CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON AUGUST 31, 2026, AT 1:00 PM
LOCATION: CPS ENERGY BOARD ROOM (500 MCCULLOUGH AVE)
LIVESTREAM: CPS ENERGY BOARD OF TRUSTEES MEETING LIVESTREAMS

At any time during the Board Meeting, the Board may go into an executive session as permitted by the Texas Open Meetings Act, (Chapter 551 of the Texas Government Code) regarding any item on this agenda. To note, the Public Comment Registration period runs the Tuesday prior to the Board of Trustees meeting at 5:00 PM through 12:30 PM on the day of the meeting via our online registration form in addition to the ability to register via phone from the Tuesday prior to the Board of Trustees meeting at 5:00 PM through the Friday prior at 1:00 PM.

AGENDA

ITEM	TOPIC	ACTION	PRESENTER/ SPONSOR
1	**CALL TO ORDER**	Execute	Dr. Francine Romero
2	**SAFETY MESSAGE, INVOCATION, & PLEDGE OF ALLEGIANCE**	Execute	Ms. Cynthia Garza
3	**PUBLIC COMMENT**	Discuss	Dr. Francine Romero
UPDATE ON CHAIR'S PRIORITIES			
4	**CHAIR'S REMARKS**	Discuss	Dr. Francine Romero
5	**INTERIM PRESIDENT & CEO RECOGNITION AND REMARKS**	Discuss	Mr. Frank Almaraz
CONSENT AGENDA			
6	**APPROVAL OF CONSENT ITEMS:** A. Payment to the City of San Antonio for July 2026 B. Minutes from the Regular Board Meeting, held on July 20, 2026 C. **Procurement Items:** 1. **Professional Services**: Financial Audit Services 2. **General Services**: Gas Construction Services 3. **Professional Services**: Engineering Services for Natural Gas Infrastructure 4. **General Services**: Gas Inspection Services	Vote	Dr. Francine Romero

	5. **Professional Services:** Customer Construction Design & Engineering Services		
CONVENE TO EXECUTIVE SESSION			
7	**EXECUTIVE SESSION:** A. Attorney Client Matters (§551.071) B. Attorney Client Matters (§551.071) & Competitively Sensitive Matters (§551.086) C. Attorney Client Matters (§551.071) D. Personnel - Duties, Employment and Evaluation of Interim President & CEO (§551.074)	Discuss	Dr. Francine Romero
RECONVENE TO OPEN SESSION			
REGULAR AGENDA			
8	**BOARD COMMITTEE REPORTS:** A. Audit and Finance (A&F) Committee Meeting held on July 13, 2026 B. Employee Benefits Oversight Committee (EBOC) Meeting held on July 13, 2026 C. Nominations Committee Meeting held August 3, 2026	Discuss	Dr. Francine Romero
9	**VOTE TO REAPPOINT THE TRUSTEE FROM THE NORTHWEST QUADRANT TO SERVE A SECOND TERM ON THE CPS ENERGY BOARD AND APPROVE RELATED RESOLUTION**	Vote	Dr. Willis Mackey
10	**FY2027 SECOND QUARTER PERFORMANCE UPDATE**	Discuss	Ms. Elaina Ball & Mr. Cory Kuchinsky
11	**LEGEND FALLS ROUTING AND SITING PROJECT** (Mr. Jose Trevino)	Vote	Dr. Francine Romero
12	**CEO SEARCH COMMITTEE UPDATE & RECOMMENDATION TO PROCEED WITH CONTRACT NEGOTIATION**	Discuss & Possible Vote	Dr. Francine Romero

ADJOURNMENT			
13	**ADJOURNMENT**	Execute	Dr. Francine Romero
If the Board meeting has not adjourned by 5:00 PM, the presiding officer may entertain a motion to continue the meeting, postpone the remaining items to the next Board meeting date, or recess and reconvene the meeting at a specified date and time.			

<u>Approval of Payment to the City of San Antonio for July 2026</u>

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 July 2026 is based on actual gross revenue per the New Series Bond Ordinance of $369,107,811.65, less applicable exclusions. The revenue for the month of July 2026 is calculated as follows:

Gross revenue per CPS Energy financial statements		
Electric revenue	$441,876,023.49	
Gas revenue	15,419,078.64	
Other operating revenue	734,316.67	
Interest and other income	135,550,888.82	
Gross revenue per CPS Energy financial statements	593,580,307.62	
Excluded revenue		
School and hospital revenue per City Ordinance 55022	(11,855,584.46)	
LVG revenue per City Ordinance 100709	(10,625.73)	
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(71,516,715.71)	
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	(141,089,570.07)	
Total excluded revenue	(224,472,495.97)	
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	$369,107,811.65	
City payment per Bond Ordinance for July 2026 based upon July revenue	$51,675,093.63	
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	2,726,496.28	
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)	
City payment per Bond Ordinance plus adjustments for MOU	54,389,089.91	**A**
Utility services provided to the City for July 2026	(3,105,864.31)	
Net amount to be paid from July 2026 revenue to the City in August 2026	$51,283,225.60	

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)

July 2026	Actual	Budget	Variance	
Current Month **A**	$54,389	$59,860	($5,471)	-9.1%
Year-to-Date	$266,418	$265,562	$856	0.3%

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 $51,283,225.60 representing 14% of applicable system gross revenues for the month of July 2026, such payment being net of City utility services ($3,105,864.31), is hereby approved."

Draft for review and approval
at the August 31, 2026 meeting

CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON JULY 20, 2026

The Regular Meeting of the Board of Trustees of CPS Energy for the month of July was held on Monday, July 20, 2026, 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 1:02 p.m.

Present were Board members:
Dr. Francine Romero, Chair
Dr. Willis Mackey, Vice Chair
Dr. Erika Gonzalez
Mayor Gina Ortiz Jones (arrived at 1:05 p.m.)

Absent:
Ms. Janie Gonzalez

Also present were:
Mr. Frank Almaraz, Interim President & CEO
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary
CPS Energy staff members

II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE

A safety message, invocation, and the Pledge of Allegiance were delivered by Ms. Stephanie Burkhardt, Manager, Program Governance & Status.

III. PUBLIC COMMENT

There were no members of the public wishing to provide comments.

IV. CHAIR'S REMARKS

Chair Romero invited community members to attend CPS Energy resource fairs to learn about available programs and bill-assistance options during these summer months. She also highlighted the importance of emergency preparedness considering the number of storms that have occurred.

V. INTERIM CEO REMARKS

Mr. Frank Almaraz, Interim President & CEO, provided an overview of the agenda, highlighting the update on Enterprise Resource Planning (ERP). Mr. Almaraz then recognized the Corporate Communications

& Marketing Team for receiving the Public Relations Society of America, San Antonio Chapter, Del Oro Award and merit recognition.

VI. CONSENT AGENDA

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

A. Approval of Payment to the City of San Antonio for June 2026
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 June 2026 is based on actual gross revenue per the New Series Bond Ordinance of $292,264,774.02, less applicable exclusions. The revenue for the month of June 2026 is calculated as follows:

Gross revenue per CPS Energy financial statements		
Electric revenue	$345,383,353.36	
Gas revenue	18,930,377.65	
Other operating revenue	437,499.75	
Interest and other income	4,752,185.81	
Gross revenue per CPS Energy financial statements	369,503,416.57	
Excluded revenue		
School and hospital revenue per City Ordinance 55022	(8,986,031.58)	
LVG revenue per City Ordinance 100709	(328,187.24)	
Fuel cost component of off-system nonfarm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(51,419,302.52)	
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled Revenue	(16,505,121.21)	
Total excluded revenue	(77,238,642.55)	
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	$292,264,774.02	
City payment per Bond Ordinance for June 2026 based upon June revenue	$40,917,068.36	
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	(76,186.73)	
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)	
Annual True up/ (down) per gas customer MOU	(735.35)	
City payment per Bond Ordinance plus adjustments for MOU	40,827,646.28	**A**

Utility services provided to the City for June 2026	(2,886,138.18)
Net amount to be paid from June 2026 revenue to the City in July 2026	$37,941,508.10

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)

June 2026	Actual	Budget	Variance	
Current Month **A**	$40,828	$50,665	($9,837)	-19.4%
Year-to-Date	$212,030	$205,702	$6,328	3.1%

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 $37,941,508.10 representing 14% of applicable system gross revenues for the month of June 2026, such payment being net of City utility services ($2,886,138.18), is hereby approved."

B. Minutes from the Regular Board Meeting held on June 22, 2026

VII. BOARD 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:

Board Committee Reports

A. CEO Search Committee Meeting held on July 6, 2026 and July 14, 2026. The report is attached as Attachment "A" to the meeting minutes.

Community Input Committee Reports

B. Customer Relations and Communications Working Group Meeting held on June 10, 2026. This report is Attachment "B" to the meeting minutes.
C. Power and Technology Working Group Meeting held on June 10, 2026. This report is Attachment "C" to the meeting minutes.
D. Finance and Business Working Group Meeting held on June 10, 2026. This report is Attachment "D" to the meeting minutes.

VIII. EVOLVE: ENTERPRISE RESOURCE PLANNING (ERP) TRANSFORMATION PROGRAM UPDATE

Mr. Evan O'Mahoney, Chief Information Officer, provided an update on the Evolve: Enterprise Resource Planning (ERP) Transformation Program. He noted the program is progressing through Detailed Design & Build phase, with a continued focus on strengthening delivery confidence, stabilizing scope and improving readiness for upcoming releases.

The Board of Trustees discussed and asked questions primarily related to the release plan's progress and sequencing, the importance of change management, personnel assigned to the program, and how customer feedback is being incorporated.

IX. EXECUTIVE SESSION

At approximately 1:43 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 the following:

A. Personnel Matters (§551.074)
B. Attorney Client Matters (§551.071), Competitive Matters (§551.086) & Critical Infrastructure (§551.0761)
C. Attorney Client Matters (§551.071) & Critical Infrastructure (§551.0761)

The Board reconvened in open session at 3:01 p.m. The quorum was re-established, and four 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.

X. 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 Trustee Dr. Gonzalez, seconded by Vice Chair Dr. Mackey, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 3:02 p.m. by Chair Romero.

Shanna M. Ramirez
Secretary of the Board

CPS Energy Board of Trustees Meeting
August 31, 2026
APPROVAL of PROCUREMENT ITEMS
Table of Contents

1. **Item Description:** **Financial Audit Services**
Purchase Category: **Professional Services**
Supplier: Baker Tilly US, LLP

Committee Presentations: Due to Operations Oversight Committee being rescheduled, committee presentation provided individually to members for review – August 18, 2026
Audit & Finance Committee – July 13, 2026

2. **Item Description:** **Active PO Funding Increase: Gas Construction Services**
Purchase Category: **General Services**
Supplier:
- Benton-Georgia, LLC
- Mears Installation LLC
- MasTec North America, Inc.
- Dimension Energy Solutions LLC dba Dimension Industrial Services
- Wampole-Miller, Inc. dba Miller Bros
- Medina Utility Services Corporation

Committee Presentations: Due to Operations Oversight Committee being rescheduled, committee presentation provided individually to members for review – August 18, 2026
Audit & Finance Committee – July 13, 2026

3. **Item Description:**

Item Description:	**Contract Renewal: Engineering Services for Natural Gas Infrastructure**
Purchase Category:	**Professional Services**
Supplier:	Cobb, Fendley & Associates. Inc.
	LJA Engineering, Inc.
	DCCM Infrastructure, Inc.
	TRC Pipeline Services LLC dba TRC
	KCI Technologies, Inc.
	Halff Associates, Inc.
	Civil Design Services, Inc DBA CDS/Muery

Committee Presentations:

Due to Operations Oversight Committee being rescheduled, committee presentation provided individually to members for review – August 18, 2026

Audit & Finance Committee – July 13, 2026

4. **Item Description:**

Item Description:	**Active PO Funding Increase: Gas System Inspection Services**
Purchase Category:	**General Services**
Supplier:	EN Engineering, LLC dba EN TRUST Solutions Group
	Magnolia River Services Inc
	Triple R Enterprises, Inc. dba Triple R Pipeline and Environmental Services

Committee Presentations:

Due to Operations Oversight Committee being rescheduled, committee presentation provided individually to members for review – August 18, 2026

Audit & Finance Committee – July 13, 2026

5. **Item Description:**	**Customer Construction Design & Engineering Services**
Purchase Category:	**Professional Services**
Supplier:	Atwell LLC
	Black & McDonald Engineering Services, LLC
	Cobb, Fendley & Associates, Inc.
	DCCM Infrastructure, Inc.
	EN Engineering LLC dba ENTRUST Solutions Group
	Halff Associates Inc.
	LJA Engineering, Inc.
	Merrick & Company
	Pape-Dawson Consulting Engineers LLC DBA Pape-Dawson Engineers LLC
	Reop Eng LLC dba Utility.Engineering
	TRC Engineers Inc.

Committee Presentations:

Due to Operations Oversight Committee being rescheduled, committee presentation provided individually to members for review – August 18, 2026
Audit & Finance Committee – July 13, 2026

Approval:

Hargesheimer, Bert Digitally signed by Hargesheimer, Bert
Date: 2026.08.20 08:51:09 -05'00'

Bert Hargesheimer, Vice President

Approval:

Frank Almaraz Digitally signed by Frank Almaraz
Date: 2026.08.20 15:02:35 -05'00'

Frank Almaraz, Interim President & CEO

CPS Energy Board of Trustees Meeting
August 31, 2026
Procurement Form 1

REGULATORY COMPLIANCE

Item Description	**Financial Audit Services**
Purchase Order Value	**$3,525,000**
Purchase Category	Professional Services
Department	Financial Services
Chief Financial Officer	Cory Kuchinsky

Detailed Description

CPS Energy staff recommend that a contract be awarded to Baker Tilly US, LLP as the respondent who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is required to provide financial audits and related services for CPS Energy, the SA Energy Acquisition Public Facility Corporation ("PFC"), the two CPS Energy Decommissioning Master Trusts for the South Texas Project ("Trusts"), and the Uniform Guidance Audit. This contract will result in the issuance of a report to the Board of Trustees expressing an opinion on CPS Energy's financial statements, including whether the financial statements are free of material misstatements and whether they present fairly, in all material respects, the financial position of CPS Energy, and the results of its operations and cash flows for each year of the engagement. This contract also includes bond-related services that are required to be performed during the contract term.

This new contract is for four (4) years and will expire on August 31, 2030; however, the contract includes an option to renew for one (1) additional year, which if exercised by mutual agreement of both parties, would extend it to August 31, 2031.

Subcontracting Opportunities

Baker Tilly US, LLP has committed to subcontract 20% of the financial audit services to Schriver, Carmona & Company, PLLC, a small, local business. Bond-related services will not be included in subcontracted work due to the specific technical expertise required to perform the work.

The solicitation method for this procurement was a Request for Proposal. 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	75
The overall cost	15
Economic Development (Local and Small business consideration)	10
The financial soundness of the Respondent	Pass/Fail
TOTAL	**100**

CPS Energy Board of Trustees Meeting
August 31, 2026
Procurement Form 1

REGULATORY COMPLIANCE

Recommended Respondent(s) & Award					
Respondent Name	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Baker Tilly US, LLP		87	$3,525,000	2236622	New supplier of this scope.
		TOTAL	**$3,525,000**		

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY20230 PO Spend
$1,664,388,329	Capital	$0	0%	$0	$0	$0
$1,061,000,000	Non-Fuel O&M	$705,000	0.06%	$705,000	$705,000	$705,000

Our current approved budget and latest estimates support these new purchase orders.

CPS Energy Board of Trustees Meeting
August 31, 2026
Procurement Form 2

VISION 2027 GENERATION PLAN
RESILIENCE/ RELIABILITY
GAS SYSTEM GROWTH

Item Description		Active PO Funding Increase: Gas Construction Services
Original Cumulative Purchase Order Value	(A)	$175,000,000
Previously Added Funds	(B)	$42,000,000
Additional Funds Requested	**(C)**	**$201,808,349**
Projected Cumulative Purchase Order Value	**(D)**	**$418,808,349**
Purchase Category		General Services
Department		Gas Solutions
Interim Chief Operating Officer		Jose Trevino

Detailed Description

CPS Energy staff recommend that additional purchase order funding be approved for existing contracts for gas construction services. Contracts were previously awarded to Medina Utility Services Corporation, a small firm and Benton-Georgia, LLC, Mears Installation LLC, MasTec North America, Inc., Dimension Energy Solutions LLC, and Wampole-Miller, Inc., all local firms, as these respondents who provided the goods or services at the best value for CPS Energy based on the evaluation criteria set forth below.

Additional purchase order funding is being requested to support increased gas construction activity, including emergency leak response resulting from expanded leak surveys and accelerated main replacement work, and in anticipation of a contract renewal prior to the current expiration on October 31, 2027.

Subcontracting Opportunities

Benton-Georgia, LLC, Mears Installation LLC, MasTec North America, Inc., Dimension Energy Solutions LLC, and Wampole-Miller, Inc. have committed to subcontract a portion of the services to one or more small businesses.

The solicitation method for this procurement was a Request for Proposal (RFP). 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	45
Safety records and training program	20
The overall cost	15
Legal and compliance requirements	10
Economic Development (Local and Small business consideration)	10
The financial soundness of the Respondent	Pass/Fail
TOTAL	**100**

CPS Energy Board of Trustees Meeting
August 31, 2026
Procurement Form 2

VISION 2027 GENERATION PLAN
RESILIENCE/ RELIABILITY
GAS SYSTEM GROWTH

Recommended Respondent(s) & Award					
Vendor Name	**SBA Classification & Details**	**Original PO Value**	**Previously Added or Reallocated Funds**	**Additional Funds Requested**	**PO #**
Benton-Georgia, LLC[1]	Local	$40,000,000	$12,000,000	$33,634,724.83	2222815
Mears Installation LLC[2]	Local	$40,000,000	$9,000,000	$33,634,724.83	2222816
MasTec North America, Inc.[3]	Local	$40,000,000	$0	$33,634,724.83	2222817
Dimension Energy Solutions LLC dba Dimension Industrial Services [4]	Local	$25,000,000	$6,000,000	$33,634,724.83	2222818
Wampole-Miller, Inc. dba Miller Bros [5]	Local	$20,000,000	$8,000,000	$33,634,724.83	2222819
Medina Utility Services Corporation[6]	Small	$10,000,000	$7,000,000	$33,634,724.83	2222820
		(A)	**(B)**	**(C)**	
	Totals	**$175,000,000**	**$42,000,000**	**$201,808,349**	
			Projected Cumulative Purchase Order Value (D)	**$418,808,349**	

[1] Incumbent supplier for 6 years.
[2] Incumbent supplier for 17 years.
[3] Incumbent supplier for 22 years.
[4] Incumbent supplier for 10 years.
[5] Incumbent supplier for 6 years.
[6] Incumbent supplier for 2 years.

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY2030 PO Spend
$1,664,388,329	Capital	$ 23,377,325	1.4%	$ 54,540,000	$ 54,540,000	$ 54,540,000
$1,061,000,000	Non-Fuel O&M	$ 19,911,051	1.9%	$ 46,460,000	$ 46,460,000	$46,460,000

Our current approved budget and latest estimates support this additional purchase order increase.

CPS Energy Board of Trustees Meeting
August 31, 2026
Procurement Form 3

ELECTRIC SYSTEM GROWTH

GRID MODERNIZATION

Item Description	**Contract Renewal: Engineering Services for Natural Gas Infrastructure**
Purchase Order Value	**$20,000,000**
Purchase Category	Professional Services
Department	Gas Solutions
Interim Chief Operating Officer	Jose Trevino

Detailed Description

CPS Energy staff recommend that contracts be renewed for the following companies: Civil Design Services, Inc., a local/small firm, Cobb, Fendley & Associates, LJA Engineering, Inc, DCCM Infrastructure, Inc, TRC Pipeline Services, LLC, KCI Technologies, Inc., all local firms, and Halff Associates, Inc. as the respondents who provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract renewal allows CPS Energy to continue to provide construction plans, analysis, supporting documentation, as-builts, and engineering field services for CPS Energy gas projects. These contracts will expire on September 30, 2029.

Subcontracting Opportunities

All suppliers have committed to subcontract a portion of the services to one or more local or small businesses.

The solicitation method for this procurement was a Request for Qualification (RFQ). 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	60
Safety records and training program	20
Legal and compliance requirements	15
The financial soundness of the Respondent	5
TOTAL	**100**

CPS Energy Board of Trustees Meeting
August 31, 2026
Procurement Form 3

ELECTRIC SYSTEM GROWTH | GRID MODERNIZATION

Recommended Respondent(s) & Award					
Respondent Name[1]	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Cobb, Fendley & Associates, Inc.	Local	99	$4,000,000	2236916	
LJA Engineering, Inc	Local	98	$2,500,000	2236921	
DCCM Infrastructure, Inc.	Local	97	$2,500,000	2236917	
TRC Pipeline Services, LLC dba TRC	Local	95	$2,500,000	2236922	
KCI Technologies, Inc.	Local	95	$2,500,000	2236920	
Halff Associates, Inc.		93	$3,000,000	2236919	
Civil Design Services, Inc DBA CDS/Muery	Small & Local	92	$3,000,000	2236915	**Corporate headquarters based in San Antonio Metropolitan Area**
		TOTAL	**$20,000,000**		

[1] All suppliers have been incumbents for 3 years, as this was the first iteration of this contract scope.

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY20230 PO Spend
$1,664,388,329	Capital	$2,000,000	0.1%	$6,000,000	$6,000,000	$6,000,000
$1,061,000,000	Non-Fuel O&M	$0	0%	$0	$0	$0

Our current approved budget and latest estimates support these new purchase orders.

CPS Energy Board of Trustees Meeting
August 31, 2026
Procurement Form 4

VISION 2027 GENERATION PLAN | RESILIENCE/ RELIABILITY | GAS SYSTEM GROWTH

Item Description		Active PO Funding Increase: Gas System Inspection Services
Original Cumulative Purchase Order Value	(A)	$8,000,000
Previously Added Funds	(B)	$0
Additional Funds Requested	**(C)**	**$24,000,000**
Projected Cumulative Purchase Order Value	**(D)**	**$32,000,000**
Purchase Category		General Services
Department		Gas Solutions
Interim Chief Operating Officer		Jose Trevino

Detailed Description

CPS Energy staff recommend that additional purchase order funding be approved for existing contracts for gas inspection services. Contracts were previously awarded to Triple R Enterprises, Inc. dba Triple R Pipeline and Environmental Services, a small firm, EN Engineering, LLC dba ENTRUST Solutions Group, a local firm, and Magnolia River Services Inc., as these respondents who provided the goods or services at the best value for CPS Energy based on the evaluation criteria set forth below.

Additional purchase order funding is being requested to support increased gas inspection services due to contracted emergency leak response, expanded leak survey activities, and accelerated gas main replacement work. These contracts will expire on May 31, 2029.

Subcontracting Opportunities

None at this time.

The solicitation method for this procurement was a Request for Proposal (RFP). 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	40
Safety records and training program	20
The overall cost	15
Legal and compliance requirements	5
Economic Development (Local and Small business consideration)	10
The financial soundness of the Respondent	10
TOTAL	**100**

CPS Energy Board of Trustees Meeting
August 31, 2026
Procurement Form 4

VISION 2027 GENERATION PLAN
RESILIENCE/ RELIABILITY
GAS SYSTEM GROWTH

Recommended Respondent(s) & Award					
Vendor Name	**SBA Classification & Details**	**Original PO Value**	**Previously Added or Reallocated Funds**	**Additional Funds Requested**	**PO#**
EN Engineering, LLC dba ENTRUST Solutions Group [1]	Local	$2,666,666.67	$0	$8,000,000	2233157
Magnolia River Services Inc [2]		$2,666,666.67	$0	$8,000,000	2233158
Triple R Enterprises, Inc. dba Triple R Pipeline and Environmental Services [3]	Small	$2,666,666.66	$0	$8,000,000	2233160
		(A)	**(B)**	**(C)**	
	Totals	**$8,000,000**	**$0**	**$24,000,000**	
			Projected Cumulative Purchase Order Value (D)	**$32,000,000**	

[1] Incumbent supplier for 3 years.

[2] Incumbent supplier for 9 years.

[3] Incumbent supplier for 7 years.

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY2030 PO Spend
$1,664,388,329	Capital	$ 1,750,000.00	0.1%	$ 5,400,000	$ 5,400,000	$ 5,400,000
$1,061,000,000	Non-Fuel O&M	$ 1,490,000.00	0.1%	$ 4,600,000	$ 4,600,000	$ 4,600,000

Our current approved budget and latest estimates support this additional purchase order increase.

CPS Energy Board of Trustees Meeting
August 31, 2026
Procurement Form 5

ELECTRIC SYSTEM GROWTH | GRID MODERNIZATION

Item Description	**Customer Construction Design & Engineering Services**
Purchase Order Value	**$130,000,000**
Purchase Category	Professional Services
Department	Customer Design and Delivery
Chief Customer Strategy Officer	DeAnna Hardwick

Detailed Description

CPS Energy staff recommend that contracts be awarded to Reop Eng LLC dba Utility.Engineering, a local/small firm and Atwell LLC, Black & McDonald Engineering Services, LLC, Cobb, Fendley & Associates, Inc., DCCM Infrastructure, Inc., EN Engineering LLC dba Entrust Solutions Group, Halff Associates Inc., LJA Engineering, Inc., Merrick & Company, Pape-Dawson Consulting Engineers LLC DBA Pape-Dawson Engineers LLC, and TRC Engineers Inc., all local firms, 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 provide electric and gas design services for new construction and infrastructure projects. Sustained community growth, which is approximately 70% above the national average, continues to increase engineering and design workload. These contracts are required to meet the demands of this continued customer growth. These contracts will expire on August 31, 2029.

Subcontracting Opportunities

Atwell LLC, Black & McDonald Engineering Services, LLC, Cobb, Fendley & Associates, Inc., DCCM Infrastructure, Inc., EN Engineering LLC ENTRUST Solutions Group, Halff Associates Inc., LJA Engineering, Inc., Merrick & Company, Pape-Dawson Consulting Engineers LLC DBA Pape-Dawson Engineers LLC, and TRC Engineers Inc. have committed to subcontract a portion of the services to one or more small businesses.

The solicitation method for this procurement was a Request for Qualification (RFQ)[1]. 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	90
Legal and compliance requirements	10
The financial soundness of the Respondent	Pass/Fail
TOTAL	**100**

CPS Energy Board of Trustees Meeting
August 31, 2026
Procurement Form 5

ELECTRIC SYSTEM GROWTH

GRID MODERNIZATION

Recommended Respondent(s) & Award

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
TRC Engineers Inc.	Local	92	$11,818,181.82	2236324	Incumbent supplier for 6 years.
Cobb, Fendley & Associates, Inc.	Local	83	$11,818,181.82	2236315	Incumbent supplier for 6 years.
Merrick & Company	Local	83	$11,818,181.82	2236321	Incumbent supplier for 6 years.
EN Engineering LLC dba ENTRUST Solutions Group	Local	80	$11,818,181.82	2237010	Incumbent supplier for 6 years.
Pape-Dawson Consulting Engineers LLC DBA Pape-Dawson Engineers LLC	Local	80	$11,818,181.82	2236322	**Corporate headquarters based in San Antonio Metropolitan Area** Incumbent supplier for 6 years.
Reop Eng LLC dba Utility.Engineering	Small & Local	80	$11,818,181.82	2236323	New supplier for this scope.
Atwell LLC	Local	78	$11,818,181.82	2236609	Incumbent supplier for 6 years.
Black & McDonald Engineering Services, LLC	Local	77	$11,818,181.82	2236316	Incumbent supplier for 3 years.
DCCM Infrastructure, Inc.	Local	75	$11,818,181.82	2236610	Incumbent supplier for 6 years.
Halff Associates Inc.	Local	72	$11,818,181.82	2236611	Incumbent supplier for 6 years.
LJA Engineering, Inc.	Local	65	$11,818,181.82	2236320	Incumbent supplier for 3 years.
		TOTAL	**$130,000,000.00**		

Annual Funds Budgeted

Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY2030 PO Spend
$1,664,388,329	Capital	$14,444,444	0.87%	$43,333,333	$43,333,333	$28,888,890
$1,061,000,000	Non-Fuel O&M	$0	0%	$0	$0	$0

Our current approved budget and latest estimates support these new purchase orders.

AUDIT & FINANCE COMMITTEE (A&F) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JULY 13, 2026, MEETING

PREPARED FOR BOARD CHAIR, DR. FRANCINE ROMERO

FOR REVIEW AT THE AUGUST 31, 2026, BOARD OF TRUSTEES MEETING

The Audit & Finance Committee met on July 13, 2026. As part of the Audit & Finance Committee agenda, the Committee:

A. Approved meeting minutes from the prior meeting, held on April 23, 2026.

B. Received the External Audit RFP Update and the evaluation team's selection of audit firm. Vote and approval for the audit firm selection to go to the Board for approval in August 2026.

C. Received the Audit Services Quarterly Report, including a review of project count, current audit progress, and results of completed projects.

D. Reviewed the Legislative and Regulatory update. Discussed the Governor's letter addressing data centers. Legislature remains focused on the implementation of Senate Bill 6, disaster preparedness and response, transmission planning, and local government authority spending.

E. Received the Procurement Preview related to financial audit services; customer construction design and engineering services; gas construction services; gas system inspection services; and engineering services for natural gas infrastructure to be presented to the Board in August 2026. Procurement Preview related to 765kV circuit breakers; 765kV engineering consultant services; and substation construction services to be presented to the Board in September 2026. Wire and cable procurement items are to be presented to the Board in October 2026.

F. Facilities & Real Estate Master plan update including discussion on customer growth, walk-in locations, operations campus locations, central campus evaluation, transition cost improvement, future projects and key highlights on the West Campus / W.T. Montgomery project were presented.

The next meeting of the Audit & Finance Committee will be held in October 2026.

EMPLOYEE BENEFITS OVERSIGHT COMMITTEE (EBOC)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JULY 13, 2026, MEETING

PREPARED FOR COMMITTEE CHAIR DR. FRANCINE ROMERO

FOR REVIEW AT THE AUGUST 31, 2026, BOARD OF TRUSTEES MEETING

The EBOC met July 13, 2026. As part of the EBOC agenda, the Committee:

A. Approved meeting minutes from the prior meeting held on April 23, 2026.

B. Confirmed there were no Action Items to review from the April 23, 2026, meeting.

C. Reviewed the annual EBOC calendar and governance overview as part of a Benefit Plans Administrative and Financial Update.

D. Reviewed the Benefit Trusts' actuarial recommendations to update demographic and economic assumptions. The Actuarial Rate of Return (ARoR) was reaffirmed at 7%, consistent with peer public pension plans in Texas. The Administrative Committee (AC) approved maintaining this rate for the 2026 valuation.

E. Received an Investment Performance Update, which showed year-to-date returns through May 2026 exceeded the 7% expected rate of return. Master Limited Partnerships led with an 18% return, global equities were up 11-12%, and fixed income posted modest gains. Private Credit investments also produced positive returns, and the CPSE Pension Trust ranked in the top quartile among peers.

F. Received the completed Investment Practices and Performance Evaluation (IPPE) conducted by Aon Investments, which concluded that CPS Energy's governance structure is best-in-class. Recommendations for enhancement included providing more detailed benchmark analysis and consolidating separately distributed materials related to managers on the watch list into a comprehensive table to facilitate decision making. No committee vote was required to adopt these recommendations.

G. Approved 2027 Health Plan premiums, reflecting an overall increase of approximately 9%. Adjustments to deductibles and out-of-pocket maximums helped moderate premium increases. The Committee also approved modest increases to pharmacy copays and post-65 retiree premiums for pharmacy coverage premiums.

H. The Committee noted no Action Items for follow-up.

The next meeting of the EBOC will be held in October 2026.

NOMINATIONS COMMITTEE MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM AUGUST 3, 2026 MEETING
PREPARED FOR COMMITTEE CHAIR FRANCINE ROMERO
FOR REPORT AT THE AUGUST 31, 2026 BOARD OF TRUSTEES MEETING

The Nominations Committee met on August 3, 2026. As part of the Nominations Committee agenda, the Committee:

A. Reviewed and discussed the committee charter.

B. Voted to move forward with the confirmation of Dr. Francine Romero for a 2nd term.

C. Voted to send the confirmation of Dr. Francine Romero to the full Board.

RESOLUTION ELECTING DR. FRANCINE ROMERO TO CPS ENERGY BOARD OF TRUSTEES

WHEREAS, Dr. Francine Romero, a resident of the northwest quadrant, was first appointed to the CPS Energy Board to serve a 5-year term commencing on February 1, 2022 and expiring on January 31, 2027; and

WHEREAS, Dr. Romero has expressed a willingness and desire to continue to serve on the Board; and

WHEREAS, the Board appreciates Dr. Romero's expertise, her contributions to the work of the Board and her willingness to continue service; and

WHEREAS, under the provisions of CPS Energy bond ordinances, Dr. Romero is eligible to serve another 5-year term as a member of the Board of Trustees following the expiration of her current term of service in January 2027.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of CPS Energy that Dr. Francine Romero 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, 2027 through January 31, 2032.

I, Shanna M. Ramirez, Secretary of the Board of Trustees of CPS Energy, do hereby certify that the foregoing is a true and exact copy of a resolution which was unanimously passed and approved at the meeting of the Board of Trustees of CPS Energy, held on August 31, 2026, at which a quorum was present.

WITNESS MY HAND AND SEAL OF THE CPS ENERGY BOARD OF TRUSTEES on the ____day of ____________, 20__.

____
Shanna M. Ramirez
Secretary of the Board

FY2027 SECOND QUARTER PERFORMANCE UPDATE

PRESENTED BY:
Elaina Ball
Chief Strategy Officer

Cory Kuchinsky, CPA
Chief Financial Officer (CFO) & Treasurer

August 31, 2026
Informational Update

AGENDA

- FY2027 Enterprise Scorecard Recap
- Year-to-Date Financial Performance
- Big Picture Outlook
- Full-Year Financial Expectations

Our objective is to provide an update on our enterprise scorecard results, Q2 2026 financial performance as of July 31, 2026, and provide full-year guidance.

VISION 2030 STRATEGY TO EXECUTION

FY2027 ENTERPRISE SCORECARD

VISION 2030 STRATEGIC GOALS - ENERGIZING PROGRESS TOGETHER

RELIABILITY

Strengthen energy system growth, resilience, and modernization

FY2027 Milestones	
Continue modernization of transmission system for resiliency and growth with multi-year projects (e.g., Howard-Solstice 765kV, Spruce to Pawnee and Howard Rd to San Miguel 345kV).	On Track
Complete the Energy Management Systems (EMS) & Supervisory Control and Data Acquisition (SCADA) rollout and continue upgrading Advanced Distribution Management System (ADMS).	On Track
Execute gas strategies to include Permian Hwy to Rio Nogales, Southgate to Rio Nogales, and N. Outer Loop.	On Track
Optimize approved power generation plan execution through strategic transactions.	On Track

VALUE

Drive customer-centric innovation that improves affordability, expands service choices, and elevates digital engagement

FY2027 Milestones	
Advance the Evolve digital transformation program by supporting the Oracle Enterprise Resource Planning (ERP) design and build activities for Releases 1 and 2.	On Track
Improve the large load customer experience by enabling power solutions that comply with regulatory requirements.	On Track
Continue to develop and scale premium outreach and assistance programs that actively support customers.	On Track

CLEANER ENERGY

Reduce impact on the environment through measurable action

FY2027 Milestones	
Award key contracts including engineering, procurement, and construction (EPC), finalize engineering, and start equipment purchases for the Spruce 2 Natural Gas Conversion.	On Track
Execute continuation of STEP Program initiatives to include Weatherization and Community Solar growth.	On Track
Continue execution of approved power generation plan, including additional acquisition of incremental solar, wind and storage capacity.	On Track
Execute the power generation plan refresh to maintain diversification of our generation portfolio and meet evolving community growth.	On Track

FINANCIAL STRENGTH

Manage costs, plan for future risks, and invest wisely

FY2027 Milestones	
Submit TCOS (Transmission Cost of Service) rate filing package.	On Track
Conduct an updated cost-of-service analysis to demonstrate fiscal responsibility and transparency.	On Track
Maintain financial stability and a strong credit profile, reflecting disciplined financial management, diversified revenue sources, and adequate liquidity.	On Track
Prioritize and execute business optimization initiatives to improve operational efficiency and support long-term sustainability.	On Track
Optimize receivables performance through customer payment solutions that promote current account status.	On Track

TEAM EXCELLENCE

Invest in our people and future workforce by advancing safety culture, providing modern tools and support, and developing leaders who actively guide change

FY2027 Milestones	
Continue maturing Safety Culture work with existing Grass Roots and guidance teams, adding Power Generation and Supply Chain teams.	On Track
Continue STCKY (Stuff That Can Kill You) prevention transition to further focus safety on key risks.	On Track
Enhance and expand the Industrial Athlete program to address preparation for work in the field and minimize musculoskeletal disorders.	On Track
Business units drive organizational change management and develop a series of workforce plans to improve collaboration and communication.	On Track
Business units execute the ERP change management plan to prepare the organization for future state business processes, enhanced technical/enabled capabilities and training.	On Track

FY2027 ENTERPRISE MEASURES & TARGETS (Red highlight indicates measure is Unrecoverable; Yellow highlight indicates Year-End target is At Risk)

Target	Measure
73.00 min	Average Customer Outage Duration
87.0%	Plant Availability
0.42	Gas Safety
705 - 710	Customer Perception
70.00%	Strategically Investing in the Community
1st Quartile	12-Month Total Bill - Residential
COSA CAAP Goal	Carbon Intensity
≥2.93	Fiscal Resiliency
1st Quartile	Living Mission & Values
1.11	Safety Performance

FY2027 ENTERPRISE MEASURE RESULTS

AS OF JULY 31, 2026

Strategic Goals	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year (FY2027 / CY2026)			Year-End Forecast	Latest Estimate
						FY2025 CY2024	FY2026 CY2025	YTD Target	YTD Actual	Year-End Target		
Reliability	**Average Customer Outage Duration** (System Average Interruption Duration Index - SAIDI)	Monthly	CY	#	↓	61.80	75.38	43.67	64.83	73.00	Unrecoverable	94.16
Reliability	**Plant Availability** [1] (Critical Months Equivalent Availability Factor - CMEAF)	Monthly	CY	%	↑	89.5	81.5	87.0	81.0	87.0	Unrecoverable	82.8
Reliability	**Gas Safety** (Leaks Remaining at End of Year Per 1,000 Customers)	Monthly	CY	#	↓	0.23	0.42	0.42	0.39	0.42	On Track	0.42
Financial Strength	**Fiscal Resiliency** [2] (Index of Key Financial Measures)	Monthly	FY	#	↑	3.15	3.13	2.63	2.35	≥2.93	On Track	2.93
Value	**Customer Perception** (Residential Engaged Customer Relationship – ECR)	Quarterly	CY	#	↑	687	716	705 - 710	723	705 - 710	On Track	705
Value	**Strategically Investing in the Community** (Local Spend Percentage)	Quarterly	FY	%	↑	74.58	72.08	70.00	74.31	70.00	On Track	72.00
Value	**12-Month Total Bill – Residential** [3]	Quarterly	FY	$	↓	N/A	N/A	1st Quartile	193.80	1st Quartile	On Track	193.80
Team Excellence	**Living Mission & Values** [4] (Gallup 12+ Index)	Annually	FY	#	↑	4.15	4.12	-	-	1st Quartile	On Track	-
Team Excellence	**Safety Performance** (Enterprise Recordable Incident Rate - RIR)	Monthly	FY	#	↓	1.19	1.54	1.11	1.09	1.11	On Track	1.16
Cleaner Energy	**Carbon Intensity** [3]	Quarterly	CY	#	↑	N/A	N/A	COSA CAAP Goal	773	COSA CAAP Goal	On Track	773

[1] Critical month calculation includes January, February, June, and July only.
[2] More information about this measure can be found in the Monthly Financial Update.
[3] No historical information available due to newly reported measure in FY2027.
[4] A dash (-) represents no data currently available due to measure being reported annually.

NOTE 1: As of June 2026, the 12-month rolling average for SAIDI is 97.44

NOTE 2: Effective as of July 2026, Plant Availability results will now exclude Barney Davis 1.

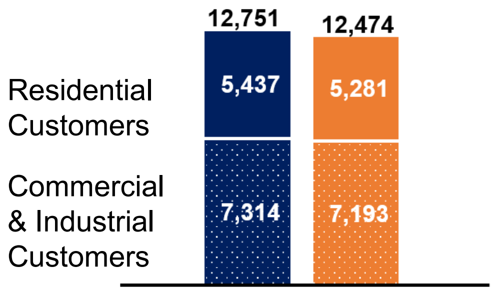
FY2027 SECOND QUARTER FINANCIAL PERFORMANCE

Q2 2026 YEAR-TO-DATE FINANCIAL RESULTS

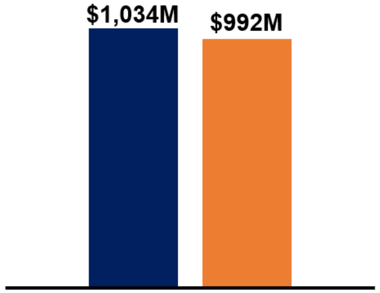
Plan

Actual

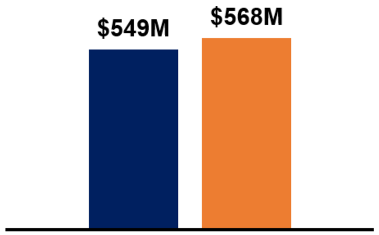
Billed Electric Sales Volume (GWh)



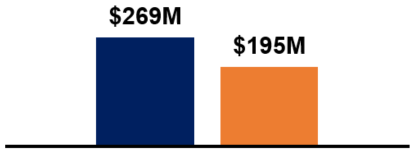
Non-Fuel Revenue



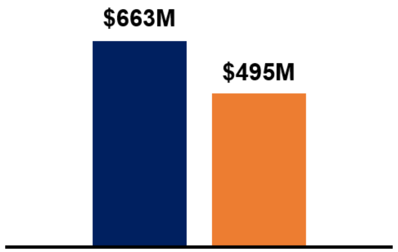
O&M



Transmission Capital



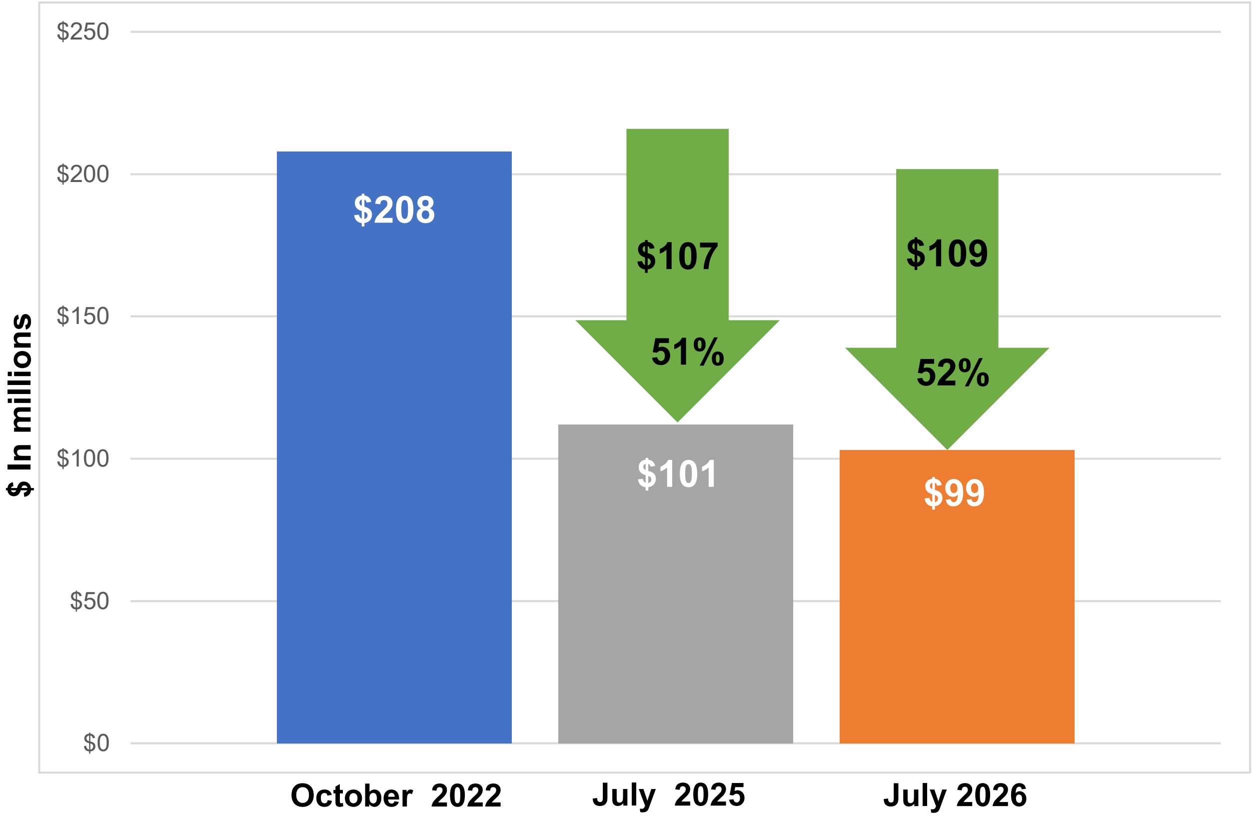
Non-Transmission Capital



- Non-fuel revenue is lower than plan due to unplanned outages, slower customer growth and lower customer usage.
- O&M is over plan due to customer outage restoration and plant outages.
- Capital is temporarily lower than plan due to timing of generation and transmission projects.

PAST-DUE CUSTOMER BALANCE

REDUCING OUR RISK PROFILE



- As of July 2026, the percentage of past-due balances on payment plans is 35%.
- The success rate for customers enrolled in payment plans is ~80%.
- In a recent benchmarking survey, we ranked third in the **percentage of customers** who are current on their accounts.[1]
- We also work with our most vulnerable customers to connect them with available assistance programs.

Nationally, past-due balances have grown ~55% since 2022, while ours have reduced by 52%, which has decreased our risk profile.[2]

1. First Quartile Consulting, 2. National Energy Assistance Directors' Association

BIG PICTURE OUTLOOK

HEADWINDS (CHALLENGES WE FACE)	TAILWINDS (OPPORTUNITIES AHEAD)
Economic Pressures: Slower U.S. growth and persistent inflation constrain budget flexibility.	**Economic Strengths:** Although U.S. job growth remains subdued, the labor market is stable, with solid job creation and persistently low unemployment. Additionally, GDP is supported by the AI and tech investment cycle and fiscal support (i.e., tax incentives). Corporate earnings remain robust.
Borrowing Costs: Interest rates are expected to remain elevated, with the Federal Reserve likely to hold rates steady through year-end.	**Investment Rates:** A continued higher interest rate environment will yield more investment income on our cash investments.
Geopolitical Risk: Oil and LNG have retreated from recent highs; however, ongoing conflicts and shipping disruptions continue to create market volatility.	**Permian Basin Natural Gas Supply:** Natural gas costs are expected to remain below plan despite recent price normalization.
Electricity Consumption and Market Prices: Slower residential and commercial customer growth and usage continue to suppress performance when compared to the plan. Also, the abundance of renewables has depressed electric market prices.	**Community & Load Growth:** Population and industrial expansion continue to support revenue growth, reinforced by increased San Antonio building permits

FY2027 FINANCIAL EXPECTATIONS

- The economy is slowing and inflation remains above the Federal Reserve’s 2% target, reflecting a more challenging macroeconomic environment going forward.
- Unplanned outages, lower market pricing, slower customer growth and lower customer usage have resulted in lower-than-expected non-fuel revenue through Q2 and to continue for the balance of the year.
- We expect O&M to be higher than plan due to customer outage restorations and plant outages.
- Capital is expected to come in higher than plan as we see an increase in transmission capital.
- We expect our fiscal resiliency measure to be in line with Plan.
- Countering some of the lower revenue growth are a few financial tailwinds likely to occur during the balance of the fiscal year, including another nuclear production tax credit that has been filed with the Internal Revenue Service.

We will continue to closely manage our financial position through year-end

FINANCIAL METRICS RESULTS

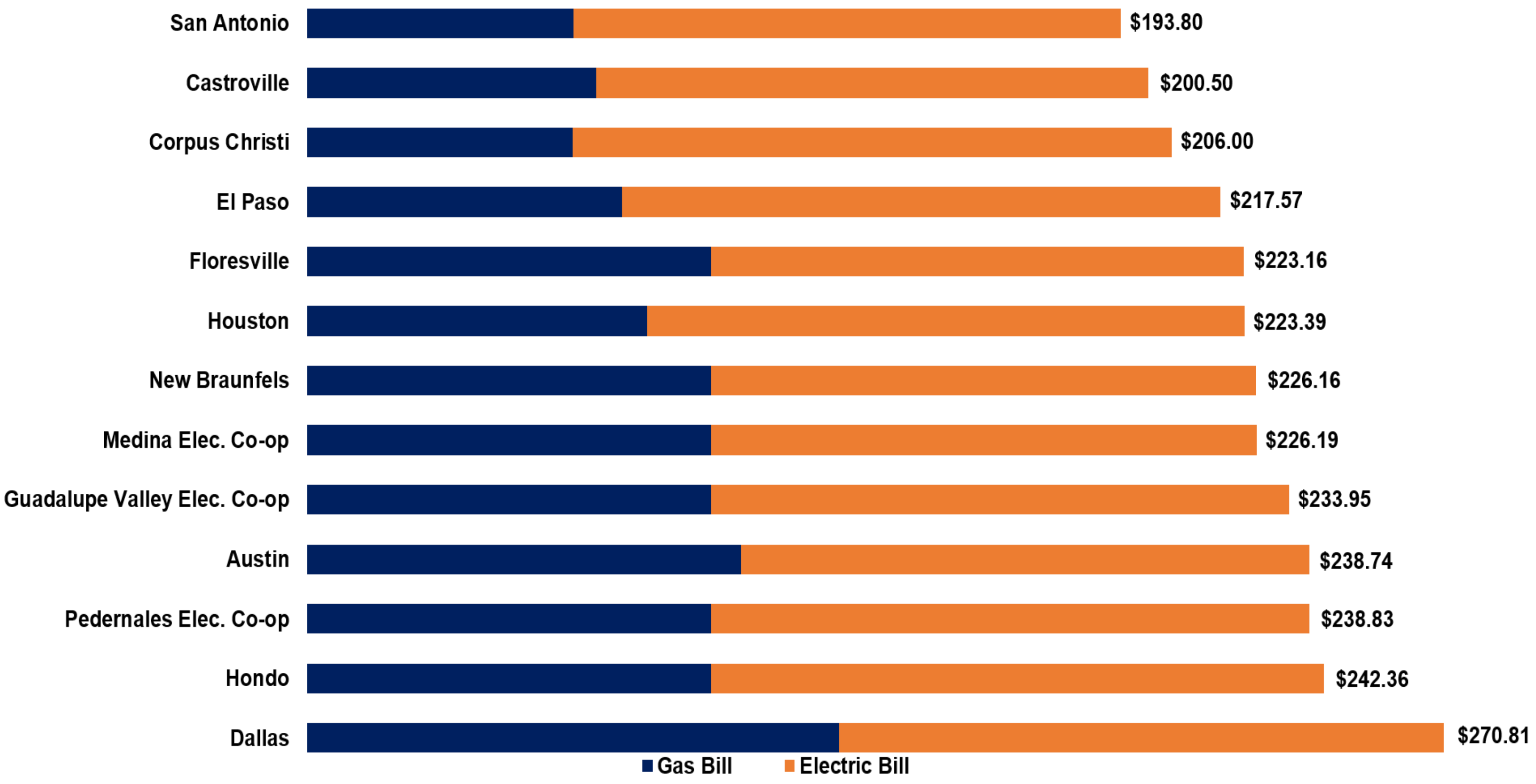
CPS ENERGY

	Results vs. FY2027 Budget (*Including* Uri)		Results vs. FY2027 Budget (*Excluding* Uri)	
	Range	**Performance**	**Range**	**Performance**
Adjusted Debt Service Coverage Ratio (Higher is Better)	**1.60 - 1.99x** ~$1.1B - ~$1.3B (Net Revenues)	☑	**1.60 - 1.99x** ~$1.1B - ~$1.3B (Net Revenues)	☑
Debt Capitalization Ratio (Lower is Better)	**65.00% - 69.99%** ~$9.5B - ~$11.9B (Total Outstanding Debt)	☑	**65.00% - 69.99%** ~$9.1B - ~$11.9B (Total Outstanding Debt)	☑
Days Cash on Hand (Higher is Better)	**150 - 199** ~$1.4B - ~$1.9B (Cash)	☑	**150 - 199** ~$1.4B - ~$1.9B (Cash)	☑
Days Liquidity on Hand (Higher is Better)	**≥275** ~$1.5B - ~$2.1B (Short-Term Financing Capacity)	☑	**≥275** ~$1.5B - ~$2.1B (Short-Term Financing Capacity)	☑
Fiscal Resiliency Score (Higher is Better)	**≥2.93**	☑	**≥2.93**	☑

Despite Q2 2026 pressures, FY2027 financial metrics and fiscal resiliency are expected to remain in line with the plan.

TEXAS & LOCAL CITIES COMBINED RESIDENTIAL BILL COMPARISON

TRAILING TWELVE MONTHS ENDING JULY 2026



¢/kWh	$/MCF
13.0	12.7
13.2	13.8
14.3	12.7
14.3	15.0
12.7	19.3
14.2	16.2
13.0	19.3
13.0	19.3
13.8	19.3
13.5	20.7
14.2	19.3
14.6	19.3
14.4	25.4

1,000 kWh & 5 MCF

Note: Deregulated markets electric data from powertochoose.org (Term 12 mos.; 4&5 star rated REPs).
San Antonio & Castroville are the only cities that have a single electric & gas provider.

THANK YOU

APPENDIX

GLOSSARY / DEFINITIONS

ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
Adjusted Debt Service Coverage Ratio (ADSC)	Measurement of available cash flow to pay current debt obligations	O&M	Normal costs incurred to keep business operations ongoing (Operating & Maintenance)
CCF	100 Cubic Feet of Gas	P&L	Profit & Loss
CMEAF	Critical Months Equivalent Availability Factor	Pre-FAT	Factory Acceptance Test
CY	Calendar Year	R&R	A restricted cash account which may be used to fund construction costs (Repair & Replacement account)
Days Cash on Hand (DCOH)	Represents the number of days a company can continue to pay its operating expenses with current cash available	RIR	Recordable Incident Rate
Debt Service	In the Flow of Funds, the annual amount of principal and interest payments due to bond holders	RMR	Reliability Must Run
ECR	Engaged Customer Relationship	SAIDI	System Average Interruption Duration Index
EVOLVE	Program for implementing ERP system	TCOS	Transmission Cost of Service
FY	Fiscal Year	TWh	Terawatt-hour or 1 billion of kWh
kWh	Kilowatt-hour	YTD	Year-to-Date

FY2027 ENTERPRISE MEASURE SUMMARY

AS OF JULY 31, 2026

Unrecoverable		At Risk		On Track		Total Enterprise Measures
2	20%	0	0%	8	80%	10

FY2027 ENTERPRISE MEASURE OUTLIERS	
Unrecoverable	Average Customer Outage Duration (System Average Interruption Duration Index – SAIDI)
Unrecoverable	Plant Availability (Critical Months Equivalent Availability Factor - CMEAF)

NEW: Plant Availability is now Unrecoverable and will not achieve its year-end target.
SAIDI is Unrecoverable and will not achieve its year-end target.

FY2027 FISCAL RESILIENCY SCORE
AS OF JULY 31, 2026

Enterprise Measure	Component Name	Index Weight	Unit	Target Indicator	Historical Actuals			Current Year (FY2027 / CY2026)			Latest Estimate
					FY2024 CY2023	FY2025 CY2024	FY2026 CY2025	YTD Target	YTD Actual	Year-End Target	
Fiscal Resilency	**Adjusted Debt Service Coverage (ADSC)**	**33.0%**	#	↑	2.21	1.94	1.62	1.60	1.59	1.60 - 1.99x	1.89
	Debt Capitalization	**27.0%**	%	↓	60.8	61.8	63.5	68.4	67.6	65.00% - 69.99%	69.1
	Days Cash on Hand (DCOH)	**15.0%**	#	↑	201	182	167	146	107	150 - 199	153
	Days Liquidity on Hand (DLOH)	**15.0%**	#	↑	432	450	339	223	306	≥275	407
	Non-Fuel Revenue w/OSS RnF	**5.0%**	$	↑	1,784.1	1,936.5	1,942.3	1,033.8	992.5	-5.00% to +4.99%	2,104.3
	O&M	**2.5%**	$	↓	787.6	932	1027.9	548.8	568.5	≤ +/- 2.00%	1,081.9
	Capital Budget (Gross of CIAC)	**2.5%**	$	↓	1,004.6	1,749.7	1,314.1	932.2	689.8	≤ +/- 2.00%	1,769.0
Fiscal Resiliency Weighted Index Score								2.63	2.35	≥2.93	2.93

CY2026 ENTERPRISE MEASURE – UNRECOVERABLE

KEY OBSERVATIONS

Strategic Goal	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year			Year-End Forecast	Latest Estimate
						FY2025 / CY2024	FY2026 / CY2025	YTD Target	YTD Actual	Year-End Target		
Reliability	**Average Customer Outage Duration** **(System Average Interruption Duration Index - SAIDI)**	Monthly	CY	#	↓	61.80	75.38	43.67	64.83 [1]	73.00	Unrecoverable	94.16

Key Observations:

Drivers:

- In July, the primary drivers for high SAIDI were a combination of equipment failures and unknown outage causes. Other contributions were weather-related events that lasted multiple days, and proactive circuit outages implemented to mitigate safety risks.
  - Multiple significant weather-related events occurred with three of those days qualifying as a Major Event Day.

Mitigations:

- Continued focus on outage investigation, root cause identification, and process standardization will help reduce preventable interruptions and improve overall reliability performance.
- Ongoing vegetation trimming efforts, totaling 1009.93 miles trimmed year-to-date, have contributed to improved performance and remain a key focus for sustaining reliability gains.
- Continued initiatives are being implemented to improve the tracking and documentation of equipment failures, providing greater visibility into recurring issues and supporting the development of targeted mitigation strategies.
- Additional efforts include identifying repeat failure trends, evaluating equipment condition and performance, and developing proactive maintenance, inspection, and replacement opportunities to address emerging reliability risks. We are also working closely with peer teams to leverage drone inspections and targeted foot patrols to identify maintenance needs and potential equipment issues before they result in failures, allowing us to address deficiencies proactively and improve long-term system reliability.

[1] The reported SAIDI value is preliminary. Additional data validation and outage event scrubbing will continue over the next several weeks. The submitted value may change as data quality improvements are completed and any necessary corrections are incorporated.

CY2026 ENTERPRISE MEASURE - UNRECOVERABLE
KEY OBSERVATIONS

Strategic Goal	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year			Year End Forecast	Latest Estimate
						FY2025 CY2024	FY2026 CY2025	YTD Target	YTD Actual	Year-End Target		
Reliability	**Plant Availability (Critical Months Equivalent Availability Factor – CMEAF)**	Monthly	CY	%	↑	89.5	81.5	87.0	**81.0**	87.0	**Unrecoverable**	**82.8**

Key Observations:

Drivers (CY2026 through July):
- Sommers 2 Low Pressure (LP) turbine blade and Generator Rotor repairs (37%)
- Nueces Bay current transformer failure (17%)
- Spruce 2 outage extension due to Original Equipment Manufacturer (OEM) reheat tube fabrication error (15%)
- Spruce 1 boiler tube leak repairs (6%)
- Fleet additional impact due to various other equipment issues (25%)

Mitigations (CY2026 through July):
- **Sommers 2** – Low Pressure (LP) turbine failure
  - Completing Root Cause Analysis (RCA) to identify causal factors and preventative actions
  - Evaluating Low Pressure (LP) turbine replacement options if life extension occurs
  - Generator rewind and re-wedge will be evaluated to be performed if life extension occurs.
- **Nueces Bay** – Current transformer failure
  - Updating to modern, non-oil-filled transformer design
- **Spruce 2** – Outage extension
  - Enhance quality assurance checks during project design and fabrication activities
- **Spruce 1** – Boiler tube leak
  - Implement periodic boiler tuning to sustain boiler gas temperatures
  - Enhance preventive boiler condition assessments and repairs during upcoming planned outages
  - Continue focusing on soot blower maintenance and operations practices

NOTE: Critical months calculation includes January, February, June and July only.

FLOW OF FUNDS
YEAR-TO-DATE ACTUAL VS. PLAN

($ in millions)	FY2027		
Description	Plan	Actuals	Variance: (Under Plan) Over Plan
Revenues, net of unbilled	$ 2,498.6	$ 2,162.9	$ (335.7)
Less: fuel & regulatory expense	1,153.0	814.3	(338.7)
Less: operation & maintenance	549.2	568.5	19.3
Revenues, net of operating expenses	796.4	780.1	(16.3)
Less: debt service	332.0	323.3	(8.7)
Less: 6% gross revenue to R&R	149.9	129.8	(20.1)
Less: city payment (CP) per flow of funds	265.6	266.4	0.8
Remaining to R&R	$ 48.9	$ 60.6	$ 11.7
Total R&R fund additions	$ 198.8	$ 190.4	$ (8.4)
Gross non-transmission capital	$ 663.6	$ 495.1	$ (168.5)
Gross transmission capital	233.6	188.8	(44.8)
Transmission finance structure	35.0	5.9	(29.1)
Total gross capital	$ 932.2	$ 689.8	$ (242.4)

Revenues
Non-fuel revenue is lower than plan due to unplanned outages, slower customer growth and lower customer usage.

O&M
O&M is over plan due to customer outage restoration and plant outages.

Capital
Temporarily lower than plan due to timing of generation and transmission projects.

NET INCOME
YEAR-TO-DATE ACTUAL VS. PLAN

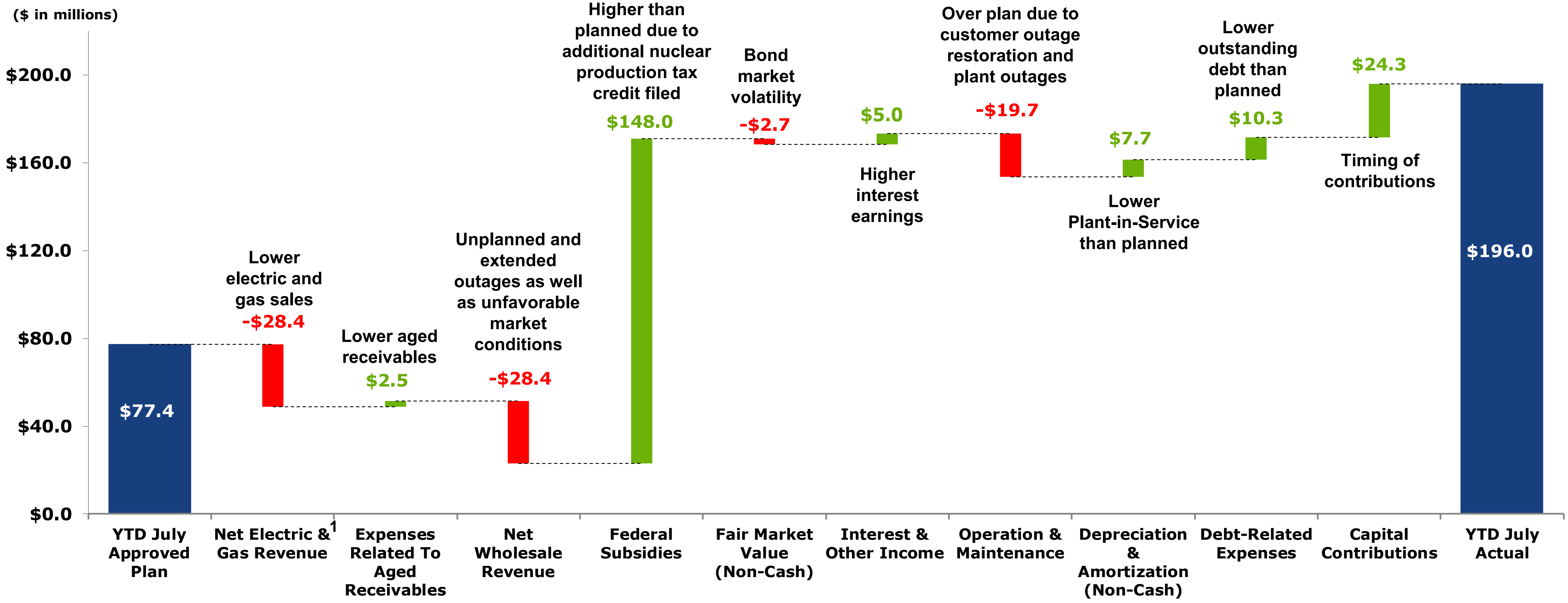
($ in millions)	FY2027		
Description	Plan	Actuals	Variance: (Under Plan) Over Plan
Revenue available for nonfuel expenses			
Electric	$ 2,257.2	$ 1,834.1	$ (423.1)
Gas	136.4	169.4	33.0
Other operating revenue	6.5	4.0	(2.5)
Total operating revenue	2,400.1	2,007.5	(392.6)
Less:			
Electric fuel, distribution gas and regulatory	1,156.3	817.2	(339.1)
Payments to the City of San Antonio	265.6	266.4	0.8
Net operating revenue	978.2	923.9	(54.3)
Non-Capital subsidies[1]	100.6	248.6	148.0
Nonoperating revenue	41.4	43.7	2.3
Total revenue available for nonfuel expenses	1,120.2	1,216.2	96.0
Nonfuel expenses			
Operation & maintenance	548.8	568.5	19.7
Depreciation, amortization & decommissioning	333.9	326.2	(7.7)
Interest & debt-related	219.2	208.9	(10.3)
Total nonfuel expenses	1,101.9	1,103.6	1.7
Capital contribitions	59.1	83.4	24.3
Net income (Loss)	$ 77.4	$ 196.0	$ 118.6

Non-cash items such as investment fair value adjustments do not impact financial metrics such as ADSC or DCOH. These items only impact net income and by extension the equity portion of the debt/capitalization metric.

[1] Nuclear production tax credit.

FY2027 JULY YTD NET INCOME

PLAN TO ACTUAL WALK-FORWARD



[1] Net electric & gas revenue is net of gross revenue (billed & unbilled), net TCOS revenues, fuel & regulatory, and city payment.

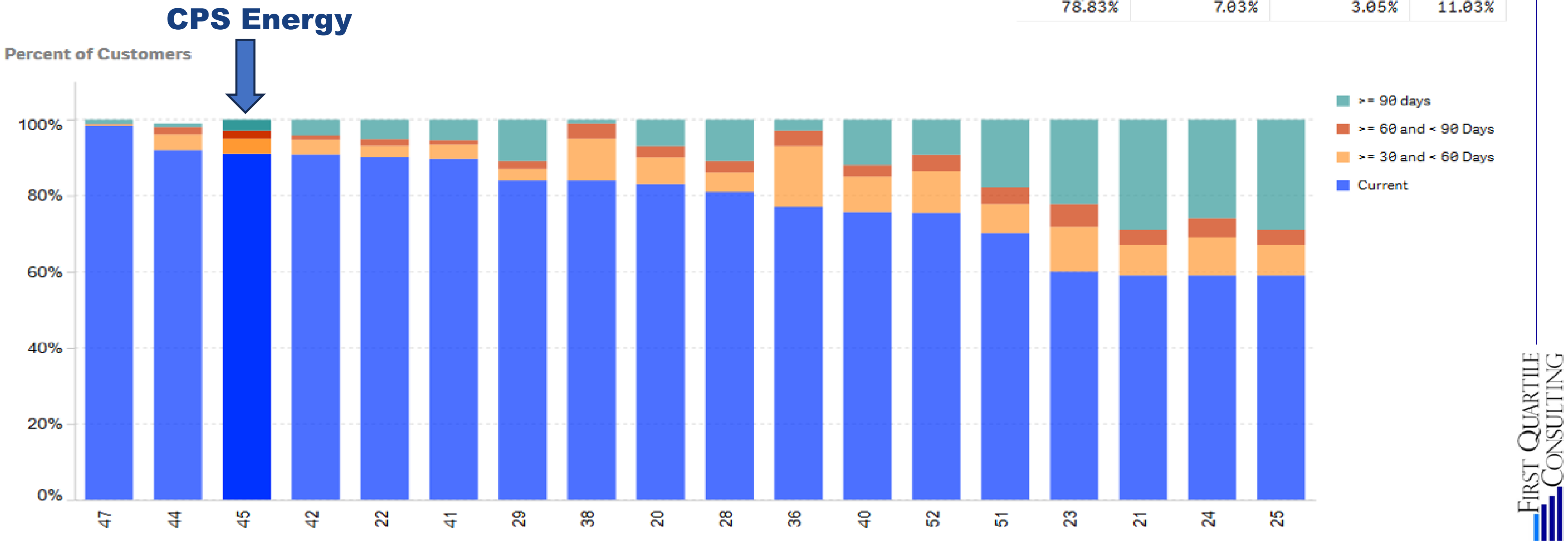
UTILITY ARREARAGES
BENCHMARKING

Credit & Collections – Page #39 – Date Printed:6/11/2026

During an Average Month, Percent of Customers in Each Category: Combined Total

Mean, by Category

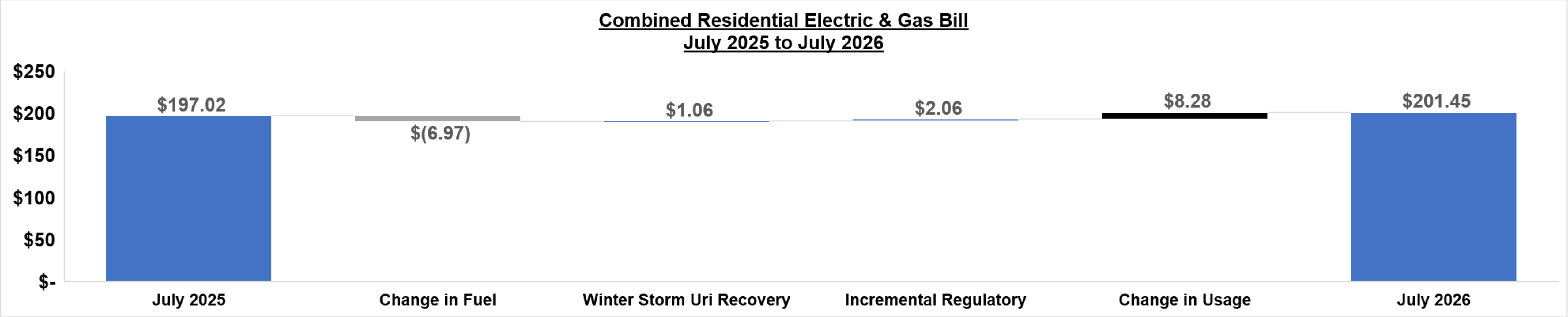
Current	30 to 59 Days	60 to 89 Days	90+ Days
78.83%	7.03%	3.05%	11.03%



In national benchmarking, we rank 3rd in the percent of customers who are current by engaging those at risk of disconnection and connecting them with the right programs and assistance.

* Data compiled and presented by First Quartile Consulting – Customer Service Benchmarking Study. Data as of December 31, 2025.

YEAR-OVER-YEAR CHANGE IN RESIDENTIAL BILL

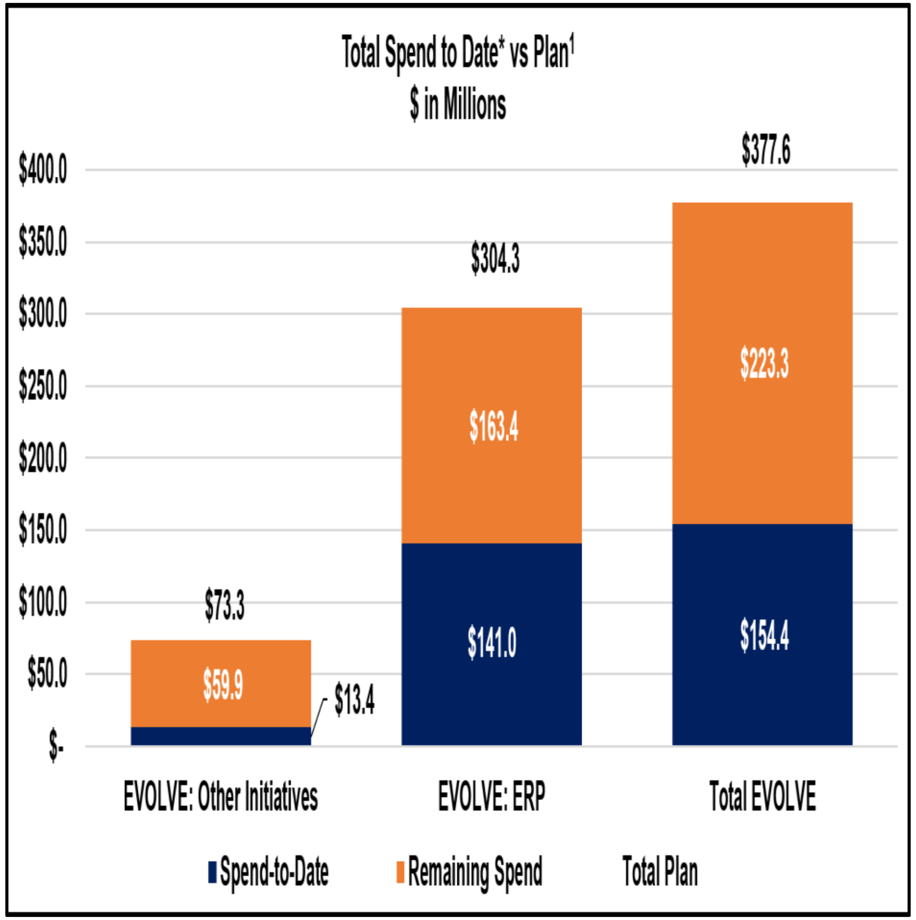


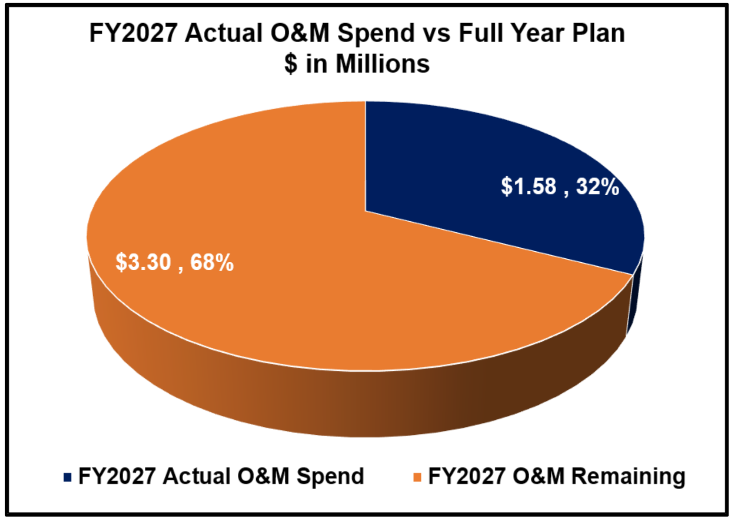
AVERAGE RESIDENTIAL USAGE			
	July 2025	July 2026	Variance
Electric (kWh)	1,317	1,378	61
Gas (CCF)	10	10	0

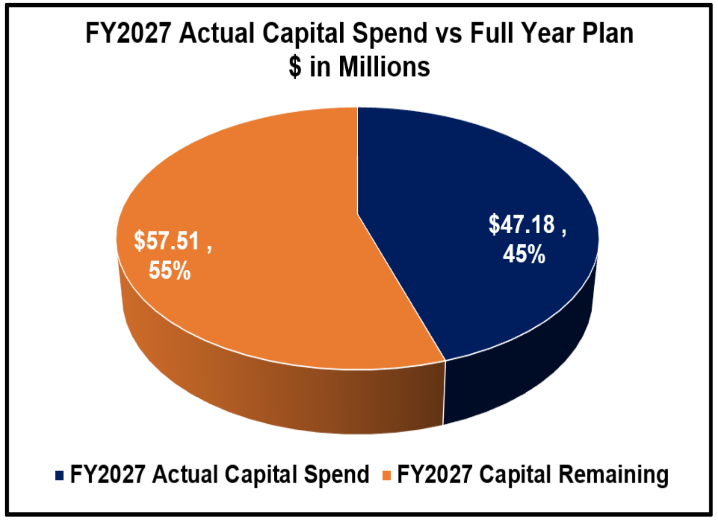
Bills are higher due to an increase in usage on a year-over-year basis.

EVOLVE FINANCIAL SUMMARY

AS OF JULY 31, 2026







FY2027 O&M & Capital Spend

$ in Millions	Spend to Date	Remaining Spend
O&M	$1.58	$3.30
Capital	$47.18	$57.51
Total	$48.76	$60.81

* Includes FY2021-FY2026 Actuals and FY2027 Actuals thru Period 6 (July).
¹ Plan is based on EIT's total estimated costs for EVOLVE of $377.6M and ERP of $304.3M through FY2031, as of the FY2027 approved budget.

(1) Visuals do not include any adjustments for contingencies.
(2) Visuals include all EVOLVE initiatives. ERP is the largest effort within EVOLVE.
(3) Total estimate informed by current known variables, to be refined based on future organizational, technology and market conditions.

Overall, the Evolve portfolio remains on track with the established budget.

LEGEND FALLS ROUTING AND SITING PROJECT

PRESENTED BY:

Jose Treviño
Interim Chief Operating Officer

August 31, 2026

Request for Approval

AGENDA

- Project Overview
- Public Involvement
- Public Utility Commission (PUC) Process and Approved Route
- Board Action

RESILIENCE/ RELIABILITY

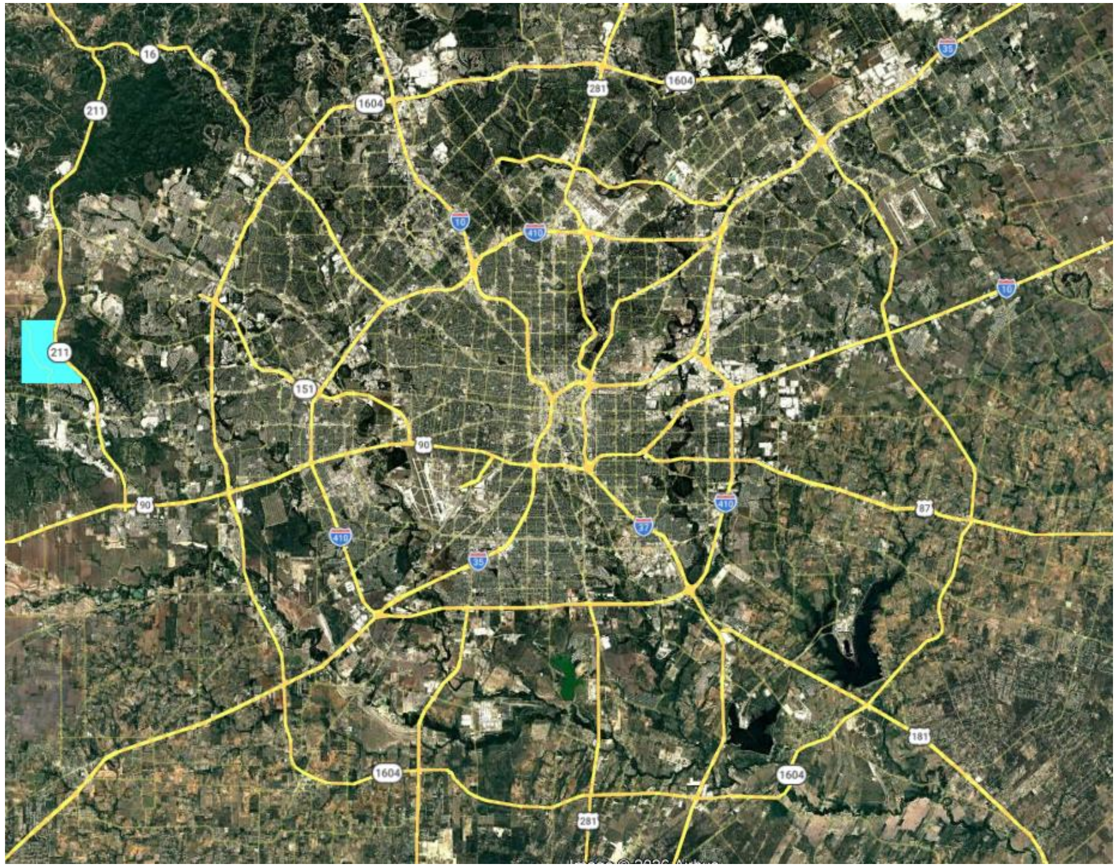
ELECTRIC SYSTEM GROWTH

TCOS REIMBURSEMENT

We are seeking Board approval to proceed with the Legend Falls Project, which includes the construction of a new 138kV substation and transmission line. The project is part of the ERCOT-endorsed Rio Medina project portfolio.

PROJECT OVERVIEW

- Joint project with South Texas Electric Cooperative (STEC)
- Construction of a new 138kV Legend Falls Substation and two (2) segments of a new double circuit transmission line:
  - Segment 1 will connect to the existing Talley to Texas Research line
  - Segment 2 will connect to STEC's San Geronimo Station
- Part of the ERCOT-endorsed Rio Medina project portfolio
- Evaluation included 18 transmission route options and three (3) substation site options.
- Project is located outside the City of San Antonio (CoSA), near City Council District 4 and CPS Energy Quadrant 4.
- Target in-service date: May 2028

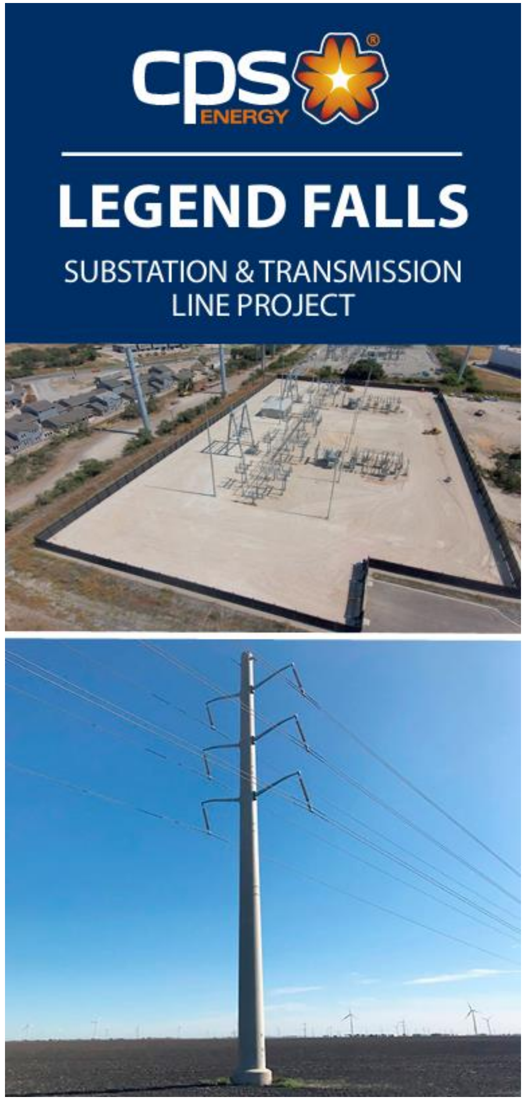


LEGEND

Study Area

PUBLIC INVOLVEMENT

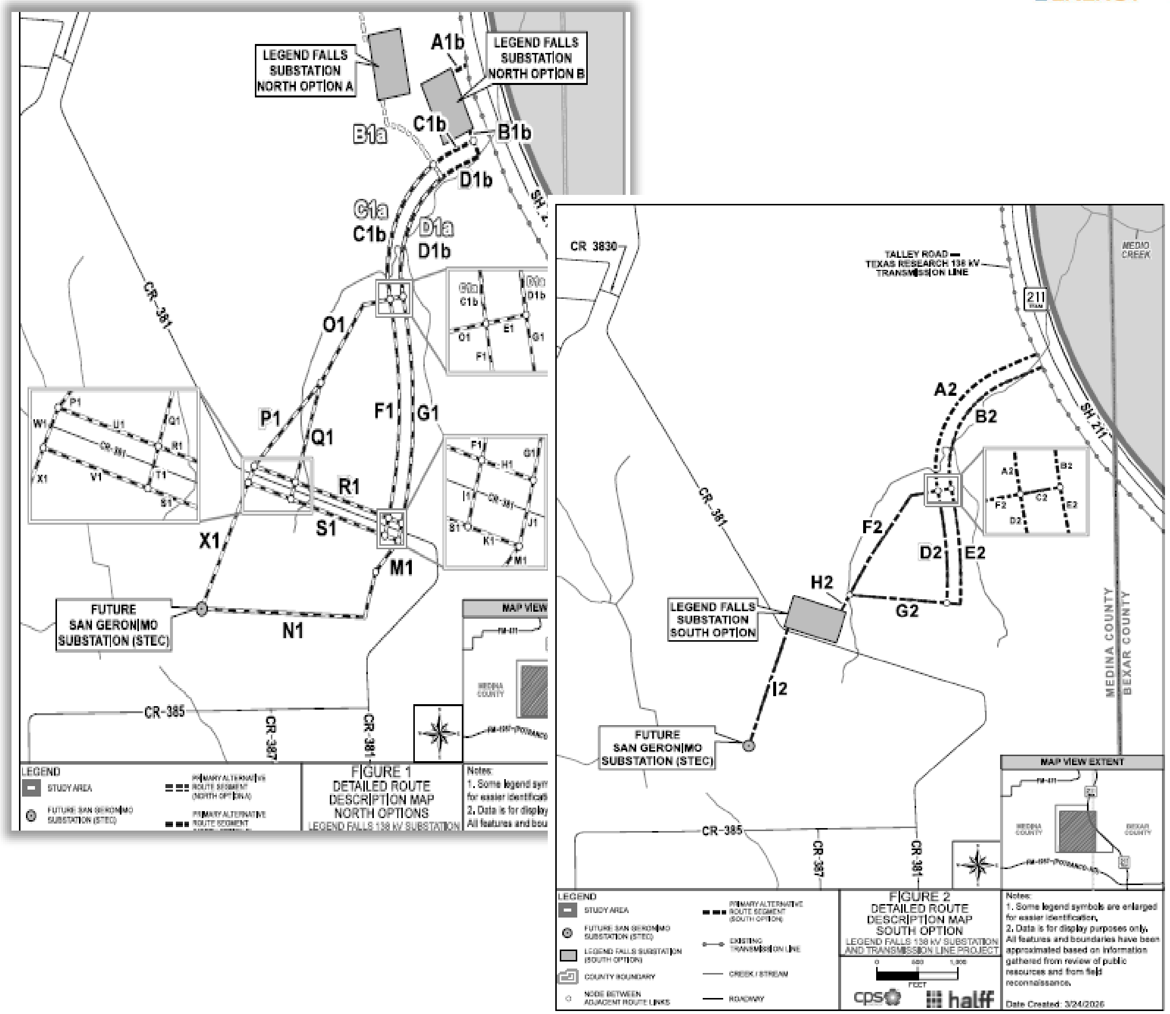
- Project notification packets were mailed to 24 affected property owners and residents on January 6, 2026.
  - No landowner questionnaires or public comments were received during the initial outreach period.
- PUC application notice packets were mailed on April 6, 2026.
  - Three (3) individuals filed testimony in support of Route 17 and two (2) protest forms were submitted.
- Additional outreach efforts:
  - Public Project Website: https://www.cpsenergy.com/content/corporate/en/about-us/new-infrastructure/legendfalls-substation.html
  - Project Brochure, FAQ, Questionnaires
  - Notice published in the *San Antonio Express-News*



Project Brochure

PUC DECISION

- CCN Application filed with the PUC on April 6, 2026.
- Landowner testimony and statements of position were filed May 15, 2026.
- The PUC issued Notice of Approval on for Route 17 on June 30, 2026.
- Estimated CPS Energy project cost: $26.8 million
- Approximately 1 mile in length



Route segments and substation options submitted to PUC

The PUC approved the CCN application and Route 17.

BOARD ACTION REQUIRED

Approve a resolution authorizing CPS Energy to:

- Execute planning, easement and property acquisition and construction of the project

Operational Reliability & Resiliency

Legislative & Regulatory/ Compliance & Legal

PUC Approved Route

THANK YOU

APPENDIX

GLOSSARY / DEFINITIONS

ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
CCN	Certificate of Convenience and Necessity	kV	Kilovolt
CoSA	City of San Antonio	PUC	Public Utility Commission of Texas
ERCOT	Electric Reliability Council of Texas	STEC	South Texas Electric Cooperative
FAQ	Frequently asked questions	TCOS	Transmission Cost of Service

R&S PROCESS COMPARISON

INSIDE CITY LIMITS	OUTSIDE CITY LIMITS	INSIDE AND OUTSIDE CITY LIMITS
Initial Data Collection	Initial Data Collection	Initial Data Collection
Open House/ Public Input	*Open House/ Public Input	*Open House/ Public Input
Route Evaluation	Route Evaluation	Route Evaluation
CPS Energy Recommendation	PUC Application	PUC Application
Board Input Session	PUC Hearings	PUC Hearings
CPS Energy Board Approval and Route Selection	PUC Approval and Route Selection	PUC Approval and Partial Route Selection
	CPS Energy Board Gives Approval to Proceed	CPS Energy Board Approval and Partial Route Selection

**PUC rules state that an open house is required when the line affects 25 or more landowners.*

A RESOLUTION

APPROVING THE CONSTRUCTION OF THE LEGEND FALLS 138KV SUBSTATION AND TRANSMISSION LINE PROJECT AND THE ACQUISITION OF EASEMENT RIGHTS, FEE SIMPLE TITLE AND PROPERTY EXCHANGES OVER AND ACROSS CERTAIN PROPERTIES LOCATED IN MEDINA COUNTY TEXAS, EITHER BY PURCHASE THROUGH NEGOTIATIONS OR BY THE PROCESS OF EMINENT DOMAIN, FOR EXPANSION AND OPERATION OF THE CITY OF SAN ANTONIO ELECTRIC SYSTEM, INCLUDING THE CONSTRUCTION, OPERATION AND MAINTENANCE OF ELECTRIC TRANSMISSION LINES, DISTRIBUTION LINES, ELECTRICAL SUBSTATIONS, COMMUNICATION SYSTEMS, AND RELATED APPURTENANCES.

WHEREAS, the Public Utility Commission of Texas ("PUC") has affirmed the need for a new transmission line and substation to satisfy the power needs and to enhance reliability of the CPS Energy and ERCOT electric system within Medina County Texas (the "Legend Falls Substation and Transmission Line Project");

WHEREAS, the Legend Falls Substation and Transmission Line Project has a projected in-service date by May 2028;

WHEREAS, CPS Energy, using their respective staff resources and a team of engineering, environmental, and other professionals (the "Project Team"), has followed the PUC's Routing/Siting Process to have the PUC approve the transmission route that should be constructed on this project in Docket No. 59549 before the PUC; and

WHEREAS, The Legend Falls Substation and Transmission Line Project is a new 138kV substation and transmission lines in Medina County connecting the CPS Energy 138kV Talley to Texas Research transmission line to the South Texas Electric Cooperative San Geronimo Substation located 1.1 miles to the west.

WHEREAS, in accordance with the PUC's Routing/Siting Process, the Project Team mailed out project information packets and solicited public input, submitted geographically diverse routes to the PUC for consideration, notified all Affected Landowners, and filed testimony on the need, constructability, environmental impact, and completeness of project.

WHEREAS, at the close of the PUC process in Docket No. 59549, for the project the PUC issued a Notice of Approval selecting Route 17 from the Talley to Texas Research transmission line located in Medina County to the proposed Legend Falls Substation in Medina County and from the proposed Legend Falls Substation to the San Geronimo Substation in Medina County as shown on the Project Site Map attached as Exhibit "A" to this Resolution (the "Project Site Map");

WHEREAS, CPS Energy staff presented Route 17 to the CPS Energy Board of Trustees ("Board") as selected by the PUC and shown on the Project Site Map.

WHEREAS, the Board understands the PUC's selection of Route 17 for the Legend Falls Substation and Transmission Line Project and that Route 17 has one of the lowest impacts of the alternatives on both the human and natural environments because such route will, to the greatest extent practicable when compared to other alternatives:

- Minimize impacts to natural resources and environmentally sensitive land;
- Minimize impacts to residential developments and habitable structures;

- Minimize overall impact of additional CPS Energy facilities in future years, and is the best route when balancing the routing factors

WHEREAS the Board adopts the PUC's selected Route 17 for the Legend Falls Substation and Transmission Line Project.

WHEREAS, the Board approves of the construction of the Legend Falls Substation and Transmission Line Project and associated electric transmission and distribution lines, substation, communication systems and related appurtenances and the acquisition of easement rights, fee simple title and property exchanges over and across properties in Medina County, Texas, along the project route of the electric transmission line, and any required distribution lines, for the construction, operation and maintenance of the City of San Antonio Electric System, including the construction, operation and maintenance of the Legend Falls Substation and Transmission Line Project, either by purchase through negotiations, or by the process of eminent domain approved by the San Antonio City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY PUBLIC SERVICE BOARD OF TRUSTEES that:

1. The recitals to this Resolution are hereby incorporated for all purposes.

2. The Board adopts the PUC's selection of Route 17 for the Legend Falls Substation and Transmission Line route to be constructed.

3. The Board finds that the Legend Falls Substation and Transmission Line Project is of great importance to the public, and that CPS Energy has taken into account appropriate environmental, health and safety concerns in designating the route.

4. The Board hereby approves the CPS Energy Legend Falls Substation and Transmission Line Project to be constructed as generally depicted on the Project Site Map attached to this Resolution as Exhibit "A" and hereby incorporated for all purposes and directs CPS Energy staff and attorneys to proceed with the necessary steps to undertake and complete the Legend Falls Substation and Transmission Line Project.

5. The Board authorizes the Interim President and CEO of CPS Energy and/or his/her designee to determine the exact location for CPS Energy's electric transmission line and substation in accordance with the PUC's Final Order in Docket No. 59549 as generally depicted on the Project Site Map and associated distribution lines.

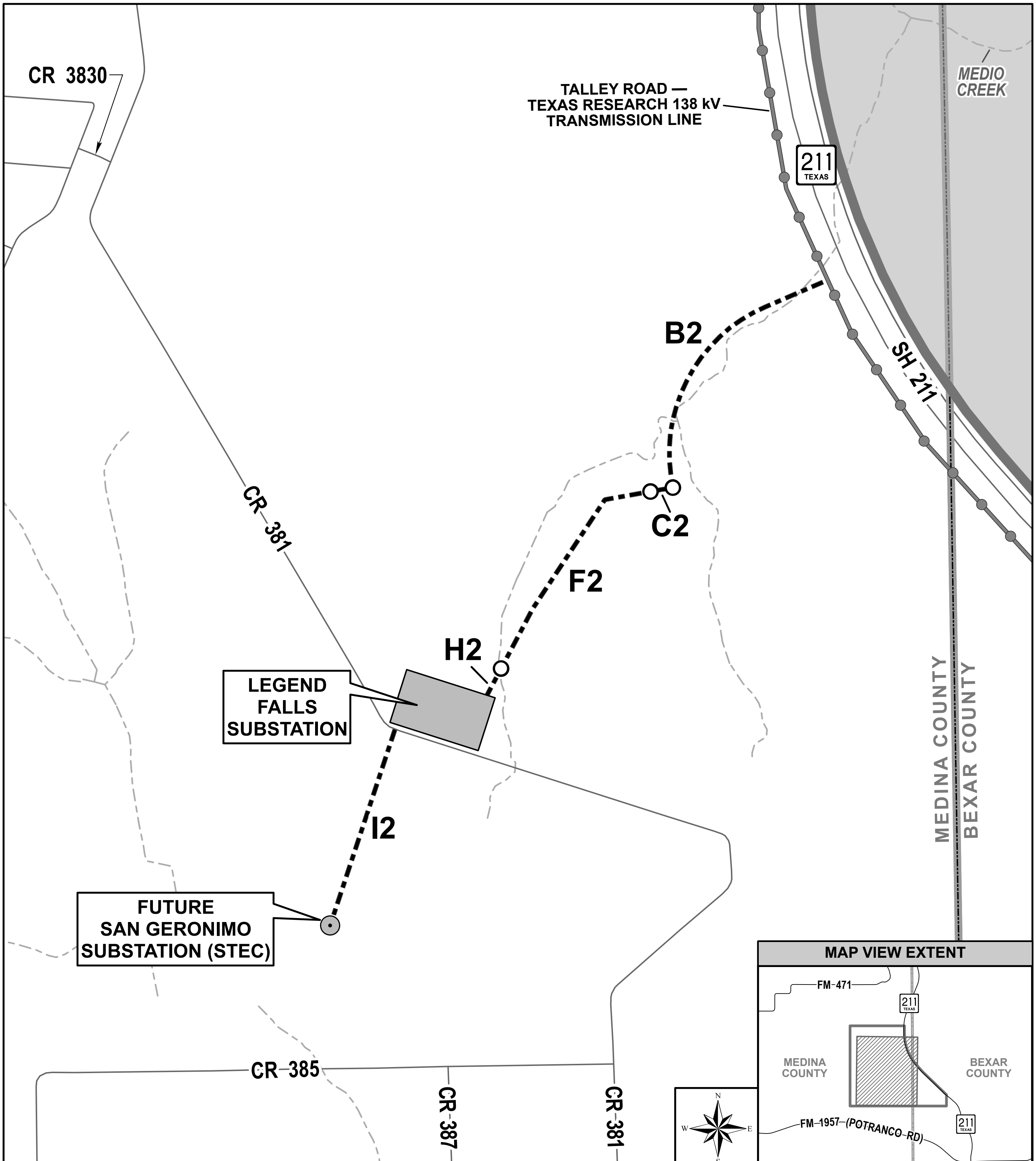
6. The Board finds that the acquisition of easement rights, fee simple title to properties, and property exchanges along the selected electric transmission route, and for any required distribution line routes is necessary and desirable for the important public purpose of the construction, operation and maintenance of the City of San Antonio's Electric System, including the CPS Energy Legend Falls Substation and Transmission Line Project. The Board hereby authorizes acquisition of easement rights, fee simple title and property exchanges necessary for CPS Energy's Legend Falls Substation and Transmission Line Project, either by purchase through negotiations or by the process of eminent domain, as well as all other lawful action necessary and incidental to such acquisitions or eminent domain proceedings to survey, specify, define, and secure the necessary title and rights.

7. The Board directs CPS Energy staff to continue to ensure that members of the public may obtain the current Project Site Map at www.cpsenergy.com (search word "Legend Falls").

WITNESS MY HAND AND SEAL OF THE CPS ENERGY BOARD OF TRUSTEES ON THE ____ DAY OF ______ 2026.

____
Shanna M. Ramirez
Secretary of the Board

Exhibit A



LEGEND

- STUDY AREA
- FUTURE SAN GERONIMO SUBSTATION (STEC)
- LEGEND FALLS SUBSTATION
- COUNTY BOUNDARY
- NODE BETWEEN ADJACENT ROUTE SEGMENTS
- PUC APPROVED TRANSMISSION LINE ROUTE (B2-C2-F2-H2-I2-)
- EXISTING TRANSMISSION LINE
- CREEK / STREAM
- ROADWAY

FIGURE 1

APPROVED ROUTE MAP

LEGEND FALLS 138 kV SUBSTATION AND TRANSMISSION LINE PROJECT

0 500 1,000

FEET

cps ENERGY halff

Notes:
1. Some legend symbols are enlarged for easier identification.
2. Data is for display purposes only. All features and boundaries have been approximated based on information gathered from review of public resources and from field reconnaissance.

Date Created: 7/1/2026