

# CPS Energy – Research & Development Fact Sheet

## R&D Objectives:

CPS Energy requires data and support services in the development of sustainable energy technology, smart grid applications and environmental controls, as a result of the transformations taking place in the utility industry in the coming years. By supporting the research of various organizations, CPS Energy will derive innovative solutions to these challenges. Through the Texas Sustainable Energy Research Institute (SERI), CPS Energy will help position San Antonio as a leader in sustainable initiatives.

## Funding:

- The 10-year partnership with the Texas SERI at the University of Texas at San Antonio (UTSA) begins September 2010 and ends September 2020.
- CPS Energy will invest up to \$50 million locally in research over the 10-year relationship with SERI.
- Funding for Texas SERI will be reviewed and approved annually by the CPS Energy Board of Trustees as goals are established and deliverables are met.
- Year 1 funding for Texas SERI is set at \$1 million; this involves redirecting a portion of the current 2010-2011 R&D budget of approximately \$5 million.
- Year 2 funding for Texas SERI will require re-prioritizing/re-directing approximately \$2.5 million of the planned 2011-12 R&D budget
- Subsequent funding will be contingent upon San Antonio City Council rate approvals.

## Benefits from an alliance with Texas SERI:

- Texas SERI investments remain within our community, allowing for close working relationships among participants.
- Work will be tailored to the San Antonio market and its climate, energy needs and energy use, but may have implications for a national audience.
- UTSA will attract academic expertise in engineering, carbon capture and smart grid technology.
- Texas SERI will be able to leverage CPS Energy research dollars for additional funding.

## Research and Development:

- R&D is integral to meeting CPS Energy's ambitious goals for 2020.
- Maximizes the best use of dollars for future projects.
- CPS Energy research and development (R&D) budgets have averaged \$3 to \$5 million annually.
- Current R&D budget allocations (for Fiscal Years 2010-11 and 2011-12) include:
  - Electric Power Research Institute (EPRI), Palo Alto, CA
  - Other project studies for:
    - Energy Efficiency
    - Transportation
    - Smart Grid
    - Energy Storage/Distributed Energy
    - Carbon Sequestration
- CPS Energy's past R&D partners have included:
  - Gas Technology Institute
  - American Public Gas Association Research Foundation
  - Florida Solar Energy Center
  - Local and Regional Collaborative efforts lead by CPS Energy personnel.