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VOLUME 1 OF 1

VIDEO TRANSCRIPTION OF:

CPS ENERGY ZOOM MEETING CONVERSATION

FlexSTEP Discussion

DISCLAIMER the transcription and translation of the contents of this VIDEO file recorded material are based upon the recording as heard on the particular electronic equipment used, the quality of the recording provided, the speaking speed, and the content of the conversation as understood by the reporter.

Furthermore, proper names were spelled phonetically.

1 director of products and services; and Rick Luna,
2 director of technology and product innovation.

3 I highlight them because our STEP and
4 FlexSTEP programs fall under their - Rudy's unit.

5 In terms of approach, we have some slides
6 that we've prepared and we are -- we are ready to move
7 quickly through them.

8 Yet, we also recognize that you may
9 prefer to get straight to the conversation.

10

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1 the November board meeting.

2 But I'll close there and let other folks
3 step in.

4 Thank you. It is good to be here.

5 CYRUS REED: Yeah and if I can just say
6 one thing by mean1Bep troductiocan juswhy Sierra Clubay

1 that's more than year to year.

2 So just to put that out there.

3 ADAM JACOBS: Sorry. Just a quick thank

4

1 highlight some of the things that I think you've
2 already pulled out of the report that I found to be,
3 you know, key findings.

4 So, to start, I would just say that, you
5

1 for the gas side of the business.

1 screen there?

2 KATHLEEN GARCIA: Uh-huh.

3 RICK LUNA: Great. Well, okay. If you'd
4 like I can maybe start with -- you brought up a couple
5 of points.

6 Perhaps we can start with the discussion
7 around the goal-setting question that you asked. We
8 have a slide relative to that. I'll jump right to
9 that.

10 You know -- we, again -- well, let me
11 just start by saying, we do want to say thank you so
12 much for the feedback that we received from you. It
13 was very detailed.

14 We spent a lot of time studying it. And
15 so we are very much -- are looking forward to today's
16 discussion 0 gdare y delve into the details of that.

17 We do want to say one thing, we -- you
18 "ESG"

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1
2

So I think that would be really good as

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1 that would be narrowly focused on the peak; that would
2 place a lot of emphasis on measures that are aligned
3 with, you know, summer afternoons.

4 So things like demand response and things
5 like air conditioning programs would -- would be
6 rewarded in a CP-type of focus.

7 But we know that we have lots of
8 customers where strip heating, where insulation, you
9

1 RICK LUNA: Sure.

2 ADAM JACOBS: So I fully agree with, you

3

1 when we are saying "energy" that is measured in
2 specific units, and noncoincident peak is not a measure
3 of energy. That is a measure of demand

4 RICK LUNA: That is right.

5 You know, uh, so the way we would think
6 about that is, you know, the goal that we set for the

1 So, if it is okay, I'll jump to the next
2 slide to try to highlight that point, unless there's
3 another question here.

1 would be away from these types of programs.

2 Weatherization is one that has a high.

1 And, again, for traditional energy
2 efficiency programs, I have not seen any example
3 anywhere elsewhere else where noncoincident peak is the

1 So, you know, there are technical
2 reference manuals abound throughout the US that
3 quantify hours of operations for various pieces of

1 comprehensive portfolio of measures that CPS delivers
2 right now.

3 RICK LUNA: Fair enough.

4 I will -- I will -- again, just two
5 comments on that.

6 One is, traditionally, natural gas
7 efficiency has not been a component of the STEP
8 program.

9 Not to say that -- we do have a gas
10 rebate program, but that's not encompassed in our STEP
11 and it is not part of the savings that we -- that we
12 report.

13 It was specifically focused on electric
14 demand savings, ut th- tisport.

1 you want to emphasize in your portfolio.

2

1 all of that is quantified.

2 And we can share a copy of that if y'all
3 don't already have it.

4 CYRUS REED: Yeah. I guess my thinking
5 is, rather than get in a he said/she said, CP versus
6 NCP, if there is a way to get -- I think what Sierra
7 Club cares more about than anything else is energy

8

1 but that would be the goal to work towards.

2 I don't know if that is something

3 you-guys can think about.

4 PAULA GOLD-WILLIAMS: Hey, Cyrus. This

5 is Paula.

6 I think, yes.

7 I think trying to set a secondary goal

8 can make sense. And, you know, we have the data in

9 there, but haven't cited.

10 We do have other goals all over the place

11 and other things that we measure.

12 But I think the request to set a

think, yes.

1
2

In other words, when we size it out, and

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1 coming through the fuel factor.

2

1 if you look there.

2 We ask customers, "How much are you
3 willing to pay per month to support efficiency and
4 conservation?"

5 And you will see kind of a sweet spot
63

And after that, the support really, you
3

3

3

And efficiency is.

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3

1 competitive rates.

2 So that helps frame up our thought
3 process about the future and what FlexSTEP could look
4 like and what we have done here is set up a table to
5 show you -- you know, again, you know, bill impact at
6 different funding levels.

7 So I'll just call out, you know, if we
8 were to double the STEP program, you know, we would get
9 \$7 a month.

10 If we were to triple the STEP investment,
11 it would be \$11.

12 So it really starts to grow quite a bit.

13 We did take a look at the goals that we
14 are setting in your reports.

15 We got lots of cost data. We got lots of
16 experience.

17

1

ADAM JACOBS: Yeah.

2

RICK LUNA: Would you like me to do

3

1 "Will you pay more for this or less for that?"

2 We know that the full cost of some of our
3 energy decisions are not reflected in the amount of
4 energy somebody uses in their home, but there's
5 external cost.

6 I think utilities -- a city owned utility
7 can -- you know, in a city, like, working through,
8 like, the CAAP.

9 So the CAAP develop did a really poor
10 job, I think, especially on the first draft and got a
11 nscmporta amblowback becabod it wasn're not re wogot a

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1 those dollars are being used most effectively.

2 So while I think coincident peak demand
3 is a great measure of a demand response program,
4 perhaps fine-tuning the energy efficiency part of the
5 portfolio to better reflect the metric that optimizes
6 that specific service, you know, eg-, espt-on withs

So(those arejuosttwo quick pcoits on.)Tj ET BT 6

poity.

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1 you just look at it as if -- as if everything is
2 additive.

3 So I think that's one thing that needs to
4 be factored in.

5 Example is Austin. Austin has probably
6

1 slide where you compare the different -- yeah, that

1 PAULA GOLD-WILLIAMS: So I appreciate all
2 of that. I know that we are close.

3 Hey, can I do one thing?

4 Can I -- can I extend to you-all --
5 again, Kathy started there another invis -nnd --

1 that we failed to think about the grandeur of the
2 program.
3

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1 really kind of a match the timing of FlexSTEP to the
2

1 about the benefit of weatherization.

2 It can move into a conversation with the
3 housing commission, or move into a conversation with
4 the work force in terms of getting community solar back
5 in trainings.

6 I really -- I've been disappointed that
7 wasn't something that was centered in the goals and the
8 agenda of the CAAP when recovery processes were worked
9 out with the mayor and city council.

10 I just think there is a tremendous amount
11

1 the ten-year duration, but the procurement will -- as
2 Rudy said.

3 So don't -- I don't want you then hear we
4 said ten years and not -- and then not and send
5



\$

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\$1.5 32:17

\$11 32:11 35:7 42:6

\$12 36:6

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\$8 32:19 42:7

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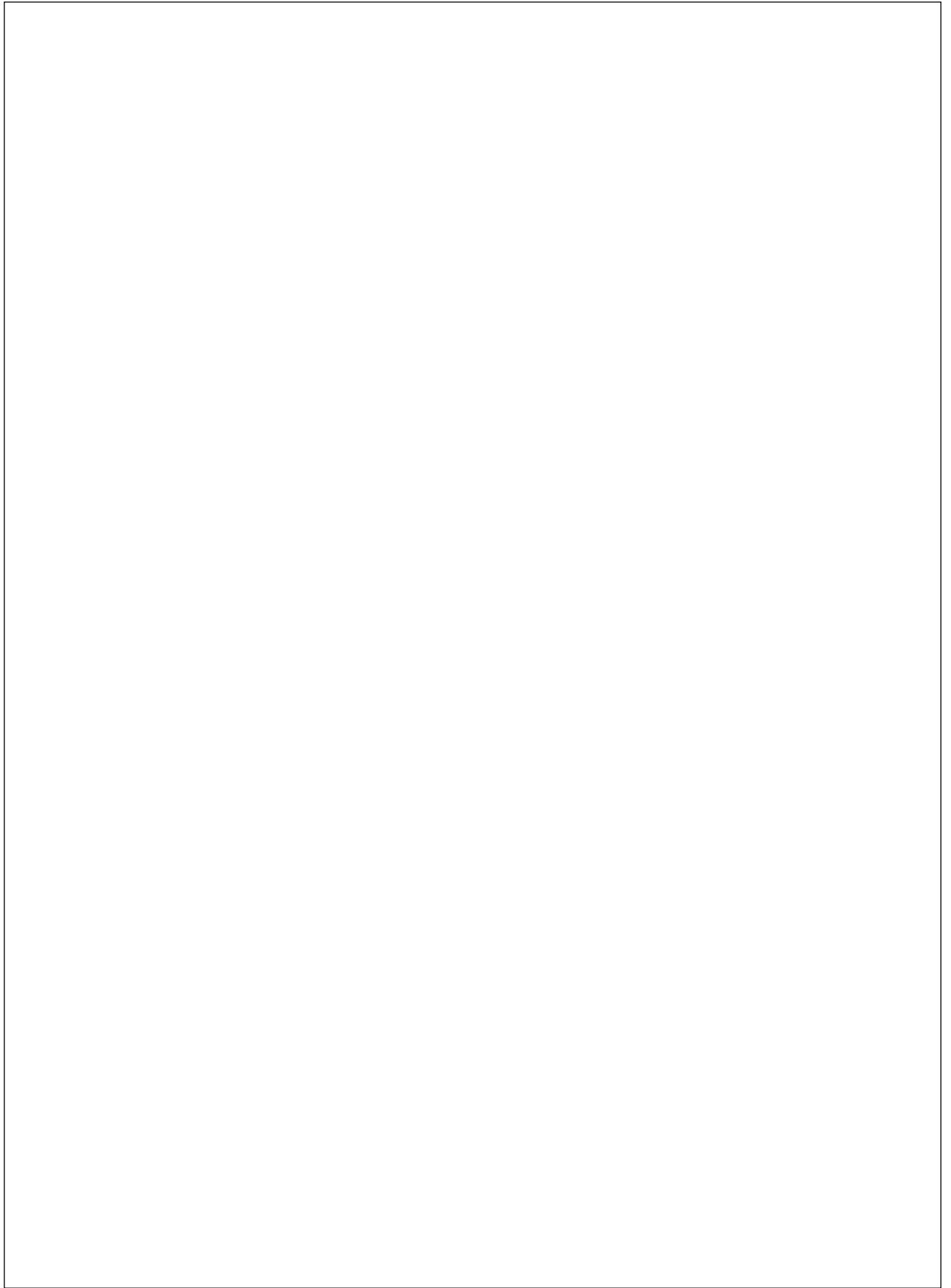
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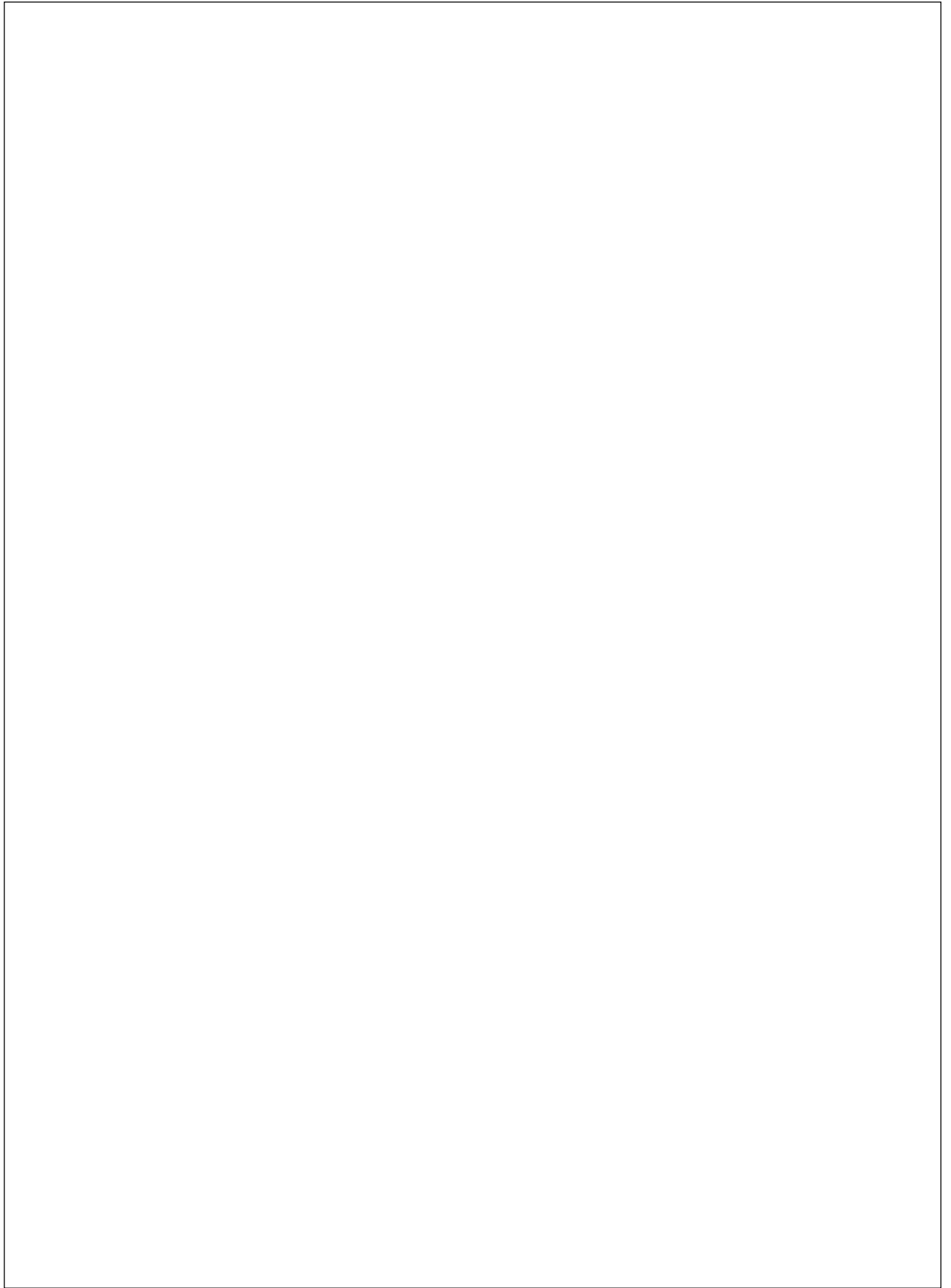


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