



COST MANAGEMENT: SMART GRID SOFTWARE & SERVICES CONTRACT

INTRODUCTION BY:

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PRESENTED BY:

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Approval Request on Consent Agenda

GRID OPTIMIZATION

DEPLOYMENT COMPLETE



Big Success!

Smart Grid Network installed – More than 1 million meters upgraded



**Billing
remotely**



**Eliminating
estimations**



**Convenience
at your
fingertips**

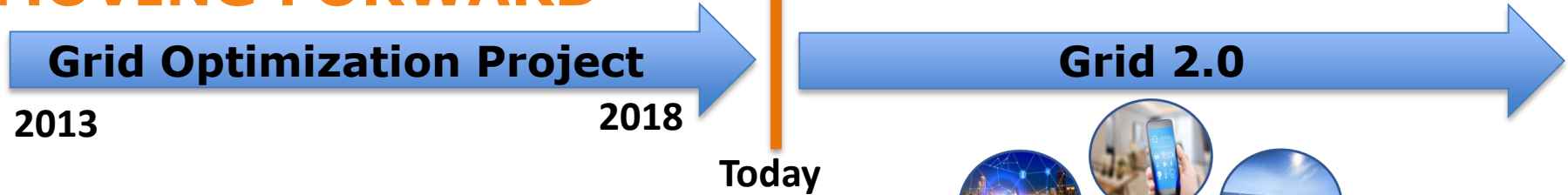


**Truck rolls
reduced**

**Project cost estimated to complete at 4%
below budget, resulting in ~ \$12M in savings**

GRID OPTIMIZATION

MOVING FORWARD



- Smart Grid network installed
- Over 1 million meters upgraded
- New software implemented
- Customer portal



Our network investment will be leveraged to support Flexible Path & Smart City initiatives

COST MANAGEMENT

SMART GRID DEPLOYMENT

Big Benefits!



- \$6.7M benefits savings already realized during deployment
- Identified \$8.7M sustained annual savings
- Delivering real economic value to our customers

Benefits			
Eliminating bill estimates	✓	Electric vehicles integration	✓
Automated move-in/move-outs	✓	Energy management solutions	✓
Decreased truck rolls	✓	Customer pricing alternatives	✓
Real time outage notification	✓	Rooftop solar integration	✓

Reduction in truck rolls lowered miles driven by more than 250K miles, equivalent to reduction of ~ 200 tons of CO₂!

COST MANAGEMENT



SMART GRID SOFTWARE & SERVICES CONTRACT

CONTRACT DETAILS:

Vendor: Itron

Term & PO Amount: 52-month, \$27M

Savings: \$4.8M

VALUE CREATION:

- Partnering with Itron to reduce overall cost to CPS Energy & Community
- Provides flexibility to continue to build & evaluate new technologies
- Itron Center Of Excellence- "test bed" for new technologies

Reduction in Spend (\$ in millions)	
FY 2019	\$0.3
FY 2020	1.2
FY 2021	1.1
FY 2022	1.1
FY 2023	1.1
<u>TOTAL</u>	<u>\$4.8</u>

Successfully negotiated a 15% discount over the term of new contract, resulting in an estimated new savings of \$4.8M



Thank You

GLOSSARY



Term	Definition
CO ₂ - Carbon Dioxide	Carbon dioxide emissions are produced when carbon-based fuels are burned. It is a greenhouse gas.