

**CPS ENERGY  
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES  
HELD ON SEPTEMBER 29, 2025**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of September was held on Monday, September 29, 2025, 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 Romero called the meeting to order at 1:01 p.m.

Present were Board members:

Dr. Francine Romero, Chair

Dr. Willis Mackey, Vice Chair (arrived at 1:17 p.m.)

Ms. Janie Gonzalez (arrived at 1:04 p.m.)

Mr. John Steen

Mayor Gina Ortiz Jones

**II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE**

A safety message, invocation, and the Pledge of Allegiance were delivered by Ms. Angela Rodriguez, Managing Principal, Sustainability & Grants.

**III. PUBLIC COMMENT**

Ms. Henrietta LaGrange, community member, stated her appreciation for CPS Energy employees and the Board of Trustees.

Mr. Alan Montemayor, Chief of the Alamo Group of the Sierra Club, expressed concerns about the recent purchase of natural gas units and climate change.

Mr. Adrian Shelley, Texas Director of Public Citizen, urged the Board to reinstate the residential solar rebate program.

Mr. Michael Gilbert, CPS Energy retiree, expressed concerns about changes to the CPS Energy retiree healthcare benefits.

Ms. Deborah Ponce, Public Citizen, expressed her support for Ms. Diana Lopez as a member of the Community Input Committee.

Mr. Jason Ponce, Urban 15 Arts Organization, requested the Board of Trustees review billing classes and rates, and assist with solar panels. He also stated his qualifications for an engineer position.

Ms. Patricia Major, CPS Energy retiree, expressed concerns about changes to the CPS Energy retiree healthcare benefits.

Mr. Ramon Moreno, IDEA Public Schools, stated he wished to continue the partnership with CPS Energy on energy savings through the Sustainable Tomorrow Energy Plan (STEP).

Ms. Deborah Henrich, CPS Energy retiree, expressed concerns about changes to the CPS Energy retiree healthcare benefits.

Ms. DeeDee Belmares, Public Citizen, urged the Board to reinstate the residential solar rebate program with an added rebate for low-to-moderate income customers.

Ms. Shannon Mills, BLCCS, spoke in favor of STEP and noted the businesses she believes can benefit from the program, including non-profit organizations.

Mr. Peter Bella, community member, spoke in support of STEP, including the expanded community solar.

Mr. Ted Slansky, CPS Energy retiree, expressed concerns about changes to the CPS Energy retiree healthcare benefits.

Ms. Lawson Picasso, Chair, Community Input Committee (CIC), reviewed the positive process the CIC took to amend bylaws, noting the changes were approved 12-1, and she requested Board support.

Ms. Dianne Lovett, Bandera County, Hill Country Equestrian Line, expressed concern about the potential path of the 765 kV transmission line approved as a part of the state's long-term reliability plan.

Ms. Amanda Griffin, Hill Country Preservation Commission, expressed concern about the potential path of the 765 kV transmission line approved as a part of the state's long-term reliability plan.

#### **IV. CHAIR'S REMARKS**

Chair Romero provided brief comments on the purpose and proper substance of minutes, the healthcare benefits process, the recent acquisition of generation assets, and the Energy 2 Business (E2B) program. She then thanked all applicants for the NE Quadrant Trustee position. Finally, she took a moment to thank Mr. John Kelly for his service to CPS Energy as he concludes his time on the Community Input Committee.

#### **V. CEO RECOGNITION & REMARKS**

Mr. Rudy Garza, President & CEO, recognized the second quarter CEO Core Values Award Honorees, noting their contributions to our purpose and mission. He also gave a brief overview of the agenda.

#### **VI. APPROVAL OF CONSENT ITEMS**

On a motion by Vice Chair Dr. Mackey, seconded by Mayor Jones, the following items on the Consent Agenda were approved on a 4-1, with Trustee Steen voting against the motion.

**A. Approval of Payment to the City of San Antonio for August 2025**

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 August 2025 is based on actual gross revenue per the New Series Bond Ordinance of \$388,322,771.42, less applicable exclusions. The revenue for the month of August 2025 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$432,502,862.49
Gas revenue	16,000,447.70
Interest and other income	9,852,339.80
Gross revenue per CPS Energy financial statements	<u>458,355,649.99</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(5,038,368.08)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(54,114,581.63)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>(10,879,928.86)</u>
Total excluded revenue	<u>(70,032,878.57)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$388,322,771.42</u>
City payment per Bond Ordinance for August 2025 based upon August revenue	\$54,365,188.00
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	1,158,172.78
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	55,510,860.78
Utility services provided to the City for August 2025	<u>(3,106,050.71)</u>
Net amount to be paid from August 2025 revenue to the City in September 2025	<u>\$52,404,810.07</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)

August 2025	Actual	Budget	Variance	
Current Month A	\$55,511	\$56,957	(\$1,446)	-2.5%
Year-to-Date	\$294,411	\$298,824	(\$4,413)	-1.5%

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 \$52,404,810.07 representing 14% of applicable system gross revenues for the month of August 2025, such payment being net of City utility services (\$3,106,050.71), is hereby approved."

- B. Minutes from the August Special Board Meeting, held on August 14, 2025**
- C. Minutes from the August Regular Board Meeting, held on August 25, 2025**

## **VII. COMMITTEE REPORTS**

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

### Community Input Committee Reports

- A. Customer Relations and Communications Subcommittee Meeting held on September 10, 2025. The report is attached as Attachment "A" to the meeting minutes.
- B. Rates, Finance, and Business Subcommittee Meeting held on September 10, 2025. The report is attached as Attachment "B" to the meeting minutes.
- C. Power and Technology Subcommittee Meeting held on September 10, 2025. The report is attached as Attachment "C" to the meeting minutes.

## **VIII. PROCUREMENT REQUEST FOR APPROVAL: ELECTRIC PVC CONDUIT**

Mr. Richard Medina, Chief Energy Delivery Officer, explained that the procurement is required to encase underground electric cable and wire for substation and distribution systems. Mayor Jones moved to approve the procurement, and it was seconded by Vice Chair Dr. Mackey. The Board of Trustees asked questions about the scope of services, process, and costs. The motion was approved unanimously.

## **IX. PROCUREMENT REQUEST FOR APPROVAL: MILLWRIGHT MAINTENANCE SERVICES**

Mr. Benny Ethridge, Chief Energy Supply Officer, explained the procurement supports necessary millwright services which involves installing, aligning, diagnosing, and repairing heavy machinery and mechanical equipment. Vice Chair Dr. Mackey moved to approve the procurement, and it was seconded by Trustee Gonzalez. The Board of Trustees discussed the contracting process. The motion was approved unanimously.

## **X. FY2026 SECOND QUARTER PERFORMANCE UPDATE**

Mr. Cory Kuchinsky, Chief Financial Officer, provided a second quarter performance update. He noted that our financial metrics and fiscal resiliency score are in line with the financial plan. He also reviewed the past due balances for accounts receivables and the results of collection efforts. Ms. Elaina Ball, Chief Strategy Officer, then reviewed the FY2026 Enterprise Scorecard, explaining the on track, at-risk, and unrecoverable measures.

The Board of Trustees discussed the presentation and asked questions. The discussion and questions focused on the recent acquisition of generation assets and related changes to financial metrics and borrowing levels, progress on past due receivables, the level of wholesale revenue, at-risk metrics and related mitigations, support of customers at risk for disconnection, macroeconomic factors, demand side/energy efficiency efforts, and investment choices.

#### **XI. STEP UPDATE: PROGRAM YEAR 3**

Mr. Jonathan Tijerina, Vice President, Corporate Development, presented an overview of performance and highlights for the first three years of the Sustainable Tomorrow Energy Plan (STEP). He noted that it is a 5-year, \$350 million plan. He then reviewed the goals and where we are today in demand reduction, the types of current and future programs, and overall customer participation.

The Board of Trustees discussed the presentation and asked questions. The discussion and questions focused on solar rebates, customer participation in City Council Districts 4 and 5, avoided costs from the program, and potential future program and outreach opportunities. Trustee Steen requested that his ongoing objection to STEP be included in the minutes, specifically his concerns about the costs of the program, impact to past-due customers, and preference for this to have been a voting item to consider pausing the program.

#### **XII. ERCOT MOBILE GENERATOR UPDATE**

Mr. Richard Medina, Chief Energy Delivery Officer, provided an update on the ERCOT mobile generator project. He explained that this is a temporary mobile generation project which provides ERCOT with options to mitigate the risk of overloading lines until permanent transmission upgrades eliminate constraints. He then provided an overview of our work with ERCOT to facilitate the interconnection of 15 generators to some existing CPS Energy substations.

The Board of Trustees discussed the presentation and asked a question about how the mobile generators may be called into service, and Mr. Medina noted there is a small chance of them being used.

#### **XIII. COMMUNITY INPUT COMMITTEE CANDIDATE APPROVAL**

Ms. Kathleen Garcia, Vice President, Government and Regulatory Affairs & Public Policy, introduced the three nominees to the Community Input Committee, as follows:

1. Diana E. Lopez, District 2
2. Lawson Picasso, District 6
3. Michael Kennick, District 8

She then requested approval of the recommended nominees. Vice Chair Dr. Mackey made a motion to approve all three candidates, Mayor Jones seconded, and the motion was approved unanimously.

#### **XIV. COMMUNITY INPUT COMMITTEE BYLAWS APPROVAL**

Ms. Kathleen Garcia, Vice President, Government and Regulatory Affairs & Public Policy, reviewed the process the Community Input Committee (CIC) took to review the bylaws. She then provided a summary of the proposed revisions and an overview of the next steps. Finally, she requested Board approval of the proposed revisions to the bylaws.

Vice Chair Dr. Mackey moved to approve the bylaws, and Mayor Jones seconded. The Board of Trustees discussed the proposed revisions. Trustee Steen asked Ms. Lawson Picasso, Chair of the CIC to share her thoughts about the process. Ms. Picasso stated it was a robust conversation and that she is very proud of the feedback received and believed the CIC came together for the proposed bylaws. The other questions by the Board of Trustees focused on ensuring diversity in membership, monitoring the level of time commitment for members, and ensuring the CIC operates independently of the Board. The motion to approve the changes to the bylaws was approved unanimously.

#### **XV. EXECUTIVE SESSION**

At approximately 4:29 p.m., Chair Romero announced the Board would go into Executive Session, and 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-Clients Matters (§551.071) & Competitive Matters (§551.086)
- Attorney-Client Matters (§551.071)
- Real Property Matters (§551.072)
- Real Property Matters (§551.072)

The Board reconvened in open session at 5:00 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.

#### **XVI. ADJOURNMENT**

Chair Romero asked Ms. Ramirez to review the requested action items. There being no further business to come before the Board, upon a motion duly made by Vice Chair Dr. Mackey, seconded by Trustee Steen, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 5:02 p.m. by Chair Romero.



Shanna M. Ramirez  
Secretary of the Board