Texas-New Mexico Power

2025 COMPASS

Energy Efficiency Programs Manual

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Program Overview

The Texas-New Mexico Power (TNMP) COMPASS Program (Commercial Partners Achieving Specialized Solutions) is designed to support educational institutions, government, small businesses, and large commercial facilities to improve energy efficiency, reduce operational costs, and enhance overall building performance. Through a combination of no-cost energy assessments, technical guidance, and financial incentives, the program enables participants to implement strategic upgrades that lead to long-term energy and cost savings.

By participating in COMPASS, organizations can expect to lower energy costs through high efficiency installations and personalized recommendations tailored to the participants' needs. Financial incentives are available for a variety of energy efficient measures. Other benefits include energy benchmarking, building assessments, and communication support.

How COMPASS Can Assist

1. Benefit to business owners and entities
    a. The TNMP COMPASS Program is an energy efficiency program offered by TNMP to specifically benefit business owners and entities for energy efficiency.
2. Drive Projects through customer engagement
    a. We want to hear from you. What are your needs? You know your facility, and we want to help guide a project or discussion to get things started.
3. Work to find a solution to fit your needs, while saving energy
    a. Through this process, we will work with you to help reduce peak demand, save electricity, reduce operating costs, maximize the efficiency of new systems and generate cash incentives from TNMP. This should not be a cookie cutter approach, but fit around your interests, needs and steering towards project measures that make financial sense at this time.
4. Collaborate with all parties involved
    a. Pronged approach to success. We want to be involved early in a project, connecting with vendors, architects, engineers, so that we can make recommendations and provide incentive estimates that will help offset the costs of installing higher efficiency systems.

5. Offer flexibility to maximize the service to the business or contractors
    a. We understand flexibility is necessary throughout these projects. The program is designed to make participation as seamless as possible. From project identification to the final incentive payout, we are here to help.

Background

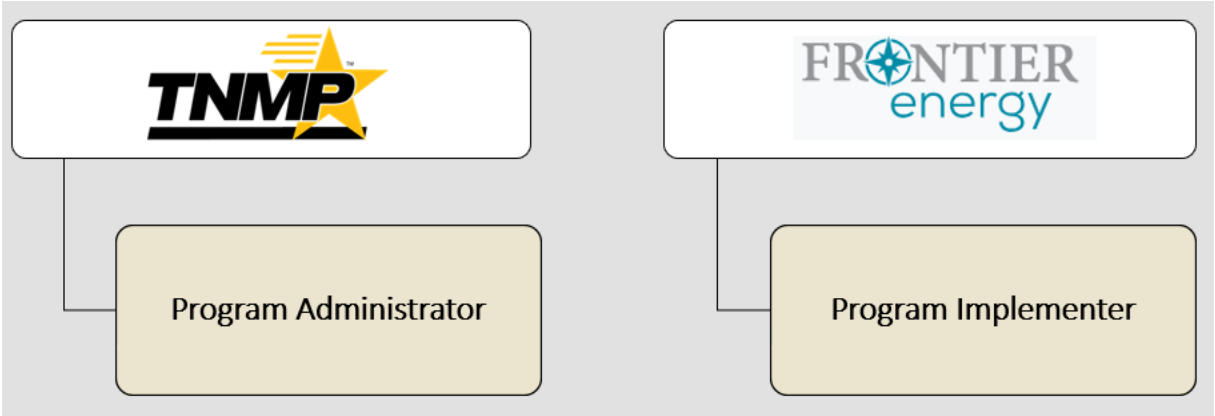
TNMP is an electric transmission and distribution service provider that serves more than 270,000 homes and businesses in Texas. It delivers electricity to customers across north, central, and west Texas. TNMP is the program administrator for COMPASS.

TNMP Team

- Stefani Case – Energy Efficiency Manager
- Josh Campbell – Energy Efficiency Program Manager
- Dianne Mana-ay – Energy Efficiency Program Manager

TNMP & Frontier Energy Partnership

Frontier Energy is the commercial programs implementer on behalf of TNMP. Frontier is a Texas based company dedicated to helping businesses operate their buildings more efficiently. Our goal is to help participants understand the technical and financial benefits of investing in energy efficiency and develop a clear plan to make improvements. Participants will receive energy efficiency recommendations to assist with decisions about making cost effective investments in facility energy efficiency. Participants also receive direct cash incentives for completing energy efficiency projects that reduce peak electric demand and save energy consumption. While we do provide some technology recommendations, we don’t require specific technologies, manufacturers or contractors. Instead, we provide a framework through which you can receive incentives for implementing and installing a wide range of eligible measures at your facilities.



Program Objectives

The program is designed to educate participants on energy efficiency for their building.

- Maximize incentive dollars for TNMP customers.
  - Incentives will be based on aligning appropriately with our goal of $0.105/kWh delivered or $400/kW to maximize dollars returning to customers for energy efficient projects. For select projects, tiered incentive values seen below can be utilized.
  - Frontier will perform regular incentive analysis to inform supporting incentive rate strategies that leverage program years with higher avoided energy and capacity costs to help promote new technologies or underused measures.
- Grow the Program in terms of participants, trade allies, energy conservation measures, and savings.
- Ensure sufficient program coverage across TNMP's territory, including customers in remote areas.
- Provide a high level of satisfaction across all program components to enhance TNMP's reputation and promote participation in future years.
  - The Frontier team will work to become a trusted partner to TNMP's commercial customers by educating them on energy savings opportunities and supporting them on their projects and incentives to remove barriers to participation and maximize energy savings.
- Ensure program effectiveness through monitoring and verification
- Conduct energy assessments before projects start and post verification site visits after project completion.

Goals & Budgets

Program	kW	kWh	Incentive Budget
Large Commercial	1,077	3,240,651	$396,474
Schools/Government	1,000	4,240,181	$380,951
Small Business	925	2,247,602	$356,187
Total	3,002	9,728,434	$1,133,612

Participant Eligibility

Non-residential customers within TNMP service areas are eligible to participate in the COMPASS programs. Proposed projects must involve the installation of energy-efficient equipment or upgrades that deliver energy savings in accordance with the Texas TRM. Projects can include retrofits from existing systems, building remodels or new construction incorporating high-efficiency design and technologies. COMPASS programs include:

- Small Business
  - Less than 200 peak kW on the meter.
- Commercial
  - Greater than 200 kW on the meter at the facility.
- School and Government
  - Independent School Districts, Colleges, Universities, and Tech Schools
  - Cities, Counties, and Government Agencies

TNMP Service Areas

TNMP's service area covers north-central, west, and Gulf Coast regions of Texas. Please see the pictures below for service area reference:

Figure 1: North-Central Texas

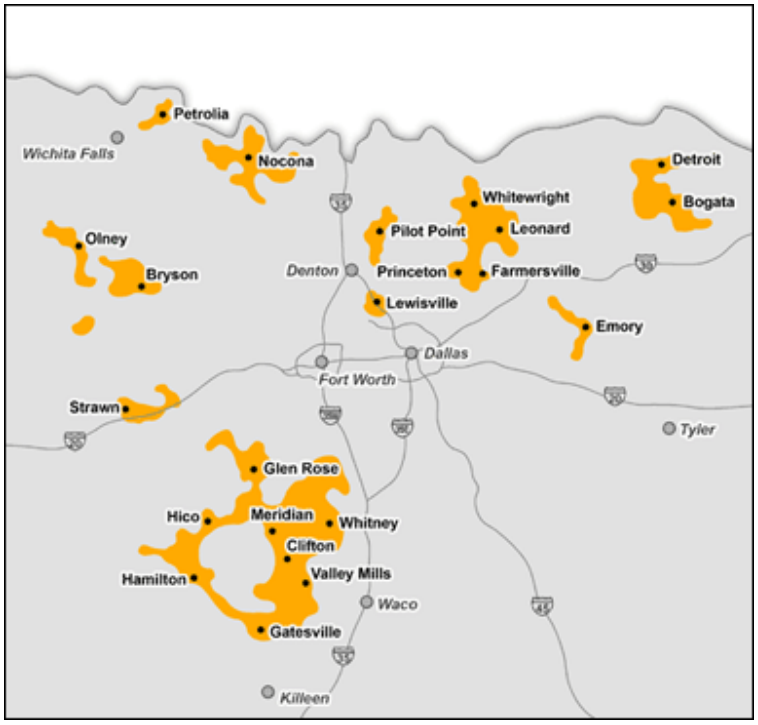


Figure 2: Gulf Coast Texas

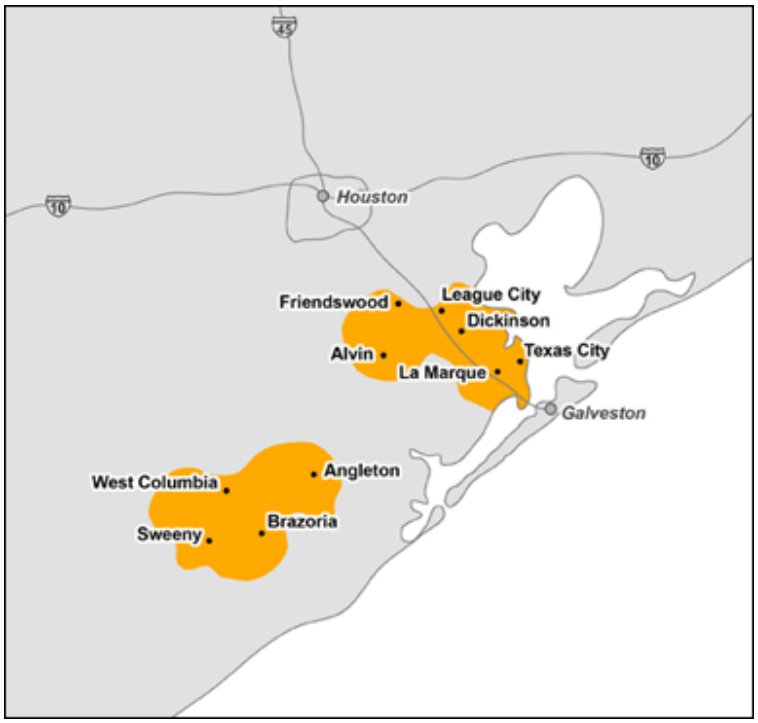
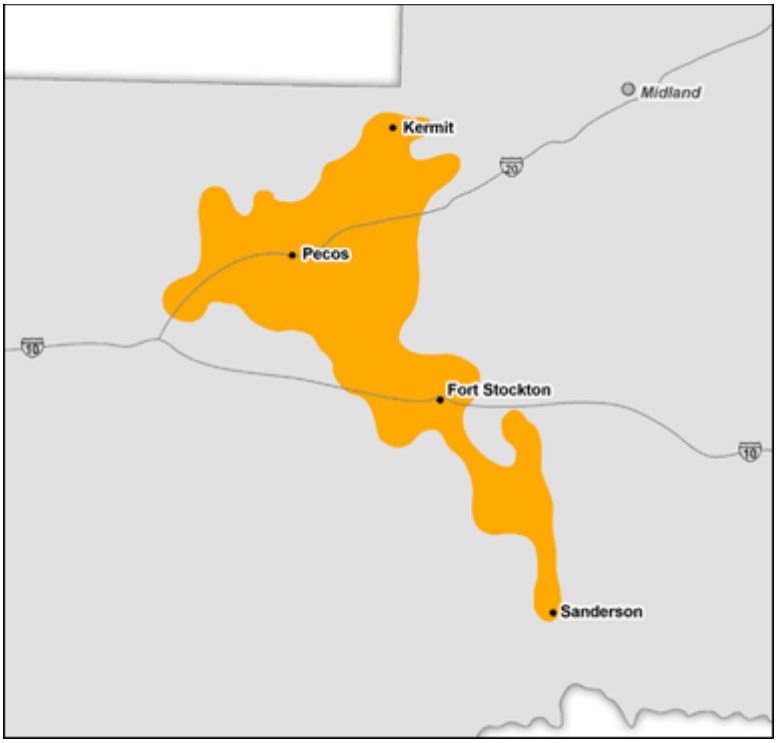


Figure 3: West Texas



Trade Ally Participation

To participate as a trade ally in the COMPASS program, businesses must meet eligibility criteria. Eligible trade allies include:

- **Contractors** – Licensed contractors with expertise in energy-efficient equipment installation, including HVAC, lighting, building automation, and more.
- **Engineers and Architects** – Professionals with experience in designing and specifying systems for buildings.

Requirements

- **Licensing and Certification:** Trade allies must hold any necessary state or local licenses required.
- **Register:** All trade allies must fill out an online short application to participate.
- **Alignment with Program Standards:** Trade Allies must follow program guidelines for system design, installation, and quality assurance to ensure that energy-saving measures meet TNMP's performance criteria.

Benefits of Contractor Participation:

- ✓ Create relationships to inform customers on energy efficiency programs offered by TNMP
- ✓ Assist throughout proposals/quote processes
- ✓ We handle all data entry, calculations, and spreadsheets for you
- ✓ Ensure projects get wrapped up for customers to receive incentives post completion

Types of Projects

The program supports a wide range of energy efficiency projects designed to reduce energy consumption and improve facility performance. Projects are evaluated based on eligible measures, energy savings, and alignment with the program's goals to maximize efficiency and reduce long-term operational costs. Types of projects include:

New Construction

- We will work to assist in a proactive manner to get in front of projects
- Inform the customer about program offerings
- Discussions with architects, engineers and contractors to influence energy efficiency in the project
- Plan reviews to identify savings, qualified measures, and estimated values

Remodel Construction

- General discussions up front and support as needed during space transitional use
- Capturing all eligible measures being planned
- Custom approaches to guide efficiency into the project

Retrofit

- Upgrading or improving existing buildings, systems, or equipment
- Discuss with the customer what type of equipment is already in place and what it will be replaced with
- Before and after photo verification will be needed

Program Process

1. Submit an online application. We can send this link to you, your customer or team member. Fill it out and an email comes to our team entering you in our programs.
2. Within a day, we reach out via phone call or email to chat more about the interest in the program, and next steps that will benefit the customer.
3. The next plan would be to get on site. Again, check out projects taking place and get the story for energy saving opportunities. We then can provide some estimates or recommendations or lean on your vendors to provide specific scope of work to go off.
4. Work with vendors to complete projects.
5. Send final documentation, as built submittals, plans and details to us for final incentive submission.
6. Then the customer can enjoy savings and cash incentives.

Eligible Measures

- Lighting Measures: Upgrading lighting systems is one of the most effective ways to reduce energy use and improve working conditions. Examples include:
    - LED Lighting Retrofits – Replacing fluorescent, incandescent, or HID lights with energy-efficient LED fixtures.
    - Lighting Controls – Installing occupancy sensors, daylight harvesting systems, and dimming controls to adjust lighting levels based on activity and natural light.
    - Exterior Lighting – Upgrading to high-efficiency LED streetlights, parking lot lights, and security lighting.
- HVAC (Heating, Ventilation, and Air Conditioning) Measures: Improving HVAC systems increases comfort while reducing energy use. Examples include:
    - High-Efficiency HVAC Systems – Installing energy-efficient chillers, split systems, and packaged rooftop units (RTUs).
    - Variable Frequency Drives (VFDs) – Used with motors to enhance energy efficiency and process control
    - Energy Recovery Units – Ventilation systems known as Energy Recovery Ventilators (ERVs) for indoor air quality
    - Smart Thermostats – Installing programmable and Wi-Fi smart thermostats for better temperature management
    - HVAC System Recommissioning/ AC Tune Ups – Optimizing the performance of existing HVAC systems through maintenance and upgrades

- Building Envelope Improvements : White reflective roofing replacement and insulation upgrades – Adding insulation to walls, and roofs to prevent heat loss and gain.
- Building Automation and Control Measures: Automating energy use improves overall system efficiency. Examples include:
    - Installing centralized controls to monitor and manage energy use.
    - Smart Building Controls – Integrating HVAC, lighting, and other systems for automated performance adjustments.
    - Occupancy-Based Scheduling – Adjusting heating, cooling, and lighting based on building occupancy patterns.
- Water Heating and Conservation Measures: Reducing water heating costs helps lower overall energy consumption.
- Renewable Energy Integration *(if applicable)* Incorporating renewable energy helps offset energy consumption from traditional sources. Examples include:
    - Solar Panels – Installing photovoltaic (PV) systems to generate on-site electricity.
- ENERGY STAR Appliances: Reducing energy use from equipment and appliances lowers overall consumption. Examples include:
    - Energy-Efficient Appliances – Installing ENERGY STAR®-rated refrigerators, freezers, and dishwashers.
    - Power Management Systems – Using smart power strips and automated shutoff features to reduce standby energy consumption.

Incentives

The final incentive amount is calculated based on the annual energy savings as calculated by the savings methodologies in the Texas TRM—$400 per kilowatt saved or $0.105 per kilowatt hour saved. Custom efficiency projects can qualify but may result in a varied incentive value. Incentive payment values are subject to change at the program's discretion. TNMP reserves the right to cap incentives to a project and/or customer on an annual basis.

General Guidelines of Incentive Evaluations

Standard Rate - $400/kW or $.105/kWh (whichever is larger)
Utility has ability to evaluate kW or kWh savings to incentivize customer based on cost effectiveness
Utility has the ability to evaluate program budgets, customers and participants to ensure diversification of measures and enrollment
COMPASS Tiers - Focus on measures utilized in the DSE, ACE or LSF tools and TRM
Custom Tiers - Focus on custom measures and projects, process improvements and M&V engineering studies
Tiered incentive rate can be based on facilities peak kW load and assist to route a customer to the appropriate track
All programs would be eligible, targeted towards Large Commercial and Schools/Govt

Facility Peak kW	
Customer Size	**COMPASS Option**
0-250kW	COMPASS Option Tier 1
250-500kW	COMPASS Option Tier 2
500+ kW	COMPASS Option Tier 3

COMPASS Tier1 - Standard Incentives		
Tiered kWh based incentive. Projects are going to have reduced kWh values as savings increase over thresholds.		
	$/kWh	**$/kW**
Tier 1	0-100,000 kWh = $0.105/kWh	$ 400.00
Tier 2	100,000-300,000 kWh = $.105/ kWh	$ 400.00
Tier 3	300,000 - 500,000 kWh = $.105/ kWh	$ 200.00
Tier 4	500,000-1,000,000 kWh = $.025 / kWh	$ 200.00
Tier 5	1,000,000 - 99,999,999 kWh = $.025 / kWh	$ 200.00

COMPASS Option Tier 2		
Tiered kWh based incentive. Projects are going to have reduced kWh values as savings increase over thresholds.		
	$/kWh	**$/kW**
Tier 1	0-100,000 kWh = $0.105/kWh	$ 400.00
Tier 2	100,000 - 300,000 = $.05/kWh	$ 250.00
Tier 3	300,000 - 500,000 kWh = $.025/ kWh	$ 100.00
Tier 4	500,000 - 1,000,000 kWh = $.025/kWh	$ 100.00
Tier 5	1,000,000 - 99,999,999 kWh - $.01/kWh	$ 100.00

COMPASS Option Tier 3		
500,00kWh < Tiered kWh based incentive. Projects are going to have reduced kWh values as savings increase over		
	$/kWh	**$/kW**
Tier 1	0-100,000 kWh = $0.05/kWh	$ 250.00
Tier 2	100,000 - 300,000 = $.05/kWh	$ 250.00
Tier 3	300,000 - 500,000 kWh = $.025/ kWh	$ 100.00
Tier 4	500,000 - 1,000,000 kWh = $.025/kWh	$ 100.00
Tier 5	1,000,000 - 99,999,999 kWh - $.01/kWh	$ 100.00

CustomTier1		
	$/kWh	**$/kW**
Flat Rate	1,000,000-3,000,000 kWh = $0.035/kWh	$ 100.00

Custom Tier 2	
	$/kWh
Flat Rate	3,000,000 - 5,000,000 kWh = $0.01/kWh

Custom Tier 3	
	$/kWh
Flat Rate	>5,000,000 kWh = $0.005/kWh

Development Measurement & Verification Plan

Frontier will review all calculators with our Texas-based engineering support team (and statewide evaluator where necessary) prior to deployment to ensure all prescriptive calculations align with Texas TRM methodologies. All custom measure calculations will be reviewed by statewide evaluator for pre-approval. As we work with industries where custom and M&V measures are advantageous, Frontier will work with the customers to develop applicable M&V plans, ensuring compliance with industry standard protocols and the Texas TRM. Each business and M&V plan are unique and require specific pre- and post-installation data collection. We will ensure we communicate this information to all parties, including the customer, contractor, design firm, utility representative, and statewide evaluator, as needed. Along with this process, Frontier will work to maximize incentive dollars to the customer based on eligible projects that follow program processes and guidelines.

Table 1: Overview of M&V Options

M&V Option	How Savings Are Calculated	Typical Applications
A. Partially Measured Retrofit Isolation Savings are determined by partial field measurement of the energy use of the system(s) to which an ECM was applied, separate from the energy use of the rest of the facility. Measurements may be either short-term or continuous. Partial measurement means that some but not all parameter(s) may be stipulated, if the total impact of possible stipulation error(s) is not significant to the resultant savings. Careful review of ECM design and installation will ensure that stipulated values fairly represent the probable actual value. Stipulations should be shown in the M&V Plan along with analysis of the significance of the error they may introduce.	Engineering calculations using short term or continuous post-retrofit measurements and stipulations.	Lighting retrofit where power draw is measured periodically. Operating hours of the lights are assumed to be one half hour per day longer than store open hours.
B. Retrofit Isolation Savings are determined by field measurement of the energy use of the systems to which the ECM was applied, separate from the energy use of the rest of the facility. Short-term or continuous measurements are taken throughout the post-retrofit period.	Engineering calculations using short term or continuous measurements	Application of controls to vary the load on a constant speed pump using a variable speed drive. Electricity use is measured by a kWh meter installed on the electrical supply to the pump motor. In the baseyear this meter is in place for a week to verify constant loading. The meter is in place throughout the post-retrofit period to track variations in energy use.
C. Whole Facility Savings are determined by measuring energy use at the whole facility level. Short-term or continuous measurements are taken throughout the post-retrofit period.	Analysis of whole facility utility meter or sub-meter data using techniques from simple comparison to regression analysis.	Multifaceted energy management program affecting many systems in a building. Energy use is measured by the gas and electric utility meters for a twelve month baseyear period and throughout the post-retrofit period.
D. Calibrated Simulation Savings are determined through simulation of the energy use of components or the whole facility. Simulation routines must be demonstrated to adequately model actual energy performance measured in the facility. This option usually requires considerable skill in calibrated simulation.	Energy use simulation, calibrated with hourly or monthly utility billing data and/or end-use metering.	Multifaceted energy management program affecting many systems in a building but where no baseyear data are available. Post-retrofit period energy use is measured by the gas and electric utility meters. Baseyear energy use is determined by simulation using a model calibrated by the post-retrofit period utility data.