



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 32

Agenda Date: May 2, 2024

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Expansion of enrollment for a two-year period in CPS Energy's Affordability Discount Program to offer financial support for a greater number of residential customers.

SUMMARY:

Amending CPS Energy's (CPSE) Rider G4 & E17 Residential Affordability Discount in support of CPSE's Affordability Discount Program (ADP). The proposed changes will amend the eligibility criteria by requiring a customer's income to be at or below 150% of the federal poverty level (FPL) in lieu of the ADP's current 125% of FPL, thereby expanding the number of residential customers able to participate in the program. If approved, this adjustment would be in effect for two years. Additional funding requirements beyond the initial two year period would need to be taken under future consideration with the Board of Trustees and the City Council.

BACKGROUND INFORMATION:

CPS Energy's Affordability Discount Program (ADP) helps low-income customers in the CPS service area with a monthly discount on electricity and gas services. Currently, customers below 125% of federal poverty guidelines qualify for ADP, provided one (1) of the following requirements is met:

- Be 60 years old or older.
- Have a disability.
- Use life-sustaining medical equipment.
- Have pre-school aged children or school children aged 18 and under, or
- Have a demonstrated energy burden of more than 10% (defined as an annual energy expense of more than 10% of their annual household income).

CPS Energy's ADP has been in existence since 2008. The current program as stated above provides qualifying customers who enroll a discount of \$13.48 per month on their electric bill, and \$18.36 per month on their combined electric and natural gas bill. The average residential bill impact to support ADP is \$0.83 per month.

Based on City Council feedback, CPS Energy and City Staff worked together to review the ADP eligibility criteria and how to expand data sharing to increase enrollment in the ADP program. This item proposes increasing the ADP federal poverty level (FPL) threshold from 125% to 150% so that more low-income families and seniors will be eligible for ADP. FPL is a sliding scale based on the number of persons in the household. For a family of four, 125% of FPL is \$39,000 and \$46,800 at 150%.

CPS Energy, with unanimous support from its Board of Trustees, is seeking City Council approval to amend the existing riders for its ADP program to reflect that a customer's income must be at or below 150% of the federal poverty level and must meet one (1) of the listed requirements. This change, which is for a period of two years, will not increase the current amount an average residential customer pays to support the program. Funding for the two-year period will be provided by CPS Energy's FY2024 wholesale revenue. Additional funding requirements beyond the initial two year period would need to be taken under future consideration with the Board of Trustees and City Council.

ISSUE:

City Council approves CPS Energy's tariffs and riders. The ADP program eligibility criteria are authorized on CPS Energy Riders G4 & E17 Residential Affordability Discount. The ordinance approves the riders which amend the eligibility criteria from 125% to 150% of FPL.

ALTERNATIVES:

In the event the City Council does not approve this request, ADP will remain in effect with its current eligibility criteria.

FISCAL IMPACT:

CPS Energy's ADP is a revenue reduction to the utility's revenue requirement. Funding the two-year expansion of the program will be absorbed by the utility's existing budgeted dollars. No customers will pay for the difference in changing the program from 125% of FPL to 150% of FPL during the two-year period. The proposed ordinance will have a minimal reduction in City

Payment from CPS due to the revenue reduction attributable to the increase in the number of customers newly eligible for the ADP program.

RECOMMENDATION:

The CPS Energy Board of Trustees, the Supervisor of Public Utilities, and City Staff recommend approvals of the ordinance.