Profile: Arizona Public Service

- Largest electric utility in Arizona
- 1.1 million customers
- Peak demand of 7,500 MW
- Annual sales of 30,000 GWH
- Annual sales growth rate higher than national average – but slowed in 2008
- $3.5 billion in annual revenue
- 0.7% of annual revenue spent on Energy Efficiency ($25 M)
## Spending / Savings Update

($MM) including Performance Incentive

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Spending</th>
<th>Cum. Spending</th>
<th>Annual MWh Savings</th>
<th>Cum. MWh Savings</th>
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<tr>
<td>2005</td>
<td>$ 3.2</td>
<td>$3.2</td>
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<td>$10.6</td>
<td>$13.8</td>
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<td>$19.4</td>
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<td>$24.1</td>
<td>$57.3</td>
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<td>2009 est.</td>
<td>$25.6</td>
<td>$82.9</td>
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<tr>
<td>2010 est.</td>
<td>$27.5</td>
<td>$110.4</td>
<td>325,000</td>
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</tr>
</tbody>
</table>

- Spending and savings continue to increase each year
- Expect to have approx. 1 million MWh saved by 2010; after 5 years of program implementation
## Current EE Programs

### Residential

- **Consumer Products**
  - ENERGY STAR CFLs

- **Existing Home HVAC**
  - Rebates (SEER)
  - Quality install
  - Duct test & repair
  - Home Performance

- **New Homes**
  - ENERGY STAR

- **Low Income**
  - Bill assistance
  - Weatherization

### Features

- ✓ Upstream buydown of retail price of bulbs
- ✓ $250-$400 rebate for 14 SEER/16 SEER
- ✓ $100 rebate for Quality Install
- ✓ Up to $250 for repairing duct leaks
- ✓ $400 builder incentive to build home using at least 15% less energy than standard home
- ✓ Provide free weatherization for limited income households and occasional bill assistance
Marketing to Builders

• Build awareness
• Generate builder interest
• Know your audience at the builder
• Help your champion
• Make it easy
Building Program Awareness with Builders

- HBA involvement
- Event sponsorships
- Links to APS touch points
- HERS Rater relationships
- “Pull” from consumer advertising
- Building science training sessions
- New… interest in green
Encouraging Participation  
“Why and How”

- “Sales” meetings
  - With/without raters
  - Leave behind materials

- Builder video clip

- “Getting Started” on aps.com
APS ENERGY STAR Homes
Builder Video
APS ENERGY STAR® Homes Program for Builders

In today's competitive construction market, it helps to differentiate yourself from your competitors. That's why builders are invited to join the APS ENERGY STAR Homes program. Using traditional building techniques to construct energy-efficient homes from the ground up, you'll increase market share, offer more efficient homes to your customers, earn financial incentives from APS, and gain training and marketing support.

Builder Benefits | Builder Resources | Get Started

Program requirements | Find a HERS rater/inspector
Construction Corner | Contact APS ENERGY STAR Homes | Consumer information
APS ENERGY STAR® Homes - Get Started

It's easy to start building APS ENERGY STAR Homes. It's as simple as working with a HERS rater and signing an agreement.

- **Step One**
  Contact Sandy Lockard at (602) 250-3455 or by e-mail at Sandra.Lockard@aps.com to learn about ENERGY STAR Homes certification requirements.

- **Step Two**
  Contact one of our HERS Raters/Providers to determine if your new home construction plans comply with both the EPA and APS compliance standards.

- **Step Three**
  Enroll in the program by completing the EPA Online Partnership Agreement, completing an Agreement Information form, and signing your APS ENERGY STAR Homes Participation Agreement.

- **Step Four**
  Attend a Success with ENERGY STAR® building science workshop (provided courtesy of APS).

- **Step Five**
  Your HERS rater will complete verification of compliance, and then you will receive an incentive check.
Marketing to Homebuyers

• Mass Media
  - TV
  - Radio
• Targeted
  - Print
  - Online
• PR
  - APS opportunities
  - Article placements
• Point of Sale
Television Commercial

- TV commercial
Green Programming on Cox Cable

Renovation Nation
Total Wrecklamation
Alter Eco
Battleground Earth
Emeril Green
Focus Earth
World’s Greenest Homes
Greenovate
Go For the Green
WASTED
G Word
Mean Green Machines
Off the Grid
Supper Club with Tom Bergeron

Red Hot & Green
World’s Most Extreme Homes
House Hunters
My House is Worth What?

Earth’s Natural Wonders
Samantha Brown’s Passport
Top Ten Natural Wonders
National Parks

Amazing Planet
Earth: The Biography
Naked Science
Six Degrees Could Change the World

Forecast Earth
When Weather Changed the World
It Could Happen Tomorrow
Sunrise Weather

EcoTech
Ecopolis
Fearless Planet
Five Ways to Save the World
Invention Nation
Miracle Planet
Weird Connections
An Inconvenient Truth
Mega Science
Miracle Planet
How do they do it?
Junkyard Wars
Targeted Homebuyer Advertising
Save money in the comfort of your own home.

Choose an APS Energy Star® Home for maximum energy efficiency.

When you buy a home in the APS Energy Star® Homes Program, you'll be living in a home that's designed and built to save energy.

These homes are built to meet strict Energy Star® high efficiency standards. The result is a home designed to keep you comfortable and save money on your monthly utility bills.

All Energy Star® Homes are subject to random inspections and testing to ensure they perform efficiently.

Homes in the APS Energy Star® Program feature:
- Insulation
- Efficient appliances
- High efficiency air conditioning systems
- Tight construction

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- Efficient appliances
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This program was approved by the Arizona Corporation Commission under funding by APS customers.

PARTICIPATING BUILDERS
For more information visit aps.com

2009 APS Print Ad – New Homes Today
Parade of Homes Sponsorship

DON’T MISS
THE VALLEY’S BIGGEST NEW HOME TOUR
PARADE OF HOMES
MARCH 28-29 & APRIL 4-5
For up-to-date information, visit paradeofhomes.azcentral.com

VISIT THESE MODEL HOMES

<table>
<thead>
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<th>SOUTHEAST</th>
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APC Energy Star® Homes Program
• Lifestyles Newsletter
• Aps.com
• E-News
• Public Relations
• Events
• “Newsline”
Point of Sale
“Features and Benefits”

- Consumer brochures
- Energy cost brochures
- Sales books
- Sales signs
- Consumer video (coming soon)
- Make it EASY!
APS ENERGY STAR® Homes Program for Builders

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Marketing Materials Order Form

The following resources and reference materials are available – free of charge – to help you market your APS ENERGY STAR® Homes more effectively. You may also customize the pieces with your own logo. Simply choose your selections and quantities below, and select the check box on the right if you would like us to add your logo.

| Model Home Collateral | view  
| Customer Brochures | view  
| Training/Materials | view  

Results

• **Currently**……(through Dec 08)
  - 36 Builders in the program (15 new in ’08)
  - 116 participating communities
  - 16,072 additional committed lots under contract

• **Program to Date** (Jul 06–Dec 08)
  - $4.5 million total spend/$2.1 million incentives
  - 5,119 total homes to date

• **Energy Savings**
  - 10 MW
  - 21,000 annual MWH/425,000 lifetime MWH

• **Market Share**
  - 2007 = 7% share
  - 2008 = 24.5% share (16% increase)
“New and In the Works”

• APS ENERGY STAR Homes + Solar

Requires ENERGY STAR!
“New and In the Works”

• AZ Green Builder Program (HBACA)
  – APS is premiere sponsor
  – APS lobbied hard for ENERGY STAR efficiency

• Higher program tier
  – Higher builder incentive tied to lower HERS score
APS ENERGY STAR Homes Team

- Tom Hines – Program Manager
- Sandy Lockard – Builder Program Rep
- Dresden Osterman – Program Coordinator
- Ecos Consulting – Marketing Support
THANK YOU...