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Governor

Connie Corona
Executive Director

Public Utility Commission of Texas

TO: Shelah Cisneros
Commission Counsel

All Parties of Record

FROM: Isaac Ta *I. T.*
Administrative Law Judge

RE: **Docket No. 56682**
SOAH Docket No. 473-24-19709– *Application of Oncor Electric Delivery Company LLC to Adjust its Energy Efficiency Cost Recovery Factor*

DATE: September 19, 2024

Enclosed is the Proposed Order in the above-referenced case. By copy of this memo, the parties to this proceeding are being served with the Proposed Order.

Please place this docket on an open meeting agenda for the Commissioners' consideration. Please notify me and the parties of the open meeting date. The parties must file corrections or exceptions to the Proposed Order by October 3, 2024.

If a party proposes a correction or exception, the party must fully explain the correction or exception and must provide a citation to the record to support the correction or exception.

If there are no corrections or exceptions, no response is necessary.

/s/eg
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PUC DOCKET NO. 56682
SOAH DOCKET NO. 473-24-19709

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

PROPOSED ORDER

This Order addresses the application of Oncor Electric Delivery Company LLC to adjust its energy efficiency cost recovery factor (EECRF) under PURA¹ § 39.905(b)(1) and 16 Texas Administrative Code (TAC) § 25.182. Oncor filed a unanimous agreement between the parties in this proceeding. Under the parties' agreement, Oncor's EECRF will recover approximately \$72,029,675 in revenue annually, reflecting an incremental decrease of \$245,094 in its forecasted energy-efficiency program costs. The Commission adjusts Oncor's EECRF to the extent provided in this Order.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Oncor is a Delaware limited liability company registered with the Texas secretary of state under filing number 800880712.
2. Oncor owns and operates for compensation in Texas facilities and equipment to transmit and distribute electricity in the Electric Reliability Council of Texas (ERCOT) region.
3. Oncor holds certificate of convenience and necessity number 30043 to provide service to the public within its certificated area.

Application

4. On May 31, 2024, Oncor filed an application to adjust its EECRF, effective March 1, 2025.

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

5. In the application, Oncor sought Commission approval to adjust its EECRF to recover \$72,153,890 during program year 2025, or an incremental decrease of approximately \$120,879, which included the following:
 - a. Oncor's forecasted energy-efficiency costs of \$54,809,236 in program year 2025;
 - b. projected evaluation, measurement, and verification expenses in the amount of \$742,852 for the evaluation of program year 2024;
 - c. an adjustment of \$294 for Oncor's net under-recovery of program year 2023 energy-efficiency costs;
 - d. an adjustment of \$20 for the interest on the net under-recovery of program year 2023 energy-efficiency costs;
 - e. a performance bonus of \$16,592,374 for 2023 program achievements; and
 - f. rate-case expenses incurred in Docket No. 55074,² Oncor's immediately previous EECRF proceeding, in the amount of \$9,114 for the Steering Committee of Cities Served by Oncor (Cities).
6. No party objected to the sufficiency of the application.

Notice

7. On May 31, 2024, Oncor sent notice of the application by email to all parties of record in Oncor's most recently completed EECRF proceeding, Docket No. 55074, and Oncor's most recently completed base-rate case, Docket No. 53601.³
8. On May 31, 2024, Oncor sent notice of the application by email to all retail electric providers authorized to provide service in Oncor's service area at the time the EECRF application was filed.
9. On May 31, 2024, Oncor sent notice of the application by email to the Texas Department of Housing and Community Affairs.

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

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

10. On June 7, 2024, Oncor filed the affidavit of Joni Price, senior regulatory manager of regulatory support and compliance for Oncor, attesting to the provision of notice of the application by email.
11. No party objected to the adequacy of the notice of the application.

Intervention

12. In SOAH Order No. 2 filed on June 17, 2024, the SOAH administrative law judge (ALJ) granted the motion to intervene filed by Cities.

Testimony

13. On May 31, 2024, Oncor filed the direct testimonies, exhibits, and workpapers of Garry D. Jones, director of energy efficiency for Oncor, and Darryl E. Nelson, director of regulatory-load research and municipal regulatory for Oncor.
14. On June 14, 2024, Oncor filed errata to table eight of exhibit GDJ-1 to the direct testimony of Mr. Jones.
15. On August 6, 2024, Commission Staff filed the testimony of Chase Lipscomb in support of the parties' agreement.

Referral to SOAH

16. On June 5, 2024, the Commission filed an order of referral and preliminary order referring the proceeding to SOAH and including a list of issues to be addressed.
17. In SOAH Order No. 2 filed on June 17, 2024, the SOAH ALJ adopted a procedural schedule and provided notice that the hearing on the merits would be held on August 22, 2024, if a party requested a hearing.
18. On June 25, 2024, Cities filed a request for a hearing.
19. On August 6, 2024, the parties filed a unanimous agreement between themselves and requested that the proceeding be dismissed from SOAH's docket and remanded to the Commission.
20. In SOAH Order No. 4 filed on August 7, 2024, the SOAH ALJ dismissed the proceeding from SOAH's docket and remanded it to the Commission.

Evidentiary Record

21. In SOAH Order No. 4 filed on August 7, 2024, the SOAH ALJ admitted the following evidence into the record:
 - a. Oncor's application, with attachments A through C, filed on May 31, 2024;
 - b. the direct testimony of Mr. Jones on behalf of Oncor, with exhibits GDJ-1 through GDJ-9 and workpapers WP/GDJ/1 through WP/GDJ/8, filed on May 31, 2024;
 - c. the direct testimony of Mr. Nelson on behalf of Oncor, with exhibits DEN-1 through DEN-6 and workpapers WP/DEN/1 through WP/DEN/4, filed on May 31, 2024;
 - d. Oncor's affidavit attesting to the provision of notice filed on June 7, 2024;
 - e. Oncor's errata to table 8 of exhibit GDJ-1 to the direct testimony of Mr. Jones on behalf of Oncor filed on June 14, 2024;
 - f. the affidavit of Thomas L. Brocato relating to Cities's proceeding expenses, included as attachment 1 to Cities's motion to admit evidence and approve rate case expenses, filed on June 27, 2024;
 - g. Oncor's response to Commission Staff's first request for information to Oncor filed on July 1, 2024;
 - h. the direct testimony of Mr. Lipscomb on behalf of Commission Staff filed on August 6, 2024; and
 - i. the parties' agreement attached to the joint motion to admit evidence and remand filed on August 6, 2024.

Energy-Efficiency Goals

22. Oncor's summer weather-adjusted average peak demand for residential and commercial customers for the previous five years is 26,065.2 megawatts (MW) at source.
23. Oncor's calculated demand-reduction goal for program year 2025, four-tenths of 1% of its summer weather adjusted five-year average peak demand for residential and commercial customers, is 98.7 MW.

24. In Oncor's most recent EECRF proceeding, Docket No. 55074, the Commission approved a demand-reduction goal of 97.6 MW.
25. Oncor projects that it will achieve 192.9 MW in demand reductions in program year 2025, which exceeds its goal of 98.7 MW.
26. The estimated demand savings to be achieved through Oncor's 2025 programs for hard-to-reach customers is 19.747 MW or 20% of the demand-reduction goal of 98.7 MW, which exceeds the minimum of 5%.
27. Oncor's energy-savings goal for program year 2025 is 172,922 megawatt-hours (MWh), calculated from its demand-reduction goal using a 20% conservation load factor.
28. Oncor forecasts that it will achieve energy savings of 194,313 MWh in program year 2025, which exceeds the minimum of 172,922 MWh.

Agreement

29. Under the parties' agreement, Oncor's EECRF will recover \$72,029,675 during program year 2025, or an incremental decrease of approximately \$245,094, effective March 1, 2025. The amount includes the following:
 - a. Oncor's forecasted energy-efficiency costs of \$54,684,236 in program year 2025;
 - b. projected evaluation, measurement, and verification expenses in the amount of \$742,852 for the evaluation of program year 2024;
 - c. an adjustment of \$294 for the net under-recovery of program year 2023 energy-efficiency costs;
 - d. an adjustment of \$20 for the interest on the net under-recovery of program year 2023 energy-efficiency costs;
 - e. a performance bonus of \$16,592,374 for 2023 program achievements; and
 - f. rate-case expenses incurred in Docket No. 55074 in the amount of \$9,899 for Cities.
30. The agreed EECRF includes a black-box reduction of \$125,000 to the forecasted energy-efficiency costs for program year 2025 requested by Oncor in the application.

31. Under the tariff attached to the parties' agreement as exhibit 1, the following EECRF charges per kilowatt-hour (kWh) will apply:

Rate Class	EECRF Charge
Residential Service	\$0.001137
Secondary Service ≤10 kW	(\$0.000196)
Secondary Service > 10 kW	\$0.000223
Primary Service ≤10 kW	(\$0.000030)
Primary Service > 10 kW – Distribution Line	\$0.000551
Primary Service > 10 kW – Substation	\$0.000014
Transmission Service – Non-Profit	(\$0.000102)
Transmission Service – For Profit	\$0.000000
Lighting Service	\$0.000000

32. It is appropriate for the Commission to approve the rates from the EECRF tariff that is attached as exhibit 1 to the parties' agreement.

Elements of Recovery and Coordination with Base-Rate Recovery

33. Oncor's EECRF is calculated to recover the preceding year's total under-recovery with the required interest payment, Oncor's forecasted annual energy-efficiency expenditures, a performance bonus, Cities's EECRF proceeding expenses from Oncor's immediately preceding EECRF docket, and evaluation, measurement, and verification costs allocated to Oncor by the Commission.
34. Oncor does not recover any energy-efficiency costs in its base rates.
35. Oncor's EECRF is designed to provide only for energy charges for residential and commercial rate classes.

EECRF Cost Caps

36. Oncor seeks to recover EECRF costs that are subject to cost caps adjusted by changes in the consumer price index.
37. Before applying the consumer-price-index adjustment, Oncor used a base cost cap of \$0.001556 per kWh for the residential class and \$0.000973 per kWh for the commercial classes. After applying the adjustment, Oncor calculated its EECRF cost caps for the 2025

program year to be \$0.001626 per kWh for the residential class and \$0.001017 per kWh for the commercial classes.

38. For the purpose of assessing whether Oncor's rates exceed the cost caps—after excluding evaluation, measurement, and verification costs, municipal EECRF proceeding expenses, and interest from over- and under-recoveries—Oncor's rate for the residential class is \$0.000840 per kWh, and Oncor's group rate for the aggregate commercial class is \$0.000213 per kWh.
39. Oncor's residential and commercial EECRF rates for program year 2025 do not exceed the cost caps.

Over- or Under-Recovery

40. The difference between Oncor's actual EECRF revenues and its actual costs resulted in a net under-recovery for program year 2023, and Oncor requests to refund or collect the difference for each rate class.
41. Oncor accurately calculated its under-recovery of 2023 program costs in the amount of \$294 plus \$20 in interest, totaling \$314.

Proceeding Expenses

42. Oncor did not incur any proceeding expenses in its most-recent EECRF proceeding, Docket No. 55074, and did not seek any proceeding expenses in this proceeding.
43. In its application, Oncor requested recovery of \$9,114 in proceeding expenses incurred by Cities in its most-recent EECRF proceeding, Docket No. 55074.
44. On June 27, 2024, Cities filed the affidavit of Thomas L. Brocato, attorney for Cities, attesting that Cities's requested proceeding expenses are reasonable and necessary.
45. Cities's rate-case expenses in the amount of \$9,899, as agreed to by the parties, are reasonable and necessary.
46. Oncor agreed to reimburse Cities for its rate-case expenses in the amount of \$9,899 within 30 days of the date of this Order.

Performance Bonus Calculations

47. In 2023, Oncor's energy-efficiency programs realized \$165,923,742 in net benefits, calculated as the difference between \$246,969,973 in total avoided costs associated with its 2023 programs and \$81,046,231 in 2023 program costs that include the performance bonus for 2021.
48. In 2023, Oncor's energy-efficiency programs achieved 187.7 MW in demand savings and 232,967 in MWh in energy savings, exceeding its 97 MW demand-reduction goal and 169,944 MWh energy-reduction goal.
49. Because Oncor exceeded its demand- and savings-reduction goals last year, Oncor seeks a performance bonus equal to 1% of the net benefits for every 2% that it exceeded its demand-reduction goal, which is a maximum of 10% of the utility's total net benefits.
50. Oncor seeks the maximum allowable performance bonus.
51. The resulting performance bonus from this calculation is \$16,592,374 and is allocated in proportion to the program costs for eligible customers on a rate-class basis.

Evaluation, Measurement, and Verification Costs

52. Oncor's share of the estimated total evaluation, measurement, and verification costs for the evaluation of program year 2024 (to be incurred in the 2025 calendar year) is \$742,852, and to the maximum extent reasonably possible, it is directly assigned to each rate class that receives services under its programs.

Administrative and Research and Development Cost Caps

53. Oncor incurred \$5,345,969 in necessary administrative costs and \$216,509 in research and development costs for the 2023 energy-efficiency programs. Oncor incurred \$53,004,265 in total program costs that year, excluding any performance bonus.
54. Oncor's administrative costs in 2023 were 10.1% of the total program costs for that year and did not exceed the 15% cap on administrative costs.
55. Oncor's research and development costs in 2023 were 0.41% of the total program costs for that year and did not exceed the 10% cap on research and development costs.

56. Oncor's cumulative cost of administration and research and development in 2023 was 10.5% of the total program costs for that year and did not exceed the 20% cap on the cumulative cost of administration and research and development.

Cost Effectiveness

57. In its annual filing in Project No. 38578, Commission Staff stated the avoided cost of capacity for 2023 program year is \$80 per kW and that the avoided cost of energy for 2023 is \$0.09115 per kWh.⁴
58. Oncor used Commission Staff's avoided cost of capacity of \$80 per kW and avoided cost of energy of \$0.09115 per kWh for the 2023 program year.
59. Oncor determined that its 2023 portfolio of energy-efficiency programs produced a benefit-cost ratio of 3.05, which exceeds the minimum benefit-cost ratio of 1.0.
60. Oncor's forecasted 2025 energy-efficiency program costs of \$54,684,236 are a reasonable estimate of the costs necessary to provide energy-efficiency programs and to meet Oncor's goals for 2025.

Cost Recovery

61. Oncor's net cost recovery of \$17,345,439 consists of Oncor's projected evaluation, measurement, and verification expenses allocated to Oncor for the evaluation of program year 2024; an adjustment for Oncor's net under-recovery, including interest, of program year 2023 energy-efficiency costs; Oncor's performance bonus earned in 2023; and Cities's rate-case expenses incurred in Docket No. 55074. The amount of net cost recovery is reasonable.

Rate Classes and Direct Assignment of Costs

62. To the extent reasonably possible, Oncor directly assigned costs to each rate class that receives services under the programs.

⁴ *Energy Efficiency Implementation Project under 16 TAC § 25.181(q)*, Project No. 38578, Avoided Cost of Capacity and Energy 2023 Program Year (Nov. 14, 2022).

Fostering Competition Among Energy-Efficiency Service Providers

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

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

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

Incentive Payments

65. Oncor's incentive payments for each of its customer classes do not exceed 100% of avoided costs for that class.

Affiliate Costs

66. Oncor did not incur any affiliate costs for energy-efficiency during program year 2023.

Energy-Efficiency Plan and Report

67. On March 28, 2024, Oncor filed its 2024 energy-efficiency plan and report in the project annually designated for this purpose.⁵

68. On May 28, 2024, Oncor filed its amended 2024 energy-efficiency plan and report. The application includes the amended energy-efficiency plan and report.

Low-Income Energy-Efficiency

69. In 2023, Oncor spent \$5,158,140 on its targeted weatherization low-income standard offer program, an amount not less than 10% of Oncor's projected energy-efficiency budget of \$51,465,637 for that program year.

70. Oncor is implementing its targeted weatherization low-income standard offer program for program year 2025 by providing funds for weatherization services through Texas Association of Community Action Agencies Inc. and by replacing heating, ventilation, and air conditioning units in multifamily apartment complexes with high-efficiency heat pumps through EnerChoice LLC.

⁵ CY 2024 Electric Utility Energy Efficiency Plan and Report Under 16 TAC § 25.181, Project No. 56003, Oncor Electric Delivery Company LLC 2024 Energy Efficiency Plan and Report (Mar. 28, 2024).

71. Oncor's total budgeted incentive amount for its targeted weatherization low-income standard offer program in program year 2025 is \$6,588,154, which is not less than 10% of the total energy-efficiency budget of \$54,684,236.

Outreach to Retail Electric Providers

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

Industrial Customer Exclusions

74. Oncor's industrial customers taking service at distribution voltage who elected to exclude themselves from Oncor's energy-efficiency programs and provided notices under 16 TAC § 25.181(u) constituted an exclusion of 3.5 MW of peak demand from the calculation of the demand-reduction goal for program year 2025, including an adjustment for line loss.

Line Losses

75. Oncor calculated its demand-reduction goal using a line-loss factor of 5.296%.
76. Oncor's line-loss factor of 5.296% is a five-year average of the following annual voltage-weighted loss factors, which Oncor calculated using the actual loss factors used in ERCOT wholesale settlement at the time of Oncor's annual peak applied to Oncor's actual annual system peak demand by voltage level using load-research data.

Calendar Year	Voltage-Weighted Loss Factor
2023	5.176%
2022	5.304%
2021	5.253%
2020	5.438%
2019	5.307%

77. Oncor's line-loss factor used in calculating its 2025 EECRF charges is reasonable.

Billing Determinants

78. The estimate of billing determinants in calculating Oncor's 2025 EECRF and the calculation of the 2025 EECRF tariff rider are reasonable.

Good Cause Exceptions

79. Oncor did not seek a good cause exception to be eligible for a lower demand-reduction goal, a higher administrative spending cap, or a higher EECRF cost cap under 16 TAC § 25.181(e)(2). Oncor did not seek a good cause exception to combine rate classes under 16 TAC § 25.182(d)(2).
80. No good-cause exceptions to any of the Commission's rules have been requested in this proceeding, and no such exceptions have been granted.

Informal Disposition

81. More than 15 days have passed since completion of the notice provided in this docket.
82. All the parties to this proceeding signed the agreement.
83. No hearing is necessary.
84. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. Oncor is a public utility as defined in PURA § 11.004(1) and an electric utility as defined in PURA § 31.002(6).
2. The Commission has authority over this matter under PURA §§ 14.001, 32.001, 36.001, 36.204, and 39.905(b).
3. Under PURA § 39.905 and 16 TAC § 25.182(d)(8), Oncor was required to file for an EECRF.
4. Oncor complied with the requirement under 16 TAC § 25.182(d)(8) to apply by June 1 to adjust its EECRF, effective March 1 of the following year.

5. The Commission processed the application in accordance with the requirements of PURA, the Administrative Procedure Act,⁶ and Commission rules.
6. SOAH exercised authority over this proceeding in accordance with PURA § 14.053 and Texas Government Code § 2003.049(b).
7. Oncor provided reasonable notice of the application in accordance with 16 TAC § 25.182(d)(13) and filed an affidavit attesting to the completion of notice as required by 16 TAC § 25.182(d)(14).
8. Oncor's application is sufficient under 16 TAC § 25.182(d)(10) and (11).
9. The hearing on the merits was set, and notice of the hearing was given, in compliance with Texas Government Code §§ 2001.051 and 2001.052.
10. Oncor calculated its weather-adjusted average peak demand in compliance with 16 TAC § 25.181(e)(3).
11. Oncor has acquired a reduction of four-tenths of 1% of its summer weather-adjusted peak demand of residential and commercial customers in compliance with PURA § 39.905(a)(3)(B) and 16 TAC § 25.181(e)(1)(B), (e)(1)(C), and (e)(3)(B).
12. Oncor's 2025 demand-reduction goal complies with the requirements in 16 TAC § 25.181(e)(1)(D) that a utility's demand-reduction goal may not be lower than the previous year's goal except as adjusted under 16 TAC § 25.181(u) for industrial customer exclusions.
13. Oncor's programs for hard-to-reach customers achieve savings of at least 5% of the demand-reduction goal as required by 16 TAC § 25.181(e)(3)(F).
14. Oncor calculated its minimum energy-savings goal from its demand-reduction goal using a 20% conservation load factor in compliance with 16 TAC § 25.181(e)(4).
15. Oncor's portfolio of energy-efficiency programs effectively and efficiently achieves the goals set out in PURA § 39.905(a) and 16 TAC § 25.181 as required by 16 TAC § 25.181(e)(5).

⁶ Administrative Procedure Act, Tex. Gov't Code §§ 2001.001–903.

16. Oncor's EECRF only uses energy charges for recovery of energy-efficiency costs for residential and commercial rate classes included in the EECRF in compliance with 16 TAC § 25.182(d)(6).
17. Oncor's total EECRF costs—excluding evaluation, measurement, and verification costs, municipal EECRF proceeding expenses, and interest amounts applied to over- or under-recoveries—comply with cost caps under 16 TAC § 25.182(d)(7).
18. Oncor's request for \$314 as an adjustment for net under-recovery from customers of its program year 2023 energy-efficiency costs, which includes interest, complies with PURA § 39.905(b-1) and 16 TAC § 25.182(d)(1)(A) and (d)(2).
19. The requirements of 16 TAC §§ 25.182(d)(3) and 25.245 apply to the recovery of Oncor's EECRF proceeding expenses because they are rate-case expenses.
20. Cities's 2023 rate-case expenses of \$9,899 comply with PURA § 33.023(a) and 16 TAC §§ 25.182(d)(3)(B) and 25.245.
21. Under PURA § 33.023(b), Oncor is required to reimburse Cities for its reasonable rate-case expenses incurred in its 2023 EECRF proceeding.
22. Oncor qualified for and accurately calculated its energy-efficiency performance bonus of \$16,592,374 for its energy-efficiency achievements in program year 2023 in compliance with the requirements of PURA § 39.905(b)(2) and 16 TAC § 25.182(e).
23. The amounts and allocation of Oncor's administrative and research and development costs comply with PURA § 39.905(e) and 16 TAC § 25.181(g).
24. Oncor's 2023 energy-efficiency programs adhered to the cost-effectiveness standards contained in 16 TAC § 25.181(d), and the costs recovered were reasonable and necessary to reduce demand and energy growth under 16 TAC § 25.182(d)(12).
25. Oncor's 2025 energy-efficiency program costs of \$54,684,236 to be recovered through the EECRF are reasonable estimates of the costs necessary to provide energy-efficiency programs in 2025 under PURA § 39.905 and 16 TAC § 25.182(d)(1) and (12).
26. Oncor's net cost recovery of \$17,345,439—which consists of: Oncor's evaluation, measurement, and verification expenses allocated to Oncor for the evaluation of program

- year 2024; an adjustment for Oncor's net under-recovery of program year 2023 energy-efficiency costs with interest; Oncor's performance bonus earned based on 2023 program achievements; and Cities's rate-case expenses incurred in Docket No. 55074—complies with PURA § 39.905 and 16 TAC § 25.182(d).
27. The assignments and allocations of Oncor's proposed 2025 EECRF rates to each rate class are reasonable and comply with PURA § 39.905(b)(4) and 16 TAC § 25.182(d)(2).
 28. Oncor has adopted measures to foster competition among energy-efficiency service providers in compliance with 16 TAC § 25.181(g)(2).
 29. Oncor's standard offer and market transformation programs comply with PURA § 39.905(a)(3) and 16 TAC § 25.181(h) through (k).
 30. Oncor's incentive payments, which do not exceed 100% of avoided cost, comply with 16 TAC § 25.181(f).
 31. The annual expenditures for Oncor's targeted low-income energy-efficiency program exceed the minimum requirement of being 10% of the energy-efficiency budget for the program year in compliance with 16 TAC § 25.181(p).
 32. Oncor's outreach and information programs meet the requirement of PURA § 39.905(a)(4) and 16 TAC § 25.181(r) to encourage and facilitate the involvement of retail electric providers in delivering efficiency and demand-response programs.
 33. Oncor did not incur any affiliate expenses for energy-efficiency in 2023, so requirements for affiliate expenses under PURA § 36.058 and 16 TAC §§ 25.181(c)(1), 25.182(d)(10)(I), and 25.272(e) do not apply.
 34. Oncor's load associated with industrial customers who provided qualifying identification notices were excluded from Oncor's calculated demand-reduction goal in accordance with 16 TAC § 25.181(u).
 35. The rates approved by this Order are just and reasonable under PURA § 36.003(a).
 36. In accordance with PURA § 36.003(b), the rates approved by this Order are not unreasonably preferential, prejudicial, or discriminatory and are sufficient, equitable, and consistent in application to each class of consumer.

37. Under PURA § 33.023(b), Oncor is required to reimburse the governing bodies of the municipalities that participated in this proceeding for their reasonable and necessary rate-case expenses to the extent the applicable regulatory authority determines is reasonable.
38. In accordance with 16 TAC § 25.182(d)(9)(B), Oncor is required to serve notice of the approved rates and the effective date of the approved rates on the retail electric providers that are authorized to provide service in its service area by the working day after Oncor files its approved EECRF tariff with central records.
39. This proceeding meets the requirements for informal disposition in 16 TAC § 22.35.

III. Ordering Paragraphs

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

1. The Commission approves the adjustment to Oncor's EECRF to the extent provided in this Order.
2. The Commission approves Oncor's 2025 EECRF in the amount of \$72,029,675, which is composed of the following:
 - a. Oncor's forecasted energy-efficiency costs of \$54,684,236 in program year 2025;
 - b. evaluation, measurement, and verification expenses in the amount of \$742,852 for the evaluation of program year 2024;
 - c. an adjustment of \$294 for the net under-recovery of program year 2023 energy-efficiency costs;
 - d. an adjustment of \$20 for the interest on the net under-recovery of program year 2023 energy-efficiency costs;
 - e. a performance bonus of \$16,592,374 for 2023 program achievements; and
 - f. rate-case expenses incurred in Docket No. 55074 in the amount of \$9,899 for Cities.
3. The Commission approves the EECRF tariff rider schedule attached to the agreement as exhibit 1, effective March 1, 2025.

4. Within ten days of the date of this Order, Oncor must provide the Commission with a clean copy of the EECRF tariff schedules approved by this Order to be stamped *Approved* and retained by Central Records.
5. Oncor must serve notice of the approved rates and the effective date of the approved rates on the retail electric providers that are authorized to provide service in its service area by the first working day after Oncor files its approved EECRF tariff with Central Records.
6. Within 30 days of the date of this Order, Oncor must reimburse Cities for its reasonable EECRF rate-case expenses incurred in Docket No. 55074 in the amount of \$9,899.
7. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the parties' agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.
8. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted in this Order.

Signed at Austin, Texas on the ____ day of _____ 2024.

PUBLIC UTILITY COMMISSION OF TEXAS

THOMAS J. GLEESON, CHAIRMAN

LORI COBOS, COMMISSIONER

JIMMY GLOTFELTY, COMMISSIONER

KATHLEEN JACKSON, COMMISSIONER

COURTNEY K. HJALTMAN, COMMISSIONER