

CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON DECEMBER 13, 2021

The Regular Meeting of the Board of Trustees of CPS Energy for the month of December was held on Monday, December 13, 2021 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 Dr. Mackey called the meeting to order at 3:35 p.m.

Present were Board members:

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

Also present were:

Mr. Rudy Garza, Interim President & CEO
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary
Mr. Frank Almaraz, Chief Power, Sustainability & Business Development Officer
Mr. Paul Barham, Chief Grid Optimization & Resiliency Officer
Ms. Vivian Bouet, Chief Information Officer
Mr. Cory P. Kuchinsky, Chief Financial Officer & Treasurer
Ms. Lisa Lewis, Chief Administrative 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. Loretta Kerner, Director, Board Relations & Chief of Staff to the CEO.

III. PUBLIC COMMENT

Chair Dr. Mackey announced that public comments would be taken, and Ms. Kerner outlined the guidelines for doing so. The following person made comments:

Mr. Alan Montemayor, Chairman, Alamo Group of the Sierra Club, requested that CPS Energy consider any rate increase from a social justice perspective. In addition, he also stated that the Sierra Club will ask City Council to not approve a change in rates until CPS Energy eliminates coal by 2030. He also asked that CPS Energy consider disconnections for delinquent accounts from a social justice perspective.

IV. INTERIM CEO'S REPORT

Mr. Rudy Garza highlighted three (3) areas of focus: (1) rebuild customer trust, (2) strengthen customer and stakeholder relations, and (3) improve employee morale. He discussed his efforts in each area to date, highlighting several key activities he has achieved as well as his goals for the next 30, 60, and 90-day period involving the three (3) focus areas.

Trustee Steen acknowledged the positive feedback he has received regarding Mr. Garza. Trustee Steen inquired about executive departure and Mr. Garza responded that employees have left the company for various reasons, including retirement and being sought after by other companies. He stated that we have a great succession plan and acknowledged and added there is work to be done to ensure our compensation strategy remains competitive. He further explained we have had conversations with the credit rating agencies regarding retention and demonstrate our ability to backfill vacancies in accordance with our succession plan. This action has had a positive impact during those conversations.

Vice Chair Gonzalez stated that Mr. Garza serving as Interim President & CEO was a result of a succession plan. She further stated that Mr. Garza is working with the Board Personnel Committee and People and Culture team to address employee retention.

Mayor Nirenberg stated customer trust requires good reliable service. He stated that we have thousands of employees that deserve credit for working at CPS Energy. We have service-minded employees that take on the mission to serve the public and he thanked the employees for their service. Mr. Garza shared that City Council told him that to request a rate increase, we must rebuild customer trust. However, it is difficult to rebuild customer trust if service levels decline. The most critical component to build customer trust is to ensure customers receive the service they need from us.

Trustee Kelley stated the incoming President & CEO, should examine the operational environment, including the financial condition of the company. He also stated that we have surveyed our customers more than any other company where he has worked. He advised that we should focus on identifying and meeting key customer demands. In addition, he would like for us to focus on the financial and operational challenges we are facing. Mr. Garza responded that the proposed rate increase is to address our financial challenges. From an operational perspective, customers have asked us to prepare for the upcoming winter season. We have prepared our plants and improved our load shed plans.

Chair Dr. Mackey asked that Mr. Garza continue to focus on the three areas of focus including the financial and operational challenges facing the company. He also recognized Mr. Garza for the good work done with City Council and County Commissioners' Court.

Mr. Garza recognized Mr. Paolo Solorzano, P.E., Plant Engineer at the Braunig Power Station. Mr. Garza served as a mentor to Mr. Solorzano, and wanted to recognize Mr. Solorzano's efforts in leading the AvR combustion turbine 1 restoration project. This turbine experienced an unplanned outage. Utilizing his plant experience and project management expertise, Mr. Solorzano was able to effectively lead the repair effort and return the unit to operation four (4) weeks ahead of schedule. Mr. Solorzano's positive attitude, ability to manage multiple work activities and attention to detail contribute to his success as a valuable member of our team.

Mr. Solorzano thanked the Board for the recognition and stated that he is one of many power generation and plant employees that could be recognized today. He appreciates how the team works together in a collaborative, efficient and safe way. We have a great team that realizes the critical and essential nature of the service we provide to our community.

Chair Dr. Mackey asked what we learned last winter and what we have done to alleviate it from happening again. Mr. Solorzano responded that there is always room for improvement and have a detailed list of lessons learned.

Trustee Steen asked Mr. Solorzano what drew him to work at CPS Energy. Mr. Solorzano responded that he was an intern at CPS Energy, had a favorable experience at the Spruce Power Plant and decided that CPS Energy would be a good place to work. Trustee Steen also asked Mr. Solorzano what he believes to be the biggest challenge at the company. Mr. Solorzano responded that the biggest challenge is losing valuable knowledge from people ready to retire and attracting new people with experience to help bolster the knowledge base of the company.

Mayor Nirenberg thanked Mr. Solorzano for sharing his story and for his service to CPS Energy. He also stated that he is the kind of person we should be developing at the company.

V. RESOLUTION FOR POLICY REVIEW

Chair Dr. Mackey requested the review of certain policy, practices and guidelines and asked Ms. Ramirez to review the policies and suggest changes to improve as stated in the proposed resolution, which was read aloud:

RESOLUTION FOR POLICY REVIEW

WHEREAS, the CPS Energy Board of Trustees has become aware of recent media reports regarding the use of company purchasing cards by former top CPS executives in a manner that may be damaging to public trust in CPS Energy;

WHEREAS, the CPS Energy Board of Trustees believes that maintaining public trust is vital for any entity entrusted with ratepayer funding;

WHEREAS, the CPS Energy Board of Trustees seeks to better understand and to improve upon CPS Energy's existing ethics, expense, and meals policies and procedures and the enforcement thereof;

BE IT RESOLVED by the CPS Energy Board of Trustees that the General Counsel Office of CPS Energy shall conduct a review of all applicable ethics, expense, and meals policies and procedures and provide a report to the CPS Energy Board of Trustees of the results of the review and recommended actions for strengthening CPS Energy's ethics, expense, and meals policies and procedures and the enforcement thereof.

On a motion duly made by Vice Chair Gonzalez, seconded by Mayor Nirenberg, and upon affirmative vote by all members present, the resolution was unanimously approved. In accordance with the resolution, Ms. Ramirez will present a report to the Board by the next regular Board meeting.

VI. RATE INCREASE

Chair Dr. Mackey acknowledged that City staff has given positive feedback regarding the work Mr. Kuchinsky and his team have done on the proposed rate increase.

Mr. Kuchinsky provided an update on the company's latest discussions with City staff and City Council. During the last two (2) weeks, the company's leadership team attended two (2) B Session meetings at City Council on December 1, 2021, and on December 8, 2021. Both CPS Energy and City staff addressed the revised approach to the proposed rate request, which focuses on the immediate financial pressures. It enables financial and staffing stabilization, and supports the immediate infrastructure investments that are required. In addition, the revised approach allows the Board, the Rate Advisory Committee (RAC), and our community time to consider the complex policy issues of generation planning, rate design and equity. Going forward, we intend to take an incremental and more frequent approach for rate requests.

Mr. Kuchinsky stated that the proposed base rate increase of 3.85% will generate approximately \$73M annually and have a bill impact of \$3.84 for an average residential customer. This proposal also includes an offset to the base rate for customers that qualify for the Affordability Discount Program (ADP). In addition, we are proposing an increase to the ADP by an additional fourteen thousand (14,000) customers for a total of sixty-five thousand (65,000) customers. This will result in a \$16.84 per month, or approximately \$200 annual benefit, for customers who qualify for the program. City Council approved \$20M of American Rescue Plan Act (ARPA) funding that can be applied to qualified customers. Lastly, Mr. Kuchinsky discussed that the proposed regulatory asset will be established for up to \$1B, made up of paid amounts related to Winter Storm Uri fuel and related costs, estimates as \$418M to date. These costs will be collected after over twenty-five (25) years, resulting in an estimated \$1.26 per month bill impact for an average residential customer. We recommend the proposed base rate increase and regulatory asset to become effective March 1 of next year (2022). For customers not on the ADP, there will be a \$5.10 bill impact for an average residential electric and gas customer.

There will be a Public Input Session tonight, December 13, 2021. Tomorrow, we will attend a City Council B Session meeting and host a Tele-Town Hall online for the broader community. On January 10, 2022, we plan to formally present our recommendation to the Board for approval at a Special Board Meeting. Members of the RAC and Citizens Advisory Committee (CAC) will also attend that meeting to share their perspective on the rate request. If approved, the Board Resolutions on the rate request and regulatory asset will be submitted to City Council for approval on January 13, 2022.

Chair Dr. Mackey expressed appreciation to the full explanation of the request. Chair Dr. Mackey also thanked the Mayor and City Council for approving the \$20M in ARPA funding that will assist our customers.

Trustee Steen complimented Mr. Garza and Mr. Kuchinsky for their communication to the community and media on the proposal. Trustee Steen noted that the rate increase does not recover the unpaid customers balances accrued during the pandemic and asked for that amount. Mr. Kuchinsky responded that it is approximately \$130M. The \$20M in ARPA funding will provide CPS Energy with near-term liquidity and assisting qualified customers. CPS Energy will resume its process of collection and will monitor its progress for the next twenty-four (24) months. We anticipate that once this process resumes, we may receive up to fifty percent (50%) of the amounts owed. If we do not collect what we anticipate, we will have to incorporate

the remaining amount into our next rate request. Trustee Steen stated that the rate increase is to address immediate financial need and he believes this debt is an immediate financial need.

Trustee Kelley expressed his concern regarding the City involvement in the rate request process and the influence of politics in setting the increase amount. In his opinion, we are transitioning to a City department and this will result in credit downgrades. Trustee Kelley emphasized that we were established as a business and need to run as a business.

Mayor Nirenberg stated that we became a community asset the day we were bought by the City of San Antonio. The Mayor asked for Mr. Garza and Mr. Kuchinsky to explain the process on how we arrived at the 3.85% rate request. Mr. Garza stated that the team worked every day for three (3) weeks on the rate model. We will continue to plan on a ten (10) year basis to ensure we have the assets and the strategic plans to operate and serve our community but there are decisions the Board needs to make regarding the future of our generation assets and rate structure. We decided to stabilize our current need knowing that we will return every couple of years. It was not a number directed by the City. Mr. Kuchinsky added that this process is about communication and partnership. We discussed the key elements in our rate request and debated the things that can wait a couple of years with the City for policy considerations by the Board and RAC.

Trustee Steen asked Mr. Kuchinsky if his biggest concern is the debt to capitalization metric. Mr. Kuchinsky answered yes because our current metric is above our 60% threshold. We plan to lower the metric over the course of the next 5 or 6 years back to 60%. In our conversations with both the City and the Credit Rating Agencies, they are focused on where we project our number to be in the future.

Trustee Steen raised concerns regarding rising interest rates and the fact that our ultimate rate increase request was much lower than originally estimated.

Vice Chair Gonzalez noted the improved alignment she observed with the expectations of the City and County. She further stated Uri highlighted areas that needed attention, noted the opportunity to determine what we want CPS Energy to look like in the future as one of the fastest growing cities in the nation. She emphasized the need to focus the same level of reliability and resiliency to all customers.

VII. WINTER PREPAREDNESS PROGRESS REPORT

Mr. Barham provided an update on the status of our work on the City's Committee on Emergency Preparedness (CEP) recommendations. Most of the items are complete. Of the 37 recommendations, we have submitted 14 of the items as complete to the Municipal Utilities Committee (MUC). A total of 22 of the items are in our final documentation and review process and one (1) is slightly delayed. We expect to submit most of these items to the MUC this week and one (1) possibly next week. We will be wrapping up all of these items by the end of this year (2021). In addition, we will be issuing a revised communication plan this month. Our communications team has been working very closely with SAWS and the City to develop a joint emergency preparedness program that will roll out in January 2022.

Mr. Barham spoke briefly about the winter preparedness. Chair Dr. Mackey complimented the third-party validations of improvements and increased natural gas storage. He reminded the Board that we are part of a larger grid. The Electric Reliability Council of Texas (ERCOT) has a roadmap to improve grid reliability that consists of a 60-point action plan. All our power plants and transmission systems are fully

prepared in accordance with Public Utility Commission (PUC) and ERCOT requirements. Some of our power plants inspected by ERCOT to ensure that they are prepared for winter. This week, we will have our transmission systems inspected. In addition, the Federal Energy Regulatory Commission (FERC) issued its final report showing the winter storm with 28 formal recommendations. We expect the PUC to issue its final roadmap on the market redesign process. Throughout the next year, we will be engaged in meeting these market redesign requirements and continue to inform the Board and other stakeholders on the status of our activities.

Trustee Steen complimented the Consolidating Action Items and confirmed our plan is to complete the listed items by the end of the calendar year. He asked for clarification on the status of pending versus in progress. Trustee Steen noted we have only completed 40% of the action plan items and confirmed the remaining 60% of items will be completed by the end of the year.

Trustee Steen complimented Mr. Barham's effort and overall contributions to CPS Energy.

Chair Dr. Mackey for additional load shed improvement details. Mr. Barham explained we have increased the number of circuits available for firm load shed by 33% and updated our load shed process to accommodate load sheds larger than Uri. Mr. Garza noted that by increasing the number of circuits subject to load shed, a greater number of customers will be impacted but their experiences should be more consistent.

Mayor Nirenberg noted that ERCOT has guaranteed that the lights will not go out but there are many utilities across the state that are scrambling to meet winter preparedness goals. CPS Energy is doing everything we can but we require ERCOT to be accountable.

VIII. EXECUTIVE SESSION

With the consent of the Board, Chair Dr. Mackey announced that Executive Session items will be deferred.

IX. APPROVAL OF CONSENT ITEMS

On a motion duly made by Trustee Kelley, seconded by Vice Chair Gonzalez, and upon affirmative vote by all members present, the following items on the Consent Agenda were unanimously approved.

Approval of Minutes

Minutes of the Regular Board Meeting held on October 25, 2021, were approved as presented.

Approval of Payment to the City of San Antonio for November 2021

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 November 2021 is based on actual gross revenue per the New Series Bond Ordinance of

\$180,773,903.40, less applicable exclusions. The revenue for the month of November 2021 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$171,606,340.62
Gas revenue	19,962,213.11
Interest and other income	1,593,860.33
Gross revenue per CPS Energy financial statements	<u>193,162,414.06</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(7,632,521.14)
LVG revenue per City Ordinance 100709	(61,587.84)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(13,607,514.98)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>8,913,113.30</u>
Total excluded revenue	<u>(12,388,510.66)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$180,773,903.40</u>
City payment per Bond Ordinance for November 2021 based upon November 2021 revenue	\$25,308,346.48
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	624,795.59
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	25,920,642.07 A
Utility services provided to the City for November 2021	<u>(2,680,110.67)</u>
Net amount to be paid from November 2021 revenue to the City in December 2021	<u>\$23,240,531.40</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)

November 2021	Actual	Budget	Variance	
Current Month* A	\$25,921	\$25,003	\$918	3.7%
Year-to-Date*	\$298,245	\$302,262	(\$4,017)	-1.3%

* This amount does not include any additional funding authorized by the Board of Trustees.

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 \$23,240,531.40 representing 14% of applicable system gross revenues for the month of November 2021, such payment being net of City utility services (\$2,680,110.67), is hereby approved."

Flexible Rate Revolving Note (FRRN) Renewal

Mr. Kuchinsky explained that this is a short-term liquidity instrument that requires annual renewal. We have had this program in place since 2008. It is a 20-year program that City Council approved, however, the liquidity component requires annual renewal. \$100M of the \$418M that we have paid for Uri costs is caused on this note. The instrument expires at the end of February 2022. We are asking the Board to renew the liquidity approval so that we can carry it for another 12 months.

Trustee Kelley asked for clarification on the changes of certain fees and the net impact on pricing. Mr. Kuchinsky confirmed the net benefit to CPS Energy. Trustee Kelley requested clarification on the percentage of fixed capital given inflation concerns.

Procurement Item

Mr. Almaraz explained this is a 3-year service agreement for turbine overhaul support for our combustion turbine aeroderivative units with 2 companies, TransCanda Turbine, Inc. and GE Packaged Power, LLC. Work will be assigned to each company based upon a scope of work for services that need to be done.

Trustee Steen complimented Mr. Almaraz's efforts and overall contribution to CPS Energy.

Chair Dr. Mackey asked Mr. Almaraz what he sees positive about our winter preparedness and what the Board can do to help. Mr. Almaraz responded that the Board has done a good job of pushing the company to think broadly. He also stated that we have completed our weatherization plan and planned maintenance outage will conclude this week. Chair Dr. Mackey expressed his gratitude for the hard work of our employees and by Mr. Almaraz, Mr. Barham, and Mr. Garza in preparing our plants for the winter.

*The Procurement Item is included as Attachment "A".

X. COMMITTEE REPORTS

Chair Dr. Mackey accepted the submission of reports for the record in lieu of having them read during the meeting.

Operations Oversight Committee (OOC) Meeting held on November 8, 2021

A report of the OOC meeting, which took place on November 8, 2021, was posted with the public notice of this meeting and will be attached (as Attachment "B") to the meeting minutes.

Operations Oversight Committee (OOC) Aligned Risk Sub-Committee Meeting held on November 8, 2021

A report of the OOC Aligned Risk Sub-Committee meeting, which took place on November 8, 2021, was posted with the public notice of this meeting and will be attached (as Attachment "C") to the meeting minutes.

Master Planning and Oversight Committee (MPOC) Meeting held on November 15, 2021

A report of the MPOC meeting, which took place on November 15, 2021, was posted with the public notice of this meeting and will be attached (as Attachment "D") to the meeting minutes.

CEO Search Committee Meeting held on November 11, 2021

A report of the CEO Search Committee meeting, which took place on November 11, 2021, was posted with the public notice of this meeting and will be attached (as Attachment "E") to the meeting minutes.

CEO Search Committee Meeting held on November 29, 2021

A report of the CEO Search Committee meeting, which took place on November 29, 2021, was posted with the public notice of this meeting and will be attached (as Attachment "F") to the meeting minutes.

XI. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Trustee Kelley, and seconded by Mayor Nirenberg, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 5:26 p.m. by Chair Dr. Mackey.



Shanna M. Ramirez
Secretary of the Board



CPS Energy Board of Trustees Meeting
December 13, 2021
APPROVAL of PROCUREMENT ITEMS
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1. Item Description:	Gas Turbine Repair Services for Peaking Units
Purchase Category:	General Services
Supplier:	GE Packaged Power, LLC
Supplier:	TransCanada Turbine, Inc.

Approval: *Lisa D. Lewis*
Lisa Lewis, Chief Administrative Officer

Approval: *Rudy Garza*
Rudy Garza, Interim President & CEO



CPS Energy Board of Trustees Meeting
December 13, 2021
Procurement Form 1

Item Description	Gas Turbine Repair Services for Peaking Units
Purchase Order Value	\$25,000,000
Purchase Category	General Services
Department	Power Generation
Senior Vice President	Benjamin Ethridge
Chief Power, Sustainability & Business Development Officer	Frank Almaraz

Detailed Description

CPS Energy recommends award to both GE Packaged Power, LLC and TransCanada Turbine, Inc., both non-local, non-diverse firms which maintain GE authorized repair facilities, 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.

These contracts are for critical maintenance to maintain **Safe, Reliable** engine operation on gas turbine engines located at Lee East and Lee West Power Stations for the next (3) years through February 1, 2025.

Subcontracting Opportunities

Gas turbine repair services are performed by specially trained certified technicians at GE authorized repair facilities which offer no opportunity for subcontracting.

The solicitation method for this procurement was a Request for Proposals. 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	35
The overall cost	20
Safety records and training program	20
Economic Development (local & diverse consideration)	10
The financial soundness of the respondent	10
The ability to meet CPS Energy's requirements	5
TOTAL	100



CPS Energy Board of Trustees Meeting
December 13, 2021
Procurement Form 1

Recommended Respondent(s) & Award					
Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
TransCanada Turbine, Inc.	Non-Local / Non-Diverse	84.7%	\$12,500,000	2199371	
GE Packaged Power, LLC	Non-Local / Non-Diverse	74.8%	\$12,500,000	2199370	
TOTAL			\$25,000,000		

There were no additional respondents to this solicitation.

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2022 PO Spend	% of FY2022 Annual Corp Budget	Projected FY2023 PO Spend	Projected FY2024 PO Spend	Projected FY2025 PO Spend
\$714,300,000	Capital	\$0.00	0%	\$5,000,000	\$10,000,000	\$10,000,000
\$687,500,000	Non-Fuel O&M	\$0.00	0%	\$0.00	\$0.00	\$0.00

Procurement Item: General Services





OPERATIONS OVERSIGHT COMMITTEE (OOC) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE AUGUST 17, 2021 MEETING PREPARED FOR COMMITTEE CHAIR, DR. WILLIS MACKEY FOR REPORT AT THE NOVEMBER 8, 2021 BOARD OF TRUSTEES MEETING

The Operations Oversight Committee met on November 8, 2021. As part of the agenda, the Committee:

- A. Approved meeting minutes from the prior meeting held on August 17, 2021.
- B. Received an update on Winter Preparedness – Gas Solutions that included:
 - a. An overview of efforts to complete customer growth and system improvement projects; and
 - b. An update on inspection and maintenance of infrastructure supporting generation supply.
- C. Received an update on Winter Preparedness – Delivered Fuel Supply that included:
 - a. An overview of our fuel diversity and procurement strategies;
 - b. An update on coal purchase and coal delivery contracts;
 - c. An overview on the importance of fuel oil; and
 - d. An update on natural gas supply and storage.
- D. Received an update on Winter Preparedness – Power Generation:
 - a. A recap of summer performance;
 - b. An overview of our generation fleet and increased unit maintenance;
 - c. An update on 2021/2022 outage schedule; and
 - d. A status update on Power Generation weatherization.
- E. Received an update on Winter Preparedness – Field Operations that included:
 - a. An update of personnel and equipment winter readiness;
 - b. An overview of Winter Storm Uri lessons learned; and
 - c. A discussion about cold load pick-up and supply chain issues.
- F. Received an update Winter Preparedness – Customer Reliability that included:
 - a. An overview of activities related to system and employee readiness;
 - b. An update on load shed improvements;
 - c. An overview of interagency coordination activities; and
 - d. A status update on the load shed independent assessment.

The next meeting of the Operations Oversight Committee meeting is to be determined.



**OPERATIONS OVERSIGHT COMMITTEE (OOC)
ALIGNED RISK SUB-COMMITTEE MEETING**

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE NOVEMBER 8, 2021 MEETING
PREPARED FOR COMMITTEE CHAIR, DR. WILLIS MACKEY
FOR REPORT AT THE DECEMBER 13, 2021 BOARD OF TRUSTEES MEETING**

The OOC Aligned Risk Sub-Committee met on November 8, 2021. As part of the agenda, the Sub-Committee:

- A. Approved meeting minutes from the previous meeting held on August 17, 2021.
- B. Reviewed action items from the previous meeting
- C. Discussed the enterprise risk landscape
- D. Heard from risk owner on managing our Health & Safety Risk and Winter Preparedness

The next meeting of the Sub-Committee is to be determined.



MASTER PLANNING & OVERSIGHT COMMITTEE (MPOC)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE NOVEMBER 15, 2021 MEETING PREPARED FOR COMMITTEE CHAIR ED KELLEY FOR REPORT AT THE DECEMBER 13, 2021 BOARD OF TRUSTEES MEETING

The MPOC met on November 15, 2021. As part of the MPOC agenda, the Committee:

- A. Discussed the operation and activities in and around the McCullough Building.
- B. Reviewed the status, current and potential buyers, marketing strategies and/or contract deadlines for the following properties:
 - 1. Main Office Building;
 - 2. Tower Garage;
 - 3. Villita Assembly Building;
 - 4. Surface Parking Lot #2;
 - 5. Northside Customer Service Center; &
 - 6. Mission Road Power Plant and Gugert Street.
- C. Discussed disposition of Jones North and Jones South and reviewed property features and information.
- D. Discussed strategic property purchase opportunities that support electric and gas system **Reliability**, **Resiliency** and customer growth, as well as potential property sale opportunities.

The next meeting of the MPOC is December 13, 2021.



SEARCH COMMITTEE

**EXECUTIVE SUMMARY AND CHAIR REPORT
PREPARED FOR COMMITTEE CHAIR DR. WILLIS MACKEY
FOR REPORT AT THE DECEMBER 13, 2021 BOARD OF TRUSTEES MEETING**

The Search Committee met for the purposes of selecting an executive recruiting firm to search for a new Chief Executive Officer for CPS Energy:

November 11, 2021

The Committee meeting started at 9:00 a.m. Four executive search firms were interviewed by the Committee members, followed by a discussion of each of the firms. The meeting was adjourned at 2:45 p.m.

The next meeting of the Search Committee is November 29, 2021.



SEARCH COMMITTEE

**EXECUTIVE SUMMARY AND CHAIR REPORT
PREPARED FOR COMMITTEE CHAIR DR. WILLIS MACKEY
FOR REPORT AT THE DECEMBER 13, 2021 BOARD OF TRUSTEES MEETING**

The Search Committee met for the purposes of selecting an executive recruiting firm to search for a new Chief Executive Officer for CPS Energy:

November 29, 2021

The Committee meeting started at 2:30 p.m. The two finalist executive search firms were interviewed by the Committee members, followed by a discussion of each of the firms. The meeting was adjourned at 5:00 p.m.

The next meeting of the Search Committee is to be determined.