



ENERGY CONSERVATION

PRESENTED BY:

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April 20, 2023

Informational Update

AGENDA



- **OUR APPROACH TO CONSERVATION**
- **VALUE OF BALANCED PORTFOLIO**
- **COMMITMENT TO EQUITY**
- **NEW EQUITY-FOCUSED PROGRAMS**

Our focus today is on conservation programs available for our limited-income customers.

OUR APPROACH TO CONSERVATION

SUSTAINABLE TOMORROW ENERGY PLAN (STEP)



STEP aims to reduce our community's demand for energy by 410 megawatts (MW) over 5 years with equitable programs designed to help customers save energy and money.

Short term benefits:

- Lowers customers' energy usage and their monthly bill
- Program incentives reduce upfront costs for customers
- Reduces overall system fuel costs & creates savings for all customers

Long term benefits:

- Delays the need for additional generation capacity in the future
- Alleviates corresponding rate increases to support the cost of the new generation
- Provides environmental benefits from reduced emissions

The cost of energy saved through STEP is half as much as to buy and produce the electricity.

APPROVED STEP PROGRAM



Our 5-year Sustainable Tomorrow Energy Plan (STEP) program took effect on 8/1/22



Goals

Metrics

- **410 MW** of incremental demand reduction
- **1.00%** of energy savings per year
- **16,000** homes & **20,000** multifamily units weatherized
- **\$665M** in lifetime avoided fuel & capacity costs
- **1.85M** tons of avoided carbon

Approved Budget & Timeline

**5 years & \$350 million total
(Check-in at year 3)**

PORTFOLIO OF STEP PROGRAMS



NEW Equity-focused programs

- ✓ Free Home Energy Assessments
- ✓ Free HVAC Tune-ups
- ✓ Discounted Retail Program
- Expanded Weatherization
- Free Multi-family Weatherization

Demand Response (DR)

- Commercial & Industrial DR
- Automated DR
- Smart Thermostat
- WiFi Thermostat Rewards
- Power Players

Electric Vehicles

- Smart Rewards
- Off-Peak Rewards

Residential Energy Efficiency

- HVAC Rebates
- Home Efficiency
- New Home Construction
- Schools 2 Home
- Cool Roof



CLEAResult



Commercial Energy Efficiency

- Commercial & Industrial Solutions
- Schools & Institutions
- Small Business Solutions
- High Efficiency Tune-Ups
- Direct Lighting Program



Honeywell



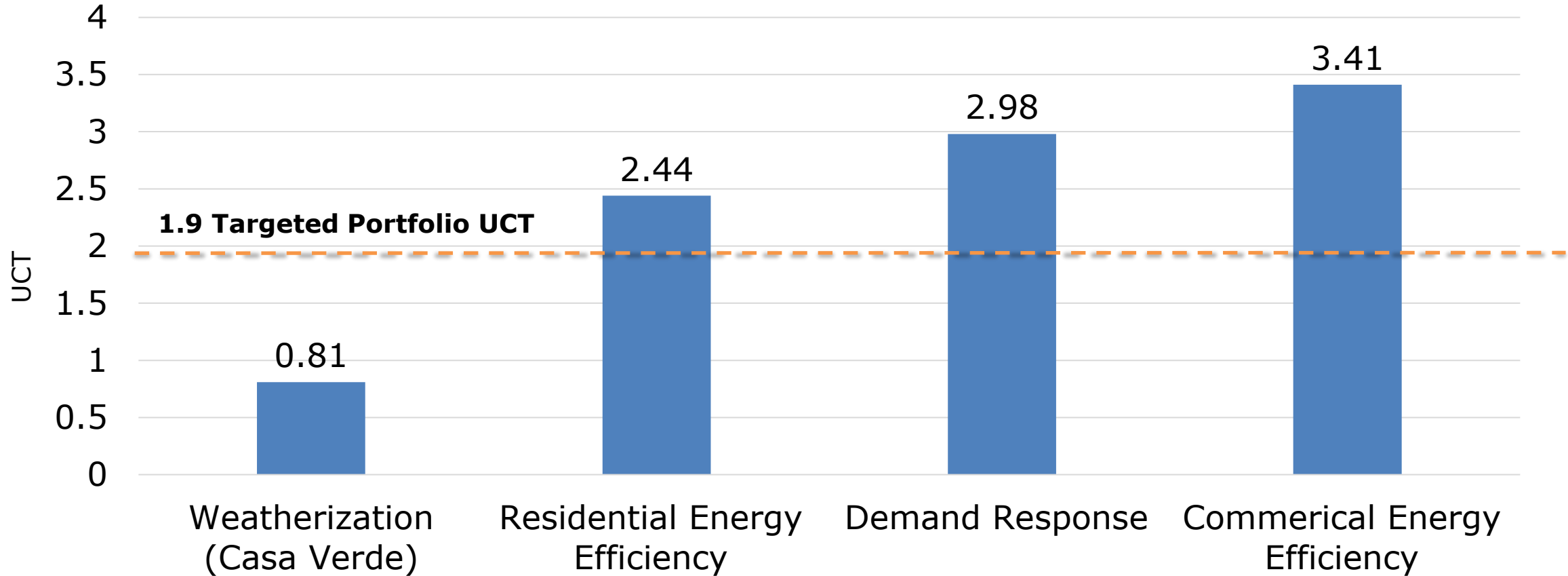
Solar

- Community Solar
- SolarHostSA



VALUE OF A BALANCED PORTFOLIO

COST EFFECTIVENESS COMPARISON



Weatherization alone is not cost effective, but blended with a variety of cost effective programs ensures STEP is a value for all.

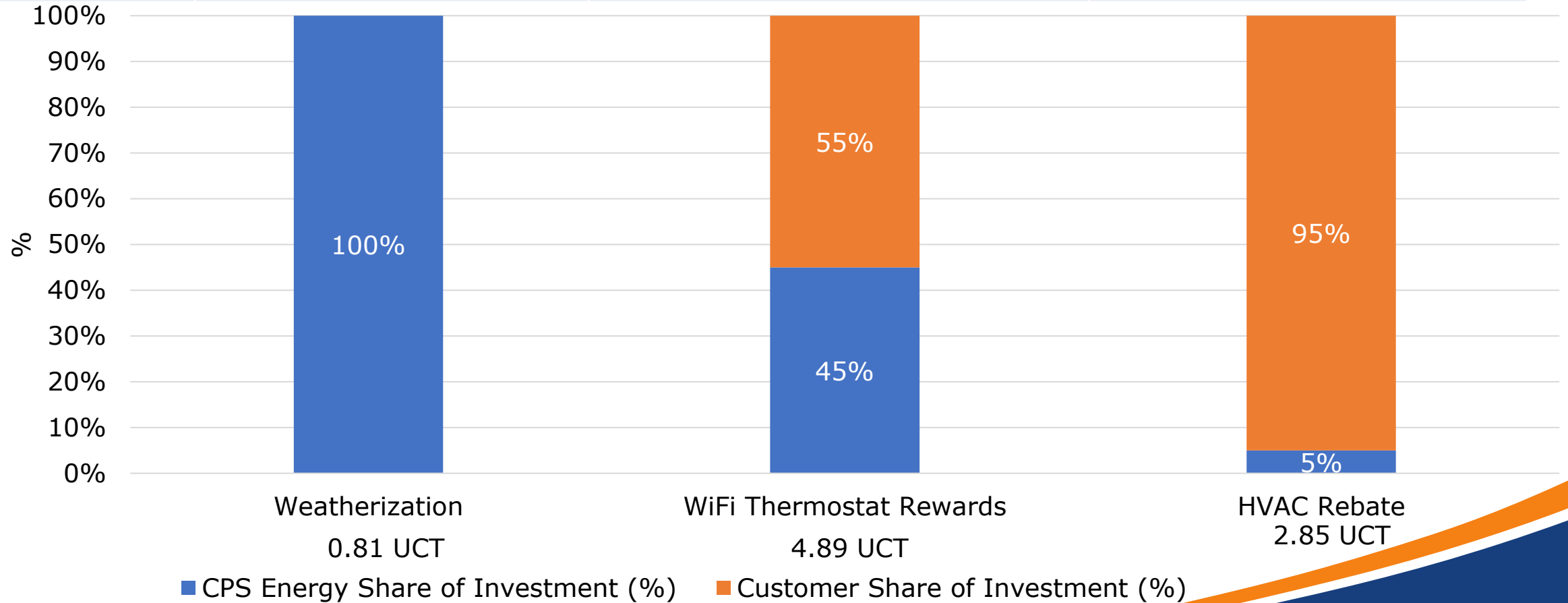
Note: The Utility Cost Test (UCT) measures the benefits from STEP programs in relation to their cost.

VALUE OF A BALANCED PORTFOLIO

PROGRAM INVESTMENT & SAVINGS



Program	Weatherization	WiFi Thermostat Rewards	HVAC Rebates
kWh Savings	4,267	1,274	2,265
Avg. Incentive	\$5,000	\$115	\$530



WEATHERIZATION ENHANCEMENTS



TARGETING RESOURCES TO MOST IN NEED

Targeted Outreach: Leverage data analytics to enrich our outreach & identify target customers.

Home Repair Fund: Funding source to assist with minor repairs (~\$500-\$1,000) for homes disqualified due to structural issues.

Community Ambassador: A new role to build relationships in community & develop partnerships for outreach & fundraising.

Minor Home Repairs:

- Small Roof Leaks
- Plumbing Repairs
- Electrical Repairs
- Carpentry Repairs
- Gas Stove (CO) cleaning/replacement

August 2022 – March 2023

Homes Weatherized	1,120
Avg. Annual Savings	~ \$517*

These program enhancements will increase the impact & reach of the Weatherization program.

* Subject to third-party validation. Savings estimate calculation is total annual kWh savings / participant count * \$0.12

EXPANDED COMMITMENT TO EQUITY

INCREASED FUNDING & CUSTOMER REACH



Expanded eligibility:

- Energy burden \geq 10% of annual household income
- Multifamily properties that are 25% occupied by tenants who receive some type of low-income assistance or a property that is owned and operated by a 501(c)3
- Pre-qualify customers that receive other types of low-income assistance

Leverage external funding:

- Partnerships with local organizations for qualification & outreach
- Minor Home Repair Fund
- Inflation Reduction Act (IRA)
- Grants

Data-driven outreach:

- Utilize data to identify customers with the greatest need

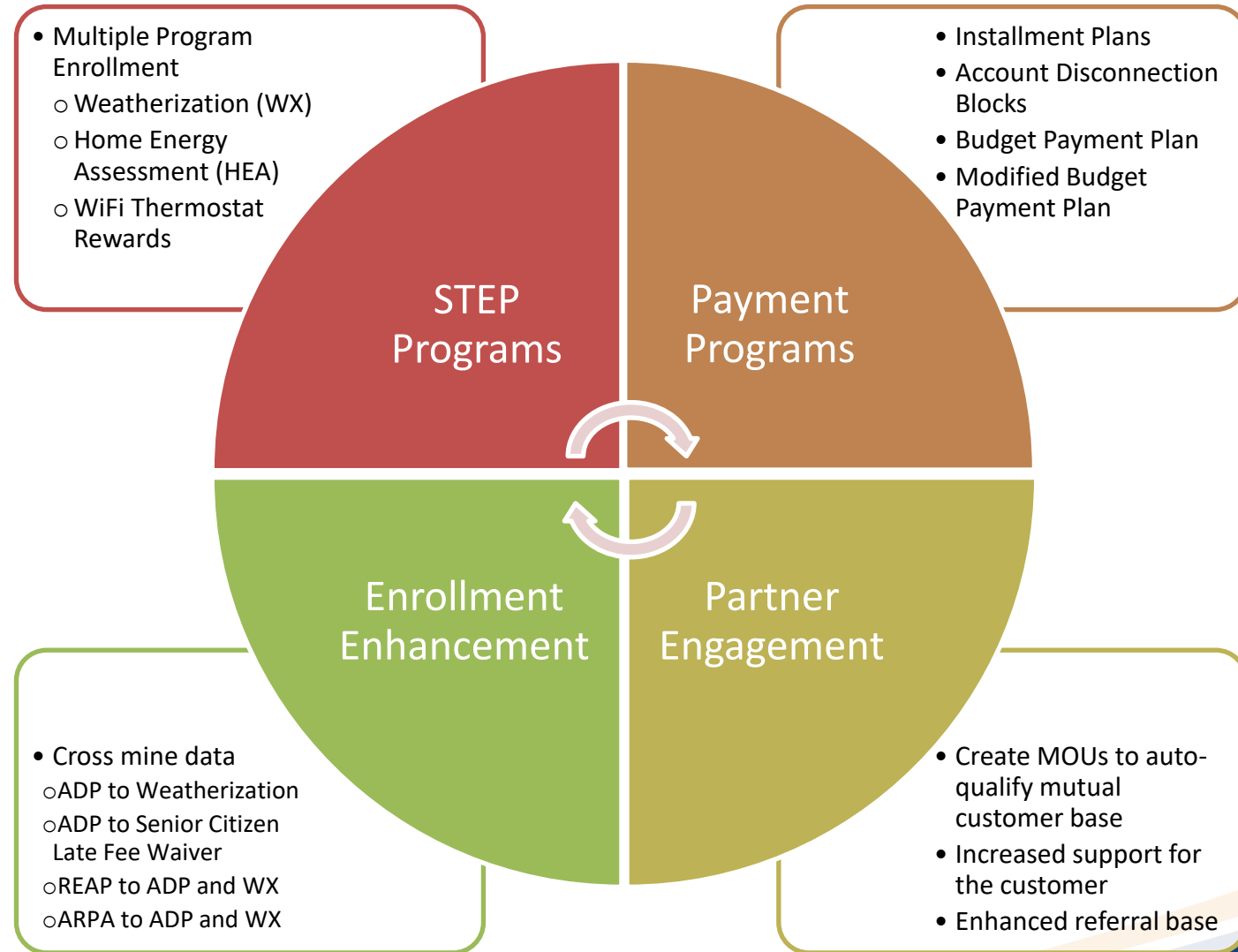
We have increased our funding to 28% of the overall STEP budget to support limited income customers.

HIGH ENERGY BURDEN OPTIONS



While we continue to leverage our existing programs, we are also focused on enhancing our approach to be more equitable for those with the highest energy burden and support customers with an energy burden lens through:

- Targeted Outreach
- Case Management
- Partnerships
- Program Enhancements



COMMUNITY ENGAGEMENT

TARGETED OUTREACH



We have an entire team dedicated to community outreach and work to bring our services to customers directly in their neighborhoods throughout the community.

We regularly connect with customers at:

- CPS Energy Community Fairs
- HOA/NA meetings
- Partner Engagement Events
- Council District Satellite offices



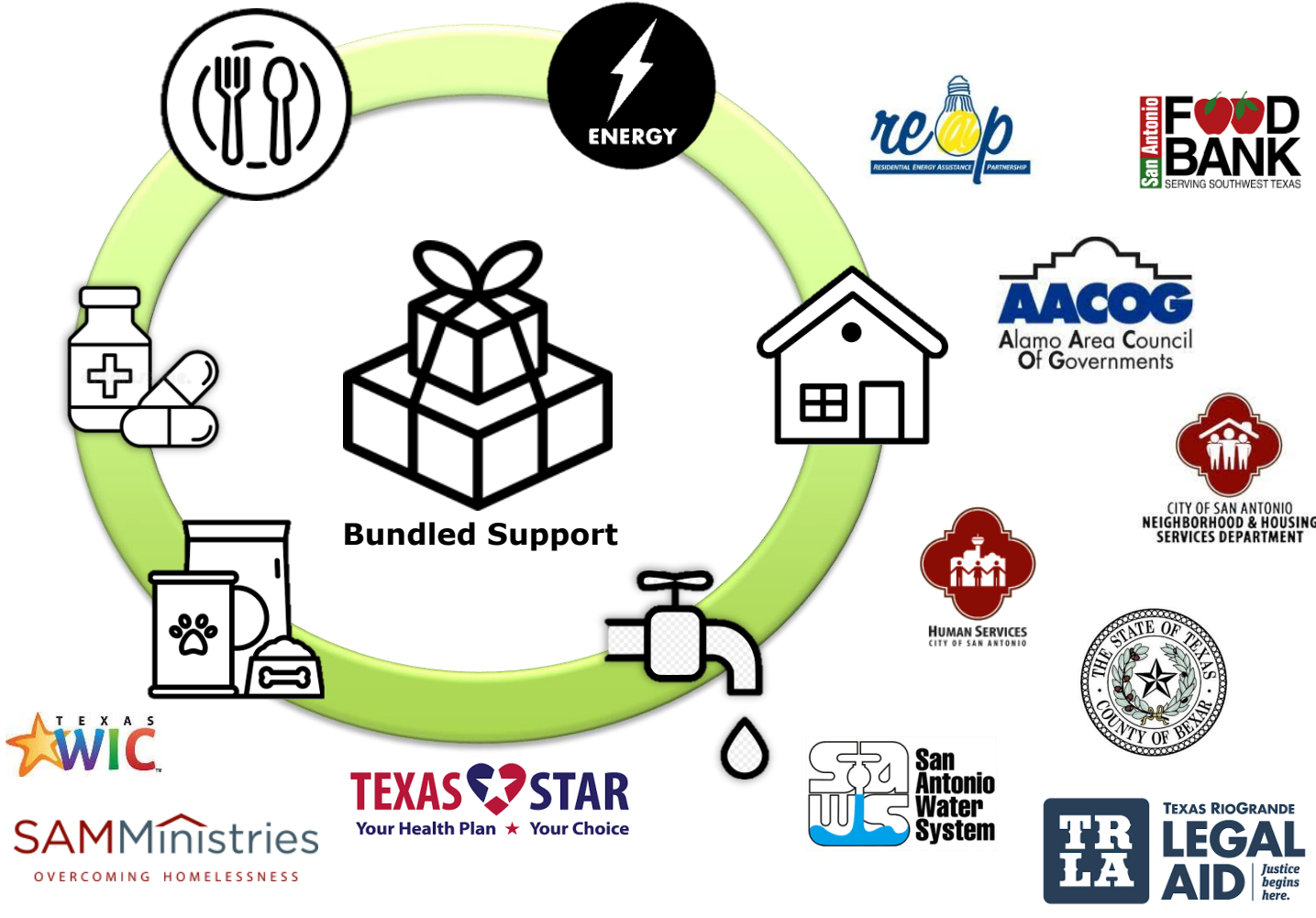
August 2022 – March 2023	
Number of events held	630
Customers served	41,000

CPS Energy events are held throughout the community, targeting zip codes with large disconnection levels, and highest energy burden by census tract.

BUNDLED CUSTOMER CARE



With over 100 agency partners, we take a holistic approach to bring support to the needs of those with the highest energy burden in our community directly in their neighborhoods.



In partnership with Bexar County Economic and Community Development, this March we hosted >650 customers and assisted with intake of >540 applications. To date, Bexar County has pledged nearly \$1M from this single event.

NEW EQUITY-FOCUSED PROGRAMS

HOME ENERGY ASSESSMENTS



No Cost Program

- An expert evaluation of the home's energy use by a trained energy specialist, which includes:
 - Installation of free energy-saving products
 - Customized recommendations to improve the home's comfort and energy efficiency
 - Cross-promotion of additional CPS Energy programs
- Outreach
 - 200K+ emails, 50K+ direct mailers, community outreach events, door hangers, digital ads



August 2022 – March 2023	
Participant Count	677
Participant Avg. Annual Savings	~\$38*

* Subject to third-party validation. Estimated annual savings is total annual kWh saved/participant count * \$0.12

NEW EQUITY-FOCUSED PROGRAMS


HVAC TUNE-UPS



- No Cost Program**
 - Comprehensive assessment of HVAC system
 - Designed to achieve energy savings without replacing A/C unit
 - Helps boost A/C performance, while improving cooling output by up to 25%
 - Outreach
 - 53K+ direct mailers have been sent to customers in targeted low-to-moderate income (LMI) areas
 - community outreach events, door hangers, digital ads



August 2022 – March 2023	
Participant Count	1,479
Participant Avg. Annual Savings	~\$53*



Aquí está su oportunidad para ahorrar

Descubra si su hogar es elegible para un ajuste gratis de CPS Energy

Con un valor de hasta \$200, programe su ajuste gratis del aire acondicionado para ayudar a mejorar la eficiencia del hogar, reducir los costos de enfriamiento, prevenir reparaciones costosas y disfrutar de un hogar cómodo a través de todo el año.

Los beneficios de un ajuste del aire acondicionado:

- Reduce los costos de enfriamiento
- Previene reparaciones costosas
- Extiende la vida útil de su unidad de aire acondicionado
- Mejora la comodidad y el control de la humedad

¿Está listo/a para mantenerse fresco y ahorrar?

Programe su cita hoy

Comuníquese con nosotros en cpsenergy.com/actuneup o llame al 210-353-2SAV (2728) para comenzar.

* Subject to third-party validation. Estimated annual savings is total annual kWh saved/participant count * \$0.12

NEW EQUITY-FOCUSED PROGRAMS



RETAIL DISCOUNT PROGRAM

Low Cost Program

- Promotes LED replacement in underserved areas
 - Customers receive instant discount at register
 - Average discount is 60% off the price of LEDs
- Designed to meet our customers where they shop
 - Available at Dollar Tree, Goodwill, Habitat for Humanity ReStore, 99 Cents Only, Salvation Army, True Value & Walmart



August 2022 – March 2023

Participating Stores	50
Units Incentivized	381,608

We are in the process of expanding this program to include additional energy saving measures.

NEW EQUITY-FOCUSED PROGRAMS



NEW MULTIFAMILY OFFERING

This new program will serve multifamily tenants who have historically been underserved with opportunities to save.

Purpose:

Expand the benefits of weatherization to multi-family customers who cannot participate in our single-family weatherization program.

Eligible Properties:

- Multifamily properties with 4 or more units
- Owned and operated by a 501(c)3 or 25% occupied by tenants who receive low-income assistance



Multifamily stakeholder working session, 9/23/22

Program structure is being finalized, with anticipated launch in Fall 2023.

FOCUSED ON EQUITY

FOLLOWING THROUGH ON OUR COMMITMENT



All new program offerings have been equity-focused:

New Programs Launched

- ✓ Home Energy Assessments
- ✓ HVAC Tune-ups
- ✓ Retail Discount Program

Next 3- 6 months

- Reimagined Weatherization
- Multi-family Weatherization Pilot
- Community Solar

We are committed to reducing barriers to participation and will continue to develop programs that increase energy savings for our limited-income customers.



Thank You



LOWER BILLS FOR ALL CUSTOMERS



Reduced System Costs

- The STEP program has resulted in \$1.93 of benefits* for every \$1 invested by CPS Energy.
- Without STEP, customers would pay higher fuel, capacity & transmission costs.

Direct Customer Bill Savings

- Customers who participate in programs also benefit from rebates & lower energy use.



Janie Garcia's home is the 30,000th to be made more energy efficient through the Casa Verde Program

STEP benefits all customers, both directly and/or indirectly.

AGENCY PARTNERS



With over 100 agency partners, we will continue to engage in our community to take a holistic approach to bring support to all of the needs of those with the highest energy burden in our community.

Bexar County



CoSA Neighborhood & Housing Services Dept



CoSA Dept Human Services



Other Partner Agencies



Additional Community Partner Agencies

AARC
 ALAMO HEIGHTS UNITED METHODIST CHURCH HOPE CENTER
 BEXAR MILITARY AND VETERANS SERVICES
 BULVERDE UNITED METHODIST CHURCH
 C2 GLOBAL PROFESSIONAL SERVICES, LLC
 CHRIST EPISCOPAL CHURCH
 CHRIST THE KING CHURCH
 COMMUNITIES IN SCHOOLS OF SAN ANTONIO
 COMMUNITY COUNCIL OF SOUTH CENTRAL TEXAS
 COMMUNITY COUNCIL OF SOUTH CENTRAL TEXAS, INC.
 CORNERSTONE CHURCH
 CPS ENERGY CUSTOMER SERVICE
 DAUGHTERS OF CHARITY SERVICES OF SAN ANTONIO
 FAMILY ENDEAVORS
 FAMILY SERVICE ASSOCIATION OF SAN ANTONIO, INC.
 HAVEN FOR HOPE -AFTERCARE PROGRAM
 HAVEN FOR HOPE -HOUSING

HOLY FAMILY CHURCH
 HOLY SPIRIT-ST VINCENT DE PAUL
 HOUSE OF NEIGHBORLY SERVICE HNS
 HPOG ALAMO COLLEGES
 JEWISH FAMILY SERVICE
 MACARTHUR PARK CHURCH OF CHRIST
 MARTINEZ STREET WOMENS CENTER
 METHODIST CHILDRENS HOME
 METHODIST HEALTHCARE MINISTRIES
 METHODIST HEALTHCARE MINISTRIES - CMCS
 MULTIPLE SCLEROSIS FOUNDATION
 NATIONAL MS SOCIETY
 OLG HELOTES
 OUR LADY OF GOOD COUNSEL-SVDP
 OUR LADY OF PERPETUAL HELP - SVDP
 OUR LADY OF THE ATONEMENT-SVDP
 OUR SAVIOR LUTHERAN CHURCH

PROJECT QUEST, INC.
 RANDOLPH AREA CHRISTIAN ASSISTANCE PROGRAM RACAP
 REAP FIRST RESPONDERS BURN PROGRAM
 SA HOPE CENTER
 SAN ANTONIO AIDS FOUNDATION
 SOCIETY OF SAINT VINCENT DE PAUL CAP
 SOCIETY OF ST. VINCENT DE PAUL
 ST ANNS SOCIETY OF ST VINCENT DE PAUL CONFERENCE
 ST ANTHONY CLARETS PANTRY
 ST ANTHONY DE PADUA CATHOLIC CHURCH
 ST ELIZABETH ANN SETON CHURCH-ST VINCENT DE PAUL
 ST FRANCIS OF ASSISI CATHOLIC-ST VINCENT DE PAUL
 ST GREGORY THE GREAT-ST VINCENT DE PAUL
 ST JOSEPH HONEY CREEK CONF-SVDP
 ST LUKE ST VINCENT DE PAUL
 ST MARK EVANGELIST SVDP
 ST MARY MAGDALEN

ST MONICAS CHURCH-SVDP
 ST ROSE OF LIMA ST VINCENT DE PAUL SOCIETY
 ST VINCENT DE PAUL - ST BRIGID CATHOLIC CHURCH
 ST VINCENT DE PAUL OLPH
 ST VINCENT DE PAUL ST PIUS X
 ST. VINCENT DE PAUL - ST MONICA CONFERENCE
 ST. VINCENT DE PAUL SOCIETY, ST. JOHN NEUMANN
 ST. VINCENT DE PAUL ST. DOMINIC
 SVDP AT ST PETER PRINCE OF THE APOSTLES
 SVDP, SAMC CONFERENCE
 THE CHICKASAW NATION
 THE SALVATION ARMY
 THRIVE YOUTH CENTER
 TRANSPLANTS FOR CHILDREN
 TX DEPT OF FAMILY AND PROTECTIVE SERVICES- APS
 UNIVERSITY BAPTIST CHURCH
 UNIVERSITY TRANSPLANT CENTER

ENERGY BURDEN



DEFINITION

- The American Council for an Energy-Efficient Economy (ACEEE) has established thresholds for energy burden:
 - **High energy burdened customers** are those households that spend **6% or more** of total income on electricity & gas costs
 - **Severe energy burden customers** spend **10% or more** of total household income on electricity & gas costs

CALCULATION

- The annual energy burden is calculated by dividing the total energy bill (electric and gas) by the total household income.

$$\text{Annual Energy Burden} = \frac{\text{Annual Electric} + \text{Annual Gas Costs}}{\text{Annual Household Income}}$$