



CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON DECEMBER 15, 2025, AT 1:00 PM
LOCATION: CPS ENERGY BOARD ROOM (500 MCCULLOUGH AVE)

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 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	Mr. Rick Luna
3	PUBLIC COMMENT	Discuss	Dr. Francine Romero
UPDATE ON CHAIR'S PRIORITIES			
4	CHAIR'S REMARKS	Discuss	Dr. Francine Romero
5	CEO RECOGNITION & REMARKS	Discuss	Mr. Rudy Garza
CONSENT AGENDA			
6	APPROVAL OF CONSENT ITEMS: A. Payment to the City of San Antonio for October 2025 B. Minutes from the Special Board Meeting, held on October 27, 2025 C. Minutes from the Special Board Meeting, held on November 3, 2025 D. Minutes from the Regular Board Meeting, held on November 17, 2025	Vote	Dr. Francine Romero

REGULAR AGENDA			
7	BOARD COMMITTEE REPORTS: A. Personnel Committee Meeting held on September 10, 2025 B. Personnel Committee Meeting held on September 29, 2025 COMMUNITY INPUT COMMITTEE REPORTS: A. Customer Relations and Communications Working Group Meeting held on November 12, 2025 B. Power and Technology Working Group Meeting held on November 12, 2025 C. Finance and Business Working Group Meeting held on November 12, 2025	Discuss	Dr. Francine Romero
8	AFFORDABILITY THROUGH FINANCIAL STEWARDSHIP	Discuss	Mr. Cory Kuchinsky
9	FY2026 THIRD QUARTER PERFORMANCE UPDATE	Discuss	Mr. Cory Kuchinsky & Ms. Elaina Ball
CONVENE TO EXECUTIVE SESSION			
10	EXECUTIVE SESSION: A. Competitive Matter – Agreement Related to Specific Generation Unit (Mr. Benny Ethridge) B. Competitive Matter – Agreement Related to Specific Generation Unit (Mr. Benny Ethridge)	Vote	Dr. Francine Romero
	C. Personnel Matters (§551.074) & Attorney-Client Matters (§551.071) D. Attorney Client Matters (§551.071)	Discuss	
RECONVENE TO OPEN SESSION			
11	ADJOURNMENT	Execute	Dr. Francine Romero

**CPS ENERGY
MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES
HELD ON OCTOBER 27, 2025**

A Special Meeting of the Board of Trustees of CPS Energy was held on Monday, October 27, 2025, 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 1:00 p.m.

Present were Board members:

Dr. Francine Romero, Chair
Dr. Willis Mackey, Vice Chair
Ms. Janie Gonzalez (arrived at 1:07 p.m.)
Mr. John Steen
Mayor Gina Ortiz Jones (arrived at 1:20 p.m.)

Also present were:

Ms. Devi Kumar-Nambiar, Deputy General Counsel
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. Cathy Stephens, Board Relations Liaison.

III. PUBLIC COMMENT

Mr. Darby Riley, community member, stated that CPS Energy is a significant contributor to climate change, and urged the Board to move to non-polluting sources while avoiding significant increases in bills.

Ms. Dawn Benitez, CPS Energy retiree, encouraged the Board to select a new trustee with a grasp of business principles and expressed concerns about changes to the CPS Energy retiree healthcare benefits.

Mr. Alan Montemayor, Alamo Group of the Sierra Club, urged the Board to consider climate change as it makes decisions and underprivileged community members who are more impacted by climate change.

Ms. Amanda Griffin, Hill Country Preservation Coalition, advocated for coordination with the Public Utility Commission to limit impacts to the Hill Country from the planned Howard to Solstice transmission line.

IV. EXECUTIVE SESSION

At approximately 1:24 p.m., Chair Romero announced the Board would go into Executive Session, and Ms. Kumar-Nambiar 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 a number of posted items, including the following:

- Personnel Matters – Evaluation of Trustee Candidates (§551.074)
- Real Property Matters (§551.072)
- Real Property Matters (§551.072)

The Board reconvened in open session at 4:29 p.m. The quorum was re-established, and all members were present. Ms. Kumar-Nambiar reported that only the matters cited above, and no others were discussed, and no votes were taken in Executive Session.

V. ADJOURNMENT

Chair Romero asked Ms. Kumar-Nambiar to confirm there were no action items from this meeting. There being no further business to come before the Board, upon a motion duly made by Vice Chair Dr. Mackey, seconded by Trustee Gonzalez, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 4:29 p.m. by Chair Romero.

Shanna M. Ramirez
Secretary of the Board

**CPS ENERGY
MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES
HELD ON NOVEMBER 3, 2025**

A Special Meeting of the Board of Trustees of CPS Energy was held on Monday, November 3, 2025, 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 11:36 a.m.

Present were Board members:

Dr. Francine Romero, Chair
Dr. Willis Mackey, Vice Chair
Ms. Janie Gonzalez
Mr. John Steen
Mayor Gina Ortiz Jones (arrived at 11:44 a.m.)

Also present were:

Mr. Rudy Garza, President & CEO
Ms. Shanna 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. Brandy Russell, Board Relations Liaison.

III. PUBLIC COMMENT

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

IV. EXECUTIVE SESSION

At approximately 11:39 a.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 a number of posted items, including the following:

- Personnel Matters - Evaluation of Trustee Candidates (§551.074)
- Real Property Matters (§551.072)

The Board reconvened in open session at 12:18 p.m. The quorum was re-established, and all 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.

V. APPROVAL OF CONSENT ITEMS

Chair Romero asked that the consent item, Approval of Real Estate Sale: Higuchi Project, be pulled for further discussion, and asked Ms. Ramirez to provide a summary of the proposed real estate sale. Ms. Ramirez explained that this is a parcel of real property owned by CPS Energy that is currently leased to Higuchi with a right to purchase upon expiration of the lease. She noted we have negotiated favorable terms, and management recommends the sale of the surplus property.

Trustee Steen moved to approve the Resolution for the Sale of Surplus Property, and Vice Chair Dr. Mackey seconded the motion. It was approved unanimously.

VI. NOMINATION OF CANDIDATE FOR THE QUADRANT 2 BOARD OF TRUSTEES POSITION

Chair Romero began the discussion by providing an overview of the process, noting the robust outreach efforts and the record number of applicants. She thanked all those who applied for their interest and time commitment. She then opened the discussion and asked for nominations.

Trustee Gonzalez nominated Dr. Erika Gonzalez, and then highlighted her experience, qualifications, and accomplishments which qualify her for the position. The Board of Trustees discussed the nomination.

Dr. Erika Gonzalez was nominated, subject to confirmation by City Council, on a 4-1 vote with Trustee Steen voting against the nomination.¹

VII. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Vice Chair Dr. Mackey, seconded by Chair Romero, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 12:40 p.m. by Chair Romero.

Shanna M. Ramirez
Secretary of the Board

¹ Trustee Steen requested that his comments be included in total and provided his written summary, which is attached to the meeting minutes as Attachment "A".

CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON NOVEMBER 17, 2025

The Regular Meeting of the Board of Trustees of CPS Energy for the month of November was held on Monday, November 17, 2025, 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 1:00 p.m.

Present were Board members:

Dr. Francine Romero, Chair
Dr. Willis Mackey, Vice Chair
Ms. Janie Gonzalez
Mr. John Steen
Mayor Gina Ortiz Jones (Absent)

Also present were:

Mr. Rudy Garza, President & CEO
Ms. Devi Kumar-Nambiar, Deputy General Counsel
CPS Energy staff members

II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE

A safety message, invocation, and the Pledge of Allegiance were delivered by Mr. Brian Alonso, Chief Meteorologist.

III. PUBLIC COMMENT

Mr. Brian Lopez, SA Workers Assembly, urged CPS Energy to consider the impacts of winter and to take meaningful action to assist vulnerable individuals.

Mr. Alan Montemayor, Alamo Group of the Sierra Club, expressed support for sustainability initiatives, including policy to adopt renewables.

Ms. Amanda Griffin, Hill Country Preservation Coalition, advocated for coordination with the Public Utility Commission to limit impacts to the Hill Country from the planned Howard - Solstice transmission line project.

IV. CHAIR'S REMARKS

Chair Romero provided brief comments on the success of Grillsgiving, which raised \$520,000, with net proceeds going to benefit REAP. Trustee Gonzalez echoed that it is a great event.

Chair Romero then noted our successful tree trimming and excavator event, which covered tree and vegetation management. She also reviewed customer resources and noted CPS Energy will have a press conference on winter preparedness on December 1.

V. CEO RECOGNITION & REMARKS

Mr. Rudy Garza, President & CEO, recognized all veteran employees, noting they serve in a variety of roles at CPS Energy. He stated the service, sacrifice, and dedication by them and their families is much appreciated. He then introduced representatives from Employer Support of the Guard and Reserve (ESGR), which awarded CPS Energy with the 2025 Pro Patria award for the State of Texas, recognizing CPS Energy's support of our Guard and Reserve employees. Vice Chair Dr. Mackey noted this award is another great moment for CPS Energy under Mr. Garza's leadership.

Mr. Garza then provided a brief overview of the agenda.

VI. EXECUTIVE SESSION

At approximately 1:32 p.m., Chair Romero announced the Board would go into Executive Session, and Ms. Kumar-Nambiar 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 a number of posted items, including the following:

- Competitive Matters (§551.086)
- Competitive Matters (§551.086)
- Real Property Matters (§551.072)
- Real Property Matters (§551.072)

The Board reconvened in open session at 2:13 p.m. The quorum was re-established, and all members were present. Ms. Kumar-Nambiar reported that only the matters cited above, and no others were discussed, and no votes were taken in Executive Session.

VII. APPROVAL OF CONSENT ITEMS

On a motion by Vice Chair Dr. Mackey and seconded by Trustee Gonzalez, the following items on the Consent Agenda were approved on a 3-1 vote, with Trustee Steen voting against the motion and Mayor Jones absent:

A. Approval of Payment to the City of San Antonio for September 2025

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 September 2025 is based on actual gross revenue per the New

Series Bond Ordinance of \$346,738,219.36, less applicable exclusions. The revenue for the month of September 2025 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$340,691,715.83
Gas revenue	12,206,815.72
Interest and other income	9,257,783.87
Gross revenue per CPS Energy financial statements	<u>362,156,315.42</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(11,058,040.17)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(43,083,524.78)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>38,723,468.89</u>
Total excluded revenue	<u>(15,418,096.06)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$346,738,219.36</u>
City payment per Bond Ordinance for September 2025 based upon September revenue	\$48,543,350.71
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	977,098.30
City Payment reduction per gas customer billing adjustment MOU	<u>(12,500.00)</u>
City payment per Bond Ordinance plus adjustments for memorandums of understanding	49,507,949.01 A
Utility services provided to the City for September 2025	<u>(3,065,146.23)</u>
Net amount to be paid from September 2025 revenue to the City in October 2025	<u>\$46,442,802.78</u>

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)

September 2025	Actual	Budget	Variance	
Current Month A	\$49,508	\$47,701	\$1,807	3.8%
Year-to-Date	\$343,919	\$346,525	(\$2,606)	-0.8%

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 \$46,442,802.78 representing 14% of applicable system gross revenues for the month of September 2025, such payment being net of City utility services (\$3,065,146.23), is hereby approved."

B. Minutes from the September Board Meeting, held on September 29, 2025

E. Resolution Approving Real Property Purchase: Switching Station¹

F. Approval of Real Property Purchase: STATCOM

G. Procurement Items:

1. **Item Description:** Distribution Pad Mount Switchgear
Category: Commodity & Material Goods
Supplier: Real Distributing Company, LLC
Anixter, Inc.
2. **Item Description:** Gas Turbine Depot Services
Category: General Services
Supplier: GE Vernova Operations, LLC
TransCanada Turbines, Inc.
3. **Item Description:** Industrial Scaffolding Services
Category: General Services
Supplier: BrandSafway, LLC
Taurus Industrial Group, LLC
4. **Item Description:** Large Electric Motor Maintenance Services
Category: General Services
Supplier: Bradleys, Inc.
Integrated Power Services, LLC
San Antonio Armature Works, Inc.
Shermco Industries, Inc.
5. **Item Description:** Insulation, Abatement, and Refractory Services
Category: General Services
Supplier: BrandSafway, LLC
Taurus Industrial Group, LLC

The following items were pulled from consent, and voted on individually:

C. Nuclear Decommissioning Trust Investment Manager Agreements Approval

Trustee Gonzalez asked several questions, primarily focused on performance and changes to investment managers. Vice Chair Dr. Mackey made a motion to approve, it was seconded by Chair Romero, and it was approved on a 4-0 vote, with Mayor Jones being absent.²

¹ The resolution is attached as Attachment "A" to the meeting minutes.

² The resolution approving the policy is attached as Attachment "B" to the meeting minutes.

D. Financial Policies Annual Approval

Vice Chair Dr. Mackey made a motion to approve the policies, including the resolutions adopting the policies, and it was seconded by Trustee Gonzalez. It was approved on a 4-0 vote, with Mayor Jones being absent.³

The following items were deferred until a later meeting:

G. Procurement Items:

- 6. **Item Description:** Competitively Sensitive Item
Category: General Services
- 7. **Item Description:** Competitively Sensitive Item
Category: General Services

VIII. 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. Audit & Finance Committee Meeting held on October 6, 2025. The report is attached as Attachment "D" to the meeting minutes.
- B. Employee Benefits Oversight Committee Meeting held on October 6, 2025. The report is attached as Attachment "E" to the meeting minutes.
- C. Nominations Committee Meeting held on September 4, 2025. The report is attached as Attachment "F" to the meeting minutes.
- D. Nominations Committee Meeting held on September 11, 2025. The report is attached as Attachment "G" to the meeting minutes.
- E. Nominations Committee Meeting held on October 2, 2025. The report is attached as Attachment "H" to the meeting minutes.
- F. Nominations Committee Meeting held on October 3, 2025. The report is attached as Attachment "I" to the meeting minutes.
- G. Nominations Committee Meeting held on October 8, 2025. The report is attached as Attachment "J" to the meeting minutes.
- H. Technology & Resilience Committee meeting held on September 15, 2025. The report is attached as Attachment "K" to the meeting minutes.

³ The resolutions approving the policies are attached as Attachment "C" to the meeting minutes.

Community Input Committee Reports

- A. Community Input Committee Meeting held on October 8, 2025. The report is attached as Attachment "L" to the meeting minutes.

IX. PROCUREMENT REQUEST FOR APPROVAL: ADDITIONAL FUNDING: SPRUCE TO PAWNEE TO TANGO LIVE LINE 345KV TRANSMISSION LINE REBUILD

Mr. Richard Medina, Chief Energy Delivery Officer, explained that the additional funding is due to changes in the final design of the project, and he reviewed the project. The Board of Trustees asked questions around the procurement process for the contract and details on the accelerated project.

Vice Chair Dr. Mackey moved to approve the request, Trustee Gonzalez seconded, and it was approved on a 3-1 vote, with Trustee Steen voting against the motion and Mayor Jones being absent.⁴

X. WINTER PREPAREDNESS

Mr. Garza introduced the topic, noting that the team created a video to provide a different approach. The video summarized the winter 2025 weather outlook, compliance with statutes and regulations, our winter resource adequacy to support peak loads, crew preparation, and tips for customers to prepare for winter weather. Mr. Benny Ethridge, Chief Energy Supply Officer, then introduced our plant managers.

The Board of Trustees discussed and asked questions, focused on plant preparedness, customer outreach, and communications with stakeholders.

XI. ADJOURNMENT

Chair Romero asked Ms. Kumar-Nambiar to review the requested action items. There being no further business to come before the Board, upon a motion duly made by Vice Chair Dr. Mackey, seconded by Chair Romero, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 2:58 p.m. by Chair Romero.

Shanna M. Ramirez
Secretary of the Board

⁴ Trustee Steen requested that his comments be included in total and provided his written summary, which is attached to the meeting minutes as Attachment "M".



PERSONNEL COMMITTEE

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 10, 2025 MEETING
PREPARED FOR COMMITTEE CHAIR WILLIS MACKEY
FOR REPORT AT THE DECEMBER BOARD OF TRUSTEES MEETING**

The Personnel Committee met on September 10, 2025. As part of the Personnel Committee agenda, the Committee:

- A. Chair Dr. Mackey requested that the committee convene to Executive Session to discuss input and process for CEO mid-year performance evaluation for FY2026.

The next meeting of the Personnel Committee is September 29, 2025.



PERSONNEL COMMITTEE

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 29, 2025 MEETING
PREPARED FOR COMMITTEE CHAIR WILLIS MACKEY
FOR REPORT AT THE DECEMBER BOARD OF TRUSTEES MEETING**

The Personnel Committee met on September 29, 2025. As part of the Personnel Committee agenda, the Committee:

- A. Chair Dr. Mackey requested that the committee convene to Executive Session to discuss CEO mid-year performance evaluation for FY2026.

The next meeting of the Personnel Committee is December 3, 2025.



Community Input Committee (CIC) Working Group Report Customer Relations and Communications

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE NOVEMBER 12, 2025, MEETING PREPARED ON BEHALF OF THE WORKING GROUP CHAIR, MR. RICHARD FARIAS FOR REPORT AT THE DECEMBER 15, 2025, BOARD OF TRUSTEES MEETING

The Working Group received a presentation and update on CPS Energy's Vision 2030 Generation Plan engagement strategy. Additionally, they received a presentation on CPS Energy's Casa Verde Weatherization Program:

1. Generation Plan Engagement Strategy Update:
 - A. Discussion of ongoing and upcoming community events.
 - B. Overview of strategic checkpoints to Horizon 2050, the long-term strategy.
 - C. Alignment of Vision 2030 strategic initiatives to Horizon 2050 goals.
 - D. Discussion and feedback on the narrative and strategic approach.
2. Casa Verde Weatherization Program Update:
 - A. Approved Budget & Timeline
 - B. New Program Structure
 - New Weatherization Rebate Program launched October 20, 2025.
 - Customers select a registered, prequalified trade ally to weatherize their home.
 - C. Program Goals
 - Weatherize 16,000 homes by July 31, 2027
 - Currently 38% to goal (~10,000 homes remaining)
 - D. Rebate Program Process
 - E. Eligibility and Guidelines:
 - Single-family residences (including mobile homes)
 - BCAD Homesite Value < \$300K
 - Income Qualifications:
 - Energy burden $\geq 10\%$ of income
 - Income guidelines unchanged
 - F. Home Assessments
 - \$300 rebate per home
 - Provides customers with saving opportunities and next steps.
 - G. Rebate Measures
 - H. Weatherization Repair Assistance Program (WRAP)

Working Group members made suggestions on how to improve communication to customers regarding the generation plan update and identified which topics were most relevant and important to emphasize. During the weatherization program update, working group members asked clarifying questions related to customer education, interaction with other CPS Energy programs, and program eligibility requirements.

This report has been distributed to all members of the Community Input Committee.

The next Customer Relations and Communications Working Group meeting is on February 11, 2026.



Community Input Committee (CIC) Working Group Report Power and Technology

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE NOVEMBER 12, 2025, MEETING PREPARED ON BEHALF OF THE WORKING GROUP CHAIR, MR. STEVE BONNETTE FOR REPORT AT THE DECEMBER 15, 2025, BOARD OF TRUSTEES MEETING

The Working Group received a presentation on CPS Energy's renewable energy generation and a review of new technologies:

- A. Overview of the CPS Energy generation portfolio
- B. Progress update on generation capacity additions
 - CPS Energy is producing more power ahead of schedule
- C. Expanding solar program offerings for customers
 - Community Solar (Panel Ownership)
 - Community Solar (Subscription Pilot)
 - Exploring incentive opportunities for residential rooftop solar
- D. Discussion of new technologies
 - Geomechanically pumped storage offering cost-effective, long-duration electricity storage.
 - Modern hydrogen converting natural gas into hydrogen and reduce carbon.

Working Group members inquired about community solar programs and opportunities to meet residential and business needs while minimizing risk. Group members discussed STEP and asked questions to better understand CPS Energy's approach to balancing demand response incentives. Additionally, members explored advances in battery technologies and sought more information about CPS Energy's innovation incubator program.

This report has been distributed to all members of the Community Input Committee.

The next Power and Technology Working Group meeting is on February 11, 2026.



Community Input Committee (CIC) Working Group Report Finance and Business

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE NOVEMBER 12, 2025, MEETING PREPARED ON BEHALF OF THE COMMITTEE CHAIR, MR. BOB ZAPATA FOR REPORT AT THE DECEMBER 15, 2025, BOARD OF TRUSTEES MEETING

The Working Group received a presentation on CPS Energy's Energy2Business (E2B) customer program.

- A. Serving Business Customers in a New Way
 - Hands-on, mobile E2B team serves 90K+ small and medium business (SMB) customers.
 - E2B exists to listen, support, and empower through personalized outreach.
- B. Outreach Channels and Communication Tactics
 - Onsite visits and consultations offer personalized, face-to-face business support.
 - Community pop-ups and local events allow us to meet customers where they are.
- C. Education and Empowerment
 - Lunch and Learn Series (Fall 2025)
 - Energy Efficiency Awards: Recognizing SMBs demonstrating sustainability and cost-saving excellence.
 - Tailored presentations for chambers, associations, and incubators.
- D. Proactive Outreach
 - Anticipatory engagement addresses potential issues before they occur.
 - Segmented communications allow for custom messaging to SMBs, critical care, and industry audiences.
 - Education-first approach: Workshops, Lunch and Learns, and Resource Guides.
- E. Sustainability as a Relationship Builder Helping SMBs
 - Understand energy efficiency options for their operations.
 - Access rebates and green programs to lower costs and emissions.
- F. Empowering SMBs Through Digital Tools
 - Billing & Account Management
 - Multiple payment methods: Online, AutoPay, Apple Pay, Google Pay, Pay by Text, and Budget.
 - Real-time balance updates and payment confirmations.
 - Operational Tools & Efficiency
 - Outage Map & Alerts: Interactive, real-time updates
 - Energy-saving audits to identify opportunities, efficiency upgrades, and STEP rebates.

Working Group members sought to understand the impact of CPS Energy's Energy2Business (E2B) initiative on small and medium-sized businesses (SMBs). Members encouraged CPS Energy to strengthen E2B partnerships with non-profit organizations and offered feedback on enhancing E2B marketing, particularly through video content that highlights SMB experiences and success stories. Group members also commended E2B for its proactive communication during outages affecting SMBs and recommended expanding sustainability-focused educational efforts, such as the ongoing Lunch & Learn series, and evaluating ACH options for payment.

This report has been distributed to all members of the Community Input Committee.

The next Finance and Business Working Group meeting is February 11, 2026.



AFFORDABILITY THROUGH FINANCIAL STEWARDSHIP

PRESENTED BY:
CORY KUCHINSKY
Chief Financial Officer

December 14, 2025
Informational Update

AGENDA

MAINTAINING FINANCIAL STABILITY

- Balanced Approach
- How Customers Benefit
- Planning and Execution
- Continuous Improvement

We make thoughtful, strategic decisions to reduce costs, avoid unnecessary spending, and prepare for long-term sustainability.

A BALANCED FINANCIAL APPROACH

PROTECTS OUR COMMUNITY

Our financial strategy is to maintain strong financial health to ensure we have the cash and liquidity to:

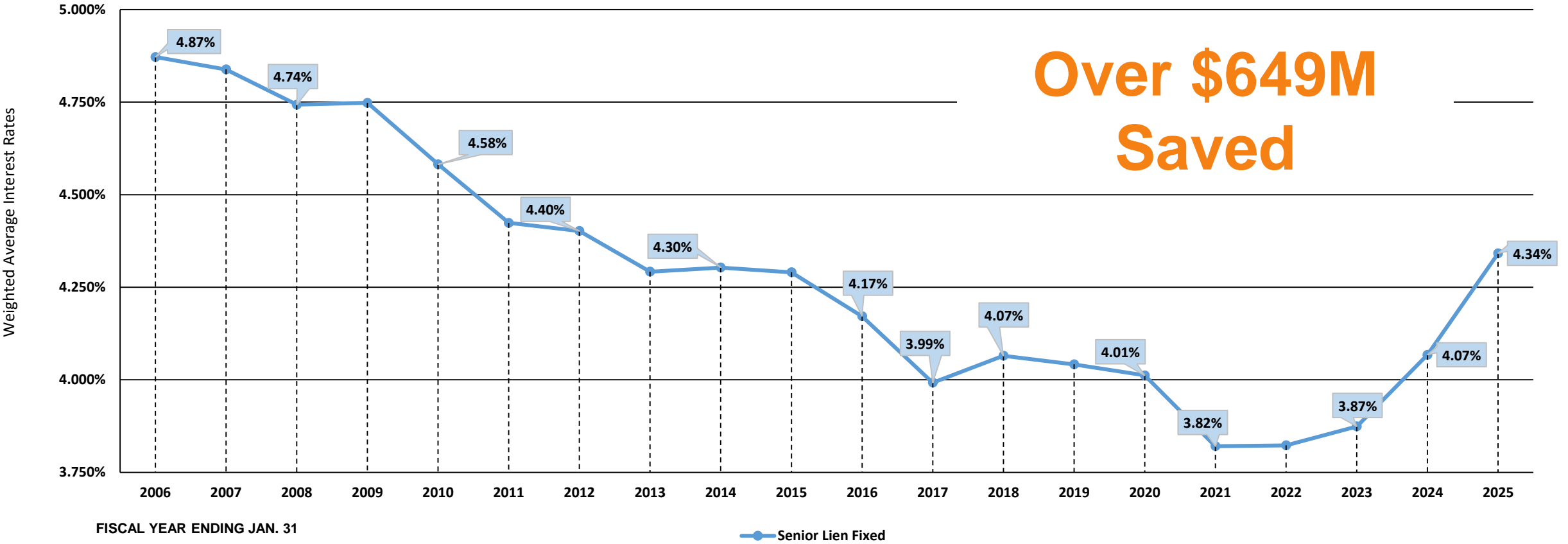
- Run the business efficiently
- Absorb an unplanned major weather event
- Execute on strategic opportunities

Our approach enables low rates for our customers, while maintaining a reliable and resilient power system.

THE VALUE OF A GOOD CREDIT RATING



IMPROVE INFRASTRUCTURE AT LOWER COST FOR CUSTOMERS

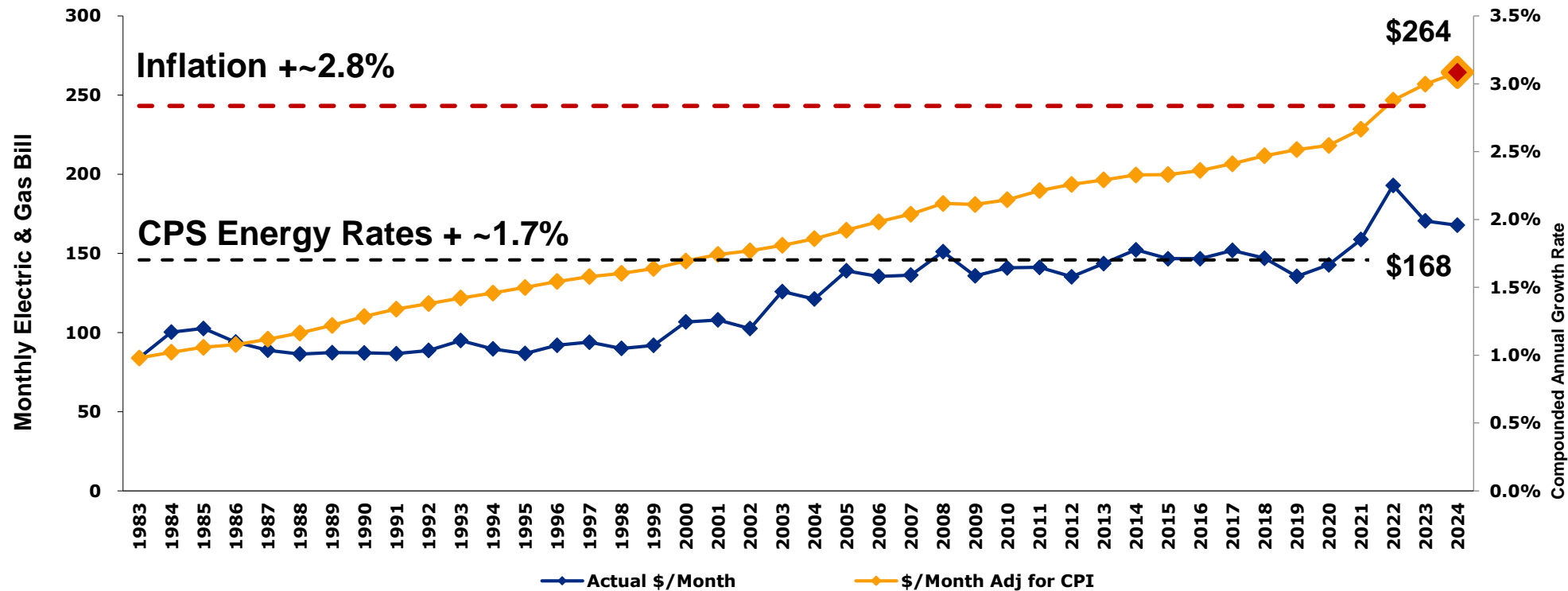


Our strong credit rating provides us with low-cost financing which helps customer bills. We refinanced \$5.1B and achieved over \$649M of savings for our customers.

CPS ENERGY BILLS VS INFLATION^{1,2,5,6}



1983-2024



\$264
Inflation Adjusted 2024 bill³

\$168
Actual 2024 bill⁴

↓

Monthly savings to customers

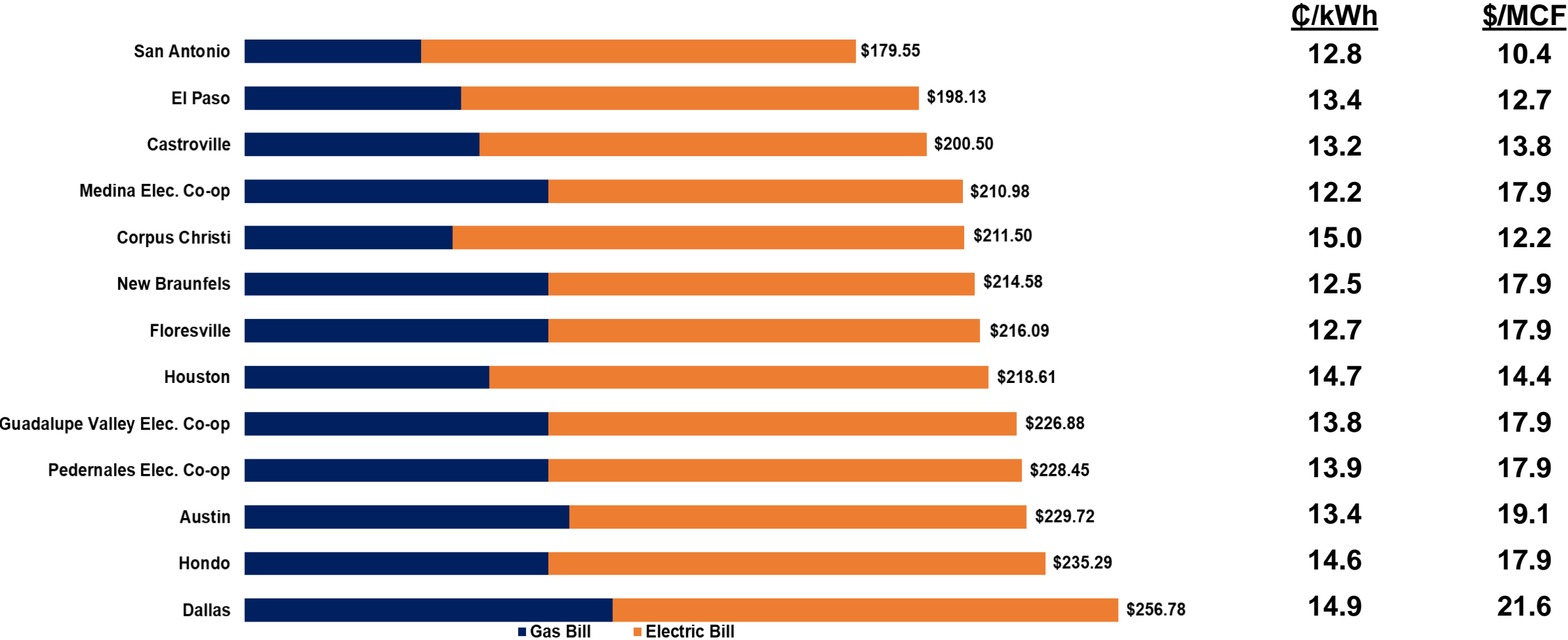
\$96

1) CPI values provided by US Bureau of Labor Statistics, 2) Bills calculated at 1,000 kWh flat (each month) & 5 MCF & include pass-thru charges (fuel & regulatory adjustment), 3) 2024 Total Residential electric & gas bill adjusted for inflation, 4) Actual 2024 Total Residential electric & gas bill NOT adjusted for inflation, 5) Baseline: 1983 = \$83.98 6) Reflects new base rates effective February 01, 2024

Prudent planning and cost management has allowed us to blunt the impact of inflation on our customers.

BILLS REMAIN THE LOWEST IN TEXAS

COMBINED RESIDENTIAL BILL COMPARISON



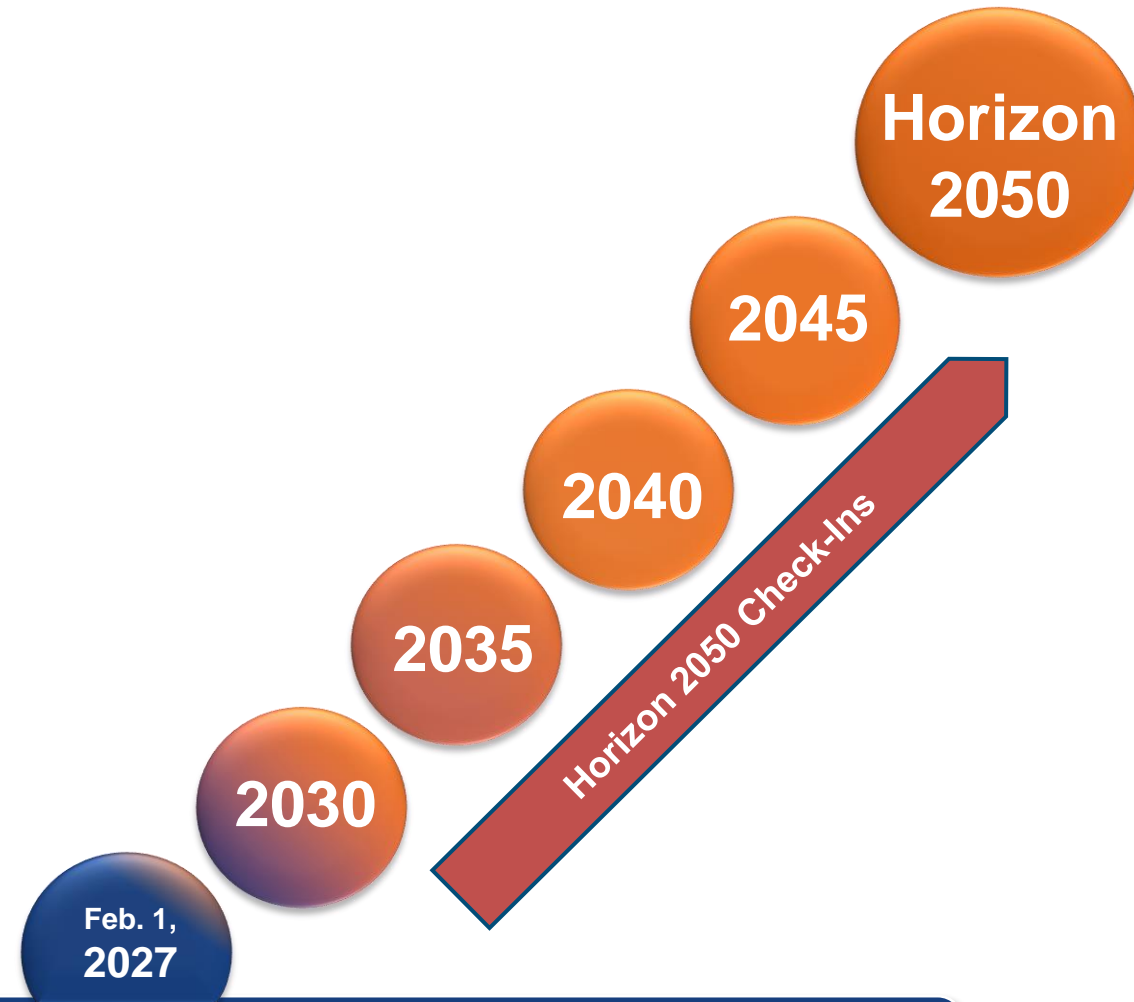
Note: Deregulated markets electric data from powertochoose.org (Term 12 months; 4&5 star rated REPs).
San Antonio & Castroville are the only cities that have a single electric & gas provider.
Trailing twelve months ending September 2025.

1,000 kWh & 5 MCF

INTEGRATED PLANNING PROCESS

DRIVEN BY BOARD POLICY SETTING AND COMMUNITY FOCUS

- **Strategic Alignment:** Links long-term vision with near-term financial targets.
- **Risk-Aware Budgeting:** Integrates enterprise risks into financial planning.
- **Validated Service Levels:** Funding aligns with operational capacity and performance expectations.
- **Prioritization Framework:** Scoring criteria to fund the most impactful initiatives.
- **Cross-Functional Accountability:** Engages VPs and senior leaders in financial decision-making.



Integrated Planning aligns strategic goals with budget discipline through transparent risk integration, target dates, and prioritized resource allocation within financial limits.

ROUTINE FINANCIAL PLANNING CYCLE

ENABLES THE EXECUTION OF OUR STRATEGY

- Customer Growth (Electric & Gas Sales)
- Regulatory Costs (TCOS, ERCOT)
- Fuel Cost (gas, coal, nuclear, renewables)
- Generation Resource Plan
- Market Power Prices
- Wholesale Price, Revenue & Margin
- Interest Rates

FORECAST INPUTS AND ASSUMPTIONS



In each budget request, Year 1 is presented to the Board for approval (outer years are refreshed in subsequent planning cycles, as such they are considered preliminary & subject to change)

Board strategy, input, and leadership provides the blueprint for strategy execution.

NEAR TERM WINS

PRUDENCE ACROSS THE ENTERPRISE



Operational Efficiency

Non-emergency Overtime

- ✓ 40% reduction

Fleet strategy

- ✓ \$7M capital savings
- ✓ \$950 O&M reduction
- ✓ \$800 revenue from sold vehicles



Technology & Process Optimization

Self-Service Account Reconnection

- ✓ 24/7 self-service availability
- ✓ Remote reconnection
- ✓ 30% disconnected account supported

Cloud Optimization

- ✓ \$1M realizing
- ✓ +200 annual run-rate savings

Wireless Consolidation

- ✓ \$500 annual savings



Revenue & Market Strategy

Wholesale Revenue

- ✓ Forward Sales of Wholesale Power

Commodity Prepay

- ✓ \$30M savings for renewable energy
- ✓ \$30M savings for natural gas

Recent Plant Acquisitions

- ✓ 2024: Recovered ~1/3 the purchase price first year; ~50% below build cost
- ✓ 2025: ~\$2B saved vs. build price

LOOKING AHEAD: BUDGET OUTLOOK

HEADWINDS (CHALLENGES WE FACE)	TAILWINDS (OPPORTUNITIES AHEAD)
Economic Pressures: Rising capital costs and inflation are tightening budget flexibility.	Community & Load Growth: Population and industrial expansion are driving revenue potential.
Cybersecurity Demands: Elevated risk posture requires proactive digital investment.	Technology Enablement: ERP, smart grid, automation, and AI will unlock efficiencies.
Aging Infrastructure & Climate Risk: Increased maintenance and resilience investments required.	Strategic Investments: Programs like the Texas Energy Fund and microgrids enhance reliability.
Labor Market Constraints: Execution is impacted by a limited supply of highly trained, in-demand specialists.	Financial Discipline: Our strong processes and initiatives like prepay programs and fleet optimization are delivering measurable savings.
Regulatory Uncertainty: Shifting state and federal policies introduce planning complexity.	Policy & Partnership Alignment: Local and state collaborations are supporting long-term goals.

RESULTING OPERATIONAL EXCELLENCE INITIATIVES

HIGH VALUE EFFORTS CURRENTLY UNDERWAY

Initiative	Description
ERP Value Recognition	Identify, quantify and track progress of value creation levers resulting from ERP implementation.
Technology Maintenance Optimization	Conduct a comprehensive review of all technology maintenance contracts to identify opportunities to consolidate, renegotiate, right-size, or sunset services.
Crew Optimization	Evaluate crew composition, scheduling, and dispatching to increase efficiency and reduce idle time and overtime.
Contracts & Contractor Optimization	Consolidate, renegotiate, and review active contracts and contractor usage levels to achieve cost savings and improve resource efficiency.
Fee Revenue Opportunities	Benchmark and identify new fee opportunities; update miscellaneous customer charges.
Long Term Real Estate Strategy	Maximize real estate assets for long-term plans and sell surplus real estate.

By regularly reviewing our operations and business processes, we adapt to evolving needs, and identify opportunities that drive performance, innovation, and long-term value.



THANK YOU



APPENDIX

RECENT RATING ACTION



In FY2025, Fitch and S&P revised our credit outlook from negative to stable, reflecting the continued execution of our plan.

Fitch and S&P referenced the following takeaways that contributed to the revised credit outlook. Moody's maintained us at a stable outlook.

S&P:

- Improved risk management given recent larger generation additions to portfolio.
- Revised outlook reflecting view of declining account receivables and doubtful account balances in fiscal year 2024, improved management of delinquent customer balances to \$154 million from a peak of \$208 million.
- Strengthened power supply position, steps taken to mitigate natural gas price risk, and improved liquidity provide ample cushion to withstand market price volatility.
- Ample liquidity sources which provides resiliency and flexibility to mitigate operating risks within ERCOT.

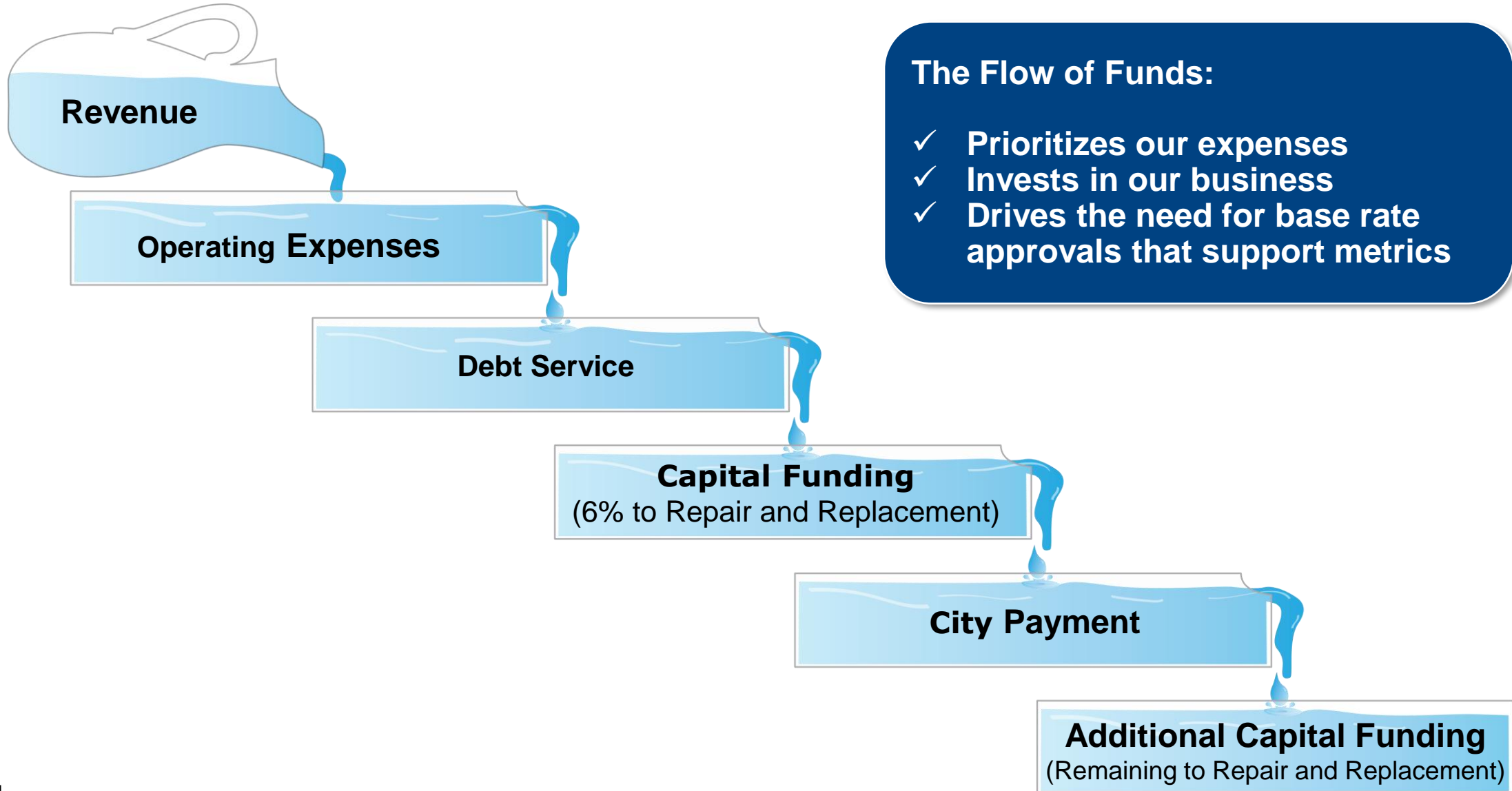
Fitch:

- Recent asset purchase providing valuable generation resource.
- Our very strong financial profile.
- Improved view of the operating risk for public power systems located in ERCOT.

Rating Agency	Rating	Outlook
Standard & Poor's	AA-	Raised to Stable
Fitch Ratings	AA-	Raised to Stable
Moody's	Aa2	Affirmed, Stable

GOVERNANCE OF OUR REVENUE

AS PRESCRIBED BY BOND ORDINANCE

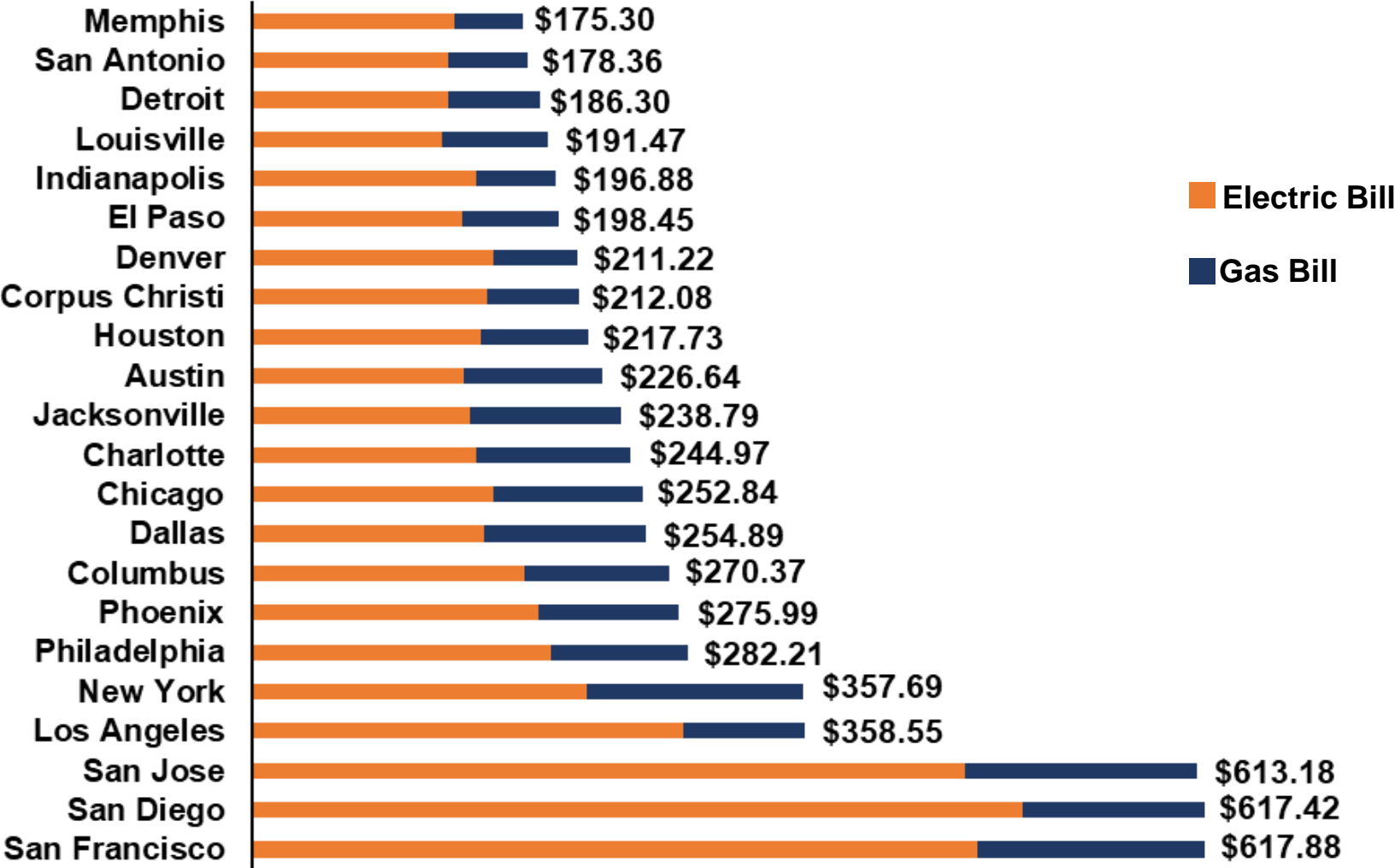


MAJOR US CITIES

COMBINED RESIDENTIAL BILL COMPARISON



Average Residential Bill @1,000 kWh & 5 MCF



Note: Based on an average of 1,000 kWh/month & 5 MCF/month; Bills reflect 12-month average pricing from August 2024 through July 2025 in all markets (Trailing twelve months ending July 2025).



FY2026 THIRD QUARTER PERFORMANCE UPDATE

PRESENTED BY:

Cory Kuchinsky, CPA

Chief Financial Officer (CFO) & Treasurer

Elaina Ball

Chief Strategy Officer

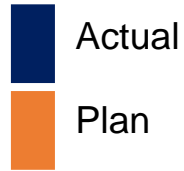
AS OF OCTOBER 31, 2025

Informational Update

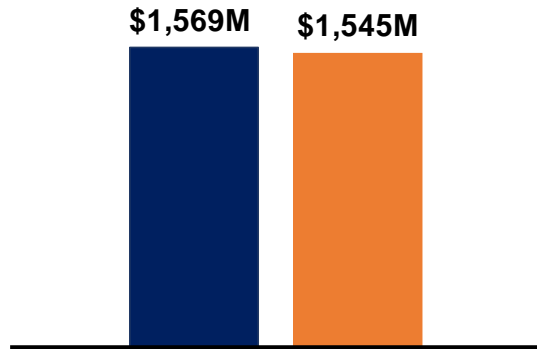
- Financial Performance
- Past-Due Accounts Update
- FY2026 Financial Guidance
- FY2026 Enterprise Scorecard Recap

Our objective is to provide you with an update on our Q3 financial performance (as of October 31, 2025), past-due receivables, and enterprise scorecard results.

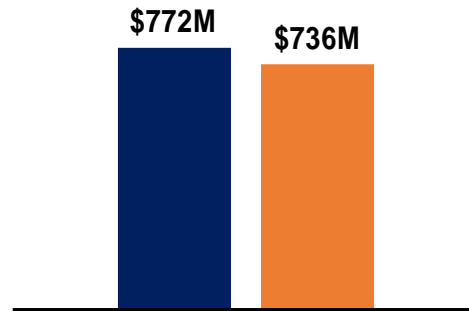
YEAR-TO-DATE FINANCIAL HIGHLIGHTS



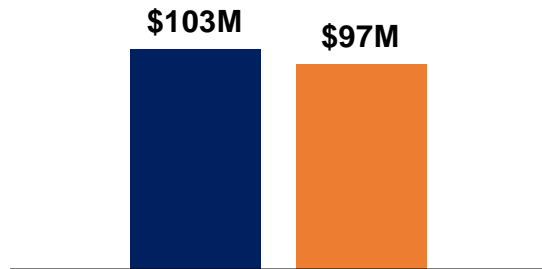
Non-Fuel Revenue



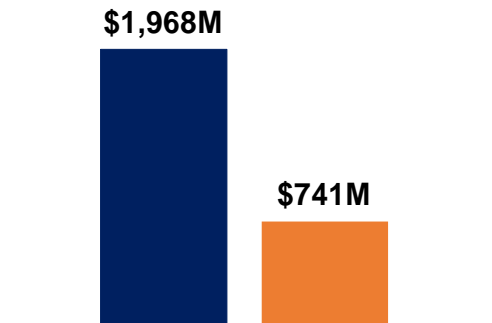
O&M



Transmission Capital













Non-Transmission Capital



- Non-fuel revenue is higher than plan as weather driven sales have offset lower wholesale revenue.
- O&M is over plan due to unplanned outages, emergency work & storms, streetlight maintenance and higher gas leak expenditures.
- Capital is over plan due to the strategic acquisition.

FINANCIAL METRICS GUIDANCE

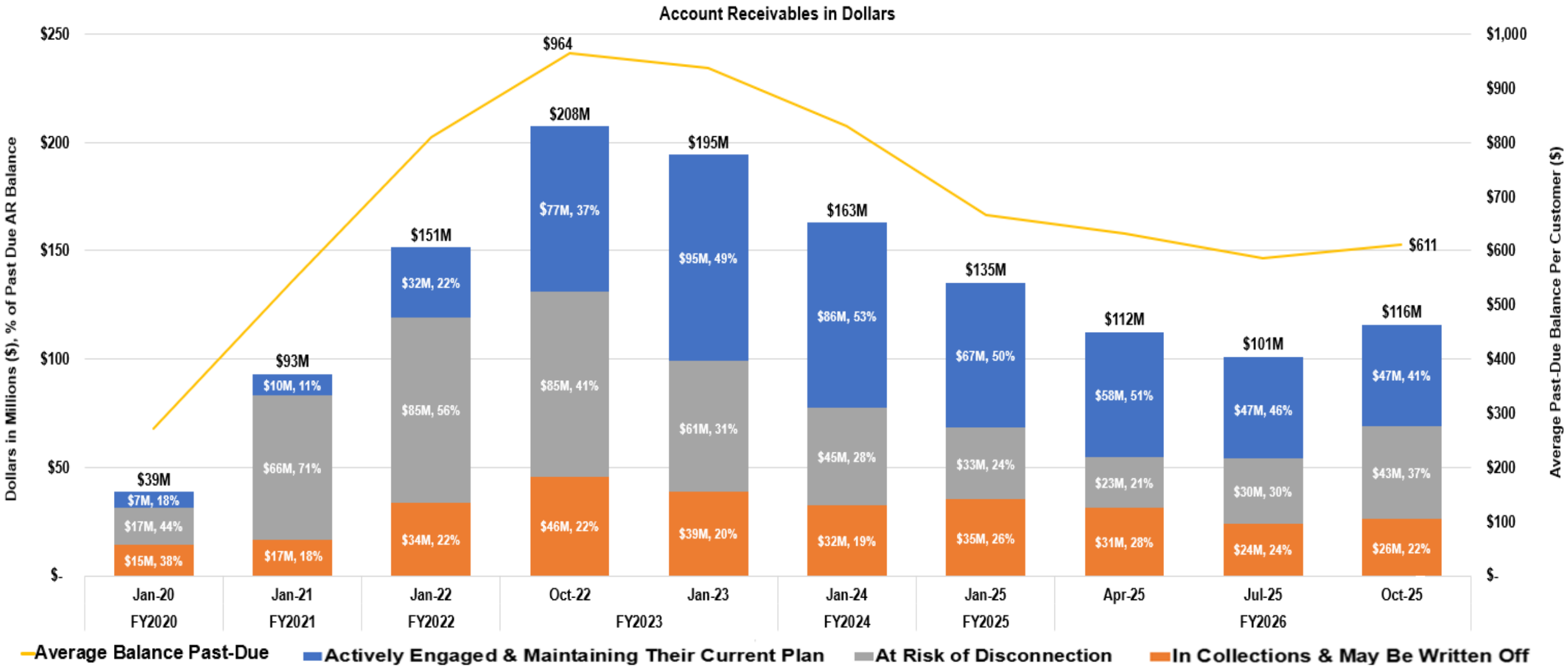
	<u>Original Plan</u>	<u>Performance vs. Original Plan</u>	<u>Approved Generation Plan</u>	<u>Performance vs. Approved Generation Plan</u>
Adjusted Debt Service Coverage Ratio (Higher is Better)	1.60- 1.99x		1.60- 1.99x	
Debt Capitalization Ratio (Lower is Better)	55.01% - 64.99%		65.01% - 69.99%	
Days Cash On Hand (Higher is Better)	150 - 199		150 - 199	
Days Liquidity On Hand (Higher is Better)	200-274		200-274	
Fiscal Resiliency Score (Higher is Better)	>=3.00		2.50-3.00	

Through Q3 FY2026, our financial metrics and fiscal resiliency score are in line with the plan.

ACCOUNT RECEIVABLES



PAST-DUE DOLLARS VERSUS AVERAGE BALANCE PAST-DUE



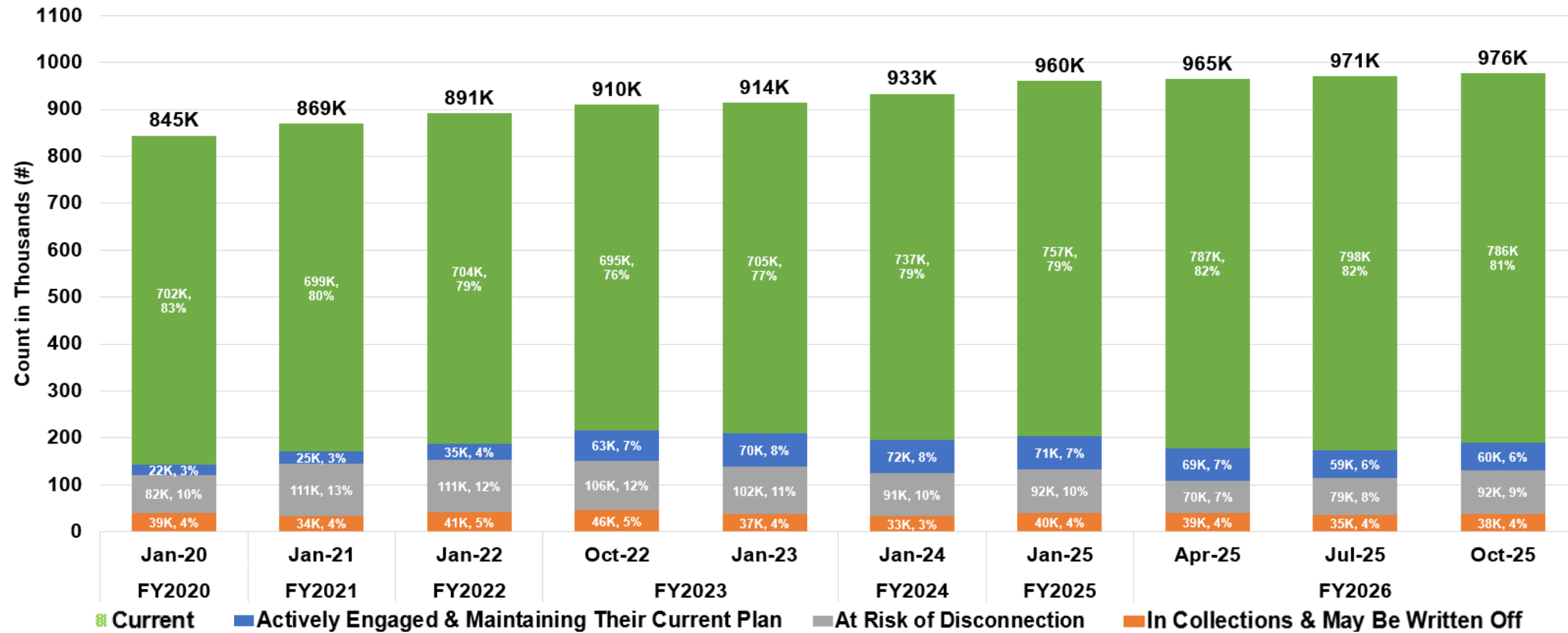
Past-due balances increased this month by \$10 million, driven primarily due to the impact from the government shutdown. Overall, the bigger trend is still positive as we remain well below pandemic highs because of the stronger collections and customer support.

ACCOUNT RECEIVABLES

CURRENT VERSUS PAST-DUE COUNT



Number of Current Versus Past-Due Count



The increase in past-due accounts is due to community challenges faced during the government shutdown and mirrors the industry trends. We have shifted back to our enhanced collection processes in December.

- Non-fuel revenue expected to be higher than plan as actual weather driven sales have offset lower wholesale revenue performance.
- We expect continued O&M pressure due to unplanned outages, emergency work & storms, higher gas leak repairs, and additional operating costs related to the strategic acquisition.
- Total Capital is expected to come in higher than Plan due to strategic acquisition.
- The economy is slowing, inflation is stabilizing but remains above the Federal Reserve's target and as a result, a Federal Reserve interest rate cut in December is expected which may ease the cost of borrowing.

We will continue to manage unforeseen events and our financial position through the remainder of the year.



FY2026 ENTERPRISE MEASURE RESULTS

FY2026 ENTERPRISE SCORECARD

DRIVING ACTIONS TO DELIVER ON OUR MISSION

VISION 2027 OBJECTIVES

OPERATIONAL
EVOLUTION

FINANCIAL
STABILITY

CUSTOMER EXPERIENCE

TEAM
CULTURE

COMMUNITY PARTNERSHIP
& GROWTH

Strategic Execution - Forward Looking Progress Towards Vision 2027

Power Generation Plan		System Resiliency & Growth		EVOLVE: Enterprise Resource Planning		Customer Experience	
FY2026 Milestone	Status	FY2026 Milestone	Status	FY2026 Milestone	Status	FY2026 Milestone	Status
Complete Wave 2 Transition Plan of new acquisitions.	Complete	Complete EMS SCADA System Roll-Out and continue upgrading ADMS SCADA Systems.	On Track	On-Boarding of System Implementation (SI) partner and remaining program team roles.	Complete	Onboard a consultant to develop a customer experience (CX) roadmap, refining customer.	On Track
Achieve commercial operation for new solar and storage resources.	Complete	Complete GIS Utility Network Phase 1 (Electric Data Migration) and start Phase 2 (Electric to ADMS).	On Track	Complete Global Design.	On Track	Form a CX Championship Team to define the CX framework, set goals, and create a communication and training plan to align employees in enhancing customer experience.	On Track
Award key contracts including EPC and major equipment supply for the Peak Project and Spruce 2 Natural Gas conversion.	At Risk	Execute gas strategies to include Permian Hwy to Rio Nogales, Southgate to Rio Nogales, and N. Outer Loop.	On Track	Execute change management efforts and communication strategy.	On Track	Support the development and execution of products and services to include customer feedback and effective engagement.	On Track
Support ERCOT reliability through execution of directed Reliability Must Run (RMR) contracts.	On Track	Upgrade and modernize transmission system for resiliency and growth (Multiple projects as part of South Reliability Electric Transmission Line Expansion).	On Track			Process improvement for customer support efforts	On Track
		Submit TCOS rate filing package developed through significant cross-functional efforts and with internal and external legal guidance.	On Track				

Enterprise Measure Targets (Red highlight indicates measure is Unrecoverable; Yellow highlight indicates Year-End target is At Risk)

64.15

Average Customer Outage Duration

0.54

Gas Safety

90.5%

Plant Availability

≥3.0

Fiscal Resiliency

699

Customer Perception

4.15

Living Mission & Values

1.09

Safety Performance

70.00%

Strategically Investing in the Community

FY2026 ENTERPRISE MEASURE RESULTS



AS OF OCTOBER 31, 2025

Strategic Objective	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year (FY2026 / CY2025)			Year-End Forecast	Latest Estimate
						FY2024	FY2025	YTD Target	YTD Actual	Year-End Target		
						CY2023	CY2024					
Operational Evolution	Average Customer Outage Duration (System Average Interruption Duration Index - SAIDI)	Monthly	CY	#	↓	61.19	61.80	56.37	65.72	64.15	Unrecoverable	73.50
	Plant Availability ¹ (Critical Months Equivalent Availability Factor - CMEAF)	Monthly	CY	%	↑	94.4	89.5	90.5	81.5	90.5	Unrecoverable	N/A ²
	Gas Safety (Leaks Remaining at End of Year Per 1,000 Customers)	Monthly	CY	#	↓	0.61	0.23	0.54	0.43	0.54	On Track	0.54
Financial Stability	Fiscal Resiliency ³ (Index of Key Financial Measures)	Monthly	FY	#	↑	3.71	3.15	2.63	2.53	≥3.0	On Track	3.15
Customer Experience	Customer Perception (Residential Engaged Customer Relationship – ECR)	Quarterly	CY	#	↑	699	687	699	711	699	On Track	699
Team Culture	Living Mission & Values ⁴ (Gallup 12+ Index)	Annually	FY	#	↑	4.12	4.15	-	-	4.15	On Track	-
	Safety Performance (Enterprise Recordable Incident Rate - RIR)	Monthly	FY	#	↓	0.85	1.19	1.09	1.52	1.09	Unrecoverable	1.50
Community Partnership & Growth	Strategically Investing in the Community (Local Spend Percentage)	Quarterly	FY	%	↑	74.78	74.58	70.00	73.54	70.00	On Track	72.00

¹ Critical month calculation includes January, February, and June through September.

² N/A signifies LE not applicable due to completion of measurement period in September.

³ More information about this measure can be found in the Monthly Financial Update.

⁴ A dash (-) represents no data currently available due to measure being reported annually.

NOTE: The 12-month rolling SAIDI is 72.40



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

FLOW OF FUNDS

YEAR-TO-DATE ACTUAL VS. PLAN

Description	FY2026		
	Plan	Actuals	Variance: (Under Plan) Over Plan
Revenues, net of unbilled ¹	\$ 3,372.8	\$ 3,135.6	\$ (237.2)
Less: fuel & regulatory expense	1,456.6	1,196.1	(260.5)
Less: Operation & maintenance	736.7	771.8	35.1
Revenues, net of Operating Expenses	1,179.5	1,167.7	(11.8)
Less: Debt service	404.3	406.2	1.9
Less: 6% Gross Revenue to R&R	202.4	188.1	(14.3)
Less: city payment (CP) per flow of funds	383.8	383.7	(0.1)
Remaining to R&R	189.0	189.7	0.7
Total R&R fund additions	\$ 391.4	\$ 377.8	\$ (13.6)
Gross Non-Transmission Capital	\$ 825.9	\$ 2,072.2	\$ 1,246.3
Gross Transmission Capital	140.2	169.7	29.5
Total Gross Capital	\$ 966.1	\$ 2,241.9	\$ 1,275.8

¹ October YTD bad debt expense of (\$1.2M) vs \$8.8M for plan which is \$10.0M under plan.

NET INCOME

YEAR-TO-DATE ACTUAL VS. PLAN

(\$ in millions) Description	FY2026		
	Plan	Actuals	Variance: (Under Plan) Over Plan
<u>Revenue available for nonfuel expenses</u>			
Electric	\$ 3,159.5	\$ 2,894.8	\$ (264.7)
Gas	167.3	176.3	9.0
Total operating revenue	3,326.8	3,071.1	(255.7)
<u>Less:</u>			
Electric fuel, distribution gas and regulatory	1,461.8	1,198.7	(263.1)
Payments to the City of San Antonio	383.8	383.7	(0.1)
Net operating revenue	1,481.2	1,488.7	7.5
Nonoperating revenue ¹	62.4	82.5	20.1
Total revenue available for nonfuel expenses	1,543.6	1,571.2	27.6
<u>Nonfuel expenses</u>			
Operation & maintenance	735.9	771.6	35.7
Depreciation, amortization & decommissioning	459.4	434.2	(25.2)
Interest & debt-related	248.9	247.1	(1.8)
Total nonfuel expenses	1,444.2	1,452.9	8.7
Net Income (Loss)	\$ 99.4	\$ 118.3	\$ 18.9

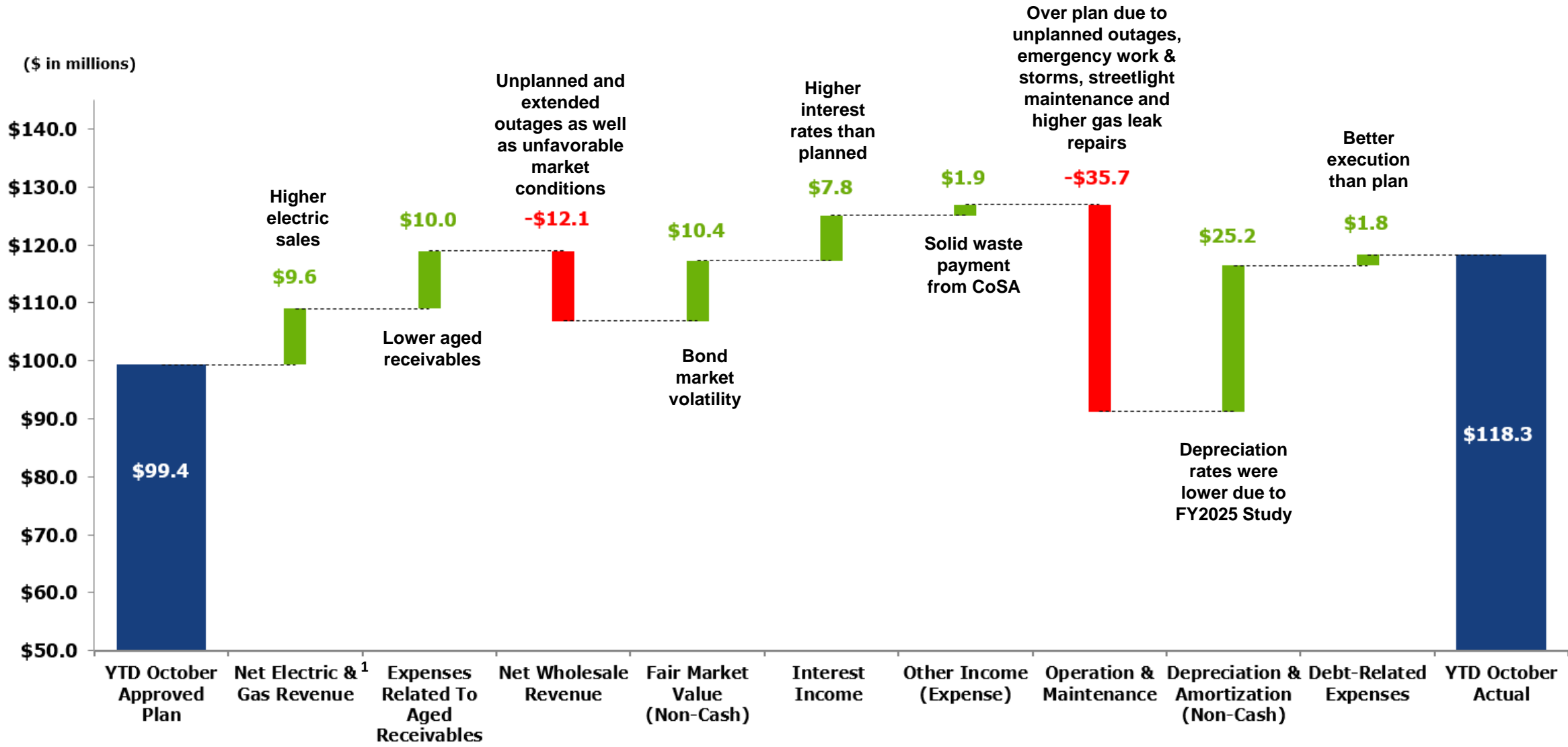
Non-cash items such as investment fair value adjustments do not impact financial metrics such as ADSC or DCOH. These items only impact net income and by extension the equity portion of the debt/capitalization metric.

October YTD bad debt expense of (\$1.2M) vs \$8.8M for plan which is \$10.0M under plan.

¹ The Braunig RMR incentive for October YTD is ~\$3.0M, while the related project spend of ~\$37.1M is recorded as a receivable from ERCOT, with no impact on P&L.

FY2026 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.

FY2026 ENTERPRISE MEASURE SUMMARY

AS OF OCTOBER 31, 2025

Unrecoverable		At Risk		On Track		Total Enterprise Measures
3	37.5%	0	0%	5	62.5%	8

FY2026 ENTERPRISE MEASURE OUTLIERS	
Unrecoverable	Plant Availability (Critical Months Equivalent Availability Factor - CMEAF)
Unrecoverable	Average Customer Outage Duration (System Average Interruption Duration Index – SAIDI)
Unrecoverable	Safety Performance (Enterprise Recordable Incident Rate)

**NEW: SAIDI and Safety Performance changed from At Risk to Unrecoverable for FY2026.
Plant Availability (CMEAF) is Unrecoverable for FY2026.**

FY2026 FISCAL RESILIENCY SCORE

AS OF OCTOBER 31, 2025



Enterprise Measure	Component Name	Index Weight	Unit	Target Indicator	Historical Actuals			Current Year			Latest Estimate ¹
								(FY2026 / CY2025)			
					FY2023 CY2022	FY2024 CY2023	FY2025 CY2024	YTD Target	YTD Actual	Year-End Target	
Fiscal Resiliency	Adjusted Debt Service Coverage (ADSC)	33.0%	#	↑	1.89	2.21	1.94	1.97	1.93	1.60 - 1.99x	1.94
	Debt Capitalization	27.0%	%	↓	61.8	60.8	61.8	65.0	65.8	55.01% - 64.99%	63.5
	Days Cash on Hand (DCOH)	15.0%	#	↑	166	201	182	148	168	150 - 199	165
	Days Liquidity on Hand (DLOH)	15.0%	#	↑	305	432	450	256	168	200 - 274	309
	Non-Fuel Revenue w/OSS RnF	5.0%	\$	↑	1,460.5	1,784.1	1,936.5	1,545.3	1,568.9	-5.00% to +4.99%	1,964.2
	O&M	2.5%	\$	↓	688.7	787.6	932	735.9	771.6	+/- 2.01% to 5.00%	1,009.3
	Capital Budget (Gross of CIAC)	2.5%	\$	↓	788.3	1,004.6	1,749.7	966.1	2,241.9	+/- 2.01% to 10.00%	1,546.2
Fiscal Resiliency Weighted Index Score							2.63	2.53	≥3.0	3.15	

KEY OBSERVATIONS

Strategic Objective	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year			Year- End Forecast	Latest Estimate
						FY2024	FY2025	YTD Target	YTD Actual	Year- End Target		
						CY2023	CY2024					
Operational Evolution	Average Customer Outage Duration (System Average Interruption Duration Index - SAIDI)	Monthly	CY	#	↓	61.19	61.80	56.37	65.72	64.15	Unrecoverable	73.50
	Key Observations:											
	<p><u>Drivers:</u></p> <ul style="list-style-type: none">• In October, the primary drivers for SAIDI were a combination of weather- related events and equipment failures.<ul style="list-style-type: none">○ October experienced one weather-related storm that did not qualify as a Major Event Day. The storm lasted two days and resulted in 36 circuit breaker and recloser outage events. A total of 873 cloud-to-ground lightning strikes were recorded during this period. The storm contributed 2.64 SAIDI, accounting for 39.46% of the total monthly SAIDI (6.69).○ Equipment failures remained elevated, with reclosers and poles identified as the leading contributors for the month.• In addition to circuits that were proactively de-energized to perform work safely, “Unknown Cause” classification outages continue to contribute to the elevated measure result, with both categories showing a notable increase compared to last year’s performance. <p><u>Mitigations:</u></p> <ul style="list-style-type: none">• Continued internal initiatives are underway to track and record equipment failures, with the goal of developing more effective mitigation strategies and improving overall system reliability.• Ongoing vegetation management efforts, totaling 756.17 miles trimmed year-to-date, have contributed to improved performance and remain a key focus for sustaining reliability gains.• Continued collaboration with internal teams to improve switching practices, restoration sequencing, and root cause identification for “Unknown Cause” outages. This collaboration aims to enhance outage tracking, crew documentation, and system analytics, ultimately reducing customer outages, improving event resolution, and maintaining safe grid operations.• Maintaining active collaboration with System Operations on their ”Cause Code Improvement Project” which will focus on enhancing the accuracy of cause codes. The project aims to improve how outage causes are identified, documented, and analyzed to strengthen operational efficiency and reporting.• Ongoing field roadshows continue to raise awareness about the importance of accurate cause code assignment, reinforcing the link between field crew reporting and strategic reliability planning.											

FY2026 ENTERPRISE MEASURE - UNRECOVERABLE

KEY OBSERVATIONS

Strategic Objective	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year			Year End Forecast	Latest Estimate
						FY2024	FY2025	YTD Target	YTD Actual	Year-End Target		
						CY2023	CY2024					
Operational Evolution	Power Plant Availability (Critical Months Equivalent Availability Factor – CMEAF)	Monthly	CY	%	↑	94.4	89.5	90.5	81.5	90.5	Unrecoverable	N/A*
	<div>Key Observations:</div> <div>Drivers (FY26 through September):</div> <ul style="list-style-type: none">Sommers 2 LP turbine blade repairs – 25% driverSommers 1 main steam line repairs – 23% driverSpruce 2 superheat tube leak repairs – 22% driverSpruce 1 superheat tube leak repairs – 5% driverSommers 2 condensate pump issues – 5% driverFleet - Additional impact due to various other equipment issues – 19% driver <div>Mitigations (YTD):</div> <ul style="list-style-type: none">Spruce 2 – reheat & superheat tube leaks<ul style="list-style-type: none">Coordination with Energy Supply & Market Operations (ESMO), which manages energy price risk through strategic planning of generation resources, to dispatch the unit in a way that sustains boiler gas temperatures.Enhance periodic boiler combustion tuning to sustain boiler gas temperatures.Enhance preventive boiler condition assessments and repairs during upcoming planned outages.Enhance boiler ash cleaning system inspections, maintenance, and repairs.Planned tube assembly replacement projects in spring 2026, targeting at-risk areas.Sommers 1 – high energy piping condition assessments<ul style="list-style-type: none">Enhance high energy piping inspections and repairs.Enhance high energy piping program.Sommers 2 – LP turbine failure<ul style="list-style-type: none">Execute Root Cause Analysis (RCA) to identify causal factors and preventative actions.Identify low pressure turbine replacement options for future implementation.Spruce 1 – tube leak<ul style="list-style-type: none">Enhance periodic boiler tuning to sustain boiler gas temperatures.Enhance preventive boiler condition assessments and repairs during upcoming planned outages.Enhance boiler ash cleaning system inspections, maintenance, and repairs.Sommers 2 – condensate pump motor/magnetic drive pump repair, which uses magnets to move liquids without physical contact between the motor and impeller<ul style="list-style-type: none">Planned procurement of a spare motor & magnetic drive pump (mag-drive) assembly to mitigate extended downtime due to equipment issues/failure											

FY2026 ENTERPRISE MEASURE - UNRECOVERABLE

KEY OBSERVATIONS



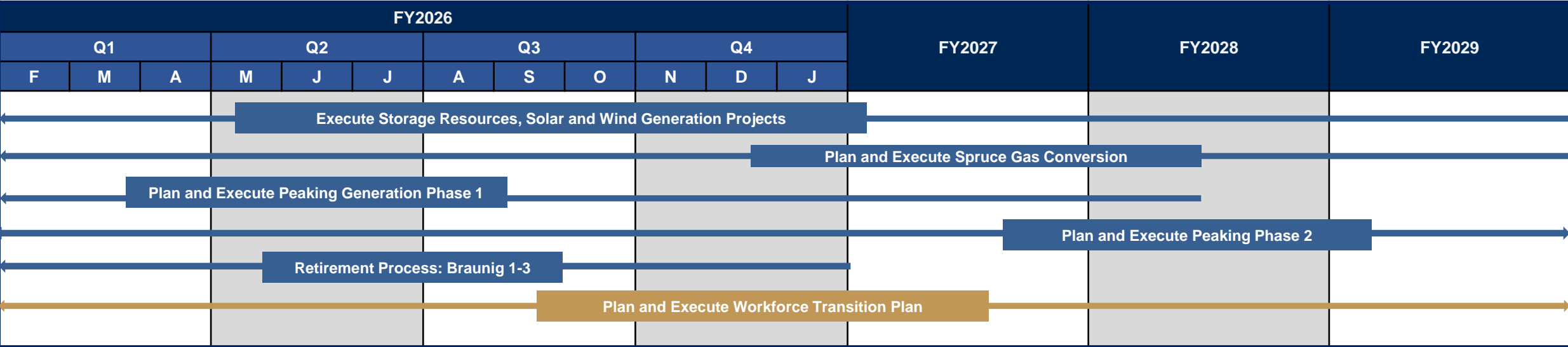
Strategic Objective	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year			Year End Forecast	Latest Estimate
						FY2024	FY2025	YTD Target	YTD Actual	Year-End Target		
						CY2023	CY2024					
Team Culture	Safety Performance (Enterprise Recordable Incident Rate - RIR)	Monthly	FY	#	↓	0.85	1.19	1.09	1.52	1.09	Unrecoverable	1.50
	<p><u>Key Observations:</u></p> <p><u>Drivers:</u></p> <ul style="list-style-type: none">• 39 Recordable Incidents (RI) – ongoing rise in reported cases driven by continued efforts to foster a psychologically safe work environment.• As part of our hearing conservation program, we realized a hearing shift recordable incident in August. This case has been included in our October YTD recordable incident numbers.• Musculoskeletal Disorders (MSD) continue to represent the majority of recordable cases (17).• One out of 39 recordable incidents meets the Serious Injury or Fatality (SIF) Criteria.• Continued improvement in timely reporting and reported first aid cases <p><u>Mitigations:</u></p> <ul style="list-style-type: none">• In-flight industrial athlete program focused on MSD prevention. The program pairs athletic trainers and physical therapists with high-risk trades, using customized strength and mobility exercises to lower the risk of musculoskeletal injuries.• Ongoing integration of High Energy and Direct Controls into tailboards to ensure frontline employees are actively identifying the hazards most likely to cause serious harm.• Maintain focus on prompt reporting by utilizing the anonymous survey results (related to the reporting process) to drive improvements.											

POWER GENERATION PLAN



Goal: Transition power generation portfolio to reduce emissions while providing reliable and affordable energy to meet growing community needs.

FY2026 Milestones	Status	Updates
Complete Wave 2 Transition Plan of new acquisitions.	Complete	<ul style="list-style-type: none">Wave 2 transition plan completed in Q1.
Achieve commercial operation for new solar and storage resources.	Complete	<ul style="list-style-type: none">Peregrine Solar (300 MW) achieved commercial operation on March 1, 2025.Padua 1 BESS (50 MW) achieved commercial operation on July 28, 2025.
Award key contracts including engineering, procurement, and construction (EPC) and major equipment supply for the Peaker Project and Spruce 2 Natural Gas Conversion Project.	At Risk	<ul style="list-style-type: none">Key contracts being reviewed prior to solicitation.Peaker Project deferred due to recent acquisition of ProEnergy assets.
Support ERCOT reliability through execution of directed Reliability Must-Run (RMR) contracts.	On Track	<ul style="list-style-type: none">RMR contract executed in Q1 for Braunig 3.Executing inspection activities and repairs as approved by ERCOT.



SYSTEM RESILIENCY & GROWTH



Goal: Support safe and responsible growth through enhancing resilient, safe, responsive and modern electric and gas services.

FY2026 Milestones	Status	Updates
Complete Emergency Management System (EMS) Supervisory Control & Data Acquisition (SCADA) System Roll-Out and continue upgrading Advanced Distribution Management System (ADMS) SCADA System.	On Track	<ul style="list-style-type: none">The Energy Management System (EMS) Supervisory Control and Data Acquisition (SCADA) Replacement Project's go-live date has been delayed due to the loss of key vendor resources, but the overall SCADA Transformation timeline remains unaffected.Advanced Distribution Management System (ADMS) is on track to complete functional testing and begin integration with GIS UN data in Q4 2025.
Complete GIS Utility Network Phase 1 (Electric Data Migration) and start Phase 2 (Electric Integration to ADMS).	On Track	<ul style="list-style-type: none">Phase 1 of the Geographic Information System (GIS) Utility Network (UN) project, Electric Data Migration, was completed in Q1 2025. Phase 2, which integrates electric data into the Advanced Distribution Management System (ADMS), remains on track to begin integration testing in Q4 2025, while GIS Support leads efforts on Gas and Fiber Data Migration and a Request for Proposal (RFP) for a design tool under the GIS Governance Committee.
Execute gas strategies to include Permian Hwy to Rio Nogales, Southgate to Rio Nogales, and N. Outer Loop.	On Track	<ul style="list-style-type: none">The Bluebonnet Station was commissioned in February 2025 to serve Rio Nogales via the Permian Highway intrastate pipeline, enhancing plant reliability.A third-party gas compression system - the Howard Energy Outer Loop Pipeline to Rio and the North Outer Loop are under development with commissioning planned for Q4 calendar year 2025.
Upgrade and modernize transmission system for resiliency and growth (Multiple projects as part of the South Reliability Electric Transmission Line Expansion).	On Track	<ul style="list-style-type: none">Howard to San Miguel: Route approved by the CPS Energy Board; easement surveys underway. Targeting City of San Antonio (CoSA) ordinance request in Q1–Q2 CY2025.Spruce to Pawnee to Tango: Public Utility Commission (PUC) approval received for Pawnee to Tango; ~25% of foundations complete, and construction remains on schedule.
Submit TCOS rate filing package developed through significant cross-functional efforts with internal and external legal guidance. The Transmission Rates & Revenue Team coordinates support for recovery of increasing transmission infrastructure investment and requirement for increased frequency of rate filings.	On Track	<ul style="list-style-type: none">Developing, reviewing, and submitting responses to requests for information; conducting oversight/challenge session to prep witnesses for hearing later this year; conducting analysis to determine ongoing filing/funding strategy.Ensuring complete data; making the case on the benefit of the Muni model.

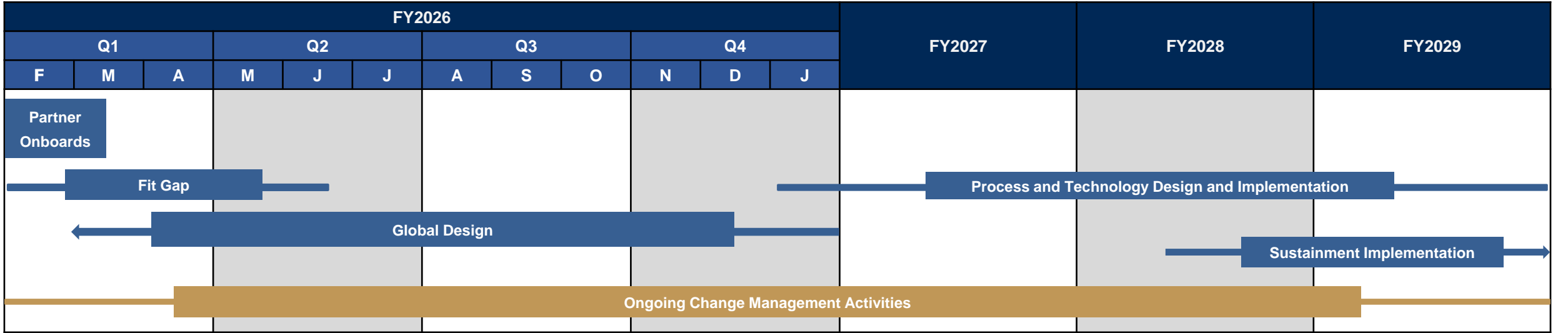
FY2026											FY2027	FY2028	FY2029
Q1			Q2			Q3			Q4				
F	M	A	M	J	J	A	S	O	N	D			
			Energy Management (EMS) SCADA System										
									Upgrade ADMS SCADA System				
						Diversify Natural Gas Supply and Transport Portfolio							
						Update Gas System Distribution System & Gas Services Planning							
			Cont'd Expansion: San Antonio South Reliability Electric Transmission Line										
			TCOS Rate Case										

EVOLVE: ENTERPRISE RESOURCE PLANNING



Goal: Position CPS Energy as the Utility of the Future using digital transformation to achieve operational efficiencies, enhance customer & employee experiences, and mitigate risk.

FY2026 Milestones	Status	Updates
On-Boarding of System Implementation (SI) partner and remaining program team roles	Complete	<ul style="list-style-type: none">• SI partner team (Accenture) is onboarded and actively engaged in program activities.• Program team roles targeted for FY2026 are in progress.
Complete Global Design	On Track	<ul style="list-style-type: none">• Since starting in April, 100% of planned workshops have been completed.• The fit/gap analysis, detailed implementation planning are in progress.• This phase is on track to complete by Q4 FY2026.
Execute change management efforts and communication strategy	On Track	<ul style="list-style-type: none">• Leadership Activation Plan, Stakeholder Analysis & Global Design Communication Strategy have been completed.• Leadership Alignment work sessions, Change Network Activation and Change Strategy are in progress.

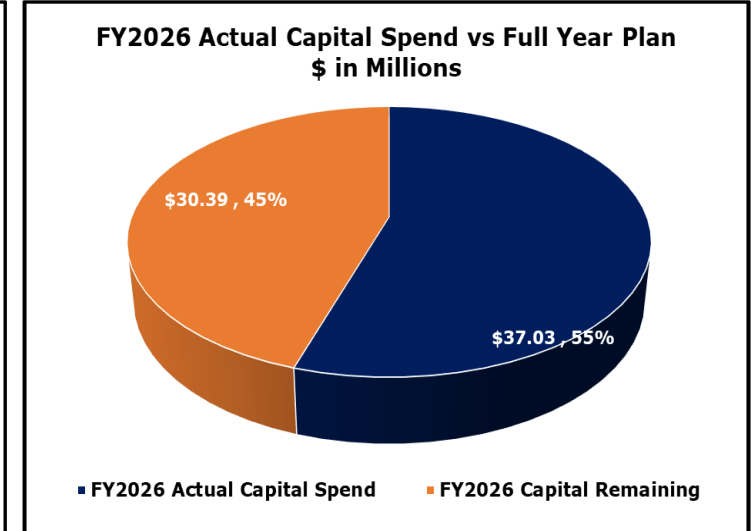
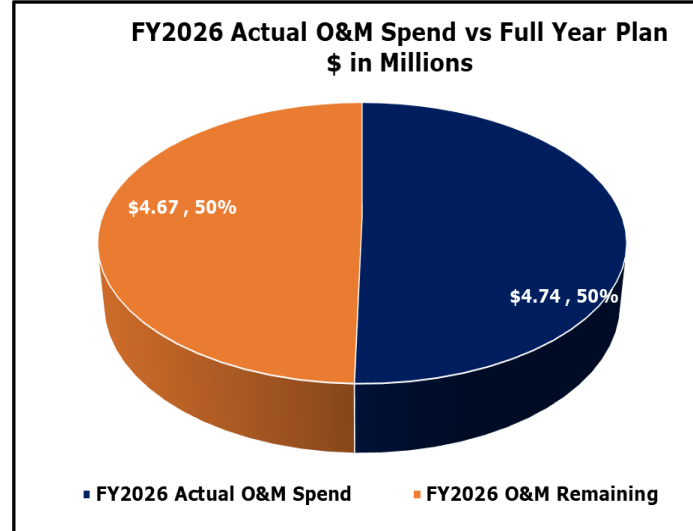
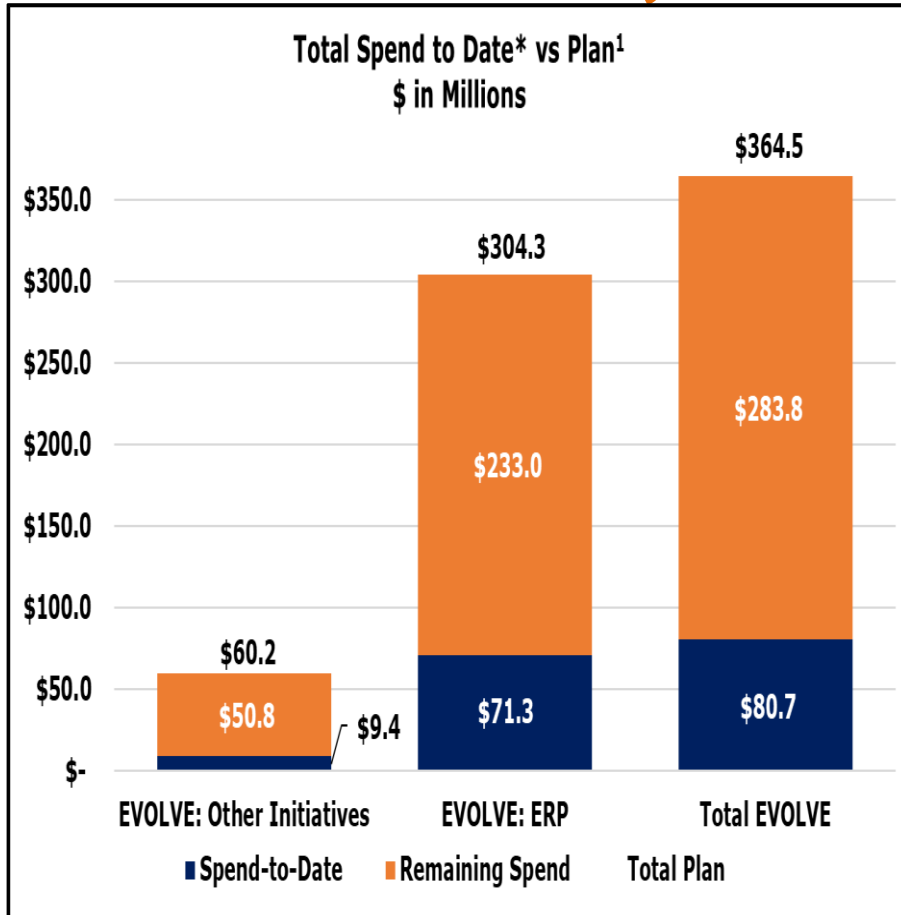


FY2026 Milestones	Status	Updates
Onboard a consultant to develop a customer experience (CX) roadmap, refining customer.	On Track	<ul style="list-style-type: none">Completed all qualitative fieldwork in Q3.Completed baseline Employee Customer Experience (CX) survey (100+ responses); follow-up surveys will build on this foundation.Initiated development of customer quantitative CX survey Q4 launch.
Form a CX Championship Team to define the CX framework, set goals, and create a communication and training plan to align employees in enhancing customer experience.	On Track	<ul style="list-style-type: none">Launched CX Day experience labs (100+ employees from diverse business lines) to align with CX strategic vision.Drafted nominations for Customer Strategy CX championship team; finalization planned for Q4.Continuing review of goals, Key Performance Indicators (KPIs), and business unit metrics.
Support the development and execution of products and services to include customer feedback and effective engagement.	On Track	<ul style="list-style-type: none">Ongoing partnership with the Rates and Products & Services team on development of new product roadmap through regularly scheduled meetings. Customer requests are brought to this team to help in prioritization and product development.The focus in Q2 is the development of the "Gas Supply For Temporary On-Site Generation" pilot, enabled by the NSO Tariff. This effort is in direct response to developing customer needs in the large load segment.
Process improvement for customer support efforts	On Track	<ul style="list-style-type: none">Customer Resolutions & Solutions (CR&S) launched a new planned outage notification process and dashboard in September 2025 to improve communication and visibility. CR&S continues auditing the process to ensure accuracy, close gaps, and maintain accountability.

Q1			Q2			Q3			Q4			FY2027	FY2028	FY2029
F	M	A	M	J	J	A	S	O	N	D	J			
Continue refining Residential and Commercial Segmentation and mapping of Customer Journey														
Establish Customer Experience (CX) Championship Team and define CX framework, goals & plans														
						Increase Employee, Stakeholder and Community Communication								
						Enhance Customer Messaging - New Products / Services / Rates								

EVOLVE. FINANCIAL SUMMARY

AS OF OCTOBER 31, 2025



FY2026 O&M & Capital Spend			
\$ in Millions	Actual Spend	Full Year Plan	Variance
O&M	\$4.74	\$9.41	(\$4.67)
Capital	\$37.03	\$67.42	(\$30.39)
Total	\$41.77	\$76.83	(\$35.06)

* Includes FY2021-FY2025 Actuals and FY2026 Actuals thru Period 9 (October).

¹ Plan is based on EIT's total estimated costs for EVOLVE of \$364.5M and ERP of \$304.3M through FY2030.

(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.

Accenture was selected as Implementation partner & approved by Board of Trustees (BOT) on 1/31/2025.
Gartner was selected as Independent Verification & Validation partner & approved by BOT on 3/31/2025.
Global Design workshops are underway.

ELECTRIC SALES GROWTH

BY CUSTOMER SEGMENT – YTD FY2026*



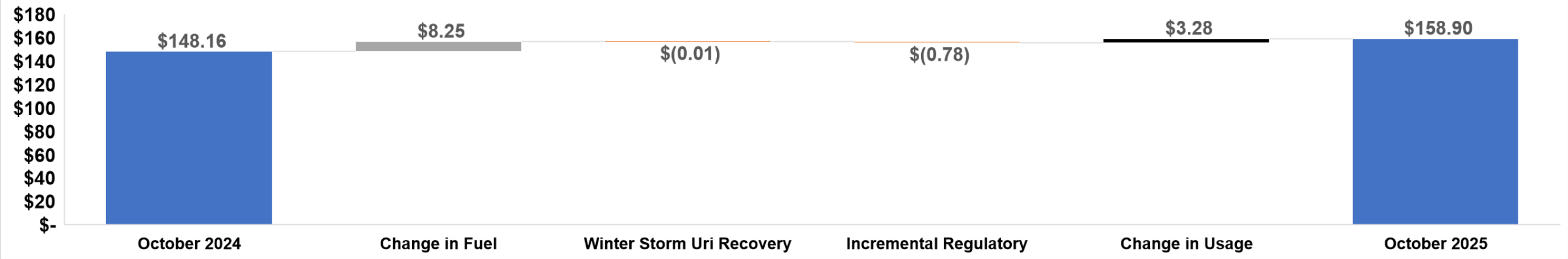
USAGE GROWTH RATE		
CUSTOMER SEGMENT	YTD ACTUALS	PLAN
Residential	3.7%	0.6%
Small & Med Commercial	-1.7%	-1.5%
Large Commercial	8.3%	4.5%

*Billed October 2025 YTD actual performance. October 2024 YTD actual performance used as a baseline to calculate the growth rate.

YEAR-OVER-YEAR CHANGE IN RESIDENTIAL BILL



Combined Residential Electric & Gas Bill
October 2024 to October 2025



AVERAGE RESIDENTIAL USAGE			
	October 2024	October 2025	Variance
Electric (kWh)	1,106	1,137	31
Gas (CCF)	10	10	0

Bills are higher due to increased fuel costs and usage on a year-over-year basis.