



ENERGY EFFICIENCY & CONSERVATION PROGRAM OPTIONS

PRESENTED BY:

Rick Luna

Director, Technology & Product Innovation

April 21, 2022

Informational Update

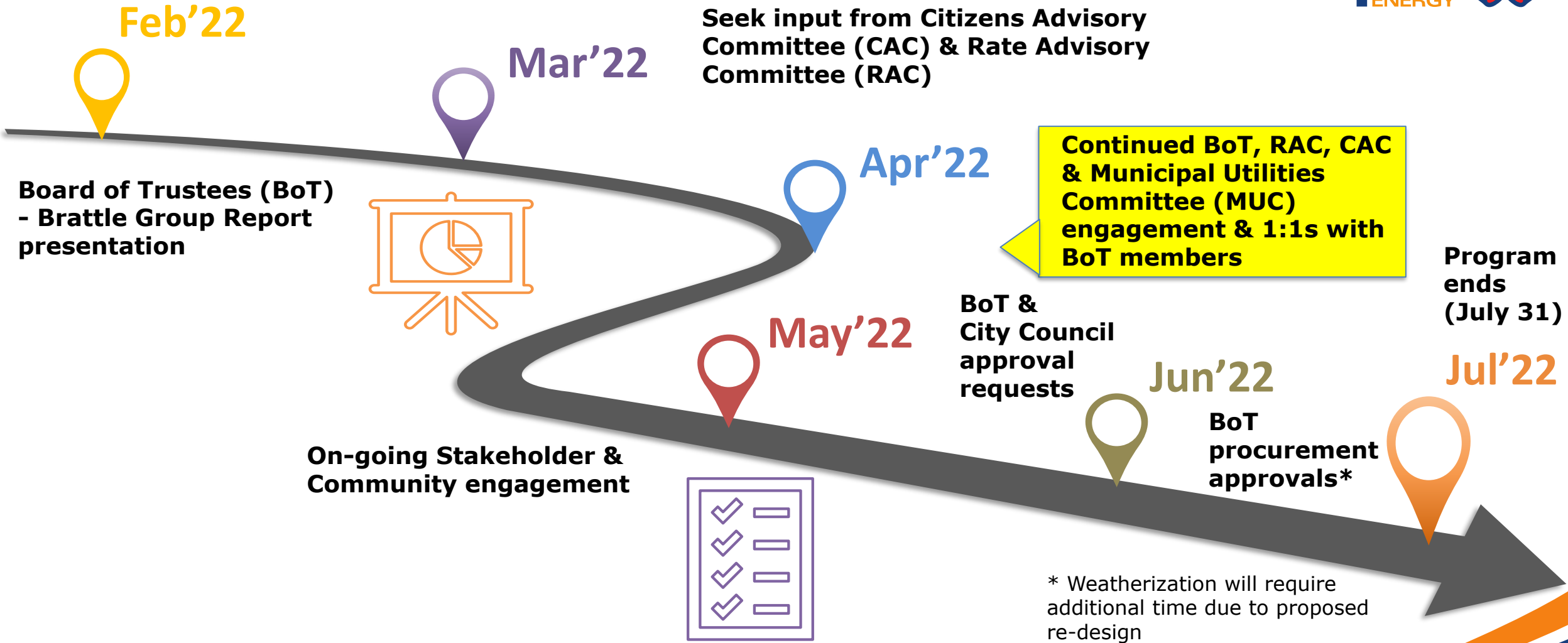
AGENDA



- **TIMELINE**
- **KEY DECISION POINTS**
- **PRESENT OPTIONS FOR CONSIDERATION**
- **DISCUSSION & FEEDBACK**

Our objective today is to present options for a new Energy Efficiency & Conservation program.

WORKSTREAMS IN-FLIGHT



Workstreams are building toward a summer decision on the Energy Efficiency & Conservation program.

KEY DECISION POINTS

FEEDBACK RECEIVED



- Over the last month, we've received feedback from engagements with:
 - Board of Trustees
 - Rate Advisory Committee
 - Citizens Advisory Committee
- Based on this feedback, we created two options to guide the decision on building an aligned, comprehensive program.

Do we continue with a new program?



Overarching goals & priorities



Program length



Budget



While ending the program is an option, we believe based on feedback so far that the Board is supportive of a program of some scale moving forward.

PROGRAM GOALS

POTENTIAL FOCUS AREAS



Assist limited income customers



Reduce emissions & align w/ CAAP



Reduce need for new generation & enhance resiliency



Help customers save energy & money



Focus on new strategic directions



Smaller or no program

The goals are important in driving the design, metrics & outcomes for the overall program.

PROGRAM OPTIONS

FUNDING LEVELS



Option 1

Comprehensive, but at smaller scale & limited new programs

\$50M/yr.

\$250M total

Option 2

Comprehensive program with significant investment in new programs

\$70M/yr.

\$350M total

These scenarios are based on a 5-year program term.

Avg. Monthly Bill Impact*	\$2.50	\$3.51
Annual Customer Bill Impact	\$30.06	\$42.10

Based on estimated bill impact from average residential bill of 1,048 kWh per month.

* Bill impact projections are based on the FY23 budget & subject to change.

PROGRAM DESIGN

ALIGNING PROGRAMS TO GOALS



Program Categories	Option 1 \$50M	Option 2 \$70M
Weatherization	✓	✓
Energy Efficiency	✓	✓
Demand Response	✓	✓
Traditional Solar Rebates		
Multifamily Weatherization	✓	✓
Targeted Low-Income Programs	✓	✓
Educational/ Behavioral Programs	✓	✓
EV Charging Programs	✓	✓
Non-Traditional Solar Options*		✓
Battery Storage		✓
Electrification		

Existing Programs

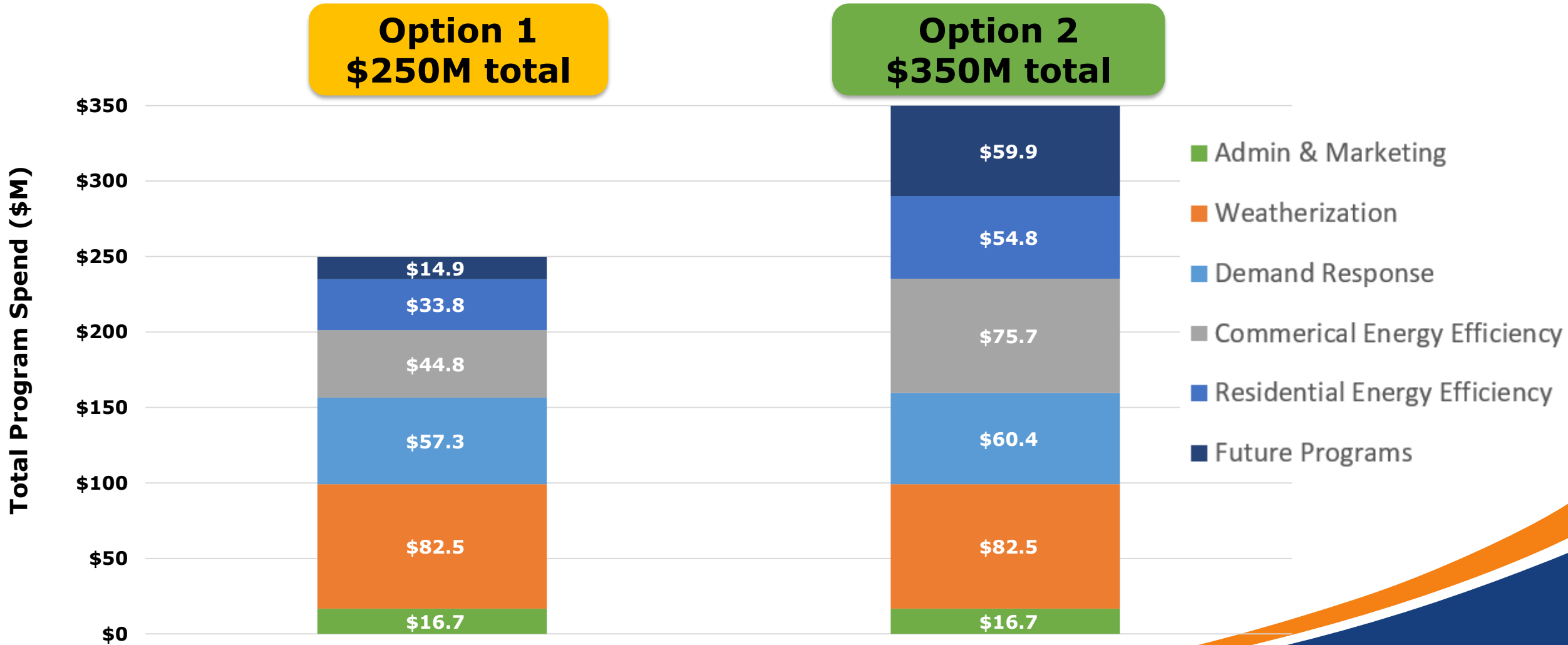
Potential New Programs

*Non-Traditional Solar Options would include community solar & other programs that lower the barrier for entry to solar.

ESTIMATED BUDGETS



These are estimated budgets by program category over the 5-year term.



All figures based on a 5 year program.

PROGRAM OUTCOMES

BENEFITS SUMMARY



		Option 1	Option 2
Demand Reduction		<ul style="list-style-type: none"> 265 MW of incremental demand reduction 	<ul style="list-style-type: none"> 410 MW of incremental demand reduction
Energy Savings*		<ul style="list-style-type: none"> 0.70% of energy savings per year 	<ul style="list-style-type: none"> 1.00% of energy savings per year
Emissions**		<ul style="list-style-type: none"> 1.2 million tons of avoided carbon 	<ul style="list-style-type: none"> 1.85 million tons of avoided carbon
Equity		<ul style="list-style-type: none"> 16,000 homes & 10,400 multifamily units weatherized 	<ul style="list-style-type: none"> 16,000 homes & 20,000 multifamily units weatherized
Systems Benefits***		<ul style="list-style-type: none"> \$475M in lifetime avoided fuel & capacity costs 	<ul style="list-style-type: none"> \$665M in lifetime avoided fuel & capacity costs

All figures based on a 5 year program.

*Energy savings as a percentage of annual electric sales.

** Emissions are based on FY22 emissions factors. Avoided figures based on cumulative emission reductions over the 5-year program.

*** Based on achieving a 1.90 Utility Cost Test (UCT) score over the life of the program.

FINAL THOUGHTS



Whichever option we select...

- We are committed to starting fresh & focusing on the future.
- We will be transparent about the cost of the program & enhance communication on how much customers are paying for it.
- Program flexibility is key. A 5-year plan allows us to be nimble as our industry, technology & customer expectations rapidly evolve.
- We will build in a check-in at year 3 to ensure we're on the right path & make adjustments as needed.

OPEN DISCUSSION & FEEDBACK



Thank You



APPENDIX

ENGAGEMENT UPDATE

FEEDBACK RECEIVED SO FAR



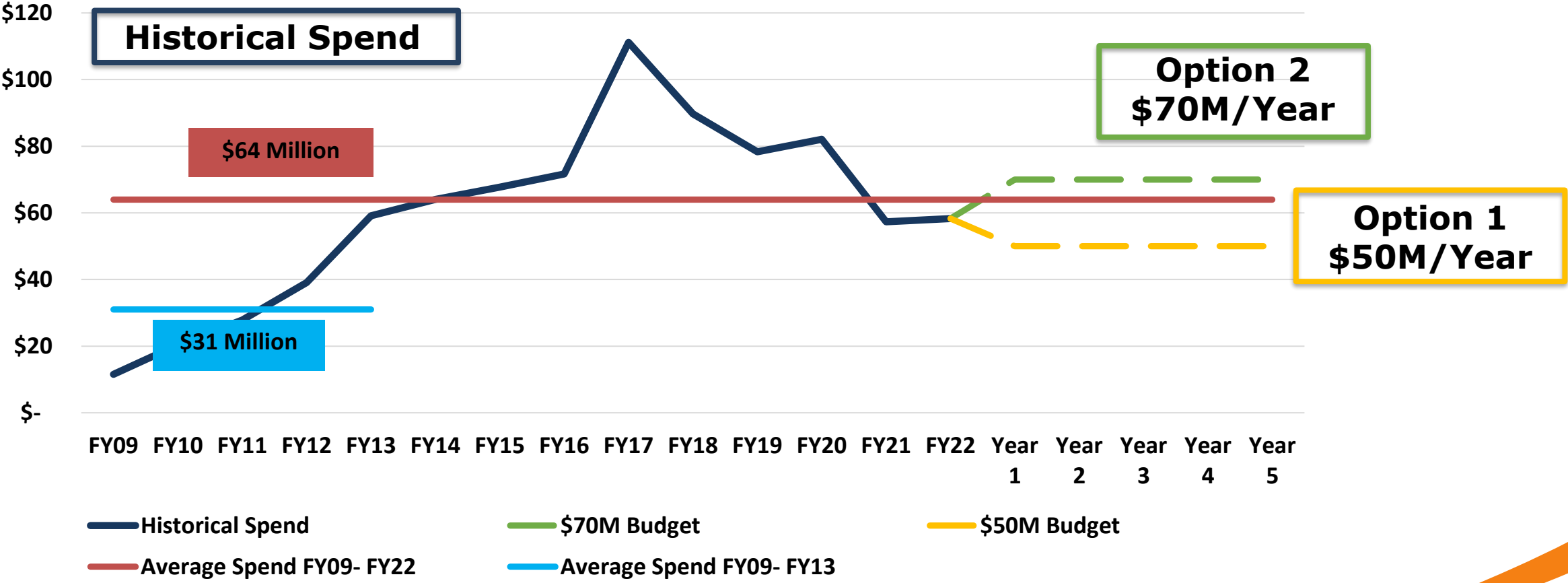
Date	Group	Feedback
4/2022	Citizens Advisory Committee (CAC)	<ul style="list-style-type: none"> • Supportive of continuing with a new program • Take opportunity to rebrand program as something new and increase awareness • Supportive of weatherization for low income customers
3/2022	Rate Advisory Committee (RAC)	<ul style="list-style-type: none"> • Need additional transparency on program cost • Demonstrate the value of the program with comprehensive metrics • Support for weatherization program for low income customers
3/2022	Citizens Advisory Committee (CAC)	<ul style="list-style-type: none"> • Show customers their savings from adopting efficiency measures • Include renters in weatherization & other programs
8/2020	Environment Texas	<ul style="list-style-type: none"> • Reduce electricity demand by 1.5%/year & reduce peak demand by 940 MWs by 2030 • Generate solar on 100,000 roofs by 2030 & 300,000 by 2050 • Continue to support local solar, including rebates for commercial & industrial properties, the SolarHost leasing program & community solar • Continue & expand traditional energy efficiency programs, including weatherization
6/2020	Sierra Club/ Optimal Energy	<ul style="list-style-type: none"> • Commit to 1.5% annual electric savings, 0.8% annual gas savings, 940 MW of coincident peak savings, & 1.8 million metric tons of CO2 savings over 10 years • Continue traditional EE programs, including weatherization • Expand support for solar programs, including rebates, SolarHostSA, & the additional community solar programs accessible to limited income customers • Invest in control of customer assets and/or energy storage systems (stationary batteries, EVs and thermal storage)

PROGRAM SCALE

RELATIVE TO HISTORICAL SPEND



\$ in Millions



**Option 1 is comparable to first 5 years of STEP.
Option 2 is 10% higher than STEP over its 12-year life.**