ONCOR ELECTRIC DELIVERY COMPANY LLC

2012 Energy Efficiency Plan and Report

Substantive Rule §25.181 and §25.183

April 2, 2012

Project No. 40194

Table of Contents

INTRODUCTION

Oncor Electric Delivery Company LLC (Oncor or Company) presents this Energy Efficiency Plan and Report (EEPR) to comply with Public Utility Commission of Texas (Commission) 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 and the EE Rule require that each investor owned electric utility achieve the following minimum savings goals through market-based standard offer programs (SOPs) and limited, targeted, market transformation programs (MTPs):

- 20% reduction of the electric utility's annual growth in demand of residential and commercial customers for the 2010 and 2011 program years;
- 25% reduction of the electric utility's annual growth in demand of residential and commercial customers for the 2012 program year;
- 30% reduction of the electric utility's annual growth in demand of residential and commercial customers for the 2013 program year and for subsequent program years.

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

The EE Rule includes specific requirements related to the implementation of 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 2011 achievements, and reports plans for achieving 2012 and 2013 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 three appendices.

- The Executive Summary highlights Oncor's reported achievements for 2011 and Oncor's plans for achieving its 2012 and 2013 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 (2007-2011).
- Section VI compares Oncor's projected energy and demand savings to its reported and verified savings by program for calendar year 2011.
- Section VII details Oncor's incentive and administration expenditures for the previous five years (2007-2011) broken out by program for each customer class.
- Section VIII compares Oncor's actual and budgeted program costs from 2011 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 2011 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 – 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 25% reduction in its annual growth in demand of residential and commercial customers for the 2012 program year and a 30% reduction for the 2013 program year. 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 2011 Oncor successfully implemented SOPs and MTPs, as required by PURA §39.905, that met Oncor's 20% energy efficiency savings goal by procuring 74,995 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 MTP, ENERGY STAR® Low-Rise Multifamily MTP, Government Facilities MTP, and the Educational Facilities MTP.

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

Calendar Year	Average Growth in Demand (MW at Source)	MW Goal (% of Growth in Demand)	Demand (MW) Goal (at Source)*	Energy MWh Goal (at Source)**	Projected MW Savings (at Meter)	Projected MWh Savings (at Meter)	Projected Budget (000's)
2012	116.4	25%	53.1	93,031	99.2	193,650	$48,973
2013	210.2	30%	63.1	110,551	120.6	235,946	$62,095***

* The 2012 Demand Goal is actually 29.1 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 2012 goal is 53.1 MW and the 2013 goal increases to 63.1 MW based on the most current forecast. Please see Table 4 for information on the 2011 Actual Demand Goal.

** Calculated using a 20% capacity factor.

*** Additional costs may be incurred and reported in the EECRF pending Commission action in Project No. 39674 as discussed in Section XI.

In order to reach the above projected savings, Oncor proposes to continue implementation of the programs listed above (less the Residential Demand Response SOP and the ENERGY STAR® Low-Rise Multifamily MTP). The Small Commercial SOP will be rolled into the Commercial SOP in 2012.

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 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,

[1] Projected MW and MWh taken from Table 5 in this document. Budget data is taken from Table 6 in this document.

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. This plan includes, but is not limited to, the following activities:

- Invite REPs to program outreach meetings with Energy Efficiency Service Providers.
- Coordinated effort with Oncor's REP Relations group to identify key REP contacts. Through REP Executive 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 Energy Efficiency 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. 2012 Programs

A. 2012 Program Portfolio

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

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

Table 2: 2012 Energy Efficiency Program Portfolio

Program	Target Market	Application
Commercial SOP	Commercial	Retrofit; New Construction
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 MTP	Small Commercial; Residential	Residential - Retrofit; Commercial – Retrofit & New Construction
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
Home Energy Efficiency SOP	Residential	Retrofit
Targeted Weatherization Low-Income SOP	Low-Income residential	Retrofit

B. Existing Programs

Commercial Standard Offer Program (CSOP)

Custom - The Custom Component of the Commercial SOP targets large commercial customers with a deemed savings project incentive of $100,000 or larger or a project requiring measurement and verification with an incentive of $25,000 or larger. Oncor provides incentives to Energy Efficiency 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 energy code baselines. These energy-saving projects must be approved by Oncor prior to commencement. Once completed, Oncor verifies the savings and the Energy Efficiency Service Providers receive incentive payments based on the project's actual savings. The 2012 budget for the Custom Component of the Commercial SOP is $6,832,416 with targeted impacts of 8,500 kW and 50,000,000 kWh.

Basic – The Basic Component of the Commercial SOP targets commercial customers with new or retrofit projects with incentives less than $100,000 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, air conditioning, Energy Star® Roofs, window film, and renewable energy projects as well as new construction that exceeds existing energy code baselines. The energy saving projects must be approved by Oncor prior to commencement. Once completed, Oncor verifies the savings and the Energy Efficiency Service Providers receive incentive payments based on the project's actual savings. Saving and incentives are based on deemed saving with minimal measurement and verification on some lighting projects. The 2012 budget for the Basic Component of the Commercial SOP is $4,962,220 with targeted impacts of 8,000 kW and 34,153,618 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. Incentives are paid to Energy Efficiency 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 to customers vary by Service Provider and no incentives for this program are paid directly to the customer by Oncor. The 2012 budget for this program is $10,433,192 with targeted impacts of 16,100 kW and 58,520,740 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. Energy Efficiency 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.

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. Energy Efficiency Service Providers implement energy saving projects in homes located in Oncor's service area. Incentives are paid to these Energy Efficiency 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 2012 budget for this program is $9,285,962 with targeted impacts of 7,900 kW and 29,000,000 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. This program is grandfathered under the provisions of Substantive Rule §25.181(t). The program is offered to transmission voltage 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 2012.

Commercial Load Management Standard Offer Program (CLM SOP)

The CLM SOP targets commercial customers with demands greater than 700 kW. Oncor pays incentives to Energy Efficiency Service Providers and Aggregators who work with local commercial and manufacturing facilities to achieve documented summer, on-peak demand reductions in those facilities. End-use customers may also act as the Energy Efficiency Service provider. The program is designed to assist businesses reduce their summer 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 Service Provider, Aggregator or End-Use Customer. Each project must achieve a total estimated demand savings of at least 100 kW during the summer on-peak demand period. Participating customer facilities must reduce load when called for by Oncor. The 2012 budget for this program is $2,272,727 with targeted impacts of 50,000 kW.

The Public Utility Commission of Texas has requested that Oncor, and other ERCOT TDUs, obtain additional demand reduction through curtailable commercial load management programs due to the risk that electric service may be interrupted during the 2012 summer peak period because reserve margins are anticipated to be too low. As a result of this request, Oncor's petition to pursue obtaining an additional 50 MW of commercial load management was approved on March 7, 2012 in Docket No. 40123. This will be in addition to the 50 MW of commercial load

management already approved in Oncor's 2012 EECRF proceeding in Docket No. 39375. The Commission Order in Docket No. 40123 will allow Oncor to request recovery of program costs for the additional 50 MW at a cost not to exceed $2,500,000 (based on a 20 MW oversubscription) and any applicable performance bonus in the EECRF proceeding initiated in 2013.

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. Qualified ENERGY STAR® homes use less energy than a home built to the Texas residential building code and must meet strict guidelines for energy efficiency set by the Environmental Protection Agency. These homes are at least 15% more energy efficient than homes built to the 2009 International Energy Conservation Code® and include additional energy-saving features that typically make them 20 to 30% more efficient than standard homes. These features include, but are not limited to, effective insulation systems, high performance windows, air-tight construction and properly sealed ducts, efficient heating and cooling equipment, and ENERGY STAR® qualified lighting and appliances. The 2012 ENERGY STAR® MTP will close on June 30, 2012. The implementation budget for the first half of the program year is $472,500. That provides incentive and implementer funding for homes that meet the program requirements. The remaining implementation budget of $527,500 will provide marketing, outreach, and builder recruitment funding to the selected program implementer for the new 2013 energy efficient homes program. The total budget for the 2012 ENERGY STAR® MTP is $1,136,364 with targeted impacts of 500 kW and 500,000 kWh. Please see Section IX for additional information on this program.

Air Conditioning Market Transformation Program (AC MTP)

Residential - Oncor's AC MTP offers incentives to Distributors of residential air conditioning replacement systems. The air conditioning system must be a new matched split system less than 65,000 BTUH with an AHRI (Air Conditioning, Heating and Refrigeration Institute) rating of 16 SEER (Seasonal Energy Efficiency Ratio) / 12 EER (Energy Efficiency Ratio) or higher. A single package system minimum requirement is a 16 SEER / 11.6 EER. Heat pump replacement systems must be a new split system with a rating of 16 SEER / 12 EER and 8.5 HSPF (Heating Seasonal Performance Factor) or higher. A single package system minimum requirement is a 16 SEER / 8.0 HSPF. Geo Thermal systems less than 135,000 BTUH must have an EER of 14.1 and a Coefficient of Performance (COP) of 4.6 or greater. Installation must be completed in residential homes that are connected to the Oncor distribution system.

The 2012 budget for the Air Conditioning MTP (residential component) is $1,193,182 with targeted impacts of 1,269 kW and 3,746,710 kWh.

Commercial - Oncor's Air Conditioning MTP is designed to offer incentives to Distributors for commercial air conditioning replacement systems and new installations. Air conditioning with split systems less than 65,000 BTUH must be new with an AHRI rating of 14 SEER / 12 EER or higher. Single package systems must be 14 SEER / 11.6 EER. Heat pump replacement split systems must be new with a rating of 14 SEER / 12 EER and 8.5 HSPF. Single package heat pump systems must be 14 SEER / 11.6 EER and 8 HSPF or higher. For spilt and single package systems ranging from 65,001 to 135,000 BTUH, the AHRI rating requires a minimum rating of 11.5 EER or higher. Heat pumps have a minimum of 11.5 EER and a 3.4 COP. For systems ranging from 135,001 to

240,000 BTUH, the minimum rating required is a 11.5 EER. Heat pumps must have a minimum of 11.5 EER and 3.4 COP. For systems ranging from 240,000 BTUH to less than 760,000 BTUH, the minimum rating is a 10.5 EER and 3.2 COP. Geo Thermal systems less than 135,000 BTUH must have an EER of 14.1 and a Coefficient of Performance (COP) of 4.6 or greater. Installation must be completed in commercial sites that are connected to the Oncor distribution system.

The 2012 budget for the Air Conditioning MTP (commercial component) is $441,477 with targeted impacts of 372 kW and 1,005,104 kWh.

Educational Facilities Market Transformation Program (EF MTP)

Oncor's Educational Facilities MTP was created to provide viable energy efficiency and demand 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 2012 budget for this program is $4,659,091 with targeted impacts of 4,210 kW and 9,609,000 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 2012 budget for this program is $1,469,000 with targeted impacts of 1,139 kW and 2,733,600 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 2012 budget for this program is $5,537,577 with targeted impacts of 1,231 kW and 4,381,000 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 Texas Association of Community Action Agencies (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.

During the 2011 Texas Legislative session SB 1434 was passed and signed into law by the Governor of Texas. Contained in this legislation is the following language related to the Targeted LIW Program:

Unless funding is provided under Section 39.903, each unbundled transmission and distribution utility shall include in its energy efficiency plan a targeted low-income energy efficiency program as described by Section 39.903(f)(2), and the savings achieved by the program shall count toward the transmission and distribution utility's energy efficiency goal. The commission shall determine the appropriate level of funding to be allocated to both targeted and standard offer low-income energy efficiency programs in each unbundled transmission and distribution utility service area. The level of funding for low-income energy efficiency programs shall be provided from money approved by the commission for the transmission and distribution utility's energy efficiency programs. The commission shall ensure that annual expenditures for the

targeted low-income energy efficiency programs of each unbundled transmission and distribution utility are not less than 10 percent of the transmission and distribution utility's energy efficiency budget for the year. A targeted low-income energy efficiency program must comply with the same audit requirements that apply to federal weatherization subrecipients. In an energy efficiency cost recovery factor proceeding related to expenditures under this subsection, the commission shall make findings of fact regarding whether the utility meets requirements imposed under this subsection. The state agency that administers the federal weatherization assistance program shall provide reports as required by the commission to provide the most current information available on energy and peak demand savings achieved in each transmission and distribution utility service area. The agency shall participate in energy efficiency cost recovery factor proceedings related to expenditures under this subsection to ensure that targeted low-income weatherization programs are consistent with federal weatherization programs and adequately founded.

Based on this legislation, the Targeted Weatherization Low-Income SOP budget has been increased in 2012 to $5,537,577, which equals 11.3 % of Oncor's energy efficiency budget for the year.

Oncor is implementing a program to provide funds to TDHCA sub-recipient agencies and other not-for-profit or local government agencies, enabling them to provide weatherization services to residential electric distribution customers of Oncor who have household incomes at or below 200% of current federal poverty guidelines. Participating agencies provide outreach, eligibility verification, assessments, and either install or contract for the installation of cost-effective measures. Agencies receive reimbursement for conducting assessments and installing the measures, plus an administrative fee equal to 8 percent of the measure installation costs. The maximum expenditure per home is $6,500. The $6,500 per home cap can include assessment and/or testing fees from homes that did not qualify for installed measures based on the assessment.

Research and Development

During 2012, Oncor will continue to fund the programs at the Electric Power Research Institute (EPRI) that were funded in 2011. These programs include Program 170 – End-Use Energy Efficiency and Demand Response in a Low-Carbon Future, and the Energy Efficiency Demo 2.0. Additionally, Oncor will be participating in the Coordinated Early Deployment Demonstration Project. This initiative is designed to accelerate the readiness of emerging technologies by bridging the gap from field demonstrations and full program rollout, also known as the gap from emerging technologies programs to full-scale energy efficiency programs. The public may benefit from the accelerated energy savings that may reduce costs to consumers and reduce emissions from avoided fossil generation. The initiative provides an opportunity for utilities to share results of coordinating early deployments and expand the database of technologies available for efficiency programs. For more details on these programs, please see Section IX.

C. New Programs for 2012

Oncor has no new programs in 2012.

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(e)(3)(D), which states that no less than 5% of the utility's total demand reduction savings goal should be achieved through programs for hard-to-reach customers. Also factored into the allocation is the PURA §39.905 requirement that annual expenditures for the targeted low-income energy efficiency programs are not less than 10 percent of the annual energy efficiency budget for the year. Table 3 summarizes the number of customers in each of the customer classes, which was used to determine budget allocations for those classes. Oncor used year-end 2011 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 34.3%. According to the U.S. Census Bureau's 2011 Current Population Survey (CPS), 34.3% of Texas families fall below 200% of the poverty threshold. Applying that percentage to Oncor's residential customer totals, the number of HTR customers is estimated at 934,354. 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	479,128
Residential	1,789,711
Hard-to-Reach	934,354
Total	3,203,193

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, 2012 goal reflects the average annual growth in peak demand from 2007 to 2011 (the most recent historical load growth data available). The demand goals are based on meeting 25% of the electric utility's annual growth in demand of residential and commercial customers for the 2012 program year, and on meeting 30% of the electric utility's annual growth in demand of residential and commercial customers for the 2013 program year. 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 voltage) 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 2012 and 2013. 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	Actual Weather Adjusted [3]	Actual Weather Adjusted [3]	Actual Weather Adjusted [3]
2006	24,092	23,971	22,975	22,854	106,827,224	105,552,518	96,903,803	95,629,097	-167	NA
2007	23,377	23,574	22,314	22,511	105,428,707	105,276,379	95,152,782	95,000,454	-343	NA
2008	23,753	23,592	22,679	22,518	107,828,724	106,484,089	97,222,302	95,877,667	7	NA
2009	23,604	23,421	22,544	22,361	103,375,708	103,925,805	94,933,030	95,483,127	-157	NA
2010	24,642	23,810	23,724	22,892	109,323,278	105,778,763	100,201,592	96,657,077	531	NA
2011	25,648	24,463	24,621	23,436	113,836,638	106,782,934	104,135,429	97,081,725	544	NA
2012[4]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2013[4]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

* Table 4 values will differ from prior years due to restatement of historic demands from a method based on 4CP demand to using ERCOT Settlement interval data. Additional variance is due to changing the weather adjustment process to better match the ERCOT Settlement method.

[2] "Average Growth" for previous 5 years. "NA" = Not Applicable. Average MW growth from 2006-2011 is not applicable to any of the calculations or forecasts in this EEPR.

[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 2012 and 2013 are not applicable.

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

	2012 Projected Savings		2013 Projected Savings	
Customer Class and Program	**(kW)**	**(kWh)**	**(kW)**	**(kWh)**
Commercial	**72,221**	**97,501,322**	**87,450**	**129,726,800**
Commercial SOP	16,500	84,153,618	20,500	104,156,400
Emergency Load Management SOP	0	0	0	0
Commercial Load Management SOP*	50,000	0	55,000	0
Educational Facilities MTP	4,210	9,609,000	6,000	13,140,000
Government Facilities MTP	1,139	2,733,600	1,000	2,628,000
Air Conditioning MTP	372	1,005,104	500	1,226,400
Solar PV MTP	0	0	4,450	8,576,000
Residential	**17,869**	**62,767,450**	**24,789**	**74,844,980**
Home Energy Efficiency SOP	16,100	58,520,740	17,700	58,919,760
ENERGY STAR® Homes MTP	500	500,000	0	0
New Residential Construction MTP	0	0	600	630,720
Air Conditioning MTP	1,269	3,746,710	1,250	3,394,500
Solar PV MTP	0	0	4,399	8,480,000
Student Education MTP	0	0	840	3,420,000
Hard-to-Reach	**9,131**	**33,381,000**	**8,350**	**31,374,062**
Hard-to-Reach SOP	7,900	29,000,000	6,700	26,210,377
Targeted Weatherization Low-Income SOP	1,231	4,381,000	1,650	5,163,685
Total Annual Savings Goals	**99,221**	**193,649,772**	**120,589**	**235,945,842**

*Does not include the additional 50 MW of commercial load management approved in Docket No. 40123. Please see Section I.B (Commercial Load Management SOP) for more information.

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, and SB 712 and SB 1434 Targeted Low-Income mandates. The budget allocations presented in Table 6 below are first broken down by customer class and program, and are then further subdivided into the incentive payments and administration categories.

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

2012 Customer Class and Program	Incentives	Administration	Total Budget
Commercial	**$18,160,500**	**$2,476,431**	**$20,636,931**
Commercial SOP	$10,372,000	$1,422,636	$11,794,636
Emergency Load Management SOP	$0	$0	$0
Commercial Load Management SOP	$2,000,000	$272,727	$2,272,727
Educational Facilities MTP	$4,100,000	$559,091	$4,659,091
Government Facilities MTP	$1,300,000	$169,000	$1,469,000
AC MTP	$388,500	$52,977	$441,477
Residential	**$11,286,860**	**$1,475,878**	**$12,762,738**
Home Energy Efficiency SOP	$9,236,860	$1,196,332	$10,433,192
ENERGY STAR® Homes MTP	$1,000,000	$136,364	$1,136,364
AC MTP	$1,050,000	$143,182	$1,193,182
Hard-to-Reach	**$13,112,941**	**$1,710,598**	**$14,823,539**
Hard-to-Reach SOP	$8,212,941	$1,073,021	$9,285,962
Targeted Weatherization Low Income SOP	$4,900,000	$637,577	$5,537,577
Research & Development	**$0**	**$750,0000**	**$750,000**
Total Budgets by Category	**$42,560,301**	**$6,412,907**	**$48,973,208**
2013 Customer Class and Program	**Incentives**	**Administration**	**Total Budget**
Commercial	**$23,001,395**	**$2,408,000**	**$25,409,395**
Commercial SOP	$11,111,000	$950,000	$12,061,000
Emergency Load Management SOP	$0	$0	$0
Commercial Load Management SOP	$2,200,000	$308,000	$2,508,000
Educational Facilities MTP	$4,050,000	$475,000	$4,525,000

Government Facilities MTP	$890,000	$150,000	$1,040,000
AC MTP	$325,000	$75,000	$400,000
Solar PV SOP	$4,425,395	$450,000	$4,875,395
Residential	**$19,609,453**	**$2,221,397**	**$21,830,850**
Home Energy Efficiency SOP	$10,177,500	$1,000,000	$11,177,500
New Residential Construction MTP	$390,000	$54,600	$444,600
AC MTP	$708,750	$100,000	$808,750
Solar PV SOP	$7,083,203	$916,797	$8,000,000
Student Education MTP	$1,250,000	$150,000	$1,400,000
Hard-to-Reach	**$12,155,000**	**$1,200,000**	**$13,355,000**
Hard-to-Reach SOP	$6,365,000	$700,000	$7,065,000
Targeted Weatherization Low Income SOP	$5,790,000	$500,000	$6,290,000
Research & Development	**$0**	**$1,500,000**	**$1,500,000**
Total Budgets by Category	**$54,765,848**	**$7,329,397**	**$62,095,245***

* Additional costs may be incurred and reported in the EECRF pending Commission action in Project No. 39674 as discussed in Section XI.

Energy Efficiency Report

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

Table 7 documents Oncor's projected demand savings, actual demand goals and projected energy savings for the previous five years (2007-2011) calculated in accordance with Substantive Rule §25.181.

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

Calendar Year	Actual Demand Goal (MW)	Projected Savings (MW)	Projected Energy Savings (MWh)	Reported & Verified Savings (MW)	Reported & Verified Energy Savings (MWh)
2011 [5]	53.1	95.2	227,022	75.0	209,973
2010 [6]	53.1	78.3	234,807	101.1	225,785
2009 [7]	53.1	89.5	255,847	98.8	271,006
2008 [8]	53.1	92.0	250,892	97.2	302,242
2007 [9]	75.5	104.1	265,732	89.2	216,371

[5] Projected MW Savings and Projected Energy Savings as reported in the 2011 Energy Efficiency Plan & Report (EEPR) filed in April of 2011 under Project No. 39105. Actual Demand Goal as discussed in Table 4.

[6] Projected MW Savings and Projected Energy Savings as reported in the 2010 Energy Efficiency Plan & Report (EEPR) filed in April of 2010 under Project No. 37982. Actual Demand Goal as discussed in Table 4.

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

[8] 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.

[9] Projected Savings and Goals from EEP, Project No. 33884.

VI. Projected, Reported and Verified Demand and Energy Savings

Table 8: Projected versus Reported and Verified Savings for 2011 and 2010[10] (at Meter)

2011	Projected Savings		Reported and Verified Savings	
Customer Class and Program	**kW**	**kWh**	**kW**	**kWh**
Commercial	**61,860**	**140,500,000**	**50,383**	**128,354,904**
Commercial SOP	21,000	119,000,000	19,441	102,781,685
Emergency Load Management SOP	0	0	0	0
Educational Facilities MTP	8,300	15,000,000	6,137	14,752,595
Government Facilities MTP	1,300	3,000,000	1,306	3,467,602
Small Commercial SOP	640	1,800,000	1,353	5,953,368
Air Conditioning MTP	620	1,700,000	561	1,399,654
Commercial Load Management SOP	30,000	0	21,584	0
Residential	**22,450**	**46,722,000**	**13,899**	**38,086,407**
Home Energy Efficiency SOP	14,000	40,000,000	9,180	31,248,245
ENERGY STAR® Homes MTP	1,700	1,700,000	3,563	3,872,351
Res.Demand Response SOP	5,000	0	119	0
Air Conditioning MTP	1,500	4,000,000	1,124	3,325,643
ENERGY STAR® Low-Rise MTP*	250	1,022,000	-87	-359,832
Hard-to-Reach	**10,900**	**39,800,000**	**10,713**	**43,531,530**
Hard-to-Reach SOP	9,700	36,000,000	9,610	39,596,916
Targeted Weatherization LI SOP	1,200	3,800,000	1,103	3,934,614
Total Annual Savings Goals	**95,210**	**227,022,000**	**74,995**	**209,972,841**
2010[11]	**Projected Savings**		**Reported and Verified Savings**	
Customer Class and Program	**kW**	**kWh**	**kW**	**kWh**
Commercial	**45,125**	**143,414,918**	**67,294**	**136,304,942**
Commercial SOP	20,811	116,492,486	19,883	108,914,129
Emergency Load Management SOP	0	0	0	0
Educational Facilities MTP	5,193	11,509,142	6,409	16,098,534
Government Facilities MTP	624	2,765,917	400	1,777,984
Data Centers MTP	944	8,699,451	820	7,649,167
Third Party DSM Contracts	0	0	0	0
Small Commercial SOP	628	1,743,906	286	1,390,835
Air Conditioning Distributor MTP	925	2,204,016	188	474,293
Commercial Load Management SOP	16,000	0	39,308	0
Residential	**22,932**	**54,531,885**	**22,137**	**46,185,124**
Home Energy Efficiency SOP	14,545	42,683,757	12,893	39,319,090
ENERGY STAR® Homes MTP	2,845	3,090,353	3,475	3,982,986

[10] Projected Savings totals for 2011 and 2010 from Table 7. Reported Savings may not add due to rounding.
[11] Reported and Verified Savings data for 2010 taken from EEPR, Project No. 39105.

A/C Installer MTP	472	735,980	61	147,215
Refrigerator/Freezer Recycle MTP	820	4,877,393	0	0
Air Conditioning Tune-Up MTP	125	144,540	1	1,388
Res.Demand Response SOP	3,000	0	4,885	0
Air Conditioning Distributor MTP	900	2,743,632	584	1,753,201
ENERGY STAR® Low-Rise MTP	225	256,230	238	981,244
Hard-to-Reach	**10,220**	**36,859,978**	**11,690**	**43,295,349**
Hard-to-Reach SOP	9,000	33,033,960	10,757	40,679,086
Targeted Weatherization LI SOP	1,220	3,826,018	933	2,616,263
Total Annual Savings Goals	**78,277**	**234,806,781**	**101,119**	**225,785,412**

*See Section IX for explanation of negative program impact.

VII. Historical Program Expenditures

This section documents Oncor's incentive and administration expenditures for the previous five years (2007-2011) broken out by program for each customer class.

Table 9: Historical Program Incentive and Administrative Expenditures for 2007 through 2011

	2011		2010		2009		2008		2007	
	Incentive ($)	Admin ($)	Incentive ($)	Admin ($)	Incentive ($)	Admin ($)	Incentive ($)	Admin ($)	Incentive ($)	Admin ($)
Commercial	**17,298,570**	**1,434,643**	**14,128,791**	**1,501,520**	**17,073,714**	**1,527,961**	**11,058,178**	**1,197,225**	**12,667,933**	**1,047,882**
Large Commercial & Industrial SOP	NA	NA	NA	NA	NA	NA	5,349,355	518,093	4,666,458	369,590
Commercial SOP	10,786,990	650,793	7,978,354	716,264	7,600,839	667,361	NA	NA	NA	NA
Third Party DSM Contracts	NA	NA	278,467	28,931	3,591,448	224,816	3,224,644	233,043	4,557,195	237,043
Emergency Load Management SOP	0	0	0	0	0	0	0	42,342	1,255,281	173,492
Commercial Load Management SOP	839,610	229,983	1,179,226	185,931	934,990	115,306	848,148	98,274	NA	NA
Educational Facalities MTP	4,383,960	357,774	3,484,196	303,700	4,109,364	289,438	1,136,887	133,858	1,903,461	244,313
Government Facilities MTP	1,288,010	196,093	485,423	142,049	739,001	149,593	325,144	75,998	285,538	23,444
Data Centers MTP	NA	NA	723,125	124,645	98,072	81,447	174,000	95,617	NA	NA
Res. & Small Commercial	**10,350,429**	**1,824,175**	**9,638,471**	**1,583,794**	**13,279,765**	**1,737,706**	**14,300,830**	**1,977,298**	**10,459,889**	**1,337,226**
Res. & Small Commercial SOP	NA	NA	NA	NA	NA	NA	8,633,286	959,255	6,380,882	620,420
Home Energy Efficiency SOP	6,731,824	783,646	7,098,271	727,460	6,345,943	643,610	NA	NA	NA	NA
Small Commercial SOP	1,037,421	217,207	107,592	115,389	55,711	83,083	NA	NA	NA	NA
ENERGY STAR® Homes MTP	986,050	180,168	824,860	126,914	2,374,644	203,073	1,904,515	290,671	3,331,736	367,043
A/C Installer MTP	NA	NA	144,493	81,026	144,333	86,389	137,981	72,230	527,206	216,583
A/C Tune-Up MTP	NA	NA	51,661	76,108	138,575	83,204	133,872	48,758	117,678	5,366
Refrigerator/Freezer Recycle MTP	NA	NA	0	0	259,009	87,655	471,416	89,316	30,495	3,087
CCET Res. Demand Response MTP	NA	NA	NA	NA	NA	NA	0	42,880	0	2,036
Commercial A/C Distributor MTP (Prior to 2006, known as AC Distributor MTP)	NA	NA	204,854	116,773	NA	NA	114,715	60,755	71,892	122,691
Air Conditioning Distributor MTP	NA	NA	571,358	115,574	712,600	113,771	69,833	67,222	NA	NA

Air Conditioning MTP	1,457,300	363,589	NA	NA	NA	NA	NA	NA	NA	NA
Residential Demand Response MTP	7,768	137,612	335,439	126,563	435,003	139,463	832,312	110,707	NA	NA
Statewide Residential CFL MTP	NA	NA	NA	NA	2,384,615	191,207	1,948,912	179,984	NA	NA
ENERGY STAR® Low Rise MTP	130,066	141,953	299,943	97,987	429,332	106,251	53,988	55,520	NA	NA
Multi-Family Water & Space Heating Pilot MTP	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hard-to-Reach	**13,886,026**	**1,289,137**	**12,594,322**	**1,116,950**	**12,850,523**	**1,100,138**	**23,038,914**	**1,813,916**	**15,902,313**	**1,176,910**
Hard-to-Reach SOP	9,478,765	974,243	9,586,061	909,875	10,451,247	932,735	22,303,233	1,670,365	15,902,313	1,124,630
Target Weatherization (known as TDHCA in 2006 & 2007)	4,407,261	314,894	3,008,261	207,075	2,399,276	167,403	499,455	78,448	0	52,280
Pilot Targeted Partnership Weatherization	NA	NA	NA	NA	NA	NA	236,226	65,103	NA	NA
Total Program Expenditures	**41,535,025**	**4,547,955**	**36,361,584**	**4,202,264**	**43,204,002**	**4,365,805**	**48,397,922**	**4,988,439**	**39,030,135**	**3,562,018**

VIII. Program Funding for Calendar Year 2011

Oncor exceeded its 2011 mandated demand goal of 53.1 MW by obtaining 75.0 MW 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 2011 budget of the SOPs and MTPs in order to ensure attainment of the goal.

The **ENERGY STAR® Low-Rise Multifamily MTP** experienced several market barriers that prevented the program from reaching its goal in 2011. First, a downturn in the multifamily housing market occurred during 2009 and 2010, during which time very few multifamily developments were started. Due to the 18-24 month construction cycle, units were unable to be completed and counted in 2011. With an 18-24 month building cycle, developers also need a commitment from the utility that the program will be available at the time of project completion. Another barrier was the location of developers' headquarters, which were usually in a different state. This made the actual decision makers of the company hard to identify and connect with. Developers also lack the knowledge and awareness of utility-sponsored energy efficiency programs. Furthermore, financial institutions are located mainly in the Northeast region and are more focused on LEED certified construction instead of ENERGY STAR® construction. And finally, changes in the ENERGY STAR® Version 3.0 specifications caused much uncertainty with developers. The changes were evolving on a regular basis, and developers were not willing to invest in something that could possibly change halfway through the construction of a new project.

The **Air Conditioning Distributor MTP (Commercial Component)** exceeded its original budget due to greater participation by AC Distributors than was expected. The budget was increased once in September and again in November as more customers chose to replace system during the program year than in the past. There was also an increase in new construction projects during the program year with customers taking advantage of incentives being offered.

The **Small Commercial SOP** exceeded its 2011 budget because the program was opened up to include more deemed saving measures than in the past and did not require post measurement and verification, allowing Energy Efficiency Service Providers to submit projects without having to submit a deposit for their reserved funds. A bonus was also added to projects that were completed and submitted prior to October which increased production submittals significantly.

The **Residential Demand Response MTP** was under budget in 2011 due to the under-performance of the single participating Service Provider. The Service Provider did not sign up enough end use residential customers to meet the program goal. Marketing of the program was done only through the internet and this strategy did not prove successful. The 2011 program year was the last year of the three year program and the program will not be offered in 2012. Evaluation will continue to determine the need and possible program design of any future residential demand response program.

The **Targeted Weatherization Low-Income Program** was over budget in 2011 due to the passage of SB 1434 as discussed in Section I.B of this EEPR. Based on this legislation, Oncor increased its 2011 expenditures for the Targeted LIW Program and made its best efforts to comply

with the SB 1434 requirement that not less than 10% of the annual energy efficiency budget be allocated to targeted low-income energy efficiency programs.

Table 10: Program Funding for Calendar Year 2011

	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	**1,079**	**$19,011,110**	**$18,800,971**	**$1,818,333**	**$20,619,304**	**$7,268,977**	**$(8,877,171)**
Commercial SOP	540	$11,111,111	$10,786,990	$650,793	$11,437,783	$7,268,977	$(7,595,649)
Emergency Load Management SOP	0	$0	$0	$0	$0	$0	$0
Commercial Load Management SOP	58	$1,000,000	$839,610	$229,983	$1,069,593	$0	$(69,593)
Educational Facilities MTP	222	$4,333,333	$4,383,960	$357,774	$4,741,734	$0	$(408,401)
Government Facilities MTP	43	$1,444,444	$1,288,010	$196,093	$1,484,103	$0	$(39,659)
Small Commercial SOP	152	$711,111	$1,037,421	$217,207	$1,254,628	$0	$(543,517)
Air Conditioning MTP	64	$411,111	$464,980	$166,483	$631,463	$0	$(220,352)
Residential	**13,218**	**$10,753,333**	**$8,848,028**	**$1,440,485**	**$10,288,513**	**$260,598**	**$204,222**
Home Energy Efficiency SOP	10,650	$7,777,778	$6,731,824	$783,646	$7,515,470	$0	$262,308
ENERGY STAR® Homes MTP	1,434	$1,111,111	$986,050	$180,168	$1,166,218	$0	$(55,107)
Air Conditioning MTP	1,293	$1,111,111	$992,320	$197,106	$1,189,426	$0	$(78,315)
Residential Demand Response SOP	123	$388,889	$7,768	$137,612	$145,380	$204,620	$38,889
ENERGY STAR Low-Rise MTP	-282	$364,444	$130,066	$141,953	$272,019	$55,978	$36,447
Hard-to-Reach	**13,608**	**$14,569,935**	**$13,886,026**	**$1,289,137**	**$15,175,163**	**$0**	**$(605,228)**
Hard-to-Reach SOP	12,351	$10,777,778	$9,478,765	$974,243	$10,453,008	$0	$324,770
Targeted Weatherization Low-Income SOP	1,257	$3,792,157	$4,407,261	$314,894	$4,722,155	$0	$(929,998)
Research & Development	**NA**	**$750,000**	**$0**	**$520,674**	**$520,674**	**$0**	**$229,326**
Total	**27,905**	**$45,084,378**	**$41,535,025**	**$5,068,629**	**$46,603,654**	**$7,529,575**	**$(9,048,851)**

[12] Projected Budget taken from the EEP filed in April 2011 under Project No. 39105.

IX. Market Transformation & Research & Development Results

AIR CONDITIONING MTP

The objective of this program is to increase the market penetration of high efficiency air conditioning units in the commercial and residential markets for replacement systems and new installations in the commercial market in order to provide cost-effective reductions in summer peak demand. Additional objectives of this program are to achieve customer demand and energy savings and encourage private sector delivery of energy efficiency products and services. The program is focused on replacement systems in the residential market between 1.5 and 5 tons and new and replacement installations in the commercial market between 1.5 tons and 20 tons and the air conditioning contractors who install them.

The residential component accomplishments for 2011 included 1,246 sites with AC and Heat Pumps installed, 16 sites with Energy Star® quality installations, and 31 Tune-Up's for savings of 1,124 kW and 3,325,643 kWh. The commercial component accomplishments included 64 sites with AC and Heat Pumps installed for a savings of 561 kW and 1,399,654 kWh.

The Program goals for 2011 were to continue implementing strategies of sales and installations for high efficiency residential and commercial heating, ventilation and air conditioning (HVAC) systems marketed by HVAC Distributors to be installed by participating contactors to reduce the end use customer's energy consumption.

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 customers are aware of and demand ENERGY STAR® homes and builders have the technical capacity to supply them. A baseline study was conducted in 2011 to determine the existing level of efficiency typical of new home construction in Oncor's service territory. The study, which included both participating and non-participating homes built by homebuilders in and around the Oncor service territory, showed the average Home Energy Rating System (HERS) Index for non-participating homes outside of the Oncor service territory to be 79.7. This compares to a minimum qualifying ENERGY STAR® Index of 85, and program participating homes to be 73.5.

Based on 2012 data from the Real Estate Center at Texas A&M University, there were approximately 17,881 single-family building permits issued in the Oncor service territory Metropolitan Statistical Areas (MSAs), with 1,434 receiving ENERGY STAR® certification through the program. During the 2011 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, customer education and involving market actors associated with new home sales. In 2007, 2008, 2009, 2010, and 2011, the EPA recognized Oncor's accomplishments in the

ENERGY STAR® Homes Program by awarding it the ENERGY STAR® Sustained Excellence Award.

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 demand and energy 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 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 8,300 kW in 2011. One hundred and two school districts and colleges were enrolled in the program for 2011. Seventy-one schools installed measures that resulted in savings of 6,137 kW and 14,752,595 kWh. Benchmarking and Energy Master Planning were completed for twenty-eight school districts.

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 demand and energy 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 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 1,300 kW in 2011. Sixty-five cities/counties participated in the 2011 program. Twenty-one of the participants installed measures that resulted in savings of 1,306 kW and 3,467,602 kWh. Benchmarking and Energy Master Planning were completed for twelve partners.

ENERGY STAR® Low-Rise Multifamily MTP

The 2011 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, 2010 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.

The actual 2011 savings was 52.7 kW and 216,920 kWh with 170 qualified and completed ENERGY STAR® units. In 2011 Oncor was notified and found that 452 units reported in 2009 were disqualified as ENERGY STAR®. With this finding Oncor is reducing the 2011 reported savings by 140.12 kW and 576,752 kWh, the savings reported in 2009 for the 452 units that were disqualified. The net effect of this reduction leaves a negative impact for the 2011 reporting year.

Research and Development

Oncor funded one baseline energy efficiency program and two supplemental programs at EPRI in 2011. The first program funded was the broad, collaborative EPRI membership program, Program 170, titled *End-Use Energy Efficiency and Demand Response in a Low-Carbon Future*. In 2011, this on-going program was funded by 42 EPRI members and included the following three project sets: Analytical Frameworks, Demand Response Systems, and Energy Efficiency Technologies. The 2011 program elements are described below. Oncor also is participating in this program in 2012. The program elements were 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 of energy efficient equipment and demand response systems 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 an industry-standard modeling approach to quantify the impact of energy efficiency on reducing carbon emissions, to inform utilities, policymakers, and regulators
- Reliable, comprehensive, and 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 utilities and their customers

Key areas of work included:

Accounting for the impact of energy efficiency on CO2 emissions
Persistence of customer response to energy usage feedback
Framework for valuing price and demand response
Translating smart meter data into customer insights
Enabling DR–ready appliances
Advances in thermal energy storage technology
Intelligent homes and buildings
HVAC technologies
Industrial energy efficiency
High performance homes and buildings
Electronics, plug loads, and lighting efficiency

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

In 2011, Oncor also funded two supplemental Tailored Collaboration programs with other members. The first was entitled "Energy Efficiency Demonstration." This program was begun in 2009 and continued through the end of 2011. It demonstrated hyper-efficient technologies in commercial buildings and 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 included:

Variable refrigerant flow air conditioning
Data center energy efficiency
LED Street and area lighting
Hyper-efficient residential appliances, such as combination washer/dryer or compartmentalized refrigerator
Ductless heat pumps and air conditioners
Heat pump water heating

The second tailored collaboration project was entitled "Coordinated Early Deployments of Efficient End-Use technologies – Phase 1" which was offered mid-year. Its purpose was to develop a framework for planning and developing early deployments of end-use technologies to help utilities meet their state energy efficiency goals more quickly and at a lower cost.

Oncor is participating in "Energy Efficiency Demo 2.0" and "Coordinated Early Deployments of Efficient End-Use technologies – Phase 2" in 2012.

X. Current Energy Efficiency Cost Recovery Factor (EECRF)

Oncor billed $51,465,188 during 2011 through the EECRF.

Revenue Billed
$51,465,188

Over- or Under-recovery
$1,186,832 (Under) - This amount will be trued-up by rate class in Oncor's EECRF filing in 2012.

Shown below is a calculation detailing the performance bonus Oncor qualifies for based on 2011 program results.

Performance Bonus Calculation

Total Energy Efficiency Benefits	$177,956,108
Total Energy Efficiency Expenditures	$46,603,654
Total Net Benefits	$131,352,454

2011 Minimum Goal MW	53.1
2011 Achieved Goal MW	74.995
Percentage Over Goal	41.23%

Bonus Calculation % of Net Benefits (1% of every 2% the Demand Goal is exceeded)	0.2062

Bonus Based on 20.62% of Net Benefits ($131,352,454 x .2062)	$27,084,876

Bonus Capped at 20% of 2011 Total Program Costs ($46,603,654 x .2)	$9,320,731

Total Bonus	$9,320,731

XI. Potential Financial Impacts of Project No. 39674, Rulemaking Proceeding to Amend Energy Efficiency Rules

Under the current PUCT rule making Project No. 39674, several proposed changes to the Substantive Rule § 25.181 will likely increase the current proposed budget estimate outlined in this report and are referenced below:

- Evaluation, Measurement and Verification (EM&V) costs;
- Rate case expenses;
- Reimbursement for governing body of a municipality pursuant to PURA § 33.023 (b); and
- Other items ultimately adopted in the final rulemaking.

While these costs have not been calculated due to the on-going rulemaking proceeding, a forecast of the cost breakdown of the above referenced services or expenses will be incorporated into the EECRF filing in 2012 or when the new rule is adopted.

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, as described in the EE Rule.

APPENDICES

APPENDIX A: REPORTED DEMAND AND ENERGY REDUCTION BY COUNTY

Appendix A: Demand and Energy Reduction by County

COUNTY		HTR & Targeted LI SOPs	Energy Star Homes & Low Rise MTP	Commercial SOP	Air Conditioning MTP	Commercial Load Mgmt. SOP	Home Energy Efficiency SOP	Educational Facilities MTP	Government Facilities MTP	Residential Demand Response SOP	Small Commercial SOP
ANDERSON	kW		18.6	12.4				85.3			
	kWh		76,560.0	63,630.5				147,111.0			
ANDREWS	kW										
	kWh										
ANGELINA	kW	31.2		387.3			21.7	114.0			
	kWh	168,070.4		3,731,907.4			100,936.7	179,940.0			
ARCHER	kW			15.5	0.9						
	kWh			29,808.0	3,996.0						
BASTROP	kW		35.8								
	kWh		33,412.2								
BELL	kW	70.7	422.2	557.0	51.1	556.0	32.1	135.8	404.3		5.1
	kWh	281,996.9	596,515.8	4,093,403.9	189,904.0		158,407.6	259,694.6	1,000,521.6		31,101.0
BOSQUE	kW										
	kWh										
BROWN	kW	70.4		5.8	2.1		7.7		3.4		
	kWh	188,538.2		46,692.0	5,087.0		50,287.0		8,391.0		
CHEROKEE	kW			33.5		542.0	6.0				
	kWh			221,108.2			14,424.4				
CLAY	kW			26.9	0.6						4.5
	kWh			51,840.0	2,491.0						8,640.0
COLEMAN	kW										
	kWh										
COLLIN	kW	579.0	422.9	1,127.7	262.6	579.0	1,427.9	763.4	63.6	27.4	89.7
	kWh	2,704,208.3	408,486.7	5,811,890.7	699,934.3		3,974,892.0	3,082,687.1	165,060.0		356,094.7
COMANCHE	kW						2.1				
	kWh						9,026.4				
COOKE	kW	6.4		0.3		5.0					
	kWh	21,256.6		1,231.3							
CORYELL	kW	5.9	27.2		1.4		1.0	66.7			
	kWh	24,191.9	38,046.8		5,709.0		5,399.3	145,528.9			
CRANE	kW										
	kWh										

DALLAS	kW	5,338.1	kW	847.7	kW	8,043.7	kW	540.2	kW	8,986.0	kW	3,941.3	kW	2,719.1	kW	163.0	kW	45.5	kW	461.1
	kWh	19,702,255.5	kWh	938,331.1	kWh	42,339,327.8	kWh	1,437,010.4	kWh		kWh	12,858,056.2	kWh	5,473,794.9	kWh	386,847.0	kWh		kWh	1,955,330.9
DAWSON	kW		kW		kW		kW		kW		kW		kW	12.7	kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh	16,367.0	kWh		kWh		kWh	
DELTA	kW	4.2	kW		kW		kW		kW		kW		kW		kW		kW		kW	4.4
	kWh	8,378.4	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	20,239.0
DENTON	kW	204.0	kW	350.3	kW	851.9	kW	84.5	kW		kW	314.5	kW		kW		kW		kW	54.1
	kWh	904,882.7	kWh	355,935.6	kWh	4,743,845.1	kWh	243,705.4	kWh		kWh	957,726.0	kWh		kWh		kWh		kWh	312,599.3
EASTLAND	kW	16.3	kW		kW		kW	0.7	kW		kW		kW		kW		kW		kW	
	kWh	55,704.0	kWh		kWh		kWh	2,784.0	kWh		kWh		kWh		kWh		kWh		kWh	
ECTOR	kW		kW	18.6	kW	100.0	kW	4.3	kW		kW		kW		kW		kW		kW	
	kWh		kWh	17,403.9	kWh	386,784.9	kWh	12,024.0	kWh		kWh		kWh		kWh		kWh		kWh	
ELLIS	kW	74.5	kW	48.5	kW	852.6	kW	9.0	kW	5.0	kW	104.4	kW	11.9	kW	2.4	kW		kW	
	kWh	358,413.3	kWh	49,501.4	kWh	9,496,064.8	kWh	23,449.3	kWh		kWh	478,371.4	kWh	52,786.0	kWh	5,084.0	kWh		kWh	
ERATH	kW	14.2	kW		kW		kW	0.9	kW		kW	22.2	kW	47.9	kW		kW		kW	30.8
	kWh	83,618.7	kWh		kWh		kWh	3,583.0	kWh		kWh	128,910.0	kWh	197,418.5	kWh		kWh		kWh	66,918.0
FALLS	kW	45.3	kW		kW	1.1	kW		kW		kW	32.0	kW		kW		kW		kW	
	kWh	147,334.6	kWh		kWh	5,770.4	kWh		kWh		kWh	160,699.3	kWh		kWh		kWh		kWh	
FANNIN	kW	6.0	kW		kW		kW		kW		kW	4.5	kW		kW		kW		kW	
	kWh	9,049.9	kWh		kWh		kWh		kWh		kWh	6,125.6	kWh		kWh		kWh		kWh	
FREESTONE	kW	3.1	kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh	8,376.3	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
GLASSCOCK	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
GRAYSON	kW	126.6	kW	1.7	kW	47.3	kW	3.7	kW	541.0	kW	53.9	kW	10.8	kW		kW		kW	57.3
	kWh	301,304.3	kWh	1,528.7	kWh	288,293.2	kWh	8,565.1	kWh		kWh	146,322.5	kWh	23,422.5	kWh		kWh		kWh	146,647.4
HENDERSON	kW	49.4	kW		kW	31.4	kW		kW		kW	24.1	kW		kW		kW		kW	
	kWh	269,265.2	kWh		kWh	104,834.8	kWh		kWh		kWh	118,387.9	kWh		kWh		kWh		kWh	
HILL	kW	7.3	kW		kW	1.6	kW		kW		kW	17.4	kW		kW	0.2	kW		kW	
	kWh	18,876.2	kWh		kWh	7,468.9	kWh		kWh		kWh	78,245.8	kWh		kWh	439.0	kWh		kWh	
HOOD	kW		kW		kW		kW	1.1	kW		kW	12.9	kW	2.6	kW		kW		kW	
	kWh		kWh		kWh		kWh	4,382.0	kWh		kWh	49,769.1	kWh	10,161.2	kWh		kWh		kWh	
HOPKINS	kW	10.2	kW		kW		kW		kW		kW		kW	4.9	kW		kW		kW	
	kWh	27,924.5	kWh		kWh		kWh		kWh		kWh		kWh	72,366.0	kWh		kWh		kWh	
HOUSTON	kW		kW		kW		kW	6.7	kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh	17,909.9	kWh		kWh		kWh		kWh		kWh		kWh	
HOWARD	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	

HUNT	kW	0.4	kW		kW		kW		kW	4,874.0	kW		kW	26.3	kW		kW		kW	27.1
	kWh	3,031.7	kWh		kWh		kWh		kWh		kWh		kWh	119,071.6	kWh		kWh		kWh	155,855.0
JACK	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
JASPER	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
JOHNSON	kW	94.8	kW	9.9	kW	32.0	kW	8.7	kW	236.0	kW	78.2	kW	95.0	kW		kW	2.6	kW	4.7
	kWh	391,063.4	kWh	14,358.1	kWh	199,412.4	kWh	28,361.0	kWh		kWh	363,303.1	kWh	225,132.0	kWh		kWh		kWh	22,076.8
KAUFMAN	kW	288.6	kW	2.0	kW	12.2	kW		kW		kW	73.3	kW	1.8	kW		kW	0.7	kW	
	kWh	1,366,335.9	kWh	1,767.1	kWh	67,312.5	kWh		kWh		kWh	206,533.6	kWh	3,081.0	kWh		kWh		kWh	
LAMAR	kW	51.7	kW		kW	10.7	kW		kW		kW	21.6	kW	7.2	kW		kW		kW	231.0
	kWh	152,131.4	kWh		kWh	62,526.4	kWh		kWh		kWh	58,371.4	kWh	40,397.0	kWh		kWh		kWh	1,041,325.0
LAMPASSAS	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
LEON	kW		kW		kW		kW	0.6	kW		kW		kW	8.4	kW		kW		kW	
	kWh		kWh		kWh		kWh	1,640.0	kWh		kWh		kWh	14,477.0	kWh		kWh		kWh	
LIMESTONE	kW	3.7	kW		kW	5.2	kW	1.0	kW		kW	2.3	kW		kW		kW		kW	
	kWh	9,803.7	kWh		kWh	20,319.1	kWh	2,733.0	kWh		kWh	2,632.6	kWh		kWh		kWh		kWh	
MARTIN	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
MCLENNAN	kW	264.0	kW	85.6	kW	376.8	kW	13.9	kW	90.0	kW	121.4	kW	92.0	kW		kW		kW	90.6
	kWh	1,569,941.9	kWh	121,924.6	kWh	2,331,351.9	kWh	44,306.7	kWh		kWh	613,997.8	kWh	149,046.0	kWh		kWh		kWh	442,743.0
MARTIN	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
MIDLAND	kW	1.1	kW	5.9	kW	40.9	kW	21.6	kW	53.0	kW		kW	32.4	kW	49.5	kW		kW	
	kWh	3,498.5	kWh	5,590.7	kWh	204,782.5	kWh	59,550.8	kWh		kWh		kWh	43,950.0	kWh	150,024.0	kWh		kWh	
MILAM	kW	7.9	kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh	31,241.0	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
MITCHELL	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
MONTAGUE	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
NACODOCHES	kW	22.4	kW		kW	121.3	kW		kW		kW	19.8	kW	24.1	kW		kW		kW	
	kWh	94,581.5	kWh		kWh	856,123.8	kWh		kWh		kWh	74,789.4	kWh	142,274.7	kWh		kWh		kWh	
NAVARRO	kW	42.9	kW		kW	128.2	kW		kW	189.0	kW	48.8	kW		kW		kW		kW	
	kWh	181,841.5	kWh		kWh	983,512.9	kWh		kWh		kWh	234,024.4	kWh		kWh		kWh		kWh	
NOLAN	kW		kW		kW	25.4	kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh	48,880.0	kWh		kWh		kWh		kWh		kWh		kWh		kWh	
PALO PINTO	kW	67.4	kW		kW	4.5	kW	1.8	kW		kW		kW		kW		kW		kW	
	kWh	159,440.1	kWh		kWh	21,703.7	kWh	5,738.0	kWh		kWh		kWh		kWh		kWh		kWh	

PARKER	kW	29.4	kW		kW		kW	1.9	kW		kW	21.7	kW		kW		kW		kW	
	kWh	192,351.3	kWh		kWh		kWh	7,004.0	kWh		kWh	99,660.9	kWh		kWh		kWh		kWh	
PECOS	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
RED RIVER	kW	71.8	kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh	194,783.8	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
REEVES	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
ROCKWALL	kW	96.4	kW	135.5	kW	88.4	kW	11.3	kW		kW	62.6	kW		kW		kW	2.7	kW	14.1
	kWh	372,132.4	kWh	123,614.4	kWh	431,072.2	kWh	36,742.0	kWh		kWh	174,611.5	kWh		kWh		kWh		kWh	36,724.0
RUSK	kW	25.0	kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh	71,507.9	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
SCURRY	kW		kW	10.5	kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh	43,384.0	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
SHACKLEFORD	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
SMITH	kW	99.8	kW	117.8	kW	342.0	kW	29.1	kW	25.0	kW	213.6	kW	430.4	kW		kW		kW	
	kWh	263,948.0	kWh	146,522.4	kWh	2,168,885.4	kWh	79,067.5	kWh		kWh	746,047.8	kWh	920,156.0	kWh		kWh		kWh	
STEPHENS	kW		kW		kW		kW		kW		kW	1.7	kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh	6,102.7	kWh		kWh		kWh		kWh	
TARRANT	kW	2,857.1	kW	678.0	kW	5,697.2	kW	543.6	kW	4,633.0	kW	2,470.7	kW	1,106.0	kW	613.0	kW	40.6	kW	235.9
	kWh	13,081,555.1	kWh	252,610.4	kWh	22,804,656.3	kWh	1,555,919.4	kWh		kWh	9,307,492.2	kWh	2,450,173.8	kWh	1,737,309.2	kWh		kWh	1,274,130.1
TERRY	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
TOM GREEN	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
TRAVIS	kW		kW	89.7	kW	157.5	kW	17.8	kW	51.0	kW		kW	68.6	kW		kW		kW	
	kWh		kWh	113,694.4	kWh	316,473.9	kWh	51,235.0	kWh		kWh		kWh	386,601.0	kWh		kWh		kWh	
TRINITY	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
TYLER	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
UPTON	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
VAN ZANDT	kW	18.3	kW	2.0	kW		kW		kW		kW	6.8	kW		kW		kW		kW	
	kWh	71,656.7	kWh	2,903.9	kWh		kWh		kWh		kWh	35,621.2	kWh		kWh		kWh		kWh	
WARD	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
WICHITA	kW	1.0	kW	8.5	kW	16.0	kW	26.0	kW	83.0	kW	9.6	kW	4.7	kW	6.5	kW		kW	43.0
	kWh	4,839.6	kWh	9,520.0	kWh	62,130.6	kWh	73,011.0	kWh		kWh	21,517.3	kWh	21,788.8	kWh	13,926.0	kWh		kWh	82,944.0

WILLIAMSON	kW	6.1	kW	136.4	kW	287.4	kW	36.9	kW	136.0	kW	0.2	kW	223.1	kW		kW		kW	
	kWh	32,199.0	kWh	160,906.8	kWh	778,639.8	kWh	111,721.0	kWh		kWh	1,087.0	kWh	555,033.0	kWh		kWh		kWh	
WINKLER	kW		kW		kW		kW		kW		kW		kW		kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh		kWh	
WISE	kW		kW		kW		kW	1.7	kW		kW	2.3	kW		kW		kW		kW	
	kWh		kWh		kWh		kWh	7,733.0	kWh		kWh	6,464.8	kWh		kWh		kWh		kWh	
YOUNG	kW		kW		kW		kW		kW		kW		kW	5.0	kW		kW		kW	
	kWh		kWh		kWh		kWh		kWh		kWh		kWh	20,135.0	kWh		kWh		kWh	
Total Sum of kW		10,713		3,475		19,441		1,685		21,584		9,180		6,137		1,306		119		1,353
Total Sum of kWh		43,531,530		3,512,519		102,781,685		4,725,297		-		31,248,245		14,752,595		3,467,602		-		5,953,368

APPENDIX B: PROGRAM TEMPLATES

Oncor has no new Program Templates for 2012, but is submitting three Program Templates for new programs to be offered in 2013.

School Energy Efficiency Education Market Transformation Program

Program Overview

Description
The School Energy Efficiency Education (SEEE) Market Transformation Program (MTP) ("Program") is a behavior-based program designed to educate students and school administrators on energy efficiency practices that can be implemented both at school and the student's home. The Program provides energy efficiency education and in some cases, incentives to students and educators who adopt energy efficiency practices and measures. The goal of the Program is to reduce peak demand and/or save energy in educational facilities and students' homes, within the utility's service area. Program measures may include education materials, energy efficiency kits, energy data analysis and reporting, and other behavioral measures, as well as existing approved measures. Program management will be led by a Program Implementer that will be chosen after a competitive bidding process. This Program has been developed to comply with the Substantive Rule §25.181, relating to the Energy Efficiency Goal implementing Senate Bill 7 and Senate Bill 1125.

Rationale
This Program seeks to encourage reduced peak demand and energy consumption at educational facilities and students' homes, through the use of behavioral-based and technology-based measures. The Program Implementer is responsible for outreach, administration, education, and reporting of Program results to ensure that the Program meets utility goals and cost-effectiveness requirements.

Program Objectives
The primary objective of this Program is to achieve cost-effective demand reduction during the defined summer peak demand period. Additional objectives of the Program are to:

- Achieve utility customer energy and cost savings.
- Raise energy efficiency awareness by educating and modifying behavior in an educational setting.
- Increase the awareness level of students about energy use, energy efficiency, water efficiency (as it relates to energy use), and energy generation and distribution.
- Reinforce classroom learning with hands-on tools to be used in the school and home.
- Involve parents/guardians to increase their awareness and exposure to saving energy and energy-efficient technologies at home.

Program Pricing

Pricing Structure
As a behavior-based Program, most incentives will be in the form of educational materials, energy efficiency devices, and energy performance reporting. Additional incentives may be paid based on the installation of approved measures, either in the educational facility or the student's home. Payments will be based on the type of measure installed/deployed and the savings associated with the measure.

Savings will be either stipulated through standardized savings values or formulas ("Deemed Savings") or estimated through measurement and verification. Deemed savings values have been developed through the Commission's Energy Efficiency Implementation Project and approved by the Commission. These values will be periodically re-evaluated over time by the Commission. The utility will work with the Program Implementer to ensure that savings are verified and incentives are accurately paid and validated.

Cost-Effectiveness
The Program will meet all cost-effectiveness requirements currently approved by the Commission and will adapt to any changes that may be implemented during the Program's operation.

Eligibility

Participant
Any public or private school in the utility's service area is eligible to participate in the Program. The school must agree to use the approved educational materials and encourage students to implement Program measures at home. Working with the Program Implementer, the school must complete a post-implementation review of the Program, identifying successes, recommended improvements, and overall energy savings.

Project
A Project is defined a single educational facility participating in the Program including an estimate of participation, a proposed set of approved measures, and estimated demand and/or energy savings.

Measures
The Program Implementer and participating educational facility may propose measures in their Project that meets the following requirements:

- Measure must produce a measurable and verifiable electric demand reduction and/or must reduce electricity consumption
- If Deemed Savings are used, the installation must meet all parameters as defined by the approved Deemed Savings methodology.

Incentives will not be paid by the sponsoring utility for the installation of measures that fall into the following categories:

- Measures that result in negative environmental or health effects.
- Measures that receive an incentive through any other energy efficiency program offered by the utility.
- Measures not allowable under Substantive Rule §25.181, relating to the Energy Efficiency Goal.

Measurement and Verification

Purpose
Measurement and verification (M&V) activities may be conducted by the utility for all submitted Projects in order to verify incentive payments and Project savings.

Responsibility
The Program Implementer will be responsible for conducting all required non-utility M&V Program activities. The sponsoring utility will conduct a review of all M&V plans and reports.

Procedures
M&V procedures will vary in detail and rigor depending on the measures installed. The utility along with the Program Implementer will determine the methodology needed for an accurate M&V processes to verify that savings actually occurred, adhere to accepted industry practices, and follow Commission rules.

Program Process

Application
The Program Implementer will be responsible for developing a standard Memorandum of Understanding (MOU) or similar document that outlines the Program responsibilities and processes between the school and the Program.

Installation
The Program Implementer will work with the school to ensure the curriculum, and other measures used in the Program, are implemented according to Program requirements, and submitting the Project to the utility using the processes approved for the Program.

Payment
The utility may provide an incentive payment upon completion and approval of project installation, documentation, acceptance, and inspections. The incentive may be paid to:

- The implementer which will then pass the incentive on to the school or
- Directly to the school by the utility.
- Other incentives may be paid to additional Program participants if Commission rules allow such payments.

Program Promotion

The Program Implementer and the utility will develop outreach for the Program that will provide complete Program information and application process materials, and may conduct workshops for potential Program participants.

Commercial Solar Photovoltaic Installation Standard Offer Program

Program Overview

Description
The Commercial Solar Photovoltaic Installation Standard Offer Program ("Program") provides incentives for the installation of Solar Photovoltaic ("Solar PV") systems that reduce customer energy costs, reduce peak demand and save energy in commercial customer structures as defined by the Public Utility Commission of Texas ("Commission") rules. Incentives are paid to Energy Efficiency Service Providers ("EESPs") on the basis of standardized savings values or formulas ("Deemed Savings") or may be paid on the basis of verified peak demand and energy savings using the International Performance Measurement and Verification Protocol ("IPMVP"). This Program has been developed to comply with the Substantive Rule §25.181, relating to the Energy Efficiency Goal implementing Senate Bill 7.

Rationale
The Program seeks to encourage the installation of Solar PV systems in the commercial market by EESPs to produce a reduction in peak demand and to save energy.

Program Objectives
The primary objective of this Program is to achieve cost-effective demand reductions during the defined summer peak demand period. Additional objectives of the Program are to:

- Encourage private sector delivery of energy efficiency products and services
- Achieve customer energy and cost savings
- Encourage the installation of Solar PV systems which currently have a high installation cost and limited customer awareness

Program Pricing

Pricing Structure
Incentive rates are offered for demand savings and energy savings. Incentive payments are based on the net present value of approved avoided costs associated with the project(s) over the Estimated Useful Life for Solar PV systems as approved by the Commission. Savings will be stipulated through Deemed Savings that have been developed through the Energy Efficiency Implementation Project and approved by the Commission. These values will be periodically re-evaluated by the Commission.

Solar PV Systems that deviate from the stipulated requirements may be accepted into the program with an approved M&V plan.

Cost-Effectiveness
The Program will meet all cost-effectiveness requirements currently approved by the Commission and will adapt to any changes that may be implemented during the Program's operation.

Eligibility

Participant
Any EESP meeting the application requirements that installs an eligible Solar PV system at a qualifying commercial structure is eligible to participate in the Program. Commercial customers with a maximum demand of 50 kW may serve as their own EESP. Solar PV measures installed at multiple facilities owned by the same commercial customer are eligible for incentives under this Program. Eligible EESPs may include:

- National or local energy service companies ("ESCOs")
- National or local companies that provide energy-related services (*e.g.*, contracting) or products (*e.g.*, lighting, HVAC equipment)
- Retail Electricity Providers ("REPs")
- Solar Photovoltaic installers
- Qualifying individual customers that install Solar PV system measures in their own facilities

To ensure that the Program's incentive budget is allocated to projects that are likely to meet with success, all EESPs will be required to demonstrate a commitment to fulfilling Program objectives and competency in completing the proposed project. EESPs will be required to submit the following information as part of the application process:

- A description of the EESP's firm, including relevant experience, areas of expertise and references and other related information that the utility deems as necessary
- A work plan that covers the design, implementation, operation, and management of the Solar PV system measure to be installed (The amount of detail required in this work plan will vary with project size.)
- Proof of applicable insurance, licenses, training that may be required by the utility and any required permits

To ensure that incentives are available to multiple EESPs, no EESP or commercial customer may receive more than 20% of a distribution utility's annual Solar Installation Commercial Standard Offer Program incentive budget. However, the distribution utility may waive this provision after six months into the Program year if it determines that this restriction will prevent the utility from achieving its energy efficiency goal.

Project
A Project is defined as an effectively installed Solar PV system or systems where estimated demand and energy savings are included in a single installation report. A validated Project is one that contributes to reducing summer peak demand and energy consumption for the commercial customer.

Measure
EESPs may submit the installation of a Solar PV system in a Project that meets the following requirements:

- Installations must produce a measurable and verifiable electric demand reduction and must reduce electric consumption

- Installations must meet or exceed minimum equipment standards established by the Commission when applicable
- Deemed Savings must meet all parameters as defined by the Deemed Savings values for Solar PV systems.
- If required by the utility, a valid interconnect agreement

Incentives will not be paid by the sponsoring utility for Solar PV system installations that fall into the following categories:

- Solar PV system measures that receive an incentive through any other energy efficiency program offered by the utility
- If the measures results in negative environmental or health effects

Measurement and Verification

Purpose
Measurement and verification (M&V) activities may be conducted by the sponsoring utility for all submitted Projects in order to verify incentive payments and Project savings.

Responsibility
The EESP will be responsible for assisting the utility in providing the information required to perform the inspection processes for M&V. If an EESP chooses to conduct measurement and verification activities in lieu of using Deemed Savings for a Project, the EESP is responsible for providing a M&V plan and conducting the M&V activities. The sponsoring utility will conduct a review of the M&V plan and report. If the utility anticipates that its involvement in the EESP's M&V plan and report will result in costs to the utility that exceed 5% of the incentive amount requested by the EESP, the utility is entitled to charge an application fee to the EESP. Such fee shall be designed to offset the utility's M&V related costs.

Procedures
The utility may inspect all Solar PV installations that are submitted into the Program.
M&V procedures will vary in detail and rigor depending on the installation.
Solar PV Projects may be classified according to three distinct M&V approaches which represent increasing levels of detail and rigor.

- Deemed Savings: Installed Solar PV systems can utilize Deemed Savings approved by the Commission if the installation is installed within the parameters as defined and required in the Solar PV system's Deemed Savings. The utility may inspect all Deemed Savings Projects to ensure accurate savings and incentive levels
- Simple M&V: Savings values for the Solar PV system are based on engineering calculations using typical equipment characteristics and operating schedules developed for particular applications, with some short-term testing or simple long-term metering and meet IPMVP requirements
- Full M&V: If the Solar PV system is installed outside the parameters as defined and required by Deemed Savings, then measured and verified savings must be determined. This can be accomplished with the use of metering, demand logging and software estimation of the energy savings. The hourly alternating current demand of the system is logged to determine the maximum output of the system. The use of a smart meter/logger is required to obtain this

information. The maximum alternating current output will then be used to determine the annual demand and energy savings of the system if it meets IPMVP requirements

The time required to complete M&V activities will range from less than a month up to 12 months. If the EESP elects to pursue the Full M&V or Simple M&V options, it must meet IPMVP requirements and the utility's review and approval of the M&V plan. With the consent of the utility, an EESP may elect to pursue either the "Full M&V" or "Simple M&V" option even if Deemed Savings values have been adopted by the Commission for the energy efficiency measure included in the EESP's Project.

Program Process

Application
EESPs must complete a two-part application to participate in the Program. The initial application identifies the proposed Project, Project sites, estimated peak demand and energy savings, and estimated incentive payments. The utility may set a performance security requirement of up to 5% of a project's estimated incentive payment. This security requirement may be based upon the size of the system being installed or the estimated incentive payment. Such performance security, if set by the utility, must be applied to each Project in a nondiscriminatory manner. Approval of the initial application will reserve funding for the Project. Applications will be accepted on a first-come, first-served basis. Project applications will be accepted until all Program funds for the Program year have been exhausted or the utility stops accepting applications. If the project meets eligibility criteria, the EESP will submit a final application that presents an engineering study of the proposed Project with estimates of incentive payments and an M&V plan if Deemed Savings are not used. The utility may waive the requirements for an engineering study for smaller projects, as defined by the program manual. To ensure that incentives are available to multiple EESPs, no EESP may receive more than 20% of the sponsoring utility's annual Commercial Solar Photovoltaic Installation Standard Offer Program incentive budget. However, the utility may waive this provision after six months into the Program year if it determines that this restriction will prevent the utility from achieving its energy efficiency goal.

Installation
EESPs participating in the Program will be required to sign a standard offer contract with the utility. The terms of the contract will be standard for all participants, and will include estimates of peak demand and energy savings along with a maximum incentive payment associated with the Project. After a Program contract is signed, the EESP may install measures. The utility may require a pre-installation inspection and a post-installation inspection as part of this process to ensure the installed Solar PV system meets all requirements. EESPs will be required to submit an installation report that documents the actual installation of measures.

Payment
If the Project consists entirely of an installation for which Deemed Savings have been approved by the Commission and the EESP wishes to be paid entirely on the basis of the Deemed Savings values, then the utility will provide a single incentive payment to the EESP upon completion of Project installation, documentation, acceptance, and inspection. If an EESP chooses to do a "Full M&V" or "Simple M&V" process then after each Project is installed, documented, and accepted,

the utility may choose to pay an installation payment based on the utility's program manual. After all M&V activities are complete, documented, accepted and inspected the EESP will receive the remaining incentive payment based on verified savings.

Program Promotion

One of the advantages of the standard offer program design is that utilities rely on the marketing capabilities of EESPs to encourage the installation of Solar PV systems by individual customers. The utility will conduct outreach for the Program by providing complete Program information and application materials, and by conducting workshops for potential EESPs.

Residential Solar Photovoltaic Installation Standard Offer Program

Program Overview

Description
The Residential Solar Photovoltaic Installation Standard Offer Program ("Program") provides incentives for the installation of Solar Photovoltaic ("Solar PV") systems that reduce customer energy costs, reduce peak demand and save energy in residential customer structures as defined by the Public Utility Commission of Texas ("Commission") rules. Incentives are paid to Energy Efficiency Service Providers ("EESPs") on the basis of standardized savings values or formulas ("Deemed Savings") or may be paid on the basis of verified peak demand and energy savings using the International Performance Measurement and Verification Protocol ("IPMVP"). This Program has been developed to comply with the Substantive Rule §25.181, relating to the Energy Efficiency Goal implementing Senate Bill 7.

Rationale
The Program seeks to encourage the installation of Solar PV systems in the residential market by EESPs to produce a reduction in peak demand and to save energy.

Program Objectives
The primary objective of this Program is to achieve cost-effective demand reductions during the defined summer peak demand period. Additional objectives of the Program are to:

- Encourage private sector delivery of energy efficiency products and services
- Achieve customer energy and cost savings
- Encourage the installation of Solar PV systems which currently have a high installation cost and limited customer awareness

Program Pricing

Pricing Structure
Incentive rates are offered for demand savings and energy savings. Incentive payments are based on the net present value of approved avoided costs associated with the project(s) over the Estimated Useful Life for Solar PV Systems as approved by the Commission. Savings will be stipulated through Deemed Savings that have been developed through the Energy Efficiency Implementation Project and approved by the Commission. These values will be periodically re-evaluated by the Commission.

Solar PV Systems that deviate from the stipulated requirements may be accepted into the program with an approved M&V plan.

Cost-Effectiveness
The Program will meet all cost-effectiveness requirements currently approved by the Commission and will adapt to any changes that may be implemented during the Program's operation.

Eligibility

Participant
Any EESP meeting the application requirements that installs an eligible Solar PV system at a qualifying residential structure is eligible to participate in the Program. Eligible EESPs may include:

- National or local energy service companies ("ESCOs")
- National or local companies that provide energy-related services (*e.g.*, contracting) or products (*e.g.*, lighting, HVAC equipment)
- Retail Electricity Providers ("REPs")
- Solar Photovoltaic installers

Project
A Project is defined as an effectively installed Solar PV system or systems where estimated demand and energy savings are included in a single installation report. A validated Project is one that contributes to reducing summer peak demand and energy consumption for the residential customer.

Measure
EESPs may submit the installation of a Solar PV system in a Project that meets the following requirements:

- Installations must produce a measurable and verifiable electric demand reduction and must reduce electric consumption
- Installations must meet or exceed minimum equipment standards established by the Commission when applicable
- Deemed Savings must meet all parameters as defined by the Deemed Savings values for Solar PV systems
- If required by the utility, a valid interconnect agreement

Incentives will not be paid by the sponsoring utility for Solar PV system installations that fall into the following categories:

- Solar PV system measures that receive an incentive through any other energy efficiency program offered by the utility
- If the measures results in negative environmental or health effects

Measurement and Verification

Purpose
Measurement and verification ("M&V") activities may be conducted by the sponsoring utility for all submitted Projects in order to verify incentive payments and Project savings.

Responsibility
The EESP will be responsible for assisting the utility in providing the information required to perform the inspection processes for M&V. If an EESP chooses to conduct measurement and

verification activities in lieu of using Deemed Savings for a Project, the EESP is responsible for providing an M&V plan and conducting the M&V activities. The sponsoring utility will conduct a review of the M&V plan and report. If the utility anticipates that its involvement in the EESP's M&V plan and report will result in costs to the utility that exceed 5% of the incentive amount requested by the EESP, the utility is entitled to charge an application fee to the EESP. Such fee shall be designed to offset the utility's M&V related costs.

Procedures
The utility may inspect all Solar PV installations that are submitted into the Program. M&V procedures will vary in detail and rigor depending on the installation. Solar PV Projects may be classified according to three distinct M&V approaches which represent increasing levels of detail and rigor.

- Deemed Savings: Installed Solar PV systems can utilize Deemed Savings approved by the Commission if the installation is installed within the parameters as defined and required in the Solar PV system's Deemed Savings. The utility may inspect all Deemed Savings Projects to ensure accurate savings and incentive levels
- Simple M&V: Savings values for the Solar PV system are based on engineering calculations using typical equipment characteristics and operating schedules developed for particular applications, with some short-term testing or simple long-term metering and meet IPMVP requirements
- Full M&V: If the Solar PV system is installed outside the parameters as defined and required by Deemed Savings, then measured and verified savings must be determined. This can be accomplished with the use of metering, demand logging and software estimation of the energy savings. The hourly alternating current demand of the system is logged to determine the maximum output of the system. The use of a smart meter/logger is required to obtain this information. The maximum alternating current output will then be used to determine the annual demand and energy savings of the system if it meets IPMVP requirements

The time required to complete M&V activities will range from less than a month up to 12 months. If the EESP elects to pursue the Full M&V or Simple M&V options, it must meet IPMVP requirements and the utility's review and approval of the M&V plan. With the consent of the utility, an EESP may elect to pursue either the "Full M&V" or "Simple M&V" option even if Deemed Savings values have been adopted by the Commission for the energy efficiency measure included in the EESP's Project.

Program Process

Application
EESPs participating in the Program will be required to sign a standard offer contract with the utility. Applications will be submitted by the EESPs via the method(s) designated by the utility. Project applications will be accepted until all Program funds for the Program year have been exhausted or the utility stops accepting applications. All EESPs are required to demonstrate a commitment to fulfilling Program objectives and competency in completing the Project. EESPs are required to submit the following information as part of the application process:

- A description of the EESP's firm, including relevant experience, areas of expertise, references and other related information that the utility deems as necessary

- A work plan that covers the typical design, implementation, operation, and management of the Solar PV system measure to be installed
- Proof of applicable insurance, licenses, training that may be required by the utility and any required permits

To ensure that incentives are available to multiple EESPs, no EESP may receive more than 20% of the sponsoring utility's annual Residential Solar Photovoltaic Installation Standard Offer Program incentive budget. However, the utility may waive this provision after six months into the Program year if it determines that this restriction will prevent the utility from achieving its energy efficiency goal.

Installation
After a Program contract is signed and approved, the EESP may start installing the Solar PV system measure. EESPs will submit a completed installation report for its completed Project. All installation reports must be submitted with any required host customer agreement, or any other documentation required by the utility or Commission. The utility may require a pre-installation inspection and a post-installation inspection as part of this process to ensure the installed Solar PV system meets all requirements.

Payment
If the Project consists entirely of an installation for which Deemed Savings have been approved by the Commission and the EESP wishes to be paid entirely on the basis of the Deemed Savings values, then the utility will provide a single incentive payment to the EESP upon completion of Project installation, documentation, acceptance, and inspection. If an EESP chooses to do a "Full M&V" or "Simple M&V" process then after each Project is installed, documented, and accepted, the utility may choose to pay an installation payment based on the utility's program manual. After all M&V activities are complete, documented, accepted and inspected the EESP will receive the remaining incentive payment based on verified savings.

Program Promotion

One of the advantages of the standard offer program design is that utilities rely on the marketing capabilities of EESPs to encourage the installation of Solar PV systems by individual customers. The utility will conduct outreach for the Program by providing complete Program information and application materials, and by conducting workshops for potential EESPs.

APPENDIX C: OPTIONAL SUPPORT DOCUMENTATION

At this time, Oncor is not submitting optional support documentation for 2012.