

Energy Efficiency Program Overview



TXU
Electric Delivery

Michael Stockard
Manager, Energy Efficiency Programs
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Overview



| Program Year | Number of Customers Impacted | MW Goal | MW Saved | Program Budget (Millions) | Program Expenditures (Millions) |
|---------------------|-------------------------------------|----------------|-----------------|----------------------------------|--|
| 2002 | 27,722 | 39 | 39 | \$ 26 | \$ 22 |
| 2003 | 68,178 | 87 | 89 | \$ 55 | \$ 38 |
| 2004 | 72,165 | 101 | 126 | \$ 56 | \$ 60 |
| 2005 | - | 86 | - | \$ 51 | - |

TXU Electric Delivery collects \$43 million in rates per year for energy efficiency programs. Any unused funds are rolled into next program year.

Standard Offer Programs



- Program offers a fixed incentive payment for each MW and MWH saved in an energy efficiency project.
- Parties enter a “standard” contract.
- Contracts awarded on a “first come, first served basis.”
- Program participants are called Project Sponsors.
- A Project Sponsor cannot receive more than 20% of any program budget.
- Different from rebates as payments are based on performance.

Commercial & Industrial Standard Offer Program



- 2005 program budget of \$ 14.8 million is committed.
- Targets C&I customers with maximum demands that exceed 100 kW.
- Each project must reduce a minimum of 20 kW.
- Typical projects include chiller, lighting and compressed air retrofits.
- Over 80 project sponsors are participating.
- 2004 results – 1,594 participating customers and 22 MW saved.

Residential-Small Commercial Standard Offer Program



- 2005 program budget of \$9.7 million is committed.
- Targets residential and small commercial customers with maximum demands that are under 100 kW.
- Only retrofit projects are eligible. Typical measures are attic insulation, air sealing and air conditioning.
- Single family, multi-family and mobile homes.
- Over 70 Project Sponsors are participating.
- 2004 results – 29,893 participating customers and 20 MW saved.

Low Income Standard Offer Program



- 2005 program budget of \$12.3 million is committed.
- Targets residential customers with household incomes at or below 200% of federal poverty guidelines. These customers are considered “hard to reach.”
- Typical measures are attic insulation and air sealing.
- Existing single family, multi-family and new construction of affordable housing.
- Over 80 Project Sponsors participating.
- 2004 results – 17,565 participating customers and 11 MW saved.

Load Management Standard Offer Program



- 2005 program budget is \$664,000. Still funds remaining.
- Targets electric load control or shifting of electric loads in commercial and industrial customers facilities.
- Load control or shift must be provided for a minimum of 10 years.
- Electric load must be under control of Project Sponsor, ISO, or other transmission organization.
- Nine project sponsors are participating.
- 2004 results - 15 MW saved.

Market Transformation Programs



- Strategic efforts to make lasting changes in the market that result in increased adoption of energy efficient technologies, services, and practices.
- Programs are designed to overcome specific market barriers that prevent energy efficient technologies from being accepted.

Energy Star[®] Homes Market Transformation Program



- 2005 program budget – \$7.5 million
- Targets residential new construction.
- Homes must be 15% more efficient than State Energy Code.
- Provides education and technical assistance to builders and subcontractors. Builders are offered a package of incentives and advertising.
- Over 80 home builders are participating.
- 2004 results – 13,013 new homes and 28 MW saved.

A/C Distributor Program Market Transformation Program



- 2005 program budget - \$4.6 million
- Incentive program targeting air conditioning distributors.
- Qualifying equipment must be 13 SEER or higher and a complete system change-out.
- New and existing homes are eligible.
- Thirteen participating distributors.
- 2004 results – 6,285 participating customers and 20 MW saved.

A/C Installer Program Market Transformation Program



- 2005 program budget - \$1.6 million
- Targets installation practices of HVAC contractors.
- Offers training, education, and incentives.
- Program being implemented by local Air Conditioning Contractors Association chapter.
- Encourages proper sizing, charging, and duct sealing.
- 2004 results – 2,367 participating customers and 9 MW saved.

2004 Results



| <u>Program</u> | <u>Customers</u> | <u>MW Saved</u> |
|------------------------------------|------------------|-----------------|
| Commercial and Industrial | 1,594 | 22 |
| Low Income (Hard to Reach) | 17,565 | 11 |
| Load Management | 9 | 15 |
| Residential and Small Commercial | 29,893 | 20 |
| A/C Distributor | 6,285 | 20 |
| A/C Installer | 2,367 | 9 |
| Energy Star [®] New Homes | 13,013 | 28 |
| Total | 72,165 | 126 |

Texas v. California?



- Energy efficiency markets are very different.
 - Avoided costs
 - Delivery mechanisms (utility sponsored program v. third party sponsored)
 - Objectives (peak demand reduction v. energy reduction)
 - Different types of reliability councils
- Texas uses a legislated IRP approach
 - Mandated goals for renewable energy and energy efficiency
 - Goal for utilization of natural gas.
- Future of energy efficiency services in Texas is promising
 - Legislature considered increasing goals for energy efficiency
 - Movement to locational pricing
 - Increased interest in environmental benefits of energy efficiency

For More Information



www.txuelectricdelivery.com

or

1-800-273-8741