



**CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON MARCH 25, 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
1	CALL TO ORDER	Execute	Ms. Janie Gonzalez
2	SAFETY MESSAGE, INVOCATION & PLEDGE OF ALLEGIANCE	Execute	Mr. Eugene Diaz
3	PUBLIC COMMENT Pre-Registration is from Wednesday, March 20, 2024, 5:00 PM – Friday, March 22, 2024, 1:00 PM. Dial (210) 353-4662 or email PublicCommentRegistration@CPSEnergy.com	Discuss	Ms. Janie Gonzalez
UPDATE ON CHAIR’S PRIORITIES			
4	CHAIR’S REMARKS	Discuss	Ms. Janie Gonzalez
CONSENT AGENDA			
5	APPROVAL OF CONSENT ITEMS: A. Payment to the City of San Antonio for February 2024 B. Minutes from the January Regular Board Meeting, held on February 5, 2024 C. Procurements Items: 1. Professional Services: Engineering Services for Electric Distribution Planning (Mr. Richard Medina)	Vote	Ms. Janie Gonzalez
REGULAR AGENDA			
6	COMMITTEE REPORTS A. Technology & Resilience Committee (T&R) meeting held on 2/19/2024 (Ms. Janie Gonzalez)	Discuss	Ms. Janie Gonzalez
7	COMMUNITY COMMITTEE BYLAWS (Ms. Ashley Glotzer)	Discuss & Vote	Ms. Janie Gonzalez
8	FY2024 YEAR-END PERFORMANCE RECAP	Discuss	Mr. Cory Kuchinsky & Ms. Elaina Ball

9	FY2025 FINANCING PLAN (Mr. Cory Kuchinsky)	Discuss & Vote	Ms. Janie Gonzalez
10	AFFORDABILITY DISCOUNT PROGRAM UPDATE (Ms. Elaina Ball)	Discuss & Vote	Ms. Janie Gonzalez
11	CEO RECOGNITION	Discuss	Mr. Rudy Garza
12	REVIEW OF ACTION ITEMS	Discuss	Ms. Shanna Ramirez
CONVENE TO EXECUTIVE SESSION			
13	EXECUTIVE SESSION:	Discuss & Vote	Ms. Janie Gonzalez
	A. Competitive Matters (§551.086)		
	B. Attorney-Client Matters (§551.071) & Competitive Matters (§551.086)	Discuss	Ms. Janie Gonzalez
	C. Competitive Matters (§551.086), Security Audits & Devices (§551.089), & Confidential Information Under the Texas Homeland Security Act (§418.182(f))		
D. Personnel Matters (§551.074)			
RECONVENE TO OPEN SESSION			
14	ADJOURNMENT	Execute	Ms. Janie Gonzalez
<p>If the Board meeting has not adjourned by 4:50 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 March 25, 2024

Approval of Payment to the City of San Antonio for February 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 February 2024 is based on actual gross revenue per the New Series Bond Ordinance of \$228,548,892.54, less applicable exclusions. The revenue for the month of February 2024 is calculated as follows:

Gross revenue per CPS Energy financial statements		
Electric revenue		\$202,714,707.01
Gas revenue		26,279,276.59
Interest and other income		(432,103.93)
Gross revenue per CPS Energy financial statements		<u>228,561,879.67</u>
Excluded revenue		
School and hospital revenue per City Ordinance 55022		(7,740,831.94)
LVG revenue per City Ordinance 100709		(7,080.04)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts		(7,292,135.58)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue		<u>15,027,060.43</u>
Total excluded revenue		<u>(12,987.13)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City		<u><u>\$228,548,892.54</u></u>
City payment per Bond Ordinance for February 2024 based upon February 2024 revenue		\$31,996,844.96
City payment per memorandum of understanding (MOU) regarding wholesale special contracts		68,223.71
City Payment reduction per gas customer billing adjustment MOU		(12,500.00)
Reversal of prior period accrual		<u>(119,501.05)</u>
City payment per Bond Ordinance plus adjustments for memorandums of understanding		31,933,067.62 A
Utility services provided to the City for February 2024		(2,962,444.05)
Additional payment due to prior year accounting restatement		169,159.71
Adjustment for impact of reversal of prior period accrual		<u>119,501.05</u>
Net amount to be paid from February 2024 revenue to the City in March 2024		<u><u>\$29,259,284.33</u></u>

CPS Energy Board of Trustees Meeting March 25, 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)

February 2024	Actual	Budget	Variance	
Current Month A	\$31,933	\$33,240	(\$1,307)	-3.9%
Year-to-Date	\$31,933	\$33,240	(\$1,307)	-3.9%

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 \$29,259,284.33 representing 14% of applicable system gross revenues for the month of February 2024, such payment being net of City utility services (\$2,962,444.05), and a prior period adjustment for accounting restatement, is hereby approved."

Draft for review and approval
at the March 25, 2024 meeting

**CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON FEBRUARY 5, 2024**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of January was held on Monday, February 5, 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

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
Ms. DeAnna Hardwick, Chief Customer Strategy Officer
Mr. Benny Ethridge, Chief Energy Supply Officer
Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer
Ms. Lisa Lewis, Chief Administrative Officer
Mr. Richard Medina, Chief Energy Delivery Officer
Mr. Evan O'Mahoney, Chief Information Officer
CPS Energy staff members
City of San Antonio officials
Interested Citizens

II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE

A safety message, invocation, and the Pledge of Allegiance were delivered by Ms. Ashika Gonzales, Business Analyst.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, a community member, stated she appreciates Chair Gonzalez and congratulated her on reappointment to the Board of Trustees, and she thinks Mr. Garza did a great job during the freeze, which proved his leadership abilities. She thanked everyone for their hard work at CPS Energy.

Mr. Armando Almanza, a community member, expressed his concern about his high bill, getting in touch with CPS Energy, to understand the cause of the high bill. He stated that customers should be notified when there is an issue. He expressed his appreciation to Chair Gonzalez for speaking to him, elevating his concerns, and resolving his issue. He stated she truly cares about the people and CPS Energy.

Draft for review and approval
at the March 25, 2024 meeting

IV. CHAIR’S REMARKS

Chair Gonzalez expressed her deep gratitude to CPS Energy employees for their work during the recent cold weather. She also spoke about transparency, and reviewed the opportunities for public input, noting there will be public input sessions at 5:30 p.m. on March 25 and October 28.

V. APPROVAL OF CONSENT ITEMS

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

- A. Minutes of the Regular Board meeting held on November 13, 2023**
- B. Minutes of the Special Board meeting held on December 4, 2023**
- C. Minutes of the Regular Board meeting held on December 18, 2023**
- D. Approval of Payment to the City of San Antonio for December 2023**

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 December 2023 is based on actual gross revenue per the New Series Bond Ordinance of \$183,352,932.51, less applicable exclusions. The revenue for the month of December 2023 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$183,195,331.20
Gas revenue	22,365,433.38
Interest and other income	12,082,666.85
Gross revenue per CPS Energy financial statements	<u>217,643,431.43</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(6,278,269.52)
LVG revenue per City Ordinance 100709	(11,551.49)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(12,000,531.21)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>(16,000,146.70)</u>
Total excluded revenue	<u>(34,290,498.92)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$183,352,932.51</u>
City payment per Bond Ordinance for December 2023 based upon December 2023 revenue	\$25,669,410.55
City payment per memorandum of understanding (MOU)	

Draft for review and approval
at the March 25, 2024 meeting

regarding wholesale special contracts	589,712.17
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	26,246,622.72 A
Utility services provided to the City for December 2023	<u>(2,741,392.26)</u>
Net amount to be paid from December 2023 revenue to the City in January 2024	<u>\$23,505,230.46</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)

December 2023	Actual	Budget	Variance	
Current Month A	\$26,247	\$31,234	(\$4,987)	-16.0%
Year-to-Date	\$410,050	\$402,282	\$7,768	1.9%

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 \$23,505,230.46 representing 14% of applicable system gross revenues for the month of December 2023, such payment being net of City utility services (\$2,741,392.26), is hereby approved."

E. Procurement Items:

1. **Item Description:** Complete Streetlight Program Support Services
Category: General Services
Supplier: Dalkia Energy Solutions, LLC
2. **Item Description:** Engineering Services for Transmission Planning and Operations
Category: Professional Services
Supplier: Burns & McDonnell Engineering Company, Inc.
DNV Energy USA Inc.
Hitachi Energy USA Inc.
3. **Item Description:** Overhead Electric Distribution Services
Category: General Services
Supplier: Chain Electric Company
Greenstone Electrical Services, LLC
Pike Electric, LLC
Source Power, LLC
4. **Item Description:** Electric Distribution Design and Engineering Services
Category: Professional Services
Supplier: Atwell, LLC
Burns & McDonnell Engineering Company, Inc.
EN Engineering, LLC

Draft for review and approval
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- M&S Engineering, LLC
SEG Engineering, LLC
5. **Item Description:** Exposing, Excavating, and Trenching Underground Utility Services
Category: General Services
Supplier: ADB Companies, LLC
Bexar Pipeline & Utilities, Inc.
ESI Engineered Solutions, Inc.
HydroMAX, LLC
Texas ReExcavation LC
6. **Item Description:** Additional Funding Request: Engineering Services for Lake Dams
Category: Professional Services
Supplier: Weston Solutions, Inc.
7. **Item Description:** Additional Funding Request: Power Generation Code Welding and Mechanical Services
Category: General Services
Supplier: Mechanical Construction Services, Inc.
Pro Serv Industrial Contractors, LLC
TEI Construction Services, Inc.
Zachry Industrial, Inc.

*The listed Procurement Items are to be attached as Attachment "A".

VI. AUTOTRANSFORMER PROCUREMENT

Mr. Richard Medina, Chief Energy Delivery Officer, requested approval for the purchase of 345 kV autotransformers, noting that the purchase is aligned with budgeted projects. Mr. Medina highlighted that these transformers are taking 2-3 years to procure. Trustee Dr. Mackey moved to approve the procurement, and Vice Chair Dr. Romero seconded. The Board of Trustees discussed, and it was approved 4-0.

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. Operations Oversight Committee held on December 5, 2023. The report is attached as Attachment "B" to the meeting minutes.

VIII. BOARD COMMITTEE ASSIGNMENTS

Chair Gonzalez noted that a copy of the proposed assignments, which are the same as the previous year, is included in the materials and requested that Trustees contact her if they have any concerns or requests for changes. She noted that there will be a vote for approval on the committee assignments next month.

Draft for review and approval
at the March 25, 2024 meeting

IX. FY2025 ANNUAL ENTERPRISE SCORECARD

Mr. Rudy Garza, President & CEO, introduced the presentation as a culmination of work focused on viewing success through the eyes of our customers. The work over the last several years has been in consultation with the Board of Trustees, and he noted that this presentation is intended to get feedback from the Board to ensure that, as President & CEO, he can appropriately set the performance expectations for the organization.

Dr. John Soltau, Director for Strategic Planning & Performance, presented our FY2025 Enterprise Scorecard. He explained how we set targets and key aspects of Vision 2027 and noted that the milestones and measures are aligned with our Mission, Vision 2027, and Strategic Objectives. The Board of Trustees asked questions and discussed the presentation.

Trustee Steen stated his concern that our metrics were being changed in a manner that was less challenging to the organization and he disagrees with this approach. He asked that his comments be included in the minutes.¹ Trustee Dr. Romero stated she disagreed with Trustee Steen and noted she felt that the Board had been engaged in a very constructive two-way conversation and that the new metrics reflect what is important to the community and to the Board. She further stated that the metrics represent an indication of how we are moving and reacting to a changing world and show responsiveness. She stated she feels a lot of security in the measures. Trustee Dr. Mackey stated he believed in Vision 2027. He highlighted four areas where we could stretch in meeting our overarching objectives, and he stated that CPS Energy has been doing a tremendous job and that the organization has been challenged to perform.² Chair Gonzalez stated she made a concerted effort to listen to the community and heard that CPS Energy had failed our customers during Winter Storm Uri. She stated that we're only as good as our customers tell us we are and that we are not lowering the bar but being responsive to our community. She concluded by stating she would continue to challenge the organization to execute and that the FY2025 Scorecard is ambitious and will need all of our eyes and our support to ensure success.

X. FY2025 BUDGET DISCUSSION

Mr. Geronimo Gonzalez, Senior Director, Budget Analysis & Management Reporting, presented the FY2025 Budget. He noted that the budget reflects what was previously approved and the proposed budget executes on a period of high investment, and he requested approval of the Capital & Non-Fuel O&M Budget for FY2025. Trustee Dr. Mackey made a motion to approve the budget, and Vice Chair Dr. Romero seconded. The Board of Trustees discussed the motion. On a roll call vote, the motion passed 3-1.³

XI. CEO RECOGNITION

Mr. Garza recognized members of Financial Services who were awarded the prestigious Bond Buyer Southwest Region Deal of the Year. He noted this was a first-time honor for CPS Energy and reflects how

¹ Trustee Steen's comments are to be attached as Attachment "C" to the meeting minutes.

² Trustee Dr. Mackey's comments are to be attached as Attachment "D" to the meeting minutes.

³ Trustee requested his reason for voting against passage be reflected in the minutes: 1) the presentation differed from last year's budget presentation by not providing the same level of information, and 2) the proposed budget produced a debt capitalization ratio beyond the 60% threshold. Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer, noted that all budgetary information was shared with the Board of Trustees as part of the recent rate request and proposed budget was in complete alignment with the rate request approved by the Board of Trustees. He also noted that the information was also shared with the rating agencies.

Draft for review and approval
at the March 25, 2024 meeting

Wall Street views our innovative transactions. The award was for three transactions that came on the heels of CPS Energy receiving an IRS Private Letter Ruling allowing extraordinary fuel costs to be financed with tax-exempt debt, which generated \$14M in net savings for our customers.

Mr. Garza also congratulated Chair Gonzalez on her reappointment to the Board of Trustees and noted her contribution to several large company initiatives.

XII. REVIEW OF ACTION ITEMS

Ms. Ramirez noted that all previous action items are closed except for one. She also reviewed three action items for this meeting.

XIII. EXECUTIVE SESSION

At approximately 2:40 p.m., 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 number of posted items, including the following:

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

The Board reconvened in open session at 3:05 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, and no votes were taken in Executive Session.

XIV. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Trustee Dr. Mackey, seconded by Vice Chair Romero and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 3:05 p.m. by Chair Gonzalez.

Shanna M. Ramirez
Secretary of the Board



**CPS Energy Board of Trustees Meeting
March 25, 2024
APPROVAL of PROCUREMENT ITEMS
Table of Contents**

1. Item Description: Purchase Category: Supplier:	Engineering Services for Electric Distribution Planning
	Professional Services
	Black & Veatch Management Consulting, LLC.
	Burns & McDonnell Engineering Company, Inc.
	ICF Resources, LLC
	KBS Electrical Distributors
	TRC Engineers, Inc.

Committee Presentations: Operations Oversight Committee – 12/5/2023
Audit & Finance Committee – 1/22/2024

Approval:

Lisa Lewis, Chief Administrative Officer

Approval:

Rudy Garza, President & CEO



CPS Energy Board of Trustees Meeting
March 25, 2024
Procurement Form 1

Item Description	Engineering Services for Electric Distribution Planning
Purchase Order Value	\$3,000,000
Purchase Category	Professional Services
Department	Energy Delivery Services
VP T&D Engineering & Grid Transformation	Ricardo Maldonado
Chief Energy Delivery Officer	Richard Medina

Detailed Description

CPS Energy staff recommend that a contract be awarded to KBS Electrical Distributors a local, diverse firm, Black & Veatch Management Consulting, LLC., ICF Resources, LLC, and TRC Engineers, Inc., all local firms, and Burns & McDonnell Engineering Company, Inc. as the respondents who will provide the goods or services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is for engineering services for electric distribution planning and will allow CPS Energy to develop strategies and objectives for distribution automation and smart grid initiatives, support distributed generation interconnection projects, perform system modeling and planning, and develop roadmaps for the future distribution grid. This contract will expire on March 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)¹. 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
TOTAL	100

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



CPS Energy Board of Trustees Meeting
March 25, 2024
Procurement Form 1

Recommended Respondent(s) & Award

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Burns & McDonnell Engineering Company, Inc.		85	\$1,100,000	2216707	
Black & Veatch Management Consulting, LLC.	Local	70	\$1,000,000	2216708	
TRC Engineers, Inc.	Local	65	\$300,000	2217464	
KBS Electrical Distributors	Local/Diverse (Small)	60	\$300,000	2216709	
ICF Resources, LLC	Local	60	\$300,000	2216710	
TOTAL			\$3,000,000		

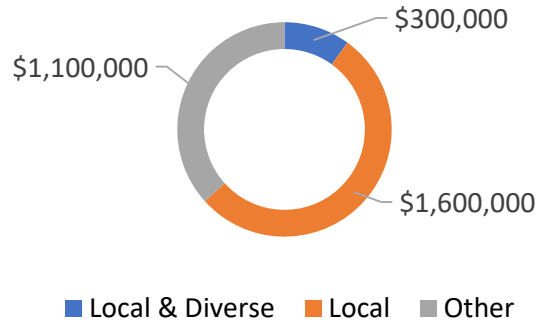
Eleven (11) additional respondents were not recommended for award: EN Engineering, LLC; Electric Power Engineers, Inc.; Enercon Services, Inc.; Schneider Engineering, LLC; Ulteig Engineers, Inc.; HDR Inc.; Commonwealth Associates, Inc.; Esta International Inc.; Select Power Systems, LLC; Schneider Electric; and K&A Engineering Consulting, P.C.

Annual Funds Budgeted

Corporate Annual Budget	Funding Method	Projected FY2024 PO Spend	% of FY2024 Annual Corp Budget	Projected FY2025 PO Spend	Projected FY2026 PO Spend	Projected FY2027 PO Spend
\$940,520,261	Capital	\$0	0%	\$1,000,000	\$1,000,000	\$1,000,000
\$773,000,000	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

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

Procurement Item: Professional Services





TECHNOLOGY & RESILIENCE COMMITTEE (T&R) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE FEBRUARY 19, 2024 MEETING PREPARED FOR BOARD CHAIR JANIE GONZALEZ FOR REPORT AT THE MARCH 25, 2024 BOARD OF TRUSTEES MEETING

The Technology & Resilience Committee met on February 19, 2024. As part of the Technology & Resilience Committee Meeting agenda, the Committee:

- A. Approved meeting minutes from the prior meeting, held on September 27, 2023.
- B. Reviewed the T&R Committee Charter.
- C. Received Evolve Digital User Experience, ERP Transformation, and Artificial Intelligence (AI) updates.
- D. Two new action items were generated from this session.

The next meeting of the Technology & Resilience Committee will be held June 10, 2024.



COMMUNITY COMMITTEE BYLAWS

PRESENTED BY:

Ashley Glotzer
Director, Senior Counsel

March 25, 2024
Approval Requested



AGENDA

- Review of Current Draft
- Feedback Received

We are requesting approval of changes to the bylaws establishing the Community Input Committee including its function and duties.



BYLAWS CHANGES

CAC TO CIC

- Name change to Community Input Committee (CIC)
- Revising the Purpose, Mission, and Vision to clarify the bi-directional flow of information between the community and the Board through the CIC
- Requiring the meetings to be open to the public, except for closed sessions
- Requiring that at least 2 of the at-large members reside outside of the City of San Antonio but within CPS Energy's service area
- Adding 4 new members appointed by the Board that reside in each of the four quadrants
- Establishing 3 subcommittees:
 - Power & Technology
 - Rates, Finance & Business
 - Customer Relations & Communications
- Adjusting the meeting schedule such that the full committee meets quarterly and subcommittees will rotate to meet in the other months:
 - Subcommittees are required to meet at least once a year
 - The CIC and subcommittees may hold additional meetings as necessary
- Encouraging members to attend at least 4 community meetings per year, such as CPS Energy town halls



DRAFT POSTED TO WEBSITE

PUBLIC FEEDBACK ENCOURAGED

- The Proposed CIC Bylaws were posted to the CPS Energy website, and members of the public were encouraged to send feedback.

March 4, 2024

- [Notice of Regular Board Meeting & Agenda](#) (In-person & livestreamed)
 - [Board of Trustees Regular Meeting Agenda & Board Packet](#)
 - [Notice of SA Energy Acquisition Public Facility Corporation \(PFC\) Meeting & Agenda](#) (In-person & livestreamed)
 - [Public Facility Corporation \(PFC\) Meeting Agenda & Board Packet](#)
 - [Proposed Community Input Committee Bylaws](#) (Members of the public are encouraged to send feedback to feedback@cpsenergy.com by March 15, 2024, at 5:00 p.m.) ★
 - Watch: [Board of Trustees Meeting Video](#)
-
- We received feedback from the following individuals:
 - Reed Williams
 - Peter Onofre and DeeDee Belmares
-
- The feedback has been included in the posted materials to consider any appropriate amendments.

BYLAWS CHANGES

CAC TO CIC



- We request your approval of the bylaws changes establishing the Community Input Committee



THANK YOU



APPENDIX

GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
CIC	Community Input Committee		

**Community Input Committee
BYLAWS**

ARTICLE I

SEC. 1 PURPOSE

The CPS Energy Community Input Committee (CIC), formerly the Citizens Advisory Committee, was created by the CPS Energy Board of Trustees by resolution dated May 26, 1998. The CIC is intended to facilitate the bi-directional flow of ideas and concerns between the community and the CPS Energy Board of Trustees and Management. The CIC is intended to represent and communicate the views of the community, and to provide input on strategic objectives, key initiatives, and other CPS Energy business activities to the CPS Energy Board of Trustees and Management.

SEC. 2 MISSION

The mission of the CIC is to assemble diverse perspectives that represent our community to evaluate and advise CPS Energy in its mission to serve our community through reliable, competitively priced, and sustainable energy services in an equitable manner by serving as liaisons with the community and communicating bi-directional input on business activities.

SEC. 3 VISION

The vision of the CIC is to represent a broad constituency of the community, devote the necessary time to learn about the utility business, engage with members of our community, be respectful of the comments and views of others, and provide thoughtful input on issues, representing our community, and not partisan values and concerns.

SEC. 4 VALUES

The values practiced by the CIC include the following: 1) be ethical; 2) be open-minded; 3) be representative; 4) be responsive to citizens; 5) be clear and understandable; 6) be of value to CPS Energy and to citizens; and 7) be collaborative leaders.

SEC. 5 MEETING PROTOCOL

Robert's Rules of Order shall be used as a guide in the conduct of all meetings of the CIC and its committees, in so far as they do not conflict with these bylaws and with applicable law.

ARTICLE II

COMMUNITY INPUT COMMITTEE

SEC. 1 APPOINTMENT OVERVIEW

The CIC is a volunteer group, advisory in nature, created through the action of CPS Energy's Board of Trustees. CPS Energy provides and administers operating costs associated with the CIC. Committee members do not receive compensation for their participation.

CIC members are appointed to ensure that the committee is representative of a cross-section of individuals with diverse backgrounds and interests of the CPS Energy service area.

SEC. 2 QUALIFICATIONS OF APPOINTEES

- (a) Members of the CIC must be residential customers of CPS Energy living in the CPS Energy service area and must have a good customer relationship with CPS Energy.
- (b) Members are appointed with the objective of reflecting the ethnic, gender, and geographic diversity found in the CPS Energy service area.
- (c) Members should represent a diverse cross-section of energy perspectives and interests, such as medical, manufacturing, large industry, small businesses, commercial building owners, services and professionals, environmental and conservation organizations, community organizations, military installations, consumer groups, economic development interests, governmental entities, and others.
- (d) Members should exhibit an interest in and capacity to understand the complexities of the natural gas and electric utility business. All members should have a primary positive interest in the future of CPS Energy, its service area, and the City of San Antonio.

SEC. 3 COMPOSITION OF THE CIC

The CIC is comprised of 19 members. The number of members will be evaluated from time-to-time as vacancies occur and/or as specific issues arise.

- (a) Ten (10) members, each of whom, are recommended by the respective office holders from the ten (10) San Antonio City Council Districts. The Council members shall nominate candidates that reside within the boundaries of their respective districts.
- (b) Five (5) at-large members are chosen from those CPS Energy customers living in the CPS Energy service area, with at least (2) of the at-large members residing outside of the boundaries of the City of San Antonio. At-large members are reviewed and appointed by the CIC subject to approval by the CPS Energy Board of Trustees.

- (c) Four (4) members, each to be a resident of one of the four Board of Trustee quadrants to ensure geographic representation, are appointed by CPS Energy Board of Trustees, and must be approved by a majority of the same.

The CPS Energy Board of Trustees approves all appointments to the CIC.

SEC. 4 TERMS LIMITS

Unless otherwise amended by the CPS Energy Board of Trustees:

- (a) An appointment term is not to exceed two (2) years from the date of the appointment.
- (b) A member cannot serve more than three (3) complete consecutive terms on the CIC, for a maximum of six (6) total years.
- (c) Staggered terms of office are desired.
- (d) Whenever any CIC member is appointed for a fixed term, such member shall continue to hold office until his/her successor is appointed.

SEC. 5 MEMBER EXPECTATIONS

- (a) CIC Members are encouraged to attend all regularly scheduled meetings of the CIC and any specially scheduled meetings or events of the CIC.
- (b) CIC Members are encouraged to attend at least two (2) regularly scheduled meetings of the CPS Energy Board of Trustees each calendar year.
- (c) CIC Members are encouraged to attend at least four (4) CPS Energy organized or sponsored public meetings, such as town hall meetings, public input sessions, or facility tours; or other community events related to CPS Energy activities each calendar year.
- (d) A record of attendance of meetings and events will be kept and reported at CIC meetings.

SEC. 6 REMOVAL OF A CIC MEMBER

A removal of a CIC member will be at the discretion of the CPS Energy Board of Trustees at the recommendation of the CIC.

- (a) CIC members may be removed for cause whenever two thirds (2/3) of the members of the CIC present at a meeting and voting thereon make a finding of sufficient cause to remove said CIC member. Cause includes conduct as a member in violation of rules, policies, procedures or grant agreements, or conduct constituting moral turpitude as determined by the CIC.
- (b) If a member's attendance at regularly scheduled meetings falls below 75% on an annual basis from the appointment date, or a member misses three (3) consecutive regularly scheduled

meeting dates, the member will be asked to resign. Absences may be formally excused by a quorum of the CIC at a regularly scheduled meeting by written form to the CIC Chair and CPS Energy representative assisting the CIC. All resignations must be in writing and filed with the CPS Energy representative assisting the CIC.

- (c) Each CIC member is required to sign a CPS Energy Confidentiality Agreement and Conflict of Interest Statement. Refusal to sign a CPS Energy Confidentiality Agreement and Conflict of Interest Statement will result in the termination of the person's candidacy for or participation on the CIC.
- (d) At their discretion, the CPS Energy Board of Trustees may terminate the participation of a member because of conflicts of interest, failure to participate, or other reasons as noted above.
- (e) A member may be removed if they transfer, relocate, or move outside their appointed council district or CPS Energy quadrant; or for at-large members, if they transfer, relocate, or move outside the CPS Energy Service Area.
- (f) At any time, a City Council member may replace his or her CIC appointee and replace them with another resident from their district.

SEC. 7 VACANCIES

Any vacancy in the membership of the CIC shall be filled in the same manner as original appointments.

SEC. 8 QUORUM OF THE CIC AND SUBCOMMITTEES

- (a) A quorum shall consist of a majority of the members of the CIC, excluding vacancies.
- (b) A member abstaining from a vote shall be counted toward the quorum.
- (c) A quorum is required for any action taken by the CIC.
- (d) A quorum of a CIC committee shall consist of 50% or more of the members authorized to serve on the committee.

SEC. 9 VOTING

The act of a majority of the CIC present at a meeting at which a quorum is present shall be the act of the CIC.

Each member of the CIC shall be entitled to one (1) vote.

SEC. 10 PROXIES PROHIBITED

CIC members shall not be permitted to exercise his/ her vote by proxy at any meeting, unless otherwise noted by exemption by the CIC Chair or presiding Executive Committee member.

SEC. 11 NOTICE OF MEETINGS

- (a) Written notice of meetings of the CIC shall be forwarded to each member at least three (3) business days prior to the date of such meeting.
- (b) Notice of any special meeting of the CIC shall be given to the CIC members forty-eight (48) hours prior thereto unless an emergency exists, as determined by the CIC Chair.
- (c) The notice will include a written agenda identifying the business to be transacted. Attendance of a member at a meeting shall constitute a waiver of any objection to insufficient notice of such meeting.

MEETINGS

SEC. 12 MEETING LOCATION AND FREQUENCY

- (a) The CIC must meet at least quarterly. This frequency can be increased should issues warrant.
- (b) Meetings are currently scheduled for the second Wednesday of the month, the CIC meets generally from 11:30 a.m. until 1:30 p.m.
- (c) CPS Energy staff will post a CIC meeting agenda to the CPS Energy website, and elsewhere as appropriate, prior to the CIC meeting.
- (d) The meetings are held at the CPS Energy Headquarters or some other designated meeting space that shall be specified on the agenda.
- (e) Notification of regular, changed or canceled CIC meetings will be sent via mail, e-mail, telephone, or text to CIC members by CPS Energy staff and posted on the CPS Energy website.
- (f) Meetings of the CIC are not subject to the Texas Open Meetings Act, but meetings of the CIC are open to the public except for any closed meeting or session as defined by Texas Open Meetings Act.
- (g) CIC members determine the format of the meetings with CPS Energy staff support.
- (h) CPS Energy staff records the substance of all meetings and prepares correspondence and reports for the CIC. CPS Energy staff members are available to brief the CIC or arrange for other speakers as required.

- (i) CPS Energy staff will post a recording of each meeting for public viewing within thirty (30) day following each CIC meeting on the CPS Energy website, and will post the recordings for at least ninety (90) days following the day the recording is posted to the website.
- (j) The CIC must present reports to the CPS Energy Board of Trustees summarizing the work of the CIC, including its committees. The reports will also include any input and feedback the CIC has on issues that it believes the Board of Trustees should consider or discuss. The CPS Energy Board of Trustees may request special reports to address issues for which the Board requires specific input.
- (k) CPS Energy staff will post activity reports on the CPS Energy website for ninety (90) days following approval of the activity reports.

SEC. 13 SPECIAL MEETINGS

Special meetings of the CIC may be called at the request of the CIC Chair or by a majority of the members.

SEC. 14 CONFLICT OF INTEREST

Members of the CIC shall avoid even the appearance of a conflict of interest. All members shall comply with the Conflict of Interest and Code of Ethics policies adopted by the CPS Energy Board of Trustees.

SEC. 15 CPS ENERGY STAFF

- (a) Provide support in the development of information, materials, and other resources. Keep CPS Energy management informed of progress.
- (b) Monitor the process, provide feedback to the Board, City Council and Mayor, and provide resources as needed.

SEC. 16 CIC MEMBERS

- (a) Participate in discussions and raise concerns about CPS Energy issues. Members are to provide input on community issues from represented constituents and concerns obtained from the community at-large.
- (b) Members are encouraged to communicate results back to customers and the community at-large.
- (c) Members may be asked to voluntarily serve on various subcommittees as needed to address issues raised by the CPS Energy Board of Trustees, staff or the CIC itself.

- (d) Members may be invited to attend public events, town hall meetings and facility tours, and are encouraged to accept these invitations as opportunities to increase knowledge, interact with the community and network with the CPS Energy Board of Trustees and its staff.
- (e) Provide reporting to the CPS Energy Board of Trustees upon their request.

ARTICLE III

SEC. 1 OFFICERS

The officers of the CIC shall be a CIC Chair, a Chair-Elect, a Vice Chair, and an Immediate Past Chair. Having served on the CIC at least one (1) year, the following positions shall be elected from the CIC membership for one (1) year terms:

Chair, Chair-Elect, and the Vice Chair

The Immediate Past Chair, having concluded their term as CIC Chair, shall serve as the Immediate Past Chair for a one (1) year term. The Immediate Past Chair is not elected annually, but rather serves as an officer as a function of their previously elected position.

SEC. 2 ELECTION

The CIC shall elect its officers from the nominations slate at or before the last regularly scheduled meeting of the CIC before the end of the calendar year.

SEC. 3 CIC CHAIR

The duties of the CIC Chair shall include but are not limited to the following:

- (a) Preside over meetings of the CIC
- (b) Make appointments to any committees and shall be an ex-officio, non-voting, member of all subcommittees
- (c) Work, in conjunction with the Board of Trustees, to promote the purpose of the CIC within the CPS Energy Service Area.
- (d) Serve as the official spokesperson for the CIC, act as a liaison to and facilitate communication with the Board of Trustees, and provide reports to the Board of Trustees.

SEC. 4 CIC CHAIR-ELECT

The duties of the CIC Chair-Elect shall include but are not limited to: Acting in lieu of the CIC Chair in the event of the CIC Chair's absence or temporary disability, exercising all authority, and discharging all responsibilities of the CIC Chair subject to all restrictions applicable to the CIC Chair; serving on the Executive Committee.

SEC. 5 CIC VICE CHAIR

The duties of the Vice Chair shall include but are not limited to: Acting in lieu of the Chair-Elect in the event of the Chair-Elect's absence or temporary disability, exercising all authority and discharging all responsibilities of the Chair-Elect subject to all restrictions applicable to the Chair-Elect; serving on the Executive Committee.

SEC. 6 IMMEDIATE PAST CHAIR

The duties of the Immediate Past Chair include but are not limited to: Serving on the Executive Committee.

SEC. 7 VACANCIES

Any vacancy among the Elected Officers shall be filled by election by the CIC of a successor to fill the unexpired term.

ARTICLE
IV

SEC. 1 EXECUTIVE COMMITTEE

The officers of the CIC (Chair, Chair-Elect, Vice Chair, and Immediate Past Chair) and the chairpersons of any subcommittees shall constitute the Executive Committee.

The Chair of the CIC shall also serve as chair of the Executive Committee. The Executive Committee's roles shall include, but are not limited to the following:

- (a) General supervision of the affairs of the CIC; and
- (b) When authorized by the CIC, take any action otherwise requiring CIC approval.

SEC. 2 SUBCOMMITTEES

The CIC shall have three subcommittees that must meet at least annually, as follows:

- (a) Power & Technology Subcommittee
- (b) Rates, Finance & Business Subcommittee
- (c) Customer Relations & Communications Subcommittee

Each of these subcommittees shall have at least six (6) members who shall be appointed by the CIC Chair, after receiving input from CIC members. The CIC Chair, as an ex-officio member, will assist in the work of each committee, as necessary and determined by the Board. Each member shall serve for two-years on a subcommittee, but the CIC Chair may adjust committee assignments, from time to time, as may be necessary. Each subcommittee shall select a Chair and Vice Chair to facilitate committee meetings.

Other subcommittees or special purpose groups of the CIC shall be appointed by the Chair from time to time, as may be needed to carry out the goals and objectives of the CIC.

ARTICLE V.
Transition

These amendments to the bylaws shall take effect sixty (60) days after passage by the CPS Energy Board of Trustees. The amendments to Art. II, Sec. 3 regarding at-large membership shall be fulfilled as vacancies arise on the committee, and the Board of Trustees shall ensure the four (4) new members to the CIC are appointed within 120 days after passage by the CPS Energy Board of Trustees. When this Article has served its purpose, it expires and need not be reprinted in future versions of the Bylaws.

Comments provided by Mr. Reed Williams

Comments on the Community Input Committee Bylaws

Article I

Sec. 1 Purpose: Making the purpose "bi-directional flow of ideas and concerns" is inconsistent with the concept of receiving, understanding, and relating the concerns of the customers to CPS Energy (CPS). Tasking Committee members to advocate for CPS positions could reduce the effectiveness of the members because the public could perceived them as not independent and bias. The management and Board of CPS have the duty to advocate for CPS positions.

Article II

Sec. 6 Removal of A CIC Member, Paragraph (c): Requiring the members to sign the CPS Energy Confidentiality Agreement is not appropriate. The members of the CIC have not need to receive confidential information to do their job so should not be requirement to sign a confidentiality agreement.

Sec. 9 Voting: The CIC members are only voting to demonstrate consensus on a recommendations to the Board of Directors. The CIC members are not voting to approve any program, policy, or action to be taken, which is the duty of the Board of Directors. Agreement of 60% of the members is sufficient to demonstrate consensus. As currently proposed 5 members or 26% of the members could represent themselves as a consensus of the Committee.

Sec. 10 Proxies Prohibited: As written, the CIC Chair could simply allow proxies at all times. Perhaps it would be better to allow remote participation.

Sec. 16 CIC Members, Paragraph (b): Requiring members to communicate "results" to customers and the community puts members in an role of advocating for CPS, which is the job of management and the Board of Directors. It could actually hurt the effectiveness of the members of the CIC as the public might not view them as impartial.

Article III

Sec. 4 CIC Chari-Elect: This position is not needed as the Vice Chair can also be the Chair-Elect.

Article IV

Sec.1 Executive Committee: The Executive Committee does not have a well-defined purpose, increases the bureaucracy of the Committee, will waste CPS resources, and could seize the responsibilities of the Committee.

Sec. 2 Subcommittees: The purpose of a subcommittee is to become well informed on an issue or area of interest and facilitate the understanding of the entire Committee members. Therefore it should be clearly expressed that recommendations come from the CIC and not a subcommittee.

Comments provided by Mr. Peter Onofre and Ms. DeeDee Belmares

3/15/2024

To: Rudy Garza
Chair Gonzalez
Dr. Romero

The recent bylaw proposal changes to the Citizen's Advisory Committee is another step CPS Energy is taking to include the public in discussion and giving input on issues important to every rate payer. We appreciate the continued effort by CPS Energy to engage the public in a robust manner.

We are reaching out today to inform you all that we need to continue the work we did in the Rate Advisory Committee and be appointed to the Community Input Committee. The subcommittees will be addressing areas of utility business that are vital to the work we are doing within our communities, and we know that we can provide CPS Energy and the board of trustees valuable feedback.

However, we do have some concerns and questions regarding the Community Input Committee:

1. Meeting times make it hard for some potential committee members to participate because they occur during the workday, 11:30am-1pm.
2. From the proposed bylaws: "Meetings of the CIC are not subject to the Texas Open Meetings Act, but meetings of the CIC are open to the public except for any closed meeting or session as defined by Texas Open Meetings Act."

-Why are the meetings not subject to the open meetings act?

-Why would there ever be a reason the committee would have to go into a closed session?

-CPS Energy would never share legally competitive information outside of the organization then shouldn't all meetings be open and transparent?

Thank you for taking the time to consider our appointment. We look forward to working further with all of you soon.

Peter Onofre and DeeDee Belmares



FY2024 YEAR-END PERFORMANCE RECAP

PRESENTED BY:

Cory Kuchinsky, CPA
Chief Financial Officer & Treasurer (CFO)

Elaina Ball
Chief Strategy Officer

March 25, 2024
Informational Update

Note: All results are preliminary, unaudited & subject to change.

AGENDA



- Financial Performance
- Past Due Accounts Update
- FY2024 Enterprise Scorecard Recap

Our objective is to provide you with an update on our preliminary and unaudited Financial Performance, Past Due Accounts, and Enterprise Measures year-end results.

FINANCIAL PERFORMANCE



- **YEAR-END 2024 RECAP**

- Strong financial performance from higher wholesale revenues, higher electric sales, lower fuel prices, and higher investment income than planned
- One-time lifts in revenue were strategically invested in the reliability and resiliency of our Community
- The 3 key financial metrics all outperformed the Plan

FLOW OF FUNDS

PRELIM RESULTS ACTUAL VS. PLAN



Highlights:

- Revenue net of fuel was significantly higher than Plan due to weather and \$190M of wholesale market performance
- Lower fuel costs of \$415M helped benefit customers' bills
- This strong performance was deliberately used to fund more O&M and Capital than Plan including:
 - Vegetation management
 - Plant Maintenance
 - Future reliability spend pulled forward
- Total R&R additions were well above Plan despite strategic O&M and Capital spend variances

Description	FY2024		
	Plan	Actuals	Variance: (Under Plan) Over Plan
Revenues, net of unbilled	\$ 3,560.2	\$ 3,442.9	\$ (117.3)
Less: fuel & regulatory expense	1,595.0	1,179.7	(415.3)
Less: Operation & maintenance	774.4	788.1	13.7
Revenues, net of Operating Expenses	1,190.8	1,475.1	284.3
Less: Debt service	465.4	468.7	3.3
6% Gross Revenue to R&R	213.6	206.6	(7.0)
Less: city payment (CP) per flow of funds	436.8	449.4	12.6
Remaining to R&R	75.0	350.4	275.5
Total R&R fund additions	\$ 288.6	\$ 557.0	\$ 268.4
Gross Non-Transmission Capital	\$ 820.5	\$ 870.2	\$ 49.7
Gross Transmission Capital	120.0	134.4	14.4
Total Gross Capital	\$ 940.5	\$ 1,004.6	\$ 64.1

Full year bad debt expense of \$27.7M vs \$30.0M for Plan which is \$2.3M under Plan.

KEY FINANCIAL METRICS*

PRELIM RESULTS VS. PLAN

	<u>Year-end Results</u>	<u>Plan</u>	<u>Threshold Levels</u>
Adjusted Debt Service Coverage Ratio (Higher is better)	2.21	1.62	1.50
Debt Capitalization Ratio (Lower is Better)	60.8%	62.6%	<65%
Days Cash On Hand (Higher is Better)	201	170	150

Our year-end metric results came in better than our FY2024 Plan.

*5-year metric history is detailed in the appendix.

FY2024 BY THE NUMBERS¹

RESULTS



**Transitioned To
Paid Time-Off
Policy (PTO)**



**Proactively
Maintained
Strong Credit
Ratings**



**Innovative
Financing –
Southwest
Region**



16 Major Storm
Events



5,703MW
New Peak Summer
Demand



1 ERCOT EEA
1+ Events
Managed



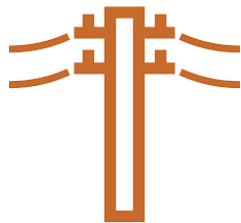
150 MW
Of New Solar
Contracts Signed



\$30M
Grant For Resiliency
& Innovation



\$27M
In Assistance
to Customers



1,187
Miles of
Vegetation
Management



23% ↓
In Recordable Incident Rates



\$190M
In Wholesale
Revenue Above Plan

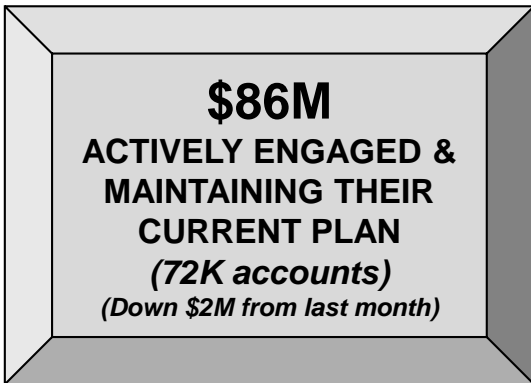
¹ As of 1/31/2024



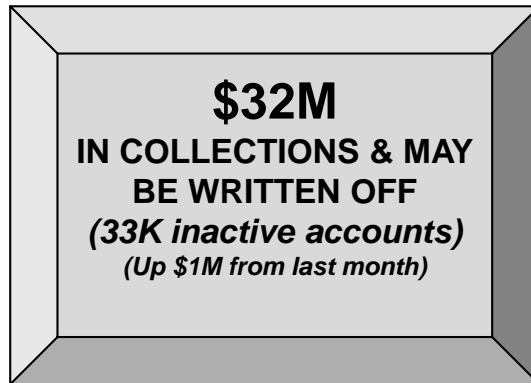
PAST DUE ACCOUNTS

Past-due balances in all three categories continue to decline since January 2023. We continue to methodically manage the overall past-due balances and are actively engaged in our customer outreach efforts.

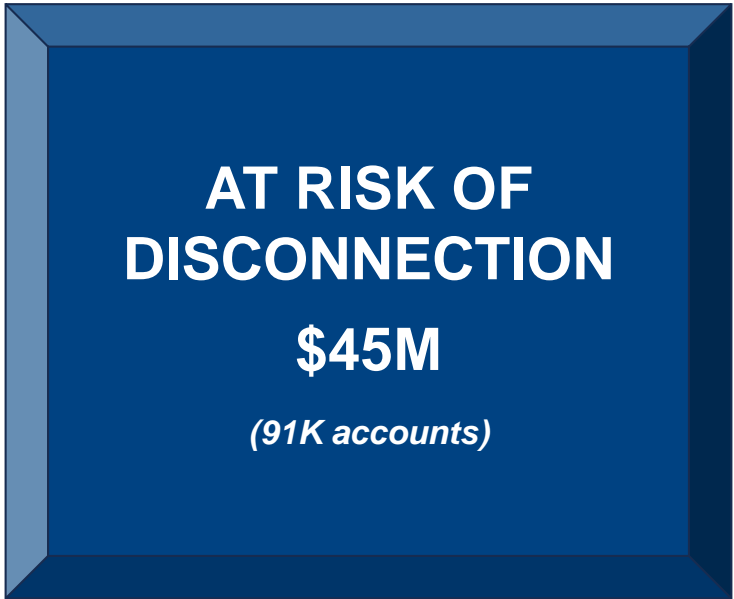
All data as of January 31, 2024



From **\$94M** in Jan 2023



From **\$39M** in Jan 2023



From **\$62M** in Jan 2023



FY2024 ENTERPRISE SCORECARD

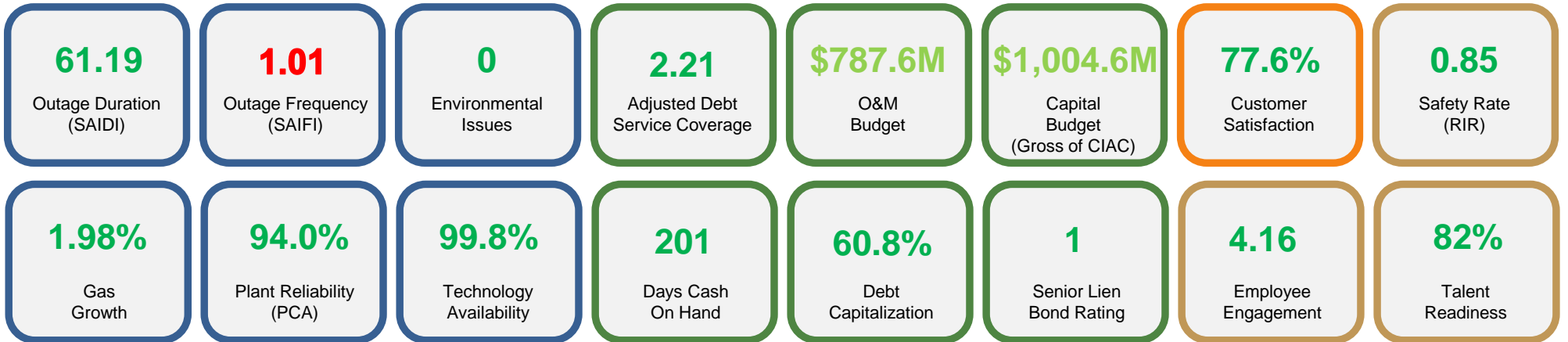
FY2024 SCORECARD: FINAL RESULTS



Strategic Execution - Forward Looking Progress Towards Vision 2027

Action	Result
Update Vision 2027 incorporating Operational Efficiency Review recommendations and market/legislative changes	<ul style="list-style-type: none"> Transitioned to FY2025 Annual Enterprise Scorecard Aligned all Operational Efficiency Review recommendations to our FY2024 or FY2025 Business Plans
Execute generation plan to power our future	<ul style="list-style-type: none"> Secured approximately 1,300 megawatts of contracted capacity; RFP for additional storage capacity in flight Peaking project and gas conversion specification development underway and starting critical equipment procurement
Execute on Enterprise Resource Planning (ERP) RFP to mitigate system end-of-life by selecting software partner	<ul style="list-style-type: none"> Final negotiations with top vendors underway; will seek Board approval upon completion
Engage with our community on rate design and adjustments	<ul style="list-style-type: none"> Sought input from the community and received approval of rate increase from Board of Trustees and City Council in December; rate increase implemented on February 1, 2024
Pursue grants and other new revenue sources with partners	<ul style="list-style-type: none"> Awarded Grid Resiliency and Innovation Partnership (GRIP) Grant Submitted EV and Gas Infrastructure grants but not selected

Run the Business - Enterprise Measures* (End-of-Year Actuals as of January 31, 2024)



As of: 1/31/2024

Achieved Strategic Variance Not Achieved

Operational Evolution

Financial Stability

Customer Experience

Team Culture

*Measure details in appendix

FY2024 ENTERPRISE MEASURE RESULTS

AS OF JANUARY 31, 2024



Strategic Objective	Measure Name ³	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year		Year- End Result
						FY2022	FY2023	Year-End Actual	Year-End Target	
						CY2021	CY2022			
Operational Evolution	Technology Availability- Critical IT System Availability	monthly	FY	%	↑	99.9	99.8	99.8	99.5	Achieved
	Environmental Issues- Environmental Compliance Issues - NOE & NOV (Category A & B) Enterprise	monthly	CY	#	↓	0	0	0	0	Achieved
	Gas Growth- Gas System Growth	monthly	FY	%	↑	1.97	1.97	1.98	1.51	Achieved
	Plant Reliability- Portfolio Commercial Availability (PCA)	monthly	CY	%	↑	77.1	82.2	94.0	88.9	Achieved
	Outage Duration- System Average Interruption Duration Index (SAIDI)	monthly	CY	#	↓	67.68	59.81	61.19	63.70	Achieved
	Outage Frequency- System Average Interruption Frequency Index (SAIFI)	monthly	CY	#	↓	1.01	0.95	1.01	0.98	Not Achieved
Financial Stability	Adjusted Debt Service Coverage	quarterly	FY	#	↑	1.66	1.89	2.21	>1.50 ¹	Achieved
	Capital Budget (Gross of CIAC)	monthly	FY	\$	↓	655.7	788.3	1,004.6	941.0	Strategic Variance
	Days Cash on Hand	quarterly	FY	#	↑	182	166	201	>150 ¹	Achieved
	Debt Capitalization	quarterly	FY	%	↓	61.6	61.8	60.8	<65.0 ¹	Achieved
	Senior Lien Bond Ratings²	quarterly	FY	#	=	0	1	1	1	Achieved
	O&M Budget	monthly	FY	\$	↓	618.5	688.7	787.6	773.0	Strategic Variance
Customer Experience	Customer Satisfaction – Residential	quarterly	CY	#	↑	78.9	74.4	77.6	75.0	Achieved
Team Culture	Employee Engagement – Enterprise	annually	FY	#	↑	3.99	4.09	4.16	4.12	Achieved
	Talent Readiness- Enterprise Readiness – Executives	annually	FY	%	↑	83	72	82	75	Achieved
	Safety Rate- Enterprise Recordable Incident Rate - (RIR)	monthly	FY	#	↓	1.68	1.49	0.85	1.35	Achieved

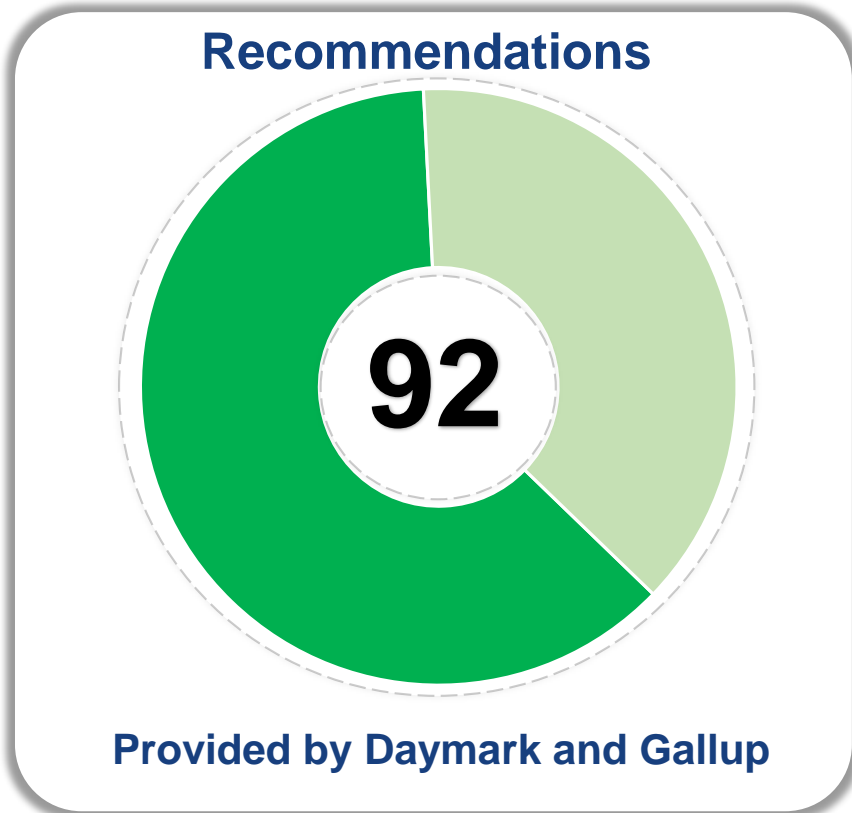
¹ Year-End targets for these Measures are set to maintain our financial stability aligned with Credit Rating Agency thresholds.

² A measure of the Senior Lien Bond Ratings as measured by Fitch, Moody's, and Standard & Poor's (Fitch = AA-, Moody's = Aa2, Standard & Poor's = AA-) such that "1" represents the maintenance of current Ratings, a "2" (or "0") indicates an upgrade (or downgrade) in one or more ratings.

³ Measure name includes term used on scorecard (bolded) and the technical metric name (not bolded)

OPERATIONAL EFFICIENCY REVIEW

ALIGNED TO BUSINESS PLANS



We have successfully evaluated and incorporated all Operational Efficiency Review (OER) recommendations into our processes and business plans.

- 57** **ALIGNED FY2024**
Recommendations we have incorporated into our processes and business plans for FY2024
- 35** **ALIGNED FY2025**
Recommendations we have incorporated into our processes and business plans for FY2025

SUMMARY



- All measure results are validated through an internal audit
- We achieved all five of our FY2024 Strategic Actions towards Vision 2027
- Achieved 13 of 16 Enterprise Measures
 - SAIFI exceeded by 0.03 due to higher than forecasted weather conditions
 - O&M and Capital budget strategically exceeded to achieve operational goals

	Achieved	Strategic Variance	Not Achieved
Strategic Actions	5 (100%)	0 (0.0%)	0 (0.0%)
Enterprise Measures	13 (81.3%)	2 (12.5%)	1 (6.2%)



THANK YOU



APPENDIX

GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
Adjusted Debt Service Coverage Ratio (ADSC)	Measurement of available cash flow to pay current debt obligations	EPA	Environmental Protection Agency
CCF	100 Cubic Feet of Gas	OPEB	Postemployment benefits other than pension benefits (Other Post-employment Benefits)
CIAC	Contribution in Aid of Construction	OSHA	Occupational Safety and Health Administration
CY	Current Year	PCA	Portfolio Commercial Availability
CP	City Payment	PowerGADS	Power Generating Availability Data System
Days Cash on Hand (DCOH)	Represents the number of days a company can continue to pay its operating expenses with current cash available	PTO	Paid Time Off
Debt Capitalization Ratio	Measurement that shows the proportion of debt a company uses to finance its assets, relative to the amount of cash (equity) used for the same purpose	RFP	Request for Proposal
Debt Service	In the Flow of Funds, the annual amount of principal and interest payments due to bond holders	RIR	Recordable Incident Rate
EEA	Energy Emergency Alert	REP	Retail Electric Provider

GLOSSARY / DEFINITIONS CONT'D.



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
IEEE	Institute of Electrical and Electronics Engineers	R&R	A restricted cash account which may be used to fund construction costs (Repair & Replacement account)
MCF	1000 Cubic Feet of Gas	SAIDI	System Average Interruption Duration Index
OMS	Outage Management System	SAIFI	System Average Interruption Frequency Index
ERCOT	Electric Reliability Council of Texas	NOE	Notice of Enforcement
ERP	Enterprise Resource Planning	NOV	Notice of Violation
EIT	Enterprise Information Technology	MW	Megawatt
EV	Electric Vehicle	OER	Operational Efficiency Review
ERP	Enterprise Resource Planning	O&M	Normal costs incurred to keep business operations ongoing (Operating & Maintenance)
EVOLVE	Program for implementing ERP system	SAP	Systems Applications and Products in Data Processing
FEMA	Federal Emergency Management Act	S&P	Standard & Poor
FY	Fiscal Year	STP	South Texas Project
kWh	Kilowatt-hour	TCEQ	Texas Commission on Environmental Quality
LE	Latest Estimate	Wholesale Revenue net Fuel	Revenues from market sales of incremental power produced less the cost of fuel to produce the power
LTSA	Long- Term Service Agreement	YTD	Year-to-Date

ELECTRIC SALES BY CUSTOMER SEGMENT – JANUARY FY2024*



Customer Sector	Sales vs. Budget	% of Total Load	% Impact on Total Usage
Residential	-2.2%	45.8%	-1.0%
Churches & Services	1.6%	6.2%	0.1%
Manufacturing	-1.3%	2.0%	0.0%
Retail	2.6%	4.5%	0.1%
Educational Services	1.7%	3.9%	0.1%
Hotel & Food Services	4.0%	3.7%	0.1%
Other**	-0.9%	33.9%	-0.3%
Total System		100.0%	-0.9%

*Billed January actual performance to Plan.

**Other sector includes other commercial sectors, data centers, food & wood product manufacturing, municipals, lighting, etc.



ELECTRIC SALES

BY CUSTOMER SEGMENT – FULL YEAR FY2024*

Customer Sector	Sales vs. Budget	% of Total Load	% Impact on Total Usage
Residential	3.7%	44.4%	1.6%
Churches & Services	2.6%	6.5%	0.2%
Manufacturing	1.5%	2.2%	0.0%
Retail	3.2%	5.0%	0.2%
Educational Services	2.9%	4.8%	0.1%
Hotel & Food Services	4.5%	4.2%	0.2%
Other**	1.3%	32.9%	0.5%
Total System		100.0%	2.8%

*Billed Full Year performance to Plan.

**Other sector includes other commercial sectors, data centers, food & wood product manufacturing, municipals, lighting, etc.

NET INCOME

PRELIM RESULTS ACTUAL VS. PLAN



Description	FY2024		
	Plan	Actuals	Variance: (Under Plan) Over Plan
Revenue available for nonfuel expenses			
Electric	\$ 3,217.6	\$ 3,125.1	\$ (92.5)
Gas	321.2	234.2	(87.0)
Total operating revenue	3,538.8	3,359.3	(179.5)
Less:			
Electric fuel, distribution gas & regulatory	1,602.1	1,186.2	(415.9)
Payments to the City of San Antonio	436.8	449.4	12.6
Net operating revenue	1,499.9	1,723.7	223.8
Nonoperating revenue	46.9	97.0	50.1
Total revenue available for nonfuel expenses	1,546.8	1,820.7	273.9
Nonfuel expenses			
Operation & maintenance	773.0	787.6	14.6
Depreciation, amortization & decommissioning	539.3	530.2	(9.1)
Interest & debt-related	255.3	260.3	5.0
Total nonfuel expenses	1,567.6	1,578.1	10.5
Net Income (Loss)	\$ (20.8)	\$ 242.6	\$ 263.4

Highlights:

- **Operating Revenue**
 - Total revenues were down relative to Plan due to lower fuel costs, which was good for customers
 - Higher temperatures and higher than planned market prices increased wholesale revenue well above Plan
- **Non-Operating Revenue**
 - Primarily driven by higher investment income, property sales and FEMA reimbursement
- **Operation & Maintenance**
 - Above plan due to weather-event related emergency repair work and storm-related overtime expense, leak repair, and hiring / workforce retention, offset partially by Subscription Based IT arrangements
 - Due to strong wholesale performance, we strategically allocated additional funds to projects that continued to support reliability and resiliency efforts
- **Interest & debt-related**
 - Over plan due to long-term service agreement (LTSA) interest expense adjustment and STP defined benefit plan funding obligations that were partially offset by debt service savings
- **Net Income**
 - Ended up well above plan due to wholesale favorability and weather-related local sales

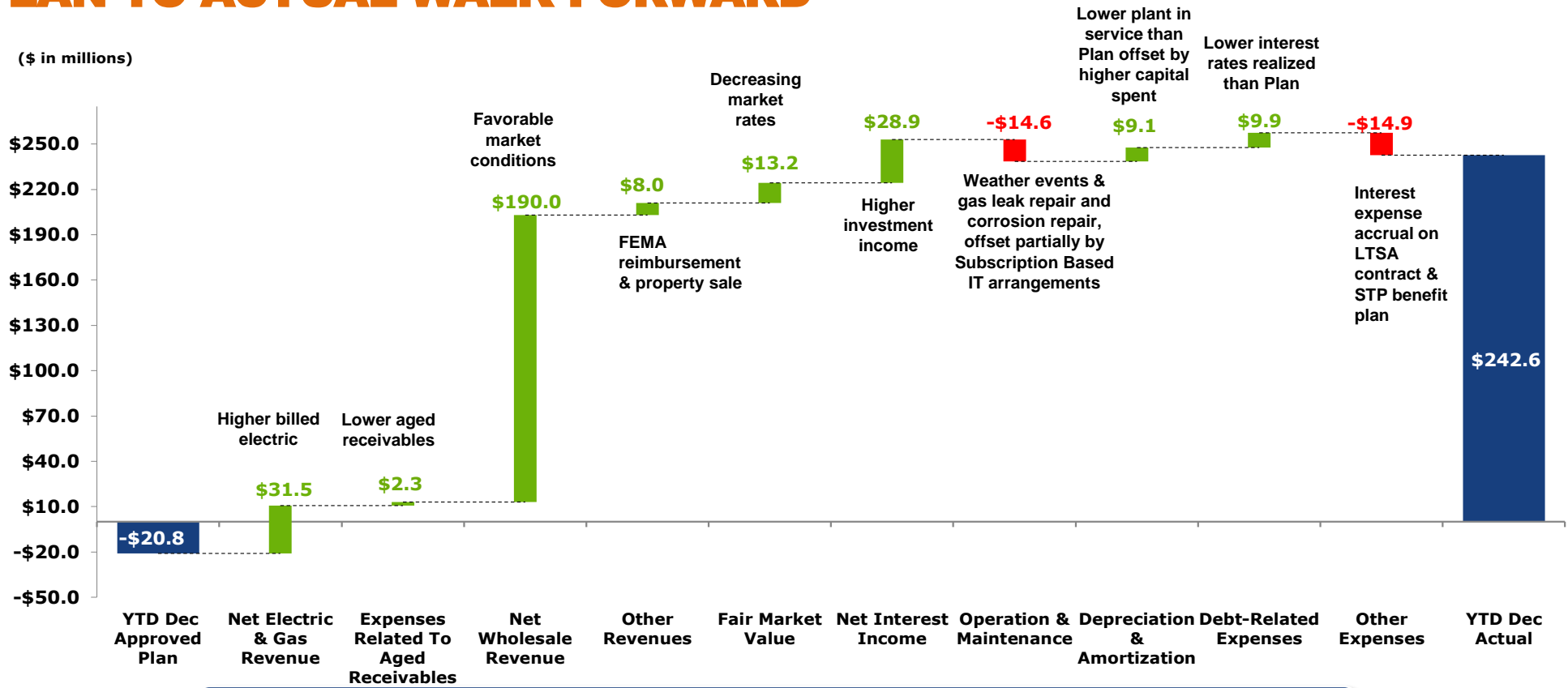
Non-cash items such as investment fair value adjustments do not impact financial metrics such as ADSC or DCOH. These items only impact net income and by extension the equity portion of the debt / capitalization metric.
 Full-Year bad debt expense of \$30.0M vs \$27.7M for Plan which was \$2.3M under Plan.
 Full-Year Interest and debt-related expense actuals include STP defined benefit plan funding obligations of -\$7.3M.



FY2024 FULL-YEAR NET INCOME

PLAN TO ACTUAL WALK-FORWARD

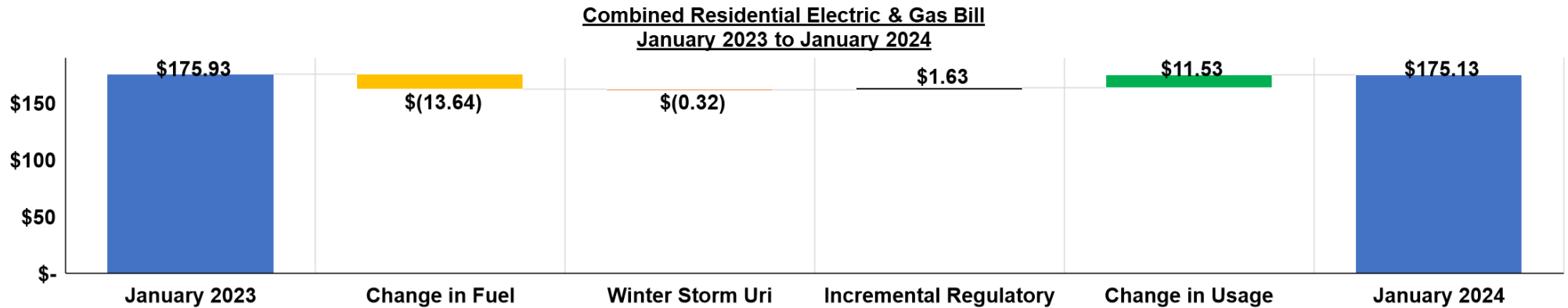
(\$ in millions)



Higher revenues from stronger sales and non-operating revenues brought net income significantly higher than Plan.

Please note that 'net electric & gas revenue' is net of gross revenue (billed & unbilled), net TCOS revenues, fuel & reg, & city payment

RESIDENTIAL BILL IMPACT



AVERAGE RESIDENTIAL USAGE			
	January 2023	January 2024	Variance
Electric (kWh)	983	980	-3
Gas (CCF)	49	60	+11

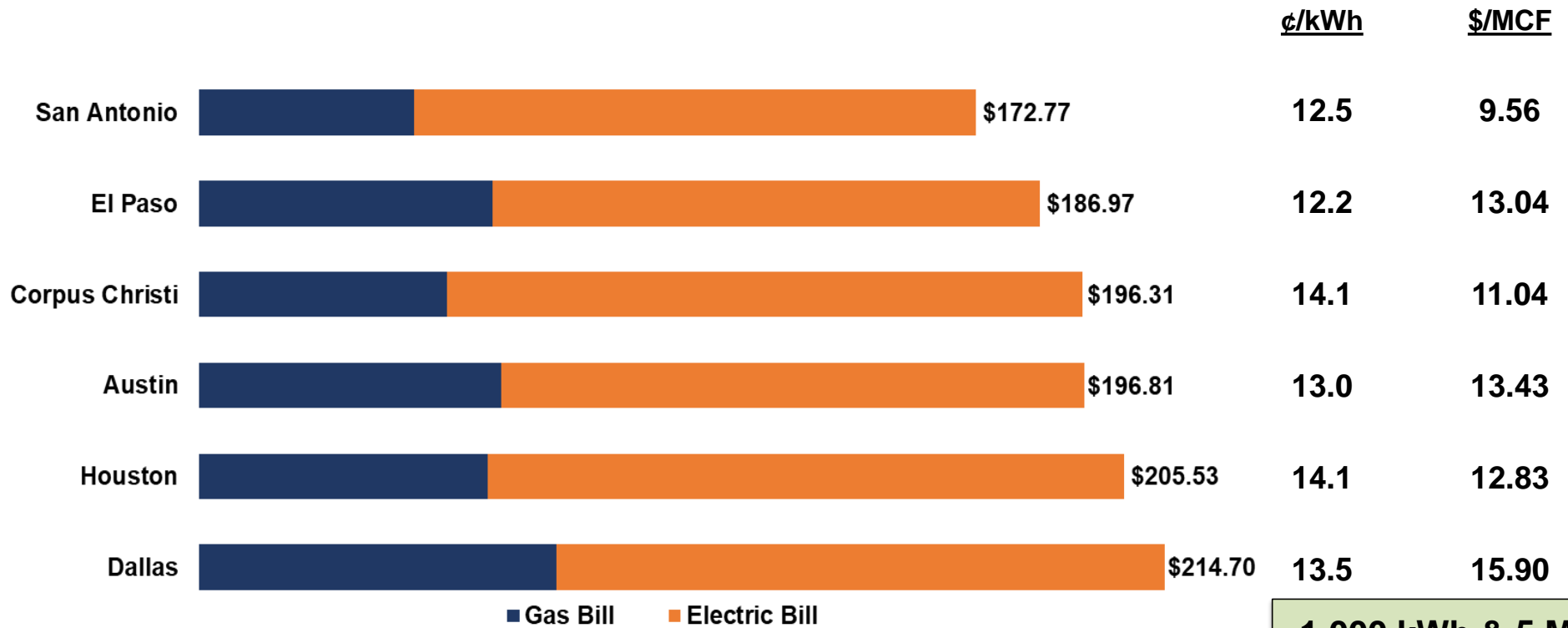
Lower fuel costs were offset by increased gas usage due to colder weather in January 2024.

Note: Winter Storm Uri Recovery = $\$0.00085 \times 980 \text{ kWh}$ (average electric usage for January) + $\$0.008249 \times 60 \text{ CCF}$ (average gas usage for January)



TEXAS CITIES COMBINED RESIDENTIAL BILL COMPARISON

TRAILING TWELVE MONTHS ENDING JANUARY 2024

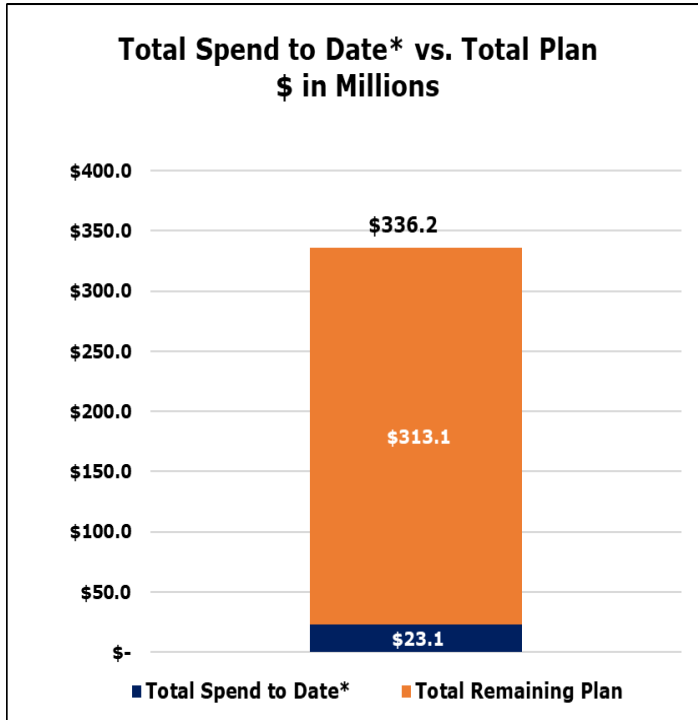


1,000 kWh & 5 MCF

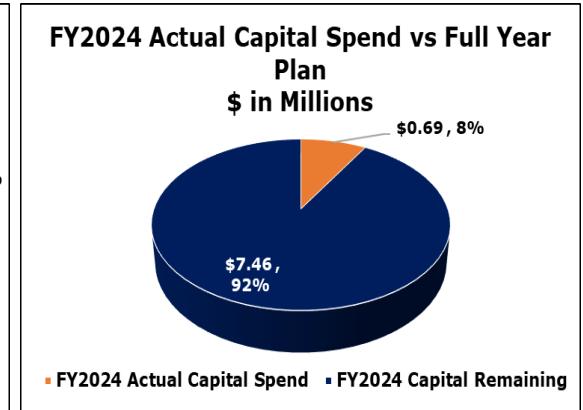
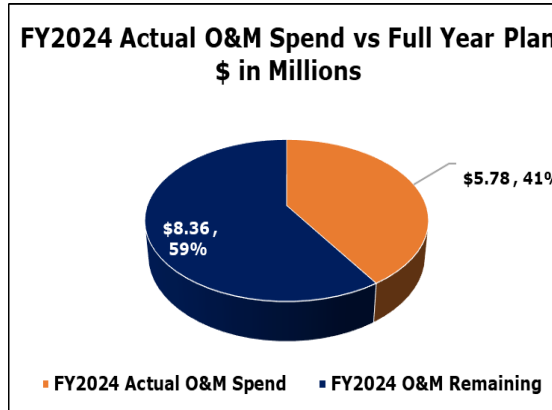
Note: Deregulated markets electric data from powertochoose.org (Terms 12; 4&5 star rated REPs).
San Antonio is the only city that has a single electric & gas provider.

EVOLVE FINANCIAL SUMMARY

AS OF JANUARY 31, 2024



* Includes FY2021-FY2023 Actuals and FY2024 Preliminary Actuals



FY2024 O&M & Capital Spend			
\$ in Millions	Actual Spend	Full -Year Plan	Variance
Capital	\$0.69	\$8.15	(\$7.46)
O&M	\$5.78	\$14.14	(\$8.36)
Total	\$6.47	\$22.29	(\$15.82)

EVOLVE initiatives are proceeding as planned. Contract negotiations are underway with the shortlisted ERP vendors.

(1) Visuals do not include any adjustments for contingencies.
 (2) Visuals include all EVOLVE initiatives. ERP is the largest effort within EVOLVE.
 (3) Total estimate informed by current known variables, to be refined based on future organizational, technology and market conditions.

TECHNOLOGY AVAILABILITY

EIT



Details & Notes

Measure Description: Measurement of the average uptime of Critical Systems that include: 1) SAP ERP, 2) Enterprise Network, 3) Enterprise Phones, 4) Manage My Account, and 5) Enterprise Email. Outage minutes included planned and unplanned events.

Measure Formula/Definition: Average of total number of minutes - total number of outage minutes / total number of minutes within the measured timeframe X 100

Rounded to the nearest decimal place. Fiscal year measure.

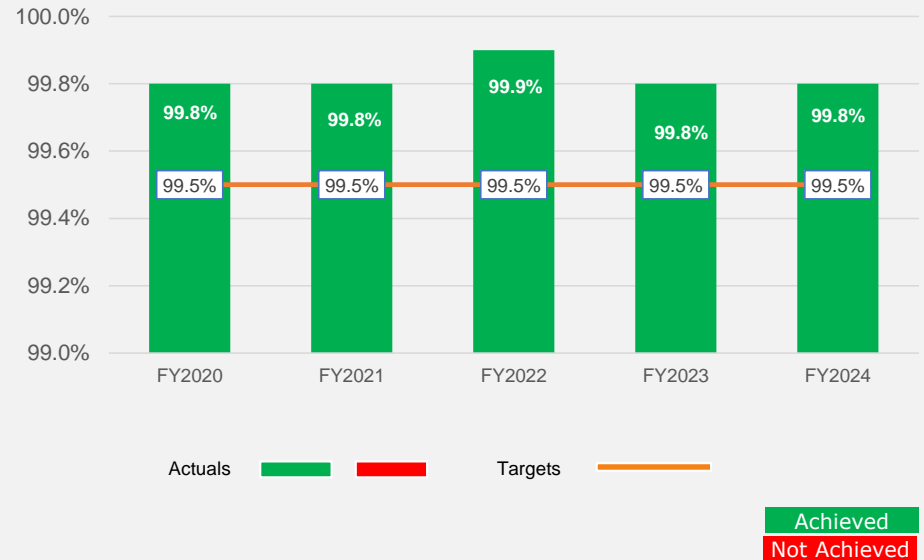
Notes:

- **FY2024 Target = 99.5%**
- **No benchmark data available.**
- Measure has achieved target since FY2018.

Historical Results



Critical IT Systems Availability Historical



ENVIRONMENTAL ISSUES

GENERAL COUNSEL



Details & Notes

Measure Description: The total number of environmental written Notices of Violation (NOVs) and Notices of Enforcement (NOEs) issued to and agreed to by CPS Energy, which includes Texas Commission of Environmental Quality (TCEQ) Category A and B violations but does not include CPS Energy's self-reported TCEQ Compliance History NOVs.

The measure will be marked at risk if a written NOV or NOE notice is received, but not agreed to (by the TCEQ and CPS Energy.) A violation will be counted on the date of the agreement with the regulatory agency.

Measure Formula/Definition:

Sum of identified events.

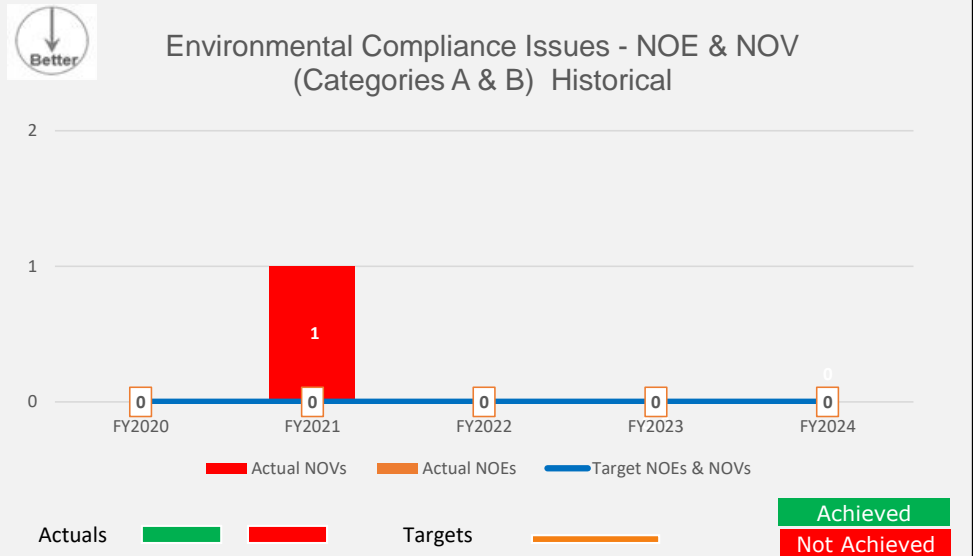
Measured as a whole number. Fiscal year measure.

Events will be counted when an agreement is reached with the regulatory agency and a written letter, agreement or order is received.

Notes:

- **FY2024 Target = 0**
- **No benchmark data available.**
- NOE targets have consistently been set at '0.'
- Environmental NOVs may be issued by the Texas Commission on Environmental Quality (TCEQ) or the Environmental Protection Agency (EPA); usually in the form of an official letter sent via U.S. mail.

Historical Results



GAS GROWTH

ENERGY DELIVERY SERVICES



Details & Notes

Measure Description: Growth rate of the gas system as measured by total customer growth.

Measure Formula/Definition:

(Current fiscal year-end gas customer count - Previous year-end gas customer count / previous year-end gas customer count) x 100

The customer count data used is active installations from SAP.

Rounded to the nearest hundredth decimal.

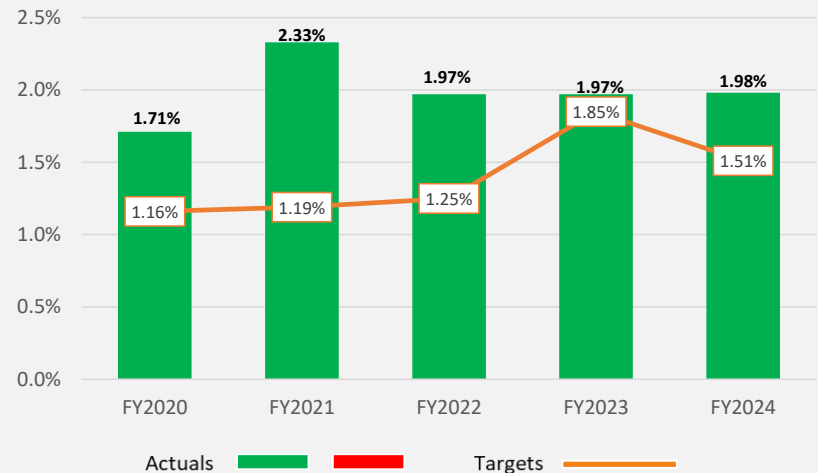
Notes:

- **FY2024 Target = 1.51%**
- **No benchmark data available.**

Historical Results



Gas System Growth Historical



Achieved
Not Achieved

PLANT RELIABILITY ENERGY SUPPLY



Details & Notes

Measure Description: Economic measure of a unit's value-weighted availability. This measures actual margin capture as a percentage of potential ("dispatchable") margin available. It is driven by Locational Marginal Pricing, variable unit cost, MW availability, max unit capacity and unit status. Provided by PowerGADS Margin Analyzer.

Measure Formula/Definition: $\frac{\text{Actual Margin}}{\text{Actual Margin} + \text{Loss Margin}}$

- Actual Margin = (Energy Revenue + Ancillary Revenue + Make-Whole) - (Generation + Startup Cost)
- Loss Margin = Lost Opportunity Energy Revenue - Cost of Simulated Generation and Startup

Rounded to the nearest tenth decimal. Calendar year measure.

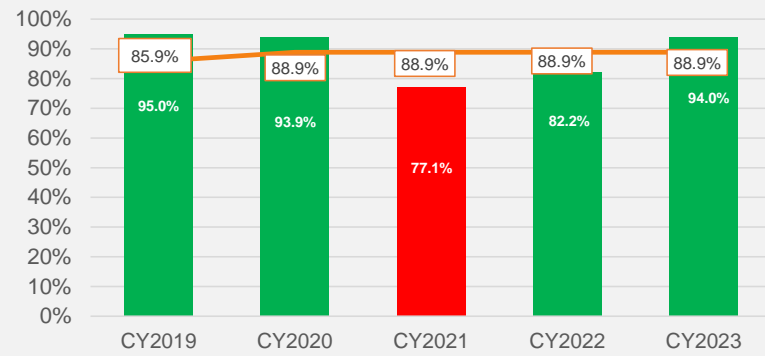
Notes:

- **CY2023 Target = 88.9%**
- **No benchmark data available.**
- PowerGADS (Generating Availability Data System) automates the calculation for this measure.
- The software considers generation unit characteristics, unit costs, and market conditions to determine if a plant could have captured periods of market value.

Historical Results



Portfolio Commercial Availability (PCA) Historical



Actuals



Targets



Achieved

Not Achieved

OUTAGE DURATION

ENERGY DELIVERY SERVICES



Details & Notes

Measure Description: System Average Interruption Duration Index (SAIDI) is the total number of customer interrupted minutes (during a sustained interruption) divided by the total number of customers served for the defined reporting period. For CY2010 and beyond, the number excludes major events, as defined by the Institute of Electrical and Electronics Engineers (IEEE 1366).

Measure Formula/Definition:

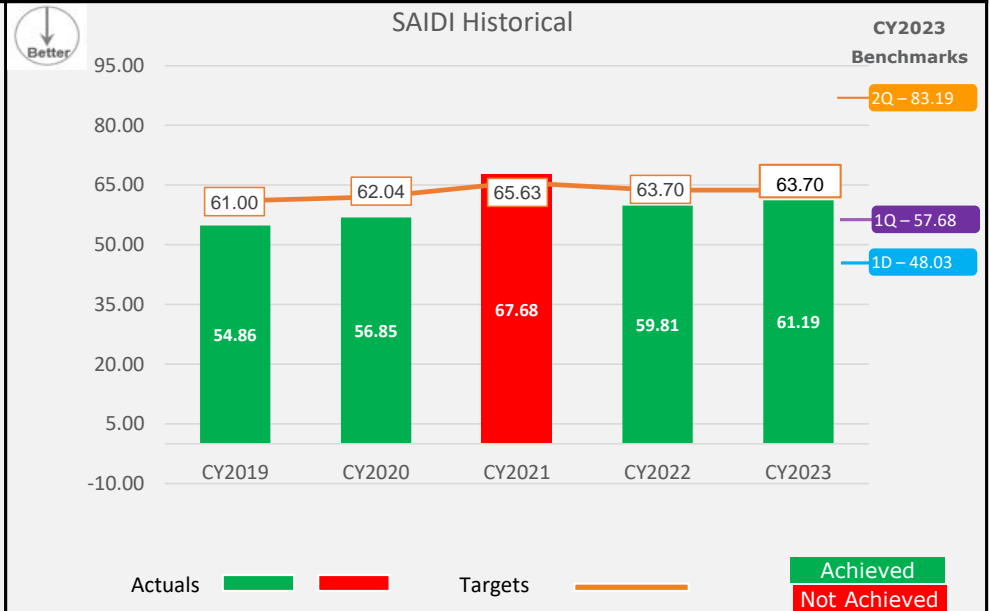
Sum of All Customer Interruption Durations / total # of Customers Served

Rounded to the nearest hundredth decimal. Calendar year measure.

Notes:

- **CY2023 Target = 63.70**
- **Benchmark: 1Q (First Quartile), 2Q (Second Quartile), 1D (First Decile)**
- Measure represents forced and planned outage
- The Outage Management System (OMS) is the system of record for granular outage data.
- An access database serves as the system of record for the calculation since the imported outage details are reviewed, tracked, and subject to change via comments in the database.
- Quotas are used to ensure sampled population reflects CPS Energy's service territory.

Historical Results & Benchmarks



OUTAGE FREQUENCY

ENERGY DELIVERY SERVICES



Details & Notes

Measure Description: System Average Interruption Frequency Index (SAIFI) is the total number of customers interrupted during a sustained interruption divided by the total number of customers served for the defined reporting period. For CY2010 and beyond, the number excludes major events, as defined by the Institute of Electrical and Electronics Engineers (IEEE1366).

Measure Formula/Definition:

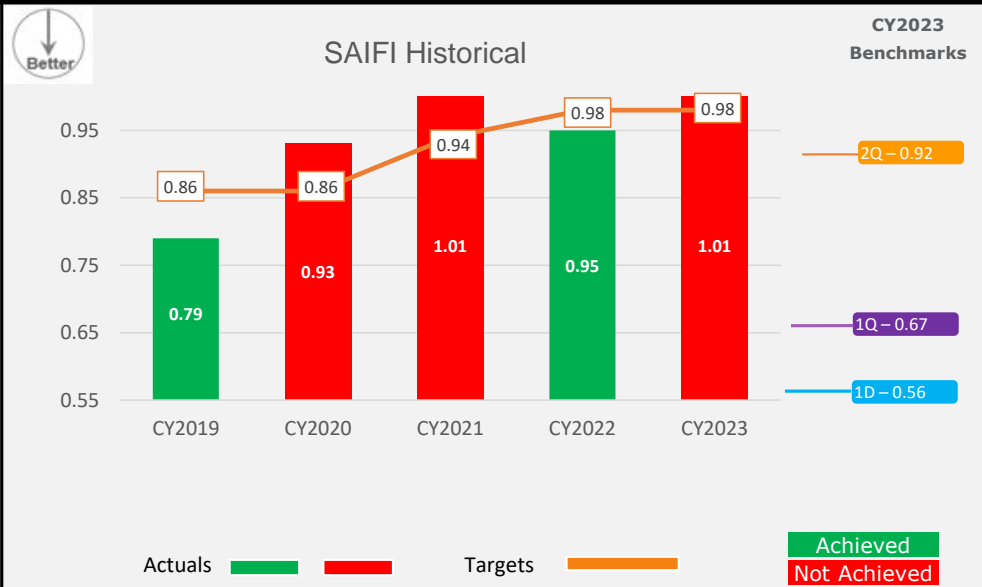
$$\frac{\text{Sum of All Customers Interrupted}}{\text{Total \# of Customers Served}}$$

Rounded to the nearest hundredth decimal. Calendar year measure.

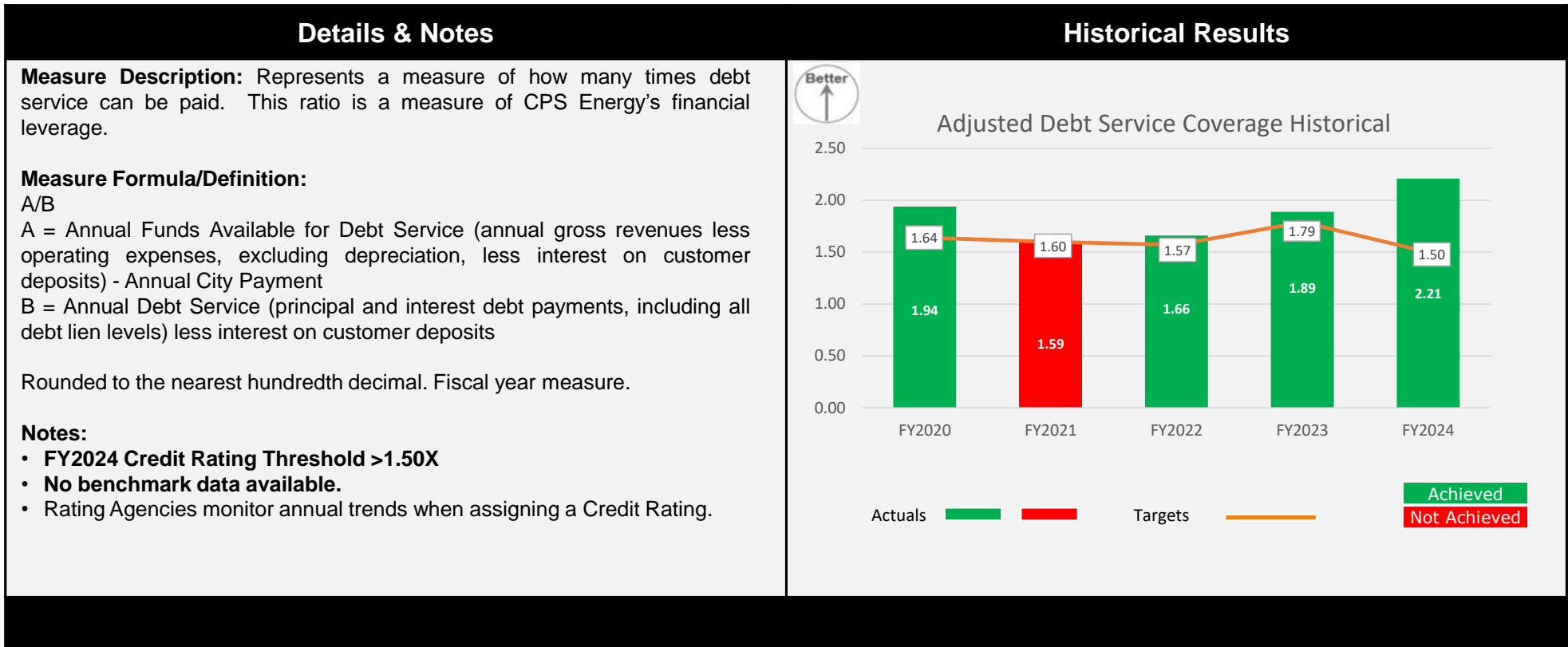
Notes:

- **CY2023 Target = 0.98**
- **Benchmark: 1Q (First Quartile), 2Q (Second Quartile), 1D (First Decile)**
- The Outage Management System (OMS) is the system of record for granular outage data.
- An access database serves as the system of record for the calculation since the imported outage details are reviewed, tracked, and subject to change via comments in the database.

Historical Results & Benchmarks



ADJUSTED DEBT SERVICE COVERAGE (ADSC) FINANCIAL SERVICES



CAPITAL BUDGET FINANCIAL SERVICES



Details & Notes	Historical Results																		
<p>Measure Description: Adherence to enterprise Capital Budget. This target is the Capital Budget approved by the CPS Energy Board of Trustees.</p> <p>Measure Formula/Definition:</p> $\frac{\text{Capital Budget} - \text{Actual Capital Spending}}{\text{Capital Budget}}$ <p>Rounded to the nearest tenth decimal. Fiscal year measure.</p> <p>Notes:</p> <ul style="list-style-type: none"> • FY2024 Credit Rating Threshold = 941.0 • No benchmark data available. • Gross of Contribution in Aide of Construction (CIAC). 	<p>Capital Budget (Gross of CIAC) (\$M) Historical</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Actuals (\$M)</th> <th>Targets (\$M)</th> </tr> </thead> <tbody> <tr> <td>FY2020</td> <td>734.0</td> <td>765.4</td> </tr> <tr> <td>FY2021</td> <td>630.8</td> <td>684.1</td> </tr> <tr> <td>FY2022</td> <td>655.7</td> <td>714.3</td> </tr> <tr> <td>FY2023</td> <td>788.3</td> <td>832.9</td> </tr> <tr> <td>FY2024</td> <td>1004.6</td> <td>941.0</td> </tr> </tbody> </table> <p>Legend: Actuals (Green bar), Targets (Orange line), Strategic Variance (Light Green), Achieved (Dark Green), Not Achieved (Red)</p>	Fiscal Year	Actuals (\$M)	Targets (\$M)	FY2020	734.0	765.4	FY2021	630.8	684.1	FY2022	655.7	714.3	FY2023	788.3	832.9	FY2024	1004.6	941.0
Fiscal Year	Actuals (\$M)	Targets (\$M)																	
FY2020	734.0	765.4																	
FY2021	630.8	684.1																	
FY2022	655.7	714.3																	
FY2023	788.3	832.9																	
FY2024	1004.6	941.0																	

DAYS CASH ON HAND (DCOH) FINANCIAL SERVICES



Details & Notes

Measure Description: Represents the number of days of operating expenses an organization can pay with its current cash. It is a measure used in the financial community to measure liquidity.

Measure Formula/Definition:

$$\frac{\text{General Cash Balance} + \text{R\&R Fund Balance}}{\text{Annual Operating Expense} - \text{Depreciation}} \times 365 \text{ Days}$$

Rounded to the nearest whole number. Fiscal year measure.

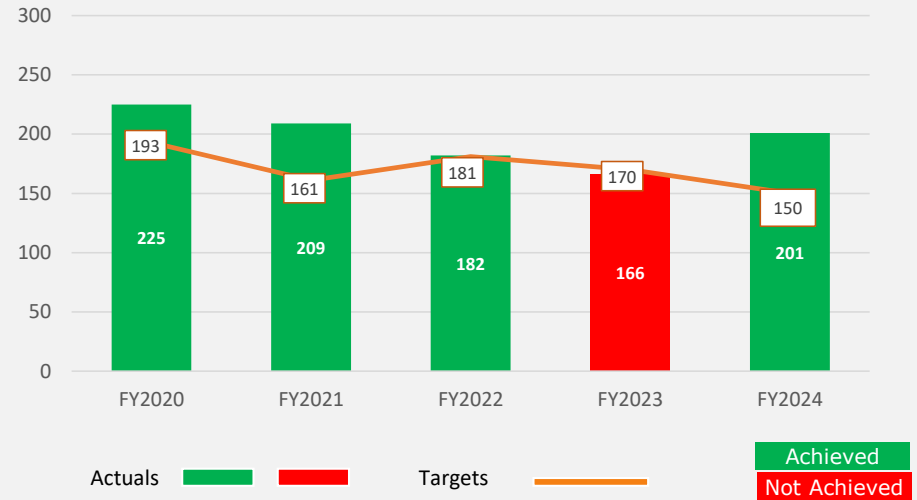
Notes:

- **FY2024 Credit Rating Threshold >150**
- **No benchmark data available.**
- Approved budgets and actuals are tracked in SAP.
- Values for this Measure will be calculated using:
 - Board Schedules for General Cash Balance + R&R Fund Balance, and
 - Latest Estimate (LE) for fiscal year for Annual Operating Expense

Historical Results



Days Cash on Hand Historical



DEBT CAPITALIZATION

FINANCIAL SERVICES



Details & Notes

Measure Description: Represents a measure of CPS Energy’s total outstanding debt as a percentage of total capitalization. This ratio is a measure of CPS Energy’s financial leverage.

Measure Formula/Definition: $A / (A+B)$

A = Total Outstanding Debt (all liens including Commercial Paper and Flexible Rate Revolving Notes) before principal payment in current fiscal year, less the principal portion of the debt reserve funds

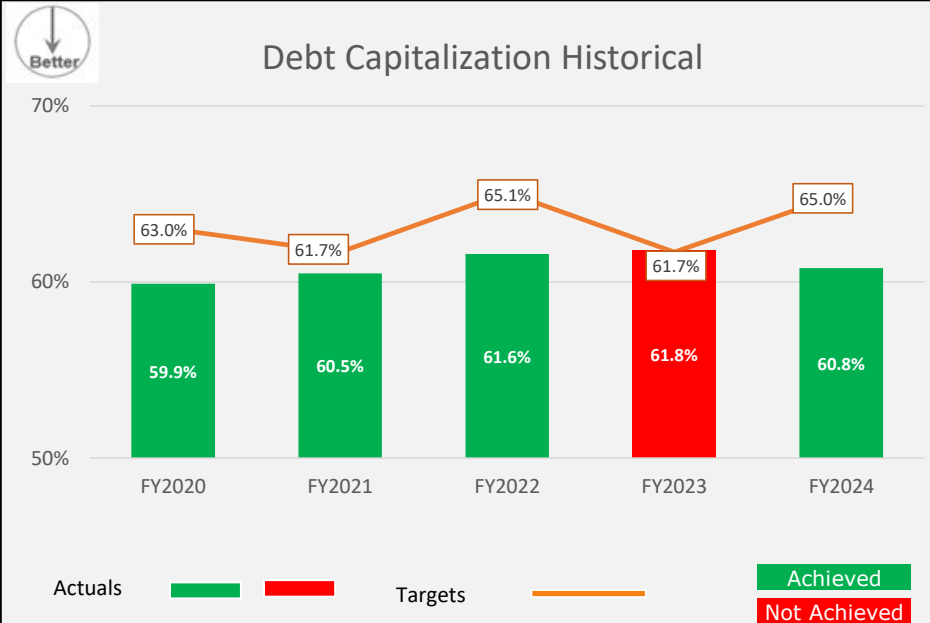
B = Net Position (where Assets – Liabilities = Net Position [aka Equity])
Fiscal year measure

Notes:

FY2024 Credit Rating Threshold <65.0%

- No benchmark data available.
- The Rating Agencies have different methodologies to calculating leverage and our calculation closely aligns to one of them.
- Rating Agencies monitor annual trends when assigning a Credit Rating.
- Our multi-year plan works to decrease the ratio near 60% without being the cause for a rate increase.

Historical Results



SENIOR LIEN BOND RATINGS

FINANCIAL SERVICES



Details & Notes

Measure Description: A measure of the Senior Lien Bond Ratings as measured by Fitch, Moody's, and Standard and Poor's (Fitch = AA-, Moody's = Aa2, Standard and Poor's = AA-) such that a "1" represents the maintenance of current Ratings, a "2" (or "0") indicates an upgrade (or downgrade) in one or more Ratings.

Measure Formula/Definition:

Each Rating is owned independently by the respective Credit Rating Agency.

- The measure is calculated as follows:
 - If the current Ratings are maintained, the value is "1"
 - If any Ratings are upgraded, the value is "2"
 - If any Ratings are downgraded, the value is "0"

Measured as a whole number. Fiscal year measure.

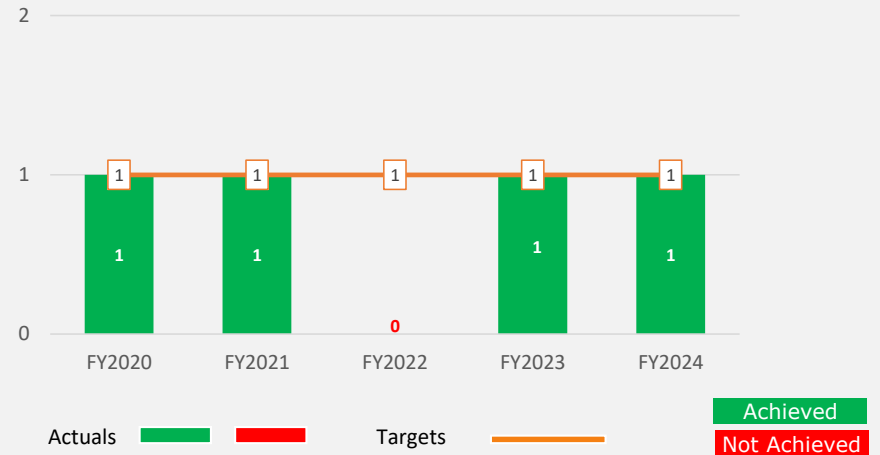
Notes:

- **FY2024 Credit Rating Threshold = 1**
- **No benchmark data available.**
- Ratings are assigned when new Senior Lien Bonds are issued.
- Each of the Credit Rating Agencies (Fitch, Moody's, and S&P) use a unique formula for assigning their Rating.
- Communication between CPS Energy and the Credit Rating Agencies is ongoing throughout the year via conference calls and annual visits
 - Objective is to ensure open communication with Credit Rating Agencies to maintain or improve current Ratings

Historical Results



Enterprise Senior Lien Bond Rating Historical



O&M BUDGET

FINANCIAL SERVICES



Details & Notes

Measure Description: Adherence to enterprise Operations and Maintenance (O&M) Budget. This target is the Non-Fuel O&M Budget approved by the CPS Energy Board of Trustees.

Measure Formula/Definition:

$$\frac{\text{Budgeted Enterprise O\&M} - \text{Actual Enterprise O\&M}}{\text{Budgeted Enterprise O\&M}}$$

Where actual enterprise O&M is calculated as follows:

- CPS Energy O&M + STP O&M, excluding fuel and decommissioning + Annual OPEB and pension costs + decommissioning, nonfuel, excluding fuel storage - (decommissioning investment income and change in fair value - STP decommissioning net costs recoverable (refundable))

Rounded to the nearest tenth decimal. Fiscal year measure.

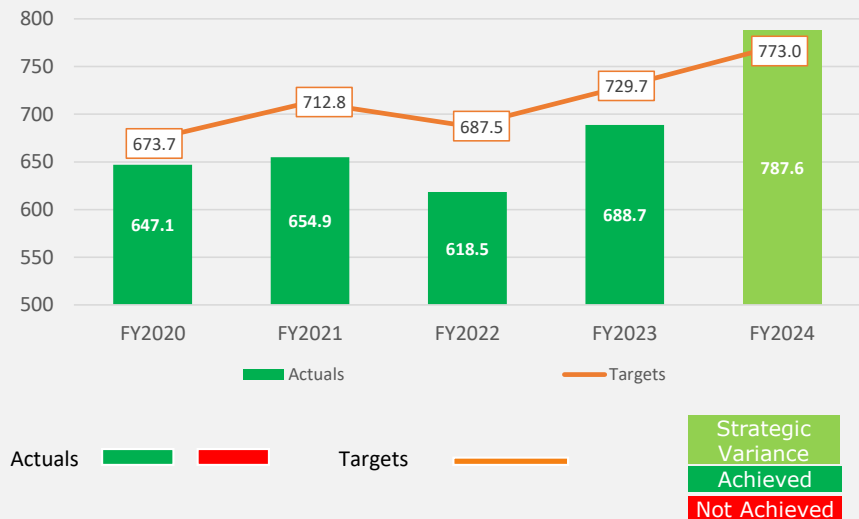
Notes:

- **FY2024 Threshold = 773.0**
- **No benchmark data available.**
- Enterprise O&M Budget is approved annually by the Board of Trustees.
- Approved budgets and actuals are maintained in SAP and reported monthly to business leadership and the Board of Trustees.



Historical Results

O&M Budget (\$M) Historical



CUSTOMER SATISFACTION – RESIDENTIAL

CUSTOMER STRATEGY



Details & Notes

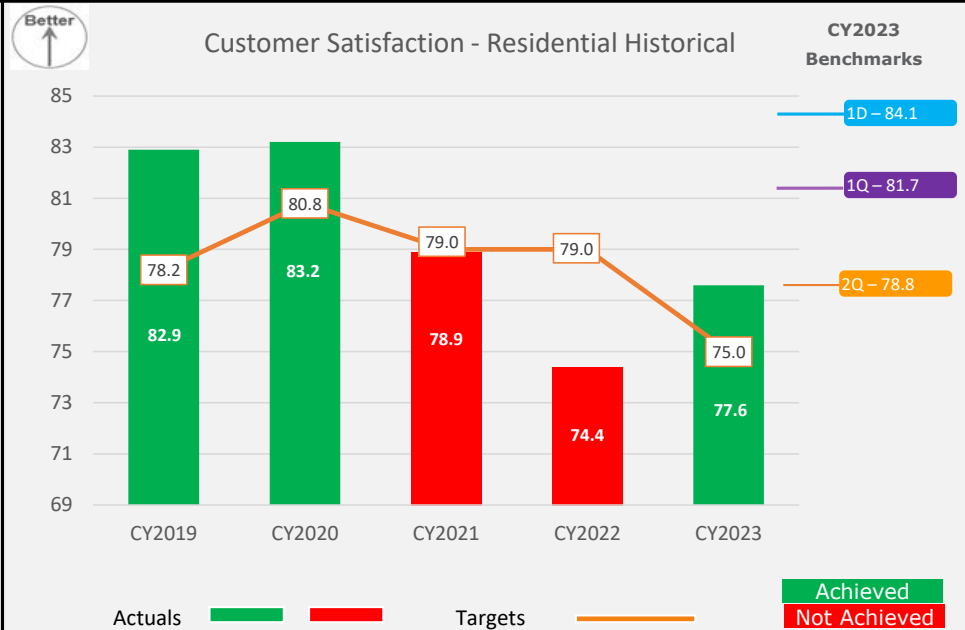
Measure Description: Measure of key performance drivers of residential customer perceptions of CPS Energy that lead to overall customer satisfaction. Measured by a single question in the Escalent Residential Customer Satisfaction survey: Based on your overall experience with CPS Energy, how satisfied would you say you are? Using a zero to ten scale, where zero means you are extremely unsatisfied, and ten means you are extremely satisfied.

Measure Formula/Definition: Year-end results for residential satisfaction will be calculated based on the arithmetic average of the four quarterly surveys. Survey data is compiled, analyzed, and reported via a third-party administrator (Escalent). Rounded to the nearest tenth decimal. Calendar year measure.

Notes:

- **Target: 75.0**
- **Benchmark: 1Q (First Quartile), 2Q (Second Quartile), 1D (First Decile)**
- Values are the result of a quarterly phone survey conducted by Escalent. The Customer Satisfaction question is the first question asked on each phone survey.
- Escalent consolidates the quarterly results into reports shared with CPS Energy.
- Escalent considers demographics, ensures various quotas are used, and weighs results to ensure the sampled population reflects CPS Energy’s service territory.

Historical Results & Benchmarks



EMPLOYEE ENGAGEMENT ADMINISTRATION



Details & Notes

Measure Description: Measure of employees' psychological commitment and emotional connection to their roles as a result of meeting their performance-related workplace needs.

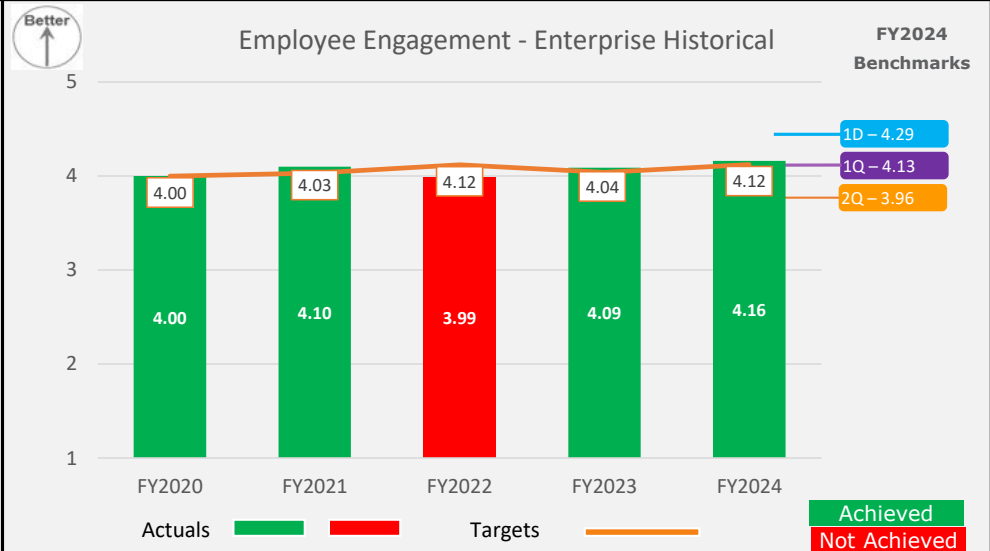
Measure Formula/Definition: Employee Engagement is measured by a 12-question survey administered by Gallup International. All statements are measured on a Likert scale of 1 (strongly disagree) to 5 (strongly agree) and averaged together to get the organizational score known as the Grand Mean.

Rounded to the nearest hundredth.

Notes:

- **FY2024 Target = 4.12**
- **Benchmark: 1Q (First Quartile), 2Q (Second Quartile), 1D (First Decile)**
- Survey data is compiled, analyzed, and reported via a third-party administrator, Gallup.
- We have a dedicated team that works to administer the survey.

Historical Results & Benchmarks



TALENT READINESS ADMINISTRATION



Details & Notes

Measure Description: Number of executive, non-CEO positions as of February 1 of each year with at least 2 ready-now and/or emergency fill candidates, as measured at fiscal-year end. Positions that are eliminated during the fiscal year are not included in the measure calculation. Ready-now is defined as an employee who has the competency, skills, and experiences to successfully assume the role immediately. Emergency fill is defined as candidates who meet a majority of the position requirements, have a gap-closing documented improvement plan in place, have been rated as ready within one year or less, and candidates that the organization is willing to place in the role for at least one year.

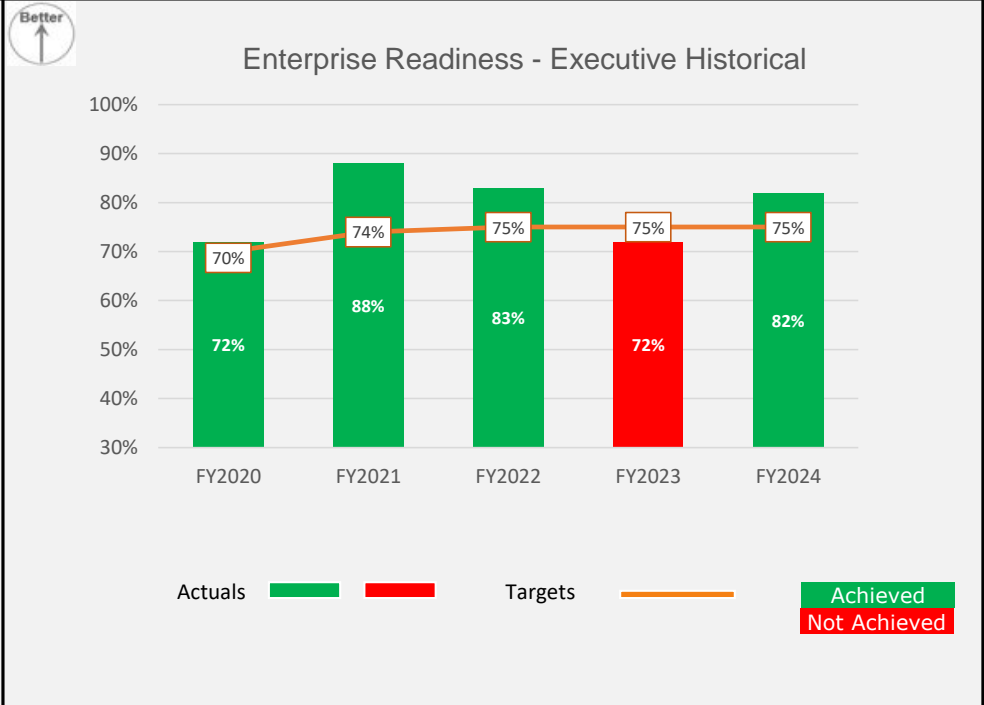
Measure Formula/Definition: $\frac{\# \text{ of roles with at least 2 ready now and/or emergency fill candidates}}{\# \text{ of roles}}$

Rationale for the cutoff date: Each year we kickoff Succession Planning right after Labor Day. Making the cutoff February 1 will streamline the process and ensure that we are not having to decide on a yearly basis what positions should be counted and why. Measured as a whole number. Fiscal year measure.

Notes:

- **FY2024 Target = 75%**
- **No benchmark data available.**
- Direct Reports, followed by their respective leadership teams, meet with People and Culture at least once a year to complete Succession Matrices for their staff and evaluate progress.
- The Succession Matrix has four categories – Ready Now, Emergency Fill, 1-2 years, and 3+ years.

Historical Results



SAFETY RATE ADMINISTRATION



Details & Notes

Measure Description: A measure of the number of recordable incidents per 100 full-time employees that have been involved in a recordable injury or illness. Recordable is an injury that requires medical treatment other than first aid, as well as one that causes death, days away from work, restricted work, transfer to another job, or loss of consciousness. 200,000 is a standard number of hours used by OSHA that represents 40 hours per week for 100 full-time employees. Number of Productive Hours is the cumulative number of employee hours worked. It does not include any nonwork time such as vacation, sick leave, and holidays. If actual hours worked are not available (i.e. salaried employees and executive) the hours are estimated based on 8 hours per workday.

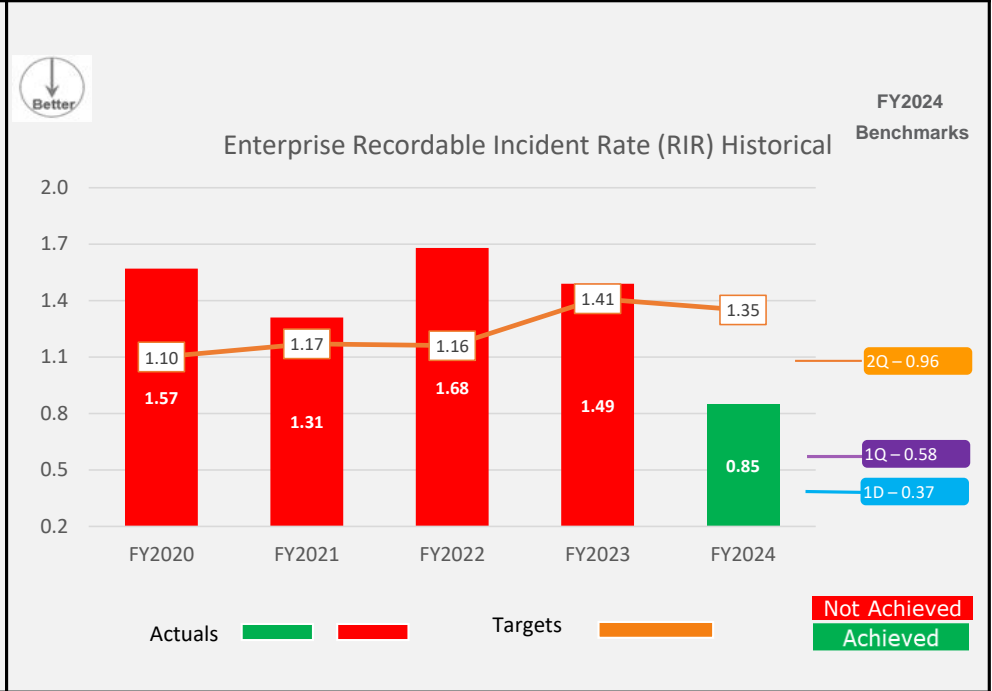
Measure Formula/Definition:
$$\frac{\text{Number of Recordable Incidents} * 200,000}{\text{Productive Hours}}$$

Rounded to the nearest hundredth of a point. Fiscal year measure.

Notes:

- **FY2024 Target = 1.35**
- **Benchmark: 1Q (First Quartile), 2Q (Second Quartile), 1D (First Decile)**
- The value is accessible to all CPS employees via the Safety Dashboard, which is periodically reconciled against the data in SAP to ensure accuracy.

Historical Results & Benchmarks





FY2025 FINANCING PLAN

PRESENTED BY:

Cory Kuchinsky, CPA
Chief Financial Officer & Treasurer

March 25, 2024
Approval Requested

AGENDA



- Governance
- FY2025 Financing Plan
 - Standard Transactions
 - New Opportunities
- Request for Approval

Our objective today is to receive approval for financial transactions that improve our liquidity and generate savings for our customers.

GOVERNANCE



BUDGET COMPONENT	GOVERNANCE	APPROVAL
RATE SUPPORT	Requests approved by you & Council	Approved Dec 7, 2023
FUEL PURCHASES	Governed by Procurement policy with material fuel purchases approved by you	✓
DEBT ISSUANCE	Bond Issuances approved by you & Council	Requesting Today
R&R ADDITIONS	Governed by Bond Ordinance	✓
CITY PAYMENT	Approved Monthly by you	✓
NON-FUEL O&M	Approved Annually by you	Approved Feb 5, 2024
CAPITAL	Approved Annually by you	Approved Feb 5, 2024

We will be requesting your approval of our FY2025 Financing Plan in order to execute on the O&M and Capital plan approved on February 5th.

FY2025 FINANCING PLAN

APPROVAL SUMMARY



Proposed Actions: Executable before May 2, 2025			Reason	Required Approval	
				Board	Council
A. Standard Transactions					
1.	Refunding of outstanding short-term debt	\$1.5B	Refund short-term financing facilities	Y	Y
2.	Refunding of Series 2014 Bonds	\$30.8M	Potential debt service savings of \$3.0M - \$5.0M	Y	Y
3.	Remarketing / Refunding of Series 2015 A & C Bonds	\$223.9M	Secure rates or convert to long-term bonds	Y	Y ¹
4.	Tender of New Series 2020 & 2022	\$597.5M	Potential debt service savings of \$1.0M – \$3.0M	Y	Y
B. New Opportunities					
5.	New Money Bonds	\$310.0M	Provide support for approved Capital Plan	Y	Y
6.	Refunding of New Series 2010A (BABs)	\$280.0M	Reduces exposure to partial loss or the full elimination of the federal subsidy	Y	Y
7.	Extendible Municipal Commercial Paper	\$150.0M	Reduces risk of losing liquidity due to SB13 and SB19	Y	Y
8.	Replacement of Paying Agent(s)	N/A	Opportunity to obtain competitive pricing	Y	Y

1. City Council approval required to refund Series 2015 A & C Bonds



REQUESTS FOR APPROVAL

VOTE - FY2025 FINANCING PLAN

Authorization, without the obligation, to execute the following transactions by delegating authority to the Chief Executive Officer or Chief Financial Officer over the next 12 months:

Vote to approve FY2025 Financing Plan consisting of Standard Transactions and New Opportunities

Your approval will enable us to continue to support investments in our community, improve our risk profile, and seek potential savings for our customers.



THANK YOU



APPENDIX

GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
BABs	Build America Bonds	New Money Bonds	Using bond proceeds for new capital projects
BVAL	Bloomberg Valuation Services AAA Municipal Curve, a commonly used municipal market benchmark yield curve	O&M	Operations & Maintenance
CP	Commercial Paper; could be issued as Taxable, abbreviated as TCP, or Tax-Exempt abbreviated as TECP	Paying Agent	Initiates payments between bond issuers and investors
EMCP	Extendible Municipal Commercial Paper	R&R	Repair & Replace
FRRN	Flexible Rate Revolving Note	Tender	Bond issuer makes offer to buy their bonds from the bondholders
EMCP	Extendible Municipal Commercial Paper		



A. STANDARD TRANSACTIONS

OVERVIEW

1. **Refunding of outstanding short-term debt - \$1.5B** – Refund outstanding short-term debt into long-term bonds
2. **Refunding of Series 2014 Bonds - \$30.8M** – Refunding reauthorization of callable bonds to lower interest rate and generate debt service savings (\$3.0M - \$5.0M), subject to market conditions
3. **Remarketing or Refunding of Series 2015 A & C Bonds - \$223.9M** – Provides the flexibility to either secure short-term rates for an additional 1 to 7 years or refund into long-term bonds
4. **Tender of New Series 2020 & 2022 Bonds - \$597.5M** – Reauthorization to convert outstanding Taxable to Tax-Exempt debt which can generate debt service savings (\$1.0M - \$3.0M), subject to market conditions and bond holder participation

These standard transactions will provide the flexibility needed to support our planned operations and provide potential debt service savings of approximately \$4.0M - \$8.0M.



B. NEW OPPORTUNITIES

OVERVIEW

5. **New Money Bonds - \$310.0M** – Interest rate markets currently provide an additional option to support the funding needs of our FY2025 Capital Plan by issuing long-term bonds to maintain our short-term debt capacity without additional cost, subject to market conditions
6. **Refunding of New Series 2010A (BABs) - \$280.0M** – Reduces exposure to partial loss or full elimination of the federal subsidy, subject to market conditions
7. **Extendible Municipal Commercial Paper (EMCP) - \$150.0M** – An additional interim financing tool to issue Commercial Paper (CP) directly to investors, which mitigates our risk of losing liquidity providers due to state-imposed regulatory changes related to SB13 and SB19
8. **Replacement of Paying Agent(s)** – Provides an opportunity to obtain competitive pricing and possibly reduce costs

These opportunities provide additional methods for securing capital funds in support of our approved budget.



B. NEW OPPORTUNITIES

7. EXTENDIBLE MUNICIPAL COMMERCIAL PAPER

- Texas legislative action may continue to limit access to liquidity providers who currently support our CP and FRRN programs
- Similar to our existing CP program, but does not require a supporting bank liquidity agreement
- An additional CP program that issues directly to a certain group of investors
- Requires an annual refunding resolution that is adopted by the Board and City Council
- Lowers the risk of increased costs due to the loss of commercial paper liquidity
- Is being utilized by other Texas utilities, such as City of Houston Combined Utility System and North Texas Water District

FY2024 FINANCING PLAN



FOR REFERENCE

- **2014 Jr Lien Refunding - \$200.0M** – seeking re-authorization; current Board authorization expires Oct 2022; can achieve debt service savings via refunding
- **Flexible Rate Revolving Note (FRRN) - \$100.0M** – seeking to extend or replace provider agreement with Wells Fargo; which expires Feb 2023
- **Flexible Rate Revolving Note (FRRN) - \$500.0M** – seeking to extend provider's agreements with Wells Fargo, Frost, & JP Morgan; which expire April 2023
- **Commercial Paper (CP) Series B - \$200.0M** – seeking to extend or replace liquidity agreement with State Street, which expires Jun 2023
- **FY2024 TECP Refunding - \$600.0M** – seeking to refund outstanding Tax-Exempt Commercial Paper; estimated transaction date is in the first half of 2023
- **Tender of Taxable Series 2012, 2020, 2022 - \$1.2B** – offer to buy back certain bonds from investor for debt service savings

FY2023 FINANCING PLAN



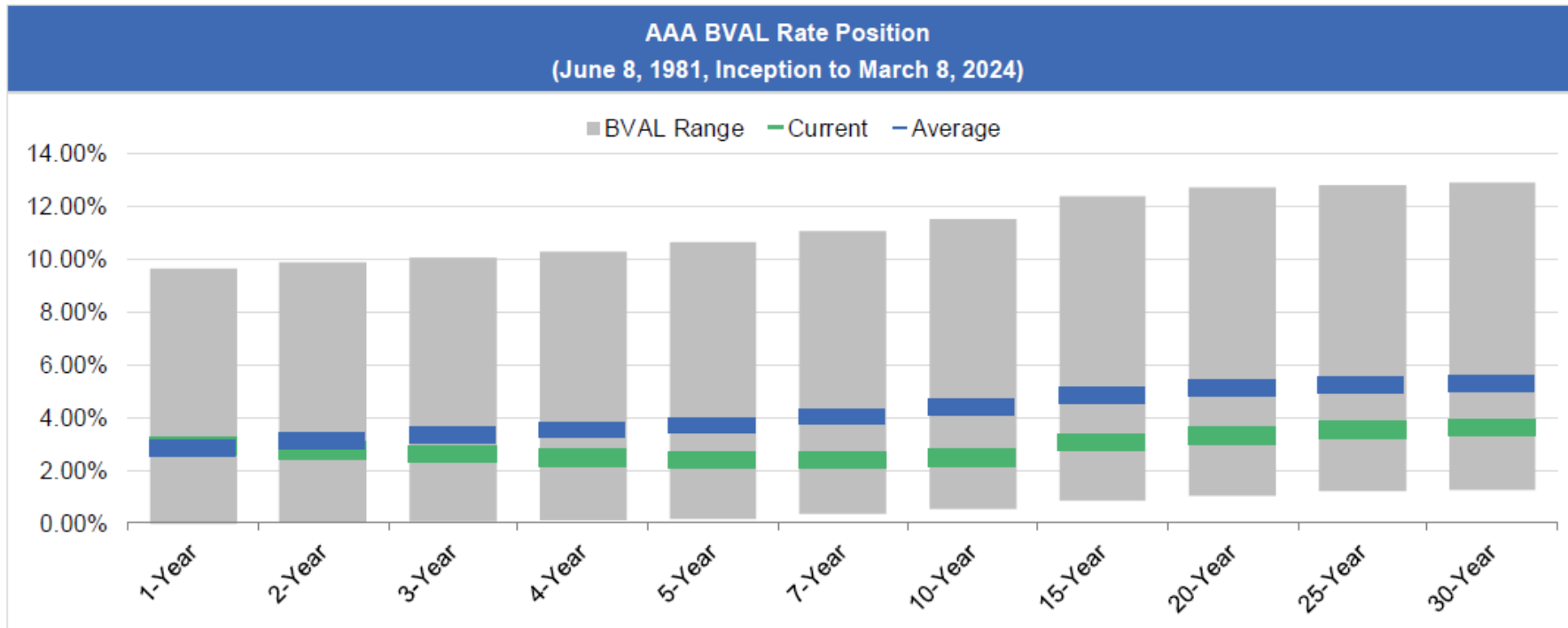
FOR REFERENCE

- **2018 Jr Lien Variable Remarketing - \$135.0M** – provides an opportunity to continue with a low, initial fixed rate for another 1-7 year timeframe
- **Commercial Paper (CP) Series B - \$200.0M** – seeking to extend our liquidity agreement with State Street, which expires Jun 2022
- **Commercial Paper (CP) Series C - \$100.0M** – seeking to extend with Wells Fargo, which expires Jun 2022
- **Surety Policy Term Extension & Coverage Increase** – provides access to lower cost Senior Lien Debt
- **Private Letter Ruling Intent to Issue Authorization** – Access to lower cost tax-exempt debt for Winter Storm Uri-related financing



TAX-EXEMPT RATES

JUNE 8, 1981 – MARCH 8, 2024



Source: PFM Financial Advisors LLC & Thomson Reuters, 3/8/2024

Although we have been in a rising interest rate environment, rates are still below long-term averages.

A RESOLUTION BY THE CITY PUBLIC SERVICE BOARD OF SAN ANTONIO, TEXAS RELATING TO THE REMARKETING OF OBLIGATIONS DESIGNATED AS “CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS VARIABLE RATE JUNIOR LIEN REVENUE BONDS, SERIES 2015C” INTO A NEW INTEREST MODE; AUTHORIZING CERTAIN CPS ENERGY REPRESENTATIVES TO EXECUTE AN APPROVAL CERTIFICATE MEMORIALIZING THE TERMS OF SUCH REMARKETING; APPROVING A REMARKETING AGREEMENT AND REMARKETING MEMORANDUM RELATING TO THESE OBLIGATIONS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Council (the *City Council*) of the City of San Antonio, Texas (the *City*) has heretofore issued, and there are currently outstanding, revenue bonds (the *Senior Lien Obligations*) supported by a first and prior lien on and pledge of the Net Revenues of the City’s electric and gas systems (as further described herein, the *Systems*); and

WHEREAS, the City Council has heretofore issued, sold, and delivered, and there are currently outstanding, revenue bonds (the *Junior Lien Obligations*) which are equally and ratably secured by a lien on and pledge of the Net Revenues of the Systems, which lien on and pledge of Net Revenues is junior and inferior to the lien thereon and pledge thereof securing the payment of the Senior Lien Obligations; and

WHEREAS, the City Council of the City has heretofore authorized three series of commercial paper notes (collectively, the *Commercial Paper* or the *Commercial Paper Obligations*) that are equally and ratably secured by a lien on and pledge of the Net Revenues of the Systems, which lien on and pledge of Net Revenues is subordinate to the liens thereon and pledges thereof securing the payment of Senior Lien Obligations and the Junior Lien Obligations, respectively, and a portion of such Commercial Paper Obligations have been issued, sold, and delivered by the City, and are currently outstanding; and

WHEREAS, the City has heretofore authorized and established a flexible rate revolving note program under which the City may, from time to time, issue taxable or tax-exempt notes (the *Inferior Lien Obligations*), such notes equally and ratably secured by a lien on and pledge of the Net Revenues of the Systems that is subordinate to the liens thereon and pledges thereof securing the payment of the Senior Lien Obligations, the Junior Lien Obligations, and the Commercial Paper Obligations, respectively, and a portion of such authorized Inferior Lien Obligations have been issued, sold, and delivered by the City and are currently outstanding; and

WHEREAS, pursuant to the authority available under Chapter 1502, as amended, Texas Government Code, the City Council has, in the respective ordinances authorizing the issuance of the Senior Lien Obligations, the Junior Lien Obligations, the Commercial Paper Obligations, and the Inferior Lien Obligations, provided that the complete management and control of the Systems is vested in a Board of Trustees known as the City Public Service Board of San Antonio, Texas (the *Board*), during the period of time any of the these City obligations are outstanding and unpaid; and

WHEREAS, pursuant to the provisions of Chapters 1371 and 1502, as amended, Texas Government Code (*Chapter 1371* and *Chapter 1502*, respectively, and, together, the *Act*), the City Council, on June 18, 2015, adopted an ordinance (the *2015C Ordinance*) authorizing the issuance of the CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS VARIABLE RATE JUNIOR LIEN REVENUE BONDS, SERIES 2015C (the *2015C Bonds*), which 2015C Bonds were initially issued on December 3, 2015 and the proceeds therefrom used to (i) finance costs associated with acquiring, purchasing, constructing, improving, repairing, extending, equipping, and renovating the Systems, and (ii) pay the costs and expenses relating to the issuance of the Bonds; and

WHEREAS, the 2015C Bonds are variable rate demand obligations, initially issued in a Term Mode expiring on November 30, 2019, and later remarketed into a Term Mode expiring no later than November 30, 2024, and as a result thereof, the 2015C Bonds are subject to mandatory tender by the current Holders thereof, without right of retention, on December 1, 2024; and

WHEREAS, the Board has determined, and the 2015C Ordinance allows, that the 2015C Bonds subject to mandatory tender on December 1, 2024, shall be remarketed into a new Interest Mode of fixed duration (as finally determined in the manner hereafter provided); and

WHEREAS, by virtue of the authority and power vested in the Board, generally, with reference to the expenditure and application of the revenues of the Systems as prescribed in the City ordinances authorizing the prior issuance of the Senior Lien Obligations, the Junior Lien Obligations, the Commercial Paper Obligations, and the Inferior Lien Obligations, and specifically, regarding the manner of remarketing the 2015C Bonds as provided in the 2015C Ordinance, the Board hereby finds and determines that it is now authorized and empowered to proceed with the passage and adoption of this Resolution authorizing (i) the remarketing of the 2015C Bonds in the manner described herein and in the 2015C Ordinance, (ii) the execution and delivery of a Remarketing Agreement relating to the 2015C Bonds, (iii) the distribution of a Remarketing Memorandum relating to the 2015C Bonds, and (iv) the exercise and performance of certain powers and duties to be exercised and performed by the Board, acting through its Designated Financial Officer (hereinafter defined), including the execution of an Approval Certificate of the type described herein and in the 2015C Ordinance; and

WHEREAS, in connection with the initial issuance and remarketing of the 2015C Bonds, the City, in the 2015C Ordinance, entered into a continuing disclosure undertaking agreement (the *Undertaking*) relative to the 2015C Bonds for the purpose of compliance with the Securities and Exchange Commission Rule 15c2-12 (the *Rule*); and

WHEREAS, in the resolution of the Board requesting the City Council's adoption of the 2015C Ordinance, the Board assumed the City's compliance obligations arising pursuant to the Undertaking; and

WHEREAS, the Board hereby finds and determines that the remarketing of the 2015C Bonds and the adoption of this Resolution is in the best interest of the Systems and its ratepayers; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE CITY PUBLIC SERVICE BOARD OF SAN ANTONIO, TEXAS THAT:

SECTION 1: Conversion to New Interest Mode; Delegation of Obligations to Designated Financial Officers. Pursuant to Section 2.2C of the 2015C Ordinance, the 2015C Bonds, in the principal amount not to exceed \$99,740,000, shall be converted to a new Interest Mode that is a Fixed Mode, a SIFMA Index Mode, or a Term Mode (the period of any such mode, the *New Interest Period*), during which the 2015C Bonds shall bear interest at Fixed Rates, a SIFMA Index Rate, or a Term Rate. The New Interest Period shall commence on the mandatory tender date, which shall be not later than December 1, 2024 and shall conclude, if the 2015C Bonds during such New Interest Period bear interest at (i) a SIFMA Index Rate or a Term Rate, not later than November 30, 2024 and (ii) Fixed Rates, not later than the 2015C Bonds' stated maturity date, as specified in the 2015C Ordinance. If the 2015C Bonds in the New Interest Period bear interest at a SIFMA Index Rate, the Applicable Spread to the SIFMA Index for use in calculating the SIFMA Index Rate that is applicable to such 2015C Bonds during such New Interest Period shall not exceed 700 basis points. If the 2015C Bonds in the New Interest Period bear interest at a Term Rate, the Term Rate and the Stepped Rate applicable to the 2015C Bonds during such New Interest Period shall not exceed the amount set forth in the Ordinance. If the 2015C Bonds in the New Interest Period bear interest at Fixed Rates, the federal arbitrage yield applicable to the Series 2015C Bonds during such New Interest Period shall not exceed the highest rate applicable under State law. Determination of the foregoing shall be made by a Designated Financial Officer, within his or her discretion (but subject to the limitations described above).

In the event that the establishment of the Term Rate or Fixed Rate applicable to the 2015C Bonds in the New Interest Period, determined in accordance with Section 2.2E of the 2015C Ordinance, generates a premium (being an amount in excess of the Purchase Price of those 2015C Bonds tendered for purchase on the next occurring Purchase Date (such 2015C Bonds, the *Tendered Bonds*), then the Designated Financial Officer shall provide for the disposition of such premium in a manner permitted under the 2015C Ordinance, this Resolution, and applicable Texas law (which may include redemption of Tendered Bonds in accordance with Section 5 hereof). Such Tendered Bonds that remain Outstanding after accomplishing the remarketing that is the subject of this Resolution (which includes any redemption of Tendered Bonds) are referred to herein as the *Remarketed Bonds*.

Each Designated Financial Officer, acting by and through the Board for and on behalf of the City, is authorized to execute the Certificate for Conversion of Interest Rate, in substantially the form attached hereto as Exhibit A, establishing the final terms of the Remarketed Bonds. This Certificate for Conversion of Interest Rate is an "Approval Certificate" under the 2015C Ordinance, including particularly Section 2.2C thereof. Within such Certificate for Conversion of Interest Rate, the Designated Financial Officer shall, within the limitations of the paragraph above and the 2015C Ordinance, evidence the Applicable

Spread, Term Rate, Stepped Rate, or Fixed Rates, as applicable, for the Remarketed Bonds, the duration of the New Interest Period (including the commencement date thereof), the optional redemption of any outstanding Bonds, and the disposition of any premium resulting from the remarketing of the Remarketed Bonds. Upon execution of the Certificate of Conversion of Interest Rate, Co-Bond Counsel is authorized to complete this Resolution to reflect such final terms of the Remarketed Bonds, as evidenced in the Certificate for Conversion of Interest Rate.

The Purchase Date for the Tendered Bonds and the Rate Adjustment Date for the Remarketed Bonds, respectively, shall be December 1, 2024, to be determined by the Designated Financial Officer and evidenced in the Approval Certificate. A Designated Financial Officer has designated _____, 2024 as the Rate Adjustment Date for the Remarketed Bonds. Accordingly, the New Interest Period applicable to the 2015C Bonds shall commence on _____, 2024 and end on _____, 20___. The Purchase Date for the Remarketed Bonds shall be _____, 2024 (or the next occurring Business Day thereafter, in accordance with the 2015C Ordinance). During the New Interest Period, the Remarketed Bonds shall bear interest at a Term Rate of ___%, which Term Rate has been determined in accordance with the provisions of Sections 2.2C and 2.2E of the 2015C Ordinance; the Stepped Rate applicable to the Remarketed Bonds shall be ___%, which Stepped Rate has been determined in accordance with the provisions of paragraph (k) of Section 2.2B of the 2015C Ordinance. The remarketing of the Remarketed Bonds has resulted in a premium of \$_____, including an amount (when added to the par amount of the Remarketed Bonds) that is in excess of the Purchase Price of the Tendered Bonds (excluding the accrued but unpaid interest on the Tendered Bonds, which will be paid directly by the City from lawfully available funds), which premium will be utilized in the manner specified in the Certificate for Conversion of Interest Rate.

SECTION 2: Notices. (a) *Notice of Mandatory Tender and Conversion of Interest Rate.* Each Designated Financial Officer is hereby authorized and directed to cause to be delivered to the Tender Agent a Notice of Mandatory Tender and Conversion of Bonds, in substantially the form attached hereto as Exhibit B, and in accordance with and as required by Section 2.5B of the 2015C Ordinance. The Tender Agent is hereby authorized and directed to provide this Notice of Mandatory Tender and Conversion of Bonds to the Holders of all 2015C Bonds currently Outstanding in accordance with and as required by the 2015C Ordinance. In addition to the foregoing, each Designated Financial Officer (or the designee thereof) is authorized and directed to deliver or cause to be delivered any notice of the remarketing of the 2015C Bonds and conversion of Interest Mode that is the subject of this Resolution that may be required by the 2015C Ordinance or that is otherwise determined by the Designated Financial Officer to be necessary or desirable (including a notice of the type attached hereto as Exhibit E).

(b) *Material Event Notice.* Each Designated Financial Officer (or the designee thereof) is hereby authorized and directed to take any action, and to execute and deliver any and all documents, certificates or other instruments as are necessary or appropriate, for the filing of any material event notice required as a result of the transactions authorized by this Resolution and the City's and the Board's continuing disclosure undertaking under the Rule and the 2015C Ordinance.

SECTION 3: Reoffering Memorandum. The Board hereby approves, ratifies and confirms the form and content of the remarketing memorandum (the *Remarketing Memorandum*) presented to the Board with this Resolution, in substantially the same form attached hereto as Exhibit C, and prepared for use by the Remarketing Agent (defined herein) in connection with the remarketing of the 2015C Bonds and the determination of the Term Rate for the Remarketed Bonds in the New Interest Period, and authorizes the preparation of any addenda, supplements or amendments thereto as a Designated Financial Officer may deem appropriate, and the Board further ratifies and approves the use and distribution of such Remarketing Memorandum in connection with the remarketing of the 2015C Bonds and the determination of the Term Rate. The Designated Financial Officers are individually authorized and directed to execute and deliver any certificates, instruments, affidavits, or other documents as may be necessary or appropriate in connection with the Remarketing Memorandum. It is hereby officially found, determined, and declared that the descriptions, statements, and information contained in the Remarketing Memorandum are true and correct in all material respects, to the best knowledge and belief of the Board.

SECTION 4: 2015C Bonds Subject to Mandatory Tender Without Right of Retention. The Board hereby determines that, at the end of the New Interest Period into which the Remarketed Bonds are remarketed pursuant to Section 1 hereof, such Remarketed Bonds shall be subject to mandatory tender, without right of retention by the Holders; provided, however, that a failure of the Remarketing Agent to remarket the 2015C Bonds at the end of such New Interest Period shall result in the holders of the 2015C Bonds retaining such 2015C Bonds until the same are remarketed or redeemed pursuant to the applicable provisions of the 2015C Ordinance (including Section 2.5E thereof).

SECTION 5: Redemption of Certain 2015C Bonds. As described in Section 1 hereof, the remarketing of the Tendered Bonds in the manner specified in Section 2.2E of the 2015C Ordinance may result in excess proceeds, which excess proceeds can be used to redeem certain of the Tendered Bonds. The 2015C Bonds are subject to redemption on the Mandatory Tender Date at the option of the City. If the remarketing of the 2015C Bonds produces proceeds in excess of the amount necessary to pay the Purchase Price of the Tendered Bonds, and a Designated Financial Officer determines that such excess proceeds shall be used to optionally redeem certain of the Tendered Bonds, then such Tendered Bonds determined to be optionally redeemed by the Designated Financial Officer (to be evidenced in the Certificate for Conversion of Interest Rate) are hereby called for redemption.

The City shall give written notice to the Paying Agent/Registrar of any 2015C Bonds that have been called for redemption. The Paying Agent/Registrar is authorized and instructed to provide notice of this redemption to the holders of any redeemed 2015C Bonds in the form and manner described in the 2015C Ordinance. Notwithstanding the foregoing, a notice of mandatory tender without retention rights shall satisfy any notice requirements for an optional redemption of Bonds which occurs on a Purchase Date, pursuant to Sections 2.4F and 2.5B of the Ordinance.

SECTION 6: Appointment of Remarketing Agent. In recognition and satisfaction of its obligations under the 2015C Ordinance (including Section 2.5G thereof), the Board hereby appoints _____ to serve as the Remarketing Agent for the 2015C Bonds (the

Remarketing Agent) to accomplish the remarketing of the 2015C Bonds into the New Mode Rate Interest Period in the manner contemplated under this Resolution. The Remarketing Agent shall signify its acceptance of the duties and obligations imposed thereon by such appointment by execution of the Remarketing Agreement, in substantially the form attached hereto as Exhibit D (the *Remarketing Agreement*). Each Designated Financial Officer is hereby authorized and directed to execute and deliver the Remarketing Agreement, for and on behalf of this Board, and such agreement, as executed by the Board and the Remarketing Agent, shall be deemed to be the Remarketing Agreement herein approved and authorized to be executed and delivered for and on behalf of this Board. The Remarketing Agreement shall specify the compensation to be paid to the Remarketing Agent for its service in connection with accomplishing the remarketing of the Remarketed Bonds into the New Interest Period, payment of which is hereby authorized to be made from any lawful source of funds available to the Board (including proceeds derived from the remarketing of the Remarketed Bonds). Upon completion of the foregoing, the Remarketing Agent shall constitute the “Remarketing Agent” and the Remarketing Agreement shall constitute the “Remarketing Agreement”, respectively, under the 2015C Ordinance for purposes of remarketing the Remarketed Bonds into the New Interest Period.

SECTION 7: Additional Actions Authorized; Designated Financial Officers. Pursuant to the authority provided by Chapter 1371 and the 2015C Ordinance, the President and Chief Executive Officer, the Chief Financial Officer and Treasurer of the Board and any Assistant Treasurer of the Board, each of whom were identified as Designated Financial Officers under the 2015C Ordinance, are hereby identified and designated as *Designated Financial Officers* under this Resolution, as well. The Designated Financial Officers, and all other appropriate officers, agents and representatives of the Board, are hereby authorized and directed to take any and all other actions as may be necessary and appropriate to provide for the (i) payment of the Purchase Price of the Tendered Bonds, the redemption of any Tendered Bonds, and the conversion and remarketing of the Remarketed Bonds into the New Interest Period; (ii) execution of the Remarketing Agreement with the Remarketing Agent; and (iii) preparation and distribution of replacement definitive 2015C Bonds and the Remarketing Memorandum, as contemplated by this Resolution and the 2015C Ordinance. In addition and with respect to accomplishing the foregoing matters, each Designated Financial Officer is hereby authorized and directed to execute, deliver, and accept on behalf of the City (acting by and through the Board) all agreements certificates, consents, waivers, receipts, notices, requests and other documents as may be necessary or appropriate to carry out the actions contemplated by this Resolution.

SECTION 8: Definition of Terms. Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the 2015C Ordinance.

SECTION 9: Ratification of Prior Actions. The actions of the Designated Financial Officers, as well as their agents, designees, and representatives, taken prior to the date of this Resolution to accomplish the conversion and remarketing of 2015C Bonds that is the subject of this Resolution are hereby ratified, confirmed and approved as the act and deed of the Board.

SECTION 10: Public Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 11: Incorporation of Preamble Recitals. The recitals contained in the preamble to this Resolution are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 12: Coordination of Transaction Matters; Further Procedures. The Board hereby authorizes PFM Financial Advisors LLC and Estrada Hinojosa & Company, Inc., its Co-Financial Advisors, to coordinate these financial matters in consultation with CPS Energy staff, McCall, Parkhurst & Horton L.L.P. and qualified counsel (if any) serving as Co-Bond Counsel, the Tender Agent, the Paying Agent/Registrar, and the Remarketing Agent. In addition, the Board authorizes the payment of the professional fees and expenses associated with this transaction upon the approval by a Designated Financial Officer of written invoices for any such services, which payments are hereby authorized to be made from any lawful source of funds available to the Board (including proceeds derived from the remarketing of the Remarketed Bonds).

Each Designated Financial Officer and Co-Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the instruments authorized and approved by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Resolution and as described in the Reoffering Memorandum or (ii) obtain a rating from any of the national bond rating agencies. In case any officer of the Board whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 13: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

PASSED AND ADOPTED, this 25th day of March, 2024.

CITY PUBLIC SERVICE BOARD OF SAN
ANTONIO, TEXAS

Chair, Board of Trustees

ATTEST:

Secretary, Board of Trustees

INDEX OF SCHEDULES AND EXHIBITS

Exhibit A Certificate for Conversion of Interest Rate

Exhibit B Notice of Mandatory Tender and Conversion of
Bonds

Exhibit C Remarketing Memorandum

Exhibit D Remarketing Agreement

Exhibit E Notice to Working Group

EXHIBIT A

Certificate for Conversion of Interest Rate

See Tab No. __

EXHIBIT B

Notice of Mandatory Tender and Conversion of Bonds

TO: Owners of City of San Antonio, Texas Electric and Gas Systems Variable Rate Junior Lien Revenue Bonds, Series 2015C (the *Bonds*):

<u>CUSIP No.</u>	<u>Stated Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Period Expiration Date</u>	<u>Mandatory Tender Date:</u>
79625GBV4	February 1, 2033	\$ _____	November 30, 2024	December 1, 2024

Pursuant to Section 2.5B of the ordinance authorizing the issuance of the Bonds (the *Ordinance*), and a resolution adopted by the City Public Service Board of San Antonio, Texas (*CPS Energy*) on March 25, 2024 (the *Resolution*), CPS Energy, on behalf of the City of San Antonio, Texas, has elected to exercise its right to convert the Bonds from the current Interest Period during which the Bonds bear interest at a Term Rate to a new Interest Period during which the Bonds will bear interest at a Term Rate (such new Interest Period commencing on _____, 2024, also being the date on which Bonds now in the current Interest Period are to be tendered for purchase (the *Mandatory Tender Date*)). The duration (in years) and Term Rate for such new Interest Period was determined on or about _____, 2024 (the *Rate Determination Date*). Notice of such new rate shall be sent to U.S. Bank Trust Company, National Association, as paying agent/registrars for further distribution to the Holders of the Bonds.

All Bonds are subject to mandatory tender, without right of retention by the Holders thereof, on the Mandatory Tender Date (on which date shall be due to the Holders of tendered Bonds the Purchase Price). Bonds shall be deemed tendered for purchase if not tendered by noon, New York City time, on the Mandatory Tender Date. Bonds may be tendered through the Depository Trust Company or by physically delivering such Bonds by mail to: U.S. Bank Trust Company, National Association (the *Tender Agent*), _____, _____, Texas 75240, Attn: _____ (____@usbank.com). Any Bond not delivered to the Tender Agent for purchase, as herein provided, shall be deemed tendered and purchased on the Mandatory Tender Date and shall constitute an Untendered Bond under the Ordinance. Any Holder of an Untendered Bond shall have no further right thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of such Bond to the Tender Agent.

The Remarketing Agent for the tendered Bonds and their remarketing into the succeeding Interest Period is _____.

Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Ordinance.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Paying Agent/Registrar and Tender Agent

Dated: _____, 2024

EXHIBIT C

Remarketing Memorandum

See Tab No. __

EXHIBIT D

Remarketing Agreement

See Tab No. __

EXHIBIT E

Notice from CPS Energy to Working Group

[CPS ENERGY LETTERHEAD]

Re: City of San Antonio, Texas Electric and Gas Systems Variable Rate Junior Lien Revenue Bonds, Series 2015C

TO THE ATTACHED DISTRIBUTION LIST:

The City of San Antonio, Texas (the *City*), acting by and through the City Public Service Board of San Antonio, Texas (*CPS Energy*), hereby notifies you, as a recipient of this letter, of CPS Energy's intent to convert and remarket to a Term Mode those bonds of the captioned series (collectively, the *Bonds*), which are subject to mandatory tender, without optional right of retention, on December 1, 2024. The Bonds are currently outstanding in the principal amount of \$99,740,000. All Bonds will be remarketed in the manner described above, though the City has reserved the right to effect redemption of certain of the Bonds on _____, 20__, conditioned on the results of the remarketing.

The Bonds are issued and outstanding pursuant to an ordinance of the City Council of the City adopted on June 18, 2015 (the *Ordinance*). The conversion and remarketing of the Bonds into a new interest mode is authorized pursuant to the Ordinance and a resolution of CPS Energy Board of Trustees adopted on March 25, 2024 (the *Resolution*). Capitalized terms used, but not defined herein, have the meanings ascribed thereto in the Ordinance.

This letter is provided in satisfaction of the requirements of the Resolution and the Ordinance. Please contact Mr. Clay Binford, McCall, Parkhurst & Horton L.L.P., CPS Energy's Co-Bond Counsel, with any questions concerning this matter. Documents will be circulated to the working group by Co-Bond Counsel to effectuate the remarketing of the Bonds, as well as any redemptions thereof.

Thank you, in advance, for your prompt attention to this matter. If I can provide any additional assistance concerning this matter, please do not hesitate to contact me.

Very truly yours,

cc: [INSERT DISTRIBUTION LIST]

A RESOLUTION BY THE CITY PUBLIC SERVICE BOARD OF SAN ANTONIO, TEXAS RELATING TO THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF OBLIGATIONS DESIGNATED AS “CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS REVENUE AND REFUNDING BONDS” AND THE TENDER OF OUTSTANDING OBLIGATIONS FOR PURCHASE AND THE SUBSEQUENT SALE OF ASSOCIATED REFUNDING BONDS, EACH AS FURTHER DISTINGUISHED BY PURPOSE, SERIES, LIEN PRIORITY, INDICES, TIME OF ISSUANCE, SALE METHOD, TAX TREATMENT, TRANSACTION STRUCTURE, AND METHOD OF CALCULATING INTEREST RATE (WHETHER FIXED OR VARIABLE); THE APPROVAL OF APPLICABLE INVITATIONS AND SEPARATE OFFERING DOCUMENTS RELATING TO EACH SERIES OF OBLIGATIONS; AND AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, pursuant to the authority contained in Chapter 1502, as amended, Texas Government Code, certain ordinances previously passed by the City Council (the *City Council*) of the City of San Antonio, Texas (the *City*), authorizing the issuance of the currently outstanding first lien revenue bonds and junior lien revenue bonds, respectively (the *Senior Lien Obligations* and the *Junior Lien Obligations*, respectively, and collectively, the *Outstanding Obligations*), the complete management and control of the electric and gas systems (the *Systems*) of the City is vested in a Board of Trustees known as the City Public Service Board of San Antonio, Texas (the *Board*), during the period of time any of the Outstanding Obligations are outstanding and unpaid; and

WHEREAS, the Board has determined that one or more series of revenue and refunding obligations designated as “City of San Antonio, Texas Electric and Gas Systems Revenue and Refunding Bonds”, as further distinguished, respectively, by series, indices, year of issuance, purpose of issuance, lien priority, time of issuance, sale method, federal tax treatment, transaction structure, and method of calculating interest rate (whether fixed or variable rate) for distinction in the event of multiple issuances (collectively, the *Obligations*), in the approximate aggregate maximum principal amount of \$3,092,200,000 should now be issued by the City to provide funds for the purposes, as applicable, of (i) acquiring, purchasing, constructing, repairing, extending, equipping, and renovating the Systems, (ii) refunding the Refunding Candidates (as such term is defined in the hereinafter-defined Ordinance), (iii) refunding the Tender Candidates (as such term is defined in the Ordinance) purchased for cancellation in accordance with the hereinafter-defined Invitation for debt service savings, and (iv) paying costs of issuance of the Obligations; and

WHEREAS, by virtue of the authority and power vested in the Board with reference to the expenditure and application of the revenues of the Systems and to comply with the terms and conditions prescribed in the applicable ordinances of the City prescribing the terms and conditions upon which the issuance of additional obligations secured by and payable from a lien on and pledge of the net revenues of the Systems on a level of priority in accordance with the applicable provisions of the Ordinance and that will be on parity with or subordinate to certain of the heretofore issued Outstanding Obligations secured by and payable from, on a

series by series basis, a lien on and pledge of net revenues of specified priority, it is necessary and proper for the Board to formally request the City Council to authorize and sell the Obligations, consent to the issuance of the same, approve the ordinance authorizing each series of the Obligations (the *Ordinance*), and any ancillary documentation including (i) the approval of a credit agreement (the *Credit Agreement*), (ii) authorization and approval of bonds refunded through the payment of the purchase price and cancellation thereof through a tender offer (the *Tender Offer*), (iii) the approval and distribution of an invitation to offer bonds for purchase (together, with all exhibits and appendices thereto, the *Invitation*), (iv) the approval and distribution of the disclosure documents relating thereto, as applicable, (v) the execution of a dealer manager agreement (the *Dealer Manager Agreement*) with the dealer manager (the *Dealer Manager*), and (vi) an agreement (the *Information Agent and Tender Agent Agreement*) with the information agent and tender agent (the *Information Agent and Tender Agent*); and agree to comply with all the terms and provisions of the Ordinance, including, but not limited to, those relating to the operation of the Systems and the handling of the proceeds of the Obligations; and

WHEREAS, the Board hereby finds that adoption of this Resolution is in the best interests of the Systems and its ratepayers; and now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE CITY PUBLIC SERVICE BOARD OF SAN ANTONIO, TEXAS THAT:

1. The City Council is hereby formally requested to authorize the Tender Offer and sell the Obligations in one or more series, and as designated by series, indices, purpose, lien priority, time of issuance, sale method, transaction structure, method of interest calculation, and federal tax treatment in the manner hereinbefore described, in the aggregate maximum principal amount of approximately \$3,092,200,000 (\$150,000,000 of which comprises the required refunding authority for the associated Extendable Commercial Paper Program authorized herewith), and the Board by the adoption of this Resolution hereby evidences its consent to the issuance and sale of the Obligations and the payment thereof from a lien on and pledge of the Net Revenues of the Systems (such level of priority determined in accordance with the applicable provisions of the Ordinance) and its approval of the Credit Agreement and the Ordinance authorizing the issuance of the Obligations (as further designated to distinguish among series in accordance with the Ordinance) if issued in one or more series, substantially in the form attached to this Resolution as Exhibit A and the Tender Offer of the Tender Candidates, such Ordinance being incorporated herein by reference for all purposes.

2. The Board hereby agrees to comply with all of the terms and provisions of the Ordinance with relation to the administration and operation of the Systems and the disposition of the revenues therefrom. Any authority included in the Invitation and the Ordinance authorizing a Board representative to establish the final terms and conditions governing the launch of the Tender Offer and sale of each series of Obligations shall expire not later than the date of expiration that is specified in the Invitation and the Ordinance, respectively.

3. The Invitation and the Preliminary Official Statement relating to each series of Obligations in substantially the form or forms presented at this meeting is hereby approved and

“deemed final” for the purpose of complying with the United States Securities and Exchange Commission’s Rule 15c2-12 and the President and Chief Executive Officer, the Chief Financial Officer, and any Treasurer of the Board (whether serving in an interim or acting capacity) (each an *Authorized Official* and, together, the *Authorized Officials*) is authorized to prepare or approve any changes or additions to these disclosure documents which shall be deemed appropriate or necessary, and the Chair or Vice Chair of the Board or the President and Chief Executive Officer, or any of them, is authorized to distribute the Invitation and execute each final Official Statement on behalf of the Board.

4. The contract pertaining to the Tender Offer and sale of each series of Obligations (the *Purchase Contract*), the Dealer Manager Agreement, and the Information Agent and Tender Agent Agreement (collectively, the *Tender Documentation*), each dated as of the date of the Tender Offer or the sale, as applicable, of the pertinent series of Obligations among (i) the underwriter or underwriters or direct placement purchaser or purchasers, Dealer Manager, and Information Agent and Tender Agent named therein, and (ii) the City and the Board, in the form presented at this meeting is hereby approved, and any Authorized Official is hereby authorized to execute the Purchase Contract and Tender Documentation on behalf of the Board and to deliver it to the other parties thereto.

5. In lieu of a Purchase Contract for each respective series of Obligations, the Board reserves the right to alter the method and manner of sale for any series of Obligations to, including a private placement and/or a competitively bid sale for such series of Obligations. Such decision by the Board shall include execution of one or more purchase and investment letters (each, an *Investment Letter*) and official bid forms (each, an *Official Bid Form*, and together with an Investment Letter, a *Transaction Contract*) relating to a particular series of Obligations, to be dated as of the effective date of the transaction related to the applicable series of Obligations and among the purchaser or purchasers named therein, the City, and the Board in the form presented at this meeting is hereby approved, and each Authorized Official is hereby authorized to execute the applicable Transaction Contract relating to a particular series of Obligations on behalf of the Board and to deliver it to the other parties thereto.

6. To effectuate the purchase of the Tender Candidates that comprise the Refunded Obligations (as defined in the Ordinance), the Board hereby appoints the Dealer Manager and the Information Agent and Tender Agent to assist the City in conducting the Tender Offer and further authorizes each Authorized Official, in conjunction with the Dealer Manager, to execute, acknowledge, modify, deliver, and file with the Municipal Securities Rulemaking Board and DTC, respectively, any and all documentation related to the Tender Offer. The Board delegates to each Authorized Official the right to select the Tender Offer method and determine the purchase price for each maturity of the Refunded Obligations subject to the Tender Offer.

7. The Board recognizes that provisions of the Ordinance, completed with respect to a series of Obligations, contain representations, covenants, and obligations of the City relating to the Obligations and, as and if applicable, the preservation of tax-exempt treatment of the interest on such series of Obligations for federal income tax purposes. Since the proceeds of the

applicable series of Obligations will be entirely within the control and disposition of the Board, the Board specifically adopts the representations, covenants, and obligations of the City or those to be made by the City Council in that section of the Ordinance.

8. The Board recognizes that provisions of the Ordinance relating to “Continuing Disclosure of Information”, contains covenants of the City relating to the Obligations that are publicly sold in the capital markets. Since certain financial information, financial status, operating data, and annual audits of the Systems will be entirely within the control and disposition of the Board, the Board specifically adopts the covenants to be made by the City Council in those provisions of the Ordinance.

9. In order to comply with various provisions of Texas law, various certificates must be provided to co-bond counsel and to the Attorney General for the State of Texas; therefore, upon obtaining the advice and consent of legal counsel, each Authorized Official is authorized to execute any certificate or other documents, relating to the Tender Offer and the issuance, sale, and delivery of each series of Obligations.

10. The Board delegates to each Authorized Official, or the designee thereof, the authority to take any and all other actions consistent with the provisions of this Resolution and the Ordinance to effectuate the Tender Offer and the sale, issuance, and delivery of each series of Obligations and the funding, as applicable, of the purchase fund and escrow, respectively, established in connection with the issuance of a series of refunding Obligations, a purpose of which is the refunding of any Tender Candidates and Refunding Candidates (including engagement of an escrow bidding agent to facilitate the acquisition of eligible securities to fund such escrow). This delegation shall last through the period of expiration as set forth in the Ordinance.

11. The Board hereby authorizes PFM Financial Advisors LLC and Estrada Hinojosa & Company, Inc., as its co-financial advisors, to coordinate these financial matters in consultation with CPS Energy staff, City staff, and McCall, Parkhurst & Horton L.L.P. and another qualified co-bond counsel (if any). In addition, the Board authorizes the payment of the professional fees and expenses associated with this transaction upon the approval of written invoices by any Authorized Official or their designated staff.

12. Capitalized terms used herein without definition shall have their respective meaning ascribed thereto in the Ordinance.

13. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

14. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

* * *

PASSED AND ADOPTED, this 25th day of March, 2024.

CITY PUBLIC SERVICE BOARD OF
SAN ANTONIO, TEXAS

Chair, Board of Trustees

ATTEST:

Secretary, Board of Trustees

EXHIBIT A

Bond Ordinance

(See Tab No. __)

A RESOLUTION BY THE CITY PUBLIC SERVICE BOARD OF SAN ANTONIO, TEXAS RELATING TO THE ISSUANCE AND SALE OF “CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS EXTENDABLE COMMERCIAL PAPER OBLIGATIONS”, AS FURTHER DESIGNATED BY TYPE, PURPOSE, INDICES, SERIES, LIEN PRIORITY, TAX TREATMENT, AND INTEREST CALCULATION; THE APPROVAL OF EACH OFFERING MEMORANDUM RELATING TO SUCH OBLIGATIONS; AND AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, pursuant to the authority contained in Chapter 1502, as amended, Texas Government Code, certain ordinances previously passed by the City Council (the *City Council*) of the City of San Antonio, Texas (the *City*), authorizing the issuance of the currently outstanding first lien revenue bonds and junior lien revenue bonds, respectively (the *Senior Lien Obligations* and the *Junior Lien Obligations*, respectively, and collectively, the *Outstanding Obligations*), the complete management and control of the electric and gas systems (the *Systems*) of the City is vested in a Board of Trustees known as the City Public Service Board of San Antonio, Texas (the *Board*), during the period of time any of the Outstanding Obligations are outstanding and unpaid; and

WHEREAS, the Board has determined that the “City of San Antonio, Texas Electric and Gas Systems Extendable Commercial Paper Obligations”, as further distinguished by type, series, purpose of issuance, indices, lien priority, federal tax treatment, and method of calculating interest rate for distinction in the event of multiple series (together, the *Obligations*), in the maximum aggregate principal amount of \$150,000,000 should now be issued by the City to provide funds for the purposes, as applicable, of (i) financing costs associated with acquiring, purchasing, constructing, improving, repairing, extending, equipping, renovating, fueling, and (to the extent permitted by applicable law) operating the Systems, (ii) paying costs of issuance of the Obligations; and

WHEREAS, by virtue of the authority and power vested in the Board with reference to the expenditure and application of the revenues of the Systems and to comply with the terms and conditions prescribed in the applicable ordinances of the City prescribing the terms and conditions upon which the issuance of additional obligations secured by and payable from a lien on and pledge of the net revenues of the Systems on a level of priority in accordance with the applicable provisions of the Ordinance and that will be on parity with or subordinate to certain of the heretofore issued Outstanding Obligations secured by and payable from, on a series by series basis, a lien on and pledge of net revenues of specified priority, it is necessary and proper for the Board to formally request the City Council to authorize and sell the Obligations, consent to the issuance of the same, approve the ordinance authorizing each series of the Obligations (the *Ordinance*), including the approval and distribution of the disclosure documents relating thereto, and agree to comply with all the terms and provisions of the Ordinance, including, but not limited to, those relating to the operation of the Systems and the handling of the proceeds of the Obligations; and

WHEREAS, the Board hereby finds that adoption of this Resolution is in the best interests of the Systems and its ratepayers; and now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE CITY PUBLIC SERVICE BOARD OF SAN ANTONIO, TEXAS THAT:

1. The City Council is hereby formally requested to authorize a program (the *Program*) and sell the Obligations in one or more type, series, and as designated by series, purpose, indices, lien priority, method of interest calculation, and federal tax treatment in the manner hereinbefore described, in the aggregate principal amount not to exceed \$150,000,000, and the Board by the adoption of this Resolution hereby evidences its consent to the effectuation of the Program, the issuance and sale of the Obligations from time to time, and the payment thereof from a lien on and pledge of the Net Revenues of the Systems (such level of priority determined in accordance with the applicable provisions of the Ordinance) and its approval of the Ordinance authorizing the issuance of the Obligations (as further designated to distinguish among series in accordance with the Ordinance) if issued in one or more series, substantially in the form attached to this Resolution as Exhibit A, such Ordinance being incorporated herein by reference for all purposes.

2. The Board hereby agrees to comply with all of the terms and provisions of the Ordinance with relation to the administration and operation of the Systems and the disposition of the revenues therefrom, and the Systems' staff is directed to implement procedures consistent with industry practices to protect the Systems from risks surrounding any failed remarketing related to the Obligations. Any authority included in the Ordinance authorizing a Board representative to establish the final terms and conditions governing each series of Obligations shall expire not later than the date of expiration that is specified in the Ordinance. Concurrently with the adoption hereof, the Board is adopting a resolution authorize the refunding of the Obligations into long-term debt in the maximum par amount of all Obligations authorized hereunder, with the continuing intent to adopt refunding authority on an annual basis related to these Obligations.

3. An Offering Memorandum relating to the Obligations in substantially the form or forms presented at this meeting are hereby approved and "deemed final" for the purpose of complying with the United States Securities and Exchange Commission's Rule 15c2-12 and the President and Chief Executive Officer, the Chief Financial Officer, and any Treasurer of the Board (each an *Authorized Official* and, together, the *Authorized Officials*) is authorized to prepare or approve any changes or additions to these disclosure documents which shall be deemed appropriate or necessary, and the Chair or Vice Chair of the Board or the President and Chief Executive Officer, or any of them, is authorized to execute each final Offering Memorandum on behalf of the Board.

4. One or more dealer agreements pertaining to the Program authorizing the Obligations (collectively, the *Dealer Agreement*), shall be dated as of the date of the authorization of the Program, and be between the dealer and the Board in the form presented at this meeting is hereby approved, and any Authorized Official is hereby authorized to execute the Dealer Agreement on behalf of the Board and to deliver it to the other parties thereto.

5. The Board recognizes that provisions of the Ordinance, completed with respect to a series of Obligations, contain representations, covenants, and obligations of the City relating to the Obligations and, as and if applicable, the preservation of tax-exempt treatment of the interest on such series of Obligations for federal income tax purposes. Since the proceeds of the applicable series of Obligations will be entirely within the control and disposition of the Board, the Board specifically adopts the representations, covenants, and obligations of the City or those to be made by the City Council in that section of the Ordinance.

6. The Board recognizes that provisions of the Ordinance relating to “Continuing Disclosure of Information”, contains covenants of the City relating to the Obligations that are publicly sold in the capital market. Since certain financial information, financial status, operating data, and annual audits of the Systems will be entirely within the control and disposition of the Board, the Board specifically adopts the covenants to be made by the City Council in those provisions of the Ordinance.

7. In order to comply with various provisions of Texas law, various certificates must be provided to co-bond counsel and to the Attorney General for the State of Texas; therefore, upon obtaining the advice and consent of legal counsel, each Authorized Official is authorized to execute any certificate or other documents, relating to the issuance, sale, and delivery of each series of Obligations.

8. The Board delegates to each Authorized Official, or the designee thereof, the authority to take any and all other actions consistent with the provisions of this Resolution and the Ordinance to effectuate the Program related to the Obligations and the refunding transaction in connection with the Obligations, a purpose of which is the refunding of any Obligations. This delegation shall last through the period of expiration as set forth in the Ordinance.

9. The Board hereby authorizes PFM Financial Advisors LLC and Estrada Hinojosa & Company, Inc., as its co-financial advisors, to coordinate these financial matters in consultation with CPS Energy staff, City staff, and McCall, Parkhurst & Horton L.L.P. and qualified counsel (if any) serving as Co-Bond Counsel. In addition, the Board authorizes the payment of the professional fees and expenses associated with this transaction upon the approval of written invoices by any Authorized Official or their designated staff.

10. Capitalized terms used herein without definition shall have their respective meaning ascribed thereto in the Ordinance.

11. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

12. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

* * *

PASSED AND ADOPTED, this 25th day of March, 2024.

CITY PUBLIC SERVICE BOARD OF SAN
ANTONIO, TEXAS

Chair, Board of Trustees

ATTEST:

Secretary, Board of Trustees

EXHIBIT A

City Council Ordinance

See Tab No. __

RESOLUTION REQUESTING THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS AUTHORIZE THE REPLACEMENT OF ONE OR MORE PAYING AGENT/REGISTRARS FOR THE OUTSTANDING DEBT OBLIGATIONS OF THE CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH THE CITY PUBLIC SERVICE BOARD OF SAN ANTONIO, TEXAS; REQUESTING DELEGATING TO AN AUTHORIZED OFFICIAL TO SELECT THE APPOINTMENT OF ONE OR MORE SUCCESSOR PAYING AGENT/REGISTRARS FOR SUCH DEBT OBLIGATIONS; AND AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH

* * *

WHEREAS, pursuant to the authority contained in Chapter 1502, as amended, Texas Government Code, certain ordinances previously passed by the City Council (the *City Council*) of the City of San Antonio, Texas (the *City*), authorizing the issuance of the currently outstanding first lien revenue bonds and junior lien revenue bonds, respectively (the *Senior Lien Obligations* and the *Junior Lien Obligations*, respectively, and collectively, the *Outstanding Obligations*), the complete management and control of the electric and gas systems (the *Systems*) of the City is vested in a Board of Trustees known as the City Public Service Board of San Antonio, Texas (the *Board*), during the period of time any of the Outstanding Obligations are outstanding and unpaid; and

WHEREAS, the City has outstanding issues of bonds in which one or more banks (collectively, the *Bank*), serves as the paying agent/registrar pursuant to individual paying agent/registrar agreements between the City and the Bank (such paying agent/registrar agreements collectively referred to herein as the *Paying Agent/Registrar Agreements*); and

WHEREAS, the Board requests the City Council deem it prudent and appropriate to (i) terminate one or more Paying Agent/Registrar Agreements between the City and the Bank relating to the Outstanding Obligations, and (ii) further delegate to a hereinafter-defined Authorized Official to appoint one or more successor paying agent/registrars for the Outstanding Obligations; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code;

THEREFORE, BE IT RESOLVED BY THE CITY PUBLIC SERVICE BOARD OF SAN ANTONIO, TEXAS THAT:

Section 1. The Board hereby requests the City authorize the (i) termination of one or more the Paying Agent/Registrar Agreements between the Issuer and the Bank in connection with the Bank serving as paying agent/registrar for the Bonds, and (ii) the Chair or Vice Chair of the

Board, the President and Chief Executive Officer of the Systems, and the City Clerk of the City (each, an *Authorized Official*), or any of them to give appropriate notices and approve and execute all documents and agreements, including the paying agent/registrar agreements to be entered into with the successor paying agent/registrars for the Outstanding Obligations, on behalf of the City and which are deemed necessary to accomplish the purposes of this Resolution, and authorize the City Clerk to attest any related documents if so required.

Section 2. The Board hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the Board hereby incorporates such recitals as a part of this Resolution.

Section 3. The authority delegated to each Authorized Official hereunder shall expire if not exercised by the first anniversary of the passage of a resolution of the City.

Section 4. All ordinances and resolutions, or parts thereof, of the Board which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been adopted without such invalid provision.

Section 7. The recitals contained in the preamble hereof are hereby found to be true, and such recitals and other statements therein are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 8. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 9. This Resolution shall be in force and effect from and after its passage on the date shown below.

* * *

PASSED AND ADOPTED on the 25th day of March, 2024.

CITY PUBLIC SERVICE BOARD
OF SAN ANTONIO, TEXAS

Chair, Board of Trustees

ATTEST

Secretary, Board of Trustees

A RESOLUTION BY THE CITY PUBLIC SERVICE BOARD OF SAN ANTONIO, TEXAS RELATING TO THE REMARKETING OF OBLIGATIONS DESIGNATED AS “CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS VARIABLE RATE JUNIOR LIEN REVENUE REFUNDING BONDS, SERIES 2015A” INTO A NEW INTEREST MODE; AUTHORIZING CERTAIN CPS ENERGY REPRESENTATIVES TO EXECUTE AN APPROVAL CERTIFICATE MEMORIALIZING THE TERMS OF SUCH REMARKETING; APPROVING A REMARKETING AGREEMENT AND REMARKETING MEMORANDUM RELATING TO THESE OBLIGATIONS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Council (the *City Council*) of the City of San Antonio, Texas (the *City*) has heretofore issued, and there are currently outstanding, revenue bonds (the *Senior Lien Obligations*) supported by a first and prior lien on and pledge of the Net Revenues of the City’s electric and gas systems (as further described herein, the *Systems*); and

WHEREAS, the City Council has heretofore issued, sold, and delivered, and there are currently outstanding, revenue bonds (the *Junior Lien Obligations*) which are equally and ratably secured by a lien on and pledge of the Net Revenues of the Systems, which lien on and pledge of Net Revenues is junior and inferior to the lien thereon and pledge thereof securing the payment of the Senior Lien Obligations; and

WHEREAS, the City Council of the City has heretofore authorized three series of commercial paper notes (collectively, the *Commercial Paper* or the *Commercial Paper Obligations*) that are equally and ratably secured by a lien on and pledge of the Net Revenues of the Systems, which lien on and pledge of Net Revenues is subordinate to the liens thereon and pledges thereof securing the payment of Senior Lien Obligations and the Junior Lien Obligations, respectively, and a portion of such Commercial Paper Obligations have been issued, sold, and delivered by the City, and are currently outstanding; and

WHEREAS, the City has heretofore authorized and established a flexible rate revolving note program under which the City may, from time to time, issue taxable or tax-exempt notes (the *Inferior Lien Obligations*), such notes equally and ratably secured by a lien on and pledge of the Net Revenues of the Systems that is subordinate to the liens thereon and pledges thereof securing the payment of the Senior Lien Obligations, the Junior Lien Obligations, and the Commercial Paper Obligations, respectively, and a portion of such authorized Inferior Lien Obligations have been issued, sold, and delivered by the City and are currently outstanding; and

WHEREAS, pursuant to the authority available under Chapter 1502, as amended, Texas Government Code, the City Council has, in the respective ordinances authorizing the issuance of the Senior Lien Obligations, the Junior Lien Obligations, the Commercial Paper Obligations, and the Inferior Lien Obligations, provided that the complete management and control of the Systems is vested in a Board of Trustees known as the City Public Service Board of San Antonio, Texas (the *Board*), during the period of time any of the these City obligations are outstanding and unpaid; and

WHEREAS, pursuant to the provisions of Chapters 1371, 1207, and 1502, as amended, Texas Government Code (*Chapter 1371, Chapter 1207, and Chapter 1502*, respectively, and, together, the *Act*), the City Council, on October 30, 2014, adopted an ordinance (the *2015A Ordinance*) authorizing the issuance of the CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS VARIABLE RATE JUNIOR LIEN REVENUE REFUNDING BONDS, SERIES 2015A (the *2015A Bonds*), which 2015A Bonds were initially issued on January 7, 2015 and the proceeds therefrom used to (i) refinance existing variable rate debt to permit the City to maintain variable interest rate exposure without the requirement to also maintain third party bank liquidity, and (ii) pay the costs and expenses relating to the issuance of the Bonds; and

WHEREAS, the 2015A Bonds are variable rate demand obligations, initially issued in a SIFMA Index Mode expiring on January 31, 2017, and later remarketed into a Term Mode expiring no later than November 30, 2024, and as a result thereof, the 2015A Bonds are subject to mandatory tender by the current Holders thereof, without right of retention, on December 1, 2024; and

WHEREAS, the Board has determined, and the 2015A Ordinance allows, that the 2015A Bonds subject to mandatory tender on December 1, 2024, shall be remarketed into a new Interest Mode of fixed duration (as finally determined in the manner hereafter provided); and

WHEREAS, by virtue of the authority and power vested in the Board, generally, with reference to the expenditure and application of the revenues of the Systems as prescribed in the City ordinances authorizing the prior issuance of the Senior Lien Obligations, the Junior Lien Obligations, the Commercial Paper Obligations, and the Inferior Lien Obligations, and specifically, regarding the manner of remarketing the 2015A Bonds as provided in the 2015A Ordinance, the Board hereby finds and determines that it is now authorized and empowered to proceed with the passage and adoption of this Resolution authorizing (i) the remarketing of the 2015A Bonds in the manner described herein and in the 2015A Ordinance, (ii) the execution and delivery of a Remarketing Agreement relating to the 2015A Bonds, (iii) the distribution of a Remarketing Memorandum relating to the 2015A Bonds, and (iv) the exercise and performance of certain powers and duties to be exercised and performed by the Board, acting through its Designated Financial Officer (hereinafter defined), including the execution of an Approval Certificate of the type described herein and in the 2015A Ordinance; and

WHEREAS, in connection with the initial issuance and remarketing of the 2015A Bonds, the City, in the 2015A Ordinance, entered into a continuing disclosure undertaking agreement (the *Undertaking*) relative to the 2015A Bonds for the purpose of compliance with the Securities and Exchange Commission Rule 15c2-12 (the *Rule*); and

WHEREAS, in the resolution of the Board requesting the City Council's adoption of the 2015A Ordinance, the Board assumed the City's compliance obligations arising pursuant to the Undertaking; and

WHEREAS, the Board hereby finds and determines that the remarketing of the 2015A Bonds and the adoption of this Resolution is in the best interest of the Systems and its ratepayers; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE CITY PUBLIC SERVICE BOARD OF SAN ANTONIO, TEXAS THAT:

SECTION 1: Conversion to New Interest Mode; Delegation of Obligations to Designated Financial Officers. Pursuant to Section 2.2C of the 2015A Ordinance, the 2015A Bonds, in the principal amount not to exceed \$124,205,000, shall be converted to a new Interest Mode that is a Fixed Mode, a SIFMA Index Mode, or a Term Mode (the period of any such mode, the *New Interest Period*), during which the 2015A Bonds shall bear interest at Fixed Rates, a SIFMA Index Rate, or a Term Rate. The New Interest Period shall commence on December 1, 2024 and shall conclude, if the 2015A Bonds during such New Interest Period bear interest at (i) a SIFMA Index Rate or a Term Rate, not later than November 30, 2034 and (ii) Fixed Rates, not later than the 2015A Bonds' stated maturity date, as specified in the 2015A Ordinance. If the 2015A Bonds in the New Interest Period bear interest at a SIFMA Index Rate, the Applicable Spread to the SIFMA Index for use in calculating the SIFMA Index Rate that is applicable to such 2015A Bonds during such New Interest Period shall not exceed 600 basis points. If the 2015A Bonds in the New Interest Period bear interest at a Term Rate, the Term Rate and the Stepped Rate applicable to the 2015A Bonds during such New Interest Period shall not exceed the amount set forth in the Ordinance. If the 2015A Bonds in the New Interest Period bear interest at Fixed Rates, the federal arbitrage yield applicable to the Series 2015A Bonds during such New Interest Period shall not exceed the highest rate authorized by law. Determination of the foregoing shall be made by a Designated Financial Officer, within his or her discretion (but subject to the limitations described above).

In the event that the establishment of the Term Rate or Fixed Rate applicable to the 2015A Bonds in the New Interest Period, determined in accordance with Section 2.2E of the 2015A Ordinance, generates a premium (being an amount in excess of the Purchase Price of those 2015A Bonds tendered for purchase on the next occurring Purchase Date (such 2015A Bonds, the *Tendered Bonds*), then the Designated Financial Officer shall provide for the disposition of such premium in a manner permitted under the 2015A Ordinance, this Resolution, and applicable Texas law (which may include redemption of Tendered Bonds in accordance with Section 5 hereof). Such Tendered Bonds that remain Outstanding after accomplishing the remarketing that is the subject of this Resolution (which includes any redemption of Tendered Bonds) are referred to herein as the *Remarketed Bonds*.

Each Designated Financial Officer, acting by and through the Board for and on behalf of the City, is authorized to execute the Certificate for Conversion of Interest Rate, in substantially the form attached hereto as Exhibit A, establishing the final terms of the Remarketed Bonds. This Certificate for Conversion of Interest Rate is an "Approval Certificate" under the 2015A Ordinance, including particularly Section 2.2C thereof. Within such Certificate for Conversion of Interest Rate, the Designated Financial Officer shall, within the limitations of the paragraph above and the 2015A Ordinance, evidence the Applicable Spread, Term Rate, Stepped Rate, or Fixed Rates, as applicable, for the Remarketed Bonds, the duration of the New Interest Period (including the commencement date thereof), the optional redemption of any outstanding Bonds, and the disposition of any premium resulting from the remarketing of the Remarketed Bonds. Upon execution of the Certificate of Conversion of Interest Rate, Co-Bond Counsel is authorized to complete this Resolution to reflect such final terms of the Remarketed Bonds, as evidenced in the Certificate for Conversion of Interest Rate.

The Purchase Date for the Tendered Bonds and the Rate Adjustment Date for the Remarketed Bonds, respectively, shall be December 1, 2024. The Purchase Date for the Remarketed Bonds shall be _____, 2024 (or the next occurring Business Day thereafter, in

accordance with the 2015A Ordinance). During the New Interest Period, the Remarketed Bonds shall bear interest at a Term Rate of %, which Term Rate has been determined in accordance with the provisions of Sections 2.2C and 2.2E of the 2015A Ordinance; the Stepped Rate applicable to the Remarketed Bonds shall be %, which Stepped Rate has been determined in accordance with the provisions of paragraph (k) of Section 2.2B of the 2015A Ordinance. The remarketing of the Remarketed Bonds has resulted in a premium of \$, including an amount (when added to the par amount of the Remarketed Bonds) that is in excess of the Purchase Price of the Tendered Bonds (excluding the accrued but unpaid interest on the Tendered Bonds, which will be paid directly by the City from lawfully available funds), which premium will be utilized in the manner specified in the Certificate for Conversion of Interest Rate.

SECTION 2: Notices. (a) *Notice of Mandatory Tender and Conversion of Interest Rate*. Each Designated Financial Officer is hereby authorized and directed to cause to be delivered to the Tender Agent a Notice of Mandatory Tender and Conversion of Bonds, in substantially the form attached hereto as Exhibit B, and in accordance with and as required by Section 2.5B of the 2015A Ordinance. The Tender Agent is hereby authorized and directed to provide this Notice of Mandatory Tender and Conversion of Bonds to the Holders of all 2015A Bonds currently Outstanding in accordance with and as required by the 2015A Ordinance. In addition to the foregoing, each Designated Financial Officer (or the designee thereof) is authorized and directed to deliver or cause to be delivered any notice of the remarketing of the 2015A Bonds and conversion of Interest Mode that is the subject of this Resolution that may be required by the 2015A Ordinance or that is otherwise determined by the Designated Financial Officer to be necessary or desirable (including a notice of the type attached hereto as Exhibit E).

(b) *Material Event Notice*. Each Designated Financial Officer (or the designee thereof) is hereby authorized and directed to take any action, and to execute and deliver any and all documents, certificates or other instruments as are necessary or appropriate, for the filing of any material event notice required as a result of the transactions authorized by this Resolution and the City's and the Board's continuing disclosure undertaking under the Rule and the 2015A Ordinance.

SECTION 3: Reoffering Memorandum. The Board hereby approves, ratifies and confirms the form and content of the remarketing memorandum (the *Remarketing Memorandum*) presented to the Board with this Resolution, in substantially the same form attached hereto as Exhibit C, and prepared for use by the Remarketing Agent (defined herein) in connection with the remarketing of the 2015A Bonds and the determination of the Term Rate for the Remarketed Bonds in the New Interest Period, and authorizes the preparation of any addenda, supplements or amendments thereto as a Designated Financial Officer may deem appropriate, and the Board further ratifies and approves the use and distribution of such Remarketing Memorandum in connection with the remarketing of the 2015A Bonds and the determination of the Term Rate. The Designated Financial Officers are individually authorized and directed to execute and deliver any certificates, instruments, affidavits, or other documents as may be necessary or appropriate in connection with the Remarketing Memorandum. It is hereby officially found, determined, and declared that the descriptions, statements, and information contained in the Remarketing Memorandum are true and correct in all material respects, to the best knowledge and belief of the Board.

SECTION 4: 2015A Bonds Subject to Mandatory Tender Without Right of Retention. The Board hereby determines that, at the end of the New Interest Period into which the Remarketed Bonds are remarketed pursuant to Section 1 hereof, such Remarketed Bonds shall be subject to

mandatory tender, without right of retention by the Holders; provided, however, that a failure of the Remarketing Agent to remarket the 2015A Bonds at the end of such New Interest Period shall result in the holders of the 2015A Bonds retaining such 2015A Bonds until the same are remarketed or redeemed pursuant to the applicable provisions of the 2015A Ordinance (including Section 2.5E thereof).

SECTION 5: Redemption of Certain 2015A Bonds. As described in Section 1 hereof, the remarketing of the Tendered Bonds in the manner specified in Section 2.2E of the 2015A Ordinance may result in excess proceeds, which excess proceeds can be used to redeem certain of the Tendered Bonds. The 2015A Bonds are subject to redemption on the Mandatory Tender Date at the option of the City. If the remarketing of the 2015A Bonds produces proceeds in excess of the amount necessary to pay the Purchase Price of the Tendered Bonds, and a Designated Financial Officer determines that such excess proceeds shall be used to optionally redeem certain of the Tendered Bonds, then such Tendered Bonds determined to be optionally redeemed by the Designated Financial Officer (to be evidenced in the Certificate for Conversion of Interest Rate) are hereby called for redemption.

The City shall give written notice to the Paying Agent/Registrar of any 2015A Bonds that have been called for redemption. The Paying Agent/Registrar is authorized and instructed to provide notice of this redemption to the holders of any redeemed 2015C Bonds in the form and manner described in the 2015A Ordinance. Notwithstanding the foregoing, a notice of mandatory tender without retention rights shall satisfy any notice requirements for an optional redemption of Bonds which occurs on a Purchase Date, pursuant to Sections 2.4F and 2.5B of the Ordinance.

SECTION 6: Appointment of Remarketing Agent. In recognition and satisfaction of its obligations under the 2015A Ordinance (including Section 2.5G thereof), the Board hereby appoints _____ to serve as the Remarketing Agent for the 2015C Bonds (the *Remarketing Agent*) to accomplish the remarketing of the 2015C Bonds into the New Mode Rate Interest Period in the manner contemplated under this Resolution. The Remarketing Agent shall signify its acceptance of the duties and obligations imposed thereon by such appointment by execution of the Remarketing Agreement, in substantially the form attached hereto as Exhibit D (the *Remarketing Agreement*). Each Designated Financial Officer is hereby authorized and directed to execute and deliver the Remarketing Agreement, for and on behalf of this Board, and such agreement, as executed by the Board and the Remarketing Agent, shall be deemed to be the Remarketing Agreement herein approved and authorized to be executed and delivered for and on behalf of this Board. The Remarketing Agreement shall specify the compensation to be paid to the Remarketing Agent for its service in connection with accomplishing the remarketing of the Remarketed Bonds into the New Interest Period, payment of which is hereby authorized to be made from any lawful source of funds available to the Board (including proceeds derived from the remarketing of the Remarketed Bonds). Upon completion of the foregoing, the Remarketing Agent shall constitute the "Remarketing Agent" and the Remarketing Agreement shall constitute the "Remarketing Agreement", respectively, under the 2015A Ordinance for purposes of remarketing the Remarketed Bonds into the New Interest Period.

SECTION 7: Additional Actions Authorized; Designated Financial Officers. Pursuant to the authority provided by Chapter 1371, Chapter 1207 and the 2015A Ordinance, the President and Chief Executive Officer, the Chief Financial Officer and Treasurer of the Board and any Assistant Treasurer of the Board, each of whom were identified as Designated Financial Officers under the

2015A Ordinance, are hereby identified and designated as *Designated Financial Officers* under this Resolution, as well. The Designated Financial Officers, and all other appropriate officers, agents and representatives of the Board, are hereby authorized and directed to take any and all other actions as may be necessary and appropriate to provide for the (i) payment of the Purchase Price of the Tendered Bonds, the redemption of any Tendered Bonds, and the conversion and remarketing of the Remarketed Bonds into the New Interest Period; (ii) execution of the Remarketing Agreement with the Remarketing Agent; and (iii) preparation and distribution of replacement definitive 2015A Bonds and the Remarketing Memorandum, as contemplated by this Resolution and the 2015A Ordinance. In addition and with respect to accomplishing the foregoing matters, each Designated Financial Officer is hereby authorized and directed to execute, deliver, and accept on behalf of the City (acting by and through the Board) all agreements certificates, consents, waivers, receipts, notices, requests and other documents as may be necessary or appropriate to carry out the actions contemplated by this Resolution.

SECTION 8: Definition of Terms. Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the 2015A Ordinance.

SECTION 9: Ratification of Prior Actions. The actions of the Designated Financial Officers, as well as their agents, designees, and representatives, taken prior to the date of this Resolution to accomplish the conversion and remarketing of 2015A Bonds that is the subject of this Resolution are hereby ratified, confirmed and approved as the act and deed of the Board.

SECTION 10: Public Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 11: Incorporation of Preamble Recitals. The recitals contained in the preamble to this Resolution are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 12: Coordination of Transaction Matters; Further Procedures. The Board hereby authorizes PFM Financial Advisors LLC and Estrada Hinojosa & Company, Inc., its Co-Financial Advisors, to coordinate these financial matters in consultation with CPS Energy staff, McCall, Parkhurst & Horton L.L.P. and qualified counsel (if any) serving as Co-Bond Counsel, the Tender Agent, the Paying Agent/Registrar, and the Remarketing Agent. In addition, the Board authorizes the payment of the professional fees and expenses associated with this transaction upon the approval by a Designated Financial Officer of written invoices for any such services, which payments are hereby authorized to be made from any lawful source of funds available to the Board (including proceeds derived from the remarketing of the Remarketed Bonds).

Each Designated Financial Officer and Co-Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the instruments authorized and approved by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Resolution and as described in the Reoffering Memorandum or (ii) obtain a rating from any of the national bond rating agencies. In case any officer of the Board whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate,

such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 13: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

PASSED AND ADOPTED, this 25th day of March, 2024.

CITY PUBLIC SERVICE BOARD OF SAN
ANTONIO, TEXAS

Chair, Board of Trustees

ATTEST:

Secretary, Board of Trustees

INDEX OF SCHEDULES AND EXHIBITS

Exhibit A Certificate for Conversion of Interest Rate

Exhibit B Notice of Mandatory Tender and Conversion of
Bonds

Exhibit C Remarketing Memorandum

Exhibit D Remarketing Agreement

Exhibit E Notice to Working Group

EXHIBIT A

Certificate for Conversion of Interest Rate

See Tab No. __

EXHIBIT B

Notice of Mandatory Tender and Conversion of Bonds

TO: Owners of City of San Antonio, Texas Electric and Gas Systems Variable Rate Junior Lien Revenue Refunding Bonds, Series 2015A (the *Bonds*):

<u>CUSIP No.</u>	<u>Stated Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Period Expiration Date</u>	<u>Mandatory Tender Date</u>
79625GBW2	February 1, 2033	\$124,205,000	November 30, 2024	December 1, 2024

Pursuant to Section 2.5B of the ordinance authorizing the issuance of the Bonds (the *Ordinance*), and a resolution adopted by the City Public Service Board of San Antonio, Texas (*CPS Energy*) on March 25, 2024 (the *Resolution*), CPS Energy, on behalf of the City of San Antonio, Texas, has elected to exercise its right to convert the Bonds from the current Interest Period during which the Bonds bear interest at a Term Rate to a new Interest Period during which the Bonds will bear interest at a Term Rate (such new Interest Period commencing on _____, 2024, also being the date on which Bonds now in the current Interest Period are to be tendered for purchase (the *Mandatory Tender Date*)). The duration (in years) and Term Rate for such new Interest Period was determined on or about _____, 2024 (the *Rate Determination Date*). Notice of such new rate shall be sent to U.S. Bank Trust Company, National Association, as paying agent/registrar for further distribution to the Holders of the Bonds.

All Bonds are subject to mandatory tender, without right of retention by the Holders thereof, on the Mandatory Tender Date (on which date shall be due to the Holders of tendered Bonds the Purchase Price). Bonds shall be deemed tendered for purchase if not tendered by noon, New York City time, on the Mandatory Tender Date. Bonds may be tendered through the Depository Trust Company or by physically delivering such Bonds by mail to: U.S. Bank Trust Company, National Association (the *Tender Agent*), _____, _____, Texas 75240, Attn: _____ (____@usbank.com). Any Bond not delivered to the Tender Agent for purchase, as herein provided, shall be deemed tendered and purchased on the Mandatory Tender Date and shall constitute an Untendered Bond under the Ordinance. Any Holder of an Untendered Bond shall have no further right thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of such Bond to the Tender Agent.

The Remarketing Agent for the tendered Bonds and their remarketing into the succeeding Interest Period is _____.

Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Ordinance.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Paying Agent/Registrar and Tender Agent

Dated: _____, 2024

EXHIBIT C

Remarketing Memorandum

See Tab No. __

EXHIBIT D

Remarketing Agreement

See Tab No. __

EXHIBIT E

Notice from CPS Energy to Working Group

[CPS ENERGY LETTERHEAD]

Re: City of San Antonio, Texas Electric and Gas Systems Variable Rate Junior Lien Revenue Refunding Bonds, Series 2015A

TO THE ATTACHED DISTRIBUTION LIST:

The City of San Antonio, Texas (the *City*), acting by and through the City Public Service Board of San Antonio, Texas (*CPS Energy*), hereby notifies you, as a recipient of this letter, of CPS Energy's intent to convert and remarket to a Term Mode those bonds of the captioned series (collectively, the *Bonds*), which are subject to mandatory tender, without optional right of retention, on _____, 2024. The Bonds are currently outstanding in the principal amount of \$124,205,000. All Bonds will be remarketed in the manner described above, though the City has reserved the right to effect redemption of certain of the Bonds on _____, 20__, conditioned on the results of the remarketing.

The Bonds are issued and outstanding pursuant to an ordinance of the City Council of the City adopted on October 30, 2014 (the *Ordinance*). The conversion and remarketing of the Bonds into a new interest mode is authorized pursuant to the Ordinance and a resolution of CPS Energy Board of Trustees adopted on March 25, 2024 (the *Resolution*). Capitalized terms used, but not defined herein, have the meanings ascribed thereto in the Ordinance.

This letter is provided in satisfaction of the requirements of the Resolution and the Ordinance. Please contact Mr. Clay Binford, McCall, Parkhurst & Horton L.L.P., CPS Energy's Co-Bond Counsel, with any questions concerning this matter. Documents will be circulated to the working group by Co-Bond Counsel to effectuate the remarketing of the Bonds, as well as any redemptions thereof.

Thank you, in advance, for your prompt attention to this matter. If I can provide any additional assistance concerning this matter, please do not hesitate to contact me.

Very truly yours,

cc: [INSERT DISTRIBUTION LIST]



AFFORDABILITY DISCOUNT PROGRAM UPDATE

PRESENTED BY:

Elaina Ball
Chief Strategy Officer

March 25, 2024
Informational Update



AGENDA

- Affordability Discount Program (ADP)
- Request for Approval to Update Qualifications

We are requesting approval to expand the Affordability Discount Program to offer support for a greater number of customers.

AFFORDABILITY DISCOUNT PROGRAM



Today, eligible low-income customers whose total household income is at or below 125% of the Federal Poverty Level (FPL) and meet one of the following eligibility requirements qualify:

- Be 60 years old or older; or
- Have a disability; or
- Use life-sustaining medical equipment; or
- Have pre-school aged children or school children age 18 and under; or
- Have a demonstrated energy burden of more than 10% (defined as an annual energy expense of more than 10% of annual household income)

Through our Bundled Support approach, we work with over 200 community partners to help customers find the assistance they need.



REQUEST FOR APPROVAL

We respectfully ask for the adoption of a resolution approving:

1. Expansion of enrollment in ADP to 150% FPL for a period of two years, and
2. Submittal to the San Antonio City Council for approval.



THANK YOU



APPENDIX

GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
ADP	Affordability Discount Program		
FPL	Federal Poverty Level		

**CITY PUBLIC SERVICE BOARD OF SAN ANTONIO
RESOLUTION APPROVING AMENDMENTS TO THE AFFORDABILITY DISCOUNT PROGRAM;
AUTHORIZING A CHANGE IN ELIGIBILITY REQUIREMENTS FROM MAY 1, 2024 TO APRIL 30, 2026**

WHEREAS, CPS Energy is the municipally owned utility that operates the City of San Antonio’s electric and gas systems providing retail services to customers within the City of San Antonio and the surrounding area; and

WHEREAS, CPS Energy maintains an Affordability Discount Program (“ADP”) available to customers who have income at or below 125 percent of Federal poverty guidelines and meet one of the following criteria: are elderly; are disabled; use life-sustaining medical equipment; have children under the age of 18 years; or are a household with a demonstrated energy burden of more than 10%; and

WHEREAS, CPS Energy proposes expanding the ADP eligibility criteria to include customers who have income at or below 150 percent of Federal poverty guidelines, in addition to meeting one of the other program criteria, for a period beginning on May 1, 2024 and concluding on April 30, 2026; and

WHEREAS, this amendment will not have any impact on customer electric or gas rates; and

WHEREAS, CPS Energy will present the proposed amendment to the San Antonio City Council for review and approval; and

NOW THEREFORE BE IT RESOLVED:

1. The recitals to this resolution are hereby incorporated by reference.
2. The CPS Energy Board of Trustees hereby approves and adopts the amendment to the Affordability Discount Program described in this resolution for submittal to the San Antonio City Council for approval, and delegates to the President and CEO the authority to implement such amendment consistent with this resolution and the San Antonio City Council’s approval.

I, Shanna M. Ramirez, Secretary of the Board of Trustees of CPS Energy, do hereby certify that the foregoing is a true and exact copy of a resolution which was passed and approved at the meeting of the Board of Trustees of CPS Energy, held on March 25, 2024, at which a quorum was present.

WITNESS MY HAND AND SEAL OF THE CPS ENERGY BOARD OF TRUSTEES on the __ day of _____ 2024.

Shanna M. Ramirez
Secretary of the Board