

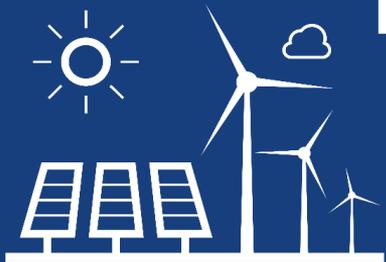


# Renewable Energy Initiatives: *FlexPOWER* Bundle & Green Tariff

Rudy Garza  
*Interim Chief Customer Engagement Officer*



# WHO WE ARE BY THE NUMBERS



Largest Municipally Owned Electric and Gas Utility in the U.S.  
Largest Solar Power Production in Texas; 5<sup>th</sup> in the Nation  
2<sup>nd</sup> Largest Wind Power Production in Texas



**AA+**  
Premier  
Credit  
Rating



**861K** Electric<sup>1</sup>

**358K** Gas

Our Customers

**160**

Years of Serving  
San Antonio



Most Trusted Brand  
in the South Region  
by Escalent



**\$11.2B - Total Assets**  
**\$ 2.6B - Annual Revenue**



**3,100**  
Employees

# 2020 HONORS & AWARDS

*COMMITTED TO PROVIDING EXCELLENCE*



**SHINING CITY: TOP US CITY FOR SOLAR ENERGY**



**CULTURE TRANSFORMATION BEST PRACTICES AWARD**



**REWORKS SA GOLD CERTIFICATION**



**GREEN CROSS AWARD SEMI-FINALIST**



**NOTABLE FLEET**



**100 BEST FLEETS IN THE AMERICAS (#77)**



**MARKETING & SALES PUBLIC GAS SYSTEM ACHIEVEMENT**

**SOAR BRONZE**



**CSO50**



**THOUGHT LEADER FOR PUBLIC ENGAGEMENT**



**INSPIRING ENERGY AWARD**



**BEST OF TEXAS AWARD - EXCELLENCE IN PROJECT MANAGEMENT**



**SYSTEM ACHIEVEMENT AWARD**



**SUE KELLY COMMUNITY SERVICE AWARD**

**SAFETY AWARD OF EXCELLENCE - SECOND PLACE**



**ENVIRONMENTAL EXCELLENCE - STEWARDSHIP**



**EASIEST UTILITIES TO DO BUSINESS WITH**

**MOST TRUSTED BRAND**

# OUR GUIDING PILLARS



**Reliability**



**Customer  
Affordability**



**Security**



**Safety**



**Environmental  
Responsibility**



**Resiliency**



**FINANCIALLY  
RESPONSIBLE**

**Our Guiding Pillars are the foundation for the work we do every day.**

# FLEXIBLE PATH STRATEGY

## TRANSFORMATION & INNOVATION



**Flexible Path:**  
Traditional + Renewables  
+ Energy Storage + Smart Grid +  
Energy Efficiency

**Transformation & Innovation:**  
*FlexPOWER* Bundle our next step  
in our **Flexible Path**

Power Plants



Transitioning to Innovation

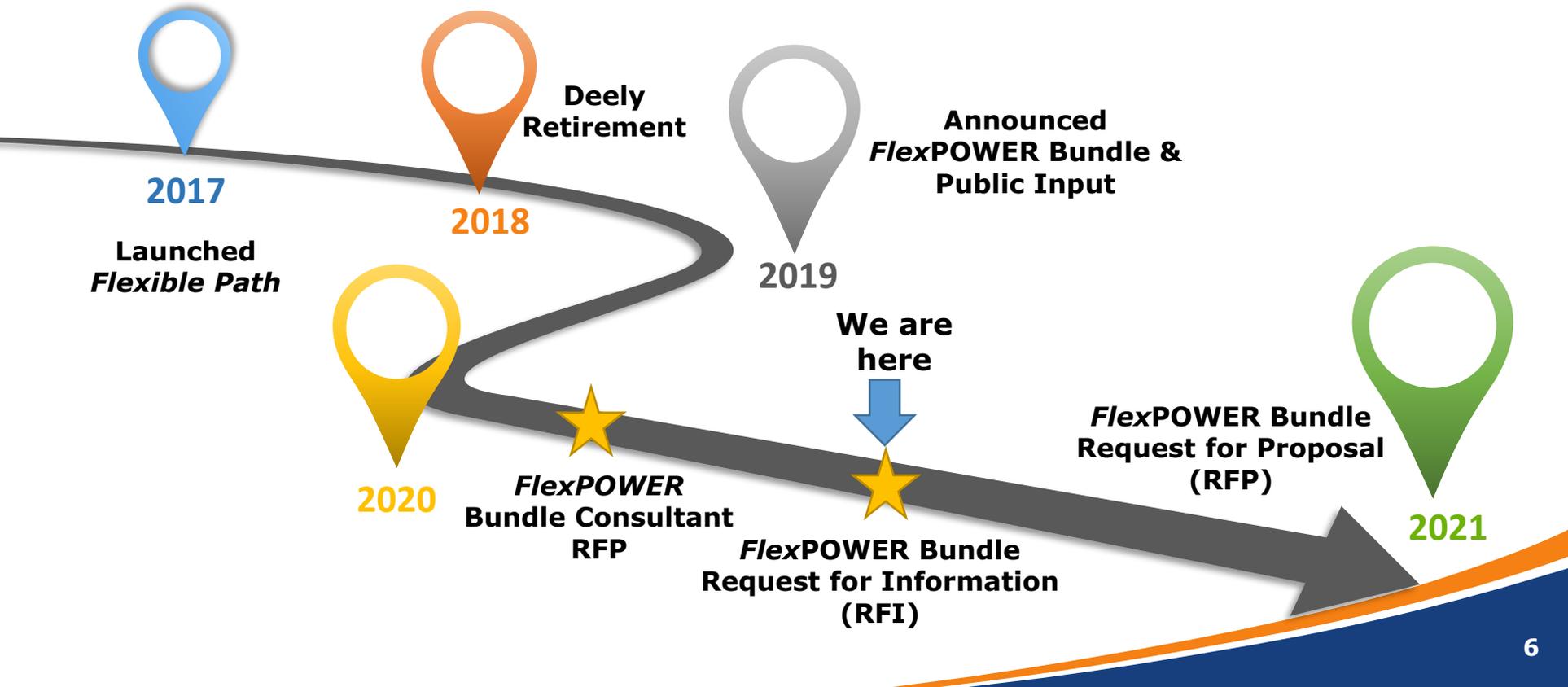
Technology Drives Timing

Past

Present

Future

# FLEXPOWER BUNDLE JOURNEY



# FLEXPOWER BUNDLE

## 2020 WORKSTREAM ROADMAP



	FY2021 Q1	FY2021 Q2	FY2021 Q3	FY2021 Q4
Consultant for RFP & Stakeholder Engagement	Released March			
Request for Information		Release July		
Request for Proposals				

# THE NEED FOR FLEXPPOWER BUNDLE



About 1,700 MW capacity retiring within 10 years

- These aging plants run during summer peak, but are less reliable
- Failures at these plants carry high financial risk



**FlexPOWER** Bundle; envisions up to

- 900 MW solar
- 50 MW storage
- 500 MW firming capacity and new technologies that **can meet the same requirements to firm up the solar and reliability of older units**



**FlexPOWER Bundle replaces about half of our aging gas steam capacity while continuing our transition to cleaner energy.**

# THE 1<sup>st</sup> VISION OF STEP

**Energy Efficiency & Conservation was launched as the “Fifth Fuel” in our generation portfolio**

- Added diversity to our generation mix
- Helped us avoid additional capital cost from the building of a power plant
- Reduced our dependence on fossil fuels

## **STEP Goals:**

- ✓ MW Goal: 771 → 833 Achieved
- ✓ Budget: \$849M → \$130M Under
- ✓ Completion: → One Year Early

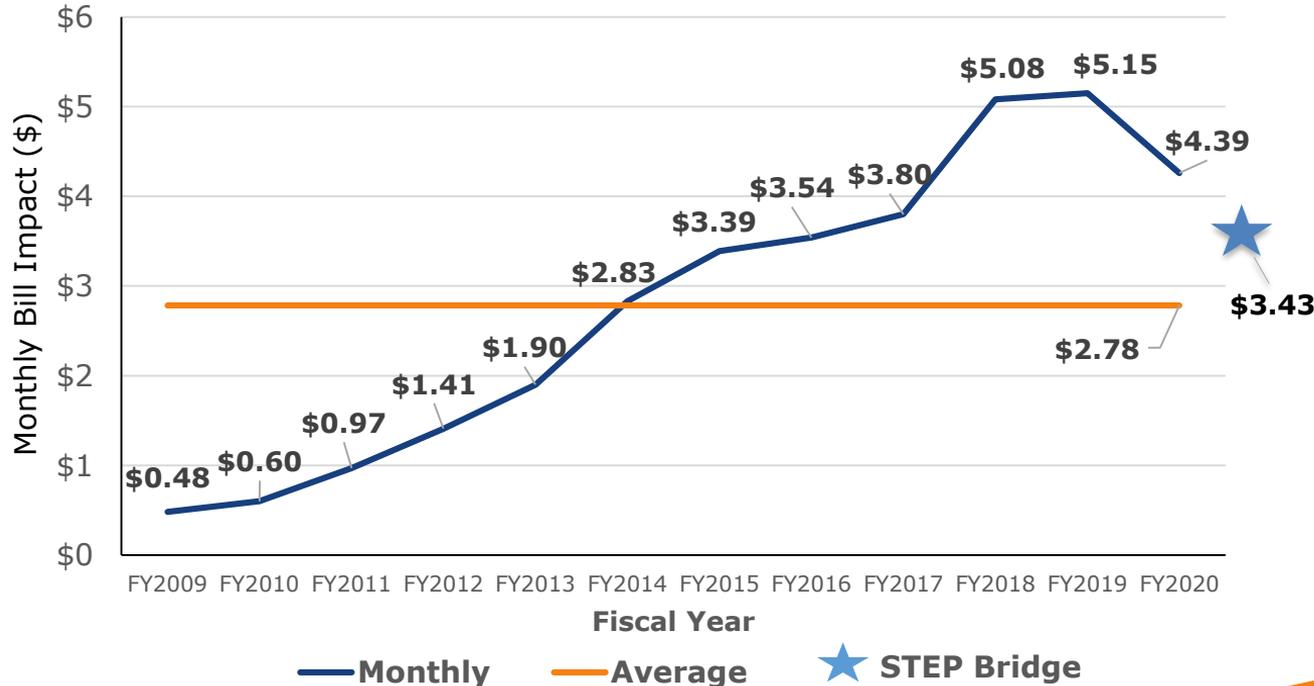
**Energy Efficiency & Conservation are:**

- Part of our past, present & future
- Part of the *Flexible Path*

# STEP BILL IMPACT



## Residential Bill Impact from STEP Based on an average of 1,000 kWh/month



**At \$70M, the STEP Bridge program translates to a bill impact of \$3.43/month or \$41.16/year.**

# A NEW VISION



*Proven model for delivering energy savings & empowering customer choice*

*Future-focused transition to low carbon & distributed generation*

*Dynamic, flexible program for promoting efficiency & new technology*

**FlexSTEP balances the tried & true with new clean & innovative product offerings**



**FLEXPOWER**  
BUNDLE



[cpsenergy.com/flexrfi](https://cpsenergy.com/flexrfi)



**ENERGY**  
STORAGE

**FlexPOWER Bundle RFI**

# THINK GLOBAL, APPLY LOCAL

## FLEXPOWER BUNDLE ALL-SOURCE RFI



The all-source RFI process will raise global awareness to provide us with valuable & innovative solutions for our customers.

### Our innovative approach will:



- Raise global visibility
  - Press release issued in 10 languages
- Find innovative solutions
- Discover global & local players
- Reveal market conditions
- Understand COVID-19 impacts



# RFI TIMELINE

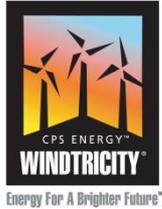


Milestone	Date
RFI Issuance	July 27, 2020
Deadline for Respondent's Questions	By 5:00 p.m. (Central time) on August 5, 2020
CPS Energy Responses to Submitted Questions	By 5:00 p.m. (Central time) on August 12, 2020
Respondents Information Submittals Due	By 5:00 p.m. (Central time) on August 31, 2020

More on the ***FLEXPOWER*** Bundle RFI can be found at [www.cpsenergy.com/flexrfi](http://www.cpsenergy.com/flexrfi)

# EXISTING RENEWABLE PRODUCTS

## WE OFFER A ROBUST PORTFOLIO OF RENEWABLE ENERGY PRODUCTS



### **Windtricity**

- Easy, low cost way to designate a portion of energy usage as renewable

### **Solar Rebate**

- Improves affordability of solar on a home or business

### **SolarHostSA**

- Customer hosts solar at no cost in return for bill credits

### **Roofless Solar**

- Customer with limited roof availability can purchase panels in a community solar array and earn bill credits

### **Big Sun Community Solar**

- Community solar located on parking structures around the city
- Revenue from shaded parking reduces cost

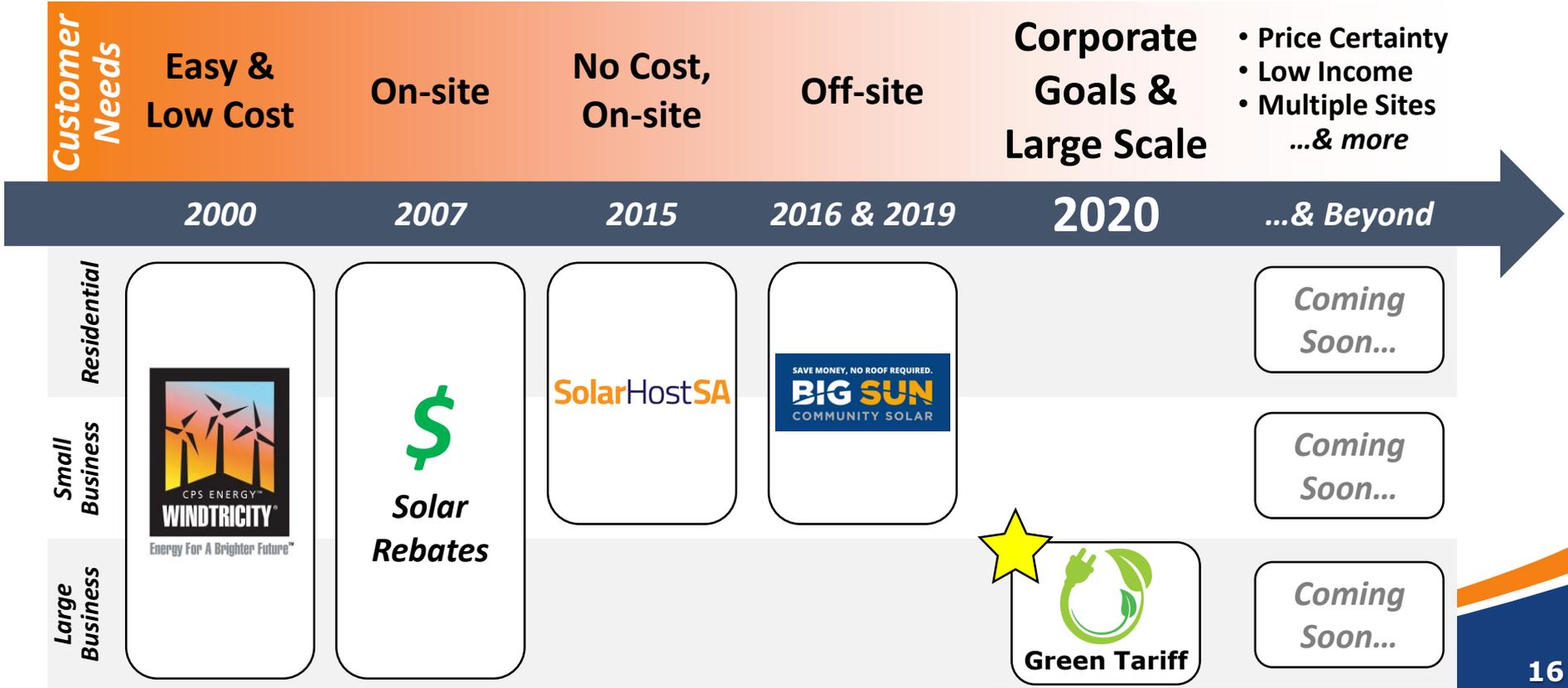
**SolarHostSA**

**SIMPLY SOLAR**  
CPS ENERGY

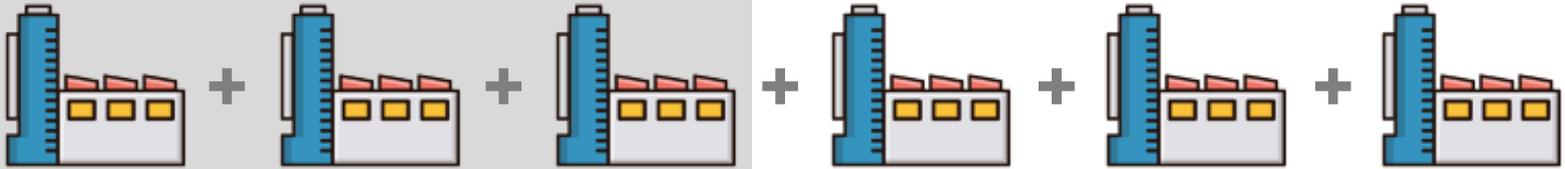
SAVE MONEY, NO ROOF REQUIRED.  
**BIG SUN**  
COMMUNITY SOLAR

# OUR NEWEST INNOVATION

## THE GREEN TARIFF ENHANCES OUR PRODUCT OFFERING TO MEET EVOLVING CUSTOMER NEEDS



# OPTIMIZING GENERATION FLEET



Older

*As the community grows over time, assets are added to meet new demand.*

Younger

*~50% of our conventional capacity is now 30+ years old...*

***The evolution of our generation solutions will require a multi-faceted approach including, but not limited to the following:***

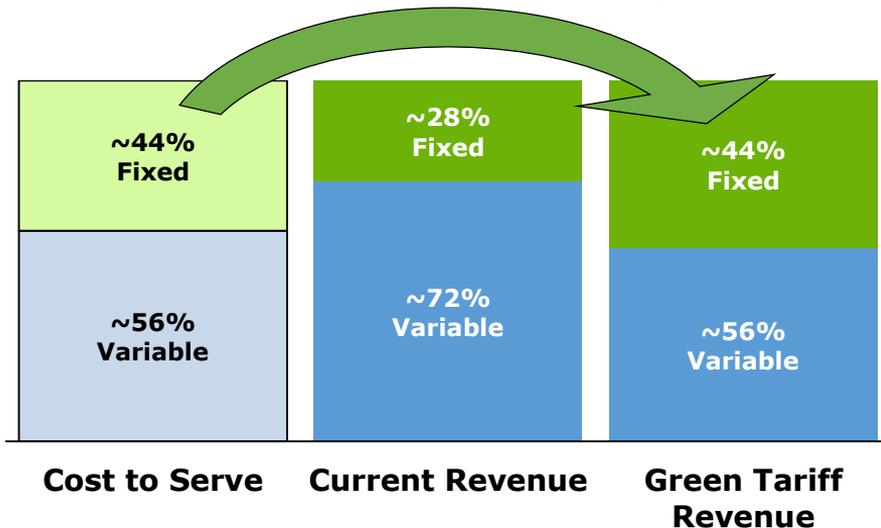
- New exciting opportunities that will emerge through our **FlexPOWER** Bundle & **Flexible Path** strategies;
- Continuation of our energy efficiency & conservation offerings, currently branded as **STEP Bridge**; &
- Expected steady & growing interest in the **Green Tariff**.



# FINANCIAL ASSESSMENT

The Green Tariff produces the same revenue as existing rates but better aligns with the fixed cost of serving our customers.

## Eligible Commercial Customers: Fixed Cost Recovery Comparison



- Improved fixed cost recovery is a strategic objective & the Green Tariff accomplishes this
- Protects us from supply risk while allowing customer to designate their renewable choice
- City Payment remains the same

# HOW THE PRODUCT WORKS



## Green Tariff

### Green Tariff for Large Commercial Customers<sup>1</sup>

Grid Share: \$2,550 per month

Demand Charges: \$19.08/KW summer  
\$16.22/KW non-summer

Energy Charges: **Renewable Energy Supply Agreement (RESA)**

- Contract with customer
- Defines renewable energy source & price

**The Green Tariff & RESA together determine the customer's total bill amount & fully recover our cost of service.**

1: Numbers are actual charges from the proposed tariff

# KEY TERMS & CONDITIONS

## **Qualified Scheduling Entity (QSE)**

- CPS Energy is responsible for managing, transacting & settling the customer's energy requirements

## **Clean Backup Generation**

- Customers who choose to provide their own backup generation are required to migrate from high emitting sources of generation like diesel to low-to-no emitting sources like natural gas or battery storage

# ELIGIBILITY

- Must have at least one 5MW account

- *or* -

- Usage of at least 75M kWh/year across all accounts

# FUTURE PRODUCTS

ADDITIONAL SOLUTIONS ARE COMING SOON

		FY2021 Q2	FY2021 Q3	FY2021 Q4
Aligned with Guiding Pillars	<b>Environmental Responsibility</b> 	 <b>Green Tariff</b>		 <b>On-site Solar</b>
	<b>Resiliency</b> 		 <b>Resiliency Service Tariff</b>	
	<b>Reliability</b> 		 <b>Wholesale Distribution Service</b>	 <b>Line Extension</b>
	<b>Pilot Programs (Under New Service Options Tariff)</b>		 <b>EV Pilots</b>	

← — — — — — **Rooted in Financial Stability** — — — — — →

# STAY INVOLVED

- Monthly Board Meetings
- Newsroom
  - [Newsroom.cpsenergy.com](https://newsroom.cpsenergy.com)
- COVID-19 resources webpage
  - [cpsenergy.com/covid-19](https://cpsenergy.com/covid-19)
- Social Media

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**AUGUST 11  
2020**

**5:00-5:30 p.m.**



**BY COMPUTER**  
Join online at [cpsenergy.com/news/fairdistrict6](https://cpsenergy.com/news/fairdistrict6)  
Password: 2222



**BY TABLET OR SMARTPHONE**  
Download the Webex app in advance,  
then join [cpsenergy.com/news/fairdistrict6](https://cpsenergy.com/news/fairdistrict6)  
Password: 2222



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Just call 415-655-0002  
Access code: 133 830 0573



**AUGUST 13  
2020**

**4:30-5:00 p.m.  
English  
5:00-5:30 p.m.  
En español**



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- Hair tips to save you money
- Discover how to view & manage your usage
- Learn how to conserve energy
- Find out about assistance programs & payment plans
- Speak directly with members of our team



***Thank You***