



Integration of Renewables: A Utility Roadmap

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January 25, 2021



HIGHLIGHTS



- **CPS Energy Overview**
- **MOU Business Model**
- **ERCOT Role**
- **FlexPOWER BundleSM RFP**
- **Legal and Policy Challenges**

CPS ENERGY OVERVIEW



Oldest utility company in Texas

- Gas system was operating in 1860

San Antonio Public Service Co. (SAPSCo) began operating in 1917

- Owned by American Light and Traction Co.
- Operated electric power plants, gas network and streetcar lines

Purchased by City of San Antonio (CoSA) in 1942

- Sale mandated by PUHCA of 1935
- Transportation division was sold
- Renamed City Public Service Board of San Antonio
- Rebranded as CPS Energy in 2003

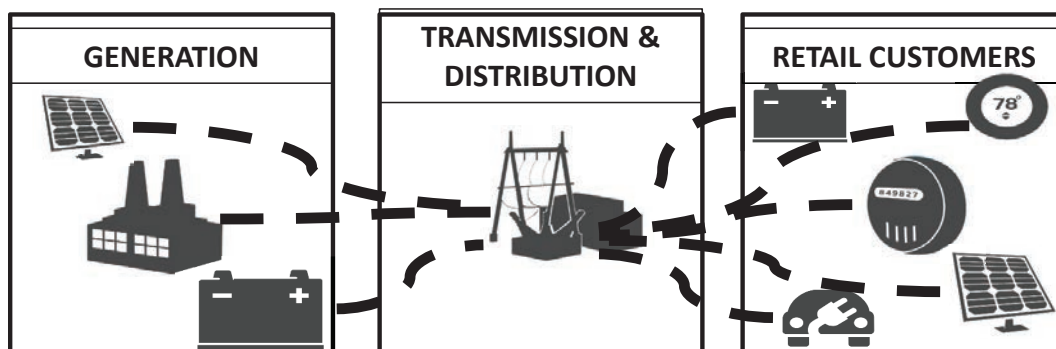


Largest municipally-owned utility in US providing only electric and gas service.

OPERATIONAL SUMMARY



CPS ENERGY IS A FULLY INTEGRATED UTILITY THAT HAS NOT OPTED-IN TO COMPETITION

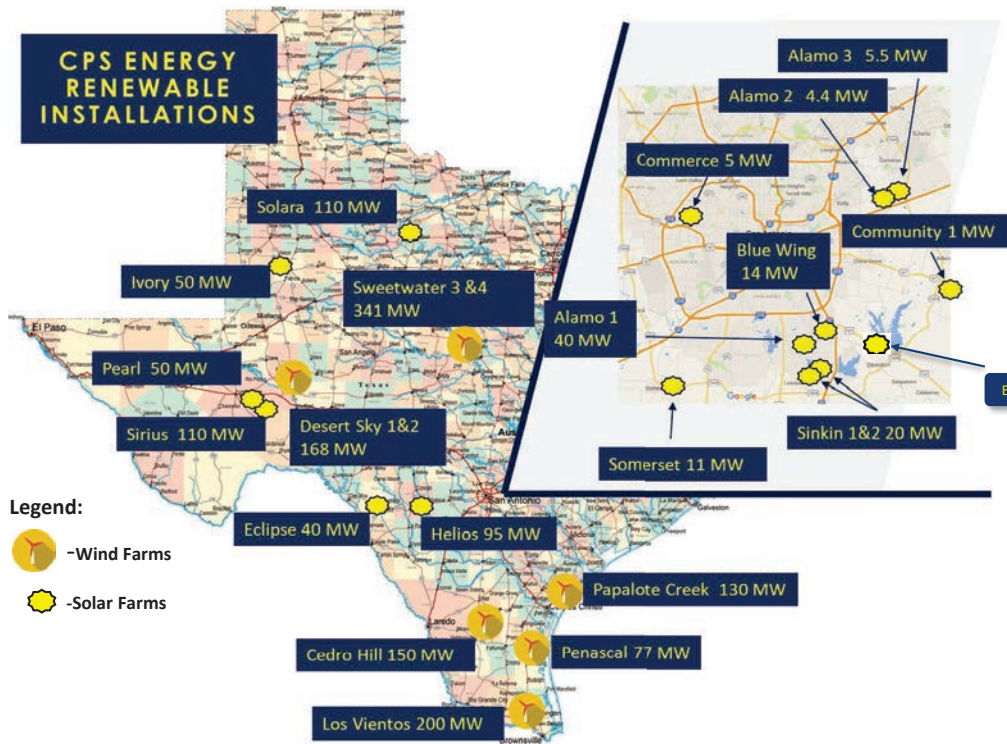


Owned Generation – 5,744 MW
Purchased Renewable – 1,631 MW

Transmission (138 kV & 345 kV) – 1,536 miles
Distribution – 14,215 miles

Electric – 861,000
Gas – 358,000

DIVERSE RENEWABLE PORTFOLIO



More than 1,600 MW of Renewables

Residential Solar

- 185 MW Homeowner owned
- 5 MW Solar Host installed
- 6 MW Community Solar

MOU BUSINESS MODEL



- 72 Municipally Owned Utilities (MOUs) operate in Texas.
- MOUs operate as vertically-integrated utilities; they can, and do, own generation, transmission & distribution facilities, and serve retail customers.
- MOU management may be vested in the city's governing body (and operate as a department of the city) or in an independent Board of Trustees. Tex. Gov't. Code §1502.070
- MOUs are authorized to have certificated service areas in which they are the sole providers of retail electric service.
- MOU renewable and energy efficiency goals are guided by customer priorities and City Council or Board decisions.

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First appeared as part of the conference materials for the
16th Annual Renewable Energy Law Institute session
"ERCOT Panel"