



President & CEO's Report for January 30, 2023 Board of Trustees Meeting

Connecting. Listening. Engaging. Serving.

Rudy D. Garza
President & CEO

AGENDA



- **RATING AGENCY VISITS**
- **RELEASE OF ENTERPRISE RESOURCE PLANNING (ERP) REQUEST FOR PROPOSALS (RFP)**
- **ERCOT WHOLESALE ENERGY MARKET UPDATE**
- **DR. MARTIN LUTHER KING, JR. MARCH**
- **WEATHER UPDATE**
- **SAN ANTONIO BUSINESS JOURNAL (SABJ) BUSINESS OF THE YEAR HONOREE**
- **EMPLOYEE RECOGNITION**

RATING AGENCY VISITS



- **S&P, Moody's and Fitch visited our Corporate Headquarters and toured plant facilities.**
- **Discussions included: Vision 2027 strategy, rate plan and rate affordability, increased community support, financial position, and new long-term generation planning.**
- **Ratings are sensitive to several factors:**
 - **Approval of planned rate adjustments, starting in FY2025,**
 - **Resolution of URI litigation,**
 - **Reducing high customer past due receivables, and**
 - **ERCOT market reform.**

Current			
	Rating	Outlook	Comments
Fitch	AA-	Negative	<i>No change Reaffirmed</i>
S&P	AA-	Negative	<i>No change</i>
Moody's	Aa2	Stable	<i>No change</i>

Fitch reaffirmed our Credit Rating; providing additional time to stabilize our Rating Outlook.



S&P Analysts tour the AVR Plant with our Director of Debt Management and Financial Advisors.

RELEASE OF ERP¹ RFP

FOUNDATIONAL TO OUR DIGITAL FUTURE



Our Digital Transformation is an integral part of our Vision 2027 to:

- **Accommodate projected community and customer growth,**
- **Deliver tailored experiences to our customers and workforce,**
- **Minimize risk, cost, and disruption to evolving business operations, and**
- **Improve the way we work to provide the best energy services and solutions possible for our customers and the community.**



Our future technology platforms will enable enhanced experiences for our customers and employees.

¹ Enterprise Resource Planning (ERP)

ERCOT WHOLESALE ENERGY MARKET

STATE LEADERS CONSIDERING CHANGES



- **The Public Utility Commission of Texas (PUC) has recommended to the Legislature that the ERCOT Wholesale Market needs to be changed to create an investment incentive for dispatchable generators.**
- **The PUC selected a policy called the Performance Credit Mechanism (PCM) which will pay generators retroactively for their reliability during times of high risk for the ERCOT grid.**
- **This policy recommendation, which the PUC adopted but said it would not implement yet, will now move to the Capitol with legislators expected to discuss this topic in great detail.**

ERCOT market design will be debated this legislative session.

DR. MARTIN LUTHER KING, JR. MARCH

TOGETHER WE CAN BE THE DREAM



- **105 Participants**
- **Hosted 33 students from community partner Students of Service**
- **We were a Freedom Marcher Sponsor**
- **First in-person march since March 2020**



CPS Energy employees, retirees, family, friends, & Students of Service participants during the 2023 MLK March.

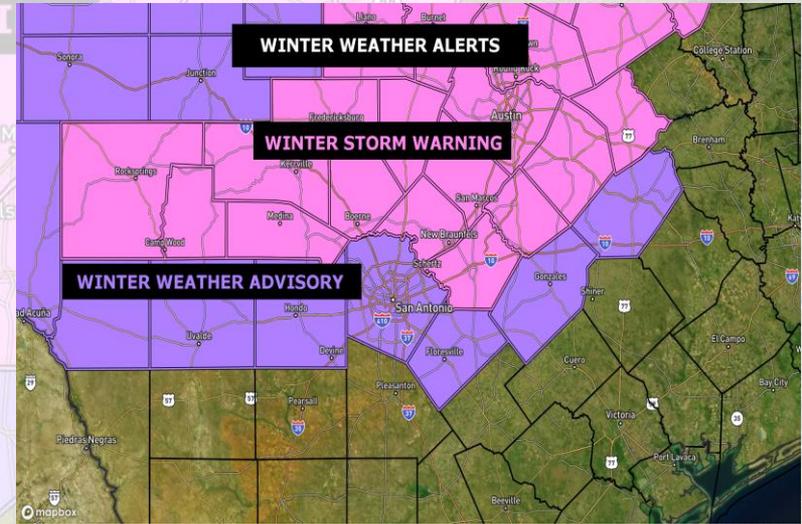
WEATHER UPDATE



WINTER WEATHER ALERTS

This Week's Weather

- Light rain, even scattered showers, occurring on Monday
- By 4:00pm, rain is expected to transition to freezing rain in northern Bexar county
- From Tuesday at midnight through Wednesday afternoon there is a freezing rain threat for San Antonio
- Temperatures expected to remain in the 30s through Thursday morning
- Wind chills in the 20s from Monday through Wednesday
- Precipitation ending by Thursday midday; clearing in the afternoon
- Sunny skies on Friday
- Gradual warm up late in the week



Weekend Weather

- High clouds moving overhead on Saturday but overall, a nice day
- Cold front moves in on Sunday, but no rain is expected
- Cold mornings and cool afternoons

A Winter Weather Advisory is in effect for Bexar county for the potential for ice accumulations up to a tenth of an inch. Advisory is in effect until Wednesday at 12:00pm.

SABJ BUSINESS OF THE YEAR NOMINEE



We were recognized as a San Antonio Business Journal (SABJ) Business of the Year Nominee!

EMPLOYEE RECOGNITION - CORPORATE COMMUNICATIONS & MARKETING TEAM



1ST ROW: Melissa Sorola, Kelly Kuhle, Christine Patmon, Unity Puente, Daniel Segura, Adrian Garcia, Kristy Leinneweber, JoAnn Gutierrez
2ND ROW: Carroll Elter, Darlene Dorsey, Alexa Saavedra, Kate Cooper, Vincent McDonald, Su Yim, Dana Sotoodeh, Milady Nazir
3RD ROW: Barbara Burris, Brian Sanchez, Ann Dow, Dominique Ramos, Samuel Taylor, Pam Maris, Frank Jimenez, Gary Chavez

EMPLOYEE RECOGNITION - CORPORATE COMMUNICATIONS & MARKETING TEAM

LATEST UPDATES:

- **American Public Power Association (APPA) Excellence in Public Power Communications Award – Web/Social**
- **Launched Winter Campaign**
- **Continued efforts to increase awareness and engagement for Generation Planning**
- **Thought Leadership Stories and Community Connections**
- **Over 20 Company Awards for 2022**
- **Increased Community Public Input**

Let's Prepare!

We Are Prepared and We Want You to Be Prepared Too!

We believe in year-round reliability! We want our community to know what we did to prepare for extreme weather. We have representatives in three key areas: weatherization, infrastructure, and communications.

[Learn More About CPS Energy's Winter Preparedness](#)

Prepare for winter weather before temperatures drop

- Don't wait for an emergency or power outage, make a family emergency plan now. If you have medical equipment that requires electricity or medicines that need refrigeration, check with your doctor when making your plan. You can find [PHM links at cpsenergy.com](#)
- Add Local Emergency Contact information through CPS Energy's MyHome MyAccount (MMA) portal or by calling Customer Service at 210-353-3222.
- Also register through MMA to receive energy alerts from CPS Energy. Find out more by visiting [cpsenergy.com/alerts](#)
- Follow CPS Energy on social media: Facebook, Twitter, Instagram, and LinkedIn. Also, look for our posts on Nextdoor.
- Sign up for local alerts through the [City of San Antonio](#). Stay informed. Get Alerts.
- Create an emergency kit for your family. Be sure to include flashlights, water, and canned and dried foods that don't require refrigeration in your emergency kit. [Ready2Survive](#) is a good source for emergency kit information and supply lists.
- Look up your electrical breaker box and main breaker switches. Watch our "Check Your Breakers" video at [cpsenergy.com/ready2survive](#)
- Locate your gas and water shutoff valves and know how to use them.
- Fully charge all electronic devices and device battery chargers. Be sure you have a car charger for your cell phone.
- Avoid using a generator during power outages unless you are sure it's been installed safely and correctly. Find generator safety tips at [cpsenergy.com/ready2survive](#)
- Review your property insurance and have insurance and other critical documents stored in a safe, accessible location.
- Have second handwires and propane tested information available.
- Learn more about [City of San Antonio](#) & [Bexar County Weather Centers](#) and other helpful tips.

During Winter Weather

- Never use a [generator](#), camp stove, charcoal grill, gasoline heater, or propane heater indoors. These items can start accidental fires, cause carbon monoxide, and cause deadly carbon monoxide poisoning.
- If roof is icy, go to a designated community shelter if you can safely do so. Stay indoors and off the roads when possible.
- Be extra cautious when outdoors in cold weather! Downed power lines can be hidden by snow, trees, or other debris. Always assume a downed power line is live. If you see a downed power line, stay away and call us immediately at 210-353-4327 (HELP).
- Monitor available communication channels for emergency communications.
- Conserve energy if requested.
- Use towels to block drafts around doors and windows.
- Use the new CPS Energy "Check Your Home" to track power outage details, report an outage, and view outage lists. Visit [cpsenergy.com/ready2survive](#). You can also report outages by calling 210-353-HELP (4327).
- If your neighbors have power and you don't, check your breakers.
- Unplug unnecessary electric appliances and electronics. Use surge protectors to protect electronic equipment and small appliances that must remain plugged in.
- If your power goes out, turn off your heating unit. Once power is restored, wait a few minutes before restarting the heater.
- After a power outage has been restored, wait a few minutes before using your heater or large appliances.
- Wash heaters and oil-generators clean when your power is out.
- During an outage, close off unneeded rooms to consolidate and retain heat.
- Stay warm by creating in layers of loose-fitting clothing instead of a single heavy layer.
- If you have multiple mobile phones in the household, keep one phone on for emergency updates and turn the others off to preserve battery life.
- Conserve power on your mobile phone in case of emergency. Some battery-saving tips include turning down the screen light, turning off Bluetooth and saving unused applications.



Power Outage Tips - Don't Wait!



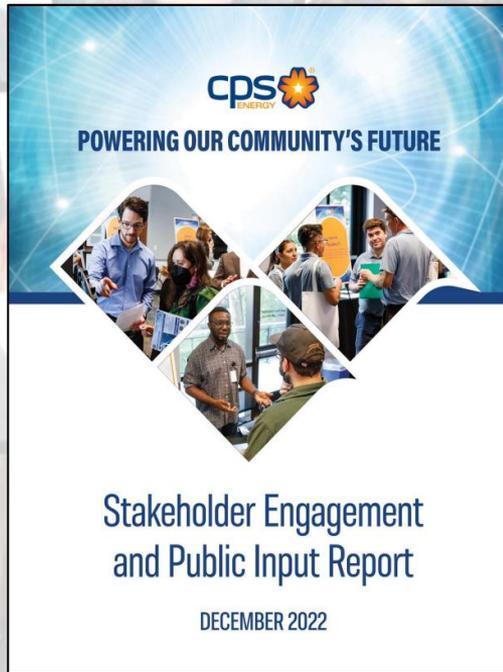
Generator Safety Tips



Load Shed Process

Helpful Links

- [City of San Antonio & Bexar County Weather Centers](#)
- [Downed Safety](#)
- [Generator Safety](#)
- [Energy Conservation Links](#)
- [Outage Center](#)
- [CPS Energy's Winter Preparedness](#)
- [CPS Energy MyAccount](#)
- [Sign Up for CPS Energy Alerts](#)



POWERING OUR COMMUNITY'S FUTURE

Stakeholder Engagement and Public Input Report

DECEMBER 2022

STAY INVOLVED & CONNECTED



Board of Trustees Meetings

- Meetings are typically held at 1:00 pm on the last Monday of every month

Rate Advisory Committee (RAC)

- cpsenergy.com/rac

Customer Assistance Programs

- cpsenergy.com/assistance

Rate Information & Bill Estimator

- cpsenergy.com/newrates

Community Fairs & more

- cpsenergy.com/events

Social Media



CPSEnergy



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CPS Energy



[cps_energy](https://www.instagram.com/cps_energy)



CPS Energy



CPS Energy

To receive communications & alerts via text, phone, or email, make sure to update your information using Manage My Account or call 210-353-2222.



Thank You

