39	480,877			
2040		39	480,877			
2041		8	49,065			
2042		8	49,065			
2043		2	2,160			
2044		2	2,160			
2045		2	2,160			
2046		2	2,160			
2047		2	2,160			
2048		2	2,160			
2049		2	2,160			
2050		2	2,160			
2051		2	2,160			
2052		2	2,160			
Lifetime kWh			28,018,182			

⁴⁰ Projected sum of project counts and measure installations (does not represent number of homes).

Table 52. 2024 EnergySaver Program Projections

Year	Annual Participants ⁴¹	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2024	1,712	806	1,823,689	\$688,113	\$171,178	\$859,291
2025		806	1,823,689			
2026		806	1,823,689			
2027		806	1,823,689			
2028		806	1,821,824			
2029		806	1,821,824			
2030		806	1,821,824			
2031		800	1,774,467			
2032		800	1,774,467			
2033		800	1,774,467			
2034		800	1,717,958			
2035		793	1,667,078			
2036		793	1,667,078			
2037		792	1,660,038			
2038		792	1,660,038			
2039		39	480,877			
2040		39	480,877			
2041		39	480,877			
2042		8	49,065			
2043		8	49,065			
2044		2	2,160			
2045		2	2,160			
2046		2	2,160			
2047		2	2,160			
2048		2	2,160			
2049		2	2,160			
2050		2	2,160			
2051		2	2,160			
2052		2	2,160			
2053		2	2,160			
Lifetime kWh			28,018,182			

⁴¹ Projected sum of project counts and measure installations (does not represent number of homes).

Cost-effectiveness per year is shown in the table below.

Because this program is targeted to low-income customers, EPE assumed that twenty percent (20%) of the calculated energy savings is the reasonable value of reductions in working capital, reduced collection costs, lower bad-debt expense, improved customer service, effectiveness, and other appropriate factors qualifying as utility system economic benefits. As a result, the total program benefits were increased by 20%. The UCT results reflect this increase.

Table 53. EnergySaver Program Cost-Effectiveness Analysis

	UCT 2022	UCT 2023	UCT 2024
Benefit/Cost Ratio	1.36	1.42	1.45
Total Benefits (\$000s)	1,205	1,225	1,247
Total Costs (\$000s)	889	860	859

Energy\$mart Program

Program Overview and Goals

The Energy\$mart Program is a new program offering serving EPE's low-income customers in both single family and multi-family applications. Holistically designed to address vital energy efficiency needs, the program will be implemented by the NM Mortgage Finance Authority ("MFA") which is a self-supporting quasi-governmental entity that assists low-income customers in accessing additional funds and financing to help pay for deeper retrofits to get high levels of energy savings. The Energy\$mart Program will be able to leverage the United States Department of Energy ("DOE"), Low Income Home Energy Assistance Program ("LIHEAP"), federal green loan incentives, tax credits and deductions, and energy financing such as Property Assessed Clean Energy ("PACE"), Energy Performance Contracts ("EPC"), and Power Purchase Agreements ("PPA").

Implementation and Administration Plan

Assignment of Responsibilities

MFA will subcontract with two nonprofit service providers: Southwestern Regional Housing and Community Development Corporation ("SRHCDC") to implement the single-family ("SF") aspect of this program, and International Center for Appropriate and Sustainable Technology ("ICAST") to implement the multi-family ("MF") aspect of this program. SRHCDC has been in operation since 2001 and has partnered with MFA utilizing the HOME Investment Partnerships Program ("HOME") funds to serve low-income families since that time. For SF homes, the program provides home energy audits utilizing the National Energy Assessment Tool ("NEAT") modeling to determine costs and savings estimates. RESNET Tools ICAST is a 501(c)3 nonprofit focused on sustainable development of underserved communities. ICAST has 19 years of experience in developing, launching, and managing EE retrofit programs in multiple states for local Governments and Utility companies. ICAST provides an innovative, turn-key, EE retrofit services to MF customers such as outreach, qualification and enrollments, energy audits, audits reports using Targets Retrofit Energy Assessment Tool ("TREAT") modeling to determine costs and savings estimates, supervision of the ECM installation services, rebate processing, data tracking and reporting, and assistance with financing.

Target Market Segment and Marketing Plan

This program targets low-income residential customers that are at or below 200% of the Federal Poverty Guidelines. Eligible customers may be homeowners or renters. Low-income single-family homes, multifamily homes, townhomes, duplexes, apartments, or manufactured homes meeting the poverty guidelines are eligible for this program.

Participation Requirements

Only customers at or below 200% of the Federal Poverty Guidelines are eligible to participate in this program. Each year the Federal Poverty Guidelines are published in the Federal Register.

Program Assumptions and Cost-Effectiveness

Program Timeframe

For planning purposes, three years (2022-2024) of program implementation has been assumed.

Program Forecasting Assumptions

The below table details the estimated useful life (“EUL” or “measure life”), incentive levels, projected gross annual savings at the meter per participant, measure quantity/participation levels, and free-ridership. Sources for each of these assumptions are found in Appendix A.

Forecasting assumptions were provided directly by the implementer.

Table 54. Energy\$mart Program Forecasting Assumptions

	Expected Weatherization				
	Attic Insulation	LED	Low E Window	Replacement Heater ECM	Wall Insulation
Measure Life (years)	30	20	25	20	30
Incentive per avg participant (\$) 2022	\$187.50	\$153.00	\$114.38	\$100.00	\$249.75
Incentive per avg participant (\$) 2023	\$187.50	\$153.00	\$114.38	\$100.00	\$249.75
Incentive per avg participant (\$) 2024	\$187.50	\$153.00	\$114.38	\$100.00	\$249.75
Annual kWh	250.00	459.00	183.00	200.00	333.00
Annual kW	0.55	0.20	0.18	-	0.26
Measure Quantity 2022	9	30	10	12	1
Measure Quantity 2023	14	45	15	18	2
Measure Quantity 2024	18	60	20	24	2
Units of Measurement	# occurrences	# occurrences	# occurrences	# occurrences	# occurrences
Free-ridership	0.00%	0.00%	0.00%	0.00%	0.00%

Table 55. Energy\$mart Program Forecasting Assumptions Continued

	Gas Homes		Electric Heat Source		
	Additional Attic	Additional LEDs	Attic Insulation	Low E	Wall Insulation
Measure Life (years)	30	25	30	20	30
Incentive per avg participant (\$) 2022	\$187.50	\$153.00	\$615.30	\$366.25	\$922.95
Incentive per avg participant (\$) 2023	\$187.50	\$153.00	\$615.30	\$366.25	\$922.95
Incentive per avg participant (\$) 2024	\$187.50	\$153.00	\$615.30	\$366.25	\$922.95
Annual kWh	250.00	459.00	820.40	586.00	1,230.60
Annual kW	0.55	0.20 ⁴²	0.55	0.18	0.25
Measure Quantity 2022	15	60	1	1	1
Measure Quantity 2023	23	90	2	2	2
Measure Quantity 2024	30	120	2	2	2
Units of Measurement	# occurrences	# occurrences	# occurrences	# occurrences	# occurrences
Free-ridership	0.00%	0.00%	0.00%	0.00%	0.00%

⁴² For 2024, the implementer-provided projections assumed annual kW/unit for LEDs would be approximately 0.104 based on projected bulb mix. All measure inputs in the EE/LM Plan are estimates; actual savings per unit will be calculated based on project installations and verified by the evaluator.

Table 56. EnergySmart Program Forecasting Assumptions Continued

	Electric Heat Source				
	Heat Pump Replacing Portable Electric	Floor Insulation	Air Sealing	Door Replacement	Duct Sealing
Measure Life (years)	20	30	10	11	18
Incentive per avg participant (\$) 2022	\$2,197.50	\$922.95	\$113.54	\$24.17	\$435.11
Incentive per avg participant (\$) 2023	\$2,197.50	\$922.95	\$113.54	\$24.17	\$435.11
Incentive per avg participant (\$) 2024	\$2,197.50	\$922.95	\$113.54	\$24.17	\$435.11
Annual kWh	4,395.00	1,230.60	454.15	87.90	966.90
Annual kW	2.00	-	-	-	-
Measure Quantity 2022	8	1	1	1	1
Measure Quantity 2023	12	2	2	2	2
Measure Quantity 2024	16	2	2	2	2
Units of Measurement	# occurrences	# occurrences	# occurrences	# occurrences	# occurrences
Free-ridership	0.00%	0.00%	0.00%	0.00%	0.00%

Table 57. EnergySmart Program Forecasting Assumptions Continued

	Electric Water Heaters			Multi- Family Project
	Pipe Insulation	Tank Insulation	Low Flow Showerhead	
Measure Life (years)	13	7	10	21
Incentive per avg participant (\$) 2022	\$178.10	\$29.75	\$79.00	\$150,000.00
Incentive per avg participant (\$) 2023	\$178.10	\$29.75	\$79.00	\$225,000.00
Incentive per avg participant (\$) 2024	\$178.10	\$29.75	\$79.00	\$300,000.00
Annual kWh	548.00	170.00	316.00	* 43
Annual kW	0.06	0.02	-	* 44
Measure Quantity 2022	10	10	10	1
Measure Quantity 2023	15	15	15	2
Measure Quantity 2024	20	20	20	3
Units of Measurement	# occurrences	# occurrences	# occurrences	# occurrences
Free-ridership	0.00%	0.00%	0.00%	0.00%

Projected Program Savings and Cost-effectiveness

Projected participation, net savings at the source (annual and lifetime), and costs are shown in the tables below.

⁴³ Implementer-provided proposal assumed the number of projected projects would increase each year, including multi-family projects. Average multi-family annual kWh assumed per year is 300,000 (2022), 494,703 (2023) and 689,405 (2024). All projections are estimates.

⁴⁴ Implementer-provided proposal assumed the number of projected projects would increase each year, including multi-family projects. Average multi-family annual kW assumed per year is 150 (2022), 210 (2023) and 270 (2024). All projections are estimates.

Table 58. 2022 Energy\$mart Program Projections

Year	Annual Participants ⁴⁵	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2022	60	218	432,599	\$194,712	\$31,061	\$225,773
2023		218	432,599			
2024		218	432,599			
2025		218	432,599			
2026		218	432,599			
2027		218	432,599			
2028		218	432,599			
2029		218	430,773			
2030		218	430,773			
2031		218	430,773			
2032		218	426,891			
2033		218	426,796			
2034		218	426,796			
2035		217	420,910			
2036		217	420,910			
2037		217	420,910			
2038		217	420,910			
2039		217	420,910			
2040		217	419,872			
2041		217	419,872			
2042		193	364,108			
2043		31	41,874			
2044		31	41,874			
2045		31	41,874			
2046		31	41,874			
2047		15	10,327			
2048		15	10,327			
2049		15	10,327			
2050		15	10,327			
2051		15	10,327			
Lifetime kWh			9,128,530			

⁴⁵ Projected number of occurrences (does not represent number of homes).

Table 59. 2023 Energy\$mart Program Projections

Year	Annual Participants ⁴⁶	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2023	105	306	696,914	\$292,068	\$46,935	\$339,003
2024		306	696,914			
2025		306	696,914			
2026		306	696,914			
2027		306	696,914			
2028		306	696,914			
2029		306	696,914			
2030		305	694,175			
2031		305	694,175			
2032		305	694,175			
2033		305	688,352			
2034		305	688,210			
2035		305	688,210			
2036		304	679,381			
2037		304	679,381			
2038		304	679,381			
2039		304	679,381			
2040		304	679,381			
2041		304	677,823			
2042		304	677,823			
2043		273	594,178			
2044		46	62,811			
2045		46	62,811			
2046		46	62,811			
2047		46	62,811			
2048		23	15,491			
2049		23	15,491			
2050		23	15,491			
2051		23	15,491			
2052		23	15,491			
Lifetime kWh			14,701,124			

⁴⁶ Projected number of occurrences (does not represent number of homes).

Table 60. 2024 Energy\$mart Program Projections

Year	Annual Participants ⁴⁷	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2024	150	384	961,229	\$389,425	\$89,641	\$479,065
2025		384	961,229			
2026		384	961,229			
2027		384	961,229			
2028		384	961,229			
2029		384	961,229			
2030		384	961,229			
2031		383	957,577			
2032		383	957,577			
2033		383	957,577			
2034		383	949,813			
2035		383	949,624			
2036		383	949,624			
2037		382	937,852			
2038		382	937,852			
2039		382	937,852			
2040		382	937,852			
2041		382	937,852			
2042		382	935,775			
2043		382	935,775			
2044		340	824,247			
2045		48	83,748			
2046		48	83,748			
2047		48	83,748			
2048		48	83,748			
2049		31	20,654			
2050		31	20,654			
2051		31	20,654			
2052		31	20,654			
2053		31	20,654			
Lifetime kWh			20,273,715			

⁴⁷ Projected number of occurrences (does not represent number of homes).

Cost-effectiveness per year is shown in the table below.

Because this program is targeted to low-income customers, EPE assumed that twenty percent (20%) of the calculated energy savings is the reasonable value of reductions in working capital, reduced collection costs, lower bad-debt expense, improved customer service, effectiveness, and other appropriate factors qualifying as utility system economic benefits. As a result, the total program benefits were increased by 20%. The UCT results reflect this increase.

Table 61. Energy\$mart Program Cost-Effectiveness Analysis

	UCT 2022	UCT 2023	UCT 2024
Benefit/Cost Ratio	1.73	1.69	1.56
Total Benefits (\$000s)	390	574	750
Total Costs (\$000s)	226	339	479

EPE 2022-2024 Commercial Program Portfolio

EPE's Commercial Energy Efficiency Program portfolio includes the following programs:

- Commercial Comprehensive;
- SCORE Plus; and
- Commercial Load Management.

Commercial Comprehensive Program

Program Overview and Goals

The Commercial Comprehensive Program will focus on the small business market segment of EPE's service territory to reduce peak demand and energy use in their facilities. Specifically, the program will target customers with an average demand of less than or equal to 100 kW. All of EPE's commercial direct rebates, such as commercial lighting and cooling, ENERGY STAR® cool roofs, Heating Ventilation and Air Conditioning ("HVAC") energy management, window treatments, commercial pool pumps, kitchen equipment, motors and other high efficiency measures are included in this program. EPE also extends program rebates to commercial customers with an average demand greater than 100 kW. New construction and retrofit projects are accepted in this program. Incentives and rebates are paid directly to the customer or, upon customer approval, may be paid to the contractors that perform the installation.

In addition, EPE proposes to offer a Building Operating Certification training to participants. The goal is to help commercial customers learn how to further reduce their energy usage and take a systematic approach to improving their energy performance. This certification will provide technical training on subjects such as the building science, HVAC systems, energy management systems, and related topics.

Implementation and Administration Plan

EPE has contracted with Frontier to provide a turn-key program design for the 2022-2024 program years. As a result, Frontier will provide:

- Marketing, promotion, and outreach to eligible customers;
- Customer service and inspection scheduling;
- Invoicing and rebate payment; and
- Program tracking and reporting.

Additionally, Frontier will offer outreach to local contractors to make them aware of this program, as well as encourage them to use the program incentives as a marketing tool to get customer participation. All application processing, program tracking and reporting will also be administered by Frontier. Applications will be received through the mail or electronically via e-mail or online tracking databases and reviewed to confirm the applications meet the requirements of the program. The accepted applications are tracked in a Frontier database and payments are processed.

Assignment of Responsibilities

Frontier will be responsible for marketing the program to targeted customers, providing assistance to the participants in all stages of their projects, and completing incentive administration, program tracking, pre- and post-inspections, reporting, and other verification duties. EPE will refer potential projects to Frontier, including leads identifying prospective participants such as contractors and eligible local businesses, and may provide verification services. EPE will maintain oversight of the program and budget processes at all times.

Frontier will process all applications for incentives and rebates and provide all tracking through an online tracking system. Frontier will also calculate savings and administer rebate payments.

For each project, participating contractors and customers, with Frontier’s assistance, will provide information on the pre- and post-installation equipment, application materials, and other building-related information as needed.

Target Market Segment and Marketing Plan

Frontier will create and execute an outreach strategy to recruit program participants and will market this program by:

- Engaging market actors (contractors) through outreach and training;
- Directing marketing to specific customers and customer groups, including in-person visits, advertisements and articles in local publications and local business media, and distribution of program materials through trade and business associations;
- Providing program materials on the EPE website; and
- Providing workshops and training events for contractors and customers.

Marketing mechanisms may also include kick-off meetings, marketing events, e-mail distributions, bill inserts, media and other advertising, in coordination with EPE.

Participation Requirements

All commercial customers that take service from EPE in its New Mexico service territory with an average demand of less than or equal to 100 kW are eligible for this program. For approved projects, EPE also extends program rebates to commercial customers for with an average demand greater than 100 kW. Program participants will be required to follow program participation processes for this program to ensure an understanding of their responsibilities while participating in the program. Measure-level eligibility requirements may also apply.

Participants will be informed of the program requirements as a condition of project acceptance into the program. With guidance provided by Frontier as necessary, participants will execute all necessary documents, including the execution of all pre-installation documentation describing the project to be undertaken and sufficient information to enable estimation of savings associated with the project. Frontier will inform customers that any third-party contractor used to install the project is under contract to the participant and not to EPE. The acknowledgement of required pre- and post- installation inspections by program staff must also be obtained prior to program acceptance.

Program Assumptions and Cost-Effectiveness

Program Timeframe

For planning purposes, three years (2022-2024) of program implementation has been assumed.

Program Forecasting Assumptions

The tables below detail the measure life, incentive levels, projected gross annual savings at the meter per participant, measure quantity/participation levels, and free-ridership. Sources for each of these assumptions are found in Appendix A.

Table 62. Commercial Comprehensive Program Forecasting Assumptions

	Low-Flow Showerhead	Faucet Aerators	Kitchen Equipment	Commercial HVAC [DX-AC]	Commercial HVAC [DX-Heat Pump]	Commercial Lighting & Controls
Measure Life (years)	10	10	12	15	15	16
Incentive per avg participant (\$) 2022	\$35.00	\$5.00	\$25.00	\$195.05	\$129.57	\$3,419.45
Incentive per avg participant (\$) 2023	\$35.00	\$5.00	\$25.00	\$195.05	\$129.57	\$3,419.45
Incentive per avg participant (\$) 2024	\$35.00	\$5.00	\$25.00	\$195.05	\$129.57	\$3,419.45
Annual kWh	167.79	86.00	192.00	703.25	419.60	27,865.22
Annual kW	0.09	0.07	0.04	0.20	-	3.52
Measure Quantity 2022	50	40	3	5	7	90
Measure Quantity 2023	50	40	3	5	7	90
Measure Quantity 2024	50	40	3	5	7	90
Units of Measurement	unit	unit	unit	project	project	project
Free-ridership	17.89%	17.89%	17.89%	17.89%	17.89%	17.89%

Table 63. Commercial Comprehensive Program Forecasting Assumptions Continued

	Window Treatments	Evaporative Coolers	Pool Pumps	VFD	Custom Project [VRF example]
Measure Life (years)	10	15	10	15	15
Incentive per avg participant (\$) 2022	\$134.00	\$500.00	\$300.00	\$1,277.13	\$832.41
Incentive per avg participant (\$) 2023	\$134.00	\$500.00	\$300.00	\$1,277.13	\$832.41
Incentive per avg participant (\$) 2024	\$134.00	\$500.00	\$300.00	\$1,277.13	\$832.41
Annual kWh	1,721.00	1,870.07	3,126.00	10,642.73	6,936.72
Annual kW	1.74	1.73	1.22	1.27	1.32
Measure Quantity 2022	1	18	2	1	1
Measure Quantity 2023	1	18	2	1	1
Measure Quantity 2024	1	18	2	1	1
Units of Measurement	project	unit	unit	project	project
Free-ridership	17.89%	17.89%	17.89%	17.89%	17.89%

Table 64. Commercial Comprehensive Program Forecasting Assumptions Continued

	Vending Machines	Reach-in Freezers	Refrigerator Door Gaskets	Entrance/Exit Door Air Infiltration	Roof Insulation	Building Operator Certification
Measure Life (years)	14	12	4	11	20	1
Incentive per avg participant (\$) 2022	\$115.00	\$230.00	\$88.40	\$100.00	\$18.19	\$1,500.00
Incentive per avg participant (\$) 2023	\$115.00	\$230.00	\$88.40	\$100.00	\$18.19	\$1,500.00
Incentive per avg participant (\$) 2024	\$115.00	\$230.00	\$88.40	\$100.00	\$18.19	\$1,500.00
Annual kWh	155.92	17,301.00	1,820.00	404.80	151.60	-
Annual kW	-	1.98	0.21	0.37	0.10	-
Measure Quantity 2022	1	1	1	1	1	2
Measure Quantity 2023	1	1	1	1	1	2
Measure Quantity 2024	1	1	1	1	1	2
Units of Measurement	unit	unit	unit	project	project	training
Free-ridership	17.89%	17.89%	17.89%	17.89%	17.89%	17.89%

Projected Program Savings and Cost-effectiveness

Projected participation, net savings at the source (annual and lifetime), and costs are shown in the tables below.

Table 65. 2022 Commercial Comprehensive Program Annual Impact Projections

Year	Annual Participants ⁴⁸	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2022	225	325	2,298,176	\$327,053	\$174,937	\$501,990
2023		325	2,298,176			
2024		325	2,298,176			
2025		325	2,298,176			
2026		325	2,296,571			
2027		325	2,296,571			
2028		325	2,296,571			
2029		325	2,296,571			
2030		325	2,296,571			
2031		325	2,296,571			
2032		314	2,279,106			
2033		314	2,278,749			
2034		312	2,262,982			
2035		312	2,262,982			
2036		312	2,262,844			
2037		281	2,211,960			
2038		0.09	134			
2039		0.09	134			
2040		0.09	134			
2041		0.09	134			
Lifetime kWh			36,531,288			

⁴⁸ Projected number of projects.

Table 66. 2023 Commercial Comprehensive Program Annual Impact Projections

Year	Annual Participants ⁴⁹	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2023	225	325	2,298,176	\$327,053	\$186,262	\$513,314
2024		325	2,298,176			
2025		325	2,298,176			
2026		325	2,298,176			
2027		325	2,296,571			
2028		325	2,296,571			
2029		325	2,296,571			
2030		325	2,296,571			
2031		325	2,296,571			
2032		325	2,296,571			
2033		314	2,279,106			
2034		314	2,278,749			
2035		312	2,262,982			
2036		312	2,262,982			
2037		312	2,262,844			
2038		281	2,211,960			
2039		0.09	134			
2040		0.09	134			
2041		0.09	134			
2042		0.09	134			
Lifetime kWh			36,531,288			

⁴⁹ Projected number of projects.

Table 67. 2024 Commercial Comprehensive Program Annual Impact Projections

Year	Annual Participants ⁵⁰	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2024	225	325	2,298,176	\$327,053	\$174,400	\$501,453
2025		325	2,298,176			
2026		325	2,298,176			
2027		325	2,298,176			
2028		325	2,296,571			
2029		325	2,296,571			
2030		325	2,296,571			
2031		325	2,296,571			
2032		325	2,296,571			
2033		325	2,296,571			
2034		314	2,279,106			
2035		314	2,278,749			
2036		312	2,262,982			
2037		312	2,262,982			
2038		312	2,262,844			
2039		281	2,211,960			
2040		0.09	134			
2041		0.09	134			
2042		0.09	134			
2043		0.09	134			
Lifetime kWh			36,531,288			

Cost-effectiveness per year is shown in the table below.

Table 68. Commercial Comprehensive Program Cost-Effectiveness Analysis

	UCT 2022	UCT 2023	UCT 2024
Benefit/Cost Ratio	1.38	1.37	1.43
Total Benefits (\$000s)	694	705	719
Total Costs (\$000s)	502	513	501

⁵⁰ Projected number of projects.

SCORE Plus Program

Program Overview and Goals

EPE will implement the SCORE Plus Program as part of its EE/LM Plan to further increase the availability of energy efficiency programs across customer classes and customer types. One of the main goals of the program is to increase participation by targeting commercial customers with an average demand of greater than 100 kW, with a special emphasis on the customers that lack the knowledge and/or personnel to properly evaluate and implement energy efficiency measures. The SCORE Plus Program will also target customers in the education and governmental market segments. EPE's focus is to encourage eligible customers to reduce their peak demand and energy use in their facilities.

The program provides incentives for a wide range of energy efficiency measures including lighting, HVAC, equipment controls, and custom projects. This program also provides customers with technical support, facility energy benchmarking, and Energy Planning Workshops to selected customers. New construction and retrofit projects are accepted in this program. Incentives are paid directly to the customer or, upon customer approval, can be paid to the contractors that perform the installation.

In addition, EPE proposes to offer a Building Operating Certification training to participants. The goal is to help commercial customers learn how to further reduce their energy usage and take a systematic approach to improving their energy performance. This certification will provide technical training on subjects such as the building science, HVAC systems, energy management systems, and related topics.

Implementation and Administration Plan

The SCORE Plus Program will achieve its goals by offering direct support, tools, and the training necessary for customers and their contractors to:

- Identify, evaluate, and undertake efficiency improvements;
- Identify best practices to maximize long-term savings;
- Properly evaluate energy efficiency proposals; and
- Publicize their accomplishments in energy efficiency.

This program will offer incentives to participating customers based on the savings achieved through the project. Incentives for this program will be less than those offered through the Commercial Comprehensive Program; however, the implementer will provide supporting services that will lighten the administrative load for the participating school or business, making customers more receptive to possible energy efficiency projects.

Those services provided to the customer, depending upon customer need, will likely include assistance with the following:

- Energy usage benchmarking;
- Identifying and evaluating energy-efficiency opportunities;
- Developing or integrating with existing long-term energy plans;
- Completing and submitting project documentation necessary to receive incentives regardless if the project/measure is generated by a contractor, EPE or the implementer; and
- Making the community aware of the accomplishments and benefits of participating customers.

Assignment of Responsibilities

EPE has contracted with CLEAResult for the implementation of this program. To deliver the SCORE Plus Program, the implementer will be responsible for marketing the program to the targeted customers, providing assistance to the participants in all stages of their projects, and completing a large part of the incentive administration, program tracking and reporting, and verification duties. EPE will assist in the identification and recruitment of prospective participants and may provide verification services. EPE will maintain oversight of the program implementation and budget processes at all times.

Target Market Sector and Marketing Plan

This program is designed to attract participants from the educational, government, and private commercial sectors. The commercial and industrial customers targeted by this program will have an average demand greater than 100 kW. All school and governmental entities are also eligible to participate.

Commercial Sector

The implementer will create and execute an outreach strategy to recruit program participants. Outreach will take several forms, including coordination with EPE key accounts and public affairs personnel, outreach to energy efficiency service providers, and statewide organizations. CLEAResult will also directly contact eligible customers to inform them of the program's benefits and to identify possible projects at their facilities.

Education and Local Government Sectors

EPE and the implementer will help to identify target school districts and governmental entities in EPE's service territory and conduct recruitment meetings. It is anticipated that much of the outreach activity will be educational and use case studies from other school districts' and governmental entities' successful energy efficiency projects as illustrations of the processes and concepts involved. Further, it will be conveyed that the program's role is to provide customers with guidance and support consistently throughout the entire process of planning, implementing, and verifying energy efficiency improvements.

Participation Requirements

All schools, governmental entities, and commercial customers with an average annual demand of greater than 100 kW that take service from EPE in its New Mexico service territory are eligible for this program. Program participants will be required to follow program participation processes for the SCORE Plus Program to ensure an understanding of their responsibilities while participating in the program.

Participants will be informed of program requirements prior to the acceptance of their projects into the program. Participant requirements include the execution of all pre-installation documentation describing the project to be undertaken, the estimated savings and incentives associated with the project, and acknowledgment that any third-party contractor used to install the project is under contract to the participant and not to the program implementer or to EPE.

The acknowledgement of required pre- and post- installation inspections by the program implementer and/or EPE must also be obtained prior to project acceptance.

Program Assumptions and Cost-Effectiveness

Program Timeframe

For planning purposes three years (2022-2024) of program implementation has been assumed.

Program Forecasting Assumptions

The tables below detail the measure life, incentive levels, projected gross annual savings at the meter per participant, measure quantity/participation levels, and free-ridership. Sources for each of these assumptions are found in Appendix A.

Table 69. SCORE Plus Program Forecasting Assumptions

	Chiller Air Cooled - Screw/Scroll/Reciprocating	Commercial Cooking	ENERGY STAR® Commercial Dishwashers	ENERGY STAR® Roof	HVAC- DX/Heat Pump
Measure Life (years)	20	12	11	15	15
Incentive per avg participant (\$) 2022	\$29,273.50	\$232.44	\$99.36	\$5,306.40	\$1,279.39
Incentive per avg participant (\$) 2023	\$29,273.50	\$232.44	\$99.36	\$5,306.40	\$1,279.39
Incentive per avg participant (\$) 2024	\$29,273.50	\$232.44	\$99.36	\$5,306.40	\$1,279.39
Annual kWh	117,094.00	1,937.00	828.00	44,220.00	5,117.56
Annual kW	11.07	0.41	0.12	10.98	0.83
Measure Quantity 2022	1	1	1	1	10
Measure Quantity 2023	1	1	1	1	10
Measure Quantity 2024	1	1	1	1	10
Units of Measurement	project	project	unit	project	project
Free-ridership	33.08%	33.08%	33.08%	33.08%	33.08%

Table 70. SCORE Plus Program Forecasting Assumptions Continued

	Ice Makers	Average Lighting Project	VFD on AHU	VRF Air Conditioners	Window Film/Screens
Measure Life (years)	9	12	15	15	10
Incentive per avg participant (\$) 2022	\$74.16	\$11,424.82	\$5,108.51	\$6,489.58	\$0.24
Incentive per avg participant (\$) 2023	\$74.16	\$11,424.82	\$5,108.51	\$6,489.58	\$0.24
Incentive per avg participant (\$) 2024	\$74.16	\$11,424.82	\$5,108.51	\$6,489.58	\$0.24
Annual kWh	618.00	129,895.53	42,570.90	54,079.83	2.00
Annual kW	0.07	19.66	5.06	0.29	0.00
Measure Quantity 2022	1	63	1	1	1
Measure Quantity 2023	1	63	1	1	1
Measure Quantity 2024	1	63	1	1	1
Units of Measurement	unit	project	project	project	project
Free-ridership	33.08%	33.08%	33.08%	33.08%	33.08%

Table 71. SCORE Plus Program Forecasting Assumptions Continued

	Custom Project [VRF example]	Custom Project [EMS example]	Evaporative Coolers	Building Operator Certification
Measure Life (years)	15	10	15	1
Incentive per avg participant (\$) 2022	\$1,664.81	\$41,654.34	\$400.00	\$1,500.00
Incentive per avg participant (\$) 2023	\$1,664.81	\$41,654.34	\$400.00	\$1,500.00
Incentive per avg participant (\$) 2024	\$1,664.81	\$41,654.34	\$400.00	\$1,500.00
Annual kWh	13,873.44	347,119.50	1,870.07	-
Annual kW	2.63	69.74	1.73	-
Measure Quantity 2022	1	2	11	7
Measure Quantity 2023	1	2	11	7
Measure Quantity 2024	1	2	11	7
Units of Measurement	project	project	unit	training
Free-ridership	33.08%	33.08%	33.08%	33.08%

Projected Program Savings and Cost-effectiveness

Projected participation, net savings at the source (annual and lifetime), and costs are shown in the tables below.

Table 72. 2022 SCORE Plus Program Projections

Year	Annual Participants ⁵¹	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2022	102	1,039	6,630,633	\$879,015	\$720,992	\$1,600,007
2023		1,039	6,630,633			
2024		1,039	6,630,633			
2025		1,039	6,630,633			
2026		1,039	6,630,633			
2027		1,039	6,630,633			
2028		1,039	6,630,633			
2029		1,039	6,630,633			
2030		1,039	6,630,633			
2031		1,039	6,630,189			
2032		938	6,131,171			
2033		938	6,130,575			
2034		41	246,968			
2035		41	246,968			
2036		41	246,968			
2037		8	84,167			
2038		8	84,167			
2039		8	84,167			
2040		8	84,167			
2041		8	84,167			
Lifetime kWh			79,729,372			

⁵¹ Projected number of projects.

Table 73. 2023 SCORE Plus Program Projections

Year	Annual Participants ⁵²	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2023	102	1,039	6,630,633	\$879,015	\$729,001	\$1,608,016
2024		1,039	6,630,633			
2025		1,039	6,630,633			
2026		1,039	6,630,633			
2027		1,039	6,630,633			
2028		1,039	6,630,633			
2029		1,039	6,630,633			
2030		1,039	6,630,633			
2031		1,039	6,630,633			
2032		1,039	6,630,189			
2033		938	6,131,171			
2034		938	6,130,575			
2035		41	246,968			
2036		41	246,968			
2037		41	246,968			
2038		8	84,167			
2039		8	84,167			
2040		8	84,167			
2041		8	84,167			
2042		8	84,167			
Lifetime kWh			79,729,372			

⁵² Projected number of projects.

Table 74. 2024 SCORE Plus Program Projections

Year	Annual Participants ⁵³	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2024	102	1,039	6,630,633	\$879,015	\$720,789	\$1,599,804
2025		1,039	6,630,633			
2026		1,039	6,630,633			
2027		1,039	6,630,633			
2028		1,039	6,630,633			
2029		1,039	6,630,633			
2030		1,039	6,630,633			
2031		1,039	6,630,633			
2032		1,039	6,630,633			
2033		1,039	6,630,189			
2034		938	6,131,171			
2035		938	6,130,575			
2036		41	246,968			
2037		41	246,968			
2038		41	246,968			
2039		8	84,167			
2040		8	84,167			
2041		8	84,167			
2042		8	84,167			
2043		8	84,167			
Lifetime kWh			79,729,372			

Cost effectiveness per year is shown in the table below.

Table 75. SCORE Plus Program Cost-Effectiveness Analysis

	UCT 2022	UCT 2023	UCT 2024
Benefit/Cost Ratio	1.09	1.11	1.13
Total Benefits (\$000s)	1,750	1,778	1,814
Total Costs (\$000s)	1,600	1,608	1,600

⁵³ Projected number of projects.

Commercial Load Management Program

Program Overview and Goals

This program allows participating commercial customers to provide on-call, voluntary curtailment of electric consumption during peak demand periods in return for incentive payments. Incentives are based on verified demand savings that customers can achieve in response to notifications of voluntary curtailment events by EPE. Demand savings and incentive payment amounts are based on the actual, verified load curtailments.

In addition, EPE proposes to offer a Building Operating Certification training to participants. The goal is to help commercial customers learn how to further reduce their energy usage and take a systematic approach to improving their energy performance. This certification will provide technical training on subjects such as the building science, HVAC systems, energy management systems, and related topics.

Implementation and Administration Plan

The Commercial Load Management Program will achieve its goals by identifying, marketing, and evaluate prospective commercial participants:

- Identify, develop a detailed site assessment of the load management potential of participant;
- Identify, facility enablement service upgrades, and performance cash incentive payments specific to Participant's site;
- Installation of facility enablement services as determined in the site assessment;
- Provide dispatch management services during the annual event period; and
- Calculate, measure and verify actual load curtailment.

This program will offer non-cash facility enablement and cash incentives to participating customers based on the actual verified load curtailment.

Facility enablement services shall be specific to each Participant and based on individual site requirements. Facility enablement services may include, as applicable:

- Installation of controls at the site;
- Programing to enable load shedding and building control sequences;
- Integration of controls or systems as needed; and
- Connecting sites to real time grid services software platform.

Assignment of Responsibilities

EPE has contracted with an implementer for the implementation of this program. To deliver the Commercial Load Management Program, the implementer will be responsible for program management, marketing the program, participant identification, participant outreach, site assessment, participant enrollment, facility enablement services, dispatch management, program tracking and reporting, verification duties, and incentive administration. EPE will assist in the marketing, identification and recruitment of prospective participants, and may provide verification services. EPE will maintain oversight of the program implementation and budget processes at all times.

Target Market Segment and Marketing Plan

This program is designed to attract commercial participants from the educational, government, and private commercial sectors.

Commercial Sector

The implementer will create and execute an outreach strategy to recruit program participants. Outreach will take several forms, including coordination with EPE. Trane will also directly contact eligible customers to inform them of the program's benefits.

Education and Local Government Sectors

EPE and the implementer will help to identify target school districts and governmental entities in EPE's service territory and conduct recruitment meetings.

Participation Requirements

All commercial customers, schools, and governmental entities with load management potential that take service from EPE in its New Mexico service territory are eligible for this program. Program participants will be required to execute a Participant Agreement for the Commercial Load Management Program to ensure an understanding of their responsibilities as a participant in the program.

Participants will be informed of their program requirements prior to the execution of the Participant Agreement for the Commercial Load Management Program. Participant requirements include the voluntary load curtailment, in exchange for a onetime non-cash facility enablement services, and cash performance incentives for verified load curtailment.

Program Assumptions and Cost-Effectiveness

Program Timeframe

For planning purposes, three years (2022-2024) of program implementation has been assumed.

Program Forecasting Assumptions

The table below details the measure life, incentive levels, projected gross annual savings at the meter per participant, measure quantity/participation levels, and free-ridership. Sources for each of these assumptions are found in Appendix A.

Table 76. Commercial Load Management Program Forecasting Assumptions

	Load Mgmt	Building Operator Certification
Measure Life (years)	1	1
Incentive per avg participant (\$) 2022	180,000	1500
Incentive per avg participant (\$) 2023	180,000	1500
Incentive per avg participant (\$) 2024	180,000	1500
Annual kWh	75,000	0.00
Annual kW	3750	0
Measure Quantity 2022	1	1
Measure Quantity 2023	1	1
Measure Quantity 2024	1	1
Units of Measurement	sites	training
Free-ridership	0.00%	0.00%

Projected Program Savings and Cost-effectiveness

Projected participation, net savings at the source (annual and lifetime), and costs are shown in the tables below.

Table 77. 2022 Commercial Load Management Program Projections

Year	Annual Participants ⁵⁴	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2022	10	4,056	80,559	\$181,500	\$186,619	\$368,119
Lifetime kWh			80,559			

Table 78. 2023 Commercial Load Management Program Projections

Year	Annual Participants ⁵⁵	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2023	10	4,056	80,559	\$181,500	\$186,605	\$368,105
Lifetime kWh			80,559			

Table 79. 2024 Commercial Load Management Program Projections

Year	Annual Participants ⁵⁶	Annual kW	Annual kWh	Annual Rebate Costs (\$)	Annual Admin Costs (\$)	Total Annual Program Costs (\$)
2024	10	4,056	80,559	\$181,500	\$186,591	\$368,091
Lifetime kWh			80,559			

⁵⁴ Number of sites.

⁵⁵ Number of sites.

⁵⁶ Number of sites.

Cost-effectiveness per year is shown in the table below.

Table 80. Commercial Load Management Program Cost-Effectiveness Analysis

	UCT 2022	UCT 2023	UCT 2024
Benefit/Cost Ratio	1.16	1.19	1.21
Total Benefits (\$000s)	429	437	445
Total Costs (\$000s)	368	368	368

Appendix A: Cost-Effectiveness Inputs

Residential Programs Inputs

Table 81. Residential Measure Lives and Savings Sources

Measure	Measure Life	Savings Source
<i>Domestic Hot Water</i>		
Faucet Aerator	10.0	NM TRM 2021
Heat Pump Water Heater	13.0	TX TRM 8.0
Low-Flow Showerhead	10.0	NM TRM 2021
Pipe Insulation	13.0	NM TRM 2021
Tank Insulation	7.0	TX TRM 8.0
<i>ENERGY STAR® New Homes</i>		
ENERGY STAR® New Homes Performance Path	23.0	Texas TRM 8.0
<i>Envelope</i>		
Air Infiltration	11.0	NM TRM 2021
ENERGY STAR® Cool Roof	15.0	NM TRM 2021
ENERGY STAR® Window	25.0	NM TRM 2021
Insulation (Attic Encapsulation)	25.0	TX TRM 8.0
Insulation (Ceiling)	30.0	NM TRM 2021
Insulation (Floor)	30.0	NM TRM 2021
Solar Attic Fan	15.0	NM TRM 2021
Solar Screen	10.0	NM TRM 2021
<i>HVAC</i>		
Air Conditioner	18.0	NM TRM 2021
Duct Efficiency	18.0	NM TRM 2021
ENERGY STAR® Room Air Conditioner	10.5	NM TRM 2021
ENERGY STAR® Smart Thermostat	10.0	NM TRM 2021
Evaporative Cooling	15.0	NM TRM 2021
Heat Pump	15.0	NM TRM 2021
<i>Lighting</i>		
Light Emitting Diode ("LED")	20.0	NM TRM 2021
<i>Recycling</i>		
Refrigerator Recycling	5.0	NM evaluator recommendation (PNM NM program)
Room Air Conditioner Recycling	4.0	IL TRM 9.0

<i>Other</i>		
Advanced Power Strip	4.0	NM TRM 2021
Air Filter Alarm	1.0	Frontier Energy assumption
ENERGY STAR® Refrigerator	16.0	TX TRM 8.0
Load Management	1.0	TX TRM 8.0
Pool Pump	10.0	NM TRM 2021

Table 82. Residential Net-to-Gross Ratios (“NTGR”) and Free Ridership

Program	NTGR	Free-Ridership	Source
Smart Students	100.00%	0.00%	Evergreen 2020 EMV Report
Residential Comprehensive	63.68%	36.32%	Evergreen 2020 EMV Report
Residential Lighting	67.00%	33.00%	Evergreen 2020 EMV Report
ENERGY STAR® New Homes	73.33%	26.67%	Evergreen 2020 EMV Report
Marketplace [Lighting]	67.00%	33.00%	Evergreen communication to EPE 7.2.21
Marketplace [Non-lighting]	75.50%	24.50%	Evergreen communication to EPE 7.2.21
Residential Load Management	100.00%	0.00%	Evergreen 2020 EMV Report
EnergySaver	100.00%	0.00%	Evergreen 2020 EMV Report
Energy\$mart	100.00%	0.00%	Matched Energy Saver

Commercial Programs Inputs

Table 83. Commercial Measure Lives and Savings Sources

Measure	Measure Life	Savings Source
Domestic Hot Water		
Faucet Aerators	10.0	NM TRM 2021
Low-Flow Showerheads	10.0	NM TRM 2021
Envelope		
ENERGY STAR® Cool Roofs	15.0	NM TRM 2021
Entrance and Exit Door Air Infiltration	11.0	NM TRM 2021
Insulation (Roof)	20.0	IL TRM 9.0
Window Treatments (Solar Screen/Film)	10.0	NM TRM 2021
Food Service		
ENERGY STAR® Combination Oven	12.0	NM TRM 2021
ENERGY STAR® Convection Oven	12.0	NM TRM 2021
ENERGY STAR® Dishwasher (Multiple Tank Conveyor)	20.0	Evergreen Direction
ENERGY STAR® Dishwasher (Pot, Pan, and Utensil)	10.0	Evergreen Direction
ENERGY STAR® Dishwasher (Single Tank Conveyor)	20.0	Evergreen Direction
ENERGY STAR® Dishwasher (Stationary Single Tank Door)	15.0	Evergreen Direction
ENERGY STAR® Dishwashers (Under Counter)	10.0	Evergreen Direction
ENERGY STAR® Electric Fryer	12.0	NM TRM 2021
ENERGY STAR® Hot Food Holding Cabinet	12.0	NM TRM 2021
ENERGY STAR® Ice Maker	8.0	NM TRM 2021
ENERGY STAR® Steam Cooker	12.0	NM TRM 2021
HVAC		
Air Conditioner and Heat Pump	15.0	NM TRM 2021
Chiller (Centrifugal)	25.0	NM TRM 2021
Chiller (Screw/Scroll/Reciprocating)	20.0	NM TRM 2021
Evaporative Cooler	15.0	NM TRM 2021
Guest Room HVAC Energy Management	15.0	NM TRM 2021
HVAC Tune-up	5.0	TX TRM 8.0

Variable Frequency Drive on Air Handling Unit	15.0	NM TRM 2021
Variable Refrigerant Flow Air Conditioner or Heat Pump	15.0	TX TRM 8.0
Lighting		
Lighting and Lighting Control (Commercial Comprehensive)	15.8 (weighted)	NM TRM 2021
Lighting and Lighting Control (SCORE Plus)	12.4 (weighted)	NM TRM 2021
Refrigeration		
Refrigerated Door Gaskets	4.0	TX TRM 8.0
Solid and Glass Door Reach-ins	12.0	TX TRM 8.0
Other		
ENERGY STAR® Vending Machine	14.0	IL TRM 9.0
Load Management	1.0	TX TRM 8.0
Pool Pump	10.0	NM TRM 2021

Table 84. Commercial Net-to-Gross Ratios (“NTGR”) and Free Ridership

Program	NTGR	Free-Ridership	Source
Commercial Comprehensive	82.11%	17.89%	Evergreen 2020 EMV Report
SCORE Plus	66.92%	33.08%	Evergreen 2020 EMV Report
Commercial Load Management	100.00%	0.00%	Evergreen 2020 EMV Report

Appendix B: Discount Rates

Utility Discount Rate

EPE used a discount rate of 7.18 percent to calculate the present value of costs and benefits for the UCT calculation, as shown in EPE witness Adrian Hernandez's Exhibit AH-2. All other factors held constant, the higher the discount rate, the lower the UCT value.

Appendix C: Avoided Costs

Utility Avoided Costs

To determine the cost-effectiveness of its EE/LM Plan, EPE calculated the avoided energy and capacity costs associated with its Programs. EPE's Resource Planning Department developed the avoided energy and capacity costs included in the EE/LM Plan.

A. Avoided Energy Costs

EPE uses PROMOD, a widely accepted industry modeling tool, to determine the value of avoided energy. Input data for PROMOD includes EPE's monthly native load demand forecasts, generating unit characteristics, anticipated future fuel prices, generator unit maintenance schedules, spinning reserve requirements, market purchase power capabilities, and specific off-system firm purchases and firm sales. PROMOD evaluates the unit data, fuel and purchased power costs, and availability of the modeled generation units to identify the most economical manner to dispatch system and purchases power to meet EPE's expected demand. EPE uses the Marginal Energy Cost option in PROMOD to identify the most economical marginal energy prices to produce the next megawatt of electricity. EPE's avoided energy costs associated with EE Programs is a weighted-average of on-peak and off-peak avoided costs based on the marginal energy prices calculated in PROMOD.

B. Avoided Capacity Costs

EPE calculated avoided capacity costs considering future resource needs and forecasted generation additions to the EPE system. EPE then estimated capital costs for the forecasted generation additions. EPE calculated the levelized cost of capital by taking into consideration factors such as the capacity addition's estimated total installed cost, capital expenditure cash flow, estimated insurance and property tax costs, and book and tax depreciation. This levelized cost is escalated or de-escalated to provide an estimated yearly levelized cost of capital that is used for EPE's annual avoided capacity cost associated with the EE/LM Plan.

Following is a Table of EPE's forecasted avoided energy and capacity costs.

Table 85: Avoided Costs

Year	Avoided Energy (\$/kWh)	Avoided Capacity (\$/kW)
2022	\$0.0130	\$105.44
2023	\$0.0122	\$107.50
2024	\$0.0124	\$109.60
2025	\$0.0120	\$111.73
2026	\$0.0120	\$113.70
2027	\$0.0133	\$115.71
2028	\$0.0136	\$117.76
2029	\$0.0143	\$119.84
2030	\$0.0146	\$121.95
2031	\$0.0150	\$123.71
2032	\$0.0153	\$125.50
2033	\$0.0157	\$127.32
2034	\$0.0160	\$129.16
2035	\$0.0164	\$131.02
2036	\$0.0167	\$132.47
2037	\$0.0171	\$133.92
2038	\$0.0175	\$135.39
2039	\$0.0179	\$136.88
2040	\$0.0183	\$138.39
2041	\$0.0187	\$139.91
2042	\$0.0191	\$141.45
2043	\$0.0195	\$143.00
2044	\$0.0200	\$144.58
2045	\$0.0204	\$146.17
2046	\$0.0209	\$147.77
2047	\$0.0213	\$149.40
2048	\$0.0218	\$151.04
2049	\$0.0223	\$152.70
2050	\$0.0228	\$154.38
2051	\$0.0233	\$156.08
2052	\$0.0238	\$157.80
2053	\$0.0243	\$159.53

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF EL PASO ELECTRIC)
COMPANY'S APPLICATION FOR)
APPROVAL OF ITS 2022-2024 ENERGY)
EFFICIENCY AND LOAD MANAGEMENT)
PLAN, UTILITY INCENTIVE AND REVISED)
RATE NO. 17- EFFICIENT USE OF ENERGY)
RECOVERY FACTOR)
)
EL PASO ELECTRIC COMPANY,)
Applicant.)
_____)

Case No. 21-00114-UT

DECLARATION OF AMY D. MARTIN IN SUPPORT OF
THE FOREGOING DIRECT TESTIMONY IN EL PASO
ELECTRIC'S APPLICATION FOR APPROVAL OF ITS 2022-2024
ENERGY EFFICIENCY AND LOAD MANAGEMENT PLAN, UTILITY
INCENTIVE AND REVISED RATE NO. 17-EFFICIENT USE OF
ENERGY RECOVERY FACTOR

I ***Amy D. Martin***, pursuant to Rule 1-011 NMRA, state as follows:

1. I affirm in writing under penalty of perjury under the laws of the State of New Mexico that the following statements are true and correct.
2. I am over 18 years of age and have personal knowledge of the facts stated herein. I am employed by Frontier Energy as the *Vice President of Consulting and Engineering*.
3. The foregoing Direct Testimony of Amy D. Martin, together with all exhibits sponsored therein and attached thereto, is true and accurate based on my knowledge and belief.
4. I submit this Declaration, based upon my personal knowledge and upon information and belief, in support of EPE's *Application for Approval of Its 2022-2024 Energy Efficiency and Load Management Plan, Utility Incentive and Revised Rate No. 17-Efficient Use of Energy Recovery Factor*.

FURTHER, DECLARANT SAYETH NAUGHT.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 15, 2021.

/s/ Amy D. Martin

AMY D. MARTIN

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF EL PASO ELECTRIC)
COMPANY'S APPLICATION FOR)
APPROVAL OF ITS 2022-2024 ENERGY)
EFFICIENCY AND LOAD MANAGEMENT)
PLAN, UTILITY INCENTIVE AND REVISED)
RATE NO. 17-EFFICIENT USE OF ENERGY)
RECOVERY FACTOR)
)
EL PASO ELECTRIC COMPANY,)
Applicant.)
_____)

Case No. 21-00114-UT

DIRECT TESTIMONY

OF

ADRIAN HERNANDEZ

ON BEHALF OF

EL PASO ELECTRIC COMPANY

JULY 15, 2021

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EXHIBITS

Exhibit AH-1 Copy of Advice Notice 273

Exhibit AH-2 Discount Rate

Exhibit AH-3 Reconciliation of 2020 Collections, Expenditures, and Utility Incentive

Exhibit AH-4 Cumulative Carrying Charges

Exhibit AH-5 Efficient Use of Energy Recovery Factor Calculation

Exhibit AH-6 Bill Impact of the Proposed Efficient Use of Energy Recovery Factor

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
ADRIAN HERNANDEZ**

I. INTRODUCTION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Adrian Hernandez. My business address is 100 North Stanton Street,
El Paso, Texas, 79901.

Q. HOW ARE YOU EMPLOYED?

A. I am employed by El Paso Electric Company ("EPE" or the "Company") as a Senior
Rate Analyst.

**Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL
BACKGROUND AND EXPERIENCE.**

A. I graduated from the University of Texas at Austin with a Bachelor of Business
Administration in Accounting and a minor in Finance in 2007. I later earned a Master
of Accountancy degree from The University of Texas at El Paso in 2011. In 2014, I
received a graduate certificate from New Mexico State University ("NMSU") in
Public Utility Regulation & Economics. In 2015, I became a Certified Public
Accountant licensed in the state of Texas. I continued my studies at NMSU and
received a Master of Business Administration degree in 2017. Throughout my years
at EPE, I have regularly attended professional development seminars to stay up to
date on utility industry topics.

After earning my bachelor's degree in 2007, I was hired by BearingPoint Inc.,
in Washington, D.C., as a Business Analyst. In 2008, I returned to El Paso where I
was employed as a Cost Accountant for Helen of Troy Limited. My career in the

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
ADRIAN HERNANDEZ**

1 utility industry began in 2009, when I accepted a Regulatory Accountant position
2 with EPE. In 2014, I became an Associate Analyst with EPE's Rates and Regulatory
3 Affairs department and was promoted to Staff Rate Analyst in 2015. In 2016, I was
4 promoted to my current position, Senior Rate Analyst.

5

6 **Q. WHAT ARE YOUR RESPONSIBILITIES WITH EPE?**

7 **A.** As a Senior Rate Analyst in the Rate Research group, my responsibilities are to
8 perform or assist in the preparation of economic, statistical, cost, and rate design
9 studies; to develop models and methodologies for cost of service, profitability, and
10 pricing studies; and to perform annualization and cost-of-service studies, rate design,
11 and revenue forecasts. In addition to energy efficiency, I have also participated in
12 regulatory filings like base rate cases, fuel rate revisions, and advanced metering.

13

14 **Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE UTILITY**
15 **REGULATORY BODIES?**

16 **A.** Yes, I have filed testimony and testified before the New Mexico Public Regulation
17 Commission ("NMPRC" or "Commission"). I have also filed testimony with the
18 Public Utility Commission of Texas.

19

20 **II. PURPOSE OF DIRECT TESTIMONY**

21 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

22 **A.** The purpose of my direct testimony is as follows:

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
ADRIAN HERNANDEZ**

- 1 • To present EPE's discount rate used to calculate the Utility Cost Test ("UCT")
- 2 for EPE's proposed 2022-2024 Energy Efficiency and Load Management Plan
- 3 ("EE/LM Plan").
- 4 • To reconcile EPE's 2020 plan year tariff rider collections, plan year
- 5 expenditures, and the utility incentive.
- 6 • To address carrying charges, including appropriate rates and to what costs
- 7 carrying charges should apply.
- 8 • To support EPE's proposed revision to Rate No. 17 – Efficient Use of Energy
- 9 Recovery Factor ("EUERF") pursuant to 17.7.2.13 NMAC.

10

11 **Q. ARE YOU SPONSORING ANY EXHIBITS IN SUPPORT OF YOUR DIRECT**

12 **TESTIMONY?**

13 **A.** Yes. I am sponsoring the following exhibits:

- 14 • Exhibit AH-1 Copy of Advice Notice 273;
- 15 • Exhibit AH-2 Discount Rate;
- 16 • Exhibit AH-3 Reconciliation of 2020 Collections, Expenditures, and Utility
- 17 Incentive;
- 18 • Exhibit AH-4 Calculation of Carrying Charges;
- 19 • Exhibit AH-5 Efficient Use of Energy Recovery Factor Calculation; and
- 20 • Exhibit AH-6 Bill Impact of the Proposed Efficient Use of Energy Recovery
- 21 Factor.

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
ADRIAN HERNANDEZ**

III. DISCOUNT RATE USED FOR UCT

Q. WHAT IS THE DISCOUNT RATE THAT EPE USED IN ITS UCT CALCULATION?

A. EPE's discount rate is commission-approved weighted average cost of capital ("WACC") of 7.18 percent from Case No. 20-00104-UT, as shown Exhibit AH-2. It is required by statute that the discount rate not be adjusted for taxes.

IV. 2020 PLAN YEAR RECONCILIATION

Q. DID EPE RECONCILE 2020 PLAN YEAR EXPENDITURES AND COLLECTIONS?

A. Yes. In reconciling the 2020 expenditure and collection amounts, EPE determined that there was a 2020 plan year overage. As defined in 17.7.2.7 NMAC, "plan year overage means the public utility's actual prior plan year expenditures that exceeded the same plan year's actual collections."

Q. IN PERFORMING THIS RECONCILIATION, WHAT AMOUNTS DID EPE INCLUDE IN THE 2020 PLAN YEAR EXPENDITURES?

A. The 2020 plan year expenditures approved for recovery by the Commission in Case No. 18-00116-UT include customer incentives, administrative, marketing, and M&V costs totaling to \$5,150,027, of which \$4,857,630 was recovered through the EUERF, and \$227,942 of administration costs recovered through base rates. 2020 plan year expenditures are shown in Exhibit AH-3, page 4.

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
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1 **Q. WHAT UTILITY INCENTIVE AMOUNT DID THE COMMISSION**
2 **APPROVE FOR THE 2020 PLAN YEAR AND HOW IS THAT INCENTIVE**
3 **AMOUNT REFLECTED IN THE 2020 RECONCILIATION?**

4 **A.** EPE's Commission-approved baseline incentive was 7.1 percent for verified annual
5 savings of 12 Gigawatt-hours ("GWh"), with an adder incentive of 0.075 percent for
6 each 1.0 GWh of additional energy savings, up to a maximum of 7.6657 percent.
7 Because EPE's 2020 verified annual savings were 16.1 GWh (a net increase of
8 4.0 GWh), the utility incentive increased by 0.30 percent (0.075 percent x 4) to 7.40
9 percent. This results in a utility incentive amount of \$381,102 for the 2020 plan year.
10 This mechanism, which was approved in Case No. 16-00185-UT and Case No. 18-
11 00116-UT, is shown in Exhibit AH-3, page 5.

12
13 **Q. IN PERFORMING THIS RECONCILIATION, WHAT AMOUNTS DID EPE**
14 **INCLUDE IN THE 2020 PLAN YEAR COLLECTIONS?**

15 **A.** The 2020 plan year collections include all EUERF tariff revenues recovered in 2020
16 amounting to \$4,857,630 and \$227,942 of administration costs not recovered in the
17 EUERF. Exhibit AH-3, page 3, details the EUERF tariff revenues by rate class.

18
19 **Q. HAS EPE PROVIDED A MONTHLY RECONCILIATION OF 2020 PLAN**
20 **YEAR PROGRAM COSTS AND COLLECTIONS?**

21 **A.** Yes. Exhibit AH-3, page 1, shows the monthly reconciliation resulting in an overage
22 of \$902,001 as of December 2020. EPE calculated its 2020 cumulative overage on a
23 monthly basis beginning in January 2017 through December 2020. This approach is

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
ADRIAN HERNANDEZ**

different than in previous EE/LM filings where EPE would have to apply overages or underages to its next plan year budget (two years later) as required by the rule.

Q. HOW DOES EPE PROPOSE TO TREAT THE 2020 PLAN YEAR OVERAGE?

A. As explained in EPE witness Araceli G. Perea's direct testimony, EPE is seeking a variance related to the 2020 overage. EPE proposes to not remove the 2020 plan year overage from its 2022 plan year budget. Instead, EPE proposes to include the cumulative overage in the proposed EUERF for 2022 as a reconciling element. This methodology will ensure that tariff over/under collections are reconciled properly and will make it easier for the inclusion of possible carrying charges in the future. The issue of carrying charges will be addressed later in this testimony.

Q. IS EPE REQUESTING APPROVAL OF THE 2020 RECONCILIATION?

A. Yes.

V. COMPLIANCE REQUIREMENTS – CARRYING CHARGES

Q. HAS EPE COMPLIED WITH THE RECOMMENDED DECISION AND FINAL ORDER IN CASE NO. 18-00116-UT?

A. Yes. In Case No. 18-00116-UT, the Recommended Decision and Final Order directed EPE in its next EE/LM filing to address the issue of carrying charges in its testimony, including appropriate rates and to what costs carrying charges should apply.

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
ADRIAN HERNANDEZ**

1

2 **Q. WHAT INTEREST RATE(S) WOULD EPE PROPOSE TO USE FOR**
3 **CARRYING CHARGES?**

4 **A.** If ordered by the Commission, EPE would propose to use the annual customer deposit
5 interest rate set by the NMPRC each year. Going forward, EPE would apply the
6 interest rate to the over or under recovery of the EUERF on a monthly basis. To stay
7 consistent with the definition of overage and underage, if EPE's expenditures exceed
8 its revenues, then the carrying charges will be positive (an overage) and EPE earns
9 interest, whereas if the revenues exceed expenditures, the carrying charges will be
10 negative (an underage) and EPE owes interest. An illustration of how EPE would
11 prospectively apply carrying charges and the monthly rate is shown for the year 2020
12 in Exhibit AH-4, page 2.

13

14 **Q. WHY IS IT APPROPRIATE TO APPLY INTEREST FOR OUTSTANDING**
15 **BALANCES?**

16 **A.** EE/LM filings are set up in such a way that creates lag between the plan year
17 expenditures and the EUERF recovery. For example, in determining the cumulative
18 overage at the end of 2020, EPE looked at monthly activity from January 2017
19 through December 2020 and there was a consistent pattern of EPE's expenditures
20 starting off low at the beginning of the year and being much higher at the end of a
21 plan year when compared to the EUERF recovery. This pattern can be seen in
22 Exhibit AH-3, page 2. Therefore, it is reasonable to apply carrying charges on a

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
ADRIAN HERNANDEZ**

1 monthly basis to account for this expenditure lag within a given plan year. An
2 illustration of how EPE would calculate carrying charges is shown on Exhibit AH-4.
3

4 **Q. WHY HASN'T EPE INCLUDED CARRYING CHARGES IN ITS 2020**
5 **RECONCILIATION?**

6 **A.** The calculation of carrying charges would be based on a cumulative over or under-
7 recovery balance and EPE has not been allowed to reconcile its over or under
8 recovery through its tariff rider. As previously stated, the requirement has been for
9 EPE to add underages or remove overages from its next plan year budget. Given that
10 plan year budgets were based on historical sales data from two years prior, that
11 treatment does lend itself to carrying charges nor has it been required for EPE to
12 compute carrying charges. EPE is hoping to be allowed to reconcile its plan year
13 expenditures with its EUERF collections in this filing, and if ordered, EPE could start
14 calculating carrying charges prospectively beginning with the cumulative balance that
15 is reconciled in this case.
16

VI. PROPOSED RATE NO. 17 – EUERF

17
18 **Q. WHAT REVENUES DID EPE USE TO CALCULATE THE PROPOSED**
19 **EUERF?**

20 **A.** In accordance with the Final Order from Case No. 16-00185-UT, the plan year budget
21 for 2022 is based on the 2020 historical revenues.¹ To be consistent, I also use these
22 revenues to determine the proposed 2022 EUERF.

¹ NMPRC Case No. 16-00185-UT, Recommended Decision ¶ H (Jan. 12, 2017).

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
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1 As shown in Exhibit AH-5, page 2, EPE's total New Mexico revenues in 2020
2 were \$166,624,786. However, as discussed below, two rate classes are not eligible to
3 participate in EPE's EE/LM programs resulting in total eligible revenues of
4 \$157,771,453 from rate classes that are eligible to participate in energy efficiency
5 programs.

6
7 **Q. WHICH RATE CLASSES ARE NOT ELIGIBLE TO PARTICIPATE IN**
8 **EPE'S ENERGY EFFICIENCY PROGRAMS?**

9 **A.** Two rate classes are not eligible to participant in EPE's EE/LM programs. The first is
10 Rate Class 10 – Military Research and Development, which as a result of Case
11 No. 11-00047-UT, the Final Order states "shall not participate in the energy
12 efficiency programs" and "shall not be assessed the energy efficiency rate rider"².
13 The second is Rate Class 12 – Private Area Lighting because the facilities under this
14 rate are company-owned.

15
16 **Q. ON WHAT BASIS DOES EPE EXCLUDE REVENUES FROM THESE TWO**
17 **INELIGIBLE RATE CLASSES FROM ITS NEW MEXICO REVENUES**
18 **FROM ITS EE/LM PROGRAM BUDGET?**

19 **A.** As stated in 17.7.2.13.A NMAC, "recovery of program costs shall only be from
20 customer classes with an opportunity to participate in approved measures and
21 programs."

22

² Section G in Case No. 11-00047-UT Final Order Adopting Certification of Partial Stipulation and Recommended Decision.

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
ADRIAN HERNANDEZ**

1 **Q. IS THE EUERF NOT APPLICABLE TO ANY OTHER RATE SCHEDULES?**

2 **A.** Yes. The EUERF is not applicable to Rate Schedule Nos. 21 through 24. These are
3 rate schedules related to cogeneration, and these customers pay the EUERF through
4 their standard rate schedule.

5

6 **Q. WHAT IS THE RESULTING PERCENT USED TO CALCULATE THE**
7 **EUERF?**

8 **A.** As discussed above, EPE's estimated eligible revenues for 2022 are \$157,771,453.
9 After applying the budget percentage of 3.9463 percent, the estimated budget for
10 2022 is \$6,226,213 (\$157,771,453 multiplied by 3.9463 percent). This calculation is
11 shown in more detail in Exhibit AH-5, page 2.

12

13 **Q. GIVEN THE INCREASE TO THE 2022 BUDGET PERCENTAGE, DOES EPE**
14 **ANTICIPATE THAT A CUSTOMER CAP WILL APPLY IN 2022?**

15 **A.** While it is not known at this point, it is certainly possible that the customer cap of
16 \$75,000 will be reached by a single customer before the end of calendar year 2022.
17 EPE will monitor this each calendar year to ensure the customer is capped at \$75,000.

18

19 **Q. WHAT UTILITY INCENTIVE PERCENTAGE IS EPE USING TO**
20 **CALCULATE THE PROPOSED EUERF?**

21 **A.** As addressed by EPE witness Perea, EPE is requesting continuation of the approved
22 incentive mechanism, with a minor modification to use the latest commission-
23 approved WACC. Going forward, the updated baseline incentive will be scaled down

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
ADRIAN HERNANDEZ**

1 to 6.60 percent to coincide with the decrease in EPE's commission-approved WACC
2 of 7.18 percent from Case No. 20-00104-UT. The proposed utility incentive amounts
3 to \$410,930 (\$6,226,213 multiplied by 6.60 percent) as shown in Exhibit AH-5, page
4 3. Consistent with the mechanism approved for 2020, any additional increment will
5 not be added until the savings are verified after the 2022 plan year.
6

7 **Q. FOR ILLUSTRATIVE PURPOSES ONLY, HAS EPE CALCULATED THE**
8 **EUERF WITH ADMINISTRATIVE COSTS RECOVERED IN BASE RATES**
9 **TO SHOW THE IMPACT ON EPE'S BUDGET PERCENT?**

10 **A.** Yes.
11

12 **Q. WHAT IS EPE'S PROPOSED RATE EUERF?**

13 **A.** EPE is proposing a revised EUERF of 4.6442 percent. The calculation is shown in
14 Exhibit AH-5, page 1.
15

16 **Q. WHAT COMPONENTS ARE INCLUDED IN EPE'S PROPOSED EUERF?**

17 **A.** EPE's proposed EUERF of 4.6442 percent is comprised of: (1) 3.9463 percent for the
18 percentage of customer billings budgeted for the 2022 plan year, (2) 0.2605 percent
19 for EPE's 2022 baseline energy efficiency utility incentive, (3) -0.1343 percent to
20 remove the administration costs not recovered through the EUERF, and (4) 0.5717
21 percent to reconcile the cumulative overage. This breakout is shown at the bottom of
22 Exhibit AH-5, page 1.
23

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
ADRIAN HERNANDEZ**

1 **Q. HAVE YOU PROVIDED A PROPOSED EUERF TARIFF AND ADVICE**
2 **NOTICE?**

3 **A.**Yes. Exhibit AH-1 contains a copy of EPE's Advice Notice 273 which EPE filed
4 concurrent with this application containing the proposed EUERF tariff for billing in
5 2022.

6
7 **Q. HOW DOES THE PROPOSED EUERF IMPACT A TYPICAL RESIDENTIAL**
8 **CUSTOMER BILL?**

9 **A.**For a typical residential customer using a monthly average of 700 kilowatt-hours, an
10 EUERF of 4.6442 percent of pre-tax bills would represent \$3.69 of the monthly bill.
11 This is an increase of \$1.24 over the current EUERF charge of \$2.45, or a 1.5 percent
12 increase relative to the total current bill. Bill impacts for other usage levels for
13 residential customers and for non-residential customers are shown in Exhibit AH-6.

14
15 **Q. HAS EPE PROPOSED AN EUERF FOR 2023 AND 2024?**

16 **A.**No. EPE is not proposing EUERFs specifically for 2023 or 2024 in this proceeding.
17 The EUERF calculated in this proceeding will remain 4.6442 percent for 2023 and
18 2024. Any overage or underage will be addressed in EPE's next EE/LM filing.

19

20

21

VII. CONCLUSION

22 **Q. PLEASE SUMMARIZE YOUR DIRECT TESTIMONY.**

**EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
ADRIAN HERNANDEZ**

1 **A.** EPE reconciled its 2020 plan year and the resulting overage will not be reduced from
2 its 2022 plan year budget. Instead, EPE is proposing to include the cumulative
3 overage of \$902,001 in the EUERF. EPE has addressed the issue of carrying charges
4 in this case to comply with the order from Case No. 18-00116-UT. Finally, EPE
5 requests approval for its revised EUERF of 4.6442 percent.

6

7 **Q.** **DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

8 **A.** Yes, it does.

EL PASO ELECTRIC COMPANY

ADVICE NOTICE NO. 273

PAGE 1 OF 1

**NEW MEXICO PUBLIC REGULATION COMMISSION
OF THE STATE OF NEW MEXICO**

El Paso Electric Company (EPE) hereby gives notice to the public and the Commission of the filing and publishing of the following changes in its Rates, which are attached hereto:

RATES

Rate Number	Title of Rate	Cancelling Rate Number	Date Effective
12 th Revised Rate No. 17	Efficient Use of Energy Recovery Factor (EUERF)	11 th Revised Rate No. 17	01/01/2022

x

Advice Notice No. 273

Signature/Title _____

James Schichtl
Vice President - Regulatory and
Governmental Affairs

EL PASO ELECTRIC COMPANY
REVISED TABLE OF CONTENTS

RATE SCHEDULES

PAGE 1 OF 2

Rate Schedule Number	<u>Title</u>	
12 ^h Revised Rate 1	Residential Service Rate	
14 th Revised Rate 3	Small General Service Rate	
14 th Revised Rate 4	General Service Rate	
15 th Revised Rate 5	Irrigation Service Rate	
11 th Revised Rate 7	City and County Service Rate	
12 th Revised Rate 8	Water, Sewage, Storm Sewage Pumping or Sewage Disposal Rate	
12 th Revised Rate 9	Large Power Service Rate	
14 th Revised Rate 10	Military Research and Development Power Rate	
13 th Revised Rate 11	Street Lighting Service Rate	
13 th Revised Rate 12	Private Area Lighting Rate	
9 th Revised Rate 15	Miscellaneous Service Charges	
41 st Revised Rate 16	Purchased Power Service	
12 th Revised Rate 17	Efficient Use of Energy Recovery Factor (EUERF)	X
20 th Revised Rate 18	Fuel and Purchased Power Cost Adjustment Clause (FPPCAC)	
11 th Revised Rate 19	Seasonal Agriculture Processing Service Rate	
11 th Revised Rate 21	Supplementary Power Service for Cogeneration and Small Power Production Facilities	
11 th Revised Rate 22	Backup Power Service for Cogeneration and Small Power Production Facilities	

Advice Notice No. 273

Signature/Title _____
James Schichtl
Vice President – Regulatory and
Governmental Affairs

EL PASO ELECTRIC COMPANY
REVISED TABLE OF CONTENTS

RATE SCHEDULES

PAGE 2 OF 2

11 th Revised Rate 23	Maintenance Power Service for Cogeneration and Small Power Production Facilities
11 th Revised Rate 24	Curtailable Power Service for Cogeneration and Small Power Production Facilities
9 th Revised Rate 25	Outdoor Recreational Lighting Service Rate
8 th Revised Rate 26	State University Service Rate
6 th Revised Rate 29	Noticed Interruptible Service for Rate Large Power Service
7 th Revised Rate 30	Load Retention Rate
3 rd Revised Rate 32	Voluntary Renewable Energy Rate
5 th Revised Rate 33	Small System Renewable Energy Certificate Purchase
4 th Revised Rate 34	Medium System Renewable Energy Certificate Purchase
2 nd Revised Rate 35	Large System Renewable Energy Certificate Purchase
3 rd Revised Rate 38	Renewable Portfolio Standard (RPS) Cost Rider
1 st Revised Rate 39	Economic Development Rate
1 st Revised Rate 41	Federal Tax Credit Factor (FTCF)
Original Rate 42	Experimental Electric Vehicle Charging Rate (EEVC)
Original Rate 43	Merger Rate Credit Factor (MRCF)

Advice Notice No. 273

Signature/Title _____

James Schichtl
Vice President – Regulatory and
Governmental Affairs

**EL PASO ELECTRIC COMPANY
TWELFTH REVISED RATE NO. 17
CANCELLING ELEVENTH REVISED RATE NO. 17**

Exhibit AH-1

Page 4 of 5

X

X

EFFICIENT USE OF ENERGY RECOVERY FACTOR (EUERF)

Page 1 of 2

APPLICABILITY

This rate schedule is applicable to electric service billed under the rate schedules indicated below.

Pursuant to the New Mexico Public Regulation Commission Rule 17.7.2, the EUERF allows the Company to recover the cost of energy efficiency programs from the customer classes with an opportunity to participate under such programs.

TERRITORY

Areas served by the Company in Doña Ana, Sierra, Otero and Luna Counties.

EUERF MONTHLY FACTOR

The monthly charge for the EUERF hereunder shall be comprised of the following rate charges, not to exceed \$75,000 per customer per year.

<u>Rate No.</u>	<u>Rate Schedule Description</u>	<u>Total EUERF per Pre-Tax Charges</u>	
01	Residential Service Rate	4.6442%.	X
03	Small General Service Rate	4.6442%.	X
04	General Service Rate	4.6442%.	X
05	Irrigation Service Rate	4.6442%.	X
07	City and County Service Rate	4.6442%.	X
08	Water, Sewage, Storm Sewage Pumping or Sewage Disposal Rate	4.6442%.	X
09	Large Power Service Rate	4.6442%.	X

Advice Notice No. 273

Signature/Title _____

**James Schichtl
Vice President – Regulatory and
Governmental Affairs**

**EL PASO ELECTRIC COMPANY
TWELFTH REVISED RATE NO. 17
CANCELLING ELEVENTH REVISED RATE NO. 17**

Exhibit AH-1

Page 5 of 5

X

X

EFFICIENT USE OF ENERGY RECOVERY FACTOR (EUERF)

Page 2 of 2

11	Street Lighting Service Rate	4.6442%.	X
19	Seasonal Agriculture Processing Service Rate	4.6442%.	X
25	Outdoor Recreational Lighting Service Rate	4.6442%.	X
26	State University Service Rate	4.6442%.	X
29	Noticed Interruptible Service Rate for Large Power Service	4.6442%.	X
30	Load Retention Rate	4.6442%.	X

Advice Notice No. 273

Signature/Title _____

**James Schichtl
Vice President – Regulatory and
Governmental Affairs**

EL PASO ELECTRIC COMPANY
2021 NEW MEXICO ENERGY EFFICIENCY FILING
WEIGHTED AVERAGE COST OF CAPITAL
APPROVED IN CASE NO. 20-00104-UT

EXHIBIT AH-2
PAGE 1 OF 1

	(a)	(b)	(c)	(d)	(e)
Line	Description	Percent of Total	Cost of Capital	Weighted Avg. Cost of Capital	
1	Long-term Debt	50.79%	5.42%	2.75%	
2	Common Equity	<u>49.21%</u>	9.00%	<u>4.43%</u>	
3	Total	<u>100.00%</u>		<u>7.18%</u>	

Amounts may not add or tie due to rounding.

	(a)	(b)	(c)	(d)	(e)	(f)
Monthly Summary						
Month	EUERF Program Expenses	Admin. Expenses Through Base	Utility Incentive 7.40%	EUERF Recovery	Recovery Through Base	Overage/ (Underage)
Beg. Bal. (2017-2019)						\$456,443
January 2020	\$37,663	\$18,995	\$4,193	\$366,869	\$18,995	\$131,430
February	119,850	18,995	10,275	323,504	18,995	(61,950)
March	323,625	18,995	25,354	284,669	18,995	2,361
April	382,527	18,995	29,713	271,483	18,995	143,117
May	271,549	18,995	21,500	328,709	18,995	107,458
June	233,457	18,995	18,681	442,644	18,995	(83,049)
July	448,332	18,995	34,582	672,186	18,995	(272,320)
August	216,532	18,995	17,429	639,493	18,995	(677,853)
September	345,366	18,995	26,963	540,059	18,995	(845,583)
October	434,074	18,995	33,527	450,197	18,995	(828,178)
November	522,650	18,995	40,082	252,395	18,995	(517,842)
December	1,586,459	18,997	118,804	285,420	18,997	\$902,001
Total	\$4,922,085	\$227,942	\$381,102	\$4,857,630	\$227,942	

EL PASO ELECTRIC COMPANY
ENERGY EFFICIENCY RECONCILIATION
FROM JANUARY 2017 THROUGH DECEMBER 2020

EXHIBIT AH-3
PAGE 2 OF 5

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Monthly Summary							
Month	EUERF Program Expenses	Admin. Expenses Through Base	Utility Incentive	EUERF Recovery	Recovery Through Base	Monthly Activity (f) = (a) + (b) + (c) - (e) - (d)	Cumulative Overage/ (Underage)
Beg. Bal.							\$0
January 2017	\$2,257	\$18,995	\$1,557	\$315,767	\$18,995	(\$311,953)	(\$311,953)
February	\$118,260	\$18,995	\$10,054	\$309,911	\$18,995	(\$181,597)	(\$493,550)
March	\$411,053	\$18,995	\$31,501	\$361,407	\$18,995	\$81,147	(\$412,403)
April	\$270,085	\$18,995	\$21,175	\$320,537	\$18,995	(\$29,277)	(\$441,679)
May	\$493,557	\$18,995	\$37,544	\$409,082	\$18,995	\$122,019	(\$319,660)
June	\$419,782	\$18,995	\$32,140	\$610,677	\$18,995	(\$158,755)	(\$478,415)
July	\$288,158	\$18,995	\$22,499	\$685,775	\$18,995	(\$375,119)	(\$853,533)
August	\$238,771	\$18,995	\$18,881	\$566,027	\$18,995	(\$308,374)	(\$1,161,908)
September	\$246,073	\$18,995	\$19,416	\$497,984	\$18,995	(\$232,494)	(\$1,394,402)
October	\$361,800	\$18,995	\$27,893	\$417,228	\$18,995	(\$27,535)	(\$1,421,937)
November	\$431,449	\$18,995	\$32,995	\$314,408	\$18,995	\$150,036	(\$1,271,901)
December	\$941,696	\$18,995	\$70,371	\$349,745	\$18,995	\$662,321	(\$609,580)
January 2018	\$200	\$14,518	\$1,128	\$359,040	\$14,518	(\$357,711)	(\$967,291)
February	\$10,458	\$14,518	\$1,915	\$307,541	\$14,518	(\$295,168)	(\$1,262,459)
March	\$182,901	\$14,518	\$15,134	\$294,128	\$14,518	(\$96,093)	(\$1,358,552)
April	\$180,295	\$14,518	\$14,934	\$287,340	\$14,518	(\$92,111)	(\$1,450,663)
May	\$367,658	\$14,518	\$29,296	\$365,586	\$14,518	\$31,368	(\$1,419,295)
June	\$287,088	\$14,518	\$23,120	\$514,013	\$14,518	(\$203,804)	(\$1,623,099)
July	\$338,818	\$14,518	\$27,086	\$632,526	\$14,518	(\$266,622)	(\$1,889,721)
August	\$385,895	\$14,518	\$30,695	\$594,891	\$14,518	(\$178,301)	(\$2,068,022)
September	\$660,269	\$14,518	\$51,727	\$540,510	\$14,518	\$171,486	(\$1,896,537)
October	\$183,944	\$14,518	\$15,213	\$402,993	\$14,518	(\$203,836)	(\$2,100,372)
November	\$277,987	\$14,518	\$22,423	\$282,248	\$14,518	\$18,161	(\$2,082,212)
December	\$2,016,583	\$14,518	\$155,698	\$334,547	\$14,518	\$1,837,734	(\$244,477)
January 2019	\$0	\$18,995	\$1,448	\$351,969	\$18,995	(\$350,520)	(\$594,998)
February	\$11,922	\$18,995	\$2,357	\$323,910	\$18,995	(\$309,630)	(\$904,627)
March	\$92,664	\$18,995	\$8,514	\$315,726	\$18,995	(\$214,548)	(\$1,119,175)
April	\$138,864	\$18,995	\$12,037	\$214,906	\$18,995	(\$64,005)	(\$1,183,180)
May	\$154,753	\$18,995	\$13,248	\$315,774	\$18,995	(\$147,773)	(\$1,330,953)
June	\$268,774	\$18,995	\$21,942	\$432,283	\$18,995	(\$141,567)	(\$1,472,520)
July	\$462,875	\$18,995	\$36,743	\$497,222	\$18,995	\$2,395	(\$1,470,125)
August	\$622,666	\$18,995	\$48,927	\$496,467	\$18,995	\$175,125	(\$1,295,000)
September	\$347,428	\$18,995	\$27,940	\$573,152	\$18,995	(\$197,783)	(\$1,492,783)
October	\$473,656	\$18,995	\$37,565	\$454,447	\$18,995	\$56,774	(\$1,436,009)
November	\$639,787	\$18,995	\$50,232	\$297,290	\$18,995	\$392,729	(\$1,043,281)
December	\$1,675,350	\$18,995	\$129,194	\$304,819	\$18,995	\$1,499,724	\$456,443
January 2020	\$37,663	\$18,995	\$4,193	\$366,869	\$18,995	(\$325,014)	\$131,430
February	\$119,850	\$18,995	\$10,275	\$323,504	\$18,995	(\$193,379)	(\$61,950)
March	\$323,625	\$18,995	\$25,354	\$284,669	\$18,995	\$64,311	\$2,361
April	\$382,527	\$18,995	\$29,713	\$271,483	\$18,995	\$140,756	\$143,117
May	\$271,549	\$18,995	\$21,500	\$328,709	\$18,995	(\$35,659)	\$107,458
June	\$233,457	\$18,995	\$18,681	\$442,644	\$18,995	(\$190,506)	(\$83,049)
July	\$448,332	\$18,995	\$34,582	\$672,186	\$18,995	(\$189,272)	(\$272,320)
August	\$216,532	\$18,995	\$17,429	\$639,493	\$18,995	(\$405,532)	(\$677,853)
September	\$345,366	\$18,995	\$26,963	\$540,059	\$18,995	(\$167,731)	(\$845,583)
October	\$434,074	\$18,995	\$33,527	\$450,197	\$18,995	\$17,405	(\$828,178)
November	\$522,650	\$18,995	\$40,082	\$252,395	\$18,995	\$310,337	(\$517,842)
December	\$1,586,459	\$18,997	\$118,804	\$285,420	\$18,997	\$1,419,843	\$902,001

EL Paso Electric Company
New Mexico Energy Efficiency Revenue By Month & Rate Class
For the 2020 Program Year

2020 New Mexico EUERF Revenue By Month and Major Rate Class													
	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
Rate Class 01	(200,917)	(165,724)	(138,265)	(126,991)	(167,691)	(240,041)	(383,679)	(361,507)	(298,075)	(218,233)	(120,762)	(150,172)	(2,572,055)
Rate Class 03	(47,658)	(45,257)	(41,614)	(38,923)	(43,851)	(54,194)	(75,847)	(72,779)	(66,283)	(60,136)	(38,435)	(39,225)	(624,202)
Rate Class 04	(61,433)	(60,031)	(56,387)	(54,415)	(61,187)	(71,514)	(102,325)	(98,881)	(81,727)	(88,594)	(49,978)	(50,635)	(837,106)
Rate Class 05	(1,695)	(2,236)	(3,034)	(8,715)	(15,919)	(14,236)	(17,902)	(15,175)	(20,797)	(17,366)	(6,177)	(3,261)	(126,513)
Rate Class 07	(13,198)	(13,090)	(11,838)	(10,714)	(12,219)	(14,612)	(19,619)	(21,034)	(18,155)	(16,500)	(8,907)	(9,250)	(169,136)
Rate Class 08	(6,514)	(6,445)	(5,536)	(6,244)	(6,592)	(8,471)	(13,933)	(11,269)	(10,086)	(9,729)	(4,792)	(5,154)	(94,766)
Rate Class 09	(25,965)	(24,009)	(22,148)	(20,089)	(16,866)	(30,314)	(44,239)	(42,475)	(35,274)	(31,084)	(16,563)	(19,182)	(328,208)
Rate Class 11	(880)	(881)	(860)	(856)	(817)	(839)	(947)	(923)	(864)	(936)	(801)	(829)	(10,431)
Rate Class 19	(5,361)	(2,346)	(1,113)	(950)	(1,142)	(2,553)	(4,384)	(5,761)	(2,022)	(1,701)	(3,593)	(4,939)	(35,867)
Rate Class 25	(223)	(241)	(249)	(83)	(35)	(43)	(108)	(105)	(100)	(111)	(80)	(52)	(1,432)
Rate Class 26	(3,024)	(3,244)	(3,625)	(3,505)	(2,390)	(5,826)	(9,203)	(9,586)	(6,676)	(5,809)	(2,307)	(2,720)	(57,914)
TOTAL	(366,869)	(323,504)	(284,669)	(271,483)	(328,709)	(442,644)	(672,186)	(639,493)	(540,059)	(450,197)	(252,395)	(285,420)	(4,857,630)

Programs	Administration	Marketing	M&V	Customer Incentives	Total Program Expenses
Educational					
LivingWise Program	\$ 2,993	\$ 1,354	\$ 9,000	\$ 19,928	\$ 33,274
Residential					
Residential Comprehensive Program	\$ 208,014	\$ 38,563	\$ 15,106	\$ 533,388	\$ 795,071
Residential Lighting Program	\$ 173,411	\$ 957	\$ -	\$ 341,185	\$ 515,554
ENERGY STAR New Homes Program	\$ 165,797	\$ 429	\$ 11,000	\$ 251,793	\$ 429,019
Residential Load Management	\$ 111,594	\$ 71,468	\$ 15,000	\$ 29,700	\$ 227,762
Low Income					
NM EnergySaver Program	\$ 147,187	\$ 18,720	\$ -	\$ 778,779	\$ 944,686
Commercial					
Commercial Comprehensive	\$ 200,525	\$ 4,160	\$ 15,106	\$ 357,699	\$ 577,491
SCORE Plus Program	\$ 603,287	\$ 2,575	\$ 19,106	\$ 793,928	\$ 1,418,896
Commercial Load Management	\$ 138,408	\$ 66	\$ 20,000	\$ 49,800	\$ 208,274
TOTAL	\$ 1,751,215	\$ 138,294	\$ 104,318	\$ 3,156,200	\$ 5,150,027

EL PASO ELECTRIC COMPANY
UTILITY INCENTIVE MECHANISM

EXHIBIT AH-3
PAGE 5 OF 5

Line	% of retail sales	Projected annual savings (GWh)	Cumulative energy savings (GWh)	Plan Year 2020 Total Expenditures	Profit incentive % (of program costs)	Profit incentive opportunity (\$)	Incremental addition (\$)
1	1.94%	12	159.5	\$5,150,027	7.1000%	\$365,652	
2	1.95%	13	160.5	\$5,150,027	7.1750%	\$369,514	\$3,863
3	1.96%	14	161.5	\$5,150,027	7.2500%	\$373,377	\$3,863
4	1.98%	15	162.5	\$5,150,027	7.3250%	\$377,239	\$3,863
5	1.99%	16	163.5	\$5,150,027	7.4000%	\$381,102	\$3,863
6	2.00%	17	164.5	\$5,150,027	7.4750%	\$384,965	\$3,863
7	2.01%	18	165.5	\$5,150,027	7.5500%	\$388,827	\$3,863
8	2.02%	19	166.5	\$5,150,027	7.6250%	\$392,690	\$3,863
9	2.04%	20	167.5	\$5,150,027	7.6657%	\$394,786	\$2,096
10	2.05%	21	168.5	\$5,150,027	7.6657%	\$394,786	\$0

EL PASO ELECTRIC COMPANY
EFFICIENT USE OF ENERGY RECOVERY FACTOR CALCULATION

EXHIBIT AH-5
PAGE 1 OF 3

<u>Line</u>	<u>Description</u>	<u>Amount</u>	<u>Formula or Reference</u>
1	2020 Total New Mexico Revenues	\$166,624,786	Exhibit AH-5, Page 2
2	Less: Revenue Not Subject to EUERF	(8,853,333)	Exhibit AH-5, Page 2
3	2020 Revenues Subject to EUERF	\$157,771,453	L1 + L2
4	Percent of Billings	3.9463%	Between 3%-5%
5	2022 EE/LM Annual Budget	\$6,226,213	L3 x L4
6	Utility Incentive Baseline Percentage	6.60%	Exhibit AH-5, Page 3
7	Estimated Utility Incentive Recovered in EUERF	\$410,930	L5 x L6
8	Less: Admin. Costs Not Recovered Through EUERF	(211,956)	Annual Report
9	2020 Cumulative Overage Amount	\$ 902,001	Exhibit AH-3
10	Amount to be Collected through EUERF	\$7,327,188	L6 + L8 + L9
11	Proposed Efficient Use of Energy Recovery Factor	4.6442%	L10 ÷ L4
<u>EUERF Components</u>			
12	2022-2024 EE/LM Annual Budget	3.9463%	L5 ÷ L3
13	Utility Incentive %	0.2605%	L7 ÷ L3
14	Costs Not Recovered in EUERF %	-0.1343%	L8 ÷ L3
15	2020 Cumulative Overages %	0.5717%	L11 ÷ L3
16	Proposed Efficient Use of Energy Recovery Factor	4.6442%	L14 + L15+ L16 + L17

RATE CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2020 TOTAL
NMRT01-RESIDENTIAL	\$6,524,689	\$5,381,785	\$4,490,036	\$4,123,612	\$5,445,793	\$7,795,605	\$12,460,241	\$11,739,970	\$9,680,240	\$7,086,834	\$3,921,452	\$4,876,222	\$83,526,479
NMRT03-SMALL GENERAL	1,547,919	1,471,726	1,355,016	1,266,731	1,428,064	1,765,641	2,472,495	2,362,904	2,155,552	1,952,093	1,247,724	1,274,291	20,300,156
NMRT04-GENERAL SERVICE	2,000,711	1,952,936	1,820,691	1,767,165	1,989,032	2,315,991	3,300,357	3,179,701	2,651,863	2,878,656	1,624,258	1,644,695	27,126,056
NMRT05-IRRIGATION	55,093	72,668	98,567	263,022	516,973	462,336	581,361	492,810	675,384	563,955	200,614	105,927	4,108,700
NMRT07-CITY & COUNTY	428,597	425,077	384,433	347,926	396,819	474,485	637,137	683,096	589,577	535,835	289,258	300,381	5,482,622
NMRT08-PUMPING	210,715	208,468	191,405	202,779	214,091	275,100	452,487	365,961	327,556	315,945	155,630	167,371	3,087,508
NMRT09-LARGE POWER	839,121	778,850	719,436	652,216	550,562	988,489	1,434,496	1,384,058	1,121,956	971,477	521,467	604,077	10,566,205
NMRT10-MILITARY	521,579	488,491	448,287	390,134	406,457	859,644	1,245,480	1,133,932	955,502	733,617	204,827	384,407	7,772,356
NMRT11-STREET LIGHTING	28,565	28,609	27,931	27,786	26,534	27,251	30,745	29,963	28,049	30,390	25,996	26,933	338,751
NMRT12-AREA LIGHTING	91,278	90,585	91,563	88,776	85,254	86,972	96,982	96,982	89,868	95,801	83,506	85,626	1,080,977
NMRT19-SEASONAL AGRICULTURAL	150,533	52,902	13,962	11,853	18,804	64,215	123,746	184,138	65,671	55,228	116,690	160,409	1,018,153
NMRT25-OUTDOOR RECREATIONAL	7,255	7,841	8,098	2,694	1,146	1,410	3,502	3,407	3,244	3,617	2,603	1,681	46,500
NMRT26-STATE UNIVERSITY	98,218	105,340	117,719	113,812	77,599	189,206	298,867	311,291	216,812	188,637	74,903	88,332	1,880,737
NMRT29-INTERRUPTIBLE	24,344	21,272	19,024	18,047	11,283	17,170	34,887	32,958	24,516	38,914	17,359	19,813	279,586
NEW MEXICO TOTAL	\$12,528,618	\$11,086,538	\$9,786,168	\$9,296,555	\$11,168,412	\$15,323,515	\$23,172,783	\$21,998,957	\$18,585,789	\$15,450,999	\$8,486,287	\$9,740,165	\$166,624,786
LESS:													
NMRT10-MILITARY	(521,579)	(488,491)	(448,287)	(390,134)	(406,457)	(859,644)	(1,245,480)	(1,133,932)	(955,502)	(733,617)	(204,827)	(384,407)	(7,772,356)
NMRT12-AREA LIGHTING	(91,278)	(90,585)	(91,563)	(88,776)	(85,254)	(86,972)	(96,982)	(94,767)	(89,868)	(95,801)	(83,506)	(85,626)	(1,080,977)
INELIGIBLE RATE CLASSES	(612,856)	(579,076)	(539,849)	(478,910)	(491,710)	(946,615)	(1,342,462)	(1,228,699)	(1,045,370)	(829,418)	(288,333)	(470,034)	(8,853,333)
TOTAL ELIGIBLE REVENUES	\$11,915,762	\$10,507,462	\$9,246,318	\$8,817,644	\$10,676,701	\$14,376,899	\$21,830,322	\$20,770,257	\$17,540,419	\$14,621,581	\$8,197,955	\$9,270,131	\$157,771,453
3% OF ELIGIBLE REVENUES	\$357,473	\$315,224	\$277,390	\$264,529	\$320,301	\$431,307	\$654,910	\$623,108	\$526,213	\$438,647	\$245,939	\$278,104	\$4,733,144
5% OF ELIGIBLE REVENUES	\$595,788	\$525,373	\$462,316	\$440,882	\$533,835	\$718,845	\$1,091,516	\$1,038,513	\$877,021	\$731,079	\$409,898	\$463,507	\$7,888,573
2022 BUDGET PERCENT	3.9463%	3.9463%	3.9463%	3.9463%	3.9463%	3.9463%	3.9463%	3.9463%	3.9463%	3.9463%	3.9463%	3.9463%	3.9463%
2022 PERCENT OF BILLINGS	\$470,237.61	\$414,661	\$364,892	\$347,975	\$421,340	\$567,363	\$861,501	\$819,667	\$692,206	\$577,019	\$323,520	\$365,831.78	\$6,226,213

EL PASO ELECTRIC COMPANY
UTILITY INCENTIVE MECHANISM - ESTIMATED BASELINE

EXHIBIT AH-5
PAGE 3 OF 3

Line	Projected annual savings (GWh)	Budgeted Plan Year 2022 Total Expenditures	Profit incentive % (of program costs)	Profit incentive opportunity (\$)	Incremental addition (\$)	
1	12	\$6,226,213	6.6000%	\$410,930		Baseline Incentive
2	13	\$6,226,213	6.6750%	\$415,600	\$4,670	
3	14	\$6,226,213	6.7500%	\$420,269	\$4,670	
4	15	\$6,226,213	6.8250%	\$424,939	\$4,670	
5	16	\$6,226,213	6.9000%	\$429,609	\$4,670	
6	17	\$6,226,213	6.9750%	\$434,278	\$4,670	
7	18	\$6,226,213	7.0500%	\$438,948	\$4,670	
8	19	\$6,226,213	7.1250%	\$443,618	\$4,670	
9	20	\$6,226,213	7.1800%	\$447,042	\$3,424	
10	21	\$6,226,213	7.1800%	\$447,042	\$0	

1) Mechanism Approved Case No. 16-00185-UT and Case No. 18-00116-UT

EL PASO ELECTRIC COMPANY
Analysis of EUERF Impacts on
Typical Bills by Rate Class

kWh	kW	Load Factor	Total Pre-Tax Bill	Current EUERF Chrg	Current Bill	Proposed EUERF Chrg	Proposed Bill	Bill Impact
<u>RATE NO. 01 - RESIDENTIAL SERVICE</u>								
0			\$ 7.00	\$ 0.22	\$ 7.22	\$ 0.33	\$ 7.33	1.52%
100			\$ 16.78	\$ 0.52	\$ 17.30	\$ 0.78	\$ 17.56	1.50%
250			\$ 31.45	\$ 0.97	\$ 32.42	\$ 1.46	\$ 32.91	1.51%
500			\$ 56.69	\$ 1.75	\$ 58.44	\$ 2.63	\$ 59.32	1.51%
700			\$ 79.55	\$ 2.45	\$ 82.00	\$ 3.69	\$ 83.24	1.51%
1,000			\$ 113.92	\$ 3.51	\$ 117.43	\$ 5.29	\$ 119.21	1.52%
2,000			\$ 228.55	\$ 7.04	\$ 235.59	\$ 10.61	\$ 239.16	1.52%
<u>RATE NO. 03 - SMALL COMMERCIAL SERVICE (0 to 50 kW)</u>								
730	5	20%	\$ 127.02	\$ 3.91	\$ 130.93	\$ 5.90	\$ 132.92	1.52%
1,460	5	40%	\$ 168.94	\$ 5.20	\$ 174.14	\$ 7.85	\$ 176.79	1.52%
2,190	5	60%	\$ 210.87	\$ 6.49	\$ 217.36	\$ 9.79	\$ 220.66	1.52%
2,920	5	80%	\$ 252.80	\$ 7.78	\$ 260.58	\$ 11.74	\$ 264.54	1.52%
2,190	15	20%	\$ 353.05	\$ 10.87	\$ 363.92	\$ 16.40	\$ 369.45	1.52%
4,380	15	40%	\$ 478.83	\$ 14.74	\$ 493.57	\$ 22.24	\$ 501.07	1.52%
6,570	15	60%	\$ 604.62	\$ 18.62	\$ 623.24	\$ 28.08	\$ 632.70	1.52%
8,760	15	80%	\$ 730.40	\$ 22.49	\$ 752.89	\$ 33.92	\$ 764.32	1.52%
3,650	25	20%	\$ 579.09	\$ 17.83	\$ 596.92	\$ 26.89	\$ 605.98	1.52%
7,300	25	40%	\$ 788.72	\$ 24.29	\$ 813.01	\$ 36.63	\$ 825.35	1.52%
10,950	25	60%	\$ 998.36	\$ 30.74	\$ 1,029.10	\$ 46.37	\$ 1,044.73	1.52%
14,600	25	80%	\$ 1,208.00	\$ 37.20	\$ 1,245.20	\$ 56.10	\$ 1,264.10	1.52%
5,840	40	20%	\$ 918.14	\$ 28.27	\$ 946.41	\$ 42.64	\$ 960.78	1.52%
11,680	40	40%	\$ 1,253.56	\$ 38.60	\$ 1,292.16	\$ 58.22	\$ 1,311.78	1.52%
17,520	40	60%	\$ 1,588.98	\$ 48.93	\$ 1,637.91	\$ 73.80	\$ 1,662.78	1.52%
23,360	40	80%	\$ 1,924.40	\$ 59.26	\$ 1,983.66	\$ 89.37	\$ 2,013.77	1.52%
<u>RATE NO. 03 - SMALL COMMERCIAL ALTERNATE (0 to 50 kW)</u>								
1,000			\$ 137.36	\$ 4.23	\$ 141.59	\$ 6.38	\$ 143.74	1.52%
2,000			\$ 260.72	\$ 8.03	\$ 268.75	\$ 12.11	\$ 272.83	1.52%
4,000			\$ 507.44	\$ 15.63	\$ 523.07	\$ 23.57	\$ 531.01	1.52%
6,000			\$ 754.15	\$ 23.22	\$ 777.37	\$ 35.02	\$ 789.17	1.52%
<u>RATE NO. 04 - GENERAL SERVICE RATE (secondary rate, 50 to 800 kW)</u>								
7,300	50	20%	\$ 1,094.54	\$ 33.70	\$ 1,128.24	\$ 50.83	\$ 1,145.37	1.52%
14,600	50	40%	\$ 1,472.82	\$ 45.35	\$ 1,518.17	\$ 68.40	\$ 1,541.22	1.52%
21,900	50	60%	\$ 1,851.11	\$ 57.00	\$ 1,908.11	\$ 85.97	\$ 1,937.08	1.52%
29,200	50	80%	\$ 2,229.39	\$ 68.65	\$ 2,298.04	\$ 103.54	\$ 2,332.93	1.52%
43,800	300	20%	\$ 6,437.24	\$ 198.22	\$ 6,635.46	\$ 298.96	\$ 6,736.20	1.52%
87,600	300	40%	\$ 8,706.94	\$ 268.11	\$ 8,975.05	\$ 404.37	\$ 9,111.31	1.52%
131,400	300	60%	\$ 10,976.64	\$ 338.00	\$ 11,314.64	\$ 509.78	\$ 11,486.42	1.52%
175,200	300	80%	\$ 13,246.35	\$ 407.89	\$ 13,654.24	\$ 615.19	\$ 13,861.54	1.52%
73,000	500	20%	\$ 10,711.39	\$ 329.84	\$ 11,041.23	\$ 497.46	\$ 11,208.85	1.52%
146,000	500	40%	\$ 14,494.23	\$ 446.32	\$ 14,940.55	\$ 673.14	\$ 15,167.37	1.52%
219,000	500	60%	\$ 18,277.07	\$ 562.81	\$ 18,839.88	\$ 848.82	\$ 19,125.89	1.52%
292,000	500	80%	\$ 22,059.91	\$ 679.29	\$ 22,739.20	\$ 1,024.51	\$ 23,084.42	1.52%

EL PASO ELECTRIC COMPANY
Analysis of EUERF Impacts on
Typical Bills by Rate Class

kWh	kW	Load Factor	Total Pre-Tax Bill	Current EUERF Chrg	Current Bill	Proposed EUERF Chrg	Proposed Bill	Bill Impact
<u>RATE NO. 04 - GENERAL SERVICE RATE (primary rate, 50 to 800 kW)</u>								
7,300	50	20%	\$ 961.96	\$ 29.62	\$ 991.58	\$ 44.68	\$ 1,006.64	1.52%
14,600	50	40%	\$ 1,330.82	\$ 40.98	\$ 1,371.80	\$ 61.81	\$ 1,392.63	1.52%
21,900	50	60%	\$ 1,699.68	\$ 52.34	\$ 1,752.02	\$ 78.94	\$ 1,778.62	1.52%
29,200	50	80%	\$ 2,068.54	\$ 63.70	\$ 2,132.24	\$ 96.07	\$ 2,164.61	1.52%
43,800	300	20%	\$ 5,641.76	\$ 173.73	\$ 5,815.49	\$ 262.01	\$ 5,903.77	1.52%
87,600	300	40%	\$ 7,854.93	\$ 241.88	\$ 8,096.81	\$ 364.80	\$ 8,219.73	1.52%
131,400	300	60%	\$ 10,068.09	\$ 310.03	\$ 10,378.12	\$ 467.58	\$ 10,535.67	1.52%
175,200	300	80%	\$ 12,281.26	\$ 378.18	\$ 12,659.44	\$ 570.37	\$ 12,851.63	1.52%
73,000	500	20%	\$ 9,385.61	\$ 289.01	\$ 9,674.62	\$ 435.89	\$ 9,821.50	1.52%
146,000	500	40%	\$ 13,074.22	\$ 402.59	\$ 13,476.81	\$ 607.19	\$ 13,681.41	1.52%
219,000	500	60%	\$ 16,762.82	\$ 516.18	\$ 17,279.00	\$ 778.50	\$ 17,541.32	1.52%
292,000	500	80%	\$ 20,451.43	\$ 629.76	\$ 21,081.19	\$ 949.81	\$ 21,401.24	1.52%
<u>RATE NO. 05 - IRRIGATION SERVICE RATE</u>								
1,000			\$ 118.77	\$ 3.66	\$ 122.43	\$ 5.52	\$ 124.29	1.52%
5,000			\$ 513.84	\$ 15.82	\$ 529.66	\$ 23.86	\$ 537.70	1.52%
10,000			\$ 1,007.68	\$ 31.03	\$ 1,038.71	\$ 46.80	\$ 1,054.48	1.52%
15,000			\$ 1,501.53	\$ 46.24	\$ 1,547.77	\$ 69.73	\$ 1,571.26	1.52%
<u>RATE NO. 07 - CITY AND COUNTY SERVICE</u>								
1,460	10	20%	\$ 206.77	\$ 6.37	\$ 213.14	\$ 9.60	\$ 216.37	1.52%
2,920	10	40%	\$ 297.04	\$ 9.15	\$ 306.19	\$ 13.80	\$ 310.84	1.52%
4,380	10	60%	\$ 387.31	\$ 11.93	\$ 399.24	\$ 17.99	\$ 405.30	1.52%
5,840	10	80%	\$ 477.59	\$ 14.71	\$ 492.30	\$ 22.18	\$ 499.77	1.52%
14,600	100	20%	\$ 1,910.15	\$ 58.82	\$ 1,968.97	\$ 88.71	\$ 1,998.86	1.52%
29,200	100	40%	\$ 2,812.89	\$ 86.62	\$ 2,899.51	\$ 130.64	\$ 2,943.53	1.52%
43,800	100	60%	\$ 3,715.62	\$ 114.42	\$ 3,830.04	\$ 172.56	\$ 3,888.18	1.52%
58,400	100	80%	\$ 4,618.36	\$ 142.21	\$ 4,760.57	\$ 214.49	\$ 4,832.85	1.52%
43,800	300	20%	\$ 5,695.46	\$ 175.38	\$ 5,870.84	\$ 264.51	\$ 5,959.97	1.52%
87,600	300	40%	\$ 8,403.66	\$ 258.77	\$ 8,662.43	\$ 390.28	\$ 8,793.94	1.52%
131,400	300	60%	\$ 11,111.87	\$ 342.17	\$ 11,454.04	\$ 516.06	\$ 11,627.93	1.52%
175,200	300	80%	\$ 13,820.08	\$ 425.56	\$ 14,245.64	\$ 641.83	\$ 14,461.91	1.52%
73,000	500	20%	\$ 9,480.77	\$ 291.94	\$ 9,772.71	\$ 440.31	\$ 9,921.08	1.52%
146,000	500	40%	\$ 13,994.44	\$ 430.93	\$ 14,425.37	\$ 649.93	\$ 14,644.37	1.52%
219,000	500	60%	\$ 18,508.12	\$ 569.92	\$ 19,078.04	\$ 859.55	\$ 19,367.67	1.52%
292,000	500	80%	\$ 23,021.79	\$ 708.91	\$ 23,730.70	\$ 1,069.18	\$ 24,090.97	1.52%
<u>RATE NO. 08 - MUNICIPAL WATER, SEWAGE, AND PUMPING (Secondary)</u>								
1,000			\$ 104.85	\$ 3.23	\$ 108.08	\$ 4.87	\$ 109.72	1.52%
10,000			\$ 868.48	\$ 26.74	\$ 895.22	\$ 40.33	\$ 908.81	1.52%
50,000			\$ 4,262.39	\$ 131.25	\$ 4,393.64	\$ 197.95	\$ 4,460.34	1.52%
100,000			\$ 8,504.78	\$ 261.89	\$ 8,766.67	\$ 394.98	\$ 8,899.76	1.52%
250,000			\$ 21,231.96	\$ 653.80	\$ 21,885.76	\$ 986.05	\$ 22,218.01	1.52%
500,000			\$ 42,443.91	\$ 1,306.98	\$ 43,750.89	\$ 1,971.18	\$ 44,415.09	1.52%
<u>RATE NO. 08 - MUNICIPAL WATER, SEWAGE, AND PUMPING (Primary)</u>								
1,000			\$ 100.00	\$ 3.08	\$ 103.08	\$ 4.64	\$ 104.64	1.51%
10,000			\$ 819.99	\$ 25.25	\$ 845.24	\$ 38.08	\$ 858.07	1.52%
50,000			\$ 4,019.94	\$ 123.79	\$ 4,143.73	\$ 186.69	\$ 4,206.63	1.52%
100,000			\$ 8,019.88	\$ 246.96	\$ 8,266.84	\$ 372.46	\$ 8,392.34	1.52%
250,000			\$ 20,019.70	\$ 616.47	\$ 20,636.17	\$ 929.75	\$ 20,949.45	1.52%
500,000			\$ 40,019.39	\$ 1,232.32	\$ 41,251.71	\$ 1,858.58	\$ 41,877.97	1.52%

EL PASO ELECTRIC COMPANY
Analysis of EUERF Impacts on
Typical Bills by Rate Class

kWh	kW	Load Factor	Total Pre-Tax Bill	Current EUERF Chrg	Current Bill	Proposed EUERF Chrg	Proposed Bill	Bill Impact
<u>RATE NO. 09 - LARGE POWER SERVICE (secondary, above 800 kW)</u>								
146,000	1,000	20%	\$ 20,690.23	\$ 637.11	\$ 21,327.34	\$ 960.90	\$ 21,651.13	1.52%
292,000	1,000	40%	\$ 27,259.19	\$ 839.39	\$ 28,098.58	\$ 1,265.97	\$ 28,525.16	1.52%
438,000	1,000	60%	\$ 33,828.15	\$ 1,041.67	\$ 34,869.82	\$ 1,571.05	\$ 35,399.20	1.52%
584,000	1,000	80%	\$ 40,397.11	\$ 1,243.95	\$ 41,641.06	\$ 1,876.12	\$ 42,273.23	1.52%
292,000	2,000	20%	\$ 41,253.46	\$ 1,270.32	\$ 42,523.78	\$ 1,915.89	\$ 43,169.35	1.52%
584,000	2,000	40%	\$ 54,391.39	\$ 1,674.87	\$ 56,066.26	\$ 2,526.04	\$ 56,917.43	1.52%
876,000	2,000	60%	\$ 67,529.31	\$ 2,079.43	\$ 69,608.74	\$ 3,136.20	\$ 70,665.51	1.52%
1,168,000	2,000	80%	\$ 80,667.23	\$ 2,483.99	\$ 83,151.22	\$ 3,746.35	\$ 84,413.58	1.52%
438,000	3,000	20%	\$ 61,816.69	\$ 1,903.52	\$ 63,720.21	\$ 2,870.89	\$ 64,687.58	1.52%
876,000	3,000	40%	\$ 81,523.58	\$ 2,510.36	\$ 84,033.94	\$ 3,786.12	\$ 85,309.70	1.52%
1,314,000	3,000	60%	\$ 101,230.46	\$ 3,117.19	\$ 104,347.65	\$ 4,701.35	\$ 105,931.81	1.52%
1,752,000	3,000	80%	\$ 120,937.34	\$ 3,724.02	\$ 124,661.36	\$ 5,616.57	\$ 126,553.91	1.52%
<u>RATE NO. 09 - LARGE POWER SERVICE (primary, above 800 kW)</u>								
146,000	1,000	20%	\$ 20,107.49	\$ 619.17	\$ 20,726.66	\$ 933.83	\$ 21,041.32	1.52%
292,000	1,000	40%	\$ 26,552.64	\$ 817.64	\$ 27,370.28	\$ 1,233.16	\$ 27,785.80	1.52%
438,000	1,000	60%	\$ 32,997.79	\$ 1,016.10	\$ 34,013.89	\$ 1,532.48	\$ 34,530.27	1.52%
584,000	1,000	80%	\$ 39,442.94	\$ 1,214.57	\$ 40,657.51	\$ 1,831.81	\$ 41,274.75	1.52%
292,000	2,000	20%	\$ 40,087.97	\$ 1,234.43	\$ 41,322.40	\$ 1,861.77	\$ 41,949.74	1.52%
584,000	2,000	40%	\$ 52,978.27	\$ 1,631.36	\$ 54,609.63	\$ 2,460.42	\$ 55,438.69	1.52%
876,000	2,000	60%	\$ 65,868.58	\$ 2,028.29	\$ 67,896.87	\$ 3,059.07	\$ 68,927.65	1.52%
1,168,000	2,000	80%	\$ 78,758.88	\$ 2,425.22	\$ 81,184.10	\$ 3,657.72	\$ 82,416.60	1.52%
438,000	3,000	20%	\$ 60,068.46	\$ 1,849.69	\$ 61,918.15	\$ 2,789.70	\$ 62,858.16	1.52%
876,000	3,000	40%	\$ 79,403.91	\$ 2,445.08	\$ 81,848.99	\$ 3,687.68	\$ 83,091.59	1.52%
1,314,000	3,000	60%	\$ 98,739.36	\$ 3,040.48	\$ 101,779.84	\$ 4,585.65	\$ 103,325.01	1.52%
1,752,000	3,000	80%	\$ 118,074.82	\$ 3,635.88	\$ 121,710.70	\$ 5,483.63	\$ 123,558.45	1.52%
<u>RATE NO. 11 - STREET LIGHTING SERVICE</u>								
O.H. Wiring System Wood								
175W MV 7,000 L - 195 Watts			\$ 14.65	\$ 0.45	\$ 15.10	\$ 0.68	\$ 15.33	1.52%
250W MV 11,000 L - 275 Watts			\$ 18.17	\$ 0.56	\$ 18.73	\$ 0.84	\$ 19.01	1.49%
400W MV 20,000 L - 450 Watts			\$ 25.80	\$ 0.79	\$ 26.59	\$ 1.20	\$ 27.00	1.54%
150W HPS 14,400 L - 193 Watts			\$ 14.72	\$ 0.45	\$ 15.17	\$ 0.68	\$ 15.40	1.52%
250W HPS 23,200 L - 313 Watts			\$ 20.24	\$ 0.62	\$ 20.86	\$ 0.94	\$ 21.18	1.53%
400W HPS 45,000 L - 485 Watts			\$ 27.85	\$ 0.86	\$ 28.71	\$ 1.29	\$ 29.14	1.50%
31W - 50W LED 14,400 L - 31 - 50 W			\$8.39	\$ 0.26	\$ 8.65	\$ 0.39	\$ 8.78	1.50%
51W - 100W LED 23,200 L - 51-100 \			\$11.01	\$ 0.34	\$ 11.35	\$ 0.51	\$ 11.52	1.50%
O.H. Wiring Sys Met Poles Co.Owned								
150W HPS 14,400 L - 193 Watts			\$ 18.20	\$ 0.56	\$ 18.76	\$ 0.85	\$ 19.05	1.55%
250W HPS 23,200 L - 313 Watts			\$ 23.72	\$ 0.73	\$ 24.45	\$ 1.10	\$ 24.82	1.51%
400W HPS 45,000 L - 485 Watts			\$ 33.82	\$ 1.04	\$ 34.86	\$ 1.57	\$ 35.39	1.52%
31W - 50W LED 14,400 L - 31 - 50 W			\$ 10.80	\$ 0.33	\$ 11.13	\$ 0.50	\$ 11.30	1.53%
51W - 100W LED 23,200 L - 51-100 \			\$ 13.42	\$ 0.41	\$ 13.83	\$ 0.62	\$ 14.04	1.52%
U.G. Wiring Sys Met Poles Co Owned								
150W HPS 14,400 L - 193 Watts			\$ 21.95	\$ 0.68	\$ 22.63	\$ 1.02	\$ 22.97	1.50%
250W HPS 23,200 L - 313 Watts			\$ 27.60	\$ 0.85	\$ 28.45	\$ 1.28	\$ 28.88	1.51%
400W HPS 45,000 L - 485 Watts			\$ 35.37	\$ 1.09	\$ 36.46	\$ 1.64	\$ 37.01	1.51%
31W - 50W LED 14,400 L - 31 - 50 W			\$ 14.06	\$ 0.43	\$ 14.49	\$ 0.65	\$ 14.71	1.52%
51W - 100W LED 23,200 L - 51-100 \			\$ 16.67	\$ 0.51	\$ 17.18	\$ 0.77	\$ 17.44	1.51%

EL PASO ELECTRIC COMPANY
Analysis of EUERF Impacts on
Typical Bills by Rate Class

kWh	kW	Load Factor	Total Pre-Tax Bill	Current EUERF Chrg	Current Bill	Proposed EUERF Chrg	Proposed Bill	Bill Impact
<u>RATE NO. 11 - STREET LIGHTING SERVICE - CONTINUED</u>								
U.G. Wiring System on Wood Poles								
150W HPS 14,400 L - 193 Watts			\$ 16.63	\$ 0.51	\$ 17.14	\$ 0.77	\$ 17.40	1.52%
250W HPS 23,200 L - 313 Watts			\$ 22.07	\$ 0.68	\$ 22.75	\$ 1.03	\$ 23.10	1.54%
400W HPS 45,000 L - 485 Watts			\$ 29.66	\$ 0.91	\$ 30.57	\$ 1.38	\$ 31.04	1.54%
31W - 50W LED 14,400 L - 31 - 50 W			\$ 11.08	\$ 0.34	\$ 11.42	\$ 0.51	\$ 11.59	1.49%
51W - 100W LED 23,200 L - 51-100 W			\$ 13.69	\$ 0.42	\$ 14.11	\$ 0.64	\$ 14.33	1.56%
U.G. Wiring System City Owned								
175W MV 7,000 L - 195 Watts			\$ 3.79	\$ 0.12	\$ 3.91	\$ 0.18	\$ 3.97	1.53%
400W MV 20,000 L - 450 Watts			\$ 8.73	\$ 0.27	\$ 9.00	\$ 0.41	\$ 9.14	1.55%
150W HPS 14,400 L - 175 Watts			\$ 3.41	\$ 0.11	\$ 3.52	\$ 0.16	\$ 3.57	1.42%
180W LPS 19,800 L - 250 Watts			\$ 4.85	\$ 0.15	\$ 5.00	\$ 0.23	\$ 5.08	1.60%
250W HPS 23,200 L - 313 Watts			\$ 6.06	\$ 0.19	\$ 6.25	\$ 0.28	\$ 6.34	1.44%
250W LPS 33,000L - 365 Watts			\$ 7.06	\$ 0.22	\$ 7.28	\$ 0.33	\$ 7.39	1.51%
400W HPS 45,000 L - 485 Watts			\$ 9.37	\$ 0.29	\$ 9.66	\$ 0.44	\$ 9.81	1.55%
21W-30W LED			\$ 0.52	\$ 0.02	\$ 0.54	\$ 0.02	\$ 0.54	0.00%
31W-40W LED			\$ 0.71	\$ 0.02	\$ 0.73	\$ 0.03	\$ 0.74	1.36%
41W-50W LED			\$ 0.91	\$ 0.03	\$ 0.94	\$ 0.04	\$ 0.95	1.06%
51W-60W LED			\$ 1.10	\$ 0.03	\$ 1.13	\$ 0.05	\$ 1.15	1.76%
61W-70W LED			\$ 1.28	\$ 0.04	\$ 1.32	\$ 0.06	\$ 1.34	1.51%
71W-80W LED			\$ 1.47	\$ 0.05	\$ 1.52	\$ 0.07	\$ 1.54	1.31%
81W-90W LED			\$ 1.66	\$ 0.05	\$ 1.71	\$ 0.08	\$ 1.74	1.75%
91W-100W LED			\$ 1.85	\$ 0.06	\$ 1.91	\$ 0.09	\$ 1.94	1.57%
101W-110W LED			\$ 2.04	\$ 0.06	\$ 2.10	\$ 0.09	\$ 2.13	1.43%
111W-130W LED			\$ 2.33	\$ 0.07	\$ 2.40	\$ 0.11	\$ 2.44	1.66%
131W-150W LED			\$ 2.71	\$ 0.08	\$ 2.79	\$ 0.13	\$ 2.84	1.79%
151W-170W LED			\$ 3.09	\$ 0.10	\$ 3.19	\$ 0.14	\$ 3.23	1.25%
171W-190W LED			\$ 3.47	\$ 0.11	\$ 3.58	\$ 0.16	\$ 3.63	1.39%
191W-210W LED			\$ 3.84	\$ 0.12	\$ 3.96	\$ 0.18	\$ 4.02	1.51%
211W-230W LED			\$ 4.22	\$ 0.13	\$ 4.35	\$ 0.20	\$ 4.42	1.61%
231W-250W LED			\$ 4.60	\$ 0.14	\$ 4.74	\$ 0.21	\$ 4.81	1.48%
251W-270W LED			\$ 4.98	\$ 0.15	\$ 5.13	\$ 0.23	\$ 5.21	1.56%
<u>RATE NO. 19 - SEASONAL AGRICULTURAL PROCESSING SERVICE</u>								
1,460	10	20%	\$ 197.44	\$ 6.08	\$ 203.52	\$ 9.17	\$ 206.61	1.52%
2,920	10	40%	\$ 374.88	\$ 11.54	\$ 386.42	\$ 17.41	\$ 392.29	1.52%
4,380	10	60%	\$ 552.33	\$ 17.01	\$ 569.34	\$ 25.65	\$ 577.98	1.52%
5,840	10	80%	\$ 729.77	\$ 22.47	\$ 752.24	\$ 33.89	\$ 763.66	1.52%
7,300	50	20%	\$ 907.21	\$ 27.94	\$ 935.15	\$ 42.13	\$ 949.34	1.52%
14,600	50	40%	\$ 1,794.42	\$ 55.26	\$ 1,849.68	\$ 83.34	\$ 1,877.76	1.52%
21,900	50	60%	\$ 2,681.64	\$ 82.58	\$ 2,764.22	\$ 124.54	\$ 2,806.18	1.52%
29,200	50	80%	\$ 3,568.85	\$ 109.90	\$ 3,678.75	\$ 165.74	\$ 3,734.59	1.52%
14,600	100	20%	\$ 1,794.42	\$ 55.26	\$ 1,849.68	\$ 83.34	\$ 1,877.76	1.52%
29,200	100	40%	\$ 3,568.85	\$ 109.90	\$ 3,678.75	\$ 165.74	\$ 3,734.59	1.52%
43,800	100	60%	\$ 5,343.27	\$ 164.54	\$ 5,507.81	\$ 248.15	\$ 5,591.42	1.52%
58,400	100	80%	\$ 7,117.70	\$ 219.18	\$ 7,336.88	\$ 330.56	\$ 7,448.26	1.52%
43,800	300	20%	\$ 5,343.27	\$ 164.54	\$ 5,507.81	\$ 248.15	\$ 5,591.42	1.52%
87,600	300	40%	\$ 10,666.55	\$ 328.45	\$ 10,995.00	\$ 495.38	\$ 11,161.93	1.52%
131,400	300	60%	\$ 15,989.82	\$ 492.37	\$ 16,482.19	\$ 742.60	\$ 16,732.42	1.52%
175,200	300	80%	\$ 21,313.09	\$ 656.29	\$ 21,969.38	\$ 989.82	\$ 22,302.91	1.52%

EL PASO ELECTRIC COMPANY
Analysis of EUERF Impacts on
Typical Bills by Rate Class

kWh	kW	Load Factor	Total Pre-Tax Bill	Current EUERF Chrg	Current Bill	Proposed EUERF Chrg	Proposed Bill	Bill Impact
<u>RATE NO. 25 - OUTDOOR RECREATIONAL LIGHTING</u>								
0			\$ 18.00	\$ 0.55	\$ 18.55	\$ 0.84	\$ 18.84	1.56%
100			\$ 29.36	\$ 0.90	\$ 30.26	\$ 1.36	\$ 30.72	1.52%
500			\$ 74.79	\$ 2.30	\$ 77.09	\$ 3.47	\$ 78.26	1.52%
1,000			\$ 131.58	\$ 4.05	\$ 135.63	\$ 6.11	\$ 137.69	1.52%
5,000			\$ 585.90	\$ 18.04	\$ 603.94	\$ 27.21	\$ 613.11	1.52%
10,000			\$ 1,153.80	\$ 35.53	\$ 1,189.33	\$ 53.58	\$ 1,207.38	1.52%
20,000			\$ 2,289.60	\$ 70.50	\$ 2,360.10	\$ 106.33	\$ 2,395.93	1.52%
<u>RATE NO. 26 - STATE UNIVERSITY SERVICE</u>								
1,460,000	10,000	20%	\$ 158,631.73	\$ 4,884.75	\$ 163,516.48	\$ 7,367.17	\$ 165,998.90	1.52%
2,920,000	10,000	40%	\$ 228,482.35	\$ 7,035.66	\$ 235,518.01	\$ 10,611.18	\$ 239,093.53	1.52%
4,380,000	10,000	60%	\$ 298,332.96	\$ 9,186.57	\$ 307,519.53	\$ 13,855.18	\$ 312,188.14	1.52%
5,840,000	10,000	80%	\$ 368,183.58	\$ 11,337.48	\$ 379,521.06	\$ 17,099.18	\$ 385,282.76	1.52%

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF EL PASO ELECTRIC)
COMPANY'S APPLICATION FOR)
APPROVAL OF ITS 2022-2024 ENERGY)
EFFICIENCY AND LOAD MANAGEMENT)
PLAN, UTILITY INCENTIVE AND REVISED)
RATE NO. 17- EFFICIENT USE OF ENERGY)
RECOVERY FACTOR)

Case No. 21-00114-UT

EL PASO ELECTRIC COMPANY,)
Applicant.)
_____)

DECLARATION OF ADRIAN HERNANDEZ IN SUPPORT OF
THE FOREGOING DIRECT TESTIMONY IN EL PASO
ELECTRIC'S APPLICATION FOR APPROVAL OF ITS 2022-2024
ENERGY EFFICIENCY AND LOAD MANAGEMENT PLAN, UTILITY
INCENTIVE AND REVISED RATE NO. 17-EFFICIENT USE OF
ENERGY RECOVERY FACTOR

I *Adrian Hernandez*, pursuant to Rule 1-011 NMRA, state as follows:

1. I affirm in writing under penalty of perjury under the laws of the State of New Mexico that the following statements are true and correct.
2. I am over 18 years of age and have personal knowledge of the facts stated herein. I am employed by El Paso Electric Company as the *Senior Rate Analyst*.
3. The foregoing Direct Testimony of Adrian Hernandez, together with all exhibits sponsored therein and attached thereto, is true and accurate based on my knowledge and belief.
4. I submit this Declaration, based upon my personal knowledge and upon information and belief, in support of EPE's *Application for Approval of Its 2022-2024 Energy Efficiency and Load Management Plan, Utility Incentive and Revised Rate No. 17-Efficient Use of Energy Recovery Factor*.

FURTHER, DECLARANT SAYETH NAUGHT.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 15, 2021.

/s/ Adrian Hernandez

ADRIAN HERNANDEZ