Filing Receipt

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Control Number - 55074

Item Number - 37
APPLICATION OF ONCOR ELECTRIC § DELIVERY COMPANY LLC TO § ADJUST ITS ENERGY EFFICIENCY § COST RECOVERY FACTOR § BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

JOINT MOTION TO ADMIT EVIDENCE AND REMAND THIS DOCKET TO THE COMMISSION TO THE HONORABLE DANIEL WISEMAN, ADMINISTRATIVE LAW JUDGE:

COMES NOW, Oncor Electric Delivery Company LLC (“Oncor”), and files this Joint Motion to Admit Evidence and Remand this Docket to the Public Utility Commission of Texas (“Commission”) on behalf of itself, the Commission Staff of the Public Utility Commission of Texas (“Staff”), the Steering Committee of Cities Served by Oncor (“Cities”), Texas Industrial Energy Consumers (“TIEC”) and Sierra Club (collectively, “Parties”), respectfully showing:

On August 1, 2023, Oncor, Staff, Cities, and Sierra Club (collectively, “Signatories”) executed a Stipulation and Settlement Agreement (attached hereto as Attachment A). TIEC is unopposed to that agreement. This Stipulation and Settlement Agreement, which includes a Proposed Order, resolves all issues in this proceeding. The Parties request that Your Honor: (i) admit certain evidence into the record; and (ii) remove this proceeding from the State Office of Administrative Hearings’ docket and remand the proceeding to the Commission for consideration and approval of the Signatories’ proposed Order.

I. BACKGROUND

On May 31, 2023, Oncor filed an Application for its 2024 Energy Efficiency Cost Recovery Factor (“EECRF”) to recover a total of $72,399,769 effective March 1, 2024, consistent with 16 Tex. Admin. Code (“TAC”) § 25.182(d)(9)(B) (“Application”). Oncor’s request of $72,399,769 is based on the following components: (a) $49,157,901 for energy efficiency expenses forecasted for the 2024 program year; (b) a performance bonus of $20,545,284 for Oncor’s energy efficiency achievements in 2022; (c) allocation of $1,943,857 for the total under-recovery of 2022 energy efficiency costs that includes
the required interest payment; (d) $742,852 for the estimated Evaluation, Measurement, and Verification (EM&V) costs for the evaluation of program year 2023; and (e) $9,875 relating to Cities’ EECRF proceeding expenses incurred in 2022 in Docket No. 53671¹ and to be included in Oncor’s 2024 EECRF proceeding in this docket.

The Parties engaged in settlement discussions regarding Oncor’s 2024 EECRF application in this proceeding. Specifically, Cities sought a reduction of Oncor’s energy efficiency expenses forecasted for the 2024 program year related to program administration and research and development costs. No other party sought a cost reduction regarding Oncor’s application, and Oncor believes its application is appropriate and reasonable as filed. However, Oncor has agreed to revise the amount requested for its 2024 EECRF by reducing the energy efficiency expenses forecasted for the 2024 program year from $49,157,901 to $49,032,901 as a black-box reduction, which is agreeable by the Signatories. Therefore, Oncor’s total EECRF request for the 2024 program year will be reduced to $72,274,769, which is agreeable by the Signatories.

Additionally, Sierra Club and Oncor have agreed to collaborate in the future regarding residential energy efficiency and demand response programs in other forums outside the EECRF process.

II. MOTION TO ADMIT EVIDENCE

The Parties request that an order be entered admitting the following evidence into the evidentiary record:

(a) **Oncor Exhibit 1:** Oncor’s Application with attachments A through C, filed on May 31, 2023;
(b) **Oncor Exhibit 2:** the direct testimony of Garry D. Jones with exhibits GDJ-1 through GDJ-9 and workpapers WP/GDJ/1 through WP/GDJ/8, filed on May 31, 2023;
(c) **Oncor Exhibit 3:** the direct testimony of Darryl E. Nelson with exhibits DEN-1 through DEN-6 and workpapers WP/DEN/1 through WP/DEN/4, filed on May 31, 2023;

(d) Oncor Exhibit 4: Oncor’s affidavit attesting to the provision of notice, filed on June 6, 2023;
(e) Cities Exhibit 1: Oncor’s response to the first request for information propounded by Cities to Oncor, filed on June 30, 2023;
(f) TIEC Exhibit 1: Oncor’s response to the first request for information propounded by TIEC to Oncor, filed on July 10, 2023;
(g) Staff Exhibit 1: Cities’ response to the first request for information propounded by Staff to Cities, filed on June 30, 2023;
(h) Staff Exhibit 2: Oncor’s response to the first request for information propounded by Staff to Oncor, filed on July 3, 2023;
(i) Staff Exhibit 3: the direct testimony of Chase Lipscomb, filed on August 4, 2023; and
(j) the Stipulation and Settlement Agreement in this proceeding with all attachments, filed on August 4, 2023.

III. MOTION TO REMAND THIS DOCKET TO THE COMMISSION

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

IV. CONCLUSION

WHEREFORE, the Parties pray that the above-referenced motions be granted. The undersigned is authorized to represent the concurrence of the Parties to this pleading.

Respectfully submitted,

Oncor Electric Delivery Company LLC

By: /s/ Ritchie J. Sturgeon
Ritchie J. Sturgeon
State Bar No. 24068574
Oncor Electric Delivery Company LLC
CERTIFICATE OF SERVICE

It is hereby certified that a copy of the foregoing has been served by email on all parties of record who have provided an email address, and by first class mail to those parties without email addresses on record, on this the 4th day of August, 2023, in accordance with the Commission's Second Order Suspending Rules issued on July 16, 2020, in Project No. 50664.

/s/ Ritchie J. Sturgeon
This Stipulation and Settlement Agreement (“Stipulation”) is entered into by and between Oncor Electric Delivery Company LLC (“Oncor”), Commission Staff (“Staff”) of the Public Utility Commission of Texas (“Commission”), the Steering Committee of Cities Served by Oncor (“Cities”), and Sierra Club, (collectively “Signatories,” and individually “Signatory”). Texas Industrial Energy Consumers (“TIEC”) is unopposed to the Stipulation.

I. BACKGROUND

On May 31, 2023, Oncor filed an Application for its 2024 Energy Efficiency Cost Recovery Factor (“EECRF”) to recover a total of $72,399,769 effective March 1, 2024, consistent with 16 Tex. Admin. Code (“TAC”) § 25.182(d)(9)(B) (“Application”). Oncor’s request of $72,399,769 is based on the following components: (a) $49,157,901 for energy efficiency expenses forecasted for the 2024 program year; (b) a performance bonus of $20,545,284 for Oncor’s energy efficiency achievements in 2022; (c) allocation of $1,943,857 for the total under-recovery of 2022 energy efficiency costs that includes the required interest payment; (d) $742,852 for the estimated Evaluation, Measurement, and Verification (EM&V) costs for the evaluation of program year 2023; and (e) $9,875 relating to Cities’ EECRF proceeding expenses incurred in 2022 in Docket No. 53671 and to be included in Oncor’s 2024 EECRF proceeding in this docket.

Oncor, Staff, Cities, TIEC and Sierra Club engaged in settlement discussions regarding Oncor’s 2024 EECRF application in this proceeding. Specifically, Cities sought

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a reduction of Oncor’s energy efficiency expenses forecasted for the 2024 program year related to program administration and research and development costs. No other party sought a cost reduction regarding Oncor’s application, and Oncor believes its application is appropriate and reasonable as filed. However, Oncor has agreed to revise the amount requested for its 2024 EECRF by reducing the energy efficiency expenses forecasted for the 2024 program year from $49,157,901 to $49,032,901 as a black-box reduction. Therefore, Oncor’s total EECRF request for the 2024 program year will be reduced to $72,274,769. Actual energy efficiency expenses and EECRF tariff recoveries for the 2024 program year will be reconciled consistent with the Commission’s Energy Efficiency Rules in a future EECRF filing.

Additionally, Sierra Club and Oncor have agreed to collaborate in the future regarding residential energy efficiency and demand response programs in other forums outside the EECRF process. Specific details regarding this collaboration effort are described in section 7 of this Stipulation.

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

II. STIPULATION AND SETTLEMENT AGREEMENT

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

1. Notice. Oncor’s notice of its 2024 EECRF Application was adequate and in compliance with 16 TAC § 22.55 and 16 TAC § 25.182(d)(13).

2. EECRF Revenue. Oncor’s 2024 EECRF revenue will be $72,274,769 effective March 1, 2024, and is comprised of:

   (a) $49,032,901 for energy efficiency expenses forecasted for the 2024 program year;

   (b) a performance bonus of $20,545,284 for Oncor’s energy efficiency achievements in 2022;
(c) allocation of $1,943,857 for the total under-recovery of 2022 energy efficiency costs that includes the required interest payment;

(d) $742,852 for the estimated EM&V costs for the evaluation of program year 2023; and

(e) $9,875 relating to Cities’ EECRF proceeding expenses incurred in 2022 in Docket No. 53671 and to be included in Oncor’s 2024 EECRF proceeding in this docket.

3. **Energy Efficiency Cost Recovery Factors.** Oncor’s 2024 energy-efficiency cost recovery factors will be as noted in Exhibit 1 to this Stipulation.

4. **Reconciliation of Program Year 2022 Costs.** The energy-efficiency costs recovered by Oncor for prior program year 2022 were analyzed by Staff for reconciliation review and determined to be reasonable.

5. **Rate Case Expenses.** Cities incurred rate case expenses in the amount of $9,875 in Oncor’s prior EECRF proceeding in Docket No. 53671 that are to be included in Oncor’s 2024 EECRF proceeding in this docket.

   (a) Cities’ rate case expenses related to Docket No. 53671 were analyzed by Staff and determined to be reasonable.

   (b) Oncor agrees to reimburse Cities their 2022 rate case expenses incurred in Docket No. 53671 in the amount approved by the Commission within 30 days of the Commission’s final order, unless the Commission orders a different deadline.

   (c) Oncor did not incur rate case expenses in 2022 in Docket No. 53671 and is not seeking recovery of rate case expenses in this docket.

6. **Evidence.** The Signatories agree to request that the following be admitted into the evidentiary record:

   (a) **Oncor Exhibit 1:** Oncor’s Application with attachments A through C, filed on May 31, 2023;

   (b) **Oncor Exhibit 2:** the direct testimony of Garry D. Jones with exhibits GDJ-1 through GDJ-9 and workpapers WP/GDJ/1 through WP/GDJ/8, filed on May 31, 2023;

   (c) **Oncor Exhibit 3:** the direct testimony of Darryl E. Nelson with exhibits DEN-1 through DEN-6 and workpapers WP/DEN/1 through WP/DEN/4, filed on May 31, 2023;
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(g) **Staff Exhibit 1**: Cities’ response to the first request for information propounded by Staff to Cities, filed on June 30, 2023;

(h) **Staff Exhibit 2**: Oncor’s response to the first request for information propounded by Staff to Oncor, filed on July 3, 2023;

(i) **Staff Exhibit 3**: the direct testimony of Chase Lipscomb, filed on August 4, 2023; and

(j) the Stipulation and Settlement Agreement in this proceeding with all attachments, filed on August 4, 2023.

7. **Collaboration Between Oncor and Sierra Club.** The following settlement terms do not obligate Oncor to develop, modify or create new programs. The final decision to develop, modify or create new programs remains solely with Oncor subject to Commission (including its Evaluator) direction.

(a) Oncor agrees to collaborate with Sierra Club regarding residential energy efficiency and demand-response programs. Oncor will meet and collaborate with Sierra Club at a time and place determined by Oncor to review and discuss Oncor’s portfolio of energy efficiency and demand response programs. The collaboration may include discussion and ideation of new traditional residential energy efficiency programs, as well as those that promote advanced residential technologies. Oncor, along with Sierra Club (with Oncor pre-approval), may present the results of these efforts for discussion during the spring energy-efficiency implementation project meeting in 2024.

(b) Oncor conducts annual outreach to energy efficiency service providers (EESPs) to present program updates and discuss measures within the programs, participation requirements, incentives for measures, inspection processes, documentation requirements, enrollment procedures, program updates, and any
Oncor agrees to incorporate into one of its presentations to the EESPs basic information as determined by Oncor on how both residential and commercial customers can take advantage of the available energy efficiency and demand response programs. Oncor will invite a designated Sierra Club employee to the residential 2024 kickoff meeting and allow Sierra Club to present an Oncor pre-approved presentation regarding energy efficiency, including information on any available federal funding opportunities directly accessible by Oncor.

8. **Filing the Commission Approved Tariff.** Unless prohibited by Commission action, the Signatories agree that: i) Oncor's filing of the Commission-approved tariff will be made at least 45 days in advance of the tariff's effective date, March 1, 2024; ii) Oncor's filing of the Commission-approved tariff will be within 10 days of the Commission's issuance of a final order in this proceeding; and iii) Oncor will serve notice of the approved rates and effective date of the approved rates to the retail electric providers that are authorized to provide service in Oncor's service area by the working day after Oncor files the Commission-approved tariff with the Commission.

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

**III. EFFECT OF STIPULATION AND SETTLEMENT AGREEMENT**

The Signatories agree that the terms of this Stipulation are fair, reasonable, and in the public interest. The Signatories further agree to support the terms of this Stipulation as set forth herein and to take reasonable steps to support the entry of orders fully consistent with the Stipulation. This Stipulation has been drafted by all Signatories and is the result of negotiation, compromise, settlement, and accommodation. The Signatories agree that the terms and conditions herein are interdependent. The various provisions of this Stipulation are not severable. None of the provisions of this Stipulation shall become fully operative unless the Commission enters a final Order consistent with the terms of this Stipulation. If the Commission does not accept this Stipulation as presented, or issues an interim or final order inconsistent with the terms of this Stipulation, each Signatory has the right to withdraw from the Stipulation and to seek a hearing on all
issues, present evidence, and advance any position it deems appropriate as if it had not been a Signatory.

The terms of this Stipulation may not be used either as an admission or concession of any sort or as evidence in any proceeding except to enforce the terms of this Stipulation. Oral or written statements made during the course of the settlement negotiations may not be used for any purposes other than as necessary to support the entry of a Commission order implementing this Stipulation. All oral or written statements made during the course of the settlement negotiations are governed by Tex. R. Evid. 408.

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

This Stipulation contains the entire agreement among the Signatories. Moreover, this Stipulation supersedes all other written and oral exchanges or negotiations among the Signatories or their representatives with regard to the subjects contained herein. Each person executing this Stipulation represents that he or she is authorized to sign this Stipulation on behalf of the party represented. Facsimile or e-mail copies of signatures are valid for purposes of evidencing this Stipulation, which may be executed in multiple counterparts.
Dated: August 1, 2023

AGREED:

ONCOR ELECTRIC DELIVERY COMPANY LLC

BY: Ritchie J. Sturgeon
State Bar No. 24068574
Counsel
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

AGREED:

COMMISSION STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS

BY: David Berlin
State Bar No. 24126088
Phillip Lehmann
State Bar No. 24100140
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3480
Telephone: (512) 936-7442
Facsimile: (512) 936-7268
David.Berlin@puc.texas.gov
AGREED:

STEERING COMMITTEE OF CITIES SERVED BY ONCOR

BY: ____________________________
    Thomas L. Brocato
    State Bar No. 03039030
    Samantha N. Miller
    State Bar No. 24131515
    Lloyd Gosselink Rochelle & Townsend, P.C.
    816 Congress Avenue, Suite 1900
    Austin, Texas 78701
    Telephone: (512) 322-5800
    Facsimile: (512) 472-0532
    tbrocato@lglawfirm.com
    smiller@lglawfirm.com

AGREED: SIERRA

CLUB

BY: ____________________________
    /s/ Joshua Smith
    Joshua Smith
    Senior Staff Attorney
    Dr. Cyrus Reed, PhD
    Conservation Director
    Sierra Club Environmental Law Program
    2101 Wester St., Suite 1300
    Oakland, CA 94612
    Tel: 415-977-5560
    Email: joshua.smith@sierraclub.org
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)

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Residential Service ≤ 10 kW*</th>
<th>Residential Service &gt; 10 kW*</th>
<th>Secondary Service ≤ 10 kW*</th>
<th>Secondary Service &gt; 10 kW*</th>
<th>Primary Service &gt; 10 kW - Distribution Line*</th>
<th>Primary Service &gt; 10 kW - Substation*</th>
<th>Transmission Service Non-Profit ($/kWh)</th>
<th>Transmission Service For Profit ($/kWh)</th>
<th>Lighting Service ($/kWh)</th>
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<td>(0.05)</td>
<td>130.77</td>
<td>130.77</td>
<td>(224.74)</td>
<td>(224.74)</td>
</tr>
</tbody>
</table>
### Energy Efficiency Cost Recovery Factor (EECRF)

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Residential Service</th>
<th>Secondary Service</th>
<th>Primary Service</th>
<th>Transmission Service</th>
<th>Lighting Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($/Retail Customer)</td>
<td>($/Retail Customer)</td>
<td>($/Retail Customer)</td>
<td>($/Retail Customer)</td>
<td>($/Retail Customer)</td>
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<td>(0.79)</td>
<td>2.48</td>
<td>(2.17)</td>
<td>26.17</td>
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* Excludes those industrial customers taking electric service at distribution voltage qualifying for the exemption pursuant to Substantive Rule § 25.181(u).

**NOTICE**

This rate schedule is subject to the Company’s Tariff and Applicable Legal Authorities.
# Performance Bonus Allocation

**Performance Bonus for 2022 Energy Efficiency Programs**

<table>
<thead>
<tr>
<th>Energy Efficiency Rate Class</th>
<th>2022 Energy Efficiency Program Costs</th>
<th>Performance Bonus Allocation Factors</th>
<th>Performance Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Service</td>
<td>31,961,378</td>
<td>64.35620654%</td>
<td>$13,222,166</td>
</tr>
<tr>
<td>Secondary Service ≤ 10 kW</td>
<td>125,565</td>
<td>0.25283287%</td>
<td>$31,945</td>
</tr>
<tr>
<td>Secondary Service &gt; 10 kW</td>
<td>14,586,653</td>
<td>29.37120636%</td>
<td>$4,034,398</td>
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<td>Primary Service ≤ 10 kW</td>
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<td>0.00000000%</td>
<td>$0</td>
</tr>
<tr>
<td>Primary Service &gt; 10 kW</td>
<td>2,687,862</td>
<td>5.41165245%</td>
<td>$1,111,638</td>
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<tr>
<td>Distribution Line Substation</td>
<td>299,685</td>
<td>0.60343424%</td>
<td>$123,977</td>
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<tr>
<td>Transmission Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non Profit</td>
<td>2,318</td>
<td>0.00456744%</td>
<td>$959</td>
</tr>
<tr>
<td>For Profit</td>
<td>0</td>
<td>0.00000000%</td>
<td>$0</td>
</tr>
<tr>
<td>Lighting Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>49,663,241</td>
<td>100.00000000%</td>
<td>$20,545,284</td>
</tr>
</tbody>
</table>

1. Exhibit GDJ-4 column (h)
2. Exhibit GDJ-2
**Oncor Electric Delivery Company LLC**  
**Application for 2024 Energy Efficiency Cost Recovery Factor**

**EECRF Proceeding Expense Allocation**

<table>
<thead>
<tr>
<th>Energy Efficiency Rate Class</th>
<th>2022 Energy Efficiency Program Costs^2</th>
<th>EECRF Proceeding Expense Allocation Factors</th>
<th>Allocated EECRF Proceeding Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Service</td>
<td>31,961,378</td>
<td>64.35620664%</td>
<td>$6,356</td>
</tr>
<tr>
<td>Secondary Service ≤ 10 kW</td>
<td>125,565</td>
<td>0.25283287%</td>
<td>$25</td>
</tr>
<tr>
<td>Secondary Service &gt; 10 kW</td>
<td>14,586,693</td>
<td>29.37120636%</td>
<td>$2,900</td>
</tr>
<tr>
<td>Primary Service ≤ 10 kW</td>
<td>0</td>
<td>0.00000000%</td>
<td>$0</td>
</tr>
<tr>
<td>Primary Service &gt; 10 kW</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution Line</td>
<td>2,887,602</td>
<td>5.41165245%</td>
<td>$534</td>
</tr>
<tr>
<td>Substation</td>
<td>299,685</td>
<td>0.60343424%</td>
<td>$60</td>
</tr>
<tr>
<td>Transmission Service</td>
<td>0</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Non Profit</td>
<td>2,318</td>
<td>0.00466744%</td>
<td>$0</td>
</tr>
<tr>
<td>For Profit</td>
<td>0</td>
<td>0.00000000%</td>
<td>$0</td>
</tr>
<tr>
<td>Lighting Service</td>
<td>0</td>
<td>0.00000000%</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>49,663,241</td>
<td>100.00000000%</td>
<td>$9,875</td>
</tr>
</tbody>
</table>

^1Exhibit GDJ-4 column (h)  
^2Exhibit GDJ-2
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Residential Service</td>
<td>$2,438,742</td>
<td>$32,569,000</td>
<td>64.36%</td>
<td>$32,485,555</td>
</tr>
<tr>
<td>2</td>
<td>Secondary Service - 10 kW</td>
<td>$(138,144)</td>
<td>4,095,036</td>
<td>0.00%</td>
<td>$(36,714)</td>
</tr>
<tr>
<td>3</td>
<td>Secondary Service - 10 kW</td>
<td>$(1,445,738)</td>
<td>14,289,517</td>
<td>29.37%</td>
<td>$(36,714)</td>
</tr>
<tr>
<td>4</td>
<td>Primary Service - 10 kW</td>
<td>$872</td>
<td>-</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Secondary Service - 10 kW</td>
<td>$4,095,036</td>
<td>4,095,036</td>
<td>29.37%</td>
<td>$32,485,555</td>
</tr>
<tr>
<td>6</td>
<td>Distribution Line</td>
<td>$1,125,031</td>
<td>2,880,192</td>
<td>54.11%</td>
<td>$1,111,838</td>
</tr>
<tr>
<td>7</td>
<td>Substation</td>
<td>$79,174</td>
<td>221,948</td>
<td>0.00%</td>
<td>$60</td>
</tr>
<tr>
<td>8</td>
<td>Transmission Service</td>
<td>$(113,078)</td>
<td>-</td>
<td>0.00%</td>
<td>$(8)</td>
</tr>
<tr>
<td>9</td>
<td>Non Profit</td>
<td>$872</td>
<td>-</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>For Profit</td>
<td>$1,125,031</td>
<td>2,880,192</td>
<td>54.11%</td>
<td>$(1,111,838)</td>
</tr>
<tr>
<td>11</td>
<td>Lighting Service</td>
<td>$79,174</td>
<td>221,948</td>
<td>0.00%</td>
<td>$60</td>
</tr>
<tr>
<td>12</td>
<td>Total</td>
<td>$2,660,192</td>
<td>49,775,753</td>
<td>0.00%</td>
<td>5,41%</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>$(125,000.00)</td>
<td>49,775,753</td>
<td>0.00%</td>
<td>$32,485,555</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2024 Projected Program Costs</td>
<td>100.00%</td>
<td>49,775,753</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Settlement 2024</td>
<td>49,775,753</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$125,000.00</td>
<td>49,775,753</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Notes:
1. WP/DEN2 column (g)
2. Exhibit SD-1 column (g)
3. Exhibit DEN-2 column (g)
4. Exhibit DEN-3 column (g)
5. Source: Oncor Electric Delivery Company LLC's Energy and Demand Plan as shown on WP/DEN3
6. The allocation percentages used for the black-box settlement for DA55074 reduction are the same percentages used to allocate the Performance Bonus and Proceeding expenses (see Ex SD-2 and Ex SD-3)
7. The Adjusted 2024 Program Costs in this column will replace the original 2024 Projected Program Costs (column c) in the final calculation of EECRFs in column (g).
<table>
<thead>
<tr>
<th>(a)</th>
<th>2022 Cost Cap per kWh</th>
<th>(b) Change per South Urban CPI (2022)</th>
<th>(c) 2024 Cost Cap per kWh</th>
<th>(d) Eligible Weather-Adjusted kWh Consumption (2024 Forecast)</th>
<th>(e) EECRF Not-to-Exceed Amount (EE Recovery Production)</th>
<th>(f) EECRF Cost</th>
<th>(g) Interest for Under-Recovery</th>
<th>(h) Modified EECRF Proceeding Expense</th>
<th>(i) Total Excluded Cost</th>
<th>(j) Total 2024 Cost</th>
<th>(k) Excluded Cost</th>
<th>Cost Cap By Rate Class</th>
<th>Commercial Group Cost Cap, Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>(m)</td>
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<tr>
<td>2022 Residential (a)</td>
<td>0.001433</td>
<td>0.001556</td>
<td>47,034,298,000</td>
<td>$73,185,368</td>
<td>$48,150,819</td>
<td>$315,420</td>
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<tr>
<td>2022 Commercial Secondary &lt; 10 KW (b)</td>
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<td>0.000973</td>
<td>1,842,026,000</td>
<td>$1,792,291</td>
<td>$66,606</td>
<td>$3,444</td>
<td>($1,789)</td>
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</tr>
<tr>
<td>2022 Commercial Secondary &gt; 10 KW (c)</td>
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<td>0.000973</td>
<td>46,283,939,000</td>
<td>$45,034,273</td>
<td>$18,854,362</td>
<td>$281,610</td>
<td>($18,714)</td>
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</tr>
<tr>
<td>2022 Commercial Primary &lt; 10 KW (d)</td>
<td>0.000896</td>
<td>0.000973</td>
<td>14,918,000</td>
<td>$14,515</td>
<td>$872</td>
<td>$0</td>
<td>$11</td>
<td>$0</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2022 Commercial Primary &gt; 10 KW Distribution (e)</td>
<td>0.000896</td>
<td>0.000973</td>
<td>14,096,927,000</td>
<td>$13,716,310</td>
<td>$4,890,831</td>
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<td>$14,563</td>
<td>$534</td>
<td>$42,436</td>
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</tr>
<tr>
<td>2022 Commercial Primary &gt; 10 KW Substation (f)</td>
<td>0.000896</td>
<td>0.000973</td>
<td>3,337,013,000</td>
<td>$3,246,914</td>
<td>$423,405</td>
<td>$2,839</td>
<td>$1,012</td>
<td>$534</td>
<td>$3,911</td>
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</tr>
<tr>
<td>Transmission Service Non-Profit (g)</td>
<td>0.000961</td>
<td>0.000973</td>
<td>1,267,685,000</td>
<td>$1,233,458</td>
<td>($112,126)</td>
<td>$0</td>
<td>($1,464)</td>
<td>0</td>
<td>($1,464)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Transmission Service For-Profit (h)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 Commercial (i)</td>
<td>0.000896</td>
<td>0.000973</td>
<td>165,237,700</td>
<td>$182,322</td>
<td>$150,289</td>
<td>$33,019</td>
<td>$332,320</td>
<td>$23,011,280</td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: The table above represents Oncor’s Energy Efficiency Cost Recovery Factor Not-to-Exceed Amount Calculation By Class (2024). The values are calculated based on the changes in per kWh, adjusted kWh consumption, and the associated costs and fees. The calculation includes interest for under-recovery and modified EECRF proceeding expense, leading to the total excluded cost and total 2024 cost. The excluded cost is determined by subtracting the total 2024 cost from the total 2024 cost less cost cap determination. The per kWh values exclude these costs in cost cap determination.*

*Exhibit 1 to Stipulation and Settlement Agreement Page 6 of 6*
APPLICATION OF ONCOR ELECTRIC § BEFORE THE
DELIVERY COMPANY LLC TO § PUBLIC UTILITY COMMISSION
ADJUST ITS ENERGY EFFICIENCY § OF TEXAS
COST RECOVERY FACTOR §

PROPOSED ORDER

This Order addresses the application of Oncor Electric Delivery Company LLC (Oncor) to adjust its energy efficiency cost recovery factor (EECRF). Oncor filed an unopposed agreement in this proceeding. The Commission approves Oncor’s EECRF, as modified by the agreement, to the extent provided in this Order.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Oncor is a Delaware limited liability company registered with the Texas Secretary of State under filing number 800880712.

2. Oncor owns and operates for compensation in Texas facilities and equipment to transmit and distribute electricity in the Electric Reliability Council of Texas region.

3. Oncor is required under certificate of convenience and necessity number 30043 to provide service to the public and retail electric utility service within its certificated service area.

Application

4. On May 31, 2023, Oncor filed an application to adjust its EECRF, effective March 1, 2024.

5. No party objected to the sufficiency of the application.

6. In the application, Oncor sought Commission approval to adjust its EECRF to recover $72,399,769 during program year 2024, which included the following:

(a) Oncor’s forecasted energy efficiency costs of $49,157,901 in program year 2024;

(b) projected evaluation, measurement, and verification (EM&V) expenses in the amount of $742,852 for the evaluation of program year 2023;
(c) an adjustment of $1,943,857 for Oncor’s net under-recovery, including interest, of program year 2022 energy efficiency costs;
(d) a performance bonus of $20,545,284; and
(e) rate-case expenses in the amount of $9,875 incurred by the Steering Committee of Cities Served by Oncor (Cities) in Oncor’s prior EECRF proceeding, Docket No. 53671.¹

**Notice of the Application**

7. On May 31, 2023, Oncor provided notice of the application by email to the following: all parties of record in Oncor’s most recently completed EECRF proceeding, Docket No. 53671; all parties of record in Oncor’s most recently completed base-rate case, Docket No. 46957² and all parties of record in Oncor’s base-rate case, Docket No. 53601³; all retail electric providers authorized by the registration agent to provide service in Oncor’s service area at the time Oncor’s application was filed; and the Texas Department of Housing and Community Affairs, the state agency that administers the federal weatherization program.

8. In an affidavit filed by Oncor on June 6, 2023, Joni Price, Oncor’s senior regulatory manager of regulatory support and compliance, testified to the provision of notice as described in Finding of Fact 7.

9. No party objected to the adequacy of notice of the application.

**Intervenors**

10. Commission Staff participated in this proceeding.

11. In SOAH Order No. __ filed on ___, 2023, the SOAH administrative law judge (ALJ) granted the motions to intervene filed by Cities, Sierra Club and Texas Industrial Energy Consumers (TIEC).


³ Application of Oncor Electric Delivery Company LLC for Authority to Change Rates, Docket No. 53601, Order (Apr. 6, 2023).
Statements of Position and Testimony

12. As part of the application filed on May 31, 2023, Oncor filed the direct testimonies, exhibits, and workpapers of Garry D. Jones, Oncor’s director of energy efficiency, and Darryl E. Nelson, Oncor’s senior manager of regulatory rates and load research.

13. On August 4, 2023, Commission Staff filed the testimony of Chase Lipscomb in support of the agreement.

Referral to SOAH

14. On June 2, 2023, the Commission referred this proceeding to SOAH and filed a preliminary order, which included a list of issues to be addressed in this proceeding.

15. In SOAH Order No. 2 filed on June 13, 2023, the SOAH ALJ provided notice of a hearing on the merits set to begin on August 18, 2023.

16. In SOAH Order No. 3 filed on July 28, 2023, the SOAH ALJ canceled the hearing on the merits.

17. In SOAH Order No. __ filed on ________, 2023, the SOAH ALJ dismissed the case from SOAH’s docket and remanded it to the Commission.

Evidentiary Record

18. In SOAH Order No. __ filed on ________, 2023, the SOAH ALJ admitted the following into the evidentiary record:

(a) Oncor Exhibit 1: Oncor’s Application with attachments A through C, filed on May 31, 2023;

(b) Oncor Exhibit 2: the direct testimony of Garry D. Jones with exhibits GDJ-1 through GDJ-9 and workpapers WP/GDJ/1 through WP/GDJ/8, filed on May 31, 2023;

(c) Oncor Exhibit 3: the direct testimony of Darryl E. Nelson with exhibits DEN-1 through DEN-6 and workpapers WP/DEN/1 through WP/DEN/4, filed on May 31, 2023;

(d) Oncor Exhibit 4: Oncor’s affidavit attesting to the provision of notice, filed on June 6, 2023;

(e) Cities Exhibit 1: Oncor’s response to the first request for information propounded by Cities to Oncor, filed on June 30, 2023;
(f) **TIEC Exhibit 1:** Oncor’s response to the first request for information propounded by TIEC to Oncor, filed on July 10, 2023;

(g) **Staff Exhibit 1:** Cities’ response to the first request for information propounded by Staff to Cities, filed on June 30, 2023;

(h) **Staff Exhibit 2:** Oncor’s response to the first request for information propounded by Staff to Oncor, filed on July 3, 2023;

(i) **Staff Exhibit 3:** the direct testimony of Chase Lipscomb, filed on August 4, 2023; and

(j) the Stipulation and Settlement Agreement in this proceeding with all attachments, filed on August 4, 2023.

**Energy Efficiency Goals**

19. Oncor’s summer weather-adjusted five-year average peak demand for residential and commercial customers for the previous five years is 25,768.5 megawatts (MW) after adjustments under 16 Texas Administrative Code (TAC) § 25.181(u) for industrial-customer exclusion.

20. Oncor’s calculated demand-reduction goal for program year 2024—four-tenths of 1% of Oncor’s summer weather adjusted peak demand for residential and commercial customers—is 97.6 MW.

21. In Oncor’s last EECRF proceeding, Docket No. 53671, the Commission approved a demand-reduction goal of 97 MW.

22. Because the calculated demand-reduction goal of 97.6 MW exceeds Oncor’s program year 2023 demand-reduction goal of 97 MW, Oncor’s demand-reduction goal for program year 2024 will use the new calculation of 97.6 MW.

23. Oncor projects that it will achieve 195.1 MW in demand reductions in program year 2024, which exceeds the minimum of 97.6 MW.

24. The estimated savings to be achieved through Oncor’s 2024 programs for hard-to-reach customers is 15,470 kW, which is 15.9% of the proposed goal of 97.6 MW. The amount exceeds the 5% minimum required by 16 TAC § 25.181(e)(3)(F).
25. Because of the mix of energy and demand savings achievable through the programs, Oncor forecasts that it will achieve energy savings of 200,672,890 kilowatt-hours (kWh) in program year 2024, which exceeds the minimum of 170,995,000 kWh.

Agreement

26. Under the agreement, Oncor’s EECRF will recover $72,274,769 during program year 2024. The amount includes the following:
   (a) Oncor’s forecasted energy efficiency costs of $49,032,901 in program year 2024;
   (b) projected evaluation, measurement, and verification expenses in the amount of $742,852 for the evaluation of program year 2023;
   (c) a charge of $1,943,857 for Oncor’s net under-recovery, including interest, of program year 2022 energy efficiency costs;
   (d) a performance bonus of $20,545,284; and
   (e) Cities’ rate-case expenses in the amount of $9,875 incurred in Oncor’s most recently completed EECRF proceeding.

27. The agreed $125,000 reduction in Oncor’s forecasted program year 2024 energy-efficiency costs is a black-box reduction.

28. The agreement provides an effective date of March 1, 2024, for Oncor’s program year 2024 EECRF tariff rider.

29. Under the tariff attached to the parties’ agreement as Exhibit 1, Oncor’s EECRF charges per kWh by rate class are as follows:

<table>
<thead>
<tr>
<th>Rate Class</th>
<th>EECRF Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$0.0001024</td>
</tr>
<tr>
<td>Secondary less than or equal to 10 kW</td>
<td>$0.0000036</td>
</tr>
<tr>
<td>Secondary greater than 10 kW</td>
<td>$0.0000407</td>
</tr>
<tr>
<td>Primary less than or equal to 10 kW</td>
<td>$0.000058</td>
</tr>
<tr>
<td>Primary greater than 10 kW - distribution line</td>
<td>$0.000347</td>
</tr>
<tr>
<td>Primary greater than 10 kW - substation</td>
<td>$0.000127</td>
</tr>
<tr>
<td>Transmission - non-profit</td>
<td>($0.000088)</td>
</tr>
<tr>
<td>Transmission - for profit</td>
<td>$0.000000</td>
</tr>
<tr>
<td>Lighting Service</td>
<td>$0.000000</td>
</tr>
</tbody>
</table>
Elements of Recovery and Coordination with Base-Rate Recovery

30. Oncor’s EECRF is calculated to recover the preceding year’s total under-recovery with the required interest payment, Oncor’s forecasted annual energy efficiency expenditures, a performance bonus, Cities’ EECRF proceeding expenses from Oncor’s immediately preceding EECRF docket, and evaluation, measurement, and verification costs allocated to Oncor by the Commission.

31. Oncor does not recover any energy-efficiency costs in its base rates.

32. Oncor’s EECRF is designed to provide only for energy charges for residential and commercial rate classes.

EECRF Cost Caps

33. Before applying the consumer price index adjustment, Oncor used a base cap of $0.001433 per kWh for the residential class and $0.000896 per kWh for the commercial classes. Oncor calculated its EECRF cost caps for the 2024 program year to be $0.001556 per kWh for the residential class and $0.000973 per kWh for commercial customers.

34. For the purpose of the cost caps, Oncor’s rate for the residential class is $0.001014 per kWh, and Oncor’s group rate for the commercial classes is $0.000357 per kWh.

Over- or Under-Recovery

35. Oncor requests to refund to or collect from each rate class the difference between Oncor’s actual EECRF revenues and its actual costs for that class, which results in a net under-recovery.

36. Oncor accurately calculated its under-recovery of 2022 program costs in the amount of $1,918,696 plus $25,161 in interest.

Proceeding Expenses

37. Oncor did not incur any outside legal or consulting fees, expenses for lodging and traveling, or any other rate-case expenses in connection with its participation in Docket No. 53671.

38. Cities rate-case expenses incurred in Docket No. 53671 in the amount of $9,875 were reasonable and necessary.
Performance Bonus Calculations

39. In 2022, Oncor’s program costs were $80,485,370 and the total avoided costs were $285,938,207 on energy efficiency programs.

40. Under 16 TAC § 25.182(e)(3), Oncor sought the maximum allowable performance bonus, which is 10% of the net benefits of $205,452,837 achieved through its energy efficiency incentive program costs, for exceeding its goal for calendar year 2022. The resulting performance bonus from this calculation is $20,545,284 and is allocated in proportion to the program costs for eligible customers on a rate-class basis.

41. Oncor accurately calculated its performance bonus.

Evaluation, Measurement, and Verification Costs

42. Oncor’s share of the estimated total evaluation, measurement, and verification costs for the evaluation of program year 2023 is $742,852, 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

43. Oncor incurred $5,063,459 in necessary administrative costs and $205,807 in research and development costs for the 2022 energy efficiency programs to meet Oncor’s goals. These amounts were 10.2% and 0.41%, respectively, of the total program costs for the previous year. Therefore, Oncor’s cumulative cost of administration and research and development was 10.61% of the total program costs.

44. Oncor’s cost of administration did not exceed 15% of its total program costs. Oncor’s cost of research and development did not exceed 10% of its total program costs. Oncor’s cumulative cost of administration and research and development did not exceed 20% of its total program costs for the 2022 program year.
**Cost Effectiveness**

45. Oncor used an avoided cost of capacity of $80 per kW for 2022. Oncor used an avoided cost of energy of $0.08500 per kWh for 2022 as required by the Commission in Docket No. 52871.\(^4\)

46. Oncor’s 2022 portfolio of energy efficiency programs produced a benefit-cost ratio of 3.55, which exceeds the benefit-cost ratio of 1.0 or greater required by 16 TAC § 25.181(d).

47. Oncor’s forecasted 2024 energy efficiency program costs of $49,032,901 are a reasonable estimate of the costs necessary to provide energy efficiency programs and meet Oncor’s goals for 2024.

**Cost Recovery**

48. Oncor’s net cost recovery of $23,241,868—which consists of Oncor’s projected evaluation, measurement, and verification expenses for the evaluation of program year 2023; Oncor’s net under-recovery, including interest, of program year 2022 energy efficiency costs; Oncor’s performance bonus earned in 2022; and Cities’ rate-case expenses incurred in Docket No. 53671—is a reasonable amount.

**Rate Classes and Direct Assignment of Costs**

49. Oncor 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**

50. Oncor has adopted measures to foster competition between energy efficiency service providers.

**Requirements for Standard Offer, Market Transformation, and Self-Delivered Programs**

51. Oncor’s energy efficiency programs include standard offer and market transformation programs.

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Incentive Payments

52. Oncor’s incentive payments do not exceed 100% of the avoided costs for any customer class.

Affiliate Costs

53. Oncor did not incur any affiliate costs for energy efficiency in 2022.

Energy Efficiency Plan and Report

54. On March 30, 2023, Oncor filed its 2023 energy efficiency plan and report in a separate project required by 16 TAC §§ 25.181(l) and 25.183(d).

55. On May 26, 2023, Oncor filed its amended 2023 energy-efficiency plan and report in a separate project. The application includes the amended energy efficiency plan and report.

Low-Income Energy Efficiency

56. Oncor’s targeted low-income energy efficiency programs will provide funds for weatherization services through the Texas Association of Community Action Agencies and replace heating, ventilation, and air conditioning units in multi-apartment complexes with high-efficiency heat pumps through EnerChoice.

57. Oncor’s total budgeted incentive amount for its low-income programs in program year 2024 is $5,572,810, which exceeds 10% of the total portfolio budget amount of $49,032,901 (excluding evaluation, measurement, and verification).

Outreach to Retail Electric Providers

58. Oncor serves in an area in which customer choice is offered.

59. Oncor commits to conduct retail electric provider outreach programs including inviting retail electric providers to program-outreach meetings with energy efficiency service providers; identifying key retail electric provider contacts; arranging for on-site visits to conduct energy efficiency discussions with retail electric providers; and making contact with individual retail electric providers at local, regional, and national conferences, trade shows, and events as the opportunity is available.

Industrial Customer Exclusions

60. Oncor’s industrial customers taking service at distribution voltage who elected to exclude themselves from Oncor’s energy efficiency programs and provided notices under 16 TAC
§ 25.181(u) constituted an exclusion of 3.0 MW from the calculations of the demand-reduction goal for program year 2024 when applying reasonable line loss factors as required by 16 TAC § 25.181(e)(3)(B). Those excluded customers have been reflected in the EECRF calculations.

**Line Losses**

61. Oncor’s calculated line-loss factor is a five-year average of the annual loss factors weighted by delivery voltage. The resulting average line-loss factor used in calculating Oncor’s demand-reduction goal is 5.329%.

62. The average line-loss factor used in calculating Oncor’s 2024 EECRF demand-reduction goal is reasonable.

**Billing Determinants**

63. The estimate of billing determinants in calculating Oncor’s 2024 EECRF and the calculation of the proposed 2024 EECRF tariff rider are reasonable.

**Good Cause Exception**

64. Oncor did not seek a good cause exception to be eligible for a lower demand-reduction goal, a higher administrative spending cap, or a higher EECRF cost cap under 16 TAC § 25.181(e)(2). Oncor also did not seek a good cause exception to combine rate classes under 16 TAC § 25.182(d)(2).

65. 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**

66. More than 15 days have passed since the completion of notice provided in this docket.

67. Oncor, Commission Staff, Cities, Sierra Club and TIEC are the only parties to this proceeding.

68. All the parties in the proceeding signed the agreement, except TIEC, which is unopposed to the agreement.
69. No hearing is needed.

70. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. Oncor is a public utility as that term is defined in Public Utility Regulatory Act (PURA)\(^5\) § 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.

4. Oncor 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,\(^6\) and Commission rules.


7. Oncor provided notice of the application in accordance with 16 TAC § 25.182(d)(13) and 16 TAC § 22.55 and filed an affidavit attesting to the completion of notice as required by 16 TAC § 25.182(d)(14).

8. Oncor’s application is sufficient under 16 TAC § 25.182(d)(10) and (11).

9. The hearing on the merits was set, and notice of the hearing was given, in compliance with Texas Government Code §§ 2001.051 and 2001.052.

10. Oncor calculated its weather-adjusted average peak demand in compliance with 16 TAC § 25.181(e)(3).


11. Oncor 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).

12. Oncor’s 2024 demand-reduction goal complies with the requirements in 16 TAC § 25.181(e)(1)(D) that a utility’s demand-reduction goal may not be lower than the prior year’s goal except as adjusted under 16 TAC § 25.181(u) for industrial customer exclusions.

13. Oncor calculated its minimum energy-savings goal in compliance with 16 TAC § 25.181(e)(4).

14. Oncor’s programs for hard-to-reach customers achieve savings of at least 5% of the demand-reduction as required by 16 TAC § 25.181(e)(3)(F).

15. Oncor’s portfolio of energy efficiency programs effectively and efficiently achieves the goals set out in PURA § 39.905(a) and 16 TAC § 25.181 as required by 16 TAC § 25.181(e)(5).

16. Oncor’s EECRF uses only energy charges for recovery of energy-efficiency costs for residential and commercial rate classes included in the EECRF in compliance with 16 TAC § 25.182(d)(6).

17. Oncor’s agreed EECRF rates comply with the requirements for cost caps under 16 TAC § 25.182(d)(7).

18. Oncor’s request to recover $1,943,857 for the net under-recovery, including interest, of its program year 2022 energy efficiency costs complies with PURA § 39.905(b-1) and 16 TAC § 25.182(d)(1)(A) and (d)(2).

19. EECRF proceeding expenses are rate-case expenses.

20. The requirements of 16 TAC §§ 25.182(d)(3) and 25.245 apply to the recovery of EECRF proceeding expenses.

21. Cities’ 2022 rate-case expenses of $9,875 comply with PURA § 33.023 and 16 TAC §§ 25.182(d)(3)(B) and 25.245.
22. Under PURA § 33.023(b), Oncor is required to reimburse Cities for its reasonable rate-case expenses incurred in its 2022 EECRF proceeding.

23. Oncor qualified for and accurately calculated its energy efficiency performance bonus of $20,545,284 for its energy efficiency achievements in program year 2022 in compliance with the requirements of PURA § 39.905(b)(2) and 16 TAC § 25.182(c).

24. The amounts and allocation of Oncor’s administrative and research and development costs comply with 16 TAC § 25.181(g).

25. Oncor’s portfolio of energy-efficiency programs adhere to the cost-effectiveness standards contained in 16 TAC § 25.181(d).

26. Oncor’s 2024 energy efficiency program costs of $49,032,901 to be recovered through the EECRF are reasonable estimates of the costs necessary to provide energy efficiency programs in 2024 in compliance with PURA § 39.905 and 16 TAC § 25.182(d)(1).

27. Oncor’s net cost recovery of $23,241,868—which consists of the evaluation, measurement, and verification expenses allocated to Oncor for the evaluation of program year 2023; an adjustment for the net under-recovery of program year 2022 energy efficiency costs with interest; Oncor’s performance bonus earned in 2022; and Cities’ rate-case expenses incurred in Docket No. 53671—complies with PURA § 39.905 and 16 TAC § 25.182(d).

28. The assignments and allocations of Oncor’s agreed 2024 EECRF rates to each rate class are reasonable and comply with PURA § 39.905(b)(4) and 16 TAC § 25.182(d)(2).

29. Oncor has adopted measures to foster competition among energy efficiency service providers in compliance with 16 TAC § 25.181(g)(2).

30. Oncor’s standard offer and market transformation programs comply with PURA § 39.905(a)(3) and 16 TAC § 25.181(h) through (k).

31. Oncor’s incentive payments, which do not exceed 100% of avoided cost, comply with 16 TAC § 25.181(f).

32. The annual expenditures for Oncor’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 PURA § 39.905(f) and 16 TAC § 25.181(p).
33. Oncor’s outreach and information programs meet the requirement of PURA § 39.905(a)(4) and 16 TAC § 25.181(r) to encourage and facilitate the involvement of retail electric providers in delivering efficiency and demand-response programs.

34. Oncor’s load associated with industrial customers who provided qualifying identification notices were excluded from Oncor’s calculated demand-reduction goal in accordance with 16 TAC § 25.181(u).

35. Oncor’s agreed 2024 EECRF rates are just and reasonable under PURA § 36.003(a).

36. In accordance with PURA § 36.003(b), Oncor’s proposed 2024 EECRF rates are not unreasonably preferential, prejudicial, or discriminatory and are sufficient, equitable, and consistent in application to each consumer class.

37. In accordance with 16 TAC § 25.182(d)(9)(B), Oncor 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 Oncor files its approved EECRF tariff with central records. The notice may be served by email.

38. Under 16 TAC § 22.5(b), there is good cause to waive the 20-day notice requirement in 16 TAC § 22.35(b)(2).

39. 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 adjustment to Oncor’s EECRF to the extent provided in this Order.

2. The Commission approves Oncor’s 2024 EECRF in the amount of $72,274,769, which is composed of the following:

   (a) Oncor’s forecasted energy efficiency costs of $49,032,901 in program year 2024;

   (b) evaluation, measurement, and verification expenses of $742,852 for the evaluation of program year 2023;
(c) a charge of $1,943,857 for the total under-recovery of program year 2022 energy efficiency costs, including interest;
(d) a performance bonus of $20,545,284; and
(e) Cities' rate-case expenses incurred in Docket No. 53671 in the amount of $9,875.

3. The Commission approves Oncor's EECRF tariff rider schedule attached as Exhibit 1 to the agreement filed on August 4, 2023.

4. The Commission authorizes Oncor to apply the EECRF tariff rider approved in this Order beginning on and after March 1, 2024.

5. The Commission grants a good-cause exception under 16 TAC § 22.5(b) to the requirement in 16 TAC § 22.35(b)(2) that a proposed order be served on all parties no less than 20 days before the Commission is scheduled to consider the application in open meeting.

6. Within ten days of the date of this Order, Oncor must provide the Commission with a clean copy of the EECRF tariff approved in this Order to be stamped Approved and retained by Central Records.

7. Oncor must 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 first working day after Oncor files its approved EECRF tariff with Central Records. The notice may be served by email.

8. Within 30 days of the date of this Order, Oncor must reimburse Cities for its reasonable 2022 EECRF rate-case expenses incurred in Docket No. 53671 in the amount of $9,875.

9. 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.

10. 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 _______ day of _________ 2023.

PUBLIC UTILITY COMMISSION OF TEXAS

__________________________________________
KATHLEEN JACKSON, INTERIM CHAIR

__________________________________________
WILL MCADAMS, COMMISSIONER

__________________________________________
LORI COBOS, COMMISSIONER

__________________________________________
JIMMY GLOTFELTY, COMMISSIONER