FLEXPOWER BUNDLE UPDATE

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Informational Update
OBJECTIVES & TAKEAWAYS

• PROVIDE OVERVIEW OF FLEXPOWER BUNDLE COMPONENTS & HOW IT WILL MEET OUR CAPACITY NEEDS
• PROVIDE LOOK AHEAD & NEXT STEPS
AGENDA

• CURRENT GENERATION PORTFOLIO
• PORTFOLIO OVERVIEW: GAS STEAM UNITS
• FLEXPOWER BUNDLE OVERVIEW
• EXPECTED TIMING OF FLEXPOWER BUNDLE
• NEXT STEPS & LOOK AHEAD
Over 7000 MW of Diverse Generation to Serve our Community

- Our gas steam units are aging, built in the 60s & 70s
- Opportunity to strengthen reliability as we phase out older plants
- Our approach is to replace aging capacity with solar firmed up by battery storage & gas toll
Nearly 1700 MW due to retire in the next 10 years

WHY: PORTFOLIO OVERVIEW
AGING GAS STEAM UNITS

VH Braunig 1 (217MW)
VH Braunig 2 (230MW)
VH Braunig 3 (412MW)
OW Sommers 1 (420MW)
OW Sommers 2 (410MW)

Braunig Plants
859 MW Gas

Sommers Plants
830 MW Gas
WHAT: FLEXIBLE PATH IN ACTION
MAJOR STEP FORWARD

FLEXPOWER BUNDLE COMPONENTS FOR DISCUSSION

- Up to 900 MEGAWATTS (MW)
- Up to 50 MEGAWATTS (MW)
- Up to 500 MEGAWATTS (MW)

CPS ENERGY'S PRESIDENT & CEO LAUNCHES COMMUNITY INPUT ON THE NEW “POWER BUNDLEFLEX”
CPS ENERGY NEWSROOM, JULY 10, 2019

CPS Energy Proposes Adding New Solar, Batteries, Buying Natural Gas Power
RIVARD REPORT, JULY 10, 2019
FLEXPOWER BUNDLE
OPTIMIZING RESOURCES

Intermittent solar & wind need to be firmed up by gas toll & storage

Gas toll & rest of fleet provides around-the-clock reliability
FlexPower Bundle protects our customers from high & volatile market prices

*Data in graph is based on 500 MW
BATTERY ENERGY STORAGE SYSTEMS
WHY NOT ADD MORE NOW?

We will continue to introduce battery energy storage systems in the future as economics, technology and regulatory status improves.
The proposal is to phase in solar, storage and gas toll over the next 4 years.

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<th>Year</th>
<th>Solar Capacity (MW)</th>
<th>Battery Storage Capacity (MW)</th>
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</tbody>
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**Total Capacity:** 1450 MW

**Effective Capacity:** 845 MW at Summer Peak
NEXT STEPS & LOOK AHEAD

We will continue to provide updates along the way

2019

- Complete Initial Customer Feedback & Engagement
- Release Solar + Battery Request for Proposals

2020

- Begin Negotiating Gas Toll
- Receive Solar + Battery Proposals
- Execute FlexPower Bundle

We are here
WE HAVE A BALANCED APPROACH

THESE CONSIDERATIONS ARE IMPORTANT

As we work through the FlexPower Bundle, we will ensure that we keep our value pillars at the forefront.

- SECURITY
- SAFETY
- RESILIENCY
- RELIABILITY
- ENVIRONMENTALLY RESPONSIBLE
- CUSTOMER AFFORDABILITY
Thank You