



# ***ENERGY EFFICIENCY & CONSERVATION PROGRAM OPTIONS***

*PRESENTED BY:*

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*Informational Update*

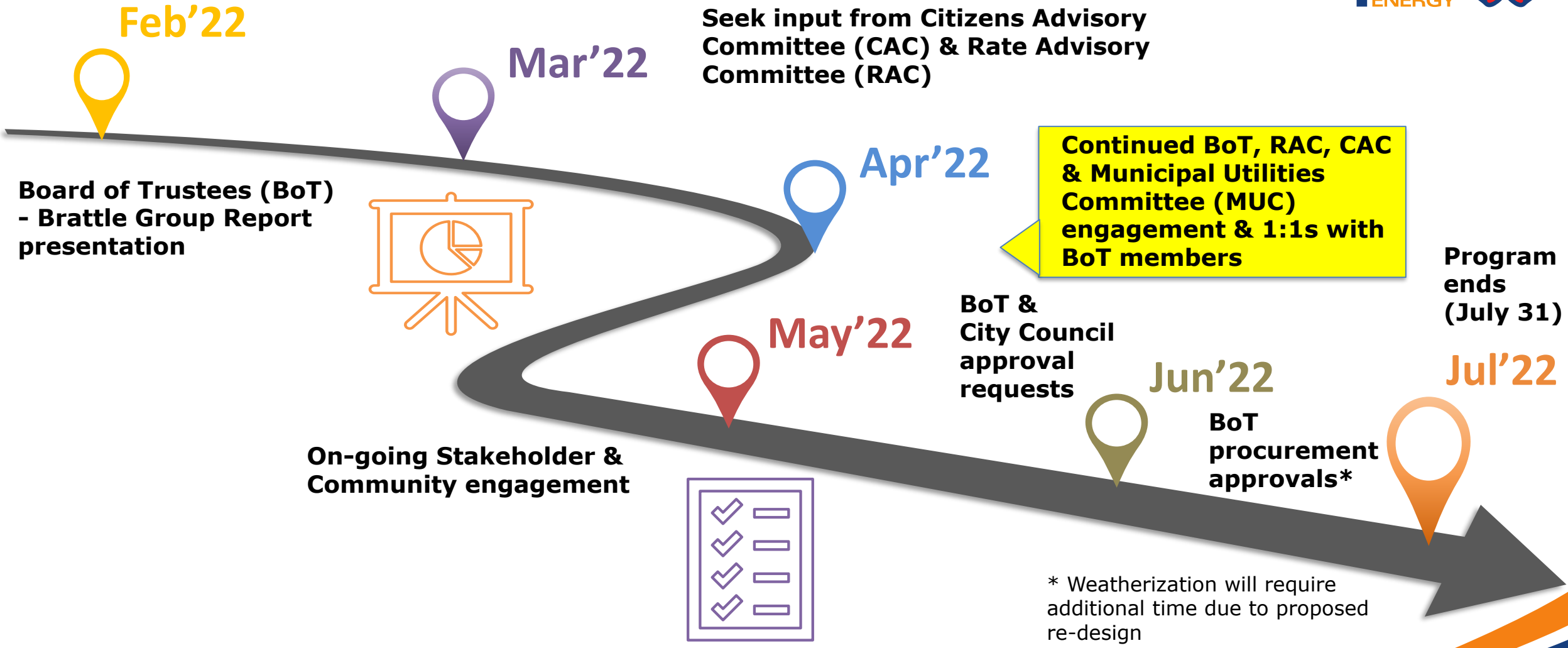
# AGENDA



- **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**

Address Equity



**Reduce emissions & align w/ CAAP**

Emissions Reduction



**Reduce need for new generation & enhance resiliency**

Demand Management



**Help customers save energy & money**

Bill Savings



**Focus on new strategic directions**

Innovation



**Smaller or no program**

Rate Relief

**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.**

<b>Avg. Monthly Bill Impact*</b>	<b>\$2.50</b>	<b>\$3.51</b>
<b>Annual Customer Bill Impact</b>	<b>\$30.06</b>	<b>\$42.10</b>

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

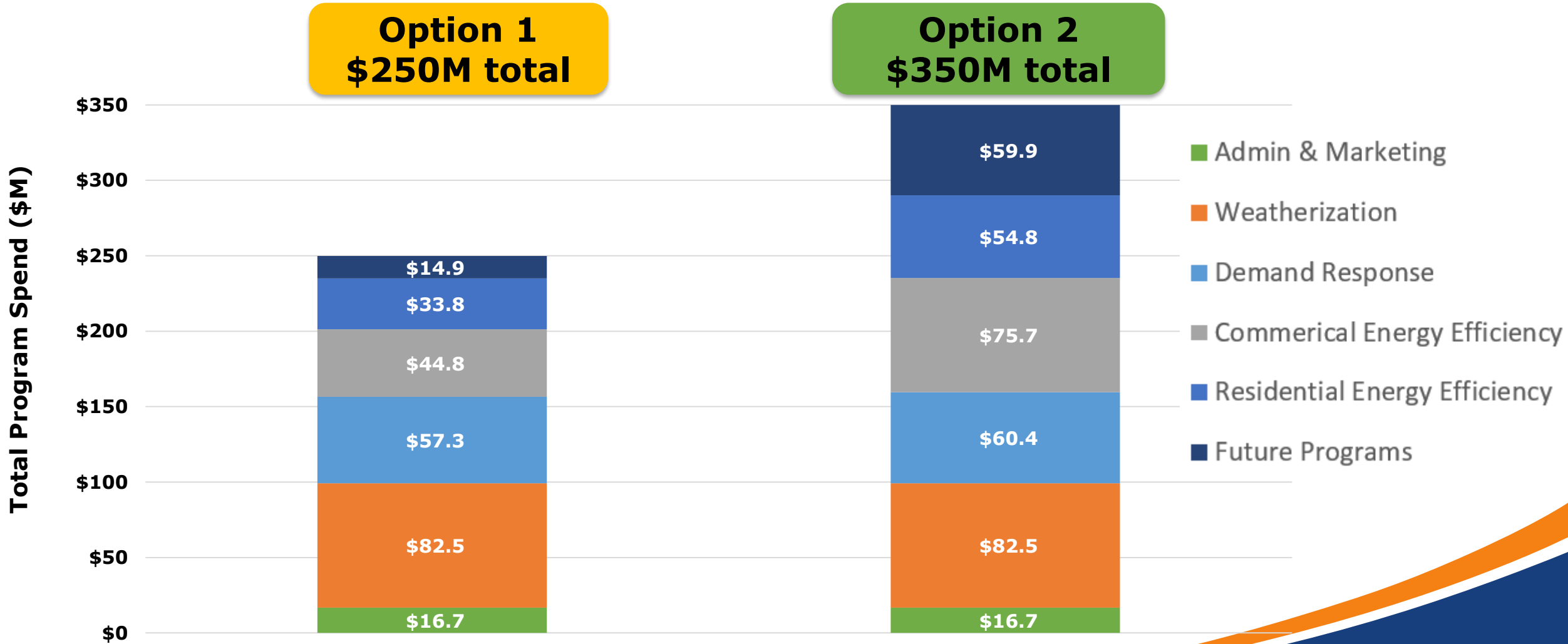
Potential New Programs

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

# ESTIMATED BUDGETS



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





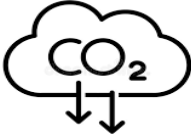


All figures based on a 5 year program.



# PROGRAM OUTCOMES

## BENEFITS SUMMARY



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

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