
**ONCOR ELECTRIC DELIVERY
COMPANY LLC**

2010 Energy Efficiency Plan and Report
Substantive Rule §25.181 and §25.183

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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) Substantive Rules §25.181 and §25.183 (the Energy Efficiency Rule or EE Rule), which implement Public Utility Regulatory Act (PURA) §39.905. PURA §39.905 requires that each investor owned electric utility achieve the following savings goals through market-based standard offer programs (SOPs) and limited, targeted, market transformation programs (MTPs):

- 10% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2007;
- 15% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2008;
- 20% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2009.

The EE Rule includes specific requirements related to the implementation of SOPs and MTPs 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 2009 achievements, and reports plans for achieving 2010 and 2011 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 an executive summary, ten sections, a list of acronyms, a glossary and four appendices.

- The Executive Summary highlights Oncor's reported achievements for 2009 and Oncor's plans for achieving its 2010 and 2011 projected energy efficiency savings.

Energy Efficiency Plan (EEP)

- Section I describes 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 explains 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 describes Oncor's proposed 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 (2005-2009).
- Section VI compares Oncor's projected energy and demand savings to its reported and verified savings by program for calendar year 2009.
- Section VII details Oncor's incentive and administration expenditures for the previous five years (2005-2009) broken out by program for each customer class.
- Section VIII compares Oncor's actual and budgeted program costs from 2009 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. It compares existing baselines and existing milestones with actual results, and details any updates to those baselines and milestones.
- Section X provides details on Oncor's 2009 Energy Efficiency Cost Recovery Factor (EECRF) and discusses 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 – 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 programs not included in Oncor's previous EEP.
- Appendix C – Description of Oncor's existing DSM contracts or obligations.
- Appendix D – Provides data, explanations, or documents supporting other sections of the EEPR.

EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details Oncor's plans to achieve a 20% reduction in its annual growth in demand of residential and commercial customers by December 31, 2010, and each year thereafter. Oncor will also address the corresponding energy savings goal, which is calculated from its demand savings goal using a 20% capacity 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 2009 Oncor successfully implemented SOPs and MTPs, as required by PURA §39.905, that met Oncor's 20% energy efficiency savings goal by procuring 98,756 kW in demand savings. These programs included the Home Energy Efficiency SOP, Commercial SOP, Small Commercial SOP, Hard-to-Reach SOP, Targeted Weatherization Low-Income SOP, Residential Demand Response SOP, and the Commercial Load Management SOP. In addition, Oncor also continued the ENERGY STAR[®] Homes MTP, Air Conditioning Distributor MTP, A/C Installer MTP, Air Conditioning Tune-Up MTP, Refrigerator/Freezer Recycle MTP, Statewide Residential CFL MTP, Data Centers MTP, ENERGY STAR[®] Low-Rise Multifamily MTP, Government Facilities MTP, and the Educational Facilities MTP.

Table 1: Summary of Goals, Projected Savings, and Projected Budgets¹

Calendar Year	Average Growth in Demand (MW at Source)	MW Goal (% of Growth in Demand)	Demand (MW) Goal (at Source)*	Energy MWh Goal (at Source)**	Projected MW Savings (at Meter)	Projected MWh Savings (at Meter)	Projected Budget (000's)
2010	-92	20%	53.1	93,031	78.3	234,807	\$44,271
2011	-92	20%	53.1	93,031	95.2	227,022	\$45,084

* The Demand Goal is actually -18.3 MW when calculated per the EE Rule. However, under the EE Rule, a utility's demand reduction goal shall not be less than the prior year's goal. Thus, the 2010 and 2011 goals are 53.1 MW. Please see Table 4 for information on the 2009 Actual Demand Goal.

** Calculated using a 20% capacity factor.

In order to reach the above projected savings, Oncor proposes to continue implementation of the programs listed above (less the Statewide Residential CFL MTP and the Refrigerator/Freezer Recycle MTP). The Refrigerator/Freezer Recycle MTP is an approved program for 2010 but will not be offered because the Program Implementer has decided not to continue implementation beyond 2009. Incentive budgets for that program will be reallocated among other residential programs during the year and the total projected energy efficiency goals will remain the same.

The programs Oncor has chosen to implement target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. Oncor plans to conduct ongoing informational activities to encourage participation in these SOPs and MTPs. For

¹ Projected data taken from Table 5 in this document. Budget data for 2009 is taken from Table 6 in this document.

each program, potential participants will be identified and program information will then be tailored to the types of specific participants. At a minimum this will include a program website, brochures, and an introductory meeting to explain the program prior to the program start-date. Furthermore, Oncor plans to participate in trade shows and conferences to provide information related to its Energy Efficiency Program.

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. These plans include, but are not limited to, the following activities:

- Invite REPs to program outreach meetings with Service Providers.
- Coordinated effort with Oncor's REP relations group to identify key REP contacts. Through REP Executive and on-site 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.
- Continue to encourage the Service Providers and program implementers to contact REPs to cooperatively market the MTPs and SOPs.

Once an energy efficiency program has been initiated, Oncor plans to offer the program on a first-come, first-served basis.

ENERGY EFFICIENCY PLAN

I. 2010 Programs

A. 2010 Program Portfolio

Oncor plans to implement 12 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. In addition, consistent with Senate Bill 712, and the pilot program template adopted by the Commission in November 2005, Oncor will fund the following four pilot programs in 2010: the Air Conditioning Tune-Up MTP, the Data Centers MTP, the Educational Facilities MTP, and the Government Facilities MTP. In 2010 Oncor plans to issue Requests For Proposals (RFPs) for three of the pilot programs, and the Data Centers MTP will be incorporated into the Commercial SOP in 2011. Based on baseline studies and the pilot program results from the three previous years, Oncor will decide whether to begin the process of moving the programs from pilot status to MTP templates. Oncor will present this decision at the first meeting of the Energy Efficiency Implementation Project (EEIP) Working Group in 2011.

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 on a continuing basis. Table 2 (shown on the following page) summarizes the programs and target markets.

Table 2: 2010 Energy Efficiency Program Portfolio

Program	Target Market	Application
Commercial SOP	Large Commercial	Retrofit; New Construction
Small Commercial SOP	Small Commercial 250kW or less	Retrofit
Hard-to-Reach SOP	Hard-to-Reach residential	Retrofit
Emergency Load Management SOP	Existing Industrial	Load Management
Commercial Load Management SOP	Large Commercial	Load Management
ENERGY STAR® Homes MTP	Residential	New Construction
Air Conditioning Distributor MTP	Small Commercial; Residential	Retrofit; New Construction - Commercial only
A/C Installer MTP	Residential	Retrofit
Educational Facilities MTP	Large Commercial (K-12 & Higher Education Facilities)	Retrofit; New Construction
Government Facilities MTP	Large Commercial (City/County; Government facilities)	Retrofit; New Construction
Air Conditioning Tune-Up MTP	Residential	Retrofit
Home Energy Efficiency SOP	Residential	Retrofit
Residential Demand Response SOP	Residential	Load Management
Data Centers MTP	Large Commercial	Retrofit; New Construction
Targeted Weatherization Low-Income SOP	Low-Income residential	Retrofit
ENERGY STAR® Low-Rise Multifamily MTP	Residential	New Construction

B. Existing Programs

Commercial Standard Offer Program

The Commercial SOP targets large commercial customers with a maximum demand of more than 100 kW. Oncor provides incentives to Service Providers 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, cooling, ENERGY STAR® Roofs, window film, renewable energy projects, and process upgrades as well as new construction that exceeds existing code baselines. These energy-saving projects must be approved by Oncor prior to commencement. Once completed, Oncor verifies the savings and the Service Providers receive

incentive payments based on the project's actual savings. The 2010 budget for this program is \$10,405,555 with targeted impacts of 20,811 kW and 116,492,486 kWh.

Home Energy Efficiency Standard Offer Program (HEE SOP)

The HEE SOP targets existing residential customers. 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 built prior to January 2002. Independent companies, referred to as Service Providers, implement energy saving projects in homes located in Oncor's service area. Incentives are paid to these Service Providers to help offset the cost of these energy efficiency measures. The incentives may cover the cost of some of the measures completed in the program, while not covering all of the cost of the more expensive measures. Oncor provides the incentive directly to the Service Provider. Charges vary by Service Provider and no incentives for this program are paid directly to the consumer by Oncor. The 2010 budget for this program is \$7,111,111 with targeted impacts of 14,545 kW and 42,683,757 kWh.

The most common energy-efficient measures installed in the HEE SOP are attic insulation, duct sealing and caulking/weather-stripping around doors and windows. Service Providers must test for air leakage before and after installation when performing the duct sealing and weather-stripping measures. Other eligible energy-efficient measures include replacement of air conditioning units, heat pumps, replacement of electric water heaters, installation of ENERGY STAR[®] windows, refrigerators, dishwashers, clothes washers, solar window screens, window film, wall insulation, floor insulation, water heater jackets and installation of renewable energy sources such as solar photovoltaic panels and solar water heating.

Small Commercial Standard Offer Program (SC SOP)

The SC SOP provides incentives to Service Providers who implement energy-saving projects for small commercial customers in Oncor's service area. A small commercial customer is defined as businesses with an on-peak demand of 250 kW or less. Typical examples might include local restaurants, stores, and small office buildings. Qualifying measures include air conditioning and heat pump systems, duct efficiency improvements, high-efficiency lighting, solar photovoltaic systems, solar water heating, and window film.

Incentives vary by the efficiency measure life, and air conditioning incentives vary based on BTUH (British Thermal Units per Hour) range and building type for larger systems. Service Providers undergo an application process and enter into a standard contract with Oncor. The 2010 program budget is \$709,240 with targeted impacts of 628 kW and 1,743,906 kWh.

Hard-to-Reach Standard Offer Program (HTR SOP)

The HTR SOP targets residences with household incomes at or below 200% of the federal poverty guidelines. This program is designed to achieve energy and demand savings with the installation of a wide range of energy-efficiency measures. Third-party companies, referred to as Service Providers, implement energy saving projects in homes located in Oncor's service area. Incentives are paid to these Service Providers to help offset the cost of these energy efficiency measures. The most common measures, such as duct sealing, insulation, weather-stripping and caulking are installed at low or no cost to the customer. Oncor provides the incentive directly to the Service Provider. The 2010 budget for this program is \$10,000,000 with targeted impacts of 9,000 kW

and 33,033,960 kWh. Qualifying measures are similar to those described above for the HEE SOP, as well as water-saving devices and Compact Fluorescent Lighting (CFLs).

Emergency Load Management Standard Offer Program (ELM SOP)

The ELM SOP targets industrial customers with demands greater than 700 kW. The program is offered to transmission level end-use customers, which includes large industrial sites. Participants are requested to reduce load when called for by Oncor. The demand reductions must be verified by Oncor in order for the incentives to be paid. This is accomplished by reviewing data recorded on Interval Data Recorders (IDRs) and calculating the amount of demand savings achieved through the “curtailment” during the summer on-peak season. The incentive is paid directly to the program participant and a ten-year contract is required to participate in the program. No customers are expected to participate in this program in 2010.

Commercial Load Management Standard Offer Program (CLM SOP)

The CLM SOP targets commercial customers with demands greater than 700 kW. Oncor pays incentives to Service Providers who work with local commercial and manufacturing facilities to achieve documented, on-peak demand reductions in those facilities. The program is designed to assist businesses to reduce their on-peak 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 on IDRs and calculating the amount of demand savings achieved through the “curtailment” during the summer on-peak season. The incentive is paid directly to the program participant. Each project must achieve a total estimated demand savings of at least 100 kW during the on-peak demand period. Participating customers, such as office buildings and hospitals, must reduce load when called for by Oncor. The 2010 budget for this program is \$622,222 with targeted impacts of 16,000 kW.

ENERGY STAR[®] Homes Market Transformation Program (ENERGY STAR[®] MTP)

The ENERGY STAR[®] Homes MTP targets new residential construction and is designed to increase energy and demand savings through increased sales of ENERGY STAR[®] homes and products, which use less energy than a home built to the Texas residential building code. Certified ENERGY STAR[®] homes are at least 15% more energy efficient than a home built to the Texas building code and requires a Home Energy Rating System Index score of 85 or less. A home meets this standard through installation of measures such as additional insulation, higher efficiency air conditioning and efficient windows. Better energy efficiency means greater home comfort and reduced energy costs. The 2010 budget for this program is \$916,667 with targeted impacts of 2,845 kW and 3,090,353 kWh. Please see Section IX. for additional information on this program.

Air Conditioning Distributor Market Transformation Program (ACD MTP)

Oncor's Air Conditioning Distributor MTP is designed to offer incentives to Distributors for residential air conditioning replacement systems. The air conditioning replacement systems must be a new 1.5 to 5-ton matched indoor-to-outdoor unit with an AHRI (Air Conditioning, Heating and Refrigeration Institute) rating of 16 SEER (Seasonal Energy Efficiency Ratio) / 12 EER (Energy Efficiency Ratio) or higher. Heat pump replacement systems must be a new 1.5 to 5-ton unit with an AHRI of 16 SEER / 12 EER and 8.2 HSPF (Heating Seasonal Performance Factor) or

higher. Installation must be completed in residential homes that are connected to the Oncor distribution system.

The Program also offers incentives to distributors marketing new and replacement systems to contractors that install or replace a system in commercial customer sites connected to the Oncor distribution system. For air conditioners and heat pump systems ranging from 1.5 to 5-tons, the system must be matched indoor to outdoor units with an AHRI of 15 SEER / 12 EER or higher. For systems ranging from 65,001 to 135,000 BTUH, the AHRI rating requires a minimum rating of 11.2 EER or higher, and for systems ranging from 135,001 to 250,000 BTUH the minimum rating required is 11.0 EER.

The primary objective of this program is to increase market penetration of high-efficiency units to achieve customer energy savings. The 2010 budget for this program is \$911,111 with targeted impacts of 1,825 kW and 4,947,648 kWh.

A/C Installer Market Transformation Program (ACI MTP)

The A/C Installer MTP offers contractors a unique opportunity to differentiate themselves in the residential marketplace by promoting and providing ENERGY STAR® Quality Installations to customers connected to the Oncor distribution system. An ENERGY STAR® Quality Installed system meets the ACCA (Air Conditioning Contractor of America) installation standards, meaning it is correctly sized for the home, ensures adequate supply and return air flow and the refrigerant charge meets manufacturers specifications and receives third party verification. An incentive is paid when qualified equipment is installed. A second incentive is paid for the quality installation. The quality installation incentive is based on a baseline study that was completed in late 2004 which verifies the kW and kWh savings.

The program provides financial incentives, technical training and ongoing support to participating contractors who install new total replacement air conditioning systems in homes meeting AHRI requirements of 16 SEER / 12 EER or higher and heat pump systems meeting AHRI requirements of 16 SEER / 12 EER and 8.2 HSPF or higher. The 2010 budget for this program is \$277,778 with targeted impacts of 472 kW and 735,980 kWh.

Educational Facilities Market Transformation Program (EF MTP)

Oncor's Educational Facilities MTP was created to provide viable energy efficiency and demand side reduction solutions for private and public schools K-12, charter schools, colleges and universities located within Oncor's service area. The program also helps educate organizations on energy management, bridges the gap in communication between energy managers and finance officials to help initiate greater investment in energy efficiency opportunities, and provides technical and communications assistance to evaluate opportunities and publicize successes. The program works to transform how organizations think and act toward energy use and helps them minimize the impact of volatile energy costs, ease budget pressures through energy savings and incentives, and provides suggested infrastructure improvements to provide optimum learning environments for students. The 2010 budget for this program is \$3,888,889 with targeted impacts of 5,193 kW and 11,509,142 kWh.

Government Facilities Market Transformation Program (GF MTP)

Oncor's Government Facilities MTP was created to help city and county governments reduce energy use and expenditures through energy efficiency upgrade projects. The program is available to local government entities in Oncor's service area and helps them minimize the impact of volatile energy costs, ease budget pressures, and improve infrastructure by transforming how they think and act toward energy use. It educates organizations on energy management, bridges the communication gap between energy managers and finance officials, and provides technical and communications assistance to evaluate opportunities and publicize successes. The 2010 budget for this program is \$1,444,444 with targeted impacts of 624 kW and 2,765,917 kWh.

Air Conditioning Tune-Up Market Transformation Program (ACT MTP)

The Air Conditioning Tune-Up MTP provides contractors with a significant opportunity to build or enhance their residential service operation through adoption of a unique diagnostic tune-up protocol that goes "deeper" than many traditional tune-ups. The program provides financial incentives to contractors that complete qualified tune-ups for residential customers in homes connected to the Oncor distribution system. The program also provides training and ongoing support to participating contractors. The 2010 budget for this program is \$277,778 with targeted impacts of 125 kW and 144,540 kWh.

Residential Demand Response SOP

Oncor's Residential Demand Response SOP is designed to offer residential demand response capabilities as a means to lessen on-peak electric demand. This program encourages participation by residential customers through their REP or a participating Aggregator, to verify the effectiveness of load reductions on Oncor's transmission and/or distribution system. The Residential Demand Response Program will allow the Service Providers to curtail and/or cycle residential customer's central air conditioner (A/C) compressor(s) with technology attached to the customer's equipment. Only central air conditioning units and single-family homes are eligible to participate in the program. The 2010 budget for this program is \$280,000 with targeted impacts of 3,000 kW.

Data Centers MTP

The Data Centers MTP will be marketed to data centers in Oncor's service area focusing on software-for-server virtualization, right size of non-IT equipment, migration to blade servers, technology retirement and/or consolidation of old servers, row-oriented cooling, best-in-class UPS systems, properly located floor ventilation, efficient lighting, blanking panels in servers, and other technologies as appropriate for each installation. Funds will be available for analysis, program services for the implementer and incentives for demand and energy reduction for the customer. The 2010 budget for this program is \$944,444 with targeted impacts of 944 kW and 8,699,451 kWh.

Targeted Weatherization Low-Income SOP

This program is targeted to Oncor's low-income residential customers who meet DOE's income eligibility guidelines which are at or below 200% of the federal poverty level guidelines and are connected to Oncor's electric system. Incentive funds are provided to the Texas Department of Housing and Community Affairs (TDHCA) sub-recipient agencies and other not-for-profit or local government agencies, enabling them to provide weatherization services to qualifying customers. Participating agencies provide outreach, eligibility verification, assessments, and will either install or contract for the installation of cost-effective energy-efficient measures. Agencies receive

reimbursement for conducting assessments and installing the measures, plus an administrative fee equal to eight percent of the measure installation costs. The maximum expenditure per home is \$6,500.

Energy-efficient measures installed include attic insulation, duct sealing and caulking/weather-stripping around doors and windows, central air conditioning units, central heat pumps, window air conditioning units, replacement of electric water heaters, installation of ENERGY STAR® refrigerators, solar window screens, wall insulation, CFLs, water heater jackets and ENERGY STAR® ceiling fans with light kit. The 2010 budget for this program is \$3,792,157 with targeted impacts of 1,220 kW and 3,826,018 kWh.

Prior to 2005, the TDHCA administered a targeted energy efficiency program that was funded through the System Benefit Fund (SBF). When appropriations from the SBF were discontinued for TDHCA's program in 2005, the Texas Legislature enacted SB 712. SB 712 amended PURA §39.905(f), requiring unbundled utilities like Oncor to fund through rates a targeted low-income energy efficiency program that would be administered by TDHCA. In the summer of 2006, the Commission approved (in Docket No. 32103) an agreement among TLSC/Texas ROSE, the Commission Staff, Oncor (then TXU Electric Delivery Company), AEP Texas Central Company, AEP Texas North Company, CenterPoint Energy Houston Electric, LLC, and Texas-New Mexico Power Company, that reflected a plan for implementing SB 712's requirements in calendar years 2006 and 2007 (the Docket No. 32103 Agreement). Oncor agreed to provide \$3,412,941 annually to TDHCA for the Company's SB 712 obligation. Among other terms, the Docket No. 32103 Agreement provided that the program would be targeted to households with income at or below 125% of the federal poverty guidelines.

On May 23, 2007, TDHCA informed Oncor that it was not authorized to spend the funds paid by Oncor due to a ruling by the Office of Comptroller of Public Accounts, and that Oncor should make alternative arrangements to complete the program that did not involve TDHCA. Thus, Oncor promptly entered into talks with Frontier Associates LLC (Frontier) and ultimately reached an agreement with Frontier for it to administer the SB 712 program in Oncor's service area, *i.e.*, the Pilot Targeted Weatherization Low-Income Program.

On July 27, 2007, TLSC/Texas ROSE filed a petition with the Commission seeking to have TACAA designated as the sole administrator for the SB 712 programs of all the unbundled utilities, including Oncor. TLSC/Texas ROSE's petition was litigated in Docket No. 34630, *Petition of Texas Legal Services Center and Texas Ratepayers' Organization to Save Energy to Modify the Commission's Final Order in Docket No. 32103 and to Reform the Agreement to Implement Weatherization Programs*. The Commission found that the utilities should have the flexibility to contract with a provider of their choice, as Oncor did with Frontier, to implement SB 712 programs.

ENERGY STAR® Low-Rise Multifamily MTP

Based on the results of the baseline survey and developer survey conducted in 2008, it was determined that there was a strong desire for market differentiation by developers in the multifamily market. Developers expressed a strong interest in converting their units to ENERGY STAR®. Along with recruiting developers, the program focuses on architects, general contractors and apartment management companies. The program provides an integrated approach to achieving

peak demand and energy savings with a long-term goal of transforming the multifamily construction market to deliver more efficient units. It encourages developers to improve the design and construction practices for new multifamily residential complexes to achieve increased energy efficiency. The program also educates developers about energy efficiency construction practices and increases customer awareness of ENERGY STAR[®] multifamily units. In order to meet ENERGY STAR[®] requirements, developers must switch to an up-flow air conditioning system or properly seal the building cavity for pancake air conditioning systems. The 2010 budget for this program is \$333,333 with targeted impacts of 225 kW and 256,230 kWh.

Research and Development

During 2010, Oncor will continue to fund the programs at Electric Power Research Institute (EPRI) that were funded in 2009. These programs include Program 170 – End-Use Energy Efficiency and Demand Response in a Low-Carbon Future, and the Energy Efficiency Demonstration project that will demonstrate six hyper-efficient technologies. For more details on these programs, please see Section IX.

C. New Programs for 2010

Oncor has no new programs in 2010.

D. Existing DSM Contracts or Obligations

There were no new projects installed under Oncor's existing DSM contracts as of January 1, 2006 forward and, thus, there will be no additional savings reported from the existing DSM contracts, although the contracts will require payments through 2010. A description of the final DSM contract, including information about the type and duration of the energy efficiency project(s) implemented pursuant to the contract and the customer class that the project(s) serves, is included in Appendix C. The approved 2010 budget for this program is \$1,050,000 as shown in Table 6. However, due to early completion of Planergy Services and MC2 Energy Management's annual Measurement and Verification Reports, a portion of the contract payments projected to occur in 2010 were distributed in 2009, leaving a remaining obligation of \$282,242 as shown in Appendix C. The difference between the approved budget and the remaining obligation will be allocated among other commercial programs during the year.

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 Substantive Rule §25.181, 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. 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 2009 Customer Information System (CIS) 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 33.5%. According to the U.S. Census Bureau's 2009 Current Population Survey (CPS), 33.5% of Texas

families fall at or below 200% of the poverty threshold. Applying that percentage to Oncor’s residential customer totals, the number of HTR customers is estimated at 894,676. 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	473,750
Residential	1,775,999
Hard-to-Reach	894,676
Total	3,144,425

III. Projected Energy Efficiency Savings and Goals

As prescribed by Substantive Rule §25.181, Oncor’s demand goal is specified as a percent of its historical five-year average rate of growth in demand. As an example, the annual growth in demand defined for the December 31, 2010 goal reflects the average annual growth in peak demand from 2005 to 2009 (the most recent historical load growth data available). The demand goals are based on meeting 15% of the electric utility’s annual growth in demand of residential and commercial customers by December 31, 2008, and on meeting 20% of the electric utility’s annual growth in demand of residential and commercial customers by December 31, 2009, and each year thereafter. The corresponding energy savings goals are determined by applying a 20% capacity 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) while Residential and Commercial totals include 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 2010 and 2011. The program-level goals presented in Table 5 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)			Residential & Commercial			
	Total System		Residential & Commercial	Total System		Residential & Commercial	Growth (MW)	Avg (MW) Growth ²		
	Actual	Actual Weather Adjusted ³	Actual	Actual Weather Adjusted ³	Actual	Actual Weather Adjusted ³	Actual Weather Adjusted ³	Actual Weather Adjusted ³		
2004	22,682	23,867	21,555	22,740	101,640,384	102,705,491	92,236,403	93,301,510	NA	NA
2005	23,688	24,083	22,670	23,065	106,184,587	104,726,922	96,502,499	95,044,834	325	NA
2006	24,624	24,229	23,367	22,972	106,827,224	105,552,518	96,929,856	95,655,150	-93	NA
2007	23,511	23,379	22,215	22,083	105,428,707	105,276,379	95,188,185	95,035,857	-889	NA
2008	23,830	24,093	22,676	22,939	107,828,724	106,484,089	97,276,578	95,931,943	856	NA
2009	23,690	23,295	22,677	22,282	103,375,708	103,925,805	95,190,018	95,740,115	-657	NA
2010⁴	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2011⁴	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

* Table 4 values differ from prior years due to a restatement of historical demand vales utilizing ERCOT 4CP demands adjusted for Coincidence Factor as Oncor System demand. Additional variance is due to the use of a new weather adjustment coefficient.

² "Average Growth" for previous 5 years. "NA" = Not Applicable. Average MW growth from 2004-2009 is not applicable to any of the calculations or forecasts in this EEP.

³ "Actual Weather Adjusted" Peak Demand and "Energy Consumption" are adjusted for weather fluctuations using weather data for the most recent ten years.

⁴ "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 2010 and 2011 are not applicable.

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

Customer Class and Program	2010 Projected Savings		2011 Projected Savings	
	(kW)	(kWh)	(kW)	(kWh)
Commercial				
Commercial	45,125	143,414,918	61,860	140,500,000
Commercial SOP	20,811	116,492,486	21,000	119,000,000
Emergency Load Management SOP	0	0	0	0
Commercial Load Management SOP	16,000	0	30,000	0
Educational Facilities MTP	5,193	11,509,142	8,300	15,000,000
Government Facilities MTP	624	2,765,917	1,300	3,000,000
Data Centers MTP	944	8,699,451	0	0
Third Party DSM Contracts	0	0	0	0
Small Commercial SOP	628	1,743,906	640	1,800,000
Air Conditioning Distributor MTP	925	2,204,016	0	0
Air Conditioning MTP*	0	0	620	1,700,000
Residential				
Home Energy Efficiency SOP	22,932	54,531,885	22,450	46,722,000
ENERGY STAR® Homes MTP	14,545	42,683,757	14,000	40,000,000
A/C Installer MTP	2,845	3,090,353	1,700	1,700,000
Refrigerator/Freezer Recycle MTP**	472	735,980	0	0
Air Conditioning Tune-Up MTP	820	4,877,393	0	0
	125	144,540	0	0

Residential Demand Response SOP	3,000	0	5,000	0
Air Conditioning Distributor MTP	900	2,743,632	0	0
Air Conditioning MTP*	0	0	1,500	4,000,000
ENERGY STAR [®] Low-Rise Multifamily MTP	225	256,230	250	1,022,000
Hard-to-Reach	10,220	36,859,978	10,900	39,800,000
Hard-to-Reach SOP	9,000	33,033,960	9,700	36,000,000
Targeted Weatherization Low-Income SOP	1,220	3,826,018	1,200	3,800,000
Total Annual Savings Goals	78,277	234,806,781	95,210	227,022,000

* Includes three components - A/C Installer, A/C Tune-Up, and A/C Distributor commercial and residential.

** The Refrigerator/Freezer Recycle MTP will not be offered in 2010 as discussed on page 5 in the Executive Summary.

IV. Program Budgets

Table 6 presents 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, projected costs for the existing DSM contract and SB 712 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.

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

2010 Customer Class and Program	Incentives	Administration	Total Budget
Commercial	\$17,528,316	\$1,947,589	\$19,475,905
Commercial SOP	\$9,365,000	\$1,040,555	\$10,405,555
Emergency Load Management SOP	\$0	\$0	\$0
Commercial Load Management SOP	\$560,000	\$62,222	\$622,222
Educational Facilities MTP	\$3,500,000	\$388,889	\$3,888,889
Government Facilities MTP	\$1,300,000	\$144,444	\$1,444,444
Data Centers MTP	\$850,000	\$94,444	\$944,444
Third Party DSM Contracts	\$945,000	\$105,000	\$1,050,000
Small Commercial SOP	\$638,316	\$70,924	\$709,240
Air Conditioning Distributor MTP	\$370,000	\$41,111	\$411,111
Residential	\$9,227,000	\$1,025,223	\$10,252,223
Home Energy Efficiency SOP	\$6,400,000	\$711,111	\$7,111,111
ENERGY STAR® Homes MTP	\$825,000	\$91,667	\$916,667
A/C Installer MTP	\$250,000	\$27,778	\$277,778
Refrigerator/Freezer Recycle MTP*	\$500,000	\$55,556	\$555,556
Air Conditioning Tune-Up MTP	\$250,000	\$27,778	\$277,778
Residential Demand Response SOP	\$252,000	\$28,000	\$280,000
Air Conditioning Distributor MTP	\$450,000	\$50,000	\$500,000
ENERGY STAR® Low-Rise MTP	\$300,000	\$33,333	\$333,333
Hard-to-Reach	\$12,412,941	\$1,379,216	\$13,792,157
Hard-to-Reach SOP	\$9,000,000	\$1,000,000	\$10,000,000
Targeted Weatherization Low-Income SOP	\$3,412,941	\$379,216	\$3,792,157

Research & Development	\$0	\$750,245	\$750,245
Total Budgets by Category	\$39,168,257	\$5,102,273	\$44,270,530
2011 Customer Class and Program	Incentives	Administration	Total Budget
Commercial	\$17,110,000	\$1,901,110	\$19,011,110
Commercial SOP	\$10,000,000	\$1,111,111	\$11,111,111
Emergency Load Management SOP	\$0	\$0	\$0
Commercial Load Management SOP	\$900,000	\$100,000	\$1,000,000
Educational Facilities MTP	\$3,900,000	\$433,333	\$4,333,333
Government Facilities MTP	\$1,300,000	\$144,444	\$1,444,444
Small Commercial SOP	\$640,000	\$71,111	\$711,111
AC MTP	\$370,000	\$41,111	\$411,111
Residential	\$9,678,000	\$1,075,333	\$10,753,333
Home Energy Efficiency SOP	\$7,000,000	\$777,778	\$7,777,778
ENERGY STAR® Homes MTP	\$1,000,000	\$111,111	\$1,111,111
AC MTP	\$1,000,000	\$111,111	\$1,111,111
Residential Demand Response SOP	\$350,000	\$38,889	\$388,889
ENERGY STAR® Low-Rise MTP	\$328,000	\$36,444	\$364,444
Hard-to-Reach	\$13,112,941	\$1,456,994	\$14,569,935
Hard-to-Reach SOP	\$9,700,000	\$1,077,778	\$10,777,778
Targeted Weatherization Low Income SOP	\$3,412,941	\$379,216	\$3,792,157
Research & Development	\$0	\$750,000	\$750,000
Total Budgets by Category	\$39,900,941	\$5,183,437	\$45,084,378

* The Refrigerator/Freezer Recycle MTP will not be offered in 2010 as discussed on page 5 in the Executive Summary.

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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 (2005-2009) calculated in accordance with Substantive Rule §25.181.

Table 7: Historical Demand Savings Goals and Energy Targets (at Meter)

Calendar Year	Projected Savings (MW)	Actual Demand Goal (MW)	Projected Energy Savings (MWh)
2009 ⁵	89.5	53.1	255,847
2008 ⁶	92.0	53.1	250,892
2007 ⁷	104.1	75.5	265,732
2006 ⁸	79.1	79.1	296,403
2005 ⁹	86.0	86.0	209,072

⁵ Projected MW Savings and Projected Energy Savings as reported in the 2009 Energy Efficiency Plan & Report (EEPR) filed in May of 2009 under Project No. 36689. Actual Demand Goal as discussed in Table 4.

⁶ Projected MW Savings and Projected Energy Savings as reported in the 2008 Energy Efficiency Plan & Report (EEPR) filed in May of 2008 under Project No. 35440. Actual Demand Goal as discussed in Table 4.

⁷ Projected Savings and Goals from EEP, Project No. 33884.

⁸ Projected Savings and Goals from EEP, Project No. 32107.

⁹ Projected Savings and Goals from EEP, Project No. 30739.

VI. Projected, Reported and Verified Demand and Energy Savings

Table 8: Projected versus Reported and Verified Savings for 2009 and 2008¹⁰ (at Meter)

2009	Projected Savings		Reported and Verified Savings	
Customer Class and Program	kW	kWh	kW	kWh
Commercial	49,540	120,359,181	55,803	133,916,019
Commercial SOP	13,625	71,613,000	19,205	111,386,443
Emergency Load Management SOP	9,000	0	0	0
Educational Facilities MTP	11,100	26,253,720	8,860	19,459,076
Government Facilities MTP	4,000	9,460,800	841	2,339,052
Data Centers MTP	1,190	8,860,740	0	0
Third Party DSM Contracts	0	0	0	0
Small Commercial SOP	300	919,800	157	664,056
Air Conditioning Distributor MTP	1,325	3,251,121	26	67,392
Commercial Load Management SOP	9,000	0	26,714	0
Residential	28,840	91,615,828	29,473	86,534,452
Home Energy Efficiency SOP	14,700	45,070,200	14,714	44,154,985
ENERGY STAR® Homes MTP	5,860	6,673,368	7,761	8,521,881
A/C Installer MTP	1,250	2,080,500	29	73,182
Refrigerator/Freezer Recycle MTP	1,000	6,482,400	322	1,957,077
Air Conditioning Tune-Up MTP	600	946,080	85	97,854
Res.Demand Response SOP	1,500	0	2,522	0
Statewide Residential CFL MTP	1,330	25,300,000	2,726	27,252,695
Air Conditioning Distributor MTP	1,600	3,924,480	950	2,980,030
ENERGY STAR® Low-Rise MTP	1,000	1,138,800	364	1,496,748
Hard-to-Reach	11,130	43,871,977	13,481	50,555,426
Hard-to-Reach SOP	9,100	35,872,200	12,626	48,381,049
Targeted Weatherization LI SOP	2,030	7,999,777	855	2,174,377
Total Annual Savings Goals	89,510	255,846,986	98,756	271,005,897
2008 ¹¹	Projected Savings		Reported and Verified Savings	
Customer Class and Program	kW	kWh	kW	kWh
Commercial	48,605	106,820,601	41,680	112,480,532
Large Commercial & Industrial SOP	12,500	65,700,000	18,676	104,561,657
Emergency Load Management SOP	21,000	0	0	0
Texas SCORE Pilot MTP	10,000	23,652,000	1,687	3,731,854
CitySmart Pilot MTP	2,500	5,913,000	156	690,497
Data Centers Pilot MTP	1,000	7,446,000	146	1,345,366
Third Party DSM Contracts	0	0	0	0

¹⁰ Projected Savings data for 2009 and 2008 from Table 7. Reported Savings may not add due to rounding.

¹¹ Reported and Verified Savings data for 2008 taken from EEP, Project No. 36689.

Residential & Small Commercial SOP	280	858,480	501	1,390,055
Commercial AC MTP	1,325	3,251,121	320	761,103
Commercial Load Management SOP	0	0	20,194	0
Residential	29,816	90,711,438	30,934	100,136,138
Residential & Small Commercial SOP	13,720	42,065,520	19,962	58,735,027
ENERGY STAR® Homes MTP	8,000	9,110,400	6,652	7,207,412
A/C Installer Info & Training MTP	832	1,384,800	262	408,903
Refrigerator Recycling Pilot MTP	1,100	7,130,640	586	3,588,378
Air Conditioning Tune-Up Pilot MTP	357	560,000	32	35,370
CCET Residential Demand	667	0	0	0
Residential Demand Response SOP	1,500	0	340	0
Statewide Residential CFL Pilot MTP	1,330	25,300,000	2,980	29,796,640
Air Conditioning Distributor MTP	1,925	4,721,640	120	364,408
ENERGY STAR® Low-Rise MTP	385	438,438	0	0
Hard-to-Reach	13,537	53,360,371	24,542	89,625,820
Hard-to-Reach SOP	11,507	45,360,594	24,110	88,428,028
Pilot Targeted Partnership	400	1,576,800	253	637,155
Pilot Targeted Weatherization	1,630	6,422,977	179	560,637
Total Annual Savings Goals	91,958	250,892,410	97,155	302,242,488

VII. Historical Program Expenditures

This section documents Oncor's incentive and administration expenditures for the previous five years (2005-2009) broken out by program for each customer class.

Table 9: Historical Program Incentive and Administrative Expenditures for 2005 through 2009

	2009			2008			2007			2006			2005		
	Incentive (\$)	Admin (\$)		Incentive (\$)	Admin (\$)		Incentive (\$)	Admin (\$)		Incentive (\$)	Admin (\$)		Incentive (\$)	Admin (\$)	
Commercial	17,073,714	1,527,961		11,058,178	1,197,225		12,667,933	1,047,882		6,878,679	861,742		16,298,899	841,548	
Large Commercial & Industrial SOP	NA	NA		5,349,355	518,093		4,666,458	369,590		2,609,314	322,313		8,209,344	353,728	
Commercial SOP	7,600,839	667,361		NA	NA		NA	NA		NA	NA		NA	NA	
Third Party DSM Contracts	3,591,448	224,816		3,224,644	233,043		4,557,195	237,043		2,740,445	265,449		7,491,747	464,436	
Emergency Load Management SOP	0	0		0	42,342		1,255,281	173,492		977,729	153,793		597,808	23,384	
Commercial Load Management SOP	934,990	115,306		848,148	98,274		NA	NA		NA	NA		NA	NA	
Educational Facilities MTP	4,109,364	289,438		1,136,887	133,858		1,903,461	244,313		551,191	120,187		NA	NA	
Government Facilities MTP	739,001	149,593		325,144	75,998		285,538	23,444		NA	NA		NA	NA	
Data Centers MTP	98,072	81,447		174,000	95,617		NA	NA		NA	NA		NA	NA	
Res. & Small Commercial	13,279,765	1,737,706		14,300,830	1,977,298		10,459,889	1,337,226		10,655,488	1,725,674		19,910,582	1,351,904	
Res. & Small Commercial SOP	NA	NA		8,633,286	959,255		6,380,882	620,420		5,096,074	689,986		8,258,590	546,943	
Home Energy Efficiency SOP	6,345,943	643,610		NA	NA		NA	NA		NA	NA		NA	NA	
Small Commercial SOP	55,711	83,083		NA	NA		NA	NA		NA	NA		NA	NA	
ENERGY STAR [®] Homes MTP	2,374,644	203,073		1,904,515	290,671		3,331,736	367,043		4,512,251	697,779		6,397,907	318,558	
A/C Installer MTP	144,333	86,389		137,981	72,230		527,206	216,583		889,120	250,592		1,345,735	261,357	
A/C Tune-Up MTP	138,575	83,204		133,872	48,758		117,678	5,366		NA	NA		NA	NA	
Refrigerator/Freezer Recycle MTP	259,009	87,655		471,416	89,316		30,495	3,087		NA	NA		NA	NA	
CCET Res. Demand Response MTP	NA	NA		0	42,880		0	2,036		NA	NA		NA	NA	
Commercial A/C Distributor MTP (Prior to 2006, known as AC Distributor MTP)	NA	NA		114,715	60,755		71,892	122,691		158,043	87,317		3,562,825	211,254	
Air Conditioning Distributor MTP	712,600	113,771		69,833	67,222		NA	NA		NA	NA		NA	NA	

Residential Demand Response MTP	435,003	139,463	832,312	110,707	NA	NA	NA	NA	NA	NA	NA	NA
Statewide Residential CFL MTP	2,384,615	191,207	1,948,912	179,984	NA	NA	NA	NA	NA	NA	NA	NA
ENERGY STAR® Low Rise MTP	429,332	106,251	53,988	55,520	NA	NA	NA	NA	NA	NA	NA	NA
Multi-Family Water & Space Heating Pilot MTP	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	345,525	13,792
Hard-to-Reach	12,850,523	1,100,138	23,038,914	1,813,916	15,902,313	1,176,910	4,230,410	505,981	10,703,808	662,120		
Hard-to-Reach SOP	10,451,247	932,735	22,303,233	1,670,365	15,902,313	1,124,630	4,230,410	505,981	10,703,808	662,120		
Target Weatherization (known as TDHCA in 2006 & 2007)	2,399,276	167,403	499,455	78,448	0	52,280	0	0	NA	NA		
Pilot Targeted Partnership Weatherization	NA	NA	236,226	65,103	NA	NA	NA	NA	NA	NA		
Total Program Expenditures	43,204,002	4,365,805	48,397,922	4,988,439	39,030,135	3,562,018	21,764,577	3,093,397	46,913,289	2,855,572		

VIII. Program Funding for Calendar Year 2009

Oncor exceeded its 2009 mandated 20% demand goal of 53.1 MW by obtaining 98,756 kW in energy efficiency savings. As shown on Table 10, funds were either spent or committed by contracts with energy efficiency service providers in excess of the total overall 2009 budget of the SOPs and MTPs in order to ensure attainment of the goal.

The **ENERGY STAR® Homes MTP** was over budget in 2009 primarily due to the reallocation of funds from other energy efficiency programs to meet an unexpected need. The downturn in the housing market in Texas leveled somewhat and new home starts improved, thus increasing the number of new homes constructed in 2009. The budget re-allocation resulted in an additional 1,022 homes and increased the kW savings by 1,901.

The **ENERGY STAR® Low-Rise Multifamily MTP** outreach and recruiting efforts generated momentum and interest by developers for the 2009 program and we were able to increase the number of completed units from 1,017 to 1,174.

The **Hard-to-Reach SOP** was over budget primarily due to the high demand by hard-to-reach customers and an increase in the number of service providers. Incentives were redirected primarily from the Targeted Weatherization Low-Income Program that was not achieving its incentive goals to meet the demand for this program.

The **Commercial SOP** came in under budget primarily due a timing difference between when funds are committed to projects and when the projects are actually completed and paid. Between the carryover from the previous year's commitments and fund requests submitted by participating contractors in 2009, Oncor had funds committed in excess of the 2009 budget of \$10,954,500. Carryover into 2010 is \$7,602,525.

The **Emergency Load Management SOP** did not meet its 2009 goal due to two factors. First, only industrial customers were eligible to participate in 2009 due to changes in the EE Rule. Second, the end-use customers that are eligible to participate in the grandfathered program chose not to do so for 2009. Funds earmarked for this program were used to fund the Commercial Load Management SOP in 2009.

The **Commercial Load Management SOP** surpassed its 2009 budget due to the increased demand by Service Providers to participate in this type of Demand Response Program. The demand was driven by several factors, including; the term of the contract is only for one year, the increased interest in demand response in Texas as demonstrated by the number of participants, and having a one hour notice for curtailment request compared to the five minute request required by comparable ERCOT programs. In 2008, the Commercial Load Management Program had nine Service Providers and 13 ESI IDs. The 2009 program saw an increase to 15 Service Providers and 36 ESI IDs.

The **Air Conditioning Distributor MTP** did not achieve anticipated results because of a delayed start in implementing the program. Five Distributors participated in the program with four producing the majority of the systems and one that fell below anticipated production levels.

The **A/C Installer MTP** did not achieve anticipated results, although recruitment for program participation showed significant initial interest by several contractors. However, interest waned as the cooling season began. The small number of participating contractors were deluged with service, replacement, and repair calls that severely taxed their ability to meet demands of the program. This resulted in emergency unit replacement with no time to complete the extra testing and measures required to meet the ENERGY STAR[®] requirements.

The **Government Facilities MTP** was under budget in 2009 due to a slow down in the economy and budget constraints of local governments. Additionally, financing of most large projects occur through bond elections by the city or county and the timing of these elections caused several projects to start in the middle of 2009 with expected completion dates in 2010.

The **Refrigerator/Freezer Recycle MTP** did not achieve anticipated results due to the marketing limitations of this program. The program implementer had successfully used utility billing inserts in the implementation of other programs around the country, but due to the deregulated market in Texas, was not able to deploy this marketing effort in the Oncor service territory. The program implementer contacted several electric retailers to partner with and use bill inserts but only one chose to participate and one chose to add information about the program to their web site. Media marketing of the program was utilized, but did not add a significant increase in customer demand for program participation. The program implementer elected to cancel the second year of its agreement to implement this program.

The **Air Conditioning Tune-Up MTP** did not achieve anticipated results, although recruitment for program participation showed significant initial interest by several contractors. However, interest waned as the cooling season began. The small number of participating contractors were deluged with service, replacement, and repair calls that severely taxed their ability to meet demands of the program. Contractors also stated that the incentive was not enough to overcome the cost of the additional time required by the tune-up protocol and that customers weren't willing to pay for the enhanced service to make it worthwhile for the contractor even with the incentive.

The **Data Centers MTP** was under budget due to a late start in 2009. \$473,250 in incentives was committed to be paid in 2010 for projects submitted in 2009. These should total 1,125 kW and 10,150,000 in kWh savings.

The **Residential Demand Response MTP** surpassed its 2009 budget because the Service Provider performance was greater than anticipated. The growth was seen in the comparison of participation between 2008 and 2009. In 2008, one Service Provider had 301 premises participate in the program with a kW savings of 340. The 2009 program attracted two Service Providers and 3,461 premises were controlled with a savings of 2,522 kW. The two Service Providers in 2009 increased their amount of outreach and were successful in attracting additional participants to the program.

The **Targeted Weatherization Low-Income Program** was under budget in 2009 due to insufficient participation by TDHCA sub-recipients. A total of nine agencies signed contracts in 2009, but only six were active. Participating agencies receive funding from a variety of government sources or "stimulus" funding (including American Recovery & Reinvestment Act), and may have placed a higher priority on spending the budget allocations from these other

programs. To address this issue in 2010, Frontier will target non-profit agencies, organizations, and churches to try and increase participation in the program.

Table 10: Program Funding for Calendar Year 2009

	Numbers of Customer Meters	Total Projected Budget ¹²	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)
Commercial	1,004	\$23,660,332	\$17,143,677	\$1,613,319	\$18,756,996	\$9,095,080	\$(4,191,744)
Commercial SOP	441	\$10,954,500	\$7,600,839	\$667,361	\$8,268,200	\$7,602,525	\$(4,916,225)
Third Party DSM Contracts	0	\$3,488,889	\$3,591,448	\$224,816	\$3,816,264	\$0	\$(327,375)
Emergency Load Management SOP	0	\$914,576	\$0	\$0	\$0	\$0	\$914,576
Commercial Load Management SOP	36	\$865,424	\$934,990	\$115,306	\$1,050,296	\$0	\$(184,872)
Educational Facilities MTP	388	\$4,412,488	\$4,109,364	\$289,438	\$4,398,802	\$(138,139)	\$151,825
Government Facilities MTP	65	\$1,590,086	\$739,001	\$149,593	\$888,594	\$692,008	\$9,484
Data Centers MTP	0	\$754,733	\$98,072	\$81,447	\$179,519	\$473,250	\$101,964
Small Commercial SOP	60	\$144,122	\$55,711	\$83,083	\$138,794	\$0	\$5,328
Air Conditioning Distributor MTP	14	\$535,514	\$14,252	\$2,275	\$16,527	\$465,436	\$53,551

¹² Projected Budget taken from the EEP filed in April 2009 under Project No. 36689.

Residential	137,442	\$15,311,054	\$13,209,802	\$1,652,348	\$14,862,150	\$990,134	\$(541,230)
Home Energy Efficiency SOP	14,170	\$7,061,965	\$6,345,943	\$643,610	\$6,989,553	\$0	\$72,412
ENERGY STAR® Homes MTP	4,322	\$2,001,581	\$2,374,644	\$203,073	\$2,577,717	\$0	\$(576,136)
A/C Installer MTP	19	\$684,424	\$144,333	\$86,389	\$230,722	\$385,260	\$68,442
Air Conditioning Tune-Up MTP	133	\$290,108	\$138,575	\$83,204	\$221,779	\$39,318	\$29,011
Refrig./Freezer Recycle MTP	1,228	\$1,009,502	\$259,009	\$87,655	\$346,664	\$543,888	\$118,950
Air Conditioning Distributor MTP	1,217	\$923,902	\$698,348	\$111,496	\$809,844	\$21,668	\$92,390
Residential Demand Response SOP	2,545	\$325,000	\$435,003	\$139,463	\$574,466	\$0	\$(249,466)
Statewide Residential CFL MTP	112,635	\$2,578,023	\$2,384,615	\$191,207	\$2,575,822	\$0	\$2,201
ENERGY STAR® Low-Rise MTP	1,173	\$436,549	\$429,332	\$106,251	\$535,583	\$0	\$(99,034)
Hard-to-Reach	16,683	\$13,857,229	\$12,850,523	\$1,100,138	\$13,950,661	\$846,262	\$(939,694)
Hard-to-Reach SOP	16,033	\$10,065,073	\$10,451,247	\$932,735	\$11,383,982	\$0	\$(1,318,909)
Targeted Weatherization Low-Income SOP	650	\$3,792,156	\$2,399,276	\$167,403	\$2,566,679	\$846,262	\$379,215
Research & Development	NA	\$750,000	\$0	\$735,641	\$735,641	\$0	\$14,359
Total	155,129	\$53,578,615	\$43,204,002	\$5,101,446	\$48,305,448	\$10,931,476	\$(5,658,309)

IX. Market Transformation & Research & Development Results

AIR CONDITIONING DISTRIBUTOR MTP – Commercial

The objective of this program is to increase the market penetration of high efficiency air conditioning units in the commercial market in order to provide cost-effective reduction in peak summer demand. Additional objectives of this program are to achieve consumer demand and energy savings and encourage private sector delivery of energy efficiency products and services. The program focused on replacement systems and new installations of commercial units between 1.5 tons and 20 tons and the air conditioning contractors who install them.

The Program goals for 2009 were to continue implementing strategies of sales and installations for high efficiency commercial heating, ventilation and air conditioning (HVAC) systems installed by participating contactors as well as reduce energy consumption. A total of 27 units were replaced in 2009 resulting in savings of 26 kW and 67,392 kWh.

AIR CONDITIONING DISTRIBUTOR MTP – Residential

The objective of this program is to increase the market penetration of high efficiency air conditioning units in the residential market in order to provide cost-effective reduction in peak summer demand. Additional objectives of this program are to achieve consumer demand and energy savings and encourage private sector delivery of energy efficiency products and services. The program focused on replacement of residential units from 1.5 to 5-tons with a minimum 14.5 SEER /12 EER for air conditioning cooling units and a minimum of 14.5 SEER / 12EER and 8.2 HSPF (Heating Seasonal Performance Factor) for heat pumps.

Program goals for 2009 were to continue implementing strategies to participating Distributors for sales and installation of high efficient residential HVAC systems to their dealer's and to improve the comfort for the homeowner and reduce their energy consumption. A total of 1,385 units were replaced in 2009 resulting in savings of 950 kW and 2,980,030 kWh.

ENERGY STAR® Homes MTP

The objective of this program is to achieve peak demand reductions and energy savings through increased sales of ENERGY STAR® homes. Additionally, the program is designed to condition the market so that consumers are aware of and demand ENERGY STAR® homes and builders have the technical capacity to supply them. A baseline study was conducted in the fourth quarter of 2006 to determine the existing level of efficiency typical of new home construction in Oncor's service territory. The study, which included non-participating homes built by participating Oncor 2006 ENERGY STAR® Homes Program builders, showed the average Home Energy Rating System (HERS) Index for non-participating homes to be 93. This compares to a minimum qualifying ENERGY STAR® Index of 85.

Based on 2009 data from the Real Estate Center at Texas A&M University, there were approximately 18,702 single-family building permits issued in the Oncor service territory Metropolitan Statistical Areas (MSAs), with 4,322 receiving ENERGY STAR® certification through the program. During the 2009 Program Year, the Environmental Protection Agency (EPA) only allowed homes to be certified using a HERS Index rating.

The EPA recognized Oncor's accomplishments in the ENERGY STAR® Homes Program by awarding it the ENERGY STAR® Partner of the Year – New Homes in 2003, 2004, 2005 and 2006. These awards are a result of training and certifying HERS raters, educating and recruiting builders, consumer education and involving market actors associated with new home sales. In 2007, 2008, and 2009, the EPA recognized Oncor's accomplishments in the ENERGY STAR® Homes Program by awarding it the ENERGY STAR® Sustained Excellence Award.

The milestones for 2010 are to certify 1,700 ENERGY STAR® homes, focus participation in outlying markets, educate mortgage lenders and home appraisers on the value behind ENERGY STAR® and train realtors on how to successfully relay the ENERGY STAR® message to potential homeowners. Program savings in 2009 were 7,761 kW and 8,521,881 kWh.

A/C Installer MTP

The program is designed to encourage improved installation practices for new HVAC equipment, including measures designed to reduce leakage in air ducts and verify correct air flow. The program requires that the system be installed to ENERGY STAR® Quality Installation guidelines that incorporate ACCA (Air Conditioning Contractors of America) Installation standards. Training for contactors and installers was conducted using these installation practices. The Program requires the installation of new matched indoor and outdoor equipment meeting minimum AHRI standards of 14.5 SEER / 11.5 EER and the same for heat pumps with 8.2 HSPF or higher.

The Program goal for 2009 was to continue implementing strategies to overcome market barriers to quality installations of HVAC systems. The program will continue to encourage ENERGY STAR® Quality Installation and sales training to the dealer along with the benefits to the homeowner in the form of comfort and energy savings. A baseline study will be completed in early 2010 for this program and the results of this study will be applied to the installation saving for the 2010 program. In 2009, 19 ENERGY STAR® qualified replacement installations were completed resulting in 29 kW and 73,182 kWh saving.

Educational Facilities MTP

The Educational Facilities MTP was implemented in 2006 to partner with selected Independent School Districts to work together to identify and assess energy efficiency measures that would assist the district in reducing its peak usage. The program helps the district develop an Energy Master Plan that outlines administrative and financial decision-making criteria for energy efficiency improvements, installation of energy efficiency measures, and maintenance and operation procedures in order to succeed in implementing a cost-effective energy program in a timely manner. The Educational Facilities MTP also helped identify and assess capital-intensive energy projects which will produce energy cost savings. The districts were also encouraged to implement energy-efficient operations and maintenance practices and procedures that were identified during the process.

The Educational Facilities MTP helps the district by facilitating a focused look at what can be done to use energy efficiently. In order to achieve the program goals, the Educational Facilities MTP involves administrators from all departments in the decision making process. For instance, the Educational Facilities MTP Program helps the district's financial department understand that

spending more in the design and construction phase of a project can lead to a bigger payback in the utility savings for years to come. Qualified work could include retrofitting existing facilities and also new construction projects.

The Educational Facilities MTP set a goal of 11,100 kW in 2009. Seventy-one school districts and colleges were enrolled in the program for 2009. Forty-six schools installed measures that resulted in savings of 8,860 kW and 19,459,076 kWh. Benchmarking and Energy Master Planning were completed for three school districts.

Air Conditioning Tune-Up MTP

The objective of this 2009 program was to rate the operating performance of HVAC systems in existing homes within the Oncor service territory. The program involved testing of static pressures on return air and the air handler, air balancing testing, and verifying refrigerant charge using approved manufacturer charging methods. These tests pinpointed HVAC defects and enabled the contractor to prescribe and make specific repairs and immediately measure the increase in delivered system BTUH.

Program goals for 2009 were to continue implementing strategies to overcome market barriers for the participating contractors by encouraging continued training and improving marketing efforts to the homeowner. In 2009, 133 tune-ups were completed, resulting in a saving of 85 kW and 97,854 kWh.

Government Facilities MTP

The Government Facilities MTP was implemented in 2007 to partner with selected cities and counties in the Oncor service area to work together to identify and assess energy efficiency measures that would assist in reducing peak usage. The program helps the government entity develop an Energy Master Plan that outlines administrative and financial decision-making criteria for energy efficiency improvements, installation of energy efficiency measures, and maintenance and operation procedures in order to succeed in implementing a cost-effective energy program in a timely manner. The Government Facilities MTP also helped identify and assess capital-intensive energy projects which produce energy cost savings. They were also encouraged to implement energy-efficient operations and maintenance practices and procedures that were identified during the process.

The Government Facilities MTP helps the participant by facilitating a focused look at what can be done to use energy efficiently. In order to achieve the incentive earning goals, the program involves city and county employees at all levels in the decision making process. The Government Facilities MTP helps the entity's financial department understand that sometimes spending more in the design and construction phase of a project can lead to a bigger payback in utility savings for years to come. Qualified work included retrofitting existing facilities and new construction projects.

The Government Facilities MTP set a goal of 4,000 kW in 2009. Forty-four cities/counties participated in the 2009 program. Twenty of the participants installed measures that resulted in savings of 841 kW and 2,339,052 kWh. Benchmarking and Energy Master Planning were completed for eight partners.

Refrigerator/Freezer Recycle MTP

The objective of this program is to remove operating spare refrigerators and freezers from customer's homes. This results in energy savings for the customer and load reduction for Oncor. Oncor contracted with Appliance Recycling Centers of America (ARCA) to manage the recycling services for the program within the service territory. ARCA offers an incentive to the customer for the collection, disabling and proper disposal of working, eligible refrigerators and freezers. ARCA has had great success marketing this program in the past through bill inserts. They contacted several electric retailers to partner with but only one chose to participate and one chose to add information about the program to their web site. Marketing the program through other media resources has proven less productive. The implementer has chosen to cancel the second year of their agreement due to the cost to operate this program.

In 2009, 1,077 refrigerators were recycled for a savings of 280 kW and 1,557,342 kWh, and 235 freezers were recycled resulting in savings of 42 kW and 399,735 kWh.

Data Center MTP

The objective of this program was to conduct, on a limited-scale, a program in 2008 and then offer an RFP for a two-year program. This would determine the level of effort and amount of incentives required to upgrade data center efficiency in the Oncor service territory. The RFP was issued in late 2009 and an implementer was selected. The late start in 2009 prevented the implementer from obtaining many projects. The program involved air distribution, cooling equipment upgrades, server upgrades and virtualization of servers. Information gathered will be used to determine if a data center program should be continued in future years. The program will continue in 2010 and a comprehensive industry baseline study will be conducted by the summer of 2010. There were no projects completed in 2009 and therefore no program savings. Projects submitted in 2009 and completed in 2010 will be reported in 2010 results.

Statewide Residential CFL MTP Program

Oncor participated as one of the Electric Utility Marketing Managers of Texas (EUMMOT) member utilities in the Statewide Residential CFL Program. The Statewide CFL Program's primary goal is to produce reductions in electrical peak demand and energy usage through verifiable incremental sales of ENERGY STAR[®] qualified CFLs throughout the service areas of the EUMMOT sponsor utilities over two separate program years. These sales resulted from a combination of economic incentives and customer education that removed the market barriers that typically block the purchase of CFLs and will help to permanently shift the Texas residential lighting market towards CFLs. The implementer devised innovative strategies for ensuring that the program produced incremental sales of CFLs and minimized free-ridership in a cost-effective and verifiable manner.

Approximately 700 retail locations, including Wal-Mart, Home Depot, Sam's, Costco, HEB Grocery, Ace Hardware, True Value Hardware, Dollar Tree, 99 Cent Store, and several mom and pop (small market) stores were used to distribute the product to consumers. Depending on the retail stores inventory levels, separate CFL bulb types were discounted for the customer to purchase at each location. Incentives were applied at the manufacture level so the CFLs were already discounted at the point of purchase.

Oncor's goal in the 2009 CFL Program was 1,330 kW of peak load reduction and 25,300,000 kWh annual energy use reduction. The 2009 savings in the Oncor service area related to Oncor's funding contribution in which 1,041,856 bulbs were purchased by 112,635 homes was 2,726 kW and 27,252,695 kWh.

ENERGY STAR® Low-Rise Multifamily MTP

The 2009 ENERGY STAR® Low-Rise Multifamily Program awarded incentives to developers that produced individually metered ENERGY STAR® apartment units. Developers of low-rise multifamily units were encouraged to apply. In addition to the incentives, developers accepted into the program were offered training and marketing resources that helped them leverage their affiliation with ENERGY STAR®, a nationally recognized, government-backed brand that is the national symbol of energy efficiency.

Complexes meeting the EPA's Low-Rise Multifamily protocol listed below were eligible.

- Units in multifamily buildings three stories or less.
- Units in four- and five-story multifamily buildings may qualify for this program if they are permitted as residential structures by the local building department.
- Multifamily units that are located on top of commercial spaces (*e.g.*, retail, restaurant, etc.) may be qualified for the program even if the structure is permitted as commercial, as long as 1) the entire structure is five stories or less; and 2) the space conditioning and water heating systems are not shared between the residential and commercial spaces.

In addition, only complexes with a permit date after January 1, 2008 were eligible.

Before qualifying as ENERGY STAR®, a unit must be evaluated by a RESNET-accredited Home Energy Rating System (HERS) Rater either by a (1) Performance Path or (2) Prescriptive Path as defined by ENERGY STAR®. For units to qualify via the performance path, a HERS Rater analyzes the unit's energy performance using an approved software modeling program prior to on-site thermal bypass and envelope/duct pressure testing. For units to qualify under the prescriptive path, the developer completes and implements a checklist, referred to as the Builder Option Package (BOP), prior to diagnostic testing.

In September 2009, an amended budget for the ENERGY STAR® Low-Rise Multifamily Program was approved. The budget approved was for \$438,100 with a savings goal of 364 kW and 1,498,024 kWh for 2009. This compares to the original approved contract budget of \$392,894 and savings goal of 315 kW and 1,297,692 kWh. Actual units completed were 1,173 with a savings of 364 kW and 1,496,748 kWh.

Research and Development

Oncor has funded two programs at EPRI in 2009. One is the broad, collaborative EPRI membership program, Program 170, End-Use Energy Efficiency – Preparing For a Low-Carbon Future. This program is funded by many of EPRI's members, and is an ongoing program that includes three projects: Analytical Frameworks, Demand Response Systems, and Energy Efficiency Technologies. The 2009 program elements are described below. Oncor also is participating in this program in 2010. The program elements are intended to address industry needs and issues, including:

- Research, development, and demonstration (RD&D) on advanced end-use technologies that enable and enhance energy efficiency
- RD&D on advanced technologies and tools that enable demand response (DR)
- Collaboration with equipment vendors to improve performance and reduce costs through assessment, lab testing, and field demonstrations
- Development of analytical frameworks to value the economic and environmental benefits of energy efficiency and demand response to utilities, customers, and society
- Development and refinement of a modeling approach to quantify the impact of energy efficiency on reducing carbon emissions, based on industry-standard calculation methodology, to inform utilities, policymakers, and regulators
- Reliable, comprehensive, easily accessible data on the nature of plug loads, which constitute the least understood and fastest growing segment of electricity consumption
- Easily understandable, concise, and technically accurate information and tools on existing and emerging energy efficiency and DR technologies for utility use in planning and managing their energy programs

Key areas of work included:

Advanced Heat Pump Technologies

Advanced Building Dehumidification Systems

Advanced Lighting Technologies

Living Laboratory for Advancing Dynamic Energy Management in End-Use Systems

Advanced Demand Response Technologies for Buildings, including appliances, sensors, and controls

Guidebook on Demand Planning

Thermal Energy Storage Technologies for Demand Response and Peak Load Reduction

Tools to Quantify the Impact of Energy Efficient and Demand Response Technologies on CO₂ Emissions

Demand Response Intelligence Database and Case Studies

Persistence of Customer Response to Direct Energy Feedback Systems

Strategic Technology Briefs and Workshops

Microprocessor-Based Adjustable Speed Drives for Small Motors

Program results are communicated to Oncor and other funders in advisory meetings and in various reports.

Oncor also funded a Tailored Collaboration program with other members entitled “Energy Efficiency Demonstration.” This program runs from 2009 through 2011, and will demonstrate hyper-efficient technologies in commercial buildings or household applications. This supplemental project was offered for members who wanted to advance the state of the art and gain insight to the actual field operation of these emerging technologies. The technologies include:

Variable Refrigerant Flow Air Conditioning

Data Center Hyper Efficiency

LED Lighting for Outdoor Areas

Appliances Such as Combination Washer/Dryer or Compartmentalized Refrigerator

Ductless Heat Pumps

Heat Pump Water Heating

During 2009, funding was consolidated and selection of locations began.

X. Current Energy Efficiency Cost Recovery Factor (EECRF)

Oncor collected \$30,338,523 in Base Rates during 2009 and an additional \$22,545,758 through the EECRF for a total of \$52,884,281.

Revenue Collected

\$52,884,281

Over- or Under-recovery

\$4,578,833 (Over) - This amount will be trued-up by rate class in Oncor's 2010 EECRF filing.

Shown below is a calculation detailing the performance bonus Oncor qualifies for based on 2009 program results.

Performance Bonus Calculation

Total Energy Efficiency Benefits	\$194,831,523
Total Energy Efficiency Expenditures	\$48,305,448
Total Net Benefits	\$146,526,075

2009 Minimum kW Demand Goal	53,100	
2009 Achieved kW Demand Goal	98,756	
Percentage Over Goal	85.98%	
Bonus - 1% of Net Benefits (\$146,526,075) for every 2% that demand reduction goal is exceeded	42.99%	\$62,991,560
Bonus calculation capped at 20% of utility's program costs of \$48,305,448		\$9,661,090
Additional Hard-to-Reach Bonus of 10% of calculated Bonus		\$966,109
Total Eligible Earned Bonus		\$10,627,198

ACRONYMS

CCET	Center for the Commercialization of Electric Technologies
DR	Demand Response
DSM	Demand Side Management
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 Substantive Rules §25.181 and §25.183
ERCOT	Electric Reliability Council of Texas
HTR	Hard-To-Reach
M&V	Measurement and Verification
MTP	Market Transformation Program
PUCT	Public Utility Commission of Texas
REP	Retail Electrical Provider
RES	Residential
SOP	Standard Offer Program

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.

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 (7%) 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.

Capacity Factor -- The ratio of the annual energy savings goal, in kWh; to the peak demand goal for the year, measured in kW, multiplied by the number of hours in the year, or the ratio of the actual annual energy savings, in kWh, to the actual peak demand reduction for the year, measured in kW, multiplied by the number of hours in the year.

Commercial customer -- A non-residential customer taking service at a metered point of delivery at a distribution voltage under an electric utility’s tariff during the prior calendar year and a non-profit customer or government entity, including an educational institution. For purposes of the Energy Efficiency Rule, each metered point of delivery shall be considered a separate customer.

Deemed savings -- A pre-determined, validated estimate of energy and peak demand savings attributable to an energy efficiency measure in a particular type of application that an electric utility may use 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.

Energy efficiency -- Improvements in the use of electricity that are achieved through facility or equipment improvements, devices, or processes 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 measures -- Equipment, materials, and practices at a customer’s site that result in a reduction in electric energy consumption, measured in kilowatt-hours (kWh), or peak demand, measured in kilowatts (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 Rule (EE Rule) -- §25.181 and §25.183, which are the sections of the Public Utility Commission of Texas' Substantive Rules implementing Public Utility Regulatory Act (PURA) §39.905.

Energy savings -- A quantifiable reduction in a customer's consumption of energy that is attributable to energy efficiency measures.

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 the Energy Efficiency Rule.

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

Incentive payment -- Payment made by a utility to an energy efficiency service provider under an energy-efficiency program.

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 saving or demand reduction.

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 on an electric utility system 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 (MTP) -- Strategic programs 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 the Energy Efficiency Rule.

Measurement and verification (M&V) -- Activities intended to determine the actual energy and demand savings resulting from energy efficiency projects as described in the Energy Efficiency Rule.

Peak demand -- Electrical demand at the times of highest annual demand on the utility's system.

Peak demand reduction -- Reduction in demand on the utility system throughout the utility system's peak period.

Peak period -- For the purpose of the Energy Efficiency Rule, the peak period consists of the hours from one p.m. to seven p.m., during the months of June, July, August, and September, excluding weekends and Federal holidays.

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) of the Commission's Substantive Rules (relating to Goal for Renewable Energy) that, when installed at a customer site, reduces the customer's net purchases of energy, demand, or both.

Service Provider -- An energy efficiency provider or customer who installs energy efficiency measures or performs other energy efficiency services under the Energy Efficiency Rule. An energy efficiency provider may be a retail electric provider or commercial customer, provided that the commercial customer has a peak load equal to or greater than 50kW.

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

APPENDICES

APPENDIX A: REPORTED DEMAND AND ENERGY REDUCTION BY COUNTY

Appendix A: Demand and Energy Reduction by County

COUNTY	AC Installer & AC Tune-Up MTPs	HTR & Targeted LI SOPs	Energy Star Homes & Low Rise MTPs	Commercial SOP A Small Commercial SOP	Air Conditioning Distributor MTPs	Comm. Load Mgmt. SOP & Res. Demand Response SOP	Home Energy Efficiency SOP	Educational Facilities MTP	Government Facilities MTP	Refrigerator Recycling MTP	Statewide Residential CFL MTP
ANDERSON	kW kWh kWh	24.6 94,767.3	kW kWh	kW kWh	kW kWh	9.9 174.10	kW kWh	30.6 95,678.2	kW kWh	kW kWh	16 74,300.0
ANDREWS	kW kWh		kW kWh	kW kWh	kW kWh	4.5 12,906.0	kW kWh	4.1 15,899.2	kW kWh	kW kWh	0.7 6,563.0
ANGELINA	kW kWh	137.2 483,066.4	kW kWh	kW kWh	kW kWh	13.0 470,788.7	kW kWh	194.7 582,368.2	kW kWh	0.3 1,446.0	12.9 428,637.0
ARCHER	kW kWh	16 6,855.5	kW kWh	kW kWh	kW kWh	0.9 44,129.0	kW kWh	7.1 23,206.3	kW kWh	0.6 4,949.0	2.7 25,515.0
BASTROP	kW kWh	12.2 48,423.8	kW kWh	kW kWh	kW kWh	1838.0	kW kWh		kW kWh	0.2 1,701.0	5.0 50,154.0
BELL	kW kWh	411.6 1,765,953.2	kW kWh	kW kWh	kW kWh	1091.0 297.5	kW kWh	297.5 1,203,634.2	kW kWh	142.8 607,756.0	83.9 888,606.0
BOSQUE	kW kWh		kW kWh	kW kWh	kW kWh		kW kWh		kW kWh		5.3 53,317.0
BROWN	kW kWh	59.1 199,446.5	kW kWh	kW kWh	kW kWh	2.1 8,352.0	kW kWh	12.9 73,843.0	kW kWh	12 7,485.0	10.4 193,680.0
CHEROKEE	kW kWh	4.1 12,783.1	kW kWh	kW kWh	kW kWh	379.0	kW kWh	25.1 82,960.3	kW kWh	kW kWh	3.2 32,150.0
CLAY	kW kWh	6.8 28,432.5	kW kWh	kW kWh	kW kWh	0.9 11,644.0	kW kWh	10.5 40,068.2	kW kWh	kW kWh	0.1 502.0
COLEMAN	kW kWh		kW kWh	kW kWh	kW kWh		kW kWh		kW kWh	kW kWh	
COLLIN	kW kWh	624.2 2,050,841.8	kW kWh	kW kWh	kW kWh	1631.0 459,706.0	kW kWh	2,387.3 4,486,170.1	kW kWh	45.1 193,492.0	259.4 2,593,246.0
COMANCHE	kW kWh		kW kWh	kW kWh	kW kWh	1.7 13,114.0	kW kWh	15 1896.0	kW kWh	kW kWh	
COOKE	kW kWh	17.9 77,516.2	kW kWh	kW kWh	kW kWh	8.2 723.7	kW kWh	0.6 233.7	kW kWh	kW kWh	10.5 104,933.0
CORYELL	kW kWh	65.9 256,487.9	kW kWh	kW kWh	kW kWh	6.6 12,489.0	kW kWh	103.0 363,972.4	kW kWh	46.7 157,589.0	29.3 292,974.0
CRANE	kW kWh		kW kWh	kW kWh	kW kWh		kW kWh		kW kWh	0.3 1,446.0	

DALLAS	66.6 kW 77,034.0 kWh	5,173.9 kW 48,200,051.0 kWh	1,305.1 kW 13,188,860.0 kWh	7,777.8 kW 40,373,725.1 kWh	252.5 kW 730,841.1 kWh	15,384.2 kW 11,464,212.3 kWh	3,866.3 kW 31,464,212.3 kWh	1,698.0 kW 2,717,785.0 kWh	72.5 kW 274,154.0 kWh	93.3 kW 551,088.0 kWh	699.5 kW 8,383,795.0 kWh
DAWSON	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh
DELTA	2.4 kW 10,448.2 kWh	2.4 kW 10,448.2 kWh	kW kWh	kW kWh	0.7 kW 283,14.2 kWh	0.7 kW 283,14.2 kWh	9.3 kW 39,335.0 kWh	9.3 kW 39,335.0 kWh	0.1 kW 802.0 kWh	0.1 kW 802.0 kWh	0.1 kW 802.0 kWh
DENTON	1.8 kW 2,082.0 kWh	202.1 kW 666,073.1 kWh	94.8 kW 909,590.0 kWh	190.7 kW 793,926.0 kWh	34.5 kW 109,325.0 kWh	1,084.8 kW 1,416,156.7 kWh	463.1 kW 1,416,156.7 kWh	463.1 kW 1,416,156.7 kWh	7.2 kW 40,743.0 kWh	7.2 kW 40,743.0 kWh	67.1 kW 671,921.0 kWh
EASTLAND	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh	4.8 kW 19,335.0 kWh	1.4 kW 5,935.0 kWh	1.4 kW 5,935.0 kWh	0.8 kW 7,463.0 kWh	0.8 kW 7,463.0 kWh	0.8 kW 7,463.0 kWh
ECTOR	14.6 kW 39,910.8 kWh	14.6 kW 39,910.8 kWh	34.6 kW 30,943.0 kWh	72.1 kW 228,178.5 kWh	6.7 kW 21,439.0 kWh	3.8 kW 18,883.1 kWh	47.3 kW 18,883.1 kWh	179.2 kW 289,194.0 kWh	90.5 kW 45,646.0 kWh	90.5 kW 45,646.0 kWh	37.6 kW 375,431.0 kWh
ELLIS	95.4 kW 397,482.6 kWh	95.4 kW 397,482.6 kWh	76.3 kW 104,734.0 kWh	316.9 kW 1,937,300.4 kWh	13.9 kW 57,471.0 kWh	50.1 kW 642,144.9 kWh	146.4 kW 642,144.9 kWh	825.3 kW 2,112,700.0 kWh	34.1 kW 636,555.0 kWh	34.1 kW 636,555.0 kWh	63.5 kW 635,083.0 kWh
ERATH	219 kW 106,578.0 kWh	219 kW 106,578.0 kWh	kW kWh	kW kWh	0.7 kW 2,784.0 kWh	8.9 kW 38,508.3 kWh	59.5 kW 38,508.3 kWh	59.5 kW 38,508.3 kWh	9.7 kW 87,110.0 kWh	9.7 kW 87,110.0 kWh	9.7 kW 87,110.0 kWh
FALLS	16.1 kW 83,198.3 kWh	16.1 kW 83,198.3 kWh	kW kWh	kW kWh	kW kWh	6.6 kW 22,349.8 kWh	6.6 kW 22,349.8 kWh	6.6 kW 22,349.8 kWh	9.3 kW 92,641.0 kWh	9.3 kW 92,641.0 kWh	9.3 kW 92,641.0 kWh
FANNIN	44.1 kW 89,389.7 kWh	44.1 kW 89,389.7 kWh	kW kWh	kW kWh	0.9 kW 40,280.3 kWh	22.4 kW 40,280.3 kWh	22.4 kW 40,280.3 kWh	22.4 kW 40,280.3 kWh	0.1 kW 821.0 kWh	0.1 kW 821.0 kWh	0.1 kW 821.0 kWh
FREESTONE	6.5 kW 25,284.8 kWh	6.5 kW 25,284.8 kWh	kW kWh	kW kWh	0.9 kW 2,185.7 kWh	0.9 kW 2,185.7 kWh	5.0 kW 2,185.7 kWh	5.0 kW 2,185.7 kWh	2.2 kW 2,150.6 kWh	2.2 kW 2,150.6 kWh	2.2 kW 2,150.6 kWh
GLASSCOCK	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh	kW kWh
GRAYSON	459.6 kW 1285,117.7 kWh	459.6 kW 1285,117.7 kWh	12.4 kW 16,439.0 kWh	272.7 kW 1,652,046.7 kWh	17 kW 6,249.0 kWh	26.9 kW 130,576.7 kWh	528.3 kW 130,576.7 kWh	52.7 kW 72,393.0 kWh	0.4 kW 497,146.0 kWh	0.4 kW 497,146.0 kWh	49.7 kW 497,146.0 kWh
HENDERSON	74.3 kW 218,884.5 kWh	74.3 kW 218,884.5 kWh	kW kWh	kW kWh	4.5 kW 15,457.0 kWh	855.0 kW 250,854.0 kWh	72.2 kW 250,854.0 kWh	72.2 kW 250,854.0 kWh	0.7 kW 108,584.0 kWh	0.7 kW 108,584.0 kWh	11.0 kW 108,584.0 kWh
HILL	10.7 kW 42,894.6 kWh	10.7 kW 42,894.6 kWh	kW kWh	kW kWh	1.4 kW 5,568.0 kWh	1.9 kW 4,954.5 kWh	0.8 kW 4,954.5 kWh	4.5 kW 9,550.0 kWh	6.8 kW 66,182.0 kWh	6.8 kW 66,182.0 kWh	6.8 kW 66,182.0 kWh
HOOD	0.9 kW 3,195.4 kWh	0.9 kW 3,195.4 kWh	kW kWh	kW kWh	1.7 kW 6,842.0 kWh	8.3 kW 38,325.2 kWh	7.5 kW 38,325.2 kWh	7.5 kW 38,325.2 kWh	0.2 kW 1513.0 kWh	0.2 kW 1513.0 kWh	0.2 kW 1513.0 kWh
HOPKINS	17.8 kW 39,568.3 kWh	17.8 kW 39,568.3 kWh	kW kWh	kW kWh	kW kWh	6.7 kW 36,433.8 kWh	6.4 kW 36,433.8 kWh	6.4 kW 36,433.8 kWh	12 kW 12,080.0 kWh	12 kW 12,080.0 kWh	12 kW 12,080.0 kWh
HOUSTON	12.0 kW 22,515.1 kWh	12.0 kW 22,515.1 kWh	kW kWh	kW kWh	0.4 kW 10.6 kWh	0.4 kW 10.6 kWh	10.6 kW 35,162.7 kWh	10.6 kW 35,162.7 kWh	12.2 kW 12,144.0 kWh	12.2 kW 12,144.0 kWh	12.2 kW 12,144.0 kWh

PALO PINTO	kW	24.5	kW	49.3	kW	3.1	kW	15.7	kW	954.9	kW	0.3	kW	0.8
	kWh	65,246.2	kWh	141,843.0	kWh	708.1	kWh	45,359.2	kWh	888,337.0	kWh	1,446.0	kWh	7,730.0
PARKER	kW	15.4	kW	68.7	kW	3.1	kW	34.8	kW	30.0	kW	4.1	kW	13.7
	kWh	62,997.3	kWh	171,816.0	kWh	1,169.0	kWh	133,307.1	kWh	56,234.0	kWh	29,391.0	kWh	197,341.0
PECOS	kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh	
RED RIVER	kW	16.5	kW	139.0	kW		kW	2.9	kW		kW		kW	0.1
	kWh	41,037.7	kWh	381,253.0	kWh		kWh	13,455.8	kWh		kWh		kWh	802.0
REEVES	kW	0.0	kW		kW		kW		kW		kW		kW	
	kWh	100.0	kWh		kWh		kWh		kWh		kWh		kWh	
ROCKWALL	kW	69.7	kW	10.1	kW	4.8	kW	201.5	kW	35.7	kW	3.3	kW	20.1
	kWh	251,216.7	kWh	168,924.2	kWh	14,865.0	kWh	492,486.8	kWh	82,892.0	kWh	212,64.0	kWh	200,563.0
RUSK	kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh	
SCURRY	kW	13	kW		kW		kW	3.6	kW		kW	0.2	kW	1.5
	kWh	2,809.0	kWh		kWh		kWh	7,213.6	kWh		kWh	1,701.0	kWh	14,842.0
SHACKLEFORD	kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh	
SMITH	kW	285.6	kW	13.5	kW	19.1	kW	567.7	kW		kW	2.7	kW	7.16
	kWh	886,336.7	kWh	38,806.0	kWh	52,906.5	kWh	1,471,079.3	kWh		kWh	15,416.0	kWh	715,545.0
STEPHENS	kW		kW		kW	0.8	kW		kW		kW		kW	0.8
	kWh		kWh		kWh	2,185.0	kWh		kWh		kWh		kWh	9,332.0
TARRANT	kW	4.469.8	kW	2,048.3	kW	340.2	kW	3,925.6	kW	2,413.5	kW	19.8	kW	614.8
	kWh	16,660,098.0	kWh	2,805,531.0	kWh	1,094,549.4	kWh	14,327,497.8	kWh	5,893,323.0	kWh	728,088.0	kWh	6,146,927.0
TERRY	kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh	
TOM GREEN	kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh	
TRAVIS	kW	7.7	kW	84.7	kW	9.4	kW	29.0	kW	14.14	kW	3.0	kW	23.9
	kWh	17,253.0	kWh	1,069,240.2	kWh	27,957.0	kWh	66,882.5	kWh	264,613.0	kWh	17,883.0	kWh	239,176.0
TRINITY	kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh	
UPTON	kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh	
VAN ZANDT	kW	39.8	kW	37.0	kW	0.3	kW	27.9	kW		kW	0.3	kW	1.0
	kWh	166,456.4	kWh	166,360.0	kWh	103.0	kWh	81,999.6	kWh		kWh	1,446.0	kWh	9,789.0

APPENDIX B: PROGRAM TEMPLATES

Oncor has no new Program Templates for 2010.

APPENDIX C: EXISTING DSM CONTRACTS OR OBLIGATIONS

Existing DSM Contracts

Name of Contract Program Termination Date	Type of Program	2010
Planergy Services November 12, 2009 Incremental kW Incremental kWh impact Contract Payments	Solicited lighting and HVAC program targeted to large Commercial & Industrial customers	- - \$ 282,242

APPENDIX D: OPTIONAL SUPPORT DOCUMENTATION

At this time, Oncor is not submitting optional support documentation for 2010.