



City of San Antonio

Agenda Memorandum

File Number: 17-5745

Agenda Item Number: 4.

Agenda Date: 10/19/2017

In Control: City Council A Session

DEPARTMENT: Finance - Public Utilities

DEPARTMENT HEAD: Ben Gorzell, Chief Financial Officer

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT: Recognizing the 75th anniversary of City ownership of CPS Energy

SUMMARY:

City Council will consider a resolution commemorating the 75th anniversary of City ownership of CPS Energy

BACKGROUND INFORMATION:

CPS Energy was established 157 years ago as an independent energy company, serving the entire San Antonio metropolitan community. In 1942, the city purchased the company, City Public Service Company for \$34 million, an investment that has since returned nearly \$7 billion. The utility was later renamed CPS Energy, and over the years, its commitment to innovation has greatly benefited area residents.

In the 1950s, CPS Energy introduced a customer service phone system and installed the first streetlight system downtown. During the 1970s, it partnered with other utilities on a jointly owned nuclear power venture, now known as the South Texas Project, and in the following decade, the company initiated Project WARM to help those in need pay their winter utility bills. In its first two years alone, this commendable fund-raising effort provided assistance to 4,000 families. In 2002, in coordination with the City of San Antonio and Bexar County, CPS Energy established the Residential Energy Assistance Program, a nonprofit organization that assists low-income families with children, elderly individuals, or persons with disabilities in the household. Since its creation, the program has raised \$22.4 million and assisted more than 76,000 households.

In the 1990s, CPS Energy introduced two coal-fired power plants, J. K. Spruce Units 1 and 2, and over time, it has made significant investments in emissions control technology to Unit 2. The utility's 2012 acquisition of the Rio Nogales natural gas plant in Seguin significantly increased the use of lower carbon fuels, and since the

turn of the century, the company has also become one of the largest buyers of wind energy in the country, as well as number one in Texas for solar generation. Today, CPS Energy serves 801,000 electric and 342,000 natural gas customers, whose energy bills rank among the lowest of those in the 20 largest cities in the United States.

ISSUE:

Through its ownership of CPS Energy, the City of San Antonio has ensured that its citizens have access to affordable, reliable, and environmentally responsible energy for three-quarters of a century, and this significant milestone truly merits special recognition. Accordingly, a resolution has been prepared recognizing the 75th anniversary of City ownership of the utility.

ALTERNATIVES:

N/A

FISCAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends approval of the resolution.