

This document is meant to serve the Rate Advisory committee, CPS Energy, and CPSE board members with crucial and important feedback we believe is needed to address and answer the questions in the RAC survey.

The role of the RAC members, per the by-laws, is to “provide thoughtful input and perspectives to CPS Energy management and Board of Trustees on rate structure, rate design, proposed rate increases and generation planning issues.”

We believe that this survey, even with the thoughtful questions from fellow RAC members, is so narrow in focus that simply answering yes or no, will not provide the trustees significant information to make a decision on affordability.

CPS Energy raised the based rate 3.85% in 2022 while customers were also paying more for electricity due to volatile gas prices. Inflation is adding even more financial pressure to working class families. CPS Energy will make another case for a rate hike in the fall.

We have to recognize that CPS Energy is attempting to address the energy burden and affordability for families struggling to take care of their families and keep the power on in their homes. However we believe the current format of the survey doesn't dig deep enough into addressing the needs of CPS Energy customers.

Because city council members may also use this survey to guide them in their decision making, it's crucial that they have as much information needed to make the right decision on the coming rate increase.

## Rate Relief

1. Should CPS Energy in the next rate case request approval from the San Antonio City Council for a one-time increase of the energy charge (i.e. submitted as part of the rate structure) between \$5.8 to \$11.6 million to increase the amount of the monthly discount for customers qualifying for the ADP by \$8 to \$16 per month for the same number of customers?

Yes  No **Yes or increase the number of customers assisted from ~32k to ~65k. The bill impact is the same for either option.**

2. Should CPS Energy in the next rate case request approval from the San Antonio City Council for a one time increase of the energy charge (i.e. submitted as part of the rate structure) between \$5.8 to \$11.6 million each year directly to increase the 65,000 customers in the ADP by 50% to 100% at the current discounts?

Yes  No **Yes**

3. Should CPS Energy in the next rate case request approval from the San Antonio City Council for a one time increase of the energy charge (i.e. submitted as part of the rate structure) \$65.0 million each year to reduce the energy burden for all 129,000 customers in the lower quintile to

6%?

Yes  No  Yes

It's hard to decide on these questions because we still don't know what the next rate increase will look like and although we want customers to save more in their monthly bill, deciding on an option that doesn't have the full bill impact that includes the additional impact from the rate increase is not something we feel comfortable deciding on.

## Energy Conservation

The CPS Energy Board and the San Antonio City Council recently approved the renewal of the Sustainable Tomorrow Energy Plan (STEP) to reduce energy demand by 410 megawatts across the system in 5 years. CPS Energy has focused existing programs to assist lower income Residential customers. In addition, CPS Energy initiated a free HVAC tune-up program and is redesigning Casa Verde, the low-income weatherization program, to include multi-family Assistance.

4. Is the added focus on low income residential customers for existing programs and the new programs presented by the CPS Energy staff presented on April 20, 2023 sufficient to assist low income residential customers to conserve energy in their homes?

Yes  No While great strides have been made to help low income residential customers, to call the progress done sufficient is not something we can sign off on. We will keep pushing for more support. The STEP program that passed was not the most ambitious and not all the new STEP programs have been implemented. we also envision a day when not only CPSE funds Energy conservation for our low income community members, but the city as well.

5. Should CPS energy request to increase funding to expand the STEP program from the San Antonio City Council and obtain the authorization to recover the additional cost in the fuel adjustment.

Yes  No Our initial response is no because Wwe want to know what IRA/DOE money is available for COSA to augment the STEP program.

6. In addition to the current contractors providing STEP programs and services, should CPS Energy contract with non-profits, which are community-based organizations in low income neighborhoods to deliver STEP programs and services?

Yes  No

Yes but this has to be a very robust and engaging campaign. This means cbos will have to spend staff time and resources to implement. As we have seen a lot of cbos are at capacity and underfunded, what can be done so that the cbos can carry out this effort as well as what kind of funding will they get? What are the metrics and goals? I'm all for this partnership but there's a lot to figure out.

7. Will low-income residents of multifamily facilities that participate in the winterization program recognize the savings from the CPS Energy conservation programs?

Yes  No CPS Energy has yet to implement the multi-family weatherization program so it's difficult to quantify this. We need to see if there are programs in other cities where multi-family

weatherization programs are helping residents with bill savings. We could use an update from CPS Energy on how the process is currently going on this program development.

8. Should additional efforts be made to assure that low income customers save more than CPS Energy expends to winterize their homes in the Casa Verde program?

Yes  No Good question however we are not quite sure how to answer this question.

9. Do you believe that having dual service of electric power and natural gas is one way for customers to manage their utility bill costs.

Yes  No On paper yes however the cost of gas is still vulnerable to volatility. Additionally, the true cost remains unaccounted. Environmental pollutants, health effects like reduced lung function, cause inflammation of airways, increase asthma attacks, and exacerbate other respiratory issues according to the American Lung Association. Gas also poses the risk of carbon monoxide poisoning especially when not properly ventilated or maintained. Saving on utility bills while putting the health of the community and Environment at risk is not an optimal way to save.

## Demand Management

Managing the amount of power used is an effective approach for the customer to save money on their electricity bill. Controlling the time that a customer uses power can save the customer money on their bill as well as CPS Energy's variable expenses and capital investments. CPS Energy charges residential customers a peak capacity charge of 2.06 cents per kilowatt hour (kWh) over 600 kWh during the summer months (June through September) to recover higher variable expenses and capacity demands.

10. In the next rate case, should CPS Energy request San Antonio City Council approval for an increase in the residential peak capacity charge to manage demand? Don't increase the the peak capacity charge for customers in the 600kwh range but add an additional tier and increase the residential peak capacity charge for them.

Yes  No

In order to make prudent decisions on purchasing energy, customers must have easy access to Timely pricing information CPS Energy provides extensive information to the customer on the Energy Portal.

11. Is the Energy Portal an effective approach to providing usage and pricing information to low income customers?

Yes  No the energy portal is a good tool for those connected to the internet and for those who can understand usage and pricing. We believe more has to be done to educate the community on their usage as well as tools that exist outside of being connected to the internet, especially for low income customers older than 65.

Lower income customers experience a higher energy burden and often have difficulty

establishing and maintaining an account with CPS Energy.

12. If CPS Energy implements a prepay system, would it help lower income customers obtain and sustain their account with CPS Energy? CPS Energy did not provide enough data or examples from other utilities that use a prepay system to show that it would help low-income customers sustain their account. While we understand the prepay approach as only paying for what you use, without any discounts or incentives, we believe low-income customers struggling to pay their monthly bills will similarly have difficulties paying upfront.  
 Yes  No

SAWS employs inclining block billing within their approved rates to recover the increasing cost of purchasing incrementally more expensive water. CPS Energy passes the additional cost of purchasing incremental power or fuel directly to customers in the fuel adjustment instead of the approved rate.

13. Should CPS Energy consider redesigning the flat energy charge to a progression of energy charges based on use, which is typically referred to as inclining block billing in order to recover more variable expenses in the energy charges instead of the fuel adjustment?  
 Yes  No I raised this question in response to TOU rates. There are some customers (people who live in apartments) that will have trouble shifting their load during peak demand and a TOU rate could hurt them or they wouldn't benefit from it. I gave the example of the LA utility that has an inclining block rate for those customers who wouldn't benefit from a TOU rate. It would be beneficial if the RAC was given more information on this.

In addition to completely replacing the existing billing system, CPS Energy is continually improving their billing system.

14. When CPS Energy has the capability to bill power use by the hour (i.e. time of use billing) should CPS Energy run a voluntary pilot program with low-income customers to determine if it benefits or harms low-income residential customers?  
 Yes  No CPS Energy should offer a voluntary TOU program for all customers. However, in their presentation on TOU rates, CPS Energy didn't provide detailed plans on how to roll out a pilot program. TOU rates, if implemented with robust customer education, engagement and support can help customers shift their loads during peak demand. There are customers who aren't able to shift their load during peak demand such as multi-family dwellers,

15. When CPS Energy has the ability to present additional information on the bill the cost of purchased power, the cost power purchased from power purchase agreements, and the cost of the STEP program should be removed from the fuel adjustment line and presented as individual items on the bill? Yes we are in favor of presenting customers a more itemized bill, however, CPSE needs to be clear to customers that just because the bill is itemized, it doesn't mean it's a new or added charge.  
 Yes  No

16. When CPS Energy has the ability to present additional information on the bill, should the payment to the City of San Antonio on a per customer basis be presented as an individual item on the bill?

Yes  No

CPS Energy customers with on-site solar have netting meters allowing power to flow out to the CPS Energy distribution system and into the customer.. CPS Energy has maintained a low service availability charge which benefits lower income customers. The service availability charge does not cover all the fixed cost of providing power to their customers. A majority of the fixed charges are recovered in the energy charge. On-site solar customers typically have a low energy charge because they use CPS Energy only for backup and emergency power.

17. In the next rate case, should CPS Energy request approval to charge residential customers who have netting meters a new charge (i.e. net meter charge) to cover fixed costs avoided due to their lower energy charge? This implies that fixed costs aren't recovered under net metering; Value of solar studies show this is not the case. Adding any charges or fixed fee negates the benefits customers get by having rooftop solar.  Yes  No NO

Most low income customers utilizing the Casa Verde program do not have Wi-Fi or internet service in their homes. However CPS Energy currently provides programmable thermostats which do not require Wi-Fi or internet service.----- Does CPS Energy have the data to support this assertion about W-Fi or internet. I know that internet access is a real issue but is it true that most low-income customer using CASA Verde dont have it?

18. Providing a programmable thermostat and training on how to save money for the customer and CPS Energy by using a programmable thermostat should be a requirement of the Casa Verde program.

Yes  No

We think the thermostat should be offered free of charge and efforts should be put into training and education on how customers can reduce their energy use and their bills before and after going through the Casa verde program, however, it shouldn't be a requirement as we believe making it a requirement can potentially deter customers from signing up for the program.