

CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON OCTOBER 31, 2022

The Regular Meeting of the Board of Trustees of CPS Energy for the month of October was held on Monday, October 31, 2022 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 1. p.m.

Present were Board members:

Dr. Willis Mackey, Chair
Ms. Janie Gonzalez, Vice Chair
Mr. John Steen
Dr. Francine Romero
Mayor Ron Nirenberg (arrive at 1:07 p.m.)

Also present were:

Mr. Rudy Garza, President & CEO
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary
Mr. Cory P. Kuchinsky, Chief Financial Officer & Treasurer
Ms. Vivian Bouet, Chief Information Officer
Ms. Lisa Lewis, Chief Administrative Officer
Mr. Benny Ethridge, EVP
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 Mr. Ricardo Renteria, Sr. Director Substation & Transmission.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, stated Mr. Eli Munoz of CPS Energy assisted her friend with vision loss, and she is proud of CPS Energy and its employees.

Dr. Meredith Maguire, Emeritus Professor at Trinity University, urged that the Board of Directors critically evaluate resource plan using best practices and rework its rate structure.

Mr. Gou Li, community member, stated concern about use of fossil fuels, and urged the Board to continue increasing and improving efficiency of solar technology. He also urged collaboration with universities in solar efficiency.

Mr. Alan Montemayor, Sierra Club, stated that electric vehicles have many benefits and should be incentivized. He appreciated CPS Energy's electric vehicle event. He also urged the Board of Trustees to use renewables and to cease using coal and natural gas, including eliminating use of gas appliances and incentivizing efficiency.

IV. CHAIR'S REMARKS.

Chair Dr. Mackey did not have any remarks at this meeting.

V. CEO'S REPORT

Mr. Rudy Garza informed the Board of Trustees about an executive strategy session held with CPS leadership. The session focused on 1) collaboration & corporate culture, 2) FY2024 planning, and 3) Beyond 2027, with the purpose of coming together. He noted that additional sessions are being planned for 2023.

He then updated the Board on generation planning engagement with customers, including holding an open house and online survey. He provided information on upcoming events.

Next, Mr. Garza informed the Board about the Lineman's Rodeo international competition in Kansas, and he congratulated them on their ability to compete.

Mr. Garza provided an overview on the Monthly Performance Update, noting the metrics that are at-risk and those that will not meet year-end target.

Finally, Mr. Garza recognized the Gas Solutions Safety Culture Team. The Safety Culture Program is focused on improving safety by recruiting the help of frontline leaders to drive change from the "grassroots" through culture-based projects.

The Board of Trustees asked follow-up questions.

VI. RATE ADVISORY COMMITTEE (RAC) UPDATE

Dr. Romero provided materials to other Board members and noted that the RAC is continuing to move forward in the generation planning process. The RAC has now received a lot of data and reviewing the various portfolios. The RAC is doing an amazing job of educating themselves and evaluating the data. This effort is a good way to evaluate policy.

VII. MONTHLY PERFORMANCE UPDATE

Ms. Lisa Lewis, Chief Administrative Officer, provided the Monthly Performance Update, and provided further information on the metrics that are at-risk or unrecoverable. She noted that 12 of 16 metrics remain on-track. The Board of Trustees discussed and asked questions of CPS Energy staff regarding metrics.

VIII. EXECUTIVE SESSION

At approximately 1:57 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)
- Real Property (§551.072)
- Prospective Gifts (§551.073)
- Personnel Matters (§551.074)
- Security Personnel or Devices (§551.076)
- Security Audits and Devices (§551.089)
- Confidential Information Under the Texas Homeland Security Act (§418.183(f))
- Economic Development Negotiations (§551.076)
- Competitive Matters (§551.086)

The Board reconvened in open session at 2:46 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.

IX. APPROVAL OF CONSENT ITEMS

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

- A. **Minutes of the Regular Board meeting held on July 25, 2022**
- B. **Minutes of the Special Board meeting held on August 23, 2022**
- C. **Minutes of the Regular Board meeting held on September 6, 2022**
- D. **Approval of Payment to the City of San Antonio for September 2022**

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 September 2022 is based on actual gross revenue per the New Series Bond Ordinance of \$323,540,476.41, less applicable exclusions. The revenue for the month of September 2022 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$289,087,874.55
Gas revenue	17,236,192.75
Interest and other income	(5,301,775.62)
Gross revenue per CPS Energy financial statements	<u>301,022,291.68</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(12,546,076.16)
LVG revenue per City Ordinance 100709	(151,116.40)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(31,800,831.49)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>67,016,208.78</u>
Total excluded revenue	<u>22,518,184.73</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$323,540,476.41</u>
City payment per Bond Ordinance for September 2022 based upon September 2022 revenue	\$45,295,666.70
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	1,165,842.22
Wholesale Special Contract Annual True Up	0.00
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	46,449,008.92 A
Utility services provided to the City for September 2022	<u>(3,421,341.51)</u>
Net amount to be paid from September 2022 revenue to the City in October 2022	<u>\$43,027,667.41</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)

September 2022	Actual	Budget	Variance	
Current Month* A	\$46,449	\$40,445	\$6,004	14.8%
Year-to-Date	\$313,921	\$271,149	\$42,772	15.8%

* This amount does not include any additional funding authorized by the Board of Trustees. The following resolution was approved.

"BE IT RESOLVED by the CPS Energy Board of Trustees that payment to the City of San Antonio in the amount of \$43,027,667.41 representing 14% of applicable system gross revenues for the month of September 2022, such payment being net of City utility services (\$3,421,341.51), is hereby approved."

E. Financial Policies Annual Renewal

The following resolution relating to the investment activities of the City of San Antonio, Texas acting by and through City Public Service Board (“CPS Energy”) was approved:

WHEREAS, Texas Government Code Section 1502.070 vests management and control of the CPS Energy gas and electric systems in the Board, including management and control over the purchasing activities of the systems; and

WHEREAS, the Board is responsible for the prudent handling and control of funds and investments of CPS Energy; and

WHEREAS, the Texas Public Funds Investment Act (“PFIA”) requires that the governing body of a local government review its investment policies and investment strategies not less than annually during the fiscal year; and

WHEREAS, CPS Energy Management has no proposed changes to the Policy other than the effective date.

WHEREAS, CPS Energy desires the approval of a resolution a) acknowledging that a review of the Policy has been completed and b) adopting the Policy with the proposed changes; and

WHEREAS, CPS Energy Management has verified and represents to the Board that the Policy as attached hereto is in compliance with the requirements of the CPS Energy operating procedures, the PFIA, the Bond Ordinances and the Commercial Paper Ordinances.

NOW THEREFORE BE IT RESOLVED that the Board hereby approves and adopts the Policy, as attached hereto, effective January 31, 2023.

The following resolution relating to the Nuclear Decommissioning Trust (“NDT”) activities of the City of San Antonio, Texas acting by and through the City Public Service Board (“CPS Energy”) was approved:

WHEREAS, Texas Government Code Section 1502.070 vests management and control of the CPS Energy gas and electric system in the Board, including management and control over the purchasing activities of the systems; and

WHEREAS, the Board is responsible for the prudent handling and control of funds and investments of CPS Energy, the City Public Service Decommissioning Master Trust for the South Texas Project (the “28% Trust”), and the City Public Service Decommissioning Master Trust Agreement Related to the South Texas Project Interest Acquired from AEP Texas Central Company (the “12% Trust (TCC Funded)”); and

WHEREAS, the Texas Public Funds Investment Act (“PFIA”) requires that the governing body of a local government review its investment policies and investment strategies not less than annually during the fiscal year; and

WHEREAS, CPS Energy Management has no proposed changes to the NDT Investment Policy (“Policy”), other than the effective date.

WHEREAS, CPS Energy desires the approval of a resolution a) acknowledging that a review of the Policy has been completed and b) adopting the Policy with the proposed changes.

WHEREAS, CPS Energy management has verified and represents to the Board that the Policy as attached hereto complies with the requirements of the U.S. Nuclear Regulatory Commission, the Public Utility Commission of Texas, the PFIA, the Texas Property Code Subtitle B, Title 9, where applicable and the requirements of the 28% Trust and the 12% Trust (TCC Funded).

NOW THEREFORE BE IT RESOLVED that the Board hereby approves and adopts the Policy as attached hereto, effective January 31, 2023.

The following resolution relating to the banking, investing and hedging activities of the City of San Antonio, Texas acting by and through City Public Service Board (“CPS Energy”) was approved:

WHEREAS, the Board of Trustees of the City Public Service Board of San Antonio, Texas, is required to designate and authorize specific CPS Energy Officers and staff to conduct financial transactions on behalf of CPS Energy, the City Public Service Restated Decommissioning Master Trust for the South Texas Project, the City Public Service Decommissioning Master Trust Agreement Related to the South Texas Project Interest Acquired from AEP Texas Central Company; and Hedge Instrument transactions on behalf of CPS Energy; and

WHEREAS, a CPS Energy Financial Authorizations and Approvals Policy for Banking, Investing and Hedging (“the Policy”) must be provided to banks, investment firms, brokers and other counterparties in order to conduct transactions in the daily operations of CPS Energy; and

WHEREAS, CPS Energy Management has no proposed changes to the Policy other than the effective date.

NOW THEREFORE BE IT RESOLVED that the Board hereby approves the attached CPS Energy Financial Authorizations and Approvals Policy for Banking, Investing and Hedging, effective January 31, 2023.

The following resolution relating to the collateral activities of the City of San Antonio, Texas acting by and through City Public Service Board (“CPS Energy”) was approved:

WHEREAS, Texas Government Code Section 2257.023 requires that CPS Energy adopt a policy concerning the collateral pledged to secure the deposit of CPS Energy funds in a depository bank or other financial institution; and

WHEREAS, CPS Energy Management has no proposed changes to the Collateral Policy other than the effective date.

NOW THEREFORE BE IT RESOLVED that the Board hereby approves the attached CPS Energy Collateral Policy, effective January 31, 2023.

The following resolution relating to interest rate management agreements and transactions of the City of San Antonio, Texas acting by and through City Public Service Board ("CPS Energy") was approved:

WHEREAS, Texas Government Code Section 1371.056, requires that the City Council (the "City Council") of the City of San Antonio, Texas (the "City"), adopt a risk management policy governing entering into and managing interest rate management agreements and transactions in anticipation of, related to, or in connection with the authorization, issuance, security, purchase, payment, sale, resale, redemption, remarketing, or exchange of debt obligations of the City as a condition to the execution of any such agreement or transaction; and

WHEREAS, Texas Government Code Section 1502.070 and various ordinances of the City Council vests management and control of the CPS Energy electric and gas systems (the "Systems") in the Board; and

WHEREAS, it is in the best interests of the customers of the Systems that the Board and the City be authorized to enter into interest rate management agreements to manage the net interest expense borne by debt obligations of the City issued and to be issued to finance or refinance eligible costs of Systems' projects and/or other permitted costs and payable from revenue of the Systems; and

WHEREAS, on November 28, 2011, the Board approved the Master Interest Rate Management Policy, which has subsequently been updated; and

WHEREAS, CPS Energy Management has no proposed changes to the Master Interest Rate Management Policy, other than the effective date.

NOW THEREFORE BE IT RESOLVED that the Board hereby ratifies and approves the attached CPS Energy Master Interest Rate Management Policy, as revised, effective January 31, 2023.

The following resolution relating to the investment and hedging activities of the City of San Antonio, Texas acting by and through City Public Service Board ("CPS Energy") was presented for consideration and approval by the CPS Energy Board of Trustees ("Board"):

WHEREAS, Texas Government Code Section 1502.070 vests management and control of the CPS Energy gas and electric systems in the Board, including management and control over the purchasing activities of the systems; and

WHEREAS, the Board is responsible for the prudent handling and control of energy hedge instruments; and

WHEREAS, the Texas Public Funds Investment Act (“PFIA”) requires that the governing body of a local government review its investment policies and investment strategies not less than annually; and **WHEREAS**, by policy, the Board shall review CPS Energy’s Energy Price Risk Management (“EPRM”) Policy on an annual basis and approve any changes thereto; and

WHEREAS, CPS Energy Management desires to modify the EPRM Policy, as attached, with non-substantive changes which are administrative in nature and include:

- Documenting existing processes, and
- Updating the effective date;

WHEREAS, CPS Energy desires the approval of a resolution a) acknowledging that a review of the Policy has been completed and b) adopting the Policy with the proposed changes; and

WHEREAS, CPS Energy Management has verified and represents to the Board that the Policy as attached hereto is in compliance with the requirements of the PFIA.

NOW THEREFORE BE IT RESOLVED that the Board hereby approves and adopts the Policy, as attached hereto, effective January 31, 2023.

F. Approval of Procurement Item:

1. **Item Description:** Turnkey Construction Services for the “Midtown” 123kV Gas Insulated Substation (GIS)
Purchase Category: General Services
Supplier: Beta Engineering, LLC
2. **Item Description:** Wooden Poles – Additional Funding Request Commodity & Material Goods
Purchase Category: Commodity & Material Goods
Supplier: Stella-Jones Corporation
3. **Item Description:** Wire and Cable – Additional Funding Request
Purchase Category: Commodity & Material Goods
Supplier: Techline, Inc.
KBS Electrical Distributors, Inc.

*The listed Procurement Items will be attached (as Attachment “A”) to the meeting minutes.

X. COMMITTEE REPORTS

In the interest of time, Chair Dr. Mackey accepted the submission of the following reports for the record in lieu of having them read during the meeting:

- A. Operations and Oversight Committee (OOC) Meeting held on August 19, 2022. A report of this meeting will be attached (as Attachment “B”) to the meeting minutes.
- B. Technology & Resilience (T&R) Committee meeting held on September 28, 2022. A report of this meeting will be attached (as Attachment “C”) to the meeting minutes.
- C. Nominations Committee meeting held on October 10, 2022. A report of this meeting will be attached as (Attachment “D”) to the meeting minutes.

XI. VOTE TO REAPPOINT THE TRUSTEE REPRESENTING THE SOUTHEAST QUADRANT TO SERVE A SECOND TERM ON THE CPS ENERGY BOARD AND APPROVE RELATED RESOLUTION

Chair Dr. Mackey noted his appreciation for time served on the Board and stated his time on the Board has provided many opportunities to serve the organization, the community, and the Board in critical way. He further stated that he would be fortunate to serve another five years. He also noted his intention in assisting Vice Chair Gonzalez, and helping her succeed as Chair.

Vice Chair Gonzalez nominated Chair Dr. Mackey, recommended that he be reappointed for another five-year term, and requested approval the following resolution.

WHEREAS, Dr. Willis Mackey, a resident of the southeast quadrant of the CPS Energy service area, was first appointed to the CPS Energy Board to serve a 5-year term commencing on April 6, 2018 and expiring on January 31, 2023; and

WHEREAS, Dr. Mackey has expressed a willingness and desire to continue to serve on the Board; and **WHEREAS**, the Board appreciates Dr. Mackey’s expertise, his contributions to the work of the Board and his willingness to continue service; and

WHEREAS, under the provisions of CPS Energy bond ordinances, Dr. Mackey is eligible to serve another 5-year term as a member of the Board of Trustees following the expiration of his current term of service in January 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of CPS Energy that Dr. Willis Mackey is hereby elected, for City Council consideration and confirmation, to serve a second 5-year term on the CPS Energy Board of Trustees, beginning effective February 1, 2023 through January 31, 2028.

Trustee Dr. Romero moved approval of the reappointment and approval of the resolution, which was seconded by Mayor Nirenberg. The motion was approved on a 4-1 vote, with Chair Dr. Mackey abstaining.

XII. ENERGY DELIVERY SERVICES (EDS) & WINTER PREPARATION UPDATE

Mr. Richard Medina, Executive Vice President of Energy Delivery Services, introduced a presentation on Energy Delivery Services & Winter Preparation. Mr. LeeRoy Perez, Vice President of System Operations & Customer Reliability; Mr. Rick Maldonado, Vice President of Transmission & Distribution Engineering & Grid Transformation; and Mr. Darrel Clifton, Vice President of Construction &

Maintenance Services, provided information on winter preparedness for 1) system operations & reliability, 2) transmission and distribution engineering & grid transformation, and 3) construction & maintenance.

The Board of Trustees discussed and asked questions of CPS Energy staff.

XIII. FY2024 FINANCING PLAN

Mr. Cory Kuchinsky, Chief Financial Officer, presented on the FY2024 Financial Plan, and requested Board approval on five routine financial transactions: re-authorization of 2014 Jr. Lien Refunding, extend or replace provider agreement on \$100M flexible rate revolving note, extend provider agreements on \$500M flexible rate revolving note, extend or replace liquidity agreement on \$200M Commercial Paper Series B, refund outstanding \$600M FY2024 tax-exempt commercial paper. Mr. Kuchinsky also sought approval for a new financial transaction to increase the Commercial Paper Program to \$1B.

Vice Chair Gonzalez made a motion to approve the financing transaction, Trustee Dr. Romero seconded, and it was unanimously approved.

XIV. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Vice Chair Gonzalez, seconded by Trustee Dr. Romero and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 3:36 p.m. by Chair Dr. Mackey.



Shanna M. Ramirez
Secretary of the Board



**CPS Energy Board of Trustees Meeting
October 31, 2022
APPROVAL of PROCUREMENT ITEMS
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| 1. | Item Description: | <u>Turnkey Construction Services for the "Midtown" 138kV Gas Insulated Substation (GIS)</u> |
| | Purchase Category: | General Services |
| | Supplier: | Beta Engineering, LLC |
-
- | | | |
|----|--------------------|--|
| 2. | Item Description: | <u>Wooden Poles - Additional Funding Request</u> |
| | Purchase Category: | Commodity & Material Goods |
| | Supplier: | Stella-Jones Corporation |
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- | | | |
|----|--------------------|---|
| 3. | Item Description: | <u>Wire and Cable - Additional Funding Request</u> |
| | Purchase Category: | Commodity & Material Goods |
| | Supplier: | Techline, Inc.
KBS Electrical Distributors, Inc. |

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

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



CPS Energy Board of Trustees Meeting

October 31, 2022

Procurement Form 1

Item Description	Turnkey Construction Services for the "Midtown" 138kV Gas Insulated Substation (GIS)
Purchase Order Value	\$20,715,000
Purchase Category	General Service
Department	Substation Engineering
VP T&D Engineering & Grid Transformation	Ricardo Maldonado
EVP Energy Delivery Services	Richard Medina

Detailed Description

CPS Energy staff recommend that a contract be awarded to Beta Engineering, LLC, a non-local, non-diverse firm, as the respondent 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, procurement, and construction services for the new "Midtown" 138kV Gas Insulated Substation (GIS) to include all site work, all foundation and below-grade electrical, the GIS building, the 138kV GIS, and the relay & control room. The scope of the contract excludes the procurement costs for the transmission line terminals, the transmission line switches, the procurement and installation costs for the 40MVA power transformer and metal-clad switchgear, and the labor costs for the final commissioning of the substation.

This contract will allow CPS Energy to construct a compact substation within a limited footprint to serve development from major commercial and multi-family complexes. These customers require capacity which adjacent substations cannot adequately and reliably serve. This project will be completed in approximately three (3) years.

Subcontracting Opportunities

Beta Engineering, LLC has committed to subcontracting 40% of the overall spend to the following diverse businesses:

- Dorazio Enterprises, Inc. is a local, small firm providing site development design and construction, civil design and construction, and the GIS building design and construction services.
- KV Power is a non-local, veteran-owned firm providing electrical construction services.



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Procurement Form 1

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
Project schedule and technical requirements;	20
Safety records and training program	20
Experience and qualifications to perform the Services	15
The overall cost	15
Experience, warranty, quality control, and contingencies relating to the supply of Goods	10
Economic Development (local & diverse consideration)	10
The ability to meet CPS Energy's requirements	5
The financial soundness of the Respondent	5
TOTAL	100

Recommended Respondent(s) & Award					
Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Beta Engineering, LLC	Non-Local / Non-Diverse	78	\$20,715,000	2204605	
TOTAL			\$20,715,000		

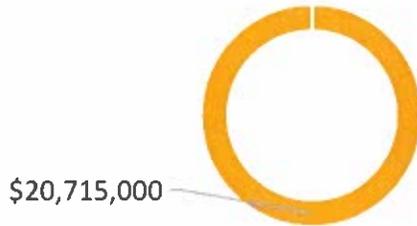
Nine (9) additional respondents were not recommended for award: Ampirical Solutions, LLC; Aubrey Silvey Enterprises, Inc.; Black & Veatch Corporation; Evers & Sons, Inc.; Higher Power Electrical, LLC; Kiewit Infrastructure South Co; Mitsubishi Electric Power Products, Inc.; Schneider Engineering, LLC; and Wampole-Miller, Inc. dba Miller Bros. Division of Wampole-Miller, Inc.

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2023 PO Spend	% of FY2023 Annual Corp Budget	Projected FY2024 PO Spend	Projected FY2025 PO Spend	Projected FY2026 PO Spend
\$832,904,076	Capital	\$1,818,729	0.2%	\$14,633,646	\$4,262,625	\$0
\$729,676,030	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0



CPS Energy Board of Trustees Meeting
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Procurement Form 1

Procurement Item: General Services



■ Local / Diverse ■ Local / Non-Diverse ■ Non-Local / Diverse ■ Non-Local / Non-Diverse



CPS Energy Board of Trustees Meeting
October 31, 2022
Procurement Form 2

Item Description		Wooden Poles - Additional Funding Request
Original Cumulative Purchase Order Value	(A)	\$9,500,000
Previously Added Funds	(B)	\$0
Additional Funds Requested	(C)	\$10,500,000
Projected Cumulative Purchase Order Value	(D)	\$20,000,000
Purchase Category		Commodity & Material Goods
Department		Distribution Engineering
VP T&D Engineering & Grid Transformation		Ricardo Maldonado
EVP Energy Delivery Services		Richard Medina

Detailed Description

CPS Energy staff recommend that additional purchase order funding be approved for an existing contract for the supply of wooden poles. This contract was previously awarded to Stella-Jones Corporation, a non-local, non-diverse firm, as the respondent who provided the goods at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is for the procurement of various size wooden poles required to provide electric service to our customers. This additional funding request will support on-going projects and support the growth of the CPS Energy service territory and will fully fund the contract through its current expiration on June 30, 2023, based on current projections.

Subcontracting Opportunities

There are no subcontracting opportunities associated with these contracts; however, the work associated with the installation of this material provides opportunity for other CPS Energy construction contractors where prime and subcontracting opportunities to local and diverse companies are available.

The solicitation method for this procurement was a Request for Quotation. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

Evaluation Criteria	Points
Overall Cost	90
Economic Development (local & diverse consideration)	10
TOTAL	100



**CPS Energy Board of Trustees Meeting
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Procurement Form 2**

Recommended Respondent(s) & Award

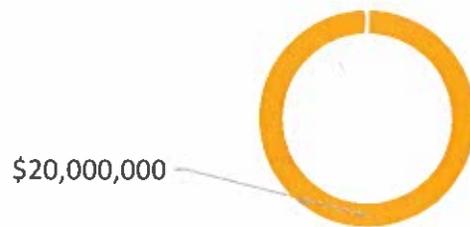
Vendor Name	SBA Classification & Details	Original PO Value	Previously Added or Reallocated Funds	Additional Funds Requested	PO#
Stella-Jones Corporation	Non-Local/Non-Diverse	\$9,500,000	\$0	\$10,500,000	3071162
		(A)	(B)	(C)	
Totals		\$9,500,000	\$0	\$10,500,000	
Projected Cumulative Purchase Order Value (D)				\$20,000,000	

Two (2) additional respondents were not recommended for award: Techline, Inc. and Texas Electric Cooperative, Inc.

Annual Funds Budgeted

Corporate Annual Budget	Funding Method	Projected FY2023 PO Spend	% of FY2023 Annual Corp Budget	Projected FY2024 PO Spend	Projected FY2025 PO Spend	Projected FY2026 PO Spend
\$832,904,076	Capital	\$8,600,000	1.0%	\$8,600,000	\$0	\$0
\$729,676,030	Non-Fuel O&M	\$1,400,000	0.2%	\$1,400,000	\$0	\$0

Procurement Item: General Services



- Local / Diverse
- Local / Non-Diverse
- Non-Local / Diverse
- Non-Local / Non-Diverse



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Procurement Form 3

Item Description		Wire and Cable - Additional Funding Request
Original Cumulative Purchase Order Value	(A)	\$32,075,000
Previously Added Funds	(B)	\$7,325,000
Additional Funds Requested	(C)	\$30,600,000
Projected Cumulative Purchase Order Value	(D)	\$70,000,000
Purchase Category		Commodity & Material Goods
Department		Construction & Maintenance Services
VP Construction & Maintenance Services		Darrell Clifton
EVP Energy Delivery Services		Richard Medina

Detailed Description

CPS Energy staff recommend that additional purchase order funding be approved for an existing contract for the supply of wire and cable. This contract was previously awarded to Techline, Inc. local/diverse firm, KBS Electrical Distributors, Inc. a local/diverse firm, Texas Electric Cooperatives, Inc. a local/non-diverse firm, as the respondents who provided the goods at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is for the procurement of various type of wire and cable required to provide electric service to our customers. This additional funding request will support on-going projects and support the growth of the CPS Energy service territory and will fully fund the contract through its current expiration on October 31, 2023, based on current projections.

Subcontracting Opportunities

There are no subcontracting opportunities associated with these contracts; however, the work associated with the installation of this material provides opportunity for other CPS Energy construction contractors where prime and subcontracting opportunities to local and diverse companies are available.

The solicitation method for this procurement was a Request for Quotation. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

Evaluation Criteria	Points
The overall cost	90
Economic Development (local & diverse consideration)	10
TOTAL	100



**CPS Energy Board of Trustees Meeting
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Procurement Form 3**

Recommended Respondent(s) & Award

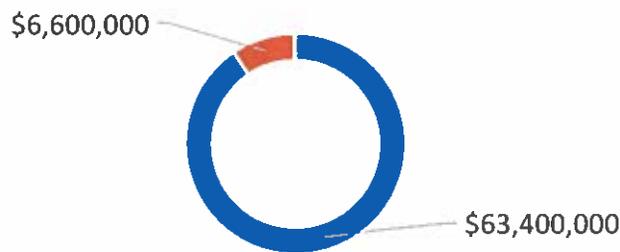
Vendor Name	SBA Classification & Details	Original PO Value	Previously Added or Reallocated Funds	Additional Funds Requested	PO#
Techline, Inc.	Local/Diverse (Woman-Owned)	\$18,575,000	\$6,425,000	\$18,000,000	3070099
KBS Electrical Distributors, Inc.	Local/Diverse (Small)	\$9,000,000	\$900,000	\$10,500,000	3070100
Texas Electric Cooperatives, Inc.	Local/Non-Diverse	\$4,500,000	\$0	\$2,100,000	3070101
		(A)	(B)	(C)	
Totals		\$32,075,000	\$7,325,000	\$30,600,000	
Projected Cumulative Purchase Order Value (D)				\$70,000,000	

Five (5) additional respondents were not recommended for award: American Wire Group LLC.; Trillium Development LTD Co.; Anixter, Inc.; Stuart C Irby Co; Wesco Distribution, Inc.

Annual Funds Budgeted

Corporate Annual Budget	Funding Method	Projected FY2023 PO Spend	% of FY2023 Annual Corp Budget	Projected FY2024 PO Spend	Projected FY2025 PO Spend	Projected FY2026 PO Spend
\$832,904,076	Capital	\$20,010,000	2.4%	\$20,010,000	\$0	\$0
\$729,676,030	Non-Fuel O&M	\$2,990,000	0.4%	\$2,990,000	\$0	\$0

Procurement Item: General Services



- Local / Diverse
- Local / Non-Diverse
- Non-Local / Diverse
- Non-Local / Non-Diverse



OPERATIONS OVERSIGHT COMMITTEE (OOC) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE AUGUST 19, 2022 MEETING PREPARED FOR COMMITTEE CHAIR, DR. FRANCINE ROMERO FOR REPORT AT THE OCTOBER 31, 2022 BOARD OF TRUSTEES MEETING

The Operations Oversight Committee met on August 19, 2022. As part of the agenda, the Committee:

- A. Approved meeting minutes from the prior meeting held on June 15, 2022.
- B. Received an update on Generation Performance that included:
 - a. Highlights of May through July weather patterns
 - b. An overview of FY23 Generation actual performance compared to plan
 - c. A review of drivers of lost generation and an update on our fuel supply
 - d. And an overview of our historical generation mix
- C. Received a presentation on the New Service District Proposed Campus that included:
 - a. An overview of strategic planning for future service districts and proposed path to construct the first new service facility in 60 years
- D. Received an update on the LiDAR & Vegetation Management program that included:
 - a. An update on the results of our technology investments in improving our vegetation management program
- E. Received an update on the Major Insurance Coverage Renewal that included:
 - a. An overview of our major insurance coverage and a review of our renewal process
 - b. And a discussion on next steps to partner with business units & our insurance carriers to assist in managing/reducing potential risk exposure & losses
- F. Received a preview of Procurement items that included:
 - a. A review of the supply chain disruption
 - b. A discussion on upcoming new purchase orders
 - c. And a review of existing purchase orders that require increased funding
- G. Received an update on Debt Capitalization as a Tier 1 Metric that included:
 - a. A discussion on the Board feedback on upgrading Debt Capitalization to a Tier 1 Metric

The next meeting of the Operations Oversight Committee meeting is November 10, 2022.



TECHNOLOGY & RESILIENCE COMMITTEE (T&R) MEETING

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 28, 2022 MEETING
PREPARED FOR COMMITTEE CHAIR JANIE GONZALEZ
FOR REPORT AT THE OCTOBER 31, 2022 BOARD OF TRUSTEES MEETING**

The Technology & Resilience Committee met on September 28, 2022. As part of the Technology & Resilience Committee Meeting agenda, the Committee:

- A. Approved meeting minutes from the prior meeting, held on April 12, 2022.
- B. Received a status update on the Smart Energy Education Program, the Evolve Transformation – ERP, and an overview of the Asset360 tool.
- C. Three new action items were generated from this session.

The next meeting of the Technology & Resilience Committee will be held December 14, 2022.



NOMINATIONS COMMITTEE (NC) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE OCTOBER 10, 2022 MEETING

PREPARED FOR COMMITTEE CHAIR DR. WILLIS MACKEY

FOR REPORT AT THE OCTOBER 31, 2022 BOARD OF TRUSTEES MEETING

The Nominations Committee met on October 10, 2022. As part of the Nominations Committee Meeting agenda, the Committee:

- A. Recommended Dr. Willis Mackey for a second term on the CPS Energy Board of Trustees and asked that this item be placed on the October 31, 2022 Board of Trustees agenda for consideration by the full Board.
- B. Discussed the term lengths and potential rotation for chair and vice chair.