UniSource Energy Update

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SWEEP Southwest Regional Energy Efficiency Workshop
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Albuquerque, NM
UNS Service Territory and Companies

TEP Electric Service Area
- Customers: 392,000
- Sales: 9,201 GWh
- Peak Demand: 2,365 MW

UNS Gas Service Areas
- Customers: 145,000
- Sales: 109,925,000 therms

UNS Electric Service Area
- Customers: 93,000
- Sales: 1,611 GWh
- Peak Demand: 417 MW

UNS Gas & Electric Service Area
## Regulatory Filings

<table>
<thead>
<tr>
<th>Company</th>
<th>Filling Date</th>
<th>Net Societal Benefits*</th>
<th>Proposed Budget (annual)</th>
<th>Number of Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>TEP</td>
<td>July 2, 2007</td>
<td>$103 Million</td>
<td>$12.4 Million</td>
<td>10 Programs</td>
</tr>
<tr>
<td>UNS Electric</td>
<td>June 13, 2007</td>
<td>$9 Million</td>
<td>$3.4 Million</td>
<td>7 Programs</td>
</tr>
<tr>
<td>UNS Gas</td>
<td>May 4, 2007</td>
<td>$7 Million</td>
<td>$1.0 Million</td>
<td>4 Programs</td>
</tr>
</tbody>
</table>

*Net Societal Benefits for five year program portfolio (2008 – 2012)
# Proposed Programs

<table>
<thead>
<tr>
<th>Programs (*new)</th>
<th>TEP</th>
<th>UNSE</th>
<th>UNSG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cross Segment Programs (Residential and Small Commercial)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and Outreach</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Direct Load Control</td>
<td>✓*</td>
<td>✓*</td>
<td></td>
</tr>
<tr>
<td><strong>Residential Efficiency Programs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low-Income Weatherization</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>New Home Construction</td>
<td>✓</td>
<td>✓</td>
<td>✓*</td>
</tr>
<tr>
<td>Residential HVAC Retrofit</td>
<td>✓*</td>
<td>✓*</td>
<td>✓*</td>
</tr>
<tr>
<td>Shade Tree</td>
<td>✓</td>
<td>✓*</td>
<td></td>
</tr>
<tr>
<td>CFL Buydown</td>
<td>✓*</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Commercial Efficiency Programs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C&amp;I Existing Facilities</td>
<td>✓*</td>
<td>✓*</td>
<td>✓*</td>
</tr>
<tr>
<td>Small Business Program</td>
<td>✓*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficient Commercial Building Design</td>
<td>✓*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Guarantee Home Program (TEP)

- Uses Integrated Building Science
- 50% of the market share in TEP’s service territory
- Guaranteed Heating / Cooling Costs and Comfort
- Lower electric rate
- Determine heating & cooling usage

Energy Usage per Month

- JAN
- FEB
- MAR
- APR
- MAY
- JUN
- JUL
- AUG
- SEP
- OCT
- NOV
- DEC

- Base (Non-Heating and Cooling)
- Heating and Cooling
Energy Smart Home (UNS Electric)

❖ Growth at UNS Electric
  – Mohave County ~ 150,000 homes
    – Hoover Dam bypass scheduled completion for 2010
  – Santa Cruz ~ 10,000 homes

❖ Market Transformation Program

❖ Building Science Training

❖ Quality Assurance Inspections
  – Adhering to the higher standards
  – On-site contractor training

❖ Proposed Energy Star
Approaches with Developers

- Reduction in utility infrastructure costs
- Language in CCR’s
- Waive any regulatory fees (approval)
Shade Trees Program

☀ TEP since 1992
  – Over 55,000 trees
☀ Tucson Clean and Beautiful (administrator)
☀ High Societal Cost Test – over 2.28
☀ Up to two 5-gallon trees per residence
☀ Other benefits

☀ Proposed program for UNS Electric
Direct Load Control

- Proposed for TEP and UNS Electric
  - Small commercial and residential
- Thermostat
- Communication
  - Existing AMI communication infrastructure backbone
  - Two-way communication and real-time information
  - Individual home monitoring
Questions??