

**AEP Texas**  
**Winter Load Management Program**  
Manual



An **AEP** Company

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BOUNDLESS ENERGY<sup>SM</sup>



# TABLE OF CONTENTS

|       |                                      |           |
|-------|--------------------------------------|-----------|
| ..... |                                      | <b>1</b>  |
| 1.1   | BACKGROUND.....                      | 2         |
| 1.2   | PROGRAM GOALS.....                   | 2         |
| 1.3   | ELIGIBILITY.....                     | 2         |
| 2.1   | PARTICIPATION PHASES.....            | 5         |
| 2.2   | ADDITIONAL PROGRAM INFORMATION.....  | 5         |
| ..... |                                      | <b>7</b>  |
| 3.1   | PROJECT INFORMATION.....             | 7         |
| 3.2   | ELECTRONIC SUBMITTAL.....            | 9         |
| 3.3   | HARDCOPY SUBMITTAL.....              | 9         |
| 3.4   | CONFIDENTIALITY.....                 | 10        |
| 3.5   | SUBMISSION OF FALSE INFORMATION..... | 10        |
| ..... |                                      | <b>11</b> |
| ..... |                                      | <b>12</b> |
| 5.1   | SCHEDULED INTERRUPTION.....          | 12        |
| 5.2   | UNSCHEDULED INTERRUPTIONS.....       | 12        |
| ..... |                                      | <b>13</b> |
| ..... |                                      | <b>14</b> |
| 7.1   | AVAILABLE BUDGET.....                | 14        |
| 7.2   | INCENTIVE.....                       | 15        |
| 7.3   | INCENTIVE LIMITATIONS.....           | 15        |
| 7.4   | PAYMENTS.....                        | 16        |

This manual summarizes the goals, pricing and application process of the AEP Texas Winter Load Management Program (WLMP). It includes information about eligibility requirements, incentive payments, the participation process, and descriptions and samples of enrollment materials developed by AEP Texas for participants. The information included in this manual is subject to change. The latest WLMP information can be acquired by emailing [rgbego@aep.com](mailto:rgbego@aep.com).

# LM 1 Introduction

American Electric Power (AEP) owns more than 36,000 megawatts of generating capacity in the United States and is the nation's largest electricity generator. AEP is also one of the largest electric utilities in the United States, with more than 5 million customers linked to AEP's 11-state electricity transmission and distribution grid. The company is based in Columbus, Ohio.

The AEP Texas Winter Load Management Program (WLMP) has been developed to pay incentives to energy efficiency service providers (EESPs), (e.g., contractors, energy service companies, retail electric providers, or customers) for load interruptions of electric consumption on short notice during the winter peak demand period. Incentives are based on verified demand savings that occur at an AEP Texas distribution customer's site as a result of an interruption.

To participate in the WLMP, sponsoring participants ("Project Sponsors") undergo an application process and then enter into an Agreement (the "Agreement") with AEP Texas. Under the Standard Agreement, the Project Sponsor agrees to deliver demand savings to AEP Texas from an AEP Texas distribution customer, using load that is subject to load management curtailment activities ("Interruptible Load") at that customer's site. AEP Texas will verify actual demand savings from interruptions (the "Verification Process") and payment will be submitted to the Project Sponsor based on the verified savings achieved by the interruptions.

Project Sponsors must commit Interruptible Load to the WLMP within 30 minutes of event notification. Events may be called 24 hours a day, seven days a week during the Program Operating Period, defined as December 1, 2022, through February 28, 2023. The WLMP will require one (1) Scheduled one-hour test interruption and up to four (4) Unscheduled interruptions. The Unscheduled Interruptions will have a maximum duration of four (4) hours. The Incentive Payments for Unscheduled Interruptions are in Chapter 7.

This chapter provides a general introduction to the WLMP, including an overview of WLMP features and background information on AEP Texas' energy efficiency initiatives. All WLMP information, including application materials, is available via the Internet at <https://aepTexasEfficiency.com/#/commercial/south-load-management> for AEP Texas Central or at <https://aepTexasEfficiency.com/#/commercial/west-load-management> for AEP Texas North. AEP Texas will accept applications on a first-come, first-served basis. Applications will continue to be accepted for the WLMP until all funds have been committed (see Chapter 7 - Incentive Payments).

The Texas Technical Reference Manual (TRM) Version 9.0 Vol 4 MV Protocols has savings verification methodology for participating customers in the WLMP. A copy can be found at <http://www.texasefficiency.com/index.php/regulatory-filings/deemed-savings>.

## 1.1 Background

Senate Bill 3, signed into law on June 8, 2021, allows the Transmission and Distribution Utilities to design and operate a load management program for non-residential customers to reduce peak demand during grid emergencies. AEP Texas is continuing to address this opportunity through a Winter Load Management Program operating from December 1, 2022 through February 28, 2023. Participants must curtail load within 30 minutes notice and load must be available 24 hours a day, seven days a week. Participants may include non-residential customers, aggregation groups and retail electric providers.

## 1.2 Program Goals

The primary goal of the WLMP is to achieve demand reduction to support ERCOT during the winter peak season. Other goals include:

- Gather information to inform and establish best practices for winter load management.
- Encourage involvement by a wide range of Participants.
- Streamline Program processes.
- Evaluate TRM calculations and evaluate possibilities for a more comprehensive winter load management program.

## 1.3 Eligibility

### 1.3.1 Project Sponsor Eligibility

Any entity meeting the participation requirements that identifies Interruptible Load at a non-residential facility that is served by AEP Texas is eligible to participate in the WLMP as a Project Sponsor. Eligible Project Sponsors include:

- National or local energy efficiency service providers, aggregation groups.
- Retail electricity providers (REPs).
- Non-residential customers that identify Interruptible Load in their own facilities.

To ensure that the WLMP incentive budget is allocated to projects that are likely to meet with success, all Project Sponsors will be required to demonstrate a commitment to fulfilling WLMP objectives and competency in completing their proposed project. Project Sponsors may be required to submit information concerning their experience and competency as part of the application process. A more specific description of the application requirements is located in Section 3.

### 1.3.2 Project Eligibility

A project site is defined in the WLMP as having Interruptible Load with estimated demand savings during the Program Operating Period. Project Sponsors may include

more than one project site in their applications. All projects must meet the following requirements:

- Each project site must include total estimated demand savings of at least **100 kW** during the Program Operating Period.
- A project may involve multiple sites from one or more customers as long as the demand savings from interruptions at each site are reported using Interval Data Recorders (IDR) or Advanced Meters (AMI).

### **1.3.3 Interruptible Load Eligibility**

The WLMP does not specify eligible Interruptible Load in order to provide Project Sponsors flexibility in packaging services. Eligibility is determined at the ESI ID level. Project Sponsors may propose the inclusion of any Interruptible Load in a project, as long as it meets the following requirements:

- Interruptible Load must be available and produce demand savings through an interruption of electrical consumption during the Program Operating Period.
- Project Sponsors must commit to making the Interruptible Load available during Program Operating Period.
- Electric Service Agreements for service to Interruptible Load between customers and their Retail Electric Providers may not prevent or inhibit interruptions.
- Project Sponsor agrees to verify that the Curtailable Load that is being used in this Application will not be used in any other Curtailable Load or demand response program during the duration of the Customer Agreement. This can include, without limitation, any ERCOT, PUCT, or any other program that is currently available. Project Sponsor will notify AEP Texas within 15 business days of any change in the status of the Curtailable Load or its inclusion in another demand response program. Failure to notify AEP Texas of any changes in the contracted load can result in the termination of the Program participation. This does not prohibit a Project Sponsor from contracting their existing and/or future electric loads into other programs. AEP Texas reserves the right to cancel any Program participation when that contracted load has been enrolled in any other competing Curtailable Load or demand response program.

The following Interruptible Load is excluded from consideration for this WLMP:

- Interruptible Load that results in negative environmental or health effects.
  - This restriction does not preclude the use of self-generation that is in compliance with applicable environmental and health and safety laws.
- AEP Texas critical load customers.
- Customers participating in other load management programs, such as ERS.
- Load curtailed due to operational inability.

Project incentives will be paid only for demand savings directly related to end-use equipment curtailed under the project.

Eligible Interruptible Load to be considered is load listed on the project application that will be available for curtailment. This could be building(s) and/or individual end-use equipment that consumes electric energy during the Program Operating Period. AEP Texas will consider any and all Interruptible Load that consumes electrical energy for participation in the WLMP.

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# LM 2 Participation Process

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## Overview

This chapter provides information on participating in the WLMP including the program process and required submittals. AEP Texas will accept applications on a first-come, first-served basis. Applications will continue to be accepted for the WLMP until all funds have been committed (see Chapter 7 - Incentive Payments).

## 2.1 Participation Phases

Participation in the WLMP involves six basic phases:

- Project Sponsor submits an application (the “**Application**”) in order for AEP Texas to review the proposed project for feasibility and to tentatively reserve incentive funding.
- Project Sponsor enters into a **Standard Agreement** with AEP Texas.
- Project Sponsor performs **Scheduled** (see Section 5.1) and **Unscheduled** (see Section 5.2) **Interruptions** when notified by AEP Texas.
- AEP Texas will request consent from participating customers to **provide the customer’s retail electric provider notice** of their enrollment and their deployments in the WLMP.
- AEP Texas verifies demand savings from Scheduled and Unscheduled Interruptions (the “**Verification Process**”).
- AEP Texas pays the Project Sponsor for Unscheduled Interruptions (the “**Performance Period Payment**”).

## 2.2 Additional Program Information

### 2.2.1 Program Information

The latest WLMP information can be acquired by emailing [rqbego@aep.com](mailto:rqbego@aep.com).

- Information describing the program design and requirements.
- Contact information for the program.
- Submittal forms.
- The WLMP Manual.



### **2.2.2 Program Promotion and Outreach**

AEP Texas will conduct outreach to eligible program participants, including aggregation groups, retail electric providers, and non-residential customer that can identify curtailable load.

# LM 3 Application

## Overview

A Project Sponsor's first formal step in participating in the WLMP is the submission of an Application to AEP Texas through the on-line database. By submitting the Application, the Project Sponsor is requesting that AEP Texas review the Application and, if approved, reserve funding for the Project Sponsor based on the proposed level of demand savings in the Application.

The Application will be available through the on-line database at the AEP Texas website: **Central Company** - <https://www.ecurtail.com/AEP/TCC/> or **North Company** - <https://www.ecurtail.com/AEP/TNC/>

Applications will be reviewed on a first-come, first-served basis until all incentive funding has been committed.

## Project Sponsor Information

All Project Sponsors are required to provide AEP Texas with specific business information including the following:

- Description of the Project Sponsor firm.
- Basic description of the Project Sponsor employees who will be responsible for the operation of the project.
- The Project Sponsor's Taxpayer Identification Number so that AEP Texas can properly account for any incentive payments made to the Project Sponsor.

### 3.1 Project Information

Project Sponsors must provide information about the scope of their proposed project(s). The type of information requested includes the following:

1. **Customer Information** - Information about the customer(s) and associated load(s) the Project Sponsor proposes to include as Interruptible Load. If a Project Sponsor's proposed project involves multiple customers, the Project Sponsor should submit separate information for each customer. The following information shall be submitted:
  - Customer name;
  - Customer address;
  - Site address;
  - Customer business description; and
  - Site contact name(s), phone number, fax number and e-mail address that will allow AEP Texas to contact customer during Program Operating Period if necessary.

2. AEP Texas customers (**Central & North**) can be identified by their **Distribution Account Number (ESI ID)**. The ESI ID number can be located/identified on the customer's electric bill as a 17 digit number. For **Central** customers, the ESI ID #s will (all) start with **100327894**00012345. For **North** customers, the ESI ID #s will (all) start with **102040497**00012345.
3. **Site Profile(s)** - A profile must be completed for each customer site and shall include estimated demand savings for the site, building type(s), operating schedules, and any additional site information that Project Sponsor believes is appropriate.
4. **Management Plan** - This information includes the design, implementation, operation, and management of the project.
5. **Interruptible Load** - A description of Interruptible Load and processes for curtailment at each customer site. The description must include the estimated kW reductions for each site.
6. **Project Sponsor Contact Telephone Number** - This is the telephone number at which AEP Texas will call the Project Sponsor to provide advance notification of a required interruption. A representative of Project Sponsor must be available at this number at all times during the Program Operating Period. Should Project Sponsor need to change this contact telephone number during the term of the project, it must provide a new contact telephone number to AEP Texas at least two business days prior to the date the new number will take effect.
7. **Project Sponsor Contact Name(s) and Information** - Identification and information related to one or more representative(s) of the Project Sponsor who are responsible for implementation of the project. Phone number(s), mobile phone number(s), and email address (es) should be provided if available to allow AEP Texas to communicate with Project Sponsor concerning the WLMP.
8. **Customer Agreement** - This agreement is required from customers contracting with a Project Sponsor and from customers who act as their own Project Sponsor. A Customer Agreement must be submitted within 15 calendar days after the date the electronic Application is submitted.
9. **Supporting Documentation** - Project Sponsors may submit additional supporting documentation that they determine is relevant for any project.

AEP Texas may request clarification of, or additional information about, any item in the Application. Project Sponsors must respond to such requests within the time period specified by AEP Texas. **If the clarification or additional information is not forthcoming in a timely manner, AEP Texas may choose to discontinue its evaluation of the Application.**

## 3.2 Electronic Submittal

Electronic submittal of the Application will be through the On-line Database. Registration can be completed at:

Central Company - <https://www.ecurtail.com/AEP/TCC/> -

North Company - <https://www.ecurtail.com/AEP/TNC/>

For questions and other comments regarding this WLMP you may contact the AEP Texas Program Manager by email at [rgbego@aep.com](mailto:rgbego@aep.com) or by phone at 361-881-5710.

## 3.3 Hardcopy Submittal

If necessary, AEP Texas can receive a hard copy of the WLMP Customer Agreement as described below.

### Addresses to obtain and submit program materials

| Material   | Mechanism  | Address or location  |
|--|------------|--|
| Obtain Enrollment Material   | Database   | Central Company -<br><a href="https://www.ecurtail.com/AEP/TCC/">https://www.ecurtail.com/AEP/TCC/</a><br>North Company -<br><a href="https://www.ecurtail.com/AEP/TNC/">https://www.ecurtail.com/AEP/TNC/</a> |
| Submit Application and all required supporting documents that are amenable to electronic submittal | Database   | Central Company -<br><a href="https://www.ecurtail.com/AEP/TCC/">https://www.ecurtail.com/AEP/TCC/</a><br>North Company -<br><a href="https://www.ecurtail.com/AEP/TNC/">https://www.ecurtail.com/AEP/TNC/</a> |
| Standard Offer Program Agreement   | DocuSign   | DocuSign email   |
| Program Agreement Customer Agreement   | Mail/Email | AEP Texas – WLMP<br>Attn: Russell G. Bego<br>539 N. Carancahua<br>Corpus Christi, TX 78401<br><br><a href="mailto:rgbego@AEP.com">rgbego@AEP.com</a>   |
| Program Questions or Contact Program Manager   | Email      | <a href="mailto:rgbego@AEP.com">rgbego@AEP.com</a>   |

### **3.4 Confidentiality**

The WLMP is subject to oversight by the PUCT, which may request a copy of any program materials that AEP Texas receives. Sensitive company and project information submitted by the Project Sponsor to AEP Texas such as financial statements will be treated confidentially to the extent possible. However, AEP Texas will have no liability to any Project Sponsor or other party as a result of public disclosure of any information submitted by the Project Sponsor.

### **3.5 Submission of False Information**

AEP Texas reserves the right to discontinue its evaluation of all submittals and terminate all Agreements of a Project Sponsor that submits false, misleading, or incorrect information.

# LM 4 Standard Agreement

## Overview

Once an Application has been approved, AEP Texas will send electronically (through DocuSign) for execution the WLMP Agreement. The terms of the Standard Agreement will be **non-negotiable** unless unique circumstances merit and require revision, in the sole discretion of AEP Texas. In order to incorporate each Project Sponsor's project information, the approved Application will be included as an attachment to the Standard Agreement and will become legally binding as part of the Standard Agreement.

Once the Standard Agreement is signed between the Project Sponsor and AEP Texas, the Project Sponsor's primary obligation will be to perform the following:

- Perform a Scheduled Interruption to verify the customer's ability to provide kW savings. The contract amount will be based on the participant's average performance during the Scheduled Interruption. In the event no Unscheduled Interruptions occur, the kW savings used to calculate the Incentive Payment will be the verified savings from the Scheduled event.
- Monitor projects during Scheduled Interruption and maintain the maximum duration for the event.
- Monitor projects during Unscheduled Interruptions and maintain the maximum duration for the event.

The signed Agreement will obligate AEP Texas to:

- Perform the Verification Process. Verification Process activities will be conducted for each project to measure the demand savings when meter data is available after each interruption.
- Make payment (the "Performance Period Payment"), based on Verified Demand Savings related to the Unscheduled Interruption(s). The Performance Period Payment will be made after the end of the Performance Period/Program Operating Period.

# LM 5 Interruptions

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## Overview

To achieve the goal of assisting the utility during the Program Operating Period, Project Sponsors must be available for up to four (4) Unscheduled Interruptions and a separate single one (1) hour Scheduled Interruption (for testing purposes) during the Program Operating Period.

Project Sponsor will receive a 30-minute advance notice from AEP Texas when curtailments are to be implemented.

### 5.1 Scheduled Interruption

The WLMP will have a single one (1) hour Scheduled Interruption. AEP Texas will not notify Project Sponsors ahead of time. The Scheduled Interruption will be used for incentive calculations in the event no Unscheduled Interruptions.

### 5.2 Unscheduled Interruptions

An Unscheduled Interruption will occur upon request by AEP Texas. AEP Texas will notify Project Sponsors of an Unscheduled Interruption with only 30-minutes advance notice of the start-time for the interruption.

**The duration of an Unscheduled Interruption will be up to a maximum of four (4) hours. There will be up to a maximum four (4) Unscheduled Interruptions during the Program Operating Period.**

At the end of the Program Operating Period, February 28, 2023, the average load reduction of all the unscheduled curtailments will be calculated, verified and then the applicable incentive payment will be determined and paid by AEP Texas.

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# LM 6 Verification Process

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## Overview

AEP Texas will perform the Verification Process after any curtailment (Scheduled or Unscheduled). Demand savings and incentive payment amounts will be based on average actual verified demand reduction. AEP Texas will review usage data for each project site, and will establish the baseline as defined by the Texas Technical Reference Manual (TRM) 9.0 Vol 4 MV Protocols.



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# **LM 7** Incentive Payments

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## **Overview**

AEP Texas will pay Project Sponsors the Performance Period Payment. In the event a Project Sponsor does not produce the Demand Savings as proposed in its Application, AEP Texas will pay the Project Sponsor based on the Verified Demand Savings during the Program Operating Period.

AEP Texas' Incentive Payment to the Project Sponsor is expressly and specifically conditioned upon AEP Texas receiving all required notices, submittals and materials from Project Sponsor within the applicable period specified in the Agreement. Failure by Project Sponsor to deliver any required notice, submittal, or material within the applicable period specified in the Agreement shall be deemed a material breach of the Agreement.

If Verified Demand Savings differ from the Demand Savings estimated in the Application, the IDR data recordings by AEP Texas will take precedence over any other information. If actual, Verified Demand Savings are lower than those estimated in the Application, the associated reserved incentives may be adjusted accordingly, and excess incentive funds returned to the WLMP budget. If actual, Verified Demand Savings are higher than those estimated in the Application, the incentive payments will be based on the Demand Savings estimated in the Application unless AEP Texas, in its sole discretion, allows a Project Sponsor to upwardly adjust its estimated Demand Savings.

### **7.1 Available Budget**

The incentive budget for the WLMP is \$350,000.

## **7.2 Incentive**

The applicable Incentive Rate is \$35/kW.

## **7.3 Incentive Limitations**

To ensure that incentives are available to multiple energy service providers, a Project Sponsor may be limited to 20% (\$70,000) of the WLMP Budget Cap and 20% (2,000 kW) of the WLMP Goal during the Program Operating Period (December 1, 2022 through February 28, 2023).

- WLMP Budget Cap - \$350,000, and
- WLMP Goal – 10 MW (10,000 kW).

## 7.4 Payments

All Verification Process activities must be completed before the Project Sponsor will receive the associated Unscheduled Interruption Payment. After completion of the Unscheduled Interruption of Interruptible Load, approval of the IDR/AMI data recording, and verification of the Demand Savings, AEP Texas shall pay the Project Sponsor the applicable Performance Period Payment.

The amount of the Performance Period Payment shall be calculated using the following formula:

**Equation 1.2:**

|  |
|--|
| $\text{Performance Period Payment (\$)} = \text{Performance Period Payment Incentive Rate} \times \text{Verified Demand kW Savings}^*$ |
|--|

In the event no Unscheduled Interruptions are performed, the Performance Period Payment will be calculated by multiplying the verified kW savings of the Scheduled Interruption\* by the applicable Performance Period Payment Incentive Rate.

**\*NOTE:** AEP Texas will not be obligated to pay a Project Sponsor for Verified Demand Savings that exceed the amount of Estimated Demand Savings proposed in the Project Sponsor's Application. However; if allowed by the WLMP budget, and in AEP Texas' sole discretion, AEP Texas may allow a Project Sponsor to revise its estimate of proposed Demand Savings and then pay a Project Sponsor based on this revised estimate of Demand Savings.