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version with  
notes,  
posted for  
easy  
reference &  
dissemination**



# **CEO'S REPORT**

## **BOARD PUBLIC INPUT MEETING**

*PRESENTED BY:*

**Paula Gold-Williams**

President & Chief Executive Officer (CEO)

November 16, 2020

*Informational Update*

Please note the disclaimer at the end of this presentation.

The following document is CPS Energy President & CEO, Paula Gold-Williams' presentation during the Public Input Meeting on November 16, 2020. It highlights key takeaways from each slide and offers quotes from Paula's presentation. The audio of the presentation is also available through CPS Energy's YouTube page.

In Paula's CEO report for the Public Input Meeting, she dives into the efforts CPS Energy has put into being here for the community throughout the coronavirus pandemic. This includes the suspension of disconnects, waiving of late fees for those on a company- sponsored payment program and customer outreach efforts. She touches on the importance of CPS Energy's *Guiding Pillars* and weaves them throughout her presentation to highlight how each decision CPS Energy makes keeps those in mind. CPS Energy understands which pillars are most important to our community and wants to do what is best for our community while keeping *Customer Affordability* and *Reliability* in mind. CPS Energy is continuing down its *Flexible Path<sup>SM</sup>* and blending tried and true solutions with new technologies for a better and cleaner San Antonio.

**Link to Audio:**

<https://www.youtube.com/watch?v=c9glktMVrqw&feature=youtu.be>

## OBJECTIVES & TAKEAWAYS



- EXPLAIN HOW OUR VALUE PILLARS GUIDE US
- HIGHLIGHT AFFORDABILITY & RELIABILITY
- COVER SUSTAINABILITY SUCCESSES
- SHOW HOW OUR RESIDENTIAL RATES COMPARE WELL TO COMPETITIVE TEXAS MARKETS
- COVER COMPLEXITIES, INCLUDING:
  - WHOLESALES SALES, RENEWABLES, ETC.
- SHOW HOW BUSINESSES HELP RESIDENTS
- AGAIN DEMONSTRATE HOW VELOCITY MATTERS

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## AGENDA



- COVID-19 CHALLENGES
- VALUE PILLARS – AFFORDABILITY & RELIABILITY
- S.A. RESIDENTIAL BILL FAVORABILITY
- MANY ENVIRONMENTAL SUCCESSES
- UTILITY ENERGY BUSINESS COMPLEXITIES
  - RELIABILITY, OTHERS ARE AVOIDING FLEXIBILITY
- VELOCITY MATTERS

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## **COVID-19 PANDEMIC HAS AFFECTED EVERYONE**



**CUSTOMERS**

**COMMUNITY**

**EMPLOYEES**

**Keeping PEOPLE FIRST remains our focus!**

**We suspended  
disconnects  
early in 2020!**

**Late Fees are  
waived when  
on a Payment  
Plan!**

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**Key Takeaway:** CPS Energy continues to support our community, especially during these unprecedented times. Our commitment is to continue to focus on how to best serve our community, employees and customers- that includes continuing with waiving late fees for customers on a company-sponsored payment plan and the continuation of a suspension of disconnects.

**In Paula's Words:** "We haven't done disconnects since the middle of March and we will not start disconnects in 2020. Disconnects are a part of the service process, but again, we understand that we need to work with our customers and we understand that we want San Antonio to come back stronger, and figure out a way through this."

## WE ARE HERE FOR YOU SAVING ENERGY ALWAYS MATTERS



Conserving  
Energy helps  
the  
environment  
&  
saves you  
money!



A graphic for a CPS Energy news release. It features the CPS Energy logo at the top left. In the center is a large orange bell icon with the words "NOTIFI ALERTS" inside it. To the right is a photograph of a person's hands holding a smartphone, with several white speech bubbles and icons (envelope, mail, etc.) floating around the phone, suggesting communication or alerts. At the bottom left is a small orange box labeled "News Releases". Below the graphic is a headline: "CPS ENERGY GIVES CUSTOMERS MORE OPTIONS FOR ALERTS ON POWER OUTAGES AND MONTHLY ENERGY BILLS".

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**Key Takeaway:** Although the pandemic has been a large focus of 2020, CPS Energy is continuing to stress the importance of saving energy to their customers. We introduced a new alert system to help keep customers informed in the ways they want to receive information from us.

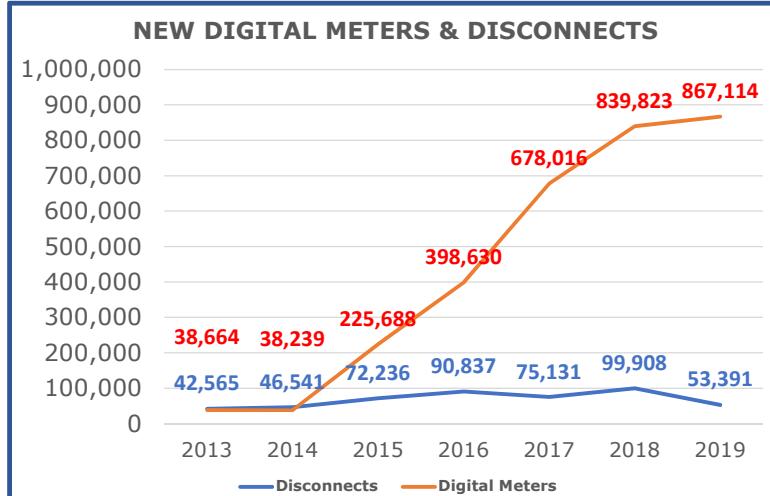
**In Paula's Words:** "It is still really important for everyone in our community to think about saving energy. The more we can save, the less we consume, the lower the bills are. We are just not doing disconnects. If we over consume energy that will make us over invest and spend more money. So, conservation was always important before pandemic and it's still important today."

## WE ARE HERE FOR YOU WE ARE REACHING OUT EVERY DAY



### FACTS:

- **DISCONNECTS:**  
Rose from 2015 - 2018 due to
  - AUTOMATION:** Increased process efficiency.
  - POPULATION:** Growth since 2013 was 182,226 or 10%.



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**Key Takeaway:** CPS Energy has suspended disconnects due to the COVID-19 pandemic. Prior to the temporary halt in March, there was a rise in disconnects after CPS Energy switched over to smart (AMI) meters. CPS Energy implemented the new technology to improve the way our customers manage their own energy bills, but the tool has also resulted in greater efficiencies in other areas like starting service, disconnecting service, and reconnecting service.

**In Paula's Words:** "Something we did early on in the 2013 timeframe is we automated our meters. We went from analog meters to digital meters. Digital meters are more accurate, you can be more efficient."

## WE ARE HERE FOR YOU ASSISTANCE PROGRAMS ARE AVAILABLE



News Releases

CPS ENERGY NOW CALLING TO PROVIDE  
CUSTOMERS HELPFUL INFORMATION ABOUT  
VARIOUS ASSISTANCE PROGRAMS

June 15, 2020 • Nora Castro • 11961 Views • 0 Comments • assistance programs, COVID-19, CPS Energy, scammers



You can contact us @  
**(210) 353-2222 OR**  
**[www.cpsenergy.com](http://www.cpsenergy.com)**

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**Key Takeaway:** CPS Energy has taken extensive measures to ensure our community knows we are there for them. We have been proactive in having our energy advisors call customers to help them get the resources they need during this unprecedented time. We have encouraged longer call times rather than shorter call times – which deviates from standard call center operations – to ensure we are connecting with our customers and our community.

**In Paula's Words:** “We started calling customers ourselves and asking multiple things such as: How are you doing? Do you know what the programs are that we have? Do you know about the programs that United Way has? Do you know about the programs and assistance that’s coming from the city?”

**WE ARE HERE FOR YOU**  
**WE ARE REACHING OUT EVERYDAY**



**Customer Outreach Resource Effort Campaign Summary**  
**(updated November 7th, 2020)**

Total Customers Called	A	37,840	100%
# of Customers Reached	B	10,057	27%
# of Customers Returned Our Call	C	11,087	29%
Total # of Contacted Customers (calls answered & returned)	D=B+C	21,144	56%
Total # of Customers Not Reached	E=A-D	16,696	44%
Total # of Arrangements Contacted Customers have Committed To	F	14,345	38%
Total # of Assistance Contacted Customers have Received	G	4,335	11%
Total # of Contacted Customers with Arrangements/Assistance	H=F+G	18,680	49%

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**Key Takeaway:** As of November 7<sup>th</sup>, 2020, CPS Energy proactively called around 37,000 customers and have made payment arrangements for almost 15,000 customers. We have even received calls back from customers who may have missed our initial call- proving that customers appreciate the time CPS Energy is taking to reach out to them.

**In Paula's Words:** "We're just going to keep this up because again, it's not over. We're not out of this and we're just going to have to work together. And CPS is here for you. CPS Energy is here to be helpful, so that we can all get through this timeframe."

## COVID-19 PANDEMIC HAS Affected Everyone



TO KEEP YOU SAFE,  
we have  
continually  
re-worked our  
processes &  
activities!



### COVID-19 Activity

	Positives (running total)	Quarantined (current status)	Hospitalizations (current status)	Deaths (running total)
CPS Energy	136*	113	4	0
Bexar County	68,713**	N/A	353	1,285
Texas	993,841*** <small>(includes backlog of cases)</small>	N/A	6,925	19,147

\*0 new cases since Nov. 12, 2020

\*\*337 new cases since Nov. 12, 2020

\*\*\*5,756 new cases since Nov. 12, 2020  
(includes backlog of cases)

**COVID-19 HOTLINE**   
PHONE: 210-353-4332  
EMAIL: COVIDHealthResponse@CPSEnergy.com

4 team members now hospitalized

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**Key Takeaway:** CPS Energy has also been affected by the COVID-19 pandemic. While we have done fairly well, we still consistently stress the importance of being safe to our employees. We understand the importance of keeping our employees safe and healthy for their families and so that they can continue to provide reliable power to our community.

**In Paula's Words:** "Fred Bonewell and I actually did a video for our employees to talk about how to be very, very careful. Keep your distance. Only go in the home when you need to. Make sure that you wear your mask at all times and your other PPE. We re-engineered those processes again to keep you, our customers as safe as possible."

## GUIDED BY OUR VALUE PILLARS & FOUNDATION



**All business decisions are based on our commitment  
to being one of the best-managed & most  
financially responsible utilities in the nation!**

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**Key Takeaway:** CPS Energy is adamant about our six *Guiding Pillars* and keep these in mind with everything we do. We have surveyed customers and understand that these pillars are important to them. These pillars keep us thinking about how we can continue to do the right thing for our customers and for our community.

**In Paula's Words:** "I think what we understand is customers tell us to think about improving the environment; think about keeping everything *Safe*, *Secure* and *Resilient*, but do it while you make sure that my service is reliable and that my bills don't get shocking to me."

## GUIDED BY OUR VALUE PILLARS

We listen to our customers TO AVOID RISKS



Per frequent surveys, customers tell us that their first priorities are:

### *Reliability*



We work to prevent  
**ROLLING BLACKOUTS!**

### *Customer Affordability*



We work to prevent  
**BILL SHOCK!**

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**Key Takeaway:** A big reason that our *Guiding Pillars* are so important is because they help us avoid risks such as BILL SHOCK or ROLLING BLACKOUTS for our customers. Without thinking about these pillars, our community, and Texas in general, we run the risk of not maintaining reliable power. Although we treat each *Guiding Pillar* with equal importance, our customers consistently tell us *Reliability* and *Customer Affordability* are their priorities. We take that feedback seriously and keep it in mind as we evaluate the best ways to meet the needs of our customers.

**In Paula's Words:** “Again, relative to *Reliability* and *Customer Affordability*, the reason why those are important is because if a utility does not pay attention to that, you can actually end up with the opposite results. In other words, if you can't keep your systems *Reliable*, there can be blackouts in San Antonio, blackouts of power across Texas. It's all one big grid.”

## GUIDED BY OUR VALUE PILLARS OUR APPROACH IS SUCCESSFUL



### **RELIABILITY:**

- We developed our innovative ***Flexible Path<sup>SM</sup>*** strategy to ensure we incorporate clean energy proactively & carefully.

### **CUSTOMER AFFORDABILITY:**

- We have had ONLY 1 Rate Increase in almost 10 years.
- That 1 Rate Increase was 6 Years ago.
- Our generation portfolio has protected S.A. from energy market PRICE SPIKES.

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**Key Takeaway:** In addition to our ***Guiding Pillars***, our ***Flexible Path*** strategy allows us to stay flexible and ready to do what makes most sense for our community. We have avoided a rate increase for six years and we have been working diligently to add new generation to our portfolio consistently. These are all results of the way CPS Energy works while keeping the ***Flexible Path*** strategy in mind.

**In Paula's Words:** “What we need to do is we need to be ***flexible***. So, I worked with the staff quite a bit and ultimately the concept was clear to me. We need to stay ***flexible*** and be on a ***Flexible Path*** to get to new and better and cleaner solutions. We need to be open. We can't just do the same thing we did before, every major decision needs to be thinking about what our options are.”

## DRIVING VALUE FOR CUSTOMERS GET MORE FOR THEIR MONEY – ANNUALLY



**~10% of customers' bills goes to funding our commitment to sustainability (vs. <1% in some Texas cities).**

**Texas Cities Residential Monthly Bill Comparison**



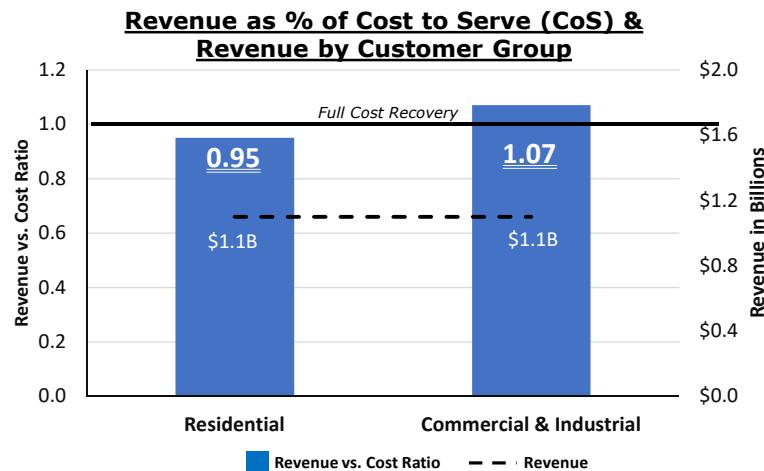
Note: Bills reflect 12-month average pricing through August 2020; shown at average monthly usage of 1,000kWh & 5MCF. This data represents standard, non-promotional rates.

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**Key Takeaway:** CPS Energy has lower bills compared to other competitive markets in Texas. We have heard from you that paying attention to conservation and energy efficiency programs matter to you so we have that reflect on our bill as well. Our bills are lower because we are managing and controlling costs and putting money into the programs that matter to our community.

**In Paula's Words:** "In comparison to our \$141 bill, there are some bills in the competitive market that are \$151 a month, \$160 a month, and \$163 a month. And so, we pay attention to what's happening all around the nation and all around the state because again, we know that **Affordability** matters to San Antonio, but I would say that we also drive value."

## BUSINESSES HELP RESIDENTS HISTORICAL & CURRENT STATE



- While Business (e.g., C&I) customers pay a lower effective price per unit, they are actually contributing more than their CoS, 107%.
- As a regulatory standard, no Customer Group should pay more than 110% of their CoS.

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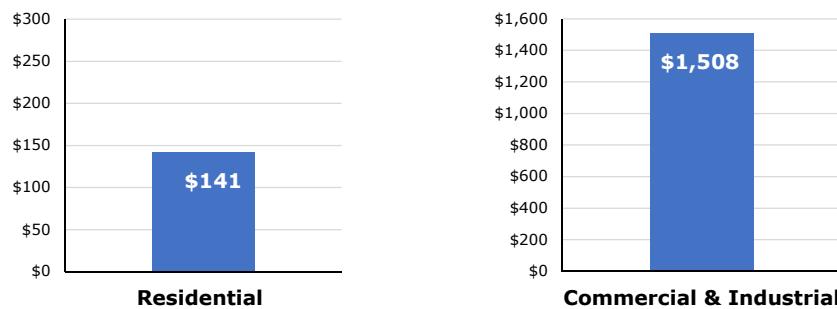
**Key Takeaway:** While businesses pay a lower effective price per unit, they are actually contributing more than their actual cost of service. That comes out to around 107%. When comparing rates, it is impossible to capture the concept effectively if you do not factor in the cost to serve the different kinds of customers.

**In Paula's Words:** "People have said, 'Well, what about the different components of the bill? Why is it one thing for businesses and another thing for individuals, and why is the per unit number lower than residents?' The per unit number is lower just because efficiencies. So, for example, if you go to the grocery store and you buy a big box of Tide usually the price of a cup of dish of detergent is cheaper than if you bought a small box of detergent. That's all that's happening here."

## C&I BILLS > 10+ TIMES HIGHER THAN RESIDENTIAL BILLS



Average Monthly Bill by Customer Group



**On average, businesses pay a much higher monthly bill (10 times more) than Residential customers.**

Note: Combined residential electric & gas bill represents trailing 12 month averages ending August 2020, calculated at average monthly usage of 1,000kWh & 5MCF; C&I average bill from FY2017 COS

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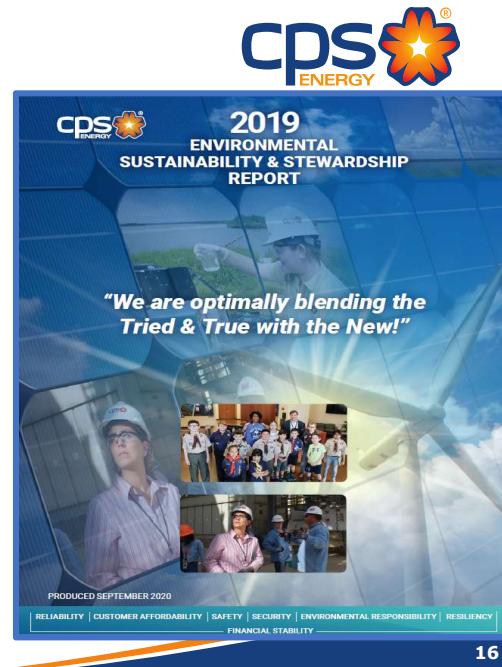
**Key Takeaway:** CPS Energy's business customers pay a higher monthly bill than residential customers. Although commercial customers only represent about 10% of our customer base, they also account for about 50% of our revenue. Their bills are substantial in many ways and contribute a lot to our community – including keeping residential rates a little bit lower.

**In Paula's Words:** "What does that mean? Well, like I talked about earlier, if the average bill over a 12 month period is about a hundred and forty-one bucks, for businesses on average, all businesses, they're paying about 10 times more than that a month- all businesses."

## ENVIRONMENTAL RESPONSIBILITY

### KEY SUCCESSFUL ENVIRONMENTAL COMMITMENTS TO DATE!

- **2000 → We started investing in wind.**
- **2012 → We started investing in solar.**
- **2017 → I created the *Flexible Path*™.**
- **2018 → We closed OLDER Coal units.**
- **2019 → Via our *Flexible Path*™, we are focused on 80% reductions in carbon emissions by 2040.**
- **2019 → Board of Trustees endorsed the CAAP & we are now working toward full carbon neutrality by 2050.**
- **2019 → STEP successfully completed.**



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**Key Takeaway:** CPS Energy is 100% committed to *Environmental Responsibility*. We have been taking big steps towards clean energy since 2000 and have made significant strides in our *Flexible Path* to do so. This includes investing in wind and solar, and closing two old coal units in 2018 – which was 15 years early. We plan on continuing down our *Flexible Path* to reach a cleaner generation fleet.

**In Paula's Words:** “I just want to make sure that we do talk about this- we are committed to a cleaner environment. We are committed to making changes. Often times people will say, well CPS Energy didn't do this and didn't do that. I'm going to tell you a lot of things that we did do that are absolutely a part of our history and it's factual. Again, we've been in Wind since 2000. We've been into solar since 2012. We closed two older coal units in 2018. We refocused on the *Flexible Path* and highlighted that the flexible path will get us to 80% reduction in our emissions profile by 2040.”

**IMPROVING FOR 20+ YEARS**  
**MAKING REAL CHANGE IS OUR FOCUS**



I Created this  
in 2017

Publicly Shared  
in 2018

Aligned to the  
CAAP in 2019

You're flexible. So are we!

**FLEXIBLE PATH<sup>SM</sup>**

BALANCING THE TRIED & TRUE WITH THE NEW

17

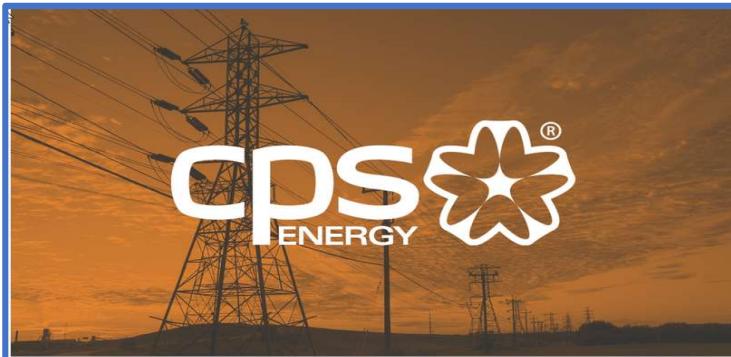
**Key Takeaway:** CPS Energy is committed to continuing down our ***Flexible Path*** and working towards a clean energy economy for our community.

**In Paula's Words:** “Ultimately, I want to focus. The ***Flexible Path*** is extremely important, and it's again a part of the way that we did great so far through 2020 and that we're going to look to making improvements in 2030 and beyond.”

## FLEXIBLE PATH ALIGNMENT & VELOCITY MATTER



Blending  
the  
TRIED & TRUE  
with the  
NEW!



CPS ENERGY WILL CAREFULLY ALIGN ITS FLEXIBLE PATH TO THE CAAP WHILE BALANCING THE TRIED AND TRUE WITH THE NEW FOR SAN ANTONIO'S ENERGY FUTURE

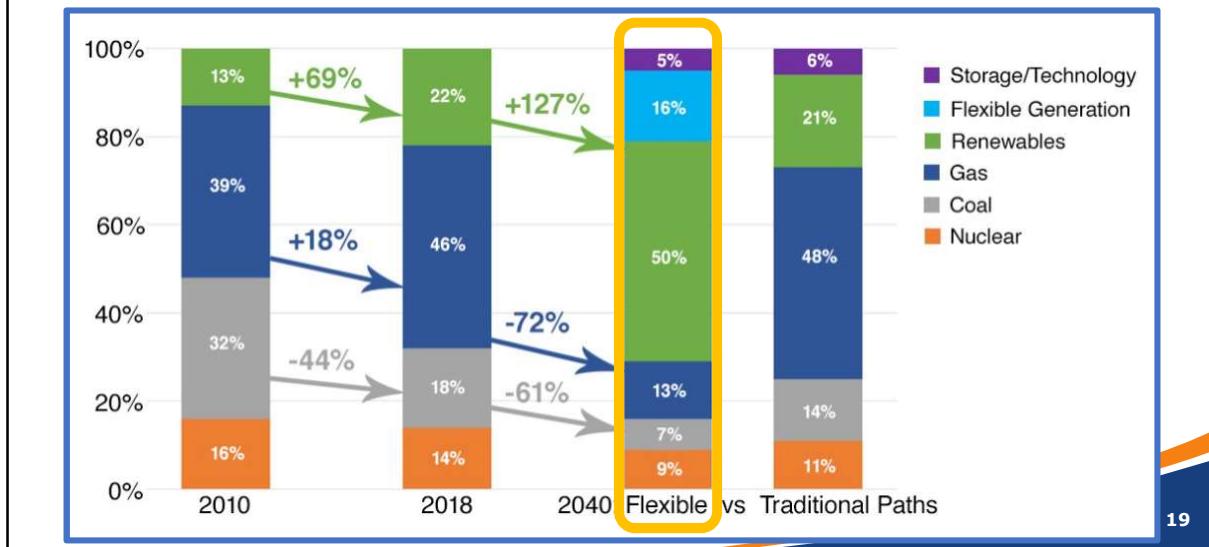
10/17/2019

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**Key Takeaway:** CPS Energy is focused on new solutions for their generation fleet, but they understand the importance of doing this by blending the tried & true with the new technologies. We understand we can't transition overnight to a new fleet. We understand the importance of using what we have and blending it with the new technologies we are currently seeking. This is why the **Flexible Path** was created.

**In Paula's Words:** "That would be like you saying I don't want my home and I'm just going to walk out and leave it there. Or I've got a car I don't want want anymore, but I'll leave it on the side of the road. .... There are still costs associated with these, and again these have to be maintained and taken care of. Can we move from these and to other solutions? Absolutely. And we're ready to do that."

## FLEXIBLE PATH PROGRESS IS HAPPENING & PROJECTED



**Key Takeaway:** There is proof in the progress CPS Energy has made along our *Flexible Path*, and we are predicted to make bigger and bigger strides towards implementing renewables into our portfolio. We will continue to drive that progress for our community.

**In Paula's Words:** "We have an increasingly cleaner, and cleaner profile, but we're not done yet. And we're committed to partnering with the community to make sure we get better."

## SOLAR & WIND SUCCESS!



**SOLAR**  
S.A. is #1 in TX!

**WIND**  
Contribute to TX  
being #1 in the  
U.S.!!

**STEP**  
Award winning  
energy efficiency  
& conservation  
program!!



**CONGRATULATIONS  
SAN ANTONIO FOR BEING  
A SHINING CITY FOR  
SOLAR ENERGY!**

San Antonio Ranks 1<sup>st</sup> in Texas & 5<sup>th</sup> in the U.S. for  
Solar Energy Within City Limits

**Curious – Why no focus on other utilities?**

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**Key Takeaway:** San Antonio was named a Shining City for solar energy by Environment Texas and is #1 in Texas for solar. We also have award winning energy conservation programs and our efforts have contributed to Texas being #1 in the United States for wind.

**In Paula's Words:** “There are many around the nation and the globe that are very interested in what San Antonio has done already, and very interested in helping us move forward.”

## NEWEST EFFORT INTERNATIONAL OUTREACH



Up To:  
**900MW of Solar + 50MW Storage + 500 MW Firming Capacity**



**INNOVATION  
IS THE KEY!**

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**Key Takeaway:** CPS Energy has embarked on its **FlexPOWER Bundle** journey. We have made an international outreach to seek innovation from across the globe to help us build our generation portfolio.

**In Paula's Words:** "We actually want to add another 900 megawatts of solar, we want to add about 50 megawatts of stored, and that's because right now it's fast responding, but it doesn't last a long time, and then we want 500 megawatts of firming capacity. We were concerned but we put out a request for information. We put it out in 10 languages."

## NEW EFFORT INTERNATIONAL INTEREST BUILDING



News Releases

### CPS ENERGY TO ADD HISTORIC AMOUNT OF RENEWABLE ENERGY TO PORTFOLIO

July 27, 2020 John Moreno 7804 Views min read

ISSUED IN  
10  
LANGUAGES!

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**Key Takeaway:** CPS Energy's RFI reached across the globe for new and innovative technologies to help gather information to build our energy portfolio. CPS Energy received nearly 200 responses to our RFI.

**In Paula's Words:** "We got responses from 10 different countries around the globe. A lot of it came from the United States, a good portion that came from Texas. That's great. But we also saw other countries from around the globe that are telling us what really can be done."

## MORE IMPROVEMENTS RENEWABLE NATURAL GAS (RNG)



Late Breaking News Releases

### CPS ENERGY AND VIA ANNOUNCE RENEWABLE NATURAL GAS PARTNERSHIP

November 8, 2020 John Moreno 1062 Views min read

Biomethane gas created by landfill decomposition would power local bus fleet CPS Energy and VIA Metropolitan Transit announce details about

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**Key Takeaway:** CPS Energy understands the value of collaboration and partnerships and strives to partner with other organizations to do work for our community. We recently announced a partnership with VIA to fuel their compressed natural gas busses with a renewable natural gas. This bio-gas product will be sourced from a local landfill and benefits the environment while serving the community with public transportation.

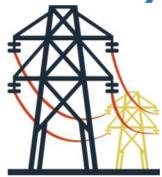
**In Paula's Words:** "It's about how we make choices together, and how we can collaborate, instead of having conflict. What can we do while working together to make it all better for San Antonio and San Antonio's future."

## WE ACTIVELY MANAGE RISKS



**We work to prevent  
ROLLING BLACKOUTS!**

*Reliability*



**We work to prevent  
BILL SHOCK!**

*Customer  
Affordability*



**PROBLEM:**

- **No SOLAR energy when the sun doesn't shine!**
- **No WIND energy when the air doesn't blow strongly!**

**EVERYTHING COSTS MONEY!**

- **COLLABORATION OVER CONFLICT!!**
- **CHOICES must be made!!!**

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**Key Takeaway:** Again, CPS Energy understands the importance of both *Reliability* and *Customer Affordability* to our customers. We have to actively work to manage risks since solar does not provide energy when the sun isn't shining and wind doesn't provide when wind isn't blowing. This coupled with how best to manage our funds are top of mind for CPS Energy.

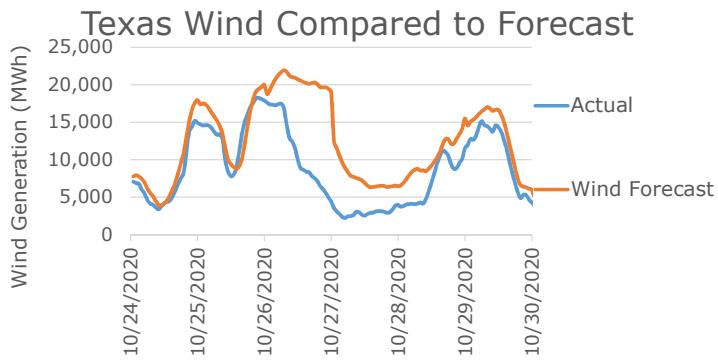
**In Paula's Words:** “In reality, to have solar energy.... you don't get it if the sun doesn't shine. To have wind energy you need it to blow strongly. So those are the things that, inherently, are limitations and wind and solar, even though they're clean, they're not always able to produce all the time.”

## RELIABILITY CHALLENGE

### WIND

**Icing conditions in October impacted West Texas/Panhandle wind production:**

- We can't expect an all-renewable fleet to maintain reliability.
- Conventional generation fills in the gaps to maintain reliability.
- Renewable intermittency can lead to price spikes.



At peak load hours, wind output was 40% to 60% below forecast due to icing conditions.

ERCOT Wind Performance	26-Oct	27-Oct	28-Oct
	17	20	10
ERCOT Peak Hour			
ERCOT Wind Forecast	20,070	6,045	8,126
ERCOT Wind Actual	7,839	2,910	4,780
ERCOT Wind Variance	(12,231)	(3,135)	(3,346)
% Variance	-61%	-52%	-41%

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**Key Takeaway:** While having an all-renewable generation fleet sounds good, we can't expect it to maintain full reliability. That is why CPS Energy is looking for other technologies that can help fill those gaps. We want to be smart about the way we blend the tried and true with the new technologies we find.

**In Paula's Words:** "So those are the things that, inherently, are limitations and wind and solar, even though they're clean, they're not always able to produce all the time."

## BUSINESS PRESSURE SA's IMPORTANT CREDIT RATINGS



Ratings Agencies are watching our financial performance & local issues that could impact our governance.

MOODY'S

S&P Global  
Ratings

Fitch Ratings

CPS Energy Rating:

Aa1

Outlook: Stable

AA

Outlook: Stable

AA+



Outlook: Negative

"The Negative Outlook reflects Fitch's concern that rate increases required to maintain a financial profile consistent with the current rating may not materialize..."

*A recent petition was proposed... ...that would revise the governance & management structure of the utility, as well as institute certain carbon reduction & rate policies. Fitch views the proposed governance change as a potential asymmetric additive risk consideration."*

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**Key Takeaway:** CPS Energy has maintained stable outlooks from two credit rating agencies and have moved to a negative outlook for one agency. This isn't because CPS Energy has been financially irresponsible, but because CPS Energy has not had an increase in six years and because we are in the middle of a pandemic. They also have taken into account the petition that is challenging CPS Energy's governance structure.

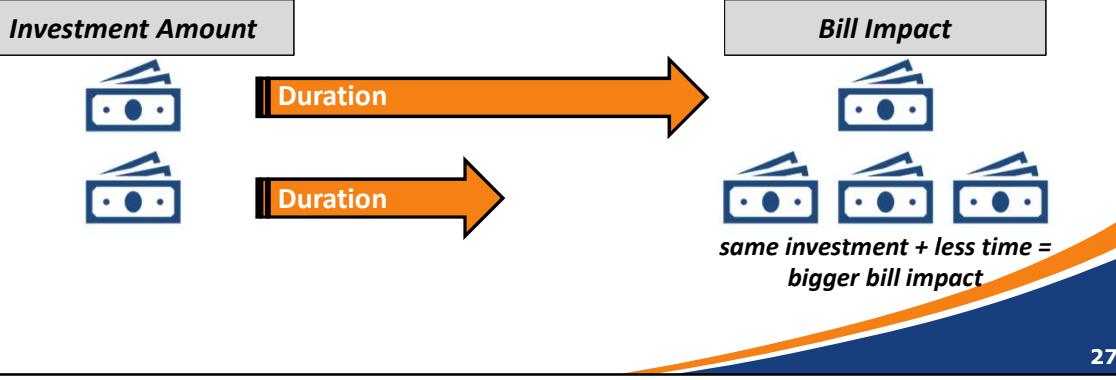
**In Paula's Words:** "Again, I think for us when we talked to the rating agencies, there is concern. Again, we have made progress. We have been award-winning. We are number one. We've got a great strategy. We're willing to talk to everyone. We're working through all the issues, and for San Antonio, to not be able to figure this out is not a credit positive. It's a credit negative."

## OUR CUSTOMERS THE VELOCITY OF CHANGE MATTERS



### TODAY & TOMORROW:

As we design the future of our conservation & renewable energy programs, balancing the sequence & timing of investment is important to ensure bills remain *Affordable*.



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**Key Takeaway:** As we continue to design the future of both our conservation and renewable energy programs, balancing timing and investment is key in making sure that bills remain *Customer Affordable*.

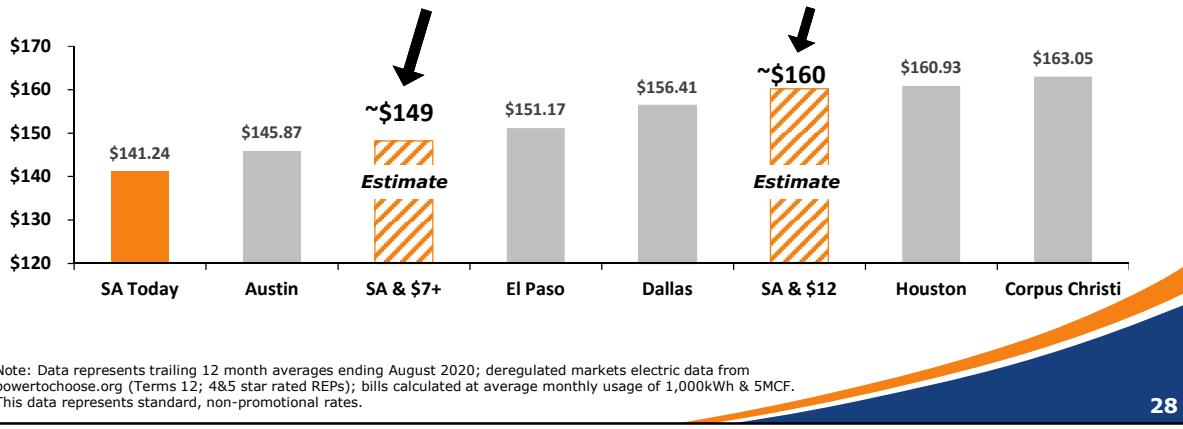
**In Paula's Words:** "If we don't get the timing right.. we could end up with much higher bills because we want to move faster but and it's going to affect everyone's *Affordability*."

## VELOCITY IMPACTS AFFORDABILITY CPS ENERGY<sup>®</sup>

### PRELIMINARY ESTIMATE VIEW

**Bill Impact of...** ...triple spending on conservation.

...plus accelerating coal unit retirements.



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**Key Takeaway:** Every decision CPS Energy makes weighs impacts on *Customer Affordability*. We are listening and acting on the conservation our community is passionate about while also making sure that our bills are affordable. It is a balancing act.

**In Paula's Words:** "We're doing the best we can, but the fact of the matter is everything costs money. And so,[...] when the community wants to figure out what to do, we got to do this together and we want to do this with you."

## **WE VALUE PUBLIC INPUT! THANKS FOR PARTICIPATING TODAY!!**



- **Today's Session – Public Input Session**
- **People First Community Care Fairs**
- **Surveys**
- **Letters**
- **Board Meetings**
- **Citizen's Advisory Committee (CAC)**

**... The Board is also currently considering a Rate Advisory Committee (RAC)**

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**Key Takeaway:** CPS Energy values public input and the impact that it can have on our organization. We are passionate about continuing our conversations through a variety of opportunities such as public input meetings, surveys, **People First** fairs, Board of Trustees meetings, Citizen Advisory Committee meetings, etc. We are also in the process of creating a proposed Rate Advisory Committee to ensure the public is informed on the work we are doing as it pertains to rate structure and has the opportunity to weigh in on the rate conversation. We are and want to remain transparent and open with our community.

**In Paula's Words:** “Everyone [...] who's in an official capacity of being on the committee,[...] being the management, we want to hear from you.”

## **DISCLAIMER**

Please be assured that while the CPS Energy team has been thoughtful in the development of the information herein, this presentation includes financial projections & forward-looking statements that are informational & provided for discussion purposes only. As such, these written materials & associated commentary are preliminary & subject to change at any time in the future.



***Thank You***