



**CPS ENERGY BOARD OF TRUSTEES MEETING  
TO BE HELD ON OCTOBER 28, 2024, AT 1:00 PM  
LOCATION: CPS ENERGY BOARD ROOM (500 MCCULLOUGH AVE)**

*At any time during the Board Meeting, the Board may go into an executive session as permitted by the Texas Open Meetings Act, (Chapter 551 of the Texas Government Code) regarding any item on this agenda.*

AGENDA

ITEM	TOPIC	ACTION	PRESENTER/ SPONSOR
<b>1</b>	<b>CALL TO ORDER</b>	Execute	Ms. Janie Gonzalez
<b>2</b>	<b>SAFETY MESSAGE, INVOCATION &amp; PLEDGE OF ALLEGIANCE</b>	Execute	Ms. Cynthia Garza
<b>3</b>	<b>PUBLIC COMMENT</b> Pre-Registration is from Wednesday, October 23, 2024, 5:00 PM – Friday, October 25, 2024, 1:00 PM. Dial (210) 353-4662 or email <a href="mailto:PublicCommentRegistration@CPSEnergy.com">PublicCommentRegistration@CPSEnergy.com</a>	Discuss	Ms. Janie Gonzalez
<b>UPDATE ON CHAIR’S PRIORITIES</b>			
<b>4</b>	<b>CHAIR’S REMARKS</b>	Discuss	Ms. Janie Gonzalez
<b>CONSENT AGENDA</b>			
<b>5</b>	<b>APPROVAL OF CONSENT ITEMS:</b> A. Payment to the City of San Antonio for September 2024 B. Minutes from the Special Board Meeting, held on September 9, 2024 C. Minutes from the September Regular Board Meeting, held on September 30, 2024 D. Audit and Finance (A&F) Committee Bylaws E. Technology and Resilience (T&R) Committee Bylaws	Vote	Ms. Janie Gonzalez
<b>REGULAR AGENDA</b>			
<b>6</b>	<b>COMMITTEE REPORTS</b> A. Technology and Resilience (T&R) Committee Meeting held on September 11, 2024 (Ms. Janie Gonzalez) B. Personnel Committee Meeting held on September 30, 2024 (Ms. Janie Gonzalez)	Discuss	Ms. Janie Gonzalez

<b>7</b>	<b>COMMUNITY INPUT COMMITTEE (CIC) REPORTS</b>	Discuss	Ms. Janie Gonzalez
<b>8</b>	<b>PROCUREMENT REQUEST FOR APPROVAL: GAS CONSTRUCTION SERVICES</b> (Mr. Richard Medina)	Vote	Ms. Janie Gonzalez
<b>9</b>	<b>PROCUREMENT REQUEST FOR APPROVAL: ELECTRICAL AND INSTRUMENTATION ENGINEERING SERVICES FOR NATURAL GAS INFRASTRUCTURE</b> (Mr. Richard Medina)	Vote	Ms. Janie Gonzalez
<b>10</b>	<b>PROCUREMENT REQUEST FOR APPROVAL: POLE ATTACHMENT APPLICATION PROCESSING SERVICES</b> (Mr. Richard Medina)	Vote	Ms. Janie Gonzalez
<b>11</b>	<b>WINTER 2024/2025 PREPAREDNESS</b>	Discuss	Executive Leadership Team
<b>12</b>	<b>CEO RECOGNITION</b>	Discuss	Mr. Rudy Garza
<b>13</b>	<b>REVIEW OF ACTION ITEMS</b>	Discuss	Ms. Janie Gonzalez
<b>CONVENE TO EXECUTIVE SESSION</b>			
<b>14</b>	<b>EXECUTIVE SESSION</b> A. Attorney-Client Matters (§551.071) & Competitive Matters (§551.086) B. Attorney-Client Matters (§551.071) C. Attorney-Client Matters (§551.071)	Discuss	Ms. Janie Gonzalez
<b>RECONVENE TO OPEN SESSION</b>			
<b>15</b>	<b>ADJOURNMENT</b>	Execute	Ms. Janie Gonzalez
<p>If the Board meeting has not adjourned by 4:00 PM, the presiding officer may entertain a motion to continue the meeting, postpone the remaining items to the next Board meeting date, or recess and reconvene the meeting at a specified date and time.</p>			

## CPS Energy Board of Trustees Meeting October 28, 2024

Approval of Payment to the City of San Antonio for September 2024

The New Series Bond Ordinance that took effect February 1, 1997 provides for a total cash payment to the City of San Antonio (City) in an amount not to exceed 14% of gross revenue as calculated pursuant to such Ordinance, less the value of other services provided to the City, with the percentage (within the 14% limitation) to be determined by the governing body of the City. The cash transfer to the City for the month of September 2024 is based on actual gross revenue per the New Series Bond Ordinance of \$337,432,275.66, less applicable exclusions. The revenue for the month of September 2024 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$338,040,357.81
Gas revenue	12,450,033.85
Interest and other income	7,828,020.88
Gross revenue per CPS Energy financial statements	358,318,412.54
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(10,344,450.01)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(27,931,507.33)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	17,389,820.46
Total excluded revenue	(20,886,136.88)
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	\$337,432,275.66
City payment per Bond Ordinance for September 2024 based upon September 2024 revenue	\$47,240,518.59
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	295,365.99
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)
City payment per Bond Ordinance plus adjustments for memorandums of understanding	47,523,384.58 <b>A</b>
Utility services provided to the City for September 2024	(3,047,188.44)
Net amount to be paid from September 2024 revenue to the City in October 2024	\$44,476,196.14

## CPS Energy Board of Trustees Meeting October 28, 2024

Comparison of City payment per Bond Ordinance (plus adjustments for memorandums of understanding) vs. Budget before deduction for utility services provided to the City:

(Dollars in thousands)

September 2024	Actual	Budget	Variance	
Current Month <b>A</b>	\$47,523	\$41,969	\$5,554	13.2%
Year-to-Date*	\$321,149	\$298,435	\$22,714	7.6%

\* Includes a rounding adjustment of \$1 to agree to correctly rounded YTD amount.

Approval of the following resolution is requested:

**"BE IT RESOLVED** by the CPS Energy Board of Trustees that payment to the City of San Antonio in the amount of \$44,476,196.14 representing 14% of applicable system gross revenues for the month of September 2024, such payment being net of City utility services (\$3,047,188.44), is hereby approved."

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at the October 28, 2024 meeting

**CPS ENERGY  
MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES  
HELD ON SEPTEMBER 9, 2024**

The Special Meeting of the Board of Trustees of CPS Energy was held on Monday, September 9, 2024, in the Board Room on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas.

**I. CALL TO ORDER**

Chair Gonzalez called the meeting to order at 1:01 p.m.

Present were Board members:

Ms. Janie Gonzalez, Chair  
Dr. Francine Romero, Vice Chair  
Dr. Willis Mackey  
Mr. John Steen  
Mayor Ron Nirenberg (Absent)

Also present were:

Mr. Rudy Garza, President & CEO  
Ms. Elaina Ball, Chief Strategy Officer  
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary  
Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer  
Ms. Karma Nielson, Chief Customer Strategy Officer  
Mr. Evan O'Mahoney, Chief Information Officer  
Ms. Lisa Lewis, Chief Administrative Officer  
City of San Antonio officials  
CPS Energy staff members  
Interested Citizens

**II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE**

A safety message, invocation, and the Pledge of Allegiance were delivered by Ms. Nathalia Lopez, Legal Program Manager.

**III. PUBLIC COMMENT**

Ms. Henrietta LaGrange, community member, stated she would like to be involved in the committee process and to meet Mr. Charles Lopez, Program Manager. She also stated her appreciation to Mr. Garza and Ms. Ball and CPS Energy staff.

**IV. CHAIR'S REMARKS**

Chair Gonzalez stated that Vision 2027 focuses on the near future for CPS Energy with the main pillars of focus being sustainability, reliability, resiliency, and creating an innovative future for energy management in San Antonio and surrounding areas. She noted that today's discussion is a starting point to

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gather feedback and she noted that she wanted it to be productive and to think about what is beyond 2027. The items being discussed will not just disrupt but will transform the energy landscape, and we are on the horizon of a brighter future if we take the time to be collaborative and make strong decisions.

**V. APPROVAL OF CONSENT ITEMS**

Trustee Dr. Mackey asked that each item be voted on individually, and Chair Gonzalez agreed.

**A. Approval of Payment to the City of San Antonio for July 2024**

Trustee Dr. Mackey moved approval, and Vice Chair Dr. Romero seconded the motion to approve payment to the City of San Antonio for July 2024. The following was approved unanimously by those members present:

The New Series Bond Ordinance that took effect February 1, 1997 provides for a total cash payment to the City of San Antonio (City) in an amount not to exceed 14% of gross revenue as calculated pursuant to such Ordinance, less the value of other services provided to the City, with the percentage (within the 14% limitation) to be determined by the governing body of the City. The cash transfer to the City for the month of July 2024 is based on actual gross revenue per the New Series Bond Ordinance of \$362,866,323.82, less applicable exclusions. The revenue for the month of July 2024 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$363,182,002.44
Gas revenue	13,186,086.97
Interest and other income	9,492,462.36
Gross revenue per CPS Energy financial statements	<u>385,860,551.77</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(9,304,786.34)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(29,653,182.56)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>15,963,740.95</u>
Total excluded revenue	<u>(22,994,227.95)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$362,866,323.82</u>
City payment per Bond Ordinance for July 2024 based upon July 2024 revenue	\$50,801,285.33
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	781,719.64
City Payment reduction per gas customer billing adjustment MOU	<u>(12,500.00)</u>
City payment per Bond Ordinance plus adjustments for	

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memorandums of understanding	51,570,504.97	<b>A</b>
Utility services provided to the City for July 2024	<u>(3,237,350.76)</u>	
Net amount to be paid from July 2024 revenue to the City in August 2024	<u>\$48,333,154.21</u>	

Comparison of City payment per Bond Ordinance (plus adjustments for memorandums of understanding) vs. Budget before deduction for utility services provided to the City:

(Dollars in thousands)

July 2024	Actual	Budget	Variance	
Current Month <b>A</b>	\$51,571	\$43,262	\$8,309	19.2%
Year-to-Date	\$219,030	\$210,307	\$8,723	4.1%

Approval of the following resolution is requested:

**"BE IT RESOLVED** by the CPS Energy Board of Trustees that payment to the City of San Antonio in the amount of \$48,333,154.21 representing 14% of applicable system gross revenues for the month of July 2024, such payment being net of City utility services (\$3,237,350.76), is hereby approved."

**B. Procurement Items:**

1. **Item Description:** Underground Infrastructure Installation Services  
**Category:** General Services  
**Supplier:** Bartek Construction Co.  
 HJD Capital Electric, Inc.

Vice Chair Dr. Romero moved approval, and it was seconded by Chair Gonzalez. The Board of Trustees discussed. The Board of Trustees voted 2-2 with Trustee Dr. Mackey and Trustee Steen voting against the motion, the tie resulting in the motion failing. Chair Gonzalez moved to reconsider, which was seconded by Vice Chair Romero. The Board of Trustees discussed further, and the motion failed on a 2-2 tie vote, with Trustee Dr. Mackey and Trustee Steen voting against the motion.

Chair Gonzalez deferred this procurement item to the September 30 meeting.

2. **Item Description:** Transmission Steel Monopoles  
**Category:** Commodity & Material Goods  
**Supplier:** Meyer Utility Structures, LLC  
 Techline, Inc.

This item was deferred to the September 30 meeting.

3. **Item Description:** Engineering & Construction Services for Accelerated Recloser Deployment  
**Category:** General Services  
**Supplier:** Burns & McDonnell Engineering Company, Inc.

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This item was deferred to the September 30 meeting.

## VI. STRATEGY SESSION

Mr. Rudy Garza, President & CEO, provided an introduction and stated the importance of developing a long-range strategy. Ms. Elaina Ball, Chief Strategy Officer, walked through the agenda for the discussion and the input requested from the Board. She also provided the session's objectives. Ms. Melissa Sorola, Vice President, Corporate Communications & Marketing, provided an overview of the stakeholder engagement plan.

Ms. Marley Urdanick, Mr. Doug McMahon, and Mr. Dave Cherney from PA Consulting presented an introduction 2050 strategic planning, with Ms. Urdanick leading the presentation. She provided the Board of Trustees information on the dynamic forces within the energy landscape that shape long-term strategic planning and the strategic implications to consider. Finally, she and Ms. Ball presented the strategic framework for CPS Energy. The Board of Trustees discussed and asked questions.

## VII. EXECUTIVE SESSION

At approximately 2:01 p.m., Chair Gonzalez announced the Board would go into Executive Session, and Ms. Ramirez announced that the required notice had been posted and that the Trustees, with only necessary parties in attendance, would convene into Executive Session, pursuant to the provisions of Chapter 551 of the Texas Government Code, for discussion of a posted item:

- Attorney-Client Matters (§551.071) & Competitive Matters (§551.086)

The Board reconvened in open session at 2:53 p.m. The quorum was re-established, and all members in attendance were present. Ms. Ramirez reported that only the matters cited above, and no others were discussed, and no votes were taken in Executive Session.

## VIII. STRATEGY SESSION, CONT.

Ms. Urdanick presented the draft of a vision, mission, and goals for feedback and discussion. The Board of Trustees discussed the presentation, asked questions, and provided feedback on the draft vision, mission, and strategic goals.<sup>1</sup>

## IX. PUBLIC POLICY UPDATE

Ms. Kathy Garcia, Vice President, Government Relations, Regulatory Affairs & Public Policy, provided the Board with an overview of local, state, and federal public policy activities in which we are currently engaged. The Board of Trustees discussed and asked questions.

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<sup>1</sup> Trustee Steen requested his continued concerns regarding the generation plan approved by the Board of Trustees be included in the minutes. His concerns relate to the financial risks in meeting the goals of San Antonio's Climate Action and Adaptation Plan and the Paris Accords by ending coal generation before the anticipated end-of-life for the Spruce units, particularly Spruce 2. He stated his concern that the financial investment required to achieve the generation plan could both result in continued rate increases and increased debt, which will result in unnecessary hardship on CPS Energy and its customers to meet climate goals he stated cannot be met. Finally, he requested to know if the Board would revisit the generation plan.



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**X. REVIEW OF ACTION ITEMS**

Ms. Ramirez reviewed the previous action items, noting that two remain open, and she reviewed the new action items.

**XI. ADJOURNMENT**

There being no further business to come before the Board, upon a motion duly made by Vice Chair Dr. Romero, seconded by Chair Gonzalez and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 4:15 p.m. by Chair Janie Gonzalez.

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Shanna M. Ramirez  
Secretary of the Board

DRAFT

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at the October 28, 2024 meeting

**CPS ENERGY**  
**MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES**  
**HELD ON SEPTEMBER 30, 2024**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of September was held on Monday, September 30, 2024, in the Board Room on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas.

**I. CALL TO ORDER**

Chair Gonzalez called the meeting to order at 1:00 p.m.

Present were Board members:

Ms. Janie Gonzalez, Chair  
Dr. Francine Romero, Vice Chair  
Dr. Willis Mackey  
Mr. John Steen  
Mayor Ron Nirenberg

Also present were:

Mr. Rudy Garza, President & CEO  
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary  
Ms. Elaina Ball, Chief Strategy Officer  
Mr. Benny Ethridge, Chief Energy Supply Officer  
Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer  
Ms. DeAnna Hardwick, Chief Customer Strategy Officer  
Ms. Lisa Lewis, Chief Administrative Officer  
Mr. Richard Medina, Chief Energy Delivery Officer  
Mr. Evan O'Mahoney, Chief Information Officer  
City of San Antonio officials  
CPS Energy staff members  
Interested Citizens

**II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE**

A safety message, invocation, and the Pledge of Allegiance were delivered by Mr. James Massey, Senior Manager, Business Administration.

**III. PUBLIC COMMENT**

Ms. Henrietta LaGrange, community member, stated she is happy to be here today. She stated that that working at CPS Energy is for those who put their heart into their work.

Ms. DeeDee Belmares, Public Citizen, expressed her concern that STEP could do more, primarily by 1) reinstating residential solar rebate with an added rebate for low-to-moderate income customers, and 2) increase and enhance the benefit for bringing your own thermostat.

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**IV. CEO RECOGNITION**

Mr. Rudy Garza, President & CEO, honored our mutual aid crews. Our crews have assisted our neighbors in Garland after a storm with severe winds damaged power lines and after Hurricane Beryl in Houston.

Mr. Scott Corwin, American Public Power Association, stated his appreciation for CPS Energy crews, answering the call by providing electricity to the Navajo Nation, and assisting Garland and Houston. He conveyed that the Garland Board noted the excellence in service and work provided by our crews. He recognized CPS Energy with an award for our commitment to providing mutual aid.

Mr. Garza also expressed his appreciation to our crews for working to provide electricity to power houses for Navajo families in Light Up Navajo. These families have never had electrical service, and Light Up Navajo is a joint effort to provide electricity over difficult terrain.

The Board of Trustees stated their appreciation for their efforts and expressed that our crews created pride for the City of San Antonio.

**V. CHAIR'S REMARKS**

Chair Gonzalez noted that October celebrates public power and natural gas. She noted the number of open houses and town halls we have for the community to learn about CPS Energy programs and assistance. She noted that public power means local ownership, local decisions, and reinvestment in our community. She thanked our 3,600 employees for their work every day and she shared a video for public utilities.

Finally, Chair Gonzalez shared information about our upcoming town hall meetings to provide feedback on Horizon 2050 and the future of CPS Energy.

**VI. APPROVAL OF CONSENT ITEMS**

On a motion by Trustee Dr. Mackey, seconded by Vice Chair Dr. Romero, and upon affirmative vote by a majority of members present, the following items on the Consent Agenda were approved:

**A. Approval of Payment to the City of San Antonio for August 2024**

The New Series Bond Ordinance that took effect February 1, 1997 provides for a total cash payment to the City of San Antonio (City) in an amount not to exceed 14% of gross revenue as calculated pursuant to such Ordinance, less the value of other services provided to the City, with the percentage (within the 14% limitation) to be determined by the governing body of the City. The cash transfer to the City for the month of August 2024 is based on actual gross revenue per the New Series Bond Ordinance of \$383,026,674.23, less applicable exclusions. The revenue for the month of August 2024 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$412,095,298.57
Gas revenue	12,645,812.34

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Interest and other income	9,997,653.44
Gross revenue per CPS Energy financial statements	<u>434,738,764.35</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(9,486,037.69)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(34,450,392.92)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>(7,775,659.51)</u>
Total excluded revenue	<u>(51,712,090.12)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$383,026,674.23</u>
City payment per Bond Ordinance for August 2024 based upon August 2024 revenue	\$53,623,734.39
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	984,561.45
City Payment reduction per gas customer billing adjustment MOU	<u>(12,500.00)</u>
City payment per Bond Ordinance plus adjustments for memorandums of understanding	54,595,795.84 <b>A</b>
Utility services provided to the City for August 2024	<u>(3,102,892.63)</u>
Net amount to be paid from August 2024 revenue to the City in September 2024	<u>\$51,492,903.21</u>

Comparison of City payment per Bond Ordinance (plus adjustments for memorandums of understanding) vs. Budget before deduction for utility services provided to the City:

(Dollars in thousands)

August 2024	Actual	Budget	Variance	
Current Month <b>A</b>	\$54,596	\$46,159	\$8,437	18.3%
Year-to-Date*	\$273,625	\$256,466	\$17,159	6.7%

\* Includes a rounding adjustment of \$1 to agree to correctly rounded YTD amount.

Approval of the following resolution is requested:

**"BE IT RESOLVED** by the CPS Energy Board of Trustees that payment to the City of San Antonio in the amount of \$51,492,903.21 representing 14% of applicable system gross revenues for the month of August 2024, such payment being net of City utility services (\$3,102,892.63), is hereby approved."

**B. Minutes from the July Regular Board Meeting, held on July 29, 2024**

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**VII. COMMITTEE REPORTS**

In the interest of time, Chair Gonzalez accepted the submission of the following reports for the record in lieu of having them read during the meeting:

- A. Employee Benefits Oversight Committee meeting held on July 18, 2024. The report is attached as Attachment “A” to the meeting minutes.
- B. Audit and Finance Committee meeting held on July 18, 2024. The report is attached as Attachment “B” to the meeting minutes,
- C. Operations Oversight Committee meeting held on August 12, 2024. The report is attached as Attachment “C” to the meeting minutes.

**VIII. PROCUREMENT REQUEST FOR APPROVAL: UNDERGROUND INFRASTRUCTURE INSTALLATION SERVICES**

Mr. Richard Medina, Chief Energy Delivery Officer, provided a summary of the procurement to support large-scale improvements for underground distribution systems and he requested approval. Vice Chair Dr. Romero moved approval, and Trustee Dr. Mackey seconded. The Board of Trustees discussed the procurement. It was approved unanimously.

\* The procurement package is attached as Attachment “D” to the meeting minutes.

**IX. PROCUREMENT REQUEST FOR APPROVAL: ENGINEERING & CONSTRUCTION SERVICES FOR ACCELERATED RECLOSER DEPLOYMENT**

Mr. Richard Medina, Chief Energy Delivery Officer, provided a summary of the procurement that will support the Recloser Deployment Plan, which enhances grid reliability, and is a part of the grant awarded for the Community Energy Resiliency Program through the U.S. DoE. Trustee Dr. Mackey moved approval, and Vice Chair Dr. Romero seconded. The Board of Trustees discussed the procurement. It was approved unanimously.

\* The procurement package is attached as Attachment “D” to the meeting minutes.

**X. PROCUREMENT REQUEST FOR APPROVAL: 362KV DEADTANK CIRCUIT BREAKERS**

Mr. Richard Medina, Chief Energy Delivery Officer, provided a summary of the procurement that provides for the acquisition of deadtank circuit breakers, which are used for the safe and reliable operation of our substations and switchyards. He also noted that there is a long lead time for these commodities. Vice Chair Dr. Romero moved approval, and Mayor Nirenberg seconded. The Board of Trustees discussed. It was approved unanimously.

\* The procurement package is attached as Attachment “D” to the meeting minutes.

**XI. EXECUTIVE SESSION**

At approximately 2:11 p.m., Chair Gonzalez announced the Board would go into Executive Session, and Ms. Ramirez announced that the required notice had been posted and that the Trustees, with only

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necessary parties in attendance, would convene into Executive Session, pursuant to the provisions of Chapter 551 of the Texas Government Code, for discussion of a number of posted items, including the following:

- Competitive Matters (§551.086) & Attorney-Client Matters (§551.071)

The Board reconvened in open session at 2:51 p.m. The quorum was re-established, and all members were present. Ms. Ramirez reported that only the matters cited above, and no others were discussed. She noted that the Board voted on the competitive matter listed on the agenda, but no other votes were taken in Executive Session.

## **XII. ANNUAL STEP UPDATE: PROGRAM YEAR 2**

Ms. Elaina Ball, Chief Strategy Officer, provided an overview of STEP performance and highlighted achievements for the second year of the five-year program. There was a strong performance in Tried & True programs which will support the transition to more equitable and innovative offerings in the third year.

The Board of Trustees discussed and asked questions.<sup>1</sup>

## **XIII. FY2025 SECOND QUARTER PERFORMANCE UPDATE**

Mr. Cory Kuchinsky, Chief Financial Officer, reviewed the financial performance for the second quarter, noting the positive trends for the fiscal year. Ms. Elaina Ball, Chief Strategy Officer, presented an update on the FY2025 Enterprise Scorecard, noting the progress on strategic objectives and the status of measure targets. The Board of Trustees discussed and asked questions.

## **XIV. REVIEW OF ACTION ITEMS**

Ms. Ramirez reviewed the previous action items, and she noted the new action items arose during the meeting.

## **XV. ADJOURNMENT**

There being no further business to come before the Board, upon a motion duly made by Trustee Dr. Mackey, seconded by Mayor Nirenberg, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 4:22 p.m. by Chair Janie Gonzalez.

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Shanna M. Ramirez  
Secretary of the Board

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<sup>1</sup> Trustee Steen requested his continued concerns regarding STEP be included in the minutes. He stated his concern that due to financial pressures on CPS Energy and its customers, at a minimum, STEP should not have been extended by majority vote of this Board due to the costs of the program. He differed on the benefits of the program, disagreeing with the assertion that it costs twice as much to procure energy as it does to save energy. He stated that with the dollars used for STEP a power plant could have been built as a generating asset that could produce revenue.

Charter Created: 10/29/2001  
Last Revised: ~~x5/xx22/2024~~3

## **CPS Energy Board of Trustees**

### **AUDIT & FINANCE COMMITTEE CHARTER**

#### **I. Role of the Audit & Finance Committee**

The Audit & Finance Committee (the “Committee”) is appointed by, and is a standing committee of, the CPS Energy Board of Trustees (the “Board”). The role of the Audit & Finance Committee is to assist the Board in fulfilling its oversight responsibilities for CPS Energy related to the following:

- quality and integrity of the financial statements and the financial reporting process;
- review of financial policies for the organization
- review of proposed transactions relative to investment and debt activities
- compliance with legal and regulatory requirements;
- qualifications, independence, and performance of the external auditors;
- qualifications, independence, and performance of the internal audit function;
- system of internal controls regarding financial reporting, accounting, finance, ethics, and compliance; and
- management of business/financial risks.

The role also includes coordination with other Board committees/members and maintenance of strong, positive working relationships with management, external and internal auditors, legal counsel, and other financial advisors to management. In addition to CPS Energy, the Committee also has oversight for the 28% and 12% South Texas Project (STP) Nuclear Decommissioning Trusts and any additional trust modifications related to ownership.

#### **II. Authority**

The authority of the Committee is to exercise its business judgment, report to the Board, and recommend to the Board and/or management actions that the Committee reasonably believes to be in the best interest of CPS Energy. The Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility.

It is also empowered to:

- Recommend for final approval by the Board the appointment and compensation of any registered public accounting firm(s) employed by the organization to conduct the annual external audit of CPS Energy’s financial statements (i.e., the external auditors) and other agreed upon engagements, and oversee the work of any such firm(s);

Charter Created: 10/29/2001

Last Revised: ~~x5/xx22/2024~~3

- Pre-approve all audit and non-audit services that may be requested of the audit firm(s) selected to perform the annual financial statements audit;
- Review at least annually, updates to financial policies which provide financial direction for management and ensure the financial integrity of the organization;
- Review management recommendations for new financing (includes refinancing) and investment transactions in accordance with policies and bond ordinances;
- Approve the remuneration of the Chief Audit Executive (CAE), as well as the appointment or removal of the CAE.
- Retain independent legal counsel, accountants, or others to advise the Audit & Finance Committee or assist in the conduct of an investigation, as warranted, with the Board's concurrence;
- Seek any information it requires from employees all of whom are directed to cooperate with the Committee's requests or external parties; and
- Meet as needed with company officers (including the General Counsel), internal auditors, external auditors, or outside legal counsel.

### III. Committee Membership

The Committee shall consist of two (2) Board members. Audit & Finance Committee appointments, including designation of one member as the Audit & Finance Committee chairperson, shall be approved annually by the full Board.

Over time, the utility business and industry will change in response to evolving financial, industry, regulatory, economic, reporting, or other developments. It is therefore important for the Board to periodically re-evaluate its members' experiences, competencies, and the overall balance of skills on the Committee in response to emerging needs.

### IV. Meetings

The Audit & Finance Committee shall meet at least two (2) times per calendar year. Additional meetings shall be scheduled as considered necessary by the Committee or the Committee Chair. All members are expected to attend each meeting. In person attendance is preferred. The committee ~~will~~may invite members of management, the external and/or internal auditors, and/or others to attend meetings and provide pertinent information, as necessary. The Committee will hold private meetings with the auditors (see below), and conduct meetings in executive sessions, as warranted and as permitted by law. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. -Meeting minutes will be prepared for each meeting.



Charter Created: 10/29/2001

Last Revised: ~~x5/xx22/20243~~

## V. Responsibilities

The Audit & Finance Committee will carry out the following responsibilities:

### A. *Financial Policies, Transactions and Reporting*

- Review and discuss with management and the external auditors all critical financial and accounting policies and practices used by the company, as well as any significant financial reporting issues, including complex or unusual transactions and highly judgmental matters;
  - any significant changes in company financial and accounting policies as well as recent professional and regulatory pronouncements;
  - any material alternative financial and accounting treatments;
  - any financial and accounting proposals that may have a significant impact on the company's financial reports and metrics;
  - results of the annual financial audit, including any difficulties encountered; and
  - all matters required to be communicated to the Committee under generally accepted auditing standards.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
- ~~• Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.~~
- Understand how mManagement develops interim financial information, and the nature and extent of internal and external auditor involvement.

### B. *Internal Control and Risk Management*

- Consider the effectiveness of CPS Energy's system of internal controls, including information technology security and control.
- Understand the scope of the internal and external auditors' reviews of internal controls and obtain reports on significant findings and recommendations, together with mManagement's responses.
- Understand CPS Energy's business risk profile and controls in selected areas representing significant financial and/or business risk (operational, legal, reputation, etc.).
- Meet periodically with management to review CPS Energy's major financial risk.

### C. *Internal Audit*

- ~~• Approve the Audit Services Charter.~~
- ~~• Approve the risk-based internal audit plan.~~
- ~~• Approve Audit Services' budget and resource plan.~~
- ~~• Receive communications from the Chief Audit Executive on Audit Services' performance relative to its plan and other matters.~~
- ~~• Approve decisions regarding the appointment and removal of the Chief Audit~~

Charter Created: 10/29/2001

Last Revised: ~~x5/xx22/2024~~3

~~Executive-~~

- ~~• Approve the remuneration of the Chief Audit Executive.~~
- ~~• Make appropriate inquiries of management and the Chief Audit Executive to determine whether there is inappropriate scope or resource limitations.~~
- Ensure the Chief Audit Executive has unrestricted access to and communicates and interacts directly with the Audit & Finance Committee, including in private meetings without senior management present.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Approve the risk-based internal audit plan.
- Provide input to the internal audit function's human resources administration and budgets.
- Review the internal audit function's expenses.
- Provide input to senior management on the appointment and removal of the Chief Audit Executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards.
- Receive communications from the Chief Audit Executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually.
- Make appropriate inquiries of senior management and the Chief Audit Executive to determine whether scope or resource limitations are inappropriate.

**D. External Audit**

- Review the qualifications of the external auditors; oversee due diligence responsibilities relative to the selection, compensation and terms of engagement for the external audit firm(s); and recommend final approval on the appointment or discharge of the external auditors to the Board.
- Review and confirm the independence of the external auditors by obtaining statements from them on their relationships with CPS Energy, including any non-audit services, and by discussing these relationships with the external auditors.
- Review the external auditors' proposed audit scope and approach, including coordination of their audit effort with internal audit.
- Meet with the external auditors and appropriate CPS Energy staff at the end of the annual audit to review the audit results and financial statements.
- Resolve any disagreements between management and the external auditors regarding financial reporting.
- Meet separately with the external auditors to discuss any matters that the Committee believes should be discussed privately.

**E. Ethics**

- Review the process for communicating the CPS Energy ethics policy/code of conduct to company personnel, including the annual training plan.

Charter Created: 10/29/2001

Last Revised: ~~x5/xx22/2024~~3

- Review the effectiveness of the system for monitoring compliance with the CPS Energy ethics policy/code of conduct, including the process for handling actual or perceived conflicts of interest.
- Review results of Ethics-related investigations by management (and follow-up, including disciplinary action) of any instances of noncompliance.

#### **F. Compliance**

- Understand the system for monitoring compliance with laws and regulations; review results of investigations by management and follow-up, including disciplinary action of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies and any internal or external auditor observations regarding compliance.
- Obtain regular updates from management and company legal counsel regarding compliance matters, including review and assessment of any significant conflicts of interest and related-party transactions.

#### **G. Reporting Responsibilities**

- Provide an open avenue of communication between internal audit (Audit Services), the external auditors, and the Board.
- Report on a regular basis to the Board about Committee activities, issues, and related recommendations.

#### **H. Other Responsibilities**

- Institute and oversee special investigations, as needed.
- Review and assess the adequacy of the Committee Charter annually, requesting Board approval for proposed changes.
- Confirm annually that all responsibilities outlined in this Charter have been carried out.
- Evaluate, on a regular basis, the Committee's effectiveness in executing its responsibilities
- Perform other activities related to this Charter as requested by the Board.

This Charter of the Audit & Finance Committee of the CPS Energy Board of Trustees is hereby approved this ~~22<sup>nd</sup>-xx~~ day of ~~May-xx~~ 2024~~3~~.

*Charter Created: 10/29/2001  
Last Revised: x/xx/2024*

## **CPS Energy Board of Trustees**

### **AUDIT & FINANCE COMMITTEE CHARTER**

#### **I. Role of the Audit & Finance Committee**

The Audit & Finance Committee (the “Committee”) is appointed by, and is a standing committee of, the CPS Energy Board of Trustees (the “Board”). The role of the Audit & Finance Committee is to assist the Board in fulfilling its oversight responsibilities for CPS Energy related to the following:

- quality and integrity of the financial statements and the financial reporting process;
- review of financial policies for the organization
- review of proposed transactions relative to investment and debt activities
- compliance with legal and regulatory requirements;
- qualifications, independence, and performance of the external auditors;
- qualifications, independence, and performance of the internal audit function;
- system of internal controls regarding financial reporting, accounting, finance, ethics, and compliance; and
- management of business/financial risks.

The role also includes coordination with other Board committees/members and maintenance of strong, positive working relationships with management, external and internal auditors, legal counsel, and other financial advisors to management. In addition to CPS Energy, the Committee also has oversight for the 28% and 12% South Texas Project (STP) Nuclear Decommissioning Trusts and any additional trust modifications related to ownership.

#### **II. Authority**

The authority of the Committee is to exercise its business judgment, report to the Board, and recommend to the Board and/or management actions that the Committee reasonably believes to be in the best interest of CPS Energy. The Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility.

It is also empowered to:

- Recommend for final approval by the Board the appointment and compensation of any registered public accounting firm(s) employed by the organization to conduct the annual external audit of CPS Energy’s financial statements (i.e., the external auditors) and other agreed upon engagements, and oversee the work of any such firm(s);

*Charter Created: 10/29/2001*

*Last Revised: x/xx/2024*

- Pre-approve all audit and non-audit services that may be requested of the audit firm(s) selected to perform the annual financial statements audit;
- Review at least annually, updates to financial policies which provide financial direction for management and ensure the financial integrity of the organization;
- Review management recommendations for new financing (includes refinancing) and investment transactions in accordance with policies and bond ordinances;
- Approve the remuneration of the Chief Audit Executive (CAE), as well as the appointment or removal of the CAE.
- Retain independent legal counsel, accountants, or others to advise the Audit & Finance Committee or assist in the conduct of an investigation, as warranted, with the Board's concurrence;
- Seek any information it requires from employees all of whom are directed to cooperate with the Committee's requests or external parties; and
- Meet as needed with company officers (including the General Counsel), internal auditors, external auditors, or outside legal counsel.

### **III. Committee Membership**

The Committee shall consist of two (2) Board members. Audit & Finance Committee appointments, including designation of one member as the Audit & Finance Committee chairperson, shall be approved annually by the full Board.

Over time, the utility business and industry will change in response to evolving financial, industry, regulatory, economic, reporting, or other developments. It is therefore important for the Board to periodically re-evaluate its members' experiences, competencies, and the overall balance of skills on the Committee in response to emerging needs.

### **IV. Meetings**

The Audit & Finance Committee shall meet at least two (2) times per calendar year. Additional meetings shall be scheduled as considered necessary by the Committee or the Committee Chair. All members are expected to attend each meeting. In person attendance is preferred. The committee may invite members of management, the external and/or internal auditors, and/or others to attend meetings and provide pertinent information, as necessary. The Committee will hold private meetings with the auditors (see below), and conduct meetings in executive session, as warranted and as permitted by law. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Meeting minutes will be prepared for each meeting.

*Charter Created: 10/29/2001*

*Last Revised: x/xx/2024*

## **V. Responsibilities**

The Audit & Finance Committee will carry out the following responsibilities:

### **A. Financial Policies, Transactions and Reporting**

- Review and discuss with management and the external auditors all critical financial and accounting policies and practices used by the company, as well as any significant financial reporting issues, including complex or unusual transactions and highly judgmental matters;
  - any significant changes in company financial and accounting policies as well as recent professional and regulatory pronouncements;
  - any material alternative financial and accounting treatments;
  - any financial and accounting proposals that may have a significant impact on the company's financial reports and metrics;
  - results of the annual financial audit, including any difficulties encountered; and
  - all matters required to be communicated to the Committee under generally accepted auditing standards.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
- Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.

### **B. Internal Control and Risk Management**

- Consider the effectiveness of CPS Energy's system of internal controls, including information technology security and control.
- Understand the scope of the internal and external auditors' reviews of internal controls and obtain reports on significant findings and recommendations, together with management's responses.
- Understand CPS Energy's business risk profile and controls in selected areas representing significant financial and/or business risk (operational, legal, reputation, etc.).
- Meet periodically with management to review CPS Energy's major financial risk.

### **C. Internal Audit**

- Ensure the Chief Audit Executive has unrestricted access to and communicates and interacts directly with the Audit & Finance Committee, including in private meetings without senior management present.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Approve the risk-based internal audit plan.
- Provide input to the internal audit function's human resources administration and budgets.

*Charter Created: 10/29/2001*

*Last Revised: x/xx/2024*

- Review the internal audit function's expenses.
- Provide input to senior management on the appointment and removal of the Chief Audit Executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards.
- Receive communications from the Chief Audit Executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually.
- Make appropriate inquiries of senior management and the Chief Audit Executive to determine whether scope or resource limitations are inappropriate.

#### **D. External Audit**

- Review the qualifications of the external auditors; oversee due diligence responsibilities relative to the selection, compensation and terms of engagement for the external audit firm(s); and recommend final approval on the appointment or discharge of the external auditors to the Board.
- Review and confirm the independence of the external auditors by obtaining statements from them on their relationships with CPS Energy, including any non-audit services, and by discussing these relationships with the external auditors.
- Review the external auditors' proposed audit scope and approach, including coordination of their audit effort with internal audit.
- Meet with the external auditors and appropriate CPS Energy staff at the end of the annual audit to review the audit results and financial statements.
- Resolve any disagreements between management and the external auditors regarding financial reporting.
- Meet separately with the external auditors to discuss any matters that the Committee believes should be discussed privately.

#### **E. Ethics**

- Review the process for communicating the CPS Energy ethics policy/code of conduct to company personnel, including the annual training plan.
- Review the effectiveness of the system for monitoring compliance with the CPS Energy ethics policy/code of conduct, including the process for handling actual or perceived conflicts of interest.
- Review results of Ethics-related investigations by management (and follow-up, including disciplinary action) of any instances of noncompliance.

#### **F. Compliance**

- Understand the system for monitoring compliance with laws and regulations; review results of investigations by management and follow-up, including disciplinary action of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies and any internal or external auditor observations regarding compliance.

*Charter Created: 10/29/2001  
Last Revised: x/xx/2024*

- Obtain regular updates from management and company legal counsel regarding compliance matters, including review and assessment of any significant conflicts of interest and related-party transactions.

***G. Reporting Responsibilities***

- Provide an open avenue of communication between internal audit (Audit Services), the external auditors, and the Board.
- Report on a regular basis to the Board about Committee activities, issues, and related recommendations.

***H. Other Responsibilities***

- Institute and oversee special investigations, as needed.
- Review and assess the adequacy of the Committee Charter annually, requesting Board approval for proposed changes.
- Confirm annually that all responsibilities outlined in this Charter have been carried out.
- Evaluate, on a regular basis, the Committee's effectiveness in executing its responsibilities
- Perform other activities related to this Charter as requested by the Board.

This Charter of the Audit & Finance Committee of the CPS Energy Board of Trustees is hereby approved this xx day of xx 2024.



**CPS Energy  
Board of Trustees**

**TECHNOLOGY & RESILIENCE<sup>1</sup> COMMITTEE CHARTER**

**I. Role of the Technology & Resilience Committee**

The role of the Technology & Resilience Committee of the CPS Energy Board of Trustees is to oversee operational and business technology, including cyber security and innovation matters, with a focus on enhancing our business functionality and resilience, aligned to the work of other Board Committees, by:

- Encouraging thought leadership in the industry;
- Understanding and diligence in addressing gaps between current technologies and industry trends; and,
- Reviewing the Company's strategic direction in relation to technology and resilience.

This committee will work to maintain strong positive working relationships with management; external and internal counsel; and Committee advisors, as may be necessary.

**II. Authority**

The authority of the Technology & Resiliency Committee is to exercise its business judgment in providing input and counsel to management, as well as to report and recommend actions to the Board of Trustees.

**III. Committee Membership**

The Technology & Resiliency Committee shall consist of two (2) Board Members from the CPS Energy Board of Trustees. One should be elected as chair. Committee appointments shall be approved annually by the full Board.

Management expertise and knowledge of technology & resilience issues, with a preference for expertise in cybersecurity, financial oversight of large technology investments, energy sector insights, and project management for major initiatives like ERP implementations, should be required of at least one of the Committee members. While not absolutely necessary to do so every year because of the general need to rotate members periodically, the technology & resiliency expert will typically be assigned to this Committee.

Regardless of committee assignments, if in any year the Board does not have a member with significant broad applicable expertise, the collective governing body can

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<sup>1</sup> Previously the Technology & Innovation Committee before April 2021.

Charter Created: 09/30/2019

Updated: ~~---/2024~~

engage an independent counselor / advisor to provide that needed contribution to the Board and this Committee.

Year-after-year, the utility business and industry are expected to evolve. It is therefore important for the Board to periodically re-evaluate its members' experiences, competencies, and skills. The Board will identify and address any gaps, as needed, including following the provisions within this document. Management can assist with this evaluation at the request of the Board and / or any committee.

#### IV. ~~Meetings~~ **Frequency**

The Technology & Resiliency Committee shall meet at least two (2) times per calendar year. Additional meetings shall be scheduled as considered necessary by the Committee or Committee Chair. All members are expected to attend each meeting. In person attendance is preferred. The Committee may invite members of management or others to attend meetings and provide pertinent information, as necessary. The Committee may also conduct meeting in executive session as warranted and as permitted by law. Minutes of the meeting will be prepared.

#### V. **Responsibilities**

The Technology & Resiliency Committee will carry out the following responsibilities:

##### A. **General**

- Review the Company's technology & resilience developments in support of its overall business strategy.
- Review management's efforts to evaluate existing and future trends in technology & resilience to ensure that there is a consistent focus on improving the Company's strategic and business execution.
- Provide expertise and direction on such other matters about which the President & CEO may consult the Committee or its members.

##### B. **Risk Management**

- Receive and evaluate risk assessments from management in areas which involve technology & resilience issues that are within the oversight of this Committee.
- Relative to new and innovative product developments, review management's formal plans to address intellectual property, supply chain, possible brand infringement, and/or other business concerns.
- Assess risk mitigation policies and procedures relating to products based on new technology or significant innovations to existing technology.

##### C. **Other**

*Charter Created: 09/30/2019*

*Updated: ---/2024*

- Review and assess the adequacy of the Technology & Resiliency Committee Charter from time-to-time, requesting Board approval for proposed changes.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the Committee's and its individual members' performance on a regular basis.
- Perform any other activities consistent with this charter as the Committee or the Board may deem necessary or appropriate.
- Report to the Board on the significant items covered at each Committee meeting.
- Invite industry Subject Matter Experts, as needed.

*This Committee Charter of the CPS Energy Board of Trustees was approved on the 30<sup>th</sup> day of September 2019 and updated on the      2024.*

**CPS Energy  
Board of Trustees**

**TECHNOLOGY & RESILIENCE<sup>1</sup> COMMITTEE CHARTER**

**I. Role of the Technology & Resilience Committee**

The role of the Technology & Resilience Committee of the CPS Energy Board of Trustees is to oversee operational and business technology, including cyber security and innovation matters, with a focus on enhancing our business functionality and resilience, aligned to the work of other Board Committees, by:

- Encouraging thought leadership in the industry;
- Understanding and diligence in addressing gaps between current technologies and industry trends; and,
- Reviewing the Company's strategic direction in relation to technology and resilience.

This committee will work to maintain strong positive working relationships with management; external and internal counsel; and Committee advisors, as may be necessary.

**II. Authority**

The authority of the Technology & Resiliency Committee is to exercise its business judgment in providing input and counsel to management, as well as to report and recommend actions to the Board of Trustees.

**III. Committee Membership**

The Technology & Resiliency Committee shall consist of two (2) Board Members from the CPS Energy Board of Trustees. One should be elected as chair. Committee appointments shall be approved annually by the full Board.

Management expertise and knowledge of technology & resilience issues, with a preference for expertise in cybersecurity, financial oversight of large technology investments, energy sector insights, and project management for major initiatives like ERP implementations, should be required of at least one of the Committee members. While not absolutely necessary to do so every year because of the general need to rotate members periodically, the technology & resiliency expert will typically be assigned to this Committee.

Regardless of committee assignments, if in any year the Board does not have a member with significant broad applicable expertise, the collective governing body can

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<sup>1</sup> Previously the Technology & Innovation Committee before April 2021.

Charter Created: 09/30/2019

Updated: --/--/2024

engage an independent counselor / advisor to provide that needed contribution to the Board and this Committee.

Year-after-year, the utility business and industry are expected to evolve. It is therefore important for the Board to periodically re-evaluate its members' experiences, competencies, and skills. The Board will identify and address any gaps, as needed, including following the provisions within this document. Management can assist with this evaluation at the request of the Board and / or any committee.

#### IV. Meetings

The Technology & Resiliency Committee shall meet at least two (2) times per calendar year. Additional meetings shall be scheduled as considered necessary by the Committee or Committee Chair. All members are expected to attend each meeting. In person attendance is preferred. The Committee may invite members of management or others to attend meetings and provide pertinent information, as necessary. The Committee may also conduct meeting in executive session as warranted and as permitted by law. Minutes of the meeting will be prepared.

#### V. Responsibilities

The Technology & Resiliency Committee will carry out the following responsibilities:

##### A. General

- Review the Company's technology & resilience developments in support of its overall business strategy.
- Review management's efforts to evaluate existing and future trends in technology & resilience to ensure that there is a consistent focus on improving the Company's strategic and business execution.
- Provide expertise and direction on such other matters about which the President & CEO may consult the Committee or its members.

##### B. Risk Management

- Receive and evaluate risk assessments from management in areas which involve technology & resilience issues that are within the oversight of this Committee.
- Relative to new and innovative product developments, review management's formal plans to address intellectual property, supply chain, possible brand infringement, and/or other business concerns.
- Assess risk mitigation policies and procedures relating to products based on new technology or significant innovations to existing technology.

##### C. Other

*Charter Created: 09/30/2019*

*Updated: --/--/2024*

- Review and assess the adequacy of the Technology & Resiliency Committee Charter from time-to-time, requesting Board approval for proposed changes.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the Committee's and its individual members' performance on a regular basis.
- Perform any other activities consistent with this charter as the Committee or the Board may deem necessary or appropriate.
- Report to the Board on the significant items covered at each Committee meeting.
- Invite industry Subject Matter Experts, as needed.

*This Committee Charter of the CPS Energy Board of Trustees was approved on the 30<sup>th</sup> day of September 2019 and updated on the \_\_\_\_\_ 2024.*



## TECHNOLOGY & RESILIENCE COMMITTEE (T&R) MEETING

### **EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 11, 2024 MEETING PREPARED FOR BOARD CHAIR JANIE GONZALEZ FOR REPORT AT THE OCTOBER 28, 2024 BOARD OF TRUSTEES MEETING**

The Technology & Resilience Committee met on September 11, 2024. As part of the Technology & Resilience Committee Meeting agenda, the Committee:

- A. Approved meeting minutes from the prior meeting, held on June 10, 2024.
- B. Approved updates to the T&R Committee Charter.
- C. Received Artificial Intelligence, Supervisory Control and Data Acquisition (SCADA) Transformation, and Evolve ERP Transformation Program updates.
- D. Four new action items were generated from this session.

The next meeting of the Technology & Resilience Committee will be held December 9, 2024.



## PERSONNEL COMMITTEE

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 30, 2024 MEETING  
PREPARED FOR COMMITTEE CHAIR JANIE GONZALEZ  
FOR REPORT AT THE OCTOBER 28, 2024 BOARD OF TRUSTEES MEETING**

The Personnel Committee met on September 30, 2024. As part of the Personnel Committee agenda, the Committee:

- A. Conducted the President & CEO's mid-year performance review discussion including:
  - 1. Safety performance and safety culture
  - 2. Operational metrics
  - 3. Community commitments relative to procurement
  - 4. Implementation of the Enterprise Resource Planning (ERP) software

The next meeting of the Personnel Committee is not yet scheduled.





**Community Input Committee (CIC)  
Subcommittee Report  
Rates, Finance and Business**

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 18, 2024, MEETING  
PREPARED FOR COMMITTEE CHAIR, MS. LAWSON PICASO  
FOR REPORT AT THE OCTOBER 28, 2024, BOARD OF TRUSTEES MEETING**

The Rates, Finance, and Business subcommittee met on September 18, 2024. As part of the agenda, the Committee:

- A. Received a presentation on CPS Energy's Renewable Portfolio Product Offerings
  - a. Portfolio:
    - i. Background.
    - ii. Definition of a Renewable Product.
  - b. Customers:
    - i. How to voluntarily enroll.
    - ii. How participation is tracked.
  - c. Renewable Rider E-19 Renewable Energy:
    - i. Windtricity and Solartricity are enabled by optional Rider E-19.
    - ii. Approved by our Board and City Council in 2012. The rider allows "a charge of up to \$0.03 per kWh of renewable energy subscribed."
  - d. Windtricity relaunch.
  - e. Solartricity new initiative.
  - f. Enrolling in new offerings.
  - g. Green Tariff:
    - i. Business model.
    - ii. Current program.
    - iii. Proposed program enhancements.

After the presentation, the subcommittee members suggested clarifying the concept of Green Tariffs to make it easier for customers to understand the value of the programs and why customers may want to participate. They also recommended incorporating the importance of Green Tariffs in supporting CPS Energy's generation plan, infrastructure, and reliability.

The next Rates, Finance, and Business Subcommittee meeting is November 13, 2024.



**Community Input Committee (CIC)  
Subcommittee Report  
Customer Relations and Communications**

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 18, 2024, MEETING  
PREPARED FOR COMMITTEE CHAIR, MR. RICHARD FARIAS  
FOR REPORT AT THE OCTOBER 28, 2024, BOARD OF TRUSTEES MEETING**

The Customer Relations and Communications Subcommittee met on September 18, 2024. As part of the agenda, the Committee:

- A. Received a presentation on the CPS Energy Customer Response Unit (CRU)
  - a. History
  - b. Function
    - i. Provide concierge customer service:
      - 1. Participate in community resource fairs.
      - 2. Assist customers with assistance program applications.
      - 3. Assess other needs and connect customers with our partners.
      - 4. Support customers through bundled care services.
    - ii. Cultivate community partnerships:
      - 1. Over 200 partner organizations.
      - 2. Partners recognized on customer materials.
      - 3. Constantly meet to gather partner information on their programs.
    - iii. Liaison to City of San Antonio City Council District Offices:
      - 1. CRU team members assigned to council districts.
      - 2. Attend satellite office hours to meet with customers.
      - 3. CRU assistance publicized in council district newsletters.
  - c. Statistics this year to date:
    - i. Assisted over 1,800 customers.
    - ii. Cycle time - 6 days per customer.
    - iii. Home visits – 691.
    - iv. All engagements – 2,100.
  - d. Extended outage response:
    - i. CRU triggers at 4 hours.
      - 1. On the scene in 1 hour to work with affected customers.
      - 2. Canvas the neighborhood, speak to customers and identify unregistered critical care customers in need.
    - ii. Works closely with Corporate Communications to inform customers of the outage and estimated time of restoration.
    - iii. Activate mobile command center:
      - 1. Provide snacks, water, and a charging station.

2. Customers can cool down/warm up.
  3. During large extended outages, provide food for affected customers.
  4. Act as the liaison between our crews and our customers.
- B. Received an update on the Affordable Discount Program (ADP) which included:
- a. Description of the program.
  - b. Why changes were made.
    - i. City Council requested a change to the eligibility criteria.
  - c. Changes.
    - i. Income threshold now at or below 150% of the federal poverty guidelines.
- C. Received a presentation on the Residential Energy Assistance Program (REAP) which included:
- a. Description of the program.
  - b. Why changes were made.
  - c. Changes.
    - i. Income threshold now at or below 150% of the federal poverty guidelines.
    - ii. Maximum benefit for Bexar County residents is now \$1,200.

Subcommittee members expressed appreciation for the work CRU performs and were surprised to learn so much is done with so few CRU members. The subcommittee inquired about procedures for processing ADP/REAP applications, how customers engage the Customer Response Unit, and how the subcommittee members could get involved as volunteers.

The next Customer Relations and Communications Subcommittee meeting is November 13, 2024.



**Community Input Committee (CIC)  
Subcommittee Report  
Power and Technology**

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 18, 2024, MEETING  
PREPARED FOR COMMITTEE CHAIR, MR. STEVE BONNETTE  
FOR REPORT AT THE OCTOBER 28, 2024, BOARD OF TRUSTEES MEETING**

The Power and Technology subcommittee met on September 18, 2024. As part of the agenda, the Committee:

- A. Received a presentation on CPS Energy's Electric Infrastructure Routing and Siting process
  - a. Purpose of Routing and Siting:
    - i. Identify and evaluate possible transmission line routes.
    - ii. Support growth.
    - iii. Maintain and increase electric reliability.
    - iv. Reduce grid congestion.
  - b. Processes:
    - i. Inside San Antonio city limits.
    - ii. Outside San Antonio city limits.
    - iii. Both inside and outside city limits.
  - c. Process overview:
    - i. Define the scope, purpose, and need for the project.
    - ii. Define the study area .
    - iii. Contact government agencies for input.
    - iv. Develop preliminary constraints map and route.
    - v. Customer information provided in English and Spanish.
    - vi. Host open house to gather community input.
    - vii. The project team reviews customer input:
      - 1. Questionnaire responses/emails/phone calls.
      - 2. Meetings.
    - viii. Segments and routes are modified.
    - ix. Engineers develop cost estimates.
    - x. Environmental assessment is developed evaluating cultural, environmental, and community impact of each route.
- B. Received an update on the Howard Road to Leon Creek Project:
  - a. Rebuild existing 138kV transmission line.
  - b. Split into 2 phases. Phase 2 (1.8 miles) requires additional right-of-way.
  - c. Phase 2 is inside City of San Antonio (District 4).

- d. Electric Reliability Council of Texas (ERCOT) endorsed project .
- e. Approximately 4.8 miles total project length.
- f. Open House held August 29<sup>th</sup>.
- g. Target in-service date: January 2027.

After the presentation, the subcommittee members reported being well informed and indicated an interest in more fully understanding the role of ERCOT in transmission planning. Staff will arrange for this topic to be discussed at a future meeting.

The next Power and Technology Subcommittee meeting is November 13, 2024.



## Community Input Committee (CIC) Committee Report

### **EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE OCTOBER 9, 2024, MEETING PREPARED FOR COMMITTEE CHAIR, DIANA AGUIRRE MARTINEZ FOR REPORT AT THE OCTOBER 28, 2024, BOARD OF TRUSTEES MEETING**

The Community Input Committee met on October 9, 2024. As part of the agenda, the Committee:

- A. Received a presentation on CPS Energy’s Renewable Portfolio Product Offerings which highlighted proposed, voluntary programs that will allow for customers to purchase renewable energy. The Committee reported understanding the concepts of the programs but asked that each CIC subcommittee at their next meeting look at the programs through their specific focus areas, along with the related customer materials and outreach plan, such that customers can clearly understand the value of the programs and why customers may want to participate.
  
- B. Received a presentation on CPS Energy’s Horizon 2050, a proposed long-term strategic plan intended to provide over-arching guidance to address future challenges and ensure sustainable growth while continuing to deliver outstanding service and value to our customers. Each subcommittee at their next meeting will look at the Horizon 2050 plan through their specific focus areas and provide input. The CIC indicated a desire to learn more about large load customers and addressing their unique energy needs. The CIC also expressed interest in learning more about the community outreach to collect input on Horizon 2050.

The next Community Input Committee meeting is December 11, 2024.



**CPS Energy Board of Trustees Meeting**  
**October 28, 2024**  
**APPROVAL of PROCUREMENT ITEMS**  
**Table of Contents**

<p>1. <b>Item Description:</b>  <b>Purchase Category:</b>  <b>Supplier:</b></p>	<b>Gas Construction Services</b>
	<b>General Services</b>
	Benton Georgia, LLC
	Dimension Energy Services, LLC
	Mastec North America, Inc.
	Mears Installation, LLC
	Medina Utility Services Corporation
	Wampole-Miller Inc. dba Miller Bros

**Committee Presentations:** Operations Oversight Committee – August 12, 2024  
 Audit & Finance Committee – October 24, 2024

<p>2. <b>Item Description:</b>  <b>Purchase Category:</b>  <b>Supplier:</b></p>	<b>Electrical and Instrumentation Engineering Services for Natural Gas Infrastructure</b>
	<b>Professional Services</b>
	Atwell, LLC
	ENTRUST Solutions Group
	LJA Engineering, Inc

**Committee Presentations:** Operations Oversight Committee – August 12, 2024  
 Audit & Finance Committee – October 24, 2024

- 3. **Item Description:**
- Purchase Category:**
- Supplier:**

<b>Pole Attachment Application Processing Services</b>
<b>Professional Services</b>
ENTRUST Solutions Group
PAR Western Line Contractors, LLC dba QUES
TRC Engineers, Inc

**Committee Presentations:**

Operations Oversight Committee – August 12, 2024  
Audit & Finance Committee – October 24, 2024

**Lewis,** Digitally signed  
by Lewis, Lisa D  
**Lisa D** Date:  
2024.10.15  
10:42:45 -05'00'

**Approval:**

Lisa Lewis, Chief Administrative Officer

**Kuchinsk** Digitally signed by  
Kuchinsky, Cory P.  
**y, Cory P.** Date: 2024.10.15  
11:27:50 -05'00'

**Approval:**

Cory Kuchinsky, Acting President & CEO





**CPS Energy Board of Trustees Meeting**  
**October 28, 2024**  
**Procurement Form 1**



<b>Item Description</b>	<b>Gas Construction Services</b>
<b>Purchase Order Value</b>	<b>\$175,000,000</b>
Purchase Category	General Services
Department	Gas Construction
Vice President Gas Solutions	Richard Lujan
Chief Energy Delivery Officer	Richard Medina

**Detailed Description**

CPS Energy staff recommend that a contract be awarded to Benton Georgia, LLC, Mastec North America, Inc, and Dimension Energy Services, LLC, all local, diverse firms, Medina Utility Services Corporation, a diverse firm, and Mears Installation, LLC and Wampole-Miller Inc. dba Miller Bros, both local firms as the respondents who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is for construction and maintenance services critical to the safe and reliable delivery of natural gas to our current and future customers. This contract will allow CPS Energy to leverage contractors to maintain gas assets in accordance with regulatory compliance requirements and construct gas facilities associated with system improvement, customer growth, infrastructure modernization, and JBSA projects. This contract will expire on October 31, 2027.

**Subcontracting Opportunities**

All large businesses awarded a contract have committed to subcontract a portion of the services to one or more diverse businesses.

The solicitation method for this procurement was a Request for Proposals (RFP). An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

<b>Evaluation Criteria</b>	<b>Points</b>
Experience and qualifications to perform the Services	45
Safety records and training program	20
The overall cost	15
The ability to meet CPS Energy’s requirements	10
Economic Development (local & diverse consideration)	10
<b>TOTAL</b>	<b>100</b>



**CPS Energy Board of Trustees Meeting**  
**October 28, 2024**  
**Procurement Form 1**



**Recommended Respondent(s) & Award**

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Benton Georgia, LLC	Local/Diverse <b>(African American-owned)</b>	74	\$40,000,000	2222815	
Mears Installation, LLC	Local	73	\$40,000,000	2222816	
Mastec North America, Inc	Local/Diverse <b>(Hispanic American-owned)</b>	70	\$40,000,000	2222817	
Dimension Energy Services, Inc	Local/Diverse <b>(Small)</b>	69	\$25,000,000	2222818	
Wampole-Miller Inc. dba Miller Bros	Local	64	\$20,000,000	2222819	
Medina Utility Services Corporation	Diverse <b>(Hispanic American-owned)</b>	61	\$10,000,000	2222820	
<b>TOTAL</b>			<b>\$175,000,000</b>		

Two (2) additional respondents were not recommended for award: Badeco Inc and Bexar Pipeline and Utilities, Inc.

**Annual Funds Budgeted**

Corporate Annual Budget	Funding Method	Projected FY2025 PO Spend	% of FY2025 Annual Corp Budget	Projected FY2026 PO Spend	Projected FY2027 PO Spend	Projected FY2028 PO Spend
\$937,000,000	Capital	\$6,000,000	0.64%	\$40,117,500	\$40,117,500	\$40,117,500
\$890,000,000	Non-Fuel O&M	\$3,000,000	0.33%	\$15,215,833	\$15,215,833	\$15,215,833

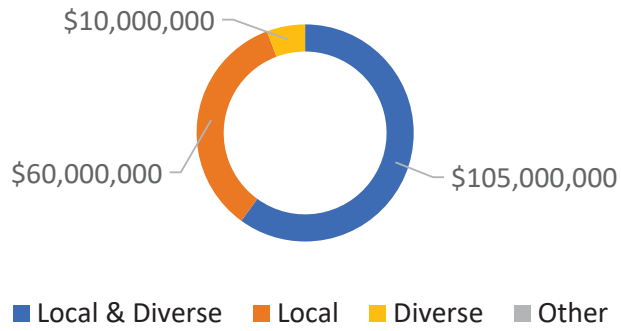
Our current approved budget and latest estimates support these new purchase orders.



# CPS Energy Board of Trustees Meeting October 28, 2024 Procurement Form 1



## Procurement Item: General Services





**CPS Energy Board of Trustees Meeting**  
**October 28, 2024**  
**Procurement Form 2**



<b>Item Description</b>	<b>Electrical and Instrumentation Engineering Services for Natural Gas Infrastructure</b>
<b>Purchase Order Value</b>	<b>\$9,000,000</b>
Purchase Category	Professional Services
Department	Gas Solutions
Vice President Gas Solutions	Richard Lujan
Chief Energy Delivery Officer	Richard Medina

**Detailed Description**

CPS Energy staff recommends that a contract be awarded to Atwell, LLC, ENTRUST Solutions Group, and LJA Engineering, Inc, all local firms, as the respondents who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is for electrical and instrumentation engineering services for our natural gas infrastructure. Selected firms design and engineer the complex projects supporting existing and future natural gas facilities including tap stations, gate stations, custody transfer stations, and regulator stations. This contract will expire on October 31, 2027.

**Subcontracting Opportunities**

All large businesses awarded a contract have committed to subcontract a portion of the services to one or more diverse businesses.

The solicitation method for this procurement was a Request for Qualifications (RFQ)<sup>1</sup>. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

<b>Evaluation Criteria</b>	<b>Points</b>
Experience and qualifications to perform the Services	100
Safety records and training program	Pass/Fail
The financial soundness of the Respondent	Pass/Fail
<b>TOTAL</b>	<b>100</b>

<sup>1</sup> CPS Energy is unable to consider price or economic development as Evaluation Criteria for RFQ's.



**CPS Energy Board of Trustees Meeting**  
**October 28, 2024**  
**Procurement Form 2**



**Recommended Respondent(s) & Award**

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Atwell, LLC	Local	95	\$3,000,000	2223195	
LJA Engineering, Inc	Local	93	\$3,000,000	2223196	
ENTRUST Solutions Group	Local	89	\$3,000,000	2223197	
<b>TOTAL</b>			<b>\$9,000,000</b>		

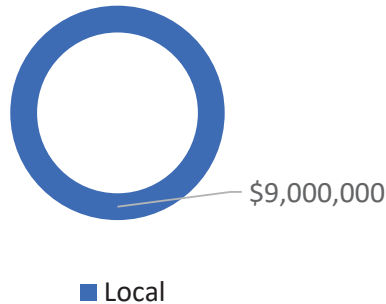
Five (5) additional respondents were not recommended for award: Alisto Engineering Group, Inc; Burns & McDonnell Engineering Company, Inc; MasTec Professional Services (fka HMI Technical Solutions, LLC); Millcreek Engineering Company; and Zachry Industrial, Inc.

**Annual Funds Budgeted**

Corporate Annual Budget	Funding Method	Projected FY2025 PO Spend	% of FY2025 Annual Corp Budget	Projected FY2026 PO Spend	Projected FY2027 PO Spend	Projected FY2028 PO Spend
\$937,000,000	Capital	\$300,000	0.03%	\$2,700,000	\$2,700,000	\$2,700,000
\$890,000,000	Non-Fuel O&M	\$0	0%	\$200,000	\$200,000	\$200,000

Our current approved budget and latest estimates support these new purchase orders.

**Procurement Item: Professional Services**





**CPS Energy Board of Trustees Meeting  
October 28, 2024  
Procurement Form 3**

<b>Item Description</b>	<b>Pole Attachment Application Processing Services</b>
<b>Purchase Order Value</b>	<b>\$6,000,000</b>
Purchase Category	Professional Services
Department	Energy Delivery Services
Vice President T&D Engineering & Grid Transformation	LeeRoy Perez
Chief Energy Delivery Officer	Richard Medina

**Detailed Description**

CPS Energy staff recommends that a contract be awarded to ENTRUST Solutions Group, PAR Western Line Contractors, LLC dba QUES, and TRC Engineers, Inc, all local firms, as the respondents who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract supports the management of pole attachment applications, the permitting process and electrical make-ready construction design review and helps to maintain efficiency for the overall process for third-party attaching entities on CPS Energy poles. This contract will expire on October 31, 2027

**Subcontracting Opportunities**

All companies have committed to subcontract a portion of the services to one or more diverse businesses.

The solicitation method for this procurement was a Request for Qualifications (RFQ)<sup>2</sup>. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

Evaluation Criteria	Points
Experience and qualifications to perform the Services	100
Safety records and training program	Pass/Fail
The financial soundness of the Respondent	Pass/Fail
<b>TOTAL</b>	<b>100</b>

<sup>2</sup> CPS Energy is unable to consider price or economic development as Evaluation Criteria for RFQ's.



## CPS Energy Board of Trustees Meeting October 28, 2024 Procurement Form 3

### Recommended Respondent(s) & Award

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
TRC Engineers, Inc	Local	83	\$2,000,000	2222812	
PAR Western Line Contractors, LLC dba QUES	Local	82	\$2,000,000	2222813	
ENTRUST Solutions Group	Local	81	\$2,000,000	2222814	
<b>TOTAL</b>			<b>\$6,000,000</b>		

Sixteen (16) additional respondents were not recommended for award: Alisto Engineering Group, Inc; Aquawolf LLC; Atwell, LLC; Black and McDonald aka Custom Lighting Services LLC; Burns & McDonnell Engineering Company, Inc; CCI Systems; Cobb, Fendley & Associates, Inc; Davey Resource Group, Inc; Empact Engineering, LLC; Halff Associates Inc; Mesa Associates, Inc; Osrose Utilities Services Inc; REOP ENG; SA Smart Solutions LLC; TechServ Consulting and Training LTD; and Utility Engineering, LLC.

### Annual Funds Budgeted

Corporate Annual Budget	Funding Method	Projected FY2025 PO Spend	% of FY2025 Annual Corp Budget	Projected FY2026 PO Spend	Projected FY2027 PO Spend	Projected FY2028 PO Spend
\$937,000,000	Capital	\$0	0%	\$0	\$0	\$0
\$890,000,000	Non-Fuel O&M	\$600,000	0.08%	\$2,000,000	\$2,000,000	\$1,400,000

Our current approved budget and latest estimates support these new purchase orders.

### Procurement Item: Professional Services



■ Local & Diverse   
 ■ Local   
 ■ Diverse   
 ■ Other



# **PROCUREMENT REQUEST FOR APPROVAL GAS CONSTRUCTION SERVICES**

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*PRESENTED BY:*  
**Richard Medina**  
Chief Energy Delivery Officer

**October 28, 2024**  
*Request for Approval*



## **NEW CONTRACT / REBID**

### **GAS CONSTRUCTION SERVICES**

- Selected firms will provide gas construction services which include the following scopes of work within our service territory:
  - Gas System Maintenance - Repairing leaks, providing corrosion mitigation services, and repairing valves
  - Gas System Renewal – Replacement of aging steel mains and services to increase system reliability
  - Gas System Expansion – Installing new gas infrastructure to meet current and future customer needs



Steel Gas Main Extension

# REQUEST FOR APPROVAL

## GAS CONSTRUCTION SERVICES



- Current Contracts:
  - Value: \$129 million
  - Term: 4 ½ years
  - Expiration: March 2025
- New Contract Details:
  - Value: \$175 million
  - Term: 3 years
  - # Bidders: 8 responded to solicitation (7 Local and 6 Diverse businesses)
  - # Awardees: 6 (5 Local and 4 Diverse businesses)
  - Contracts with large businesses include diverse subcontracting commitments, and a scorecard system will be used to track the utilization of diverse businesses by prime contractors.

**We respectfully request your approval at this time.**



**THANK YOU**



# APPENDIX

# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
ERP	Enterprise Resource Planning		
TCOS	Transmission Cost of Service Change		



# KEY DRIVERS FOR SUPPLY CHAIN

## IDENTIFIERS FOR PROCUREMENT ITEMS



**SUPPLY CHAIN  
CONSTRAINTS**



**ELECTRIC SYSTEM  
GROWTH**



**GAS SYSTEM  
GROWTH**



**TCOS  
REIMBURSEMENT**



**GRID  
MODERNIZATION**



**VISION 2027  
GENERATION PLAN**



**ERP  
TRANSFORMATION**



**REGULATORY  
COMPLIANCE**



# **PROCUREMENT REQUEST FOR APPROVAL**

## **ELECTRICAL & INSTRUMENTATION ENGINEERING SERVICES FOR NATURAL GAS INFRASTRUCTURE**

---

*PRESENTED BY:*  
**Richard Medina**  
Chief Energy Delivery Officer

**October 28, 2024**  
*Request for Approval*

# **NEW CONTRACT / REBID**

## **ELECTRICAL & INSTRUMENTATION ENGINEERING SERVICES FOR NATURAL GAS INFRASTRUCTURE**



- Selected firms will provide electrical and instrumentation engineering services to support existing and future natural gas infrastructure projects.
- This includes engineering design, construction documents, drawings, specifications, and as-builts required for the numerous new sites to be added and current site upgrades planned over the next 3 years.



Guadalupe Transfer Station



# REQUEST FOR APPROVAL

## ELECTRICAL & INSTRUMENTATION ENGINEERING SERVICES FOR NATURAL GAS INFRASTRUCTURE



- Current Contracts:
  - Value: \$900,000
  - Term: 3 years
  - Expiration: June 2024
- New Contract Details:
  - Value: \$9 million
  - Term: 3 years
  - # Bidders: 8 responded to solicitation (5 Local and 3 Diverse businesses)
  - # Awardees: 3 (All Local businesses)
  - Contracts include diverse subcontracting commitments, and a scorecard system will be used to track the utilization of diverse businesses by prime contractors.

**We respectfully request your approval at this time.**



**THANK YOU**



# APPENDIX

# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
ERP	Enterprise Resource Planning		
TCOS	Transmission Cost of Service Change		



# KEY DRIVERS FOR SUPPLY CHAIN IDENTIFIERS FOR PROCUREMENT ITEMS



**SUPPLY CHAIN CONSTRAINTS**



**ELECTRIC SYSTEM GROWTH**



**GAS SYSTEM GROWTH**



**TCOS REIMBURSEMENT**



**GRID MODERNIZATION**



**VISION 2027 GENERATION PLAN**



**ERP TRANSFORMATION**



**REGULATORY COMPLIANCE**



# **PROCUREMENT REQUEST FOR APPROVAL**

## **POLE ATTACHMENT APPLICATION PROCESSING SERVICES**

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*PRESENTED BY:*  
**Richard Medina**  
Chief Energy Delivery Officer

**October 28, 2024**  
*Request for Approval*



# **NEW CONTRACT / REBID**

## **POLE ATTACHMENT APPLICATION PROCESSING SERVICES**

- Selected firms will provide support in the pole attachment and permitting process, and other work related to our Pole Attachment Standards.
- Application process includes initial field, pole-by-pole, and pole loading analysis, and make-ready construction reviews.
- Post inspection, invoicing/billing, field verification, and reporting are also key contract functions.



Pole Attachments



# **REQUEST FOR APPROVAL**

## **POLE ATTACHMENT APPLICATION PROCESSING SERVICES**

- Current Contracts:
  - Value: \$2.5 million
  - Term: 3 years
  - Expiration: October 2024
- New Contract Details:
  - Value: \$6 million
  - Term: 3 years
  - # Bidders: 19 responded to solicitation (10 Local and 6 Diverse businesses)
  - # Awardees: 3 (All Local businesses)
  - Contracts include diverse subcontracting commitments, and a scorecard system will be used to track the utilization of diverse businesses by prime contractors.

**We respectfully request your approval at this time.**





**THANK YOU**



# APPENDIX

# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
ERP	Enterprise Resource Planning		
TCOS	Transmission Cost of Service Change		



# KEY DRIVERS FOR SUPPLY CHAIN IDENTIFIERS FOR PROCUREMENT ITEMS



**SUPPLY CHAIN CONSTRAINTS**



**ELECTRIC SYSTEM GROWTH**



**GAS SYSTEM GROWTH**



**TCOS REIMBURSEMENT**



**GRID MODERNIZATION**



**VISION 2027 GENERATION PLAN**



**ERP TRANSFORMATION**



**REGULATORY COMPLIANCE**



# **WINTER 2024/2025 PREPAREDNESS**

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*PRESENTED BY:*

**EXECUTIVE LEADERSHIP TEAM**

**October 28, 2024**  
*Informational Update*



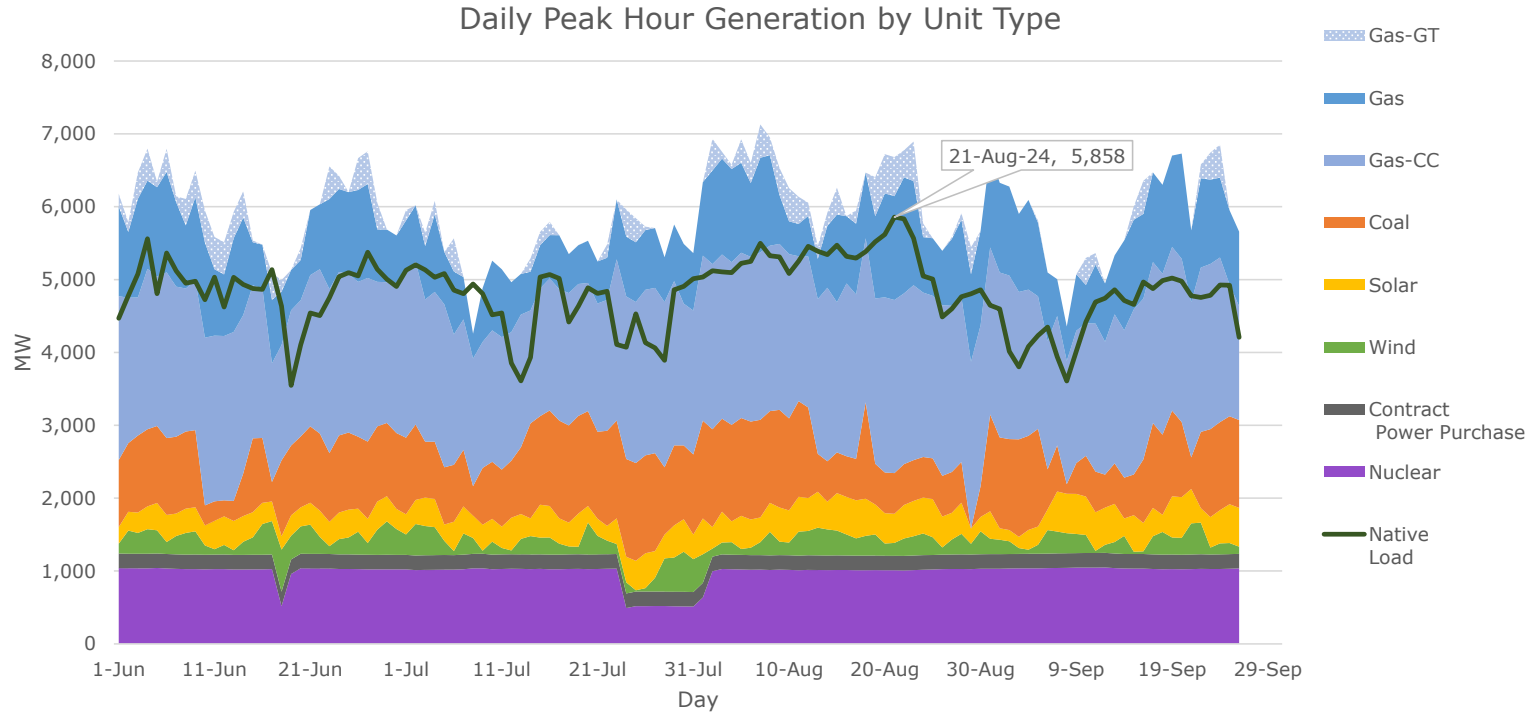
# AGENDA

- Summer Recap [Video](#)
- Winter Weather Outlook
- Team Readiness:
  - Energy Supply
  - Energy Delivery Services
  - Customer Strategy & Communications

**Our team will share an update on how we are preparing for upcoming winter conditions.**

# CPS ENERGY SUMMER 2024

## GENERATION AVAILABILITY



**Our "all-in" process ensured sufficient energy was available to serve our community's needs.**

Data through 9/26/2024



# **WINTER WEATHER OUTLOOK**



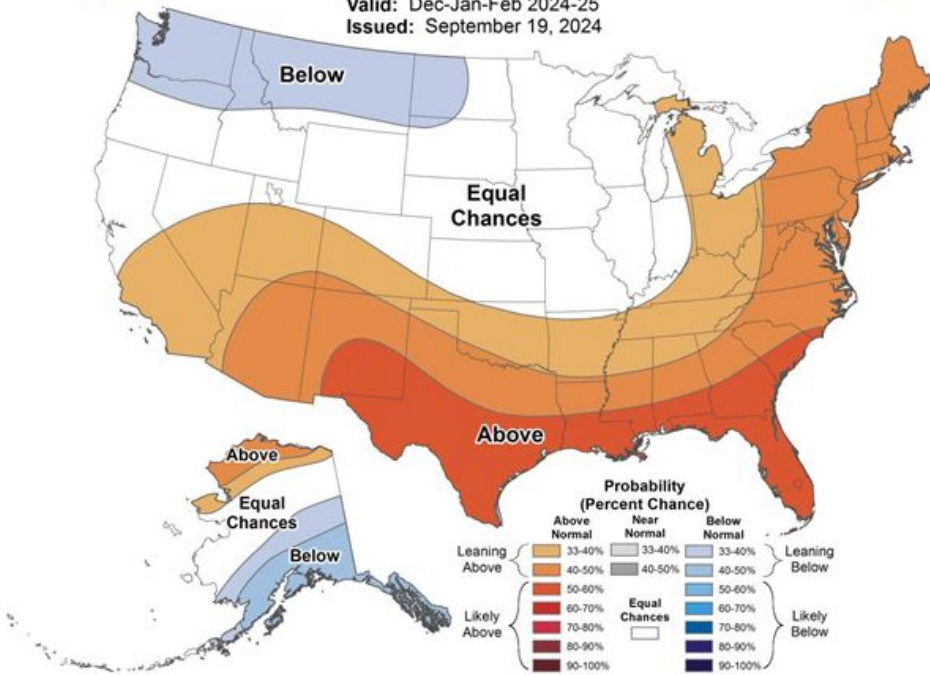
# 2024-25 WINTER OUTLOOK

## PRELIMINARY FORECAST



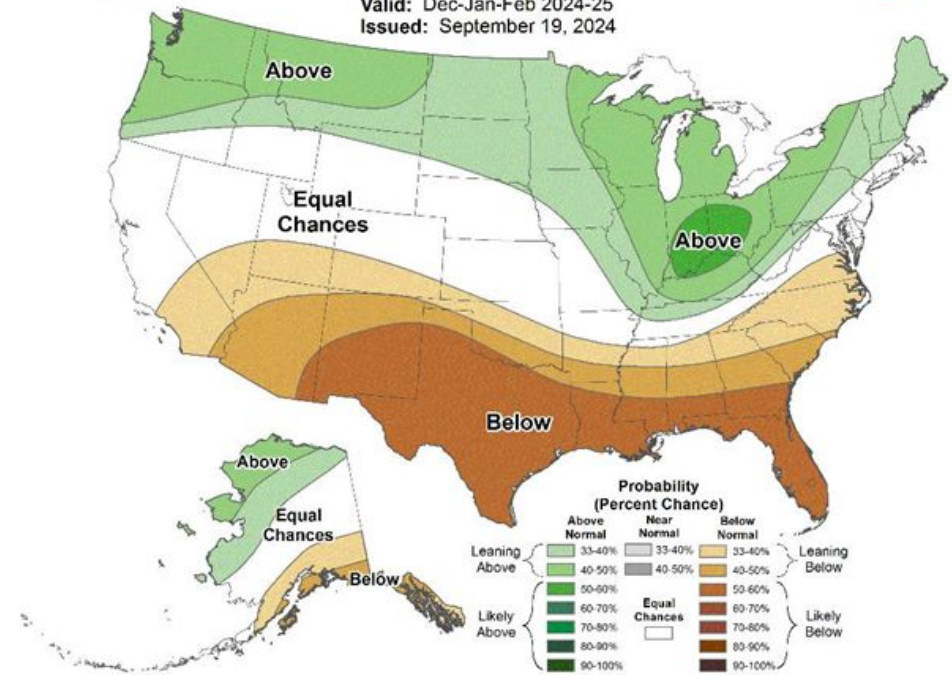
### Seasonal Temperature Outlook

Valid: Dec-Jan-Feb 2024-25  
Issued: September 19, 2024



### Seasonal Precipitation Outlook

Valid: Dec-Jan-Feb 2024-25  
Issued: September 19, 2024



**With a weak La Niña anticipated, above-normal temperatures are possible, and below-normal precipitation is expected. This could enhance wildfire threats this winter season.**





**TEAM READINESS:**  
**ENERGY SUPPLY**  
**ENERGY DELIVERY SERVICES**  
**CUSTOMER STRATEGY & COMMUNICATIONS**



# ENERGY SUPPLY

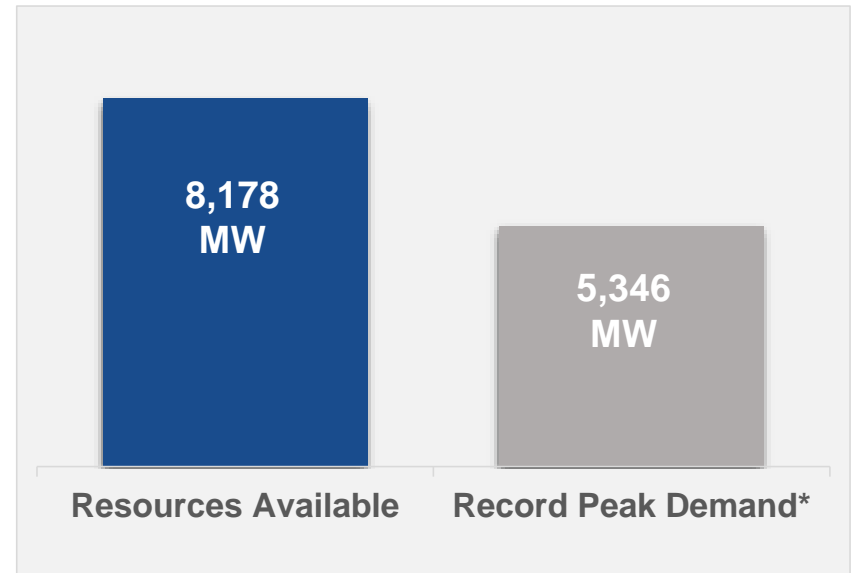


# ENERGY SUPPLY

## WINTER RESOURCE ADEQUACY

- Units prepared for winter operations.
- No unit outages scheduled during Jan-Feb.
- Declaration of Winter Preparedness will be submitted to ERCOT by December 1.
- Natural Gas suppliers contacted to confirm weatherization activities completed prior to December 1.
- We were awarded Firm Fuel Supply Service to support grid operations during the winter.

### Our Winter 2024/2025 Peak Position



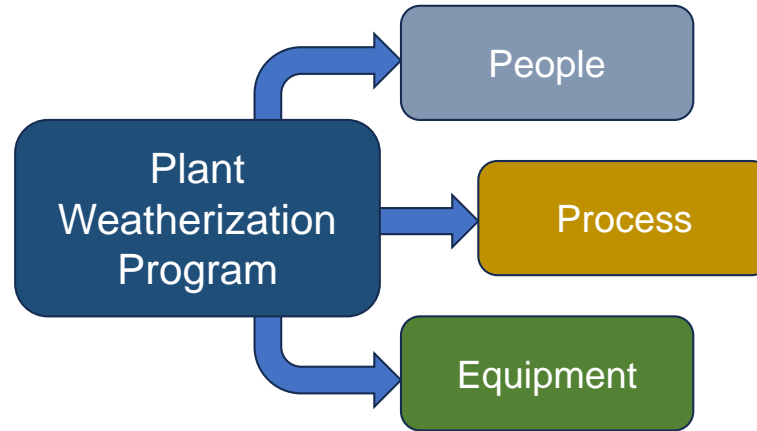
\*Winter peak demand record occurred January 16, 2024

**Winter readiness activities are in flight and will be completed by December 1 to meet the needs of our community.**



# POWER GENERATION PREPARING FOR WINTER

- ✓ Compliance with Public Utility Commission requirements
- ✓ New Weatherization Enhancements



Employee Preparations



Heating Systems



Critical Equipment



Permanent Enclosures

**Enhancements to the weatherization program are in place to deliver plant reliability during extreme winter weather.**



# **ENERGY DELIVERY SERVICES**



# EDS OVERVIEW

## WINTER PREPAREDNESS

SAFETY	OPERATIONAL	EQUIPMENT
<ul style="list-style-type: none"> <li>• Cold stress signs</li> <li>• Back-feed hazard awareness</li> <li>• Fire rated clothes layering</li> <li>• Hazardous driving conditions</li> </ul>	<ul style="list-style-type: none"> <li>• System improvements</li> <li>• Refresher training</li> <li>• Load flow analysis</li> <li>• Collaboration with Emergency Ops Center</li> <li>• Gas pressure increases</li> </ul>	<ul style="list-style-type: none"> <li>• Inspections &amp; testing</li> <li>• Identify &amp; correct deficiencies</li> <li>• Inventory checks</li> <li>• 107 smart switches installed</li> </ul>



Employee Prep



System Improvements



Pressure Increases



Equipment Maintenance

**We leverage lessons learned to enhance system performance and emergency response during significant events.**





# OPERATIONS & RELIABILITY

## WINTER PREPAREDNESS

### Coordination

- Wildland Fire Response training provided by Bexar County Office of Emergency Management

### Drills & Exercises

- ERCOT Outage Coordination meeting
- ERCOT Severe Weather Drill

### Load Shed

- Maintain increased capacity
- Maintain readiness

### Trainings

- ERCOT-led & internal Winter Load Shed training
- ERCOT-led & internal Blackstart training



Wildland Fire Response Training presented by the Bexar County Office of Emergency Management

Communication and collaboration with our partners are critical components of our preparedness activities.

# **EDS COMPLIANCE**

## **WINTER PREPAREDNESS**

- By December 1, we will submit a Weather Emergency Attestation to the Texas Railroad Commission (RRC) describing our compliance with seasonal preparedness inspections and maintenance of critical infrastructure serving power generation and gas distribution as required by RRC Rule 3.66.
- By December 1, we will submit a Winter Weather Preparedness Attestation to ERCOT describing our compliance with seasonal preparedness inspections and maintenance of substation equipment as required by PUC Rule 25.55 to ensure equipment will successfully operate through the winter season.

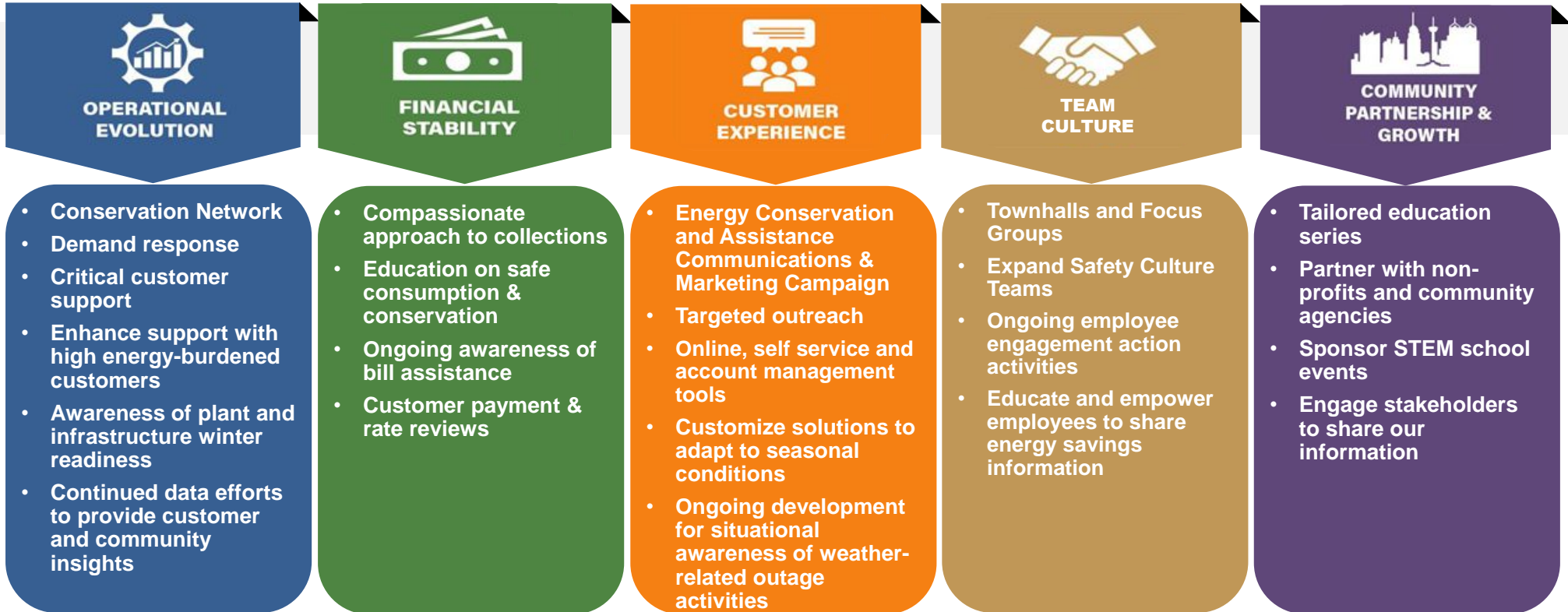


**Gas Pressure Control Team performing inspection and maintenance of critical infrastructure.**



# **CUSTOMER STRATEGY**

# CUSTOMER FOCUS



**You can take control and save on your energy bill.  
We are here to help!**

# CUSTOMER FOCUS



## EZ Pay Options

- September 12 – expanded bill payment options for customer convenience.
- Customers are now able to pay their energy bills by using Google Pay, Apple Pay, or an American Express card in their digital wallet.

## Energy Angels

- As we approach the winter season, a gift of energy is something you can give to anyone in our service territory, for any occasion, anytime, and for any amount.

## GrillsGiving

- November 2 - GrillsGiving BBQ Competition at Hangar 9.
- Net proceeds from GrillsGiving will benefit REAP.

## Products and Services

- Energy Efficiency
- Demand Response
- Town Halls



# WINTER PREPAREDNESS




## LET'S PREPARE

Sign up for energy alerts

We Are Prepared for Winter and We Want You to Be Prepared Too!

**Energy Conservation**  
Follow the tips below to help save money and conserve energy during high-demand times. Check our chameleon's current color status at [cpsenergy.com/conservation](http://cpsenergy.com/conservation).



**GREEN DAY**  
Everyday Conservation  
78°/68°

- Set thermostat to 78° in summer, 68° in winter
- Use fans to feel 4-6 degrees cooler
- Run ceiling fans in occupied rooms, counterclockwise in summer & clockwise in winter
- Close shades & blinds; turn off unnecessary lights
- Unplug electronics when not in use
- Cook on a grill & line-dry clothes when possible

**YELLOW DAY**  
Peak Energy Demand

- Continue Green Day conservation measures
- Check [cpsenergy.com](http://cpsenergy.com) & our social media for times of day when more conservation is needed
- Adjust thermostats further to minimize HVAC use, if health permits
- Avoid using large appliances like your oven, washer, dryer, & dishwasher
- Charge Electric Vehicles (EV) at night, after 10 PM

**ORANGE ALERT**  
ERCOT Energy Grid Reliability Risk

- Limit power usage
- Prepare for possible loss of power
- Prepare to implement your household plan for power emergencies
- Be ready to initiate your plan for alternative operation of medical devices
- Turn off pool pumps
- Avoid charging EV or charge overnight

**RED ALERT**  
ERCOT Controlled Outages In Progress

- Implement emergency preparedness measures, including plans for alternative operation of medical devices
- Turn off and unplug appliances, turn off HVAC and all lights but one
- Leave one light on to know when power is restored, then power equipment one device at a time
- Keep refrigerator doors closed to extend the life of perishable food
- Monitor news sources for updates

**Be Prepared**  
For more information on ERCOT's statewide grid condition levels: [ERCOT.com/txans](http://ERCOT.com/txans)  
Sign up for CPS Energy alerts: [cpsenergy.com/alerts](http://cpsenergy.com/alerts)

### How To Change Alert Preferences

**Step 1: Log into MMA**

- Billing & Payments
- Moving?
- Discounts & Programs
- My Energy Portal
- My Profile

**Step 3: Click to Update**

- Update Mailing Address
- Update Phone Number
- Add/Update Emergency Contact
- Add/Update Authorized contacts
- Alert Preferences
- Online Account Profile
  - Language Preference
  - Preferencia de idioma
  - Change Email
  - Change Password / Secret Question
- Online Accounts Management

**Step 2: Click My Profile**



## TIPS FOR SAVING ENERGY

We are ready to encourage conservation and provide emergency messaging to our customers and stakeholders.



**THANK YOU**



# APPENDIX



# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
EDS	Energy Delivery Services	PUC	Public Utility Commission
ERCOT	Electric Reliability Council of Texas	REAP	Residential Energy Assistance Partnership
CC	Combined Cycle	RRC	Railroad Commission
GT	Gas Turbine	STEM	Science, Technology, Engineering, and Math
MDT	Mobile Data Terminal		
MW	Megawatt		
Ops	Operations		