

## **Purpose of Survey**

The RAC Bylaws in Section 2 of Article I require the members to 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. Specifically, the RAC has been requested to provide input on how redesigning the rates could lower the energy burden on lower income residential customers.

Unfortunately, simply changing how energy and delivery services are billed to lower income customers will not substantially reduce their energy burden. Energy burden is reduced by increasing affordability. Affordability is a combination of rate relief, energy conservation, and demand management.

## **Rate Relief**

CPS Energy provides rate support to residential customers with the Affordability Discount Program (ADP). Residential customers qualify who are at or below 125% of the federal poverty guidelines and meet at least one of the following requirements:

- 60 years or older,
- have a disability,
- use life-sustaining medical equipment,
- have pre-school aged children or school children aged 18 and under, or
- have extenuating circumstances as determined by CPS Energy or the City of San Antonio

Thus far, in 2023, the monthly discount has been approximately \$11.67 for electricity and \$4.47 for natural gas. The ADP program currently has approximately 65,000 residential customers for electricity and 44,000 for natural gas. The cost for the ADP program is recovered from all customers in the approved rate and the total cost is approximately \$11.6 million per year.

On March 23, 2023, CPS Energy staff presented three options for increasing rate relief for families in the lowest annual earnings quintile.

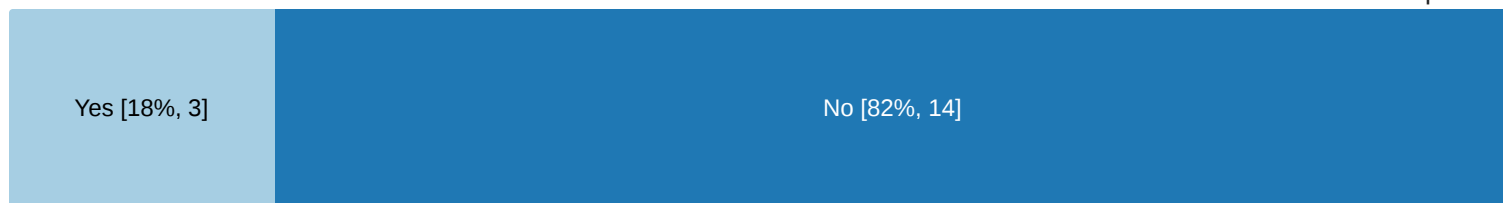
1) Should CPS Energy in the next rate case request approval from the San Antonio City Council for a one-time increase of the energy charge (i.e. submitted as part of the rate structure) between \$5.8 to \$11.6 million to increase the amount of the monthly discount for customers qualifying for the ADP by \$8 to \$16 per month for the same number of customers?

17 Responses



2) Should CPS Energy in the next rate case request approval from the San Antonio City Council for a one time increase of the energy charge (i.e. submitted as part of the rate structure) between \$5.8 to \$11.6 million each year directly to increase the 65,000 customers in the ADP by 50% to 100% at the current discounts?

17 Responses



3) Should CPS Energy in the next rate case request approval from the San Antonio City Council for a one time increase of the energy charge (i.e. submitted as part of the rate structure) \$65.0 million each year to reduce the energy burden for all 129,000 customers in the lower quintile to 6%?

19 Responses



## Energy Conservation

The CPS Energy Board and the San Antonio City Council recently approved the renewal of the Sustainable Tomorrow Energy Plan (STEP) to reduce energy demand by 410 megawatts across the system in 5 years. CPS Energy has focused existing programs to assist lower income residential customers. In addition, CPS Energy initiated a free HVAC tune-up program and is redesigning Casa Verde, the low-income weatherization program, to include multifamily assistance.

4) Is the added focus on low income residential customers for existing programs and the new programs presented by the CPS Energy staff presented on April 20, 2023 sufficient to assist low income residential customers to conserve energy in their homes?

17 Responses



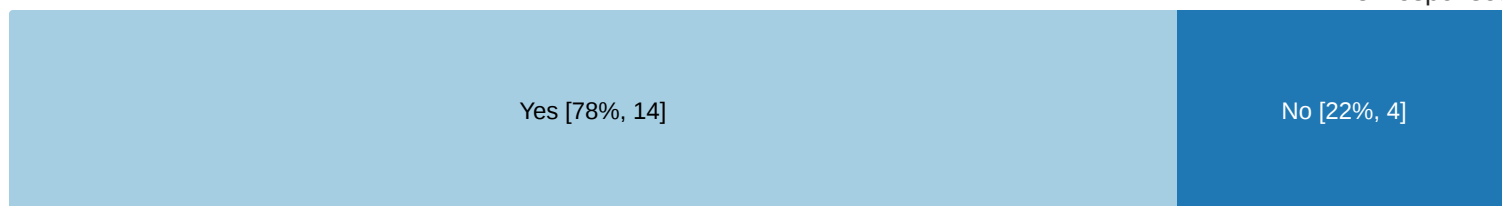
5) Should CPS energy request to increase funding to expand the STEP program from the San Antonio City Council and obtain the authorization to recover the additional cost in the fuel adjustment?

19 Responses



6) In addition to the current contractors providing STEP programs and services, should CPS Energy contract with non-profits, which are community-based organizations in low income neighborhoods to deliver STEP programs and services?

18 Responses



7) Will low-income residents of multifamily facilities that participate in the winterization program recognize the savings from the CPS Energy conservation programs?

17 Responses



8) Should additional efforts be made to assure that low income customers save more than CPS Energy expends to winterize their homes in the Casa Verde program?

19 Responses



9) Do you believe that having dual service of electric power and natural gas is one way for customers to manage their utility bill costs?

19 Responses



## Demand Management

Managing the amount of power used is an effective approach for the customer to save money on their electricity bill. Controlling the time that a customer uses power can save the customer money on their bill as well as CPS Energy's variable expenses and capital investments.

CPS Energy charges residential customers a peak capacity charge of 2.06 cents per kilowatt hour (kWh) over 600 kWh during the summer months (June through September) to recover higher variable expenses and capacity demands.

10) In the next rate case, should CPS Energy request San Antonio City Council approval for an increase in the residential peak capacity charge to manage demand?

19 Responses



In order to make prudent decisions on purchasing energy, customers must have easy access to timely pricing information. CPS Energy provides extensive information to the customer on the Energy Portal.

11) Is the Energy Portal an effective approach to providing usage and pricing information to low income customers?

18 Responses



Lower income customers experience a higher energy burden and often have difficulty establishing and maintaining an account with CPS Energy.

12) If CPS Energy implements a prepay system, would it help lower income customers obtain and sustain their account with CPS Energy?

17 Responses



SAWS employs inclining block billing within their approved rates to recover the increasing cost of purchasing incrementally more expensive water. CPS Energy passes the additional cost of purchasing incremental power or fuel directly to customers in the fuel adjustment instead of the approved rate.

13) Should CPS Energy consider redesigning the flat energy charge to a progression of energy charges based on use, which is typically referred to as inclining block billing in order to recover more variable expenses in the energy charges instead of the fuel adjustment?

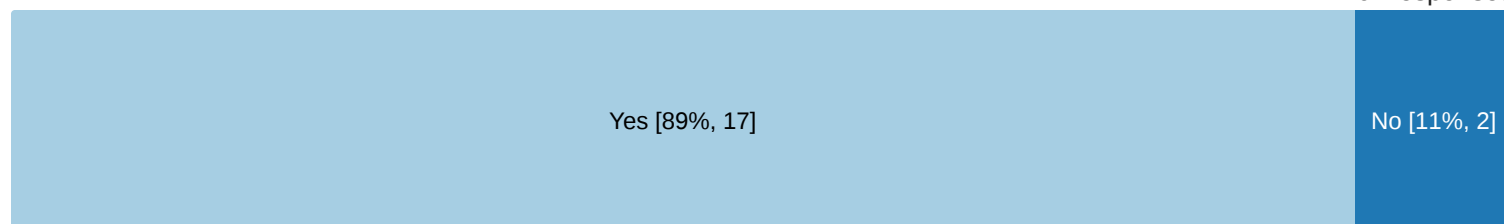
19 Responses



In addition to completely replacing the existing billing system, CPS Energy is continually improving their billing system.

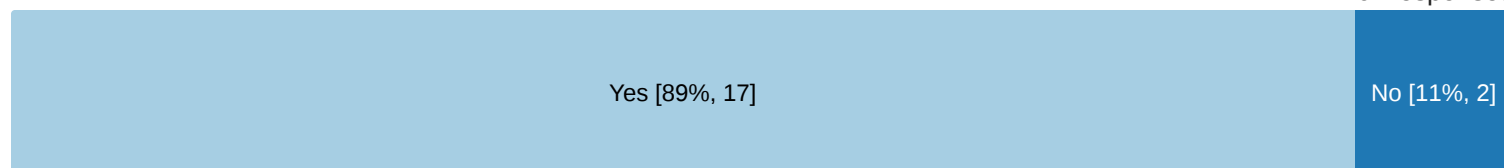
14) When CPS Energy has the capability to bill power use by the hour (i.e. time of use billing) should CPS Energy run a voluntary pilot program with low-income customers to determine if it benefits or harms low-income residential customers?

19 Responses



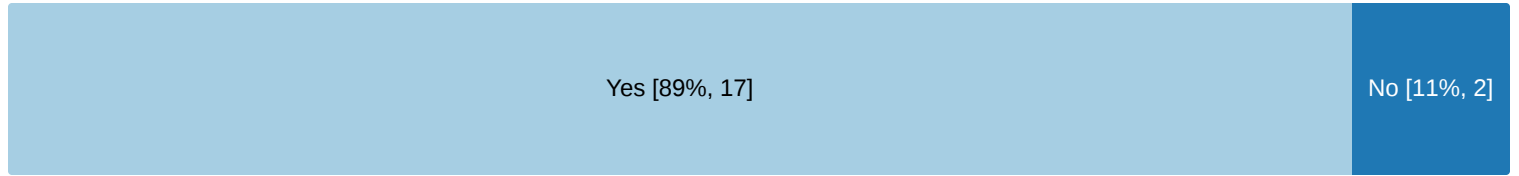
15) When CPS Energy has the ability to present additional information on the bill the cost of purchased power, the cost power purchased from power purchase agreements, and the cost of the STEP program should be removed from the fuel adjustment line and presented as individual items on the bill?

19 Responses



16) When CPS Energy has the ability to present additional information on the bill, should the payment to the City of San Antonio on a per customer basis be presented as an individual item on the bill?

19 Responses



CPS Energy customers with on-site solar have netting meters allowing power to flow out to the CPS Energy distribution system and into the customer. CPS Energy has maintained a low service availability charge which benefits lower income customers. The service availability charge does not cover all the fixed cost of providing power to their customers. A majority of the fixed charges are recovered in the energy charge. On-site solar customers typically have a low energy charge because they use CPS Energy only for backup and emergency power.

17) In the next rate case, should CPS Energy request approval to charge residential customers who have netting meters a new charge (i.e. net meter charge) to cover fixed costs avoided due to their lower energy charge?

19 Responses



Most low income customers utilizing the Casa Verde program do not have Wi-Fi or internet service in their homes. However CPS Energy currently provides programable thermostats which do not require Wi-Fi or internet service.

18) Providing a programable thermostat and training on how to save money for the customer and CPS Energy by using a programable thermostat should be a requirement of the Casa Verde program.

19 Responses

