



MINUTES

Citizens Advisory Committee

Via WebEx

June 10, 2020 | 11:30 a.m.

ATTENDANCE

Member of CAC	Present	Absent
Juan Cano		✓
Michelle Lugalía-Hollon	✓	
Diana Aguirre Martinez	✓	
Frank Gonzalez	✓	
Andy Castillo	✓	
Raquel Zapata	✓	
John Kelly	✓	
Joe Yakubik	✓	
Allie Watters	✓	
David Walter - Chairman	✓	
Mary Dennis	✓	
Bill Day	✓	
Luisa Casso	✓	
MaryEllen Veliz	✓	
Dr. Adelita Cantu	✓	

Also in attendance:

Shelia Casey	James Carter	Velma Corona
Melissa Cox	Guillermo De Hoyos	Antonio Demendonca
Paul Escamilla	KJ Feder	Gabriel Garcia
Kathleen Garcia	Luis Garcia	Rudy Garza
Gary Gold	Geronimo Gonzalez	DeAnna Hardwick
Drew Higgins	Charles Hoopingarner	Cory Kuchinsky
Louis Labatt	John Leal	Kari Meyer
Gregory Lee	Kevin Matula	John Moreno
Robert Nathan	Karma Nilsson	Yvonne Pelayo
LeeRoy Perez	Ricardo Renteria	David Rivela
Lynda Rodriguez	Ricci Schooler	Blaize Skocny
Melissa Sorola	Marie Stoner	

CALL MEETING TO ORDER, INVOCATION

The WebEx meeting was called to order at 11:31 a.m. by Chairman David Walter.

Chairman Walter presented an opening prayer.

APPROVAL OF MINUTES

The minutes of the CAC meeting held on May 13, 2020 were approved by unanimous consent.

INTRODUCTION TO TEZEL RD. SUBSTATION

Ricardo Renteria, Director of Substation & Transmission Engineering and Antonio Demendonca, EDS Project Manager met with the CAC and introduced the Tezel Routing and Siting project.

Tezel Substation

- Project Need: to strengthen reliability, this project will increase capacity for residential & commercial growth in Northwest San Antonio, within the San Antonio city limits.
- Study area: CPS Energy will need to acquire property and easements; there are currently six potential substation sites.
- Public Involvement: first step was introduction to the CAC, launch a project website, distribute project information and notify customers within 300 feet. Due to COVID-19, there will not be an in-person Open House. The team is going virtual with an Open House Video Broadcast scheduled for mid-July. The project is expected to be complete by May 2023.

COVID-19 FINANCIAL IMPACT

Gary Gold, Vice President of Corporate Service & Assistant Treasurer and Geronimo Gonzalez, Director of Financial Planning & Analysis presented the FY2021 Preliminary COVID-19 Financial Impacts. The current financial projections were prepared in-light of COVID-19 for preliminary informational discussion purposes.

Geronimo Gonzalez provided financial projections as of the end of the first quarter ending April 30 and provided a forecast for the remaining three quarters with initial assumptions from the impacts of COVID-19. Prior to the pandemic, net income for FY2021 was forecasted to be \$3.9 Million in the approved budget. As of this meeting, the 'Medium Impact' is projected to be (\$54.4M). These considerations include:

- Retail Sales reduced by 6%
- Wholesale Sales reduced to \$45 Million (Medium Impact scenario)
- Bad Debt potential increase by \$20 Million

Financial Planning continues to monitor the COVID-19 situation by reviewing load forecasts, accounts receivables, bad debt and cash flows as well as prioritizing operating, and capital spend to reduce costs.

GREEN & RESILIENCY TARIFF UPDATE

Chad Hoopingarner, Sr. Director of Pricing & Cost Recovery and Melissa Sorola, Interim Sr. Director of Corporate communications & Marketing presented on new product proposals to include the Green & Resiliency Tariffs.

In alignment with our guiding pillars, these products are the next step in meeting diverse energy requests from our customers. Staff provided (1) a review our plan for providing product options & flexibility to our commercial customers; (2) how we align with community goals while still maintaining financial responsibility; and (3) provided overview of proposed Green Tariff & Resiliency service. Both tariffs were designed to deliver value for our customers, align with the community goals and ensure that our community's investment is protected and that all costs are fully recovered.

Green Tariff

- Large, commercial customers will have options to designate specific energy sources, i.e. a windfarm in West Texas
- Enables customers to meet their climate goals

- This tariff's energy charge is tied to a Renewable Energy Supply Agreement (RESA), a contract with the customer and will vary based on the costs of the specific energy source
- The Green Tariff will generate the same level of cost recovery as existing commercial rates
- Seeking to preserve the current level of access to economic development incentives when they are new businesses

Resiliency Service Tariff

- Commercial customers continue to desire new solutions for dependable power during critical weather events
- This tariff provides mid to large business customers continuity with assurance of uninterrupted service
- For a monthly fee, CPS Energy will be able to build and maintains the infrastructure to provide access to onsite generation
- The actual onsite generators are financed through a 3rd party, not CPS Energy

Marketing the Products

- Plan to utilize relationships through our Key Account Managers
- Engage community and economic development partners to highlight offering to target new and existing customers

STAFF UPDATE

John Leal, Director of Local Government Relations provided the staff update:

- The Tezel Substation & Transmission project Open House Video Broadcast goes Live Online on July 15.
- Next CAC meeting will be on July 8 by WebEx
- Welcomed Dr. Adelita G. Cantu, new appointee for District 7. Cantu will be considered for approval during the next the next Board of Trustees meeting scheduled for June 29

ADJOURNMENT

There being no further business to come before the committee the meeting was adjourned at 1:02 p.m. by unanimous consent.

Key Dates to Remember, Board of Trustee and Public meeting attendance

- Board of Trustee meeting, Wednesday, June 29, 2020 at 1:00 p.m. (by telephone conference)
- CAC meeting, Wednesday, July 8, 2020 (WebEx meeting)