

City of San Antonio



Minutes

Municipal Utilities Committee

2021 – 2023 Council Members

Melissa Cabello Havrda, Dist. 6

Jalen McKee-Rodriguez, Dist. 2 | Phyllis Viagran, Dist. 3

Ana Sandoval, Dist. 7 | Clayton Perry, Dist. 10

Friday, June 3, 2022

2:30 PM

Municipal Plaza Building

Members Present: Melissa Cabello Havrda, *Chair*
Ana Sandoval, *Member*
John Courage, *Member*
Dr. Adriana Rocha Garcia, *Member*
Mario Bravo, *Member*

Members Absent: None

Approval of Minutes

1. Approval of minutes from the May 24, 2022 meeting of the Municipal Utilities Committee.

Councilmember Rocha Garcia moved to Approve the minutes from the May 24, 2022 meeting of the Municipal Utilities Committee. Councilmember Cabello Havrda seconded the motion. The motion carried by the following vote:

Aye: Cabello Havrda, Sandoval, Courage, Rocha Garcia, Bravo

Public Comment

Tim Halleran with Intertek provided information on commercial solar projects his company was undertaking in San Antonio and asked for a longer phase out time of solar incentives for commercial projects.

Calen Rude stated that he was trying to sign up to speak on the Save for Tomorrow Energy Plan (STEP) at the CPS Energy Board meeting and had difficulty signing up and noted the short window for the public to sign up to speak at CPS Energy's Board meetings.

Brian Ramirez, owner of LED Electric, spoke on behalf of conservation programs to support and utilize local small businesses.

Aaron Stein, representing the San Antonio Independent School District, recommended the continuation of STEP noting that it provided positive education for young people regarding conservation and benefits for the school district.

Briefing and Possible Action on

2. Briefing by CPS Energy on the new Energy Efficiency & Conservation Program. [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Rudy Garza, Interim President and Chief Executive Officer of CPS Energy, introduced the item and stated that CPS Energy was a national leader in energy conservation with the STEP Program and requested support of the proposal including feedback on the terms of the New Energy Efficiency & Conservation Program and goals.

Rick Luna, Director of Technology & Product Innovation for CPS Energy, provided background and details on the New Program. Luna described stakeholder engagement and feedback from the Rate Advisory Committee (RAC), Citizens Advisory Committee (CAC), and City Council. Luna stated that CPS Energy sent letters to customers with a personalized view of how much they contributed to STEP. Luna outlined the proposed New Program goals which included: demand management, bill savings, equity, innovation and emissions reduction all within a five-year plan at a cost of \$70 million per year with no additional cost to customers on their bills. Luna concluded that the Plan would be funded through the fuel surcharge for which CPS Energy required the City Council's approval.

To address public comments, Garza stated that the existing Commercial Solar Incentive Program was not going to end on July 31, 2022 noting that there would be a bridge through the end of the year. Garza noted that even if a customer missed the window for signing up for public comment, they could provide written comments at any time.

Councilmember Bravo recognized that CPS Energy had targeted low income households but recommended using energy consumption data per square foot to target customers who would most benefit from each component of the Plan such as weatherization, energy efficiencies, etc. to produce the best results. Garza stated that his team was working on the concept using information from the Bexar County Appraisal District (BCAD) on the square footage of homes.

Councilmember Bravo noted that a portion of the CPS Energy bill was essentially a tax as the revenues came to San Antonio and suggested that CPS Energy bills could be leveraged to

provide targeted relief to lower income individuals.

Councilmember Cabello Havrda requested information on the customer education and outreach efforts regarding the new Program. Garza stated that there would be a transition between the existing Program and the new Program which needed to be communicated to the public and small business partners providing solar services. Councilmember Cabello Havrda noted that the City allowed the public to sign up for public comment until the start of the meeting and recommended the same strategy for CPS Energy.

Councilmember Cabello Havrda asked about solar incentives. Luna provided information on the Solar Energy Industry noting that it was a robust sector of the economy. Councilmember Cabello Havrda recommended that CPS Energy implement strategies to maximize participation by local vendors.

Councilmember Cabello Havrda asked about the different program options. Garza and Luna described the three options considered but stated that what was presented was the option approved by the CPS Energy Board and that the RAC had advised the Board that the proposed Program was a good one.

Councilmember Cabello Havrda requested information on how apartment complexes would be selected for the Weatherization Program. Garza stated that the Program added a multi-family program and would target customers who paid their own bill.

Councilmember Sandoval requested the impact of the study by rate class and customer type. Garza stated that he would provide the information. Councilmember Sandoval asked how the low-income targets in the Plan would be implemented. Luna stated that 28% of the funding would go to low income customers with programs that included: primarily weatherization, discounts on energy efficient products, and the proposed new solar options.

Councilmember Sandoval requested a summary of the results of the Casa Verde Weatherization Program and other programs targeting low-income residents. Councilmember Sandoval requested a follow up meeting with one of the individuals who spoke during Public Comment and CPS Energy.

Councilmember Sandoval recommended that STEP prioritize customers and projects not eligible for Property Assessed Clean Energy (PACE) as the application for PACE could be cumbersome.

Councilmember Sandoval recommended more real time data on the results of the various initiatives within STEP so that outreach efforts could include that information and be more dynamic through a collaborative working group. Garza stated that the Plan called for an annual check-in with the CPS Energy Board, which could also be presented at the Municipal Utilities Committee twice a year. Councilmember Sandoval suggested more proactive grassroots outreach to customers and

requested an outreach plan for the Plan before City Council voted. Garza stated that the outreach plan could not be developed until the Plan was approved.

Councilmember Sandoval requested clarification on the kilowatt hour calculations. A CPS Energy representative stated that the amounts added up but there was some rounding. Luna stated that the CAC supported a more aggressive option.

Councilmember Rocha Garcia asked about the scope of consulting contracts by Brattle and requested more information prior to June 16, 2022 when Council would vote on the Plan. Garza stated that the Brattle Group supported the RAC and provided the cost of service study. Councilmember Rocha Garcia requested a scatter plot map of customers that received services broken down by program within STEP. Garza stated that some programs were discontinued due to nonperformance, or changes in technology and the market. Councilmember Rocha Garcia requested a historical analysis of the amount contributed in dollars through the Fuel Adjustment Fee verses benefits received by census tract.

Councilmember Rocha Garcia asked about the RAC participation in evaluating the Program and requesting additional studies and questioned whether the results of those conversations were being considered. Garza stated that the results of the Program were validated, and he felt that more study was not warranted. Councilmember Rocha Garcia requested information on the Program success measures. Garza stated that the goal was energy and cost savings. Councilmember Rocha Garcia stated that weatherization of multi-family housing was a priority.

Councilmember Rocha Garcia asked if there would be a rate increase as a result of the new Program or if any future requested rate increase might impact the Program. Garza stated that the Program was cost neutral and was included in the fuel charge, not the base rate. Councilmember Rocha Garcia requested information on the audit of the existing Program. Garza stated that they didn't plan to audit the old Program as it was being phased out, but they would audit the new Program at the appropriate time. Councilmember Rocha Garcia suggested a more targeted approach to help the most vulnerable. Garza stated that when the entire system saved energy, the costs decreased for all customers as the Energy Efficiency Program was a system benefit. Councilmember Rocha Garcia recommended validation of reduction in power consumption for participants.

Councilmember Bravo requested a heat map of where weatherization and energy efficiency had been implemented. Councilmember Bravo expressed concern that individuals whose homes were not up to City Code could not participate in the program and this would impact those who could not afford to make improvements. Garza stated that leaky roofs were the most common complication to arise which might limit participation. Councilmember Bravo suggested that painting roofs white was a great way to save energy. Garza stated that CPS Energy had a Cool Roof Program.

Councilmember Bravo recommended targeting both weatherization and energy efficiency during

peak energy use and coordination with ERCOT. Garza stated that peak season was taken into consideration because it achieved the most savings. Councilmember Bravo suggested spreading out demand by moving toward a time of use rate. Garza stated that this was available but was not a popular program but might be more attractive with smart meter data. Councilmember Bravo recommended development of a dashboard to provide real-time results.

Chair Courage stated that requiring customers to sign up to speak for the CPS Energy Board meetings during a small window of time on Friday morning from 7-1 was not acceptable and needed to be expanded. Chair Courage suggested more community input or at least more community education about the programs and not simply reliance on the RAC or the CAC. Chair Courage noted that the City Council had recently approved a rate increase and suggested many customers could not afford even a small increase. Chair Courage recommended more aggressive goals for weatherization and incentives that could benefit a broad sector of the community, particularly low income residents. Chair Courage supported community solar rather than individual solar as it was more accessible and affordable. Chair Courage stated that the biggest impact to reducing emissions was closing coal power plants.

Councilmember Rocha Garcia requested annual reviews of those efforts that had been refocused such as solar panels, marketing, and other aspects of the Program. Garza agreed to an annual review.

Chair Courage mentioned that during an annual review, improvements should be identified.

No action was required for Item 2.

Executive Session

At any time during the meeting, the Committee may meet in executive session by videoconference for consultation with the City Attorney's Office concerning attorney client matters under Chapter 551 of the Texas Government Code.

There was no executive session.

Consideration of items for future meetings

No items were discussed.

Adjournment

There being no further discussion, the meeting was adjourned at 4:26 PM.

Approved

John Courage, Chair

Respectfully Submitted

Debbie Racca-Sittre, City Clerk

DRAFT