



**Drew Higgins**  
Senior Director, Products & Services

March 18, 2021

Dear Mr. Harman,

Thank you for your March 3, 2021 email to CPS Energy's President & CEO and Board of Trustees on our release of the **FlexSTEP<sup>SM</sup>** Request for Proposal (RFP). We appreciate your continued engagement and feedback in the process.

We value your perspective, and we agree that February's historic winter weather storm in Texas highlighted the value of year-round conservation and energy efficiency programs that enhance our community's energy **Reliability**. The use of these programs contributed to material energy demand savings, which, when combined with action taken to stabilize our electric system, helped avoid a potential statewide loss of the power grid during the storm.

All of us at CPS Energy are intensely focused on ensuring that our community works together to overcome challenging events of this nature; conservation and energy efficiency certainly play a role in this collaboration. We also remain focused on making sure that core programs, that many customers in our community depend on, stay funded and accessible. For example, programs like weatherization, which provided significant benefits in the winter storm, must remain available to our customers, which is one reason why the release of the RFP at this time is imperative.

The release of the **FlexSTEP** RFP does not limit our program, it just provides an understanding of what vendors can offer. We understand your desire to have more time to discuss the scale of the **FlexSTEP** program with CPS Energy. While we have moved forward with the release of the RFP, which continues to generate significant interest globally, conversations with the Board, City Council, and community as to the scale of the overall program remain ahead of us in this process.

We want to emphasize that we value the continued discussion with the Sierra Club, as well as your willingness to share your perspectives. We want to encourage a continued dialogue as we remain committed to building and evolving this truly beneficial program.

Very Respectfully,

**Drew Higgins**  
Senior Director, Products and Services



Copy Sierra Club:

- Mr. Cyrus Reed

Copy Optimal Energy:

- Mr. Adam Jacobs

CPS Energy:

- Board of Trustees
- Ms. Paula Gold-Williams, President & Chief Executive Officer (CEO)
- CPS Energy Senior Chiefs
- Ms. DeAnna Hardwick, VP of Customer Success
- Ms. Kathy Garcia, VP of Government Relations, Regulatory Affairs & Public Policy
- Mr. Rick Luna, Director, Technology & Product Innovation
- Ms. Loretta Kerner, Director, Board Relations & Chief of Staff to the CEO

Copy the City of San Antonio:

- City Council
- Mr. Erik Walsh, City Manager
- Mr. Ben Gorzell, CFO & Supervisor to Public Utilities
- Ms. Ivalis Meza, Chief of Staff to the Mayor
- Ms. Michelle Lugalía-Hollon, Director of Policy

Attachment: Letter from Greg Harman, dated 03/03/2021