2025 OCSC Newsletter

Steering Committee of Cities Served by Oncor

2025 YEAR IN REVIEW ISSUE

This past year was an active one for the Steering Committee of Cities Served by Oncor. This Year in Review edition of the OCSC newsletter highlights significant 2025 events and looks ahead to 2026.

ONCOR 2025 YEAR IN REVIEW

Oncor Files 2025 Rate Case Ahead of Schedule; Reaches Settlement with OCSC, Other Parties

The OCSC and other interested parties have reached a settlement with Oncor Electric in a rate case under which the Dallas utility seeks to collect an additional $834 million annually, or approximately 13 over the company's present revenues of $6.4 billion.

Although the details have yet to be revealed, a letter was filed with the Public Utility Commission on Nov. 13, 2025, stating a settlement with parties has been reached in principle.

If approved without changes, the utility's initial rate request will add approximately $7 to monthly bills of 1,000 kilowatt hours of use. According to Oncor, that would represent a 4.7 percent bill increase.

Oncor filed for the base rate change on June 26, which was more than a year ahead of schedule. The company indicated it filed early because of "hyper-growth" in its service territory and because it wants to profit from its investments more quickly.

Oncor's rate filing is based on system-wide financial results for the 12-month test year ending on Dec. 31, 2024. If approved without changes, the added $834 million would represent a 13 percent increase over current annualized revenues of $6.4 billion, according to the company.

In mid-November, parties to the pending rate case, including municipal and industry intervenors, notified the Administrative Law Judge of the settlement in principle. However, the formal settlement agreement has not yet been filed with the PUC.

Find more information under Docket No. 58306.

Steering Committee of Cities Served by Oncor

Decatur, McGregor, and Thorndale Join OCSC in 2025

The Steering Committee of Cities Served by Oncor has added three new members in 2025: the cities of Decatur, McGregor and Thorndale. With these new additions, OCSC now has 174 members.

Decatur

With a population of about 6,500, this charming town, about 40 miles northwest of Fort Worth, is named for the naval hero Stephen Decatur. In 1857, a post office was opened, and the first school was established in 1857. Decatur's crown jewel, the Wise County Courthouse, was built in 1896. Decatur also is home to one of the largest auto-swap meets in the nation, held every February at the Wise County Fairgrounds on the southern edge of the city. Area attractions also include the 13,000-acre Lake Bridgeport, offering a host of boating activities and prime fishing as well as an 18-hole golf course in Runaway Bay.

McGregor

Located in McLennan and Coryell counties, near Waco, McGregor has a population of about 5,800. The town is the site of the former Bluebonnet Ordnance Plant that made munitions during World War II. After the war, the site was used by several rocket-making companies. SpaceX now has a rocket engine development and test facility in McGregor.

Thorndale

With a population of about 1,400, Thorndale is an incorporated community located in Milam and Williamson counties about 40 miles northeast of Austin. Established in 1878, shortly after the construction of an International-Great Northern Railroad line through the area, Thorndale was named by a railroad employee after the area's abundant thorny vegetation-mesquite thorn, prickly pear, and sagebrush.

PUC, RRC Implement in 2025 New Utility Laws from the 89th Texas Legislature

During the Texas Legislature's 89th regular session, lawmakers filed more than 250 bills relating to electric and gas utility matters. Of the smaller subset of these bills that made it past the finish line, several must now be expanded upon in rulemaking proceedings at state agencies. Meanwhile, other new laws from the *88th* session are still undergoing agency implementation. Below, we highlight ongoing and recently completed rulemakings at the PUC.

HB 145 by Rep. Ken King relates to wildfire mitigation plans for electric utilities. On November 14, 2025, the PUC adopted new **16 Tex. Admin. Code § 25.60** and amended existing **16 Tex. Admin. Code § 25.231** to implement this new legislation. The new rules will require each electric utility, municipally owned utility, and electric cooperative that owns a transmission or distribution facility in a wildfire risk area to seek PUC approval of a wildfire mitigation plan and subsequently implement the plan. The PUC additionally modified criteria and conditions related to electric utilities' use of self-insurance reserve funds for damages from a wildfire event. The new rule took effect on December 4, 2025. More information is available on the PUC Interchange under Project No. 56789.

Senate Bill ("SB") 6 by Sen. Phil King and Sen. Charles Schwertner was a significant multi-faceted piece of utility legislation from the 89th session. The PUC divided the necessary rulemakings into different projects based on sections of the bill. Under Section 4 of SB 6, large loads (75 megawatts ("MW") or greater) co-locating behind the meter with new generation resources are required to file a net-metering plan with ERCOT. The PUC approved a Proposal for Publication relating to net metering arrangements on September 18, 2025, and stakeholders filed comments throughout October. Proposed **16 Tex. Admin. Code § 25.205** will apply to net metering arrangements involving a large load and an existing generation resource. The rule will also establish criteria for ERCOT's study of a proposed net metering arrangement and prescribe certain procedural steps. More information is available on the PUC Interchange under Project No. 58479.

Section 2 of SB 6 calls for the establishment of criteria for ERCOT to forecast peak demand for large loads. The ERCOT forecast would then be used for transmission planning and evaluation of resource adequacy. The PUC approved a Proposal for Publication relating to large load forecasting criteria on September 18, 2025, and stakeholders filed comments throughout October. Proposed **16 Tex. Admin. Code § 25.370** will identify the criteria a large load customer must satisfy to be included in the load data submitted to ERCOT for developing the load forecasts contemplated under the new law. More information is available on the PUC Interchange under Project No. 58480.

A third SB 6 rulemaking focuses on reevaluation of the Four Coincident Peak (“4CP”) methodology of transmission cost allocation. The 4CP methodology was intended to equitably allocate transmission costs to those who impact system-wide peak demand the most. Any changes to the 4CP methodology could shift transmission cost responsibility among classes of market participants. Since August 2025, PUC Staff has issued multiple sets of questions for stakeholder input under Project No. 58484. While many respondents recognize a need to modify the 4CP methodology, there appears to be little consensus on the most appropriate method for the PUC to adopt.

Another SB 6 rulemaking focuses on establishing standards for interconnecting large load customers in the ERCOT power region in a manner designed to support business development in this state while minimizing the potential for stranded infrastructure costs and maintaining system reliability. The rule will also ensure that a large load customer who is subject to the standards adopted under PURA § 37.0561 contributes to the recovery of the interconnecting electric utility’s costs to interconnect the large load to the utility’s system. This rule is anticipated to be in place by July 2026. More information is available on the PUC Interchange under Project No. 58481.

A final SB 6 rulemaking relates to the PUC requiring ERCOT to develop a reliability service to competitively procure demand reductions from large load customers with a demand of at least 75 MWs to be deployed in the event of an anticipated emergency condition. No filings have been made yet related to this rulemaking, but more information will be available on the PUC Interchange under Project No. 58482.

SB 231 by Sen. Phil King reforms a pre-existing statute related to Temporary Emergency Electric Energy Facilities, known as “TEEEF” or colloquially referred to as “mobile generation.” Throughout September 2025, PUC Staff elicited initial and reply comments on proposed amendments to **16 Tex. Admin. Code § 25.56** under Project No. 58392. The draft rule focused on incorporating new guardrails from the amended law, including the process for PUC approval and parameters around mobility, boot-up time, and maximum generating capacity. As of the end of 2025, no final Proposal for Adoption had been published, but we can expect PUC consideration of a final draft rule in the coming months.

In addition to the above rulemakings arising out of the 89th session, the PUC used the latter half of 2025 to continue implementing new and modified laws from the 88th session. Of note is the implementation of **HB 1500 filed by several authors and known as the 2023 Sunset bill.** One key feature of HB 1500 was the requirement for renewable resources interconnected after January 1, 2027, to be available during certain high risk and emergency intervals. On December 18, 2025, the PUC adopted Firming Program Requirements for Electric Generation Facilities in the ERCOT Region under new **16 Tex. Admin. Code § 25.65**. In addition to establishing electric generation performance requirements, the rule establishes a framework for ERCOT to impose financial penalties and incentives depending on a generation facility’s failure to comply or success in exceeding requirements. There continues to be discussion on how these requirements may interact with other legislative directions on electric market changes. The rule took effect on January 8, 2026. More information is available on the PUC Interchange under Project No. 58198.

HB 1500 additionally teed up a rulemaking on PUC verbal directives requiring ERCOT to take official action. Proposed **new 16 Tex. Admin. Code § 25.368** is meant to codify a statute that prohibits the PUC from verbally directing ERCOT to take an official action – except under limited circumstances. By law, the PUC may direct ERCOT to take an official action only through (1) a contested case; (2) a rulemaking; or (3) a memorandum or written order adopted by a majority vote. The PUC approved a Proposal for Publication relating to Commission directives to ERCOT on November 14, 2025, and stakeholders filed comments in December. More information can be found on the PUC Interchange under Project No. 57883.

The PUC also continues implementing provisions from SB 3, a broad-based law adopted in 2021 in response to that year’s winter emergency that led to statewide power outages. A proposed rule from that 2021 law that remains under consideration relates to the implementation of ERCOT’s Firm Fuel Supply Service, an ERCOT reliability service intended to address reliability during extreme heat and cold weather conditions. The FFSS provides market rewards to generators with on-site fuel. Resources eligible for the service under the authorizing statute, PURA § 39.159, include “on-site fuel storage, dual fuel capability, or fuel supply arrangements to ensure winter performance for several days.” PUC Staff have reviewed rulemaking recommendations filed in the spring by OCSC and other stakeholders, and then on October 23, 2025, proposed **new 16 Tex. Admin. Code §25.520**. Under the proposed rule, FFSS eligibility would be expanded to include generators with off-site natural gas storage arrangements. More information can be found on the PUC Interchange under Docket No. 58434.

Steering Committee of Cities Served by Oncor

Oncor to Develop Scores of Planned Transmission Projects

With the emergence of new energy-hungry cryptocurrency mining operations, AI data centers, and hydrogen-related manufacturing plants, ERCOT finds itself experiencing a surge in energy demand like never before. In 2030, for instance, ERCOT foresees peak demand reaching 150 gigawatts. That's about 80 percent more than this year's peak.

This surge will bring new transmission challenges for ERCOT, and to plan for them, the grid operator employs both its traditional Regional Transmission Planning process and a separate Permian Basin Reliability Plan. The PUC has also called for the deployment of massive new 765-kV transmission lines for the first time ever. These ultra-high-capacity systems will complement the smaller 138 kV and 345 kV lines traditionally used to serve the state's transmission network.

ERCOT, in 2025, released a summary of authorized transmission projects from the latest iteration of its Permian Basin Reliability Plan. This summary, which can be found on the PUC website under Project No. 55718, shows that the Oncor electric utility will be the developer for scores of these facilities. Separately, ERCOT has also released maps showing the general locations of anticipated lines both within the Permian Basin and statewide. We have reproduced clarified versions of those maps that you can find on the **OCSC website, here**. The original maps can be found in a January 2025 ERCOT document found on the PUC website, also under Project No. 55718.

For the most part the exact routes for all these new lines have not been finalized. That process will be handled by the PUC over the next several years through complex "Certificate of Convenience and Necessity" proceedings that pit the state's power needs against the needs of property owners. Transmission providers and stakeholders — such as municipalities and private citizens — can participate in this process.

Texas Supreme Court in 2025 Dismisses Bulk of Winter Storm Uri Claims

Oncor, CenterPoint and AEP — the state's three largest electric utilities — have prevailed in a Texas Supreme Court case under which the companies were alleged to have acted negligently during widespread blackouts four years ago.

In a June 27, 2025 order, the Texas high court ruled unanimously that the plaintiffs had not provided enough evidence to show purposeful negligence by the utilities when they cut power during Winter Storm Uri. At the time — the storm occurred in February 2021 — the utilities were acting under ERCOT orders.

"The alleged 'nuisance' here is prolonged freezing temperatures during Winter Storm Uri," Justice Debra Lehrmann wrote. "The allegations do not suggest that the utilities created or exacerbated the cold temperatures or affirmatively maintained them. Rather, the plaintiffs complain that the utilities failed to adequately respond to and mitigate the harm caused by those temperatures. That is not a basis for an intentional-nuisance claim."

Similarly, the court ruled against gross negligence claims by the plaintiffs, although the door was left open for plaintiffs to replead those claims at the Harris County multi-district litigation (MDL) court.

The utilities faced hundreds of lawsuits filed by thousands of customers after mass outages during the Uri. Those lawsuits were consolidated into an MDL proceeding. The February 2021 storm outage killed hundreds of Texans, resulted in billions of dollars in damages, and bankrupted several electric companies.

Oncor spokesperson Roxana Rubio expressed satisfaction that the ruling barred plaintiffs from pursuing six of the seven original causes of action they initially alleged, according to media reports. Ms. Rubio also expressed confidence that the case will "be fully dismissed should the plaintiffs attempt to pursue an allegation of gross negligence" under imitations of set by the high court. However, "we recognize this does not lessen the anguish experienced by our customers and by Texans across the state during that time," she said, according to media reports.

CenterPoint said the company "acted quickly to save the electric grid when demand exceeded supply" as it implemented ERCOT's load-shed orders. "If plaintiffs replead, CenterPoint will continue to vigorously defend against plaintiffs' remaining claim in the trial and appellate courts," the company said, according to media reports.

Steering Committee of Cities Served by Oncor

2025 Rate-Case Roundup

Oncor Receives Another DCRF Rate Increase, Fifth Since 2023

Oncor received another interim rate increase under the Distribution Cost Recovery Factor program — its fifth request since June 2023. With this latest filing, under the PUC. Doc. No. 57707, the total of approved or proposed DCRF increases for Oncor since the summer of 2023 comes to about $484 million.

Under this latest request, filed with the PUC on Feb. 15, the company initially proposed to increase revenues by $107,637,154. Under the final order, approved on April 24, 2025, the increase instead will be $106,335,049 — or $1,302,105 less than initially sought by Oncor. Even still, however, the increase remains the second-largest DCRF adjustment since the company received $152,508,937 under its June 2023 request in PUC Doc. No. 55190.

In the latest filing, the per-customer DCRF charge will increase from $.004443 per kilowatt hour approved in its most recent DCRF to $.005772.

The repeated rate hikes are a result of state laws adopted in 2011 and 2023 that created and then modified the DCRF ratemaking process. Under it, transmission and distribution utilities can file for rate increases at the Public Utility Commission to recover capital expenditures on their distribution systems in an expedited fashion.

Under DCRF rules, the PUC reviews the rate requests in an accelerated fashion, and interested parties, such as the Steering Committee of Cities Served by Oncor, can intervene in those reviews.
Details of Oncor's four recent rate filings include:

Docket No. 55190

- Application filed on June 29, 2023.
- Distribution revenue requirement increase requested by utility: $152,777,465.
- Distribution revenue requirement increase granted: $152,508,937 ($268,528 decrease from request).

Docket No. 55525

- Application filed on September 15, 2023.
- Distribution revenue requirement increase requested by utility: $56,536,428.
- Distribution revenue requirement increase granted: $53,536,428 ($3 million decrease from request).

Docket No. 56306

- Application filed on March 1, 2024.
- Distribution revenue requirement increase requested by utility: $81,323,915.
- Distribution revenue requirement increase granted: $81,323,915.

Docket No. 56963

- Application filed on August 16, 2024.
- Distribution revenue requirement increase requested by utility: $90,288,143.
- Distribution revenue requirement increase granted: $90,288,143.

Docket No. 57707

- Application filed on Feb. 15, 2025.
- Distribution revenue requirement increase requested by utility: $107,637,154.
- Distribution revenue requirement increase granted: $106,335,049 ($1,302,105 less than requested).

Steering Committee of Cities Served by Oncor

2025 Transmission-Only Rate Cases

OCSC defended consumer interests during 2025 in several rate cases filed by major transmission-only electric utilities. Under ERCOT rules, transmission charges are borne by residential, commercial, and industrial customers.

- ***Cross Texas Transmission ("CTT"):*** CTT filed a statement of intent to change rates and tariffs on Jan. 14, 2025, where it sought a revenue requirement of $76,506,194, representing an approximately 7.05% increase over its currently approved revenue requirement. Cross Texas also asked for a return on equity ("ROE") of 10.6 percent. OCSC and other stakeholders conducted discovery and filed testimony. After discussions with Cross Texas and the other parties, all parties reached a settlement agreement resulting in a revenue requirement of $72,631,149 and ROE of 9.60 percent. The PUC approved the rates, terms, and conditions set forth in the settlement agreement on September 11, 2025. More information can be found under PUC Docket No. 57467.

- ***Wind Energy Transmission Texas ("WETT"):*** WETT filed a statement of intent to change rates and tariffs on Dec. 3, 2024, seeking a revenue requirement for the provision of electric transmission service in Texas of $136,602,978, an increase of $15,949,204 over the utility's adjusted test year revenues. WETT also requested a return on equity of 10.5 percent. OCSC and other stakeholders conducted discovery and filed direct testimony. After discussions with WETT and the other parties, all parties reached a settlement agreement resulting in a revenue requirement of $130,631,220 and ROE of 9.6 percent. The PUC approved the rates, terms, and conditions set forth in the settlement agreement on June 20, 2025. More information can be found under PUC Docket No. 57299.

- **Electric Transmission Texas:** On Jan. 31, 2025 Electric Transmission Texas filed an application to change its rates and tariffs. ETT is a transmission-only utility that owns over 2,000 miles of transmission throughout the ERCOT region, including the Lower Rio Grande Valley and the Texas Panhandle. In its application, ETT sought a revenue requirement of approximately $426.3 million — an increase of $56.6 million over its test year revenue. In addition, ETT requested a 10.6 percent return on equity. Parties, including the OCSC, entered settlement negotiations over this proposed rate increase and agreed instead on a $36.3 million decrease. Parties also agreed to a return on equity of 9.6 percent. The PUC adopted the order on Oct. 2. More information can be found under PUC Docket No. 57518.

2026 OCSC Meetings
March 5
June 11 — Virtual
September 10
December 10 — Virtual

OCSC Officers
Chair—Molly Shortall
Secretary—Chuong Phung
Treasurer—David Johnson

For more questions or concerns regarding any ACSC matter or communication, please contact the following representative, who will be happy to provide assistance:

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