SRP Energy Efficiency Program Update

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Energy Efficiency & Policy Analysis
Salt River Project

PRESENTED TO
SWEEP Regional EE Workshop
November 2010

Delivering more than power.
Agenda

- Summary of Program Results
- Planned Program Growth
- New Program Offerings
- Program Marketing Campaigns
- Future Commitment to EE Programs
Summary of Program Results

Results To Date – Positive

<table>
<thead>
<tr>
<th>Program Year*</th>
<th>Forecasted Savings (MWh)</th>
<th>Actual Savings (MWh)</th>
<th>Annual Budget (Mill)</th>
<th>% of Retail Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY09</td>
<td>197,500</td>
<td>207,000</td>
<td>$20.8</td>
<td>0.76%</td>
</tr>
<tr>
<td>FY10</td>
<td>257,000</td>
<td>284,000</td>
<td>$28.7</td>
<td>1.05%</td>
</tr>
<tr>
<td>FY11</td>
<td>315,000</td>
<td>-</td>
<td>$39.3</td>
<td>1.14%</td>
</tr>
<tr>
<td>FY 12</td>
<td>350,000</td>
<td>-</td>
<td>$51.5</td>
<td>1.24%</td>
</tr>
</tbody>
</table>

* SRP's program year runs May 1st through April 30th.
SRP Sustainable Portfolio

Renewable and energy efficiency resources in excess of requirement will be banked for future use.

SRP SPP REQUIREMENT

Percent of Retail Requirements

Hydro Resources

Renewable Resources

Conservation: Energy Efficiency and Demand Response

D.L. Kimberly; SWEEP Workshop; 11/9/2010
Growth of SRP Energy Efficiency Programs

More than 25 energy-efficiency programs were introduced since 2008
Funding for SRP Energy Efficiency Programs

History of SRP Energy Efficiency Program Spending

Fiscal Year


Millions (2010 $)

$- $10 $20 $30 $40 $50 $60 $70 $80 $90

History Planned
FY11 Energy Efficiency Objectives

Strong Focus on Cost-Effective Programs

- Retail CFL Programs
- Appliance Recycling
- Standard & Custom Business Solutions
- Technical Assistance Programs

FY11 Goal
315,000 MWh

- Residential: 57%
- Commercial: 23%
- M-Power: 20%
FY11 New Residential Energy Efficiency Programs

- Home Performance with ENERGY STAR®
- Whole-house approach to efficiency
- Cross-sell other SRP programs

FY 11 HP w/ ES Participation

<table>
<thead>
<tr>
<th></th>
<th>Initial Forecast</th>
<th>Revised Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYTD June 2010</td>
<td>250</td>
<td>1,400</td>
</tr>
</tbody>
</table>

Note: All reported figures are preliminary and subject to change.
FY11 Commercial Energy Efficiency Programs

**FY11 Standard Business Solutions**

<table>
<thead>
<tr>
<th></th>
<th>Budgeted</th>
<th>Additional funding</th>
<th>Reservations</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY11 Standard Business Solutions $Millions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$3.9 &amp; $3.5</td>
<td>$7.0*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*As of October 11, 2010

Note: All reported figures are preliminary and subject to audit

- Small Business Solutions
- Free walk-through lighting audit
- Rebates covering up to 75% of cost on qualified energy-saving projects
Today’s Smart Grid Environment

570,000 Smart Meters Installed

• 55% with disconnect switch
• Every meter read every day
  - On- and off-peak reads
• A/C load research study
Fridge-A-Thon Ad Awareness
General and Hispanic markets

Do you remember seeing any electric utility advertising?

<table>
<thead>
<tr>
<th></th>
<th>Unaided Recall</th>
<th>National Utility Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>General market</td>
<td>59%</td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td>BLD</td>
<td>SLD</td>
</tr>
<tr>
<td>Hispanic market</td>
<td>47%</td>
<td>49%</td>
</tr>
</tbody>
</table>

Where did you see or hear this communication?

<table>
<thead>
<tr>
<th></th>
<th>Brand Attribution</th>
<th>Brand Attribution Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRP</td>
<td>85%</td>
<td>82%</td>
</tr>
<tr>
<td>APS</td>
<td>35%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Sources: Brand Keys – Residential Fridge-A-Thon Tracking Study (July 2010)
Brand Keys – BLD and SLD Hispanic Fridge-A-Thon Tracking Study (May 2010)
Right Price Plan Marketing Campaign
Launched Spring 2010

FY11 Price Plans Net Growth (May-Sept)

(12,850) Basic plan
1,552 TOU
10,643 EZ-3
(997) M-Power

The number of date nights you could have with your savings from the right SRP price plan.

The servings of fajitas you can enjoy with your friends thanks to your savings with the right SRP price plan.

Energy Plans for Everyone in the Neighborhood

www.savewithsrp.com
EZ-3 Price Plan

EZ-3 Study: Summer Month Hourly Comparison
August Weekdays (Mon-Fri)

EZ-23: EZ3 "Test" customers who were on E-23
E-23: E-23 "Control" customers for comparison with EZ3

EZ-26: EZ3 "Test" customers who were on E-26
E-26: E-26 "Control" customers for comparison with EZ3
EZ-3 System Load Impact – 1-Minute Average
August 4, 2010

System Load Impact = 39.77 MW
SRP Price Increase Letter
Sent to customers in May 2010

1,001 - 1,500 sq. ft. (no pool)

<table>
<thead>
<tr>
<th>Month</th>
<th>2009 Energy Use (kWh)</th>
<th>2009 Cost at New Price (Starting with May Bills)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May</td>
<td>1,056</td>
<td>$123</td>
</tr>
<tr>
<td>June</td>
<td>1,408</td>
<td>$157</td>
</tr>
<tr>
<td>July</td>
<td>1,942</td>
<td>$224</td>
</tr>
<tr>
<td>August</td>
<td>2,051</td>
<td>$236</td>
</tr>
<tr>
<td>September</td>
<td>1,732</td>
<td>$190</td>
</tr>
<tr>
<td>October</td>
<td>1,188</td>
<td>$135</td>
</tr>
</tbody>
</table>

AVERAGE ANNUAL MONTHLY INCREASE

<table>
<thead>
<tr>
<th>Plan</th>
<th>Basic</th>
<th>EZ-3</th>
<th>Time-of-Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$5.94</td>
<td>$2.77</td>
<td>($1.35)</td>
</tr>
</tbody>
</table>

SAVE WITH SRP
HELPING YOU LIVE WISELY IN THE DESERT

SAVE ON CFLS FOR YOUR HOME
CBFLs are a great way to use up to 75% less energy than standard incandescent bulbs and are available in a variety of shapes and styles. Find SRP discounts on CFLs at participating Home Depot, Sam’s Club and Walmart stores.

RECYCLE YOUR OLD FRIDGE — GET $30
Get free pickup and recycling of refrigerators and freezers. Earn a $30 reward, and save up to $100 a year by not running that extra appliance. Call (602) 236-4225 to schedule a pickup.

www.savewithsrp.com

D.L. Kimberly; SWEEP Workshop; 11/9/2010
SRP Annual Account Summary Letter & Energy Scorecard
Residential letter introduces Compare Your Home

Front Cover

Energy Scorecard pilot program begins summer 2011

Phases

• Include neighbor comparison in AAS letter for winter 2011 mailing

• Launch a two-year pilot program in summer 2011

• Full implementation summer 2013
In Summary

- SRP is committed to energy efficiency initiative
- EE represents the most cost-effective resource option
- SRP well positioned to meet our savings goals
- SRP will be evaluating our Sustainable Portfolio Plan objectives in a public process in early 2011
- SRP will continue to grow portfolio over time
Questions?

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