CEOs’s REPORT

PRESENTED BY:

Paula Gold-Williams
President & CEO

August 27, 2018
AGENDA

CHALLENGES -> OPPORTUNITIES

FLEXIBLE PATH

OUTREACH & INITIATIVES

THOUGHT LEADERSHIP
We see challenges as opportunities to learn, improve & grow
THE ENVIRONMENT

CHALLENGES -> OPPORTUNITIES

• THE BASELINE GREENHOUSE GAS STUDY:
  - Very Complex
  - Defined Geographic Area aligned to COSA
  - Efforts will benefit our broader certificated area

• FEDERAL CLEAN POWER PLAN (CPP) UPDATE:

  FROM OUR PRESS RELEASE:
  “CPS Energy is committed to our path toward more economically viable diversification, while partnering to lower emissions across our metropolitan community. Our Flexible Path will better position our utility and San Antonio to add new and improved technologies, while thoughtfully and sensibly balancing continued reliability, operational efficiency, and affordability. We will therefore continue our public dialogue with our customers, partners and stakeholders to look for meaningful and collaborative solutions for our current and future generation.” Paula Gold-Williams, President & CEO
• **AUGUST 2018**: I kicked off my review of the preliminarily proposed Business Plans for next year
  - We will have those plans finalized by the end of this FY
  - While many topics were covered, I am placing extra emphasis on:
    - Safety
    - Security
    - Culture
    - Clarity of Priorities
    - Effective Leadership
    - Employee Development & Accountability
    - Continual Improvement
• Every Sr. Chief’s Proposed Business Plans are being reviewed

• The internal meetings include many attendees

• This also helps with:
  - Employee Development
  - Succession

LATE SUMMER - EARLY FALL 2018
The August 2018 face-to-face meeting was deferred as the Council’s Agenda was full. Will be back on track in the fall.

TO KEEP INFORMATION FLOWING:

- I sent a letter, to each council member outlining several initiatives since my last briefing:
  - EPA Marginal Non-Attainment Designation
  - Operational Update on Energy Demand
  - Energy Diversity
  - Reliability
  - Demand Response
  - Community Education
FLEXIBLE PATH

Flexible Path is a full reboot of how we will prudently plan for, develop and/or install new energy sources going forward.
# FLEXIBLE PATH:
## BRIEFINGS – 1 of 2

## RECENTLY COMPLETED

<table>
<thead>
<tr>
<th>Event Date</th>
<th>Group</th>
<th>Speaker(s)</th>
<th>Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wednesday, August 1</td>
<td>Leadership SA</td>
<td>Paula Gold-Williams, KJ Feder</td>
<td>✔️</td>
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<tr>
<td>Wednesday, August 8</td>
<td>Union Leadership Meeting</td>
<td>Paula Gold-Williams, Fred Bonewell</td>
<td>✔️</td>
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<tr>
<td>Thursday, August 9</td>
<td>CPS Energy Retirees Meeting</td>
<td>Paul Barham, Lori Johnson, John Moreno, Angela Rodriguez, Carla de la Chapa, Jonathan Tijerina</td>
<td>✔️</td>
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<tr>
<td>Thursday, August 9</td>
<td>Northeast Partnership for Economic Development</td>
<td>Rudy Garza, Roland Hinojosa</td>
<td>✔️</td>
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<tr>
<td>Tuesday, August 21</td>
<td>Alamo Heights Rotary Club</td>
<td>John Bonnin, Roland Hinojosa</td>
<td>✔️</td>
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## CURRENTLY PENDING

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<tr>
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<th>Group</th>
<th>Speaker(s)</th>
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<tbody>
<tr>
<td>Thursday, August 30</td>
<td>Educational Alliance</td>
<td>Speaker: Paula Gold-Williams</td>
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<tr>
<td>Wednesday, September 19</td>
<td>NW SA / Helotes Chamber of Commerce</td>
<td>Speaker: John Leal Roland Hinojosa</td>
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<td>Thursday, September 27</td>
<td>Hispanic Chamber of Commerce Executive Committee</td>
<td>Speaker: Frank Almaraz Yvette Cardiel-Perez</td>
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<td>September TBD</td>
<td>Chamber of Commerce Business Roundtable</td>
<td>Speaker: Paula Gold-Williams Kathy Garcia</td>
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<tr>
<td>September TBD</td>
<td>AACOG Board of Directors</td>
<td>Speaker: TBD</td>
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<tr>
<td>Wednesday, October 3</td>
<td>Alamo Heights Chamber of Commerce</td>
<td>Speaker: Kathy Garcia (pending) Roland Hinojosa</td>
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<tr>
<td>TBD</td>
<td>San Antonio Manufacturers Association</td>
<td>Speaker: Paula Gold-Williams</td>
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Tailored a briefing on the Flexible Path to union leadership:
- IBEW
- NAPE
FLEXIBLE PATH:
EX: UNION LEADEDERSHIP BRIEFING – 2 of 2

I FOCUSED ON:
• How change is being driven by our CUSTOMERS!
• Why it is important to evolve EVERYONE’S skills & competencies

August 8, 2018
We focused on many special efforts during the month; several are included in this report.
OUTREACH & INITIATIVES:
UNITED WAY LOANED EXECUTIVE PROGRAM

GOOD WORKS SA: United Way loaned executive program a win-win-win

SAN ANTONIO BUSINESS JOURNAL:
“CPS Energy CEO Paula Gold-Williams echoed [Brad] Barron’s (the CEO of NuStar Energy LP) comments ... the intensive training and experience LEs receive — [returns] them to their employers with new skills and increased value.”

“This program allows individuals to ... make great connections,” Gold-Williams said. “[They] make a direct impact on the community.”

Christine Patmon, Manager, Employee Communications
OUTREACH & INITIATIVES:
HOPE LUNCHEON

- CPS Energy’s Hispanic Organization of Professional Employees (HOPE) sponsored a Lunch w/the CEO

- AWARDEES:
  - 3 individuals asked me a wide range of interesting questions

Carla De La Chapa, HOPE Leader
Laura Reza, AWARDEE, Employee Development Manager for Customer Service Training, People & Culture
Paula Gold-Williams, President & CEO
Frank J. Garza, AWARDEE, Foreman Civil Support, Substation Civil Construction, EDS
Simon Castillo, HOPE President, Business Development
Jose “Joe” Cordova, AWARDEE, Interim Program Manager, Enterprise Alignment & Change Management
OUTREACH & INITIATIVES:
MOVERS & SHAKERS INTERVIEW

• RADIO SHOW: Our Chief Security & Safety Officer (CSSO) gladly answered questions about his background, role & focus areas

August 14, 2018

John Thurman, Host
Bjorn Dybdahl, Host
Fred Bonewell, CSSO, CPS Energy
OUTREACH & INITIATIVES:
ENVIRONMENTAL STAKEHOLDER MEETING

QUARTERLY MEETINGS:
- CPS Energy meets routinely w/Environmental Stakeholders

Meeting topics:
- “Reduce My Use (RMU)” &
- “Simple Summer Savings” presented by:
  - Justin Chamberlain & Jonathan Tijerina
- Community Assistance Programs presented by:
  - Maria Garcia
Alignment of our strategic thinking is broadening rapidly, & our THOUGHT LEADERSHIP is paving the way to new solutions & more creativity!
THOUGHT LEADERSHIP: COLLABORATING w/SAWS

July 30, 2018

- We toured the SAWS H2Oaks facility
- Met w/SAWS leadership
  - Learned about SAWS’ desalination process
  - Spoke about potential collaborations

David Jungman, Sr. Director B&ED, CPS Energy
KJ Feder, Director, Board Relations & CoS to the CEO, CPS Energy
Paula Gold-Williams, President & CEO, CPS Energy
Robert Puente, Chief Executive Officer, SAWS
Steven Clouse, SVP & Chief Operating Officer, SAWS
Several of our team members were honored for delivering exceptional service to our customers & community, demonstrating People First in action.
THOUGHT LEADERSHIP:
WRISE WEBINAR SERIES

• FEATURED SPEAKER:
  □ "Utility of the Future"
  □ Interviewed by Colleen Regan, head of U.S. Utilities & Market Reform, Bloomberg New Energy Finance

• Addressed a large web audience on a variety of topics:
  □ The Future of Energy
  □ Electric Vehicles
  □ Energy Storage
  □ Our Flexible Path

KJ Feder, Director, Board Relations & CoS to the CEO, CPS Energy (She also sat in on the webinar)
Paula Gold-Williams, President & CEO, CPS Energy

July 31, 2018
THOUGHT LEADERSHIP:
LEADERSHIP SAN ANTONIO (LSA)

Richard Perez, President & CEO, SACC
Robert Puente, President & CEO, SAWS
Paula Gold-Williams, President & CEO, CPS Energy
Jeff Arndt, President & CEO, VIA Metropolitan Transit
Shaun Kennedy, Chairman of the Board, SACC

August 2, 2018

- Spoke on a panel to future leaders of San Antonio @ the LSA Transportation & Infrastructure Day
- Discussed:
  - Infrastructure
  - Our Flexible Path
  - The Future of the Energy Industry
  - The Future of Leadership in our City
THOUGHT LEADERSHIP:

EPRI Meetings

Participated in:
• Advisory Council Meeting
• Board of Directors Meeting
• Summer Seminar

*Paula Gold-Williams*, President & CEO, CPS Energy
MAIN TAKEAWAYS:
• Leadership @ all levels, including their Union, have embraced & own safety
• Employee engagement is directly correlated to success in safety
• Extensive use of data & quality tools drive results
• Employees @ all levels are involved in safety

“Safety is taken very seriously at Consumers Energy & employees enjoy making safety the first consideration in everything they do starting with calisthenics.” - Fred Bonewell
THOUGHT LEADERSHIP:
CONSUMER ENERGY VISIT – 1 of 2

INFORMATION EXCHANGE TEAM:

CPS ENERGY:
• Don Stanton, Sr. Director, Gas Delivery
• Chad Johnston, Sr. Director, E&PS
• Paul Barham, SVP, Delivery Engineering Integrated Planning Substation & Transmission
• Frank Almaraz, SVP, Commercial Operations
• Louis Labatt, Sr. Manager, Generation Duty Officer
• Andrea Guadarrama, Sr. Manager, Safety & Health

CONSUMERS ENERGY:
• Dan Pfeffer, Safety Culture Team Rep.
• Claire Powell, Safety Culture Team Rep.
• Jim Wade, Manager of Safety Culture Team
• Douglas Hill, Safety Culture Team Rep. & VP-Local 129

CPS ENERGY:
• Marisol Weymouth, Director, Enterprise Alignment & Change Management
• Rudy Garza, SVP, Distribution Services & Operations
• Fred Bonewell, Chief Security & Safety Officer (CSSO)
• Lori Johnson Leal, Director, Corporate Responsibility

August 15-17, 2018
THOUGHT LEADERSHIP:
EPRI ELECTRIFICATION 2018 CONFERENCE

- Participated on the Electrification:
  - “A Big Idea” panel
  - Spoke about our wonderful city & our Flexible Path
- Conference attendees included industry experts & thought leaders

August 21, 2018

Steve Mitnick, Editor-in-Chief, PUF, Moderator
Paula Gold-Williams, President & CEO, CPS Energy
Gil C. Quiniones, President & CEO, NYPA
Terry Bassham, President & CEO, Evergy Inc.
Kit Kennedy, Senior Director C&CEP, NRDC
THOUGHT LEADERSHIP: SABJ WOMEN’S LEADERSHIP AWARD

CONGRATULATIONS MARIA!

• This award is presented to leaders who are making an impact in their organizations, careers & communities, & who inspire others to succeed

Karen Mawyer, Senior EVP, Broadway Bank
Maria Garcia, VP, Customer Engagement & KAM
Sondra Grohman, President and CEO, Shining Star Energy
Jimmy Holmes, Publisher, San Antonio Business Journal

August 23, 2018
UPCOMING KEY CEO DATES

- **9/7/2018**
  San Antonio, TX: St. Mary’s University ACE Fall 2018 Meeting

- **9/11/2018**
  San Antonio, TX: Federal Reserve Board of Directors Meeting

- **9/12/2018**
  Houston, TX: Houston Smart Cities

- **9/13/2018**
  San Antonio, TX: UTSA Fall 2018 Advisory Council Meeting

- **9/19-21/2018**
  White Plains, NY: LPPC Cybersecurity Task Force Meeting
TOPICS FOR FUTURE MEETINGS

MORE SOLAR/STORAGE & OTHER GENERATION

TALENT DEVELOPMENT

EDUCATIONAL PARTNERSHIPS
Thank You
GLOSSARY / DEFINITIONS

- ACE  Advisory Council of Executives
- B&ED  Business & Economic Development
- C&CEP  Climate and Clean Energy Program
- CEO  Chief Executive Officer
- CoS  Chief of Staff
- COSA  City of San Antonio
- CSSO  Chief Security & Safety Officer
- E&PS  Enterprise & Public Safety
- EDS  Energy Delivery Services
- EPA  Environmental Protection Agency
- EPRI  Electric Power Research Institute
- HOPE  Hispanic Organization of Professional Executives
- IBEW  International Brotherhood of Electrical Workers
- KAM  Key Accounts Management
- LEs  Loaned Executives
- LP  Limited Partnership
- LPPC  Large Public Power Council
- LSA  Leadership San Antonio
- PUF  Public Utilities Fortnightly
- NAPE  National Association of Public Employees
- NRDC  Natural Resources Defense Council
- NYPA  New York Power Authority
- SACC  San Antonio Chamber of Commerce
- SAWS  San Antonio Water System
- Sr.  Senior
- SVP  Senior Vice President
- U.S.  United States
- UTSA  University of Texas at San Antonio
- WRISE  Women of Renewable Industries