



City of San Antonio

Agenda Memorandum

Agenda Item Number: 4

Agenda Date: April 26, 2022

In Control: Municipal Utilities Committee Meeting

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott, Deputy Chief Financial Officer

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Energy Efficiency & Conservation Program

SUMMARY:

CPS Energy to provide an update on development of a new Energy Efficiency & Conservation Program. The briefing will include discussion of program goals and proposed budget, outcomes, and design options.

BACKGROUND INFORMATION:

CPS Energy has been offering customers energy efficiency and conservation programs under its Save for Tomorrow Energy Plan (STEP) since May 2009. The STEP program was designed to incentivize customers to be more efficient and thereby reduce energy demand by 771 MW, the equivalent of a large power plant.

The original STEP goal was achieved in 2019, a year earlier than the original goal of 2020 and \$130 million under the original budget of \$849 million. The STEP program was extended in 2020 to allow time for CPS Energy to design and propose a new program and again in 2021 due to delays created by COVID-19.

CPS Energy has conducted two studies to evaluate the performance of the STEP program. The first study, conducted by ICF Consultants, looked at the original program's performance and made recommendations for a future program. The ICF Consultants' reports found the original STEP program:

- Yielded over 6.3 TWh of electricity savings
- Provided \$1.93 of benefit for every \$1 invested by CPS Energy
- Resulted in an estimated annual 680 added jobs and \$28 million in income
- Reduced over 3,366,000 tons of CO2 emissions

The second study, conducted by the Brattle Group, took a clean slate look at energy conservation and benchmarked the STEP program with other utilities from across the nation. The Brattle Group report identified:

- Energy efficiency and conservation as an important customer-facing initiative for keeping pace with changing industry trends
- The original STEP program was cost-effective from the viewpoint of customers and the utility
- There are opportunities to enhance program offerings and outreach to more customers

ISSUE:

Briefing by CPS Energy on its current energy efficiency & conservation program, and proposed goals and design options for a new program.

RECOMMENDATION:

This item is for briefing purposes only