



***RATE ADVISORY COMMITTEE (RAC)
EDUCATIONAL LECTURE #4
ROADMAP***

PRESENTED BY:

CPS Energy

July 22, 2021

Informational Update

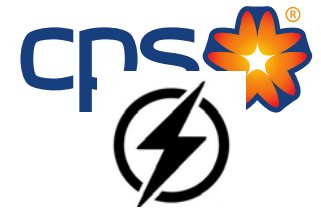


AGENDA

- ROADMAP
- QUESTIONS



RAC DISCUSSION CONTENT



General (CPS Energy & Industry)

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

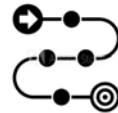
June 10



Rate Design

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

*June 24,
July 8 & 22*



CPS Energy Rates & Roadmap

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

August 5 & 19



Social Issues

- Affordability
- Customer assistance programs
- Equity

September

Generation Strategy

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

*September/
October*

COST OF SERVICE (COS) RELEVANCE **CPS** ENERGY

WHY DOES THE COS MATTER TO THE RAC?

This information is foundational for discussions about:

- Fairness & equity
- Affordability
- Sustainability (renewable energy)
- Financial stability



Q&A ONLINE INVENTORY

Rate Advisory Committee (RAC) - Questions & Answers



1 GENERAL: CPS ENERGY & INDUSTRY

of 5



TOPICS:

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

[See General Questions & Answers Here](#)

2 RATE DESIGN

of 5



TOPICS:

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

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

3 GENERATION STRATEGY

of 5



TOPICS:

- Current fleet
- Objectives for the future
- FlexPOWER Bundle

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

4 SOCIAL ISSUES

of 5



TOPICS:

- Affordability
- Customer assistance programs
- Equity

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

5 CPS ENERGY RATES & ROADMAP

of 5



TOPICS:

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

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

RAC Questions & Answers - Rate Design

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

Rate Design Topics Include:

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

Questions & Answers:

1. [CPS used to have a budgeted payment plan – is that option not in place any longer? \(Answered\)](#)
2. What is the energy burden for CPS Energy customers?
3. How has the CARE program impacted disconnections, customer programs, and solar access. Has it impacted use?
4. Should the CPS Energy RAC consider "Business Development" as a rate design principle?
5. Should encouraging conservation be a household affordability issue and could it be a penalty to low or fixed income households?
6. What are the missing, new or innovative programs given all utility are transitioning to reduce carbon, extreme weather?
7. Can you explain why "decarbonization" is a good thing -- a worthwhile goal?
8. What is the utilization of the current programs CPS offers to assist folks to get their arms around their usage and budget?
9. How do we re-energize or renew the current rebate programs already in place, e.g., insulation, appliances, etc?
10. What are the CPS rates and or new distribution assets needed for new and large customers that can be paid by economic development?
11. Recently ERCOT has been sending notices via text message to reduce use when usage is high. I participate in the thermostat. This program did not kick in and I am assuming it's because folks responded appropriately to the ERCOT thermostat.
12. Report from Sierra Club regarding STEP Program

We are continuing to work on all the questions from the various meetings.



Thank You

