



Citizens Advisory Committee

3rd Quarter 2019 Meeting Outcome & Activity Report

August 2019 Meeting

On Wednesday, August 14, 2019 the CAC held its regularly scheduled monthly meeting.

- New member Mr. Juan Cano, of Cano Development attended his first meeting. He introduced himself to the group as a commercial real estate developer who concentrates primarily on inner-city urban mixed income, mixed use multifamily and non-profit development projects. He was formerly with the Hemisphere Park Area Redevelopment Corporation.

Midtown & Scenic Loop Substation Projects

A presentation was given on the Midtown and Scenic Loop substation routing and siting projects. The Midtown substation will support customers in the inner-city north of downtown area and the Scenic Loop substation will support customers outside the city limits in the outer northwest area of the service territory.

Sheila Casey, Manager of EDS Project Management & Performance Improvement, presented the details of the routing and siting process associated with these two sites. This allows CPS Energy to support the growing need for electricity and increase system reliability while we incorporate customer feedback into the site selection decision-making process.

Basillio Rocha and Daniel Otto presented on the Midtown and Scenic Loop projects, respectively.

Mr. Rocha described the area the Midtown substation would be serving – which includes the north central community and the midtown regional center as identified in the SA Tomorrow plan. This is currently an area of increasing density, driving the need for more capacity. Mr. Rocha reviewed the study area borders and the existing substations that currently feed the area; identifying the 138-kV transmission line that will be tapped for interconnection. In terms of the process, the project team has presented to the working committee and the board oversight committee. Planning and Engineering have designed the routes, segments and sites that were again presented to the working committee and the Board Operations Oversight Committee.

- Now, the project moves into the public input phase beginning with this presentation to the Citizens Advisory Committee (CAC) and subsequent open house community meetings. Public input is provided to the Working and Board Operations Oversight Committees prior to the start of the Board of Trustee approval process which will begin again following support from the CAC.
- A robust public input process phase includes the launch of a website, FAQs, brochures, questionnaires, project specific email and a dedicated phone line for customer questions.
- The anticipated start of construction is June 2021 with an energize date of January 2023.

Daniel Otto detailed the Scenic Loop additional capacity needs for increased capacity in the Scenic Loop area between Bandera Road and Interstate Highway 10 (IH-10). The growth in this area warrants a new substation in this area. Contrary to the Midtown substation, this site is outside the city limits but is experiencing tremendous growth through the development of new housing subdivisions and along the IH-10 corridor. Similarly, this project will deliver increased capacity, but the main driver for this project is the need for increased reliability.

This substation will tie into the existing Ranch Town substation. Processes are like those described for the Midtown substation but will also require engaging in a Public Utility Commission (PUC) public input process due to its location outside the city limits. Residents within 350 feet will be notified along with HOAs.

The PUC filing date is April 2020, hope to receive findings May 2021 with a construction start date of April 2022 and completion estimated to be January 2024.

Citizen Advisory Committee By-Laws

A Bylaws document with proposed changes was distributed, reviewed and discussed. Action to approve these changes will be at a future meeting. Changes are being recommended at this time of the document crafted in 2011 is primarily due to duplication, repetitiveness and sub-committees that have been removed.

Staff update:

- A Nissan Leaf rebate promotional flyer was distributed. The rebate is entirely funded by Nissan and CPS Energy is merely assisting with promotional support. Rebates are \$2,500 - \$3,500 depending on the model you purchase. This is a national program that will continue for 6 weeks. CAC members were encouraged to share this news with partners in the community.
- Announced that the “People First” Customer Fairs continue in the service territory this Fall.

Announced that At Large CAC member Klaus Weiswurm’s term is coming to an end and applications will be accepted for his replacement.

Chair Romeo asked about an article in *San Antonio Express-News* on ERCOT overstating generation capacity and reserve margin by NRG President. The question remains, will we have enough capacity and reserve margins especially in the midst of the summer?

September 2019 Meeting

On Wednesday, September 11, 2019 the CAC held its regularly scheduled monthly meeting.

Flex Power Bundle

Frank Almaraz, Chief Administration & Business Development made a presentation on the FlexPower Bundle, a strategy under the Flexible Path. Our Flexible Path is a philosophy of how we are thinking about technology and the role that it plays along with the role that our existing assets play in our community’s future.

Frank pointed to a chart depicting the name plate capacity fuel mix over time. He pointed out that the 2010 fuel mix was 32% coal, 39% natural gas, renewables at 13% and nuclear was 16%. Nuclear remains a steady percentage of the overall fuel mix over time. Looking forward and using the traditional integrated resource planning method would result in a similar fuel mix in the year 2040 with a small percentage of battery storage technology. The scenario at year 2040 under the FlexPath can include 70% of the fuel mix representing renewables and new technology and 80% will be non-emitting generation.

This is not a plan that is an aspirational set of figures. It is one that is economical, rooted in a line of sight that we have based on our latest estimates on solar, natural gas, storage, etc. and is achievable in an economical and cost effectiveness manner.

The deployment of the Smart Grid in our service area is an example of incorporating technology into our business model. This plan is developed as we would our very own investment portfolios and will diversify further to include more renewables and look forward to incorporating new technologies.

Today Flexible Planning allows for the utility to make smaller investments in a more agile and dynamic manner. We will have additional renewables as prices fall and will continue looking at energy storage capacity and new technologies. Demand response programs at peak will continue to be critical as well.

It is important to take a balanced portfolio approach that considers security, safety, resiliency, reliability, the environment and affordability equally in our decision making. Considering these factors and optimizing the utility's tried and true assets with new resources and technologies, CPS Energy has developed a bundle of resources known as the Flex Power Bundle. This bundle of generation resources include solar, battery storage and natural gas. These resources compliment our existing assets and consider price, regulatory concerns, environmental impacts, national defense policy as we consider and weigh all the options.

Citizen Advisory Committee By-Laws

Next the CAC reviewed the By-Laws updates. Chairman Romeo asked John Leal to review the proposed changes.

John explained that the original document was written in 2011 and was 13 pages in length. The updates eliminated duplicative or unnecessary language and is now under 8 pages and more streamlined.

CAC voted unanimously to approve the By-Law revisions.

Staff Updates:

Oct. 2-3: EPRI Symposium to help foster successful electrification initiatives

Sept. 19, 5:30-7:30 pm: Mid-Town Substation Open House at the Temple Beth-El (211Belknap Pl., 78212)

Sept. 11, 6:00 pm: EPI Center Event at Trinity University, Ruth Taylor Recital Hall

October 2019 Meeting

On Wednesday, October 9, 2019 the CAC held its regularly scheduled monthly meeting.

STEP Program Update

Justin Chamberlain, Manager Product Innovation presented on the STEP program which began in 2008 by a vote of the San Antonio City Council. The program includes: Weatherization, Solar, Demand Response and Energy Efficiency and Conservation.

Justin began by sharing positive news, that CPS Energy reached goals in August, ahead of pace and at a lower cost than we expected for the STEP program. Much work has been done by many members of the CPS Energy team and serves as the reason we expect to come in under budget.

The program is about Investing in our customers instead of investing in costly plant and O&M associated expenses. All energy savings have been calculated based on a state standards to legitimize savings and review by an independent third party auditing firm annually.

This year enhancements to the program are targeting the low-to-moderate income and small business customer segments. These included free Home Energy Assessments, NEST thermostats in Weatherization, Roofless Solar, Reduce My Use and increased presence of rebate programs in retail big box retailers.

These programs work to reduce demand, energy usage and customer bills for a small investment by customers. The average bill impact since the inception of this program is \$2.78 per month through the fuel adjustment factor. All STEP programs are on a voluntary basis of participation.

As we close in on this goal, we are developing the design standards for future STEP Flex programs. We are looking at shorter term programs, three-five years in duration as technology is changing quickly. The plan so far is to spend \$45-\$60 MM per year which is a \$2.20 - \$2.94 bill impact per month. We want to focus on different areas, new programs and new approaches with new goals. Our goal has traditionally been kW savings, should it include emission reductions, etc.

What do you think the new STEP program should include? Please give us your feedback at www.cpsenergy.com/flexiblepath

Midtown and Scenic Loop Substation Next Steps

The next presenter was Sheila Casey, Manager of EDS Project Management & Performance Improvement who spoke about the Midtown Substation Open House meetings and associated next steps. This was a continuation of the discussion held at the August CAC meeting and provided an update on the feedback obtained at the open house held on September 19th in the evening. The team will now move to share input given with the working committee, President & CEO and management team. We will also have a Board Input session and will move to seek Board approval in March 2020.

She mentioned that the proposed Midtown Substation is in response to residential and commercial growth north of downtown.

Invitations were sent to all parties who live within 350 feet of the proposed site and transmission line, along with HOAs (to include the Monte Vista Terrace NA). A project website was launched, newspaper ads were placed two Sundays prior and there was social media promotion to encourage attendance at the event. Prior to the open house there had several email inquiries and of the 27 attendees, 12 submitted questionnaires sharing their thoughts in writing. In attendance were representatives from the offices of State Representative Diego Bernal, Congressman Joaquin Castro and City Councilmember Robert Trevino, District 1.

The property proposed for the substation site is 2.5 acres and was showcased at the open house. The site was proposed because it was uninhabited, was already on the market for sale and met all other selection criteria. Representatives also shared information on the project scope and need, the routing and siting process, substation and transmission engineering, easements and right of way, environmental, geographical maps and community engagement staff.

Common customer concerns were health effects (EMF), property values, aesthetics, flooding and traffic control.

Next steps on Project approval:

- | | |
|---|---------------|
| ○ Meet with Monte Vista Terrace Neighborhood Assoc. | October 2019 |
| ○ Present to Board Operations Oversight Committee | December 2019 |
| ○ Present to Citizens Advisory Committee (CAC) | January 2019 |
| ○ Board Informational presentation | January 2020 |
| ○ Board Public Input Session | February 2020 |
| ○ Board Approval of project & property purchase | March 2020 |
| ○ Notify Customers | March 2020 |

Staff Update:

A CAC survey will be sent out in approximately two weeks using the Survey Monkey platform. Members were encouraged to take the five-minute-long survey as soon as possible. The results will support staff in developing future CAC meeting agendas.