NEW SERVICE OPTIONS TARIFF

INTRODUCTION BY:
Carolyn Shellman
Chief Legal & Administrative Officer (CL&AO)

PRESENTED BY:
Chad Hoopingarner
Sr. Director, Strategic Pricing & Cost Recovery

September 24, 2018

Approval Requested
AGENDA

• REGULATORY OVERVIEW
• PILOT PROGRAM (NEW SERVICE OPTIONS TARIFF)
• COMMERCIAL EV PILOT RATE
REGULATORY OVERVIEW

• To provide products & services to our customers, we must set pricing (i.e., rates) based on the utility’s cost to provide those products & services

• Our rates, along with the underlying terms & conditions (i.e., tariffs), are approved by the Board of Trustees and City Council

• Our industry is undergoing significant change, creating opportunities for CPS Energy to serve customers in new & exciting ways

• To optimize these opportunities, we need the ability to test products & services in order to ensure that we are meeting customer expectations, recovering our costs, and optimizing the community’s investment in the electric & gas infrastructure

Once a successful pilot is concluded, we will be required to seek approval from the Board and City Council on new rates & tariffs.
We are seeking approval from the Board of Trustees and City Council on the New Service Options tariff.

The NSO tariff is an umbrella tariff that enables CPS Energy to conduct product pilots by defining:
- Requirements for launching new product pilots
- Accountability & oversight procedures with COSA’s Office of Public Utilities

Your approval will enable CPS Energy to:
- Evaluate technologies & assess changing customer needs
- Measure the cost of service requirements

The NSO tariff creates a testing framework for new products & services to be rapidly developed and offered to customers.
PILOT PROGRAM

Future rate pilots may include:

- Smart Cities initiatives (e.g., kiosks)
- Resiliency products
- Commercial EV fleet opportunities
- Intelligent lighting projects
- Growth tools for gas business
We want to enable the positive impacts of electric vehicles on San Antonio’s air quality and electric system.

Our strategy is to encourage and incentivize “off-peak” usage of our system.

“Off-peak” load optimizes existing assets and reduces capital investment.

Assets designed to meet peak system needs.
COMMERCIAL EV RATE PILOT (2 OF 2)

Commercial EV Rate Details

Monthly Charge: $175/month

Demand Charge: $7/kW

Energy Charge:
- 4pm-9pm on weekdays: 20¢/kWh
- All other times of day: 6¢/kWh

CPS Energy will assess the effectiveness of this rate over ~1-2 years.
Approve the New Service Options tariff to ensure that we are meeting customer expectations, recovering our costs, and optimizing the community’s investment in the electric & gas infrastructure.
Thank You