



Rudy D. Garza

Interim President & Chief Executive Officer (CEO)

May 23, 2022

Chair Dr. Mackey & CPS Energy Board of Trustees,

The utility industry is witnessing rapid change and our strategic plan, Vision 2027 – An Evolving Utility, is designed to guide CPS Energy through this transformation. With the rapidly increasing rate of change in our industry, this strategic plan is dynamic and can be adapted and amended as needed.

This is the biggest transition I've seen in the energy industry since I started 30 years ago.

When I started in this business as an engineering intern, cell phones had yet to be developed. Little did we know then, that thirty years later, consumers would use their smart phones to control their thermostats, garage door openers, and their home security systems. Now, we have our lives in the palm of our hands with technology that has changed the way customers expect service, and how they interact with their utility provider. Meeting our customers' needs while evolving, adapting, and including innovative technologies in how we serve our customers to produce and deliver energy is a part of this Vision. While we do this, we also must adapt to the changing way our employees work both in person and remotely.

We aren't the utility industry that served our community 10 years ago, or even 2 years ago, and we must evolve to serve you effectively now and in the future.

While adapting and evolving, we will continue our legacy of enhancing quality of life by providing equitable, affordable, reliable, and sustainable energy. San Antonio is one of the fastest growing cities in America, and the utility industry is faced with integrating new technology while balancing societal and regulatory expectations, managing severe weather events, and needing to remain competitive in retaining and attracting talent.

To prepare for and take advantage of these changes we are establishing a set of five strategic objectives with goals and key initiatives:

- Operational Evolution,
- Financial Stability,
- Customer Experience,
- An Engaged Service-Oriented Culture, and
- Community Partnership & Growth.

Over the next 12 months, we will continue to focus on executing on our community commitments aligned to our strategic objectives and engaging with our partners to chart the course for our collective future.

Since taking the helm as Interim President & CEO in November 2021, we have accomplished a lot under our One-Team mindset. We received approval of a much-needed rate increase, we have



improved the morale of our workforce through succession planning and equity pay adjustments, we have enhanced our relationships with our Board of Trustees, City Staff, and the media, we are connecting, listening, and engaging transparently with our community, and our power plant operations ran smoothly during the ice storms and freezing temperatures we experienced this winter.

My leadership team and I are committed to anticipating and adapting to changes in our industry, enhancing our customers' experience, and continuing our track record of affordable rates, high reliability, and adopting innovative programs and services now, and into the future.

We welcome your perspective and input. Your feedback is important to us as we serve our community today, while planning for our energy future.

Best,

A handwritten signature in black ink, appearing to read "Rudy Garza". The signature is fluid and cursive, with a large, stylized "R" and "G".

Rudy Garza
Interim President & CEO