



***RAC WORKING GROUP #2
STEP/ STEP BRIDGE –
CURRENT STATE***

PRESENTED BY:

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Informational

OBJECTIVES & TAKEAWAYS



- **PROVIDE UPDATE ON CURRENT STATUS OF STEP/ STEP BRIDGE**

AGENDA



- **PROCUREMENT ITEMS REVIEW**
- **COMMENTS FROM CPS ENERGY BOARD**

TRIED & TRUE

PROGRAM COMPONENTS

Residential Energy Efficiency

- Residential HVAC & Home Efficiency
- New Home Construction
- Home Energy Assessments
- Energy Savings Through Schools
- Retail Channel Partnerships
- Cool Roof

Commercial Energy Efficiency

- Commercial & Industrial Solutions
- Schools & Institutions
- Small Business Solutions
- Whole Building Optimization

Weatherization/Casa Verde

Residential Demand Response

Commercial Demand Response & Solar Rebates



AUGUST PROCUREMENT ITEMS

PREVIEW



We sought and received approval on two procurement items.

Item 1

TRIED & TRUE:
Residential & Commercial Energy Efficiency

- Awarded contracts based on RFP to cover the remainder of **STEP Bridge**
- Included **FlexSTEPSM** renewal options, assuming the companies continue to perform

Item 2

TRIED & TRUE:
Weatherization

- Temporary extension to cover the remainder of **STEP Bridge**
- Allows time to support a creative new RFP process for our Weatherization program

COMMENTS FROM BOARD



The Board gave us requests/comments to consider including:

- Do a clean sheet, deep dive analysis to determine if the STEP program still makes sense
- Declare success (STEP goal was achieved, a power plant was avoided) and move on.
- Do an assessment of the program to include conservation, equitable investments, and safety.
- Audit vendors and contractors to see how they are performing
- Pivot the program to be more innovative, so programs are not stale
- Breakout the cost of STEP on customer bills. Looking for additional transparency as customers can't see how much they are paying for STEP.
- Eliminate or rescale the STEP program and use the savings to relieve financial stress from Winter Storm Uri.
- Illustrates everything in our fuel adjustment, breakout fuel cost from all sources including coal, nuclear, natural gas and renewables
- Define our next goal for STEP. What is it we are trying to achieve?
- Do a lessons learned and ROI analysis on the STEP program. Do we still need it, are we meeting the needs today?

We will be evaluating the entire STEP program and will bring you our analysis and recommendations.



Thank You

