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## ENERGY EFFICIENCY RIDER

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(1) **PURPOSE**

The purpose of the Energy Efficiency Rider ("EER") is to establish the EER Rate(s) used by Cleco Power LLC ("Cleco Power" or the "Company") to recover energy efficiency costs approved by the Louisiana Public Service Commission ("LPSC") in its General Order in Docket No. R-31106, as revised and amended February 1, 2019 (the "General Order"). The energy efficiency costs include (1) the incremental direct Projected Energy Efficiency Program Costs ("PEEC") and (2) the Lost Contribution to Fixed Costs ("LCFC") described and approved by the LPSC in Section VI of the LPSC's Energy Efficiency Rules attached to the General Order ("Rules"), collectively the "Recoverable Costs." Recovery of the PEEC is limited to the incremental costs representing the direct program costs not included in the then-current rates of Cleco Power, including those costs identified in Section V(8) of the Rules. The EER Rates will be calculated to recover Cleco Power's Recoverable Costs over the period in which the EER Rates will be in effect.

(2) **RATES**

(a) **INITIAL RATE DETERMINATION**

The initial EER Rate(s) were filed with the LPSC 15 days prior to the first billing cycle of November, 2014, which became effective November 1, 2014. The EER Rate(s) were determined by application of the EER Rate Formulae set out in Attachments A, B, and C of the Rider in Docket No. R-31106 and were accompanied by a set of work papers sufficient to document the calculations of the EER Rate(s).

(b) **ANNUAL RATE REDETERMINATION**

At least fifteen (15) days before the first billing cycle of March of each year beginning in 2016 ("Filing Date"), re-determined EER Rate(s) shall be filed with the LPSC by Cleco Power. The re-determined EER Rate(s) shall be determined by application of the EER Rate Formulae set out in Attachments A, B, and C to this Rider. The revised rate(s) shall be filed in Docket No. R-31106 and shall be accompanied by a set of work papers sufficient to document the calculations of the revised EER Rate(s). The re-determined rate(s) shall reflect: (1) the PEEC for the 12-month period commencing on January 1, 2019 as modified in the General Order and Rules; (2) the projected LCFC for the 12-month period commencing on January 1, 2019 as modified in the General Order and Rules and the accumulation of such LCFC from previous year; and (3) rate rider true-up adjustments to collect any under-recovered amounts or to refund any amounts over-collected during the prior Program Year, as set forth in Section IX (6) of the Rules. "Program Year" is defined as a full calendar year which was extended starting January 1, 2019 and ending December 31, 2019 for Program Year 5, as set forth in General Order 2-1-2019 (R-31106).

On December 16, 2020, the Louisiana Public Service Commission voted to extend the EE Quick Start Phase for another year, Plan Year 7 (Jan – Dec 2021), pending adoption of Phase 2 rules.

The true-up adjustment will be calculated to include the effect of carrying costs using the then current Prime Rate.

The EER Rate(s) as re-determined shall be effective with the first billing cycle of March and shall then remain in effect for twelve (12) months ("EER Cycle"), except as otherwise provided below.



**(3) TRACKING AND MONITORING PROGRAM COSTS AND BENEFITS**

Cleco Power shall develop and implement appropriate accounting procedures, subject to the review of the LPSC Staff, which provide for separate tracking, accounting, and reporting of all program costs incurred by Cleco Power. The procedures shall enable energy efficiency program costs to be readily identified and clearly separated from all other costs. Cleco Power shall secure and retain all documents necessary to verify the validity of the program costs for which it is seeking recovery. Such documents shall include, but shall not be limited to, vouchers, journal entries, and the date the participant's project was completed.

Cleco Power shall develop and implement appropriate accounting procedures, subject to the review of the LPSC Staff, which provide for separate tracking, accounting, and reporting of revenues collected through the EER. The procedures shall enable the EER revenues to be readily identified and clearly separated from all other revenues. The Company shall secure and retain all documents necessary to verify the accuracy of the EER revenues. Such documents shall include, but shall not be limited to, billing determinants, journal entries, and summary revenue reports.

For the purpose of assessing the benefits and effectiveness of the programs, the Company shall develop and implement appropriate procedures, subject to the review of the LPSC Staff, which provide for separate tracking of the benefits and the effectiveness of the programs. The data that shall be tracked shall include, but shall not be limited to, information that will enable the LPSC Staff to assess the effectiveness of the programs. The Company shall secure and retain all documents necessary to verify its assessments.

**(4) TRACKING AND MONITORING LCFC**

Cleco Power shall monitor LCFC in accordance with the Rules and any future Orders addressing LCFC.

This monitoring shall include the development of Evaluation, Measurement and Verification ("EM&V") protocols in accordance with the Rules.

Cleco Power will use this EER to recover contemporaneously the amount of LCFC from customers subject to annual true-up, as set forth in Section VI of the Rules.

**(5) TERM**

This EER shall remain in effect until modified or terminated in accordance with the provisions of this EER or applicable regulations or laws.

If this EER is terminated by a future order of the LPSC, the EER Rate(s) then in effect shall continue to be applied until the LPSC approves an alternate mechanism by which the Company can recover its Recoverable Costs. At that time, any cumulative over-recovery or under-recovery resulting from application of the just terminated EER Rate(s), inclusive of carrying costs at the then current Prime Rate, shall be applied to customer billings over the twelve (12) month billing period beginning on the first billing cycle of the second month following the termination of the EER in a manner prescribed by the LPSC.

**(6) APPLICABLE CUSTOMER CLASSES AND SCHEDULES**

This Rider is applicable to customers receiving electric service furnished under any of the Company's residential, commercial, industrial, municipal and lighting Rate Schedules, except (a) for those customers that have opted out of participation pursuant to Section XIII of the Rules, and (b) for Special Rate Contract customers to the extent those contracts would preclude the Company from charging the customers additional fees and those customers have not exercised the option to opt out under Section XIII. The applicable rates will be determined for two customer classes: (1) Residential and (2) Non-Residential.



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(7) **CAPPING OF EER RATES**

Notwithstanding the EER Rate(s) listed herein, no Residential or Non-Residential customer shall be assessed more than \$75 monthly, as set forth in Section XV of the Rules.

(8) **TERMS AND CONDITIONS**

Service furnished under this Schedule is subject to the Company's Standard Terms and Conditions for Electric Service and to all applicable Rider Schedules and adjustment clauses.



**ATTACHMENT A**

<u>Line</u>		<u>Residential</u>	<u>Non-Residential</u>
1	Projected Energy Efficiency Program Costs (PEEC)	\$1,998,040	\$1,404,730
2	Projected Lost Contribution to Fixed Costs (LCFC)	\$4,992,426	\$1,582,625
3	Lost Contribution to Fixed Costs Accumulation True-Up (Y1-Y4)	\$1,200,623	\$213,057
4	Prior Period Over/Under Amount (TUA) plus carrying costs	\$2,710	\$944,007
5	Recoverable Costs (PCCC) (Line 1+2+3+4)	\$8,193,799	\$4,144,418
6	Billing Units (PES)	3,775,178,718	3,027,734,992
7	EER Rate (Line 5 / Line 6)	\$0.00217 per kWh	\$0.00137 per kWh

Cleco Power’s workpapers shall provide the rationale for the particular billing units selected and for the assignment of the Recoverable Costs to the customer classes.

Line 1) Projected Energy Efficiency Program Costs (“PEEC”) represent the planned, projected incremental costs of customer programs for the twelve months of the Program Cost Period.

Line 3) An LCFC true-up for PY1 – PY4 associated with the accumulation of the LCFC.

Line 4) Prior Period Over/Under Amount (“TUA”) includes carrying costs based on the then current Prime Rate.

Line 5) Projected Costs by Customer Class (“PCCC”) includes the total of (1) the projected EECR Projected Energy Efficiency Program Costs (“PEEC”); (2) the projected LCFC; (3) the LCFC true-up for 2014-18; and (4) the prior period true-up adjustment (“TUA”).

Line 6) Projected Energy Sales (“PES”) estimated to be billed for each customer class for the remaining Program Cost Period, adjusted to remove (1) those customers that have opted out pursuant to Section XIII of the Rules (2) those customers with Special Rate Contracts to the extent those contracts would preclude Cleco Power from charging the customers additional fees and those customers have not exercised the option to opt out under Section XIII.



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## ATTACHMENT B

### ENERGY EFFICIENCY RIDER RATES

This Rider is applicable to customers receiving electric service furnished under any of the Company's residential, commercial, industrial, municipal and lighting Rate Schedules, except for (a) those customers that have opted out of participation pursuant to Section XIII of the Rules and (b) Special Rate Contract customers to the extent those contracts would preclude the Company from charging the customers additional fees and those customers have not exercised the option to opt out under Section XIII. The applicable rates will be determined for two customer classes: (1) Residential and (2) Non-Residential. Customers in these two classes shall be charged an amount equal to their monthly energy (kWh) usage multiplied by the rates below effective March 1, 2021 through February 28, 2022:

<u>Customer Class</u>	<u>Rate Adjustment</u>
Residential	\$0.00217 per kWh
Non-Residential	\$0.00137 per kWh



**ATTACHMENT C**

EER Rate Calculation

1	2	3	4
Customer Class	PCCC	PES	Rate Adjustments
Residential	\$8,193,799	3,775,178,718	\$0.00217 per kWh
Non-Residential	\$4,144,418	3,027,734,992	\$0.00137 per kWh
<b>Total</b>	<b>\$ 12,338,217</b>	<b>6,802,913,710</b>	

Col 1) See Attachment B.

Col 2) Projected Energy Efficiency Costs by Customer Class (PCCC).

Col 3) Projected Energy Sales (PES) estimated to be billed for each customer class for the remainder of the Program Cost Period, adjusted to remove (1) those customers that have opted out pursuant to Section XIII of the Rules and (2) those customers with Special Rate Contracts to the extent those contracts would preclude the Company from charging the customers additional fees and those customers have not exercised the option to opt out under Section XIII.

Col 4) The EER Rate is PCCC / PES.