

Myers, Denaë

From: Garcia, Kathleen S.
Sent: Monday, June 8, 2020 7:20 PM
To: Chrissy Mann (Chrissy.mann@sierraclub.org); DeeDee Belmares; Diana Lopez
Subject: ESG 4/30/2020 Meeting Follow-Up
Attachments: ENVIRONMENTAL STAKEHOLDER MEETING, CPS ENERGY 04-30-2020_full.pdf; 04.30.2020 Environmental Stakeholder Group Resource Deck.pdf; 043020 ESG Agenda Final.pdf

June 8, 2020

To the Members of the Environmental Stakeholder Group,

Thank you for participating in our stakeholder meeting on April 30, 2020 and particularly for doing so during this time of the COVID-19 pandemic. We remain keenly focused on keeping our employees and customers healthy and safe, while providing reliable power to our community. We have transitioned to virtual interactions for everyone's safety. We have adopted multiple social distancing practices and are intentionally seeking new and effective ways to conduct our business, making sure to allow for ongoing public input and stakeholder engagement.

As an example of this, we were pleased to host our most recent meeting via WebEx and are looking forward to utilizing WebEx for our future Environmental Stakeholder Group (ESG) meetings. A recording of the meeting, a transcript of the meeting, additional information that was shared, as well as a copy of this letter, is available on our website at: <https://www.cpsenergy.com/stakeholder>

In regard to questions raised either at or after the meeting, we provide the following responses:

- Natural Gas Rebates

More context and clarification on this issue can be found on page 46, lines 2 -16 in the transcript. Our customers continue to request natural gas services to optimize their homes and businesses with resiliency, energy diversification, and affordability. Our natural gas business is in a competitive market and the natural gas rebates contribute to our success as a combined electric and natural gas utility.

While we have no active natural gas promotions under STEP, we currently offer three separate natural gas rebate programs:

- Appliance rebate program incentivizes installation of new gas appliances
- Gas conversion rebate program incentivizes converting electric appliances to natural gas appliances
- Smart Energy Homes rebate program incentivizes home builders to include gas furnaces & water heaters in new residential home construction

Natural gas is an efficient energy choice for home heating and for heat-generating appliances and plays a contributing role in reducing greenhouse gas emissions. We are a leader in helping our customers, both electric and natural gas, use energy as efficiently as possible. As a result, we will continue to provide gas rebates to our customers. Again, for

clarity, natural gas rebates are not affiliated with the STEP program, since STEP is designed to reduce our community's demand for electricity.

As discussed in an ESG meeting in late 2019, we remain interested in new energy innovations, including those that could either replace natural gas and/or significantly lower or eliminate fossil fuel emissions. We also remain committed to blending our tried and true technologies with new ones. Accordingly, our management team continues to monitor and promote efforts across San Antonio, Texas, our nation, and the globe in pursuit of this goal.

- Residential Energy Use Data

A question was raised during our most recent meeting regarding "Per Capita" energy use for San Antonio residential customers and how that usage compares to customers in other major cities. Below are two sources for this data:

1. Public Utility Commission of Texas (PUCT) Data. This is a website that has residential usage information for a small sample set of cities in Texas.
<https://www.puc.texas.gov/industry/electric/rates/NCrate.aspx>
2. U.S. Department of Energy Office of Energy Efficiency & Renewable Energy: State & Local Energy Data. This is a website that provides energy usage information on many cities.
<https://www.eere.energy.gov/sled/#/results/elecandgas?city=San%20Antonio&abv=TX§ion=electricity¤tState=Texas&lat=29.4241219&lng=-98.49362819999999>

Due to the differences regarding climate, energy efficiency building codes, size of residential housing stock, and economic factors, it is challenging to compare San Antonio's residential energy use to other cities on an equal basis. However, these websites are helpful resources for information pertaining to usage.

- Spruce Power Plants

After the meeting, the ESG asked how many employees work at the Spruce power plants; today, that number is 160 employees for the site.

- **FlexPOWER** Bundle & Rates Advisory Committee (RAC)

While we remain focused on our COVID-19 response and activities, we are also continuing work on multiple important initiatives. We appreciate your continued interest in our **FlexPOWER** Bundle and our efforts in establishing a RAC. In response to how the ESG can remain informed on these initiatives, updates are provided to our Board of Trustees at their monthly meetings. Board meeting agendas and board materials are typically posted on our website 3 days ahead of time, and public input is taken at the beginning of each meeting. With regard to the RAC, we appreciate you directing us to the APPA Public Participation handbook. We have read it and find it to be a helpful resource.

Again, we appreciate everyone who takes the time to share their thoughts and feedback with us, and we thank you for your active engagement in our ESG meetings. The robust dialogue and information sharing that occurs at these meetings continues to be valuable and insightful.

Sincerely,

Kathy Garcia, on behalf of,

Paula Gold-Williams
President & CEO



Keeping People First!

PGW:ksg

Attachments:

- Transcript of 4/30/2020 ESG Meeting
- Recording of 4/30/2020 ESG Meeting, link provided (<https://youtu.be/sl-uls7LN7Y>)
- Pre-read Resource Materials, provided to the ESG on 4/28/2020
- 4/30/2020 ESG Meeting Agenda

Copy: CPS Energy's Board of Trustees
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