

EL PASO ELECTRIC

# ANNUAL REPORT

# 2025

SMART METER PROJECT CUSTOMER EDUCATION PLAN IMPLEMENTATION

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# What is a Smart Meter?

A digital meter that remotely tracks energy use in near real-time, benefiting the customer and El Paso Electric.

Smart meters provide:

- Access to energy consumption data in near real-time
- Better control of energy costs
- Faster outage notification and restoration
- Enhanced customer service

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# Smart Meter Project History

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- In 2023, El Paso Electric launched its Smart Meter Project and began installing smart meters in Texas and New Mexico.
- Before installations began, Black & Veatch was consulted to develop a comprehensive Customer Education Plan, then communications firm Hahn was hired to implement the plan and lead the marketing strategy.
- The installations are now nearly 100% complete for all customers.

# Customer Engagement Strategy & Phased Plan

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Phase	Goal
<b>Pre-Deployment/ Phase 1 2023</b>	Raise consumer awareness about upcoming technology transformation and proactively address concerns around safety, security and cost.
<b>Deployment/ Phase 2 2023-2025</b>	Help customers understand the installation process and general timeline.
<b>Post-Deployment/ Phase 3 2025-2026</b>	Educate customers about EPE's smart energy tools and announce project completion.

# 2025 Highlights



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# 2025 Program Highlights

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## Smart Meter Deployment Complete

Nearly 100% completion in  
deploying smart meters across  
Texas and New Mexico.

## Advertising Campaigns Successful

Advertising campaigns resulted in  
56.9 million ad impressions\* in  
Texas and New Mexico.

## Post Deployment Campaign Launched

With smart meter installations  
complete, we launched the Time  
Varying Rates Pilot Program.

*\*Impressions represent the number of times an ad was served to users on a media platform.*

# Pre-Deployment/Phase 1: Awareness Campaign

## 2025 Community Events

Event	# in Attendance	Optimization Area
Presentation - San Juan	20	OA 1 - 79905
Día de los Niños/Libros	1000	OA 1 - 79905
Presentation – Northeast	15	OA 1 - 79904
Presentation – Central	5	OA 1 - 79930
El Barrio Sports Club's Backpack Distribution	250	OA 1 - 79905
TX CAP – Grid Modernization	10	OA 3 - 79915
Presentation – Eastside	40	OA 3 - 79925
Presentation – Mission Valley	22	OA 3 - 97707
Cielo Vista Neighborhood Association Presentation	20	OA 3 - 79925
PBS El Paso – Back to School Bash	5000	OA 3 - 79915
KFOX14/CBS4 Back to School Expo	3000	OA 3 - 79925
North Hills Neighborhood Pride Association	25	OA 2 - 79934
ADP Living Green	200	OA 2 - 79912
Community Resource Fair	150	OA 2 - 79912
Northeast Good Neighbor Event	30	OA 2 - 79934
EPPD: "New Year, New Station, New Connections"	100	OA 4 - 79935
Presentation – Upper Eastside	35	OA 4 - 79938
Montana Vista Community Meeting (HOA)	40	OA 4 - 79938
Socorro Small Business Forum	15	OA 5 - 79927
NM CAP	10	OA 6 - 88005
Keep America Beautiful Earth Day	200	OA 7 - 88001

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- **Target:** all customers in region
- **Objective:** to create awareness about the program
- **Activation:** Multiple channels and community events
- **Results:** Through community events in 2025, we reached more than 10,000 residents in our optimization areas.

# Deployment/Phase 2: The Installers Campaign

- **Target:** customers who are about to receive smart meters
- **Objective:** to educate them on the installation process
- **Activation:** Facebook, Instagram, Connected TV and billboards
- **Results: More than 2,800 customers** used the ZIP code search tool on the smart meter website
  - Reached optimization areas 3, 4, 5 & 7 (representing approximately 286,902 meters)

## 2025 Results

Texas (2025)	New Mexico (2025)
1.25 million digital impressions (CTV + Meta)	474k digital impressions
12,695 ad clicks	6,241 ad clicks
833k video ad views	307k video ad views
1.15 million traditional impressions	1.57 million traditional impressions

*\*Impressions represent the number of times an ad was served on a media platform.*

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# Post-Deployment/Phase 3: Next Steps Campaign

Campaign supporting use of smart energy tools and app downloads

- **Target:** customers who recently received a smart meter
- **Objective:** to encourage them to download the EPE mobile app, create an online account and use EPE's smart energy tools
  - Customers who take control of their energy use can save money on their energy bills and help EPE manage its load growth
- **Activation:** Facebook, Instagram and billboards
- **Results:** Reached optimization areas 4, 5 & 7 (representing approximately 207,344 meters)

## 2025 Results

Texas	New Mexico
1.13 million digital impressions	1.01 million digital impressions
9,042 ad clicks	5,554 ad clicks
17.2 million traditional impressions	2.47 million traditional impressions

*\*Impressions represent the number of times an ad was served on a media platform.*

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**You've got  
the power  
to save more.**

Make the most of your smart  
meter with the EPE app.

[Download the app](#)

*the Electric  
Company*  
El Paso Electric

Transforming the energy landscape.

A photograph of an electrical worker in safety gear, including a hard hat and gloves, working on an electrical meter mounted on a wall. The image is overlaid with a teal-to-yellow gradient. The worker's hands are visible, one holding a tool near the meter. The meter has a circular opening with a digital display inside.

# Lifetime Campaign Highlights

2023-2025



El Paso Electric

# Sample Marketing Materials

To support customer engagement

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**Save money with smart meters**  
Use EPE's smart energy tools

Customers can take advantage of savings and benefits by downloading the EPE app and creating an online account.

Go to [www.epeco.com](https://www.epeco.com) or download the EPE app from The Apple Store or Google Play to get started.

An online account gives customers access to several smart energy tools, including a free home energy analysis.

**Other smart energy tools include:**

- Energy overview
- Bill comparisons year over year
- Bill forecasting
- Energy use comparisons with neighbors

**Ahorra dinero con los medidores inteligentes**  
Utilice las herramientas de energía inteligente de EPE

**You've got the power with smart meters**

**Tienes el poder con los medidores inteligentes**

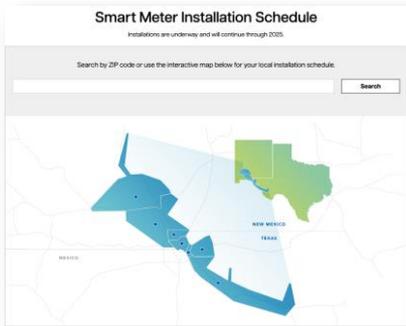
Flyer and downloadable FAQ documents



**I Have My Smart Meter, What's Next?**  
Watch the video to learn how to create an account and use EPE's Smart Energy tools.

Educational Videos

Smart Meter Portal



**Smart Meter Installation Schedule**  
Installations are underway and will continue through 2025.

Search by ZIP code or use the interactive map below for your local installation schedule.

Search

NEW MEXICO  
TEXAS

Zip Code Search Tool



**My Smart Meter**

**SMART METER**

**Building a Smart Community**

Congrats on your new smart meter! At EPE, we are committed to providing reliable, affordable, and sustainable energy. Smart meters are part of a long-term effort to give you more control over your power and help us become carbon-free by 2045.

# Lifetime Campaign Highlights (2023-2025)

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## Smart Meter Deployment at 100%

Nearly 100% completion in  
deploying smart meters across  
Texas and New Mexico.

Only 1,021 total opt-outs since  
2023.

## Advertising campaigns exceeded targets

With a goal of reaching 80% of  
adult customers once per week in  
each optimization area,

- The Installers campaign  
exceeded target impressions  
by **79.9%**.
- The Next Steps campaign  
exceeded target impressions  
by **117.2%**.
- Total of **~94.4 million ad  
impressions** across Texas  
and New Mexico

## Energy Savings Results

Estimated \$6/month in energy  
savings from smart meter  
installations.

Launched behavior change  
programs and time varying rates  
pilot to drive customers to reduce  
impact on load growth.

A photograph of three people in an office setting, overlaid with a teal and yellow gradient. A man in a dark jacket is pointing at a document on a table. A woman with glasses and a patterned top stands behind him, looking at the document. Another man in a blue vest and checkered shirt is leaning over the table, also looking at the document. The background shows office shelves and a ceiling light fixture.

# Organizational Impacts

Customer Portal & Energy Savings



El Paso Electric

# Customer Portal Update

Portal usage continues to increase among customers

- Customers can use the Smart Energy Tools in the portal to:
  - conduct a free home energy analysis
  - sign up for high bill alerts
  - receive customized energy saving tips
  - view energy use comparisons
- **63%** of EPE customers have used the online customer portal (by the end of 2025)

## Customer Portal Users by Customer Type

Customer Type	Registered Portal Users
Residential	308,469
Small Business	26,474
Commercial	94
Other*	1,851

\*government and other municipal users

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## Customer Portal Users by Optimization Areas

Optimization Area	Portal Users	Number of Meters	Ratio of Portal Users to Meters
OA1-TX	52,294	93,293	56.1
OA2-TX	54,010	79,175	68.2
OA3-TX	34,859	558,387	59.7
OA4-TX	63,388	94,702	66.9
OA5-TX	48,101	75,399	63.8
OA6-NM	46,496	72,502	64.1
OA7-NM	37,740	58,414	64.6
Total	336,888	531,872	63.3

# Energy Savings

## Smart Meters. Smarter Energy Usage.

El Paso Electric launched the smart energy tools to empower customers with real-time visibility into their electricity consumption through smart meters and a customer-facing usage monitoring application.

EPE estimates 4-5% in energy savings from smart meter installations.

### Energy Savings by Customer Class

Customer Type	Energy Savings (in kWh/mo)
Residential	42.3 kWh
Small Business	-
Commercial	-
Other	-

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# Energy Savings

## Data & Methodology

This analysis draws on five years of monthly billing records, customer-specific account portal enrollment dates, daily weather observations, and internal premise verification data to estimate the causal impact of smart energy tools on electricity consumption.

The methodology employs a staggered difference-in-differences framework with high-dimensional fixed effects, leveraging each customer's individual enrollment date to define pre- and post-treatment periods.

The study focuses exclusively on residential customers for several reasons. Residential consumption is most directly influenced by individual behavioral choices such as thermostat adjustments, appliance usage, and daily habits, which are the behaviors the smart energy tools are designed to help customers monitor and modify. Additionally, the residential segment represents the largest share of EPE account portal enrollees and provides the most statistically robust sample for detecting program effects.

There was no impact for commercial and industrial customers, as well as public authority accounts. These customers have consumption patterns driven primarily by business operations, occupancy schedules, and production processes rather than voluntary behavioral changes in response to usage information.

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# Key Findings

## Usage Segmentation

A key insight is that program impacts are varied across customer usage levels. The analysis segments customers into three usage tiers based on their pre-enrollment average monthly consumption (for enrolled customers) or overall average monthly consumption (for non-enrolled customers), computed within each state shown in table 1 below.

**Table 1. Primary Results by Customer Usage Segment**

Usage Tier	Deciles	Avg. Monthly KWH
Low Usage	1–4	133–534
Mid Usage	5–7	558–832
High Usage	8–10	876–1,728

**Table 2. Primary Results by Customer Usage Segment**

Customer Segment	Premises	Effect (KWH)
All Customers	384,238	+19.81
Low Usage (D1–D4)	129,257	+76.06
Mid Usage (D5–D7)	98,489	+18.06
High Usage (D8–D10)	99,456	-42.30

*Note: The positive coefficients for low- and mid-usage customer segments reflect regression to the mean. This means that customers who happen to experience unusually low usage in the months leading up to enrollment naturally revert to their typical consumption levels afterward. This does not indicate that the program increases usage for these customers. The high-usage customer segment, which is less susceptible to this phenomenon due to their consistently elevated consumption levels, reveals the true program effect.*

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### Finding 1: Significant Energy Savings for High-Usage Customers

The central finding of this analysis is that IDEA enrollment produces substantial and statistically significant energy savings among high-usage residential customers. After controlling for weather, seasonal patterns, annual trends, and individual customer characteristics, high-usage customers (deciles 8–10, averaging 876–1,728 KWH/month) reduced their consumption by 42.3 KWH per month following enrollment. This represents approximately a 4–5% reduction in monthly electricity usage for this customer segment.

# Key Findings

## Finding 2: Consistent Savings Across Both Service Territories

The estimated savings effect for high-usage customers is consistent across both the Texas and New Mexico jurisdictions within El Paso Electric's service territory, confirming that the finding is not driven by localized factors in either state, as show in table 3 below.

**Table 3. Results Jurisdiction**

Territory	Effect (KWH/mo)
Texas	-43.29
New Mexico	-35.17

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### Finding 3: Decile-Level Analysis Reveals a Clear Gradient

The decile-by-decile regression analysis provides additional granularity, showing that the transition from positive to negative effects occurs precisely at decile 8. The highest consuming customers (decile 10) show the largest savings:

**Table 4. Regression Results by Decile**

Decile	N Enrolled	KWH Range	N Control	Effect (KWH)	SE	Sig.
1	11,409	133-170	20,756	+132.91	2.39	***
2	11,606	289-337	20,737	+76.42	1.99	***
3	11,756	382-442	20,728	+57.73	1.97	***
4	11,936	470-534	20,725	+40.33	1.96	***
5	11,942	558-627	20,739	+34.50	2.09	***
6	12,192	650-722	20,726	+16.42	2.15	***
7	12,247	751-832	20,730	+3.79	2.24	
8	12,330	876-967	20,730	-12.42	2.40	***
9	12,483	1,055-1,167	20,732	-34.29	2.69	***
10	12,547	1,588-1,728	20,752	-79.28	4.69	***

The conservative estimate uses the overall high-usage Difference in Differences coefficient of -42.3 KWH/month.

### Estimated Program Impact

Metric	Impact
Enrolled High-Usage Premises	37,360
Monthly Savings per Customer	42.3 KWH
Annual Savings per Customer	508 KWH

The image shows two men in a control room. One man is standing and leaning over a desk, while the other is sitting in a chair, pointing at a large monitor. There are several other monitors displaying various data visualizations, including line graphs and tables. The scene is overlaid with a semi-transparent blue and green gradient.

# Post-Deployment

TVR Pilot Program



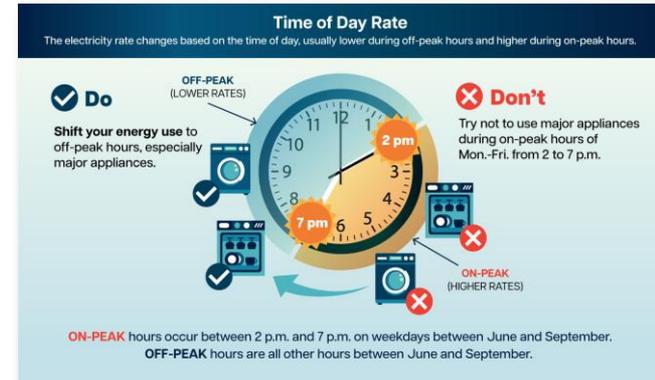
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# Moving Beyond: Time Varying Rates Pilot Program

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- With smart meter installations complete, we launched the Time Varying Rates Pilot Program:
  - New Mexico launched in July 2025
  - Texas launched in January 2026.
- New Mexico residential customer goal enrollment was achieved. Texas recruitment is currently in progress.
- Program Benefits:
  - Customers can save all year around by shifting their energy use to off-peak hours in the summer
  - EPE can more effectively manage its load growth
- Landing pages and marketing materials are available in both English and Spanish.



The image shows two utility workers standing in front of two white utility trucks. They are wearing hard hats, safety glasses, and work clothes. The background is a clear blue sky with some clouds. The entire image has a blue and green color overlay.

**Thank you.**

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