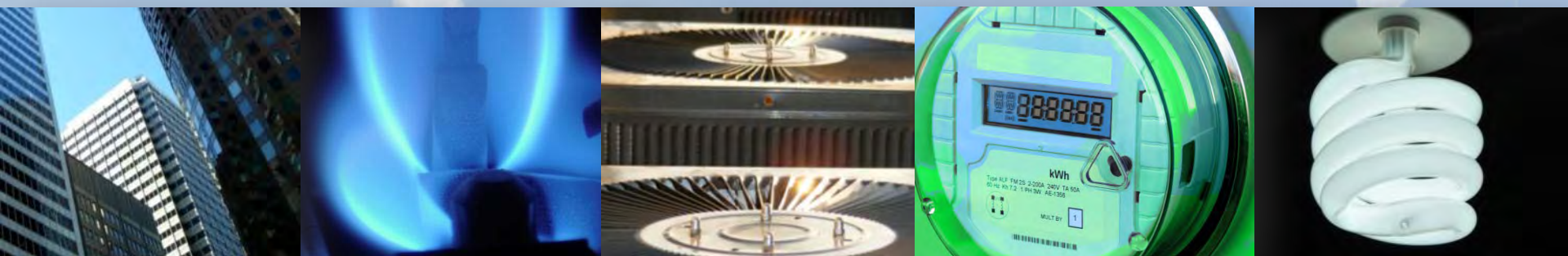


ENERGY EFFICIENCY BEST PRACTICES: OPTIONS FOR SUCCESS

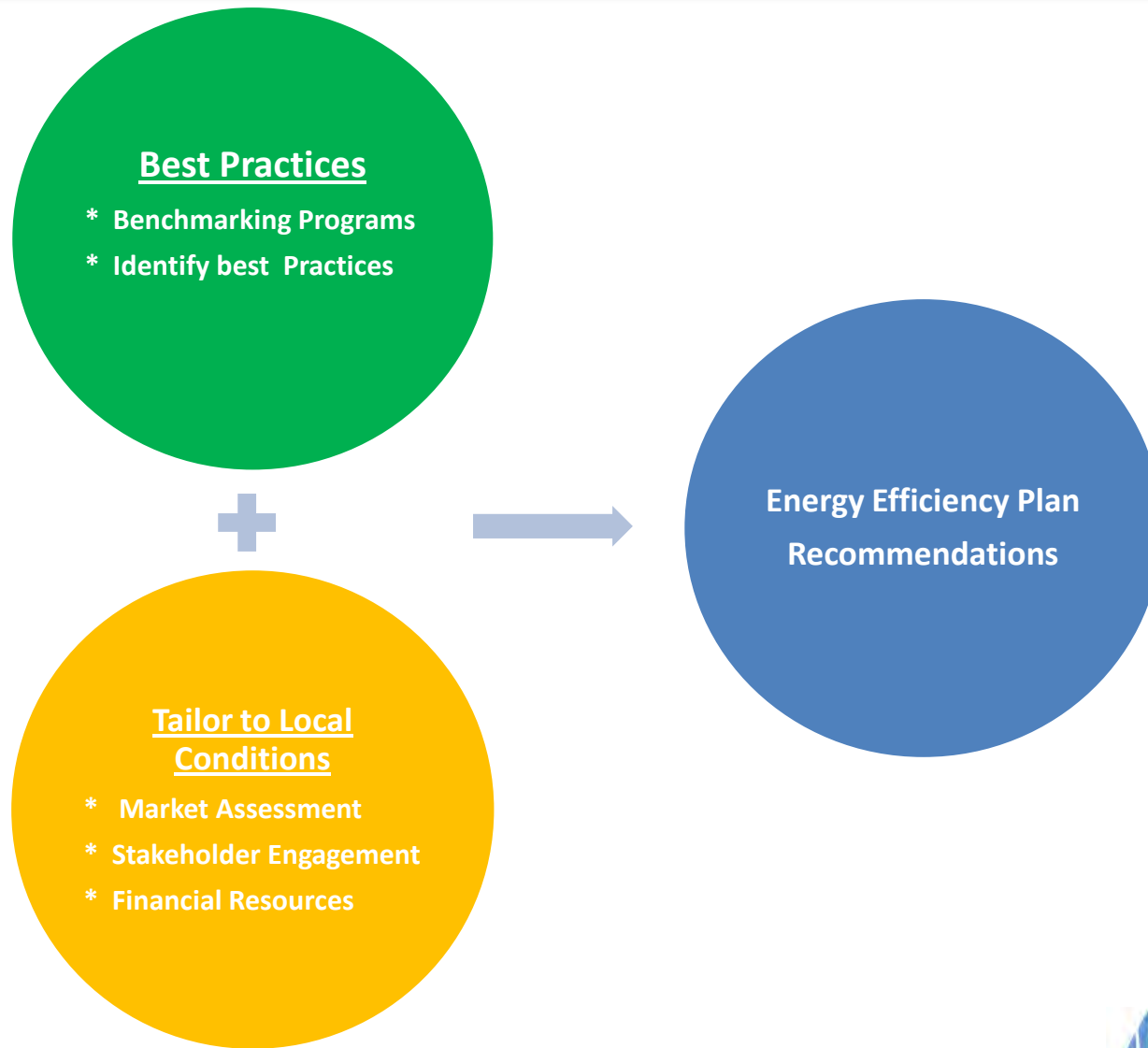
A Practical Guide for Implementing Successful Energy Efficiency
Programs in Municipal Electric Service Areas



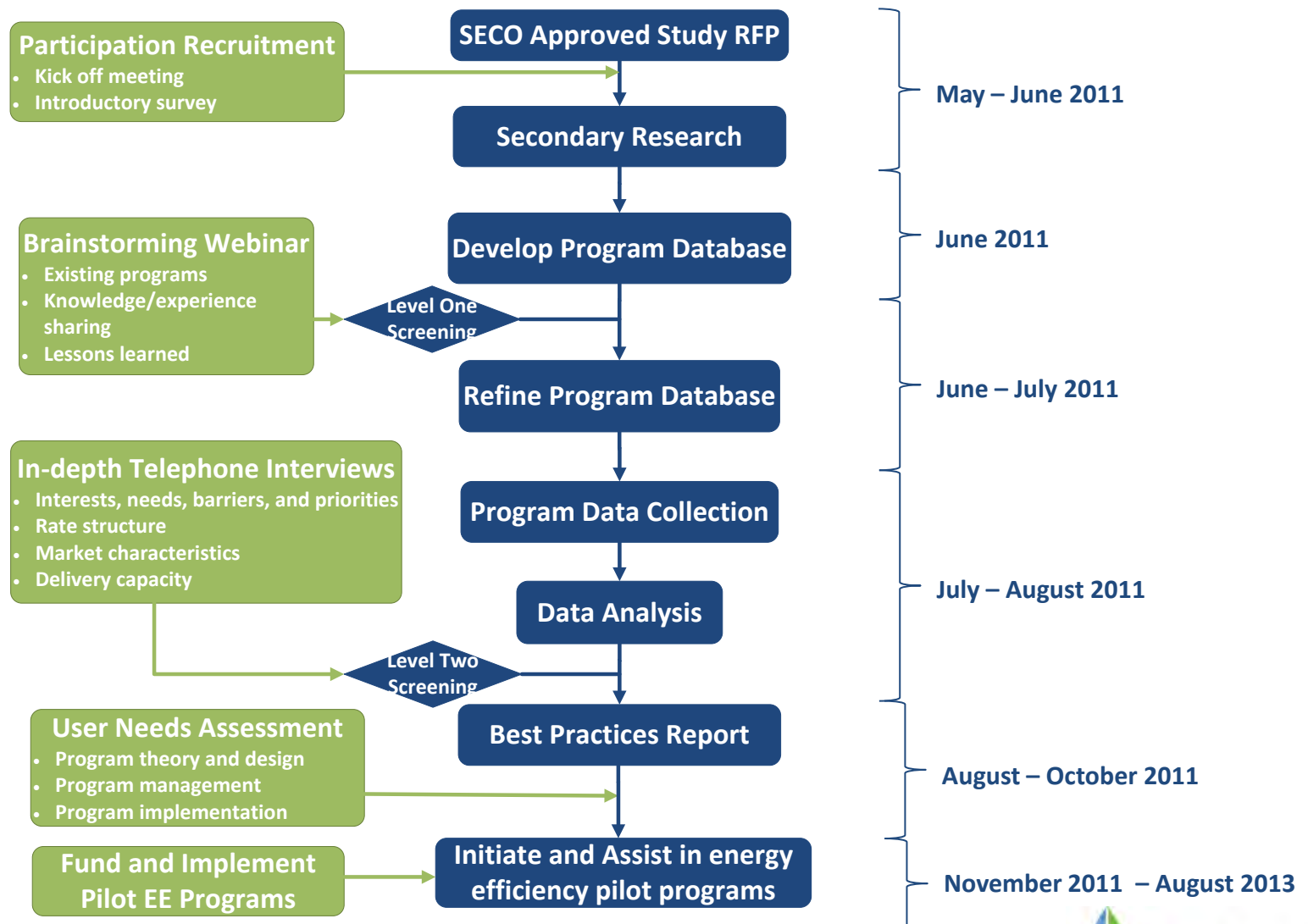
PROJECT INFORMATION – OBJECTIVES

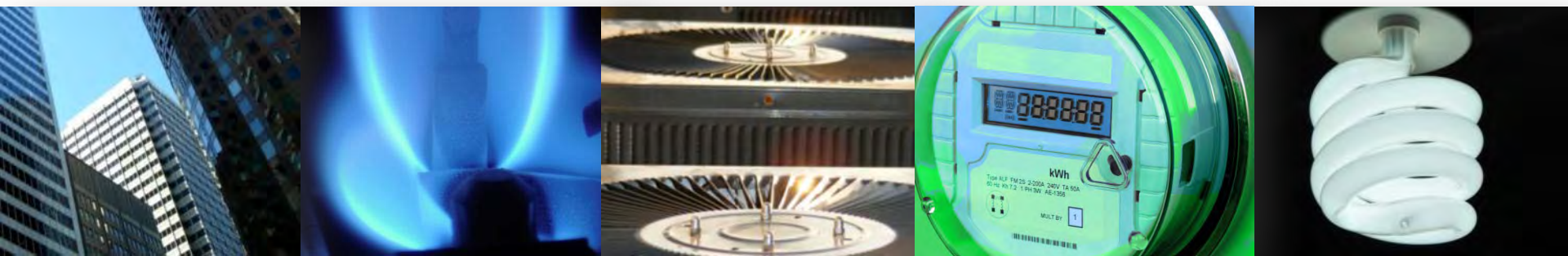
- ✧ Develop a Guide to Best Practices for Energy Efficiency in Locally Governed Electric Services Areas in the State
- ✧ Engage Texas MOUs to
 - ✧ Promote energy awareness
 - ✧ Expand or refine current energy efficiency programs
 - ✧ Implement new energy efficiency programs based on the recommendation of this guide.
 - ✧ Reduce 1% kWh consumption annually
- ✧ Assist Texas MOUs with energy efficiency pilot programs

PROJECT INFORMATION – 2 KEY TASK AREAS



BEST PRACTICES GUIDE DEVELOPMENT – PROCESS & TIMELINE

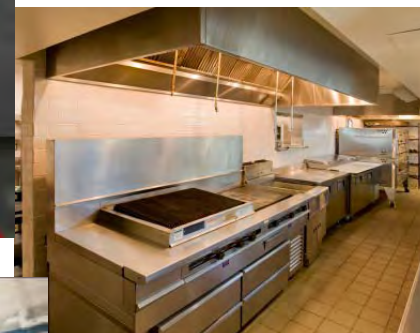




PROJECT STATUS

EE PROGRAM DATABASE

- ☞ Conducted Secondary Research
 - ☞ Nexant team program experience
 - ☞ Public filings
 - ☞ Research studies
- ☞ Established Energy Efficiency Program Database
 - ☞ 350 + programs
 - ☞ Organized by variety of categories
 - ☞ Market Sector
 - ✓ Commercial
 - ✓ Residential
 - ✓ Industrial
 - ☞ Program Types
 - ✓ Equipment rebates
 - ✓ Energy audit service
 - ✓ Demand response
 - ✓ Appliance recycling
 - ☞ Incentive Structure
 - ✓ Prescriptive rebates
 - ✓ Financing



COST EFFECTIVENESS ANALYSIS

Benefits

- Utility Avoided Costs
- Additional Resource Savings
- Incentive Payments
- Bill Savings

Costs

- Measure Purchasing Costs
- Measure Installation Costs
- Measure Maintenance Costs
- Program Admin Costs
- Incentive Payments
- Lost Revenues

**B/C
Ratio**

$$\text{Total Resource Cost (TRC)} = \frac{(\text{Utility Avoided Cost} + \text{Additional Resources Savings})}{(\text{Measure Costs} + \text{Program Admin Costs})}$$

$$\text{Ratepayer Impact Measure (RIM)} = \frac{(\text{Utility Avoided Cost})}{(\text{Incentive Payments} + \text{Program Admin Costs} + \text{Lost Revenues})}$$

BRAINSTORMING WEBINAR

- ☞ Date: June 28, 2011 (Tuesday)
- ☞ Attendees:
 - ☞ Morning session - 7 MOUs
 - ☞ Afternoon session - 8 MOUs
- ☞ Findings from Discussion Session:
 - ☞ Utility characters:
 - ✓ Customer pool ranges from 1,500 to over a 100,000
 - ✓ EE Programs were managed internally with help of 1-3 part time or full time staff
 - ✓ Some MOUs partner with Council of Government (COG) on weatherization and appliances exchange programs
 - ☞ Existing EE programs:
 - ✓ Residential - Weatherization; Appliances Exchange; CFL Give Away; Tree Planting; Thermostat Replacement; Water Heater Clock Installation
 - ✓ Commercial - HVAC Rebate; Commercial Lighting; Education Program for 6th Grade Schools

BRAINSTORMING WEBINAR (CONT'D)

🔄 Implementation barriers:

- ✓ Lack of information and experience on program design and implementation
- ✓ Lack of funding or budget
- ✓ Lack of utility man power
- ✓ Lack of marketing and customer outreach strategy
- ✓ Local community reception level varies
- ✓ Lack of savings quantification and cost effectiveness analysis

🔄 Future EE programs:

	Great Interest	Moderate Interest	Low Interest
Market Sector	▪ Residential ▪ Small Commercial	▪ Large Commercial ▪ Industrial	▪ Agricultural
Program Types	▪ Demand Response ▪ Weatherization ▪ Equipment Rebate	▪ Energy Audit ▪ Education	
Energy Efficiency Measures	▪ Smart Meter ▪ Lighting ▪ HVAC	▪ Renewable	

IN-DEPTH PHONE INTERVIEWS

Operational Structure

- Staffing
- Electric rate structure
- Own power generation

Local Market Conditions

- Interaction between utility and customers
- Energy efficiency potentials (market sector/technology)

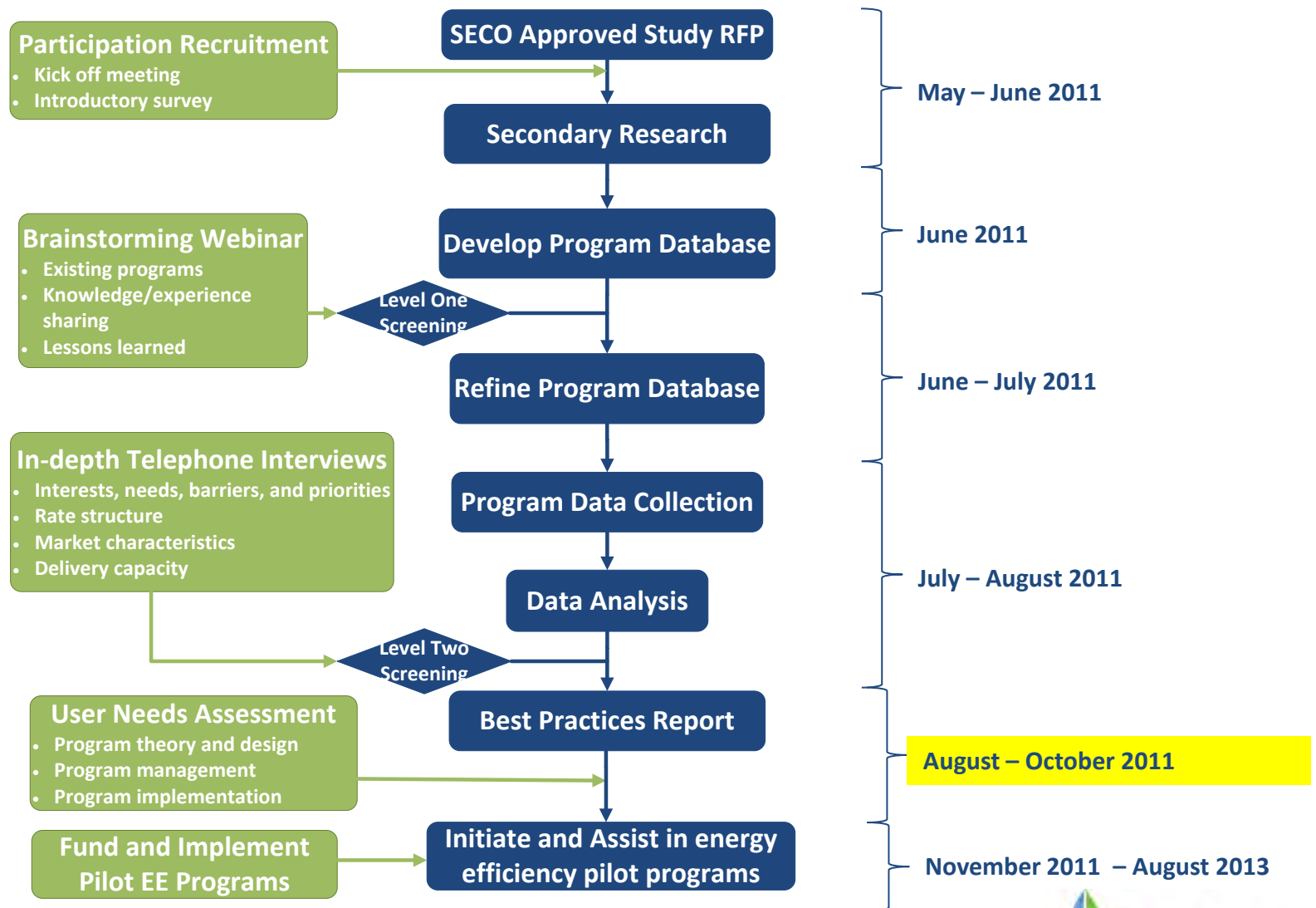
Local Delivery Capacity

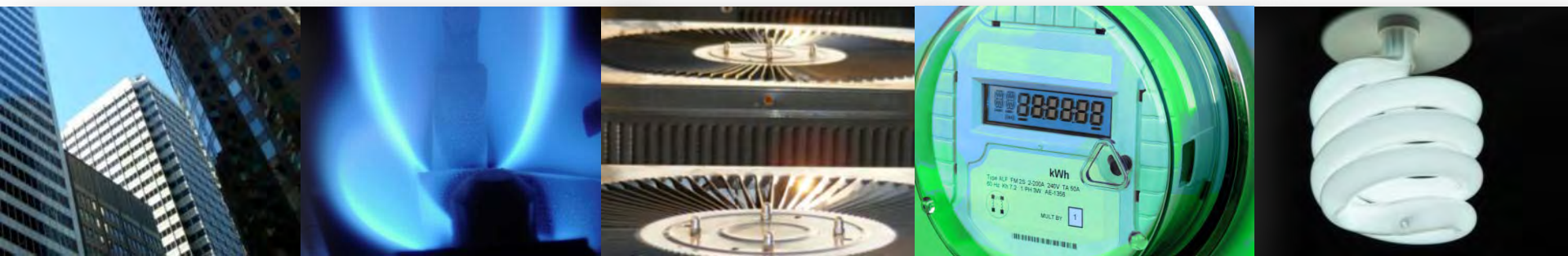
- In house or third party program administrator
- Implementation partnership with other entities
- Available funding sources
- Available services providers/trade allies

Program Offerings

- Current program offerings
- Future program offerings
 - Utility constraints
 - Implementation barriers
 - Consideration factors and priorities for decision makers to offer EE programs

BEST PRACTICES GUIDE DEVELOPMENT – PROCESS & TIMELINE





QUESTIONS ?