

**THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL**

AN ORDINANCE

**APPROVING THE NEW CPS ENERGY RESILIENCY SERVICE RIDER NO.
E21, WHICH IS DESIGNED TO ENABLE A CLEANER AND MORE
ECONOMICAL ALTERNATIVE TO DIESEL BACKUP GENERATORS**

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WHEREAS, the City Public Service Board of San Antonio, Texas (aka “CPS Energy”) operates electric and gas systems on behalf of the City of San Antonio (the “City”); and

WHEREAS, pursuant to Chapter 1502 of the Texas Government Code, the City Council, acting in its regulatory capacity, has original jurisdiction over CPS Energy’s rates; and

WHEREAS, CPS Energy has completed a pilot of the proposed Resiliency Service Rider No. E21 (“Resiliency Rider”) under the New Service Offering Tariff (Ordinance 2018-10-18-0836) and is now seeking City Council approval; and

WHEREAS, currently, if a customer wants enhanced electrical reliability, they either pay CPS Energy to build dual electrical feeds or install on-site diesel backup generators; both options are capital intensive and expensive; and

WHEREAS, under the Resiliency Rider, a third party will own, operate, and maintain on-site natural gas backup generators, and when a local outage occurs, CPS Energy will use the generator to provide backup service to the customer; and during other times, the generator will be available to sell power on the ERCOT wholesale market; and

WHEREAS, under the Resiliency Rider, CPS Energy will build and maintain the facilities needed to interconnect the third party owned generators to its distribution system and recover the costs through the resiliency service fee, as applied to the participating customers; and

WHEREAS, although the first application will be natural gas generators, the Resiliency Rider is designed to adapt to future technologies that provide similar backup service, like energy storage batteries; and

WHEREAS, the Resiliency Rider provides a new service, narrowly tailored to a new type of large commercial customer, and is not a general rate increase, and as such, it does not impact customers broadly; and

WHEREAS, the City’s Office of Public Utilities staff has performed a detailed review of the new Resiliency Service Rider No. E21 and, based on that review, staff has determined that the Rider is reasonable and appropriate; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. After consideration of CPS Energy's proposed Rider, the City Council hereby approves the new Resiliency Service Rider No. E21, attached as Exhibit A and incorporated to this Ordinance for all purposes.

SECTION 2. The City Council hereby finds that Resiliency Service Rider No. E21 will allow CPS Energy to recover the appropriate cost of service rate revenue contribution from the commercial customer classes eligible to take service under the Rider.

SECTION 3. The City Council hereby finds that the rates under Resiliency Service Rider No. E21 are in the public interest, fair and reasonable, equal and uniform, nondiscriminatory, and necessary to meet CPS Energy's capital, operating, and maintenance expenses.

SECTION 4. This Ordinance shall be effective immediately upon its passage by eight (8) votes or the 10th day after its passage by less than eight (8) affirmative votes.

PASSED AND APPROVED this 17th day of September 2020.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Tina J. Flores, City Clerk

Andrew Segovia, City Attorney