

**AEP Texas
Summer and Winter
Load Management
Standard Offer Program**

Manual
2024 - 2025



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This manual summarizes the goals, pricing and application process of the AEP Texas ~~Central Division~~ Summer Load Management Program (SLMP) and 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 information and application forms can be found on the AEP Texas website at <https://www.aeptxsaves.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 SLMP and WLMP were 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 summer and winter peak demand periods. 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 SLMP and WLMP, sponsoring participants ("Project Sponsors") undergo an application process and then enter into an Agreement (the "Agreement") with AEP Texas. A sample Agreement is included as Appendix A of this manual. 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.

Summer Load Management

Project Sponsors must commit Interruptible Load to the SLMP within 30 minutes of event notification. Events may be called during the Summer Peak Demand Period of 1 p.m. – 7 p.m. in the months of June, July, August and September, excluding weekends and Federal holidays. The SLMP will require one scheduled one-hour test interruption and up to four (4) unscheduled interruptions during any one of the calendar months during the Performance Period for most Options. The Incentive Payments for Unscheduled Interruptions are in Chapter 7.

Winter Load Management

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, 2024, through February 28, 2025. 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 SOP, including an overview of SOP features and background information on AEP Texas' energy efficiency initiatives. All SOP information is available at: <https://www.aeptxsaves.com/commercial-programs/load-management/>. 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 11.0 Vol 4 MV Protocols has savings verification methodology for participating customers in the Load Management Standard Offer Program. A copy can be found at: <https://texasefficiency.com/wp-content/uploads/2023/11/trm11v4.pdf>.

1.1 Background

The Summer Load Management Program (SLMP) was developed to comply with state energy efficiency goals. The Texas Legislature passed Senate Bill 7 (SB7) in 1999, which restructured the state's electric utility industry. The law calls for each investor-owned utility to meet certain goal reductions in its growth in system demand annually through savings achieved by energy efficiency programs.

On June 8, 2021, Senate Bill 3, was signed into law. This allowed 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 (WLMP) operating from December 1, 2024 through February 28, 2025. 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 main goal of the SLMP is to reduce summer peak demand in the AEP Texas service territory in a cost-effective manner and to reach the demand savings goals established by SB7 and Public Utility Commission of Texas (PUCT) regulations. There are secondary program goals that are reflected in the SOP rules and procedures that include:

Encourage private sector delivery of energy demand savings during peak demand time on the Electric Reliability Council of Texas (ERCOT) transmission and distribution system of AEP Texas.

- Create a simple and streamlined program process to stimulate strong program participation from energy efficiency service providers.
- Minimize the burden of measurement and verification requirements for the SOP by implementation of a simple Verification Process by AEP Texas.

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 SLMP and WLMP as a Project Sponsor. Eligible Project Sponsors include:

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

To ensure that the SLMP and WLMP incentive budgets are allocated to projects that are likely to meet with success, all Project Sponsors will be required to demonstrate a commitment to fulfilling SLMP & 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 in Section 3.

1.3.2 Project Eligibility

A project site is defined in the SLMP & WLMP as having Interruptible Load with estimated demand savings during the Summer Peak Demand and Program Operating Period respectively. Project Sponsors may include more than one project site in their applications. All projects must meet the following requirements:

- For SLMP: Each project site must include total estimated demand savings of at least **5 kW** during the Summer Peak Demand Period.
- For WLMP: 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 SLMP and WLMP does not specify eligible Interruptible Load in order to provide Project Sponsors flexibility in packaging services. 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 Summer Peak Demand Period (SLMP) and Program Operating Period (WLMP).
- Project Sponsors must commit to making the Interruptible Load available during the Program Year.
- 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 SLMP and 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 Summer Peak Demand Period (SLMP) and the Program Operating Period (WLMP). AEP Texas will consider any and all Interruptible Load that consumes electrical energy for participation in the SLMP and WLMP

LM 2 Participation Process

Overview

This chapter provides information on participating in the SLMP and WLMP including the program process and required submittals. AEP Texas will review applications on a first-come, first-served basis. Applications will continue to be accepted for the SLMP and WLMP until all funds have been committed (see Chapter 7 - Incentive Payments). After this time, submitted applications will be placed on a waiting list. Projects on a waiting list will not be carried over into the next program year.

2.1 Participation Phases

Participation in the **SLMP** involves five basic phases:

1. 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.
2. Project Sponsor enters into a **Standard Agreement** with AEP Texas.
3. Project Sponsor performs **Scheduled** (see Section 5.1) and **Unscheduled** (see Section 5.2) Interruptions when notified by AEP Texas.
4. AEP Texas verifies demand savings from Scheduled and Unscheduled Interruptions (the “**Verification Process**”).
5. AEP Texas pays the Project Sponsor for Unscheduled Interruptions (the “**Performance Period Payment**”).

Participation in the **WLMP** involves six basic phases:

1. 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.
2. Project Sponsor enters into a **Standard Agreement** with AEP Texas.
3. Project Sponsor performs **Scheduled** (see Section 5.1) and **Unscheduled** (see Section 5.2) Interruptions when notified by AEP Texas.
4. **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.**
5. AEP Texas verifies demand savings from Scheduled and Unscheduled Interruptions (the “**Verification Process**”).
6. AEP Texas pays the Project Sponsor for Unscheduled Interruptions (the “**Performance Period Payment**”).

2.2 Additional Program Information

2.2.1 Program Website

The Load Management website at <https://www.aeptxsaves.com/commercial-programs/load-management> will serve as the primary source for all updated SLMP and WLMP information and materials. The website will include:

- Information describing the program design and requirements.
- Contact information for the program.
- Submittal forms.
- The Summer and Winter Load Management 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 Load Management Program 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 websites:

- <https://www.ecurtail.com/AEP/TCC/> ESIID begins with - 100327894
- <https://www.ecurtail.com/AEP/TNC/> ESI ID begins with - 102040497.....

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:

- Project Sponsor's company description.
- Project Sponsor's list of employees who will be responsible and/or notified for the operation of the project.
- Project Sponsor's Taxpayer Identification Number to account for any incentive payments.

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;
 - Customer business description;
 - Site address;
 - Site contact name(s), contact phone number, and contact e-mail address (will be utilized for advanced notification of a required interruption)
- 2. Distribution Account Number (ESI ID)** – This number can be identified on the customer's electric bill as a 17-digit number. In order to verify a customer's eligibility the Project Sponsor should look for the number beginning with: 100327894.....or 102040497.....these ESI IDs are the only two distinguishing numbers for the AEP Texas service territory.
- 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 during a one-hour peak demand period interruption.
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 Summer Peak Demand Period (SLMP) and Program Operating Period (WLMP). 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 SLMP and 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. A copy of the Customer Agreement is included in this manual as Appendix A, Attachment A.
9. **Supporting Documentation** - Project Sponsors may submit additional supporting documentation that they determine is relevant for any project.

As part of the Application review, AEP Texas will review the feasibility of the proposed Interruptible Load and the accuracy of the demand savings estimates. 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:

<https://www.ecurtail.com/AEP/TCC/> - ESIID begins with - 100327894

<https://www.ecurtail.com/AEP/TNC/> - ESI ID begins with - 102040497.....

For questions and other comments regarding this SOP you may contact the AEP Texas Program Manager by email at dtrevino@aep.com or by phone at 956-282-1157.

3.3 Hardcopy Submittal

AEP Texas must receive a hard copy of the Standard Offer Program Customer Agreement as described below:

Addresses to obtain and submit program materials:

Material	Mechanism	Address or location
Obtain Enrollment Material	Website/Database	https://www.aeptxsaves.com/commercial-programs/load-management
Submit Application and all required supporting documents that are amenable to electronic submittal	Database	https://www.ecurtail.com/AEP/TCC/ ESI ID begins with - 100327894 https://www.ecurtail.com/AEP/TNC/ ESI ID begins with - 102040497
SLMP and WLMP Program Agreement	DocuSign	DocuSign email
SLMP and WLMP Customer Agreement	Mail/Email	AEP Texas – LM SOP Attn: Danny Trevino 4817 Fesco Blvd Laredo, TX 78043
Program Questions or Contact Program Manager	Email	dtrevino@aep.com

3.4 Confidentiality

The SLMP and 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 Standard Agreement which will be similar to the sample attached as Appendix A to this manual. 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.
- For **SLMP** - Monitor projects during **Scheduled** Interruption and maintain the **minimum 1 hour** duration for the event.
- For **SLMP** - Monitor projects during **Unscheduled** Interruptions and maintain the **minimum 1 hour** duration for the event.
- For the **WLMP** – Monitor projects during **Scheduled** Interruption and maintain the **maximum 4 hour** duration for the event.
- For the **WLMP** – Monitor projects during **Unscheduled** Interruption and maintain the **maximum 4 hour** duration for the event.

The signed Standard 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.

LM 5 Interruptions

Overview

Summer Load Management

To achieve the goal of assisting the utility during peak demand periods (Summer), AEP Texas developed five (5) interruption options from which the Customer can choose to participate however only 3 are available at this time:

Option	Unscheduled Interruptions Limit per Performance Period
A	Up to 4
B	Up to 12
C	Up to 12
D	Up to 8
E	Up to 8

Winter Load Management

To achieve the goal of assisting the utility during the Program Operating Period (Winter), Project Sponsors must be available for up to four (4) Unscheduled Interruptions.

Option	Unscheduled Interruptions Limit per Performance Period
A	Up to 4

In addition, both programs will conduct a separate interruption “Scheduled Interruption” (for testing purposes) at the beginning of the Performance Period for one (1) hour.

AEP Texas will notify Project Sponsors with only 30-minutes advance notice of the start-time for the interruption when curtailments will need to be executed.

5.1 Scheduled Interruption

The SLMP and WLMP will have one one-hour Scheduled Interruption at the beginning of the Summer Peak Demand Period (June) and Program Operating Period (December) respectively. AEP Texas will not notify Project Sponsors prior to the 30-minutes advance notice of the start-time for the interruption. The Scheduled Interruption will be used for incentive calculations in the event that no Unscheduled Interruptions occur in the Program Year to determine Incentive Payment.

5.2 Unscheduled Interruptions

Summer Load Management

The SLMP requires program participants to participate in one of the three (3) available options: Option B, Option C, or Option E. An Unscheduled Interruption may occur upon request by AEP Texas. AEP Texas will notify Project Sponsors with only 30-minutes advance notice of the start-time for the interruption.

Starting times will occur between 1:00 p.m. and 6:00 p.m. Central Daylight Time. Ending times will occur between 2:00 p.m. and 7:00 p.m. Central Daylight Time.

Option	Unscheduled Interruptions Minimum and Maximum Duration
A	Min 1 hour and Max 4 hours
B	Min 1 hour and Max 4 hours
C	Min 1 hour and Max 2 hours
D	Min 1 hour and Max 4 hours
E	Min 1 hour and Max 2 hours

After completion of all Unscheduled Interruption(s) of Interruptible Load and approval of all IDR/AMI data, AEP Texas will pay the Project Sponsor the Performance Period Payment in or before November of the Program Year.

Winter Load Management

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, 2025, 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.

LM 6 **Verification Process**

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) 11.0 Vol 4 MV Protocols.

LM 7 Incentive Payments

Overview

AEP Texas will pay Project Sponsors the Performance Period Payment in or before November of the Program Year (SLMP) and in or before April of the following Program Year (WLMP). 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 Performance 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 respective SLMP and 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

Summer Load Management

- The incentive budget for this calendar year is \$650,700.
ESIID begins with - 100327894 (Central area)
- The incentive budget for this calendar year is \$87,000.
ESI ID begins with - 102040497 (North area)

Winter Load Management

- The incentive budget for the WLMP is \$350,000 for all of AEP Texas

7.2 Incentives

Summer Load Management

The applicable Incentive Rates and cap on Demand Savings for the AEP Texas SLMP are as follows:

ESIID begins with - **100327894**

Capacity Interruption Incentive Rate per kW (\$/kW)

Option*	Performance Period Payment Incentive Rate	Demand Savings Cap	Capacity Payment Cap
A	\$15.00/kW	8,676 kW	\$130,140
B	\$35.00/kW	3,718 kW	\$130,140
C	\$25.00/kW	5,205 kW	\$130,140
D	\$25.00/kW	5,205 kW	\$130,140
E	\$20.00/kW	6,507 kW	\$130,140

*Options A and D not currently available.

ESI ID begins with - **102040497**

Capacity Interruption Incentive Rate per kW (\$/kW)

Option*	Performance Period Payment Incentive Rate	Demand Savings Cap	Capacity Payment Cap
A	\$15.00/kW	1,160 kW	\$17,400
B	\$35.00/kW	498 kW	\$17,400
C	\$25.00/kW	696 kW	\$17,400
D	\$25.00/kW	696 kW	\$17,400
E	\$20.00/kW	870 kW	\$17,400

*Options A and D not currently available.

Winter Load Management - 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 approximately 20% of the **SLMP** incentive budget in a given Program year.

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, 2024 through February 28, 2025).

- 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. AEP Texas will make the Performance Period Payment on or before **November (SLMP)/April (WLMP)** at the conclusion of the Performance Period and after AEP Texas' approval of the IDR/AMI data for the Program Year.

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 SLMP and 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.

LM 8 Appendix

**APPENDIX A AEP TEXAS LOAD MANAGEMENT STANDARD OFFER
PROGRAM AGREEMENT**

**ATTACHMENT A – AEP TEXAS LOAD MANAGEMENT
STANDARD OFFER PROGRAM CUSTOMER AGREEMENT**

APPENDIX A

AEP TEXAS

LOAD MANAGEMENT

STANDARD OFFER PROGRAM AGREEMENT