

**State of Texas  
County of Bexar  
City of San Antonio**



**DRAFT**

**Meeting Minutes  
City Council Special Meeting**

City Hall Complex  
105 Main Plaza  
San Antonio, Texas 78205

---

**Thursday, May 10, 2018**

**1:00 PM**

**Municipal Plaza Building**

---

The City Council of San Antonio convened in the "B" Room of the Municipal Plaza Building. City Clerk Leticia Vacek took the Roll Call noting the following Councilmembers present:

**PRESENT:** 11 - Mayor Nirenberg, Treviño, Shaw, Viagran, Saldaña, Gonzales, Brockhouse, Sandoval, Pelaez, Courage, and Perry

**EXECUTIVE SESSION**

Mayor Nirenberg recessed the meeting into Executive Session at 1:05 pm to discuss the following:

- A. Legal issues related to the competitive matters of CPS Energy as a publicly owned utility pursuant to Texas Government Code Section 551.071 (consultation with attorney).

**RECONVENED**

Mayor Nirenberg reconvened the meeting at 1:51 pm and announced that no action was taken in Executive Session. He addressed Item 1.

1. A briefing by CPS Energy on summer readiness and the customer conservation campaign [Paula Gold-Williams, CPSE President & CEO]

Paula Gold-Williams stated that the Smart Sniffer Vehicle had been launched to detect natural gas in the community and assist with preventive maintenance and evaluating repair efficacy. She noted that 34 F-150 Hybrid Electric Vehicles had been added to the CPS Energy Fleet to help reduce emissions and increase efficiency. She highlighted interactions with the Senate Business & Commerce Committee to discuss Energy Market Coordination and address summer readiness. She stated that she appeared on a panel regarding the competitive nature of the retail electric market in Texas and the impact of competition on price and reliability. She stated that the Electric Reliability Council of Texas (ERCOT) Reserve Margin was designed to supplement the resources needed to fill customer demand. She noted that the Reserve Margin Target was 13.75% and the available margin was anticipated to be 11% in 2018 and 2019. She stated that margins below the target level led to increased energy prices. She noted that CPS Energy was essential to ERCOT's reliability by representing 7% of ERCOT load but providing 18% of the Reserve Margin. She stated that reserves protected customers against high market prices.

Mrs. Gold-Williams stated that summer energy prices were projected to double in response to supply reduction resulting from the closure of coal plants. She noted that customer investments in generation help insulate against price spikes. She provided an overview of the components and efficacy of the CPS Energy portfolio comprised of coal, gas, solar, and wind sources. She noted that renewable sources were performing increasingly better during high price periods. She stated that the Save for Tomorrow Energy Plan (STEP) had been approved to support conservation efforts through behavioral changes and was already generating savings. She highlighted "Simple Summer Savings" Events to encourage responsible power usage in Summer 2018. She noted community outreach to develop the Flexible Path Plan including a Public Input Session planned for June 2018. She reiterated that ERCOT predicted tighter energy reserves but CPS Energy was prepared to meet demand and educate consumers to reduce demand and save money.

Councilmember Pelaez encouraged Councilmembers to invite CPS Energy to present at Town Hall Meetings and asked of strategies to handle questions regarding rate reductions versus conservation efforts. Mrs. Gold-Williams replied that it was important to communicate that savings were supported by partnership and shared CPS Energy's internal efforts to cut costs and generate savings.

Councilmember Courage asked how CPS Energy would respond if all coal plants were closed. Mrs. Gold-Williams replied that they would no longer have a Reserve Margin and

would be required to purchase additional energy on the ERCOT Market. Councilmember Courage asked of the resulting impact to consumers. Mrs. Gold-Williams replied that consumers would likely see higher prices and internal layoffs could occur. She added that the community would still be required to pay fixed costs on the units after they ceased production.

Councilmember Sandoval asked of assessing the need for rate increases. Mrs. Gold-Williams replied that CPS Energy examined the necessity of raising rates annually based on customer growth, plant performance, prices, and other factors impacting ability to meet customer demand. She noted that a future rate increase was inevitable but CPS Energy would prolong it as long as possible. Councilmember Sandoval asked of the anticipated scale of future rate increases. Mrs. Gold-Williams replied that they would try to keep increases below 5%.

Mayor Nirenberg asked if there were any topics of note for the 2019 State Legislature. Mrs. Gold-Williams replied that there was interest at the State Level to remove some authority from cities to manage their energy markets and discussion was held regarding the merits of Municipal Markets versus Competitive Markets. Mayor Nirenberg requested condensed materials to convey the strength and benefits of CPS Energy's model to political delegations. He thanked Mrs. Gold-Williams for the presentation.

### **ADJOURNMENT**

There being no further discussion, Mayor Nirenberg adjourned the meeting at 2:26 pm.

APPROVED

RON NIRENBERG  
MAYOR

ATTEST:

LETICIA M. VACEK, TRMC/CMC/MMC  
CITY CLERK