



***RATE ADVISORY COMMITTEE (RAC)  
EDUCATIONAL LECTURE #3  
ROADMAP***

*PRESENTED BY:*

**CPS Energy**

July 8, 2021

*Informational Update*

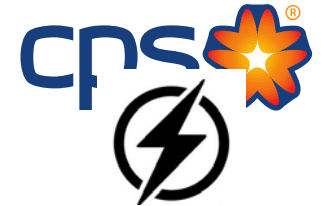


# AGENDA

- ROADMAP
- QUESTIONS



# RAC DISCUSSION CONTENT



## General (CPS Energy & Industry)

- ✓ Business & operating model
- ✓ Financial objectives & outlook
- ✓ Rate benchmarking
- ✓ Energy efficiency & demand response

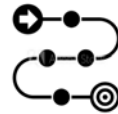
*June 10*



## Rate Design

- Next...
- ✓ Objectives of rate design
  - Rate design trends
  - Industry case studies
  - Cost model of providing service

*June 24,  
July 8 & 22*



## CPS Energy Rates & Roadmap

- Overview of current rates
- Performance of current rates
- Optimizing rates
- Roadmap

*August*



## Social Issues

- Affordability
- Customer assistance programs
- Equity

*September*

## Generation Strategy

- Current fleet
- Objectives for the future
- **FlexPOWER** Bundle

*September/  
October*

# WEBSITE UPDATES



## CPS Energy Rate Advisory Committee (RAC)

### Purpose of the Rate Advisory Committee:

*"Members of the RAC will devote the necessary time and energy to learn about the utility business and the rate design function in order to understand and 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."*

### RAC Members:

The RAC is made up of 21 members comprised of 11 appointees by the CPS Energy Board of Trustees, including Mayoral appointees and 10 City Council appointees. Members of the RAC will devote the necessary time and energy to learn about the utility business and the rate design function that allows utilities to recover their costs to provide service. This effort will help them understand and provide thoughtful input and perspectives regarding CPS Energy's rate structure and rate design options.

### Sign up for Public Comment:

Time is set aside during RAC meetings for Public Comment. Comments can be up to 2 minutes. To sign up to speak, please email [rac@cpsenergy.com](mailto:rac@cpsenergy.com) before noon the day of the meeting. You will receive a confirmation email prior to the start of the meeting with instructions for joining Public Comment.

### Watch RAC Meetings on Livestream:



### RAC Meeting Information and Q&A:



### RAC Contact Information:

E-mail: [RAC@cpsenergy.com](mailto:RAC@cpsenergy.com)  
Phone: 210-353-6788  
Mail: CPS Energy  
Attn: RAC CT 1501  
500 McCullough  
San Antonio, TX 78215

[More Information](#)

Next Meeting:  
July 8  
5:30 p.m. - 7:30 p.m.

**Rate Advisory Committee**  
Sign up for  
Public Comment

Email:  
[rac@cpsenergy.com](mailto:rac@cpsenergy.com)  
before noon  
on the meeting day

We've made it easier to find:

- Livestream Information
- Agendas & Presentations
- Questions & Answers

# Q&A ONLINE INVENTORY

## Rate Advisory Committee (RAC) - Questions & Answers



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### GENERAL: CPS ENERGY & INDUSTRY

#### TOPICS:

- Business & operating model
- Financial objectives & outlook
- Rate benchmarking
- Energy efficiency & demand response

[See General Questions & Answers Here](#)

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### RATE DESIGN

#### TOPICS:

- Objectives of rate design
- Rate design trends
- Industry case studies
- Cost model of providing service

[See Rate Design Questions & Answers Here](#)

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### GENERATION STRATEGY

#### TOPICS:

- Current fees
- Objectives for the future
- FlexPOWER Bundle

[See Generation Strategy Questions & Answers Here](#)

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### SOCIAL ISSUES

#### TOPICS:

- Affordability
- Customer assistance programs
- Equity

[See Social Issue Questions & Answers Here](#)

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### CPS ENERGY RATES & ROADMAP

#### TOPICS:

- Overview of current rates
- Performance of current rates
- Optimizing rates
- Roadmap

[See CPS Energy Rates & Roadmap & Answers Here](#)

## RAC Questions & Answers - General: CPS Energy & Industry

This page will be updated frequently with questions & answers by topic.

General: CPS Energy & Industry Topics Include:

- Business & operating model
- Financial objectives & outlook
- Rate benchmarking
- Energy efficiency & demand response

Questions & Answers:

1. [What is R&R? \(Answered\)](#)
2. [What is Non-Fuel O&M? \(Answered\)](#)
3. What is the G&A?
4. Where are cost savings shown?
5. What are the past due amounts by customers?
6. What is the difference between residential & commercial rates?
7. [When was the last Cost of Service done? \(Answered\)](#)
8. Why is the usage in Texas higher than other states?
9. What is the difference between R&R and O&M?
10. If customers are using twice as much energy in Texas why are others bills so much higher?
11. How will pending legislature going to affect proposed rate increase?
12. Please explain how the maintenance cost for solar customers is allocated
13. Please provide details on all the community programs
14. What were the past due balances prior to the pandemic?
15. What is the utility burden of some of the additional programs being proposed?
16. How is Senate Bill No 3 going to impact rates?
17. What are the differences between Memphis, San Antonio, Austin, El Paso and Denver rates?
18. STEP Program questions.
19. How can you connect population growth to load growth?
20. Where is the funding going for solar programs?
21. How is REAP funded?

And you can see all the questions and if they have been answered yet.



*Thank You*

