



Control Number: 49594



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SOAH DOCKET NO. 473-19-5246
P.U.C. DOCKET NO. 49594

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

§
§
§

BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

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PUBLIC UTILITY COMMISSION
FILING CLERK

**JOINT MOTION TO ADMIT EVIDENCE AND REMAND THIS DOCKET TO THE
COMMISSION**

**TO THE HONORABLE STEVEN H. NEINAST, ADMINISTRATIVE LAW
JUDGE:**

COMES NOW, Oncor Electric Delivery Company LLC ("Oncor"), and files this Joint Motion to Admit Evidence and Remand this Docket to the Public Utility Commission of Texas ("Commission"), on behalf of itself, Commission Staff ("Staff") and the Steering Committee of Cities Served by Oncor ("Cities"), respectfully showing:

On August 5, 2019, Oncor, Staff, and Cities (collectively, "Parties") executed a Stipulation and Settlement Agreement (attached hereto as Attachment A). This Stipulation and Settlement Agreement, which includes a proposed Order, resolves all issues in this proceeding. The Parties request that Your Honor: (i) admit certain evidence into the record; and (ii) remove this proceeding from the State Office of Administrative Hearings' docket and remand the proceeding to the Commission for consideration and approval of the Parties' proposed Order.

I. BACKGROUND

On May 31, 2019, Oncor filed an Application for its 2020 Energy Efficiency Cost Recovery Factor ("EECRF") to recover a total of \$56,446,846 effective March 1, 2020, consistent with 16 Tex. Admin. Code ("TAC") § 25.182(d)(9)(B) ("Application"). Oncor's request of \$56,446,846 is based on the following components: (a) \$49,678,712 for energy-efficiency expenses forecasted for the 2020 program year; (b) a performance bonus of \$9,197,172 for Oncor's energy-efficiency achievements in 2018; (c) allocation of \$3,189,428 for the total over-recovery of 2018 energy efficiency costs that includes the required interest payment; (d) \$748,525 in estimated expenses relating to the Commission's Evaluation, Measurement, and Verification (EM&V) process; and (e)

\$11,865 relating to Cities' EECRF proceeding expenses incurred in 2018 in Docket No. 48421¹ and to be included in Oncor's 2020 EECRF proceeding in this docket.

II. MOTION TO ADMIT EVIDENCE

Oncor, Staff, and Cities request that an order be entered admitting the following evidence into the record:

- a) ONCOR EXHIBIT 1: Oncor's Application for 2020 Energy Efficiency Cost Recovery Factor (May 31, 2019 filing, with Attachments A through C);
- b) ONCOR EXHIBIT 2: Direct Testimony of Michael R. Stockard, with Exhibits MRS-1 through MRS-7 and Workpapers WP/MRS/1 through WP/MRS/9;
- c) ONCOR EXHIBIT 3: Direct Testimony of J. Michael Sherburne, with Exhibits JMS-1 through JMS-6 and Workpapers WP/JMS/1 through WP/JMS/4;
- d) ONCOR EXHIBIT 4: Oncor's Affidavit Attesting to the Provision of Notice;
- e) CITIES EXHIBIT 1: Direct Testimony of Karl J. Nalepa, with Attachments A through C;
- f) CITIES EXHIBIT 2: Oncor's Response to the First Request for Information propounded by Cities to Oncor;
- g) STAFF EXHIBIT 1: Affidavit of Therese Harris;
- h) STAFF EXHIBIT 2: Affidavit of Adrian Narvaez;
- i) STAFF EXHIBIT 3: Affidavit of Frederick Quijano;
- j) STAFF EXHIBIT 4: Oncor's Response to the First Request for Information propounded by Staff to Oncor;
- k) STAFF EXHIBIT 5: Oncor's Response to the Second Request for Information propounded by Staff to Oncor;
- l) STAFF EXHIBIT 6: Cities' Response to the First Request for Information propounded by Staff to Cities; and
- m) the executed Stipulation and Settlement Agreement, with all attachments.

¹ *Application of Oncor Electric Delivery Company LLC to Adjust Its Energy Efficiency Cost Recovery Factor*, Docket No. 48421, Final Order (October 25, 2018).

III. MOTION TO REMAND THIS DOCKET TO THE COMMISSION

As part of their settlement, Oncor, Staff, and Cities negotiated and drafted a proposed Order that resolves all the issues in this proceeding. The Parties request that an order be entered dismissing this proceeding from the State Office of Administrative Hearings' docket and remanding this proceeding to the Commission for consideration and approval of the proposed Order.

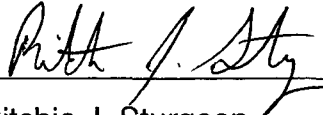
IV. CONCLUSION

WHEREFORE, the Parties pray that the above-referenced motions be granted.

The undersigned is authorized to represent the concurrence of the Parties to this pleading.

Respectfully submitted,

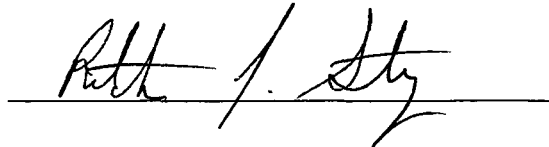
Oncor Electric Delivery Company LLC



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CERTIFICATE OF SERVICE

It is hereby certified that a copy of the foregoing has been hand delivered or sent via courier service, fax, overnight delivery, or first class United States mail, postage prepaid, to all parties of record on this the 6th day of August, 2019.



**SOAH DOCKET NO. 473-19-5246
P.U.C. DOCKET NO. 49594**

APPLICATION OF ONCOR ELECTRIC DELIVERY COMPANY LLC FOR 2020 ENERGY EFFICIENCY COST RECOVERY FACTOR	§ § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS
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STIPULATION AND SETTLEMENT AGREEMENT

This Stipulation and Settlement Agreement (“Stipulation”) is entered into by and between Oncor Electric Delivery Company LLC (“Oncor”), Commission Staff (“Staff”) of the Public Utility Commission of Texas (“Commission”), and the Steering Committee of Cities Served by Oncor (“Cities”) (collectively “Signatories,” and individually “Signatory”).

I. BACKGROUND

On May 31, 2019, Oncor filed an Application for its 2020 Energy Efficiency Cost Recovery Factor (“EECRF”) to recover a total of \$56,446,846 effective March 1, 2020, consistent with 16 Tex. Admin. Code (“TAC”) § 25.182(d)(9)(B) (“Application”). Oncor’s request of \$56,446,846 is based on the following components: (a) \$49,678,712 for energy-efficiency expenses forecasted for the 2020 program year; (b) a performance bonus of \$9,197,172 for Oncor’s energy-efficiency achievements in 2018; (c) allocation of \$3,189,428 for the total over-recovery of 2018 energy efficiency costs that includes the required interest payment; (d) \$748,525 in estimated expenses relating to the Commission’s Evaluation, Measurement, and Verification (“EM&V”) process; and (e) \$11,865 relating to Cities’ EECRF proceeding expenses incurred in 2018 in Docket No. 48421¹ and to be included in Oncor’s 2020 EECRF proceeding in this docket.

The Signatories have engaged in settlement discussions regarding Oncor’s 2020 EECRF application. The Signatories agree that a negotiated resolution of this proceeding on the bases set forth in this Stipulation is in the public interest, provides just and reasonable rates, and will conserve the Signatories’ and the public’s resources and eliminate controversy. Accordingly, the Signatories will request an entry of an Order and approval of an EECRF tariff consistent with this Stipulation.

¹ *Application of Oncor Electric Delivery Company LLC to Adjust Its Energy Efficiency Cost Recovery Factor*, Docket No. 48421, Final Order (October 25, 2018).

II.

By this Stipulation, the Signatories resolve all issues among them in this proceeding. The Signatories agree as follows:

1. **Notice.** Oncor's Notice of its 2020 EECRF Application was adequate and in compliance with 16 TAC § 22.55 and 16 TAC § 25.182(d)(13).

2. **EECRF Revenue.** Oncor's 2020 EECRF revenue will be \$56,446,846 effective March 1, 2020, and is comprised of:

(a) \$49,678,712 for energy-efficiency expenses forecasted for the 2020 program year;

(b) a performance bonus of \$9,197,172 for Oncor's energy-efficiency achievements in 2018;

(c) allocation of \$3,189,428 for the total over-recovery of 2018 energy efficiency costs that includes the required interest payment;

(d) \$748,525 in estimated expenses relating to the Commission's EM&V process; and

(e) \$11,865 relating to Cities' EECRF proceeding expenses incurred in 2018 in Docket No. 48421 and to be included in Oncor's 2020 EECRF proceeding in this docket.

3. **Energy Efficiency Cost Recovery Factors.** Oncor's 2020 energy-efficiency cost recovery factors will be as noted in Exhibit 1 to this Stipulation.

4. **Reconciliation of Program Year 2018 Costs.** The energy-efficiency costs recovered by Oncor for prior program year 2018 were analyzed by Staff for reconciliation review and determined to be reasonable.

5. **Rate Case Expenses.** Cities incurred rate case expenses in the amount of \$11,865 in Oncor's prior EECRF proceeding in Docket No. 48421 that are to be included in Oncor's 2020 EECRF proceeding in this docket. Cities' rate case expenses related to Docket No. 48421 were analyzed by Staff and determined to be reasonable.

Oncor did not incur rate case expenses in 2018 in Docket No. 48421 and is not seeking recovery of rate case expenses in this docket.

6. **Evidence.** The Signatories have agreed to waive cross-examination of

all witnesses of each Signatory and agree to request the admission into the evidentiary record the following documents:

- a) ONCOR EXHIBIT 1: Oncor's Application for 2020 Energy Efficiency Cost Recovery Factor (May 31, 2019 filing, with Attachments A through C);
- b) ONCOR EXHIBIT 2: Direct Testimony of Michael R. Stockard, with Exhibits MRS-1 through MRS-7 and Workpapers WP/MRS/1 through WP/MRS/9;
- c) ONCOR EXHIBIT 3: Direct Testimony of J. Michael Sherburne, with Exhibits JMS-1 through JMS-6 and Workpapers WP/JMS/1 through WP/JMS/4;
- d) ONCOR EXHIBIT 4: Oncor's Affidavit Attesting to the Provision of Notice;
- e) CITIES EXHIBIT 1: Direct Testimony of Karl J. Nalepa, with Attachments A through C;
- f) CITIES EXHIBIT 2: Oncor's Response to the First Request for Information propounded by Cities to Oncor;
- g) STAFF EXHIBIT 1: Affidavit of Therese Harris;
- h) STAFF EXHIBIT 2: Affidavit of Adrian Narvaez;
- i) STAFF EXHIBIT 3: Affidavit of Frederick Quijano;
- j) STAFF EXHIBIT 4: Oncor's Response to the First Request for Information propounded by Staff to Oncor;
- k) STAFF EXHIBIT 5: Oncor's Response to the Second Request for Information propounded by Staff to Oncor;
- l) STAFF EXHIBIT 6: Cities' Response to the First Request for Information propounded by Staff to Cities; and
- m) the executed Stipulation and Settlement Agreement, with all attachments.

7. **Approval.** The Signatories agree to support this Stipulation and to take all reasonable and necessary steps to obtain prompt Commission approval of the Joint Proposed Order that is attached to this Stipulation as Exhibit 2.

III.

The Signatories agree that the terms of this Stipulation are fair, reasonable, and in the public interest. The Signatories further agree to defend the terms of this Stipulation as set forth herein. This Stipulation has been drafted by all Signatories and is the result of negotiation, compromise, settlement, and accommodation. The Signatories

agree that the terms and conditions herein are interdependent. The various provisions of this Stipulation are not severable. None of the provisions of this Stipulation shall become fully operative unless the Commission enters a final Order consistent with the terms of this Stipulation. If the Commission does not accept this Stipulation as presented, or issues an interim or final order inconsistent with the terms of this Stipulation, the Signatories agree that any Signatory adversely impacted may seek reconsideration of the Order or appeal the Order.

IV.

This Stipulation is binding on each of the Signatories only for the purpose of settling the issues as set forth herein and for no other purposes. The matters resolved herein are resolved on the basis of a compromise and settlement. Except to the extent that this Stipulation expressly governs a Signatory's rights and obligations for future periods, this Stipulation shall not be binding or precedential on a Signatory outside of this proceeding except for a proceeding to enforce the terms of this Stipulation. The Signatories agree that a Signatory's support of the resolution of this proceeding in accordance with this Stipulation may differ from its position or testimony in any other matter, including regarding contested issues of law, policy, or fact in other proceedings before the Commission or other forum. Because this is a Stipulation, a Signatory is under no obligation to take the same position as set out in this Stipulation in other proceedings or matters not required by this Stipulation whether those proceedings or matters present the same or a different set of circumstances. A Signatory's agreement to entry of a final Order of the Commission consistent with this Stipulation should not be regarded as an agreement to the appropriateness or correctness of any assumptions, methodology, or legal or regulatory principle that may have been employed in reaching this Stipulation.

V.

This Stipulation contains the entire agreement among the Signatories. Moreover, this Stipulation supersedes all other written and oral exchanges or negotiations among the Signatories or their representatives with regard to the subjects contained herein. Each person executing this Stipulation represents that he or she is authorized to sign this Stipulation on behalf of the party represented. Facsimile or e-mail copies of

signatures are valid for purposes of evidencing this Stipulation, which may be executed in multiple counterparts.

Dated: August 5, 2019


AGREED:

ONCOR ELECTRIC DELIVERY COMPANY LLC

BY: 
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State Bar No. 24068574
Counsel
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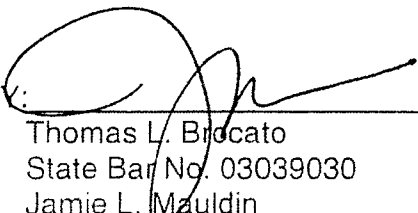
AGREED:

**COMMISSION STAFF OF THE PUBLIC UTILITY
COMMISSION OF TEXAS**

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AGREED:

STEERING COMMITTEE OF CITIES SERVED BY ONCOR

BY: 
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State Bar No. 03039030
Jamie L. Mauldin
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Tariff for Retail Delivery Service
Oncor Electric Delivery Company LLC

6.1.1 Delivery System Charges
 Applicable: Entire Certified Service Area
 Effective Date: March 1, 2020

Sheet: 6.3
 Page 1 of 1
 Revision: Fourteen

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)

<u>Effective Date</u>	<u>Residential Service</u>	<u>Secondary Service</u>		<u>Primary Service</u>			<u>Transmission Service</u>		<u>Lighting Service</u>
	(\$/kWh)	≤ 10 kW*	> 10 kW*	≤ 10 kW*	> 10 kW – Distribution Line*	> 10 kW – Substation*	Non-Profit	For Profit	(\$/kWh)
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)	(\$ / 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.

Performance Bonus Allocation

¹Exhibit MRS-4 column (h)
²Workpaper WP/JMS/2 column (c)

Oncor Electric Delivery Company LLC
Application for 2020 Energy Efficiency Cost Recovery Factor
Calculation of 2020 Energy Efficiency Cost Recovery Factors

Line	Energy Efficiency Rate Class	2018 (Over)/Under Recovery Including Interest ¹	2020 Program Costs ²	2018 Performance Bonus ³	2018 EECRF Proceeding Expense ⁴	2020 Billing Determinant (kWh) ⁵	Total 2020 Energy Efficiency Costs	2020 Energy Efficiency Cost Recovery Factor (EECRF)
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (b)+(c)+(d)+(e)	(h) = (g) / (f)
1	Residential Service	\$ (1,493,873)	\$ 30,705,325	\$ 5,038,502	\$ 6,500	46,346,719,000	\$ 34,256,454	\$ 0.000739
2	Secondary Service ≤ 10 kW	\$ 53,663	\$ 343,981	\$ 128,127	\$ 165	1,862,828,000	\$ 525,936	\$ 0.000282
3	Secondary Service >10 kW	\$ (1,888,626)	\$ 15,353,016	\$ 3,519,842	\$ 4,541	48,809,242,000	\$ 16,988,773	\$ 0.000348
4	Primary Service ≤ 10 kW	\$ 5,754	\$ -	\$ -	\$ -	23,639,000	\$ 5,754	\$ 0.000243
5	Primary Service > 10 kW							
6	Distribution Line	\$ (220,525)	\$ 3,748,563	\$ 454,756	\$ 587	11,504,440,000	\$ 3,983,381	\$ 0.000346
7	Substation	\$ 306,698	\$ 276,352	\$ 42,449	\$ 55	2,734,582,000	\$ 625,554	\$ 0.000229
8	Transmission Service							
9	Non Profit	\$ 47,481	\$ -	\$ 13,496	\$ 17	1,174,642,000	\$ 60,994	\$ 0.000052
10	For Profit	\$ -	\$ -	\$ -	\$ -	14,793,090,000	\$ -	\$ -
11	Lighting Service	\$ -	\$ -	\$ -	\$ -	415,094,000	\$ -	\$ -
12								
13	Total	\$ (3,189,428)	\$ 50,427,237	\$ 9,197,172	\$ 11,865		\$ 56,446,846	

¹WP/JMS/2 column (j)

²Exhibit MRS-4

³Exhibit JMS-2 column (d)

⁴Exhibit JMS-3 column (d)

⁵Source: Oncor Electric Delivery Company LLC's 2019 Energy and Demand Plan as shown on WP/JMS/3

**P.U.C. DOCKET NO. 49594
SOAH DOCKET NO. 473-19-5246**

APPLICATION OF ONCOR ELECTRIC	§	BEFORE THE
DELIVERY COMPANY LLC FOR 2020	§	PUBLIC UTILITY COMMISSION
ENERGY EFFICIENCY COST	§	OF TEXAS
RECOVERY FACTOR		

ORDER

This Order addresses the application of Oncor Electric Delivery Company LLC to adjust its energy-efficiency cost-recovery factor (EECRF). Oncor filed a unanimous agreement that resolves the issues among the parties in this proceeding. The Commission approves Oncor's EECRF, consistent with the agreement, to the extent provided in this Order.

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact**Applicant PURA § 31.002(6) and 16 TAC § 25.181(b)**

1. Oncor Electric Delivery Company LLC is a Delaware limited liability company.
2. Oncor owns and operates facilities used to transmit and distribute electricity within the State of Texas.

Application 16 TAC §§ 25.182(d)(8), (d)(10)(A)-(M), and (d)(11)(A)-(J)

3. On May 31, 2019, Oncor filed an application for authority to adjust its EECRF effective on March 1, 2020.
4. In State Office of Administrative Hearings (SOAH) Order No. 3 issued on July 8, 2019, the SOAH Administrative Law Judge (ALJ) found the application sufficient.
5. Oncor sought Commission approval to adjust its EECRF to recover \$56,446,846 during program year 2020, which includes:
 - (a) Oncor's forecasted energy-efficiency costs in program year 2020 of \$49,678,712;
 - (b) \$748,525 of estimated evaluation, measurement, and verification (EM&V) expenses for evaluation of the 2019 program year;
 - (c) \$3,189,428 for the total over-recovery of 2018 energy efficiency costs that includes the required interest payment;
 - (d) a performance bonus of \$9,197,172 for Oncor's energy-efficiency achievements in 2018; and
 - (e) the Steering Committee of Cities Served by Oncor (Cities') rate-case expenses

incurred in Oncor's prior EECRF proceeding in Docket No. 48421¹ of \$11,865.

6. In support of the application, Oncor presented testimony, exhibits, schedules, and workpapers in support of \$56,446,846 to be recovered through the EECRF for program year 2020.

Notice 16 TAC §§ 22.55, 25.182(d)(13), and (14)

7. On May 31, 2019, Oncor mailed notice of the application, via first class mail, to (a) all parties of record in Docket No. 48421 (Oncor's most recently completed EECRF docket); (b) all retail electric providers authorized by the registration agent to provide service in Oncor's service area at the time Oncor's application was filed; (c) all parties of record in Docket No. 46957² (Oncor's most recently completed base-rate case); and (d) the Texas Department of Housing & Community Affairs, the state agency that administers the federal weatherization program.
8. On June 11, 2019, Oncor filed the affidavit of Teri L. Smart attesting to the completion of written notice of the application.
9. In SOAH Order No. 3 issued on July 8, 2019, the SOAH ALJ found the notice sufficient.

Intervenors and Intervenor Alignment 16 TAC §§ 22.103-22.105

10. In SOAH Order No. ___ issued on _____, 2019, the SOAH ALJ granted Cities' motion to intervene.
11. Commission Staff participated in this proceeding.

Statements of Position and Pre-filed Testimony 16 TAC §§ 22.124 and 22.225

12. On May 31, 2019, Oncor filed the direct testimonies, exhibits, and workpapers of Michael R. Stockard and J. Michael Sherburne.
13. On July 11, 2019, Cities filed the direct testimony of Karl J. Nalepa, with Attachments A through C that included the affidavit of Jamie L. Mauldin.
14. On August 5, 2019, Commission Staff filed the affidavits of Therese Harris, Adrian Narvaez, and Frederick Quijano in support of the agreement.

¹ *Application of Oncor Electric Delivery Company LLC to Adjust Its Energy Efficiency Cost Recovery Factor*, Docket No. 48421, Final Order (October 25, 2018).

² *Application of Oncor Electric Delivery Company LLC for Authority to Change Rates*, Docket No. 46957, Final Order (October 13, 2017).

Referral to SOAH 16 TAC §§ 22.121 and 25.182(d)(9)

15. On June 3, 2019, the Commission referred this docket to the SOAH for assignment of an ALJ to conduct a hearing and issue a proposal for decision, if necessary.
16. In SOAH Order No. 2 issued on June 13, 2019, the SOAH ALJ adopted a procedural schedule and gave notice of the convening of the hearing on the merits at the SOAH offices in Austin on September 17, 2019.
17. On June 24, 2019, Commission Staff filed a request for hearing.
18. On June 27, 2019, the Commission approved a preliminary order for this docket, which included a list of issues to be addressed in this proceeding.
19. In SOAH Order No. 3 issued on July 8, 2019, the SOAH ALJ modified the date of the hearing on the merits to convene in Austin to begin at 9:00 a.m. on October 1, 2019.

Energy Efficiency Goals 16 TAC § 25.181(e)

20. Oncor's 2018 demand-reduction goal was 69,400 kilowatts (kW) while 172,409 kW was actually achieved. Oncor's 2018 energy goal based on the peak demand goal was 121,588,800 kilowatt-hours (kWh) while its achieved actual energy savings was 218,304,100 kWh.
21. Oncor's weather-adjusted average annual growth in demand for the previous five years (2014-2018) is 206.3 megawatts (MW).
22. The 2020 demand goal is 58.3 kW when calculated as a 30% reduction in the five-year average of annual demand growth per 16 Tex. Admin. Code § 25.181(e)(1)(A) (TAC). However, under 16 TAC § 25.181(e)(1)(D), a utility's demand-reduction goal may not be lower than its goal for the prior year. Thus, Oncor's demand-reduction goal is 69,400 kW.
23. Oncor projects that it will achieve 179,762 kW in demand reductions in program year 2020, which is greater than the minimum of 69,400 kW.
24. The estimated savings to be achieved through Oncor's 2020 programs for hard-to-reach customers is 12,108 kW or 17.4% of the proposed goal of 69,400 kW, which is in excess of the 5.0% minimum required by 16TAC § 25.181(e)(3)(F).
25. Oncor forecasts that it will achieve energy savings of 245,159,554 kWh in program year 2020, which is greater than the minimum of 121,588,800 kWh, due to the mix of energy and demand savings achievable through the programs.

Agreement PURA § 14.054 and 16 TAC § 22.35

26. On August 6, 2019, the parties filed a joint motion to admit evidence and remand the docket to the Commission, which contained the agreement resolving the issues among the parties.
27. Under the agreement, Oncor's EECRF will be adjusted to recover \$56,446,846 during program year 2020, which includes:
- (a) Oncor's forecasted energy-efficiency costs in program year 2020 of \$49,678,712;
 - (b) \$748,525 of estimated EM&V expenses for evaluation of the 2019 program year;
 - (c) \$3,189,428 for the total over-recovery of 2018 energy efficiency costs that includes the required interest payment;
 - (d) a performance bonus of \$9,197,172 for Oncor's energy-efficiency achievements in 2018; and
 - (e) Cities' rate-case expenses incurred in Oncor's prior EECRF proceeding of \$11,865.
28. The agreement provides an effective date for Oncor's program year 2020 EECRF tariff rider of March 1, 2020.
29. Under the agreement, Oncor's proposed rate-class factors are as follows:

<u>Rate Class</u>	<u>EECRF Charge and Billing Unit</u>
Residential Service	\$0.000739 per kWh
Secondary Service < or = 10 kW	\$0.000282 per kWh
Secondary Service > 10 kW	\$0.000348 per kWh
Primary Service < or = 10 kW	\$0.000243 per kWh
Primary Service > 10 kW - Distribution Line	\$0.000346 per kWh
Primary Service > 10 kW - Substation	\$0.000229 per kWh
Transmission Service - Non-Profit	\$0.000052 per kWh
Transmission Service - For Profit	\$0.000000 per kWh
Lighting Service	\$0.000000 per kWh

30. In SOAH Order No. ____ issued on ____, 2019, the SOAH ALJ granted the joint motion to admit evidence, remanded the docket to the Commission, and dismissed the SOAH docket. The SOAH ALJ admitted the following evidence:
- a) **ONCOR EXHIBIT 1**: Oncor's Application for 2020 Energy Efficiency Cost

Recovery Factor (May 31, 2019 filing, with Attachments A through C);

- b) ONCOR EXHIBIT 2: Direct Testimony of Michael R. Stockard filed May 31, 2019, with Exhibits MRS-1 through MRS-7 and Workpapers WP/MRS/1 through WP/MRS/9;
- c) ONCOR EXHIBIT 3: Direct Testimony of J. Michael Sherburne filed May 31, 2019, with Exhibits JMS-1 through JMS-6 and Workpapers WP/JMS/1 through WP/JMS/4;
- d) ONCOR EXHIBIT 4: Oncor's Affidavit Attesting to the Provision of Notice filed June 11, 2019;
- e) CITIES EXHIBIT 1: Direct Testimony of Karl J. Nalepa filed on July 11, 2019, with Attachments A through C;
- f) CITIES EXHIBIT 2: Oncor's Response to the First Request for Information propounded by Cities to Oncor filed on July 3, 2019;
- g) STAFF EXHIBIT 1: Affidavit of Therese Harris filed on August 5, 2019;
- h) STAFF EXHIBIT 2: Affidavit of Adrian Narvaez filed on August 5, 2019;
- i) STAFF EXHIBIT 3: Affidavit of Frederick Quijano filed on August 5, 2019;
- j) STAFF EXHIBIT 4: Oncor's Response to the First Request for Information propounded by Staff to Oncor filed on June 14, 2019;
- k) STAFF EXHIBIT 5: Oncor's Response to the Second Request for Information propounded by Staff to Oncor filed on June 26, 2019;
- l) STAFF EXHIBIT 6: Cities' Response to the First Request for Information propounded by Staff to Cities filed on June 27, 2019; and
- m) the executed Stipulation and Settlement Agreement filed on August 6, 2019, with all attachments.

Elements of Recovery and Coordination with Base-Rate Recovery 16 TAC §§ 25.182(d)(1) and (d)(6)

- 31. Oncor's EECRF is calculated to credit the preceding year's total over-recovery with the required interest payment and, in addition, to recover Oncor's forecasted annual energy-efficiency expenditures, a performance bonus, municipal EECRF proceeding expenses from the immediately preceding EECRF docket, and EM&V costs allocated to Oncor by the Commission as allowed by 16 TAC § 25.182(d)(1)(A).
- 32. Oncor does not recover any energy-efficiency costs in its base rates.
- 33. Oncor's EECRF is designed to provide only for energy charges for residential and commercial rate classes in compliance with 16TAC § 25.182(d)(6).

EECRF Cost Caps 16 TAC § 25.182(d)(7)

34. Before applying the consumer price index adjustment, Oncor used a base cap of \$0.001303 per kWh for the residential class and \$0.000815 per kWh for the commercial classes in accordance with 16 TAC § 25.182(d)(7). Oncor calculated its EECRF cost caps for the 2020 program year to be \$0.001332 per kWh for the residential class and \$0.000833 per kWh for commercial customers.
35. Oncor's EECRF rider tariff will impose a charge of \$0.000739 per kWh on residential customers and a range of \$0.000052 per kWh to \$0.000348 per kWh for the commercial rate classes with the group rate being \$0.000336 per kWh for commercial customers.

Over-Recovery PURA § 39.905(b-1) and 16 TAC §§ 25.182(d)(1)(A) and (d)(2)

36. Oncor requests to recover from or to refund to each rate class the difference between Oncor's actual EECRF revenues and its actual costs for that class that complies with 16 TAC § 25.182(d)(2). Oncor's request includes an overall total over-recovery of \$3,094,702 for Oncor's 2018 program year plus an overall total interest in the amount of \$94,726.
37. Oncor accurately calculated its over-recovery of 2018 program costs plus interest in the amount of \$3,189,428.

Proceeding Expenses 16 TAC § 25.182(d)(3)

38. Oncor did not incur any outside legal or consulting fees, or expenses for lodging and traveling, or any other rate case expenses in connection with its participation in its prior EECRF proceeding in Docket No. 48421.
39. Cities filed the testimony of Karl J. Nalepa and affidavit of Jamie L. Mauldin regarding Cities' rate-case expenses that relied upon the factors required by 16 TAC § 25.245 in reaching the conclusion that Cities' consultant fees, attorney's fees, and expenses in the amount of \$11,865 incurred in Oncor's prior EECRF proceeding, Docket No. 48421, were reasonable.
40. Oncor allocated the Cities' rate-case expenses in proportion to the program costs for eligible customers on a rate-class basis.

Performance Bonus Calculations 16 TAC § 25.182(e)

41. In 2018, Oncor's program costs were \$60,644,509 and the total avoided costs were \$152,616,228 on energy-efficiency programs required by 16 TAC § 25.182(e).

42. Under 16 TAC § 25.182(e), Oncor's application sought the maximum allowable performance bonus, which is 10% of the net benefits of \$91,971,719 achieved through its energy-efficiency incentive program costs, for exceeding its goal for calendar year 2018. The resulting performance bonus from this calculation is \$9,197,172 and is allocated in proportion to the program costs for eligible customers on a rate-class basis.
43. Oncor accurately calculated its performance bonus.

Evaluation, Measurement, and Verification Costs 16 TAC § 25.181(o)

44. Oncor's share under 16 TAC § 25.181(o)(10) of the estimated total EM&V costs to be incurred in 2020 for the evaluation of the 2019 program year in the amount of \$748,525 is directly assigned to the maximum extent reasonably possible to each rate class that receives services under its programs.

Administrative and Research and Development Cost Caps 16 TAC § 25.181(g)

45. Oncor incurred \$5,802,508 in necessary administrative costs for the 2018 energy-efficiency programs to meet Oncor's goals, which was 9.6% of the total program costs. Oncor incurred \$401,667 in research and development costs for the 2018 energy-efficiency programs to meet Oncor's goals, which was .7% of the total program costs for the previous year. Therefore, Oncor's cumulative cost of administration and research and development was 10.3% of the total program costs.
46. Oncor's cost of administration did not exceed 15% of its total program costs. Oncor's cost of research and development did not exceed 10% of its total program costs. Oncor's cumulative cost of administration and research and development did not exceed 20% of its total program costs.

Cost Effectiveness 16 TAC § 25.181(d)

47. Oncor used an avoided cost of capacity of \$80 per kW for 2018. Oncor used Commission Staff's posted avoided cost of energy of \$0.03757 per kWh for 2018.
48. Oncor determined that its 2018 portfolio of energy-efficiency programs produced a benefit-cost ratio of 2.52, which exceeds the benefit-cost ratio of 1.0 or greater required by 16 TAC § 25.181(d).
49. Oncor's forecasted 2020 energy-efficiency program costs of \$49,678,712 conform to the requirements set forth in 16 TAC § 25.181(d) and are a reasonable estimate of the

costs necessary to provide energy-efficiency programs and meet Oncor's goals for 2020.

Total Cost Recovery 16 TAC § 25.182(d)

50. Oncor's cost recovery of \$56,446,846, consisting of Oncor's energy-efficiency expenses forecasted for the 2020 program year, Oncor's projected EM&V expenses to be incurred in 2020, Oncor's allocation of an overall total over-recovery of program year 2018 energy-efficiency costs plus interest, Oncor's performance bonus earned in 2018, and Cities' rate-case expenses incurred in Docket No. 48421, is a reasonable amount.

Rate Classes and Direct Assignment of Costs 16 TAC § 25.182(d)(2)

51. Oncor directly assigned costs to the maximum extent reasonably possible to each rate class that receives services under the programs in compliance with 16 TAC § 25.182(d)(2).

Fostering of Competition Among Energy-Efficiency Service Providers 16 TAC § 25.181(g)(2)

52. Oncor has adopted measures to foster competition among energy-efficiency service providers.

Requirements for Standard Offer, Market Transformation, and Self-Delivered Programs 16 TAC § 25.181 (h)-(k)

53. Oncor's energy-efficiency programs include standard offer and market transformation programs.

Incentive Payments 16 TAC § 25.181(f)

54. Oncor's incentive payments do not exceed 100% of avoided cost for any customer class.

Affiliate Costs PURA § 36.058. 16 TAC §§ 25.181(c)(1) and 25.182(d)(10)(I)

55. Oncor did not incur any affiliate costs for energy efficiency in 2018.

Energy-Efficiency Plan and Report 16 TAC §§ 25.181(l), 25.182(d)(10) and 25.183(d)

56. On April 1, 2019, Oncor filed its 2019 energy-efficiency plan and report required by 16 TAC §§ 25.181(l) and 25.183(d). Oncor amended the energy-efficiency plan and report on May 24, 2019.
57. Oncor's application in this proceeding included the amended energy-efficiency plan and report in compliance with 16 TAC § 25.182(d)(10).

Low-Income Energy Efficiency 16 TAC § 25.181(p)

58. Oncor is implementing a targeted low-income energy-efficiency program through the Texas Association of Community Action Agencies who will provide funds to designated federal weather-assistance-program sub-recipient agencies to enable them to provide weatherization services to residential electric distribution end-use customers of Oncor

who have household incomes at or below 200% of current federal poverty level guidelines. Oncor is also using EnerChoice, an implementer that uses program incentives to replace existing HVAC units with electric resistance heating in multi-family apartment complexes with high-efficiency heat pumps.

59. Oncor's total budgeted amount for its low-income programs in program year 2020 is \$5,002,080, which is greater than 10% of the total portfolio budget amount of \$49,678,712 (excluding EM&V).

Outreach to Retail Electric Providers 16 TAC § 25.181(r)

60. Oncor serves in an area in which customer choice is offered.
61. Oncor commits to conduct retail electric provider (REP) outreach programs including inviting REPs to program-outreach meetings with energy-efficiency service providers; identify key REP contacts; arrange for on-site visits to conduct energy-efficiency discussions with REPs; and make contact with individual REPs at local, regional, and national conferences, trade shows, and events as the opportunity is available.

Industrial Customer Exclusions 16 TAC § 25.181(u)

62. Oncor industrial customers taking service at transmission voltage and qualifying Oncor industrial customers taking service at distribution voltage who elected to exclude themselves from Oncor's energy-efficiency programs and provided notices under 16 TAC § 25.181(u) constituted an exclusion of 19,124,917 MWh for program year 2020. The exempted energy that was associated with Oncor's excluded industrial customers was reflected in the EECRF calculations.

Line Losses 16 TAC § 25.181(e)(3)(B)

63. Oncor's calculated line loss factor is a 5-year average of the annual loss factors weighted by delivery voltage and adjusted for industrial opt-out. This approach is consistent with the calculation methodology of the 5-year average growth in peak demand used in the determination of the energy-efficiency demand goal. The resulting average line loss factor used in calculating Oncor's demand reduction goal is 5.775%.

Billing Determinants 16 TAC § 25.182(d)(10)(E)

64. The estimate of billing determinants in calculating Oncor's proposed 2020 EECRF in the application and the calculations of the proposed 2020 EECRF rates are reasonable.

Good Cause 16 TAC §§ 25.181(e)(2) and 25.182(d)(2)

65. Oncor did not seek a good cause exception to be eligible for a lower demand-reduction

goal, a higher administrative spending cap, or a higher EECRF cost cap under 16 TAC § 25.181(e)(2), or to combine rate classes under 16 TAC § 25.182(d)(2).

Informal Disposition 16 TAC § 22.35(a)

66. More than 15 days have passed since the completion of notice provided in this docket.
67. The proposed resolution of this docket set forth in the agreement is not adverse to any party.
68. No protests, motions to intervene, or requests for hearing were filed that have not been dealt with, and no party, including Commission Staff, disputes any issue of law or fact.

II. Conclusions of Law

1. Oncor is a public utility as that term is defined in PURA³ § 11.004(1) and an electric utility as that term is defined in PURA § 31.002(6).
2. The Commission has jurisdiction over this matter under PURA §§ 14.001, 32.001, 36.001, 36.204, and 39.905.
3. Under PURA § 39.905 and 16 TAC § 25.182(d)(8), an electric utility must file for an EECRF.
4. Oncor complied with the requirement under 16 TAC § 25.182(d)(8) to apply by June 1 of each year to adjust its EECRF effective March 1 of the following year.
5. The Commission processed the application in accordance with the requirements of PURA, the Administrative Procedure Act,⁴ and Commission rules.
6. SOAH exercised jurisdiction over this proceeding in accordance with PURA § 14.053 and Texas Government Code § 2003.049.
7. Oncor provided notice of the application in accordance with 16 TAC § 25.182(d)(13) and 16 TAC § 22.55 and filed an affidavit attesting to the completion of notice as required by 16 TAC § 25.182(d)(14).
8. Oncor's application is sufficient under 16 TAC §§ 25.182(d)(10) and (11).

³ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-58.302, §§ 59.001-66.016.

⁴ Administrative Procedure Act, Tex. Gov't Code §§ 2001.001-.902.

9. The hearing on the merits was set and notice of the hearing was given in compliance with Texas Government Code §§ 2001.051 and 2001.052.
10. Oncor calculated its weather-adjusted average annual growth in demand in compliance with 16 TAC § 25.181(e)(3).
11. Oncor has acquired a 30% reduction of its annual growth in demand of residential and commercial customers in compliance with 16 TAC § 25.181(e)(1)(A) and (D).
12. Oncor's minimum energy-savings goal was calculated in compliance with 16 TAC § 25.181(e)(4).
13. Oncor's portfolio of energy-efficiency programs effectively and efficiently achieves the goals set out in PURA § 39.905(a) and 16 TAC § 25.181 as required by 16 TAC § 25.181(e)(5).
14. Oncor's proposed EECRF rates comply with the requirements for cost caps under 16 TAC § 25.182(d)(7).
15. Oncor's request to refund \$3,189,428 to customers for Oncor's total over-recovery of its 2018 program-year energy-efficiency costs that includes interest is in compliance with PURA § 39.905(b-1) and 16 TAC §§ 25.182(d)(1)(A) and (d)(2).
16. EECRF proceeding expenses are rate-case expenses.
17. The requirements of 16 TAC §§ 25.182(d)(3) and 25.245 apply to the recovery of EECRF proceeding expenses.
18. Cities' 2018 rate-case expenses of \$11,865 comply with PURA § 33.023(a) and 16 TAC §§ 25.182(d)(3)(B) and 25.245.
19. Oncor qualified for and accurately calculated its energy-efficiency performance bonus of \$9,197,172 for its energy-efficiency achievements in program year 2018 as allowed by PURA § 39.905(b)(2) and in compliance with 16 TAC § 25.182(e).
20. Oncor's amounts and allocation of its administration and research and development costs comply with 16 TAC § 25.181(g).
21. Oncor's energy-efficiency programs adhere to the cost-effectiveness standards in compliance with 16 TAC § 25.181(d).
22. Oncor's 2020 energy-efficiency program costs of \$49,678,712 to be recovered through

- the EECRF are reasonable estimates of the costs necessary to provide energy-efficiency programs in 2020 in compliance with PURA § 39.905 and 16 TAC § 25.182(d)(1).
23. Oncor's cost recovery of \$748,525, which consists of Oncor's projected EM&V expenses for evaluation of program year 2019, complies with PURA § 39.905 and 16 TAC § 25.182(d).
 24. Oncor's assignments and allocations of its proposed 2020 EECRF rates to each rate class are reasonable and comply with PURA § 39.905(b)(4) and 16 TAC § 25.182(d)(2).
 25. Oncor has adopted measures to foster competition among energy-efficiency service providers in compliance with 16 TAC § 25.181(g)(2).
 26. Oncor's standard offer and market transformation programs comply with PURA § 39.905(a)(3) and 16 TAC § 25.181(h) through (k).
 27. Oncor's incentive payments, which do not exceed 100% of avoided cost, comply with 16 TAC § 25.181(f).
 28. Oncor's targeted low-income energy-efficiency program exceeds the minimum of 10% of its energy-efficiency budget for the program year in compliance with 16 TAC § 25.181(p).
 29. Oncor's outreach and information programs meet the requirement of PURA § 39.905(a)(4) and 16 TAC § 25.181(r) to encourage and facilitate the involvement of REPs in the delivery of efficiency and demand-response programs.
 30. Oncor's load associated with industrial customers who provided qualifying identification notices were excluded from Oncor's calculated demand-reduction goal in accordance with 16 TAC § 25.181(u).
 31. Oncor's proposed 2020 EECRF rates are just and reasonable, not unreasonably preferential, prejudicial, or discriminatory and are sufficient, equitable, and consistent in application to each consumer class as required by PURA § 36.003.
 32. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves Oncor's EECRF, consistent with the agreement, to the extent provided in this Order.
2. Oncor's 2020 EECRF is approved in the amount of \$56,446,846, which is composed of:
 - (a) Oncor's forecasted energy-efficiency costs in program year 2020 of \$49,678,712;
 - (b) \$748,525 of EM&V expenses for evaluation of the 2019 program year;
 - (c) \$3,189,428 for the total over-recovery of 2018 energy efficiency costs that includes the required interest payment;
 - (d) a performance bonus of \$9,197,172 for Oncor's energy-efficiency achievements in 2018; and
 - (e) Cities' rate-case expenses incurred in Oncor's prior EECRF proceeding in Docket No. 48421 of \$11,865.
3. The Commission approves Oncor's EECRF tariff rider-schedule attached as Exhibit 1 to the agreement.
4. Oncor is authorized to apply the EECRF tariff rider approved by this Order beginning on and after March 1, 2020.
5. Within 10 days of the date of this Order, Oncor must file with the Commission a clean copy of the approved EECRF tariff to be stamped "approved" and retained by Central Records.
6. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.
7. All other motions and any other requests for general or specific relief, if not expressly granted, are denied.

Signed at Austin, Texas the _____ day of _____ 2019.

PUBLIC UTILITY COMMISSION OF TEXAS

DEANN T. WALKER, CHAIRMAN

ARTHUR C. D'ANDREA, COMMISSIONER

SHELLY BOTKIN, COMMISSIONER