THIS MONTH’S TOPICS

• AGENDA INSIGHTS

• WEATHER

• CREDIT RATINGS
  ❑ “An Update On the Revised … Criteria…”
  ❑ San Antonio’s Report

• CLIMATE & ENERGY NEXUS
  ❑ “Innovating a Green Real Deal”
  ❑ “EPA rolls back Obama-era plan limiting coal …”

• CYBER
  • SACC Letter to the President
ITEM 7 – STORM ASSESSMENT

• Starting w/a very unusual wind phenomenon on 6/6/19, we have had multiple intense storms this month

☐ THIS PRESENTATION: We will take a closer look @ how the storm manifested

☐ OPERATIONAL PRESENTATION: We will also share how we responded
ITEM 7 cont’d – HEADQUARTERS UPDATE

- ON TIME
- ON BUDGET
- $210M
  - +$5M CEO Contingency Remains Available

PROJECT BRAVO
JUNE 2019
PROJECT BRAVO
JUNE 2019
ITEM 10 – STRATEGIC RESEARCH ALLIANCE W/UTSA

• KEY POINTS:
  ❑ **Inception:** September 2010
  ❑ **Initial Funding Threshold:** Up to $50 million over 10 years
  ❑ **Projected Spend by 2020:** Approximately $10 million
  ❑ **SCOPE:** Funds are not grants & needed specificity

• **GENERAL BENCHMARKS:** We will provide context about
  ❑ Our **UTSA projects**
  ❑ Our work w/Electric Power Research Institute (EPRI)
  ❑ **Industry** comparisons

• **VOTE:** Will request FY 2021 funding approval
ITEM 11 – CORPORATE RESPONSIBILITY UPDATE

• We will give an update on our:
  ❑ Broad Approach
  ❑ Numerous Diverse Programs
  ❑ Effectiveness of Our Outreach
ITEM 12 – METRIC PROGRAM UPDATE & VOTE

• FY2019 Results:
  - SCOTTMADDEN: Previously provided updates to the Board
  - This is a follow-up review of the final results from FY2019

• There will be a request to ratify a few changes previously proposed by ScottMadden for FY 2020
Types of Damaging Winds

- **Straight-line wind** is ... any thunderstorm wind that is not associated with rotation [or] tornadic winds.
- **Downdraft** is a small-scale column of air that rapidly sinks toward the ground.
RADAR:

• SWIFT STORM MOVEMENT

• CLIMATE IMPLICATIONS
  ○ It is clear that weather extremes continue to manifest

• INITIAL IMPACT (herein)

• ... OUR RESPONSE (follows)
WEATHER – 3 of 7

EXTENSIVE IMPACT:
EXTENSIVE IMPACT & VIEWS OF RESTORATION:

Tree with Line Video:  https://youtu.be/uUo0Nfx8tP4

Major Challenge:

- Tree Growth – creates added hazards during & after a storm
EXTENSIVE IMPACT & VIEWS OF RESTORATION:

Night Video
https://youtu.be/F0RJxphWd2I

Major Challenge:

- Working @ night is more complicated
EXTENSIVE IMPACT & VIEWS OF RESTORATION:

Major Challenge: Downed lines are very hazardous & complicated

We must address every vulnerable part of a line before it can be activated.
ADDITIONAL FOCUS / LEARNING:

• OPERATIONAL UPDATE TO FOLLOW
  ❑ Restoration Overview

• PREVENTION CHALLENGE
  ❑ Undergrounding
    o Comprehensive – Very Expensive
    o Strategic – More Affordable Over Time
  ❑ Tree Trimming
    o More Rain – More Growth
    o Our Trees Make SA Special

• BRACE FOR A NEW NORMAL?
  ❑ Help Customers via …
    o Empathy / Education / Programs
    o Importance of CRU

• SOCIAL MEDIA
  o Insights, Optimization & Balance
S&P – NEW CRITERIA

• This happens periodically

• We monitor firm changes very closely

An Update On How The Revised U.S. Municipal Retail Electric And Gas Criteria's Implementation And Market Trends Have Affected Ratings

June 5, 2019

Key Takeaways

- Since publishing our revised “U.S. Municipal Retail Electric And Gas Utilities” criteria in September 2018, we’ve reviewed about 40% of our public retail electric and gas ratings.

- To date, most of the rating actions (63%) have been affirmations; rating actions have been split nearly evenly between upgrades (19%) and downgrades (18%).

- The vast majority of rating actions--85%--have been one-notch adjustments.
**S&P**

- **Re-Affirmed!**
- **AA / Stable!**
INDUSTRY DEVELOPMENTS

- Article published in Science Magazine:
  - Complexity
  - Regionalism
  - Technology
  - Broad Societal Implications

As the United States heads toward an election year in 2020, climate change promises to stay in the headlines. Increasing public concern about and desire to address the consequences of global warming drive...
**INDUSTRY DEVELOPMENTS**

- Coal Regulatory Rollback Launched
- More Regulatory Uncertainty
INDUSTRY DEVELOPMENTS

- 2019 SUMMER IN SA
  - OFFICE ATTIRE: Council Members Trevino and Sandoval sponsoring an effort to turn up thermostats & relax summer dress codes
INDUSTRY DEVELOPMENTS

• Local Conference was put on by the EPIcenter

• The SACC co-promoted it

• Interesting topics on ELECTRIFICATION

• EPRI Partnered Conference coming in October
PRESIDENT’S CYBER CUP PROGRAM

• The SACC is seeking consideration
• Discussions have been initiated
• Updates forthcoming

Wednesday, May 29, 2019
The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Ave, N.W.
Washington, D.C. 20500

President Trump:

Greetings from the second largest concentration of cybersecurity professionals in the United States – San Antonio, Texas. Known as Cyber City USA, our San Antonio cyber community writes to thank you for your Executive Order on America’s Cybersecurity Workforce.

Specifically, we are thrilled to see the creation of the President’s Cup Cybersecurity Competition. Our community has the technical expertise to create, operate, and successfully launch your Cyber Competition by or before December 31, 2019.

As outlined below, San Antonio’s nexus of federal partners, our public-private partnerships, our innovation with cyber education at the kindergarten through Grade 12 level, and our creation of a strong cyber workforce pipeline is a model for the nation. We understand that America’s cybersecurity workforce is a strategic asset. We will collaborate with you with urgency and creativity to address our nation’s cyber workforce needs.

In your statement about your Executive Order on America’s Cybersecurity Workforce, you said, “America built the Internet, and shared it with the world, now we will do our part to secure and preserve cyberspace for future generations.” Our San Antonio community wholeheartedly agrees, and we stand ready to assist you and your Administration.

Please let us know which representative within your Administration you should contact for further discussion. Should you have any questions or concerns, please contact Amanda Keammerer, Director of Cybersecurity San Antonio, at akeammerer@sachamber.org or by phone at 210-229-2113.

Sincerely,

Paula Gold-Williams
President & CEO
CPS Energy
2016 Chair of the Board
San Antonio Chamber of Commerce

Richard Perez
President & CEO
San Antonio Chamber of Commerce
UPCOMING TOPICS

• INNOVATION LANDSCAPE
• MID-YEAR FY 2020 METRIC UPDATE
• PROGRAM UPDATES & REFRESH

... more to come ...
Thank You
GLOSSARY / DEFINITIONS

- CEO  Chief Executive Officer
- CRU  Customer Response Unit
- EPRI Electric Power Research Institute
- FY   Fiscal Year
- M    Million
- SA   San Antonio
- SACC San Antonio Chamber
- UTSA University of Texas at San Antonio