



Citizens Advisory Committee Quarterly Meeting Notes 3rd Quarter 2021

July 15, 2021

On Wednesday, July 15, 2021 the Citizens Advisory Committee (CAC) held its regularly scheduled monthly meeting via WebEx.

Krista Davis, Director, Energy Supply & Market Operations Strategy and Thouseef Mohammed, Market Analytics Program Manager provided an update on CPS Energy's *FlexPath* Bundle request for proposal (RFP) and prioritized Solar selection.

Presenters provided context on the following topics:

- RFP Key Components
- Evaluation Process
- Security Considerations
- RFP Evaluation Update
- Stakeholder Engagement Events
- Project Timeline

August 11, 2021

On Wednesday, August 11, 2021 the CAC held its regularly scheduled monthly meeting via WebEx

Shannon Albert, Vice President of Accounting & Assistant Treasurer provided an update on CPS Energy's financial landscape & financial sustainability approach, and discussed the budget for FY2022, which was approved in July 26, 2021.

Rudy Garza, Chief Customer & Stakeholder Engagement Officer, provided an update on Rate Advisory Committee (RAC).

- The RAC has been meeting every other week to learn about the utility business and rate design. Using an outside consultant, The Brattle Group, they continue to discuss the different

elements on how rates are developed and principles that are used in the industry.

- RAC will pivot towards creating working groups, and the Chair has proposed three different working groups, which he will Chair, starting in September: CPS Energy Current Rate Process, Alternative Rates, and Generation Planning. All the meetings and materials can be found at www.cpsenergy.com/RAC.

September 08, 2021

On Wednesday, September 08, 2021 the CAC held its regularly scheduled monthly meeting via WebEx.

Rudy Garza, Chief Customer & Stakeholder Engagement Officer, updated the Committee on the national supply chain crisis, indicating the supply shortage will last at least through Spring 2022 and possibly longer.

Drew Higgins, Senior Director, Products & Services and Rick Luna, Director, Technology & Product Innovation presented an update on the STEP Bridge program.

Presenters provided context on the following topics:

- STEP BRIDGE PROGRAM UPDATE
- *FLEXSTEP & THE FLEXIBLE PATH*
- *FLEXSTEP RFP CONTRACT AWARDS*
- INNOVATIVE & NEW PROGRAMS

Mr. Higgins also mentioned the upcoming National Drive Electric Day and the events occurring Oct. 1-2, 2021 at CPS Energy Headquarters and the Pearl Stable.

Cory Kuchinsky, Chief Financial Officer & Treasurer provided an update on CPS Energy's financial journey since the last rate increase and information on the financial drivers.

- CPS Energy has only had one rate increase in almost 12 years with the last increase being nearly eight years ago.
- CPS Energy has identified over \$900M in savings throughout the organization since 2011. It was also noted that the need for a rate increase was present even before the impacts of the pandemic and Winter Storm Uri.

- The rate request would include support for operations and growth, and to offset pandemic bad debt, Winter Storm Uri fuel costs, and debt paydown.
- CPS Energy continues to assess the actual percentage increase needed to sustain operations and will return to the Board of Trustees later this fall with the actual amount needed.