

PEOPLE, PERFORMANCE AND PLANET



2014 COMMUNITY
ENGAGEMENT REPORT



works for you

Message from Doyle N. Beneby

PRESIDENT & CEO, CPS ENERGY

Being a good corporate citizen means looking out for the best interests of our customers, communities and employees. It means doing the right things for the right reasons. We have an obligation to provide power for our community; and our employees and retirees go above and beyond that mission by sharing their time and talents with others—not because it's required, but because we believe it's part of our legacy of service at CPS Energy.

To ensure a promising future for all our stakeholders, we invest in infrastructure that delivers value, reliability, safety and convenience for our customers. We also invest in the people of Greater San Antonio, through workforce development and a focus on health and wellness for our

employees—and by building the workforce of tomorrow through mentoring and support for education.

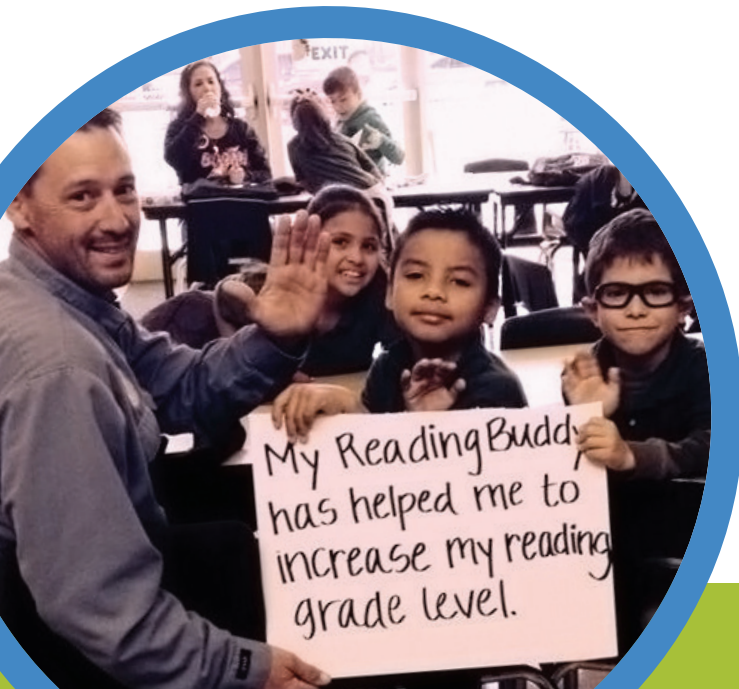
Finally, through the innovative use of our energy resources, we have invested in the development of our local economy. Through our New Energy Economy initiative, we've attracted several clean technology firms to our area that have committed \$13.3 million to local education and have brought thousands of jobs to our community.

Here we have highlighted some of the ways in which we engage our community. Words cannot express my pride in all of our employees across CPS Energy's service area who contribute daily to the communities where we work and live. This is a legacy of service that is part of who we are, and part of our culture.

I hope you'll join me in sharing with your peers, friends, families and neighbors all of the things CPS Energy does to make Greater San Antonio a better community, and I encourage you to share your thoughts or feedback with us by email at CorporateResponsibility@cpsenergy.com.



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2013 Martin Luther King Jr. March



In 2014, our employees volunteered more than 21,000 hours in support of programs and projects to improve our community, including revitalizing and beautifying parks, grounds and other sites throughout our city.

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CPS Energy is not just the local energy company. We are an active member of our Greater San Antonio community, contributing valuable volunteer time and resources to education, environmental stewardship, economic development and community service.

Year after year, our employees volunteer tens of thousands of hours annually to assist local charities and non-profit organizations, and to help with other community projects. We revitalize parks, mentor students, lend time and support to our military heroes and donate school supplies and holiday gifts to children in need. Our caring employees also participate in charitable events, educate residents about energy programs and conservation, and give generously to our community's annual United Way campaign.

It's through this dedication and enthusiasm that our company's legacy of service continues.

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PROVIDING VALUE FOR MORE THAN 150 YEARS

CPS Energy has a passion for community service that dates back to 1860, when we initially manufactured gas and supplied this byproduct to Greater San Antonio. Since 1942, when we were purchased by the City of San Antonio, we have provided revenues to our community that today total more than \$300 million each year. These revenues offset customers' taxes, support the City's vital public services and come from the lowest average energy bills among the nation's 10 largest cities. We are powering a bright future for Greater San Antonio, and we are committed to investing our time, resources and energy into the programs, projects and events that make our community a great place to live.

MARIA GARCIA, VICE PRESIDENT OF COMMUNITY ENGAGEMENT:

"Assistance programs like Casa Verde help customers save money while making their homes more comfortable and energy efficient. We've provided free weatherization for more than 10,000 households, and some of these families are saving as much as \$350 annually."



Our recently established Customer Response Unit is allowing us to better and more quickly address our customers' questions and concerns. Manager of Community Program Development Toni Harris-Rowland, shown with a pair of customers, oversees the CRU team.

In November 2014, we held the inaugural GrillsGiving BBQ Cook-off to raise funds for REAP. Shown (left to right) are Norman Varela and Mike Salinas visiting with Out of Hand BBQ Team members Hector Varela and Danny Jimenez. Out of Hand earned the People's Choice award. The team also included Eric Cloudt, Melissa Gutierrez, Tommy Johns and Chad Johnston.



SINCE 2002

**\$20
MILLION**

CPS Energy
has contributed
more than

with contributions of
\$12 million and securing
an additional \$8 million.

REAP

\$20 MILLION IN SUPPORT FOR THOSE IN NEED

In 2002, we partnered with the City of San Antonio and Bexar County to establish the Residential Energy Assistance Partnership, or REAP, to help low-income families with children, elderly, or disabled in the household pay their energy bills. The partnership underwrites all administrative costs so that 100 percent of all funds raised go directly to help customers in need. Each year, CPS Energy contributes \$1 million directly to the REAP fund and works throughout the year to raise additional funds for the program. In 2014, REAP helped more than 8,200 customer households with \$1.7 million in assistance.

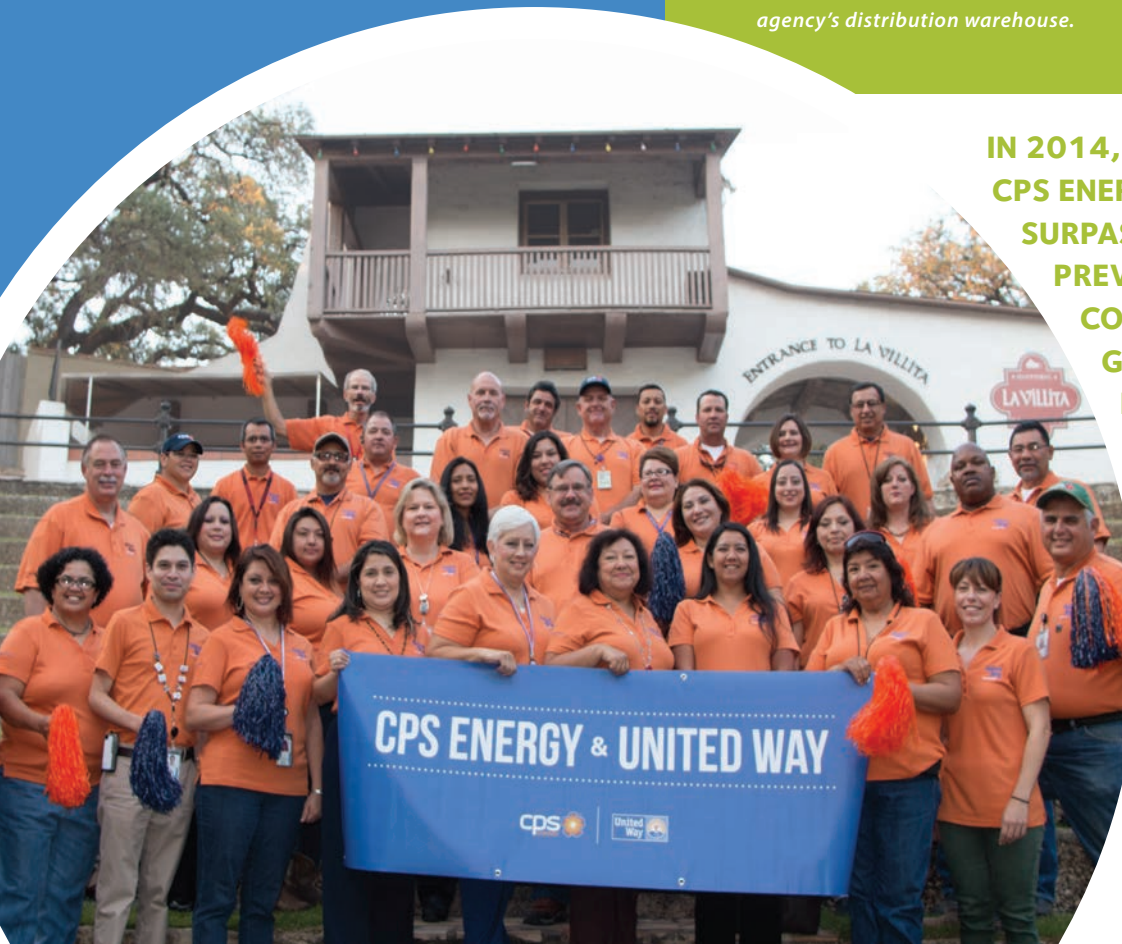
A MILLION WAYS WE GIVE

For decades, our dedicated corps of employees have supported United Way of San Antonio and Bexar County. Our support of the United Way is year-round and includes a spring charity golf tournament, an employee fund drive in the fall and countless volunteer projects in-between.

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CPS Energy employees and retirees fill dozens of gift sacks for the Salvation Army Angel Tree program, spreading holiday joy to area children. Fidencio Castellanos and Russell Gallardo are two of many employees and retirees who volunteer their time to help in the agency's distribution warehouse.



**IN 2014,
CPS ENERGY
SURPASSED ALL
PREVIOUS
CONTRIBUTION
GOALS AND
DONATED MORE
THAN \$1 MILLION
TO THE
UNITED WAY.**

Our United Way campaign officers, pictured here at our annual campaign kick-off event, were instrumental in helping us achieve a successful 2014 drive.

As a sponsor of the 2014 CORE4 STEM Expo, our staff provided several demonstrations and activities for the nearly 3,400 middle school students attending the three-day event. At one station, Dulia Rius assisted a young attendee install the capacitor on a solar race car. After installing capacitors, students charged their race cars for various lengths of time and determined how far the cars could travel.



EDUCATING TOMORROW'S CUSTOMERS—AND EMPLOYEES

Education remains one of our top priorities, because we know that the leaders and employees of tomorrow come from the educational investments we make today. We support educational programs through corporate sponsorships, internship and mentoring programs, scholarships and employee involvement in key educational initiatives throughout San Antonio.

Our education programs are multi-faceted and reach students of all levels. Our employees mentor youth at risk of not graduating, as well as top students interested in technical fields. We provide internships for students pursuing college degrees in STEM (Science, Technology, Engineering and Math) fields.

IT STARTS WITH LEARNING TO READ

Our employees have been participating in the San Antonio Youth Literacy Reading Buddy program since 2010. The program pairs employee mentors with second graders who are reading below grade level. We are proud to have the largest group of mentors of any business or organization in San Antonio, with 104 reading buddies during the 2014-2015 school year. Thanks to our mentors, we've improved the reading skills of students by an average of 1.5 grade levels, and in some cases up to 3 grade levels.

BRYAN DE WAAL, FORMER PARTICIPANT OF OUR STUDENT EDUCATIONAL PROGRAM AND CURRENT MECHANICAL ENGINEER:

"Not only did the internship help develop my interpersonal skills, it also helped me learn the processes and procedures that CPS Energy utilizes in power generation. I feel that my internship experience gave me an advantage over other candidates vying for the same position."

Through our high school mentoring and **internship programs**, we've

AWARDED
MORE THAN

\$700,000
IN **SCHOLARSHIPS.**

NOEMI SALDIVAR, PRINCIPAL AT GRAEBNER ELEMENTARY:

“The partnership between our school and CPS Energy has gone beyond the role of supporting and encouraging literacy; they (CPS Energy) have provided a platform that allows our struggling students to feel valued and capable.”



With a few helping hands, John Lopez and Joe Piñeda used their carpentry skills to assemble and install a reading nook at Graebner Elementary.



We sponsor the AlamoFIRST Robotics Competition – an investment in our youth and STEM programs. Many of our employees, such as Diana Ortiz, volunteer their time to help at the event, offering guidance to students and serving as judges.



We partner each year with the San Antonio Hispanic Chamber to sponsor the CORE4 STEM Expo. Our employees provide several demonstrations and activities for middle school students, including an electrical equipment presentation, given here by Fred Hernandez (foreground) and Tony Acevedo (in bucket).

EMPOWERING BUSINESSES TO GROW AND PROSPER

In 2014, we held the second annual Veteran Symposium & Expo to help veterans connect directly with procurement decision makers and business partners. The event included more than 70 sponsors/exhibitors representing local businesses, associations and governmental agencies, with a special interest in veterans' business growth. Participants received information on writing proposals, SBA certification, access to funding, strategic business planning and more.

ERIC CLOUDT, SENIOR DIRECTOR OF SUPPLY CHAIN:

"CPS Energy recognizes the value that local businesses bring to our organization and our community, and we are committed to informing local business owners how to grow their companies."



Our Veteran Symposium allows businesses to learn about contracting opportunities, branding, access to capital, business development and many other important topics. Ron Dear with the U.S. Small Business Administration was a speaker at the 2014 Symposium.

MAKING A DIFFERENCE – ONE STEP AT A TIME

Each year, our employees are involved in multiple community events around San Antonio. Through community partnerships with non-profit organizations like Susan B. Komen, American Heart Association, Juvenile Diabetes Research Foundation and the South Texas Blood and Tissue Center, we work to raise awareness of community health issues as well as promote our own employees' wellness.



Dozens of our employees and their friends and family members participate in the Susan B. Komen Race for the Cure, including Veronica Martinez (second from right); her husband Gilibaldo, sister Ruth and daughter Chloe.

THANKS!

*To the New Energy Economy
businesses and educational
investments, our community has
been recognized nationally as a
vibrant place to live, learn and work.*

SINCE 2011
CPS ENERGY'S NEW ENERGY ECONOMY
— INITIATIVE HAS HAD A TOTAL —

\$808 MILLION

IMPACT ON OUR LOCAL ECONOMY
— AND HAS BROUGHT —

1,000 NEW
FULL TIME JOBS

TO OUR
COMMUNITY

BRINGING NEW TECHNOLOGY AND JOBS TO SAN ANTONIO

We've invested in innovative technologies that will reduce pollutants in the air, help our customers use energy more wisely, and leverage valuable economic development opportunities for our community's future.

OCI Solar, Silver Spring Networks and Landis+Gyr are just a few of our partners in this budding New Energy Economy, who have committed a combined \$13.3 million to local education.

This is in addition to bringing more than 1,000 new energy jobs to the San Antonio area.

KIPP San Antonio was one of several educational institutes to receive a monetary donation from our New Energy Economy partners. This funding is helping cover tuition costs for 30 students – from kindergarteners to seniors – attending the academy. Doyle Beneby was joined by CPS Energy Board Chairman Derrick Howard (far right) and KIPP CEO Mark Larson at the check presentation.



COMMITTED TO OUR ENVIRONMENT

We work to reduce pollutants, improve the health of our community, conserve valuable resources and inspire other companies and individuals through our environmental programs.

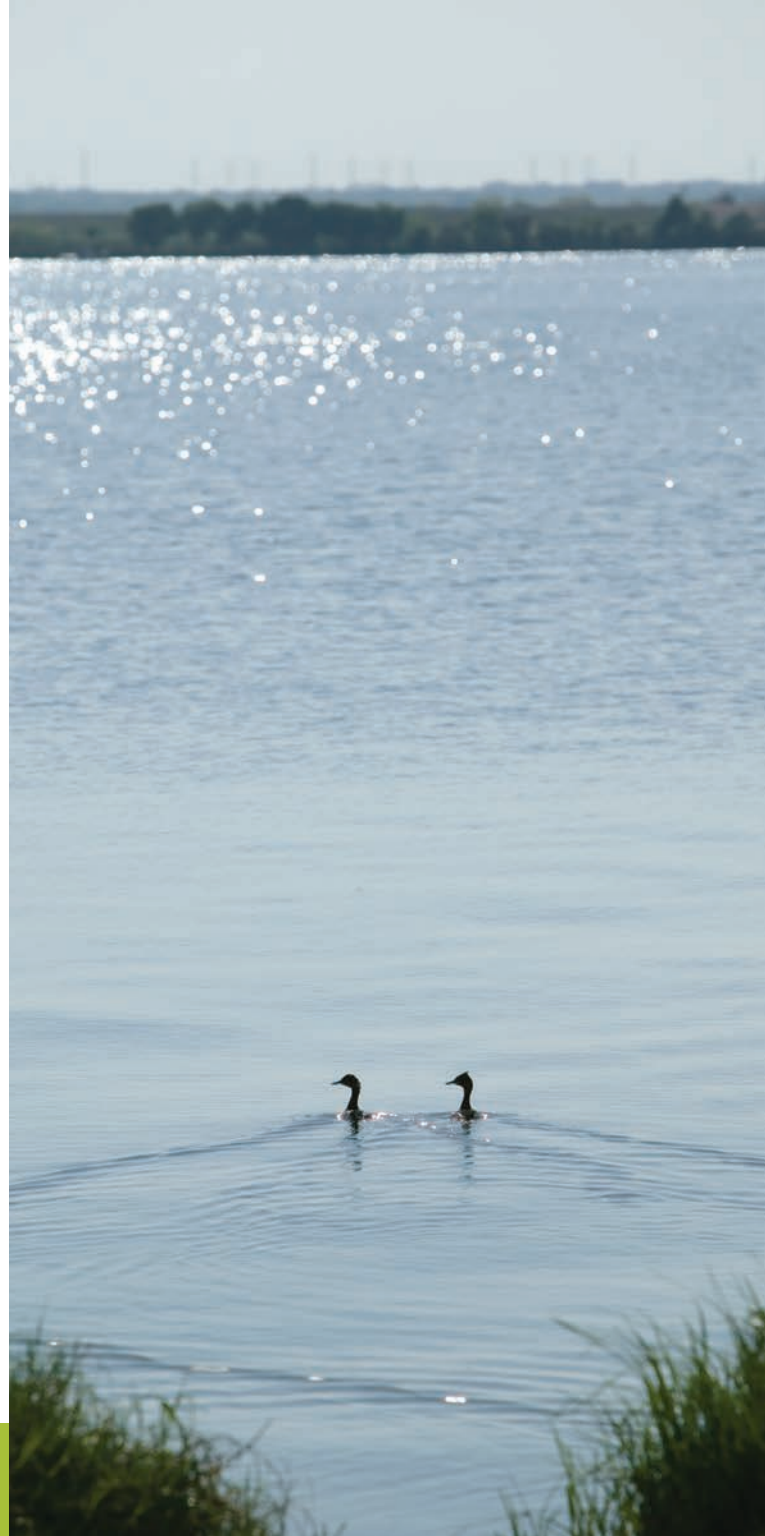
More than 14 percent of our generating capacity is derived from renewable resources – wind, solar and landfill gas – that use no water to produce power. These clean energy sources have enabled us to save an estimated 24,000 acre-feet of precious Edwards Aquifer water from 2002 to 2012. We are in the midst of adding another 400 megawatts of solar power to our generation portfolio through a purchase-power agreement.

Furthermore, we have an extensive recycling program that includes electronics, wood, paper, used oil, coal-combustion byproducts, concrete, asphalt and other materials. In 2013, we recycled approximately 467,000 tons of material. We also recycle and sell scrap metal, wood poles, vehicles, tires and other miscellaneous materials.

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TOM BROTHERMAN, ENVIRONMENTAL AND SUSTAINABILITY SERVICES:

“CPS Energy’s Green Shade tree rebate program is very popular because shaded homes use less energy overall. When we take small steps, like planting shade trees, we clean the air. It’s as important to us as the big step of reducing carbon from our power plants.”





We donate dozens of trees each year at communitywide events and offer substantial tree rebates to our customers. When planted in the right location, trees can provide shading to homes and reduce energy use.



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Mitchell McDonald, an electric distribution employee, worked alongside other CPS Energy volunteers at the Girl Scout Cookie Rally to educate young girls about the environment and our industry.

THROUGHOUT 2014, WE SUPPORTED A VARIETY OF NONPROFITS AND CHARITIES IN OUR COMMUNITY.

802D Force Support Squadron
ACCD Foundation
African American Culture Club – CPS Energy
Alamo Asian Chamber of Commerce
Alamo City Chamber of Commerce
Alamo Public Telecommunications Council
American Association of Blacks in Energy
American Diabetes Association
American Heart Association
American Institute for Architects
American Public Gas Association
American Red Cross
American Society of Mechanical Engineers
Artpace
ASIS International, Greater SA Chapter
Association of Corporate Counsel
Avenida Guadalupe Association
Basura Bash – San Antonio River Fdn
Bexar County
Bexar County Economic Development
BioMed SA
Boys Town
Boysville Texas
Briscoe Western Art Museum
Build San Antonio Green
Carver Development Board
Clean Air Through Energy Efficiency
Cesar E. Chavez Legacy & Educational Fund
Cibolo Nature Center
City of San Antonio & Sister Cities Intl

City of Universal City
City Year San Antonio
Clarity Child Guidance Center
Communities in Schools of San Antonio
Competitor Group, Inc. (Rock N Roll Marathon)
Ecumenical Center for Religion and Health
Education Investment Foundation
FIRST Robotics
Friends of Sam Houston High School
Girl Scouts of Southwest Texas
Girls, Inc.
Governor For A Day
Greater New Braunfels Chamber of Commerce
Greater San Antonio After-School All-Stars
Greater San Antonio Builder's Association
Greater San Antonio Chamber of Commerce
Green Spaces Alliance of South Texas
Guadalupe Cultural Arts Center
Hill Country Sports Association
Hispanic Organization of Public Employees-CPS Energy
Junior Achievement of South Texas
Komen San Antonio
Laborfest
La Prensa Foundation, Inc.
Luminaria
March of Dimes
Martin Luther King, Jr. Commission
Martinez Street Women's Center
Mexican American Unity Council
MicroSociety

Mission Verde Alliance
Mission Verde Alliance & SA Clean Tech Forum
National Forum for Black Public Administrators
National Hispanic Institute, Inc.
National MS Society
North San Antonio Chamber of Commerce
Northwest Vista College
Power of Preservation Foundation
Public Relations Society of America
Raul Jimenez Thanksgiving Fund
Respite Care of San Antonio
Rey Feo Consejo Educational Foundation
SAISD Foundation
SA Area African American Community Fund
SA Association for Hispanic Journalists
San Antonio Chapter of the Links, Inc.
San Antonio for Growth on the Eastside
San Antonio Hispanic Chamber of Commerce
San Antonio Ivy Educational Fund, Inc.
San Antonio Juneteenth Association
San Antonio Manufacturer's Association
San Antonio River Authority
San Antonio Sports Foundation
San Antonio Women's Chamber of Commerce
San Antonio Youth Literacy
San Antonio-Mexico Friendship Council
San Antonio Water System
Scottish Rite Learning Center
Sea World of Texas, LLC
Seguin Conservation Society

Seguin Education Foundation
Sierra Club
Solar San Antonio
South San Antonio Chamber of Commerce
South Texas Blood & Tissue Center
South Texas Hispanic Fund
Spurs Foundation
St. Mary's University
State of Texas Alliance for Recycling
Southwest Voter Registration Educational Project
Tech Connect
Texas Diversity Council
Texas Public Power Association
Texas Renewable Energy Industries Assoc.
The Annette Strauss Institute (Univ. of TX)
The Nature Conservancy of Texas
The Volunteer Center at United Way
Unicorn Centers, Inc.
United Negro College Fund
United Way of San Antonio and Bexar County
University of the Incarnate Word
Urban Mgmt Association of South Texas
UTSA Alumni Association
UTSA MBDA Business Center
Valero Alamo Bowl
Valero Texas Open
West San Antonio Chamber of Commerce
Westside Development Corporation
Women & Girls Development Fund
YMCA



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