



Interim President & CEO's Report for April 25, 2022 Board of Trustees Meeting

Connecting. Listening. Engaging. Serving.

Rudy Garza
Interim President & CEO

AGENDA



- **PROCUREMENT PREVIEW**
- **EPA MODERATE OZONE NONATTAINMENT**
- **MONTHLY PERFORMANCE UPDATE**
- **EMPLOYEE RECOGNITION**

PROCUREMENT PREVIEW



NEW ELECTRIC & GAS INFRASTRUCTURE INSTALLATION SERVICES & JOINT TRENCH GAS & ELECTRIC SERVICE INSTALLATION



This informational email was sent to CPS Energy Board Members: Dr. Willis Mackey, Janie Gonzalez, John Steen, Dr. Francine Romero, and Mayor Ron Nirenberg. Also included were: Rudy Garza, Loretta Kerner, Shanna Ramirez, Lisa Lewis, Richard Medina, Devi Kumar-Nambiar, Ashley Glotzer, Nathalia Lopez, Kathy Garcia, Yvonne Pelayo, Erik Walsh, Zack Lyko, Juan Valdez, & Ben Gorrall.

Dear Members of the Board,

At the April 25 Board of Trustees' Meeting, we will request your approval on two consent agenda items for the procurement of services which include:

1. Joint Trench Gas and Electric Service Installation (3-year commitment at \$40.5M), and
2. New Electric and Gas Infrastructure Installation Services (3-year commitment at \$81M).

These services are essential to the continued effort of new installations and the maintenance of existing underground electrical infrastructure systems for subdivisions and apartment complexes.

Please see the two attachments for additional information on each procurement item.

Should you have any questions, please don't hesitate to reach out to me.

Sincerely,

Jessica Landin, Board Relations Manager, on behalf of,

Richard Medina

Interim EVP | Energy Delivery Services
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- **These two contracts provide us with the construction capacity to meet the growing needs of our community. Developers, builders, & new home buyers are the primary customers of this work. This helps meet our commitment to growth & reliability, two key drivers of our approved January rate increase.**

We will request your approval to award the contract of service for the new electric & gas infrastructure installation services & joint trench gas & electric service installation.

EPA MODERATE OZONE NONATTAINMENT



- In September 2018, Bexar County was designated as Marginal ozone nonattainment.
- September 2021 was Bexar County's deadline to reach attainment (failed to meet).
- On April 13, 2022, the Environmental Protection Agency (EPA) proposed reclassifying Bexar County from Marginal to Moderate.*
 - Moderate reclassification proposes:
 - Mandatory vehicle emission inspection & maintenance;
 - Stricter air permitting requirements; &
 - Additional emission control technologies.
- To help reduce ozone-forming emissions we are:
 - Partnering with Quidnet for long duration energy storage projects;
 - Increasing our EV fleet; &
 - Increasing our renewable energy portfolio under the FlexPOWER Bundle.



We are continuing our collaboration with the City, Bexar County & partner organizations to reduce Community-impacting ozone-forming emissions.

MONTHLY PERFORMANCE UPDATE



TIER 1 METRICS

Metric Name	Business Unit	Measure Frequency	Unit	Target Indicator	Historical Actuals		Current Year			Year End Forecast	Latest Estimate
					FY 2021 CY 2020	FY 2022 CY 2021	YTD Target	YTD Actual	Year End Target		
Customer Satisfaction – Residential ¹	Customer Strategy	quarterly	%	↑	83.2	78.9	79.0	76.7	79.0	At Risk	77.9
Employee Engagement – Enterprise	Administration	annually	#	↑	4.10	3.99	N/A	N/A	4.04	On Track	N/A
Enterprise Readiness – Executives	Administration	annually	%	↑	88	83	75	N/A	75	On Track	N/A
Enterprise Recordable Incident Rate - (RIR)	Administration	monthly	#	↓	1.31	1.68	1.41	1.49	1.41	On Track	1.50
Adjusted Debt Service Coverage	Financial Services	monthly	#	↑	1.59	1.66	1.35	1.44	1.79	On Track	1.79
Capital Budget ²	Financial Services	monthly	\$	↓	630.8	689.5	114.8	91.8	832.9	On Track	832.9
Days Cash on Hand	Financial Services	monthly	#	↑	209	182	176	169	170	On Track	170
Enterprise Senior Lien Bond Ratings ³	Financial Services	monthly	#	=	1	0	1	1	1	On Track	1
O&M Budget	Financial Services	monthly	\$	↓	654.9	618.5	119.3	106.6	729.7	On Track	727.7
Critical IT System Availability	Business & Technology Excellence (BTE)	monthly	%	↑	99.8	99.9	99.9	100.0	99.5	On Track	100.0
Gas System Growth	Gas Solutions	monthly	%	↑	2.33	1.97	0.31	0.27	1.85	On Track	1.85
Portfolio Commercial Availability ¹	Energy Supply	monthly	%	↑	93.9	77.1	88.9	91.3	88.9	On Track	90.5
System Average Interruption Duration Index (SAIDI) ¹	Energy Delivery Services	monthly	#	↓	56.85	67.68	10.74	7.39	63.70	On Track	60.35
System Average Interruption Frequency Index (SAIFI) ¹	Energy Delivery Services	monthly	#	↓	0.93	1.01	0.18	0.13	0.98	On Track	0.93
Environmental Compliance Issues - NOE & NOV (Category A & B) Enterprise	Legal & General Council	monthly	#	↓	1	0	0	0	0	On Track	0

- Starting today, we will be providing a monthly update on our performance.
- On a monthly basis we will include a standing agenda item that will rotate focus on three key elements of our performance:
 - Tier 1 Metrics - Standard industry measurements of our performance - Today
 - Financial - Fiscal performance & forecast we have previously shown - May
 - Key Results - Progress towards community commitments – June
- While we will present on one a month, updates on the other items will be included every month.

FY2023 TIER 1 METRIC SUMMARY AS OF MARCH 31, 2022

Tier	Unrecoverable		At Risk		On Track		Achieved		Total Metrics
1	0	0%	1	6.7%	14	93.3%	0	0%	15

FY2023 OUTLIER SUMMARY

Tier 1	Unrecoverable	N/A
	At Risk	Customer Satisfaction - Residential

EMPLOYEE RECOGNITION –

ANGELA RODRIGUEZ



Director of Climate Strategy & Sustainability

Angela Rodriguez works to ensure our ***Flexible Path*** initiatives are aligned with our climate & sustainability goals & the City's Climate Action & Adaptation Plan (CAAP) goals.

Angela serves on the City's CAAP Technical & Community Advisory Committee, the Alamo Area Council of Governments & Large Public Power Council's Environmental Task Force.

She has a B.S. in Chemical Engineering from Texas A&M in Kingsville. Prior to working for CPS Energy, Angela worked for Luminant/TXU as a gas fired Power Plant Engineer & Environmental Coordinator doing air, water & waste compliance. She also worked as a Chemistry Lab Supervisor at TXU's Comanche Peak Nuclear Power Station.

She started in our Environmental Planning, Compliance & Sustainability department in May 2007 & led the Air Permitting & Compliance area for 10 years.

STAY INVOLVED & CONNECTED



Board of Trustees' Meetings

- Meetings are typically held at 1:00 pm on the last Monday of every month

Rate Advisory Committee (RAC)

- cpsenergy.com/rac

Customer Assistance Programs

- cpsenergy.com/assistance

Rate Information & Bill Estimator

- cpsenergy.com/newrates

Utility Assistance Fairs, ARPA Events, & more

- cpsenergy.com/events

Social Media



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To receive communications & alerts via text, phone, or email, make sure to update your information using Manage My Account or call 210-353-2222.



Thank You

