

ORDINANCE

2020-09-17-0659

**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:

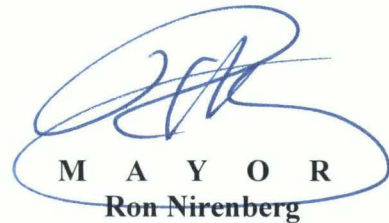
SECTION 1. After consideration of CPS Energy's proposed Rider, the City Council approves the new Resiliency Service Rider No. E21, attached as Exhibit A and incorporated to this Ordinance for all purposes.

SECTION 2. The City Council 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 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:


Tina J. Flores, City Clerk

APPROVED AS TO FORM:

For 
Andrew Segovia, City Attorney

CITY COUNCIL MEETING

VOTESLIP

Item 19-Consent Agenda

DATE: September 17, 2020

Enactment No:

2020-09-17-0659

NAME	MOTION	SECOND	Recuse	AYE	NAY	ABSENT
Roberto C. Treviño DISTRICT 1				X		
Jada Andrews-Sullivan DISTRICT 2				X		
Rebecca J. Viagran DISTRICT 3				X		
Dr. Adriana Rocha Garcia DISTRICT 4				X		
Shirley Gonzales DISTRICT 5				X		
Melissa Cabello Havrda DISTRICT 6				X		
Ana E. Sandoval DISTRICT 7				X		
Manny Peláez DISTRICT 8				X		
John Courage DISTRICT 9		X		X		
Clayton H. Perry DISTRICT 10	X			X		
Ron Nirenberg MAYOR				X		

COMMENTS: Motion Prevailed

Does not include the following items heard individually:

4A, 4B, 4C, 4D, 4E, 4F, 5A, 5B, 8, 18, 25, Z-1, P-2 & Z-3, Z-9, P-4 & Z-10, Z-13, Z-15, and P-7 & Z-17

RP
09/17/2020
Item No. 19

Exhibit A

CPS Energy

RIDER E21

RESILIENCY SERVICE

APPLICATION

This Resiliency Service Rider (the “Rider”) is applicable to Customers for whom a separate contract or agreement (Service Agreement) between CPS Energy and the Customer exists for resiliency service, which is a redundant service to increase the reliability of electric retail service.

DEFINITIONS

Customer— a non-residential, CPS Energy electric retail customer.

Resiliency Mode — the state and time period during which power from a Resiliency Unit is redirected from grid operations to provide energy to the Customer’s connected load during an unforeseen outage of standard service.

Resiliency Unit— a natural gas generator, energy storage, or other energy technology unit capable of providing energy in Resiliency Mode; CPS Energy holds title to the energy generated from such unit, as further specified in a Service Agreement executed by Customer.

ELIGIBILITY CRITERIA

A Customer must meet the following Minimum Requirements to be eligible for the Rider:

1. A CPS Energy Customer in good standing without any delinquent payments over the last 12 months;
2. Resiliency Unit(s) procured by CPS Energy or a third-party must be available at time of the request for resiliency; and
3. Customer must meet financial criteria established by CPS Energy.

In addition to the Minimum Requirements, CPS Energy will consider the following operational criteria in determining the applicability of the Rider to any prospective customer:

- Effective physical integration into CPS Energy’s existing electric generation, transmission, and distribution facilities;
- Effective integration into CPS Energy’s system operations and dispatching software and processes;
- Generation diversity (type and physical location) consistent with generation resource planning;
- Economic impact on CPS Energy’s generation fleet, and/or
- Any other relevant generation or operational matters.

Resiliency service is complex and must be appropriately integrated into CPS Energy’s operations. The proper application of the Rider shall be determined at CPS Energy’s sole discretion.

MONTHLY BILLDemand Charge

\$1.043 Per kW-AC of installed capacity

The Rider will be applied to the installed capacity of the Resiliency Unit(s) and included in the Customer's monthly electric retail bill.

Additional Charges

Prior to the start of construction, a standard capital contribution is required from Customer for each resiliency project. As specified in the Service Agreement, additional upfront capital contributions, monthly facilities charges, and/or monthly operations and maintenance charges may be required for:

- Distribution system connection costs in excess of the standard amount included in the Rider, and/or
- Customer support costs in excess of the standard amount included in the Rider, and/or
- Resiliency Unit costs and equipment.

The standard applicable electric rate paid by the Customer will be applied to energy provided during Resiliency Mode for a predetermined quantity of kWh as specified in the Service Agreement. Customer may incur additional charges for energy provided during Resiliency Mode that exceeds the predetermined number of kWh as specified in the Service Agreement.

Adjustments

A bill adjustment shall be made as follows: plus or minus the proportionate part of the increase or decrease in taxes, required payments to governmental entities or for governmental or municipal purposes which may be hereafter assessed, imposed, or otherwise required and which are payable out of or are based upon CPS Energy electric system revenues.

The Monthly Bill amount for resiliency service shall consist of the demand charge stated above, plus any monthly adjustments or additional charges as may be specified in the Customer's Service Agreement.

LATE PAYMENT CHARGE

The Monthly Bill will be charged if payment is made within the period indicated on the bill. Bills not paid within this period will be charged an additional 2% times the Monthly Bill excluding the adjustment for fuel costs, garbage fees, and sales taxes.

TERMS AND CONDITIONS

Resiliency service shall be supplied for the length of time agreed to in the Service Agreement executed by Customer, which may include additional terms and charges that ensure adequate capital, operations and maintenance, and fuel cost recoveries.

At all times during the delivery of resiliency service, the Customer shall remain solely served by CPS Energy. If the Resiliency Unit requires natural gas, it must be served exclusively by retail gas or transport service from CPS Energy.

Resiliency service is subject to CPS Energy Customer Terms and Conditions Applying to Retail Utility Service (Terms and Conditions), as well as CPS Energy's Electric Service Standards and Distributed Generation Manual (Technical Standards), as may be amended from time to time, which are both incorporated herein by this reference as if set forth in full. In the event that the Terms and Conditions, Technical Standards, the terms of this Rider, and/or the Service Agreement conflict or are inconsistent with one another, the order precedence is as follows: (1) the Resiliency Service Rider, then (2) the Service Agreement, then (3) the Technical Standards, and then (4) the Terms and Conditions.