



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: {{item.number}}

Agenda Date: November 19, 2024

In Control: Select Meeting Type

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing on Financial Policies related to City Payment from CPS Energy and CPS Energy's Horizon 2050 Plan

SUMMARY:

Financial Policies on City Payment from CPS Energy and CPS Energy's Horizon 2050 Plan

BACKGROUND INFORMATION:

The following financial policies were implemented or revised in Fiscal Year 2024 and memorized in the Fiscal Year 2025 Adopted Budget related to City Payment from CPS Energy:

City Payment from Off-System Sales

City Payment from off-system sales is capped at \$10 million annually with any City payment from off-system sales above \$10 million reserved in a Capital Reserve Fund (CRF). Any shortfall in the City Payment base budget (the non-off system sales portion) at the City's fiscal year end is deducted from the CRF balance to determine the amount eligible to be transferred to CPS Energy for resiliency and reliability initiatives.

City Payment Base Budget

City payment in excess of 10% over the City's adopted City payment base budget (adopted budget plus 10%) is allocated to the following authorized purposes based on percentages to be determined by the City: CPS Energy resiliency and reliability projects; and City's Resiliency Energy Efficiency and Sustainability Fund (REES).

ISSUE:

CPS Energy has been developing a Horizon 2050 Plan to provide a strategic framework to include a vision, mission, and goals as CPS Energy plans for the future.

During the B-Session, briefings on the Financial Policies on City Payment from CPS Energy and CPS Energy's Horizon 2050 Plan will be provided by staff from the City and CPS Energy.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.