

El Paso Electric Company's 2010 Load Management Program Executive Summary

BACKGROUND

The El Paso Electric Company (EPE) Load Management Standard Offer Program was developed in 2009 in response to changes in the Public Utility Commission of Texas (PUCT) Substantive Rule 25.181 authorizing participating customers (Customers) or third-party sponsors to provide on-call curtailment of electric consumption during peak demand periods in return for incentive payments. Incentives are based on verified demand savings that participating customers achieve in response to called interruptions.

EPE will begin accepting applications for the upcoming 2010 Load Management Program on January 25, 2010.

PROGRAM DETAILS

The Load Management Program is designed to reduce electric demand or kW during EPE's peak demand periods, as necessary. This program is performance-based and offers incentive payments to Customers for curtailing electric load upon notice. Customers enter into an agreement with EPE to reduce their load by an agreed-upon amount during curtailments.

- Program runs from June 1st through September 30th.
- Peak demand periods are defined as weekdays from 1:00 p.m. to 7:00 p.m. Mountain Daylight Time (MDT).
- Customers agree, if called upon, to reduce their load for up to five (5) continuous hours during curtailments.
- Customers may be called upon up to nine times per year, plus a test curtailment of one to five hours to verify load availability.
- Annually, Customers will receive **\$60.00 per kW¹** of curtailed load based on the average kW curtailment achieved as described in detail in the Program Manual² (see notes below).

ELIGIBILITY

- Customer must be a non-residential EPE customer taking service at the distribution level.
- Customer must be equipped with an EPE Interval Data Recorder (IDR) meter or an EPE meter capable of recording demand intervals.
- Customer must be capable of curtailing a minimum of 100 kW during the summer peak periods at each contracted site.

- Customers who are currently on EPE’s Interruptible Rate Tariff(s), have contracted rates or are taking service at 69 KV or greater are not eligible for this program.

PROCESS

Participation is a Five-Step Process as described in detail in the Program Manual. The five steps are as follows:

- Application Submission and Approval: January 25th – May 31st
- Contracting: January 25th – May 31st
- Performance Period: June 1st – September 30th
- Monitoring and Verification: June 1st – October 31st
- Payment of Incentives: November

CUSTOMER COMMITMENTS

- Customers commit curtailable load to the program for one summer period at a time.
- Customers commit to a maximum of 10 curtailments each year. One (1) scheduled curtailment, plus up to nine (9) unscheduled curtailments during each calendar year of participation.
- Upon notification, customers will have one (1) hour to reduce their curtailable load.
- Customers understand that incentive payments are limited to contracted curtailable loads.

Visit our website at www.epelectricefficiency.com for the complete on-line Program Manual and the Application Packet. For more information, please contact Susanne Stone at (915) 543-2272 or via e-mail at ssone@epelectric.com.

NOTES:

1. Payments are divided into \$25.00 per kW of average reduction during the scheduled curtailment and \$35.00 per kW of average reduction during all of the unscheduled curtailments.
2. Payments are subject to EPE verification. Information contained in this program description is subject to changes in the rules of the PUCT.