



MEETING AGENDA

Group/Meeting Name: Sierra Club Meeting on **FlexSTEPSM**
Date/Time/Location: January 28, 2021, 12:00pm – 1:00pm, WebEx

We appreciate the opportunity to continue our discussions with members of the Sierra Club regarding our **FlexSTEPSM** program and to receive additional input on shaping our Request for Proposal (RFP) that will be issued soon.

We remain committed to meeting with all our customers and stakeholders to obtain input and to ensure we are being responsive to all our customers' needs and desires. And we believe in and encourage having an open forum for courteous, constructive, and considerate discussion.

Please note: This meeting will be recorded and transcribed.

#	Topic	Lead Moderators
1.	Welcome & Opening Remarks	Kathy Garcia, CPS Energy Greg Harman, Sierra Club
2.	Review of Agenda	Kathy Garcia, CPS Energy
3.	Recap of Meeting held on January 13, 2021	Rick Luna, CPS Energy
4.	Review Input on Tried & True Programs	Rudy Garza, CPS Energy Drew Higgins, CPS Energy Rick Luna, CPS Energy
5.	Feedback & Additional Input from the Sierra Club	Cyrus Reed, Greg Harman
6.	<u>FLEXIBLE PATHSM Resource Plan</u>	Paula Gold-Williams, CPS Energy
7.	Feedback & Additional Input from the Sierra Club	Cyrus Reed, Greg Harman
8.	Additional Dialogue on FlexSTEP RFP & Next Steps	All



FLEXSTEPSM: RFP DISCUSSION & FEEDBACK SESSION

PRESENTED TO:

The Sierra Club

January 28, 2021

Informational

- **RECAP OUR DISCUSSION FROM JANUARY 13, 2021**
- **SEEK ADDITIONAL FEEDBACK ON OUR REQUEST FOR PROPOSALS (RFP) IN SUPPORT OF *FlexSTEP*SM.**

- **RECAP OF OUR PREVIOUS MEETINGS**
- **FEEDBACK RECEIVED TO DATE**
- **POTENTIAL PATH FORWARD**
- **ADDITIONAL FEEDBACK**

MEETINGS RECAP

DECEMBER 18 & JANUARY 13 SESSIONS



We appreciate your recommendations, as well as the constructive & helpful dialogue:

- **AREAS OF COMMON GROUND:**

- **Agreement on a Secondary Goal:** CPS Energy will better emphasize energy saved (kilowatt hours), in addition to our historical focus on saving energy capacity (kilowatts).
- **Acknowledge your feedback to date:** We appreciate you sharing your insights, perspectives and recommendations to help shape our forthcoming Request for Proposal (RFP) for the next iteration of our energy savings program.

- **DIFFERENCES PRIMARILY RELATE TO PROGRAM SCALE & COST:**

- CPS Energy must remain mindful that increasing the size of **FlexSTEP** would raise customers' bills & compete with other requests, like those related to coal.

MORE COLLABORATION IS DESIRED:

We believe there are many possible synergies in our efforts to improve *FlexSTEP* for the benefit of our community.



We're are closely evaluating the feedback and information you have provided to date.

Your Feedback	Our Perspective
Establish a 1.5% energy saving (kWh) per year target	<ul style="list-style-type: none">• We're in agreement with adding a secondary goal focused on energy (kWh)• Our proposal is for 1.0% per year, given that increasing the size of STEP beyond that level would raise customer bills & compete with other community requests
Measure reductions in Coincident Peak (CP) demand terms	<ul style="list-style-type: none">• We believe NCP is a broader measure that better aligns with how our customers use energy.• We have consistently tracked & reported CP values and will continue to do so for benchmarking purposes.



Your Feedback	Our Perspective
Develop a program to promote efficient use of natural gas through an expanded & integrated STEP program	<ul style="list-style-type: none">• We're open to creating a natural gas program• We see STEP continuing as an electric reduction program, but the two programs would be operationally aligned
Consider expanding Weatherization efforts, including a multi-family housing program & low cost, third party financing for air conditioners	<ul style="list-style-type: none">• We're in agreement and will include both program concepts in our upcoming RFP
Consider Austin Energy's local solar and storage RFP	<ul style="list-style-type: none">• Our FlexPOWER BundleSM RFP aligns closely with Austin's approach. We're committed to growing our local distributed solar & storage resources.



Your Feedback	Our Perspective
Request for the economic assumptions relied upon for showing large bill increases for owners/customers, and any information CPS Energy has on average customer bill savings from participation in various parts of the STEP program (residential and commercial).	<ul style="list-style-type: none">• Our Board is currently reviewing the economic assumptions document underlying our forecasts. We will follow their guidance on the information that can be released.
To gauge how the RFP is changing around our evolving conversation it would be helpful to review the existing draft language.	<ul style="list-style-type: none">• The RFP is a competitive solicitation, so its best that we not share the full document in advance.• However, we will ensure the final document reflects the agreements we come to relative to your feedback.

Release the Tried & True RFP

- We have some urgency to release the RFP to ensure continuity of programs
- Focused on proven, popular programs
- Recommend releasing in February to supports continuation of Weatherization & Energy Efficiency programs

Incorporate your feedback

- Add multi-family weatherization program with a third-party financing component
- Add energy savings (kWh) targets, in addition to capacity (kW)
- Look to the market for innovative solutions & maximize savings opportunities

FEEDBACK



Thank You

RFP OVERVIEW - RECAP



We're preparing two Requests for Proposal (RFPs) in support of *FlexSTEP*.

Coming
Soon

Tried & True RFP



- Focused on proven, popular programs
- Supports continuation of Weatherization & Energy Efficiency programs



Innovative & New



- Engage smaller, leading-edge technology providers
- **FlexPower Bundle** RFI identified opportunities related to battery storage, electric vehicles & solar



These RFPs will help us continue to deliver programs that are both innovative & highly cost effective.