



89TH TEXAS LEGISLATURE POST- SESSION REPORT

PRESENTED BY:
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Director, Federal & State Relations

July 9, 2025
Informational Update

- Key Takeaways
- Public Policy Agenda Successes
 - Customer Affordability & Impacts
 - Municipally Owned Utility (MOU) Business Model
 - Reliability & Resiliency
 - Safety & Security
- Internal & External Collaboration
- Next Steps



Federal & State Relations Manager Zanir Ali speaking to members of the Emerging Leaders Cohort (ELC) and EDS Team during their visit to the Capitol

This presentation will provide a high-level overview of CPS Energy's primary activities and next steps relative to the 89th Texas Legislature.

KEY TAKEAWAYS

- CPS Energy had a successful legislative session advocating according to our Public Policy Agenda (PPA) and its four main pillars.
- More than 500 pieces of legislation were identified, analyzed, and tracked as being of interest or impact to the utility.
- Legislators were primarily focused on addressing infrastructure reliability, types of generation resources, and interconnection of new technologies and large loads.
- Our work will continue through the interim as numerous rulemakings are necessary to implement passed legislation.



Board Chair Dr. Francine Romero, President & CEO Rudy Garza, and the Federal & State Relations team with members of the Bexar County Delegation

CPS Energy remains a trusted resource and partner with legislative offices, community partners, and industry counterparts.

PUBLIC POLICY AGENDA (PPA)

APPROVED BY THE BOARD OF TRUSTEES

**Customer
Affordability and
Impacts**

**Municipally Owned
Utility (MOU)
Business Model**

**Reliability
and
Resiliency**

**Safety
and
Security**

CUSTOMER AFFORDABILITY & IMPACTS

PROTECTING CUSTOMERS AND ENERGY BILLS

- SB 1 – General Appropriations Act includes \$5 billion for the Texas Energy Fund
- HB 500 – Supplemental Appropriations Act includes \$350 million for the Texas Advanced Nuclear Development Fund
- SB 1036 – Residential Solar Retailer Regulatory Act
- SB 1697 – Customer guide for home solar energy devices

Determining the impacts to our customers and their energy bills was the lens through which we reviewed all legislation.

PROTECTING OUR GOVERNANCE STRUCTURE

- SB 1202 – Municipal regulation of residential backup energy installations
 - Protects the authority of a municipally owned utility to enforce its interconnection and service policies.
- SB 1252 - Municipal regulation of residential backup energy systems
 - Protects the authority of a municipally owned utility to regulate the installation or inspection of a residential energy backup system within the utility's service area.

While there were a few bills filed to alter MOU governance, including general fund transfer, none made it far in the process.

RELIABILITY & RESILIENCY

SUPPORTING GENERATION RESOURCES & TRANSMISSION INFRASTRUCTURE

- HB 14 – State support for advanced nuclear
- SB 6 – Interconnection of large loads
- SB 1789 – Transmission and distribution pole inspection standards
- HB 144 – Distribution pole inspection and maintenance plans
- HB 145 – Wildfire mitigation plans

CPS Energy successfully advocated for changes to these bills and will continue our efforts through the forthcoming rulemakings at the Public Utility Commission (PUC).

SAFETY & SECURITY

PROTECTING OUR EMPLOYEES AND ASSETS

- SB 75 – Creating the Texas Grid Security Commission
- SB 1646 – Creating criminal penalties for theft, damage, or destruction of copper or brass from critical infrastructure facilities
- SB 482 – Increasing penalties for assault or harassment of utility workers

The team successfully advocated for legislation that reinforces our commitment to the physical safety of our employees and security of our assets and infrastructure.

KEY PARTNERSHIPS AND EXPERTISE

- Legislative Analyst Program
- Written and Verbal Testimony
- CoSA IGR Group and Weekly Delegation Briefings
- Weekly Board of Trustees Updates
- Monthly CEO Visits
- Daily coordination with other community and industry trade associations



Texas Public Power Corridor Leadership
Academy Capitol Visit



Emerging Leaders Cohort and EDS Team
Capitol Visit

The team participated in numerous stakeholder groups to provide direct feedback and input to legislation as it went through the process.

NEXT STEPS

CONTINUING OUR POLICY PRIORITIES

- Post-Session internal compliance process
- Regulatory rulemakings to implement passed legislation
- Assessment of failed legislation
- Interim charges and hearings

The Federal & State Relations team will continue its internal and external collaborative efforts to engage on legislative topics as they transition into the regulatory arena.

NEXT STEPS

1ST CALLED SPECIAL SESSION

- Begins July 21 and can last up to 30 calendar days
- Debate limited to topics identified by Governor Abbott
 - Focus will be on bills he vetoed from the 89th Regular Session
- Topics of impact to us are not on the current agenda

The Federal & State Relations team will monitor the special session and be prepared to engage should the agenda be expanded to include topics of impact to the utility.



THANK YOU

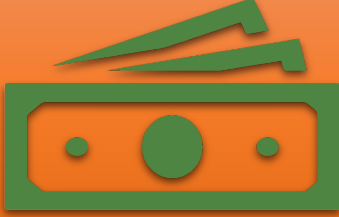


APPENDIX

PUBLIC POLICY AGENDA (PPA)

MAIN PILLARS

Customer Affordability & Impacts



Protecting Customers & Energy Bills

- Weighing intended benefits of legislation against impact(s) to customer bills
- Demand-side Resources
- Customer and Financial Assistance Programs

Municipally Owned Utility (MOU) Business Model



Protecting Governance Model

- Local Decision-Making Authority
- General Fund Transfer
- Investment & Financial Decisions (e.g. public funds for lobbying)

Reliability & Resiliency



Enhancing Generation Resources & Transmission Infrastructure

- Storm Prep, Response, Mutual Aid
- Extra High Voltage (EHV) Lines
- Large Loads
- Transmission Planning
- Nuclear Technologies
- ERCOT Market Design

Safety & Security



Protecting Assets While Integrating New Information Technologies

- Employee Safety
- Pipeline Safety & Reporting
- Cyber Security
- Grid Security
- Artificial Intelligence