



Control Number: 50894



Item Number: 42

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APPLICATION OF TEXAS-NEW § PUBLIC UTILITY COMMISSION
MEXICO POWER COMPANY FOR §
APPROVAL TO ADJUST ITS ENERGY § OF TEXAS
EFFICIENCY COST RECOVERY §
FACTOR AND RELATED RELIEF §

ORDER

This Order addresses the application of Texas-New Mexico Power Company (TNMP) to adjust its energy-efficiency cost recovery factor (EECRF). TNMP filed a unanimous agreement between the parties in this proceeding. The Commission approves TNMP's agreed EECRF to the extent provided in this Order.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant PURA § 31.002(6) and 16 TAC § 25.181(b)

1. Texas-New Mexico Power Company is a Texas for-profit corporation registered with the Texas secretary of state under filing number 19241500 and is a wholly owned subsidiary of PNM Resources, Inc., a New Mexico corporation.
2. TNMP provides transmission and distribution service through facilities and equipment that it owns and operates in the Electric Reliability Council of Texas (ERCOT) region.
3. TNMP is required under certificate of convenience and necessity number 30038 to provide service to the public and retail electric utility service within its certificated service area.

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

4. On May 29, 2020, TNMP filed an application to adjust its EECRF effective March 1, 2021.
5. No party objected to the sufficiency of the application.
6. In its application, TNMP sought Commission approval to adjust its EECRF to recover \$5,921,913 during program year 2021, which included the following:
 - (a) TNMP's forecasted energy-efficiency costs of \$5,463,415 in program year 2021;

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- (b) projected evaluation, measurement, and verification (EM&V) expenses in the amount of \$57,346 for the evaluation of program year 2020;
 - (c) an adjustment of \$594,832 for TNMP's net over-recovery, including interest, of program year 2019 energy-efficiency costs;
 - (d) a performance bonus of \$982,370; and
 - (e) rate-case expenses in the amount of \$13,615 incurred by Cities Served by TNMP (Cities) in TNMP's most recent EECRF proceeding, Docket No. 49586.¹
7. In State Office of Administrative Hearings (SOAH) Order No. 3 filed on June 30, 2020, the SOAH administrative law judge (ALJ) found the application sufficient.

Notice of the Application *16 TAC §§ 22.55, 25.182(d)(13), (14)*

8. On June 1, 2020, TNMP provided notice of the application by electronic mail, facsimile transmission, or United States Postal Service certified mail to the following: all parties of record in TNMP's most recent EECRF proceeding, Docket No. 49586; all parties of record in TNMP's most recently completed base-rate case, Docket No. 48401;² all retail electric providers authorized to provide service in TNMP's service area at the time the EECRF application was filed; and the Texas Department of Housing and Community Affairs, the state agency that administers the federal weatherization program.
9. On June 2, 2020, TNMP provided notice of the application again by electronic mail or United States Postal Service certified mail to the entities listed in finding of fact 8.
10. In an affidavit filed by TNMP on June 2, 2020 and an amended affidavit filed by TNMP on June 3, 2020, Pamela Collins—a paralegal at the law firm Jackson Walker, L.L.P.—testified that notice had been provided as described in findings of fact 8 and 9.
11. No party objected to the adequacy of notice of the application.
12. In SOAH Order No. 3 filed on June 30, 2020, the SOAH administrative law judge (ALJ) found the notice of the application sufficient.

¹ *Application of Texas-New Mexico Power Company for Approval to Adjust the Energy Efficiency Cost Recovery Factor*, Docket No. 49586, Order (Dec. 13, 2019).

² *Application of Texas-New Mexico Power Company to Change Rates*, Docket No. 48401, Order (Dec. 20, 2018).

Intervenors and Intervenor Alignment *16 TAC § 22 103-22 105*

13. Commission Staff participated in this docket.
14. On June 4, 2020, Cities Served by TNMP filed a motion to intervene, which the SOAH ALJ did not rule on before remanding the proceeding to the Commission.
15. In SOAH Order No. 4 filed on July 7, 2020, the SOAH ALJ granted the Alliance for Retail Markets' motion to intervene.

Statements of Position and Pre-filed Testimony *16 TAC §§ 22 124 and 22 225*

16. As part of the application filed on May 29, 2020, TNMP filed the direct testimonies and exhibits of Stefani M. Case, TNMP's energy-efficiency manager for regulatory policy and case management; Stacy R. Whitehurst, TNMP's vice president of regulatory affairs; and Michael S. Seamster, an attorney employed by PNMR Services Company.
17. On July 8, 2020, TNMP filed errata to the direct testimony of Mr. Whitehurst.
18. On July 10, 2020, Cities filed the direct testimony and exhibits of Karl J. Nalepa.
19. On July 15, 2020, TNMP filed amended errata to exhibit SRW-15 attached to Mr. Whitehurst's direct testimony.
20. On July 27, 2020, Commission Staff filed the testimony of Alicia Maloy in support of the parties' agreement.

Referral to SOAH for Hearing *16 TAC §§ 22 121 and 25 182(d)(9)*

21. On June 2, 2020, the Commission referred this proceeding to SOAH.
22. On July 2, 2020, the Commission filed a preliminary order for this docket, which included a list of issues to be addressed in this proceeding.
23. In SOAH Order No. 4 filed on July 7, 2020, the SOAH ALJ abated the proceeding to allow further discussions regarding an agreement between the parties.
24. On July 27, 2020, TNMP filed the agreement between the parties.
25. In SOAH Order No. 5 filed on July 30, 2020, the SOAH ALJ dismissed the case from SOAH's docket and remanded it to the Commission.

Evidentiary Record

26. In SOAH Order No. 5 filed on July 30, 2020, the SOAH ALJ admitted the following into the evidentiary record:
- (a) TNMP's application and attachments, including the direct testimonies of Stefani M. Case, Stacy R. Whitehurst, and Michael S. Seamster, filed on May 29, 2020;
 - (b) TNMP's affidavit regarding service, filed on June 2, 2020;
 - (c) TNMP's amended affidavit regarding service, filed on June 3, 2020;
 - (d) TNMP's responses to Commission Staff's first request for information, filed on June 22, 2020;
 - (e) Commission Staff's response to SOAH Order No. 1 regarding the sufficiency of notice of the application, filed on June 22, 2020;
 - (f) TNMP's responses to Cities' first request for information, filed on June 26, 2020;
 - (g) TNMP's errata to the direct testimony of Stacy R. Whitehurst, filed on July 8, 2020;
 - (h) Cities' direct testimony and exhibits of Karl J. Nalepa, including the affidavit of Jamie L. Mauldin with Cities' supporting documentation for its rate-case expenses, filed on July 10, 2020;
 - (i) the amended errata to exhibit SRW-15 to the direct testimony of Stacy R. Whitehurst, filed on July 15, 2020;
 - (j) TNMP's amended responses to Cities' first request for information, filed on July 15, 2020;
 - (k) the parties' agreement filed on July 27, 2020; and
 - (l) Commission Staff's testimony of Alicia Maloy in support of the parties' agreement, filed on July 27, 2020.

Energy-Efficiency Goals *16 TAC § 25.181(e)*

27. Before any adjustment is made for industrial-customer exclusions, TNMP's summer weather-adjusted five-year average peak demand is 1,318 megawatts (MW), and its goal under 16 TAC § 25.181(e)(1)(C) is 5.27 MW.
28. Under 16 TAC § 25.181(e)(1)(D), a utility's demand-reduction goal may not be lower than the goal from the prior year, except as adjusted for industrial-customer exclusions. By removing lost load due to industrial-customer exclusions from its 2020 demand-reduction

goal of 5.44 MW, in the application, TNMP calculated a demand-reduction goal of 5.34 MW under 16 TAC § 25.181(e)(1)(D) and (E). TNMP also calculated an energy-savings goal of 9.363 megawatt-hours (MWh) under 16 TAC § 25.181(e)(4).

29. In their agreement, the parties agreed on a 2021 demand-reduction goal of 5.44 MW and a 2021 energy-savings goal of 9,531 MWh.
30. TNMP projects that it will achieve 10.47 MW in demand reductions in program year 2021, which exceeds the proposed minimum of 5.34 MW as well as the agreed minimum of 5.44 MW.
31. The estimated savings to be achieved through TNMP's programs for hard-to-reach customers is 0.9 MW, which exceeds the 5% minimum required by 16 TAC § 25.181(e)(3)(F).
32. Because of the mix of energy and demand achievable through the programs, TNMP forecasts that it will achieve energy savings of 14,202 MWh in program year 2021, which exceeds the minimum of 9,531 MWh.

Agreement *PURA § 14.054 and 16 TAC § 22.35*

33. Under the agreement, TNMP's EECRF will recover \$5,921,913 during program year 2021. The amount includes the following:
 - (a) TNMP's forecasted energy-efficiency costs of \$5,463,415 in program year 2021;
 - (b) projected EM&V expenses in the amount of \$57,346 for the evaluation of program year 2020;
 - (c) an adjustment of \$594,832 for TNMP's net over-recovery, including interest, of program year 2019 energy-efficiency costs;
 - (d) a performance bonus of \$982,370; and
 - (e) Cities' rate-case expenses in the amount of \$13,615 incurred in TNMP's most recent EECRF proceeding.
34. The agreement provides an effective date of March 1, 2021 for TNMP's program year 2021 EECRF tariff rider.

35. Under the agreement, TNMP's EECRF charges per kilowatt-hour (kWh) by rate class are as follows:

<u>Rate Class</u>	<u>EECRF Charge and Billing Unit</u>
Residential	\$0.001224
Secondary less than or equal to 5 kilowatts (kW)	\$0.003114
Secondary greater than 5 kW	\$0.000832
Primary	\$0.000080
Lighting	\$0.000015

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

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

EECRF Cost Caps 16 TAC § 25.182(d)(7)

39. Before applying the consumer-price-index adjustment, TNMP used a base cost cap of \$0.001332 per kWh for the residential class and \$0.000833 per kWh for the commercial classes. TNMP calculated its EECRF cost caps for the 2021 program year to be \$0.001351 per kWh for the residential class and \$0.000845 per kWh for the commercial classes.
40. For the purpose of the cost caps, TNMP's rate for the residential class is \$0.001216 per kWh, and TNMP's group rate for the commercial classes is \$.000576 per kWh.

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

41. TNMP requests to refund to or collect from each rate class the difference between TNMP's actual EECRF revenues and its actual costs for that class, which results in a net over-recovery.

42. TNMP accurately calculated its over-recovery of 2019 program costs in the amount of \$569,835, plus \$24,977 in interest.

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

43. In its application, TNMP included the testimony of Michael S. Seamster. In reaching his opinion on the reasonableness and necessity of TNMP's rate-case expenses, Mr. Seamster relied on the factors in 16 TAC § 25.245(b). In his testimony, Mr. Seamster stated that TNMP's rate-case expenses incurred in its 2019 EECRF proceeding, Docket No. 49586, in the amount of \$53,104 were reasonable and necessary.
44. Cities filed the direct testimony of Karl J. Nalepa, president of ReSolved Energy Consulting, LLC, and the affidavit of attorney Jamie L. Mauldin. Mr. Nalepa testified that Cities' consultant fees incurred in Docket No. 49586 in the amount of \$3,888 were reasonable and necessary and were not disproportionate, excessive, or unwarranted in relation to the nature and scope of the EECRF filing. Mr. Mauldin testified that Cities' total rate-case expenses incurred in Docket No. 49586 in the amount of \$14,784 through March 13, 2020 were reasonable and necessary.
45. TNMP's rate-case expenses in the amount of \$53,104 and Cities' rate-case expenses in the amount of \$13,615, as agreed to by the parties, are reasonable and necessary.
46. TNMP allocated Cities' rate-case expenses in proportion to the program costs for eligible customers on a rate-class basis.
47. TNMP agreed to reimburse Cities for its rate-case expenses in the amount of \$13,615 within 30 days of the date of this Order.

Performance Bonus Calculations *16 TAC § 25.182(e)*

48. In 2019, TNMP's program costs were \$5,628,998, and the total avoided costs were \$15,452,694 on energy-efficiency programs.
49. Under 16 TAC § 25.182(e)(3), TNMP sought the maximum allowable performance bonus, which is 10% of the net benefits of \$9,823,697 achieved through its energy-efficiency incentive program costs, for exceeding its goal for calendar year 2019. The resulting

performance bonus from this calculation is \$982,370 and is allocated in proportion to the program costs for eligible customers on a rate-class basis.

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

50. TNMP's share of the estimated total EM&V costs for the evaluation of program year 2020 is \$57,346, and to the maximum extent reasonably possible, it is directly assigned to each rate class that receives services under its programs.

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

51. TNMP incurred \$654,077 in necessary administrative costs and \$126,442 in research and development costs for the 2019 energy-efficiency programs to meet TNMP's goals. Those amounts were 13.68% and 2.64%, respectively, of the total program costs for the previous year. Therefore, TNMP's cumulative cost of administration and research and development was 16.32% of the total program costs.

52. TNMP's cost of administration did not exceed 15% of its total program costs. TNMP's cost of research and development did not exceed 10% of its total program costs. TNMP's cumulative cost of administration and research and development did not exceed 20% of its total program costs for the 2019 program year.

Cost Effectiveness *16 TAC § 25.181(d)*

53. TNMP used an avoided cost of capacity of \$80 per kW for 2019. TNMP used Commission Staff's posted avoided cost of energy of \$0.05084 per kWh for 2019.

54. TNMP determined that its 2019 portfolio of energy-efficiency programs produced a benefit-cost ratio of 2.75, which exceeds the benefit-cost ratio of 1.0 or greater required by 16 TAC § 25.181(d).

55. TNMP's forecasted 2021 energy-efficiency program costs of \$5,463,415 are a reasonable estimate of the costs necessary to provide energy-efficiency programs and meet TNMP's goals for 2021.

Total Cost Recovery *16 TAC § 25.182(d)*

56. TNMP's net cost recovery of \$458,498—which consists of TNMP's projected EM&V expenses for the evaluation of program year 2020; an adjustment for TNMP's net over-recovery, including interest, of program year 2019 energy-efficiency costs; TNMP's

performance bonus earned in 2019; and TNMP and Cities' rate-case expenses incurred in Docket No. 49586—is a reasonable amount.

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

57. TNMP directly assigned costs to the maximum extent reasonably possible to each rate class that receives services under the programs.

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

58. TNMP has adopted measures, including issuing requests for proposals and accepting online applications and registrations, to foster competition among energy-efficiency service providers.

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

59. TNMP's energy-efficiency programs include standard offer and market transformation programs.

Incentive Payments 16 TAC § 25.181(f)

60. TNMP's incentive payments do not exceed 100% of the avoided costs for any customer class.

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

61. TNMP did not incur any affiliate costs for energy efficiency in 2019.

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

62. On March 31, 2020, TNMP filed its 2020 energy-efficiency plan and report in a separate docket required by 16 TAC § 25.181(l).

63. On May 29, 2020, TNMP filed its amended 2020 energy-efficiency plan and report in a separate docket. The application includes the amended energy-efficiency plan and report.

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

64. TNMP is implementing a targeted low-income energy-efficiency program through two implementers to provide marketing and education to local government organizations and not-for-profit agencies. Frontier Energy contracts with the Texas Department of Housing and Community Affairs sub-recipients and other not-for-profit community action and government agencies to provide weatherization services to residential electric distribution

customers of TNMP who have household incomes at or below 200% of current federal poverty level guidelines. Additionally, EnerChoice LLC reaches the multifamily market through a competitive bidding process.

65. TNMP's total budgeted incentive amount for its low-income programs in program year 2021 is \$694,227, which exceeds 10% of the total portfolio budget amount of \$5,463,415 (excluding EM&V).

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

66. TNMP serves in an area in which customer choice is offered.
67. In 2016, 2017, and 2018, TNMP implemented a retail electric provider market transformation program that was a partnership between retail electric providers and TNMP to offer energy-saving products and service to end-use customers, but the program was not cost-effective because of a lack of retail electric provider assistance for the program. TNMP discontinued the program and did not offer it in 2019.

Industrial Customer Exclusions *16 TAC § 25.181(u)*

68. TNMP's industrial customers taking service at distribution voltage who elected to exclude themselves from TNMP's energy-efficiency programs and provided notices under 16 TAC § 25.181(u) constituted an exclusion of 31 MW from the calculations of the demand-reduction goal for program year 2021. Those excluded customers have been reflected in the EECRF calculations.

Line Losses *16 TAC §§ 25.181(e)(3)(B) and 25.182(d)(10)(M)*

69. TNMP calculated an average line-loss factor of 6.23% for use in calculating its demand-reduction goal.
70. TNMP's line-loss factor used in calculating its 2021 EECRF charges is reasonable.

Billing Determinants *16 TAC § 25.182(d)(10)(L)*

71. The estimate of billing determinants in calculating TNMP's 2021 EECRF and the calculation of the 2021 EECRF tariff rider are reasonable.

Good Cause Exceptions *16 TAC §§ 22.5(b), 22.35(b)(2), 25.181(e)(2), and 25.182(d)(2)*

72. TNMP 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). TNMP also did not seek a good-cause exception to combine rate classes under 16 TAC § 25.182(d)(2).
73. It is appropriate to consider this Order at the earliest open meeting available; therefore, good cause exists to waive the requirement in 16 TAC § 22.35(b)(2) that a proposed order be served on parties 20 days before the Commission is scheduled to consider the proposed order in an open meeting.

Informal Disposition *16 TAC § 22.35(a)*

74. More than 15 days have passed since the completion of notice provided in this docket.
75. Commission Staff, TNMP, Cities, and the Alliance for Retail Markets are the only parties to this proceeding.
76. No hearing is needed.
77. All the parties to the proceeding signed the agreement.
78. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. TNMP is a public utility as that term is defined in Public Utility Regulatory Act (PURA)³ § 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 is required to file for an EECRF.

³ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016.

4. TNMP complied with the requirement under 16 TAC § 25.182(d)(8) to apply by June 1 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. TNMP 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. TNMP's application is sufficient under 16 TAC § 25.182(d)(10) and (11).
9. Under 16 TAC § 22.104(c), a person who has filed a motion to intervene has all the rights and obligations of a party pending the presiding officer's ruling on the motion.
10. 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.
11. TNMP calculated its weather-adjusted average peak demand in compliance with 16 TAC § 25.181(e)(3).
12. TNMP has acquired a reduction of four-tenths of 1% of its summer weather-adjusted peak demand of residential and commercial customers in compliance with 16 TAC § 25.181(e)(1)(B), (e)(1)(C), and (e)(3)(B).
13. TNMP calculated its minimum energy-savings goal in compliance with 16 TAC § 25.181(e)(4).
14. TNMP'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).

⁴ Tex. Gov't Code §§ 2001.001–.903.

15. TNMP's proposed EECRF rates comply with the requirements for cost caps under 16 TAC § 25.182(d)(7).
16. TNMP's request to refund \$594,832 to customers for TNMP's total over-recovery, including interest, of its program year 2019 energy-efficiency costs complies with PURA § 39.905(b-1) and 16 TAC § 25.182(d)(1)(A) and (d)(2).
17. EECRF proceeding expenses are rate-case expenses.
18. The requirements of 16 TAC §§ 25.182(d)(3) and 25.245 apply to the recovery of EECRF proceeding expenses.
19. TNMP's 2019 rate-case expenses of \$53,104 comply with 16 TAC § 25.182(d)(3)(A) and 16 TAC § 25.245.
20. Cities' 2019 rate-case expenses of \$13,615 comply with PURA § 33.023 and 16 TAC §§ 25.182(d)(3)(B) and 25.245.
21. Under PURA § 33.023(b), TNMP is required to reimburse Cities for its reasonable rate-case expenses incurred in this proceeding.
22. TNMP qualified for and accurately calculated its energy-efficiency performance bonus of \$982,370 for its energy-efficiency achievements in program year 2019 in compliance with the requirements of PURA § 39.905 and 16 TAC § 25.182(e).
23. The amounts and allocation of TNMP's administrative and research and development costs comply with 16 TAC § 25.181(g).
24. TNMP's energy-efficiency programs adhere to the cost-effectiveness standards contained in 16 TAC § 25.181(d).
25. TNMP's 2021 energy-efficiency program costs of \$5,921,913 to be recovered through the EECRF are reasonable estimates of the costs necessary to provide energy-efficiency programs in 2021 in compliance with PURA § 39.905 and 16 TAC § 25.182(d)(1).
26. TNMP's net cost recovery of \$458,498—which consists of the projected EM&V expenses allocated to TNMP for the evaluation of program year 2020; an adjustment for the net over-recovery of program year 2019 energy-efficiency costs with interest; TNMP's

- performance bonus earned in 2019; and TNMP's and Cities' rate-case expenses incurred in Docket No. 49586—complies with PURA § 39.905 and 16 TAC § 25.182(d).
27. The assignments and allocations of TNMP's proposed 2021 EECRF rates to each rate class are reasonable and comply with PURA § 39.905(b)(4) and 16 TAC § 25.182(d)(2).
 28. TNMP has adopted measures to foster competition among energy-efficiency service providers in compliance with 16 TAC § 25.181(g)(2).
 29. TNMP's standard offer and market transformation programs comply with PURA § 39.905(a)(3) and 16 TAC § 25.181(h) through (k).
 30. TNMP's incentive payments, which do not exceed 100% of the avoided costs, comply with 16 TAC § 25.181(f).
 31. The annual expenditures for TNMP's targeted low-income energy-efficiency program exceed the minimum requirement of being 10% of the energy-efficiency budget for the program year in compliance with 16 TAC § 25.181(p).
 32. TNMP'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 retail electric providers in delivering efficiency and demand-response programs.
 33. TNMP's load associated with industrial customers who provided qualifying identification notice was excluded from TNMP's calculated demand-reduction goal in accordance with 16 TAC § 25.181(u).
 34. TNMP's proposed 2021 EECRF rates are just and reasonable under PURA § 36.003(a).
 35. In accordance with PURA § 36.003(b), TNMP's proposed 2021 EECRF rates are not unreasonably preferential, prejudicial, or discriminatory and are sufficient, equitable, and consistent in application to each consumer class.
 36. In accordance with 16 TAC § 25.182(d)(9)(B), TNMP is required to serve notice of the approved rates and the effective date of the approved rates on the retail electric providers that are authorized to provide service in its service area by the working day after TNMP files its approved EECRF tariff with central records. The notice may be served by email.

37. Under 16 TAC § 22.5(b), there is good cause to waive the 20-day notice requirement in 16 TAC § 22.35(b)(2).
38. This proceeding meets the requirements for informal disposition in 16 TAC § 22.35.

III. Ordering Paragraphs

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

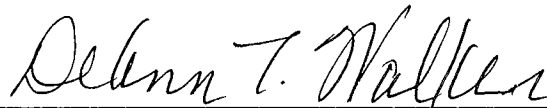
1. The Commission approves the agreed EECRF for Texas-New Mexico Power Company (TNMP) to the extent provided in this Order.
2. The Commission approves TNMP's 2021 EECRF in the amount of \$5,921,913, which is composed of the following:
 - (a) TNMP's forecasted energy-efficiency costs of \$5,463,415 in program year 2021;
 - (b) EM&V expenses of \$57,346 for the evaluation of program year 2020;
 - (c) an adjustment of \$594,832 for the total over-recovery of program year 2019 energy-efficiency costs, including interest;
 - (d) a performance bonus of \$982,370; and
 - (e) Cities' rate-case expenses incurred in Docket No. 49586 in the amount of \$13,615.
3. The Commission approves TNMP's EECRF tariff rider schedule attached to the parties' agreement filed on July 27, 2020 as exhibit B.
4. The Commission authorizes TNMP to apply the EECRF tariff rider approved in this Order beginning on and after March 1, 2021.
5. Within ten days of the date of this Order, TNMP must provide a clean copy of the EECRF tariff approved in this Order to central records to be marked *Approved* and filed in the Commission's tariff books.
6. TNMP must serve notice of the approved rates and the effective date of the approved rates on retail electric providers that are authorized to provide service in its service area by the

working day after TNMP files its approved EECRF tariff with the Commission. The notice may be served by email.

7. Within 30 days of the date of this Order, TNMP must reimburse Cities \$13,615 for their 2019 EECRF rate-case expenses.
8. 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.
9. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the 10th day of September 2020.

PUBLIC UTILITY COMMISSION OF TEXAS



DEANN T. WALKER, CHAIRMAN



ARTHUR C. D'ANDREA, COMMISSIONER



SHELLY BOTKIN, COMMISSIONER