



STEP BRIDGE

PRESENTED BY:

Rick Luna

Interim Director, Technology & Product Innovation

January 14, 2020

Approval Requested

OBJECTIVES & TAKEAWAYS



- **RECOMMEND CONTINUING THE STEP PROGRAM**
- **REQUEST BOARD AUTHORIZATION FOR A ONE YEAR BRIDGE PROGRAM**

AGENDA



- **STEP ACHIEVEMENT**
- **VISION OF STEP**
- **OUR PATH FORWARD**
- **INFORMING THE PROCESS**
- **COMMUNITY ENGAGEMENT**
- **REQUEST FOR APPROVAL**

STEP ACHIEVEMENT

SUCCESS FOR OUR COMMUNITY!!



We achieved our 771 MW STEP goal in August

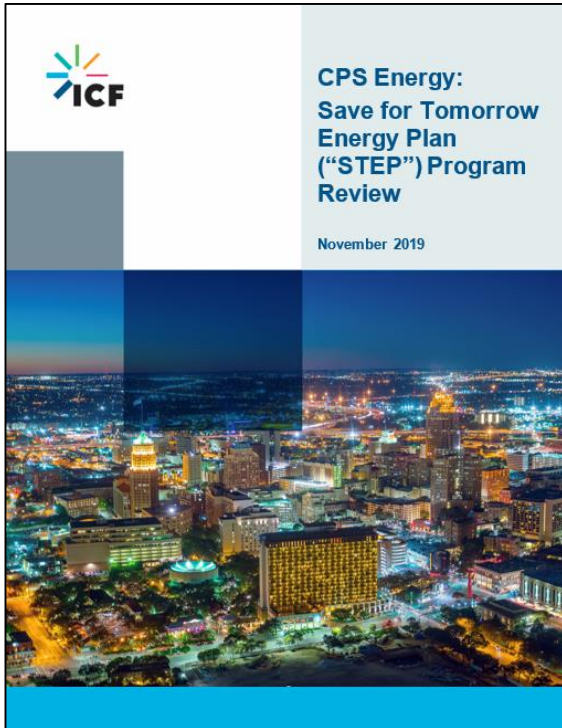


- ✓ *One year ahead of schedule*
- ✓ *More energy savings*
- ✓ *Under budget*
- ✓ *Higher ROI per dollar invested*

STEP ASSESSMENT



Engaged ICF, a third party, to conduct a formal program review of STEP.



Energy Savings

- Over the life of STEP, it has yielded 6,300,000 MWh of savings.
- In FY2019, STEP saved 1,400,000 MWh, enough to power 104,000 households



Economic Impact

- STEP resulted in an estimated annual 680 jobs and \$28 million in income from FY2009 to FY2019



Environmental Impacts

- Over the life of STEP, it reduced 3.3 million tons of CO₂ emission reduction, equivalent to carbon sequestered by 3.6 million acres of U.S. forest for one year

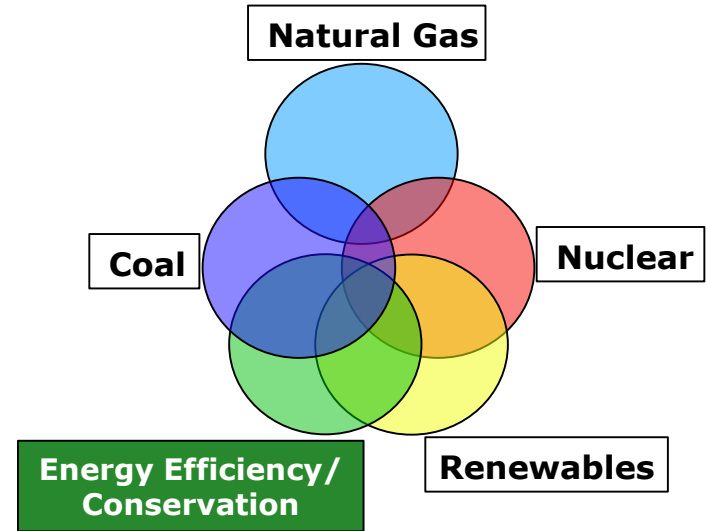
Source: ICF, STEP Program Review, November 2019

THE VISION OF STEP



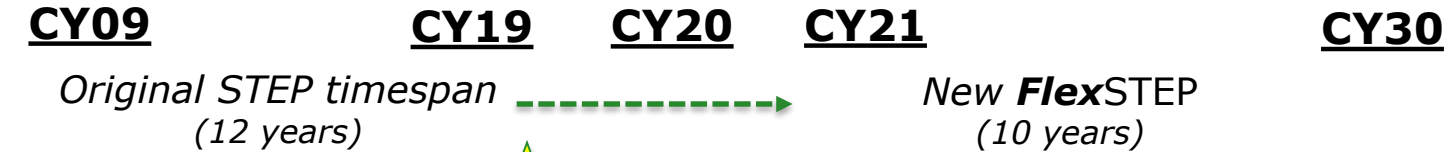
- Energy Efficiency & Conservation are the “Fifth Fuel” in our generation portfolio
- They bring additional diversity to our generation mix and allow us to optimize our capital investment

“The Fifth Fuel”



Energy Efficiency & Conservation are part of the *Flexible Path*; they are part of our past, present & future

OUR PATH FORWARD



	11 Yrs.	+	1 Yr.	+	10 Yrs.	=	22 Yrs.	Avg.
MW	825MW ⁽¹⁾	+	75MW	+	~600MW	=	~1500MW	68MW
\$Ms	\$719M ⁽¹⁾	+	\$70M	+	~\$700M	=	\$1.5B	\$68M

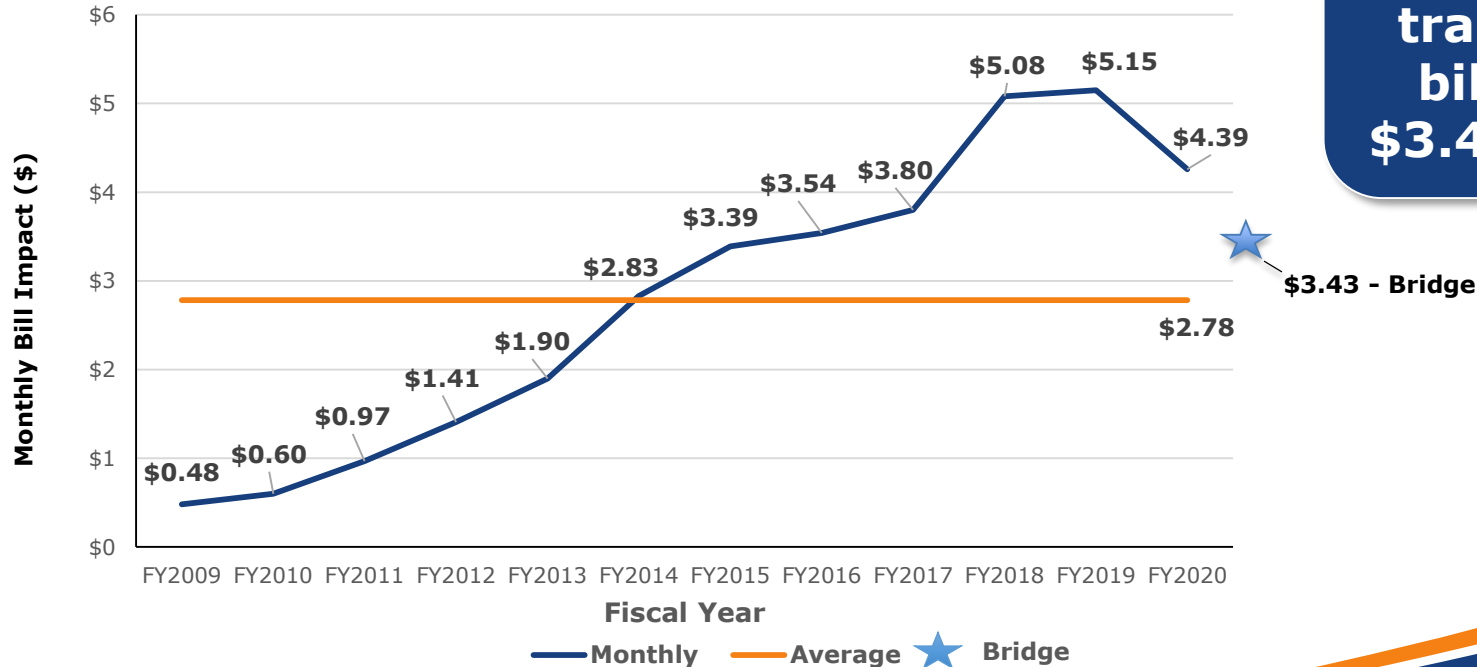
The STEP Bridge provides for continuity of customer programs as we transition into *FlexSTEP*

(1) Estimated through completion of program in January 2020.

RESIDENTIAL BILL IMPACT



Residential Bill Impact from STEP
Based on an average of 1,000 kWh/month



At \$70M, the Bridge program translates to a bill impact of \$3.43 per month

OUR GUIDING PILLARS & FOUNDATION



Reliability



Customer
Affordability



Security



Safety



Environmental
Responsibility



Resiliency



**FINANCIALLY
RESPONSIBLE**

All business decisions are based on our commitment to being one of the best-managed and most financially responsible utilities in the nation!

INFORMING THE PROCESS



STEP Assessment



Customer Feedback



Partner Engagements



Segment Research

We are actively pursuing community feedback to inform the design of the *FlexSTEP* program

PARTNER ENGAGEMENT



We've reached out to key stakeholders to gather feedback

Partner	Focus Area	Feedback
Build San Antonio Green	Home construction/solar	✓
Solar Executive Committee	Solar advisory group	✓
TCEQ	Regulatory	✓
Solar Stakeholders Group	Solar installer community	✓
Citizens Advisory Committee	Community	✓
AACOG Legislative Update	Government	✓
Helotes-NW SA Chambers of Commerce	Suburban cities	✓
Greater San Antonio Builders Association	Residential builders	✓
Environmental Stakeholders	Environment	✓
Real Estate Council of San Antonio	Real estate	✓



Solar Stakeholders meeting on 10/4/19

We'll continue to meet with partners and others over the next year to gather feedback on program design

COMMUNITY ENGAGEMENT



We're in the community every day talking to customers about ways to save energy:

- ✓ **People First** Community Fairs
- ✓ City Council District Meetings
- ✓ Homeowners Associations
- ✓ San Antonio Food Bank
- ✓ Bexar County Business Conference
- ✓ Mission Open Air Market



People First Community Fair



Mission Open Air Market

REQUEST FOR APPROVAL



To allow time for continued customer and stakeholder engagement process for the design of *FlexSTEP*, we are requesting Board of Trustee approval to:

- **Continue the STEP program;**
- **Move forward with a one year “Bridge” STEP program through January 31, 2021; and**
- **Add \$70 million to the program with a 75 MW demand reduction goal.**

With BoT approval, the next step is to request City Council approval



Thank You



Appendix



GLOSSARY/DEFINITIONS



Acronym or Word	Definition
AACOG	Alamo Area Council of Governments
Avg	Average
B	Billion
BoT	Board of Trustees
CO ₂	Carbon Dioxide
CY	Calendar Year
Fiscal Year (FY)	For CPS Energy, February 1 to January 31.
kWh	A unit of energy, equivalent to the energy transferred or expended in one hour by one kilowatt of power
M	Million
Megawatt (MW)	A measure of capacity to produce electric power. A megawatt equals 1,000 kilowatts
NW	Northwest
ROI	Return on Investment
TCEQ	Texas Commission on Environmental Quality