



CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON JUNE 30, 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	Ms. Brandy Russell
3	PUBLIC COMMENT Pre-Registration is from Wednesday, June 25, 2025, 5:00 PM – Friday, June 27, 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 May 2025 B. Minutes from the May Regular Board Meeting, held on May 19, 2025 C. Procurement Items: None	Vote	Dr. Francine Romero
REGULAR AGENDA			
7	COMMUNITY INPUT COMMITTEE (CIC) SUBCOMMITTEE REPORTS A. Customer Relations and Communications Subcommittee Meeting held on May 14, 2025 B. Rates, Finance and Business Subcommittee Meeting held on May 14, 2025	Discuss	Dr. Francine Romero

	C. Power and Technology Subcommittee Meeting held on May 14, 2025 BOARD COMMITTEE REPORTS A. Nominations Committee Meeting held on May 13, 2025		
8	FY2026 FIRST QUARTER PERFORMANCE UPDATE	Discuss	Mr. Cory Kuchinsky & Ms. Elaina Ball
9	ACCOUNTS RECEIVABLES PROCESS AND SUPPORT	Discuss	Ms. DeAnna Hardwick
10	LEGISLATIVE & REGULATORY POLICY UPDATE	Discuss	Ms. Kathy Garcia
CONVENE TO EXECUTIVE SESSION			
11	EXECUTIVE SESSION A. Attorney Client Matters (§551.071) & Competitive Matters (§551.086) B. Attorney Client Matters (§551.071) C. Real Property (§551.072)	Discuss	Dr. Francine Romero
RECONVENE TO OPEN SESSION			
12	ADJOURNMENT	Execute	Dr. Francine Romero
If the Board meeting has not adjourned by 4:40 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 June 30, 2025

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)
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	<u>(30,830,327.85)</u>
Total excluded revenue	<u>(71,968,162.65)</u>
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	<u>(12,500.00)</u>
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	<u>(3,028,318.76)</u>
Net amount to be paid from May 2025 revenue to the City in June 2025	<u>\$35,825,873.05</u>

CPS Energy Board of Trustees Meeting June 30, 2025

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.

Draft for review and approval
at the June 30, 2025 meeting

**CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON MAY 19, 2025**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of May was held on Monday, May 19, 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 (arrived at 2:00 p.m.)
Mayor Ron Nirenberg (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
City of San Antonio officials
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. Lori Lopez, Director, Technical Services Distribution.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, noted that when she sees CPS Energy crews out working, she likes to tell them she appreciates them. She also read a note about being yourself, and that only you can be you.

The following CPS Energy retirees provided public comment about upcoming changes to health care benefits for retirees at least 65 years of age: Ms. Patricia Major and Mr. Theodore Slansky. They expressed concern about the level of transparency and quality of communication from CPS Energy about the changes

Draft for review and approval
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and potential impacts from the changes. They requested that CPS Energy delay the changes until retirees can better understand them, and to potentially keep current options to allow retirees to choose which option works best for them.

The following community members provided public comment and requested that CPS Energy stop disconnections: Ms. Ana Trevino, Mr. Brian Lopez, Ms. Dominique Renteria, Ms. Angel Duran, Mr. Alex Pena, Ms. Luisiana Saltivanez, Ms. Janette Rico, Ms. Erica Alvarado, and Mr. Jake Turner. They urged CPS Energy to do more for vulnerable community members and expressed concern about the health and safety of these at-risk individuals – feeling that disconnections are inhumane.

Mr. Ray Cardenas, community member, stated that there are serious safety issues across the city with wires hanging down. He noted that these could pose a danger, and he did not find the reporting process satisfactory. He noted that if CPS Energy isn't responsible for the wires, he would like to better understand who is and how to hold them accountable.

IV. CHAIR'S REMARKS

Chair Romero thanked everyone for listening and noted that there will be agenda items in the future that address issues raised. She also thanked everyone for following the safety procedures for the Board meeting.

She urged community residents to learn more about our programs – specifically bill assistant and budget payment programs. She reviewed upcoming schedule of community events and urged customers to call 210-353-2222.

V. CEO RECOGNITION & REMARKS

Mr. Rudy Garza, President & CEO, recognized our Power Generation Operators. He noted they are continuously responsible for the safe and reliable operation of our power generation assets. Mr. Garza then thanked the Market Operations, Asset Management, and Energy Portfolio Analytics Teams that deliver key analytic insights and commercialization strategies to optimize our position.

Mr. Garza then previewed the agenda, noting that the two procurement items are fundamental to the work that we do at CPS Energy. He also noted that KPMG will provide our audit, and that our teams will discuss how we're ready for the summer. He stated that we had an early start to the summer last week, and we were ready.

VI. RECOGNITION OF MAYOR NIRENBERG

Those members present and Mr. Garza took a moment to recognize Mayor Nirenberg, and then adopted the following resolution by acclamation:

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**CPS Energy Board of Trustees
Resolution in Honor of Mayor Ron Nirenberg**

WHEREAS, Ron Nirenberg, as the Mayor of the City of San Antonio for the past eight years; has served as an ex-officio member of the CPS Energy Board of Trustees, keeping City Council fully advised and informed about the actions of the Board; and

WHEREAS, during his tenure, Mayor Nirenberg was instrumental in the selection of President & CEO, Mr. Rudy D. Garza, and assisted in the appointment or reappointment of the current Board of Trustees, which includes Ms. Janie Martinez Gonzalez, Dr. Willis Mackey, Dr. Francine Sanders Romero, and Mr. John Steen; and

WHEREAS, Mayor Nirenberg has been a leader on the Board during critical times of transition for CPS Energy and its Board of Trustees, and he has provided valuable guidance and leadership to set CPS Energy on a path to the future; and

WHEREAS, Mayor Nirenberg's devotion to improve CPS Energy's engagement with our community resulted in a better understanding of the values and priorities of our community, including the development of the Community Input Committee; and

WHEREAS, Mayor Nirenberg worked with his fellow Trustees to adopt the Vision 2027 generation plan which continues progress to meet the San Antonio Climate Action and Adaption Plan (CAAP) goals, and puts us at the forefront of emerging technologies; and

WHEREAS, Mayor Nirenberg played a vital role in supporting our financial resiliency, recognizing the need to make investments to support the San Antonio community for generations to come and to strengthen the proud partnership between CPS Energy and the City of San Antonio and surrounding communities; and

WHEREAS, during his tenure, CPS Energy's assets grew by a total of \$4.6 Billion and CPS Energy conveyed \$3.2 Billion to its owner – the City of San Antonio – as a return on investment; and **WHEREAS**, Mayor Nirenberg coordinated with his fellow Trustees to adopt Horizon 2050, charting our long-term strategic path with a mission to safely power our community with reliable, affordable, and cleaner energy; and

WHEREAS, Mayor Nirenberg's expertise, dedication, leadership, and unselfish commitment of time and energy to the Board have greatly benefited not only CPS Energy but all its customers within the Greater San Antonio area.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees conveys to Mayor Nirenberg its deep and abiding gratitude for his unselfish service to CPS Energy and its customers; and

BE IT FURTHER RESOLVED that this Resolution be incorporated into the minutes of this meeting of the Board of Trustees.

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VII. APPROVAL OF CONSENT ITEMS

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

Mayor Nirenberg moved to approve Item 7A. Chair Romero seconded, and it was approved on a 4-0 vote.

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 April 2025 is based on actual gross revenue per the New Series Bond Ordinance of \$240,490,603.65, 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 \$20,395,274.09. 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 \$20,395,274.09 against future months' revenues for fiscal year 2026. The revenue for the month of April 2025 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$257,668,888.21
Gas revenue	19,030,881.74
Interest and other income	7,664,001.57
Gross revenue per CPS Energy financial statements	<u>284,363,771.52</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(7,831,286.53)
LVG revenue per City Ordinance 100709	(107,305.88)
Fuel cost component of off-system nonfirm	
energy sales per City Ordinance 61794	
and revenue for wholesale special contracts	(25,131,539.45)
Noncash and other income, GASB 31	
investment market value change, miscellaneous	
interest income, gas billing adjustment and unbilled	
revenue	<u>(10,803,036.01)</u>
Total excluded revenue	<u>(43,873,167.87)</u>
Gross revenue per New Series Bond Ordinance subject to	
14% payment to the City	<u>\$240,490,603.65</u>
City payment per Bond Ordinance for April 2025	
based upon April 2025 revenue	\$33,668,684.51
City payment per memorandum of understanding (MOU)	
regarding wholesale special contracts	486,901.84
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	34,143,086.35 A

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Utility services provided to the City for April 2025	(2,916,031.86)
Net amount to be paid from April 2025 revenue to the City in May 2025	<u>\$31,227,054.49</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)

April 2025	Actual	Budget	Variance	
Current Month A	\$34,143	\$32,258	\$1,885	5.8%
Year-to-Date	\$104,111	\$106,172	(\$2,061)	-1.9%

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 \$31,227,054.49 representing 14% of applicable system gross revenues for the month of April 2025, such payment being net of City utility services (\$2,916,031.86), and including the current month shortage, is hereby approved." The total amount to be recovered from future months' revenues for fiscal year 2026 is \$40,106,020.97.

B. Minutes from the April Regular Board Meeting, held on April 23, 2025

Mayor Nirenberg moved to approve Item 7B. Trustee Gonzalez seconded, and it was approved on a 4-0 vote.

C. Procurement Items:

Mayor Nirenberg moved to approve the procurement Items 7C1 and 7C2. Trustee Gonzalez seconded, and it was approved 3-0, with Trustee Gonzalez voting against the motion.

1. **General Services:** Purchase and Maintenance of Bucket Trucks
2. **General Services:** Vegetation Management and Right-of-Way Maintenance

*The Procurement Package will be attached as Attachment "A" to the meeting minutes.

VIII. 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 "B" to the meeting minutes.
- B. Special Audit and Finance Committee meeting held on April 9, 2025. The report is attached as Attachment "C" to the meeting minutes.
- C. Operations Oversight Committee meeting held on April 9, 2025. The report is attached as Attachment "D" to the meeting minutes.

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- D. Employee Benefits Oversight Committee meeting held on April 22, 2025. The report is attached as Attachment “E” to the meeting minutes.
- E. Audit and Finance Committee meeting held on April 22, 2025. The report is attached as Attachment “F” to the meeting minutes.

IX. ANNUAL AUDITED FINANCIAL STATEMENTS

Mr. Cory Kuchinsky, Chief Financial Officer, noted that the result was a clean, unmodified opinion. He then introduced Mr. Andy Crouch of KPMG, who then introduced Mr. Chris Carmona of Shriver, Carmona & Company. Mr. Crouch walked through the required communications to the Board.

The Board of Trustees asked questions and discussed.¹

X. SUMMER PREPAREDNESS UPDATE

Ms. Elaina Ball, Chief Strategy Officer, introduced our summer preparedness report to the Board of Trustees. She reviewed the summer outlook and key risks, including the significant growth within ERCOT. The Executive Leadership team provided an overview of our summer preparedness efforts as follows:

- Mr. Brian Alonso, Chief Meteorologist, discussed current models for temperatures, precipitation, and the tropical season.
- Mr. Benny Ethridge, Chief Energy Supply Officer, reviewed how we prepare people, processes, and equipment. He noted that we leverage lessons-learned to enhance system performance and emergency response during significant events.
- Mr. Rick Urruita, Vice President Generation Operations, reviewed power generation’s resource capacity and noted that a Declaration of Summer Preparedness will be submitted to ERCOT by June 1. He also noted we are working to restore Braunig Unit 3 to a safe operational state as quickly as possible to support ERCOT reliability.
- Mr. Richard Medina, Chief Energy Delivery Officer, reviewed how to prepare our workforce, operations, and equipment for the summer within Energy Delivery. He also reviewed the training and other preparation activities, noting communication and collaboration are critical to preparedness. He also briefly reviewed transmission line projects that have been approved in South Texas to improve system reliability.
- Ms. DeAnna Hardwick, Chief Customer Strategy Officer, reviewed our wildfire preparedness – identifying assets in high-risk areas, conducting trainings, and communicating internally and externally. She noted that we use clear and concise messaging to educate stakeholders and employees on Wildfire Mitigation and Safety. Finally, she reviewed our billing and collections approach and our efforts to support our customers.

The Board of Trustees asked questions and discussed.

¹ Trustee Steen asked if the Board of Trustees is required to accept the annual audited financial statements. Mr. Crouch answered that in his experience it is usually the audit committee that has that authority delegated to them. Ms. Ramirez noted that when CPS Energy had a bonus program, the Board of Trustees was required to approve the annual audited financial statements prior to distribution of the bonus. As the bonus program no longer exists, the governance requirements were adjusted. Trustee Steen thanked Ms. Ramirez for the answer and asked that the information be included in the minutes.

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at the June 30, 2025 meeting

XI. EXECUTIVE SESSION

At approximately 3:10 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:

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

The Board reconvened in open session at 4:01 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 Vice Chair Dr. Mackey and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 4:01 p.m. by Chair Romero.

Shanna M. Ramirez
Secretary of the Board



Community Input Committee (CIC) Subcommittee Report Customer Relations and Communications

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE MAY 14, 2025, MEETING PREPARED FOR COMMITTEE CHAIR, MR. RICHARD FARIAS FOR REPORT AT THE JUNE 30, 2025, BOARD OF TRUSTEES MEETING

The Customer Relations and Communications Subcommittee met on May 14, 2025. As part of the agenda, the Committee:

Received a presentation on CPS Energy's accounts receivable process and support:

- A. Accounts Receivable Update
 - CPS Energy serves about 960,000 customers. Roughly 90% of those customers are residential.
 - March 2025 snapshot.
 - Using payment plans, past due balances have been reduced from \$208M in December 2022 to \$122M as of March 2025.
- B. Billing and Collections Approach
 - Customers are contacted multiple times over 45 days with reminders of the amount due and given opportunities to resolve any payment issues. This outreach includes:
 - Bill alerts
 - Email reminders
 - Mail notice of delinquency (60% reaction rate)
 - Voicemail reminders
 - At-risk letter – final reminder
 - No disconnections are performed during extreme weather.
 - Customer assistance programs utilize a bundled care approach with over 200 community assistance partners. Internal program and community engagement includes:
 - Disabled Citizens Billing Program
 - Senior Citizens Late Payment Waiver
 - Senior Citizens Billing Program
 - Burned Veterans Discount
 - Critical Care Customer Program
 - First Responders with Burn Inquiries Discount
 - Budget Payment Plan
 - Payment Arrangements
 - Energy Angels
 - REAP
 - Weatherization
- C. Next Steps
 - Refine data analysis to better understand customer behavior and needs.
 - Expand marketing efforts to reach more customers for targeted assistance.
 - Help customers to make consistent payments over the long-term and avoid disconnection.

Subcommittee members sought to gain a better understanding of CPS Energy's disconnection policies and guidelines. A discussion occurred on the conditions when customers are not disconnected, such as during weekends, holidays, or extreme weather to protect customers from unnecessary hardship. It was also highlighted that customers enrolled in critical care or chronic condition programs are provided additional time to pay their bills.

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

The next Customer Relations and Communications Subcommittee meeting is scheduled for August 13, 2025.



Community Input Committee (CIC) Subcommittee Report Rates, Finance, and Business

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE MAY 14, 2025, MEETING PREPARED FOR COMMITTEE CHAIR, MR. BOB ZAPATA FOR REPORT AT THE JUNE 30, 2025, BOARD OF TRUSTEES MEETING

The Rates, Finance, and Business Subcommittee met on May 14, 2025. As part of the agenda, the Committee:

Received a presentation and update on the CPS Energy Enterprise Resource Planning (ERP) Transformation Program:

- A. Current State Overview of Legacy Systems
 - SAP ERP technology platform implemented in 2001.
 - Complex landscape with many different applications and data integrations.
 - End of standard support from vendor approaching.
- B. Digital Strategy
 - Strategy is anchored to Vision 2027 and Horizon 2050.
 - 8 key strategic outcomes identified.
 - Outcomes will measure improvement in areas like software savings, process efficiencies, and customer satisfaction, among others.
- C. ERP Program Roadmap and Costs
 - Deliberate timeline of nine years from FY21 to prevent cost overruns and service disruptions.
 - Full implementation is expected in 3 phased releases through FY29.
 - Currently in global design phase with ongoing workshops.
 - \$34.6M actual costs through FY25.
 - \$269.7M estimated cost at completion in FY29.
- D. Partner Ecosystem and Integration
 - CPS Energy is leveraging industry expertise.
 - Key partners for technology, implementation, strategic change management, independent validation and verification, and ancillary services were evaluated, selected, and onboarded in advance of the global design phase.
 - They include Oracle, Accenture and Gartner.
- E. Next Steps
 - Currently engaging the entire CPS Energy organization through a deliberate and thoughtful process.
 - Global design is expected to be completed by Q4 FY26.
 - The schedule and scope of each of the three phased releases will be finalized as the end of global design.
 - Release 1: Financial, HR and Supply Chain Management, Budgeting and Forecasting, Field Services, Capital Projects.

- Release 2: Customer Support and Billing, Extended Field Services.
- Release 3: Enterprise Asset Management and Advanced Field Services.
- Targeted outcomes will be achieved once system and processes are fully operationalized.

Subcommittee members sought to gain a better understanding of the risks, customer benefits, security, and alignment to Horizon 2050. The committee members provided positive feedback on the ERP transformation. They recommended that when CPS Energy is communicating with customers on this initiative, that specific examples be given as to how the customer experience will be enhanced. Customers will want to understand how these changes affect them personally and why they should care. Committee members indicated this will help to make the information be more relevant and valuable.

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

The next Rates, Finance, and Business Subcommittee meeting is August 13, 2025.



Community Input Committee (CIC) Subcommittee Report Power and Technology

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE MAY 14, 2025, MEETING PREPARED FOR COMMITTEE CHAIR, MR. STEVE BONNETTE FOR REPORT AT THE JUNE 30, 2025, BOARD OF TRUSTEES MEETING

The Power and Technology Subcommittee met on May 14, 2025. As part of the agenda, the Committee:

Received a presentation on the ERCOT Reliability Must Run (RMR) process and mobile generator update:

- A. Background on ERCOT RMR
 - Overview of ERCOT's RMR process
 - Through the RMR process, ERCOT has delayed the retirement of Braunig Unit 3 and implemented a mobile generator solution for Braunig Units 1 and 2.
 - ERCOT decisions are based on reliability and economic feasibility considerations with the goal of mitigating potential transmission congestion through South Texas and in the San Antonio area to avoid load-shed in the ERCOT market.
 - All ERCOT customers will pay for the costs associated with these projects.
- B. Scope and Timeline
 - ERCOT will contract with Life Cycle Power for the temporary placement of mobile generators in the CPS Energy service territory.
 - Life Cycle Power will only operate the generators at the direction of ERCOT during emergency situations to address reliability concerns.
 - The mobile generators are expected to be in place by summer 2025.
 - The mobile generators will be removed after additional transmission lines are in service by summer 2027 to address the regional transmission congestion.
- C. Community Outreach and Communication
 - CPS Energy will send notifications to each customer within one mile of a mobile generator location.
 - Ongoing communications and outreach with stakeholders throughout the process.

Subcommittee members sought to gain a better understanding of how and when the mobile generators will be used, their impact on the community, and how their locations were determined by ERCOT.

Additionally, there was discussion on noise and emissions regulations. Subcommittee members offered suggestions about effective communication to the community.

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

The next Power and Technology Subcommittee meeting is August 13, 2025.



NOMINATIONS COMMITTEE

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE MAY 13, 2025, MEETING PREPARED
FOR COMMITTEE CHAIR FRANCINE ROMERO
FOR REPORT AT THE JUNE 30, 2025, BOARD OF TRUSTEES MEETING**

The Nominations Committee met on May 13, 2025. As part of the Nominations Committee agenda, the Committee:

- A. Reviewed the intent of the Nominations Committee
- B. Reviewed the Committee Charter; will discuss potential changes at a later date

The Committee also received presentations regarding:

- C. Trustee search timeline
- D. Trustee qualifications and application review
- E. Community outreach and advertising

The next meeting of the Nominations Committee will be in June 2025.



FY2026 FIRST QUARTER PERFORMANCE UPDATE

PRESENTED BY:

Cory Kuchinsky, CPA

Chief Financial Officer & Treasurer (CFO)

Elaina Ball

Chief Strategy Officer

AS OF APRIL 30, 2025

Informational Update

AGENDA



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

Our objective is to provide you with an update on our Q1 financial performance (as of April 30, 2025), past-due receivables, and enterprise scorecard results.

FINANCIAL PERFORMANCE SUMMARY



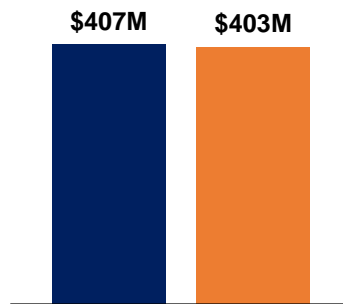
Q1 Update

- Non-fuel revenue is higher than plan due to weather-driven sales
- O&M costs were slightly lower than plan due to lower contractor spend and lower spend on various projects and programs
- Capital is under plan due to the timing of the STP 2% acquisition
- Since the peak in October 2022, past-due receivables have decreased overall by 46%

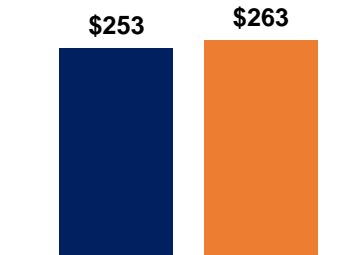
Q1 FINANCIAL HIGHLIGHTS



Non-fuel Revenue



O&M



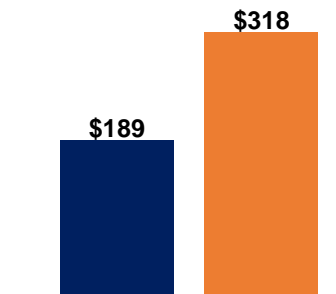
Net Income



Transmission Capital



Non-Transmission Capital



FINANCIAL METRICS GUIDANCE

FULL-YEAR ESTIMATE VS. PLAN



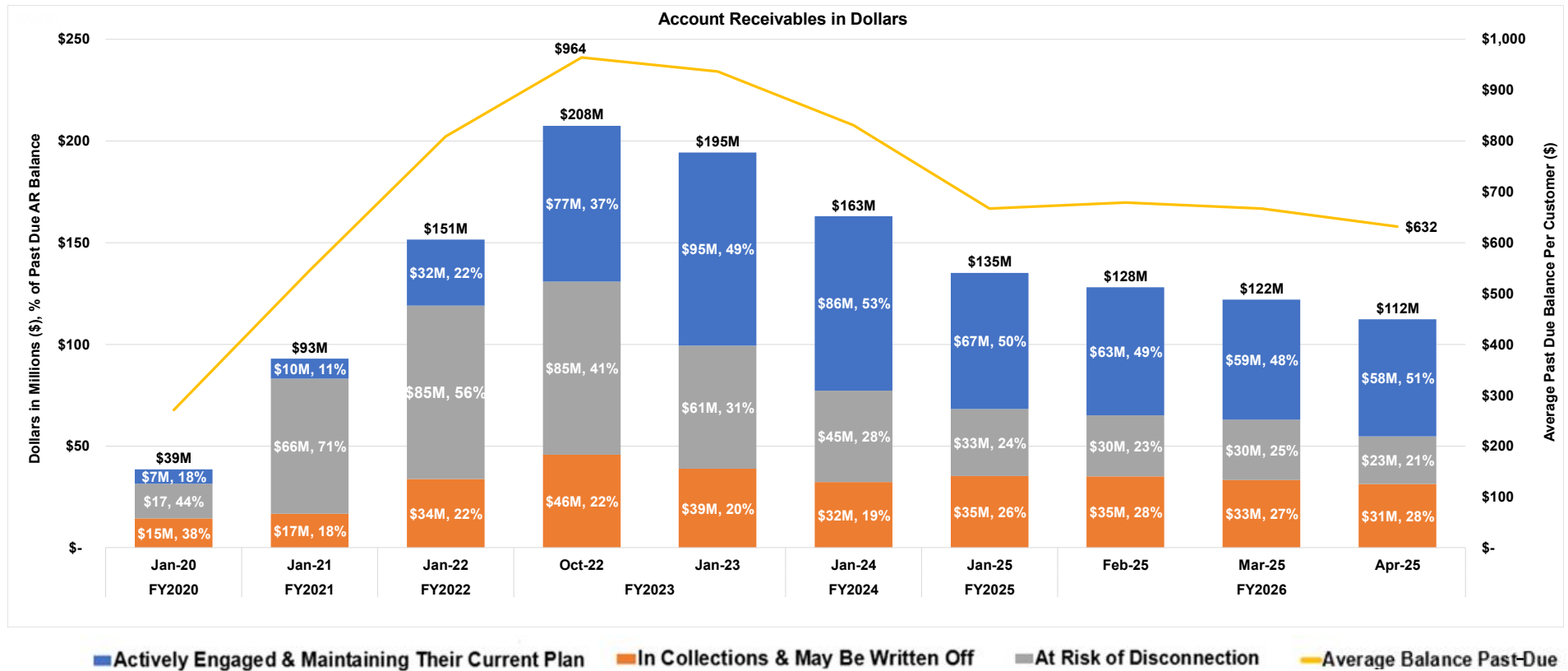
	<u>Plan</u>	<u>Full-Year Estimate</u>
Adjusted Debt Service Coverage Ratio (Higher is Better)	1.60- 1.99x	✓
Debt Capitalization Ratio (Lower is Better)	55.01% - 64.99%	✓
Days Cash On Hand (Higher is Better)	150 - 199	✓
Days Liquidity On Hand (Higher is Better)	200-274	✓
Fiscal Resiliency Score (Higher is Better)	>=3.00	✓

Our financial metrics and fiscal resiliency score are projected to be in line with the plan.



ACCOUNT RECEIVABLES

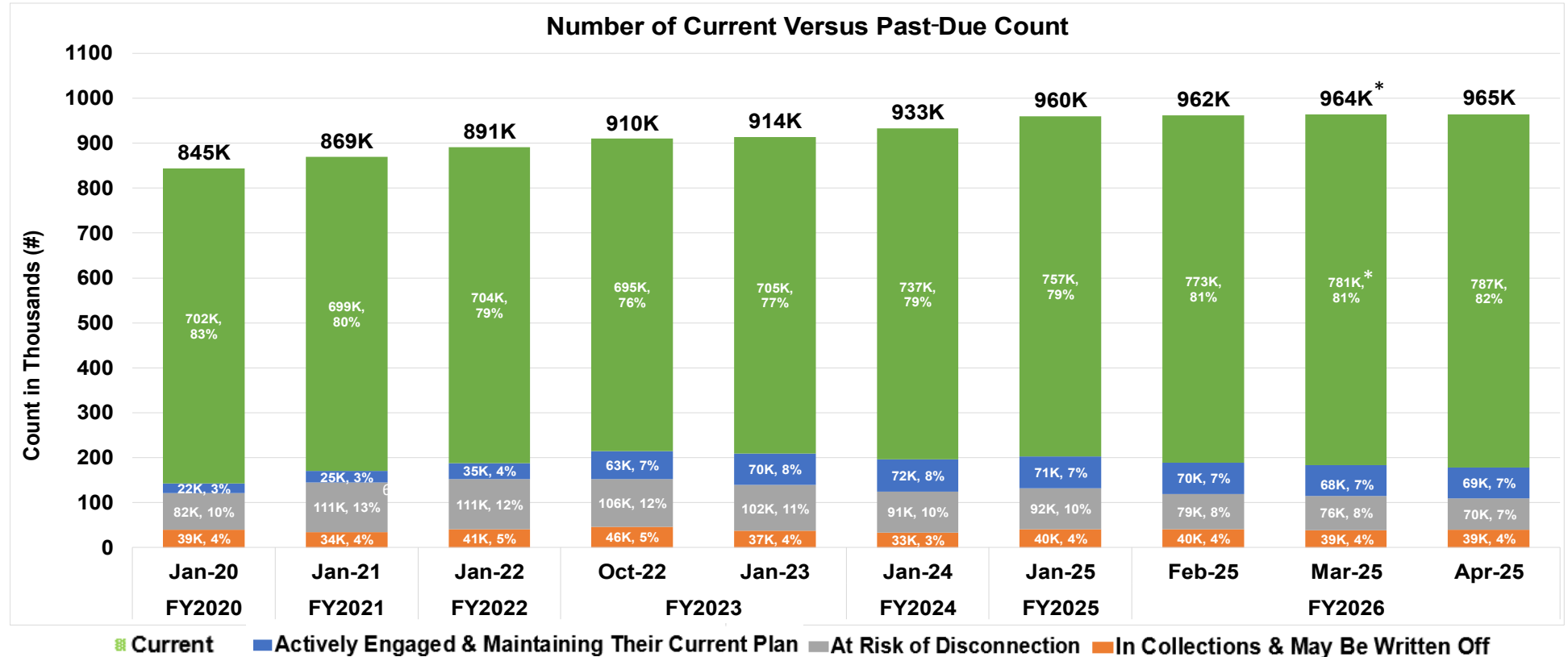
PAST-DUE DOLLARS VERSUS AVERAGE BALANCE PAST-DUE



We reduced past-due dollars from a peak of \$208M to \$112M, while enhanced collection strategies have cut the average balance per customer over \$300, from the high of \$964 to \$632.

ACCOUNT RECEIVABLES

CURRENT VERSUS PAST-DUE COUNT

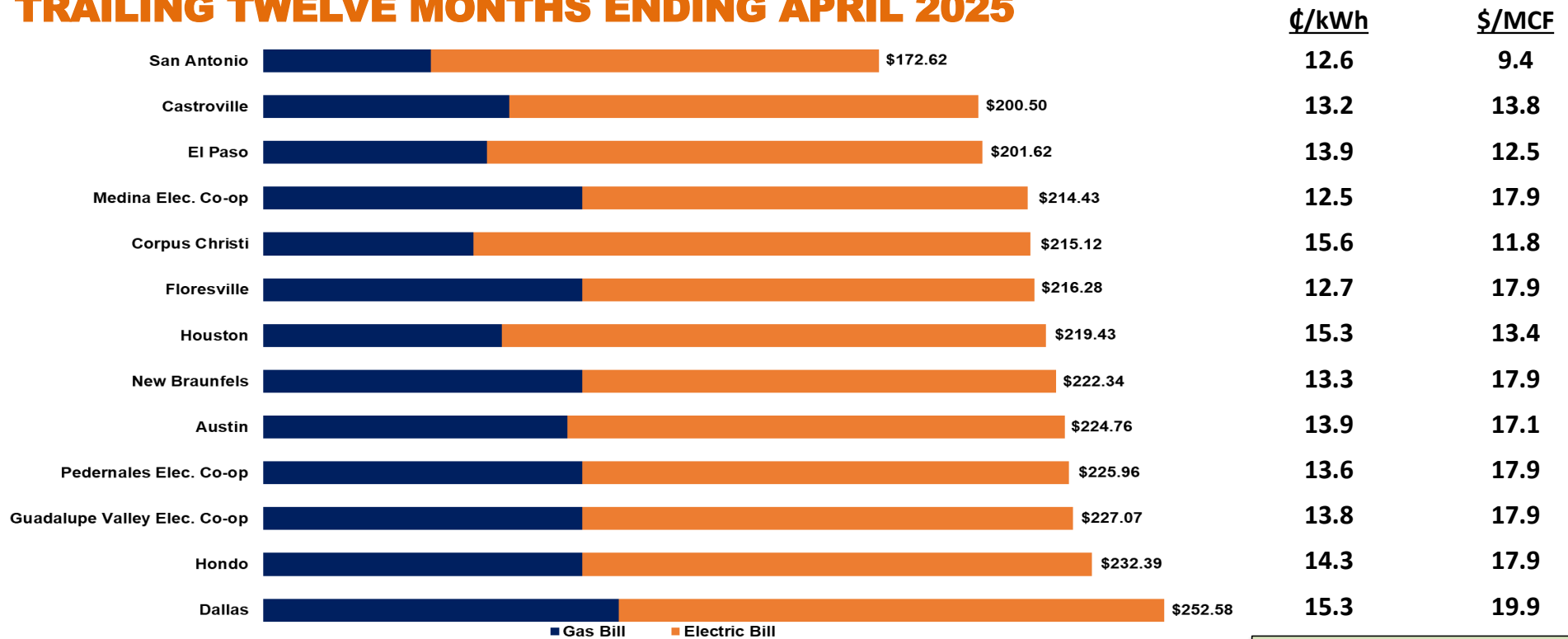


Despite ongoing customer growth, we've effectively managed past-due accounts, particularly those at risk of disconnection (70,000), now 15% lower than pre-pandemic levels.

* *Correction: March 2025 total customer & current count restated*

TEXAS & LOCAL CITIES COMBINED RESIDENTIAL BILL COMPARISON

TRAILING TWELVE MONTHS ENDING APRIL 2025



1,000 kWh & 5 MCF

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



FY2026 ENTERPRISE SCORECARD

FY2026 ENTERPRISE SCORECARD

DRIVING ACTIONS TO DELIVER ON OUR MISSION



VISION 2027 OBJECTIVES

OPERATIONAL
EVOLUTIONFINANCIAL
STABILITY

CUSTOMER EXPERIENCE

TEAM
CULTURECOMMUNITY 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	Completed	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	On-Boarding of System Implementation (SI) partner and remaining program team roles	On Track	Onboard a consultant to develop a customer experience (CX) roadmap, refining customer	On Track
Achieve commercial operation for new solar and storage resources	On Track	Complete GIS Utility Network Phase 1 (Electric Data Migration) and start 2 (Electric Integration 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 engineering, procurement, and construction (EPC) and major equipment supply for the Peaker Project and Spruce 2 Natural Gas Conversion Project	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	Completed	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 – Yellow highlight below indicates measure is currently At Risk of achieving its year-end target

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

Milestones and measures are aligned with our Mission, Vision 2027, and Strategic Objectives.

10

FY2026 ENTERPRISE MEASURE RESULTS

AS OF APRIL 30, 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	16.89	18.60	64.15	On Track*	65.86
	Plant Availability ¹ (Critical Months Equivalent Availability Factor - CMEAF)	Monthly	CY	%	↑	94.4	89.5	90.5	91.5	90.5	On Track*	91.5
	Gas Safety (Leaks Remaining at End of Year Per 1,000 Customers)	Monthly	CY	#	↓	0.61	0.23	0.54	0.53	0.54	On Track	0.54
Financial Stability	Fiscal Resiliency ² (Index of Key Financial Measures)	Monthly	FY	#	↑	3.71	3.15	2.39	2.14	≥3.0	On Track	3.05
Customer Experience	Customer Perception (Residential Engaged Customer Relationship – ECR)	Quarterly	CY	#	↑	699	687	699	696	699	On Track	699
Team Culture	Living Mission & Values ³ (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	1.87	1.09	At Risk	1.58
Community Partnership & Growth	Strategically Investing in the Community (Local Spend Percentage)	Quarterly	FY	%	↑	74.78	74.58	70.00	72.41	70.00	On Track	70.00

¹ Critical month calculation includes January & February only; calculation to resume beginning in June through September

² More information about this measure can be found in the Monthly Financial Update

³ A dash (-) represents no data currently available due to measure being reported annually

NOTE: The 12-month rolling SAIDI is 58.98

* UPDATE: 1) Plant Availability (CMEAF) is currently at risk of achieving its year-end target based on performance results through mid-June. However, there remains an opportunity to achieve the target with improved performance over the remaining summer months. 2) Average Customer Outage Duration (SAIDI) is also now at risk of achieving its year-end target based on results through May. Efforts are ongoing to implement mitigations aimed at improving performance.



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



(\$ in millions)			
Description	FY2026		
	Plan	Actuals	Variance: (Under Plan) Over Plan
Revenues, net of unbilled ¹	\$ 961.9	\$ 848.0	\$ (113.9)
Less: fuel & regulatory expense	453.7	350.4	(103.3)
Less: Operation & maintenance	263.1	252.9	(10.2)
Revenues, net of Operating Expenses	245.1	244.7	(0.4)
Less: Debt service	131.9	129.8	(2.1)
6% Gross Revenue to R&R	57.7	50.9	(6.8)
Less: city payment (CP) per flow of funds	55.5	64.0	8.5
Remaining to R&R	-	-	-
Total R&R fund additions	\$ 57.7	\$ 50.9	\$ (6.8)
Gross Non-Transmission Capital	\$ 317.8	189.2	\$ (128.6)
Gross Transmission Capital	39.3	31.1	(8.2)
Total Gross Capital	\$ 357.1	\$ 220.3	\$ (136.8)

¹ April YTD bad debt expense of ~ -\$5.8M vs \$2.5M for plan which is \$8.3M 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	\$ 871.3	\$ 771.2	\$ (100.1)
Gas	70.8	82.5	11.7
Total operating revenue	942.1	853.7	(88.4)
<u>Less:</u>			
Electric fuel, distribution gas and regulatory	455.2	349.8	(105.4)
Payments to the City of San Antonio	55.5	64.0	8.5
Net operating revenue	431.4	439.9	8.5
Nonoperating revenue ¹	20.1	24.5	4.4
Total revenue available for nonfuel expenses	451.5	464.4	12.9
<u>Nonfuel expenses</u>			
Operation & maintenance	263.0	252.9	(10.1)
Depreciation, amortization & decommissioning	153.1	144.8	(8.3)
Interest & debt-related	80.1	76.7	(3.4)
Total nonfuel expenses	496.2	474.4	(21.8)
Net Income (Loss)	\$ (44.7)	\$ (10.0)	\$ 34.7

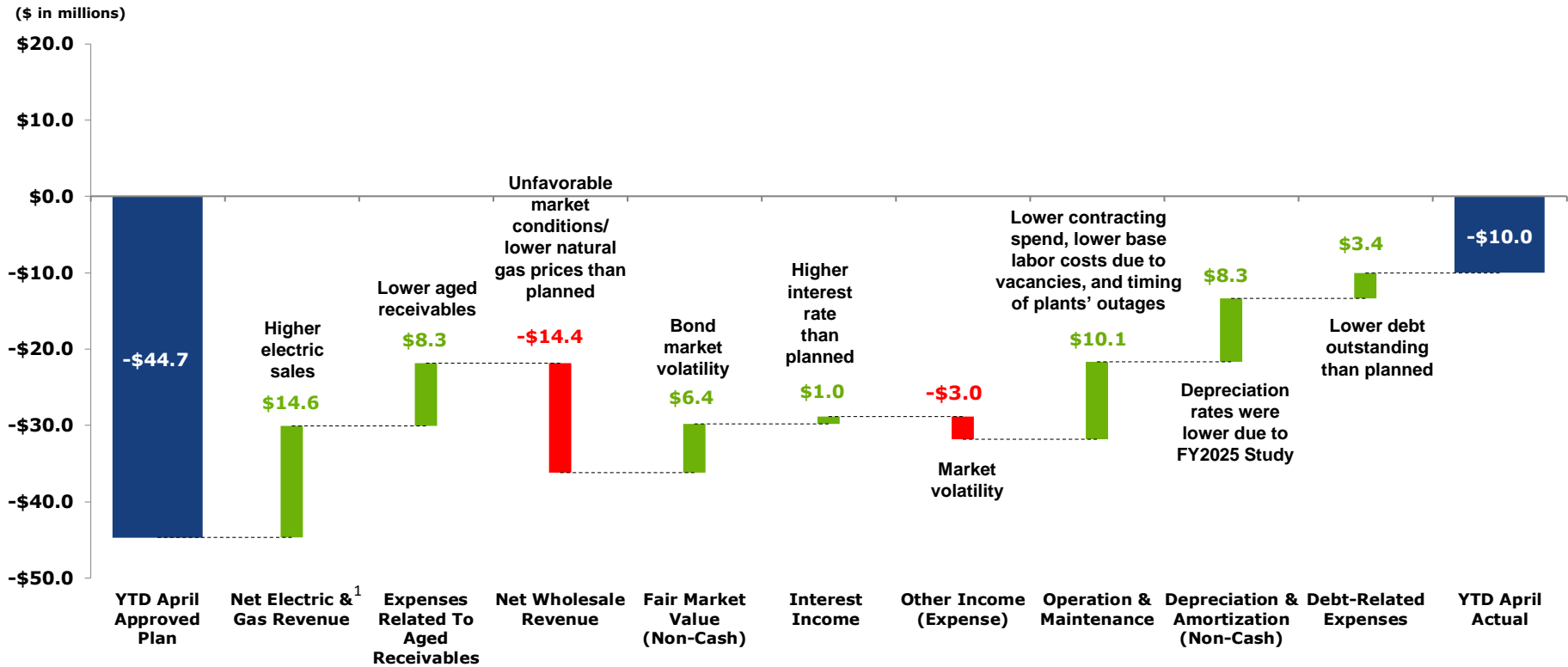
Non-cash items such as investment fair value adjustments do not impact financial metrics such as ADSC or DCOH. These items only impact net income and by extension the equity portion of the debt / capitalization metric.

April YTD bad debt expense of -\$5.8M vs \$2.5M for plan which is \$8.3M under plan.

¹ The Braunig RMR incentive for April YTD is ~\$1.5M, while the project spend totals ~\$18.6M, 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 & reg, and city payment.

FY2026 ENTERPRISE MEASURE SUMMARY

AS OF APRIL 30, 2025

Unrecoverable		At Risk		On Track		Total Enterprise Measures
0	0%	1	12.5%	7	87.5%	8

FY2026 ENTERPRISE MEASURE OUTLIERS	
At Risk	Safety Performance (Enterprise Recordable Incident Rate - RIR)

NEW: Safety Performance changed from On Track to At Risk of achieving its year-end target. Mitigations are in place to impact positive performance.

FY2026 FISCAL RESILIENCY SCORE

AS OF APRIL 30, 2025



Enterprise Measure	Component Name	Index Weight	Unit	Target Indicator	Historical Actuals			Current Year			Latest Estimate
								(FY2026 / CY2025)			
					FY2023	FY2024	FY2025	YTD	YTD	Year-End Target	
CY2022	CY2023	CY2024	Target	Actual							
Fiscal Resiliency	Adjusted Debt Service Coverage (ADSC)	33.0%	#	↑	1.89	2.21	1.94	1.44	1.39	1.60 - 1.99x	1.83
	Debt Capitalization	27.0%	%	↓	61.8	60.8	61.8	64.9	62.8	55.01% - 64.99%	64.7
	Days Cash on Hand (DCOH)	15.0%	#	↑	166	201	182	110	126	150 - 199	158
	Days Liquidity on Hand (DLOH)	15.0%	#	↑	305	432	450	281	272	200 - 274	256
	Non-Fuel Revenue w/OSS RnF	5.0%	\$	↑	1,460.5	1,784.1	1,936.5	402.9	406.6	-5.00% to +4.99%	1,993.6
	O&M	2.5%	\$	↓	688.7	787.6	932	263.0	252.9	+/- 2.01% to 5.00%	982.2
	Capital Budget (Gross of CIAC)	2.5%	\$	↓	788.3	1,004.6	1,749.7	357.1	215.4	+/- 2.01% to 10.00%	1,500.7
Fiscal Resiliency Weighted Index Score								2.39	2.14	≥3.0	3.05

The Fiscal Resiliency Score is projected to end the year ≥ 3.0 .

FY2026 ENTERPRISE MEASURE

KEY OBSERVATIONS – DRIVERS & MITIGATIONS



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	57.68	16.89	18.60	64.15	On Track*	65.86
	Key Observations:											
	<p>Drivers:</p> <ul style="list-style-type: none">In April, the primary drivers included a combination of weather-related events, equipment failures, and a continued increase in vehicle-related and “operated for safety” outages<ul style="list-style-type: none">New process changes to how we work more safely are driving the “operated for safety” outagesTeam is continuously analyzing the outage data to update unknown cause to a specific causePrevious reliability improvement efforts are showing a positive trend to the performance of priority circuits, as well as improvements in the first quarter of the year, particularly in weather and tree-related outages <p>Mitigations:</p> <ul style="list-style-type: none">Ongoing vegetation trimming efforts—totaling 178 miles trimmed year-to-date—have contributed to improved performance and remain a key focus for sustaining reliability gainsContinued collaboration with internal teams to improve switching practices, restoration sequencing, and root cause identification for unknown causes. This collaboration aims to enhance outage tracking, crew documentation, and system analytics, ultimately reducing customer outages, improving event resolution, and maintaining safe grid operationsInvestigating protective measures at locations with frequent vehicle impacts and expanding analysis of animal guards in areas with recurring activityNew internal initiatives are underway to track and record equipment failures, aiming to develop improved mitigation strategies <p>*NOTE: April results performed better than the expected monthly target, however the metrics are still recovering from March results. Given that it is early in the year, we have the ability to achieve the target. Refer to Update comment on slide 11.</p>											

FY2026 ENTERPRISE MEASURE - AT RISK

KEY OBSERVATIONS



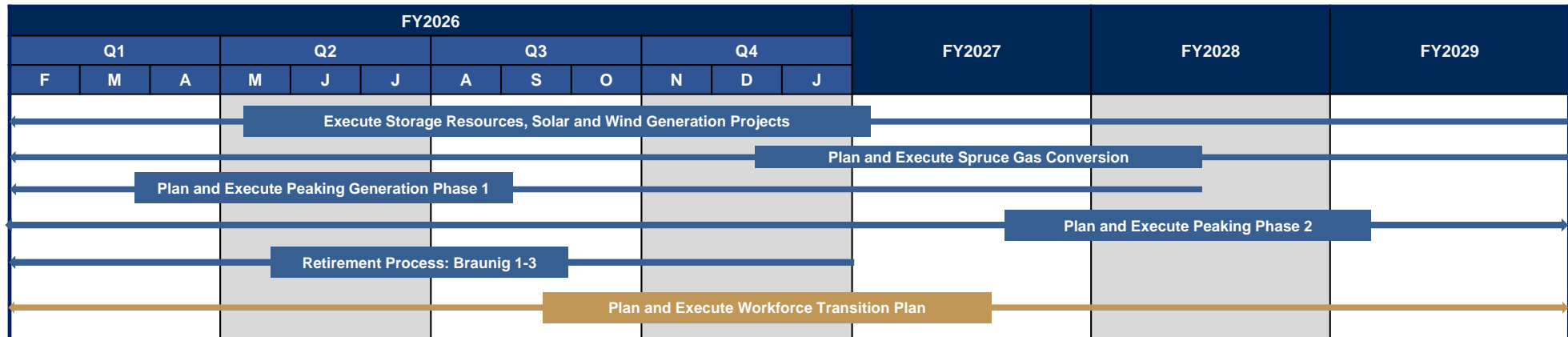
Strategic Objective	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year			Year- End Forecast	Latest Estimate
						FY2024	FY2025	YTD Target	YTD Actual	Year-End Target		
						CY2023	CY2024					
Team Culture	Safety Performance (Enterprise Recordable Incident Rate - RIR)	Monthly	FY	#	↓	0.85	1.19	1.09	1.87	1.09	At Risk	1.58
	Key Observations:											
	Drivers: <ul style="list-style-type: none">16 recordable incidents7 of the 16 occurred during the month of April Mitigations: <ul style="list-style-type: none">Safety Town Hall was convened to enhance awareness and implement measures for mitigating safety risksCoordinated discussions to address the early heat and put plans in place to stay safeSafety and Operational Leadership team review incidents and actively engage in discussions on preventive measuresField-based ergonomic campaign scheduled to begin in June. This effort educates field employees on the proper lifting and stretching techniques											

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	Completed	<ul style="list-style-type: none"> Wave 2 transition plan completed in Q1
Achieve commercial operation for new solar and storage resources	On Track	<ul style="list-style-type: none"> Peregrine Solar (300 MW) achieved commercial operation on March 1, 2025. Padua 1 BESS (50 MW) scheduled to achieve commercial operation by June 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"> Peaker Project major equipment supply award shifted from Q2 to Q3. EPC contract award shifted from FY2026 Q2 to FY2027. Potentially impacting the project schedule and 2030 commercial operation target for Peaker Project Key contracts will be reviewed prior to solicitation and the team will continue to work with internal support areas to finalize request for proposal documents
Support ERCOT reliability through execution of directed Reliability Must-Run (RMR) contracts	Completed	<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 EMS SCADA Replacement Project go-live date has been revised to October 2025 due to delays in hardware installation and the loss of key vendor resources from Aspentech/OSI, has pushed back Pre-FAT. The issue has been escalated to Aspentech executives to secure more resources The critical path milestones are Point-to-Point Testing that started in April 2025 and Site Acceptance Testing in May 2025 ADMS project remains on schedule, with design completion expected in May and Pre-FAT planned for summer, using GIS UN data for power flow modeling
Complete GIS Utility Network Phase 1 (Electric Data Migration) and start 2 (Electric Integration to ADMS)	On Track	<ul style="list-style-type: none"> GIS UN Phase 1 (Electric Data Migration) is on track for completion in Q1 2025. Phase 2 (Electric Integration to ADMS) is aligned with the ADMS timeline, and integration set to begin in Q4 2025. GIS Support is leading the UN effort in collaboration with GIS Data Services and business areas under the GIS Governance Committee. The team is also on schedule for Gas and Fiber Data Migration and progressing with the RFP for a Design Tool
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"> Bluebonnet Station was commissioned in February 2025, serving Rio Nogales via the Permian Highway intrastate pipeline, enhancing plant reliability Southgate to Rio and North Outer Loop pipelines, with third-party-owned gas compression, are in development and scheduled for commissioning in Q4 FY2027 Westcreek Station is set for commissioning in Q4 FY2025 to improve resiliency on the far west side and support large load customers in the region
Upgrade and modernize transmission system for resiliency and growth (Multiple projects as part of South Reliability Electric Transmission Line Expansion)	On Track	<ul style="list-style-type: none"> Howard to San Miguel: <ul style="list-style-type: none"> BoT approval Q2 FY2026 Start Design Q4 FY2026 Initiate project-specific RFP for transmission pole order Q4 FY2026 (<i>Contract Approval FY2027</i>)
Submit TCOS rate filing package developed through significant cross-functional efforts and 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"> Drafting witness testimony, compiling complex data, conducting oversight / challenge sessions Ensuring complete data; making the case on the benefit of the Muni model

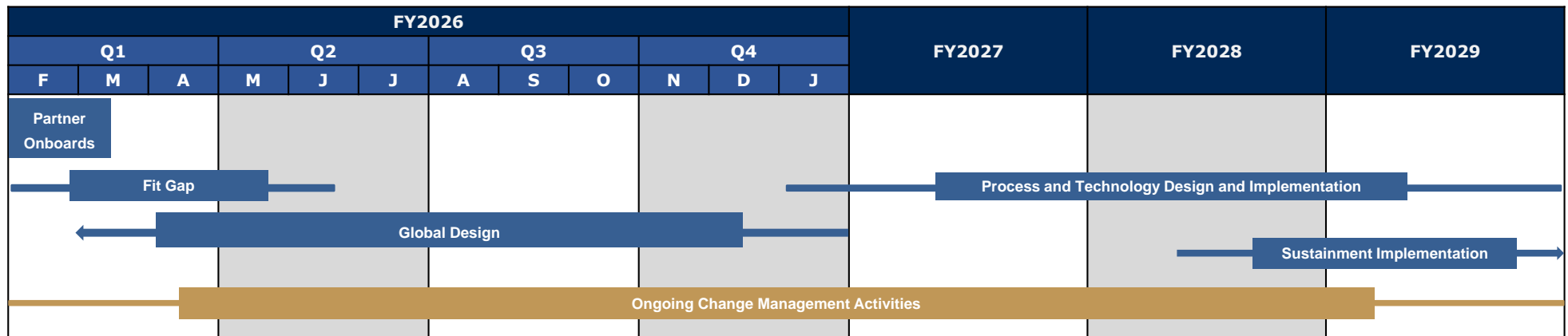
FY2026												FY2027	FY2028	FY2029
Q1			Q2			Q3			Q4					
F	M	A	M	J	J	A	S	O	N	D	J			
Energy Management (EMS) SCADA System														
												Upgrade ADMS SCADA System		
Diversify Natural Gas Supply and Transport Portfolio														
Update Gas System Distribution System & Gas Services Planning														
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	On Track	<ul style="list-style-type: none"> SI team onboarding commenced in February 2025 Program team roles expected to be complete in Q2 Additional roles planned for FY2026 are in process
Complete Global Design	On Track	<ul style="list-style-type: none"> Global Design kickoff held in April; 400+ participants Global design workshops (functional and technical) in progress; SMEs mobilized Global Design runs through Q4 FY2026
Execute change management efforts and communication strategy	On Track	<ul style="list-style-type: none"> Overall Change Strategy and Approach for the program is on track Leadership Reviews for stakeholder inputs are in progress Communication plan with 30/60/90-day view is in progress



CUSTOMER EXPERIENCE



Goal: Enhance CPS Energy's reputation, satisfaction and revenue through better employee engagement and positive customer experiences.

FY2026 Milestones	Status	Updates
Onboard a consultant to develop a customer experience (CX) roadmap, refining customer	On Track	<ul style="list-style-type: none"> A consultant has been onboarded and is using a data-driven approach to identify key initiatives and metrics that enhance the Customer Perception (ECR) enterprise measure. This work will inform the CX roadmap and refine the customer segmentation strategy
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"> Work is ongoing to define key initiatives and metrics that support the Customer Perception (ECR) enterprise measure, guiding the identification of priority customer journeys and personas. Once identified, goals, communication, and training plans will be adjusted to enhance targeted customer experiences and positively impact the enterprise measure
Support the development and execution of products and services to include customer feedback and effective engagement	On Track	<ul style="list-style-type: none"> Partnership with the Rates and Products & Services team is ongoing through regular meetings to develop a new products roadmap. Customer requests are shared with the team to support prioritization and product development efforts
Process improvement for customer support efforts	On Track	<ul style="list-style-type: none"> Outage communications plans are being actively managed and maintained for both internal and external partners, with timely updates shared through internal channels in coordination with Customer Resolutions & Solutions (CR&S). Customer engagement continues for Construction Projects

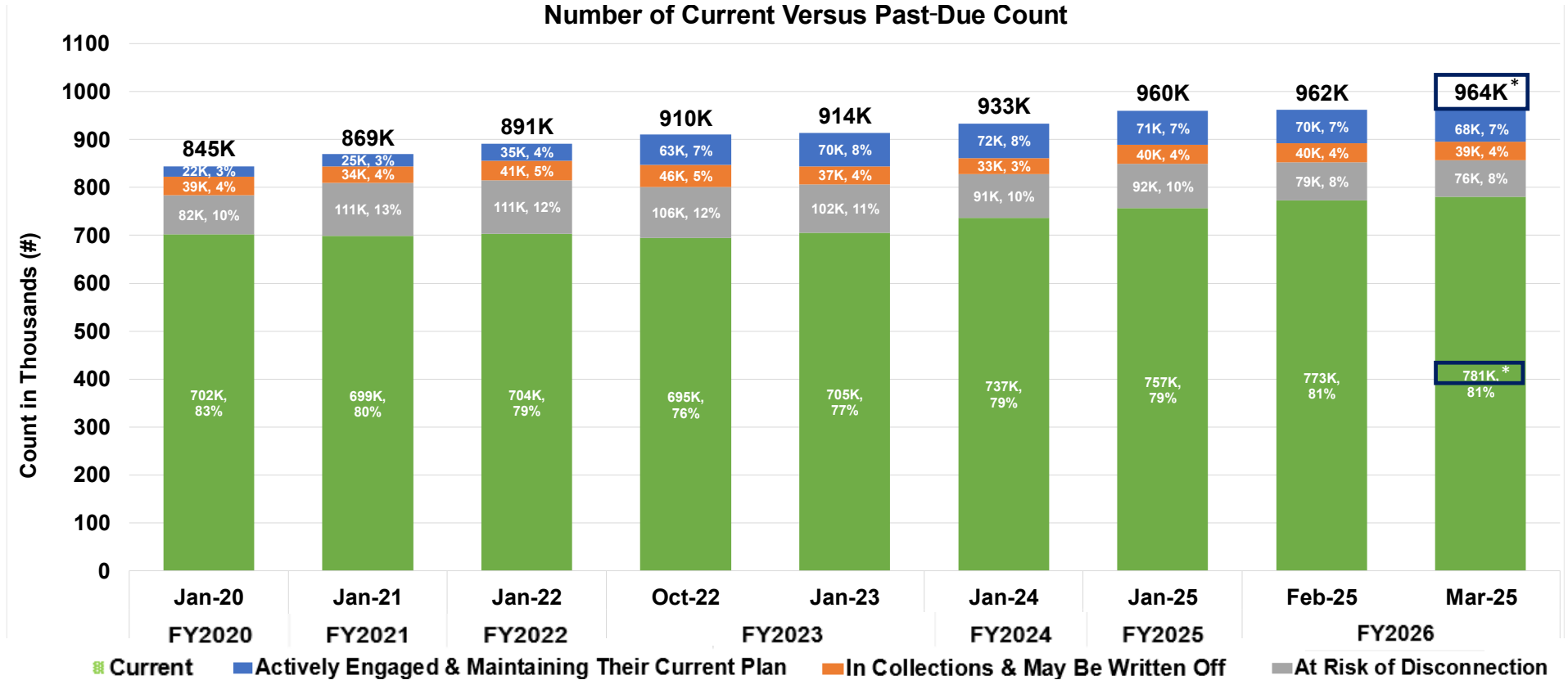
FY2026												FY2027	FY2028	FY2029
Q1			Q2			Q3			Q4					
F	M	A	M	J	J	A	S	O	N	D	J			
Continue refining Residential and Commercial Segmentation and mapping of Customer Journey														
Establish Customer Experience (CX) Championship Team and define CX framework, goals & plans														
Increase Employee, Stakeholder and Community Communication														
Enhance Customer Messaging - New Products / Services / Rates														



ACCOUNT RECEIVABLES

CURRENT VERSUS PAST-DUE COUNT

Number of Current Versus Past-Due Count

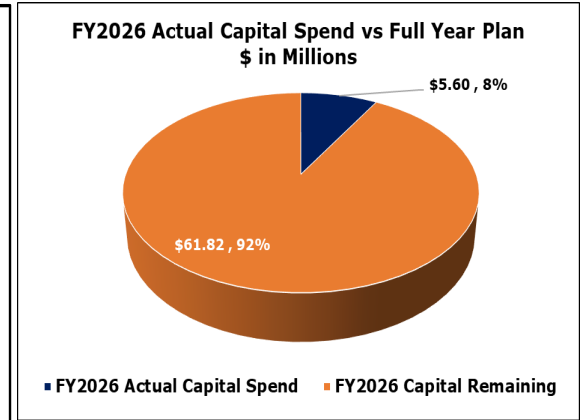
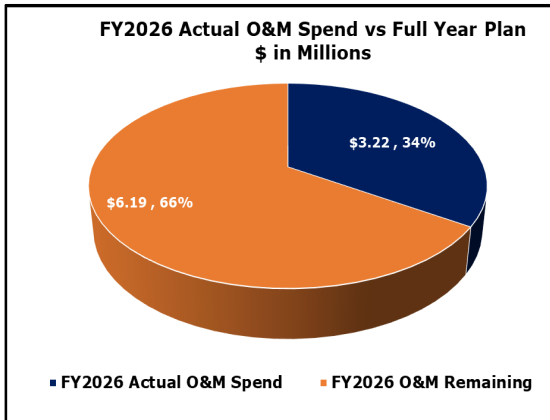
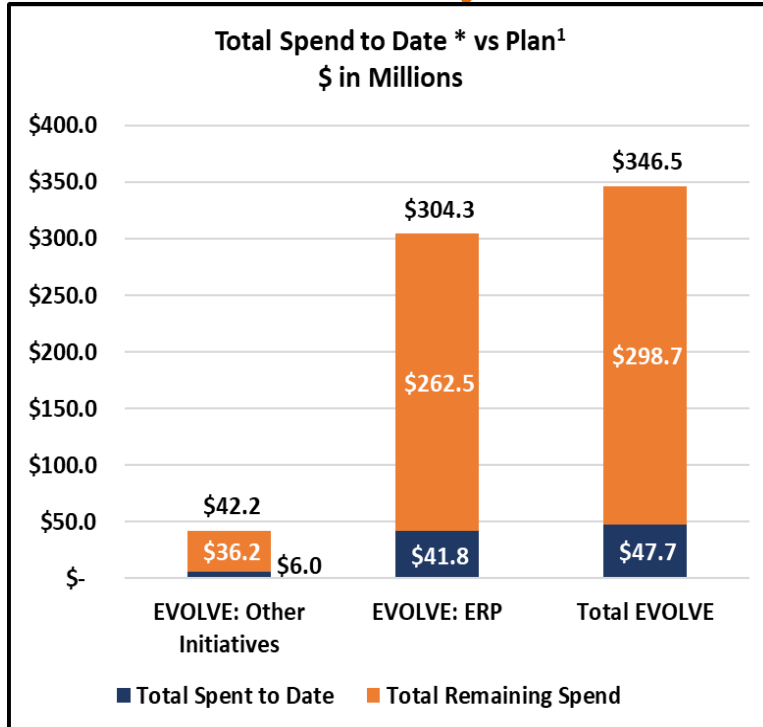


Despite ongoing customer growth, we've effectively managed past-due accounts, particularly those at risk of disconnection (76,000), now below pre-pandemic levels.

* *Correction: March 2025 total customer & current count restated*

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.

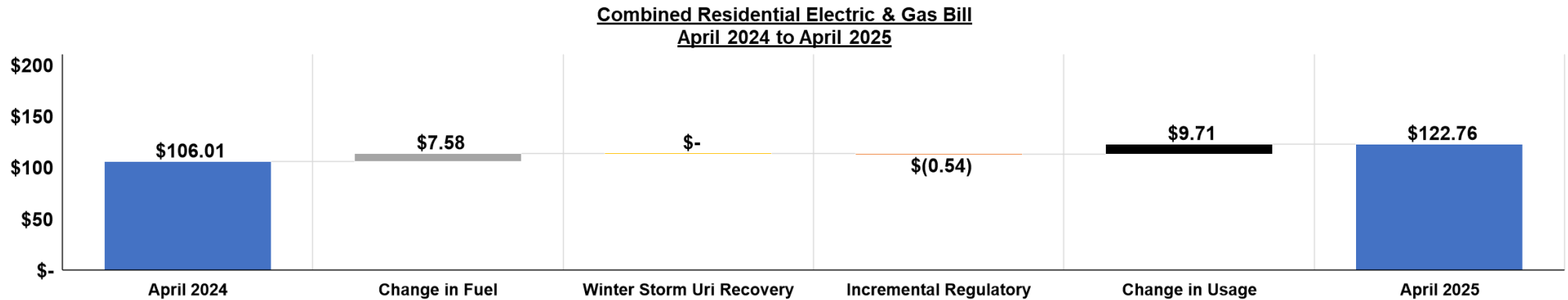
**Accenture was selected as Implementation partner & approved by Board of Trustees (BOT) on 1/31/2025.
Gartner was selected as Independent Verification & Validation partner and approved by BOT on 3/31/2025.
Global Design workshops are underway.**

(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.

RESIDENTIAL BILL IMPACT



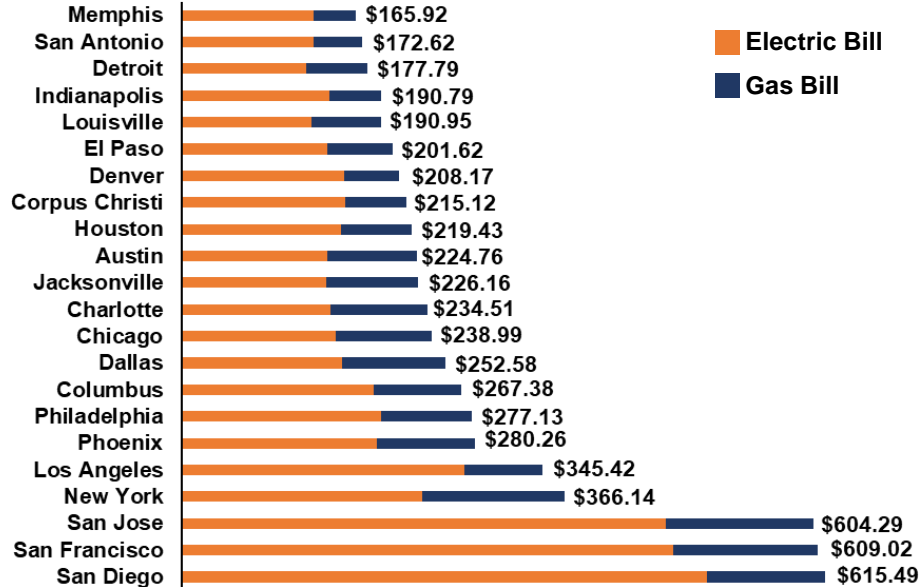
AVERAGE RESIDENTIAL USAGE			
	<u>April</u> <u>2024</u>	<u>April</u> <u>2025</u>	<u>Variance</u>
Electric (kWh)	689	780	91
Gas (CCF)	16	15	-1

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



MAJOR CITIES RESIDENTIAL BILL COMPARISON TRAILING TWELVE MONTHS ENDING APRIL 2025

Average Residential Bill @1,000 kWh & 5 MCF



Major Cities @1,000 kWh & 5 MCF					
City	¢/kWh	\$/MCF	Electric Bill	Gas Bill	Total Bill
Memphis	12.6	7.95	\$126.15	\$39.77	\$165.92
San Antonio	12.6	9.41	\$125.55	\$47.07	\$172.62
Detroit	11.9	11.79	\$118.83	\$58.96	\$177.79
Indianapolis	14.1	9.90	\$141.31	\$49.48	\$190.79
Louisville	12.4	13.36	\$124.17	\$66.78	\$190.95
El Paso	13.9	12.54	\$138.90	\$62.72	\$201.62
Denver	15.5	10.66	\$154.88	\$53.29	\$208.17
Corpus Christi	15.6	11.81	\$156.09	\$59.03	\$215.12
Houston	15.3	13.38	\$152.51	\$66.92	\$219.43
Austin	13.9	17.06	\$139.48	\$85.28	\$224.76
Jacksonville	13.8	17.64	\$137.98	\$88.18	\$226.16
Charlotte	14.2	18.54	\$141.81	\$92.70	\$234.51
Chicago	14.7	18.41	\$146.92	\$92.07	\$238.99
Dallas	15.3	19.93	\$152.94	\$99.64	\$252.58
Columbus	18.3	16.85	\$183.14	\$84.24	\$267.38
Philadelphia	19.1	17.31	\$190.56	\$86.57	\$277.13
Phoenix	18.7	18.70	\$186.75	\$93.51	\$280.26
Los Angeles	27.0	15.10	\$269.93	\$75.49	\$345.42
New York	23.0	27.16	\$230.33	\$135.81	\$366.14
San Jose	46.3	28.28	\$462.89	\$141.40	\$604.29
San Francisco	47.1	27.64	\$470.80	\$138.22	\$609.02
San Diego	50.2	22.65	\$502.23	\$113.26	\$615.49

Note: Based on an average of 1,000 kWh/month & 5 MCF/month; Bills reflect 12-month average pricing from May 2024 through April 2025 in all markets.



ACCOUNTS RECEIVABLES PROCESS AND SUPPORT

PRESENTED BY:
DeAnna Hardwick
Chief Customer Strategy Officer

June 30, 2025
Informational Update



AGENDA

- A Look Across the Country
- Statutory Requirements
- Billing and Collections Approach
- Available Support Services and Partnerships
- Support in Action
- Expanded Options and Future Focus

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.

HEADLINES ACROSS THE COUNTRY



WABI 5

News First Alert Weather Sports

Ad

Maine PUC announces customers no longer protected from gas & electricity disconnection



Power lines (WABI)

By WABI News Desk

Published: Apr. 15, 2025 at 5:50 PM EDT

NEWS

Puget Sound Energy will ramp up collection efforts for \$140M in overdue bills

Jerry Cornfield Washington State Standard

June 6, 2024, 3:30 p.m. PT

Inside Climate News [Donate](#)

TRUMP 2.0: The Reckoning

Justice & Health

In Tennessee, Climbing Utility Rates and More Than 140,000 Household Cut-Offs in 2023

ACEEE
Smart Energy. Clean Planet. Better Lives.

Utility bills

BLOG POST

One-Third of Tenants Behind on Utility Bills, Highlighting Need for Energy Upgrades

August 17, 2022

LADWP Board of Commissioners Approves Motion Suspending Water and Power Shutoffs for Non-Payment During L.A. Extreme Heatwaves and Cold Weather

[f Share](#) [x Share](#) [in Share](#)

LA DWP **COOL* LA**
Beat the Heat & Stay Safe

LOS ANGELES (JUNE 27, 2023) – Los

Utilities across the nation face a complex and growing challenge in managing past-due bills and disconnections.

NATIONAL VIEW

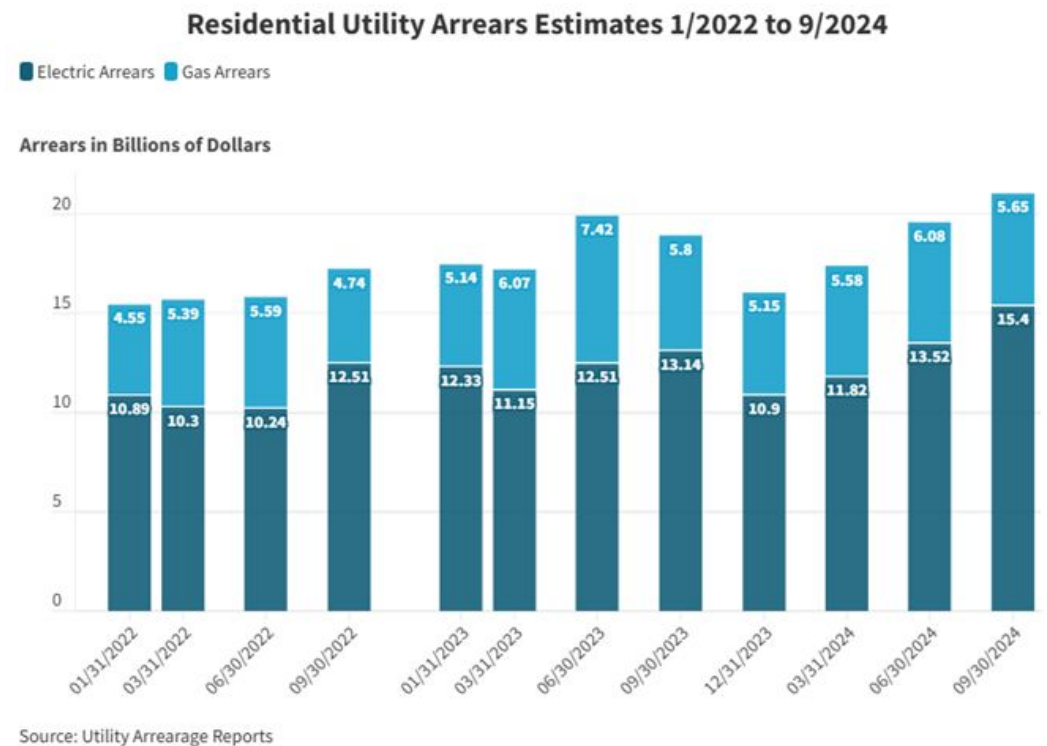
NATIONAL ENERGY ASSISTANCE DIRECTORS' ASSOCIATION (NEADA)



NEADA

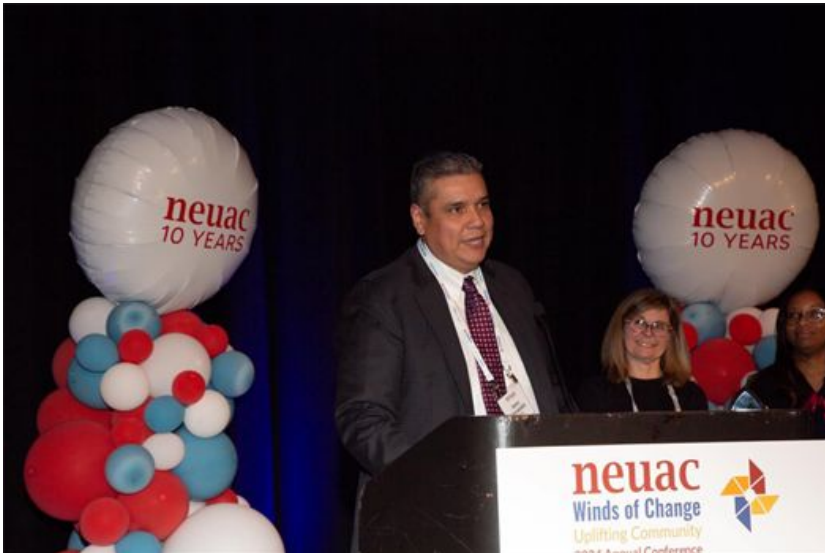
Utility Arrearages

Since the beginning of the pandemic, NEADA has been tracking utility arrearages (household debt to utilities) using data from a select number of states that report the figures publicly. As of September 2024, arrearages have risen to \$21.1 billion with over 21 million households (16.3% of all households) owing \$15.4 billion to electric utilities and 5.6 billion households owing \$5.6 billion to natural gas companies. National arrearages have grown by 36.3% since January 2022.



According to NEADA, national arrearages have grown by 36.3% since 2022, while ours have reduced.

INDUSTRY LEADERSHIP AWARDS



Jesse Hernandez receives Corporate Excellence Award on behalf of CPS Energy at the NEUAC Conference.



The Corporate Excellence Award recognizes outstanding achievements by a utility or corporate entity on behalf of its vulnerable customers. Utilities or other corporate partners may be nominated who demonstrate innovative practices, outstanding community partnership, or impressive depth of programming that is effectively and uniquely serving historically underserved communities and building longstanding energy practices.

Other recent awards:

- Energy Equity Power Player - Fourth Place | Smart Electric Power Alliance (SEPA)
- Leaders of the Pack - Casa Verde Program | American Council for an Energy-Efficient Economy (ACEEE)
- Top Leaders in Technology - Energy Management | KJ Feder | Parks Associates
- Gold Award for Excellence in Serving Vulnerable Customers | Chartwell

BENCHMARKING

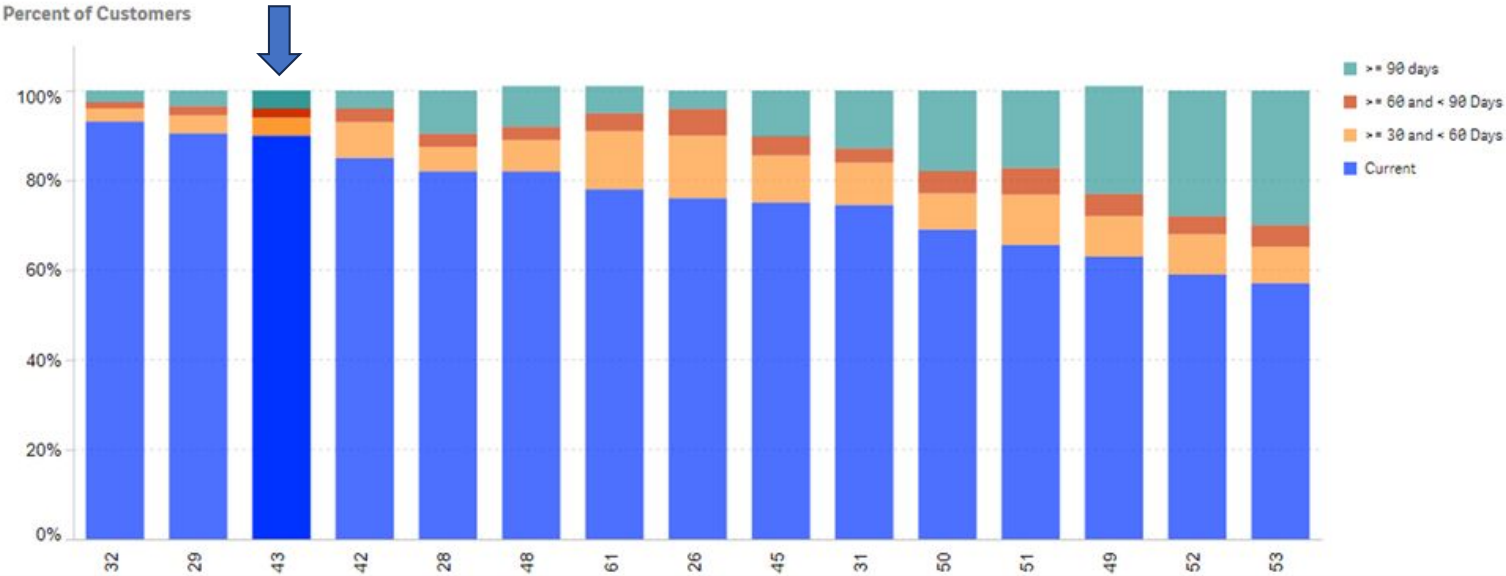


Credit & Collections - Page #30 - Date Printed: 4/19/2025

During an Average Month, Percent of Customers in Each Category: Residential

Mean, by Category

Current	30 to 59 Days	60 to 89 Days	90+ Days
75.99%	8.25%	3.78%	12.18%



FIRST QUARTILE CONSULTING

In national benchmarking, we rank third in percent of receivables current, due to our efforts to focus on connecting customers with the right programs and assistance.

* Data compiled & presented by First Quartile Consulting – Customer Service Benchmarking Study. Data as of December 31, 2024



STATUTORY REQUIREMENTS

§1502.057 TEXAS GOVERNMENT CODE

- Must impose and collect charges for services in amounts at least sufficient to cover the cost of:
 - Providing service - including all operating, maintenance, depreciation, replacement, improvement, and interest charges; and
 - Paying all debt obligations
- Must have rates that are “equal and uniform”
 - Rates may be “equal and uniform” in application to residential customers within the same class and provide “unequal treatment” to customers in another residential class, provided there is a reasonable basis for the different treatment
- Cannot allow any free service
- May establish bill payment assistance program for low-income customers or military veterans who cannot regulate their body temperature because of severe burns caused in combat
 - Bill payment assistance program is an operating expense that is recoverable as a first lien against the system revenues, which come from rates

Per Texas code, we must impose and collect for charges and cannot allow any free service. We continue to focus on getting customers set up with programs and support to reduce the number of account disconnections.

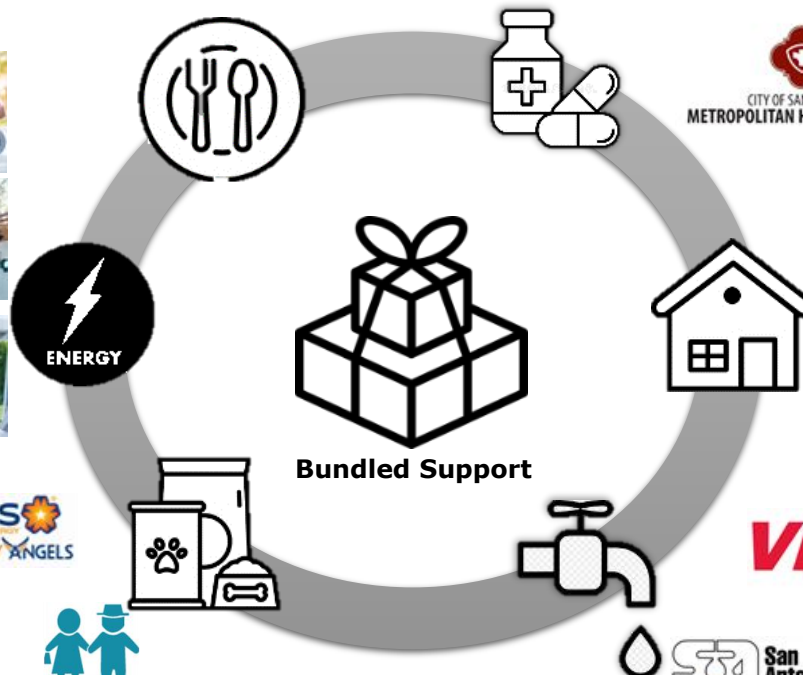
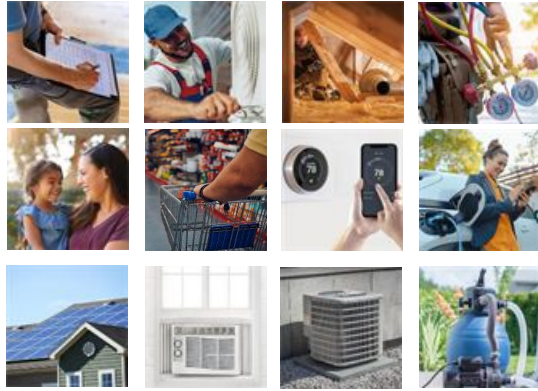
RESIDENTIAL BILLING TIMELINE & EXAMPLES



DAY 1	DAY 12	DAY 16	DAY 18	DAY 23	DAY 30	DAY 37	DAY 44
Send Bill	Send Energy Alert	Bill Due Date	Send Courtesy Call & Energy Alert; Apply Late Fee	Mail Letter to Advise of Late Bill	Send Reminder Call & Energy Alert	Mail Notice of Potential Disconnect	Send Energy Alert & Account Eligible for Disconnect

We contact customers multiple times prior to any account actions. In compliance with our Customer Terms & Conditions, we do not perform disconnections during extreme weather emergencies, consistent with the Texas PUC rule §25.483(j).

BUNDLED CARE



Disabled Citizen Billing Program



Senior Citizen Late Payment Waiver



Senior Citizen Billing Program



Burned Veterans' Discount



AutoPay



Critical Care Customer Program



First Responders with Burn Injuries Discount



Budget Payment Plan



Payment Arrangements



Our outreach focuses on identifying internal and external support options to provide the most assistance possible for those in need.

AGENCY PARTNERS

AGENCY PORTAL USERS



AACOG, ALAMO AREA AGENCY ON AGING
 AACOGBEXAR AREA AGENCY ON AGING
 AARC
 ADOPT-A-SENIOR
 ALAMO AREA COUNCIL OF GOVERNMENTS WEATHERIZATION
 ALAMO AREA RAPE CRISIS CENTER
 ALAMO HEIGHTS UNITED METHODIST CHURCH HOPE CENTER
 AMERICAN GI FORUM
 ANY BABY CAN
 ARPA BATCH
 BEXAR COUNTY ECONOMIC AND COMMUNITY DEVELOPMENT
 BEXAR MILITARY AND VETERANS SERVICES
 BULVERDE BAPTIST CHURCH
 BULVERDE UNITED METHODIST CHURCH
 C2 GLOBAL PROFESSIONAL SERVICES, LLC
 CAM
 CASEY FAMILY PROGRAMS
 CATHOLIC CHARITIES
 CHCS-SUPPORTED HOUSING
 CHILDREN'S REHABILITATION INSTITUTE OF TELETON
 CHOCTAW NATION OF OKLAHOMA
 CHRIST EPISCOPAL CHURCH
 CHRIST THE KING CHURCH
 CHURCH UNLIMITED
 COMMUNITIES IN SCHOOLS OF SAN ANTONIO
 COMMUNITY COUNCIL OF SOUTH CENTRAL TEXAS
 COMMUNITY COUNCIL OF SOUTH CENTRAL TEXAS, INC.
 CORNERSTONE CHURCH
 CRESTVIEW BAPTIST CHURCH
 CRISIS ASSISTANCE PROGRAM CAP
 DAUGHTERS OF CHARITY SERVICES OF SAN ANTONIO
 DEPARTMENT OF HUMAN SERVICES
 FAMILY ENDEAVORS
 FAMILY SERVICE ASSOCIATION OF SAN ANTONIO, INC.
 FIRST BAPTIST CHURCH
 GREATER RANDOLPH AREA SVCS PROGRAM INC. GRASP
 HAND-UP FAMILY GUIDANCE
 HAVEN FOR HOPE -AFTERCARE PROGRAM
 HAVEN FOR HOPE -HOUSING
 HILLSIDE FELLOWSHIP
 HOLY FAMILY CHURCH ST VINCENT DE PAUL
 HOLY SPIRIT- ST VINCENT DE PAUL

HOPE HISPANIC ORGANIZATION FOR PUBLIC EMPLOYEES
 HOUSE OF NEIGHBORLY SERVICE HNS
 HPOG ALAMO COLLEGES
 JEWISH FAMILY SERVICE
 LITTLE FLOWER PARISH- ST VINCENT DE PAUL
 MACARTHUR PARK CHURCH OF CHRIST
 MADONNA COMMUNITY CENTER
 MARK JONES MINISTRIES
 MARTINEZ STREET WOMEN'S CENTER
 METHODIST CHILDREN'S HOME
 METHODIST HEALTHCARE MINISTRIES
 METHODIST HEALTHCARE MINISTRIES - CMCS
 MULTIPLE SCLEROSIS FOUNDATION
 NATIONAL KIDNEY FOUNDATION
 NATIONAL MS SOCIETY
 NATIONAL MULTIPLE SCLEROSIS SOCIETYMS-LONE START
 NORTHSIDE CHURCH OF CHRIST
 OLG HELOTES
 OPERATION HOMEFRONT INC.
 OUR FATHER'S HOUSE WORLDWIDE
 OUR LADY OF GOOD COUNSEL-SVDP
 OUR LADY OF GRACE LA COSTE, TX
 OUR LADY OF MT. CARMEL-ST VINCENT DE PAUL
 OUR LADY OF PERPETUAL HELP - SVDP
 OUR LADY OF THE ATONEMENT-SVDP
 OUR SAVIOR LUTHERAN CHURCH
 PROJECT QUEST, INC.
 RANDOLPH AREA CHRISTIAN ASSISTANCE PROGRAM RACAP
 REAP FIRST RESPONDERS BURN PROGRAM
 REDEEMER PRESBYTERIAN CHURCH
 SA HOPE CENTER
 SA READY TO WORK
 SAINT VINCENT DE PAUL - HELOTES
 SAMMINISTRIES
 SAN ANTONIO AIDS FOUNDATION
 SAN ANTONIO AREA FOUNDATION
 SOCIETY OF ST VINCENT DE PAUL
 SOCIETY OF SAINT VINCENT DE PAUL CAP
 SOCIETY OF ST. VINCENT DE PAUL
 SOCIETY OF ST. VINCENT DE PAUL - PRINCE OF PEACE C
 SOCIETY OF ST. VINCENT DE PAUL - ST. MATTHEW
 SOCIETY OF ST. VINCENT DE PAUL-PRINCE OF PEACE

SOUTH ALAMO REGIONAL ALLIANCE FOR THE HOMELESS
 ST ANNS SOCIETY OF ST VINCENT DE PAUL CONFERENCE
 ST ANTHONY CLARET'S PANTRY
 ST ANTHONY DE PADUA CATHOLIC CHURCH
 ST ELIZABETH ANN SETON CHURCH-ST VINCENT DE PAUL
 ST FRANCIS OF ASSISI CATHOLIC-ST VINCENT DE PAUL
 ST GREGORY THE GREAT-ST VINCENT DE PAUL
 ST JOSEPH HONEY CREEK CONF-SVDP
 ST LUKE ST VINCENT DE PAUL
 ST MARK EVANGELIST SVDP
 ST MARY MAGDALEN
 ST MARY MAGDALEN-SVDP
 ST MONICAS CHURCH-SVDP
 ST ROSE OF LIMA ST VINCENT DE PAUL SOCIETY
 ST VINCENT DE PAUL - ST BRIGID CATHOLIC CHURCH
 ST VINCENT DE PAUL OLPH
 ST VINCENT DE PAUL ST PIUS X
 ST VINCENT DEPAUL ST MATTHEWS CONFERENCE
 ST. GEORGE EPISCOPAL CHURCH PASTORAL CARE
 ST. GERARD CHURCH
 ST. HELENA ST. VINCENT DE PAUL
 ST. JAMES THE APOSTLE CATHOLIC CHURCH
 ST. PHILIPS COLLEGE
 ST. THOMAS MORE CATHOLIC CHURCH
 ST. VINCENT DE PAUL - ST MONICA CONFERENCE
 ST. VINCENT DE PAUL SOCIETY, ST. JOHN NEUMANN
 ST. VINCENT DE PAUL ST. DOMINIC
 SVDP AT ST PETER PRINCE OF THE APOSTLES
 SVDP ST MARY MAGDALEN
 SVDP, SAMC CONFERENCE
 TEXAS DEPT OF FAMILY PROTECTIVE SERVICES-CPS
 THE ADVOCATES SOCIAL SERVICES OF SAN ANTONIO, TX
 THE CHICKASAW NATION
 THE HILLS CHURCH
 THE PEARL MAE FOUNDATION, INC
 THE SALVATION ARMY
 THRIVE YOUTH CENTER
 TRANSPLANTS FOR CHILDREN
 TX DEPT OF FAMILY AND PROTECTIVE SERVICES- APS
 UNIVERSITY BAPTIST CHURCH
 UNIVERSITY TRANSPLANT CENTER

Over 120 active agencies access our Agency Portal to view customer account information, with customer consent, to help guide their decision to pledge dollars toward customer balances.



BUNDLED CARE IMPACT

ROSE - FAMILY WITH MEDICAL EQUIPMENT

PROGRAMS REFERRED

- Department of Human Services (DHS)
- Bexar County Utility Assistance
- SA Hope
- Critical Care
- Affordability Discount Program (ADP)
- Casa Verde Weatherization



VALUE OF SUPPORT RECEIVED

- **\$400** agency bill payment
- **\$12,068.28** agency bill payment
- Faith & Finances classes
- Additional billing time and personal support during extended outages
- **\$220** discount per year
- **\$5,000** average value of installed measures with approximately **\$450** energy savings per year in energy costs

Value of support: **\$18,138.28**



BUNDLED CARE IMPACT

DAVID - SENIOR CITIZEN

PROGRAMS REFERRED

- Affordability Discount Program (ADP)
- Senior Citizen Late Payment Waiver
- Critical Care
- Residential Energy Assistance Program (REAP)
- Casa Verde Weatherization
- Alamo area Council of Governments (AACOG) (mattress & utility assistance)
- Bexar County Utility Assistance
- Catholic Charities
- Salvation Army (food)
- Meals on Wheels



VALUE OF SUPPORT RECEIVED

- **\$220** discount per year
- **\$20** annual avg
- Additional billing time and personal support during extended outages
- **\$400** agency bill payment
- **\$5,000** average value of installed measures with approximately **\$450** energy savings per year in energy costs
- **\$371.19** agency bill payment & **\$500** mattress
- **\$120.07** agency bill payment
- **\$916.59** agency bill payment
- **\$200** value
- **\$5100** value

Value of support: **\$12,847.85**

SUPPORT IN ACTION



Received funding of \$1M for the WRAP program from Congressman Castro



Led efforts to raise REAP and ADP income qualifiers from 125% to 150% Federal Poverty Level (FPL)



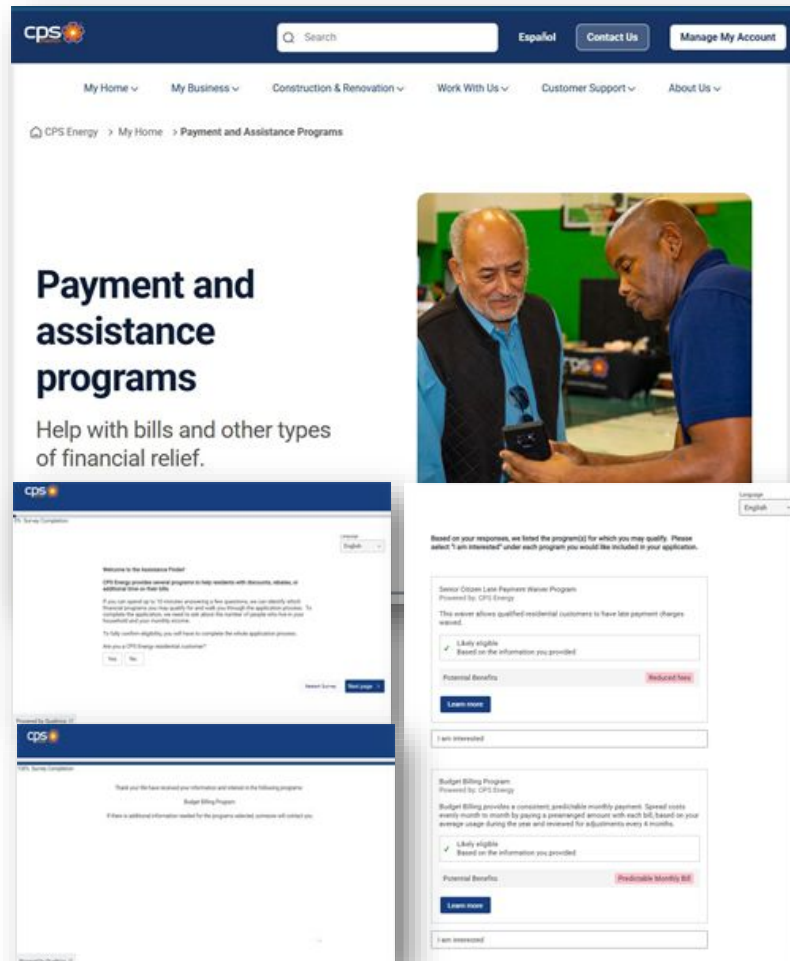
JD Power Best in Industry Corporate Citizenship Features – Ranked #1 across all utilities in 3 areas

On average, our team members are working to connect customers with support in 10 different locations across our community every day.



Our Community Engagement team members in action!

ASSISTANCE FINDER



- Personalized recommendations through our self-service web & mobile tool
- One application connects customers to multiple assistance programs
- Access the tool at our payment & assistance programs page or www.cpsenergy.com/assistancefinder

We recently introduced an assistance finder to make it easier to connect customers with our available assistance programs.

CONNECTING CUSTOMERS WITH SUPPORT OPTIONS



Senior Citizen Billing
Over 62k enrolled



Critical Care Billing
Over 3k enrolled



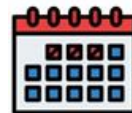
REAP
Over \$1.3M Donated



CPS Energy Angels
Launched in 2021



Flexible Installment Plans
Over 71k enrolled



Due Date Extension
Over 46k Active



Budget Billing Program
Over 32k enrolled

As of April 30, 2025, we have helped connect our customers with nearly \$3.6M and will continue to pursue all available avenues to help our customers.

**Data as of April 30, 2025*

FOCUSED ON THE FUTURE

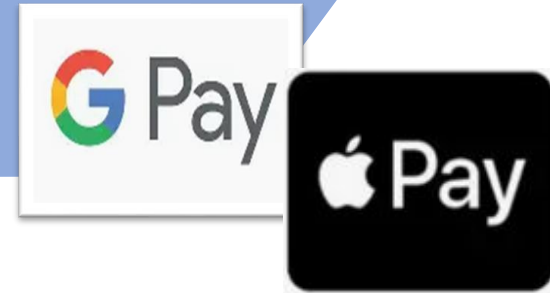
SHORT-TERM OUTCOMES



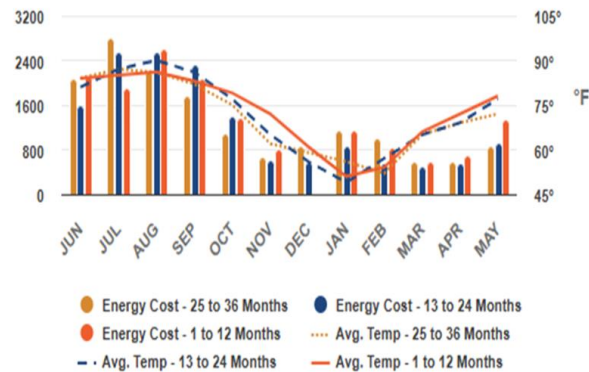
- Increased ability for our customers to find & apply for financial assistance



- Enhanced payment options



- Additional insights into energy consumption



- Easier payment options – at the grocery store



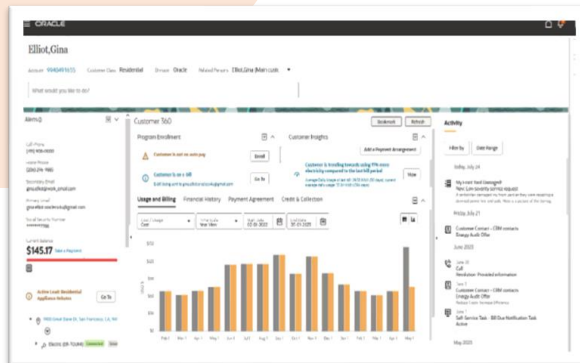
Leveraging technology has improved our customer's experience.

FOCUSED ON THE FUTURE

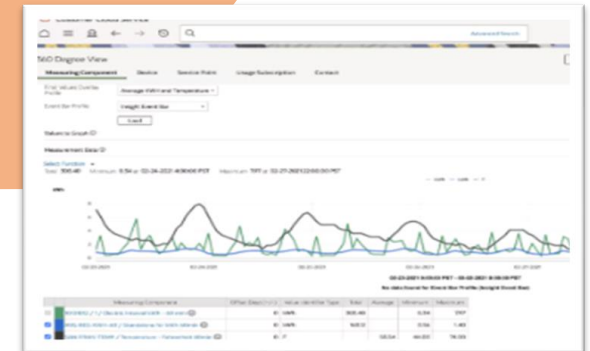
LONG-TERM OUTCOMES



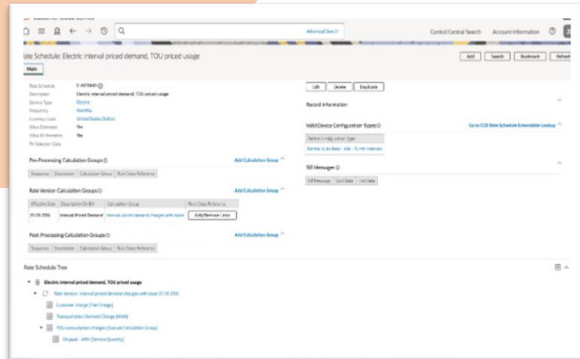
- More integrated customer view for our Energy Advisors



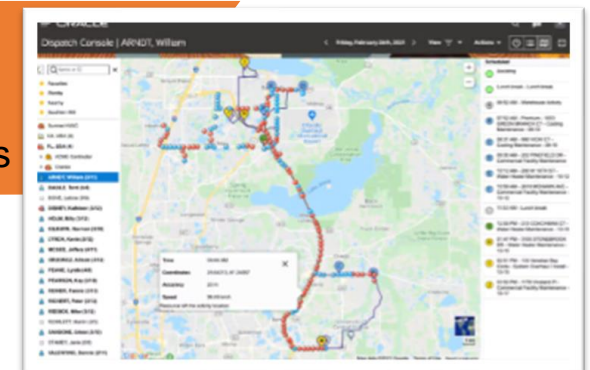
- Increased clarity for our customers on their bill



- Expanded product & solution offerings



- Improved customer service through more efficient operations



We are committed to helping customers find solutions and support to avoid disconnection through payment plans and assistance programs as we continue exploring partnerships, technology, and services to support our community.



THANK YOU



APPENDIX

GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
NEADA	National Energy Assistance Directors' Association	WRAP	Weatherization Repayment Assistance Program
NEUAC	National Energy & Utility Affordability Coalition	FPL	Federal Poverty Level
PUC	Public Utility Commission		
DHS	Department of Human Services		
ADP	Affordability Discount Program		
REAP	Residential Energy Assistance Program		
AACOG	Alamo Area Council of Governments		

CPS ENERGY TERMS AND CONDITIONS

DISCONNECTION POLICY



- **Policy**
- Termination/Disconnection of service is outlined in Section III, Subsection C, Clause 2 of our terms and conditions. Specifically, disconnection due to nonpayment is covered under III.C.2.a.iii and III.C.2.a.iv, Disconnection With Notice:
 - Failure to pay outstanding debt for which Customer is responsible, such as a past due bill, or failure to make deferred pay arrangements by the date of disconnection stated in the Notice of Disconnection;
 - Failure to make payment in accordance with a deferred payment agreement by the disconnection date;

Customers receive notifications about their past due balance, encouraging them to contact our team for support. Whether they need payment arrangements or guidance on agency assistance, we are here to help them avoid service disconnection.

CPS ENERGY TERMS AND CONDITIONS

EXTREME WEATHER POLICY



- **Policy**

- CPS Energy will not discontinue or disconnect service to a customer of residential service on a weekend day or during an Extreme Weather Emergency.

- **Extreme Weather Emergency Definition**

- A period when the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below 32 degrees Fahrenheit for the next 24 hours according to the nearest National Weather Service (NWS) reports; or the NWS issues a heat advisory for a county in the CPS Energy Service Area, and the first two (2) calendar days following the termination of such advisory.

We prioritize the health and safety of our customers using practices in accordance with the Public Utility Commission of Texas (PUC) rule §25.483(j)(1) of the Texas Administrative Code.



LEGISLATIVE & REGULATORY POLICY UPDATE

PRESENTED BY:

Kathy Garcia

VP, Government Relations, Regulatory Affairs, & Public Policy

June 30, 2025

Informational Update

AGENDA



- 89th Regular Legislative Session
 - Key Takeaways
 - Public Policy Agenda Successes
 - Internal & External Collaboration
 - Next Steps
- State Regulatory Activities and Priorities
- Congressional and Federal Regulatory Activities



Federal & State Relations Manager Zanir Ali speaking to members of the Emerging Leaders Cohort (ELC) and EDS Team during their visit to the Capitol

This presentation will recap the Regular Session of the 89th Legislature and highlight our current and forthcoming public policy activities.



KEY TAKEAWAYS

- We had a successful legislative session advocating according to our Public Policy Agenda (PPA) and its four main pillars
- Over 500 pieces of legislation were identified, analyzed, and tracked as being of interest or impact to the utility
- Legislators were primarily focused on addressing infrastructure reliability, types of generation resources, and interconnection of new technologies and large loads
- The team's work will continue through the interim as numerous rulemakings are necessary to implement passed legislation



Board Chair Dr. Francine Romero, President & CEO Rudy Garza, and the Federal & State Relations team with members of the Bexar County State Delegation

We remain a trusted resource and partner with legislative offices, community partners, and industry counterparts.



PUBLIC POLICY AGENDA (PPA)

APPROVED BY THE BOARD OF TRUSTEES

**Customer
Affordability and
Impacts**

**Municipally Owned
Utility (MOU)
Business Model**

**Reliability
and
Resiliency**

**Safety
and
Security**

CUSTOMER AFFORDABILITY & IMPACTS

PROTECTING CUSTOMERS AND ENERGY BILLS



- SB 1 – General Appropriations Act includes \$5 billion for the Texas Energy Fund
- HB 500 – Supplemental Appropriations Act includes \$350 million for the Texas Advanced Nuclear Development Fund
- SB 1036 – Residential Solar Retailer Regulatory Act
- SB 1697 – Customer guide for home solar energy devices

Determining the impacts to our customers and their energy bills was the lens through which we reviewed all legislation.

MOU BUSINESS MODEL

PROTECTING OUR GOVERNANCE STRUCTURE



- SB 1202 – Municipal regulation of residential backup energy installations
 - Protects the authority of a municipally owned utility to enforce its interconnection and service policies
- SB 1252 – Municipal regulation of residential backup energy systems
 - Protects the authority of a municipally owned utility to regulate the installation or inspection of a residential energy backup system within the utility's service area

While there were a few bills filed to alter MOU governance, including general fund transfer, none made it far in the process.



RELIABILITY & RESILIENCY

SUPPORTING GENERATION RESOURCES & TRANSMISSION INFRASTRUCTURE

- HB 14 – State support for advanced nuclear
- SB 6 – Interconnection of large loads
- SB 1789 – Transmission and distribution pole inspection standards
- HB 144 – Distribution pole inspection and maintenance plans
- HB 145 – Wildfire mitigation plans
- HB 3092 – Increased mileage exception for new transmission lines

We successfully advocated for changes to these bills and will continue our efforts through the forthcoming rulemakings at the Public Utility Commission (PUC).

SAFETY & SECURITY

PROTECTING OUR EMPLOYEES AND ASSETS



- SB 75 – Creating the Texas Grid Security Commission
- SB 1646 – Creating criminal penalties for theft, damage, or destruction of copper or brass from critical infrastructure facilities
- SB 482 – Increasing penalties for assault or harassment of utility workers

The team successfully advocated for legislation that reinforces our commitment to the physical safety of our employees and the security of our assets and infrastructure.

INTERNAL & EXTERNAL COLLABORATION

KEY PARTNERSHIPS AND EXPERTISE



- Legislative Analyst Program
- Written and Verbal Testimony
- CoSA IGR Group and Weekly Delegation Briefings
- Weekly Board of Trustees Updates
- Monthly CEO Visits
- Daily coordination with community partners and industry trade associations



Texas Public Power Corridor Leadership
Academy Capitol Visit



Emerging Leaders Cohort and EDS Team
Capitol Visit

The team participated in numerous stakeholder groups to provide direct feedback and input to legislation as it went through the process.



NEXT STEPS

CONTINUING OUR POLICY PRIORITIES

- Post-Session internal compliance process
- Regulatory rulemakings to implement passed legislation
- Assessment of failed legislation
- Interim charges and hearings

The Federal & State Relations team will continue its internal and external collaborative efforts to engage on legislative topics as they transition into the regulatory arena.

NEXT STEPS

1ST CALLED SPECIAL SESSION



- Begins July 21 and can last up to 30 calendar days
- Debate limited to topics identified by Governor Abbott
 - Focus will be on bills he vetoed from the 89th Regular Session
- Topics of impact to us are not on the current agenda

The Federal & State Relations team will monitor the special session and be prepared to engage should the agenda be expanded to include topics of impact to the utility.

STATE REGULATORY ACTIVITIES

FOCUSED ON INVESTMENTS, RELIABILITY & RESILIENCY



- Public Utility Commission of Texas (PUC)
 - Ongoing implementation of legislation from 2021 and 2023
 - Market reform efforts continue with a focus on increasing reliability and improving wholesale market incentives
 - Updates to statewide rules and ERCOT programs stemming from SB 6 (large loads) to ensure a balanced level of infrastructure investment and operational flexibility

The PUC will be opening numerous rulemakings, in addition to those noted above, to implement the Legislature's priorities.

CONGRESSIONAL ACTIVITIES

PROTECTION OF EXISTING CREDITS & PROGRAMS



- Reconciliation Bill
 - Energy tax credits
 - Domestic content requirements
- Tax-exempt Financing
- Low-Income Home Energy Assistance Program (LIHEAP)



SA to DC Energy Issue Team meeting with Congressman Bill Foster (Illinois)

The Federal & State Relations team is actively partnering with our national trade associations to educate congressional offices on the benefits of these programs to our local communities.



FEDERAL REGULATORY ACTIVITIES

EXECUTIVE BRANCH INCREASES INDUSTRY FOCUS

- Presidential Executive Orders
 - Supporting domestic coal industry and energy production
 - Wildfire prevention and response
- DOE – 202(c) emergency orders
 - Regulatory Action to compel generators to delay retirements across the nation
- FERC/NERC – recent reliability assessments
 - NERCs most recent assessment shows an elevated risk of supply shortfalls in the Central regions of the US (including ERCOT) and in the New England area
- EPA – emissions standards
 - Proposed repeal of GHG standards for fossil-fuel power plants

The current administration is focused on rolling back the previous administration's actions.



THANK YOU



APPENDIX



GLOSSARY / DEFINITIONS

ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
APGA	American Public Gas Association	GHG	Greenhouse Gas (emissions)
APPA	American Public Power Association	LIHEAP	Low-Income Home Energy Assistance Program
CoSA IGR	City of San Antonio's Intergovernmental Relations group	LPPC	Large Public Power Council
DOE	Department of Energy	MOU	Municipally Owned Utility
EPA	Environmental Protection Agency	NERC	North American Electric Reliability Corporation
ERCOT	Electric Reliability Council of Texas	PUC	Public Utility Commission
FERC	Federal Energy Regulatory Commission		

PUBLIC POLICY AGENDA (PPA)

MAIN PILLARS

Customer Affordability & Impacts



Protecting Customers & Energy Bills

- Weighing intended benefits of legislation against impact(s) to customer bills
- Demand-side Resources
- Customer and Financial Assistance Programs

Municipally Owned Utility (MOU) Business Model



Protecting Governance Model

- Local Decision-Making Authority
- General Fund Transfer
- Investment & Financial Decisions (e.g. public funds for lobbying)

Reliability & Resiliency



Enhancing Generation Resources & Transmission Infrastructure

- Storm Prep, Response, Mutual Aid
- Extra High Voltage (EHV) Lines
- Large Loads
- Transmission Planning
- Nuclear Technologies
- ERCOT Market Design

Safety & Security



Protecting Assets While Integrating New Information Technologies

- Employee Safety
- Pipeline Safety & Reporting
- Cyber Security
- Grid Security
- Artificial Intelligence