INTRODUCTION BY:
Cris Eugster
Chief Operating Officer (COO)

PRESENTED BY:
LeeRoy Perez
Director, Substation & Transmission Engineering

January 28, 2019
Approval Requested
AGENDA

• RECAP OF ROUTING & SITING PURPOSE
• RECENT & FUTURE PROJECTS
• RECAP OF PROCESS STRENGTHENING
• REQUEST APPROVAL
PURPOSE OF ROUTING & SITING

- Select a suitable substation site and associated transmission line route:
  - Support growth & obligation to serve
    - Immediate & adjacent areas
  - Maintain electrical reliability
    - Reduced outage exposure
    - Reduced outage durations with connectivity to adjacent distribution lines
    - Reduced overloaded distribution lines

Process is used to acquire rights-of-way & obtain COSA Ordinance for Eminent Domain for construction of projects
RECENT & FUTURE SUBSTATIONS

- **In Construction (2019-2020)**
- **Upcoming Kickoffs (2019-2020)**
- **Future (2020-2023)**
STRENGTHENING THE PROCESS

- Strengthen landowner identification process
- Strengthen customer education during open house
- Additional customer impact & environmental evaluation criteria
- Formally include CAC involvement
- Establish governance process
- Establish formal route & site approval process
- Ensure alignment with PUCT processes
- Include Community Engagement team for customer assistance outreach

Shepherd Public Input Session June 2017
GOVERNANCE STRUCTURE

Board

Provides input & approves project

CPS Energy Board of Trustees

Board Operations Oversight Committee

President & CEO and Executive Committee

CPS Energy

CEO & Chiefs level provides oversight

VPs & Sr. Executives level - provides ongoing review of R&S process

Leads R&S process

Working Committee

Project Team

CAC

Provides input to team & support of project to Board

Project Team will meet with Committees at different stages of the project for oversight & guidance
Board approval of updated R&S requirements document is requested January 28, 2019

*Refer to 'CPS Energy Substation and Transmission Routing & Siting Requirements' & 'Summary of Routing & Siting Changes' documents in Board packet
APPROVAL REQUESTED

- Updated Routing & Siting Requirements Document
  - Strengthened the process & aligned with PUCT
  - Formally including CAC involvement
  - Established Governance Process
  - Established a formal Board approval process
  - Received CAC Support of Updated Process

Current\(^1\) & Proposed\(^2\) updated requirements documents are included in Board packet

Current\(^1\) – ‘CPS Facility General Routing/Siting Process’
Updated\(^2\) – ‘Substation and Transmission Routing & Siting Requirements’
Thank You
CITIZENS ADVISORY COMMITTEE

• Facilitates two-way communication between CPS Energy and our customers

• Involved in creation of the current process

• Reviews and provides input on route & site recommendations

• Serves as a direct link to Council Members when a project is within their District

• Provides a letter of support of project to Board of Trustees

Members of the CAC listening to the Routing & Siting presentation Sept. 2018
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Citizens Advisory Committee (CAC)</td>
<td>The 15-member Citizens Advisory Committee provides a channel for two-way communication between the community and the utility. City of San Antonio council members nominate 10 of the 15 members, one representing each district. The other five members are at-large candidates interviewed and nominated by the CAC from those submitting applications and resumes. The CPS Energy Board of Trustees appoints all members to the committee. Members can serve up to three two-year terms. The CAC meets monthly with the primary goal of providing judicious advice from a customer perspective on utility-related projects and programs.</td>
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<td>Distribution Line</td>
<td>The main distribution line extending from a substation to multiple customers. A distribution line typically serves 1000 to 4000 customers.</td>
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<tr>
<td>Public Utility Commission of Texas (PUCT)</td>
<td>The governmental commission that regulates the rates and services of telephone utilities; investor-owned electric, water and sewer utilities; electric, water and sewer utilities in unincorporated areas; and radio companies statewide. The PUCT does not have authority to regulate retail activities of municipally owned utilities.</td>
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<tr>
<td>Substation</td>
<td>Steps-down the 138,000 transmission voltage (138 kV) to 34,500 (34.5 kV) &amp; 13,800 (13.8 kV) distribution voltages to distribute to customers.</td>
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<tr>
<td>Transmission Line</td>
<td>A three phase system of conductors that conduct electric power between power plants, switchyards, and substations. Transmission voltages are higher to reduce line losses when transmitting power over long distances.</td>
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GOVERNANCE COMMITTEES

Executive Committee:
- Paula Gold-Williams – President & CEO
- Cris Eugster – Chief Operating Officer
- Felecia Etheridge – Chief Customer Engagement Officer
- Carolyn Shellman – Chief Legal & Administrative Officer
- Fred Bonewell – Chief Security & Safety Officer
- Vivian Bouet – Interim Chief Information Officer

Working Committee:
- Paul Barham – SVP, Energy Delivery Services
- Kathleen Garcia – VP, Governmental Affairs
- Maria Garcia – VP, Community Engagement
- Jonathan Tijerina – Sr. Dir., Corporate Communications
- Shanna Ramirez – Sr. Dir., Integrated Security
- Curt Brockmann – Deputy General Counsel, Legal
- Shon Essman – Sr. Mgr., Information Technology
TEAM MEMBERS

• Blake Williams – Substation & Transmission
• LeeRoy Perez – Substation & Transmission Engineering
• Kip Giles – Senior Counsel
• Denae Myers – Office of the President & CEO
• Sheila Casey & Robin Tarpley – EDS Project Management
• David Kee – Energy Market Policy
• Mark Brumbaugh – Right of Way
• Roland Hinojosa – Local Government Relations Management
• Robert Nathan – Federal/State Relations Management
• Juan Sandoval – Environmental Management
• John Moreno – Communications
• Robert Martinez – Community Programs
• Orlando Flores – Enterprise Risk Management & Solutions
• Rob Reid – Power Engineers (Environmental Consultant)
FUTURE PUCT CONSIDERATIONS

- September 2021 - new transmission lines outside San Antonio city limits will require PUCT approval
- PUCT also considering requiring new substations into the same approval process
- What will be required:
  - PUCT Rulemaking Project to establish process requirements
  - New line will require a CCN application proposing an “adequate number of alternative routes”
  - Public involvement process
  - PUCT selects the route
  - Possible CPS Energy R&S modifications to comply with Rule, when adopted