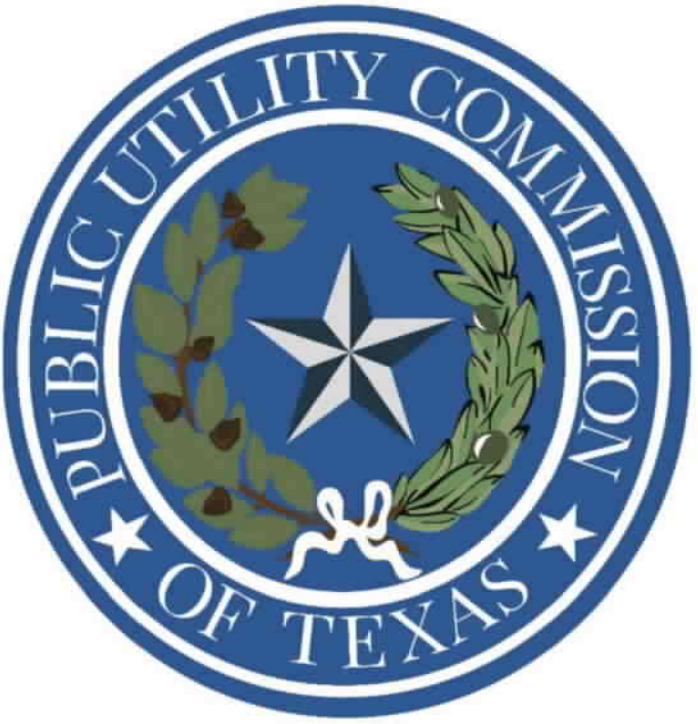

Filing Receipt

Filing Date - 2024-05-31 10:57:42 AM

Control Number - 56682

Item Number - 1

PUC DOCKET NO. _____

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

ONCOR ELECTRIC DELIVERY COMPANY LLC'S
APPLICATION FOR 2025 ENERGY EFFICIENCY COST RECOVERY FACTOR

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Testimony Workpapers

PUC DOCKET NO. _____

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

ONCOR ELECTRIC DELIVERY COMPANY LLC'S APPLICATION FOR 2025 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 Application for the 2025 Energy Efficiency Cost Recovery Factor ("EECRF") (the "Application"), which is timely filed on or before June 1, 2024 in accordance with PURA[1] § 39.905 and 16 Tex. Admin. Code (TAC) §§ 25.181 and 25.182. 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 Darryl E. Nelson.

V. Background and Relief Requested

In Docket No. 55074, the Commission approved Oncor's 2024 EECRF in the amount of $72,274,769.[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 2025 EECRF in the amount of $72,153,890. Oncor's request regarding the 2025 EECRF is based on the following components:

- $54,809,236 in energy efficiency expenses forecasted for the 2025 program year;
- allocation of $314 for the total under-recovery of 2023 energy efficiency costs that includes the required interest payment;
- inclusion of a $16,592,374 energy efficiency performance bonus under 16 TAC § 25.182(e) based on Oncor's energy efficiency achievements in 2023; and

[2] *Application of Oncor Electric Delivery Company LLC to Adjust Its Energy Efficiency Cost Recovery Factor,* Docket No. 55074, Order (Sept. 14, 2023) at 16 and 17.

- $742,852 for the estimated EM&V costs for the evaluation of program year 2024.

The above-referenced request for $72,153,890 includes $9,114 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. 55074. Oncor anticipates that Cities will provide evidence in this EECRF proceeding supporting the amount of $9,114 relating to municipalities' EECRF proceeding expenses. Oncor did not incur EECRF proceeding expenses in Docket No. 55074.

If approved, Oncor's 2025 EECRF will go into effect on March 1, 2025 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-9 to Mr. Garry D. Jones' testimony: contracts regarding any 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. 55074 (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. 53601[3] (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:

Janice Fennell
Regulatory Manager
Oncor Electric Delivery Company LLC
1616 Woodall Rodgers Freeway
Dallas, Texas 75202-1234
Telephone: (214) 486-4005
Facsimile: (214) 486-3221
Janice.Fennell@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. 53601, Order (Apr. 6, 2023).

Ritchie J. Sturgeon
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

General inquiries by non-attorneys concerning this filing should be directed to Ms. Fennell. All pleadings, motions, orders, and other information filed in this proceeding should be served upon Mr. Sturgeon; 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 presiding officer.

XI. Conclusion and Prayer

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

(a) approve Oncor's proposed 2025 EECRF;

(b) issue the standard protective order to govern Protected Materials and Highly Sensitive Protected Materials in this proceeding; and

(c) grant Oncor such other and further relief to which it may be justly entitled.

Respectfully submitted,

Oncor Electric Delivery Company LLC

By: */s/ Ritchie J. Sturgeon*

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

ATTORNEY FOR ONCOR ELECTRIC DELIVERY COMPANY LLC

CERTIFICATE OF SERVICE

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 31st day of May, 2024, in accordance with the Commission's Second Order Suspending Rules issued on July 16, 2020, in Project No. 50664.

/s/ Ritchie J. Sturgeon

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ATTACHMENT A

Rider EECRF – Energy Efficiency Cost Recovery Factor

6.1.1.6.3 Rider EECRF - Energy Efficiency Cost Recovery Factor

APPLICATION

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

METHOD OF CALCULATION

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

MONTHLY RATE

Energy Efficiency Cost Recovery Factor (EECRF)

	Residential Service	Secondary Service		Primary Service			Transmission Service		Lighting Service
		≤ 10 kW*	> 10 kW*	≤ 10 kW*	> 10 kW – Distribution Line*	> 10 kW – Substation*	Non-Profit	For Profit	
Effective Date	($/kWh)	($/kWh)	($/kWh)	($/kWh)	($/kWh)	($/kWh)	($/kWh)	($/kWh)	($/kWh)
March 1, 2025	0.001269	(0.000206)	0.000118	(0.000030)	0.000487	0.000001	(0.000102)	0.000000	0.000000
March 1, 2024	0.001024	0.000036	0.000407	0.000058	0.000347	0.000127	(0.000088)	0.000000	0.000000
March 1, 2023	0.001028	0.000601	0.000642	(0.000062)	0.000182	0.000012	0.000210	0.000000	0.000000
March 1, 2022	0.001061	0.000636	0.000637	0.000193	0.000061	0.000079	0.000017	0.000000	0.000000
March 1, 2021	0.000861	(0.000081)	0.000475	(0.000048)	0.000065	0.000243	0.000657	0.000000	0.000000
March 1, 2020	0.000739	0.000282	0.000348	0.000243	0.000346	0.000229	0.000052	0.000000	0.000000
March 1, 2019	0.000755	0.000318	0.000414	(0.000062)	0.000235	0.000004	0.000016	0.000000	0.000000
March 1, 2018	0.000760	(0.000114)	0.000444	0.000142	0.000158	(0.000010)	0.000545	0.000000	0.000000
March 1, 2017	0.000780	0.000329	0.000444	(0.000021)	0.000057	(0.000159)	(0.000104)	0.000000	0.000000
March 1, 2016	0.000995	0.001505	0.000459	0.000461	(0.000005)	(0.000046)	0.001335	0.000000	0.000000
March 1, 2015	0.001025	0.000997	0.000353	(0.000065)	0.000756	0.000025	0.000173	0.000000	0.000001
March 1, 2014	0.001014	0.000437	0.000525	(0.000004)	0.000649	0.000680	0.000525	(0.000002)	0.000000
	($ / 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

Energy Efficiency Cost Recovery Factor (EECRF)

	Residential Service	Secondary Service		Primary Service			Transmission Service		Lighting Service
		≤ 10 kW*	> 10 kW*	≤ 10 kW*	> 10 kW – Distribution Line*	> 10 kW – Substation*	Non-Profit	For Profit	
	($/kWh)	($/kWh)	($/kWh)	($/kWh)	($/kWh)	($/kWh)	($/kWh)	($/kWh)	($/kWh)
Effective Date	($ / Retail Customer)	($ / Retail Customer)	($ / Retail Customer)	($ / Retail Customer)	($ / Retail Customer)	($ / Retail Customer)	($ / Retail Customer)	($ / Retail Customer)	($ / Retail Customer)
Jan. 3, 2012	0.99	0.36	6.65	(0.05)	130.77	130.77	(224.74)	(224.74)	0.00
Dec. 30, 2010	0.91	0.01	8.14	4.79	75.91	185.59	(71.62)	(71.62)	0.00
Dec. 30, 2009	0.89	0.11	9.66	0.06	59.87	720.49	273.71	273.71	0.00
Sept. 17, 2009	0.92	0.22	8.68	0.00	76.27	76.27	443.77	443.77	0.00
Dec. 29, 2008	0.22	(0.79)	2.48	(2.17)	26.17	26.17	(227.52)	(227.52)	(0.17)

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

NOTICE

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

ATTACHMENT B

DOCKET NO. _____

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

PROTECTIVE ORDER

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

It is ORDERED that:

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

2. **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 Act[7] 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 2025 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 May 31, 2024 it filed an Application for its 2025 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, 2025, consistent with 16 Tex. Admin. Code (TAC) § 25.182(d)(9)(B). 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	0.001269	$ Per kWh
Secondary Service Less Than or Equal to 10 kW	(0.000206)	$ Per kWh
Secondary Service Greater Than 10 kW	0.000118	$ Per kWh
Primary Service Less Than or Equal to 10 kW	(0.000030)	$ Per kWh
Primary Service Greater Than 10 kW		
Distribution Line	0.000487	$ Per kWh
Substation	0.000001	$ Per kWh
Transmission Service		
Non-Profit	(0.000102)	$ 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 or 711.

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

EXHIBITS:

EXHIBIT GDJ-8	Oncor's Energy Efficiency Cost Recovery Factor Not-to-Exceed Amount for 2025 and Cost Cap by Rate Class
EXHIBIT GDJ-9	Contracts Regarding Administrator and/or Service Provider that Received More Than 5% of Overall Incentive Payments (Confidential)

DIRECT TESTIMONY OF GARRY D. JONES

I. POSITION AND QUALIFICATIONS

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

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

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL QUALIFICATIONS.

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

designation from the Association of Energy Engineers, and a LEED Accredited Professional designation from the U.S Green Building Council. I am currently on the Board of Directors for the Consortium for Energy Efficiency, and previously served as the Chairman of the Electric Utility Marketing Managers of Texas.

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

A. Yes. I filed testimony, but did not testify in person for the following Dockets:

- Docket No. 50886 regarding Oncor's Energy Efficiency Cost Recovery Factor ("EECRF") for the 2021 program year.
- Docket No. 52178 regarding Oncor's EECRF for the 2022 program year.
- Docket No. 53671 regarding Oncor's EECRF for the 2023 program year.
- Docket No. 55074 regarding Oncor's EECRF for the 2024 program year.

I have also participated in several workshops at the Commission relating to energy efficiency such as participating in and presenting at the Energy Efficiency Implementation Project meetings and participating in workshops for the energy efficiency rulemaking discussion.

II. PURPOSE OF DIRECT TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my direct testimony is to: (1) present the results of Oncor's 2023 energy efficiency program year; (2) describe and support Oncor's calculation of the energy efficiency performance bonus; (3) discuss Oncor's under-recovery of total 2023 energy efficiency costs; and (4) describe and support Oncor's forecasted 2025 energy efficiency program costs, along with the Company's requested performance bonus, under-recovery of total 2023 costs, and estimated evaluation, measurement and verification

("EM&V") costs included in Oncor's proposed 2025 EECRF. I will also discuss Oncor's compliance with Rule 25.181 and Rule 25.182 and the reasonableness of Oncor's EECRF expenses in 2023.

For more information related to the Company's proposed 2025 EECRF, please refer to the direct testimony of Oncor witness Mr. Darryl E. Nelson.

Q. PLEASE SUMMARIZE ONCOR'S PROPOSED 2025 EECRF.

A. Oncor is requesting an EECRF that will recover $72,153,870 (excluding interest). This request is made under PURA § 39.905, Rule 25.181 and Rule 25.182 and is comprised of the following components: (a) $16,592,374 energy efficiency performance bonus under Rule 25.182(e) for 2023 program year achievements; (b) $294 for the total under-recovery (excluding interest) of 2023 energy efficiency costs; (c) $54,809,236 in energy efficiency expenses forecasted for the 2025 program year; (d) $742,852 of estimated EM&V costs for evaluation of the 2024 program year; and (e) $9,114 for municipalities' EECRF proceeding expenses related to Oncor's EECRF proceeding in Docket No. 55074. Please see Mr. Nelson's Direct Testimony supporting the interest related to the total under-recovery.

For the reasons that I discuss below, Oncor's proposed 2025 EECRF is accurately calculated consistent with Rule 25.181 and Rule 25.182 and, furthermore, is reasonable and necessary because it is based on the estimated costs for Oncor to continue successfully fulfilling the energy efficiency goals of the legislature and the Commission.

III. 2023 ENERGY EFFICIENCY PROGRAM RESULTS

Q. WHAT ENERGY EFFICIENCY PROGRAMS DID ONCOR OFFER DURING THE 2023 PROGRAM YEAR?

A. During 2023, Oncor offered 19 standard offer programs ("SOPs") and market transformation programs ("MTPs"), including the Targeted Low-Income Weatherization required by PURA § 39.905(f) and Rule 25.181(p).

Oncor also funded energy efficiency research and development efforts consistent with Rule 25.181.

Attached to my direct testimony as Exhibit GDJ-1 is Oncor's Amended 2024 Energy Efficiency Plan and Report filed with the Commission on May 28, 2024 (the "2024 EEPR"). The 2024 EEPR provides the details about Oncor's energy efficiency programs for the most recently completed program year (2023), including specific information associated with demand and energy savings, the projected annual growth in demand, and the expenses associated with Oncor's energy efficiency programs, including incentive payments and administrative costs. The 2024 EEPR also describes how Oncor intends to fulfill the requirements of Rule 25.181 and Rule 25.182 for the 2024 and 2025 program years. The plan includes a projection of the annual growth in demand, an estimation of the energy and peak demand reduction savings to be obtained through each individual SOP and MTP, a description of the customer classes targeted by Oncor's energy efficiency programs, and the proposed annual budget required to implement the SOPs and MTPs for each eligible customer class.

Q. WHAT WERE ONCOR'S ENERGY EFFICIENCY PROGRAM EXPENDITURES DURING THE 2023 PROGRAM YEAR?

A. In 2023, Oncor spent $53,014,140 on its energy efficiency programs, as shown in Section VIII, Table 10, of Exhibit GDJ-1 (p. 30), which included its research and development expenditures, EM&V costs and municipal rate case expense approved in Docket No. 55074. Program costs were $52,047,263, research and development costs were $216,509 and EM&V costs were $740,493. There are also $9,875 for municipal rate case expenses approved by the Commission in Docket No. 55074 and were paid in 2023. The municipal rate case expenses are recovered in the 2024 EECRF and are excluded from the 2023 program costs. Total 2023 program costs are $53,004,265 as shown in column (h) of Exhibit GDJ-2.

A detailed breakdown of the amounts spent by Oncor on the various programs employed by it during the 2023 program year is shown in Section VIII, Table 10, of Exhibit GDJ-1 (p. 30). In addition, Exhibit GDJ-2 details the allocation of 2023 program expenses by rate code.

Q. WHAT WAS ONCOR'S DEMAND REDUCTION GOAL FOR THE 2023 PROGRAM YEAR?

A. Oncor's minimum calculated statutory demand reduction goal for the 2023 program year was 97,000 kW, as shown in MW (megawatts) in Section V, Table 7, of Exhibit GDJ-1 (p. 23).

Q. DURING THE 2023 PROGRAM YEAR, WHAT REDUCTION IN PEAK DEMAND DID ONCOR ACHIEVE THROUGH ITS ENERGY EFFICIENCY PROGRAMS?

A. A total of 187,669 kW in demand reduction was achieved during the 2023 program year. Section VI, Table 8, of Exhibit GDJ-1 (p. 24) provides a breakdown of the peak demand saved by each of Oncor's energy efficiency programs during the 2023 program year.

Q. DID THE COMMISSION EM&V EVALUATOR RECOMMEND ANY ADJUSTMENT TO ONCOR'S REPORTED DEMAND AND ENERGY SAVINGS REGARDING ONCOR'S 2023 PROGRAM?

A. Yes. Adjustments were made to both the residential and commercial programs as a result of the Evaluator's review of the projects. In the residential sector, the Residential New Homes Construction MTP was adjusted. The Commercial SOP, Strategic Energy Management MTP, Commercial Midstream, and Small Business Direct Install programs were adjusted in the commercial sector. An amended 2024 EEPR was filed on May 28, 2024 that included the adjustments recommended by the Commission Evaluator and is included in this filing as Exhibit GDJ-1.

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

A. Yes.

Q. PLEASE DESCRIBE HOW ONCOR SET ITS INCENTIVE PAYMENTS WITH THE OBJECTIVE OF ACHIEVING ITS 2023 ENERGY AND DEMAND GOALS AT THE LOWEST REASONABLE COST PER PROGRAM.

A. Program incentives are established at the measure level and are based on the installed cost and the estimated useful life of the measure. Installed cost data is obtained through discussions with energy efficiency service providers and other external sources. Other factors, such as market conditions, historical program participation, deemed savings, and regulatory changes are considered as part of incentive development. The measure incentives are compared across programs to ensure consistency and cost-effectiveness.

Q. PLEASE DESCRIBE WHETHER ANY ONCOR ENERGY EFFICIENCY ADMINISTRATOR AND/OR SERVICE PROVIDER RECEIVED MORE THAN 5% OF ONCOR'S OVERALL INCENTIVE PAYMENTS FOR THE 2023 PROGRAM YEAR.

A. Oncor's total incentive payments for the 2023 program were $46,711,169 as shown in Section VIII, Table 10, of Exhibit GDJ-1 (p. 30). Based on the total incentives paid, 5% would equate to $2,335,558 or ($46,711,169 X 0.05). There were three program implementers who received incentive payments in excess of $2,335,558. However, there are two types of incentive payments. Implementer incentives are payments that are paid directly to the implementer for its services in implementing the program, while customer/service provider incentives are payments made to the implementer that are passed on to the customer or third-party service provider.

While total incentive payments for each of the above-referenced implementers exceeded 5% of Oncor's overall incentive payments, each implementer only kept a portion of the overall incentive payments and the remaining funds were given to the customer/service provider. The names

of the implementers described above, a breakdown of incentives and their related contracts are contained in Exhibit GDJ-9, which is confidential.

Q. DID ONCOR'S CONSERVATION LOAD FACTOR FOR THE 2023 PROGRAM YEAR COMPLY WITH RULE 25.181?

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

In 2023, Oncor's peak demand goal was 97,000 kW as shown in Section V, Table 7, of Exhibit GDJ-1 (p. 23). The energy goal based on the peak demand goal is 169,944,000 kWh [(97,000 kW peak demand goal X 8,760 hrs/yr) X .2 = 169,944,000kWh]. Oncor's actual energy savings was 232,966,714 kWh as shown in Section VI, Table 8, of Exhibit GDJ-1 (p. 24). Oncor exceeded the required 20% conservation load factor by 63,022,714 kWh (232,966,714 actual kWh savings – 169,944,000 kWh energy savings goal = 63,022,714) or approximately 37.08%.

Q. DID ONCOR'S 2023 ENERGY EFFICIENCY PROGRAMS MEET THE COST-EFFECTIVENESS STANDARD OF RULE 25.181?

A. Yes. Please see Exhibit GDJ-6 for the cost-effectiveness of the 2023 energy efficiency programs as required by Rule 25.181(d) and (p)(2). The Small Business Direct Install MTP was not performing to plan and we terminated the implementation contractor. Expenses associated with contract close out, as well as the allocation of EM&V, performance incentive, and cities rate case expenses, as shown in Exhibit GDJ-6 resulted in a benefit cost ratio less than 1.0. Additionally, we are evaluating program design to ensure future cost effectiveness and better service to our rural customers.

Q. DID ANY OF ONCOR'S 2023 REPORTED ENERGY EFFICIENCY SAVINGS INCLUDE DEMAND OR ENERGY SAVINGS THAT RESULTED FROM PROGRAMS OTHER THAN PROGRAMS IMPLEMENTED UNDER RULE 25.181 AND UNDER RULE 25.182?

A. No.

Q. DID ONCOR'S 2023 PROGRAM IMPLEMENTATION INCLUDE RECOMMENDATIONS FROM THE COMMISSION'S EM&V CONTRACTOR?

A. Yes. The Commission's EM&V Contractor provided recommendations that enhanced Oncor's programs which were incorporated into the 2023 programs, such as:

1. Updated Commercial SOP lighting inventory accounting practice related to de-lamping scenarios.
2. Refined SOP and MTP incentives related to new AHRI SEER2 and HSPF2 updated testing procedures.
3. Continued support of residential HVAC savings, specifically smart thermostats and heat pumps systems.
4. Expanded upstream retailer programs to focus on technology with less market penetration, added new measures.

Q. DID ONCOR MAKE ANY PAYMENTS FOR 2023 ENERGY EFFICIENCY ADMINISTRATIVE EXPENSES TO AFFILIATES?

A. No.

IV. ENERGY EFFICIENCY PERFORMANCE BONUS

Q. DID ONCOR EARN AN ENERGY EFFICIENCY PERFORMANCE BONUS UNDER RULE 25.182(e) BASED ON ITS 2023 PROGRAM YEAR ACHIEVEMENTS?

A. Yes, it did. As Rule 25.182(e) provides, "[a] utility that exceeds its demand and energy reduction goals established in §25.181 of this title at a cost that does not exceed the cost caps established in subsection (d)(7) of this section shall be awarded a performance bonus calculated in accordance with this subsection." Oncor's statutory demand reduction goal for the 2023 program year was 97,000 kW, as shown in MW in Section V, Table 7, of

Exhibit GDJ-1 (p. 23). Oncor achieved verified savings of 187,669 kW (93.47% over the required goal) and 232,966,714 kWh (37.08% over the required goal of 169,944,000 as previously stated) as shown in Section VI, Table 8, of Exhibit GDJ-1 (p. 24).

Oncor's 2023 EECRF for residential customers was $0.001028 per kWh as approved by the Commission in Docket No. 53671. The residential EECRF not-to-exceed amount, per the Rule 25.182(d)(7)(C) is as follows: "[f]or the 2019 program year and thereafter, the residential and commercial cost caps shall be calculated to be the prior period's cost caps increased or decreased by a rate equal to the most recently available calendar year's percentage change in the South urban CPI, as determined by the Federal Bureau of Labor Statistics." The 2022 residential cost cap per kWh was $0.001364. The most recently available calendar year percentage change in the South urban CPI for the calculation of the 2023 cost per kWh was 2021. The 2021 year's percentage change was 5.0756% as shown in Exhibit GDJ-5. Therefore, the residential cost cap per kWh for 2023 is $0.001433 or ($0.001364 x 1.05076) = $0.001433. The not-to-exceed amount is based on a per kWh basis and excludes EM&V costs, municipal EECRF proceeding expenses and any interest amounts applied to over- or under-recoveries, as described in Rule 25.182(d)(7).

The eligible weather-adjusted residential customer consumption for 2023 was 45,782,124,000 kWh, as shown in Mr. Nelson's WP/DEN/3. Therefore, the residential EECRF not-to-exceed amount was $65,605,783 or (45,782,124,000 X $0.001433 = $65,605,784).

Oncor's total cost for residential customers in the 2023 program year was $52,371,782 as shown in Mr. Nelson's WP/DEN/2: Residential Service (c + e + f + g) or ($34,799,984 + $ 16,933,130 + 11,450 + $ 627,218 = $52,371,782) and also referenced in Exhibit GDJ-7 column (f). Rule 25.182(d)(7) provides that EM&V costs, municipal EECRF proceeding expenses and any interest amounts applied to over/under recoveries are

excluded from the total EECRF costs. Therefore, the total EECRF cost for residential customers in the 2023 program year was $51,901,019 or ($52,371,782 – $453,466 EM&V costs as shown in Exhibit GDJ-2 – $11,450 municipal EECRF proceeding expenses as shown in WP/DEN/2 – $5,847 interest for under-recovery (column j – column h) as shown in Docket 53671 WP/MAT/2) and was less than the not-to-exceed amount of $65,605,784.

The commercial EECRF not-to-exceed amount, per the Rule 25.182(d)(7)(C), is as follows: "[f]or the 2019 program year and thereafter, the residential and commercial cost caps shall be calculated to be the prior period's cost caps increased or decreased by a rate equal to the most recently available calendar year's percentage change in the South urban CPI, as determined by the Federal Bureau of Labor Statistics." The 2022 commercial cost cap per kWh was $0.000853. The most recently available calendar year percentage change in the South urban CPI for the calculation of the 2023 cost per kWh was 2021. The 2021 year's percentage change was 5.0756% as shown in Exhibit GDJ-5. Therefore, the commercial cost cap per kWh for 2023 is $0.000896 or ($0.000853 X 1.050756) = $0.000896. The not-to-exceed amount is based on a per kWh basis and excludes EM&V costs, municipal EECRF proceeding expenses and any interest amounts applied to over or under-recoveries, as described in Rule 25.182(d)(7).

The eligible weather-adjusted commercial customer consumption for 2023 was 68,359,220,000 kWh, as shown in Mr. Nelson's WP/DEN/3. Therefore, the commercial EECRF not-to-exceed amount was $61,249,861 or (68,359,220,000 X $0.000896 = $61,249,861.

Oncor's total cost for commercial customers in the 2023 program year was $31,284,563, as shown in Mr. Nelson's WP/DEN/2. Total [c + e + f + g] – Residential Service [c + e + f + g] or [$53,004,265 + $28,029,733 + $18,953 + $2,603,394] – [$34,799,984 + $ 16,933,130 + $11,450 + $627,218]. The weather-adjusted aggregate of all eligible commercial

customers' kWh consumption in 2023 was approximately 68,359,220,000 kWh, as shown in WP/DEN/3 and Exhibit GDJ-7 column (d) (68,359,219,687 = 1,718,232,297 + 45,787,801,099 + 19,484,090 + 14,948,646,267 + 4,661,850,557 + 1,223,205,377). The not-to-exceed amount was $61,249,861 or (68,359,219,687 kWh x $0.000896). Rule 25.182(d)(7) provides that EM&V costs, municipal EECRF proceeding expenses and any interest amounts applied to over/under recoveries are excluded from the total EECRF costs. Therefore, the total EECRF cost for commercial customers in the 2023 program year was $30,971,611 ($31,284,563– $287,026 EM&V costs as shown in Exhibit GDJ-2 – $7,503 municipal EECRF proceeding expenses as shown in WP/DEN/2 – 18,423 interest for under-recovery (column j – column h) as shown in Docket 53671 WP/MAT/2) and was less than the not-to-exceed amount of $61,249,861.

Q. HOW IS THE ENERGY EFFICIENCY PERFORMANCE BONUS CALCULATED?

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

Rule 25.182(e)(3) defines the percentage of net benefits that qualifies for a bonus, stating that "[a] utility that exceeds 100% of its demand and energy reduction goals shall receive a bonus equal to 1% of the net

benefits for every 2% that the demand reduction goal has been exceeded, with a maximum of 10% of the utility's total net benefits."

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

Q. WHAT IS THE TOTAL AMOUNT OF ONCOR'S EARNED ENERGY EFFICIENCY PERFORMANCE BONUS FOR THE 2023 PROGRAM YEAR?

A. The total amount of Oncor's earned energy efficiency performance bonus for the 2023 program year is $16,592,374.

Q. HOW WAS ONCOR'S EARNED ENERGY EFFICIENCY PERFORMANCE BONUS OF $ $16,592,374 CALCULATED?

A. As reflected in Section VI, Table 8, of Exhibit GDJ-1 (p. 24), each of Oncor's 2023 energy efficiency programs that resulted in actual savings did so in verified kW and kWh savings. Total avoided costs were calculated from the savings for each program using the present value of the avoided cost of capacity under Rule 25.181(d) of $80/kW per year and avoided cost of energy under the same Rule of $0.09115/kWh per year based on the appropriate estimated useful life of each measure in the specific energy efficiency program. The present value was calculated using the Estimated Useful Life values for each program's measures approved in the Technical Resource Manual v10.0, a 2% escalation rate, and a 6.65% discount rate based upon Oncor's weighted average cost of capital approved by the Commission in Docket No. 53601. The 2% escalation rate and 6.65% discount rate were used as required in Rule 25.182(e)(5), and calculated based on the methodology approved by the Commission in *APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC LLC FOR APPROVAL OF AN ADJUSTMENT TO ITS ENERGY EFFICIENCY COST RECOVERY FACTOR,* Docket No. 42560, Order at Findings of Facts 29 – 35 and 47 and Conclusions of Laws 8 – 9 (November 24, 2014). The kW savings avoided

costs were then summed with the kWh savings avoided costs to calculate the total savings avoided costs for each program. Next, all program total savings avoided costs were summed to calculate the total savings avoided costs for the entire 2023 energy efficiency program set, or $246,969,973 as shown in Exhibit GDJ-3. The net benefits were then calculated according to Rule 25.182(e)(2) where net benefits are the sum of total avoided cost associated with the eligible programs ($246,969,973), minus the sum of all program costs ($81,046,231), or $165,923,742 (*i.e.*, ($246,969,973 - $81,046,231 = $165,923,742).

Oncor's statutory demand reduction goal in 2023 was 97,000 kW and a total of 187,669 kW was actually achieved, which is 93.47% above the statutory goal ([187,669 kW minus 97,000] divided by 97,000 kW). Rule 25.182(e)(3) states that "[a] utility that exceeds 100% of its demand and energy reduction goals shall receive a bonus equal to 1% of the net benefits for every 2% that the demand reduction goal has been exceeded, with a maximum of 10% of the utility's total net benefits." As previously shown, Oncor exceeded its statutory demand reduction goal by 93.47%, which results in a qualified bonus of 46.74% of the net benefits (93.47% divided by 2), or $77,552,757 (earned bonus) = ($165,923,742 [net benefits] X 0.4674). However, Rule 25.182(e)(3) also states that the maximum bonus can only be 10% of the utility's total net benefits. Therefore, Oncor's maximum earned bonus is limited to $16,592,374 (*i.e.*, 0.1 X $165,923,742 [Oncor's 2023 total net benefits] = $16,592,374).

Additionally, as required by Rule 25.182(e), Oncor's performance bonus calculation does not include demand or energy savings that result from programs other than programs implemented under Rule 25.181. Please see Exhibit GDJ-3 for a summary of the above-described calculation, Section VI, Table 8, of Exhibit GDJ-1 (p. 24) for the 2023 energy efficiency program year reported and verified savings amounts and Section VIII, Table 10, of Exhibit GDJ-1 (p. 30) for the 2023 program year costs.

Please note that the EM&V costs used in this calculation were $742,852 as shown in WP/GDJ/6. This is the amount that was budgeted by the Commission EM&V Contractor for the evaluation of the 2023 program year and is different than the actual costs of $740,492 shown in Section VIII, Table 10, of Exhibit GDJ-1 (p. 30), which are the actual costs incurred in 2023 for the evaluation of the 2022 program year as described in more detail later in my testimony.

V. UNDER-RECOVERY OF TOTAL 2023 ENERGY EFFICIENCY COSTS

Q. DID ONCOR HAVE A TOTAL UNDER-RECOVERY OF 2023 ENERGY EFFICIENCY COSTS?

A. Yes, it did. Oncor had $294 in total under-recovery of 2023 energy efficiency costs.

Q. WHY WAS THERE A TOTAL UNDER-RECOVERY OF COSTS FROM THE 2023 PROGRAM YEAR?

A. Please refer to Section VIII of Exhibit GDJ-1 (p. 28) for information on Oncor's program funding for the 2023 program year and Mr. Nelson's direct testimony (WP/DEN/2) for the calculation and analysis of the total under-recovery of energy efficiency costs.

Q. WILL THE TOTAL UNDER-RECOVERY OF ENERGY EFFICIENCY COSTS BE INCLUDED IN THE 2025 EECRF?

A. Yes. The total under-recovery is included in Oncor's requested 2025 EECRF application.

Please refer to Mr. Nelson's direct testimony for more information (including applicable interest) on the calculation of the amount to be allocated by energy efficiency rate class through the proposed 2025 EECRF.

VI. 2025 FORECASTED ENERGY EFFICIENCY COSTS

Q. WHAT COSTS DOES ONCOR FORECAST FOR 2025 TO OPERATE COST-EFFECTIVE ENERGY EFFICIENCY PROGRAMS THAT ACHIEVE HIGH LEVELS OF ENERGY EFFICIENCY SAVINGS?

A. Oncor's proposed EECRF is based upon a total request of $72,153,870 (excluding interest) for the 2025 program year. This amount is comprised of a $16,592,374 performance bonus, $294 for the total under-recovery of 2023 energy efficiency costs, both of which are set forth above, a $54,809,236 program year budget that Oncor projects is required for 2025, $742,852 of estimated EM&V costs (for the evaluation of the 2023 program year) and $9,114 for municipalities' EECRF proceeding expenses related to Oncor's EECRF proceeding in Docket No. 55074.

For a more detailed description of the estimated costs for the 2025 energy efficiency program year budget broken out by program for each customer class, please refer to Section IV, Table 6, of Exhibit GDJ-1 (pps. 20-22); and Exhibit GDJ-4 for the allocation of the forecasted 2025 budget by rate code.

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

Q. PLEASE EXPLAIN THE 2025 EM&V COSTS DESCRIBED ABOVE.

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

Q. HOW DID ONCOR DETERMINE THE ESTIMATED EM&V COSTS OF $742,852 FOR THE 2025 PROGRAM YEAR?

A. The Commission Staff provided estimated budgets by program for the evaluation of the 2025 program year. The allocation of $742,852 for Oncor was determined by the EM&V contractor.

Q. HOW WERE THE 2025 ESTIMATED EM&V COSTS ALLOCATED TO RATE CLASSES?

A. The 2025 estimated EM&V costs were allocated to energy efficiency programs based on a proration provided by the Commission Staff and EM&V Contractor. The cost allocation by program reflects the EM&V level of effort and utilizes a methodology to allocate costs based on a combination of energy savings and an assigned evaluation priority. WP/GDJ/8 outlines the EM&V costs by program for the 2024 program year that will be incurred in 2025, as provided by the Commission Staff and determined by the EM&V contractor and WP/GDJ/4 provides the allocation of the EM&V costs by program. The total program costs for each program were then prorated to the appropriate rate class based on the actual rate codes and incentive ratios for the 2023 program year as shown in WP/GDJ/1 and Exhibit GDJ-4.

VIII. EECRF PROCEEDING EXPENSES

Q. HOW WERE THE $9,114 OF MUNICIPALITIES' EECRF PROCEEDING (i.e., RATE CASE) EXPENSES RELATED TO ONCOR'S EECRF PROCEEDING IN DOCKET NO. 55074 DETERMINED AND ALLOCATED TO ENERGY EFFICIENCY RATE CLASSES?

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

Q. DID ONCOR INCUR ANY EECRF PROCEEDING (i.e., RATE CASE) EXPENSES NOTED IN RULE 25.182(d)(3)(A) IN REGARDS TO ITS LAST EECRF PROCEEDING THAT WAS CONDUCTED AND CONCLUDED IN DOCKET NO. 55074?

A. No, Oncor did not incur any EECRF proceeding (i.e., rate case) expenses in Docket No. 55074 and is not seeking EECRF proceeding (i.e., rate case) expenses in this current proceeding. Specifically, Oncor did not incur

any outside legal or consulting fees, expenses for lodging, traveling, etc. in connection with its participation in Docket No. 55074.

IX. RULE COMPLIANCE

Q. DOES ONCOR'S 2025 REQUESTED EECRF FOR ENERGY EFFICIENCY PROGRAMS MEET THE COST RECOVERY REQUIREMENTS IN RULE 25.182(d)(7)?

A. Yes. Rule 25.182(d)(7) states, "[t]he total EECRF costs outlined in paragraph (1) of this subsection, excluding EM&V costs, excluding municipal EECRF proceeding expenses, and excluding any interest amounts applied to over- or under-recoveries, shall not exceed the amounts prescribed in this paragraph unless a good cause exception filed under §25.181(e)(2) of this title is granted." Rule 25.182(d)(7)(C), provides for the not-to-exceed amount for residential customers in 2025 as follows: "[f]or the 2019 program year and thereafter, the residential and commercial cost caps shall be calculated to be the prior period's cost caps increased or decreased by a rate equal to the most recently available calendar year's percentage change in the South urban CPI, as determined by the Federal Bureau of Labor Statistics." As shown in Exhibit GDJ-5, the percentage change in the CPI for the 2023 calendar year was 4.4968%. The 2024 residential cost cap is $0.001556 per kWh. Therefore, the 2025 residential cost cap is $0.001626 per kWh or ($0.001556 X 1.044968= $0.001626).

Oncor's 2025 forecasted consumption for residential customers is 46,976,340,000 kWh as shown in WP/DEN/3 and would equate to a not-to-exceed amount of $76,383,529 or (46,976,340,000 X $0.001626). Oncor's 2025 total requested EECRF costs for residential customers is $59,619,105 as shown in Exhibit DEN-4. Rule 25.182(d)(7) excludes EM&V costs, municipalities' EECRF proceeding expenses and any interest amounts applied to over- or under-recoveries from the not-to-exceed amounts. Excluding EM&V costs for residential programs of $427,620 as shown in Exhibit GDJ-4, municipal EECRF proceeding expenses for residential

customers of $5,983 as shown in Exhibit DEN-4 in the testimony of Mr. Nelson, and interest for under-recovery of $174,798 as shown in WP/DEN/2 (column j – column h) in the testimony of Mr. Nelson, the total 2025 residential customer EECRF costs are $59,010,704 [($59,619,105) – ($427,620 + $5,983 + $174,798)] which is less than the not-to-exceed amount of $76,383,529 as shown in Exhibit GDJ-8.

Rule 25.182(d)(7)(C) provides for the not-to-exceed amount for commercial customers in 2025 as follows: "[f]or the 2019 program year and thereafter, the residential and commercial cost caps shall be calculated to be the prior period's cost caps increased or decreased by a rate equal to the most recently available calendar year's percentage change in the South urban CPI, as determined by the Federal Bureau of Labor Statistics." As shown in Exhibit GDJ-5, the percentage change in the CPI for the 2023 calendar year was 4.4968%. The 2024 commercial cost cap is $0.000973 per kWh. Therefore, the commercial cost cap for 2025 is $0.001017 per kWh or ($0.000973 X 1.044968 = $0.001017).

Oncor's 2025 forecasted aggregate of all eligible commercial customers kWh consumption is 71,291,959,000 kWh (Total Retail 118,268,299,000 kWh – Residential 46,976,340,000 kWh) as shown in WP/DEN/3 and would equate to a not-to-exceed amount of $72,503,922 or (71,291,958,772 X $0.001017). Oncor's 2025 total requested EECRF costs for commercial customers is $12,534,785 as shown in Exhibit DEN-4 (Total EECRF costs for all commercial classes ($12,534,784 = (($358,691) + $5,603,166 + ($629) + $7,417,801 + $7,411 + ($134,274)). Excluding EM&V costs for commercial programs of $315,232 as shown in Exhibit GDJ-4, municipal EECRF proceeding costs for commercial customers of $3,131 as shown in Exhibit DEN-4 in the testimony of Mr. Nelson, and the interest for the over-recovery of ($174,778) as shown in WP/DEN/2 (column j – column h) in the testimony of Mr. Nelson, the total 2025 commercial customer EECRF costs are $12,391,199 ($12,534,784 –

($315,232 + $3,131 + ($174,778))], which is less than the not-to-exceed amount of $72,503,922.

Q. WHAT IS ONCOR'S EECRF COST CAP BY CUSTOMER CLASS?

A. Oncor's cost cap rate for the residential class is $0.001257 per kWh and the cost cap group rate for the commercial class is $0.000203 per kWh as show in Exhibit GDJ-8.

Q. WILL ANY AMOUNT OF THE 2025 REQUESTED EECRF FOR ENERGY EFFICIENCY PROGRAMS BE USED TO FUND ANY OTHER ENERGY EFFICIENCY PROGRAMS OUTSIDE OF RULE 25.181 AND RULE 25.182 PROGRAMS?

A. No.

Q. WILL ONCOR SEEK TO RECOVER ANY ENERGY EFFICIENCY COSTS FOR PROGRAM YEAR 2025 IN BASE RATES?

A. No.

X. REASONABLENESS OF ONCOR'S EECRF COSTS FOR THE 2023 PROGRAM YEAR

Q. DID ONCOR INCUR COSTS FOR PROGRAM YEAR 2023?

A. Yes.

Q. WERE THESE COSTS REVIEWED AND APPROVED BY THE COMMISSION?

A. Yes, all of Oncor's proposed costs for the 2023 program year were reviewed by the Commission and its Staff in Docket No. 53671. On September 15, 2022, the Commission approved the costs for the 2023 program year in the Final Order in Docket No. 53671 and determined that the approved costs were reasonable, including reasonable and necessary for Oncor to meet its goals consistent with PURA §39.905 and Rule 25.181. Additionally, Oncor has accurately described and calculated the total net under-recovery of costs (including applicable interest) regarding the 2023 program year.

XI. CONCLUSION

Q. IS ONCOR'S PROPOSED 2025 EECRF REASONABLE AND NECESSARY?

A. Yes. Oncor has accurately and correctly calculated its proposed EECRF for 2025 consistent with the requirements of Rule 25.181 and Rule 25.182 and its 2025 demand goal of 98.7 MW, based on 0.4% of peak demand with 5.296% line loss. For a detailed calculation of the 5.296% line loss, please see WP/DEN/4.

Approval of this EECRF will provide Oncor the flexibility to continue to pursue an aggressive set of energy efficiency programs necessary to meet the Company's savings goals, in a cost-effective manner, as established by the Texas Legislature and the Commission. For this and the other reasons discussed above and addressed by Mr. Nelson's direct testimony and the exhibits and workpapers supporting the Company's Application, Oncor's proposed 2025 EECRF is reasonable and necessary and should be approved.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

AFFIDAVIT

STATE OF TEXAS §

§

COUNTY OF DALLAS §

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

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

Garry D. Jones

SUBSCRIBED AND SWORN TO BEFORE ME by the said Garry D. Jones this 29th day of May, 2024.

Notary Public, State of Texas

TERRI WATTS
Notary Public, State of Texas
Comm. Expires 07-07-2024
Notary ID 1129360-0

ONCOR ELECTRIC DELIVERY COMPANY LLC

2024 ENERGY EFFICIENCY PLAN AND REPORT (AMENDED)

16 Tex. Admin Code (TAC) §25.181 and §25.183

May 28, 2024

Docket No. 56003

Table of Contents

INTRODUCTION

Oncor Electric Delivery Company LLC (Oncor or Company) presents this Energy Efficiency Plan and Report (EEPR) to comply with Public Utility Commission of Texas (Commission) 16 TAC §25.181, §25.182 and §25.183 (the Energy Efficiency Rule or EE Rule), which implement Public Utility Regulatory Act (PURA) §39.905. PURA §39.905 and the EE Rule require that each investor-owned electric utility achieve the following minimum savings goals through market-based standard offer programs (SOPs), targeted Market Transformation Programs (MTPs), or utility self-delivered programs:

- Four-tenths of 1% to the summer weather-adjusted five-year average peak demand for eligible residential and commercial customers because the four-tenths of 1% trigger described in 16 TAC §25.181(e)(1)(B) was met by Oncor in 2019.

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

The EE Rule includes specific requirements related to the implementation of Standard Offer Programs (SOP) and Market Transformation Programs (MTP) by investor-owned electric utilities that control the manner in which they must administer their portfolio of energy efficiency programs in order to achieve their mandated energy efficiency savings goals. Oncor's EEPR is intended to enable the Company to meet its statutory savings goals through implementation of energy efficiency programs in a manner that complies with PURA §39.905 and the EE Rule. As outlined in the EE Rule, this EEPR covers the previous five years of demand savings goals and energy targets, including 2023 achievements, and reports plans for achieving 2024 and 2025 projected energy efficiency savings. The following section provides a description of what information is contained in each of the subsequent sections and appendices.

ENERGY EFFICIENCY PLAN AND REPORT ORGANIZATION

This EEPR consists of the following information:

Executive Summary

- The Executive Summary highlights Oncor's reported achievements for 2023 and Oncor's plans for achieving its 2024 and 2025 projected energy efficiency savings.

Energy Efficiency Plan (EEP)

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

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

Energy Efficiency Report

- Section V documents Oncor's actual weather-adjusted demand savings goals and energy targets for the previous five years (2019-2023).
- Section VI compares Oncor's projected energy and demand savings to its reported and verified savings by program for calendar year 2023.
- Section VII details Oncor's incentive and administration expenditures for the previous five years (2019-2023) broken out by program for each customer class.
- Section VIII compares Oncor's actual and budgeted program costs from 2023 broken out by program for each customer class. It also explains any cost increases or decreases of more than 10 percent for Oncor's overall program budget.
- Section IX describes the results from Oncor's MTPs and Research & Development activities. It compares existing baselines and existing milestones with actual results, and details any updates to those baselines and milestones.
- Section X provides the revenue billed during 2023 through Oncor's Energy Efficiency Cost Recovery Factor (EECRF) and describes any over- or under-recovery of energy efficiency costs.

Acronyms

- Abbreviations for a list of common terms.

Glossary

- Definitions for a list of common terms.

Appendices

- Appendix A – 2023 reported kW and kWh savings broken out by county for each program.
- Appendix B – Program templates for any new or newly-modified programs and any program not included in Oncor's previous EEPRs.
- Appendix C – 2023 Energy Efficiency Service Providers.

EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details Oncor's plans to achieve four-tenths of 1% of summer weather-adjusted five-year average peak demand for the combined residential and commercial customers for the 2024 program year and a similar reduction for the 2025 program year. Oncor will also address the corresponding energy savings goal, which is calculated from its demand savings goal using a 20% conservation load factor. The goals, budgets and implementation plans that are included in this EEPR are highly influenced by requirements of the EE Rule and lessons learned regarding energy efficiency service provider and customer participation in the various energy efficiency programs. A summary of annual goals and budgets is presented in Table 1.

The Energy Efficiency Report portion of this EEPR demonstrates that in 2023 Oncor successfully implemented SOPs and MTPs, as required by PURA §39.905, that met Oncor's four-tenths of 1% to the summer weather-adjusted five-year average peak demand for eligible residential and commercial customers by procuring 185,947 kW in demand savings. These programs included the Commercial Load Management SOP, Commercial Midstream MTP, Commercial SOP, Master-Metered Smart Thermostat Direct Install (Pilot), Retail Products MTP, Small Business Direct Install MTP, Solar PV SOP, Strategic Energy Management MTP, Winter Commercial Load Management (Pilot), Retail Products MTP, Home Energy Efficiency SOP, Multi-Family Smart Thermostat Direct Install (Pilot), Residential Load Management SOP, Residential New Home Construction MTP, Solar PV SOP, Hard-to-Reach SOP, Low Income HVAC Tune-Up MTP (Pilot), Low Income MF Smart Thermostat Direct Install (Pilot), and Targeted Weatherization Low-Income SOP.

Table 1: Summary of Goals, Projected Savings, and Projected Budgets[1]

Calendar Year	Average Growth in Demand (MW at Source)	MW Goal (% of Growth in Demand)	Demand (MW) Goal (at Meter) based on 30% Reduction)*	Energy MWh Goal (at Meter) based on 30% Demand Goal***	Demand Goal (MW) at 0.4% of Peak Demand (at meter)**	Energy MWh Goal at 0.4% of Peak Demand (at Meter)***	Projected MW Savings (at Meter)	Projected MWh Savings (at Meter)	Projected Budget (000's)
2024	122.2	30%	34.7	60,794	97.6	170,995	195.1	200,673	$49,901[2]
2025	296.7	30%	84.3	147,694	98.7	172,922	192.9	194,313	$55,552

* The 2024 and 2025 Demand Goals are calculated per the EE Rule that requires a 30% reduction in the five-year average of annual demand growth and are shown for reference only.

** The 2024 and 2025 Demand Goals are calculated according to 16 TAC §25.181(e)(3)(B) because the four-tenths of 1% trigger described in 16 TAC §25.181(e)(1)(B) was met in 2019. The 2024 Demand Goal is calculated by applying the four-tenths of 1% goal to the summer weather-adjusted five-year average peak demand for eligible residential and commercial customers (25,768.5 MW x 0.4% x (1 - .05329 line loss)). The 2025 Demand Goal is calculated by applying the four-tenths of 1% goal to the summer weather-adjusted five-year average peak demand for eligible residential and commercial customers (26,065.2 MW x 0.4% x (1 - .05296 line loss)). Line loss is the 5-year weighted average of the actual loss factors at the time of Oncor's annual peaks.

*** Calculated using a 20% conservation load factor.

In order to reach the above projected savings, Oncor proposes to continue implementation of the 2023 programs listed above.

[1] Projected MW and MWh taken from Table 5 in this document. Budget data is taken from Table 6 in this document.
[2] Budget reflects the amount approved in Docket No. 55074 – ordering paragraph no. 2.

Marketing and Outreach Efforts

Oncor programs target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. Oncor conducts ongoing informational activities to encourage participation in these SOPs and MTPs. Oncor identifies specific markets for each of its programs, and individualizes communications and outreach to the customers and service providers serving the market. At a minimum this will include a program website, brochures, and an introductory meeting to explain the program prior to the program start-date. Additionally, Oncor attends and participates in numerous industry conferences that result in strategic partnerships, service provider recruitment and customer awareness as well as maintaining memberships with key organizations to provide information related to its Energy Efficiency Programs to decision makers in applicable industries.

Oncor continues to leverage internal stakeholders such as area managers, and Large, Commercial and Industrial (LCI) account managers. Oncor also engages with the internal communications team in establishing a strategy to increase awareness and education of the benefits of participating in energy efficiency programs including but not limited to postings in Oncor social media accounts.

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

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

All Oncor programs are offered on a first–come, first–served basis with controls for equitable access to incentives by service providers of all sizes.

ENERGY EFFICIENCY PLAN

I. 2024 Programs

A. 2024 Program Portfolio

Oncor plans to implement 18 market transformation and standard offer programs that are based upon Commission-approved program templates. One program, the Targeted Weatherization Low-Income SOP, is required by Senate Bill 712, which was passed by the Texas Legislature in 2005. Additional requirements were passed by the Texas Legislature in 2011. Senate Bill 1434 requires that annual expenditures for the Targeted Weatherization Low-Income SOP are not less than 10 percent of the utility's energy efficiency budget for the year.

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

Table 2: 2024 Energy Efficiency Program Portfolio

Program	Target Market	Application
Commercial Midstream MTP	Small Commercial	Retrofit
Commercial SOP	Commercial	Retrofit
Master-Metered Smart Thermostat Direct Install MTP	Commercial	Retrofit
Small Business Direct Install SOP	Small Commercial	Retrofit
Strategic Energy Management MTP	Large Commercial	Retrofit
Commercial Load Management SOP	Large Commercial	Load Management
Commercial Winter Load Management SOP*	Commercial	Load Management
Home Energy Efficiency SOP	Residential	Retrofit
Multi-Family Smart Thermostat Direct Install MTP	Residential	Retrofit
Residential New Home Construction MTP	Residential	New Construction
Residential Solar PV SOP	Residential	New Construction
Retail Products MTP	Residential	Retrofit; New Construction
Residential Load Management SOP	Residential	Load Management
Residential Winter Load Management SOP*	Residential	Load Management
Hard-to-Reach SOP	Hard-to-Reach	Retrofit
Low-Income HVAC Tune-Up MTP	Low-Income Residential	Retrofit
Low-Income MF Smart Thermostat Direct Install MTP	Low-Income Residential	Retrofit
Targeted Low-Income Weatherization SOP	Low-Income Residential	Retrofit

* Pilot Program

The programs listed in Table 2 are described in further detail below. Oncor maintains a website containing links to the program manuals of the SOPs, all of the requirements for project participation, the forms required for project submission, and the current available funding at https://www.oncor.com/eepm. This website will be the primary method of communication used to

provide potential Energy Efficiency Service Providers with program updates and information. Additional information to help residential consumers, business owners, government and educational facilities with their energy efficiency efforts can be found at https://www.oncor.com/takealoadofftexas. This website also includes information on how to submit an idea or proposal to Oncor for the incubator program, including information on future opportunities to bid to be an implementer of an Oncor Market Transformation Program.

B. Existing Programs

Commercial Midstream MTP

A market transformation program designed to provide distributors who agree to facilitate the installation of high-efficiency equipment in commercial facilities. The program will utilize the midstream, distributor-focused model which is designed to provide incentives to the manufacturers and distributors of equipment and reaches down the entire supply chain to ensure incentives engage service providers and customers. The program will continue to analyze measures that will fit in the midstream distributor focused model and will incorporate those measures in the program.

Program Design Update

Program is focusing on encouraging the purchase and installation of ENERGY STAR certified commercial kitchen measures through a targeted implementation effort. Commercial kitchens have a high energy use and lengthy operating hours. This program design update aims to reduce consumption and demand on these high intensity end uses. Commercial HVAC and variable frequency drive measures are returning to the Commercial Standard Offer Program.

Commercial SOP

The Commercial Standard Offer Program targets commercial customers with new or retrofit projects that either require measurement and verification or use deemed savings. Oncor provides incentives to Energy Efficiency Service Providers or self-sponsored commercial premises who install approved energy efficiency measures in business, government, nonprofit, and worship facilities in Oncor's service area. These include, but are not limited to, lighting, motors, variable frequency drives, ENERGY STAR® roofs and food service equipment, refrigeration measures, high efficiency data center air conditioning, premium efficiency motors, ENERGY STAR® commercial ice makers, ENERGY STAR® pool pumps, vending machine controls, lodging guest room occupancy sensors, condenser air evaporative pre-cooling and demand controlled kitchen ventilation, as well as new construction that exceeds existing energy code baselines per the Texas Technical Reference Manual. These energy-saving projects must be approved by Oncor prior to project start. Once completed, Oncor verifies the savings and the Service Providers receive incentive payments based on the project's actual savings. Also included is the replacement of existing HVAC units in master metered multifamily apartment complexes with high efficiency heat pumps and smart thermostats.

Program Design Update

Commercial solar PV now included to streamline applications for multi-measure projects. Measures previously only available in Commercial Midstream MTP (commercial HVAC and variable frequency drives) are also being incorporated into the Commercial SOP.

Master-Metered Smart Thermostat Direct Install MTP[3]

The Master-Metered Smart Thermostat Direct Install is focused on replacing existing HVAC thermostats with ENERGY STAR qualifying Smart Thermostats in multifamily properties with a commercial rate classification (master-metered). The program will support efforts to increase awareness of the program including outreach to property owners, managers, and service providers, as well HVAC contractors, housing agencies and community organizations. The goals of the program will be achieved through a cross cutting multi-program outreach effort that will allow Service Providers a similar experience whether direct installing in commercial, residential or hard-to-reach target markets.

Program Design Update

There are no planned major updates to the program in 2024.

Small Business Direct Install SOP[4]

Oncor's Small Business Direct Install SOP is a special offering of the Commercial Standard Offer Program designed to address the specific needs of the small business market with enhanced incentives. The program is focused on the non-Metro counties served by Oncor and targets select business types and those with peak loads less than 50 kW over the prior 12 month period.

Program Design Update

Oncor has transitioned this from an implementer-run MTP into a self-administered SOP. In addition to enhanced incentives, Oncor will be offering no-cost HVAC tune ups.

Strategic Energy Management MTP

The Strategic Energy Management MTP uses a custom fit and energy concierge approach to identify deep energy savings for Large Commercial, and Agricultural customers. It enlists a relationship building approach with the customer to ensure that their specific needs and opportunities are addressed. The program investigates the customer's current operations and system parameters to identify opportunities for improvement. The implementer and customer develop an annual Action Plan based on identified projects and the program provides on-going coaching to support the implementation of the Action Plan measures. A key aspect of the approach is to uncover and influence the implementation of operational efficiency measures in addition to capital efficiency measures.

Program Design Update

There are no planned major updates to the program in 2024.

[3] Rebranded as Master Metered Multifamily HVAC MTP in 2025 plan.
[4] Rebranded as Commercial Non-Metro SOP in 2025 plan.

Commercial Load Management SOP

Oncor pays incentives to Service Providers and Aggregators who work with local commercial and manufacturing facilities as well as self-sponsored commercial premises to achieve documented summer demand reductions in those facilities. The program is designed to assist businesses reduce their summer energy demand and help meet the state's energy efficiency goals. The demand reductions must be verified by Oncor in order for the incentives to be paid. This is accomplished by reviewing data recorded by meters and calculating the amount of demand savings achieved through "curtailment" during the summer season. The incentive is paid directly to the Service Provider, Aggregator or self-sponsored commercial customer. Each project must achieve a total estimated demand savings of at least 100 kW during the summer demand period. Participating customer facilities must reduce load when called for by Oncor. To participate, facilities must be able to curtail load within 30 minutes, at any time, in response to ERCOT energy emergency alert (EEA) Levels 1 or 2.

Program Design Update

There are no planned major updates to the program in 2024.

Commercial Winter Load Management SOP Pilot

The Commercial Winter Load Management SOP provides incentives to participating service providers, aggregators, retail electric providers, or end-use customers for curtailing electric demand in the winter season. Participants must be available to curtail 24 hours a day, seven days a week, and be capable of curtailing load within 30 minutes notice. The minimum load reduction that may be subscribed in the Program is 100 kW. Participants must curtail a minimum of 90% of their contracted demand reduction across all events to be eligible for payment. Final program payments are determined by established program rules and TRM calculations.

Program Design Update

There are no planned major updates to the program in 2024.

Home Energy Efficiency SOP

The Home Energy Efficiency SOP targets residential customers with existing homes. This program is designed to achieve energy and demand savings in the residential market with the installation of a wide range of energy-efficiency measures in homes and individually metered multi-family residences. Incentives are paid to Service Providers to help offset the cost of these energy efficiency measures. Oncor provides the incentive directly to the Service Provider. Incentives to customers vary by Service Provider and no incentives for this program are paid directly to the customer by Oncor. Eligible energy-efficient measures include replacement of air conditioning units, heat pumps and attic insulation.

Program Design Update

There are no planned major updates to the program in 2024.

Multifamily Smart Thermostat Direct Install MTP[5]

The Multifamily Smart Thermostat Direct Install is focused on replacing existing HVAC thermostats with ENERGY STAR qualifying Smart Thermostats in multifamily properties with a residential rate classification (individually metered). The program will support efforts to increase awareness of the program including outreach to property owners, managers, and service providers, as well HVAC contractors, housing agencies and community organizations. The goals of the program will be achieved through a cross cutting multi-program outreach effort that will allow Service Providers a similar experience whether direct installing in commercial, residential or hard-to-reach target markets.

Program Design Update

There are no planned major updates to the program in 2024.

Residential Load Management SOP

Oncor's Residential Load Management provides incentives to participating Service Providers and Aggregators for reducing peak electric demand at residential premises. The program engages Service Providers and Aggregators to provide demand response capability using remotely controlled load control devices in homes. The Service Providers will use various control strategies, such as pre-cooling and cycling to reduce overall demand during the peak period. The participating providers are responsible for ensuring the presence of load control devices in participating residences. The actual demand savings will be determined by Oncor using advanced meter data in accordance with Texas TRM. Program participants must be able to curtail load within 30 minutes, at any time, in response to ERCOT energy emergency alert (EEA) Levels 1 or 2.

Program Design Update

There are no planned major updates to the program in 2024.

Residential New Home Construction MTP

Residential New Home Construction is a market transformation program designed to facilitate technical and financial assistance to home builders and energy raters to transform and deliver cost-effective energy savings on single-family new construction projects within the Oncor service territory. The program allows home builders and buyers the flexibility to take advantage of multiple technologies for efficient homes by incentivizing prescriptive measures which include HVAC, heat pumps, smart thermostats, Heat Pump Water Heaters, ENERGY STAR® EV Supply Equipment, ENERGY STAR® Appliances and Roof-Mounted Solar PV. The goal of the program is to increase the availability of high-performance new homes by aligning with nationally recognized above-code home programs such as ENERGY STAR® certified and DOE Zero Energy Ready (DOE ZER) single and multifamily homes.

Program Design Update

There are no planned major updates to the program in 2024.

[5] Rebranded as Multifamily HVAC MTP in 2025 plan.

Residential Solar PV SOP

The Residential Solar PV SOP provides incentives for the installation of solar systems that reduce customer energy costs, reduce peak demand and save energy in existing residential customer structures. Incentives are paid to Service Providers based on savings calculation detailed in the Texas TRM for Solar PV systems. Energy Efficiency incentives are only eligible for projects that have or will include battery storage.

Program Design Update

There are no planned major updates to the program in 2024.

Retail Products Program MTP

Retail Products Program provides incentives directly to residential customers through an online marketplace, in-store point of sale discounts, and retailer coupons for the purchase of ENERGY STAR® qualified products like smart thermostats, heat pump water heaters, room air conditioners, and more. The Program is partnership-based and delivers qualified product measures by contracting with major market manufacturers and through cooperation with their retail alliance partners.
Oncor customers can find participating locations, obtain a coupon, or buy online by visiting www.smartsavingstx.com.

Program Design Update

In 2024, incentives will no longer be offered on LED lighting products due to sunsetting of the measure in the Texas TRM.

Hard-to-Reach SOP

The Hard-to-Reach SOP targets residences with household incomes at or below 200% of the federal poverty guidelines. Premises that are qualified as low-income are validated utilizing the qualification requirements listed in Texas TRM volume 5. This program is designed to achieve energy and demand savings with the installation of a wide range of energy-efficiency measures. Service Providers implement energy saving projects in homes located in Oncor's service area. Incentives are paid to the Service Providers to help offset the cost of the energy efficiency measures. Common improvements include ceiling insulation and air infiltration mitigation measures that are installed at low or no cost to the customer. Service Providers must test for air leakage before and after installation when installing air infiltration measures. Oncor provides the incentive directly to the Service Provider. Qualifying measures are similar to those described for the Home Energy Efficiency SOP, plus air infiltration measures. Also included is the replacement of existing HVAC units in multifamily apartment complexes with high efficiency heat pumps. The same income qualifications (household incomes at or below 200% of current federal poverty level guidelines) apply to the multifamily apartment program option.

Program Design Update

There are no planned major updates to the program in 2024.

Low-Income Air Conditioning Tune-up MTP

The Low-Income AC Tune Up pilot is designed to overcome market barriers that prevent low-income residential customers from receiving high performance air-conditioning system tune-ups. The program offers system tune-ups to low-income qualified customers at little to no additional cost to the customer to help alleviate the energy burden that most low-income customers face during the summer months.

The program is designed to work through local networks to offer key program components, including:

- Training and certifying technicians on the tune-up and air flow correction services and protocols.
- Paying incentives to contactors for the successful implementation of tune-up and air flow correction services.

Program Design Update

There are no planned major updates to the program in 2024.

Low-Income Multifamily Smart Thermostat Direct Install MTP[6]

The Low-Income Multifamily Smart Thermostat Direct Install is focused on replacing existing HVAC thermostats with ENERGY STAR qualifying Smart Thermostats in multifamily properties with low-income residents and individually metered units. The targeted program will support efforts to reduce the energy burden for low-income customers and to increase awareness of the program including outreach to property owners, managers, and service providers, as well HVAC contractors, housing agencies and community organizations. The goals of the program will be achieved through a cross cutting multi-program outreach effort that will allow Service Providers a similar experience whether direct installing in commercial, residential or hard-to-reach target markets.

Program Design Update

There are no planned major updates to the program in 2024.

Targeted Low-Income Weatherization SOP

The Targeted Low-Income Weatherization SOP program is designed to meet the program requirements outlined in PURA §39.905 and TAC §25.181 by working with community action agencies and program implementers. Oncor is implementing TLIW SOP through the Texas Association of Community Action Agencies who provide funds to designated federal Weather Assistance Program sub recipient agencies enabling them to provide weatherization services to residential electric distribution customers of Oncor who have household incomes at or below 200% of current federal poverty level guidelines.

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

The SOP also includes the replacement of HVAC units in multifamily apartment complexes with high efficiency heat pumps for income qualifying customers.

Program Design Update

There are no planned major updates to the program in 2024.

[6] Rebranded as Low-Income Multifamily HVAC in 2025 plan.

Research and Development

Program and Technology Incubator

In 2021, Oncor launched a program and technology incubator with the goal of building a pipeline of new technologies or potential program design strategies for review and analysis. The purpose of the incubator is to identify and test new energy efficient technologies, program strategy and ideas for inclusion in the Oncor Energy Efficiency portfolio. Under the Incubator program, Oncor introduced the Radiant Barrier measure in the Texas TRM v10. The Radiant Barrier will be offered as an eligible measure in residential and low-income programs starting in 2023. Oncor continues to analyze and identify new measures or program design strategies for inclusion through research or as submitted in the "Next Efficient Solution" portal in https://www.oncor.com/takealoadofftexas/.
In 2024, Oncor will conduct a study and analysis for cold climate heat pumps and participate in the PUCT Heat Pump Working Group for potential inclusion in the Texas TRM.

Managed EV Charging Study

Oncor's service territory is seeing a continued rise of electric vehicles and electric vehicle supply equipment. As such, energy efficiency is conducting a research and development study that will understand the impact of electric vehicles to energy and demand. The study will also identify the charging behavior of commercial premises by industry, size, and operational requirements. The goal of the study is to provide educational opportunities for commercial premises with EV fleets or locations with electric vehicle charging locations on peak demand shifting or energy consumption reduction strategies. The study also provides Oncor the ability to gather data analytics for facilities with electric vehicle charging requirements for peak load profiles and usage data.

Consortium for Energy Efficiency - Emerging Technologies Study

Oncor continues to participate in emerging technologies studies from different consultants and subject matter experts. Oncor plans to participate in the Consortium for Energy Efficiency's emerging technologies study in 2024.

Low-Income Service, Programs, and Technologies Analysis

Oncor will continue its membership with TEPRI for 2024. TEPRI is a 501(c) (3) whose mission is to research the root causes of energy and fuel poverty and provide data for solutions that have an impact on low-income households. In 2024, TEPRI will continue compiling Best Practices of Low-Income Services, Programs, and Technologies. TEPRI will continue to conduct a research study to investigate and develop recommendations for the revised program eligibility verification approaches for low-income and hard-to-reach energy efficiency program. Additionally, TEPRI will update their portal of information on publications, websites, and other resources that are specific to the topic of energy and poverty in Texas and the nation.

Oncor will continue to fund studies to evaluate energy efficiency market attributes, new technologies, and new program ideas. The studies will be conducted by third party consultants and will address Oncor specific portfolio needs, and as well as Texas market issues and opportunities.

C. New Programs for 2024

Residential Winter Load Management SOP Pilot

The program is designed to help residences reduce their winter energy demand on the Oncor grid when needed and help meet state energy efficiency goals. Incentives are paid to residential participants who curtail their electricity demand during a scheduled curtailment event, and during called curtailments throughout the winter period, which can occur 24/7 from December 1, 2023, through May 31, 2024. The peak period is defined as 6 a.m. to 10 a.m. and 6 p.m. to 10 p.m.
The program is designed to be a load-shedding resource that helps prevent rolling curtailments during grid emergencies. The program is called when ERCOT anticipates or is in an EEA level 2 grid emergency. An EEA-2 is called just prior to rolling outages at EEA-3.

D. New Programs for 2025

Smart Thermostat Pilot Market Transformation Program

Working with Retail Electric Providers (REPs), the Program seeks to support the deployment of smart thermostats, which would increase automated demand response capabilities in the residential market. Additionally, the Program addresses certain goals expressed in Senate Bill 1699 and is designed to comply with 16 Tex. Admin. Code § 25.181 (TAC) relating to the Energy Efficiency Goal implementing § 39.905 of the Public Utility Regulatory Act (PURA). The primary objective of this Program is to increase smart thermostat deployment to residential customers through REPs. Additional objectives of the Program are to:

- Enable residential customers who receive smart thermostats through this program to enroll in demand response programs offered by REPs.
- Empower customers who receive smart thermostats through this program to better manage their energy consumption.
- Help establish an objective count of residential customers who have responsive appliances or devices at their premises that reduce electric consumption.

Multifamily HVAC

HVAC improvements, including AC and heat replacements, as well as the installation of smart thermostats are currently happening across multiple program offerings. Oncor is planning to consolidate these measures into a streamlined market-facing program known as Multifamily HVAC, with options for customers that fall into the commercial (master-metered), residential, and hard-to-reach customer classes. This consolidation will improve service provider experience with streamlined participation, and provide opportunities for increased marketing with broad outreach from service providers.

II. Customer Classes

Customer classes targeted by Oncor's energy efficiency programs are the Hard-to-Reach, Residential, and Commercial customer classes. The annual demand goal will be allocated to customer classes by examining historical program results, evaluating economic trends, and complying with 16 TAC §25.181(e)(3)(F), which states that no less than 5% of the utility's total demand reduction savings goal should be achieved through programs for hard-to-reach customers. Also factored into the allocation is the PURA §39.905 requirement that annual expenditures for the targeted low-income energy efficiency programs are not less than 10 percent of the annual energy efficiency budget for the year. Table 3 summarizes the number of customers in each of the customer classes, which was used to determine budget allocations for those classes. Oncor used year-end 2023 Customer Information System (CC&B) premise-level data to estimate the number of customers in each class. The Hard-to-Reach class was estimated by multiplying the total number of residential customers by 25.9%[7]. According to the U.S. Census Bureau's most-recently available Current Population Survey (CPS, 2022), 25.9% of US Primary Families fall below 200% of the poverty threshold (previously used CPS metric was 24.2%). Applying that percentage to Oncor's residential customer totals, the number of HTR customers is estimated at 877,903 compared to 803,436 in 2022. This calculation is only an estimate. Oncor does not have access to its residential customers' income levels. The actual percentage may be higher or lower.

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

Table 3: Summary of Customer Classes

Program	Number of Customers
Commercial*	519,183
Residential	2,511,682
Hard-to-Reach	877,903
Total	3,908,768

* Customer count takes into account 8,297 qualifying for-profit industrial customers who have elected to exclude themselves from participation in Oncor's energy efficiency programs per 16 TAC 25.181(u), as well as lighting premises.

[7]US Census Bureau. "POV-11. Poverty Status by State.", www.census.gov/data/tables/time-series/demo/income-poverty/cps-pov/pov-11.html#185200.

III. Projected Energy Efficiency Savings and Goals

As prescribed by 16 TAC §25.181, Oncor's demand goal is specified as four-tenths of 1% of the summer weather-adjusted five-year average peak demand for eligible residential and commercial customers. The four-tenths of 1% trigger described in TAC §25.181(e)(1)(B) was met in 2019, the demand goal for 2024 and 2025 is calculated according to TAC §25.181(e)(3)(B), applying the four-tenths of 1% goal to the weather-adjusted five-year average peak demand for eligible residential and commercial customers. The corresponding energy savings goals are determined by applying a 20% conservation load factor to the applicable demand savings goals.

Table 4 presents historical annual growth in demand for the previous five years. Total System numbers include all customers (including transmission voltage and qualifying for-profit industrial customers who elected to exclude themselves from participation in Oncor's energy efficiency programs). While Residential and Commercial totals include eligible residential and non-residential customers taking delivery at a distribution voltage and non-profit customers and government entities, including educational institutions. Table 5 presents the projected demand and energy savings broken out by program for each customer class for 2024 and 2025. The program-level goals presented in Table 5 are at the meter and take into account transmission and distribution line losses.

Table 4: Annual Growth in Demand and Energy Consumption*

Calendar Year	Peak Demand (MW) (at Source) **					Energy Consumption (MWh) (at Meter)				Eligible Residential & Commercial			
	Total System		Opt-Out	Eligible Residential & Commercial		Total System		Eligible Residential & Commercial		Growth (MW)	Avg 5 Yr (MW) Growth	30% of 5-Yr Avg Growth***	0.4% of 5-Yr Avg Peak Demand***
	Actual	Actual Weather Adjusted[8]	Secondary / Primary, & Transmission Voltage***	Actual	Actual Weather Adjusted[8]	Actual	Actual Weather Adjusted[8]	Actual	Actual Weather Adjusted[8]	Actual Weather Adjusted[8]	Actual Weather Adjusted[8]	Actual Weather Adjusted[8]	Actual Weather Adjusted[8]
2018	27,471	27,201	2,055	25,415	25,145	130,007,690	128,631,337	111,336,170	109,959,816				
2019	27,174	28,733	2,408	24,767	26,326	133,357,452	133,307,591	112,552,481	112,502,621	1,180.3			
2020	27,133	28,089	2,932	24,201	25,157	130,279,888	134,416,838	105,774,456	109,911,405	(1,168.2)			
2021	26,740	30,146	2,909	23,831	27,237	135,522,388	137,888,482	108,312,829	110,678,923	2,079.7			
2022	29,223	28,337	3,360	25,863	24,977	148,662,829	144,067,534	114,678,854	110,083,559	(2,260.0)			
2023	30,800	30,849	4,220	26,580	26,629	156,150,440	152,477,576	117,814,207	114,141,343	1,651.8	296.7	84.3	98.7
2024[9]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2025[9]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

5-yr Average of Actual Weather Adjusted Eligible Residential and Commercial (Peak Demand MW) (At Source): 26,065.2 (Average of 26,326, 25,157, 27,237, 24,977 and 26,629)

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

** Includes the peak demand of qualifying for-profit industrial customers who receive service at primary/secondary voltage and have elected to exclude themselves from participation in Oncor's energy efficiency programs in the following amounts: Year 2018 – 539 MW, Year 2019 – 524 MW, Year 2020 – 782 MW, Year 2021 - 887 MW, Year 2022 - 1,219 and Year 2023 -1,223.

*** Reflects line loss of 5.296%

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

9 "NA" = Not Applicable. Energy efficiency goals are calculated based upon the actual weather-adjusted growth in demand; so peak demand and energy consumption forecasts for 2024 and 2025 are not applicable.

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

Customer Class and Program	2024 Projected Savings		2025 Projected Savings	
	(kW)	(kWh)	(kW)	(kWh)
Commercial	**108,594**	**83,484,266**	**99,527**	**51,966,008**
Commercial SOP	15,211	66,093,340	5,988	36,348,230
Small Business Direct Install MTP*	781	3,694,597	225	1,030,889
Commercial Midstream MTP	191	1,250,000	225	1,500,000
Master-Metered Smart Thermostat Direct Install**	0	2,000,000	2,087	3,921,569
Strategic Energy Management MTP	1,411	10,173,329	1,002	8,895,320
Commercial Load Management SOP	70,000	210,000	60,000	180,000
Commercial Winter Load Management***	21,000	63,000	30,000	90,000
Residential	**66,410**	**81,836,957**	**73,663**	**111,816,222**
Home Energy Efficiency SOP	17,209	33,316,204	10,133	17,530,187
Multi-Family Smart Thermostat Direct Install**	0	2,150,000	3,366	6,250,000
Retail Products MTP	5,754	36,328,263	14,507	76,470,588
Residential New Home Construction MTP	2,432	6,512,563	4,510	7,602,025
Solar PV SOP	1,015	3,409,927	1,147	3,843,422
Residential Load Management SOP	30,000	90,000	30,000	90,000
Residential Winter Load Management***	10,000	30,000	10,000	30,000
Hard-to-Reach	**20,125**	**35,351,667**	**19,747**	**30,530,330**
Hard To Reach SOP	15,470	21,423,558	10,861	13,362,874
Low-Income MF Smart Thermostat Direct Install**	0	2,000,000	1,310	2,285,714
Low-Income HVAC Tune-Up Program	1,223	5,626,950	3,619	7,988,628
Targeted Low-Income Weatherization Program	3,432	6,301,159	3,957	6,893,114
Total Annual Savings Goals	**195,129**	**200,672,890**	**192,937**	**194,312,560**

* Will be rebranded in 2025 as Commercial Non-Metro SOP
** Will be rebranded in 2025 as cross-sectional Multifamily HVAC MTP
*** 2024 pilot program

IV. Program Budgets

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

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

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

Table 6: Proposed Annual Budget Broken Out by Program for Each Customer Class

2024 Customer Class & Program	Incentives	Administration	Total Budget
Commercial	**$14,624,590**	**$2,094,930**	**$16,719,520**
Commercial SOP	$8,047,330	$1,448,520	$9,495,850
Small Business Direct Install MTP	$761,090	$60,890	$821,980
Commercial Midstream MTP	$500,280	$50,030	$550,310
Master-Metered Smart Thermostat Direct Install	$240,000	$21,600	$261,600
Strategic Energy Management MTP	$1,925,890	$192,590	$2,118,480
Commercial Load Management SOP	$2,310,000	$254,100	$2,564,100
Commercial Winter Load Management	$840,000	$67,200	$907,200
Residential	**$16,310,800**	**$1,898,491**	**$18,209,291**
Home Energy Efficiency SOP	$7,474,170	$1,046,380	$8,520,550
Multifamily Smart Thermostat Direct Install	$560,000	$33,600	$593,600
Retail Products MTP	$3,188,840	$287,000	$3,475,840
Residential New Home Construction MTP	$2,338,840	$233,880	$2,572,720
Solar PV SOP	$1,348,950	$157,631	$1,506,581
Residential Load Management SOP	$1,000,000	$100,000	$1,100,000
Residential Winter Load Management	$400,000	$40,000	$440,000

Hard-to-Reach	**$12,139,550**	**$1,689,540**	**$13,829,090**
Low-Income HVAC Tune-Up Program	$770,440	$107,860	$878,300
Low-Income MF Smart Thermostat Direct Install	$200,000	$18,000	$218,000
Hard-To-Reach SOP	$6,280,680	$879,300	$7,159,980
Targeted Low-Income Weatherization Program	$4,888,430	$684,380	$5,572,810
Research & Development*	**$0**	**$400,000**	**$400,000**
Evaluation, Measurement & Verification**	**$0**	**$742,852**	**$742,852**
Total Budgets by Category***	**$43,074,940**	**$6,825,813**	**$49,900,753**

2025 Customer Class and Program	Incentives	Administration	Total Budget
Commercial	**$12,775,000**	**$1,837,089**	**$14,612,089**
Commercial SOP	$5,000,000	$623,299	$5,623,299
Commercial Non-Metro SOP	$800,000	$160,000	$960,000
Commercial Midstream MTP	$625,000	$105,508	$730,508
Master Metered Multifamily HVAC	$2,000,000	$249,320	$2,249,320
Strategic Energy Management MTP	$1,500,000	$298,633	$1,798,633
Commercial Load Management	$1,800,000	$228,338	$2,028,338
Winter Commercial Load Management	$1,050,000	$171,991	$1,221,991
Residential	**$23,800,000**	**$2,430,996**	**$26,230,996**
Home Energy Efficiency	$8,000,000	$701,701	$8,701,701
Multifamily HVAC	$2,000,000	$220,000	$2,220,000
Retail Products Program Residential	$6,500,000	$522,797	$7,022,797
Residential New Home Construction MTP	$3,800,000	$481,044	$4,281,044
Residential Solar	$1,400,000	$179,172	$1,579,172
Residential Load Management	$1,050,000	$163,141	$1,213,141
Residential Winter Load Management	$1,050,000	$163,141	$1,213,141

Hard-to-Reach	**$12,200,000**	**$1,366,151**	**$13,566,151**
Hard-To-Reach SOP	$4,200,000	$449,255	$4,649,255
Low-Income Multifamily HVAC	$800,000	$80,561	$880,561
Low-Income HVAC Tune-Up	$1,200,000	$248,181	$1,448,181
Targeted Low-Income Weatherization Program	$6,000,000	$588,154	$6,588,154
Research & Development*	**$0**	**$400,000**	**$400,000**
Evaluation, Measurement & Verification**	**$0**	**$742,852**	**$742,852**
Total Budgets by Category	**$48,775,000**	**$6,777,088**	**$55,552,088**

* Research & Development costs will be split into Residential and Commercial classes and then allocated among the Programs (by class) in proportion to the program incentives in Oncor's EECRF filings.

** EM&V costs shown for 2024 are projected expenditures Oncor will incur in 2024 for completing review of Program Year 2023. EM&V costs shown for 2025 are projected expenditures Oncor will incur in 2025 for EM&V of 2024 programs.

*** 2024 Total Budget reflects the approved amount in Oncor's 2023 EECRF, Docket No. 55074, ordering paragraph no. 2.

ENERGY EFFICIENCY REPORT

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

Table 7 documents Oncor's projected demand savings, actual demand goals and projected energy savings for the previous five years (2019-2023) calculated in accordance with 16 TAC §25.181.

Table 7: Historical Demand Savings Goals and Energy Targets

Calendar Year	Actual Demand Goal (MW at Meter) *	Projected Savings (MW at Meter)	Projected Energy Savings (MWh at Meter)	Reported & Verified Savings (MW at Meter) *	Reported & Verified Energy Savings (MWh at Meter)
2023[10]	97.0	215.9	294,270	187.7	232,967
2022[11]	95.1	201.2	253,599	248.7	302,293
2021[12]	94.5	165.0	254,533	209.9	309,859
2020[13]	69.4	163.3	248,055	199.2	295,496
2019[14]	69.4	161.4	218,630	167.4	243,152

* The 2023 MW savings at the Source is 198.23 = (187.7 MW // (1- .05329 line loss)). The 2023 demand goal MW at the source is 102.5 (97.0 MW/ (1 - .05329 line loss)). The line loss was reported in Oncor's 2023 EECRF (Docket No. 55074 – WP_DEN-4).

[10] Projected MW Savings and Projected Energy Savings as reported in the 2023 Energy Efficiency Plan & Report (EEPR) filed in March of 2022 under Project No. 54470 (and amended on May 26, 2023). Actual Demand Goal as discussed in Tables 1 & 4.
[11] Projected MW Savings and Projected Energy Savings as reported in the 2022 Energy Efficiency Plan & Report (EEPR) filed in April of 2022 under Project No. 52949 (and amended on May 24, 2022). Actual Demand Goal as discussed in Tables 1 & 4.
[12] Projected MW Savings and Projected Energy Savings as reported in the 2021 Energy Efficiency Plan & Report (EEPR) filed in April of 2021 under Project No. 51672.
[13] Projected MW Savings and Projected Energy Savings as reported in the 2020 Energy Efficiency Plan & Report (EEPR) filed in April of 2020 (and amended on May 18, 2020) under Project No. 50666
[14] Projected MW Savings and Projected Energy Savings as reported in the 2019 Energy Efficiency Plan & Report (EEPR) filed in April of 2019 (and amended on May 24, 2019) under Project No. 49297.

VI. Projected, Reported and Verified Demand and Energy Savings

Table 8: Projected versus Reported and Verified Savings for 2023 and 2022[15] (at Meter)

2023	Projected Savings		Reported and Verified Savings	
Customer Class and Program	**kW**	**kWh**	**kW**	**kWh**
Commercial	**121,656**	**122,379,519**	**109,953**	**83,890,131**
Commercial Load Management SOP	60,000	180,000	72,713	218,138
Commercial Midstream MTP	1,459	7,133,934	644	2,320,605
Commercial SOP	14,523	72,827,590	8,792	53,443,611
Commercial Winter Load Management (Pilot)	35,000	105,000	20,573	61,719
Master-Metered Smart Thermostat Direct Install (Pilot)	0	1,000,000	0	0
Retail Products MTP	6,505	26,489,290	2,683	13,861,056
Small Business Direct Install MTP	1,588	2,964,683	65	296,275
Solar PV SOP	1,534	4,979,022	1,883	5,875,626
Strategic Energy Management MTP (Pilot)	1,047	6,700,000	895	7,807,985
Residential	**75,228**	**139,693,427**	**60,856**	**124,757,116**
Home Energy Efficiency SOP	18,266	35,683,104	12,146	21,013,650
Multi-Family Smart Thermostat Direct Install (Pilot)	0	1,075,000	0	1,889,836
Residential Load Management SOP	35,000	105,000	26,701	80,096
Residential New Home Construction MTP	1,594	3,745,152	3,361	5,667,460
Retail Products MTP	19,353	95,675,244	17,481	92,195,406
Solar PV SOP	1,015	3,409,927	1,167	3,910,668
Hard-to-Reach	**19,062**	**32,197,490**	**16,860**	**24,319,467**
Hard To Reach SOP	14,406	20,489,041	12,694	15,426,762
Low Income HVAC Tune-Up Program	877	3,690,000	1,888	4,167,414
Targeted Low-Income Program Weatherization	3,779	7,018,449	2,278	3,958,476
Low-Income MF Smart Thermostat Direct Install (Pilot)	0	1,000,000	0	766,815
Total Annual Savings	**215,946**	**294,270,436**	**187,669**	**232,966,714**

[15] Projected Savings totals for 2023 and 2022 from Table 7. Reported Savings may not add due to rounding.

2022	Projected Savings		Reported and Verified Savings[16]	
Customer Class and Program	**kW**	**kWh**	**kW**	**kWh**
Commercial	**122,023**	**118,820,600**	**136,857**	**99,514,977**
Commercial Load Management SOP	65,000	195,000	80,000	240,000
Commercial Midstream MTP	1,607	3,000,450	948	2,027,252
Commercial SOP	12,585	64,793,888	12,645	51,451,552
Commercial Winter Load Management (Pilot)	35,000	105,000	34,722	104,166
Retail Products MTP	3,449	20,521,745	6,768	34,919,279
Small Business Direct Install MTP	1,703	8,515,795	230	1,003,135
Solar PV SOP	1,534	4,979,022	1,296	4,033,138
Strategic Energy Management MTP (Pilot)	1,145	16,709,700	248	5,736,455
Residential	**62,231**	**113,935,695**	**93,724**	**177,187,270**
Home Energy Efficiency SOP	13,255	23,548,071	17,549	34,095,024
Residential Load Management SOP	35,000	105,000	44,067	132,200
Residential New Home Construction MTP	900	4,100,000	3,330	4,381,063
Retail Products MTP	12,061	82,772,697	27,458	134,050,274
Solar PV SOP	1,015	3,409,927	1,320	4,528,709
Hard-to-Reach	**16,928**	**20,842,952**	**18,083**	**25,591,118**
Hard-to-Reach SOP	13,971	17,131,751	15,024	19,963,263
Targeted Weatherization LI SOP	2,957	3,711,201	3,059	5,627,855
Total Annual Savings Goals	**201,182**	**253,599,247**	**248,664**	**302,293,365**

[16] Reported and Verified Savings data for 2022 taken from EEPR, Project 54470, Amended May 26, 2023

VII. Historical Program Expenditures

This section documents Oncor's incentive and administration expenditures for the previous five years (2019-2023) broken out by program for each customer class.

Table 9: Historical Program Incentive and Administrative Expenditures for 2019 through 2023

	2023		2022		2021		2020		2019	
	Incentive ($)	Admin ($)	Incentive ($)	Admin ($)	Incentive ($)	Admin ($)	Incentive ($)	Admin ($)	Incentive ($)	Admin ($)
Commercial	**$16,126,353**	**$2,075,442**	**$15,059,711**	**$2,173,000**	**$17,344,747**	**$2,328,488**	**$16,378,224**	**$2,151,317**	**$17,737,374**	**$2,618,203**
Commercial Load Management SOP	$2,816,396	$232,361	$2,400,000	$197,495	$2,500,000	$219,270	$2,625,000	$233,444	$2,280,000	$219,548
Commercial Midstream MTP 16	$863,456	$149,119	$1,089,803	$114,620	$237,657	$35,090	$217,547	$14,882	NA	NA
Commercial SOP	$7,327,922	$896,696	$7,301,263	$1,342,443	$10,722,024	$1,632,640	$9,206,772	$1,433,891	$10,219,382	$1,738,821
Commercial SOP (Custom)	NA	NA	NA	NA	NA	NA	NA	NA	$304,852	$78,986
Commercial Winter Load Management SOP	$891,137	$104,147	NA	NA	NA	NA	NA	NA	NA	NA
Master-Metered Smart Thermostat Direct Install (Pilot)	$0	$0	NA	NA	NA	NA	NA	NA	NA	NA
Retail Products MTP	$289,653	$64,942	$278,637	$37,673	$261,824	$20,218	$215,648	$17,004	$146,966	$13,412
Retro-commissioning MTP	NA	NA	$0	$0	$39,898	$33,090	$128,413	$35,325	$153,864	$38,835
Small Business Direct Install MTP	$237,732	$63,738	$371,757	$52,474	$1,069,470	$91,657	$1,304,087	$106,960	$1,880,379	$179,987
Solar PV SOP	$2,366,336	$293,726	$1,328,573	$215,242	$2,513,874	$296,523	$2,680,757	$309,811	$2,751,931	$348,614

	2023		2022		2021		2020		2019	
Strategic Energy Management MTP (Pilot)	$1,333,721	$270,713	$900,799	$92,237	NA	NA	NA	NA	NA	NA
Residential	**$20,322,574**	**$2,100,040**	**$17,363,670**	**$1,808,049**	**$16,264,512**	**$1,725,419**	**$16,235,042**	**$1,683,150**	**$14,408,317**	**$1,719,366**
Home Energy Efficiency SOP	$9,272,728	$900,652	$7,542,538	$879,854	$7,734,703	$918,967	$8,729,508	$974,663	$8,436,929	$1,044,545
Multi-Family Smart Thermostat Direct Install (Pilot)	$316,970	$68,333	NA	NA	NA	NA	NA	NA	NA	NA
Residential Load Management SOP	$972,857	$109,650	$1,321,997	$115,797	$1,303,638	$107,389	$1,225,000	$101,503	$1,118,156	$102,917
Residential New Home Construction MTP	$2,832,123	$324,243	$1,574,838	$134,721	$453,622	$49,736	NA	NA	NA	NA
Retail Products MTP	$5,503,401	$509,318	$5,294,104	$437,762	$4,974,647	$384,143	$4,381,055	$342,480	$2,846,178	$258,928
Solar PV SOP	$1,424,495	$187,844	$1,630,193	$239,915	$1,797,902	$265,184	$1,899,479	$264,504	$2,007,054	$312,976
Hard-to-Reach	**$10,262,242**	**$1,170,487**	**$11,255,742**	**$1,082,410**	**$11,022,849**	**$1,151,840**	**$11,134,111**	**$1,137,527**	**$10,467,278**	**$1,163,385**
Hard-to-Reach SOP	$4,781,829	$534,767	$6,504,572	$684,058	$6,378,548	$708,926	$6,265,399	$684,349	$6,038,597	$753,931
Low Income HVAC Tune-Up Program	$626,002	$131,901	NA	NA	NA	NA	NA	NA	NA	NA
Low-Income MF Smart Thermostat Direct Install (Pilot)	$127,075	$54,683	NA	NA	NA	NA	NA	NA	NA	NA
Targeted Weatherization LI SOP	$4,727,336	$449,136	$4,751,170	$398,352	$4,644,301	$442,914	$4,868,712	$453,178	$4,428,681	$409,454
Total Program Expenditures	**$46,711,169**	**$5,345,969**	**$43,679,123**	**$5,063,459**	**$44,632,108**	**$5,205,747**	**$43,747,377**	**$4,971,994**	**$42,612,969**	**$5,500,954**

VIII. Program Funding for Calendar Year 2023

Oncor exceeded its 2023 mandated demand goal of 97.0 MW by obtaining 185.9 MW in energy efficiency savings. As shown on Table 10, funds were either spent or committed by contracts with energy efficiency service providers in the amount of $53,014,140.

The **Commercial Midstream MTP** was under budget in 2023, as the program overestimated the ability to develop the relationships needed to generate market transformation in this sector. As a result, the contract with the MTP contractor was canceled. A new concept and implementation contractor has been put in place to encourage energy conservation measure adoption in this critical sector.

The **Commercial SOP** was over budget due to an abundance of high value measures that performed exceedingly well. The high value measure is the replacement of electric resistance furnaces with heat pump systems in multifamily properties, which has encouraged Oncor to create a dedicated program offerings for these types of replacements.

The **Commercial Load Management SOP** was over budget in 2023 due to the ability of the Service Providers in this program to achieve a higher level of demand savings when other commercial programs fell short of their budget.

The **Commercial Winter Load Management Program** relies on a small number of high demand customers. This program was launched in late 2022 with the first program results being reported in 2023. Oncor's participation predictions were high, and ultimately the program came in under spent primarily due to participants that enrolled but proved unable to shed load when called upon. Application refinement has occurred to better screen potential applicants for improved forecasting.

The **Master-Metered Smart Thermostat Direct Install (Pilot)** did not complete any projects in 2023. This was one of three similar program offerings that install smart thermostats at multifamily locations. When the incentive budget for the two complimentary programs (residential and hard-to-reach) were exhausted, service providers then turned their attention to the master-metered sector resulting in a pipeline of projects anticipating a full use of program funds in subsequent program years. The program name will change in 2025 to the Master-Metered Multifamily HVAC Program and will offer HVAC changeouts, as well as smart thermostats.

The **Retail Platform MTP (Commercial)** program is the byproduct of the lighting measures captured in the Retail Products Platform (5% of lighting sales are attributed to commercial installations). Within the in-store retail sales channel, lighting outperformed expectations resulting in this program achieving performance greater than expected.

The **Small Business Direct Install MTP** continued to perform under expectations in 2023, resulting in the discontinuation of the program. This program is being reconfigured as an SOP and continuing to support non-metro areas and small businesses.

The **Commercial Solar PV SOP** saw revived interest in 2023, seeming to bounce back from pandemic-era low interest and stalled renewable project development. Incentive requests exceeded the allocated budget, with some additional projects funded from the allocation remaining from commercial programs that did not utilize the full allocated budget.

The **Strategic Energy Management MTP** has continued to grow, identifying new measures such as compressed air leak detection and correction, and other novel energy conservation measures. This program was able to take advantage of unspent funds from other commercial programs to drive savings and program interest.

The **Home Energy Efficiency SOP** continues to adjust to new US Department of Energy mandated efficiency test procedures for HVAC systems that have been phased in over the last two program years. Beginning in 2023, AC systems not rated under the new guidelines were ineligible for incentives. Additionally, systems rated under the new rating system result in less quantified savings and therefore fewer dollars spent. Forecasts are still being calibrated as Oncor, as well as manufacturers, distributors and installing contractors, continue to react to this significant and impactful measure rating modification.

The **Multi-Family Smart Thermostat Direct Install (Pilot)** was overbudget, using incentive dollars budgeted for the master-metered sector that were not utilized. Ultimately, this realized the same measure savings, but accumulated more savings and spend in the residential customer class, and fewer in the commercial class.

The **Residential New Homes Construction MTP** has outpaced predictions, and spent more than initially budget. The program continues to attract new home builders that are recognizing they have informed customers that more so now than ever acknowledge the relationship between an energy efficient new home and the permanent operating costs for the lifetime of the dwelling. Buoyed by a synchronization with the EPA ENERGY STAR and DOE Zero Energy Ready above code certification programs, this program is positioned to continue to grow.

The **Retail Platform MTP (Residential)** had a high performing year, spending and saving greater than expected. In addition to introducing a buy-it-now online option, the in-store marketing channels resulted in robust sales of energy conservation measures. New in-store measures such as room air conditioners and room air purifiers may grow the program in future years, while the removal of residential lighting eligibility will likely present a significant challenge to short term growth.

The **Hard-to-Reach SOP** was under budget in 2023 for the same reasons the non-HTR (HEE SOP) was under budget; the market is adjusting to new US Department of Energy mandated efficiency test procedures for HVAC systems that have been phased in over program years 2022 and 2023. In 2023, HVAC systems, including heat pumps, not rated under the new guidelines were ineligible for incentives. Additionally, systems rated under the new rating system result in less quantified savings and therefore fewer dollars spent.

The **Low-Income HVAC Tune-Up Program,** in 2023, was able to perform above expectations and went over the projected budget while benefiting disadvantaged communities with a no-cost energy conservation measure that delivers energy savings alongside occupant comfort improvements.

The **Low-Income MF Smart Thermostat Direct Install (Pilot)** was overbudget, using incentive dollars budgeted for the master-metered sector that were not utilized. Ultimately, this realized the same measure savings, but accumulated more savings and spend in the hard-to-reach customer class, and fewer in the commercial class.

Table 10: Program Funding for Calendar Year 2023

	Number of Customer Meters	Total Projected Budget ($)	Actual Funds Expended (Incentives) ($)	Actual Funds Expended (Admin)* ($)	Total Funds Expended ($)	Funds Committed (Not Expended) ($)	Funds Remaining (Not Committed) ($)
Commercial	**1,309**	**$19,924,260**	**$16,126,353**	**$2,148,761**	**$18,275,114**	**$2,869,088**	**($1,146,623)**
Commercial Load Management SOP	882	$2,338,678	$2,816,396	$312,011	$3,128,407	$0	($710,079)
Commercial Midstream MTP	24	$1,462,744	$863,456	$145,770	$1,009,226	$0	$450,169
Commercial SOP	277	$9,488,944	$7,327,922	$868,278	$8,196,200	$2,869,088	($1,604,762)
Commercial Winter Load Management SOP	26	$1,507,861	$891,137	$145,977	$1,037,114	$0	$512,577
Master-Metered Smart Thermostat Direct Install (Pilot)	0	$150,000	$0	$0	$0	$0	$150,000
Retail Platform MTP Commercial	0	$238,931	$289,653	$63,819	$353,472	$0	($115,664)
Small Business Direct Install MTP	28	$1,162,359	$237,732	$62,816	$300,548	$0	$860,889
Solar PV MTP (Commercial)	48	$2,233,293	$2,366,336	$284,549	$2,650,885	$0	($426,769)
Strategic Energy Management MTP	24	$1,341,450	$1,333,721	$265,541	$1,599,262	$0	($262,984)
Residential	**41,201**	**$18,962,987**	**$20,322,574**	**$2,066,515**	**$22,389,089**	**$0**	**($3,459,627)**
Home Energy Efficiency SOP	7,052	$8,485,094	$9,272,728	$864,692	$10,137,420	$0	($1,688,286)
Multi-Family Smart Thermostat Direct Install (Pilot)	2,178	$310,000	$316,970	$67,104	$384,074	$0	($75,303)
Residential Demand Response SOP	28,173	$1,130,896	$972,857	$151,163	$1,124,020	$0	$48,389
Residential New Homes Construction MTP	3,568	$2,203,010	$2,832,123	$313,260	$3,145,383	$0	($953,356)
Retail Platform MTP Residential	0	$5,327,406	$5,503,401	$487,976	$5,991,377	$0	($685,313)
Solar PV MTP (Residential)	230	$1,506,581	$1,424,495	$182,320	$1,606,815	$0	($105,758)
Hard-to-Reach	**15,297**	**$12,364,390**	**$10,262,242**	**$1,130,692**	**$11,392,934**	**$0**	**$931,661**
Hard to Reach SOP	10,858	$6,382,833	$4,781,829	$516,223	$5,298,052	$0	$1,066,237
Low Income HVAC Tune-Up Program	2,686	$524,115	$626,002	$129,474	$755,476	$0	($233,788)
Low Income MF Smart Thermostat Direct Install (Pilot)	884	$130,000	$127,075	$54,191	$181,266	$0	($51,758)
Targeted Low-Income Program Weatherization	869	$5,327,442	$4,727,336	$430,804	$5,158,140	$0	$150,970
Research & Development	**NA**	**$214,000**	**$0**	**$216,509**	**$216,509**	**$0**	($2,509)
EM&V**	**NA**	**$740,492**	**$0**	**$740,493**	**$740,493**	**$0**	**$0**
Total	**57,807**	**$52,206,129**	**$46,711,169**	**$6,302,971**	**$53,014,140**	**$2,869,088**	**($3,677,098)**

* Administration funds include $9,875 of Rate Case Expenses approved in Docket No. 55074.

** EM&V costs shown are actual booked costs for 2023. For purposes of cost-effectiveness and bonus calculations, $742,852 is used per TetraTech's 2023 EM&V cost allocation.

IX. Market Transformation and Research & Development Results

Energy Efficiency Service Providers have the opportunity to bid to become an implementer on one or more of Oncor's Market Transformation Programs. The process Oncor uses to choose implementers includes identifying potential bidders, distributing RFPs, conducting a Bidders Conference, evaluating proposals, narrowing bidders to a shortlist, conducting oral presentations, selecting the winning bid, and negotiating and finalizing the contract.

Oncor's 2023 Market Transformation and Research & Development Programs are described below.

Commercial Midstream MTP

Commercial Midstream MTP formerly known as Commercial HVAC Distributor MTP was launched in the fourth quarter of 2020 after an implementer was awarded the contract. The implementer has managed similar programs for utilities across the United States. This program is a market transformation program designed to provide incentives to air conditioning distributors who agree to facilitate the installation of high-efficiency air conditioners and heat pumps in commercial facilities. The program utilizes the midstream, distributor-focused model which is designed to provide incentives to the manufacturers and distributors of equipment and reaches down the entire supply chain to ensure incentives engage service providers and customers. The focus of the program in 2021 was the start-up and integration of the program and the recruitment of distributors where each distributor is strategically located in the Oncor service territory ensuring availability of the measure to the area. In 2023, Oncor canceled the contract due to underperformance. In response, two primary modifications were made; one, the commercial HVAC measures have been reintroduced into the Commercial Standard Offer Program and two, a new implementation contractor has been selected to promote commercial kitchen measures – a sector with high energy intensity and long operating hours.

Master-Metered Smart Thermostat Direct Install MTP (Pilot)

The Master-Metered Smart Thermostat Direct Install Pilot is the commercial arm of a three-sector (commercial, residential, hard-to-reach) cross-cutting offering launched in 2023. Oncor selected a qualified implementation contractor with extensive experience in the HVAC program implementation space. The concept is based upon leveraging a common service provider network to install qualified products without modification to the rules, incentives or operations based on the sector. As a result, service providers were not attenuated to identifying master-metered multifamily projects specifically and consequently no master-metered projects were completed in 2023. Subsequently, as incentive funds were exhausted in late 2023 from the complimentary two programs (residential multifamily and hard-to-reach multifamily), service providers keyed into the untapped commercial funding and found new ways to solicit work from the master-metered/commercial sector and have developed a robust pipeline of project for 2024. Will be rebranded as Master-Metered Multifamily HVAC in future program years.

Small Business Direct Install MTP

In the latter part of 2021, Oncor issued an RFP to select an implementer in the program and a new implementer was selected to run the program in the fourth quarter of 2021. In mid-2023, the MTP contract for this program was canceled due to low performance. A new program approach has been developed to assist historically under-served segments identified by Oncor. This program will be rebranded Commercial Non-Metro SOP in future program years, designed to maintain the intent to support small commercial customers education on energy efficiency technologies, equip participating sub-contractors with the tools they need to succeed in installing projects in the small business market, and offer incentives to assist small (≤50 kW) businesses to install energy-efficient products such as high efficiency lighting, refrigeration upgrades, and HVAC system improvements. The program is focused on the non-Metro counties served by Oncor. The Program goals are to provide select energy efficient measures that are convenient and turn-key to small and mid-sized commercial customers.

Strategic Energy Management MTP (Pilot)

Strategic Energy Management Pilot MTP was launched in the last quarter of 2021 after an implementer was awarded the contract. The implementer has managed similar programs for utilities across the United States. The pilot is a market transformation program that utilizes a custom fit and energy concierge approach to identify deep energy savings for Large Commercial, Industrial customers that are not opted out of EECRF as well as Agricultural customers. The program enlists a relationship building approach with the customer by conducting an ENERGY STAR® Treasure Hunt and developing an annual Action Plan based on identified projects or process and operational improvements that has the potential to reduce demand and energy savings for the identified location. In 2023, the pilot MTP conducted outreach to large commercial customers and leveraged Oncor account managers to provide awareness and information of the benefits of the program. Additionally, the pilot MTP introduced new measures to the Texas TRM based on conversations with commercial customers and in consultation with the State Evaluator.

Multifamily Smart Thermostat Direct Install MTP (Pilot)

The Multi-Family Smart Thermostat Direct Install Pilot is the residential arm of a three-sector (commercial, residential, hard-to-reach) cross-cutting offering launched in 2023. Oncor selected a qualified implementation contractor with extensive experience in the HVAC program implementation space. The concept is based upon leveraging a common service provider network to install qualified products without modification to the rules, incentives or operations based on the sector. This element of the smart thermostat cross-sector exceeded the projected budget and savings in 2023 and is poised to continue to grow. The program name will change in 2025 to the Multifamily HVAC Program and will offer HVAC changeouts, as well as smart thermostats. Will be rebranded as Multifamily HVAC in future program years.

Residential New Home Construction MTP

The Residential New Home Construction MTP was launched in the fourth quarter of 2021 after an RFP was conducted for the program in the second quarter of 2021. Oncor went through the process of identifying an implementer by conducting an RFP from identifying potential bidders, to a bidder's conference, bidder presentation, shortlist and identification of implementation contractor. The contract was awarded in July 2021. The program is designed to promote the adoption of energy efficient measures by encouraging the construction of above code new residential homes. The program offers incentives to single family residential new home builders that construct DOE Zero Energy Ready Home certified and Environmental Protection Agency ENERGY STAR® certified new homes in the Oncor service area. The program provides incentives to builders for achieving energy efficiency savings through a combination of installed measures, including high efficiency HVAC, ENERGY STAR® appliances, heat pump water heaters, LED lighting, solar photovoltaic systems, and shell upgrades. New home builders will construct homes to meet the energy efficiency requirements established by the ENERGY STAR® program or build at a higher efficiency level than the currently adopted building code. In 2023, the program performed higher than forecasted kW and kWh while remaining cost-effective and continued to recruit additional builders within the Oncor service territory.

Retail Products MTP

Oncor's Retail Products MTP was launched during the fourth quarter of 2018 and has continued to be successful in 2023, resulting in an extension of the implementer's contract through 2024. This program was developed to provide incentives directly to Oncor Residential Customers through in-store point of sale discounts for the purchase of qualifying ENERGY STAR-rated LED lighting products. Starting in the latter part of 2018, smart thermostats was added as an eligible measure to the program. Since 2022, smart thermostat brands including Nest, Ecobee, Honeywell, Emerson and Amazon products are eligible to receive incentives through RPMTP. Much of the program's success is due to the working relationship developed between the implementer and major market manufacturers as well as participating retail partners in the Dallas and Fort Worth area, such as Home Depot, Lowe's, Walmart and Costco. In 2023, the MTP introduced additional measures to mitigate the impact of the loss of lighting measures and rolled out a new buy-it-now, online option for select measures. Advanced Power Strips, Room Air Conditioners and Air Purifiers were introduced in select retailers as a measure eligible for energy efficiency incentives in Retail Products MTP.

Low-Income HVAC Tune-Up MTP (Pilot)

The Low-Income HVAC Tune-Up program exceeded expectations, delivering significant savings above the forecast. Program success stems from an established contractor network developed by the program implementer and a rare low-cost/no-cost energy conservation measures made available to low-income households. Additionally, advanced diagnostics tools used by participating service providers include embedded incentive application support that improve tune-up efficacy, simplify field services as well as streamlines the submission process to encourage faster incentive payments to service providers.

Low-Income Multifamily Smart Thermostat Direct Install MTP (Pilot)

The Low-Income Multifamily Smart Thermostat Direct Install Pilot is the low-income residential arm of a three-sector (commercial, residential, hard-to-reach) cross-cutting offering launched in 2023. Oncor selected a qualified implementation contractor with extensive experience in the HVAC program implementation space. The concept is based upon leveraging a common service provider network to install qualified products without modification to the rules, incentives or operations based on the sector. This element of the smart thermostat cross-sector exceeded the projected budget and savings in 2023 and is poised to continue to grow. The program name will change in 2025 to the Low-Income Multifamily HVAC Program and will offer HVAC changeouts, as well as smart thermostats. Will be rebranded as Low-Income Multifamily HVAC in future program years.

Research and Development

Oncor continues to look for opportunities to study and understand the continuously changing market and landscape of energy efficiency and conducted the below studies to pursue innovation in the field.

Program and Technology Incubator

In 2023, Oncor continued the development of the technology incubator with the goal of building a pipeline of new technologies or potential program design strategies for review and analysis. Oncor reviewed new technology and program delivery ideas submitted through the "Next Efficient Solution" in oncor.com/takealoadofftexas.

Managed EV Charging Study

Oncor continues with to engage with internal stakeholders on a research study that collects information on EV chargers, location and requirements. Oncor's service territory is seeing a continued rise of electric vehicles coming into the market. As such, energy efficiency is conducting a research and development study that will understand the impact of electric vehicles to energy and demand. In 2023, an outside consultant was brought in to support the study including evaluation and measurement of research data.

Small Commercial Smart Thermostat Analysis

In 2023, Oncor conducted a study and recruited small commercial premises to participate in the small commercial smart thermostat analysis. The purpose of this analysis is to identify energy and demand savings calculation that will be added to the Texas TRM. Participants within the Oncor service territory will provide information in identifying the savings specific to the designated weather zones where Oncor's service territory is located.

Low-Income Service, Programs, and Technologies Analysis

Oncor continued its membership in TEPRI in 2023. TEPRI is a 501(c) (3) whose mission is to research the root causes of energy and fuel poverty and provide data for solutions that have an impact on low-income households. TEPRI conducted a research study to investigate and develop recommendations for the revised program eligibility verification approaches for low-income and hard-to-reach energy efficiency program.

Other organizations providing research services and data include the Smart Energy Consumer Collaborative and Peak Load Management Alliance.

X. Current Energy Efficiency Cost Recovery Factor (EECRF)

Oncor billed 83,656,050.13 during 2023 through the EECRF approved in Docket Nos. 52178 (January – February 2023) and 53671 (March – December 2023).

Revenue Billed
$83,656,050

Over- or Under-Recovery
$294.38 (Under) - This amount will be trued-up by rate class in Oncor's EECRF filing in 2024.

EECRF Filed in 2023 in Docket No. 55074
Oncor's most recent EECRF filing was in Docket No. 55074 for the 2024 program year. The revenues to be collected as a result of the final Order in that docket will be determined at a later date after the completion of the 2024 program year and does not involve any revenues from base rates.

ACRONYMS

BAS	Building Automation System
CLM	Commercial Load Management
CSOP	Commercial Standard Offer Program
CSPV	Commercial Solar Photovoltaic Installation
DDC	Direct Digital Control
DR	Demand Response
DSM	Demand Side Management
EECRF	Energy Efficiency Cost Recovery Factor
EEP	Energy Efficiency Plan, which was filed as a separate document prior to April 2008
EEPR	Energy Efficiency Plan and Report
EER	Energy Efficiency Report, which was filed as a separate document prior to April 2008
EE Rule	Energy Efficiency Rule, PUCT 16 TAC §25.181and §25.183
ELM	Energy Load Management
EM&V	Evaluation, Measurement and Verification
EMS	Energy Management System
EUL	Estimated Useful Life
ERCOT	Electric Reliability Council of Texas
HEE	Home Energy Efficiency
HTR	Hard-To-Reach
HVAC	Heating, Ventilation, and Air-conditioning
HTR	Hard to Reach
IDR	Interval Data Recorder
kW	Kilowatt
kWh	Kilowatt-hour
LED	Light Emitting Diode
M&V	Measurement and Verification
MTP	Market Transformation Program
MW	Megawatt
MWh	Megawatt-hour
PUCT	Public Utility Commission of Texas
PURA	Public Utility Regulatory Act
RCMTP	Retro-commissioning Commercial Tune-up Program
REP	Retail Electrical Provider
RLMMTP	Residential Load Management Market Transformation Program
RPMTP	Retail Products Market Transformation Program
RSPV	Residential Solar Photovoltaic Installation
SBDI	Small Building Direct Install
SEM	Strategic Energy Management
SIR	Savings to Investment Ratio
SOP	Standard Offer Program
TAC	Texas Administrative Code
TACAA	Texas Association of Community Action Agencies
TEPRI	Texas Energy Poverty Research Institute
TRM	Texas Technical Reference Manual
WAP	Weather Assistance Program
WELM	Winter Commercial Load Management

GLOSSARY

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

Air infiltration – Air infiltration is the exchange of air through cracks and gaps in the outside shell of a building. Infiltration increases heating and cooling costs and reduces the comfort level of occupants.

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

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

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

Base rate – Generally, a rate designed to recover the cost of service other than certain costs separately identified and recovered through a rider, rate schedule, or other schedule. For bundled utilities, these separately identified costs may include items such as a fuel factor, power cost recovery factor, and surcharge. Distribution service providers may have separately identified costs such as transition costs, the excess mitigation charge, transmission cost recovery factors, and the competition transition charge.

Building automation system (BAS) – A Building Automation System (BAS), (also referred to as a Building Management System or a Building Control System), is a system that controls various electric, electronic and mechanical systems throughout a building.

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

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

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

Curtailment – deliberate reduction in output below what could have been produced in order to balance energy supply and demand or due to transmission constraints.

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

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

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

Demand savings -- A quantifiable reduction in demand.

Direct digital control (DDC) -- Direct digital control is the automated control of a condition or process by a digital device (computer).

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

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

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

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

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

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

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

Energy Management System (EMS) – is a system of computer-aided tools used by operators of electric utility grids to monitor, control, and optimize the performance of the generation or transmission system.

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

ENERGY STAR® -- A program which provides certification to buildings and consumer products which meet certain standards of energy efficiency.

Estimated useful life (EUL) -- The number of years until 50% of installed measures are still operable and providing savings, and is used interchangeably with the term "measure life". The EUL determines the period of time over which the benefits of the energy efficiency measure are expected to accrue.

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

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

Heat pump -- A device that transfers heat from a colder area to a hotter area by using mechanical energy, as in a refrigerator.

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

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

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

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

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

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

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

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

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

Optimal start / stop -- Optimal Start/Stop is used to anticipate the heating or cooling needs of a space by starting equipment early enough to reach set point just at the beginning of scheduled occupancy.

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

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

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

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

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

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

Retail electric provider (REP) -- Organization that sells electric energy to retail customers in this state. A retail electric provider may not own or operate generation assets.

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

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

Smart thermostat -- Smart thermostats are Wi-Fi thermostats that can be used with home automation and are responsible for controlling a home's heating, ventilation, and air conditioning.

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

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

Static pressure -- Static pressure refers to the resistance to airflow in a heating and cooling system's components and duct work.

Texas Technical Reference Manual -- A compilation of deemed savings values approved by the Public Utility Commission of Texas (PUCT) for use in estimating savings for energy efficiency measures.

APPENDICES

APPENDIX

A. 2023 Reported Demand and Energy Reduction by County