



PEC Energy Efficiency Rebate Update

Bradley Clark, Manager, Energy Services

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PEC Energy Efficiency (EE) Program

- Current EE Program Established 2011
- Board Resolution Directs:
 - Energy Audits
 - Commercial Lighting and HVAC
 - Residential HVAC
 - Cost Effective per PUC SR 25.181
- Adjustments are Needed:
 - Align with current Board Strategy
 - Improve Cost Effectiveness
 - Scale to Reach More Members
 - Flexible to Respond to Needs
- Maintain Program “As-Is” for 2018 and Roll-out New Programs for 2019

Member Rebate & Financing Programs



Pedernales Electric offers rebates for our residential and commercial members to encourage more efficient use of electricity. Follow the links below for more information about our HVAC

HVAC Rebates

Are you considering replacing your heating, ventilation and air conditioning (HVAC) system? PEC offers rebate incentives to residential members for the installation of energy-efficient systems.

[Learn More »](#)

Commercial Rebates

PEC encourages conservation by offering our commercial members rebates to help upgrade or install energy-efficient lighting, HVAC and motor controls.

[Learn More »](#)



2017 Rebate Program Overview

Residential HVAC Rebates

- **Incentive Levels & Minimum Qualifications:**
 - Central A/C with Gas: \$300 per unit (16 SEER/12.5 EER)
 - Heat Pump: \$350 per unit (16 SEER/12.5 EER)
 - Ground Source Heat Pump: \$300 per ton (17 SEER/17 EER)
- **Funding & Member Impact:**
 - \$440,000 with all funds allocated by August
 - 885 participating Members (~\$500/Member)
- **Deemed Savings:** ~650 kW; ~2,200,000 kWh (projected)



Commercial Rebates

- **Incentive Levels & Minimum Qualifications:**
 - Lighting: \$300 per kW (10 kW reduction)
 - HVAC: \$350 per kW (10 kW reduction)
 - Variable Frequency Drives (VFDs): \$230 per kW (10 kW reduction)
- **Funding & Member Impact:**
 - \$200,000 with all funds reserved by September
 - 47 Members (~\$4,250/Member)
- **Deemed Savings:** ~900 kW; ~3,400,000 kWh (projected)



2017 Rebate Program Observations & Opportunities

Strategic Alignment

- Programs in place since 2011
- Developed during a period when strategic focus was principally on energy conservation (kWh reduction)
- Current conditions and strategic goals are targeted towards peak demand management (kW reduction)

Scalability

- Cooperative's membership of 250,000+ continues to grow at a steady annual rate
- Existing rebate programs reach less than 1,000 Members annually (<0.4%)
- As currently structured, existing programs do not provide sufficient reach to achieve a meaningful impact

Cost Effectiveness

- While cost effective, alternative programs and options now available may offer improvements
 - Residential: ~\$676/kW (\$440,000 (rebates) / ~650 kW (deemed savings))
 - Commercial: ~\$222/kW (\$200,000 (rebates) / ~900 kW (deemed savings))
- With Cooperative's avoided cost of ~\$52/kW, the simple payback for each incentive stretches several years
 - Residential: 13 years (\$676/kW / ~\$52/kW-Year)
 - Commercial: 4.3 years (~\$222/kW / ~\$52/kW-Year)



2018 Rebate Program Recommendations

Maintain

- Continue existing program approach, funding and rebate incentives at 2017 levels
 - Residential: \$440,000
 - Commercial: \$200,000
- Re-open program and begin to accept Member applications on January 1, 2018

Refine

- Energy Services will continue to evaluate program design options that will provide attractive Member benefit while enabling better strategic alignment, scalability, and cost effectiveness
- Energy Services will plan to provide Board with specific recommendations and options to formally consider by Spring, 2018

Transition

- Based on Board review of program design alternatives and related guidance, Energy Services will prepare a transition plan to enable roll-out of program revisions as part of 2019 budget cycle
- Limited scope roll-out and pilot testing may be accomplished in 2018





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