



**CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON JULY 28, 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.

AGENDA

ITEM	TOPIC	ACTION	PRESENTER/ SPONSOR
1	CALL TO ORDER	Execute	Dr. Francine Romero
2	SAFETY MESSAGE, INVOCATION, & PLEDGE OF ALLEGIANCE	Execute	Mr. Jimmy Stinnett
3	PUBLIC COMMENT Pre-Registration is from Wednesday, July 23, 2025, 5:00 PM – Friday, July 25, 2025, 1:00 PM. Dial (210) 353-4662 or email PublicCommentRegistration@CPSEnergy.com	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 June 2025 B. Minutes from the June Special Board Meeting, held on June 10, 2025 C. Minutes from the June Regular Board Meeting, held on June 30, 2025 D. Procurement Items: <i>Note: These items were heard in the April 9, 2025 or June 23, 2025 Operations Oversight Committee Meetings and the April 22, 2025 or July 14, 2025 Audit and Finance Committee Meetings</i> 1. General Services: Managed Staffing Services (Ms. Lisa Lewis)	Vote	Dr. Francine Romero

	2. Professional Services: Contract Renewal- Financial Audit Services (Mr. Cory Kuchinsky) 3. Commodity & Material Goods: Active PO Funding Increase – Purchase of Residential Gas Meters (Mr. Richard Medina)		
REGULAR AGENDA			
7	BOARD COMMITTEE REPORTS A. Technology & Resilience Committee Meeting held on June 9, 2025 B. Operations Oversight Committee Meeting held on June 23, 2025 C. Nominations Committee Meeting held on June 24, 2025 D. Community Input Committee Meeting held on July 9, 2025	Discuss	Dr. Francine Romero
8	EVOLVE: ERP TRANSFORMATION PROGRAM	Discuss	Mr. Evan O'Mahoney
9	HOWARD TO SAN MIGUEL ROUTING AND SITING PROJECT	Vote	Dr. Francine Romero
CONVENE TO EXECUTIVE SESSION			
10	EXECUTIVE SESSION A. Personnel Matters (§551.074) B. Attorney Client Matters (§551.071) C. Attorney Client Matters (§551.071) D. Attorney Client Matters (§551.071) & Competitive Matters (§551.086) E. Attorney Client Matters (§551.071)	Discuss	Dr. Francine Romero
RECONVENE TO OPEN SESSION			
11	ADJOURNMENT	Execute	Dr. Francine Romero
If the Board meeting has not adjourned at 5:25 PM, the presiding officer may entertain a motion to continue the meeting, postpone the remaining items to the next Board meeting date, or recess and reconvene the meeting at a specified date and time.			

CPS Energy Board of Trustees Meeting July 28, 2025

Approval of Payment to the City of San Antonio for June 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 June 2025 is based on actual gross revenue per the New Series Bond Ordinance of \$302,614,443.56, less applicable exclusions. The revenue for the month of June 2025 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$341,247,810.12
Gas revenue	13,782,566.39
Interest and other income	7,122,377.66
Gross revenue per CPS Energy financial statements	<u>362,152,754.17</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(13,242,477.07)
LVG revenue per City Ordinance 100709	(119,383.08)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(43,659,824.32)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>(2,516,626.14)</u>
Total excluded revenue	<u>(59,538,310.61)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$302,614,443.56</u>
City payment per Bond Ordinance for June 2025 based upon June 2025 revenue	\$42,366,022.10
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	806,727.70
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	43,160,249.80 A
Utility services provided to the City for June 2025	<u>(3,073,495.13)</u>
Net amount to be paid from June 2025 revenue to the City in July 2025	<u>\$40,086,754.67</u>

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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)

June 2025	Actual	Budget	Variance	
Current Month A	\$43,160	\$46,470	(\$3,310)	-7.1%
Year-to-Date	\$186,125	\$188,763	(\$2,638)	-1.4%

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 \$40,086,754.67 representing 14% of applicable system gross revenues for the month of June 2025, such payment being net of City utility services (\$3,073,495.13), is hereby approved." The Board ratifies that June 2025 revenue was sufficient to recover \$32,840,972.99 in funds that were advanced to the City in prior fiscal months. The total amount to be recovered from future months' revenues for fiscal year 2026 is \$11,040,012.01.

Draft for review and approval
at the July 28, 2025 meeting

**CPS ENERGY
MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES
HELD ON JUNE 10, 2025**

A Special Meeting of the Board of Trustees of CPS Energy was held on Tuesday, June 10, 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 5:00 p.m.

Present were Board members:

Dr. Francine Romero, Chair
Dr. Willis Mackey, Vice Chair
Ms. Janie Gonzalez
Mr. John Steen
Mayor Ron Nirenberg (arrived at 5:14 p.m.)

Also present were:

Mr. Rudy Garza, President & CEO
Ms. Shanna Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary
Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer
Ms. DeAnna Hardwick, Chief Customer Strategy Officer
Mr. Evan O'Mahoney, Chief Information Officer
Ms. Lisa Lewis, Chief Administrative Officer
Ms. Elaina Ball, Chief Strategy Officer
Mr. Benny Ethridge, EVP for Energy Supply
CPS Energy staff members
City of San Antonio officials
Interested Citizens

II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE

A safety message, invocation, and the Pledge of Allegiance were delivered by Ms. Heather Gomez, Board Relations Manager.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, stated that she is wearing a yellow lei as it represents light, and she stated it belongs to Mr. Garza because he is the light of CPS Energy. She stated Mr. Garza is the best President & CEO that CPS Energy has ever had because he respects the workers.

Ms. Patricia Major, CPS Energy retiree, stated that dozens of retirees want the Board of Trustees to be aware of their thoughts. She stated that the President & CEO should cultivate a relationship with CPS Energy's retirees, and dozens of retirees feel that communications have been lacking. She urged CPS Energy to slow down implementation of any changes to the health care plan.

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at the July 28, 2025 meeting

Mr. Theodore Slansky, CPS Energy retiree, stated there is a major deficiency in the transparency in the information provided to the retirees. He stated he believes that information should proactively be provided to the Board of Trustees. He also stated he has concerns about open meetings and open records and asked the Board of Trustees to request more information.

Mr. Daniel Perez, CPS Energy retiree, stated there is concern about transparency and changes to the benefits plans. He also stated he is a CPS Energy customer, he worked for the company for half his life, and wants it to continue to be a great company. He would like for his benefits to continue, and he would like to see options to ensure the benefits are equal to or better than his current benefits. He urged the Board of Trustees to slow down implementation of any changes to the health care plan.

IV. CHAIR'S REMARKS

Chair Romero stated that the process to fill the upcoming vacancy in Quadrant 2, currently held by Trustee Steen, has begun. She noted applications can be submitted online, by email, by mail, or in-person by August 29, 2025 at 5 p.m. She also shared that two information sessions will be held, and interested parties can learn more at our website.

Finally, she conveyed that CPS Energy continues to connect with customers, and shared information about upcoming events for community resource fairs and small and medium business resource fairs.

V. EXECUTIVE SESSION

At approximately 5:22 p.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:

- Attorney-Client Matters (§551.071) & Competitive Matters (§551.086)
- Personnel Matters (§551.074) – Evaluation of President & CEO

The Board reconvened in open session at 6:21 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.

VI. BOARD 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:

- A. Personnel Committee meeting held on March 31, 2025. The report is attached as Attachment "A" to the meeting minutes.
- B. Personnel Committee meeting held on May 21, 2025. The report is attached as Attachment "B" to the meeting minutes.

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VII. FY2025 CEO PERFORMANCE OVERVIEW & VOTE ON COMPENSATION ADJUSTMENT

Ms. Lisa Lewis, Chief Administrative Officer, reviewed the process undertaken by the Personnel Committee, including seeking feedback from the other Board Members.

Vice Chair Dr. Mackey, Chair of the Personnel Committee, stated that the Board of Trustees met in Executive Session to discuss the performance of the CPS Energy President & CEO, Mr. Rudy Garza, for the period ending on January 31, 2025 to assess his performance. The Board reviewed the CEO Scorecard which included quantitative metrics for customer satisfaction, financial performance, and operational excellence. The Board also reviewed his performance on important strategic objectives, such as implementing steps to replace the utility's 25-year-old software system, increasing grid stability, increasing the organization's revenue through the operation of newly acquired generation assets, and continuous and robust strategic planning for the future through the Horizon 2050 efforts. Vice Chair Dr. Mackey then moved that the Board recognize Mr. Garza's FY2025 accomplishments with an increase to his base salary, effective May 25, 2025, of 4% from \$742,000 per year to \$771,680 per year, and he further moved that the Board direct CPS Energy staff to prepare an update to the President & CEO's contract to reflect the compensation adjustments for approval by the Personnel Committee. Mayor Nirenberg seconded the motion.

The Board of Trustees discussed the motion.¹ The motion passed on a 4-1 vote, with Trustee Steen voting against the motion.

VIII. 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 6:37 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 "C".

Draft for review and approval
at the July 28, 2025 meeting

CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON JUNE 30, 2025

The Regular Meeting of the Board of Trustees of CPS Energy for the month of June was held on Monday, June 30, 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 1:01 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 (arrived at 1:03 p.m.)

Also present were:

Mr. Rudy Garza, President & CEO
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary
Ms. Elaina Ball, Chief Strategy Officer
Mr. Benny Ethridge, Chief Energy Supply Officer
Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer
Ms. DeAnna Hardwick, Chief Customer Strategy Officer
Ms. Lisa Lewis, Chief Administrative Officer
Mr. Richard Medina, Chief Energy Delivery Officer
Mr. Evan O'Mahoney, Chief Information Officer
Mr. Erik Walsh, City Manager, City of San Antonio
CPS Energy staff members
Interested Citizens

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

Ms. Henrietta LaGrange, community member, expressed her excitement that President & CEO Rudy Garza, Trustee Janie Gonzalez, and Mayor Gina Ortiz Jones all held positions of leadership at CPS Energy and in the community. She provided words of encouragement, and indicated she would like private meetings with each of the three leaders.

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at the July 28, 2025 meeting

Ms. Dawn “Patty” Benitez, CPS Energy retiree, expressed concerns about the changes to the retiree health insurance plan, including a perceived lack of retiree input. She wanted CPS Energy to fund more of the retiree plan, and she believed other options were not thoroughly explored.

Ms. Freddie Jean Satcher, CPS Energy retiree, expressed concern that the proposed retiree health insurance plan would alter her benefits she was promised upon retirement.

Ms. Patricia Major, CPS Energy retiree, expressed concerns about the changes to the retiree health insurance plan and that the information provided regarding the plan change was too vague. She stated she wants more detail about the new plan, more information about the fees, and more input from retirees. She stated a petition will be forthcoming that expresses these retiree concerns.

The following individuals requested that CPS Energy stop disconnections for the community’s most vulnerable residents. They expressed concerns about the ability to pay bills and the health risks during more extreme weather. They also stated they felt that the interests of data centers and large businesses are prioritized over vulnerable customers, and several stated that they will continue to attend meetings until the Board discusses their concerns:

Ms. Paula Cary, community member
Ms. Isabella Briseño, community member
Ms. Ana Trevino, Texas Rising Coalition Member of Climate SA
Ms. Luissana Santibañez, Coalition for Dignified Housing
Ms. DeeDee Belmares, Public Citizen
Ms. Isabel Galvan, community member
Ms. Anissa Mancias, community member
Ms. Araceli Herrera, Coalition for Dignified Housing
Ms. Evangelina Villanueva, Coalition for Dignified Housing
Ms. Graciela Sanchez, Esperanza Peace & Justice Center
Ms. Erica Alvarado, community member
Ms. Claudia Sanchez, LULAC
Ms. Angelica Olvera, Citizen Keep South San Antonio Proud
Ms. Jazmine Herrera, Coalition for Dignified Housing
Mr. Gabriel Rosalez, LULAC
Mr. Brian Lopez, SA Workers Assembly

IV. CHAIR’S REMARKS

Chair Romero thanked those who provided public comment. She encouraged individuals who do need assistance to see the CPS Energy staff members available to help. She noted there are several detailed and information rich presentations on the agenda that are important for the Board and for our customers, one of which will address accounts receivable and when a disconnection may occur.

Next, she noted that, as we grapple with climate change, CPS Energy has worked on an exciting project at the Tessman Road landfill, which will convert landfill waste gas into renewable natural gas. This gas is added to CPS Energy’s pipeline and powers over 450 via buses.

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Finally, she encouraged those interested to apply for the upcoming vacancy for the Quadrant 2 position on the Board of Trustees. She noted there is a public information session upcoming on July 9 at 5 p.m. and one on August 12 at 12 p.m. She discussed the process for applying and noted that the application deadline is August 29.

V. CEO RECOGNITION & REMARKS

Mr. Rudy Garza, President & CEO, recognized the first quarter CEO Core Value Award Honorees. He emphasized the importance of our core values, and he noted that they serve as the guiding principles that shape our culture, drive our decision-making, and enable us to deliver exceptional service to our community. Our core values define who we are as an organization, and are at the heart of everything that we do.

Next, Mr. Garza provided an overview of the presentations on the agenda. Mr. Cory Kuchinsky and Ms. Elaina Ball will present on our first quarter performance, which shows the great progress we have made in addressing past due balances. Ms. DeAnna Hardwick will discuss our efforts to keep our customers on track, and when they fall behind, the programs that we have to assist them. He stated he believed that here in San Antonio, we do more than any other utility to help our customers. Finally, Ms. Kathy Garcia will provide a legislative and regulatory update.

VI. APPROVAL OF CONSENT ITEMS

On a motion by Vice Chair Dr. Mackey, seconded by Trustee Gonzalez, and upon the affirmative vote by all members present, the following items on the Consent Agenda were unanimously approved:

A. Approval of Payment to the City of San Antonio for May 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 May 2025 is based on actual gross revenue per the New Series Bond Ordinance of \$273,198,098.18, less applicable exclusions. In accordance with the New Series Bond Ordinance Flow of Funds requirements, current month revenue did not meet the full obligation for City Payment by \$3,774,964.03. This situation is a common occurrence for CPS Energy in the spring months due to the seasonal billing patterns. Under the previously approved agreement with the City, CPS Energy will advance to the City \$3,774,964.03 against future months' revenues for fiscal year 2026. The revenue for the month of May 2025 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$323,612,653.02
Gas revenue	17,066,336.74
Interest and other income	4,487,271.07
Gross revenue per CPS Energy financial statements	<u>345,166,260.83</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(4,786,231.00)

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LVG revenue per City Ordinance 100709	(28,671.87)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(36,322,931.93)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	(30,830,327.85)
Total excluded revenue	(71,968,162.65)
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$273,198,098.18</u>
City payment per Bond Ordinance for May 2025 based upon May 2025 revenue	\$38,247,733.75
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	618,958.06
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)
City payment per Bond Ordinance plus adjustments for memorandums of understanding	38,854,191.81 A
Utility services provided to the City for May 2025	(3,028,318.76)
Net amount to be paid from May 2025 revenue to the City in June 2025	<u>\$35,825,873.05</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)

May 2025	Actual	Budget	Variance	
Current Month A	\$38,854	\$36,121	\$2,733	7.6%
Year-to-Date	\$142,965	\$142,293	\$672	0.5%

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 \$35,825,873.05 representing 14% of applicable system gross revenues for the month of May 2025, such payment being net of City utility services (\$3,028,318.76), and including the current month shortage, is hereby approved." The total amount to be recovered from future months' revenues for fiscal year 2026 is \$43,880,985.00.

B. Minutes from the May Regular Board Meeting, held on May 19, 2025

C. Procurement Items: None

VII. 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:

Draft for review and approval
at the July 28, 2025 meeting

Community Input Committee (CIC) Subcommittee Reports

- A. Customer Relations and Communications Subcommittee Meeting held on May 14, 2025. The report is attached as Attachment "A" to the meeting minutes.
- B. Rates, Finance, and Business Subcommittee Meeting held on May 14, 2025. The report is attached as Attachment "B" to the meeting minutes.
- C. Power and Technology Subcommittee Meeting held on May 14, 2025. The report is attached as Attachment "C" to the meeting minutes.

Board Committee Reports

- A. Nominations Committee meeting held on May 13, 2025. The report is attached as Attachment "D" to the meeting minutes.

VIII. FY2026 FIRST QUARTER PERFORMANCE UPDATE

Mr. Cory Kuchinsky, Chief Financial Officer, presented the financial results through the end of the first quarter. He noted that the financial metrics and financial resiliency score are projected to be in line with our plan. He also presented the current outlook for past due receivables, noting that we have reduced past-due dollars from a peak of \$208M to \$112M, and he noted that despite ongoing customer growth, we have effectively managed past due accounts, particularly those at risk of disconnection, now 15% lower than pre-pandemic levels. The Board of Trustees asked questions and discussed the quarterly financial results.

Ms. Elaina Ball, Chief Strategy Officer, presented on the FY2026 Enterprise Scorecard through the first quarter. She reviewed the status of the strategic objectives. She then noted that all measures are on track, except for safety, which is at risk. She provided an overview of the reportable safety events and steps taken to mitigate these events, include stretching and hydration. The Board of Trustees asked questions and discussed the enterprise scorecard.

IX. ACCOUNTS RECEIVABLES PROCESS AND SUPPORT

Ms. DeAnna Hardwick, Chief Customer Strategy Officer, presented on our accounts receivable process and how we support our customers. She noted that we are committed to helping our customers avoid disconnection through payment plans and assistance programs and continue exploring solutions to support our community and ensure reliable service for all. She highlighted CPS Energy's positive momentum in this area, noting that our arrears have reduced while other utilities see amounts increasing. She shared our awards and community partnerships related to customer support. She then walked through legal requirements that apply to CPS Energy, noting that we are prohibited from gifting public funds. Next, she provided an in-depth overview of our practices, our bundled care approach, and the steps we take before a customer can be disconnected. She provided examples through two customer scenarios. Our payment plans have a high success rate because we work with each individual customer, and we have helped connect our customers with nearly \$3.6 million in assistance. She reiterated that we focus on compassion and care - it just takes one call and we can help. Finally, she highlighted how we are focused on the future with short-term and long-term outcomes, such as leveraging technology, to improve customer experience.

The Board of Trustees asked questions, discussed the presentation, and requested additional information.

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X. LEGISLATIVE & REGULATORY POLICY UPDATE

Ms. Kathy Garcia, Vice President, Government and Regulatory Affairs and Public Policy, provided a recap of the Regular Session of the 89th Legislature and highlights of our current and forthcoming public policy activities. She noted that CPS Energy remains a trusted resource and partner with legislative offices, community partners, and industry counterparts. She reviewed the key bills and stated that we successfully advocated for changes to the legislation, and we will continue our efforts through the forthcoming rulemaking process. She also provided information on the federal policy and legislative actions.

The Board of Trustees asked questions, discussed the presentation, and requested additional information.

XI. EXECUTIVE SESSION

At approximately 4:38 p.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:

- Attorney-Client Matters (§551.071) & Competitive Matters (§551.086)
- Attorney-Client Matters (§551.071)
- Real Property (§551.072)

The Board reconvened in open session at 5:27 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.

XII. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Trustee Steen, seconded by Trustee Gonzalez, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 5:36 p.m. by Chair Romero.

Shanna M. Ramirez
Secretary of the Board



CPS Energy Board of Trustees Meeting
July 28, 2025
APPROVAL of PROCUREMENT ITEMS
Table of Contents

1.	Item Description:	Managed Staffing Services
	Purchase Category:	General Services
	Supplier:	Broadleaf Results, Inc.

Committee Operations Oversight Committee – April 9, 2025
Presentations: Audit & Finance Committee – April 22, 2025

2.	Item Description:	Contract Renewal: Financial Audit Services
	Purchase Category:	Professional Services
	Supplier:	KPMG LLP

Committee Operations Oversight Committee – April 9, 2025
Presentations: Audit & Finance Committee – July 14, 2025

3.	Item Description:	Active PO Funding Increase: Purchase of Residential Gas Meters
	Purchase Category:	Commodity & Material Goods
	Supplier:	Itron, Inc.

Committee Presentations: Operations Oversight Committee – June 23, 2025
Audit & Finance Committee – July 14, 2025

Approval:

Lisa D. Lewis, Chief Administrative Officer

Approval:

Rudy D. Garza, President & CEO



CPS Energy Board of Trustees Meeting
May 19, 2025
Procurement Form 1

Item Description	Managed Staffing Services
Purchase Order Value	\$90,000,000
Purchase Category	General Services
Department	Talent Acquisition
Chief Administrative Officer	Lisa Lewis

Detailed Description

CPS Energy staff recommend that a contract be awarded to Broadleaf Results, Inc. as the respondent who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract will allow CPS Energy to provide contractors at market rates to fill short-term needs for critical business functions, ultimately helping to ensure customer reliability and affordability. Through this contract, the supplier manages staff augmentation services, allowing streamlined invoicing, work time approval, reporting under one umbrella, and consistency of rates for role types. This contract will expire on September 3, 2028.

Subcontracting Opportunities

Broadleaf Results, Inc. has committed to subcontract a portion of the services to one or more local or small businesses.

The solicitation method for this procurement was a Request for Proposal. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

Evaluation Criteria	Points
Experience and qualifications to perform the services	65
Overall cost	20
Economic Development (Local and Small consideration)	10
The ability to meet CPS Energy's requirements	5
TOTAL	100



CPS Energy Board of Trustees Meeting
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Procurement Form 1

Recommended Respondent & Award

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Broadleaf Results, Inc.		90	\$90,000,000	2228386	
TOTAL			\$90,000,000		

Annual Funds Budgeted

Corporate Annual Budget	Funding Method	Projected FY2026 PO Spend	% of FY2026 Annual Corp Budget	Projected FY2027 PO Spend	Projected FY2028 PO Spend	Projected FY2029 PO Spend
\$1,501,000,000	Capital	\$0	0%	\$0	\$0	\$0
\$982,000,000	Non-Fuel O&M	\$10,000,000	1%	\$30,000,000	\$30,000,000	\$20,000,000

Our current approved budget and latest estimates support these new purchase orders.



CPS Energy Board of Trustees Meeting
May 19, 2025
Procurement Form 2

Item Description	Contract Renewal: Financial Audit Services
Purchase Order Value	\$750,000
Purchase Category	Professional Services
Department	Financial Services
Chief Financial Officer & Treasurer	Cory Kuchinsky

Detailed Description

CPS Energy staff recommend that a contract be renewed with KPMG LLP, a local firm, as the respondent who will provide the goods or services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is required to provide financial audits and related services for CPS Energy, the SA Energy Acquisition Public Facility Corporation ("PFC"), and the two (2) CPS Energy Decommissioning Master Trusts for the South Texas Project. This contract will result in the issuance of a report to the Board of Trustees of CPS Energy expressing an opinion on the financial statements, including whether the financial statements are free of material misstatement and whether they present fairly, in all material respects, the financial position of CPS Energy, and the results of its operations and cash flows. The original contract was for four (4) years; however, the contract includes an option to renew for one (1) additional year. This request is meant to exercise the one (1) year renewal by mutual agreement of both parties. This contract is set to expire on July 25, 2026.

Subcontracting Opportunities

KPMG LLP has committed to subcontract a portion of the services to one or more local or small businesses.



CPS Energy Board of Trustees Meeting

May 19, 2025

Procurement Form 2

The solicitation method for this procurement was a Request for Proposal. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

Evaluation Criteria	Points
Total Price	25
Utility Experience	20
Experience with SAP	10
Continuity and Experience of Audit Team	10
Economic Development (Local and Small business consideration)	10
Use of Technology	5
Peer Review/Board Actions (Citations)	5
Community Education Involvement/Internship	5
Independence Issues	5
Subcontractor	5
The financial soundness of the Respondent	Pass/Fail
TOTAL	100

Recommended Respondent(s) & Award					
Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
KPMG LLP	Local	88	\$750,000	2228196	
TOTAL			\$750,000		

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2026 PO Spend	% of FY2026 Annual Corp Budget	Projected FY2027 PO Spend	Projected FY2028 PO Spend	Projected FY2029 PO Spend
\$1,501,000,000	Capital	\$0	0%	\$0	\$0	\$0
\$982,000,000	Non-Fuel O&M	\$750,000	0.07%	\$0	\$0	\$0

Our current approved budget and latest estimates support this new purchase order.



CPS Energy Board of Trustees Meeting
May 19, 2025
Procurement Form 3



Item Description		Active PO Funding Increase: Purchase of Residential Gas Meters
Original Cumulative Purchase Order Value	(A)	\$9,500,000
Previously Added Funds	(B)	\$200,000
Additional Funds Requested	(C)	\$4,300,000
Projected Cumulative Purchase Order Value	(D)	\$14,000,000
Purchase Category		Commodity & Material Goods
Department		Gas Solutions
Chief Energy Delivery Officer		Richard Medina

Detailed Description

CPS Energy staff recommend that additional purchase order funding be approved for an existing contract for residential gas meters. This contract was previously awarded to Itron, Inc., a local firm, as the respondent who provided the goods or services at the best value for CPS Energy based on an original equipment manufacturer (OEM) exemption in accordance with the Board Procurement Policy and Procedures.

Additional funding is required to allow the continued purchase of Intelis 250 class residential gas meters that are currently the only units compatible with our Advanced Metering Infrastructure (AMI) system. This contract will allow CPS Energy to acquire the necessary residential meters to provide upgrades to the existing infrastructure and support gas system growth. This contract will expire on November 20, 2026.

Subcontracting Opportunities

None at this time.



CPS Energy Board of Trustees Meeting
May 19, 2025
Procurement Form 3



Recommended Respondent & Award

Vendor Name	SBA Classification & Details	Original PO Value	Previously Added or Reallocated Funds	Additional Funds Requested	PO#
Itron, Inc	Local	\$9,500,000	\$200,000	\$4,300,000	3072072
		(A)	(B)	(C)	
Totals		\$9,500,000	\$200,000	\$4,300,000	
Projected Cumulative Purchase Order Value (D)				\$14,000,000	

Annual Funds Budgeted

Corporate Annual Budget	Funding Method	Projected FY2026 PO Spend	% of FY2026 Annual Corp Budget	Projected FY2027 PO Spend	Projected FY2028 PO Spend	Projected FY2029 PO Spend
\$1,501,000,000	Capital	\$2,000,000	0.13%	\$2,300,000	\$0	\$0
\$982,000,000	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

Our current approved budget and latest estimates support this additional purchase order increase.



TECHNOLOGY & RESILIENCE COMMITTEE (T&R) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JUNE 9, 2025 MEETING

PREPARED FOR BOARD CHAIR DR. FRANCINE ROMERO

FOR REPORT AT THE JULY 28, 2025 BOARD OF TRUSTEES MEETING

The Technology & Resilience Committee met on June 9, 2025. As part of the Technology & Resilience Committee Meeting agenda, the Committee:

- A. Approved meeting minutes from the prior meeting, held on September 11, 2024.
- B. Discussed the T&R Committee Charter.
- C. Received updates on Evolve: ERP Transformation Program, Evolve: Data Governance & Strategy, and Communication Services.
- D. Five new action items were generated during the meeting; two additional action items were generated in the Closed Session.

The next meeting of the Technology & Resilience Committee will be held September 15, 2025.



OPERATIONS OVERSIGHT COMMITTEE (OOC) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JUNE 23, 2025 MEETING PREPARED FOR COMMITTEE CHAIR, MR. JOHN STEEN FOR REPORT AT THE JULY 28, 2025, BOARD OF TRUSTEES MEETING

The Operations Oversight Committee met on June 23, 2025. As part of the agenda, the Committee:

- A. Reviewed and approved meeting minutes from the prior meeting held on April 9, 2024.
- B. Reviewed the Committee Governance Policy.
- C. Received a Procurement Preview that included:
 - a. A request for an Active PO Funding Increase – Purchase of residential gas meter
- D. Received an update on our Gas Compliance that included:
 - a. A review Gas System overview,
 - b. A Compliance Overview,
 - c. Audit Results,
 - d. Mitigation
 - e. And a discussion on our proactive audit response and continuous process improvement efforts that help ensure safe and reliable operation of our gas system.

The next meeting of the Operations Oversight Committee Meeting is planned for August 11, 2025.



NOMINATIONS COMMITTEE MEETING

**MEETING MINUTES FROM THE JUNE 24, 2025 MEETING PREPARED
FOR COMMITTEE CHAIR FRANCINE ROMERO
FOR REPORT AT THE JULY 28, 2025 BOARD OF TRUSTEES MEETING**

The Nominations Committee met on June 24, 2025. As part of the Nominations Committee agenda, the Committee:

- A. Reviewed the launch of the Trustee Search campaign
- B. Reviewed public info sessions schedule
- C. Discussed candidate selection timeline and process

The Committee also received a presentation regarding:

- D. Print media and online engagement with campaign

The next meeting of the Nominations Committee will be scheduled for August 2025.



Community Input Committee (CIC) Committee Report

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JULY 9, 2025, MEETING PREPARED FOR COMMITTEE CHAIR, MS. LAWSON PICASSO FOR REPORT AT THE JULY 28, 2025, BOARD OF TRUSTEES MEETING

The Community Input Committee met on July 9, 2025. As part of the agenda, the committee:

- A. Participated in a discussion led by Chair Lawson Picasso regarding the bylaw review process and timeline.
- B. Participated in discussion of subcommittee reports led by Peter Onofre, Vice Chair, Power and Technology, Bob Zapata, Chair, Rates, Finance and Business, and Tom Corser, Vice Chair, Customer Relations, and Communication.
- C. Received a presentation on the evolving Texas energy market and an update on the CPS Energy long-term generation plan. CPS Energy will be refreshing the community-led, Board-approved long-term generation plan to meet our community's growth and economic development needs, and the CIC will be a key stakeholder group for involvement and input.
- D. Received a post-session report on the 2025 Texas Legislative Session and the results of CPS Energy's State Public Policy Agenda (PPA). The PPA, which guided CPS Energy's advocacy efforts in support of Vision 2027 and the Horizon 2050 strategic plans, saw notable successes in customer affordability, reliability and resiliency, safety and security, and the preservation of the municipally owned utility business model. CPS Energy staff will monitor, and engage where appropriate, during the 1st called Special Session, which begins July 21.

The next regularly scheduled meeting of the CIC is October 8, 2025.



EVOLVE: ENTERPRISE RESOURCE PLANNING (ERP) TRANSFORMATION PROGRAM

PRESENTED BY:
Evan O'Mahoney
Chief Information Officer

July 28, 2025
Informational Update



AGENDA

- Digital Strategy & Transformation Journey
- ERP Solution & Roadmap
- Global Design Overview
- Risk & Financial Summary

Since our last update in January, the Evolve: ERP Transformation Program has moved into the execution phase. Scope, schedule, budget, and quality are on track.

ESTABLISHED DIGITAL STRATEGY

ANCHORED TO VISION 2027 & HORIZON 2050



Strategic Outcomes	
	Improved experiences for customers and employees
	Data-driven insights that enable real-time decisions
	Continuous improvement to enhance and optimize systems
	Increased ability to support bill and rate redesign
	Enhanced technology reliability and resiliency
	Expanded customer self-service and payment options
	Better able to meet changing industry needs
	Improved operational processes and efficiencies

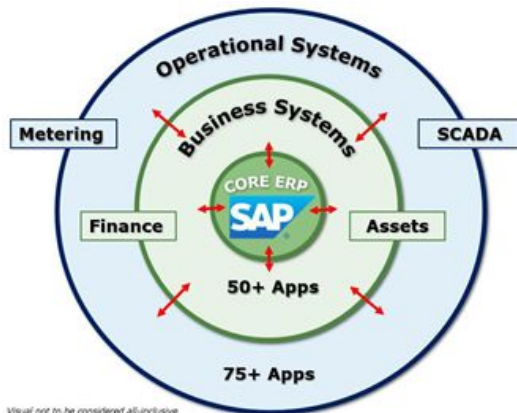


Established business outcomes will measure improvements in software savings, process efficiencies, customer satisfaction, and other in-scope performance areas.

OUR TRANSFORMATION JOURNEY



Drivers for Change



- Existing SAP ERP technology platform implemented in 2001
- Complex technology landscape with over 400 applications and data integrations
- Disparate data sources lack insights for informed decision-making
- Legacy business processes and sub-optimal platform configurations
- Core system's end of standard support from vendor in 2027¹

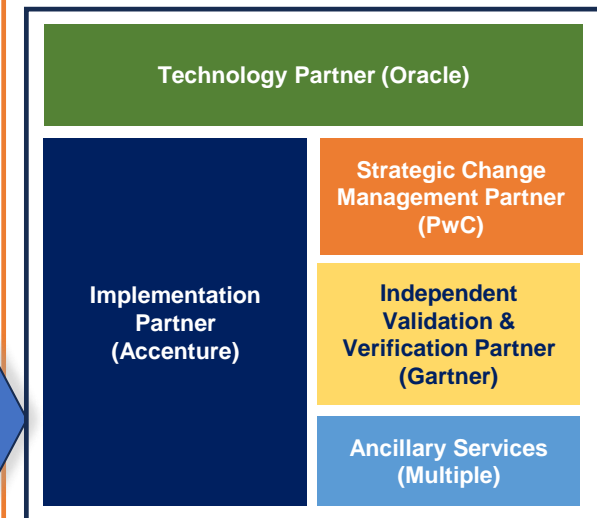
¹Extended support options to be determined

Accomplishments

FY2021 – FY2025

- ✓ Transformation Strategy Developed
- ✓ Current State ERP Assessment (PwC)
- ✓ Digital & Data Assessment & Strategy (McKinsey)
- ✓ ERP Technology Partner Selection (Oracle)
- ✓ Current State Business Process Analysis
- ✓ Change Management Strategy Development (PwC)
- ✓ System Integration Partner Selection (Accenture)
- ✓ Independent Verification & Validation Partner Selection (Gartner)

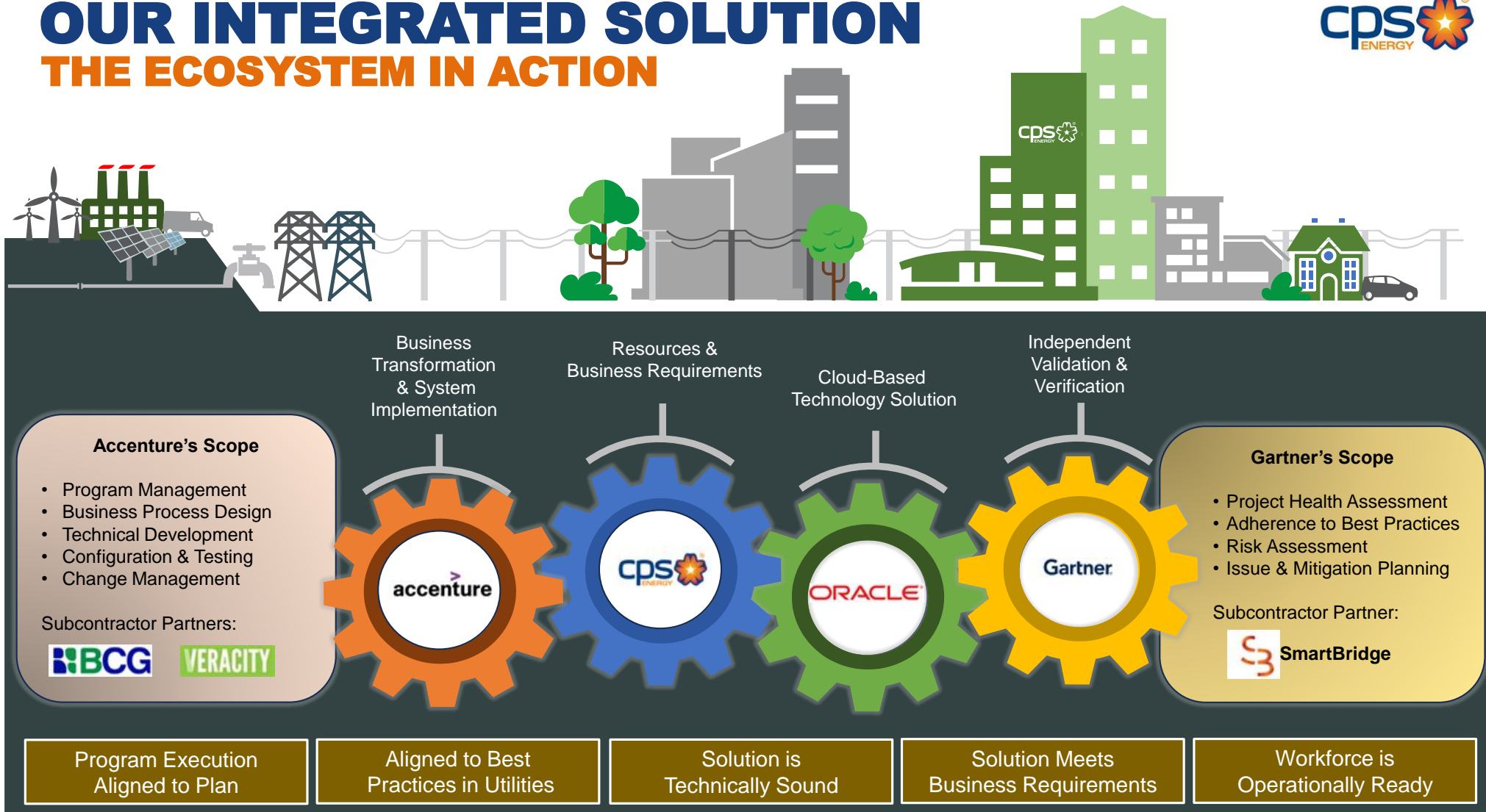
Established Ecosystem



Key partners required to deliver the ERP Program have been evaluated, selected, and onboarded to support program execution.

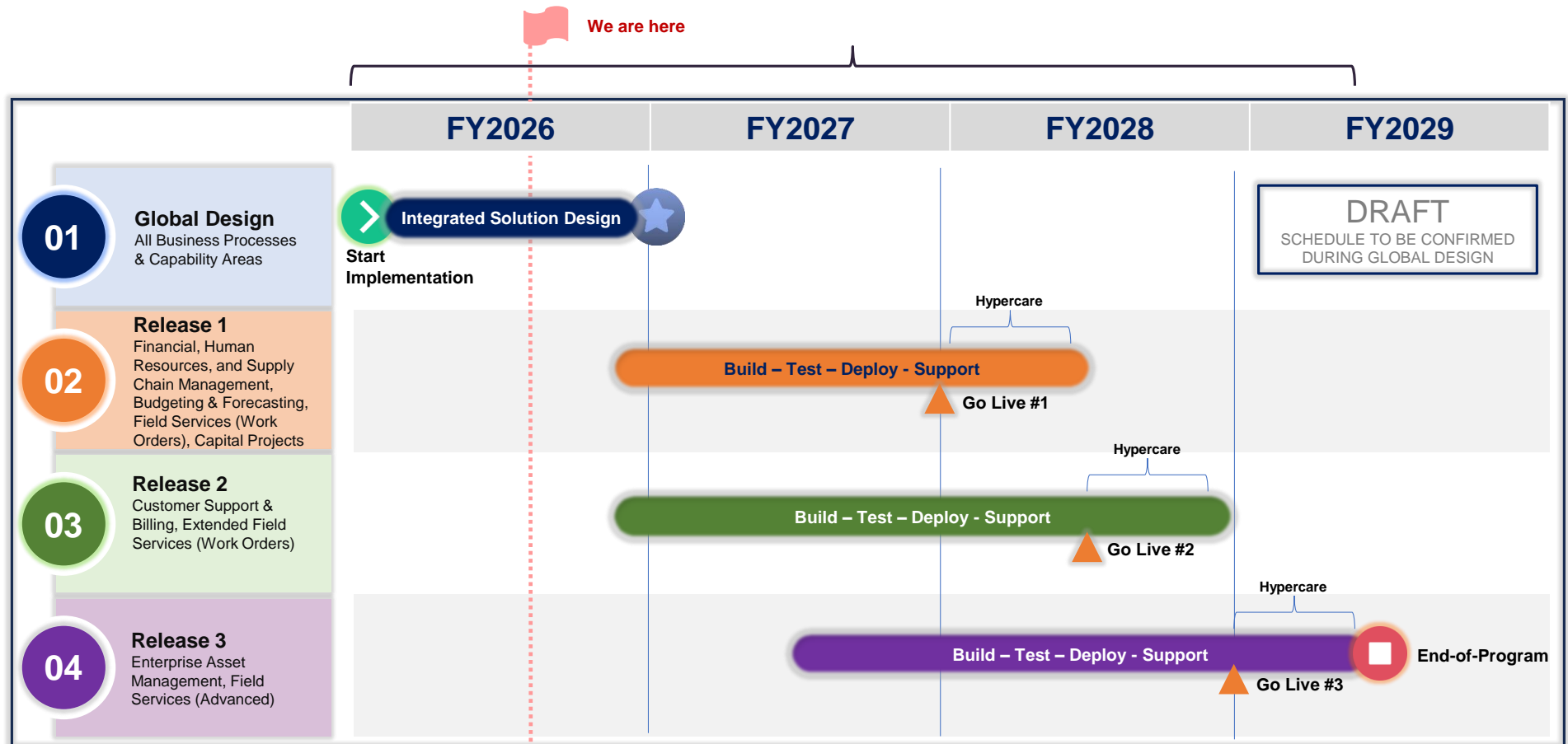
OUR INTEGRATED SOLUTION

THE ECOSYSTEM IN ACTION



ERP IMPLEMENTATION ROADMAP

FY2026 THROUGH FY2029 - PLANNED





FOCUSED ON THE FUTURE

TARGETED BUSINESS OUTCOMES & PLANNED SCOPE

Release

1

Financial, HR, Supply Chain Management, Budgeting & Forecasting, Field Services, Capital Projects

Targeted Outcomes

- Improve employee experience through enhanced self-service
- Enable mobile accessibility across key business functions
- Strengthen supply chain, procurement, and contract management
- Enhance analytics for data-driven decision-making
- Expand real-time work order dispatch capabilities

Release

2

Customer Support & Billing, Extended Field Services

Targeted Outcomes

- Enhance customer experience with flexible personas and self-service
- Increased bill clarity for customers
- Expand product and solution offerings
- Provide Energy Advisors with a more integrated customer view
- Extend mobile capabilities for field crews and work order management

Release

3

Enterprise Asset Management, Advanced Field Services

Targeted Outcomes

- Optimize field operations through increased automation in crew assignment
- Deliver real-time status insights for assigned work with notifications
- Enable lifecycle tracking of assets from acquisition to retirement
- Enhance proactive maintenance schedules

KICKING OFF THE PROGRAM



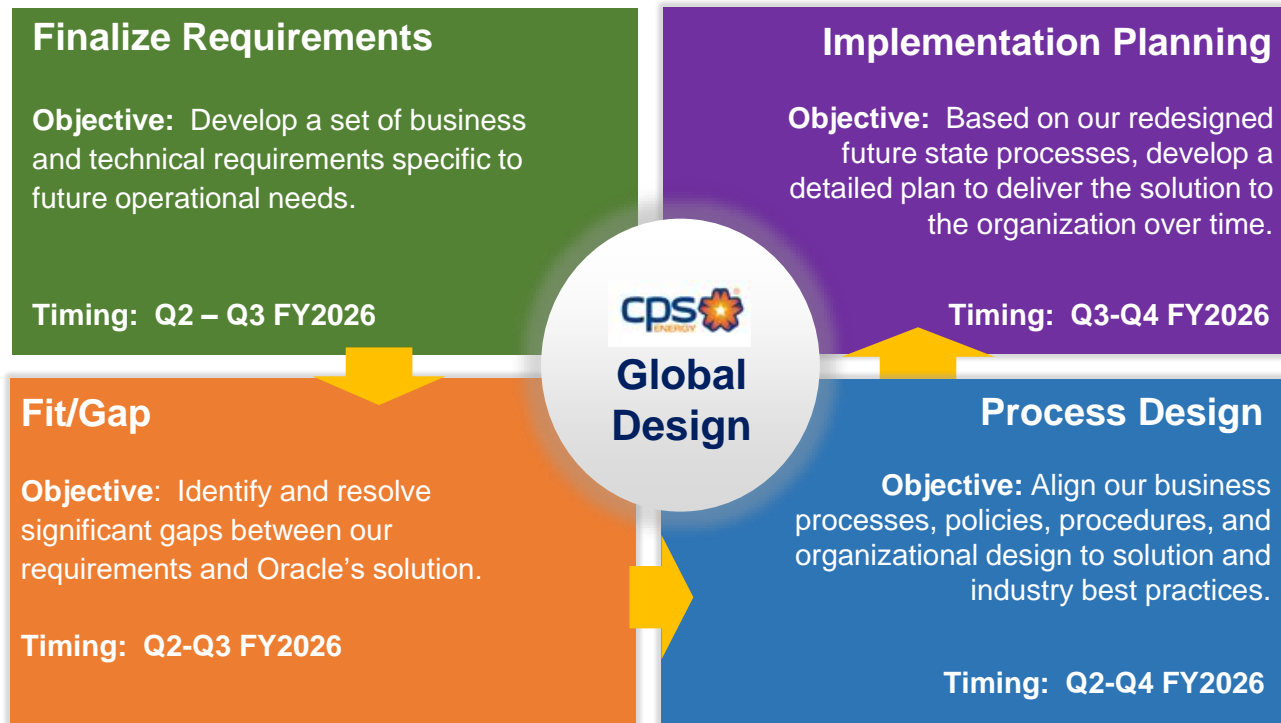
We formally launched the execution of the ERP Transformation Program in April 2025

- 400+ attendees
- Board Chair Dr. Romero and Trustee Gonzalez shared their support for the Program
- We previewed the year ahead with a focus on Global Design
- A panel of executive leaders answered questions submitted by audience members
- Oracle and Accenture confirmed their commitment to our success
- Accenture also introduced their small and local subcontractors in attendance





WHAT IS GLOBAL DESIGN?



We are building the blueprint for our future ways of working aligned to business requirements.



GLOBAL DESIGN BY THE NUMBERS

11

Group Leads – Business Capability & Technical

30

Track leads representing business process & technical areas

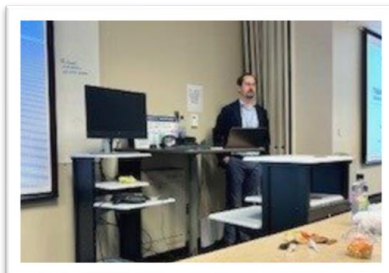
500+

Subject Matter Experts (SMEs)

300+

Process design workshops

- A **deliberate, engaging, and thoughtful** process
- Group leads are individuals with **deep experience** within our organization
- Subject Matter Experts represent **all stakeholder areas** across the Company
- Workshops span **business** and **technical** process areas
- Global Design is expected to be completed by **Q4 FY2026**



GLOBAL DESIGN PROGRESS-TO-DATE



176

Workshops Conducted

Capturing key requirements and change impacts across 9 capability areas

587

SMEs Involved

Bringing cross-functional expertise from the business into the design process

43

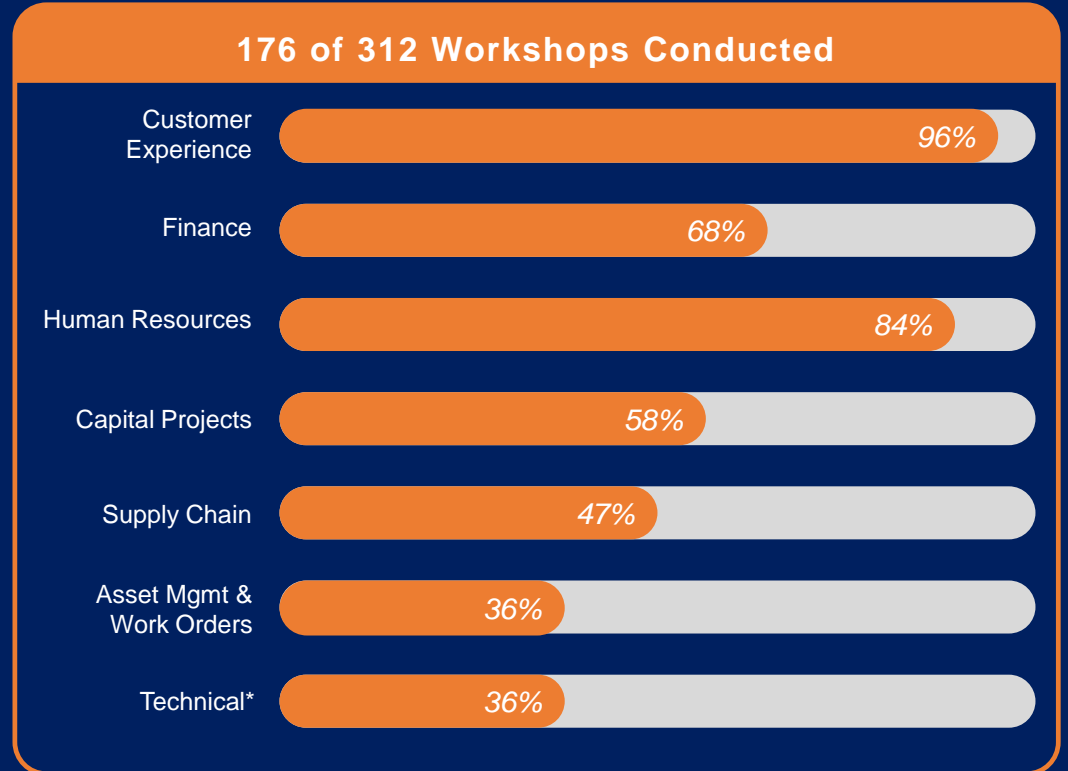
Key Design Decisions

Setting the foundation of the technology solution

700+

Change Impacts Captured

Translating what the transformation means for people and operations





**includes Security, Reporting, Integrations/Interfaces, Data Conversion, and Architecture*

STRATEGIC CHANGE MANAGEMENT

ENGAGING DIVERSE STAKEHOLDERS



	High-level Impact	Targeted Change Activities
 Employees	Our Employees will see significant people, process, and technology changes that will introduce new ways of working and shape the employee experience.	<ul style="list-style-type: none"> • Leadership alignment and activation • Program communications and engagement • Various learning and support channels • Readiness and adoption measurement
 Customers	Our Customers will experience enhanced interactions, new solutions, and streamlined processes, leading to more efficient and effective service delivery.	<ul style="list-style-type: none"> • Aligned to customer segments • Community engagement events • Energy advisor support channels • Engagement measurement
 Partners	Our Partners will see new processes and procedures that will drive efficiencies in the way they perform work for and with us.	<ul style="list-style-type: none"> • Targeted Communications • Coordinated testing and training • Partner support channels • Readiness tracking and feedback

Our strategy is being developed during Global Design to ensure a comprehensive Change Management program supports achievement of established program outcomes.

INDEPENDENT VALIDATION & VERIFICATION

PROGRESS TO DATE



Gartner IV&V Scorecard (Week ending July 11)

Risk Identified To Date			
Open:	11	Closed:	7
Total:	18		
Scope Very Low Risk	No Major Issues to Report		
Budget Very Low Risk	No Major Issues to Report		
Resources Very Low Risk	No Major Issues to Report		
Schedule Low Risk	Environment Management Plan & Application Development Standards		

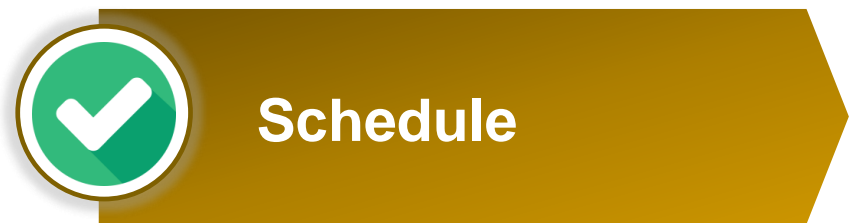
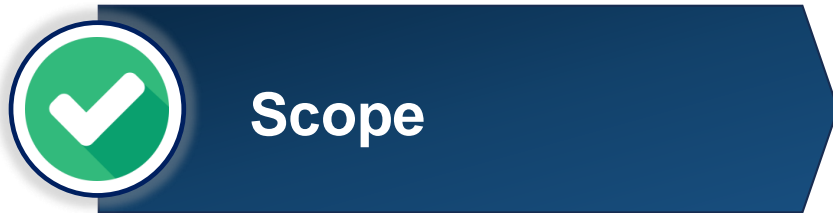
Bright Spots / Observations

- “**Excellent engagement from CPS Energy stakeholders.** Many questions, considerations, pain points, and follow-ups are proactively brought forward from teams.”
- “**Comprehensive approach,** surfacing new business needs and ensuring requirements are captured early in the design process.”
- “The **iterative decision-making process** (with numerous follow-up actions and clarification requests) **bodes well for future refinement and alignment.**”
- “The Accenture **Change Management** team consistently captures and carries forward Change Impacts across workshops, **ensuring ongoing alignment and continuity.**”
- “**Improvements in ways of working,** forums, and communications channels are expected to **yield significant dividends for program communications.**”

The IV&V function is integrated into our program activities and is supporting early identification and mitigation of risks.

PROGRAM SCORECARD

KEY METRICS



Scope, schedule, budget, and quality are on track as we proceed through Global Design.



THANK YOU



APPENDIX

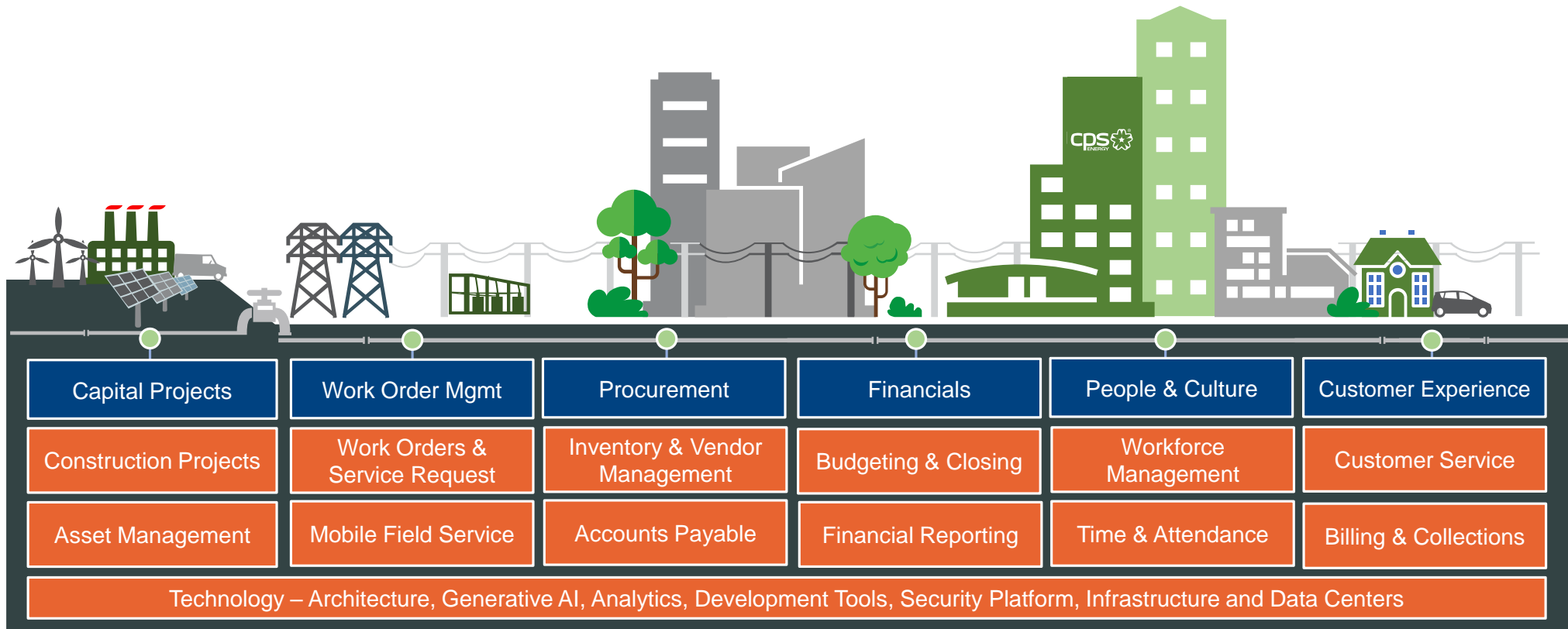
GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
AI	Artificial Intelligence	IV&V	Independent Verification & Validation
BoT	Board of Trustees	KDD	Key Design Decisions
E2E	End-to-end	PwC	PricewaterhouseCoopers
EIT	Enterprise Information Technology	RICE Inventory	Reports, interfaces, conversions and enhancements inventory
ERP	Enterprise Resource Planning	SAP	Brand name for existing ERP Software utilized by CPS Energy
Global Design	A unified blueprint of processes and technology used to enable business transformation	SCADA	Supervisory Control and Data Acquisition
GPS	Period of high-touch support and assistance provided after a new system is implemented	SME	Subject Matter Expert
Hypercare	Period of high-touch support and assistance provided after a new system is implemented	Transformation GPS	Analytics tool designed to guide organizations through large-scale transformations
IT	Information Technology		

OUR INTEGRATED SOLUTION

A MODERN UTILITIES PLATFORM



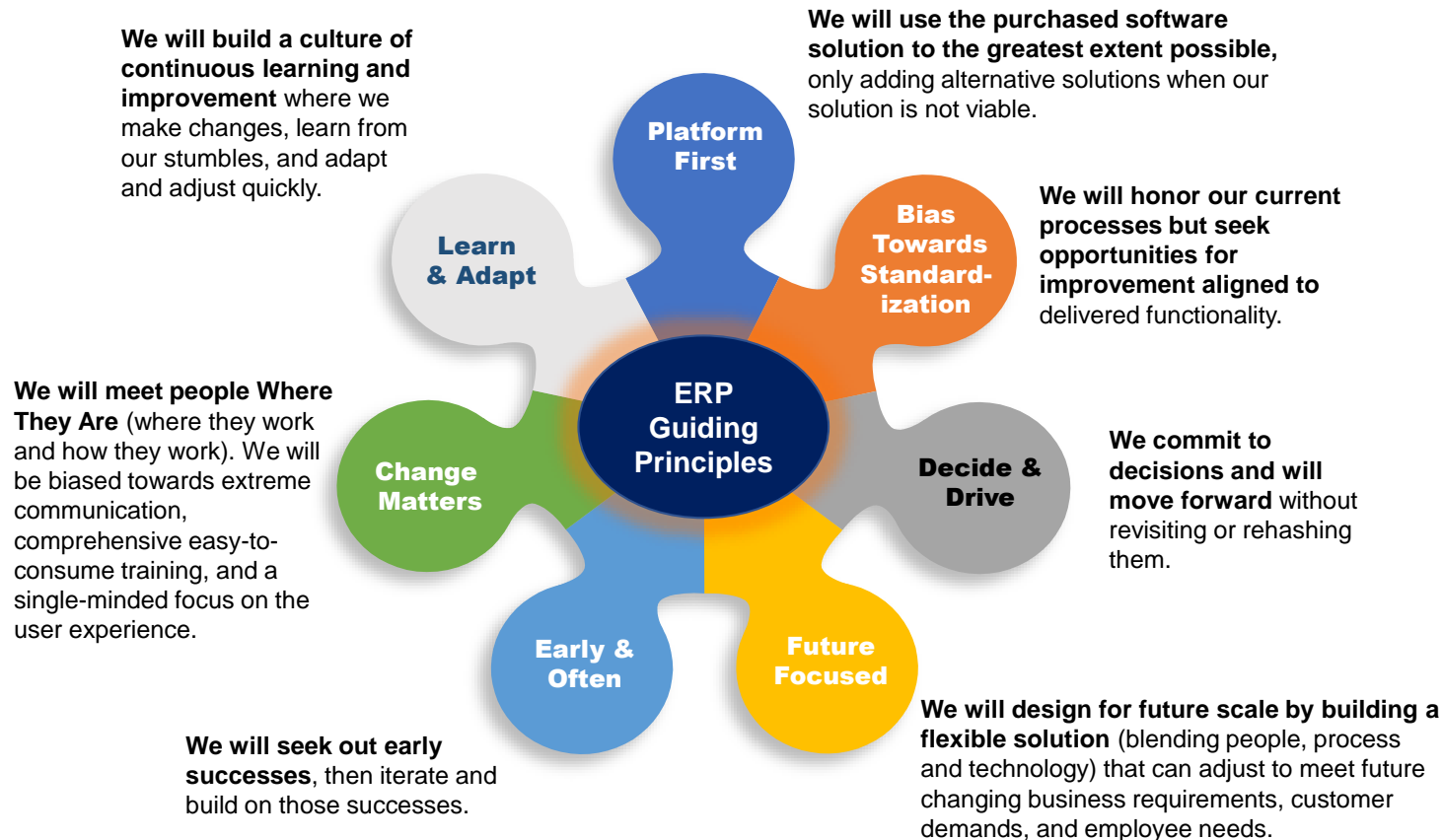
APPROVED GOVERNANCE STRUCTURE



A governance process is in place to drive and manage decision-making, culture, controls, and accountability for the ERP Transformation Program.

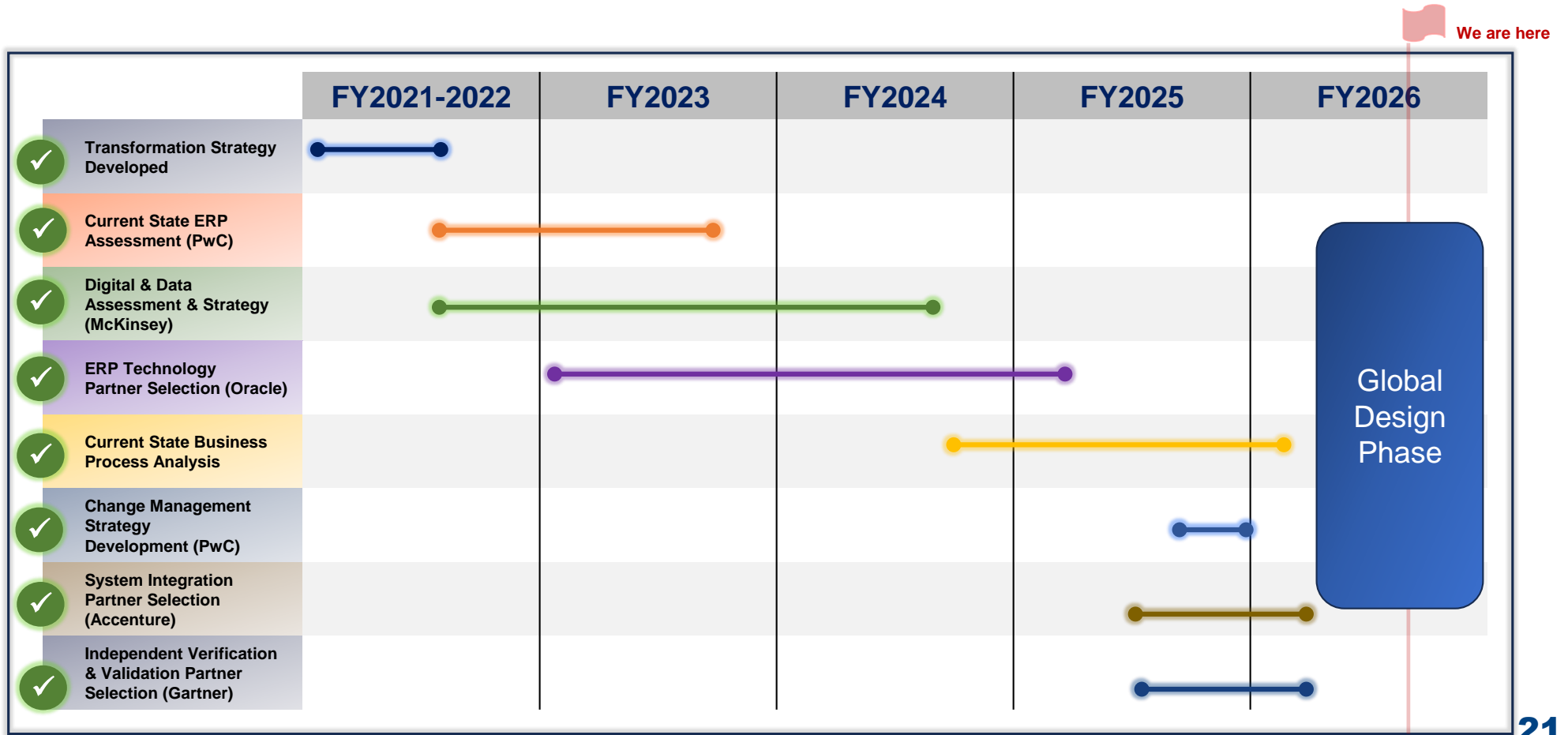
PROGRAM GUIDING PRINCIPLES

GUARDRAILS FOR DECISION MAKING



ERP PROGRAM ROADMAP

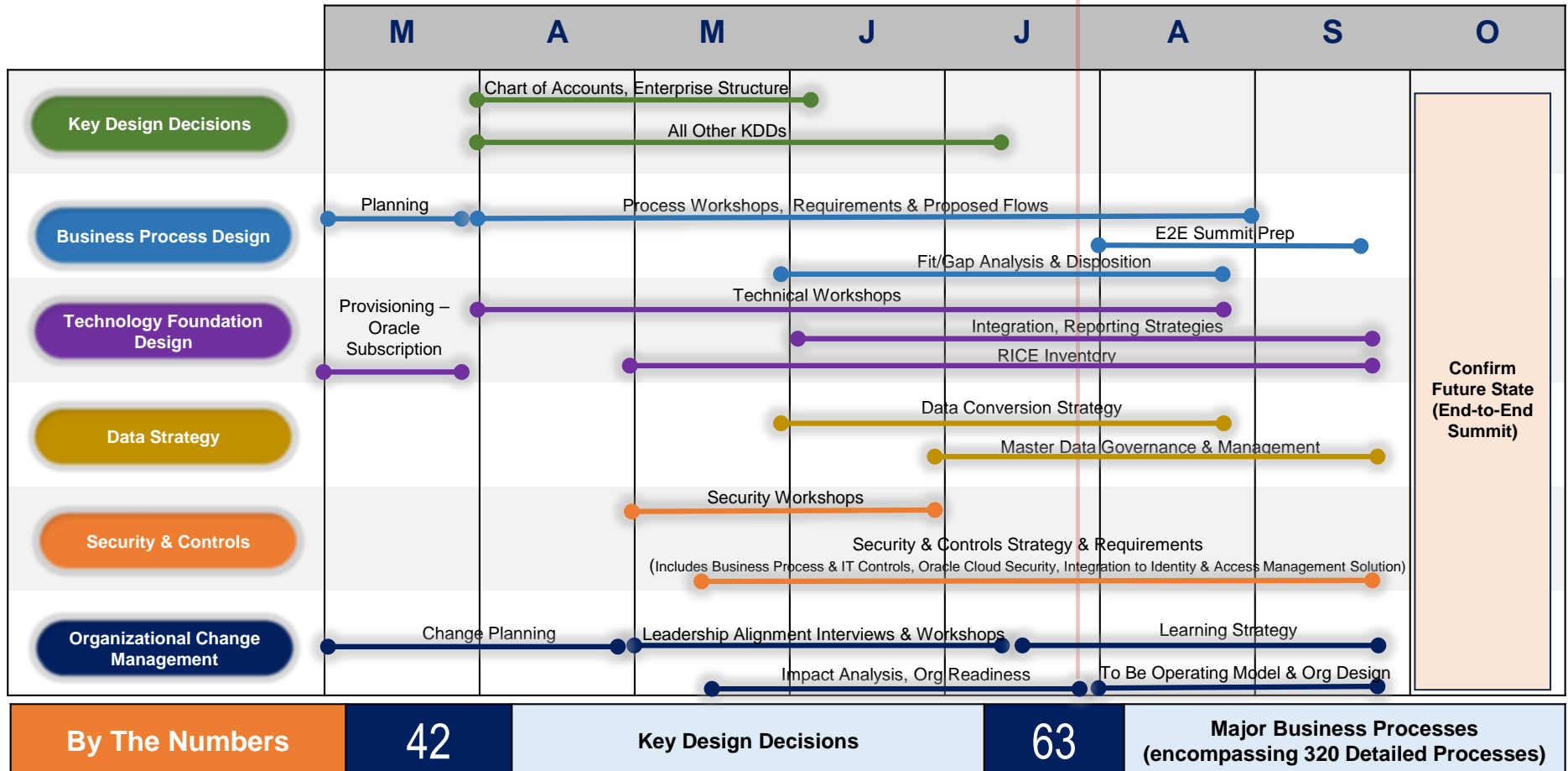
FY2021 THROUGH FY2026 - COMPLETED



GLOBAL DESIGN ROADMAP



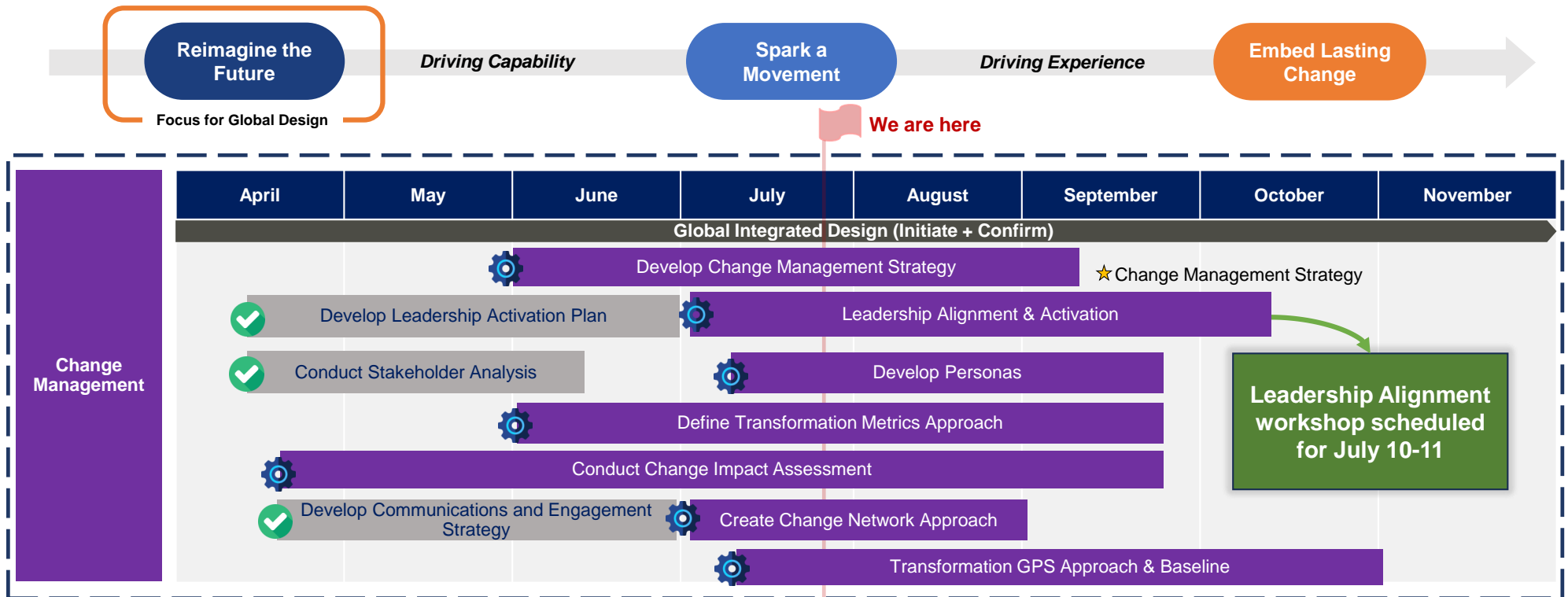
We are here



**Confirm
Future State
(End-to-End
Summit)**

CHANGE MANAGEMENT STRATEGY ON A PAGE

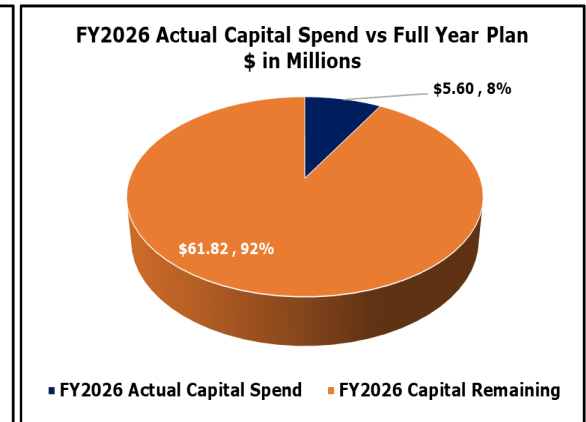
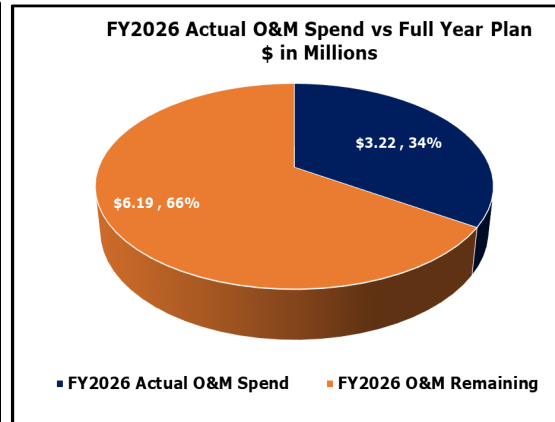
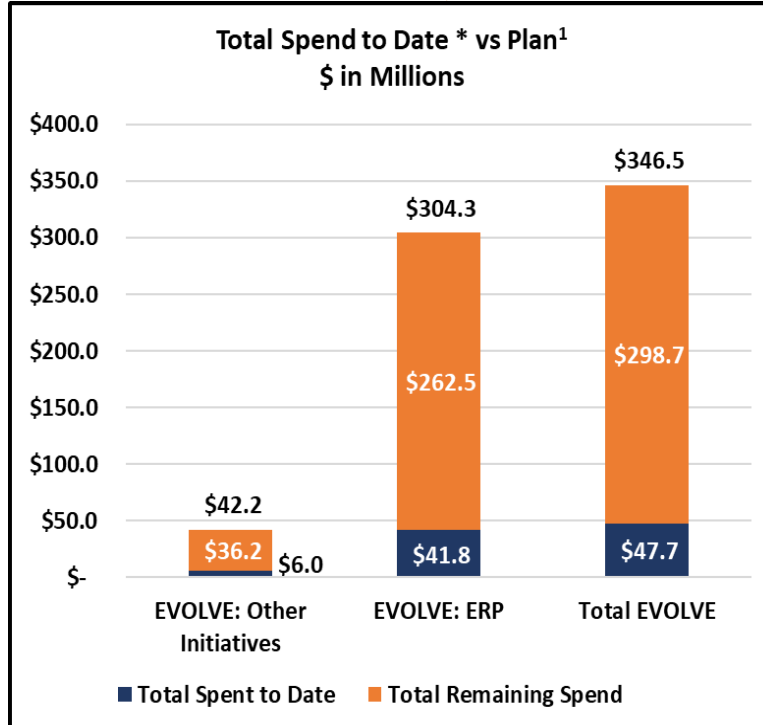
Legend: Complete In Progress Not Started



During Global Design, we focus on setting the foundation for our change program – aligning leaders, confirming change impacts, identifying both internal and external stakeholders, and developing key strategies.

EVOLVE. FINANCIAL SUMMARY

AS OF APRIL 30, 2025



FY2025 O&M & Capital Spend			
\$ in Millions	Actual Spend	Full Year Plan	Variance
O&M	\$3.22	\$9.41	(\$6.19)
Capital	\$5.60	\$67.42	(\$61.82)
Total	\$8.82	\$76.83	(\$68.01)

* Includes FY2021-FY2025 Actuals and FY2026 Actuals thru Period 3 (April).

¹ Plan is based on EIT's total estimated costs for EVOLVE of \$346.5M and ERP of \$304.3M through FY2030. Additional funding of \$18M for Evolve scope in FY28-FY30 is not included above.

Accenture was selected as Implementation partner & approved by Board of Trustees (BOT) on 01/31/2025.
Gartner was selected as Independent Verification & Validation partner and approved by BOT on 03/31/2025.
Global Design workshops are underway.

(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.



HOWARD TO SAN MIGUEL ROUTING AND SITING PROJECT

PRESENTED BY:
Richard Medina
Chief Energy Delivery Officer

July 28, 2025
Request for Approval



AGENDA

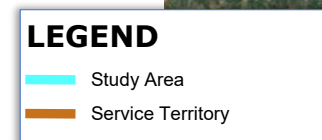
- Project Overview
- Public Involvement
- Public Utility Commission (PUC) Process and Approved Route
- Board Action



The Project Team is seeking Board approval of the route and project.

PROJECT OVERVIEW

- New 345kV double circuit transmission line extending from Howard Rd. Station to San Miguel Station
- Part of the ERCOT endorsed San Antonio South Reliability Project set
- 36 route options
- Joint project with South Texas Electric Cooperative (STEC)
- Project is mostly outside the City of San Antonio
- Target in-service date: June 2027



PUBLIC INVOLVEMENT

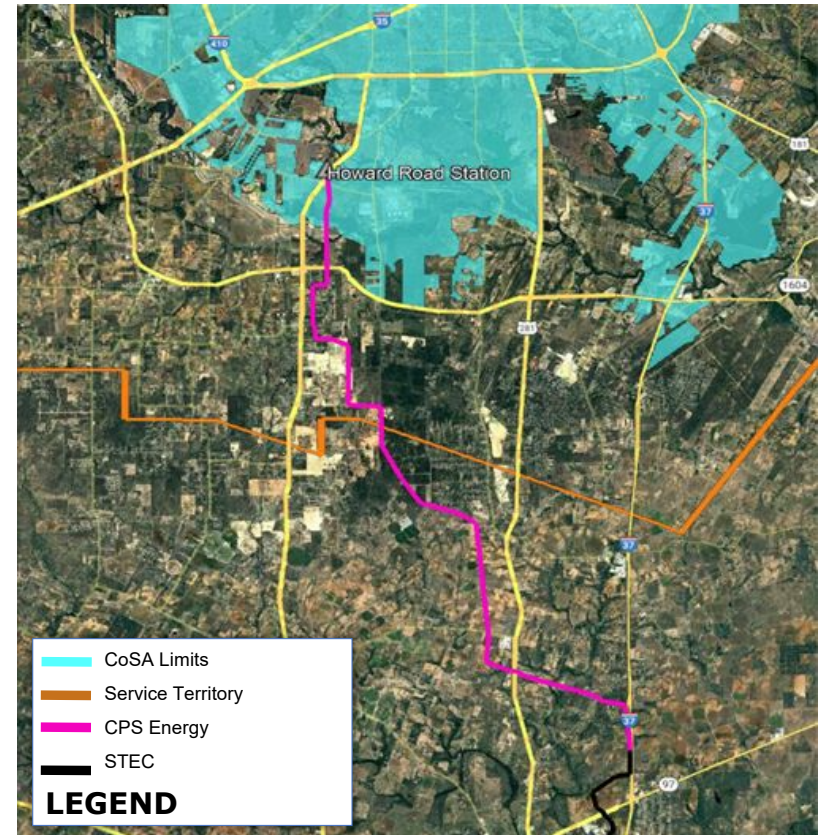
- Approximately 2,700 property owners and residents invited to 2 open houses
- A total of 192 attendees signed in at the open houses
- Public Open House #1 (04/02/2024)
 - Location: Southside High School
- Public Open House #2 (04/04/2024)
 - Location: Pleasanton High School
- Additional outreach efforts
 - Project Website
 - Project Brochure/FAQ/Questionnaires
 - Multiple newspaper notice advertisements
 - PUC application notice packet: 10/04/2024





PUC UPDATE

- CCN Application submitted to the PUC on 10/04/2024
- Landowner testimonies and statements of position filed 11/12/2024
- Hearing on the merits occurred 12/09/2024
- PUC issued Final Order on 05/08/2025 selecting and approving route Y-Mod
- We are responsible for the northern half of the project
 - \$175M estimated CPS Energy project cost
 - Approximately 24.5 miles



After extensive review of the project the PUC selected Route Y-Mod.



REQUEST FOR APPROVAL

Project team requests Board approval to:

- Proceed with PUC selected and approved Route Y-Mod
- Execute planning, easement procurement and construction of the project



THANK YOU



APPENDIX

GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
BOT	CPS Energy Board of Trustees	M	Million
CCN	Certificate of Convenience and Necessity	PUC	Public Utility Commission of Texas
COSA	City of San Antonio	STEC	South Texas Electric Cooperative
ERCOT	Electric Reliability Council of Texas	TCOS	Transmission Cost of Service
FAQ	Frequently asked questions		
kV	Kilovolt		



R&S PROCESS COMPARISON

INSIDE CITY LIMITS	OUTSIDE CITY LIMITS	INSIDE AND OUTSIDE CITY LIMITS
Initial Data Collection	Initial Data Collection	Initial Data Collection
Open House/ Public Input	Open House/ Public Input	Open House/ Public Input
Route Evaluation	Route Evaluation	Route Evaluation
CPS Energy Recommendation	PUC Application	PUC Application
Board Input Session	PUC Hearings	PUC Hearings
CPS Board Approval and Route Selection	PUC Approval and Route Selection	PUC Approval and Partial Route Selection
	CPS Board Gives Approval to Proceed	CPS Board Approval and Partial Route Selection

A RESOLUTION

APPROVING THE CONSTRUCTION OF THE HOWARD ROAD TO SAN MIGUEL 345KV TRANSMISSION LINE PROJECT AND THE ACQUISITION OF EASEMENT RIGHTS, FEE SIMPLE TITLE AND PROPERTY EXCHANGES OVER AND ACROSS CERTAIN PROPERTIES LOCATED IN SOUTH BEXAR AND ATASCOSA COUNTIES TEXAS, EITHER BY PURCHASE THROUGH NEGOTIATIONS OR BY THE PROCESS OF EMINENT DOMAIN, FOR EXPANSION AND OPERATION OF THE CITY OF SAN ANTONIO ELECTRIC SYSTEM, INCLUDING THE CONSTRUCTION, OPERATION AND MAINTENANCE OF ELECTRIC TRANSMISSION LINES, DISTRIBUTION LINES, COMMUNICATION SYSTEMS, AND RELATED APPURTENANCES.

WHEREAS, the Public Utility Commission of Texas ("PUC") has affirmed the need for a new transmission line to satisfy the power needs and to enhance reliability of the CPS Energy and ERCOT electric system within Bexar and Atascosa Counties Texas (the "Howard Road to San Miguel 345kV Transmission Line Project");

WHEREAS, the Howard Road to San Miguel 345kV Transmission Line Project has a projected in-service date by June 2027;

WHEREAS, CPS Energy and South Texas Electric Cooperative ("STEC"), jointly using their respective staff resources and a team of engineering, environmental, and other professionals (the "Project Team"), has followed the PUC's Routing/Siting Process to have the PUC approve the transmission route that should be constructed on this project in Docket No. 57115 before the PUC;

WHEREAS, The Howard Road to San Miguel 345kV Transmission Line project is a joint project between CPS Energy and STEC with CPS Energy's portion of the project being the northern half from the Howard Road station to the approximate midpoint of the route. The midpoint of route Y-Mod being the CPS Energy transmission structure at or near Latitude 29°0'59.35"N, Longitude 98°25'54.98"W.

WHEREAS, in accordance with the PUC's Routing/Siting Process, the Project Team held two open house meetings and solicited public input, submitted geographically diverse routes to the PUC for consideration, notified all Affected Landowners, filed testimony on the need, constructability, environmental impact, and completeness of project, participated in hearings on the adequacy and merits of the routes, and provided input on this project to the PUC Commissioners at commission open meetings.

WHEREAS, at the close of the PUC process in Docket No. 57115, for the project the PUC Commissioners unanimously selected Route Y-Mod from the Howard Road station located in South Bexar County to the San Miguel station located in Atascosa County as shown on the Project Site Map attached as Exhibit "A" to this Resolution (the "Project Site Map");

WHEREAS, CPS Energy staff recommended to the CPS Energy Board of Trustees ("Board") Route Y-Mod as shown on the Project Site Map.

WHEREAS, the Board agrees with the PUC's selection of Route Y-Mod for the Howard Road to San Miguel 345kV Transmission Line Project and associated electric substation, transmission, and distribution lines and that Route Y-Mod has one of the lowest impacts of the alternatives on both the human and natural environments because such route will, to the greatest extent practicable when compared to other alternatives:

- Minimize impacts to natural resources and environmentally sensitive land;
- Minimize impacts to residential developments and habitable structures;
- Minimize overall impact of additional CPS Energy facilities in future years, and is the best route when balancing the routing factors

WHEREAS the Board adopts the PUC's selected Route Y-Mod for the Howard Road to San Miguel 345kV Transmission Line Project.

WHEREAS, the Board approves of the construction of CPS Energy's portion of the Howard Road to San Miguel 345kV Transmission Line Project and associated electric transmission and distribution lines, substation, communication systems and related appurtenances and the acquisition of easement rights, fee simple title and property exchanges over and across properties in Bexar and Atascosa County, Texas, along the project route of the electric transmission line, and any required distribution lines, for the construction, operation and maintenance of the City of San Antonio Electric System, including the construction, operation and maintenance of the Howard Road to San Miguel 345kV Transmission Line Project, either by purchase through negotiations, or by the process of eminent domain approved by the San Antonio City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY PUBLIC SERVICE BOARD OF TRUSTEES that:

1. The recitals to this Resolution are hereby incorporated for all purposes.
2. The Board adopts the PUC's selection of Route Y-Mod for the Howard Road to San Miguel 345kV Transmission Line route to be constructed.
3. The Board finds that the Howard Road to San Miguel 345kV Transmission Line Project is of great importance to the public, and that CPS Energy has taken into account appropriate environmental, health and safety concerns in designating the recommended site and route.
4. The Board hereby approves the CPS Energy Howard Road to San Miguel 345kV Transmission Line Project to be constructed as generally depicted on the Project Site Map attached to this Resolution as Exhibit "A" and hereby incorporated for all purposes and directs CPS Energy staff and attorneys to proceed with the necessary steps to undertake and complete the Howard Road to San Miguel 345kV Transmission Line Project.
5. The Board authorizes the President and CEO of CPS Energy and/or his/her designee to determine the exact location for CPS Energy's electric transmission line in accordance with the PUC's Notice of Approval in Docket No. 57115 as generally depicted on the Project Site Map and associated distribution lines.
6. The Board finds that the acquisition of easement rights, fee simple title to properties, and property exchanges along the selected electric transmission route, and for any required distribution line routes is necessary and desirable for the important public purpose of the construction, operation and maintenance of the City of San Antonio's Electric System, including the CPS Energy Howard Road to San Miguel 345kV Transmission Line Project. The Board hereby authorizes acquisition of easement rights, fee simple title and property exchanges necessary for CPS Energy's Howard Road to San Miguel 345kV Transmission Line Project, either by purchase through negotiations or by the process of eminent domain, as well as all other lawful action necessary and incidental to such acquisitions or eminent domain proceedings to survey, specify, define, and secure the necessary title and rights.
7. The Board directs CPS Energy staff to continue to ensure that members of the public may obtain the current Project Site Map at www.cpsenergy.com (search word "Howard Road to San Miguel").