

# Weatherization in the State of Texas

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*A Report to Meet the Requirements of Rider 14 of H.B. 1,  
87<sup>th</sup> Legislature  
Calendar Year 2020*

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## INTRODUCTION

The 87th Texas Legislature included Rider 14 as part of the General Appropriations. Rider 14 charges the Texas Department of Housing and Community Affairs (TDHCA or the Department) with the responsibility to report on weatherization efforts for the State of Texas. Rider 14 states:

*“Reporting on Weatherization Efforts. As part of its efforts to help low-income Texans eligible for weatherization to conserve energy and lower bills, Texas Department of Housing and Community Affairs (TDHCA) shall use funds appropriated above to coordinate with investor-owned utilities, from which TDHCA receives funds, and that offer energy efficiency programs for Texans meeting low-income eligibility criteria to make sure the monies available for low-income energy efficiency programs spent both through the agency and through utility programs are effectively and adequately spent. The TDHCA shall use funds appropriated above to produce an annual report with information about the number of low-income household benefiting from energy efficiency monies through state, federal and utility-funded programs, the total amount of federal, utility and state funds expended on the programs, the average amount spent per unit weatherized in each program, as well as the peak electricity demand reduction, the amount overall electric energy saved, the amount of money saved and the number of job and job years created. A copy of the annual report shall be delivered to the Lieutenant Governor, Speaker and Governor, as well as made available on TDHCA's website by March 15th of 2022 and March 15th of 2023.”*

In 1991, the 72nd Texas Legislature created TDHCA, giving it the programs from the former Department of Community Affairs, one of which was the Weatherization Assistance Program (WAP) funded by the U.S. Department of Energy (DOE). In 1992, the Low Income Home Energy Assistance Program (LIHEAP) was transferred from the Texas Department of Human Services to TDHCA. LIHEAP funds added to the existing WAP funds administered by TDHCA. For nearly 30 years, TDHCA has been conducting weatherization for low-income households throughout the State of Texas.

The benefits of weatherization have been under study for many years. A report from Oak Ridge National Laboratory, a contracted independent laboratory for the DOE, found that weatherization generated benefits for ratepayers, households, and society as a whole. The *Weatherization Works – Summary of Findings from the Retrospective Evaluation of the U.S. Department of Energy’s Weatherization Assistance Program* report published in 2014 found that low-income households that received weatherization benefited from improved affordability of their place of residence by reduced utility costs and benefited from safety and health improvements, including fewer fires and fewer illnesses. In addition, the Oak Ridge report found that weatherization typically lowered costs for utility companies as a result of the reduced rate of nonpayment and costs associated with collections for nonpayment and fewer needs for service provision, such as emergency service calls. These savings to utility companies tend to be passed on to ratepayers. Finally, weatherization creates societal benefits such as reduced emissions because of reduced energy usage and reduced unemployment as a result of the weatherization program.<sup>1</sup>

This report describes the efforts and estimates the effects of the State of Texas’ weatherization program and similar programs offered by the utility companies in 2020 that provide weatherization services, as stipulated by Texas Utilities Code §39.905. The Department does not regulate these utility companies; information is based

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<sup>1</sup> [Weatherization Works - Summary of Findings from the Retrospective Evaluation of the U.S. Department of Energy’s Weatherization Assistance Program, September 2014. Publication no. ORNL/TM-2014-338. <https://www.energy.gov/sites/prod/files/2015/09/f26/weatherization-works-retrospective-evaluation.pdf>.](https://www.energy.gov/sites/prod/files/2015/09/f26/weatherization-works-retrospective-evaluation.pdf)

on what utility companies filed with the Public Utility Commission of Texas (PUCT). Estimates on cost savings were compiled based on these filings.

## **SECTION I: TYPES OF WEATHERIZATION PROGRAMS**

### **State Weatherization Programs**

There are no state-funded residential weatherization programs in Texas applicable to this reporting requirement.

### **Federally-funded Weatherization Programs**

The Texas Department of Housing and Community Affairs (TDHCA) administers a residential Weatherization Assistance Program (WAP) which is funded by the U.S. Department of Energy (DOE) and by the U.S. Health and Human Services (USHHS) through its Low Income Home Energy Assistance Program (LIHEAP). These federally funded programs are administered through TDHCA's Community Affairs Division.

TDHCA administers WAP through a network of Subrecipients. WAP allocates funding to serve all 254 counties to help households control energy costs through the installation of weatherization measures and energy conservation education. The Subrecipients consist of Community Action Agencies (CAAs), nonprofit entities, and units of local government.

The DOE WAP and LIHEAP WAP Program Year (PY) runs from January to December. During PY 2020, the targeted beneficiaries of DOE WAP in Texas were households with an income at or below 200 percent of Federal Poverty Guidelines with priority given to the elderly; persons with disabilities; families with young children; households with the highest energy costs or needs in relation to income (highest home energy burden); and households with high energy consumption. Household income eligibility was 150 percent of the Federal Poverty Guidelines for LIHEAP WAP and has the same priority populations as DOE WAP.

The summary information regarding the performance of the WAP network is as of the date indicated. It reflects performance of the network as a whole. Although not specifically identified in that high level data, it is noted that from time to time one or more members of that network might have encountered compliance issues, failed to expend funds fully, relinquished their program, or have had one or more contracts terminated. The Department monitors all WAP providers to ensure compliant usage of these resources.

### **Utility-Funded Low-Income Energy Efficiency Programs**

The 79th Texas Legislature passed SB 712 requiring unbundled transmission and distribution utilities (TDUs) to provide funds for a targeted low-income energy efficiency program as described under Texas Utilities Code §39.905, if funding for such programs is not provided through the System Benefit Fund.<sup>2</sup> TDUs may contract with nonprofit or for-profit energy efficiency service providers to administer these programs. As required by statute, these targeted programs are to be coordinated with TDHCA's existing weatherization programs and therefore are included in the Rider 14 report.

For the purposes of this report, only the utility-funded weatherization programs provided to low-income customers will be included. These low-income customers are usually served under the category called "hard-to-reach

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<sup>2</sup> Texas Utilities Code §39.201 established a System Benefit Fund (SBF) to be funded by utilities at a rate determined by the PUCT. The SBF can be used, according to §39.903, to fund programs to assist low-income electric customers. The SBF is not active. Historical SBF balances were eliminated as required under House Bill (HB) 7, 83<sup>rd</sup> Legislature, Regular Session and HB 1101, 84<sup>th</sup> Legislature, Regular Session.

programs.” A list of the weatherization hard-to-reach programs is in Appendix A, taken from the energy efficiency plans and reports filed in 2020 with the PUCT.

The eight utilities that provide funding under Texas Utilities Code §39.905 requirements are as follows:

1. AEP Texas Inc.
2. CenterPoint Energy Houston Electric, LLC
3. El Paso Electric Company
4. Entergy Texas, Inc.
5. Oncor Electric Delivery Company LLC
6. Southwestern Electric Power Company
7. Southwestern Public Service Company
8. Texas-New Mexico Power Company

AEP Texas reports their efficiency plans under both the AEP Texas Inc. Central Division and AEP North Division. These two divisions are reported as one combined entity AEP Texas.

## SECTION II: Service Areas and Eligibility

### Federally Funded Weatherization

The most complete data available for this report is for calendar year (CY) 2020 (January 1, 2020 to December 31, 2020). See table below.

**Table 1: Service Areas of TDHCA WAP Subrecipient Contractors, CY 2020**

TDHCA WAP Contractor	WAP Counties Served
Alamo Area Council of Governments	Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina, Wilson
Baker Ripley	Harris
Big Bend Community Action Committee, Inc.	Brewster, Crane, Culberson, Hudspeth, Jeff Davis, Pecos, Presidio, Terrell
Brazos Valley Community Action Agency, Inc.	Brazos, Burleson, Grimes, Leon, Madison, Montgomery, Robertson, Walker, Waller, Washington
City of Fort Worth	Tarrant
Combined Community Action, Inc.	Austin, Bastrop, Blanco, Caldwell, Colorado, Fayette, Fort Bend, Hays, Lee
Community Action Committee of Victoria, Texas	Aransas, Bee, Brazoria, Calhoun, DeWitt, Goliad, Gonzales, Jackson, Lavaca, Live Oak, Matagorda, McMullen, Refugio, Victoria, Wharton
Community Action Corporation of South Texas	Brooks, Cameron, Duval, Hidalgo, Jim Hogg, Jim Wells, Kenedy, Kleberg, San Patricio, Starr, Webb, Willacy, Zapata
Community Council of South Central Texas, Inc.	Dimmit, Edwards, Kinney, LaSalle, Maverick, Real, Uvalde, Val Verde, Zavala
Concho Valley Community Action Agency	Coke, Coleman, Concho, Crockett, Irion, Kimble, McCulloch, Menard, Reagan, Runnels, Schleicher, Sterling, Sutton, Tom Green
Dallas County Department of Health and Human Services	Dallas
Economic Opportunities Advancement Corporation of PR XI	Bosque, Ellis, Falls, Freestone, Hill, Johnson, Limestone, McLennan, Navarro
El Paso Community Action Program, Project Bravo, Inc.	El Paso

TDHCA WAP Contractor	WAP Counties Served
Greater East Texas Community Action Program (GETCAP)	Anderson, Angelina, Chambers, Cherokee, Galveston, Gregg, Hardin, Harrison, Henderson, Houston, Jasper, Jefferson, Kaufman, Liberty, Nacogdoches, Newton, Orange, Panola, Polk, Rusk, Sabine, San Augustine, San Jacinto, Shelby, Smith, Trinity, Tyler, Upshur, Van Zandt, Wood
Hill Country Community Action Association, Inc.	Bell, Burnet, Coryell, Erath, Hamilton, Lampasas, Llano, Mason, Milam, Mills, San Saba, Somervell, Williamson
Nueces County Community Action Agency	Nueces
Panhandle Community Services	Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler
Rolling Plains Management Corporation	Archer, Baylor, Brown, Callahan, Clay, Comanche, Cottle, Eastland, Foard, Hardeman, Haskell, Hood, Jack, Jones, Kent, Knox, Montague, Palo Pinto, Parker, Shackelford, Stephens, Stonewall, Taylor, Throckmorton, Wichita, Wilbarger, Wise, Young
South Plains Community Action Association, Inc.	Bailey, Cochran, Crosby, Dickens, Floyd, Garza, Hale, Hockley, King, Lamb, Lubbock, Lynn, Motley, Terry, Yoakum
Texoma Council of Governments	Bowie, Camp, Cass, Collin, Cooke, Delta, Denton, Fannin, Franklin, Grayson, Hopkins, Hunt, Lamar, Marion, Morris, Rains, Red River, Rockwall, Titus
Travis County	Travis
West Texas Opportunities, Inc.	Andrews, Borden, Dawson, Ector, Fisher, Gaines, Glasscock, Howard, Loving, Martin, Midland, Mitchell, Nolan, Reeves, Scurry, Upton, Ward, Winkler

Data for federal programs included in this report is from TDHCA’s WAP. See the chart below for program specific eligibility guidelines. Each dwelling unit weatherized will count as a “household.”

**Table 2: TDHCA WAP Eligibility Guidelines**

Program	CY 2020
DOE WAP	200%
LIHEAP WAP	150%



## Utility-Funded Weatherization

Data for the utilities that participate in Texas Utilities Code §39.905 are compiled from energy efficiency plans and reports filed with the PUCT in 2021 for 2020 data. The following table shows the utilities and their hard-to-reach service areas.

**Table 3: Hard-to-reach/Low-Income Weatherization Service Areas of Utilities Participating in Texas Utilities Code §39.905**

Utility	Counties Served
AEP Texas Inc.	Aransas, Brewster, Briscoe, Brooks, Callahan, Cameron, Childress, Cottle, Crockett, Dimmit, Hall, Hardeman, Hidalgo, Irion, Jones, Kinney, Kleberg, LaSalle, Live Oak, Matagorda, Maverick, Motley, Nueces, Presidio, Reagan, Reeves, Runnels, San Patricio, Starr, Taylor, Tom Green, Upton, Val Verde, Victoria, Webb, Wilbarger, Zavala
CenterPoint Energy	Brazoria, Fort Bend, Harris,
El Paso Electric Company	Culberson, El Paso, Hudspeth
Entergy Texas, Inc.	Brazos, Chambers, Galveston, Grimes, Hardin, Jefferson, Liberty, Madison, Montgomery, Orange, San Jacinto, Trinity, Walker
Oncor Electric Delivery Company	Anderson, Archer, Bell, Cherokee, Collin, Cooke, Coryell, Dallas, Dawson, Denton, Ector, Ellis, Falls, Fannin, Grayson, Hill, Hopkins, Howard, Lamar, Lampassas, Martin, McLennan, Midland, Milam, Mitchell, Nacogdoches, Navarro, Nolan, Parker, Red River, Rockwall, Scurry, Smith, Stephens, Tarrant, Wichita, Williamson
Southwestern Electric Power Company	Bowie, Camp, Cass, Franklin, Gregg, Hall, Harrison, Panola, Rusk, Titus, Upshur, Van Zandt, Wood
Southwestern Public Service Company	Armstrong, Bailey, Castro, Cochran, Crosby, Deaf Smith, Gaines, Garza, Gray, Hale, Hockley, Hutchinson, Lamb, Lubbock, Moore, Parmer, Potter, Randall
Texas - New Mexico Power Company	Archer, Bosque, Brazoria, Clay, Comanche, Cooke, Coryell, Denton, Fannin, Galveston, Grayson, Hamilton, Hill, Hunt, Montague, Rains, Reeves, Terrell, Titus, Ward, Winkler, Young

Note: Table 3 only lists counties

A customer participating in hard-to-reach weatherization programs offered by the utility will count as a “household.” The hard-to-reach designation denotes customers who are in the 200 percent Federal Poverty Guidelines income category and below. See table below for household income eligibility.

**Table 4: Household Income Eligibility of Utilities Participating in Texas Utilities Code §39.905, CY 2020**

Utility	Program	% of Federal Poverty Guidelines for Household Eligibility
AEP Texas Inc.	Hard-to-Reach Standard Offer Program	200%
AEP Texas Inc.	Targeted Low-Income Energy Efficiency Program	200%
CenterPoint Energy	Hard-To-Reach Standard Offer Program	200%
CenterPoint Energy	Targeted Low-income Market Transformation Program	200%
CenterPoint Energy	Multi-Family Market Transformation Program (MTP)*	200%
El Paso Electric Company	Hard-to-Reach Solutions	200%
Entergy	Hard To Reach Standard Offer Program	200%
Oncor Electric Delivery	Hard-to-Reach Standard Offer Program	200%
Oncor Electric Delivery	Targeted Weatherization Low-Income Standard Offer Program	200%
Southwestern Electric Power Company	Hard To Reach Standard Offer Program	200%
Southwestern Public Service	Hard-To-Reach Standard Offer Program	200%
Southwestern Public Service	Low-Income Weatherization	200%
Texas - New Mexico Power Company	Hard-To-Reach Standard Offer Program	200%
Texas - New Mexico Power Company	Low Income Weatherization	200%

\*The Multi-Family MTP is targeted at both the residential market and the hard-to-reach market.

## SECTION III: LOW-INCOME HOUSEHOLDS

### Federally-Funded Weatherization

In 2020, 2,615 low-income households benefited from weatherization to their dwelling unit through TDHCA's WAP program which includes DOE WAP and LIHEAP WAP. The distribution of low-income households served in CY 2020 among the WAP subrecipient contractors can be seen in the following table; some households may have received assistance from both programs.

**Table 5: Dwellings Weatherized through TDHCA's WAP in CY 2020**

Entity	DOE Total	LIHEAP Total
Alamo Area Council of Governments	18	226
Baker Ripley	72	266
Big Bend Community Action Committee, Inc.	3	9
Brazos Valley Community Action Agency, Inc.	9	49
City of Fort Worth	23	155
Combined Community Action, Inc.	9	62
Community Action Committee of Victoria, Texas	10	29
Community Action Corporation of South Texas	52	285
Community Council of South Central Texas, Inc.	19	54
Concho Valley Community Action Agency	7	30
Dallas County Department of Health and Human Services	42	185
Economic Opportunities Advancement Corporation of PR XI	9	63
El Paso Community Action Program, Project Bravo, Inc.	21	73
Greater East Texas Community Action Program (GETCAP)	43	209
Hill Country Community Action Association, Inc.	14	61
Nueces County Community Action Agency	3	29
Panhandle Community Services	13	31
Rolling Plains Management Corporation	2	89
South Plains Community Action Association, Inc.	8	30

Entity	DOE Total	LIHEAP Total
Texoma Council of Governments	43	137
Travis County	4	75
West Texas Opportunities, Inc.	23	21
<b>TOTAL</b>	<b>447</b>	<b>2,168</b>

In 2020, the vast majority of the Department’s WAP program funding was derived from LIHEAP WAP. The total amount of funds expended by the TDHCA WAP program for this period was \$23,485,328.64. The distribution of the program funds expended by program can be seen in the following table.

**Table 6: Total Program Funds Expended by TDHCA’s WAP in CY 2020**

TDHCA WAP Program	Program Funds Expended in CY 2020	Funds Expended per Weatherized Unit
DOE WAP	\$4,309,334.32	\$9,640.57
LIHEAP WAP	\$19,175,994.32	\$8,845.02

### Utility-Funded Weatherization

In 2020, 24,835 low-income households participating in hard-to-reach programs benefited from energy efficiency monies through utilities. The total amount of funds expended by the programs during CY 2020 was \$25,145,575, compared to \$25,240,655 in 2019. TDHCA is only reporting figures filed by organizations to the Public Utilities Commission and does not verify the accuracy of these values.

**Table 7: Customers Served by Utilities Participating in Texas Utilities Code §39.905, CY 2020, Total Program Funds Expended by Utilities and Average Amount Expended per Unit**

Utility	Program	Participating Hard-to-Reach Customers	Total Program Funds Expended	Average Amount Expended per Unit
AEP Texas Inc.	Hard-To-Reach SOP	1,893	\$1,400,867	\$740.02
AEP Texas Inc.	Targeted Low-Income Energy Efficiency Program	472	\$1,913,313	\$4,053.63
Centerpoint Energy Houston Electric , LLC	Hard-To-Reach SOP	477	\$598,848	\$1,255.45
Centerpoint Energy Houston Electric , LLC	Multifamily MTP HTR	3,245	\$417,022	\$128.51

Utility	Program	Participating Hard-to-Reach Customers	Total Program Funds Expended	Average Amount Expended per Unit
Centerpoint Energy Houston Electric , LLC	Targeted Low-Income MTP (Agencies in Action)	1,708	\$4,065,878	\$2,380.49
El Paso Electric Company	Hard-To-Reach Solutions MTP	1,215	\$664,708	\$547.08
Entergy Texas, Inc.	Hard-To-Reach SOP	2,912	\$1,036,640	\$355.99
Oncor Electric Delivery Company LLC	Hard-To-Reach SOP	9,258	\$6,949,748	\$750.67
Oncor Electric Delivery Company LLC	Targeted Low-Income SOP	1,250	\$5,321,890	\$4,257.51
Southwestern Electric Power Company	Hard-To-Reach SOP	576	\$828,028	\$1,437.55
Southwestern Public Service Company	Hard-To-Reach SOP	831	\$526,200	\$633.21
Southwestern Public Service Company	Low-Income Weatherization	315	\$461,005	\$1,463.51
Texas-New Mexico Power Company	Hard-To-Reach SOP	456	\$466,421	\$1,022.85
Texas-New Mexico Power Company	Low-Income Weatherization	227	\$495,007	\$2,180.65
<b>Total</b>		<b>24,835</b>	<b>\$25,145,575</b>	<b>\$988.39</b>

## SECTION IV: ENERGY SAVED

### Federally-Funded Weatherization

According to the DOE, the average annual energy saved is 29.3 MBTUs (million British thermal unit) per dwelling unit weatherized. TDHCA used the applicable conversion rate of 293.1 to convert the MBTUs to kilowatt-hours. For an estimate of energy saved, TDHCA used the following formula:

$$[\text{Total Units}] \times 29.3 \times 293.1$$

Energy savings were calculated by multiplying the number of dwelling units weatherized by the DOE algorithm for average annual energy saved through weatherization per dwelling.<sup>3</sup>

To calculate money saved, TDHCA multiplied the total kilowatt-hours saved by the DOE average retail residential electric rate per kilowatt-hour, which is \$0.1171 per kWh for Texas in 2020.<sup>4</sup> TDHCA used the following formula:

$$[\text{Energy Saved}] \times [\text{average electric rate price (per kWh)}].$$

**Table 8: Estimated Energy Saved through TDHCA's WAP, CY 2020**

Entity	Total Units	Energy Saved (kWhs)	Money Saved (\$)
Alamo Area Council of Governments	244	2,095,430.52	\$245,374.91
Baker Ripley	338	2,902,686.54	\$341,355.94
Big Bend Community Action Committee, Inc.	12	103,053.96	\$12,119.15
Brazos Valley Community Action Agency, Inc.	58	498,094.14	\$58,575.87
City of Fort Worth	178	1,528,633.74	\$179,767.33
Combined Community Action, Inc.	71	609,735.93	\$71,704.95
Community Action Committee of Victoria, Texas	39	334,925.37	\$39,387.22
Community Action Corporation of South Texas	337	2,894,098.71	\$340,346.01

<sup>3</sup> This calculation is taken from "Weatherization Works- Summary of Findings from the Retrospective Evaluation of the U.S. Department of Energy's Weatherization Assistance Program" prepared by Oak Ridge National Laboratory. Document Number: ORNL/TM-2014/338, page 12. <<https://www.energy.gov/sites/prod/files/2015/09/f26/weatherization-works-retrospective-evaluation.pdf>>.

<sup>4</sup> This rate is available at [http://www.eia.gov/electricity/data/state/avgprice\\_annual.xlsx](http://www.eia.gov/electricity/data/state/avgprice_annual.xlsx).

Entity	Total Units	Energy Saved (kWhs)	Money Saved (\$)
Community Council of South Central Texas, Inc.	73	626,911.59	\$73,724.80
Concho Valley Community Action Agency	37	317,749.71	\$37,367.37
Dallas County Department of Health and Human Services	227	1,949,437.41	\$229,253.84
Economic Opportunities Advancement Corporation of PR XI	72	618,323.76	\$72,714.87
El Paso Community Action Program, Project Bravo, Inc.	94	807,256.02	\$94,933.31
Greater East Texas Community Action Program (GETCAP)	252	2,164,133.16	\$254,502.06
Hill Country Community Action Association, Inc.	75	644,087.25	\$75,744.66
Nueces County Community Action Agency	32	274,810.56	\$32,317.72
Panhandle Community Services	44	377,864.52	\$44,436.87
Rolling Plains Management Corporation	91	781,492.53	\$91,903.52
South Plains Community Action Association, Inc.	38	326,337.54	\$38,377.29
Texoma Council of Governments	180	1,545,809.40	\$181,787.19
Travis County	79	678,438.57	\$79,784.38
West Texas Opportunities, Inc.	44	377,864.52	\$44,436.87
<b>TOTAL</b>	<b>2,615</b>	<b>22,457,175.45</b>	<b>\$2,639,916.12</b>

### Utility-Funded Weatherization

In the 2020 energy efficiency plan and reports filed with the PUCT, each utility that participates in Texas Utilities Code §39.905 reports on kWh saved through their programs for 2020. The total amount saved was 54,079,798 kWh in 2020, compared to 53,790,423 kWh in 2019.

The total money saved for low-income households served through utility-funded weatherization was estimated to be \$6,359,784 in 2020, as compared to \$6,325,754 in 2019. The formula used to estimate the money saved for federally-funded programs is the same formula used to calculate the money saved for utility customers.

**Table 9: Estimated Energy Savings and Customer Savings by Utilities Participating in Texas Utilities Code §39.905, CY 2020**

Utility	Program	kWh Saved (Reported & Verified)	Energy Cost Saved (\$)
AEP Texas Inc.	Hard-To-Reach SOP	4,986,366	\$586,396.64
AEP Texas Inc.	Targeted Low-Income Energy Efficiency Program	1,604,665	\$188,708.60
Centerpoint Energy Houston Electric , LLC	Hard-To-Reach SOP	1,022,189	\$120,209.37
Centerpoint Energy Houston Electric , LLC	Multifamily MTP HTR	990,290	\$116,458.14
Centerpoint Energy Houston Electric , LLC	Targeted Low-Income MTP (Agencies in Action)	7,774,579	\$914,290.47
El Paso Electric Company	Hard-To-Reach Solutions MTP	1,302,829	\$153,212.69
Entergy Texas, Inc.	Hard-To-Reach SOP	2,692,904	\$316,685.51
Oncor Electric Delivery Company LLC	Hard-To-Reach SOP	20,952,752	\$2,464,043.64
Oncor Electric Delivery Company LLC	Targeted Low-Income SOP	6,756,162	\$794,524.65
Southwestern Electric Power Company	Hard-To-Reach SOP	2,033,741	\$239,167.94
Southwestern Public Service Company	Hard-To-Reach SOP	1,501,333	\$176,556.76
Southwestern Public Service Company	Low-Income Weatherization	805,886	\$94,772.19
Texas-New Mexico Power Company	Hard-To-Reach SOP	1,112,985	\$130,887.04
Texas-New Mexico Power Company	Low-Income Weatherization	543,117	\$63,870.56
AEP Texas Inc.	Hard-To-Reach SOP	4,986,366	\$586,396.64
AEP Texas Inc.	Targeted Low-Income Energy Efficiency Program	1,604,665	\$188,708.60
<b>Total</b>		<b>54,079,798</b>	<b>\$6,359,784</b>

In the 2020 energy efficiency plan and reports filed with the PUCT, each utility that participates in Texas Utilities Code §39.905 reports on overall peak electricity demand reduction for all energy efficiency programs offered by the utility. Peak electricity demand reduction indicates reduction in demand on the utility's system at the times of the utility's summer peak period or winter peak period. The following is the estimated peak demand savings for hard to reach programs.



**Table 10: Estimated Peak Electricity Demand Reduction by Utilities Participating in Texas Utilities Code §39.905, CY 2020**

Utility	Peak Demand Savings - Hard to Reach Programs* (MW)
AEP Texas Inc.	3.90
CenterPoint Energy	5.85
El Paso Electric Company	0.96
Energy Texas, Inc.	1.77
Oncor Electric Delivery Company	18.26
Southwestern Electric Power Company	1.31
Southwestern Public Service Company	0.98
Texas - New Mexico Power Company	1.08
<b>Total</b>	<b>34.11</b>

\* The savings figure includes the targeted low-income program (weatherization), if applicable, Multifamily MTP, and the hard-to-reach standard offer program (SOP).

## **SECTION V: JOBS AND JOB YEARS CREATED**

### **Federally-Funded Weatherization**

The data for job creation was collected during the ARRA (American Recovery and Reinvestment Act of 2009) funding period for federal reporting requirements; however, the data is no longer collected through federal reporting requirements.

## **APPENDIX A: HARD-TO-REACH WEATHERIZATION PROGRAMS**

The following is a list of Hard-To-Reach Programs offered by the utility companies in Texas under Texas Utilities Code §39.905. The text is taken verbatim from each individual energy efficiency plan and report files, describing their weatherization activities.

### **AEP Texas Inc.**

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

The HTR SOP targets residential customers with total annual household incomes at or below 200% of current federal poverty guidelines. Incentives are paid to project sponsors for eligible measures installed in retrofit applications that result in verifiable demand and energy savings.

Project comprehensiveness is encouraged and customer education materials regarding energy conservation behavior are distributed by project sponsors.

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

The TLIP is designed to cost-effectively reduce the energy consumption and energy costs for low-income residential customers in central division service territory. Weatherization service providers install eligible weatherization and energy efficiency measures in qualified households that meet the Department of Energy (DOE) income-eligibility guidelines of at or below 200% of the federal poverty guidelines. A Savings-to-Investment Ratio of 1.0 or higher is required of each serviced dwelling unit.

### **CenterPoint**

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

##### *Program Design*

Incentives are paid to project sponsors for qualifying measures installed in retrofit applications which provide verifiable demand and energy savings to customers whose annual total household income is less than 200% of current federal poverty guidelines. Qualifying energy efficiency measures include but are not limited to; air conditioning, duct sealing, weatherization, ceiling insulation, water saving measures, and ENERGY STAR® windows.

##### *Implementation Process*

Any registered project sponsor may submit an application for a project meeting the minimum requirements. Program information is provided on CenterPoint Houston's website.

##### *Outreach and Research Activities*

- Maintains internet website with detailed project eligibility, end-use measures, incentive structure, procedures and application forms;
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process.

## **Multi-Family MTP**

### *Program Design*

The Multi-family HTR MTP encompasses three programs: Multifamily Water and Space Heating, Multi-family New Construction MTP, and Direct Install programs. Multi-family Space and Water Heating promotes the installation of energy efficient non-electric water heating in multi-family housing developments. Multi-family New Construction MTP incentivizes energy efficiency in new multi-family buildings. The Multi-family Direct Install Program offers property Owners and managers a free visual audit of existing units to see if the property is eligible for energy, efficient direct install measures, which may include CFLs and water saving measures and is only available to customers whose annual total household income is less than 200% of current federal poverty guidelines. If eligible, these measures will be installed at no cost and include an educational component.

### *Implementation Process*

The Multi-family HTR and Multi-Family MTP programs are implemented by a 3rd party program implementer (Frontier Energy).

### *Outreach and Research Activities*

- Contracts with a third-party program implementer to implement outreach and planning
- Provides point of purchase materials including yard signs, marketing kits, and brochures to participating developers and property managers

## **Targeted Low-Income MTP (Agencies in Action)**

### *Program Design*

The Targeted Low-Income MTP facilitates the installation of energy efficiency upgrades for low-income residential customers in single family or multi-family homes. Local non-profit organizations and energy service companies provide comprehensive, whole-house retrofits that maximize electricity savings to homes with an SIR greater than 1 by installing attic insulation, solar screens, lighting retrofits, water saving measures, ENERGY STAR® room air conditioners, central air conditioning systems, ENERGY STAR® refrigerators, duct efficiency improvement and air infiltration control for participants that have an annual household income of less than 200% of the federal poverty guidelines, and a maximum expenditure of \$7,541 is allowed per home.

### *Implementation Process*

CenterPoint Houston contracts with a program implementer (Frontier Energy) that has the responsibility of recruiting and overseeing the participating agencies and ESCOs. A NEAT audit and the SIR score determine which projects are selected for renovation.

### *Outreach and Research Activities*

- Partner with a 3rd party implementer
- Contact non-profit organizations for potential participation

## **El Paso Electric Company**

### **Hard-to-Reach Solutions MTP**

The Hard-to-Reach Solutions MTP offers incentives to low income residential customers for installing eligible energy efficiency measures. This program targets residential customers that are at or below 200% of the Federal Poverty Guidelines. Participating contractors offer the incentives based on the energy savings of the measure and deducts the amount from the customer's final invoice. This program also provides non-cash incentives which include technical assistance, education, and marketing materials. In addition to capturing demand and energy savings, the program's implementer helps participating customers improve their ability to identify and evaluate energy efficiency improvements. EPE plans to continue this program.

## **ENTERGY**

### **Hard To Reach Standard Offer Program (HTR SOP)**

#### *Program Design*

The Hard-To-Reach SOP (HTR SOP) targets low-income customers who receive service from ETI with an income at or below 200% of the federal poverty level. Participating Project Sponsors receive incentive payments for installing eligible measures in retrofit fashion that provide verifiable demand and energy savings. For 2021, ETI will continue to provide incentives to Project Sponsors for installing LED lighting in addition to previously employed measures. The incentives will be offered at the standard incentive rate to encourage the implementation of this measure. In 2021, the HTR SOP will also deploy an A/C Tune Up program and give contracts to project sponsors that have access to licensed HVAC contractors.

#### *Implementation Process*

ETI will continue implementing its HTR SOP such that any eligible Project Sponsor may submit an application for a project meeting the minimum program requirements. The program information on ETI's HTR SOP website is updated frequently with participating Project Sponsor information and the incentives available for installing eligible measures. In 2021 ETI will select nine Project Sponsors to participate in the HTR SOP in order to allow for the appropriate administrative control and visibility of Project Sponsors. By limiting the number of Project Sponsors allowed to participate in the program, ETI believes that there will be sufficient funds available to keep Project Sponsors working in ETI's service territory throughout the entire year and that program funding will not be exhausted by mid-year.

#### *Outreach Activities*

To market the availability of this program, ETI:

- Utilizes mass email notifications to keep potential project sponsors interested and informed;
- Maintains website with detailed project eligibility, end-use measures, incentives, procedures, and application forms;
- Attends appropriate industry-related meetings to generate awareness and interest;
- Conducts workshops as necessary to explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting process; and
- Promotes awareness of its energy efficiency programs by rolling out new program promotions through its website, social media, email blasts, radio promotions, and print media.

## **ONCOR ELECTRIC DELIVERY COMPANY LLC**

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

The HTR SOP targets residences with household incomes at or below 200% of the federal poverty guidelines. This program is designed to achieve energy and demand savings with the installation of a wide range of energy-efficiency measures. Energy Efficiency Service Providers implement energy saving projects in homes located in Oncor's service area. Incentives are paid to these Energy Efficiency Service Providers to help offset the cost of these energy efficiency measures. The most common measures, such as insulation and caulking/weather-stripping are installed at low or no cost to the customer. Energy Efficiency Service Providers must test for air leakage before and after installation when installing caulking/weather-stripping measures. Oncor provides the incentive directly to the Service Provider. Qualifying measures are similar to those described above for the HEE SOP, as well as water-saving devices. Also included is the replacement of existing HVAC units using early replacement in multifamily apartment complexes with high efficiency heat pumps. The same income qualifications (household incomes at or below 200% of current federal poverty level guidelines) apply to this new program option. The 2021 budget for this program is \$7,554,350 with targeted impacts of 14,021 kW and 20,631,773 kWh.

### **Targeted Weatherization Low-Income SOP**

For the 2019 Program year, Oncor is implementing the Targeted Low-Income Weatherization Program to comply with the Public Utility Regulatory Act (PURA) §39.905(f) which states, "Unless funding is provided under §39.903, each unbundled transmission and distribution utility shall include in its energy efficiency plan a targeted low-income energy efficiency program as described by Section 39.903(f)(2), and the savings achieved by the program shall count toward the transmission and distribution utility's energy efficiency goal. The commission shall determine the appropriate level of funding to be allocated to both targeted and standard offer low-income energy efficiency programs in each unbundled transmission and distribution utility service area. The level of funding for low-income energy efficiency programs shall be provided from money approved by the commission for the transmission and distribution utility's energy efficiency programs. The commission shall ensure that annual expenditures for the targeted low-income energy efficiency programs of each unbundled transmission and distribution utility are not less than 10 percent of the transmission and distribution utility's energy efficiency budget for the year. A targeted low-income energy efficiency program must comply with the same audit requirements that apply to federal weatherization subrecipients." Section 39.903(f)(2) states that targeted energy efficiency programs are to be administered by the Texas Department of Housing and Community Affairs (TDHCA) in coordination with existing weatherization programs.

16 TAC §25.181(r) states, "Unless funding is provided under PURA §39.903, each unbundled transmission and distribution utility shall include in its energy efficiency plan a targeted low-income energy efficiency program as described by PURA §39.903(f)(2). A utility in an area in which customer choice is not offered may include in its energy efficiency plan a targeted low income energy efficiency program that utilizes the cost-effectiveness methodology provided in paragraph (2) of this subsection. Savings achieved by the program shall count toward the utility's energy efficiency goal.

- (1) Each utility shall ensure that annual expenditures for the targeted low-income energy efficiency program are not less than 10% of the utility's energy efficiency budget for the program year.
- (2) The utility's targeted low-income program shall incorporate a whole-house assessment that will evaluate all applicable energy efficiency measures for which there are commission approved deemed

savings. The cost-effectiveness of measures eligible to be installed and the overall program shall be evaluated using the Savings-to-Investment (SIR) ratio.

(3) Any funds that are not obligated after July of a program year may be made available for use in the hard-to-reach program.”

Oncor is implementing a Program through Texas Association of Community Action Agencies (TACAA) who will provide funds to designated federal Weather Assistance Program (WAP) subrecipient agencies enabling them to provide weatherization services to residential electric distribution customers of Oncor who have household incomes at or below 200% of current federal Poverty Level Guidelines.

TACAA will be entitled to compensation for materials, labor and program support used by the federally funded Subrecipient to install weatherization measures for up to \$6,500 per weatherized Dwelling Unit. TACAA may reimburse the federally funded Subrecipient for program support costs and up to 10% of the invoice amount for administration, which amounts are not part of the 8% program administration fee paid to TACAA. Federally funded Subrecipient program support costs shall be included in the calculation of the \$6,500 per Dwelling Unit cap, but shall not be included in calculating the Whole House SIR.

Energy-efficient measures installed include aerators, attic insulation, air infiltration, central air conditioning units, central heat pumps, duct improvement, floor insulation, ENERGY STAR® refrigerators and ENERGY STAR® windows, showerheads, solar screens, window air conditioning units, wall insulation, water heater jackets and water heater pipe insulation. In 2017, Oncor added EnerChoice as a Program Implementer. EnerChoice uses program incentives to replace existing HVAC units in multifamily apartment complexes with high efficiency heat pumps and earns an administration fee of up to 10% for their services. The same income qualifications (household incomes at or below 200% of current federal poverty level guidelines) apply to this new program option. The 2021 budget for this program is \$5,200,000 with targeted impacts of 2,712 kW and 4,010,302 kWh.

## **Southwestern Electric Power Company**

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

The HTR SOP targets residential customers in existing homes with total annual household incomes at or below 200% of current federal poverty guidelines and who have properly completed a Public Utility.

Commission of Texas (PUCT) approved income verification form, or who have been designated as HTR eligible through another PUCT-approved verification methodology. Incentives are paid to project sponsors for eligible measures installed in retrofit applications that result in verifiable demand and energy savings. Project comprehensiveness is encouraged and customer education regarding energy conservation behavior is provided by materials distributed by project sponsors.

## **Southwestern Public Service Company**

### **Hard-to-Reach Standard Offer Program**

Hard-to-Reach customers are defined by 16 TAC § 25.181(c)(27) as customers with an annual household income at or below 200% of federal poverty guidelines. The Hard-to-Reach SOP provides incentives for the comprehensive retrofit installations of a wide range of measures that reduce demand and save energy. This program is split into two segments, one for single-family residences and one for multi-family residences. Incentives and savings are tracked separately for these segments but are reported together in this EEPR.

## **Low-Income Weatherization Market Transformation Program**

SPS's Low-Income Weatherization program is designed to cost-effectively reduce the energy consumption and energy costs of SPS's low-income customers. Under this program, one or more program implementers contract with not-for-profit community organizations and government agencies to provide weatherization services to SPS residential customers who meet the current Department of Energy income-eligibility guidelines. Implementation of SPS's Low Income Weatherization program provides eligible residential customers appropriate weatherization measures and basic on-site energy education and satisfies the requirements of 16 TAC § 25.181\*).

## **Texas-New Mexico Power Company**

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

#### *Program Design*

The HTR SOP targets low income customers, defined as a household income at or below 200% of the federal poverty guidelines, or who meet certain other qualifications. Incentives are paid to Project Sponsors for certain eligible measures installed in retrofit applications as defined in the Texas TRM.

#### *Implementation Process*

TNMP continues implementation of its HTR SOP, whereby any eligible Project Sponsor may submit an application for a project meeting the minimum requirements. The program information on TNMP's website is updated annually to reflect participating Project Sponsors and the program database reflects incentive amounts that are available.

#### *Outreach Activities*

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

- Utilizes mass electronic mail (e-mail) notifications to keep potential Project Sponsors interested and informed;
- Maintains a website with detailed project eligibility, end-use measures, incentives, procedures and application forms;
- Attends appropriate industry-related meetings to generate awareness and interest;
- Participates in statewide outreach activities, as may be available; and
- Conducts workshops as necessary to explain elements such as responsibilities of the Project Sponsor, project requirements, incentive information, and the application and reporting process.

## **Low Income Weatherization Program**

#### *Program Design*

Each unbundled transmission and distribution utility shall include in its energy efficiency plan a targeted low income energy efficiency program as described by PURA § 39.903(0)(2). The Low Income Weatherization Program targets TNMP's low income residential customers who: a) meet the Department of Energy's income eligibility guidelines, defined as at or below 200% of the federal poverty level; b) are connected to TNMP's electric system; and c) have been qualified through the Service Providers guidelines.

Effective in 2011, S.B. 1434 required that no less than 10% of the total energy efficiency portfolio budget be allocated to Low Income Weatherization. The program has been designed to identify non-traditional agencies to reach a broader audience.

#### *Implementation Process*

TNMP continues to contract with Frontier Associates- (Implementer) to provide marketing and education to local government organizations and not-for-profit "agencies: The Implementer contracts with the Texas Department of Housing & Community Affairs' (TDHCA) subrecipients and other not-for-profit community action and government agencies (i.e. low income advocates) to provide weatherization services to eligible residential TNMP customers.

The agencies select measures to be installed based on the savings-to-investment (SIR) ratio, which evaluates cost-effectiveness using the present value of the measure's lifetime energy savings divided by the installation costs. Agencies receive payment for the measure installation costs, plus an administrative fee of 8%, and up to the-maximum allowable expenditure of \$6,500 per home. Energy savings are defined in the Texas TRM. Eligible measures include:

- Attic insulation
- Central AC replacement
- Infiltration control
- Refrigerator replacement (in multi-family housing only)
- Solar screens
- Wall insulation

#### *Outreach Activities*

Low income advocates throughout TNMP's service territory will be called upon to participate. Workshops, database training and updates to policies and procedures will take place annually, or as needed.



#### **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

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