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Item Number: 1

Addendum StartPage: 0

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APPLICATION OF ONCOR ELECTRIC
DELIVERY COMPANY LLC TO
ADJUST ITS ENERGY EFFICIENCY
COST RECOVERY FACTOR §
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§
§

BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS

**ONCOR ELECTRIC DELIVERY COMPANY LLC'S
APPLICATION FOR 2021 ENERGY EFFICIENCY COST RECOVERY FACTOR**

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PUC DOCKET NO. _____

APPLICATION OF ONCOR ELECTRIC	§	PUBLIC UTILITY COMMISSION
DELIVERY COMPANY LLC TO	§	
ADJUST ITS ENERGY EFFICIENCY	§	OF TEXAS
COST RECOVERY FACTOR	§	

**ONCOR ELECTRIC DELIVERY COMPANY LLC'S
APPLICATION FOR 2021 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 2021 Energy Efficiency Cost Recovery Factor ("EECRF") (the "Application"), which is timely filed on or before June 1, 2020, 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 its EECRF in order to recover the "utility's forecasted annual energy efficiency program expenditures, the preceding year's over- or 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.

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016.



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.

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 filed 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. Garry D. Jones and Matthew A. Troxle.

V. Background and Relief Requested

In Docket No. 49594, the Commission approved Oncor’s 2020 EECRF in the amount of \$56,446,846.² 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 over- or 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 2021 EECRF in the amount of \$64,782,106. Oncor’s request regarding the 2021 EECRF is based on the following components:

- \$51,620,521 in energy efficiency expenses forecasted for the 2021 program year;
- allocation of \$1,833,844 for the total over-recovery of 2019 energy efficiency costs that includes the required interest payment;
- inclusion of a \$14,249,500 energy efficiency performance bonus under 16 TAC § 25.182(e) based on Oncor’s energy efficiency achievements in 2019; and

² *Application of Oncor Electric Delivery Company LLC to Adjust Its Energy Efficiency Cost Recovery Factor*, Docket No. 49594, Final Order (September 27, 2019) at 14.



- \$735,989 for the estimated EM&V costs for the evaluation of program year 2020.

The above-referenced request for \$64,782,106 includes \$9,940 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 to Docket No. 49594. Oncor anticipates that Cities will provide evidence in this EECRF proceeding supporting the amount of \$9,940 relating to municipalities’ EECRF proceeding expenses. Oncor did not incur EECRF proceeding expenses in Docket No. 49594.

If approved, Oncor’s 2021 EECRF will go into effect on March 1, 2021 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 GDJ-7 to Mr. Garry D. Jones’ 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.

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. 49594 (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:

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



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

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 2021 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

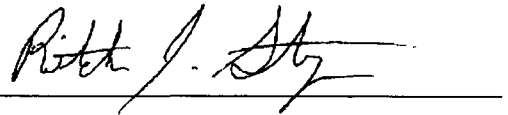
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Ritchie J. Sturgeon
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Oncor Electric Delivery Company LLC
1616 Woodall Rodgers Freeway
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Telephone: (214) 486-6345
Facsimile: (214) 486-3221
ritchie.sturgeon@oncor.com



**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 on this 29th day of May, 2020.





ATTACHMENT A

Rider EECRF – Energy Efficiency Cost Recovery Factor



**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, 2021

Sheet: 6.3
Page 1 of 2
Revision: Fifteen

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>	Residential Service	Secondary Service		Primary Service > 10 kW – Distribution > 10 kW – Line* Substation*			Transmission Service		Lighting Service
	(\$/kWh)	≤ 10 kW*	> 10 kW*	≤ 10 kW*	> 10 kW – Line*	> 10 kW – Substation*	Non-Profit	For Profit	(\$/kWh)
March 1, 2021	0.000861	(0.000081)	0.000475	(0.000048)	0.000065	0.000243	0.000657	0.000000	0.000000
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).



**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, 2021

Sheet: 6.3

Page 2 of 2

Revision: Fifteen

NOTICE

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



ATTACHMENT B

DOCKET NO. _____

**APPLICATION OF ONCOR ELECTRIC
DELIVERY COMPANY LLC TO
ADJUST ITS ENERGY EFFICIENCY
COST RECOVERY FACTOR**

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§**

**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. **Materials Excluded from Protected Materials Designation.** 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. **Reviewing Party.** 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. **Restrictions on Copying and Inspection of Highly Sensitive Protected Material.** 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. **Copy of Highly Sensitive Protected Material to be Provided to Commission Staff, OPC and the OAG.** 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. **Public Information Requests.** 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. **Required Certification.** 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. **Disclosures between Reviewing Representatives and Continuation of Disclosure Restrictions after a Person is no Longer Engaged in the Proceeding.** 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



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. **Reviewing Period Defined.** 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. **Procedures for Confidential Treatment of Protected Materials and Information Derived from Those Materials.** Protected Materials, as well as a Reviewing Party's notes, memoranda, or other information regarding or derived



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. **Maintenance of Protected Status of Materials during Pendency of Appeal of Order Holding Materials are not Protected Materials.** 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. **Procedures to Contest Disclosure or Change in Designation.** 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. **Maintenance of Protected Status during Periods Specified for Challenging Various Orders.** 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. **Protection of Materials from Unauthorized Disclosure.** All notices, applications, responses or other correspondence shall be made in a manner which protects Protected Materials from unauthorized disclosure.
31. **Return of Copies of Protected Materials and Destruction of Information Derived from Protected Materials.** 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. **Applicability of Other Law.** 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. **Best Efforts Defined.** 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. **Notify Defined.** “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. **Requests for Non-Disclosure.** 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 to establish that the material should not be disclosed. 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.



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. **Sanctions Available for Abuse of Designation.** 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. **Modification of Protective Order.** 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 2021 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 _____, 2020 it filed an Application for its 2021 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, 2021, 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.

Rate Class	EECRF Charge	Billing Unit
Residential Service	0.000861	\$ Per kWh
Secondary Service Less Than or Equal to 10 kW	(0.000081)	\$ Per kWh
Secondary Service Greater Than 10 kW	0.000475	\$ Per kWh
Primary Service Less Than or Equal to 10 kW	(0.000048)	\$ Per kWh
Primary Service Greater Than 10 kW		
Distribution Line	0.000065	\$ Per kWh
Substation	0.000243	\$ Per kWh
Transmission Service		
Non-Profit	0.000657	\$ Per kWh



For Profit	0.000000	\$ Per kWh
Lighting Service	0.000000	\$ Per kWh

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 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 GARRY D. JONES, WITNESS FOR
ONCOR ELECTRIC DELIVERY COMPANY LLC**

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EXHIBITS:

EXHIBIT GDJ-1	Oncor's Amended 2020 Energy Efficiency Plan and Report
EXHIBIT GDJ-2	Oncor's Energy Efficiency Expenses by Rate Code for 2019 Program Year
EXHIBIT GDJ-3	Oncor's 2019 Earned Energy Efficiency Performance Bonus Calculation
EXHIBIT GDJ-4	Oncor's Total 2021 EECRF Request by Rate Code
EXHIBIT GDJ-5	South Urban Consumer Price Index Change
EXHIBIT GDJ-6	Oncor's 2019 Cost-Effectiveness Calculation
EXHIBIT GDJ-7	Contracts Regarding Administrator and/or Service Provider that Received More Than 5% of Overall Incentive Payments (Confidential)

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**Jones – Direct
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Application for 2021 EECRF**



1 **DIRECT TESTIMONY OF GARRY D. JONES**

2 **I. POSITION AND QUALIFICATIONS**

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

5 A. My name is Garry D. Jones. My business address is 1616 Woodall Rodgers
6 Freeway, Dallas, Texas 75202-1234. I am the Director of Energy Efficiency
7 for Oncor Electric Delivery Company LLC ("Oncor" or "Company"). I am
8 responsible for the implementation and regulatory compliance of Oncor's
9 energy efficiency programs pursuant to §39.905 of the Public Utility
10 Regulatory Act ("PURA") and Public Utility Commission of Texas
11 ("Commission") substantive rule 16 Tex. Admin. Code ("TAC") § 25.181, §
12 25.182 and § 25.183 ("Rule 25.181", "Rule 25.182" and "Rule 25.183").

13 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND
14 PROFESSIONAL QUALIFICATIONS.

15 A. Over the last 35 years, I have held various management positions at TXU
16 Electric (a predecessor company to Oncor), TXU Energy, and Oncor. In
17 2009, I was hired as an Energy Efficiency Program Manager with
18 responsibility for administration and implementation of the energy efficiency
19 programs identified in PURA § 39.905 and Rule 25.181. Promoted to
20 Program Development Manager in 2011, I managed forecasting, new
21 program and energy efficiency measure development, the Energy
22 Efficiency Program Management software, and the portfolio plans listed in
23 Energy Efficiency Plan and Report (EEPR). From 2013 to 2019, I held the
24 Energy Efficiency Implementation Manager position, where I supervised
25 day-to-day operations, was responsible for achieving Oncor's Energy
26 Efficiency goals, and managed Oncor's program portfolio. I was promoted
27 to Director of Energy Efficiency in 2019. I graduated from Thomas Edison
28 State University with a Bachelor of Science degree in Applied Science, and
29 hold a Master of Science degree in Computer Information Systems from
30 Florida Institute of Technology. I have received a Certified Energy Manager

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1 designation from the Association of Energy Engineers, and a LEED
2 Accredited Professional designation from the U.S Green Building Council.
3 Currently, I am Chairman of the Electric Utility Marketing Managers of Texas
4 (EUMMOT) and a member of the Texas Energy Poverty Research Institute
5 (TEPRI) Research Advisory Committee.

6 Q. HAVE YOU PREVIOUSLY TESTIFIED OR PARTICIPATED IN ANY
7 COMMISSION PROCEEDINGS?

8 A. I have not testified in any Commission proceedings. However, I have
9 participated in several workshops at the Commission relating to energy
10 efficiency such as participating in and making presentations at the Energy
11 Efficiency Implementation Project meetings, and participating in a workshop
12 to discuss Load Management coordination.

13 **II. PURPOSE OF DIRECT TESTIMONY**

14 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

15 A. The purpose of my direct testimony is to: (1) present the results of Oncor's
16 2019 energy efficiency program year; (2) describe and support Oncor's
17 calculation of the energy efficiency performance bonus; (3) discuss Oncor's
18 over-recovery of total 2019 energy efficiency costs; and (4) describe and
19 support Oncor's forecasted 2021 energy efficiency program costs, along
20 with the Company's requested performance bonus, over-recovery of total
21 2019 costs, and estimated evaluation, measurement and verification
22 ("EM&V") costs included in Oncor's proposed 2021 EECRF. I will also
23 discuss Oncor's compliance with Rule 25.181 and Rule 25.182 and the
24 reasonableness of Oncor's EECRF expenses in 2019.

25 For more information related to the Company's proposed 2021
26 EECRF, please refer to the direct testimony of Oncor witness Mr. Matthew
27 A. Troxle.

28 Q. PLEASE SUMMARIZE ONCOR'S PROPOSED 2021 EECRF.

29 A. Oncor is requesting an EECRF that will recover \$64,859,172 (excluding
30 interest). This request is made under PURA §39.905, Rule 25.181 and Rule

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1 25.182 and is comprised of the following components: (a) \$14,249,500
2 energy efficiency performance bonus under Rule 25.182(e) for 2019
3 program year achievements; (b) (\$1,756,778) for the total over-recovery
4 (excluding interest) of 2019 energy efficiency costs; (c) \$51,620,521 in
5 energy efficiency expenses forecasted for the 2021 program year; (d)
6 \$735,989 of estimated EM&V costs for evaluation of the 2020 program year;
7 and (e) \$9,940 for municipalities' EECRF proceeding expenses related to
8 Oncor's EECRF proceeding in Docket No. 49594. Please see Mr. Troxle's
9 Direct Testimony supporting the interest related to the total over-recovery.

10 For the reasons that I discuss below, Oncor's proposed 2021 EECRF
11 is accurately calculated consistent with Rule 25.181 and Rule 25.182 and,
12 furthermore, is reasonable and necessary because it is based on the
13 estimated costs for Oncor to continue successfully fulfilling the energy
14 efficiency goals of the legislature and the Commission.

15 **III. 2019 ENERGY EFFICIENCY PROGRAM RESULTS**

16 Q. WHAT ENERGY EFFICIENCY PROGRAMS DID ONCOR OFFER
17 DURING THE 2019 PROGRAM YEAR?

18 A. During 2019, Oncor offered 13 standard offer programs ("SOPs") and
19 market transformation programs ("MTPs"), including the Targeted Low-
20 Income Weatherization required by PURA § 39.905(f), Rule 25.181(p), and
21 various Commission orders. Oncor also funded energy efficiency research
22 and development efforts consistent with Rule 25.181.

23 Attached to this direct testimony as Exhibit GDJ-1 is Oncor's
24 Amended 2020 Energy Efficiency Plan and Report filed with the
25 Commission on May 18, 2020 (the "2020 EEPR"). The 2020 EEPR
26 provides, among other information, the details about Oncor's energy
27 efficiency programs for the most recently completed program year (2019),
28 including specific information associated with that year's demand and
29 energy savings, the projected annual growth in demand, and the expenses
30 associated with Oncor's energy efficiency programs, including incentive

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1 payments and administrative costs. The 2020 EEPR also describes how
2 Oncor intends to fulfill the requirements of Rule 25.181 and Rule 25.182 for
3 the 2020 and 2021 program years. The plan includes a projection of the
4 annual growth in demand, an estimation of the energy and peak demand
5 reduction savings to be obtained through each individual SOP and MTP, a
6 description of the customer classes targeted by Oncor's energy efficiency
7 programs, and the proposed annual budget required to implement the SOPs
8 and MTPs for each eligible customer class.

9 Q. WHAT WERE ONCOR'S ENERGY EFFICIENCY PROGRAM
10 EXPENDITURES DURING THE 2019 PROGRAM YEAR?

11 A. In 2019, Oncor spent \$49,000,927 on its energy efficiency programs, as
12 shown in Section VIII, Table 10, of Exhibit GDJ-1 (p. 26), which included its
13 research and development expenditures and EM&V costs. Program costs
14 were \$48,102,058, research and development costs were \$151,015 and
15 EM&V costs were \$735,989. There was also \$11,865 for municipal rate
16 case expenses approved by the Commission in Docket No. 49594 that were
17 paid in 2019, which is being recovered in the 2020 EECRF and is being
18 excluded from the 2019 program costs. Total 2019 program costs are then
19 \$48,989,062 as shown in column (h) of Exhibit GDJ-2. A detailed
20 breakdown of the amounts spent by Oncor on the various programs
21 employed by it during the 2019 program year is shown in Section VIII, Table
22 10, of Exhibit GDJ-1 (p. 26). In addition, Exhibit GDJ-2 details the allocation
23 of 2019 program expenses by rate code.

24 Q. WHAT WAS ONCOR'S DEMAND REDUCTION GOAL FOR THE 2019
25 PROGRAM YEAR?

26 A. Oncor's minimum calculated statutory demand reduction goal for the 2019
27 program year was 69,400 kW, as shown in MW (megawatts) in Section V,
28 Table 7, of Exhibit GDJ-1 (p. 21).



1 Q. DURING THE 2019 PROGRAM YEAR, WHAT REDUCTION IN PEAK
2 DEMAND DID ONCOR ACHIEVE THROUGH ITS ENERGY EFFICIENCY
3 PROGRAMS?

4 A. A total of 167,450 kW in demand reduction was achieved during the 2019
5 program year. Section VI, Table 8, of Exhibit GDJ-1 (p. 22) provides a
6 breakdown of the peak demand saved by each of Oncor's energy efficiency
7 programs during the 2019 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 2019 PROGRAM?

11 A. Yes. Adjustments were made to the Commercial SOP (Basic) and the
12 Small Business Direct Install MTP as a result of the Evaluator's review of
13 projects. An amended 2020 EEPR was filed on May 18, 2020 that included
14 the adjustment recommended by the Commission Evaluator (or
15 "Contractor") and is included in this filing as Exhibit GDJ-1.

16 Q. DOES RULE 25.181 HAVE REQUIREMENTS CONCERNING HOW
17 PROGRAMS ARE IMPLEMENTED?

18 A. Yes.

19 Q. PLEASE DESCRIBE HOW ONCOR SET ITS INCENTIVE PAYMENTS
20 WITH THE OBJECTIVE OF ACHIEVING ITS 2019 ENERGY AND
21 DEMAND GOALS AT THE LOWEST REASONABLE COST PER
22 PROGRAM.

23 A. Program incentives are established at the measure level and are based on
24 the installed cost and the estimated useful life of the measure. Installed
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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1 Q. PLEASE DESCRIBE WHETHER ANY ONCOR ENERGY EFFICIENCY
2 ADMINISTRATOR AND/OR SERVICE PROVIDER RECEIVED MORE
3 THAN 5% OF ONCOR'S OVERALL INCENTIVE PAYMENTS FOR THE
4 2019 PROGRAM YEAR.

5 A. Oncor's total incentive payments for the 2019 program were \$42,612,969
6 as shown in Section VIII, Table 10, of Exhibit GDJ-1 (p. 26). Based on the
7 total incentives paid, 5% would equate to \$2,130,648 or ($\$42,612,969 \times$
8 $.05$). There were three program implementers who received incentive
9 payments in excess of \$2,130,648. 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 are payments that are paid directly to
14 the implementer for its services in implementing the program, and the
15 customer/service provider incentives are payments made to the
16 implementer that are passed on to the customer or third-party service
17 provider.

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

24 Q. DID ONCOR'S CONSERVATION LOAD FACTOR FOR THE 2019
25 PROGRAM YEAR COMPLY WITH RULE 25.181?

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



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

3 In 2019, Oncor’s peak demand goal was 69,400 kW as shown in
4 Section V, Table 7, of Exhibit GDJ-1 (p. 21). The energy goal based on the
5 peak demand goal is 121,588,800 kWh [(69,400 kW peak demand goal X
6 8,760 hrs/yr) X .2 = 121,588,800 kWh]. Oncor’s actual energy savings was
7 243,151,857 kWh as shown in Section VI, Table 8, of Exhibit GDJ-1 (p. 22).
8 Oncor exceeded the required 20% conservation load factor by 121,563,057
9 kWh (243,151,857 actual kWh savings – 121,588,800 kWh energy savings
10 goal = 121,563,057 kWh) or approximately 99.98%.

11 Q. DID ONCOR’S 2019 ENERGY EFFICIENCY PROGRAMS MEET THE
12 COST-EFFECTIVENESS STANDARD OF RULE 25.181?

13 A. Yes. Please see Exhibit GDJ-6 for the cost-effectiveness of the 2019
14 energy efficiency programs as required by Rule 25.181(d) and (p)(2).

15 Q. DID ANY OF ONCOR’S 2019 REPORTED ENERGY EFFICIENCY
16 SAVINGS INCLUDE DEMAND OR ENERGY SAVINGS THAT RESULTED
17 FROM PROGRAMS OTHER THAN PROGRAMS IMPLEMENTED UNDER
18 RULE 25.181 AND UNDER RULE 25.182?

19 A. No.

20 Q. DID ONCOR’S 2019 PROGRAM IMPLEMENTATION INCLUDE
21 RECOMMENDATIONS FROM THE COMMISSION’S EM&V
22 CONTRACTOR?

23 A. Yes. The Commission’s EM&V Contractor provided recommendations that
24 enhanced Oncor’s programs which were incorporated into the 2019
25 programs, such as:

- 26 1. Streamlined the review process for the Small Business Direct
27 Install program.
- 28 2. Updated the Quality Assurance/Quality Control processes to
29 ensure building type is verified prior to the final savings
30 calculation.
- 31 3. Commercial savings tools have been further automated to
32 increase usability and limit common user errors.

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1 4. Utilizing an Electronic Technical Reference Manual (eTRM)
2 platform to increase the efficiency of data management for
3 residential programs.

4 Q. DID ONCOR MAKE ANY PAYMENTS FOR 2019 ENERGY EFFICIENCY
5 ADMINISTRATIVE EXPENSES TO AFFILIATES?

6 A. No.

7 **IV. ENERGY EFFICIENCY PERFORMANCE BONUS**

8 Q. DID ONCOR EARN AN ENERGY EFFICIENCY PERFORMANCE BONUS
9 UNDER RULE 25.182(e) BASED ON ITS 2019 PROGRAM YEAR
10 ACHIEVEMENTS?

11 A. Yes, it did. As Rule 25.182(e) provides, “[a] utility that exceeds its demand
12 and energy reduction goals established in §25.181 of this title at a cost that
13 does not exceed the cost caps established in subsection (d)(7) of this
14 section shall be awarded a performance bonus calculated in accordance
15 with this subsection.” Oncor’s statutory demand reduction goal for the 2019
16 program year was 69,400 kW, as shown in MW in Section V, Table 7, of
17 Exhibit GDJ-1 (p. 21). Oncor achieved verified savings of 167,450 kW
18 (141.28% over the required goal) and 243,151,857 kWh (99.98% over the
19 required goal of 121,588,800 as I previously stated) as shown in Section VI,
20 Table 8, of Exhibit GDJ-1 (p. 22).

21 Oncor’s 2019 EECRF for residential customers was \$0.000755 per
22 kWh as approved by the Commission in Docket No. 48421. The residential
23 EECRF not-to-exceed amount, per the Rule 25.182(d)(7)(C) approved in
24 Project No. 48692, is as follows: “[f]or the 2019 program year and thereafter,
25 the residential and commercial cost caps shall be calculated to be the prior
26 period’s cost caps increased or decreased by a rate equal to the most
27 recently available calendar year’s percentage change in the South urban
28 CPI, as determined by the Federal Bureau of Labor Statistics.” The 2018
29 residential cost per kWh was \$0.001277. The most recently available
30 calendar year percentage change in the South urban CPI for the calculation
31 of the 2019 cost per kWh was 2017. The 2017 year’s percentage change

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1 was 2.0473% as shown in Exhibit GDJ-5. Therefore, the cost per kWh for
2 2019 is \$0.001303 or $(\$0.001277 \times 1.020473) = \0.001303 . The not-to-
3 exceed amount is based on a per kWh basis and excludes EM&V costs,
4 municipal EECRF proceeding expenses and any interest amounts applied
5 to over- or under-recoveries, as described in Rule 25.182(d)(7).

6 The eligible weather-adjusted residential customer consumption for
7 2019 was 45,238,089,000 kWh, as shown in Mr. Troxle's WP/MAT/3.
8 Therefore, the residential EECRF not-to-exceed amount was \$58,945,230
9 or $(45,238,089,000 \times \$0.001303 = \$58,945,230)$.

10 Oncor's total cost for residential customers in the 2019 program
11 year was \$33,744,239 as shown in Mr. Troxle's WP/MAT/2: Residential
12 Service (c + e + f + g) or $(\$28,112,287 + \$4,154,477 + \$38,051 + \$1,439,424$
13 $= \$33,744,239)$. Rule 25.181(f)(7) approved in Project No. 46388, the Rule
14 that applied to the 2019 EECRF (i.e., 2019 program year), provides that
15 EM&V costs and municipal EECRF proceeding expenses are excluded
16 from the total EECRF costs. Therefore, the total EECRF cost for residential
17 customers in the 2019 program year was \$33,383,076 or $(\$33,744,239 -$
18 $\$323,112 \text{ EM\&V costs} - \$38,051 \text{ municipal EECRF proceeding expenses})$
19 and was less than the not-to-exceed amount of \$58,945,230.

20 The commercial EECRF not-to-exceed amount, per the Rule
21 25.182(d)(7)(C) approved in Project No. 48692, is as follows: "[f]or the 2019
22 program year and thereafter, the residential and commercial cost caps shall
23 be calculated to be the prior period's cost caps increased or decreased by
24 a rate equal to the most recently available calendar year's percentage
25 change in the South urban CPI, as determined by the Federal Bureau of
26 Labor Statistics." The 2018 commercial cost per kWh was \$0.000799. The
27 most recently available calendar year percentage change in the South
28 urban CPI for the calculation of the 2019 cost per kWh was 2017. The 2017
29 year's percentage change was 2.0473% as shown in Exhibit GDJ-5.
30 Therefore, the cost per kWh for 2019 is \$0.000815 or $(\$0.000799 \times$



1 1.020473) = \$0.000815. The not-to-exceed amount is based on a per kWh
2 basis and excludes EM&V costs, municipal EECRF proceeding expenses
3 and any interest amounts applied to over- or under-recoveries, as described
4 in Rule 25.182(d)(7).

5 The eligible weather-adjusted commercial customer consumption for
6 2019 was 67,264,532,000 kWh, as shown in Mr. Troxle's WP/MAT/3.
7 Therefore, the commercial EECRF not-to-exceed amount was \$54,820,594
8 or $(67,264,532,000 \times \$0.000815 = \$54,820,594)$.

9 Oncor's total cost for commercial customers in the 2019 program
10 year was \$22,120,260, as shown in Mr. Troxle's WP/MAT/2: Total [c + e +
11 f + g] – Residential Service [c + e + f + g] or $[\$48,989,062 + \$6,784,959 +$
12 $\$53,301 + 37,177] - [\$28,112,287 + \$4,154,477 + \$38,051 + 1,439,424] =$
13 $\$22,120,260$. The weather-adjusted aggregate of all eligible commercial
14 customers' kWh consumption in 2019 was 67,264,532,000 kWh, as shown
15 in WP/MAT/3 (Retail Total 112,502,621,000 kWh – Residential
16 45,238,089,000 kWh = 67,264,532,000 kWh). The not-to-exceed amount
17 was \$54,820,594 or $(67,264,532,000 \text{ kWh} \times \$0.000815)$. Rule 25.181(f)(7)
18 approved in Project No. 46388, the Rule that applied to the 2019 EECRF
19 (i.e., 2019 program year), provides that EM&V costs and municipal EECRF
20 proceeding expenses are excluded from the total EECRF costs. Therefore,
21 the total EECRF cost for commercial customers in the 2019 program year
22 was \$21,692,133 $(\$22,120,260 - \$412,877 \text{ EM\&V costs} - \$15,250$
23 $\text{municipal EECRF proceeding expenses})$ and was less than the not-to-
24 exceed amount of \$54,820,594.

25 Q. HOW IS THE ENERGY EFFICIENCY PERFORMANCE BONUS
26 CALCULATED?

27 A. Rule 25.182(e) defines how the energy efficiency performance bonus is
28 calculated. The bonus is based on a share of the "net benefits" realized
29 as a result of the utility having met its demand reduction goal. "Net benefits"
30 are calculated according to Rule 25.182(e)(2), which states that they "shall

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1 be calculated as the sum of total avoided cost associated with the eligible
2 programs administered by the utility minus the sum of all program costs.
3 Program costs shall include the cost of incentives, EM&V contractor costs,
4 any shareholder bonus awarded to the utility, and actual or allocated
5 research and development and administrative costs, but shall not include
6 any interest amounts applied to over- or under-recoveries. Total avoided
7 costs and program costs shall be calculated in accordance with this section
8 and §25.181 of this title.”

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

14 Thus, the maximum energy efficiency performance bonus that a
15 utility can earn if the Rule 25.182 requirements are met is 10% of the utility’s
16 total net benefits.

17 Q. WHAT IS THE TOTAL AMOUNT OF ONCOR’S EARNED ENERGY
18 EFFICIENCY PERFORMANCE BONUS FOR THE 2019 PROGRAM
19 YEAR?

20 A. The total amount of Oncor’s earned energy efficiency performance bonus
21 for the 2019 program year is \$14,249,500.

22 Q. HOW WAS ONCOR’S EARNED ENERGY EFFICIENCY PERFORMANCE
23 BONUS OF \$14,249,500 CALCULATED?

24 A. As reflected in Section VI, Table 8, of Exhibit GDJ-1 (p. 22), each of Oncor’s
25 2019 energy efficiency programs that resulted in actual savings did so in
26 verified kW and kWh savings. Total avoided costs were calculated from the
27 savings for each program using the present value of the avoided cost of
28 capacity under Rule 25.181(d) of \$80/kW per year and avoided cost of
29 energy under the same Rule of \$0.05084/kWh per year based on the
30 appropriate estimated useful life of each measure in the specific energy

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1 efficiency program. The present value was calculated using the Estimated
2 Useful Life values for each program's measures approved in the Technical
3 Resource Manual v6.0, a 2% escalation rate, and a 7.44% discount rate
4 based upon Oncor's weighted average cost of capital approved by the
5 Commission in Docket No. 46957. The 2% escalation rate and 7.44%
6 discount rate were used as required in Rule 25.182(e)(5), and calculated
7 based on the methodology approved by the Commission in *APPLICATION*
8 *OF CENTERPOINT ENERGY HOUSTON ELECTRIC LLC FOR APPROVAL OF*
9 *AN ADJUSTMENT TO ITS ENERGY EFFICIENCY COST RECOVERY FACTOR*,
10 Docket No. 42560, Order at Findings of Facts 29 – 35 and 47 and
11 Conclusions of Laws 8 – 9 (November 24, 2014). The kW savings avoided
12 costs were then summed with the kWh savings avoided costs to calculate
13 the total savings avoided costs for each program. Next, all program total
14 savings avoided costs were summed to calculate the total savings avoided
15 costs for the entire 2019 energy efficiency program set, or \$198,293,425 as
16 shown in Exhibit GDJ-3. The net benefits were then calculated according
17 to Rule 25.182(e)(2) where net benefits are the sum of total avoided cost
18 associated with the eligible programs (\$198,293,425), minus the sum of all
19 program costs (\$55,798,422), or \$142,495,003 (*i.e.*, \$198,293,425 -
20 \$55,798,422 = \$142,495,003).

21 Oncor's statutory demand reduction goal in 2019 was 69,400 kW and
22 a total of 167,450 kW was actually achieved, which is 141.28% above the
23 statutory goal ([167,450 kW minus 69,400 kW] divided by 69,400 kW). Rule
24 25.182(e)(3) states that "[a] utility that exceeds 100% of its demand and
25 energy reduction goals shall receive a bonus equal to 1% of the net benefits
26 for every 2% that the demand reduction goal has been exceeded, with a
27 maximum of 10% of the utility's total net benefits." As previously shown,
28 Oncor exceeded its statutory demand reduction goal by 141.28%, which
29 results in a qualified bonus of 70.64% of the net benefits (141.28% divided
30 by 2), or \$100,658,470 (earned bonus) = (\$142,495,003 [net benefits] X

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1 .7064). However, Rule 25.182(e)(3) also states that the maximum bonus
2 can only be 10% of the utility's total net benefits. Therefore, Oncor's
3 maximum earned bonus is limited to \$14,249,500 (*i.e.*, .1 X \$142,495,003
4 [Oncor's 2019 total net benefits] = \$14,249,500).

5 Additionally, as required by Rule 25.182(e), Oncor's performance
6 bonus calculation does not include demand or energy savings that result
7 from programs other than programs implemented under Rule 25.181.
8 Please see Exhibit GDJ-3 for a summary of the above-described
9 calculation, Section VI, Table 8, of Exhibit GDJ-1 (p. 22) for the 2019 energy
10 efficiency program year reported and verified savings amounts and Section
11 VIII, Table 10, of Exhibit GDJ-1 (p. 26) for the 2019 program year costs.
12 Please note that the EM&V costs used in this calculation were \$748,525 as
13 shown in WP/GDJ/6. This is the amount that was budgeted by the
14 Commission EM&V Contractor for the evaluation of the 2019 program year
15 and is different than the actual costs of \$735,989 shown in Section VIII,
16 Table 10, of Exhibit GDJ-1 (p. 26), which are the actual costs incurred in
17 2019 for the evaluation of the 2018 program year as described in more
18 detail later in my testimony.

19 **V. OVER-RECOVERY OF TOTAL 2019 ENERGY EFFICIENCY COSTS**

20 Q. DID ONCOR HAVE A TOTAL OVER-RECOVERY OF 2019 ENERGY
21 EFFICIENCY COSTS?

22 A. Yes, it did. Oncor had \$1,756,778 in total over-recovery of 2019 energy
23 efficiency costs.

24 Q. WHY WAS THERE A TOTAL OVER-RECOVERY OF COSTS FROM THE
25 2019 PROGRAM YEAR?

26 A. Please refer to Section VIII of Exhibit GDJ-1 (p. 25) for information on
27 Oncor's program funding for the 2019 program year and Mr. Troxle's direct
28 testimony for the calculation and analysis of the total over-recovery of
29 energy efficiency costs in WP/MAT/2.



1 Q. WILL THE TOTAL OVER-RECOVERY OF ENERGY EFFICIENCY COSTS
2 BE INCLUDED IN THE 2021 EECRF?

3 A. Yes. The total over-recovery is included in Oncor's requested 2021 EECRF
4 application.

5 Please refer to Mr. Troxle's direct testimony for more information
6 (including applicable interest) on the calculation of the amount to be
7 allocated by energy efficiency rate class through the proposed 2021
8 EECRF.

9 **VI. 2021 FORECASTED ENERGY EFFICIENCY COSTS**

10 Q. WHAT COSTS DOES ONCOR FORECAST FOR 2021 TO OPERATE
11 COST-EFFECTIVE ENERGY EFFICIENCY PROGRAMS THAT ACHIEVE
12 HIGH LEVELS OF ENERGY EFFICIENCY SAVINGS?

13 A. Oncor's proposed EECRF is based upon a total request of \$64,859,172
14 (excluding interest) for the 2021 program year. This amount is comprised
15 of a \$14,249,500 performance bonus, \$1,756,778 for the total over-
16 recovery of 2019 energy efficiency costs, both of which are set forth above,
17 a \$51,620,521 program year budget that Oncor projects is required for
18 2021, \$735,989 of estimated EM&V costs (for the evaluation of the 2020
19 program year) and \$9,940 for municipalities' EECRF proceeding expenses
20 related to Oncor's EECRF proceeding in Docket No. 49594.

21 For a more detailed description of the estimated costs for the 2021
22 energy efficiency program year budget broken out by program for each
23 customer class, please refer to Section IV, Table 6, of Exhibit GDJ-1 (p. 20);
24 and Exhibit GDJ-4 for the allocation of the forecasted 2021 budget by rate
25 code.

26 **VII. ESTIMATED EVALUATION, MEASUREMENT & VERIFICATION (EM&V)**
27 **COSTS**

28 Q. PLEASE EXPLAIN THE 2021 EM&V COSTS DESCRIBED ABOVE.

29 A. PURA §39.905(b)(6) requires the Commission to provide oversight and
30 adopt rules and procedures to ensure that programs are evaluated,

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1 measured and verified using a framework established by the Commission.
2 Rule 25.181(o)(10) states, “[t]he utilities shall be assigned the EM&V costs
3 in proportion to their annual program costs and shall pay the invoices
4 approved by the commission. The commission shall at least biennially
5 review the EM&V contractor’s costs and establish a budget for its services
6 sufficient to pay for those services that it determines are economic and
7 beneficial to be performed”.

8 Q. HOW DID ONCOR DETERMINE THE ESTIMATED EM&V COSTS OF
9 \$735,989 FOR THE 2021 PROGRAM YEAR?

10 A. The EM&V costs for the 2021 program year are estimated and are actual
11 expenses incurred in 2019 for review of the 2018 program year. The actual
12 2021 program year EM&V expenses for review of the 2020 program year
13 may differ from those incurred in 2019 for the review of the 2018 program
14 year. Actual 2021 program EM&V expenses will be reconciled in the 2022
15 EECRF filing.

16 Q. HOW WERE THE 2021 ESTIMATED EM&V COSTS ALLOCATED TO
17 RATE CLASSES?

18 A. The 2021 estimated EM&V costs were allocated to energy efficiency
19 programs based on a proration provided by the Commission Staff and
20 EM&V Contractor for the evaluation of the 2018 program year and incurred
21 in 2019. The cost allocation by program reflects the EM&V level of effort
22 and utilizes a methodology to allocate costs based on a combination of
23 energy savings and an assigned evaluation priority. The actual allocation
24 to rate classes that was used for the 2018 program year evaluation are used
25 for the 2021 allocation for review of the 2020 program year. Please see
26 WP/GDJ/5 and Exhibit GDJ-4 for the costs by program for the 2020 program
27 year evaluation that will be incurred in 2021.

28 **VIII. EECRF PROCEEDING EXPENSES**

29 Q. HOW WERE THE \$9,940 OF MUNICIPALITIES’ EECRF PROCEEDING
30 (i.e., RATE CASE) EXPENSES RELATED TO ONCOR’S EECRF

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1 PROCEEDING IN DOCKET NO. 49594 DETERMINED AND ALLOCATED
2 TO ENERGY EFFICIENCY RATE CLASSES?

3 A. Please refer to Mr. Troxle's direct testimony for more information regarding
4 the municipalities' EECRF proceeding expenses. Oncor anticipates that the
5 municipalities will file evidence supporting their EECRF proceeding
6 expenses.

7 Q. DID ONCOR INCUR ANY EECRF PROCEEDING (i.e., RATE CASE)
8 EXPENSES NOTED IN RULE 25.182(d)(3)(A) IN REGARDS TO ITS LAST
9 EECRF PROCEEDING THAT WAS CONDUCTED AND CONCLUDED IN
10 DOCKET NO. 49549?

11 A. No, Oncor did not incur any EECRF proceeding (i.e., rate case) expenses
12 in Docket No. 49594 and is not seeking EECRF proceeding (i.e., rate case)
13 expenses in this current proceeding. Specifically, Oncor did not incur
14 any outside legal or consulting fees, expenses for lodging, traveling, etc. in
15 connection with its participation in Docket No. 49594.

16 **IX. RULE COMPLIANCE**

17 Q. DOES ONCOR'S 2021 REQUESTED EECRF FOR ENERGY
18 EFFICIENCY PROGRAMS MEET THE COST RECOVERY
19 REQUIREMENTS IN RULE 25.182(d)(7)?

20 A. Yes. Rule 25.182(d)(7) states, "[t]he total EECRF costs outlined in
21 paragraph (1) of this subsection, excluding EM&V costs, excluding
22 municipal EECRF proceeding expenses, and excluding any interest
23 amounts applied to over- or under-recoveries, shall not exceed the amounts
24 prescribed in this paragraph unless a good cause exception filed under
25 §25.181(e)(2) of this title is granted." Rule 25.182(d)(7)(C) approved in
26 Project No. 48692, provides for the not-to-exceed amount for residential
27 customers in 2021 as follows: "[f]or the 2019 program year and thereafter,
28 the residential and commercial cost caps shall be calculated to be the prior
29 period's cost caps increased or decreased by a rate equal to the most
30 recently available calendar year's percentage change in the South urban



1 CPI, as determined by the Federal Bureau of Labor Statistics.” As shown
2 in Exhibit GDJ-5, the percentage change in the CPI for the 2019 calendar
3 year was 1.4534%. The 2020 not-to-exceed amount is \$0.001332 per kWh.
4 Therefore, the 2021 not-to-exceed amount is \$0.001351 per kWh or
5 ($\$0.001332 \times 1.014534 = \0.001351). Oncor’s 2021 residential EECRF is
6 \$0.000861 per kWh, as shown in Exhibit MAT-4.

7 Oncor’s 2021 forecasted consumption for residential customers is
8 46,238,895,000 kWh as shown in WP/MAT/3 and would equate to a not-to-
9 exceed amount of \$62,468,747 or ($46,238,895,000 \times \0.001351). Oncor’s
10 2021 total requested EECRF costs for residential customers is \$39,823,796
11 as shown in Exhibit MAT-4. Rule 25.182(d)(7) excludes EM&V costs,
12 municipalities’ EECRF proceeding expenses and any interest amounts
13 applied to over- or under-recoveries from the not-to-exceed amounts.
14 Excluding EM&V costs for residential programs of \$323,112 as shown in
15 Exhibit GDJ-4, municipal EECRF proceeding expenses for residential
16 customers of \$5,704 as shown in Exhibit MAT-4 in the testimony of Mr.
17 Troxle, and interest for over-recovery of \$29,879 as shown in WP/MAT/2
18 (column j – column h) in the testimony of Mr. Troxle, the total 2021
19 residential customer EECRF costs are \$39,524,859 [$(\$39,823,796) -$
20 $(\$323,112 + \$5,704 + -\$29,879)$] which is less than the not-to-exceed
21 amount of \$62,468,747.

22 Rule 25.182(d)(7)(C) approved in Project No. 48692, provides for the
23 not-to-exceed amount for commercial customers in 2021 as follows: “[f]or
24 the 2019 program year and thereafter, the residential and commercial cost
25 caps shall be calculated to be the prior period’s cost caps increased or
26 decreased by a rate equal to the most recently available calendar year’s
27 percentage change in the South urban CPI, as determined by the Federal
28 Bureau of Labor Statistics.” As shown in Exhibit GDJ-5, the percentage
29 change in the CPI for the 2019 calendar year was 1.4534%. The 2020 not-
30 to-exceed amount is \$0.000833 per kWh. Therefore the not-to-exceed