

# City of San Antonio



## Minutes Municipal Utilities Committee

**2021 – 2023 Council Members**

**John Courage, Dist. 9 Chair**

**Jalen McKee-Rodriguez, District 2 | Phyllis Viagran, District 3**

**Melissa Cabello Havrda, Dist. 6**

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**Tuesday, February 28, 2023**

**10:00 AM**

**City Hall Complex**

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The Municipal Utilities Committee convened a regular meeting in the Council Briefing Room in the City Hall Complex beginning at 10:36 AM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Committee Members present:

**Members Present:** John Courage, *Chair*  
Jalen McKee-Rodriguez, *Member*  
Melissa Cabello Havrda, *Member*

**Members Absent:** Phyllis Viagran, *Member*

### Approval of Minutes

#### 1. Approval of minutes from the January 24, 2023 Municipal Utilities Committee meeting.

Councilmember McKee-Rodriguez moved to Approve the minutes of the January 24, 2023 Municipal Utilities Committee meeting. Councilmember Cabello Havrda seconded the motion. The motion carried by the following vote:

**Aye:** Courage, McKee-Rodriguez, Cabello Havrda

**Absent:** Viagran

### Public Comment

Roll was called at 10:07 AM and a quorum was not met. Chair Courage asked that briefings be presented but no minutes were taken on the Items where there was no quorum.

## **Briefing and Possible Action on**

- 2. Briefing by CPS Energy on the Fiscal Year 2024 budget approved by the CPS Energy Board of Trustees on January 30, 2023.** [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Quorum was not initially met during the briefing of the Item and thus no minutes were taken.

Once quorum was met at 10:36 AM, questions were allowed on the Item based on the presentation provided by CPS Energy Chief Financial Officer Cory Kuchinsky.

Councilmember McKee-Rodriguez asked for clarification on the budget costs associated with growth. Kuchinsky stated that staff worked closely with the CPS Energy customer development teams and that growth was being paid for with associated fees. Councilmember McKee-Rodriguez asked that special attention be provided to residential customers and assistance provided as needed.

Councilmember McKee-Rodriguez asked for additional information on climate resiliency's impact on bond ratings.

Councilmember Cabello Havrda asked for clarification on projected gap funding for the FY2024 Budget. Kuchinsky provided clarification on gap funding for FY2023, FY2024 and FY2025.

No action was taken on the Item.

- 3. Briefing by CPS Energy on the status of Accounts Receivable.** [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Quorum was not met during the briefing of the Item and thus no minutes during presentation until 10:36 AM where quorum was met. At this time, minutes were taken on the remaining.

Councilmember McKee-Rodriguez asked for clarification on how quickly reconnections occurred. CPS Energy Executive Vice President of Customer Strategy DeAnna Hardwick stated that 96% of all disconnects were reconnected within 24-48 hours.

Councilmember Cabello Havrda asked how City Council districts could assist in providing information on payment plan programs to community residents. Hardwick stated that she welcomed invitations to any and all community events.

No action was taken on the Item.

- 4. Briefing by CPS Energy on the impact and power restoration efforts associated with the February 2023 ice storm.** [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Richard Medina, CPS Energy, provided an update on restoration activity associated with the recent

January winter storm event. He reviewed storm impact to customers associated with power outages and ice accumulation impacts. He stated that power was lost to 45,000 customers and that power was restored to customers within 48 hours and that there was no impact to power plant operations.

Medina noted that the Fair Oaks Ranch and Timber Wood Park area was the most impacted area with power outages due to fallen trees impacting power lines.

Medina reviewed communications and collaborations with interagency organizations and noted that recent drills had greatly prepared staff for this incident.

Chair Courage asked how many individual incidents had occurred during the storm. Medina confirmed that there were approximately 900 individual incidents which were addressed within 8 hours. Chair Courage acknowledged the great efforts of CPS Energy during the Winter event.

Councilmember McKee-Rodriguez asked if the storm had hit an area with older infrastructure would impacts have been greater. Medina stated that there were areas that had more above ground lines and that staff continued to evaluate power needs and critical circuit strategies to address incidents.

No action was taken on the Item.

**5. Briefing by CPS Energy on the initiation plan for the power generation portfolio approved by the CPS Energy Board of Trustees on January 23, 2023. [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]**

Benny Ethridge, Executive Vice President of Energy Supply for CPS Energy, provided an update on existing energy generation resources and transition to net zero emissions and other new technologies. He noted that new technologies could be incorporated as soon as 2023 until 2030.

Chair Courage noted that CPS Energy had recently released an RFP to learn more about upcoming energy technologies and asked what was identified in the RFP. Etheridge stated that a number of technologies had been identified with some being more realistic than others. He noted that battery storage was identified but was an expensive option and not addressed further at that time but now was reinvestigated due to decreasing costs.

Chair Courage asked about the partnership of CPS Energy and Southwest Research Institute. Etheridge spoke to a research partnership and noted that an upcoming meeting with them would provide more data and studies associated with energy generation. Chair Courage asked for the status of solar energy efforts. Etheridge provided an update of solar energy efforts and other renewable energy sources.

Councilmember McKee-Rodriguez stated that he hoped that a more aggressive approach would be taken in order to achieve NetZero energy generation sources. Etheridge stated that if there were cost effective resources available that CPS Energy would press forward with integration of new technology in the best interest of customers.

Councilmember Cabello Havrda asked for additional data and reports associated with solar, wind and other renewable energy sources and implementation. She noted that these assessments were crucial in keeping City Council up to date on cost efficiencies and impact to customers. CPS Energy Chief Counsel Shanna Ramirez stated that staff would be briefing the CPS Board of Trustees and then updating the City Council with reporting and initiatives. Chair Cabello Havrda stressed the need for transparency associated with energy generation.

Chair Courage noted that the perception of small nuclear power technology by the population was sometimes concerning and asked for any options using this technology. Etheridge spoke to the possible consideration of small modular nuclear energy options and research associated with those options and that CPS Energy was continuously researching all options for energy generation. Chair Courage asked for additional information as available be provided to the Committee.

No action was taken on the Item.

**6. Briefing by CPS Energy on the impact of global supply chain shortages on utility operations. [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]**

Lisa Lewis, Chief Administration Officer for CPS Energy, provided an overview of current supply chain constraints in the area of distribution transformers due to raw material and labor shortages, population growth demands and demand for electrical vehicle competing for raw materials and associated manufacturing times. She noted that there was supply chain constraints on wooden poles, steel poles and other associated materials. Lewis spoke to mitigation actions conducted by CPS Energy to address shortages.

Chair Courage asked how these supply chain constraints impacted development projects. Lewis stated that these constraints impacted new project development and also infill projects.

Councilmember McKee-Rodriguez asked of the timeline for projects to be completed such as street light improvements. Lewis stated that a large constraint was the need for conduit and it was a continued balancing act to address timeliness of all projects. Lewis stated that she would gladly meet with the Councilmember to address his council district projects statuses.

Councilmember Cabello Havrda noted that supply constraints greatly impacted the production of new homes during a housing crisis. She asked if transformers for such projects were received in a timely and efficient manner. Lewis stated that there were issues with timely delivery and quality of transformers and this greatly impacted housing production along with other projects. She stressed that quality control was crucial in providing energy safely to customers.

Councilmember Cabello Havrda noted her willingness to address legislation on supply chain challenges. She stressed that it was important to meet the housing shortage need and that she was willing to assist as needed. She noted that staff was working diligently on this issue.

No action was taken on the Item.

**7. Discussion on a process for oversight and review of the STEP program.** [Ben Gorzell Jr., Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Chair Courage read a letter from Councilmember Rocha Garcia associated with overview of the Sustainable Tomorrow Energy Plan (STEP) Program and her support on increased collaboration of the Program and an equitable distribution of the Program to all residents in all council districts. Chair Courage stated that it was important to continue to discuss the STEP Program and continued efforts of energy delivery services.

Chair Courage invited Peter Onofre to provide his input on the STEP Program and its impact on residents. He proposed a working group to be established to review the STEP Program and develop a broader program in partnership with CPS Energy for low income residents. He stated that other partners should be included in the working group to include the Neighborhood and Housing Services Department, the Office of Sustainability, Bexar County and the Alamo Area Council of Governments (AACOG). Onofre stated that he supported the recent sustainability inventory presented by City Manager Erik Walsh and that the working group would complement the initiative to address the needs of the most vulnerable with an energy efficient program.

Onofre stated that about half the Rate Advisory Committee (RAC) had voted against the new STEP Program and that the working group could address any concerns of the RAC. He noted that a targeted weatherization program was needed and a discussion should occur to address updates and options. He noted that CPS Energy had developed a good STEP Program but that more attention was needed to address Low to Moderate Income resident (LMI) needs.

Chair Courage noted his support of the STEP Program but noted that many participants could have benefited from other available programs and rebates associated with energy savings. He stated that there could have been more residents that could have benefited from the STEP Program based on larger capacity.

Councilmember McKee-Rodriguez stated that it was a shared goal to meet the need for more residents and not just for solar energy and it was important to review all sources of energy efficiencies for the most vulnerable of residents. He noted his support of the establishment of the working group and review of community energy needs.

Chair Courage stated that he would make sure that the Committee would continue to review this Item and improved options to the STEP Program.

No action was taken on the Item.

**Executive Session**

No Executive Session was held.

## **Adjournment**

There being no further discussion, the meeting was adjourned at 11:44 AM.

**Approved**

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***John Courage, Chair***

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**Debbie Racca-Sittre, City Clerk**

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