SOLAR + STORAGE

INTRODUCTION BY:
Paula Gold-Williams
President & Chief Executive Officer (CEO)

PRESENTED BY:
David Jungman
Sr. Director, Business & Economic Development

June 25, 2018

Approval Requested
AGENDA

• PARTNER W/SOUTHWEST RESEARCH INSTITUTE (SWRI)
• ENERGY STORAGE: NOT IF, BUT WHEN
• PROJECT DEVELOPMENT TIMELINE
• SOLAR+STORAGE PROJECT
• NEW TECHNOLOGY IMPLEMENTATION GRANT (NTIG)
• PROCUREMENT
• RECOMMENDATION
PARTNER WITH SwRI

• BENEFITS:
  • SwRI - research on project
  • CPS Energy – renewable energy, reduced emissions, operational experience
  • Both parties – community recognition, data sharing

• AGREEMENTS:
  • Land lease (solar)
  • Warehouse lease (storage & educational)
Investing our efforts in technology now:
• proactively readies us for change
• supports Flexible Path strategy
• benefits our customers and community
PROJECT DEVELOPMENT TIMELINE

2015
• Hired energy storage consultant
• Completed energy storage feasibility study

2016
• Applied for and awarded NTIG by the TCEQ¹
• Partnering discussions with SwRI
• Drafted Request for Proposal (RFP)

2017
• Issued RFP and evaluated proposals
• Negotiated lease agreements with SwRI

2018
• Negotiated agreements with project developer
• Board Approval Requested
• Begin Installation

2019
• Complete Installation
• Commercial Operation

¹ Texas Commission on Environmental Quality
SOLAR+STORAGE PROJECT

- 5 MW AC Solar PV Facility
  - Energy Storage System (ESS) co-located with solar production
  - Application: Solar shifting and Fast Responding Regulation Service (FRRS)

- 10 MW Battery Storage System
  - Flexible configuration
    - 10 MW FRRS with 1 hour duration
    - 5 MW stored energy with 2 hour duration

Contract Price = $16.3 M
NEW TECHNOLOGY IMPLEMENTATION GRANT (NTIG)

$3 million
Funding awarded to CPS Energy by
Texas Commission on Environmental Quality and
Texas Emissions Reduction Plan

CPS Energy was awarded $3M to partially offset the ESS cost

- Improve the quality of air in Texas
- Facilitate the implementation of new technologies to reduce emissions
- Fund implementation of new technologies while creating new business and industry
LOCATION AT SwRI

A. Solar Farm
B. ESS & Educational area

Solar + Storage Site at SwRI (9800 West Commerce)

Highly visible site located along the Highway 151 corridor
ESS & EDUCATIONAL AREA
PROCUREMENT

• Issued RFP for engineering, procurement & construction (EPC) contractor

• Received & evaluated 22 proposals
EPC CONTRACTOR

• Selected RES Americas (RES)
• Negotiated two agreements:
  • EPC Agreement (solar)
  • Turnkey Equipment Purchase & Installation Agreement (storage)

RES’ proposal exhibited the best combination of value, technology & financial ability.
PROJECT SUPPORT

Collaborative effort by CPS Energy staff & legal/consulting firms on:

• Development of the RFP
• Grant application
• Procurement
• Contracts and agreements
Authorize the CEO to execute agreements with RES up to the combined amount of $16.3M that will:

- Combine renewable energy with new technology benefits
- Reduce emissions & improve the quality of air
- Promote a local yet global partnership with SwRI
- Lower technology costs
- Support *Flexible Path* strategy

Your approval is requested for the project as presented
Thank You