

Control Number: 49594



Item Number: 1

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APPLICATION OF ONCOR ELECTRIC DELIVERY COMPANY LLC FOR 2020 ENERGY EFFICIENCY COST RECOVERY FACTOR

2019 MAY 31 PM 1: 10 BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

ONCOR ELECTRIC DELIVERY COMPANY LLC'S APPLICATION FOR 2020 ENERGY EFFICIENCY COST RECOVERY FACTOR

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Direct Testimony

Michael R. Stockard	2018 Energy Efficiency Program Results; Energy Efficiency Performance Bonus; Over-Recovery of Total 2018 Energy Efficiency Costs; 2020 Forecasted Energy Efficiency Costs; Estimated Evaluation, Measurement, and Verification Costs; EECRF Proceeding Expenses of Municipalities; Rule Compliance; Reasonableness of Oncor's EECRF Costs for the 2018 PY
J. Michael Sherburne	Recovery of Energy Efficiency Program Costs; Calculation of the Amount to be Recovered by Energy Efficiency Rate Classes Through the 2020 EECRF; Allocation of the Earned 2018 Energy Efficiency Performance Bonus; Allocation of the 2018 EECRF Proceeding Expenses; Exemption of Industrial Customers from EECRF Charges; Calculation of Oncor's Line Loss Factor Used in Determining Energy Efficiency Goals; Calculation of the Proposed 2020 EECRFs

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BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

ONCOR ELECTRIC DELIVERY COMPANY LLC'S APPLICATION FOR 2020 ENERGY EFFICIENCY COST RECOVERY FACTOR

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

COMES NOW, Oncor Electric Delivery Company LLC ("Oncor" or the "Company") and files this, its Application for the 2020 Energy Efficiency Cost Recovery Factor ("EECRF") (the "Application"), which is timely filed on or before June 1, 2019, in accordance with PURA¹ § 39.905 and 16 Tex. Admin. Code §§ 25.181 and 25.182 ("TAC"). In support of this Application, Oncor respectfully shows the following:

I. Purpose of Filing

Under 16 TAC §§ 25.182(d)(1)(A) and (d)(8), Oncor is required to annually apply not later than June 1 of each year to adjust the EECRF in order to recover the "utility's forecasted annual energy efficiency program expenditures, the preceding year's overor under-recovery including interest and municipal and utility EECRF proceeding expenses, any performance bonus earned...and evaluation, measurement, and verification (EM&V) contractor costs allocated to the utility by the commission for the preceding year...."

II. Commission Jurisdiction

The Public Utility Commission of Texas ("Commission") has jurisdiction over this Application pursuant to PURA § 39.905 and 16 TAC §§ 25.181 and 25.182.

III. Affected Persons

This Application, if granted, will affect all of the retail electric providers ("REPs") served by Oncor in its service area who serve end-use customers subject to the EECRF sought in this filing.

¹ Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-58.302 (West 2016 & Supp. 2018), §§ 59.001-66.016 (West 2007 & Supp. 2018) ("PURA").

IV. Filing Overview

In addition to this Application, this filing also includes direct testimony, exhibits (which include a proposed tariff rider and Oncor's most recent energy efficiency plan and report), and workpapers in one volume that satisfy the requirements of 16 TAC §§ 25.181 and 25.182. The Company's direct testimony, along with supporting exhibits and workpapers, is presented by Oncor witnesses Messrs. Michael R. Stockard and J. Michael Sherburne.

V. Background and Relief Requested

In Docket No. 48421, the Commission approved Oncor's 2019 EECRF in the amount of \$57,233,836.² PURA § 39.905 and 16 TAC §§ 25.182(d)(1)(A) and (d)(8) require a utility with an EECRF in an area in which customer choice is offered to apply not later than June 1 of each year to adjust the EECRF in order to recover the utility's forecasted annual energy efficiency program expenditures, the preceding year's overor under-recovery including interest, municipal and utility EECRF proceeding expenses, any performance bonus earned, and EM&V costs allocated to the utility by the Commission.

Therefore, Oncor is requesting in the current docket approval of its 2020 EECRF in the amount of \$56,446,846. Oncor's request regarding the 2020 EECRF is based on the following components:

- \$49,678,712 in energy efficiency expenses forecasted for the 2020 program year;
- allocation of \$3,189,428 for the total over-recovery of 2018 energy efficiency costs that includes the required interest payment;
- inclusion of a \$9,197,172 energy efficiency performance bonus under 16 TAC § 25.182(e) based on Oncor's energy efficiency achievements in 2018; and
- \$748,525 in estimated expenses relating to the Commission's EM&V costs.

The above-referenced request for \$56,446,846 includes \$11,865 for EECRF proceeding expenses of municipalities that the Steering Committee of Cities Served by Oncor ("Cities") has submitted to Oncor pursuant to 16 TAC § 25.182(d)(3)(B) relating

² Application of Oncor Electric Delivery Company LLC to Adjust Its Energy Efficiency Cost Recovery Factor, Docket No. 48421, Final Order (October 25, 2018) at 15.

to Docket No. 48421. Oncor anticipates that Cities will provide evidence in this EECRF proceeding supporting the amount of \$11,865 relating to municipalities' EECRF proceeding expenses. Oncor did not incur EECRF proceeding expenses in Docket No. 48421.

If approved, Oncor's 2020 EECRF will go into effect on March 1, 2020 consistent with 16 TAC § 25.182(d)(9)(B).

VI. Request for Entry of Protective Order

In preparing this filing, Oncor has compiled necessary materials and information that include specific contractual and other confidential information. In accordance with the privileges and other protections established by Texas law, Oncor requests stringent confidential treatment of such information. Accordingly, Oncor requests issuance of, and adherence to, the Commission's standard protective order pursuant to 16 TAC § 22.142(c). A copy of the standard protective order is attached hereto as Attachment B.

VII. Statement of Confidentiality

The following is a description of confidential, Protected Material, and/or Highly Sensitive Protected Material (material designated under either heading hereinafter called "Protected Material") attached to this filing as Exhibit MRS-7 to Mr. Michael R. Stockard's testimony: contracts regarding energy efficiency administrator and/or service provider that received more than 5% of overall incentive payments from Oncor. Oncor asserts that the information that has been marked as Protected Material is exempt from public disclosure pursuant to § 552.101 and § 552.110 of the Texas Public Information Act ("TPIA") and pursuant to 16 TAC § 25.182(d)(10)(H).

Specifically, the Protected Material contains confidential competitively-sensitive information, trade secret information, and commercial and financial information (e.g., contractual scope of work including, but not limited to, pricing) which, if publicly disclosed, would likely cause substantial competitive harm to Oncor, ratepayers, or other third-party entities.

Counsel for Oncor has reviewed the Protected Material sufficiently to state in good faith that the information contained therein is exempt from public disclosure under

the TPIA and 16 TAC § 25.182(d)(10)(H). Attachment B of this filing includes a draft standard Protective Order to be used until issuance of a protective order in this docket.

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VIII. Notice

Consistent with 16 TAC 25.182(d)(13), Oncor will provide within seven (7) days of this filing notice of this filing substantially in the form attached hereto as Attachment C by hand delivery or via courier service, email, fax, overnight delivery, or first class United States mail, postage prepaid, to: a) all parties in Docket No. 48421 (Oncor's most recent completed EECRF docket); b) all REPs that are authorized by the registration agent to provide service in Oncor's service area at the time this Application is filed; c) all parties in Docket No. 46957³ (Oncor's most recent completed base rate case); and d) Texas Department of Housing & Community Affairs, the state agency that administers the federal weatherization program. Oncor will file an affidavit attesting to the completion of notice within fourteen (14) days after this Application is filed consistent with 16 TAC § 25.182(d)(14).

IX. Contact Information and Authorized Representatives

Oncor's authorized representative in this proceeding is:

Darryl Nelson Oncor Electric Delivery Company LLC 1616 Woodall Rodgers Freeway Dallas, Texas 75202-1234 Telephone: (214) 486-6443 Facsimile: (214) 486-3221 darryl.nelson@oncor.com

Oncor's legal representative in this proceeding is:

Ritchie J. Sturgeon Oncor Electric Delivery Company LLC 1616 Woodall Rodgers Freeway Dallas, Texas 75202-1234 Telephone: (214) 486-6345 Facsimile: (214) 486-3221 ritchie.sturgeon@oncor.com

³ Application of Oncor Electric Delivery Company LLC for Authority to Change Rates, Docket No. 46957, Final Order (October 13, 2017).

General inquiries by non-attorneys concerning this filing should be directed to Mr. Nelson at the above-stated address or telephone number. All pleadings, motions, orders, and other information filed in this proceeding should be served upon Mr. Sturgeon at the above-stated address; and all inquiries by attorneys should be directed to Mr. Sturgeon.

X. Proposed Procedural Schedule

Oncor will endeavor to pursue and file an agreed proposed procedural schedule by the parties on or before the deadline set forth by the Administrative Law Judge.

XI. Conclusion and Prayer

WHEREFORE, PREMISES CONSIDERED, Oncor prays that this Honorable Commission:

- (a) approve Oncor's proposed 2020 EECRF;
- (b) issue the standard protective order to govern Protected Materials and Highly Sensitive Protected Materials in this proceeding; and
- (c) grant Oncor such other and further relief to which it may be justly entitled.

Respectfully submitted,

Oncor Electric Delivery Company LLC

By: _

Ritchie J. Sturgeon State Bar No. 24068574 Oncor Electric Delivery Company LLC 1616 Woodall Rodgers Freeway Dallas, Texas 75202-1234 Telephone: (214) 486-6345 Facsimile: (214) 486-3221 ritchie.sturgeon@oncor.com

ATTORNEY FOR ONCOR ELECTRIC DELIVERY COMPANY LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on all parties of record in this proceeding via hand delivery, facsimile, email, or first-class United States mail, postage prepaid, on this 3334 day of May, 2019.

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ATTACHMENT A

Rider EECRF – Energy Efficiency Cost Recovery Factor

6.1.1.6.3 Rider EECRF - Energy Efficiency Cost Recovery Factor

APPLICATION

Applicable, pursuant to PURA § 39.905(b)(4) and Substantive Rule § 25.182(d), to all eligible customers in energy efficiency rate classes that receive services under the Company's energy efficiency programs.

METHOD OF CALCULATION

An Energy Efficiency Cost Recovery Factor (EECRF) shall be calculated annually and shall equal by energy efficiency rate class the sum of: forecasted energy efficiency costs, any adjustment for past over-recovery or under-recovery of EECRF costs including interest, any approved energy efficiency performance bonus for the previous year, any EECRF proceeding expenses from the previous year, and any applicable evaluation, measurement, and verification costs as determined by the commission; divided by the forecasted billing units for each class in demand or kWh.

MONTHLY RATE

Energy Efficiency Cost Recovery Factor (EECRF)

	Residential Service	Secondar	y Service	Primary Service			Transmission Service		Lighting Service
		≤ 10 kW*	> 10 kW*	≤ 10 kW*	> 10 kW - Distribution Line*	> 10 kW – Substation*	Non-Profit	For Profit	
Effective Date	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kWh)	(\$/kW h)
March 1, 2020	0.000739	0.000282	0.000348	0.000243	0.000346	0.000229	0.000052	0.000000	0.000000
March 1, 2019	0.000755	0.000318	0.000414	(0.000062)	0.000235	0.000004	0.000016	0.000000	0.000000
March 1, 2018	0.000760	(0.000114)	0.000444	0.000142	0.000158	(0.000010)	0.000545	0.000000	0.000000
March 1, 2017	0.000780	0.000329	0.000444	(0.000021)	0.000057	(0.000159)	(0.000104)	0.000000	0.000000
March 1, 2016	0.000995	0.001505	0.000459	0.000461	(0.000005)	(0.000046)	0.001335	0.000000	0.000000
March 1, 2015	0.001025	0.000997	0.000353	(0.000065)	0.000756	0.000025	0.000173	0.000000	0.000001
March 1, 2014	0.001014	0.000437	0.000525	(0.000004)	0.000649	0.000680	0.000525	(0.000002)	0.000000
	(\$ / Retail Customer)	(\$ / Retail Customer)	(\$ / Retail Customer)	(\$ / Retail Customer)	(\$ / Retail Customer)				
Dec. 31, 2012	1.23	0.23	11.59	(2.58)	95.76	130.77	132.02	(1.61)	0.00
Jan. 3, 2012	0.99	0.36	6.65	(0.05)	130.77	130.77	(224.74)	(224.74)	0.00
Dec. 30, 2010	0.91	0.01	8.14	4.79	75.91	185.59	(71.62)	(71.62)	0.00
Dec. 30, 2009	0.89	0.11	9.66	0.06	59.87	720.49	273.71	273.71	0.00
Sept. 17, 2009	0.92	0.22	8.68	0.00	76.27	76.27	443.77	443.77	0.00
Dec. 29, 2008	0.22	(0.79)	2.48	(2.17)	26.17	26.17	(227.52)	(227.52)	(0.17)

* Excludes those industrial customers taking electric service at distribution voltage qualifying for the exemption pursuant to Substantive Rule § 25.181(u).

NOTICE

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

ATTACHMENT B

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DOCKET NO.

ONCOR ELECTRIC DELIVERY COMPANY LLC'S APPLICATION FOR 2018 ENERGY EFFICIENCY COST RECOVERY FACTOR

BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

PROTECTIVE ORDER

This Protective Order shall govern the use of all information deemed confidential (Protected Materials) or highly confidential (Highly Sensitive Protected Materials), including information whose confidentiality is currently under dispute, by a party providing information to the Public Utility Commission of Texas (Commission) or to any other party to this proceeding.

It is ORDERED that:

- 1. Designation of Protected Materials. Upon producing or filing a document, including, but not limited to, records on a computer disk or other similar electronic storage medium in this proceeding, the producing party may designate that document, or any portion of it, as confidential pursuant to this Protective Order by typing or stamping on its face "PROTECTED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. _____" (or words to this effect) and consecutively Bates Stamping each page. Protected Materials and Highly Sensitive Protected Materials include the documents so designated, as well as the substance of the information contained in the documents and any description, report, summary, or statement about the substance of the information contained in the documents.
- 2. <u>Materials_Excluded from Protected Materials Designation</u>. Protected Materials shall not include any information or document contained in the public files of the Commission or any other federal or state agency, court, or local

governmental authority subject to the Public Information Act.⁴ Protected Materials also shall not include documents or information which at the time of, or prior to disclosure in, a proceeding is or was public knowledge, or which becomes public knowledge other than through disclosure in violation of this Protective Order.

- 3. **<u>Reviewing Party</u>**. For the purposes of this Protective Order, a "Reviewing Party" is any party to this docket.
- 4. Procedures for Designation of Protected Materials. On or before the date the Protected Materials or Highly Sensitive Protected Materials are provided to the Commission, the producing party shall file with the Commission and deliver to each party to the proceeding a written statement, which may be in the form of an objection, indicating: (a) any exemptions to the Public Information Act claimed to apply to the alleged Protected Materials; (b) the reasons supporting the producing party's claim that the responsive information is exempt from public disclosure under the Public Information Act and subject to treatment as protected materials; and (c) that counsel for the producing party has reviewed the information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials designation.
- 5. Persons Permitted Access to Protected Materials. Except as otherwise provided in this Protective Order, a Reviewing Party may access Protected Materials only through its "Reviewing Representatives" who have signed the Protective Order Certification Form (see Exhibit A). Reviewing Representatives of a Reviewing Party include its counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by the Reviewing Party and directly engaged in this proceeding. At the request of the PUC Commissioners, copies of Protected Materials may be produced by Commission Staff. The

⁴ TEX. GOV'T CODE ANN. §§ 552.001-552.353 (Vernon 2004 & Supp. 2013).

Commissioners and their staff shall be informed of the existence and coverage of this Protective Order and shall observe the restrictions of the Protective Order.

- 6. Highly Sensitive Protected Material Described. The term "Highly Sensitive Protected Materials" is a subset of Protected Materials and refers to documents or information that a producing party claims is of such a highly sensitive nature that making copies of such documents or information or providing access to such documents to employees of the Reviewing Party (except as specified herein) would expose a producing party to unreasonable risk of harm. Highly Sensitive Protected Materials include but are not limited to: (a) customer-specific information protected by § 32.101(c) of the Public Utility Regulatory Act;⁵ (b) contractual information pertaining to contracts that specify that their terms are confidential or that are confidential pursuant to an order entered in litigation to which the producing party is a party; (c) market-sensitive fuel price forecasts, wholesale transactions information and/or market-sensitive marketing plans; and (d) business operations or financial information that is commercially sensitive. Documents or information so classified by a producing party shall bear the designation "HIGHLY SENSITIVE PROTECTED MATERIALS PROVIDED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. _____ " (or words to this effect) and shall be consecutively Bates Stamped. The provisions of this Protective Order pertaining to Protected Materials also apply to Highly Sensitive Protected Materials, except where this Protective Order provides for additional protections for Highly Sensitive Protected Materials. In particular, the procedures herein for challenging the producing party's designation of information as Protected Materials also apply to information that a producing party designates as Highly Sensitive Protected Materials.
- 7. <u>Restrictions on Copying and Inspection of Highly Sensitive Protected</u> <u>Material</u>. Except as expressly provided herein, only one copy may be made of any Highly Sensitive Protected Materials except that additional copies may be

⁵ Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (Vernon 2007 & Supp. 2013) (PURA).

made to have sufficient copies for introduction of the material into the evidentiary record if the material is to be offered for admission into the record. The Reviewing Party shall maintain a record of all copies made of Highly Sensitive Protected Material and shall send a duplicate of the record to the producing party when the copy or copies are made. The record shall specify the location and the person possessing the copy. Highly Sensitive Protected Material shall be made available for inspection only at the location or locations provided by the producing party, except as specified by Paragraph 9. Limited notes may be made of Highly Sensitive Protected Materials, and such notes shall themselves be treated as Highly Sensitive Protected Materials unless such notes are limited to a description of the document and a general characterization of its subject matter in a manner that does not state any substantive information contained in the document.

8. **Restricting Persons Who May Have Access to Highly Sensitive Protected** Material. With the exception of Commission Staff, the Office of the Attorney General (OAG), and the Office of Public Utility Counsel (OPC), and except as provided herein, the Reviewing Representatives for the purpose of access to Highly Sensitive Protected Materials may be persons who are (a) outside counsel for the Reviewing Party, (b) outside consultants for the Reviewing Party working under the direction of Reviewing Party's counsel, or (c) employees of the Reviewing Party working with and under the direction of Reviewing Party's counsel who have been authorized by the presiding officer to review Highly Sensitive Protected Materials. The Reviewing Party shall limit the number of Reviewing Representatives that review Highly Sensitive Protected Materials to the minimum number of persons necessary. The Reviewing Party is under a good faith obligation to limit access to each portion of any Highly Sensitive Protected Materials to two Reviewing Representatives whenever possible. Reviewing Representatives for Commission Staff, OAG, and OPC, for the purpose of access to Highly Sensitive Protected Materials, shall consist of their respective counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by them and directly engaged in these proceedings.

- 9. Copies Provided of Highly Sensitive Protected Material. A producing party shall provide one copy of Highly Sensitive Protected Materials specifically requested by the Reviewing Party to the person designated by the Reviewing Party who must be a person authorized to review Highly Sensitive Protected Material under Paragraph 8. Representatives of the Reviewing Party who are authorized to view Highly Sensitive Protected Material may review the copy of Highly Sensitive Protected Materials at the office of the Reviewing Party's representative designated to receive the information. Any Highly Sensitive Protected Materials provided to a Reviewing Party may not be copied except as provided in Paragraph 7. The restrictions contained herein do not apply to Commission Staff, OPC, and the OAG when the OAG is representing a party to the proceeding.
- 10. Procedures in Paragraphs 10-14 Apply to Commission Staff, OPC, and the OAG and Control in the Event of Conflict. The procedures in Paragraphs 10 through 14 apply to responses to requests for documents or information that the producing party designates as Highly Sensitive Protected Materials and provides to Commission Staff, OPC, and the OAG in recognition of their purely public functions. To the extent the requirements of Paragraphs 10 through 14 conflict with any requirements contained in other paragraphs of this Protective Order, the requirements of these Paragraphs shall control.
- 11. <u>Copy of Highly Sensitive Protected Material to be Provided to Commission</u> <u>Staff, OPC and the OAG</u>. When, in response to a request for information by a Reviewing Party, the producing party makes available for review documents or information claimed to be Highly Sensitive Protected Materials, the producing party shall also deliver one copy of the Highly Sensitive Protected Materials to the Commission Staff, OPC (if OPC is a party), and the OAG (if the OAG is representing a party) in Austin, Texas. Provided however, that in the event such Highly Sensitive Protected Materials are voluminous, the materials will be made

available for review by Commission Staff, OPC (if OPC is a party), and the OAG (if the OAG is representing a party) at the designated office in Austin, Texas. The Commission Staff, OPC (if OPC is a party) and the OAG (if the OAG is representing a party) may request such copies as are necessary of such voluminous material under the copying procedures specified herein.

- 12. Delivery of the Copy of Highly Sensitive Protected Material to Commission Staff and Outside Consultants. The Commission Staff, OPC (if OPC is a party), and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials received by them to the appropriate members of their staff for review, provided such staff members first sign the certification specified by Paragraph 15. After obtaining the agreement of the producing party, Commission Staff, OPC (if OPC is a party), and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials received by it to the agreed, appropriate members of their outside consultants for review, provided such outside consultants first sign the certification in Exhibit A.
- 13. Restriction on Copying by Commission Staff, OPC and the OAG. Except as allowed by Paragraph 7, Commission Staff, OPC and the OAG may not make additional copies of the Highly Sensitive Protected Materials furnished to them unless the producing party agrees in writing otherwise, or, upon a showing of good cause, the presiding officer directs otherwise. Commission Staff, OPC, and the OAG may make limited notes of Highly Sensitive Protected Materials furnished to them, and all such handwritten notes will be treated as Highly Sensitive Protected Materials as are the materials from which the notes are taken.
- 14. <u>Public Information Requests</u>. In the event of a request for any of the Highly Sensitive Protected Materials under the Public Information Act, an authorized representative of the Commission, OPC, or the OAG may furnish a copy of the requested Highly Sensitive Protected Materials to the Open Records Division at the OAG together with a copy of this Protective Order after notifying the

producing party that such documents are being furnished to the OAG. Such notification may be provided simultaneously with the delivery of the Highly Sensitive Protected Materials to the OAG.

15. <u>**Required Certification**</u>. Each person who inspects the Protected Materials shall, before such inspection, agree in writing to the following certification found in Exhibit A to this Protective Order:

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket, and that I have been given a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials shall not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPC shall be used only for the purpose of the proceeding in Docket No. _____. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order. Provided, however, if the information contained in the Protected Materials is obtained from independent public sources, the understanding stated herein shall not apply.

In addition, Reviewing Representatives who are permitted access to Highly Sensitive Protected Material under the terms of this Protective Order shall, before inspection of such material, agree in writing to the following certification found in Exhibit A to this Protective Order:

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

The Reviewing Party shall provide a copy of each signed certification to Counsel for the producing party and serve a copy upon all parties of record.

16. <u>Disclosures between Reviewing Representatives and Continuation of</u> <u>Disclosure Restrictions after a Person is no Longer Engaged in the</u> <u>Proceeding</u>. Any Reviewing Representative may disclose Protected Materials, other than Highly Sensitive Protected Materials, to any other person who is a Reviewing Representative provided that, if the person to whom disclosure is to

Protective Order

be made has not executed and provided for delivery of a signed certification to the party asserting confidentiality, that certification shall be executed prior to any disclosure. A Reviewing Representative may disclose Highly Sensitive Protected Material to other Reviewing Representatives who are permitted access to such material and have executed the additional certification required for persons who receive access to Highly Sensitive Protected Material. In the event that any Reviewing Representative to whom Protected Materials are disclosed ceases to be engaged in these proceedings, access to Protected Materials by that person shall be terminated and all notes, memoranda, or other information derived from the protected material shall either be destroyed or given to another Reviewing Representative of that party who is authorized pursuant to this Protective Order to receive the protected materials. Any person who has agreed to the foregoing certification shall continue to be bound by the provisions of this Protective Order so long as it is in effect, even if no longer engaged in these proceedings.

- 17. Producing Party to Provide One Copy of Certain Protected Material and Procedures for Making Additional Copies of Such Materials. Except for Highly Sensitive Protected Materials, which shall be provided to the Reviewing Parties pursuant to Paragraphs 9, and voluminous Protected Materials, the producing party shall provide a Reviewing Party one copy of the Protected Materials upon receipt of the signed certification described in Paragraph 15. Except for Highly Sensitive Protected Materials, a Reviewing Party may make further copies of Protected Materials for use in this proceeding pursuant to this Protective Order, but a record shall be maintained as to the documents reproduced and the number of copies made, and upon request the Reviewing Party shall provide the party asserting confidentiality with a copy of that record.
- 18. Procedures Regarding Voluminous Protected Materials. P.U.C. PROC. R. 22.144(h) will govern production of voluminous Protected Materials. Voluminous Protected Materials will be made available in the producing party's voluminous room, in Austin, Texas, or at a mutually agreed upon location, Monday through Friday, 9:00 a.m. to 5:00 p.m. (except on state or Federal holidays), and at other mutually convenient times upon reasonable request.

- 19. <u>Reviewing Period Defined</u>. The Protected Materials may be reviewed only during the Reviewing Period, which shall commence upon entry of this Protective Order and continue until the expiration of the Commission's plenary jurisdiction. The Reviewing Period shall reopen if the Commission regains jurisdiction due to a remand as provided by law. Protected materials that are admitted into the evidentiary record or accompanying the evidentiary record as offers of proof may be reviewed throughout the pendency of this proceeding and any appeals.
- 20. Procedures for Making Copies of Voluminous Protected Materials. Other than Highly Sensitive Protected Materials, Reviewing Parties may take notes regarding the information contained in voluminous Protected Materials made available for inspection or they may make photographic, mechanical or electronic copies of the Protected Materials, subject to the conditions in this Protective Order; provided, however, that before photographic, mechanical or electronic copies may be made, the Reviewing Party seeking photographic, mechanical or electronic copies must provide written confirmation of the receipt of copies listed on Exhibit B of this Protective Order identifying each piece of Protected Materials or portions thereof the Reviewing Party will need.
- 21. Protected Materials to be Used Solely for the Purposes of These Proceedings. All Protected Materials shall be made available to the Reviewing Parties and their Reviewing Representatives solely for the purposes of these proceedings. Access to the Protected Materials may not be used in the furtherance of any other purpose, including, without limitation: (a) any other pending or potential proceeding involving any claim, complaint, or other grievance of whatever nature, except appellate review proceedings that may arise from or be subject to these proceedings; or (b) any business or competitive endeavor of whatever nature. Because of their statutory regulatory obligations, these restrictions do not apply to Commission Staff or OPC.
- 22. <u>Procedures for Confidential Treatment of Protected Materials and</u> <u>Information Derived from Those Materials</u>. Protected Materials, as well as a Reviewing Party's notes, memoranda, or other information regarding or derived

Protective Order

from the Protected Materials are to be treated confidentially by the Reviewing Party and shall not be disclosed or used by the Reviewing Party except as permitted and provided in this Protective Order. Information derived from or describing the Protected Materials shall be maintained in a secure place and shall not be placed in the public or general files of the Reviewing Party except in accordance with the provisions of this Protective Order. A Reviewing Party must take all reasonable precautions to insure that the Protected Materials including notes and analyses made from Protected Materials that disclose Protected Materials are not viewed or taken by any person other than a Reviewing Representative of a Reviewing Party.

- 23. **Procedures for Submission of Protected Materials.** If a Reviewing Party tenders for filing any Protected Materials, including Highly Sensitive Protected Materials, or any written testimony, exhibit, brief, motion or other type of pleading or other submission at the Commission or before any other judicial body that quotes from Protected Materials or discloses the content of Protected Materials, the confidential portion of such submission shall be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they contain Protected Material or Highly Sensitive Protected Material and are sealed pursuant to this Protective Order. If filed at the Commission, such documents shall be marked "PROTECTED MATERIAL" and shall be filed under seal with the presiding officer and served under seal to the counsel of record for the Reviewing Parties. The presiding officer may subsequently, on his/her own motion or on motion of a party, issue a ruling respecting whether or not the inclusion, incorporation or reference to Protected Materials is such that such submission should remain under seal. If filing before a judicial body, the filing party: (a) shall notify the party which provided the information within sufficient time so that the producing party may seek a temporary sealing order; and (b) shall otherwise follow the procedures in Rule 76a, Texas Rules of Civil Procedure.
- 24. <u>Maintenance of Protected Status of Materials during Pendency of Appeal of</u> <u>Order Holding Materials are not Protected Materials</u>. In the event that the presiding officer at any time in the course of this proceeding finds that all or part

of the Protected Materials are not confidential or proprietary, by finding, for example, that such materials have entered the public domain or materials claimed to be Highly Sensitive Protected Materials are only Protected Materials, those materials shall nevertheless be subject to the protection afforded by this Protective Order for three (3) full working days, unless otherwise ordered, from the date the party asserting confidentiality receives notice of the presiding officer's order. Such notification will be by written communication. This provision establishes a deadline for appeal of a presiding officer's order to the Commission. In the event an appeal to the Commissioners is filed within those three (3) working days from notice, the Protected Materials shall be afforded the confidential treatment and status provided in this Protective Order during the pendency of such appeal. Neither the party asserting confidentiality nor any Reviewing Party waives its right to seek additional administrative or judicial remedies after the Commission's denial of any appeal.

- 25. Notice of Intent to Use Protected Materials or Change Materials Designation. Parties intending to use Protected Materials shall notify the other parties prior to offering them into evidence or otherwise disclosing such information into the record of the proceeding. During the pendency of Docket No. _____ at the Commission, in the event that a Reviewing Party wishes to disclose Protected Materials to any person to whom disclosure is not authorized by this Protective Order, or wishes to have changed the designation of certain information or material as Protected Materials by alleging, for example, that such information or material has entered the public domain, such Reviewing Party shall first file and serve on all parties written notice of such proposed disclosure or request for change in designation, identifying with particularity each of such Protected Materials. A Reviewing Party shall at any time be able to file a written motion to challenge the designation of information as Protected Materials.
- 26. <u>Procedures to Contest Disclosure or Change in Designation</u>. In the event that the party asserting confidentiality wishes to contest a proposed disclosure or request for change in designation, the party asserting confidentiality shall file with the appropriate presiding officer its objection to a proposal, with supporting

affidavits, if any, within five (5) working days after receiving such notice of proposed disclosure or change in designation. Failure of the party asserting confidentiality to file such an objection within this period shall be deemed a waiver of objection to the proposed disclosure or request for change in designation. Within five (5) working days after the party asserting confidentiality files its objection and supporting materials, the party challenging confidentiality may respond. Any such response shall include a statement by counsel for the party challenging such confidentiality that he or she has reviewed all portions of the materials in dispute and, without disclosing the Protected Materials, a statement as to why the Protected Materials should not be held to be confidential under current legal standards, or that the party asserting confidentiality for some reason did not allow such counsel to review such materials. If either party wishes to submit the material in question for in camera inspection, it shall do so no later than five (5) working days after the party challenging confidentiality has made its written filing.

- 27. Procedures for Presiding Officer Determination Regarding Proposed Disclosure or Change in Designation. If the party asserting confidentiality files an objection, the appropriate presiding officer will determine whether the proposed disclosure or change in designation is appropriate. Upon the request of either the producing or Reviewing Party or upon the presiding officer's own initiative, the presiding officer may conduct a prehearing conference. The burden is on the party asserting confidentiality to show that such proposed disclosure or change in designation should not be made. If the presiding officer determines that such proposed disclosure or change in designation should be made, disclosure shall not take place earlier than three (3) full working days after such determination unless otherwise ordered. No party waives any right to seek additional administrative or judicial remedies concerning such presiding officer's ruling.
- 28. <u>Maintenance of Protected Status during Periods Specified for Challenging</u> <u>Various Orders</u>. Any party electing to challenge, in the courts of this state, a Commission or presiding officer determination allowing disclosure or a change in

designation shall have a period of ten (10) days from: (a) the date of an unfavorable Commission order; or (b) if the Commission does not rule on an appeal of an interim order, the date an appeal of an interim order to the Commission is overruled by operation of law, to obtain a favorable ruling in state district court. Any party challenging a state district court determination allowing disclosure or a change in designation shall have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from a state appeals court. Finally, any party challenging a determination of a state appeals court allowing disclosure or a change in designation shall have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from the state supreme court, or other appellate court. All Protected Materials shall be afforded the confidential treatment and status provided for in this Protective Order during the periods for challenging the various orders referenced in this paragraph. For purposes of this paragraph, a favorable ruling of a state district court, state appeals court. Supreme Court or other appellate court includes any order extending the deadlines in this paragraph.

- 29. Other Grounds for Objection to Use of Protected Materials Remain Applicable. Nothing in this Protective Order shall be construed as precluding any party from objecting to the use of Protected Materials on grounds other than confidentiality, including the lack of required relevance. Nothing in this Protective Order constitutes a waiver of the right to argue for more disclosure, provided, however, that unless the Commission or a court orders such additional disclosure, all parties will abide by the restrictions imposed by the Protective Order.
- 30. <u>Protection of Materials from Unauthorized Disclosure</u>. All notices, applications, responses or other correspondence shall be made in a manner which protects Protected Materials from unauthorized disclosure.
- 31. <u>Return of Copies of Protected Materials and Destruction of Information</u> <u>Derived from Protected Materials</u>. Following the conclusion of these proceedings, each Reviewing Party must, no later than thirty (30) days following

receipt of the notice described below, return to the party asserting confidentiality all copies of the Protected Materials provided by that party pursuant to this Protective Order and all copies reproduced by a Reviewing Party, and counsel for each Reviewing Party must provide to the party asserting confidentiality a letter by counsel that, to the best of his or her knowledge, information, and belief, all copies of notes, memoranda, and other documents regarding or derived from the Protected Materials (including copies of Protected Materials) that have not been so returned, if any, have been destroyed, other than notes, memoranda, or other documents which contain information in a form which, if made public, would not cause disclosure of the substance of Protected Materials. As used in this Protective Order, "conclusion of these proceedings" refers to the exhaustion of available appeals, or the running of the time for the making of such appeals, as provided by applicable law. If, following any appeal, the Commission conducts a remand proceeding, then the "conclusion of these proceedings" is extended by the remand to the exhaustion of available appeals of the remand, or the running of the time for making such appeals of the remand, as provided by applicable law. Promptly following the conclusion of these proceedings, counsel for the party asserting confidentiality will send a written notice to all other parties, reminding them of their obligations under this Paragraph. Nothing in this Paragraph shall prohibit counsel for each Reviewing Party from retaining two (2) copies of any filed testimony, brief, application for rehearing, hearing exhibit or other pleading which refers to Protected Materials provided that any such Protected Materials retained by counsel shall remain subject to the provisions of this Protective Order.

32. <u>Applicability of Other Law</u>. This Protective Order is subject to the requirements of the Public Information Act, the Open Meetings Act,⁶ the Texas Securities Act⁷ and any other applicable law, provided that parties subject to those acts will notify the party asserting confidentiality, if possible under those acts, prior to

⁶ TEX. GOV'T CODE ANN. § 551.001-551.146 (Vernon 2004 & Supp. 2013).

⁷ TEX. REV. CIV. STAT. ANN. arts. 581-1 to 581-43 (Vernon 1964 & Supp. 2013).

disclosure pursuant to those acts. Such notice shall not be required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.

- 33. Procedures for Release of Information under Order. If required by order of a governmental or judicial body, the Reviewing Party may release to such body the confidential information required by such order; provided, however, that: (a) the Reviewing Party shall notify the producing party of the order requiring the release of such information within five (5) calendar days of the date the Reviewing Party has notice of the order; (b) the Reviewing Party shall notify the producing party at least five (5) calendar days in advance of the release of the information to allow the producing party to contest any release of the confidential information; and (c) the Reviewing Party shall use its best efforts to prevent such materials from being disclosed to the public. The terms of this Protective Order do not preclude the Reviewing Party from complying with any valid and enforceable order of a state or federal court with competent jurisdiction specifically requiring disclosure of Protected Materials earlier than contemplated herein. The notice specified in this section shall not be required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.
- 34. <u>Best Efforts Defined</u>. The term "best efforts" as used in the preceding paragraph requires that the Reviewing Party attempt to ensure that disclosure is not made unless such disclosure is pursuant to a final order of a Texas governmental or Texas judicial body, the written opinion of the Texas Attorney General sought in compliance with the Public Information Act, or the request of governmental officials authorized to conduct a criminal or civil investigation that

relates to or involves the Protected Materials. The Reviewing Party is not required to delay compliance with a lawful order to disclose such information but is simply required to timely notify the party asserting confidentiality, or its counsel, that it has received a challenge to the confidentiality of the information and that the Reviewing Party will either proceed under the provisions of §552.301 of the Public Information Act, or intends to comply with the final governmental or court order. Provided, however, that no notice is required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.

- 35. <u>Notify Defined</u>. "Notify" for purposes of Paragraphs 32, 33 and 34 means written notice to the party asserting confidentiality at least five (5) calendar days prior to release; including when a Reviewing Party receives a request under the Public Information Act. However, the Commission, OAG, or OPC may provide a copy of Protected Materials to the Open Records Division of the OAG as provided herein.
- 36. <u>Requests for Non-Disclosure</u>. If the producing party asserts that the requested information should not be disclosed at all, or should not be disclosed to certain parties under the protection afforded by this Protective Order, the producing party shall tender the information for in camera review to the presiding officer within ten (10) calendar days of the request. At the same time, the producing party shall file and serve on all parties its argument, including any supporting affidavits, in support of its position of non-disclosure. The burden is on the producing party shall serve a copy of the information under the classification of Highly Sensitive Protected Material to all parties requesting the information that the producing party has not alleged should be prohibited from reviewing the information.

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Parties wishing to respond to the producing party's argument for non-disclosure shall do so within five working days. Responding parties should explain why the information should be disclosed to them, including why disclosure is necessary for a fair adjudication of the case if the material is determined to constitute a trade secret. If the presiding officer finds that the information should be disclosed as Protected Material under the terms of this Protective Order, the presiding officer shall stay the order of disclosure for such period of time as the presiding officer deems necessary to allow the producing party to appeal the ruling to the Commission.

- 37. <u>Sanctions Available for Abuse of Designation</u>. If the presiding officer finds that a producing party unreasonably designated material as Protected Material or as Highly Sensitive Protected Material, or unreasonably attempted to prevent disclosure pursuant to Paragraph 36, the presiding officer may sanction the producing party pursuant to P.U.C. PROC. R. 22.161.
- 38. <u>Modification of Protective Order</u>. Each party shall have the right to seek changes in this Protective Order as appropriate from the presiding officer.
- 39. Breach of Protective Order. In the event of a breach of the provisions of this Protective Order, the producing party, if it sustains its burden of proof required to establish the right to injunctive relief, shall be entitled to an injunction against such breach without any requirements to post bond as a condition of such relief. The producing party shall not be relieved of proof of any element required to establish the right to injunctive relief. In addition to injunctive relief, the producing party shall be entitled to pursue any other form of relief to which it is entitled.

EXHIBIT A

Protective Order Certification

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket and that I have received a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials shall not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPC shall be used only for the purpose of the proceeding in Docket No. _____. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order. Provided, however, if the information contained in the Protected Materials is obtained from independent public sources, the understanding stated here shall not apply.

Signature

Party Represented

Printed Name

Date

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

Signature

Party Represented

Printed Name

Date

EXHIBIT B

I request to view/copy the following documents:

Document Requested	# of Copies	Non- Confidential	Protected Materials and/or Highly Sensitive Protected Materials

Signature

Party Represented

Printed Name

Date

ATTACHMENT C

NOTICE OF APPLICATION FOR 2020 ENERGY EFFICIENCY COST RECOVERY FACTOR FILED WITH THE PUBLIC UTILITY COMMISSION OF TEXAS

Date

[Title] [Address 1] [Address 2] [City], TX [zip]

Dear [Title] [Last Name]:

Oncor Electric Delivery Company LLC ("Oncor"), a regulated electric transmission and distribution company, wishes to inform you that on ______, 2019 it filed an Application for its 2020 Energy Efficiency Cost Recovery Factor with the Public Utility Commission of Texas ("Commission") in Docket No. _____, a copy of which Application is kept at Oncor's office at 1616 Woodall Rodgers Freeway, 6th floor, Dallas, TX 75202-1234.

Oncor is requesting that the recovery factor go into effect on March 1, 2020, consistent with 16 Tex. Admin. Code § 25.182(d)(9)(B) ("TAC"). The recovery factor will help allow Oncor, in a timely manner, to recover reasonable and necessary costs incurred in administering its energy efficiency programs. Oncor is requesting a nonbypassable charge that, if approved, will be billed to retail electric providers serving end-use customers. Oncor's proposed tariff rider is subject to Commission approval and is summarized in the following table.

Pata Class	EECRF	Billing Unit
	Unarge	
Residential Service	0.000739	\$ Per kWh
Secondary Service Less Than or Equal		
to 10 kW	0.000282	\$ Per kWh
Secondary Service Greater Than 10 kW	0.000348	\$ Per kWh
Primary Service Less Than or Equal to		
10 kW	0.000243	\$ Per kWh
Primary Service Greater Than 10 kW		
Distribution Line	0.000346	\$ Per kWh
Substation	0.000229	\$ Per kWh
Transmission Service		
Non-Profit	0.000052	\$ Per kWh
For Profit	0.000000	\$ Per kWh

Lighting Service	0.00000	\$ Per kWh
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Persons who wish to intervene in or comment upon these proceedings should notify the Commission as soon as possible, as an intervention deadline will be imposed. A request to intervene or for further information should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326. Further information may also be obtained by calling the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the Commission at (800) 735-2989.

Sincerely,

[Applicant's Representative] Oncor Electric Delivery Company LLC

INDEX TO THE DIRECT TESTIMONY OF MICHAEL R. STOCKARD, WITNESS FOR ONCOR ELECTRIC DELIVERY COMPANY LLC

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EXHIBIT MRS-6	Oncor's 2018 Cost-Effectiveness Calculation
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DIRECT TESTIMONY OF MICHAEL R. STOCKARD I. <u>POSITION AND QUALIFICATIONS</u>

3 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND CURRENT
4 EMPLOYMENT POSITION.

5 Α. My name is Michael R. Stockard. My business address is 1616 Woodall 6 Rodgers Fwy., Dallas, Texas 75202-1234. I am the Director of Energy 7 Efficiency for Oncor Electric Delivery Company LLC ("Oncor" or 8 "Company"). I am responsible for the implementation and regulatory compliance of Oncor's energy efficiency programs pursuant to §39.905 of 9 10 the Public Utility Regulatory Act ("PURA") and Public Utility Commission of 11 Texas ("Commission") substantive rule 16 Tex. Admin. Code ("TAC") 12 § 25.181 and § 25.182 ("Rule 25.181" or "Rule 25.182").

13 Q.PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND14PROFESSIONAL QUALIFICATIONS.

I received a Bachelor of Arts degree in Political Science from Texas A&M 15 Α. 16 University and a Masters of Public Affairs from the University of Texas at 17 Dallas. In 1981, I joined Texas Power & Light Company, a predecessor of 18 In 1992, I was named a Market Segment Manager in the Oncor. 19 Conservation and Load Management Department of Texas Utilities 20 Electric Company ("TU Electric") and was responsible for the design and 21 administration of commercial and industrial energy efficiency programs. 22 From 1996 to 1999, I was responsible for the administration of TXU 23 Electric's third-party energy efficiency programs. In 2000, I was named 24 Energy Efficiency Programs Manager with responsibility for administration 25 and implementation of the energy efficiency programs identified in PURA 26 § 39.905 and Rule 25.181, and was named Energy Efficiency Manager in 27 2006. In April 2008, I became the Director of Energy Efficiency for Oncor. 28 I have received the Certified Energy Manager, Certified Demand-Side 29 Manager, and the Certified Energy Procurement Professional designations 30 from the Association of Energy Engineers. I am also past Chairman of the

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Electric Utility Marketing Managers of Texas and have served on the
 Board of Directors of the Association of Energy Services Professionals,
 Consortium for Energy Efficiency and Texas Energy Poverty Research
 Institute.

5 Q. HAVE YOU PREVIOUSLY TESTIFIED IN ANY COMMISSION6 PROCEEDINGS?

7 I have previously testified before the Commission regarding Α. Yes. 8 Demand-Side Management in TU Electric's Integrated Resource Plan 9 Filing, Docket No. 13575. I also filed testimony in Docket No. 34040, 10 Commission Staff's Petition for Review of the Rates of TXU Electric Delivery Company, but did not testify in person. I also filed testimony, but 11 12 did not testify in person, in Docket No. 35634 regarding Oncor's Energy 13 Efficiency Cost Recovery Factor ("EECRF") for the 2009 program year, 14 Docket No. 36958 regarding Oncor's EECRF for the 2010 program year. 15 Docket No. 38217 regarding Oncor's EECRF for the 2011 program year. 16 Docket No. 39375 regarding Oncor's EECRF for the 2012 program year, 17 Docket No. 40361 regarding Oncor's EECRF for the 2013 program year, 18 Docket No. 41544 regarding Oncor's EECRF for the 2014 program year. 19 Docket No. 42559 regarding Oncor's EECRF for the 2015 program year, 20 Docket No. 44784 regarding Oncor's EECRF for the 2016 program year, 21 Docket No. 46013 regarding Oncor's EECRF for the 2017 program year, 22 Docket No. 47235 regarding Oncor's EECRF for the 2018 program year 23 and Docket No. 48421 regarding Oncor's EECRF for the 2019 program 24 year. Additionally, I testified in Docket No. 35717 (Oncor's base rate 25 case) and filed testimony in Docket No. 38929 (Oncor's base rate case). but did not testify in person. 26

27

II. PURPOSE OF DIRECT TESTIMONY

- 28 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?
- A. The purpose of my direct testimony is to: (1) present the results of
 Oncor's 2018 energy efficiency program year; (2) describe and support

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1 Oncor's calculation of the energy efficiency performance bonus; (3) 2 discuss Oncor's over-recovery of total 2018 energy efficiency costs; and 3 (4) describe and support Oncor's forecasted 2020 energy efficiency 4 program costs, along with the Company's requested performance bonus. 5 over-recovery of total 2018 costs, and estimated evaluation, measurement 6 and verification ("EM&V") costs included in Oncor's proposed 2020 7 EECRF. I will also discuss Oncor's compliance with Rule 25.181 and Rule 8 25.182 and the reasonableness of Oncor's EECRF expenses in 2018.

9 For more information related to the Company's proposed 2020
10 EECRF, please refer to the direct testimony of Oncor witness Mr. J.
11 Michael Sherburne.

12 Q. PLEASE SUMMARIZE ONCOR'S PROPOSED 2020 EECRF.

13 Α. Oncor is requesting an EECRF that will recover \$56,541,572 (excluding 14 interest) related to the over-recovery for the 2020 program year. This 15 request is made under PURA §39.905, Rule 25.181 and Rule 25.182 and 16 is comprised of the following components: (a) \$9,197,172 energy 17 efficiency performance bonus under Rule 25.182(e) for 2018 program year 18 achievements; (b) (\$3,094,702) for the total over-recovery (excluding 19 interest) of 2018 energy efficiency costs; (c) \$49,678,712 in energy 20 efficiency expenses forecasted for the 2020 program year; (d) \$748,525 of 21 estimated EM&V costs provided by the Commission Staff for evaluation of 22 the 2019 program year; and (e) \$11,865 for municipalities' EECRF 23 proceeding expenses related to Oncor's EECRF proceeding in Docket No. 24 48421. Please see Mr. Sherburne's Direct Testimony supporting the 25 interest related to the total over-recovery.

For the reasons that I discuss below, Oncor's proposed 2020 EECRF is accurately calculated consistent with Rule 25.181 and Rule 25.182 and, furthermore, is reasonable and necessary because it is based on the estimated costs for Oncor to continue successfully fulfilling the energy efficiency goals of the legislature and the Commission.

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1

III. 2018 ENERGY EFFICIENCY PROGRAM RESULTS

2 Q. WHAT ENERGY EFFICIENCY PROGRAMS DID ONCOR OFFER3 DURING THE 2018 PROGRAM YEAR?

A. During 2018, Oncor offered 12 standard offer programs ("SOPs") and
market transformation programs ("MTPs"), including the Targeted LowIncome Weatherization required by PURA § 39.905(f), Rule 25.181(p),
and various Commission orders. Oncor also funded energy efficiency
research and development efforts consistent with Rule 25.181.

9 Attached to this direct testimony as Exhibit MRS-1 is Oncor's 10 Amended 2019 Energy Efficiency Plan and Report filed with the 11 Commission on May 24, 2019 (the "2019 EEPR"). The 2019 EEPR 12 provides, among other information, the details about Oncor's energy 13 efficiency programs for the most recently completed program year (2018). 14 including specific information associated with that year's demand and 15 energy savings, the projected annual growth in demand, and the 16 expenses associated with Oncor's energy efficiency programs, including 17 incentive payments and administrative costs. The 2019 EEPR also 18 describes how Oncor intends to fulfill the requirements of Rule 25.181 and 19 Rule 25.182 for the 2019 and 2020 program years. The plan includes a 20 projection of the annual growth in demand, an estimation of the energy 21 and peak demand reduction savings to be obtained through each 22 individual SOP and MTP, a description of the customer classes targeted 23 by Oncor's energy efficiency programs, and the proposed annual budget 24 required to implement the SOPs and MTPs for each eligible customer 25 class.

26Q.WHATWEREONCOR'SENERGYEFFICIENCYPROGRAM27EXPENDITURES DURING THE 2018 PROGRAM YEAR?

A. In 2018, Oncor spent \$48,897,068 on its energy efficiency programs, as
shown in Section VIII, Table 10, of Exhibit MRS-1 (p. 25), which included
its research and development expenditures and EM&V costs. The total

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1 EM&V costs incurred in 2018 was \$722,447. In Docket No. 47235, a total 2 of \$1.427.210 was approved by the Commission for EM&V costs for the 3 review of the 2016 and 2017 program years. Of the approved \$1,427,210, 4 \$713,462 was incurred in 2017 for the evaluation of the 2016 program 5 year and \$713,462 was incurred for the evaluation of the 2017 program 6 On November 17, 2017, a Joint Compliance Filing Regarding vear. 7 Oncor's EECRF Tariff was filed in Docket Nos. 47235, 47248 and 47469 8 as a result of the Oncor/Sharyland transaction that included an additional 9 \$8,986 for the evaluation of former Sharyland customers that was 10 provided by the Commission Evaluator and a total \$8,985 was incurred in 11 2018. These EM&V costs were recovered in the 2018 EECRF for a total 12 amount of \$1,435,909 and are being reconciled in this EECRF filing. 13 Please see WP/MRS/7 for actual amounts expended by program year and 14 program, as provided by the Commission Evaluator. There was also 15 \$8,971 for municipal rate case expenses approved by the Commission in 16 Docket No. 48421 that were paid in 2018, which is being recovered in the 17 2019 EECRF and is being excluded from the 2018 program costs. Total 18 2018 program costs are then \$49,601,559 as shown in column (h) of 19 Exhibit MRS - 2. A detailed breakdown of the amounts spent by Oncor on 20 the various programs employed by it during the 2018 program year is 21 shown in Section VIII, Table 10, of Exhibit MRS-1 (p. 25). In addition, 22 Exhibit MRS-2 details the allocation of 2018 program expenses by rate 23 code.

Q. WHAT WAS ONCOR'S DEMAND REDUCTION GOAL FOR THE 2018PROGRAM YEAR?

A. Oncor's minimum calculated statutory demand reduction goal for the 2018
program year was 69,400 kW, as shown in MW (megawatts) in Section V,
Table 7, of Exhibit MRS-1 (p. 21).

Q. DURING THE 2018 PROGRAM YEAR, WHAT REDUCTION IN PEAK
 DEMAND DID ONCOR ACHIEVE THROUGH ITS ENERGY EFFICIENCY
 PROGRAMS?

- A. A total of 172,409 kW in demand reduction was achieved during the 2018
 program year. Section VI, Table 8, of Exhibit MRS-1 (p. 22) provides a
 breakdown of the peak demand saved by each of Oncor's energy
 efficiency programs during the 2018 program year.
- 8 Q. DID THE COMMISSION EM&V EVALUATOR RECOMMEND ANY
 9 ADJUSTMENT TO ONCOR'S REPORTED DEMAND AND ENERGY
 10 SAVINGS REGARDING ONCOR'S 2018 PROGRAM?
- A. Yes. Adjustments were made to the Commercial SOP (Custom) and the
 Small Business Direct Install MTP as a result of the Evaluator's review of
 projects. An amended 2019 EEPR was filed on May 24, 2019 that
 included the adjustment recommended by the Commission Evaluator and
 is included in this filing as Exhibit MRS-1.
- 16 Q. DOES RULE 25.181 HAVE REQUIREMENTS CONCERNING HOW17 PROGRAMS ARE IMPLEMENTED?
- 18 A. Yes.

19 Q. PLEASE DESCRIBE HOW ONCOR SET ITS INCENTIVE PAYMENTS
20 WITH THE OBJECTIVE OF ACHIEVING ITS 2018 ENERGY AND
21 DEMAND GOALS AT THE LOWEST REASONABLE COST PER
22 PROGRAM.

23 Α. Program incentives are established at the measure level and are based on the installed cost and the estimated useful life of the measure. Installed 24 25 cost data is obtained through discussions with energy efficiency service 26 providers and other external sources. Other factors, such as historical 27 program participation consistent with Rule 25.181(c)(29), goal attainment. 28 deemed savings, and regulatory changes are considered as part of 29 incentive development. The measure incentives are compared across 30 programs to ensure consistency and cost-effectiveness.

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Q. PLEASE DESCRIBE WHETHER ANY ONCOR ENERGY EFFICIENCY
 ADMINISTRATOR AND/OR SERVICE PROVIDER RECEIVED MORE
 THAN 5% OF ONCOR'S OVERALL INCENTIVE PAYMENTS FOR THE
 2018 PROGRAM YEAR.

Oncor's total incentive payments for the 2018 program were \$41,970,446 5 Α. 6 as shown in Section VIII, Table 10, of Exhibit MRS-1 (p. 25). Based on 7 the total incentives paid. 5% would equate to \$2,098,522 or (\$41,970,446 8 X .05). There were three program implementers who received incentive 9 payments in excess of \$2,098,522. However, there were two types of 10 incentive payments; one incentive payment was for program 11 implementation fees (implementer incentives) and the other incentive 12 payment was for energy efficiency projects (customer/service provider 13 incentives). Implementer incentives were payments that were paid directly 14 to the implementer for their services in implementing the program, and the 15 customer/service provider incentives were payments made to the implementer that were passed on to the customer or third-party service 16 17 provider.

While total incentive payments for each of the above-referenced implementers exceeded 5% of Oncor's overall incentive payments, each implementer only kept a portion of the overall incentive payments and the remaining funds were given to the customer/service provider. The names of the implementers described above, a breakdown of incentives and their related contracts are contained in Exhibit MRS-7, which is confidential.

24Q.DID ONCOR'S CONSERVATION LOAD FACTOR FOR THE 201825PROGRAM YEAR COMPLY WITH RULE 25.181?

A. Yes, it did. Rule 25.181(e)(4) requires that "[a]n electric utility shall
administer a portfolio of energy efficiency programs designed to meet an
energy savings goal calculated from its demand savings goal, using a
20% conservation load factor." Rule 25.181(c)(6) defines the conservation
load factor as "[t]he ratio of the annual energy savings goal, in kilowatt

hours (kWh), to the peak demand goal for the year, measured in kilowatts
 (kW) and multiplied by the number of hours in the year."

In 2018, Oncor's peak demand goal was 69,400 kW as shown in 3 4 Section V, Table 7, of Exhibit MRS-1 (p. 21). The energy goal based on 5 the peak demand goal is 121,588,800 kWh [(69,400 kW peak demand 6 goal X 8,760 hrs/yr) X .2 = 121,588,800 kWh]. Oncor's actual energy 7 savings was 218,304,100 kWh as shown in Section VI, Table 8, of Exhibit 8 MRS-1 (p. 22). Oncor exceeded the required 20% conservation load 9 factor by 96,715,300 kWh (218,304,100 actual kWh savings -10 121,588,800 kWh energy savings goal = 96,715,300 kWh) or 11 approximately 79.54%.

12 Q. DID ONCOR'S 2018 ENERGY EFFICIENCY PROGRAMS MEET THE
13 COST-EFFECTIVENESS STANDARD OF RULE 25.181?

A. Yes. Please see Exhibit MRS–6 for the cost-effectiveness of the 2018
energy efficiency programs as required by Rule 25.181(d) and (p)(2).

16 Q. DID ANY OF ONCOR'S 2018 REPORTED ENERGY EFFICIENCY 17 SAVINGS INCLUDE DEMAND OR ENERGY SAVINGS THAT 18 PROGRAMS THAN RESULTED FROM OTHER PROGRAMS 19 IMPLEMENTED UNDER RULE 25,181 AND UNDER RULE 25,182?

20 A. No.

27

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21 Q. DID ONCOR'S 2018 PROGRAM IMPLEMENTATION INCLUDE
22 RECOMMENDATIONS FROM THE COMMISSION'S EM&V
23 CONTRACTOR?

A. Yes. The Commission's EM&V Contractor provided recommendations
that enhanced Oncor's programs which were incorporated into the 2018
programs, such as:

 Incorporating the "Other" building type into commercial savings calculators.

29
 30
 2. Offering educational videos to residential service providers to improve their knowledge of program and TRM requirements.

1 3. Differentiating the "supermarket" building type from other retail 2 building types. 3 4. Ensuring that lighting projects use third-party tested wattages and 4 not manufacturer's rated wattages. 5 Q. DID ONCOR MAKE ANY PAYMENTS FOR 2018 ENERGY EFFICIENCY 6 ADMINISTRATIVE EXPENSES TO AFFILIATES? 7 Α. No. 8 IV. ENERGY EFFICIENCY PERFORMANCE BONUS 9 DID ONCOR EARN AN ENERGY EFFICIENCY PERFORMANCE Q. 10 BONUS UNDER RULE 25.182(e) BASED ON ITS 2018 PROGRAM 11 YEAR ACHIEVEMENTS? 12 Yes, it did. As Rule 25.182(e) provides, "[a] utility that exceeds its Α. 13 demand and energy reduction goals established in §25.181 of this title at a 14 cost that does not exceed the cost caps established in subsection (d)(7) of this section shall be awarded a performance bonus calculated in 15 16 accordance with this subsection." Oncor's statutory demand reduction 17 goal for the 2018 program year was 69,400 kW, as shown in MW in 18 Section V, Table 7, of Exhibit MRS-1 (p. 21). Oncor achieved verified savings of 172,409 kW (148.43% over the required goal) and 218,304,100 19 20 kWh (79.54% over the required goal of 121,588,800 as I previously stated) 21 as shown in Section VI, Table 8, of Exhibit MRS-1 (p. 22).

22 Oncor's 2018 EECRF for residential customers was \$0.000760 per 23 kWh as approved by the Commission in Docket No. 47235. The 24 residential EECRF not-to-exceed amount, per the Rule 25.182(d)(7)(A) 25 approved in Project No. 48692, is "[f]or residential customers for program 26 year 2018, \$0.001263 per kWh increased or decreased by a rate equal to 27 the 2016 calendar year's percentage change in the South urban consumer 28 price index (CPI), as determined by the Federal Bureau of Labor 29 Statistics." The 2016 year's percentage change was 1.1058% as shown 30 in Exhibit MRS-5. Therefore, the cost per kWh for 2018 is \$0.001277 or 31 $($0.001263 \times 1.011058) = $0.001277.$ The not-to-exceed amount is

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based on a per kWh basis and excludes EM&V costs, municipal EECRF
 proceeding expenses and any interest amounts applied to over- or under recoveries, as shown in Rule 25.182(d)(7).

The eligible weather-adjusted residential consumption for 2018 was 45,032,342,000 kWh, as shown in Mr. Sherburne's WP/JMS/3. Therefore, the residential EECRF not-to-exceed amount was \$57,506,301 or (45,032,342,000 X \$0.001277 = \$57,506,301).

8 The total cost for residential customers in 2018 was \$33,818,776 9 as shown in Mr. Sherburne's WP/JMS/2; Residential Service (c + e + f + 10 g) or (\$27,173,300 + \$7,432,798 + \$42,642 + -\$829,964 = \$33,818,776). 11 Rule 25.182(d)(7) provides that EM&V costs and municipal EECRF 12 proceeding expenses are excluded from the total EECRF costs. 13 Therefore, the total EECRF cost for residential customers in the 2018 program year was \$33,453,022 or (\$33,818,776 - \$323,112 EM&V costs 14 15 - \$42,642 EECRF proceeding expenses) and was less than the not-to-16 exceed amount of \$57,506,301.

17 The commercial EECRF not-to-exceed amount, per the Rule 18 25.182(d)(7)(B) approved in Project No. 48692, is "[f]or commercial 19 customers for program year 2018, rates designed to recover revenues 20 equal to \$0.000790 per kWh increased or decreased by a rate equal to the 21 2016 calendar year's percentage change in the South urban CPI, as 22 determined by the Federal Bureau of Labor Statistics times the aggregate 23 of all eligible commercial customers' kWh consumption." The 2016 year's 24 percentage change was 1.1058% as shown in Exhibit MRS-5. Therefore, 25 the cost per kWh for 2018 is \$0.000799 or (\$0.000790 X 1.011058) = \$0.000799. The not-to-exceed amount is based on a per kWh basis and 26 27 excludes EM&V costs, municipal EECRF proceeding expenses and any 28 interest amounts applied to over- or under-recoveries, as shown in Rule 29 25.182(d)(7).

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1 Oncor's total costs for commercial customers in the 2018 program 2 year were \$21,246,520, as shown in Mr. Sherburne's WP/JMS/2; Total [c 3 + e + f + g] - Residential Service [c + e + f + g] or [\$49,601,559 + 4 11,733,899 + 70,780 + (6,340,942) - [27,173,300 + 7,432,798 +5 42,642 + (829,964) = 21,246,520. The weather-adjusted aggregate of 6 all eligible commercial customers' kWh consumption in 2018 was 7 64,927,474,000 kWh, as shown in WP/JMS/3 Total (Retail 8 109,959,816,000 kWh Residential 45,032,342,000 kWh = 9 64,927,474,000 kWh). The not-to-exceed amount was \$51,877,052 or 10 (64,927,474,000 kWh X \$0.000799). Rule 25.181(f)(7) provides that 11 EM&V costs and municipal EECRF proceeding expenses are excluded 12 from the total EECRF costs. Therefore, the total EECRF cost for 13 commercial customers in the 2018 program year was \$20,805,505 14 (\$21,246,520 - \$412,877 EM&V costs - \$28,138 EECRF proceeding expenses) and was less than the not-to-exceed amount of \$51,877,052. 15

16 Q. HOW IS THE ENERGY EFFICIENCY PERFORMANCE BONUS17 CALCULATED?

18 Rule 25.182(e) defines how the energy efficiency performance bonus is Α. 19 calculated. The bonus is based on a share of the "net benefits" realized 20 as a result of the utility having met its demand reduction goal. "Net 21 benefits" are calculated according to Rule 25.182(e)(2), which states that 22 they "shall be calculated as the sum of total avoided cost associated with 23 the eligible programs administered by the utility minus the sum of all 24 program costs. Program costs shall include the cost of incentives, EM&V 25 contractor costs, any shareholder bonus awarded to the utility, and actual 26 or allocated research and development and administrative costs, but shall 27 not include any interest amounts applied to over- or under-recoveries. 28 Total avoided costs and program costs shall be calculated in accordance 29 with this section and §25.181 of this title."

1 Rule 25.182(e)(3) defines the percentage of net benefits that 2 qualifies for a bonus, stating that "[a] utility that exceeds 100% of its 3 demand and energy reduction goals shall receive a bonus equal to 1% of 4 the net benefits for every 2% that the demand reduction goal has been 5 exceeded, with a maximum of 10% of the utility's total net benefits."

6 Thus, the maximum energy efficiency performance bonus that a 7 utility can earn if the Rule 25.182 requirements are met is 10% of the 8 utility's total net benefits.

9 Q. WHAT IS THE TOTAL AMOUNT OF ONCOR'S EARNED ENERGY
10 EFFICIENCY PERFORMANCE BONUS FOR THE 2018 PROGRAM
11 YEAR?

A. The total amount of Oncor's earned energy efficiency performance bonusfor the 2018 program year is \$9,197,172.

14 Q. HOW WAS ONCOR'S EARNED ENERGY EFFICIENCY15PERFORMANCE BONUS OF \$9,197,172 CALCULATED?

16 As reflected in Section VI, Table 8, of Exhibit MRS-1 (p. 22), each of Α. 17 Oncor's 2018 energy efficiency programs that resulted in actual savings 18 did so in verified kW and kWh savings. Total avoided costs were 19 calculated from the savings for each program using the present value of 20 the avoided cost of capacity under Rule 25.181(d) of \$80/kW per year and 21 avoided cost of energy under the same Rule of \$0.03757/kWh per year 22 based on the appropriate estimated useful life of each measure in the specific energy efficiency program. The present value was calculated 23 24 using the Estimated Useful Life values for each program's measures 25 approved in the Technical Resource Manual v5.0, a 2% escalation rate. 26 and a 7.44% discount rate based upon Oncor's weighted average cost of 27 capital approved by the Commission in Docket No. 46957. The 2% 28 escalation rate and 7.44% discount rate were used as required in Rule 29 25.182(e)(5), and calculated based on the methodology approved by the 30 Commission in APPLICATION OF CENTERPOINT ENERGY HOUSTON

1 ELECTRIC LLC FOR APPROVAL OF AN ADJUSTMENT TO ITS ENERGY 2 EFFICIENCY COST RECOVERY FACTOR, Docket No. 42560, Order at 3 Findings of Facts 29 – 35 and 47 and Conclusions of Laws 8 – 9 4 (November 24, 2014). The kW savings avoided costs were then summed 5 with the kWh savings avoided costs to calculate the total savings avoided 6 costs for each program. Next, all program total savings avoided costs 7 were summed to calculate the total savings avoided costs for the entire 8 2018 energy efficiency program set, or \$152,616,228 as shown in Exhibit The net benefits were then calculated according to Rule 9 MRS-3. 10 25.182(e)(2) where net benefits are the sum of total avoided cost 11 associated with the eligible programs (\$152,616,228), minus the sum of all 12 program costs (\$60,644,509), or \$91,971,719 (i.e., \$152,616,228 -13 60,644,509 = 91,971,719.

14 Oncor's statutory demand reduction goal in 2018 was 69,400 kW 15 and a total of 172,409 kW was actually achieved, which is 148.43% above 16 the statutory goal ([172,409 kW minus 69,400 kW] divided by 69,400 kW). 17 Rule 25.182(e)(3) states that "[a] utility that exceeds 100% of its demand 18 and energy reduction goals shall receive a bonus equal to 1% of the net 19 benefits for every 2% that the demand reduction goal has been exceeded, 20 with a maximum of 10% of the utility's total net benefits." As previously 21 shown, Oncor exceeded its statutory demand reduction goal by 148.43%, 22 which results in a gualified bonus of 74.22% of the net benefits (148.43% 23 divided by 2), or \$68,261,410 (earned bonus) = (\$91,971,719 [net 24 benefits] X .7422). However, Rule 25.182(e)(3) also states that the 25 maximum bonus can only be 10% of the utility's total net benefits. 26 Therefore, Oncor's maximum earned bonus is limited to \$9,197,172 (i.e., 27 .1 X \$91,971,719 [Oncor's 2018 total net benefits] = \$9,197,172).

Additionally, as required by Rule 25.182(e), Oncor's performance bonus calculation does not include demand or energy savings that result from programs other than programs implemented under Rule 25.181 and

1 Rule 25.182. Please see Exhibit MRS-3 for a summary of the above-2 described calculation, Section VI, Table 8, of Exhibit MRS-1 (p. 22) for the 3 2018 energy efficiency program year reported and verified savings 4 amounts and Section VIII, Table 10, of Exhibit MRS-1 (p. 25) for the 2018 5 program year costs. Please note that the EM&V costs used in this 6 calculation were \$735,989 as shown in WP/MRS/6. This is the amount 7 that was budgeted by the Commission EM&V contractor for the evaluation 8 of the 2018 program year and is different than the actual costs of 9 \$722,447 shown in Section VIII, Table 10, of Exhibit MRS-1 (p. 25), which 10 are the actual costs incurred in 2018 for the evaluation of the 2017 11 program year as previously described.

12

V. OVER-RECOVERY OF TOTAL 2018 ENERGY EFFICIENCY COSTS

- 13 Q. DID ONCOR HAVE A TOTAL OVER-RECOVERY OF 2018 ENERGY14 EFFICIENCY COSTS?
- A. Yes, it did. Oncor had \$3,094,702 in total over-recovery of 2018 energy
 efficiency costs.
- 17 Q. WHY WAS THERE A TOTAL OVER-RECOVERY OF COSTS FROM THE18 2018 PROGRAM YEAR?
- A. Please refer to Section VIII of Exhibit MRS-1 (p. 24) for information on
 Oncor's program funding for the 2018 program year and Mr. Sherburne's
 direct testimony for the calculation and analysis of the total over-recovery
 of energy efficiency costs in WP/JMS/2.
- 23 Q. WILL THE TOTAL OVER-RECOVERY OF ENERGY EFFICIENCY24 COSTS BE INCLUDED IN THE 2020 EECRF?
- A. Yes. The total over-recovery is included in Oncor's requested 2020
 EECRF application.

Please refer to Mr. Sherburne's direct testimony for more
information (including applicable interest) on the calculation of the amount
to be allocated by energy efficiency rate class through the proposed 2020
EECRF.

1

VI. 2020 FORECASTED ENERGY EFFICIENCY COSTS

2 Q. WHAT COSTS DOES ONCOR FORECAST FOR 2020 TO OPERATE
3 COST-EFFECTIVE ENERGY EFFICIENCY PROGRAMS THAT
4 ACHIEVE HIGH LEVELS OF ENERGY EFFICIENCY SAVINGS?

5 Α. Oncor's proposed EECRF is based upon a total request of \$56,541,572 6 for the 2020 program year. This amount is comprised of a \$9,197,172 7 performance bonus, \$3,094,702 for the total over-recovery of 2018 energy 8 efficiency costs, both of which are set forth above, a \$49,678,712 program 9 year budget that Oncor projects is required for 2020, \$748,525 of 10 estimated EM&V costs (for the evaluation of the 2019 program year) and 11 \$11,865 for municipalities' EECRF proceeding expenses related to 12 Oncor's EECRF proceeding in Docket No. 48421.

For a more detailed description of the estimated costs for the 2020 energy efficiency program year budget broken out by program for each customer class, please refer to Section IV, Table 6, of Exhibit MRS-1 (p. 20); and Exhibit MRS-4 for the allocation of the forecasted 2020 budget by rate code.

18 VII. ESTIMATED EVALUATION, MEASUREMENT & VERIFICATION (EM&V) 19 COSTS

20 Q. PLEASE EXPLAIN THE 2020 EM&V COSTS DESCRIBED ABOVE.

21 Α. PURA §39.905(b)(6) requires the Commission to provide oversight and 22 adopt rules and procedures to ensure that programs are evaluated, 23 measured and verified using a framework established by the Commission. 24 Rule 25.181(o)(10) states, "[t]he utilities shall be assigned the EM&V costs 25 in proportion to their annual program costs and shall pay the invoices 26 approved by the commission. The commission shall at least biennially 27 review the EM&V contractor's costs and establish a budget for its services 28 sufficient to pay for those services that it determines are economic and 29 beneficial to be performed".

Q. HOW DID ONCOR DETERMINE THE ESTIMATED EM&V COSTS OF
 \$748,525 FOR THE 2020 PROGRAM YEAR?

- A. The Commission Staff provided estimated budgets by program for the
 evaluation of the 2019 program year of \$748,525 that was determined by
 the EM&V Contractor.
- 6 Q. HOW WERE THE 2020 ESTIMATED EM&V COSTS ALLOCATED TO7 RATE CLASSES?
- 8 Α. The 2020 estimated EM&V costs were allocated to energy efficiency 9 programs based on a proration provided by the Commission Staff and 10 EM&V Contractor. The cost allocation by program reflects the EM&V level 11 of effort and utilizes a methodology to allocate costs based on a 12 combination of energy savings and an assigned evaluation priority. 13 Please see WP/MRS/9 for the costs by program for the 2019 program 14 year that will be incurred in 2020, as provided by the Commission Staff and determined by the EM&V Contractor. Also, please see WP/MRS/4 for 15 16 the allocation of EM&V costs by program. The total program costs of each 17 program were then prorated to the appropriate rate class based on the 18 actual rate codes and incentive ratios from the 2018 program year as 19 shown in WP/MRS/1 and Exhibit MRS-4.
- 20

VIII. EECRF PROCEEDING EXPENSES

Q. HOW WERE THE \$11,865 OF MUNICIPALITIES' EECRF PROCEEDING
(i.e., RATE CASE) EXPENSES RELATED TO ONCOR'S EECRF
PROCEEDING IN DOCKET NO. 48421 DETERMINED AND
ALLOCATED TO ENERGY EFFICIENCY RATE CLASSES?

- A. Please refer to Mr. Sherburne's direct testimony for more information
 regarding the municipalities' EECRF proceeding expenses. Oncor
 anticipates that the municipalities will file evidence supporting their
 EECRF proceeding expenses.
- 29Q.DID ONCOR INCUR ANY EECRF PROCEEDING (i.e., RATE CASE)30EXPENSES NOTED IN RULE 25.182(d)(3)(A) IN REGARDS TO ITS

LAST EECRF PROCEEDING THAT WAS CONDUCTED AND
 CONCLUDED IN DOCKET NO. 48421?

A. No, Oncor did not incur any EECRF proceeding (i.e. rate case) expenses
in Docket No. 48421 and is not seeking EECRF proceeding (i.e., rate
case) expenses in this current proceeding. Specifically, Oncor did not
incur any outside legal or consulting fees, expenses for lodging, traveling,
etc. in connection with its participation in Docket No. 48421.

8

IX. RULE COMPLIANCE

9 Q. ONCOR'S DOES 2020 REQUESTED EECRF FOR ENERGY 10 EFFICIENCY PROGRAMS MEET THE COST RECOVERY 11 REQUIREMENTS IN RULE 25.182(d)(7)?

12 Α. Rule 25.182(d)(7) states, "[t]he total EECRF costs outlined in Yes. 13 paragraph (1) of this subsection, excluding EM&V costs, excluding 14 municipal EECRF proceeding expenses, and excluding any interest 15 amounts applied to over- or under-recoveries, shall not exceed the 16 amounts prescribed in this paragraph unless a good cause exception filed 17 under §25.181(e)(2) of this title is granted." Rule 25.182(d)(7)(C) 18 approved in Project No. 48692, provides for the not-to-exceed amount for 19 residential customers in 2020 as follows: "[f]or the 2019 program year 20 and thereafter, the residential and commercial cost caps shall be 21 calculated to be the prior period's cost caps increased or decreased by a 22 rate equal to the most recently available calendar year's percentage 23 change in the South urban CPI, as determined by the Federal Bureau of 24 Labor Statistics." As shown in Exhibit MRS-5, the percentage change in 25 the CPI for the 2018 calendar year was 2.224%. The 2019 not-to-exceed 26 amount is \$0.001303 per kWh. Therefore, the 2020 not-to-exceed amount 27 is \$0.001332 per kWh or (\$0.001303 X 1.02224 = \$0.001332). Oncor's 28 2020 residential EECRF is \$0.000739 per kWh, as shown in Exhibit JMS-29 4.

1 Oncor's 2020 forecasted consumption for residential customers is 2 46,346,719,000 kWh as shown in WP/JMS/3 and would equate to a notto-exceed amount of \$61,733,830 or (46,346,719,000 X \$0,001332). 3 Oncor's 2020 total requested EECRF costs for residential customers is 4 5 \$34,256,454 as shown in Exhibit JMS-4. Rule 25.182(d)(7) excludes EM&V costs, municipalities' EECRF proceeding expenses and any 6 7 interest amounts applied to over- or under-recoveries from the not-to-8 exceed amounts. Excluding EM&V costs for residential programs of \$375,434 as shown in WP/MRS/4, residential EECRF proceeding 9 10 expenses of \$6,500 as shown in Exhibit JMS-4 in the testimony of Mr. 11 Sherburne; and interest for over-recovery of \$44,368 as shown in 12 WP/JMS/2 (column j – column h) in the testimony of Mr. Sherburne, the 13 total 2020 residential customer EECRF costs are \$33,918,888 14 (\$34,256,454 – (\$375,434 + \$6,500 + -\$44,368) which is less than the not-15 to-exceed amount of \$61,733,830.

16 Rule 25.182(d)(7)(C) approved in Project No. 48692, provides for 17 the not-to-exceed amount for commercial customers in 2019 as follows: 18 "For the 2019 program year and thereafter, the residential and commercial 19 cost caps shall be calculated to be the prior period's cost caps increased 20 or decreased by a rate equal to the most recently available calendar year's 21 percentage change in the South urban CPI, as determined by the Federal 22 Bureau of Labor Statistics." As shown in Exhibit MRS-5, the percentage 23 change in the CPI for the 2018 calendar year was 2.224%. The 2019 not-24 to-exceed amount is \$0.000815 per kWh. Therefore the not-to-exceed 25 amount for 2020 is \$0.000833 per kWh or (\$0.000815 X 1.02224 = 26 \$0.000833).

27 Oncor's 2020 forecasted aggregate of all eligible commercial 28 customers kWh consumption is 66,109,373,000 kWh (Total Retail 29 112,456,092,000 kWh – Residential 46,346,719,000 kWh) as shown in 30 WP/JMS/3 and would equate to a not-to-exceed amount of \$55,069,108 or

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1 (66,109,373,000 X \$0.000833). Oncor's 2020 total requested EECRF 2 costs for commercial customers is \$22,190,392 as shown in Exhibit JMS-4 3 (Total EECRF costs \$56,446,846 – Residential EECRF costs \$34,256,454 4 = \$22,190,392). Excluding EM&V costs for commercial programs of 5 \$373.091, as shown in WP/MRS/4, commercial EECRF proceeding costs 6 of \$5,365 (Total EECRF proceeding costs \$11,865 – Residential Service 7 EECRF proceeding costs of \$6,500), as shown in Exhibit JMS-4 in the 8 testimony of Mr. Sherburne; and the interest for the over-recovery of 9 \$50,358 as shown in WP/JMS/2 (column j - column h) in the testimony of 10 Mr. Sherburne, the total 2020 commercial customer EECRF costs are 11 21,862,294 (22,190,392 - (3373,091 + 5,365 + -50,358), which is 12 less than the not-to-exceed amount of \$55,069,108.

Q. WILL ANY AMOUNT OF THE 2020 REQUESTED EECRF FOR ENERGY
EFFICIENCY PROGRAMS BE USED TO FUND ANY OTHER ENERGY
EFFICIENCY PROGRAMS OUTSIDE OF RULE 25.181 AND RULE
25.182 PROGRAMS?

17 A. No.

18 X. <u>REASONABLENESS OF ONCOR'S EECRF COSTS FOR THE 2018</u> 19 <u>PROGRAM YEAR</u>

20 Q. DID ONCOR INCUR COSTS FOR PROGRAM YEAR 2018?

21 A. Yes.

22 Q. WERE THESE COSTS REVIEWED AND APPROVED BY THE23 COMMISSION?

24 A. Yes, all of Oncor's proposed costs for the 2018 program year (including

- 25 the costs it incurred from Sharyland) were reviewed by the Commission
- and its Staff in Docket Nos. 47235 and 47248. On September 29, 2017,
- 27 the Commission approved the costs for the 2018 program year in the Final
- 28 Orders in Docket Nos. 47235 and 47248 and determined that the costs
- 29 were reasonable, including reasonable and necessary for Oncor to meet
- 30 its goals consistent with PURA §39.905 and Rule 25.181. Similar reviews,

1		findings and approvals were also made in Docket Nos. 46013 and 46024
2		related to a portion of the 2018 program year. Additionally, Oncor has
3		accurately described and calculated any over-recovery of costs (including
4		applicable interest) regarding the 2018 program year.
5		XI. <u>CONCLUSION</u>
6	Q.	IS ONCOR'S PROPOSED 2020 EECRF REASONABLE AND
7		NECESSARY?
8	Α.	Yes. Oncor has accurately and correctly calculated its proposed EECRF
9		for 2020 consistent with the requirements of Rule 25.181 and Rule 25.182
10		and its 2020 demand goal of 69.4 MW, based on 30% annual growth in
11		demand with 5.775% line loss. For a detailed calculation of the 5.775%
12		line loss, please see WP/JMS/4.
13		Approval of this EECRF will provide Oncor the flexibility to continue
14		to pursue an aggressive set of energy efficiency programs necessary to
15		meet the Company's savings goals, in a cost-effective manner, as
16		established by the legislature and the Commission. For this and the other
17		reasons discussed above and addressed by Mr. Sherburne's direct
18		testimony and the exhibits and workpapers supporting the Company's
19		Application, Oncor's proposed 2020 EECRF is reasonable and necessary
20		and should be approved.
21	Q.	DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?
22	Α.	Yes, it does.

AFFIDAVIT

STATE OF TEXAS § § **COUNTY OF DALLAS** §

BEFORE ME, the undersigned authority, on this day personally appeared Michael R. Stockard, who, having been placed under oath by me, did depose as follows:

My name is Michael R. Stockard. I am of legal age and a resident of the State of Texas. The foregoing direct testimony and the attached exhibits offered by me are true and correct, and the opinions stated therein are, to the best of my knowledge and belief, accurate, true and correct.

Michael R. Stockard

SUBSCRIBED AND SWORN TO BEFORE ME by the said Michael R. Stockard this 30th day of May, 2019.



Jerri L. Watts Notary Public, State of Texas

PUC Docket No.

Stockard – Direct **Oncor Electric Delivery Application for 2020 EECRF**

ONCOR ELECTRIC DELIVERY COMPANY LLC

2019 Energy Efficiency Plan and Report 16 Tex. Admin Code §25.181 and §25.183 (TAC)

Amended May 24, 2019

Project No. 49297

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INTRODUCTION

Oncor Electric Delivery Company LLC (Oncor or Company) presents this Energy Efficiency Plan and Report (EEPR) to comply with Public Utility Commission of Texas (Commission) 16 TAC §25.181 and §25.183 (the Energy Efficiency Rule or EE Rule), which implement Public Utility Regulatory Act (PURA) §39.905. PURA §39.905 and the EE Rule require that each investorowned electric utility achieve the following minimum savings goals through market-based standard offer programs (SOPs), targeted market transformation programs (MTPs), or utility selfdelivered programs:

• 30% reduction of the electric utility's five-year average annual growth in demand of residential and commercial customers for the 2013 program year and for subsequent program years until the trigger described in the next paragraph is reached.

Additionally, effective September 1, 2011, PURA §39.905 requires that an electric utility whose amount of energy efficiency to be acquired is equivalent to at least four-tenths of one percent of its summer weather-adjusted peak demand for residential and commercial customers in the previous calendar year, maintain a goal of no less than four-tenths of one percent of that summer weather-adjusted peak demand for residential and commercial customers by December 31 of each subsequent year and that the energy efficiency to be required not be less than the preceding year.

The EE Rule includes specific requirements related to the implementation of SOPs and MTPs by investor-owned electric utilities that control the manner in which they must administer their portfolio of energy efficiency programs in order to achieve their mandated energy efficiency savings goals. Oncor's EEPR is intended to enable the Company to meet its statutory savings goals through implementation of energy efficiency programs in a manner that complies with PURA §39.905 and the EE Rule. As outlined in the EE Rule, this EEPR covers the previous five years of demand savings goals and energy targets, including 2018 achievements, and reports plans for achieving 2019 and 2020 projected energy efficiency savings. The following section provides a description of what information is contained in each of the subsequent sections and appendices.

ENERGY EFFICIENCY PLAN AND REPORT ORGANIZATION

This EEPR consists of the following information:

Executive Summary

• The Executive Summary highlights Oncor's reported achievements for 2018 and Oncor's plans for achieving its 2019 and 2020 projected energy efficiency savings.

Energy Efficiency Plan (EEP)

- Section I describes Oncor's program portfolio. It details how each program will be implemented, discusses related informational and outreach activities, and provides an introduction to any programs not included in Oncor's previous EEP.
- Section II explains Oncor's targeted customer classes, specifying the size of each class and the method for determining those sizes.

- Section III presents Oncor's projected energy efficiency savings goals for the prescribed planning period broken out by program for each customer class.
- Section IV describes Oncor's proposed energy efficiency budgets for the prescribed planning period broken out by program for each customer class.

Energy Efficiency Report

- Section V documents Oncor's actual weather-adjusted demand savings goals and energy targets for the previous five years (2014-2018).
- Section VI compares Oncor's projected energy and demand savings to its reported and verified savings by program for calendar year 2018.
- Section VII details Oncor's incentive and administration expenditures for the previous five years (2014-2018) broken out by program for each customer class.
- Section VIII compares Oncor's actual and budgeted program costs from 2018 broken out by program for each customer class. It also explains any cost increases or decreases of more than 10 percent for Oncor's overall program budget.
- Section IX describes the results from Oncor's MTPs and Research & Development activities. It compares existing baselines and existing milestones with actual results, and details any updates to those baselines and milestones.
- Section X provides the revenue billed during 2018 through Oncor's Energy Efficiency Cost Recovery Factor (EECRF) and describes any over- or under-recovery of energy efficiency costs.

Acronyms

• Abbreviations for a list of common terms.

Glossary

• Definitions for a list of common terms.

Appendices

- Appendix A 2018 reported kW and kWh savings broken out by county for each program.
- Appendix B Program templates for any new or newly-modified programs and any programs not included in Oncor's previous EEPRs.
- Appendix C 2018 Energy Efficiency Service Providers.

EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details Oncor's plans to achieve a 30% reduction in its five-year average annual growth in demand of residential and commercial customers for the 2019 program year and a similar reduction for the 2020 program year. Oncor will also address the corresponding energy savings goal, which is calculated from its demand savings goal using a 20% conservation load factor. The goals, budgets and implementation plans that are included in this EEPR are highly influenced by requirements of the EE Rule and lessons learned regarding energy efficiency service provider and customer participation in the various energy efficiency programs. A summary of annual goals and budgets is presented in Table 1.

The Energy Efficiency Report portion of this EEPR demonstrates that in 2018 Oncor successfully implemented SOPs and MTPs, as required by PURA §39.905, that met Oncor's 30% energy efficiency savings goal by procuring 172,409 kW in demand savings. These programs included the Home Energy Efficiency SOP, Hard-to-Reach SOP, Targeted Weatherization Low-Income SOP, Residential Solar Photovoltaic Installation SOP, Residential Demand Response SOP, Commercial Solar Photovoltaic Installation SOP, Small Business Direct Install MTP, Commercial SOP, Commercial Load Management SOP, and the Retail Platform MTP.

Calendar Year	Average Growth in Demand (MW at Source)	MW Goal (% of Growth in Demand)	Demand (MW) Goal (at Meter)*	Energy MWh Goal (at Meter)**	Demand (MW) at 0.4% of Peak Demand***	Projected MW Savings (at Meter)	Projected MWh Savings (at Meter)	Projected Budget (000's)
2019	122.4	30%	69.4	121,589	92.1	161.4	218,630	\$50,358
2020	206.3	30%	69.4	121,589	93.0	179.8	245,160	\$50,427

 Table 1: Summary of Goals, Projected Savings, and Projected Budgets¹

* The 2020 Demand Goal is actually 58.3 MW when calculated per the EE Rule that requires a 30% reduction in the five-year average of annual demand growth (206.3 MW x 30% annual growth in demand reduction) x (1-.05775 line loss). However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal, thus, the 2020 goal is 69.4. Line loss is the 5-year weighted average of the actual loss factors at the time of Oncor's annual peaks. The 2019 Demand Goal when calculated per the EE Rule is 34.5 MW.

** Calculated using a 20% conservation load factor.

***The Demand Goal at 0.4% of peak demand is calculated according to 16 TAC §25.181(e)(3)(B) and includes line loss.

In order to reach the above projected savings, Oncor proposes to continue implementation of the 2018 programs listed above and add the Retro-commissioning (Commercial Tune-Up) MTP in 2019.

The programs Oncor has chosen to implement target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. Oncor plans to conduct ongoing informational activities to encourage participation in these SOPs and MTPs. For each program, potential participants will be identified and program information will then be tailored to the types of specific participants. At a minimum this will include a program website, brochures, and an introductory meeting to explain the program prior to the program start-date.

¹ Projected MW and MWh taken from Table 5 in this document. Budget data is taken from Table 6 in this document.

Furthermore, Oncor plans to participate in conferences to provide information related to its Energy Efficiency Program.

Oncor is continuing its effort to increase Retail Electric Provider (REP) participation in the energy efficiency programs it manages. This plan involves multiple activities and approaches that will reflect Oncor's commitment to this effort. This plan includes, but is not limited to, the following activities:

- Invite REPs to program outreach meetings with Energy Efficiency Service Providers.
- Coordinated effort with Oncor's REP Relations group to identify key REP contacts. Through REP Executive and on-site visits, Oncor will conduct energy efficiency discussions while sharing related program information and materials during these visits.
- Make contact with individual REPs at local, regional, and national conferences, trade shows and/or events as the opportunity is available.

Once an energy efficiency program has been initiated, Oncor plans to offer the program on a first-come, first-served basis.

ENERGY EFFICIENCY PLAN

I. 2019 Programs

A. 2019 Program Portfolio

Oncor plans to implement 12 market transformation and standard offer programs that are based upon Commission-approved program templates. One program, the Targeted Weatherization Low-Income SOP, is required by Senate Bill 712, which was passed by the Texas Legislature in 2005. Additional requirements were passed by the Texas Legislature in 2011. Senate Bill 1434 requires that annual expenditures for the Targeted Weatherization Low-Income SOP are not less than 10 percent of the utility's energy efficiency budget for the year.

As discussed below, the Company's programs target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. Oncor anticipates that outreach to a broad range of service provider types will be necessary in order to meet the savings goals required by PURA §39.905 and the EE Rule on a continuing basis. Table 2 summarizes the programs and target markets.

Program	Target Market	Application
Commercial SOP	Commercial	Retrofit; New Construction
Hard-to-Reach SOP	Hard-to-Reach Residential	Retrofit
Emergency Load Management SOP	Existing Industrial	Load Management
Commercial Load Management SOP	Large Commercial	Load Management
Small Business Direct Install MTP	Small Commercial	Retrofit
Home Energy Efficiency SOP	Residential	Retrofit
Targeted Weatherization Low- Income SOP	Low-Income Residential	Retrofit
Commercial Solar Photovoltaic Installation SOP	Commercial	Retrofit
Residential Solar Photovoltaic Installation SOP	Residential	Retrofit
Residential Demand Response SOP	Residential	Load Management
Retail Platform MTP	Residential; Commercial	Retrofit; New Construction
Retro-commissioning MTP	Commercial	Retrofit

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Table 2: 2019 Energy Efficiency Program Portfolio

The programs listed in Table 2 are described in further detail below. Oncor maintains a website containing links to the program manuals of the SOPs, all of the requirements for project participation, the forms required for project submission, and the current available funding at <u>https://www.oncoreepm.com/</u>. This website will be the primary method of communication used to provide potential Energy Efficiency Service Providers with program updates and information, including information on future opportunities to bid to be an implementer of an Oncor Market Transformation Program. Additional information to help residential consumers, business owners and government and educational facilities with their energy efficiency efforts can be found at <u>http://www.takealoadofftexas.com/</u>.

B. Existing Programs

Commercial Standard Offer Program (CSOP)

<u>Custom</u> - The Custom Component of the Commercial SOP targets large commercial customers with new or retrofit projects that require measurement and verification with an incentive of \$10,000 or larger. Oncor provides incentives to Energy Efficiency Service Providers who install approved energy efficiency measures in business, government, nonprofit, and worship facilities in Oncor's service area. These include, but are not limited to, lighting, motors, variable frequency drives, cooling, and process upgrades as well as new construction that exceeds existing energy code baselines per the Texas Technical Reference Manual (TTRM). These energy-saving projects must be approved by Oncor prior to project start. Once completed, Oncor verifies the savings and the Energy Efficiency Service Providers receive incentive payments based on the project's actual savings. The 2019 budget for the Custom Component of the Commercial SOP is \$3,498,797 with targeted impacts of 3,465 kW and 20,338,921 kWh.

Basic – The Basic Component of the Commercial SOP targets commercial customers with new or retrofit projects that do not require measurement and verification who install approved energy efficiency measures in business, government, educational, nonprofit, and worship facilities in Oncor's service area. These include, but are not limited to, lighting, air conditioning, ENERGY STAR[®] roofs and food service equipment, refrigeration measures, and window film as well as new construction that exceeds existing energy code baselines per the TTRM. The energy saving projects must be approved by Oncor prior to project start. Once completed, Oncor verifies the savings and the Energy Efficiency Service Providers receive incentive payments based on the project's actual savings. Also included is the replacement of existing HVAC units using early replacement in master metered multifamily apartment complexes with high efficiency heat pumps. Saving and incentives are based on deemed savings. The 2019 budget for the Basic Component of the Commercial SOP is \$8,509,674 with targeted impacts of 10,557 kW and 55,520,837 kWh.

Home Energy Efficiency Standard Offer Program (HEE SOP)

The HEE SOP targets residential customers with existing homes. This program is designed to achieve energy and demand savings in the residential market with the installation of a wide range of energy-efficiency measures in homes and multi-family residences. Incentives are paid to Energy Efficiency Service Providers to help offset the cost of these energy efficiency measures. Oncor provides the incentive directly to the Service Provider. Charges to customers vary by Service Provider and no incentives for this program are paid directly to the customer by Oncor.

The 2019 budget for this program is \$9,807,389 with targeted impacts of 21,310 kW and 36,706,893 kWh. The most common energy-efficient measures installed in the HEE SOP are attic insulation and caulking/weather-stripping around doors and windows. Energy Efficiency Service Providers must test for air leakage before and after installation when installing caulking/weather-stripping measures. Other eligible energy-efficient measures include replacement of air conditioning units, heat pumps, and installation of ENERGY STAR® windows, refrigerators, dishwashers, and clothes washers, wall insulation, floor insulation, and water heater jackets. Also included is the replacement of existing HVAC units using early replacement in multifamily apartment complexes with high efficiency heat pumps.

Hard-to-Reach Standard Offer Program (HTR SOP)

The HTR SOP targets residences with household incomes at or below 200% of the federal poverty guidelines. This program is designed to achieve energy and demand savings with the installation of a wide range of energy-efficiency measures. Energy Efficiency Service Providers implement energy saving projects in homes located in Oncor's service area. Incentives are paid to these Energy Efficiency Service Providers to help offset the cost of these energy efficiency measures. The most common measures, such as insulation and caulking/weather-stripping are installed at low or no cost to the customer. Energy Efficiency Service Providers must test for air leakage before and after installation when installing caulking/weather-stripping measures. Oncor provides the incentive directly to the Service Provider. Qualifying measures are similar to those described above for the HEE SOP, as well as water-saving devices. Also included is the replacement of existing HVAC units using early replacement in multifamily apartment complexes with high efficiency heat pumps. The same income qualifications (household incomes at or below 200% of current federal poverty level guidelines) apply to this new program option. The 2019 budget for this program is \$6,800,670 with targeted impacts of 12,105 kW and 18,686,710 kWh.

Emergency Load Management Standard Offer Program (ELM SOP)

The ELM SOP targets industrial customers with demands greater than 700 kW. This program is Grandfathered under the provisions of 16 TAC §25.181(t). The program is offered to for-profit transmission voltage level end-use customers, which includes large industrial sites. Participants are requested to reduce load when called for by Oncor. The demand reductions must be verified by Oncor in order for the incentives to be paid. This is accomplished by reviewing data recorded on Interval Data Recorders (IDRs) and calculating the amount of demand savings achieved through the "curtailment" during the summer on-peak season. The incentive is paid directly to the program participant and a ten-year contract is required to participate in the program. No customers have participated in this program since 2007 and no customers are expected to participate in 2019.

Commercial Load Management Standard Offer Program (CLM SOP)

Oncor pays incentives to Energy Efficiency Service Providers and Aggregators who work with local commercial and manufacturing facilities to achieve documented summer, on-peak demand reductions in those facilities. End-use customers may also act as the Energy Efficiency Service Provider. The program is designed to assist businesses reduce their summer on-peak energy demand and help meet the state's energy efficiency goals. The demand reductions must be verified by Oncor in order for the incentives to be paid. This is accomplished by reviewing data recorded by meters and calculating the amount of demand savings achieved through the "curtailment" during the summer on-peak season. The incentive is paid directly to the Service Provider, Aggregator or End-Use Customer. Each project must achieve a total estimated demand savings of

at least 100 kW during the summer on-peak demand period. Participating customer facilities must reduce load when called for by Oncor. The 2019 budget for this program is \$2,576,400 with targeted impacts of 60,000 kW and 180,000 kWh.

Commercial Solar Photovoltaic Installation Standard Offer Program (CSPV SOP)

The Commercial Solar Photovoltaic Installation SOP provides incentives for the installation of Solar Photovoltaic systems that reduce customer energy costs, reduce peak demand and save energy in existing commercial customer structures. Incentives are paid to Energy Efficiency Service Providers on the basis of savings calculations per the Texas Technical Reference Manual. The 2019 budget for the CSPV SOP is \$2,323,820 with targeted impacts of 1,534 kW and 4,979,022 kWh.

Residential Solar Photovoltaic Installation Standard Offer Program (RSPV SOP)

The Residential Solar Photovoltaic Installation SOP provides incentives for the installation of Solar Photovoltaic systems that reduce customer energy costs, reduce peak demand and save energy in existing residential customer structures. Incentives are paid to Energy Efficiency Service Providers on the basis of savings calculations per the Texas Technical Reference Manual. The 2019 budget for the RSPV SOP is \$2,280,370 with targeted impacts of 1,492 kW and 4,827,683 kWh.

Small Business Direct Install MTP (SBDI MTP)

Oncor's Small Business Direct Install MTP is a market transformation program designed to offer contractors and customers education on energy efficiency technologies, equip participating contractors with the tools they need to succeed in installing projects in the small business market, and offer incentives to assist small (≤ 200 kW) and very small (≤ 10 kW) businesses to install energy-efficient products such as high efficiency lighting and refrigeration measures. The program is focused on the non-Metro counties served by Oncor. The 2019 budget for the SBDI MTP is \$3,517,740 with targeted impacts of 2,179 kW and 13,365,283 kWh.

Targeted Weatherization Low-Income SOP

For the 2019 Program year Oncor is implementing the Targeted Low-Income Weatherization Program to comply with the Public Utility Regulatory Act (PURA) §39.905(f) which states, "Unless funding is provided under §39.903, each unbundled transmission and distribution utility shall include in its energy efficiency plan a targeted low-income energy efficiency program as described by Section 39.903(f)(2), and the savings achieved by the program shall count toward the transmission and distribution utility's energy efficiency goal. The commission shall determine the appropriate level of funding to be allocated to both targeted and standard offer low-income energy efficiency programs in each unbundled transmission and distribution utility service area. The level of funding for low-income energy efficiency programs shall be provided from money approved by the commission for the transmission and distribution utility's energy efficiency programs. The commission shall ensure that annual expenditures for the targeted low-income energy efficiency programs of each unbundled transmission and distribution utility are not less than 10 percent of the transmission and distribution utility's energy efficiency budget for the year. A targeted low-income energy efficiency program must comply with the same audit requirements that apply to federal weatherization subrecipients." Section 39.903(f)(2) states that targeted energy efficiency programs are to be administered by the Texas Department of Housing and Community Affairs (TDHCA) in coordination with existing weatherization programs.

16 TAC §25.181(p) states, "Each unbundled transmission and distribution utility shall include in its energy efficiency plan a targeted low-income energy efficiency program. A utility in an area in which customer choice is not offered may include in its energy efficiency plan a targeted low-income energy efficiency program that utilizes the cost-effectiveness methodology provided in paragraph (2) of this subsection. Savings achieved by the program shall count toward the utility's energy efficiency goal.

- (1) Each utility shall ensure that annual expenditures for the targeted low-income energy efficiency program are not less than 10% of the utility's energy efficiency budget for the program year.
- (2) The utility's targeted low-income program shall incorporate a whole-house assessment that will evaluate all applicable energy efficiency measures for which there are commission-approved deemed savings. The cost-effectiveness of measures eligible to be installed and the overall program shall be evaluated using the Savings-to-Investment ratio (SIR).
- (3) Any funds that are not obligated after July of a program year may be made available for use in the hard-to-reach program."

Oncor is implementing a Program through Texas Association of Community Action Agencies (TACAA) who will provide funds to designated federal Weather Assistance Program (WAP) Subrecipient agencies enabling them to provide weatherization services to residential electric distribution customers of Oncor who have household incomes at or below 200% of current federal poverty level guidelines.

TACAA will be entitled to compensation for materials, labor and program support used by the federally funded Sub recipient to install weatherization measures for up to \$6,500 per weatherized Dwelling Unit. TACAA may reimburse the federally funded Subrecipient for program support costs and up to 10% of the invoice amount for administration, which amounts are not part of the 8% program administration fee paid to TACAA. Federally funded Sub recipient program support costs shall be included in the calculation of the \$6,500 per Dwelling Unit cap, but shall not be included in calculating the Whole House SIR.

Energy-efficient measures installed include aerators, ceiling insulation, air infiltration, central air conditioning units, central heat pumps, floor insulation, ENERGY STAR[®] refrigerators, dishwashers, clothes washers and windows, showerheads, window air conditioning units, wall insulation, water heater jackets and water heater pipe insulation.

In 2017, Oncor added EnerChoice as a Program Implementer. EnerChoice uses program incentives to replace existing HVAC units in multifamily apartment complexes with high efficiency heat pumps and earns an administration fee of up to 10% for their services. The same income qualifications (household incomes at or below 200% of current federal poverty level guidelines) apply to this new program option.

The 2019 budget for this program is \$5,005,900 with targeted impacts of 2,750 kW and 4,075,304 kWh.

Program History - This program targeted Oncor's low-income residential customers who met DOE's income eligibility guidelines which are at or below 200% of the federal poverty level

guidelines and are connected to Oncor's electric system. Incentive funds were provided to the TDHCA sub-recipient agencies and other not-for-profit or local government agencies, enabling them to provide weatherization services to qualifying customers. Participating agencies provided outreach, eligibility verification, assessments, and could either install or contract for the installation of cost-effective energy-efficient measures. Agencies received reimbursement for conducting assessments and installing the measures, plus an administrative fee equal to eight percent of the measure installation costs. The maximum expenditure per home was \$6,500.

Energy-efficient measures installed included attic insulation, duct sealing and caulking/weatherstripping around doors and windows, central air conditioning units, central heat pumps, window air conditioning units, replacement of electric water heaters, installation of ENERGY STAR[®] refrigerators, solar window screens, wall insulation, CFLs, water heater jackets and ENERGY STAR[®] ceiling fans with a light kit.

Prior to 2005, the TDHCA administered a targeted energy efficiency program that was funded through the System Benefit Fund (SBF). When appropriations from the SBF were discontinued for TDHCA's program in 2005, the Texas Legislature enacted SB 712. SB 712 amended PURA §39.905(f), requiring unbundled utilities like Oncor to fund through rates a targeted low-income energy efficiency program that would be administered by TDHCA. In the summer of 2006, the Commission approved (in Docket No. 32103) an agreement among TLSC/Texas ROSE, the Commission Staff, Oncor (then TXU Electric Delivery Company), AEP Texas Central Company, AEP Texas North Company, CenterPoint Energy Houston Electric, LLC, and Texas-New Mexico Power Company, that reflected a plan for implementing SB 712's requirements in calendar years 2006 and 2007 (the Docket No. 32103 Agreement). Oncor agreed to provide \$3,412,941 annually to TDHCA for the Company's SB 712 obligation. Among other terms, the Docket No. 32103 Agreement provided that the program would be targeted to households with income at or below 125% of the federal poverty guidelines.

On May 23, 2007, TDHCA informed Oncor that it was not authorized to spend the funds paid by Oncor due to a ruling by the Office of Comptroller of Public Accounts, and that Oncor should make alternative arrangements to complete the program that did not involve TDHCA. Thus, Oncor promptly entered into talks with Frontier Associates LLC (Frontier) and ultimately reached an agreement with Frontier for it to administer the SB 712 program in Oncor's service area, *i.e.*, the Pilot Targeted Weatherization Low-Income Program.

On July 27, 2007, TLSC/Texas ROSE filed a petition with the Commission seeking to have Texas Association of Community Action Agencies (TACAA) designated as the sole administrator for the SB 712 programs of all the unbundled utilities, including Oncor. TLSC/Texas ROSE's petition was litigated in Docket No. 34630, Petition of Texas Legal Services Center and Texas Ratepayers' Organization to Save Energy to Modify the Commission's Final Order in Docket No. 32103 and to Reform the Agreement to Implement Weatherization Programs. The Commission found that the utilities should have the flexibility to contract with a provider of their choice, as Oncor did with Frontier, to implement SB 712 programs.

During the 2011 Texas Legislative session SB 1434 was passed and signed into law by the Governor of Texas. Contained in the 2011 legislation is the following language related to the Targeted LIW Program:

Unless funding is provided under Section 39.903, each unbundled transmission and distribution utility shall include in its energy efficiency plan a targeted low-income energy efficiency program as described by Section 39.903(f)(2), and the savings achieved by the program shall count toward the transmission and distribution utility's energy efficiency goal. The commission shall determine the appropriate level of funding to be allocated to both targeted and standard offer low-income energy efficiency programs in each unbundled transmission and distribution utility service area. The level of funding for low-income energy efficiency programs shall be provided from money approved by the commission for the transmission and distribution utility's energy efficiency programs. The commission shall ensure that annual expenditures for the targeted low-income energy efficiency programs of each unbundled transmission and distribution utility are not less than 10 percent of the transmission and distribution utility's energy efficiency budget for the year. A targeted low-income energy efficiency program must comply with the same audit requirements that apply to federal weatherization subrecipients. In an energy efficiency cost recovery factor proceeding related to expenditures under this subsection, the commission shall make findings of fact regarding whether the utility meets requirements imposed under this subsection.....

In 2012 Oncor implemented the program to provide funds to TDHCA sub-recipient agencies and other not-for-profit or local government agencies, enabling them to provide weatherization services to residential electric distribution end-use consumers of Oncor who had household incomes at or below 200% of the current federal poverty guidelines. Participating agencies provided outreach, eligibility verification, assessments, and either installed or contracted for the installation of cost-effective measures. Agencies received reimbursement for conducting assessments and installing the measures, plus an administrative fee equal to 8 percent of the measure installation costs. The maximum expenditure per home was \$6,500. The \$6,500 per home cap included assessment and/or testing fees from homes that did not qualify for installed measures based on the assessment.

Residential Demand Response SOP (RDRSOP)

Oncor's Residential Demand Response SOP is an expansion of the 2015-2016 pilots, which provided incentives to participating providers for reducing peak electric demand at residential premises. In 2019, the program will engage providers to provide demand response capability using remotely controlled load control devices in homes. The providers will use various control strategies, such as pre-cooling and cycling to reduce overall demand during the peak period. Implementation will occur in the Oncor service territory and target residential homes. The participating providers are responsible for ensuring the presence of load control devices in participating residences. The actual demand savings will be determined by Oncor using advanced meter data. The 2019 Program budget is \$1,412,730, with targeted impacts of 32,900 kW and 197,400 kWh.

Retail Platform MTP

The Retail Platform MTP provides incentives directly to Residential Customers through in-store point of sale discounts for the purchase of qualifying ENERGY STAR-rated LED lighting products and consumer appliances. The Program is partnership-based and delivers qualified product measures by contracting with major market manufacturers and through cooperation with their retail alliance partners. Slated to continue through 2020, the program has a budget of \$3,360,520 in 2019 with targeted impacts of 13,126 kW and 56,751,812 kWh. Based on the Texas

Technical Reference Manual Version 5.0 recommendation, claimed savings will be attributed based on five percent of upstream lighting program benefits and costs allocated to commercial customers with the remaining 95 percent allocated to residential customers.

In November 2018 select ENERGY STAR rated Nest and Ecobee smart thermostats were made available as part of this program, giving customers the ability to monitor and adjust their home's temperature even when away from home. Oncor customers can obtain a coupon to purchase a smart thermostat by visiting <u>www.smartsavingstx.com</u>.

Research and Development

During 2019, Oncor will continue collaboration with the General Services Administration Green Proving Ground (GSA). Annually, the GSA issues an RFI for vendors to submit new energy efficient technologies into the program for evaluation. The GSA, Oncor, and national laboratories review the submittals and select several for installation on Federal facilities. Technologies are evaluated for equipment performance, as well as energy and demand savings for up to one year. The collaboration allows utilities to recommend technologies for inclusion in the program. The technologies may be installed and evaluated on Federal facilities within ERCOT, or other areas with similar weather zones.

Oncor and the GSA are currently working on an advanced lighting controls project at the A. Maceo Smith Federal Building in Dallas. The objective of the project is to identify and quantify energy savings from advanced lighting controls in buildings where day lighting contributes to ambient light levels. Project measurement and verification will be completed in early 2019. Using the measurement and verification results as a basis, Oncor expects to propose savings calculations for advanced lighting controls for inclusion in the 2020 Texas Technical Reference Manual.

Additionally, Oncor will continue its membership in the Texas Energy Poverty Research Institute (TEPRI) for 2019. TEPRI is a 501(c) (3) whose mission is to research the root causes of energy and fuel poverty and provide data for solutions that have an impact on low-income households. In 2019, TEPRI will continue compiling Best Practices of Low-Income Services, Programs, and Technologies. Additionally, TEPRI will update their portal of information on publications, websites, and other resources that are specific to the topic of energy and poverty in Texas and the nation.

For more details on these programs, please see Section IX.

C. New Programs for 2019

Retro-commissioning (Commercial Tune-Up) MTP (RC MTP)

The RC MTP program is designed to assist building owners with a low cost, low resource commitment opportunity that offers quick energy savings. The program features a predefined measure list, fixed project fees, clear reimbursement schedule and short project cycle times. This leads to quick collection of impacts for our utility partners.

It is common for a building's energy management system to be overridden over time, resulting in wasted energy. These customers can benefit from assistance through a controls program that will identify energy waste and improve the management of the building's systems. The program

offers a controls tune-up to capture savings in small- to medium-sized commercial buildings and focuses on capturing savings that are available but may be ignored in utility program portfolios because the measures typically have a payback of less than a year. Primary measures include the following:

- Schedule refinement or optimal start/stop
- Zone level airflow control
- Static pressure settings
- Supply temperature settings

The following list describes the target market that would both benefit and yield savings as a participant in the program.

- Participating facilities must have a modern Building Automation System (BAS), Direct Digital Control System (DDC) or Energy Management System (EMS)
- Smaller and medium commercial properties under 200,000 square feet (e.g. office, medical centers, public facilities)
- A facility that has had building or operational changes
- A facility containing multiple HVAC systems
- The facility is not under construction or planning construction in the next few months (participant requirement)

The 2019 budget for the RCMTP is \$218,400 with targeted impacts of 3,000,000 kWh.

II. Customer Classes

Customer classes targeted by Oncor's energy efficiency programs are the Hard-to-Reach, Residential, and Commercial customer classes. The annual demand goal will be allocated to customer classes by examining historical program results, evaluating economic trends, and complying with 16 TAC §25.181(e)(3)(F), which states that no less than 5% of the utility's total demand reduction savings goal should be achieved through programs for hard-to-reach customers. Also factored into the allocation is the PURA §39.905 requirement that annual expenditures for the targeted low-income energy efficiency programs are not less than 10 percent of the annual energy efficiency budget for the year. Table 3 summarizes the number of customers in each of the customer classes, which was used to determine budget allocations for those classes. Oncor used year-end 2018 Customer Information System (CIS) premise-level data to estimate the number of customers in each class. The Hard-to-Reach class was estimated by multiplying the total number of residential customers by 27.8%. According to the U.S. Census Bureau's 2018 Current Population Survey (CPS), 27.8% of Texas families fall below 200% of the poverty threshold (2017 CPS was 27.5%). Applying that percentage to Oncor's residential customer totals, the number of HTR customers is estimated at 853,814 compared to 827,834 in 2017. This calculation is only an estimate. Oncor does not have access to its residential customers' income levels. The actual percentage may be higher or lower.

It should be noted, however, that the actual distribution of the goal and budget must remain flexible based upon the response of the marketplace, the potential interest that a customer class may have toward a specific program and the overriding objective of meeting the legislative goal. Oncor will offer a portfolio of Standard Offer and Market Transformation Programs that will be available to all customer classes.

Program	Number of Customers
Commercial	479,698*
Residential	2,217,461
Hard-to-Reach	853,814
Total	3,550,973

Table 3: Summary of Customer Classes

* Customer count takes into account 11,280 qualifying for-profit industrial customers who have elected to exclude themselves from participation in Oncor's energy efficiency programs per 16 TAC 25.181(u), as well as lighting premises.

III. Projected Energy Efficiency Savings and Goals

As prescribed by 16 TAC §25.181, Oncor's demand goal is specified as a percent of its historical five-year average rate of growth in demand. As an example, the annual growth in demand defined for the 2019 goal reflects the average annual growth in peak demand for the years 2014 through 2018. The demand goals are based on meeting 30% of the electric utility's annual growth in demand of eligible residential and commercial customers for the 2018, 2019 and 2020 program years. The corresponding energy savings goals are determined by applying a 20% conservation load factor to the applicable demand savings goals.

Table 4 presents historical annual growth in demand for the previous five years. Total System numbers include all customers (including transmission voltage and qualifying for-profit industrial customers who elected to exclude themselves from participation in Oncor's energy efficiency programs) while Residential and Commercial totals include eligible residential and non-residential customers taking delivery at a distribution voltage and non-profit customers and government entities, including educational institutions. Table 5 presents the projected demand and energy savings broken out by program for each customer class for 2019 and 2020. The program-level goals presented in Table 5 are at the meter and take into account transmission and distribution line losses.

	Peak Demand (MW) (at Source) **					Energy Consumption (MWh) (at Meter)			Residential & Commercial		
Calendar	Total System		Opt-Out R		iential & mercial	Total System		Residential & Commercial		Growth (MW)	Avg 5 Yr (MW) Growth
Teal	Actual	Actual Weather Adjusted 2	Secondary/ Primary, & Transmission Voltage***	Actual	Actual Weather Adjusted 2	Actual	Actual Weather Adjusted ²	Actual	Actual Weather Adjusted ²	Actual Weather Adjusted ²	Actual Weather Adjusted ²
2013	24,792	25,383	1,246	23,545	24,136	112,312,279	111,791,813	101,919,737	99,104,671		REAL
2014	24,122	26,054	1,589	22,534	24,466	114,905,829	113,939,185	101,640,875	100,674,230	329	
2015	25,531	26,179	1.646	23.885	24,533	116.594.625	116,554,605	102.634.272	102.594.252	67	
2016	25,787	26,620	1,755	24,032	24,865	115,791,379	117,927,439	100.977.674	103.113.734	332	
2017	25,170	26,267	1.879	23,290	24,387	117,017,075	119,776,460	100,971,312	103,730,697	-477	
2018	27,493	27,223	2,055	25,438	25,168	130,007,690	128,631,337	111,336,170	109,959,816	780	206.3
2019 ³	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2020 ³	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Table 4: Annual Growth in Demand and Energy Consumption *

* Table 4 values can differ from prior years due to restatement of historic demands from ERCOT Settlement interval data. Additional variance is due to changing the weather adjustment process to better match the ERCOT Settlement method. Values may not add due to rounding.

** Peak Demand values have been revised to reflect the combined Oncor and former Sharyland MW values for 2013-2017.

*** Includes the peak demand of qualifying for-profit industrial customers who receive service at primary/secondary voltage and have elected to exclude themselves from participation in Oncor's energy efficiency programs in the following amounts: Year 2013 – 128 MW, Year 2014 - 393 MW, Year 2015 - 414 MW, Year 2016 – 429 MW, Year 2017 – 486, and Year 2018 – 539.

² "Actual Weather Adjusted" Peak Demand and "Energy Consumption" are adjusted for weather fluctuations using weather data for the most recent ten years.

 $^{^{3}}$ "NA" = Not Applicable. Energy efficiency goals are calculated based upon the actual weather-adjusted growth in demand; so peak demand and energy consumption forecasts for 2019 and 2020 are not applicable.

	2019 Proje	ected Savings	2020 Projected Savings		
Customer Class and Program	(kW) (kWh)		(kW)	(kWh)	
Commercial	78,391	100,221,654	89,812	102,351,124	
Commercial SOP (Custom)	3,465	20,338,921	-	-	
Commercial SOP (Basic)	10,557	55,520,837	-	-	
Commercial SOP	-	-	12,711	69,142,575	
Emergency Load Management SOP	0	0	0	0	
Commercial Load Management SOP	60,000	180,000	72,000	216,000	
Small Business Direct Install MTP	2,179	13,365,283	2,610	15,711,041	
Solar PV SOP	1,534	4,979,022	1,534	4,979,022	
Retail Platform MTP	656	2,837,591	957	4,302,486	
Retro-commissioning MTP	0	3,000,000	0	8,000,000	
Residential	68,172	95,646,197	75,084	120,042,819	
Home Energy Efficiency SOP	21,310	36,706,893	20,899	35,709,065	
Solar PV SOP	1,492	4,827,683	1,001	2,481,514	
Residential Demand Response SOP	32,900	197,400	35,000	105,000	
Retail Platform MTP	12,470	53,914,221	18,184	81,747,240	
Hard-to-Reach	14,855	22,762,014	14,866	22,765,611	
Hard-to-Reach SOP	12,105	18,686,710	12,108	18,688,666	
Targeted Weatherization Low-Income SOP	2,750	4,075,304	2,758	4,076,945	
Total Annual Savings Goals	161,418	218,629,865	179,762	245,159,554	

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Table 5: Projected Demand and Energy Savings Broken Out by Program for Each Customer Class (at Meter)

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IV. Program Budgets

Table 6 represents total proposed budget allocations required to achieve the projected demand and energy savings shown in Table 5. The budget allocations are defined by the overall demand and energy savings presented above, allocation of demand savings goals among customer classes, and SB 712 and SB 1434 Targeted Low-Income mandates. The budget allocations presented in Table 6 below are first broken down by customer class and program, and are then further subdivided into the incentive payments and administration categories.

Administration costs include labor and loading, evaluation, outreach, Energy Efficiency Program Management (tracking and reporting system), program development, program implementation, regulatory reporting, and any costs incurred associated with the EECRF filing by the company. Costs associated with specific programs are charged directly to those programs, while costs not associated with specific programs are allocated among all programs.

While Oncor has estimated budgets by customer class, Oncor plans to track and report budgets by program, since individual programs may serve multiple customer classes.

Commercial	\$18,399,735	\$2,413,822	\$20,813,557
Commercial SOP (Custom)	\$3,069,120	\$429,677	\$3,498,797
Commercial SOP (Basic)	\$7,525,687	\$983,987	\$8,509,674
Emergency Load Management SOP	\$0	\$0	\$0
Commercial Load Management SOP	\$2,280,000	\$296,400	\$2,576,400
Solar PV SOP	\$2,038,440	\$285,380	\$2,323,820
Small Business Direct Install MTP	\$3,140,840	\$376,900	\$3,517,740
Retail Platform MTP	\$150,648	\$18,078	\$168,726
Retro-commissioning MTP	\$195,000	\$23,400	\$218,400
Residential	\$14,646,635	\$2,045,648	\$16,692,283
Home Energy Efficiency SOP	\$8,514,319	\$1,293,070	\$9,807,389
Solar PV SOP	\$2,019,810	\$260,560	\$2,280,370
Residential Demand Response SOP	\$1,250,200	\$162,530	\$1,412,730
Retail Platform MTP	\$2,862,306	\$329,488	\$3,191,794
Hard-to-Reach	\$10,356,640	\$1,449,930	\$11,806,570
Hard-to-Reach SOP	\$5,965,500	\$835,170	\$6,800,670
Targeted Weatherization Low-Income SOP	\$4,391,140	\$614,760	\$5,005,900
Research & Development*	\$0	\$310,000	\$310,000
Evaluation, Measurement & Verification**	\$0	\$735,989	\$735,989
Total Budgets by Category	\$43,403,010	\$6,955,389	\$50,358,399

Table 6: Prop	posed Annual	Budget Broken	Out by	Program for E	ach Customer	Class
I GOLO OF I I O	posed i linear	Dudget Di onen	Car 0 y	I I UNI MALLIOI IN		

Commercial	\$16,836,594	\$2,279,727	\$19,116,321
Commercial SOP	\$8,236,653	\$1,284,918	\$9,521,571
Emergency Load Management SOP	\$0	\$0	\$0
Commercial Load Management SOP	\$2,664,000	\$319,680	\$2,983,680
Solar PV SOP	\$2,038,440	\$285,380	\$2,323,820
Small Business Direct Install MTP	\$3,142,210	\$314,220	\$3,456,430
Retail Platform MTP	\$235,291	\$23,529	\$258,820
Retro-commissioning MTP	\$520,000	\$52,000	\$572,000
Residential	\$16,232,237	\$2,217,804	\$18,450,041
Home Energy Efficiency SOP	\$9,302,750	\$1,446,580	\$10,749,330
Solar PV SOP	\$1,163,950	\$168,770	\$1,332,720
Residential Demand Response SOP	\$1,295,000	\$155,400	\$1,450,400
Retail Platform MTP	\$4,470,537	\$447,054	\$4,917,591
Hard-to-Reach	\$10,399,620	\$1,402,730	\$11,802,350
Hard-to-Reach SOP	\$5,965,150	\$835,120	\$6,800,270
Targeted Weatherization Low-Income SOP	\$4,434,470	\$567,610	\$5,002,080
Research & Development*	\$0	\$310,000	\$310,000
Evaluation, Measurement & Verification**	\$0	\$748,525	\$748,525
Total Budgets by Category	\$43,468,451	\$6,958,786	\$50,427,237

* Research & Development costs will be split into Residential and Commercial classes and then allocated among the programs (by class) in proportion to the program incentives in Oncor's EECRF filings. ** EM&V costs shown for 2019 are projected expenditures Oncor will incur in 2019 for completing review of Program Year

2018. EM&V costs shown for 2020 are projected expenditures Oncor will incur in 2020 for EM&V of 2019 programs.

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ENERGY EFFICIENCY REPORT

V. Historical Demand Savings Goals and Energy Targets for Previous Five Years

Table 7 documents Oncor's projected demand savings, actual demand goals and projected energy savings for the previous five years (2014-2018) calculated in accordance with 16 TAC §25.181.

Calendar Year	Actual Demand Goal (MW at Meter)*	Projected Savings (MW at Meter)	Projected Energy Savings (MWh at Meter)	Reported & Verified Savings (MW at Meter)*	Reported & Verified Energy Savings (MWh at Meter)
2018 ⁴	69.4	155.3	206,072	172.4	218,304
2017 ⁵	69.4	145.8	208,513	155.2	170,124
2016 6	69.4	138.1	225,783	128.8	198,743
2015 ⁷	69.4	110.3	197,436	115.8	178,908
2014 ⁸	69.4	120.9	209,595	125.3	202,105

Table 7: Historical Demand Savings Goals and Energy Targets

* The 2018 MW savings at the Source is 184.7 (172.4 MW / (1- .06655 line loss)). The 2018 demand goal MW at the source is 74.3 (69.4 MW/ (1 - .06655 line loss)). The line loss was reported in Oncor's 2018 EECRF (Docket No. 47235 – WP/JMS/4).

⁴ Projected MW Savings and Projected Energy Savings as reported in the 2018 Energy Efficiency Plan & Report (EEPR) filed in March of 2018 under Project No. 48146. Actual Demand Goal as discussed in Tables 1 & 4.

⁵ Projected MW Savings and Projected Energy Savings as reported in the 2017 Energy Efficiency Plan & Report (EEPR) filed in April of 2017 under Project No. 46907. Actual Demand Goal as discussed in Tables 1 & 4.

⁶ Projected MW Savings and Projected Energy Savings as reported in the 2016 Energy Efficiency Plan & Report (EEPR) filed in April of 2016 under Project No. 45675. Actual Demand Goal as discussed in Tables 1 & 4.

 ⁷ Projected MW Savings and Projected Energy Savings as reported in the 2015 Energy Efficiency Plan & Report (EEPR) filed in April of 2015 under Project No. 44480. Actual Demand Goal as discussed in Table 21 & 4.

⁸ Projected MW Savings and Projected Energy Savings as reported in the 2014 Energy Efficiency Plan & Report (EEPR) filed in April of 2014 under Project No. 42264. Actual Demand Goal as discussed in Tables 1 & 4.

Table 6. I Tojected versus Reported		Jarings IUI 20	10 anu 2017 (at micici)
2018	Projected	Savings	Reported and V	erified Savings
Customer Class and Program	kW.	KWń a i i i		kWh
Commercial	82,888	121,300,632	90,372	119,718,732
Commercial SOP (Custom)	4,074	27,547,542	1,428	12,588,022
Commercial SOP (Basic)	13,477	67,549,695	13,766	73,230,061
Emergency Load Management SOP	0	0	0	0
Commercial Load Management SOP	60,000	180,000	67,658	202,974
Solar PV SOP	2,840	11,632,080	2,512	8,212,970
Small Business Direct Install MTP	2,294	13,367,902	2,567	14,143,908
Retail Platform MTP	203	1,023,413	2,440	11,340,797
Residential	63,117	63,416,134	67,874	77,468,606
Home Energy Efficiency SOP	25,257	39,127,496	24,388	40,914,271
Solar PV SOP	1,096	4,646,400	1,113	3,730,231
Residential Demand Response SOP	32,900	197,400	34,756	104,271
Retail Platform MTP	3,864	19,444,838	7,618	32,719,833
Hard-to-Reach	9,293	21,354,929	14,163	21,116,762
Hard-to-Reach SOP	7,850	18,815,742	11,256	15,825,595
Targeted Weatherization LI SOP	1,443	2,539,187	2,908	5,291,167
Total Annual Savings Goals	155,298	206,071,695	172,409	218,304,100
201710	Projected	I Savings	Reported and V	erified Savings
Customer Class and Program	kW.	kWh 🤅 🔇	g () (kW) (kwh (* ·
Commercial	76,47 9	112,768,790	88,810	97,305,131
Commercial SOP (Custom)	3,778	24,129,709	2,552	16,591,708
Commercial SOP (Basic)	12,789	67,722,246	11,381	67,247,365
Emergency Load Management SOP	0	0	0	0
Commercial Load Management SOP	55,000	165,000	72,060	216,181
Solar PV SOP	1,934	7,917,695	1,488	4,917,963
Small Business Direct Install MTP	2,840	11,632,080	1,190	7,129,854
Healthcare MTP	138	1,202,060	138	1,202,060
Residential	60,390	75,209,471	52,140	50,677,295
Home Energy Efficiency SOP	26,394	70,365,671	26,135	44,290,620
Solar PV SOP	1,096	4,646,400	1,854	6,241,771
Residential Demand Response SOP	32,900	197,400	24,151	144,904
Hard-to-Reach	8,906	20,534,667	14,279	22,141,730
Hard-to-Reach SOP	7,388	17,797,136	11,083	16,823,965
Targeted Weatherization LLSOP	1 510	0 707 504	0.400	E 017 705
Taigeteu Weathenzation Li OOI	1,518	2,737,531	3,190	5,317,705

VI. Projected, Reported and Verified Demand and Energy Savings Table 8: Projected versus Reported and Verified Savings for 2018 and 2017⁹ (at Meter)

 ⁹ Projected Savings totals for 2018 and 2017 from Table 7. Reported Savings may not add due to rounding.
 ¹⁰ Reported and Verified Savings data for 2018 taken from EEPR, Project 48146.

VII. Historical Program Expenditures

This section documents Oncor's incentive and administration expenditures for the previous five years (2014-2018) broken out by program for each customer class.

	20	18	20	17	20	16	20	15	20	14
	Incentive (\$)	Admin (\$)								
Commercial	18,551,494	2,810,365	16,421,430	2,258,138	17,200,144	2,172,123	16,348,143	2,405,110	19,377,464	2,165,471
Solar PV SOP	3,199,284	404,539	2,016,566	296,888	6,027,919	497,068	4,815,294	489,580	8,836,015	982,403
Commercial SOP (Custom)	1,220,715	333,133	2,219,776	274,463	1,630,922	264,240	1,457,162	299,232	2,096,336	255,912
Emergency Load Management SOP	0	0	0	0	0	0	. 0	0	0	0
Commercial Load Management SOP	2,264,382	221,156	2,335,033	206,441	2,400,661	183,537	2,196,080	204,745	2,369,800	218,750
Retail Platform MTP	87,693	7,681	NA	NA	NA	NA	NA	NA	NA	NA
Small Business Direct Install MTP	3,407,414	281,331	1,640,121	136,407	544,189	50,966	1,784,748	151,836	1,339,022	122,469
Healthcare MTP	NA	NA	363,758	26,348	931,556	74,226	NA	NA	NA	NA
Commercial SOP (Basic)	8,372,006	1,562,525	7,846,176	1,317,591	5,664,897	1,102,086	6,094,859	1,259,717	4,736,291	585,937
Residential	14,255,973	1,819,899	15,618,050	1,900,301	19,377,105	2,040,667	13,659,678	1,911,756	18,237,838	2,008,173
Home Energy Efficiency SOP	9,786,238	1,270,240	12,111,569	1,451,784	14,435,266	1,521,569	10,005,295	1,435,699	12,950,424	1,474,757
Solar PV SOP	1,487,569	283,920	2,540,451	359,259	4,757,415	490,263	3,414,383	456,130	5,219,930	527,249
Air Conditioning MTP	NA	NA	NA	NA	NA	NA	NA	NA	67,484	6,167
Residential Demand Response SOP	1,316,000	119,803	966,030	89,258	184,424	28,835	240,000	19,927	NA	NA
Retail Platform MTP	1,666,166	145,936	NA	NA	NA	NA	NA	NA	NA	NA
Hard-to-Reach	9,162,979	1,172,244	11,048,655	1,264,640	11,117,443	1,117,681	11,653,832	1,327,473	12,495,958	1,281,622
Hard-to-Reach SOP	4,685,428	753,177	6,019,635	847,106	5,953,011	750,470	6,004,832	849,060	6,499,328	732,039
Targeted Weatherization LI SOP	4,477,551	419,067	5,029,020	417,534	5,164,432	367,211	5,649,000	478,413	5,996,630	549,583
Total Program Expenditures	41,970,446	5,802,508	43,088,135	5,423,079	47,694,692	5,330,471	41,661,653	5,644,339	50,111,260	5,455,266

Table 9: Historical Program Incentive and Administrative Expenditures for 2014 through 2018

Oncor

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VIII. Program Funding for Calendar Year 2018

Oncor exceeded its 2018 mandated demand goal of 69.4 MW by obtaining 172.4 MW in energy efficiency savings. As shown on Table 10, funds were either spent or committed by contracts with energy efficiency service providers in the amount of \$51,924,301.

The **Retail Platform MTP** was over budget in 2018 because the market demand for qualifying ENERGY STAR-rated LED lighting products was strong enough to help absorb budget short falls in other programs and incentives were reallocated to the Retail Platform MTP.

The Commercial SOP (Custom) was under budget in 2018 due in large to measures that previously required measurement & verification are now allowed to use deemed savings per the Texas Technical Reference Manual. This has redirected several large projects from the Commercial SOP (Custom) to the Commercial SOP (Basic). Also, the average size of submitted projects in 2018 was less than the average size from prior years. Incentive funding was reallocated from the Commercial SOP (Custom) to the Commercial SOP (Basic) and Commercial Solar Photovoltaic SOP.

The **Commercial Solar Photovoltaic Installation SOP** was over budget in 2018 because a large number of projects that were on the waitlist were able to be funded when other commercial programs fell short of their budget and their incentives were reallocated to the Commercial Solar Program.

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	Numbers of Customer Meters	Total Projected Budget ¹¹ (\$)	Actual Funds Expended (Incentives) (\$)	Actual Funds Expended (Admin)* (\$)	Total Funds Expended (\$)	Funds Committed (Not Expended) (\$)	Funds Remaining (Not Committed) (\$)
Commercial	1,138	22,776,960	18,551,494	2,810,365	21,361,859	3,027,233	(1,612,132)
Commercial SOP (Custom)	32	3,994,020	1,220,715	333,133	1,553,848	138,715	2,301,457
Emergency Load Management SOP	o	0	0	0	0	0	0
Commercial Load Management SOP	139	2,599,200	2,264,382	221,156	2,485,538	0	113,662
Commercial SOP (Basic)	689	9,604,123	8,372,006	1,562,525	9,934,531	2,888,518	(3,218,926)
Solar PV SOP	74	2,933,040	3,199,284	404,539	3,603,823	0	(670,783)
Small Business Direct Install MTP	204	3,581,260	3,407,414	281,331	3,688,745	0	(107,485)
Retail Platform MTP	NAV	65,317	87,693	7,681	95,374	0	(30,057)
Residential	38,876	15,861,300	14,255,973	1,819,899	16,075,872	o	(214,572)
Horne Energy Efficiency SOP	12,110	11,448,329	9,786,238	1,270,240	11,056,478	0	391,851
Solar PV SOP	284	1,671,700	1,487,569	283,920	1,771,489	о	(99,789)
Residential Demand Response	26,482	1,500,240	1,316,000	119,803	1,435,803	0	64,437
Retail Platform MTP	NAV	1,241,031	1,666,166	145,936	1,812,102	0	(571,071)
Hard-to-Reach	7,603	10,436,320	9,162,979	1,172,244	10,335,223	0	101,097
Hard-to-Reach SOP	6,556	5,446,670	4,685,428	753,177	5,438,605	0	8,065
Targeted Low- Income SOP	1,047	4,989,650	4,477,551	419,067	4,896,618	0	93,032
Research & Development	NA	310,000	0	401,667	401,667	0	(91,667)
EM&V**	NA	713,605	0	722,447	722,447	0	(8,842)
Total	47,617	50,098,185	41,970,446	6,926,622	48,897,068	3,027,233	(1,826,116)

Administration funds include \$8,971 of Rate Case Expenses approved in Docket No. 48421. *

** EM&V costs shown are actual booked costs for 2018. For purposes of cost-effectiveness and bonus calculations, \$735,989 is used per TetraTech's 2018 EM&V cost allocation.

IX. Market Transformation & Research & Development Res

Energy Efficiency Service Providers have the opportunity to bid to become an or more of Oncor's Market Transformation Programs. The process Or implementers includes identifying potential bidders, distributing a RFP (Re conducting a Bidders Conference, evaluating proposals, narrowing bid

¹¹ Projected Budget taken from the EEPR filed in April 2018 under Project No. 48146.

conducting oral presentations, selecting the winning bid, and negotiating and finalizing the contract.

Oncor's 2018 Market Transformation and Research & Development Programs are described below.

Small Business Direct Install Program (MTP)

Oncor's Small Business Direct Install MTP was launched during the third quarter of 2013. A new implementer was awarded the contract in 2016 after a RFP process was completed. The implementer has managed similar programs for utilities across the United States. This program was developed to assist an under-served segment identified by Oncor. The SBDI is a market transformation program designed to offer participating small commercial customers education on energy efficiency technologies, equip participating sub-contractors with the tools they need to succeed in installing projects in the small business market, and offer incentives to assist small (\leq 200 kW) businesses to install energy-efficient products such as high efficiency lighting and refrigeration measures. The program is focused on the non-Metro counties served by Oncor. In 2018 participants installed measures that resulted in savings of 2,567 kW and 14,143,908 kWh.

The Program goals for 2018 were to provide convenient, turn-key select energy efficient measures to small and mid-sized non-residential customers.

Retail Platform MTP

Oncor's Retail Platform MTP was launched during the fourth quarter of 2018. An implementer was awarded the contract in 2018 after a RFP process was completed. The implementer has managed similar programs for utilities across the United States. This program was developed to provide incentives directly to Oncor Residential Customers through in-store point of sale discounts for the purchase of qualifying ENERGY STAR-rated LED lighting products. In November of 2018 a smart thermostat measure was added to the Retail Platform MTP with select Nest and Ecobee smart thermostats available to customers served by Oncor. Much of the Program's success was due to the working relationship developed between the implementer and major market manufactures as well as participating retail partners in the Dallas/Ft. Worth area, such as Home Depot, Lowe's, Walmart and Costco. The Retail Platform MTP contributed savings of 10,058 kW and 44,060,630 kWh in 2018. Claimed savings were attributed based on five percent of upstream lighting program benefits and costs allocated to commercial customers with the remaining 95 percent allocated to residential customers as recommended in the Texas Technical Reference Manual Version 5.0.

Research and Development

During 2018, Oncor collaborated with the U.S. General Services Administration Proving Ground (GSA). Annually, the GSA issues a Request for Information from vendors to submit new energy efficient technologies into the program for evaluation. The GSA, Oncor, and national laboratories review submittals and select several for installation on Federal facilities. Technologies are evaluated for equipment performance, as well as energy and demand savings for up to one year. The collaboration also allows utilities to recommend technologies for inclusion in the program. The technologies may be installed and evaluated on Federal facilities within ERCOT, or other areas with similar weather zones. In 2018, Oncor partially funded the installation and testing of advanced lighting controls in the A. Maceo Smith Federal Building in Dallas. Installation was completed and measurement and verification procedures are ongoing.

Oncor also continued its membership in the Texas Energy Poverty Research Institute. TEPRI is a 501(c) (3) whose mission is to research the root causes of energy and fuel poverty and provide data for solutions that have an impact on low-income households. Additionally, Oncor worked with the Electric Power Research Institute in the Energy Efficiency Program and funded a Texas Energy Efficiency Baseline Potential study, as well as a Residential Relevant Technologies study.

X. Current Energy Efficiency Cost Recovery Factor (EECRF)

Oncor billed \$58,159,998 during 2018 through the EECRF approved in Docket Nos. 46013 and 47235.

Revenue Billed

\$58,159,998

Over- or Under-Recovery

\$3,094,702 (Over) - This amount will be trued-up by rate class in Oncor's EECRF filing in 2019.

EECRF Filed in 2018 in Docket No. 48421

Oncor's most recent EECRF filing was in Docket No. 48421 for the 2019 program year. The revenues to be collected as a result of the final Order in that docket will be determined at a later date after the completion of the 2019 program year and does not involve any revenues from base rates.

ACRONYMS

Demand Response
Demand Side Management
Energy Efficiency Plan, which was filed as a separate document prior to April 2008
Energy Efficiency Plan and Report
Energy Efficiency Report, which was filed as a separate document prior to April 2008
Energy Efficiency Rule, PUCT 16 TAC §25.181and §25.183
Electric Reliability Council of Texas
Hard-To-Reach
Measurement and Verification
Market Transformation Program
Public Utility Commission of Texas
Retail Electrical Provider
Residential
Standard Offer Program

GLOSSARY

Actual weather adjusted -- "Actual weather adjusted" peak demand and energy consumption is the historical peak demand and energy consumption adjusted for weather fluctuations using weather data for the most recent ten years.

At meter -- Demand (kW/MW) and Energy (kWh/MWh) figures reported throughout the EEPR are reflective of impacts at the customer meter. This is the original format of the measured and deemed impacts which the utilities collect for their energy efficiency programs. Goals are necessarily calculated "at source" (generator) using utility system peak data at the transmission level. In order to accurately compare program impacts, goals and projected savings have been adjusted for the line losses (5.775%) that one would expect going from the source to the meter.

Average Growth -- Average historical growth in demand (kW) over the prior five years for residential and commercial customers adjusted for weather fluctuations.

Baseline -- A relevant condition that would have existed in the absence of the energy efficiency project or program being implemented, including energy consumption that would have occurred. Baselines are used to calculate program-related demand and energy savings. Baselines can be defined as either project-specific baselines or performance standard baselines (e.g. building codes).

Commercial customer -- A non-residential customer taking service at a point of delivery at a distribution voltage under an electric utility's tariff during the prior program year or a non-profit customer or government entity, including an educational institution. For purposes of this section, each point of delivery shall be considered a separate customer.

Competitive energy efficiency services -- Energy efficiency services that are defined as competitive under §25.341 of the PUCT's rules.

Conservation load factor – The ratio of the annual energy savings goal, in kilowatt hours (kWh), to the peak demand goal for the year, measured in kilowatts (kW) and multiplied by the number of hours in the year.

Deemed savings calculation -- An industry-wide engineering algorithm used to calculate energy and/or demand savings of the installed energy efficiency measure that has been developed from common practice that is widely considered acceptable for the measure and purpose, and is applicable to the situation being evaluated. May include stipulated assumptions for one or more parameters in the algorithm, but typically requires some data associated with actual installed measure. An electric utility may use the calculation with documented measure-specific assumptions, instead of energy and peak demand savings determined through measurement and verification activities or the use of deemed savings.

Deemed savings value -- An estimate of energy or demand savings for a single unit of an installed energy efficiency measure that has been developed from data sources and analytical methods that are widely considered acceptable for the measure and purpose, and is applicable to the situation being evaluated. An electric utility may use deemed savings values instead of energy and peak demand savings determined through measurement and verification activities.

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Demand -- The rate at which electric energy is used at a given instant, or averaged over a designated period, usually expressed in kilowatts (kW) or megawatts (MW).

Demand savings -- A quantifiable reduction in demand.

Eligible customers -- Residential and commercial customers. In addition, to the extent that they meet the criteria for participation in load management standard offer programs developed for industrial customers and implemented prior to May 1, 2007, industrial customers are eligible customers solely for the purpose of participating in such programs.

Energy efficiency -- Improvements in the use of electricity that are achieved through customer facility or customer equipment improvements, devices, processes, or behavioral or operational changes that produce reductions in demand or energy consumption with the same or higher level of end-use service and that do not materially degrade existing levels of comfort, convenience, and productivity.

Energy Efficiency Cost Recovery Factor (EECRF) -- An electric tariff provision, compliant with 16 TAC §25.182, ensuring timely and reasonable cost recovery for utility expenditures made to satisfy the goal of PURA §39.905 that provide for a portfolio of cost-effective energy efficiency programs under this section.

Energy efficiency measures -- Equipment, materials, and practices, including practices that result in behavioral or operational changes, implemented at a customer's site on the customer's side of the meter that result in a reduction at the customer level and/or on the utility's system in electric energy consumption, measured in kWh, or peak demand, measured in kW, or both. These measures may include thermal energy storage and removal of an inefficient appliance so long as the customer need satisfied by the appliance is still met.

Energy efficiency program -- The aggregate of the energy efficiency activities carried out by an electric utility under this section or a set of energy efficiency projects carried out by an electric utility under the same name and operating rules.

Energy efficiency project -- An energy efficiency measure or combination of measures undertaken in accordance with a standard offer, market transformation program, or self-delivered program.

Energy efficiency service provider -- A person or other entity that installs energy efficiency measures or performs other energy efficiency services under 16 TAC §25.181. An energy efficiency service provider may be a retail electric provider or commercial customer, provided that the commercial customer has a peak load equal to or greater than 50 kW. An energy efficiency service provider may also be a governmental entity or a non-profit organization, but may not be an electric utility.

Energy savings -- A quantifiable reduction in a customer's consumption of energy that is attributable to energy efficiency measures, usually expressed in kWh or MWh.

Estimated useful life (EUL) -- The number of years until 50% of installed measures are still operable and providing savings, and is used interchangeably with the term "measure life". The

EUL determines the period of time over which the benefits of the energy efficiency measure are expected to accrue.

Growth in demand -- The annual increase in demand in the Texas portion of an electric utility's service area at time of peak demand, as measured in accordance with 16 TAC Rule §25.181.

Hard-to-reach (HTR) customers -- Residential customers with an annual household income at or below 200% of the federal poverty guidelines.

Incentive payment -- Payment made by a utility to an energy efficiency service provider, an enduse customer, or third-party contractor to implement and/or attract customers to energy efficiency programs, including standard offer, market transformation, and self-delivered programs.

Industrial customer -- A for-profit entity engaged in an industrial process taking electric service at transmission voltage, or a for-profit entity engaged in an industrial process taking electric service at distribution voltage that qualifies for a tax exemption under Tax Code §151.317 and has submitted an identification notice under subsection (u) of 16 TAC §25.181.

Inspection -- Examination of a project to verify that an energy efficiency measure has been installed, is capable of performing its intended function, and is producing an energy savings or demand reduction equivalent to the energy savings or demand reduction reported towards meeting the energy efficiency goals of this section.

Lifetime energy (demand) savings -- The energy (demand) savings over the lifetime of an installed measure(s), project(s), or program(s). May include consideration of measure estimated useful life, technical degradation, and other factors. Can be gross or net savings.

Load control -- Activities that place the operation of electricity-consuming equipment under the control or dispatch of an energy efficiency service provider, an independent system operator, or other transmission organization or that are controlled by the customer, with the objective of producing energy or demand savings.

Load management -- Load control activities that result in a reduction in peak demand, or a shifting of energy usage from a peak to an off-peak period or from high-price periods to lower price periods.

Market transformation program -- Strategic programs intended to induce lasting structural or behavioral changes in the market that result in increased adoption of energy efficient technologies, services, and practices, as described in 16 TAC Rule §25.181.

Measurement and verification -- A subset of program impact evaluation that is associated with the documentation of energy or demand savings at individual sites or projects using one or more methods that can involve measurements, engineering calculations, statistical analyses, and/or computer simulation modeling. M&V approaches are defined in the IPMVP.

Off-peak period -- Period during which the demand on an electric utility system is not at or near its maximum. For the purpose of this section, the off-peak period includes all hours that are not in the peak period.

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Peak demand -- Electrical demand at the times of highest annual demand on the utility's system at the source. Peak demand refers to Texas retail peak demand and, therefore, does not include demand of retail customers in other states or wholesale customers.

Peak demand reduction -- Reduction in demand on the utility's system at the times of the utility's summer peak period or winter peak period.

Peak period -- For the purpose of this section, the peak period consists of the hours from one p.m. to seven p.m. during the months of June, July, August, and September, and the hours of six to ten a.m. and six to ten p.m. during the months of December, January, and February, excluding weekends and Federal holidays.

Program Year -- A year in which an energy efficiency incentive program is implemented, beginning January 1 and ending December 31.

Projected Demand and Energy Savings -- Peak demand reduction and energy savings for the current and following calendar year that Oncor is planning and budgeting for in the EEPR.

Renewable demand side management (DSM) technologies -- Equipment that uses a renewable energy resource (renewable resource), as defined in §25.173(c) (relating to Goal for Renewable Energy), a geothermal heat pump, a solar water heater, or another natural mechanism of the environment, that when installed at a customer site, reduces the customer's net purchases of energy, demand, or both.

Savings-to-Investment Ratio (SIR) -- The ratio of the present value of a customer's estimated lifetime electricity cost savings from energy efficiency measures to the present value of the installation costs, inclusive of any incidental repairs, of those energy efficiency measures.

Self-delivered program -- A program developed by a utility in an area in which customer choice is not offered that provides incentives directly to customers. The utility may use internal or external resources to design and administer the program.

Standard offer contract -- A contract between an energy efficiency service provider and a participating utility or between a participating utility and a commercial customer specifying standard payments based upon the amount of energy and peak demand savings achieved through energy efficiency measures, the measurement and verification protocols, and other terms and conditions, consistent with this section.

Standard offer program -- A program under which a utility administers standard offer contracts between the utility and energy efficiency service providers.

Underserved County -- A county that did not have reported demand or energy savings through a prior year's SOP or MTP.

APPENDICES

APPENDIX A: 2018 REPORTED DEMAND AND ENERGY REDUCTION BY COUNTY

		T		T		T –		T		T				T -		T		1		7	
COUNTY	Hard to Reach SOP	SI D	mail Business lirect Install MTP	C	nmercial SOP (Custom)	Res	esidential Demand ponse SOP	C en Lo e	mmercial of Mgmt. SOP	Ho	ime Energy iclency SOP	Cor	nmercial SOP (Basic)	Ce	mmercial ar PV SOP	Re	esidential	Targ	eted Low	Reta	il Platform
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Appendix A: Demand and Energy Reduction by County

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APPENDIX B: PROGRAM TEMPLATES

Oncor has no new Program Templates for 2019.

APPENDIX C: LIST OF 2018 ENERGY EFFICIENCY SERVICE PROVIDERS

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2019 Energy Efficiency Service Providers

Commercial SOP (Custom)

Agape Electrical Services llc Air Performance Service, Inc. Ally Energy Solutions, LLC Blackhawk Equipment Corporation cVal Innovations LLC Enabled Energy, Inc. Enercon, LTD Engie Services U.S. Inc. Environmental Systems Design, Inc. Estes, McClure & Associates, Inc. **Ex3 Facility Solutions, LLC** Facilities Service Group, Inc. Facility Response Group, Incorporated **Facility Solutions Group** Flying X Capital LLC Groom Energy Solutions LLC H & H Sign Co.,Inc. Heat Transfer Solutions, Inc. Heritage Institute of Sustainability Hossley Lighting Associates, Inc Industrial Energy Services, Inc. Just Energy New York Corp. KirEnergy Services LLC L5E, LLC LAMAR ADVANTAGE HOLDING COMPANY MD Engineering LP,LLP NexRev, Inc **Obtainable Energy** Pepco Energy Services, Inc. PepsiCo Pflugerville ISD **ReConserve** of Texas **ROI Energy Investments LLC** SmartWatt Energy Inc Smith Engineering PLLC SYDMOR, Inc. dba Batteries Plus Bulbs Telios Corporation The Brandt Companies, LLC Trane US Energy Management Willdan Energy Solutions

Small Business Direct Install MTP

Lime Energy Services Company

Retail Platform MTP

CLEARESULT Consulting

Targeted Weatherization LI SOP

Texas Association of Community Action Agencies EnerChoice LLC

Commercial Load Management SOP

Amerex Brokers LLC Bridgevue Energy Services, LLC Christ United Methodist Church **Covia Holdings Corporation** Doskocil Manufacturing Company, Inc. EnerNOC, Inc. Enerwise Global Technology, D/B/A CPower Faith Family Academy General Services Administration Green Branch Energy Green Ox Energy Solutions, LLC Innovari Market Solutions LLC L5E. LLC MJB Wood Group MP2 Energy, LLC North Texas Municipal Water District NRG Curtailment Solutions Inc Plains Pipeline, L.P. **Tierpoint Texas LLC** Verdigris Energy

Residential Demand Response MTP

Ecobee Inc. EnergyHub Reliant Energy Retail Services, LLC Whisker Labs, Inc.

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1st Choice Air Solutions, LLC 360 Energy Savers, LLC. 5 Star HVAC Contractors A & O Solutions A Better Insulation A Plus Energy Solution LLC **A&E HOME INSULATION** A-Anderson Air, Inc. ABC heating & Air Conditioning, Inc. ABC Pest Control of Austin Inc dba ABc Home & Commercial Service AC & H Inc dba AC & Heat Solutions Adon Complete Property Solutions Affordable Solarscreens & Blinds Inc Aguilar's Heating & Air Aguilar's Heating & Air Air Clinic Air Conditioning and Heating Inc. Air patrol Air Conditioning AirCo Ltd. Aire Care Metro Energy Savers, Inc. Aire Texas Residential Services Inc. A-K Home Energy All Tech Services, Inc. **Allied Energy Savers** AllSave Energy Solutions, LLC AllSave Energy Solutions, LLC Alternatex Solutions, LLC American Air & Heat Co., Inc. Andrew Bui DBA Low Cost Insulation Service Area Wide Services, Inc. Arthur Hagar Corp Astar Heat and Air inc **B & B TEXAS CONTRACTORS** BS&S.Services, dba Berkeys AC Plumbing & Electric Baker Brothers Plumbing & Air Batjer Service, LLC. **Bell County Universal Service Better Than Lights** Bill Joplin's Air Conditioning and Heating Blue Star Heating and Air, LLC BON AIR SERVICE CO INC **Bradley Air Conditioning** Breeze Mechanical LLC

Burnside AC, Heating and Indoor Air Quality Chrome Heating & Air Conditioning, LLC Cole Air Conditioning Company Inc Compass Air Services, Inc. Complete Cool Air Conergy Cool Tech Mechanical Coventry & Gattis Air Conditioning, Inc. Cravens MaGouirk Mechanical LLC Crouch Capital, LLC DBA ACT Home Energy Specialists D & R Insulation D & R Insulation D T Air Conditioning & Heating Inc. Dallas Insulation LLC **Dallas Plumbing Company** Dallas Unique Indoor Comfort dba On Time Experts **Danco Comfort Services** Daniels Air. Inc. **DeRocher** Associates Domani Comfort Partners LLC E2 Conservation Ecoenergy Conservation Group, LLC ECOGREEN ENERGY SOLUTIONS EEAccess, LLC Electric Reducer **ELLIS AIR CONDITIONING** Ellis Air LLC ElstonAire, Inc. EnerChoice LLC **Energy Audits Of Texas** ENERGY CONSERVATION CONCEPTS **Energy Efficiency Resources** Energy Efficient Measures LLC **Energy Improvements** Energy Saver Pro ESP services inc. **Evenaire LLC** Evergreen Heating and Air, Inc Excel 5-Star Energy Inc. Extreme Mechanical Service Inc. Ferguson Veresh Inc Fox Service Company

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FREE Specialists, LLC FREEDOM HEATING & AIR LLC. Garden of Eden Garza & Sotka Enterprises LLC dba Air Masters Glenn Aire Company **GNS Energy Efficiency** Gorman Mechanical, Inc. Green Conservation Green Leaf Corporation Green Medal Energy Corp GREEN ZONE GS CONSERVATION LLC Hargrove-Neel, Inc. Harris Air Services, LLC Hawk Plumbing Heating and Air Conditioning, Inc. Hemco Electrical Contractors, Inc. Hightower Service, Inc HML Energy Solutions LLC HOBBS HEATING & AIR INC, Hobson Air Conditioning Inc Home Energy Program Home Improvement Systems, Inc. Home Save Energy HOMELAND ENERGY RESOURCE CENTER, INC Honest Air Conditioning LLC Houk Air Conditioning Inc. Hufsey Mechanical DBA One Hour A/C and Heating Infinity Texas Mechanical Inc **INSULeer** J & J Air Conditioning, Inc. J&S Air, Inc. **JAK Services** James Lane Air Conditioning Company Inc Johns Heating & Air Conditioning Keller Heating and Air Conditioning Services, LLC King Air Conditioning, Inc KINGDOM GROWTH ENTERPRISES **KTANG ENERGY SAVER .INC** LaRu Energy Solutions dba Air Conditioning Pros Lex Services Inc. Live Comfortable & Save Energy Lu and Sons

Mascot Mechanical LLC Master Tech Service Corp Matco of Texas, Inc. MATHIS AIR & HEAT LLC McDaniel & Son Plumbing, Inc. Mcwilliams & Son, Inc. Mechanical Air Design Inc Metro Environmental Services Co., Inc. Metro Express Service LLC Milestone Electric Inc. North Texas Air, LLC. Northside A/C GP, LLC NRG Conservation, Inc. DBA Energy Experts NRG Pros NRG Savers ON THE SPOT HVAC Ormeno Enterprises DBA M&P Energy Solutions P D Construction Company dba Elect Saver Peregrino Enterprises, LLC dba Daffan Mechanical Performance Heat and Air Inc Plan B Remodeling Systems POLANSKY SALES AND SERVICE INC Putnam Air & Electric, LLC Quality Home Innovation Quigley Heating and Air Conditioning of Dallas Reliant Heating & Air Conditioning, Inc. Rescue Air. LLC River Builders & Associates, LLC Rohde A/C & Heating, LLC Samm's Heating and Air Conditioning San Miguel and Associates, Inc. Saving Energreen Houses, LLC Saving Energy Solutions LLC Service Experts Heating & Air Conditioning Smart Air Service Co., Inc SOS Mechanical, LLC Southern Comfort Mechanical Stark Dedicated Service, LLC / dba Sunny Service State AC, Inc. dba Air Control Tall Guy Air Conditioning Taylormade Heat and Air **Tempo Mechanical Services**

HEE continued -

Texas AC Specialist **Texas Air Doctors** Texas Airzone LLC. The AC Hero, LLC The Bosworth Company, Ltd dba The Darville Company The Right Choice Heating & Air Inc TheGreenHomeMakeover.com Toler Air Care Today LLC Tom's Mechanical, Inc. Total Air and Heat Co Tower Association Crue Tri-County Air Care, LLC **Triple A Air Conditioning** Tuffy's Air Conditioning & Heating Service Inc. **TXE Solutions LLC DBA Service City Electric** Veterans AC & Heating W&B, Inc. dba ALL SERVICE HEATING AND AIR Walker Air Conditioning and Heating, Inc Weston Company A/C & Heat Willard Heating and Air Conditioning Company inc Wortham A/C, Inc. **XTREME AIR SERVICES** Yondi Nixson Zederprise llc dba ZedicAire

Commercial Solar PV SOP

1 Sun Solutions LLC Advent Systems INC., DBA SolarTechs Alba Energy LLC Allegiance Solar, LLC Alternatex Solutions, LLC Amos Electric Supply, Inc. Aspenmark Roofing Solutions LLC Axium Electric, Corp. dba Automated Controls Axium Solar Inc. Aztec Renewable Energy, Inc **Butler Electrical Service** Byrd Electric **Cavalry Solar Solutions** Circle L Solar City of Dallas City of Snyder **CRsolar Energy Solutions / CR-Invent LLC** Davis Electric Co. DFW SOLAR ELECTRIC, LLC **Diversified Wiring Solutions LLC DKD** Advertising **Ecolectrics LLC Electric Distribution & Design Systems Elevation Solar LLC** Ennis Products, Inc. EnterSolar, LLC **Environ Partners** Estes, McClure & Associates, Inc. Facility Solutions Group Freedom Solar LLC **General Services Administration** Good Faith Energy GoSolarGo, Inc. Green Generation Solutions LLC Green Light Solar, LLC Green Ox Energy Solutions, LLC Green Wolf Energy Inc Greenbelt Solar LLC Greenhouse Solar LLC, DBA Infinity Solar GreenLife Technologies, Inc.

Hobson Air Conditioning Inc Holtek Enterprises Inc. dba Holtek Solar INFINITY SOLAR SOLUTIONS LLC Jackpot Electric LLC Jones Solar LLC Kingdom Consulting, DBA Elite Energy Partner Kosmos Solar Lighthouse Solar Austin Longhorn Solar Native Inc Nerd Power TX Nia Power LLC **Peak Power Partners** Performance Contracting inc R. Williams Electric, Inc. Renergy Solar, LLC RonRush Investment DBA Universal Solar System S&H Solar & Electric, LLC Second Energy LLC Self Reliant Solar LLC Silver Electric and Solar Smartworld energy Inc Solar CenTex LLC Solar Club LLC Solar SME, Inc. SolarLife Technology LLC SOLARTEK ENERGY OF AUSTIN Solartime USA LLC Sun City Solar Energy-North Texas LLC Sunfinity Solar-TX, LLC The Brandt Companies, LLC The Energy Shop, Inc. Tower Association Crue TreeHouse, Inc Valiant Electric, Inc. Valstar Electric LLC W Energies Group Solar One, LLC. West Texas Solar, LLC Willdan Energy Solutions Wright-Way Solar Technologies, LLC

Residential Solar PV SOP

1 Sun Solutions LLC Advent Systems INC., DBA SolarTechs AffordaSolar Inc Alba Energy LLC Allegiance Solar, LLC Alternatex Solutions, LLC Aspenmark Roofing Solutions LLC Axium Electric, Corp. dba Automated Controls Axium Solar Inc. Aztec Renewable Energy, Inc **Butler Electrical Service** Byrd electric **Cavalry Solar Solutions** Circle L Solar Claud Elsom dba North Texas Solar **CRsolar Energy Solutions / CR-Invent LLC** Davis Electric Co. DFW SOLAR ELECTRIC, LLC **DKD** Advertising **Ecolectrics LLC Electric Contractors LLC Electric Distribution & Design Systems Elevation Solar LLC** Ennis Products, Inc. Fisher Renewables LLC Freedom Solar LLC Good Faith Energy GoSolarGo, Inc. Green Light Solar, LLC Green NRG, Inc. Green Ox Energy Solutions, LLC Green Wolf Energy Inc Greenbelt Solar LLC Greenhouse Solar LLC, DBA Infinity Solar GreenLife Technologies, Inc. Hemco Electrical Contractors, Inc. Hobson Air Conditioning Inc Holtek Enterprises Inc. dba Holtek Solar I.E.S. Residential INFINITY SOLAR SOLUTIONS LLC **INSULeer** Jackpot Electric LLC

Jones Solar LLC Kosmos Solar Lighthouse Solar Austin Longhorn Solar Marc Jones Construction LLC MYO INVESTMENTS, INC. Native Inc Nerd Power TX New Day Energy, LLC Nia Power LLC Now Energy LLC Peak Power Partners Pro Custom Solar LLC Quantum Solar Corp. RBSILLC. RonRush Investment DBA Universal Solar System S&H Solar & Electric, LLC Second Energy LLC Silver Electric and Solar Solar CenTex LLC Solar Club LLC Solar SME. Inc. SolarLife Technology LLC SOLARTEK ENERGY OF AUSTIN Solartime USA LLC Solarugreen Corporation Speir Innovations LLC Sun City Solar Energy-North Texas LLC Sunfinity Solar-TX, LLC Sunrise Solar **Tesla Energy Operations** Texas Solar Power Company The Energy Shop, Inc. Thompson & Son Energy Solutions LLC **Tower Association Crue** TreeHouse, Inc Valstar Electric LLC Vision Solar LLC Wells Solar & Electrical Services LLC West Texas Solar, LLC Wright-Way Solar Technologies, LLC