



Interim President & CEO's Report for June 27, 2022 Board of Trustees Meeting

Connecting. Listening. Engaging. Serving.

Rudy Garza
Interim President & CEO

AGENDA



- **CONSERVATION**
- **MATERIAL SHORTAGE – GAS INSTALLATION DISRUPTIONS**
- **ALAMO AREA REGIONAL RADIO SYSTEM (AARRS) PROJECT**
- **EMPLOYEE RECOGNITIONS**
- **KIDS FISH**
- **PROGRESS TOWARDS COMMUNITY COMMITMENTS**

CONSERVATION

2022 CONSERVATION LEVELS COVERAGE



CPS Energy launches color-coded conservation notification program

Program will relay energy money saving, conservation tips to customers

San Antonio Express-News

BUSINESS

CPS says it's ready to keep up with record demand as weekend heat wave drives up temperatures

Timothy Flanigan, Diego Mendez-Hoyos, San Antonio Express-News
June 8, 2022 | Updated: June 10, 2022 1:07 p.m.



NEWS

San Antonio is having a 'Yellow Day.' Here's what it means according to CPS Energy's new system

The new Beat the Heat Energy Conservation system was implemented this week

Jana Eisenberg
June 7, 2022



LOCAL NEWS

New CPS Energy alerts help save money and power

Save money on your energy bill and help keep the state's electric grid working. CPS Energy has a new color-coded alert system to help San Antonio beat the heat.



CPS begins new color-coded approach for conservation during expected peak demand season

June 8, 2022 at 6:54 PM CDT



Una opción es recibir notificaciones cuando las facturas van en aumento.

-HACER USO DE UN VENTILADOR

-DESCONECTAR APARATOS QUE NO ESTÉ UTILIZANDO

60

CPS Energy provides San Antonio customers with money-saving, conservation tips as temperatures rise



ENERGY CONSERVATION

BEAT THE HEAT

<p>GREEN DAY Everyday Conservation</p>	<ul style="list-style-type: none"> Set thermostat to 78° in summer, 68° in winter Use fans to feel 4-6 degrees cooler Run ceiling fans counterclockwise in summer & clockwise in winter 	<ul style="list-style-type: none"> Close shades & blinds, turn off unnecessary lights Unplug electronics when not in use Try cooking on a grill & line-drying clothes when possible
<p>YELLOW DAY Peak Energy Demand</p>	<ul style="list-style-type: none"> Continue everyday conservation measures Check our website & social media for times between 2-10PM when increased conservation is needed Adjust thermostats further to minimize A/C & heater use, if health permits 	<ul style="list-style-type: none"> Avoid using large appliances like your oven, washer, dryer, & dishwasher Charge Electric Vehicles (EV) at night, after 10PM
<p>ORANGE ALERT Energy Grid Reliability Risk</p>	<ul style="list-style-type: none"> Limit power usage Prepare for possible loss of power Prepare to implement your household plan for power emergencies 	<ul style="list-style-type: none"> Be ready to initiate plan for alternative operation of medical devices, if needed Turn off pool pumps Avoid charging EV, or charge overnight
<p>RED ALERT Controlled Outages in Progress</p>	<ul style="list-style-type: none"> Implement emergency preparedness measures Turn off all appliances & lights during power outages Turn A/C & heater off until after power is restored Monitor news sources for updates 	<ul style="list-style-type: none"> Implement plan for alternative operation of medical devices Keep refrigerator closed to extend the life of perishable food

CPS Energy @cpsenergy - Jun 14
Today is a Green Day! #BeatTheHeat by following our everyday energy conservation tips below. [👉](#)

Learn more about our energy conservation levels by visiting cpsenergy.com.

GREEN DAY
EVERYDAY CONSERVATION

78°|68°

- Set thermostat to 78° in summer, 68° in winter
- Use fans to feel 4-6 degrees cooler
- Run ceiling fans counterclockwise in summer & clockwise in winter
- Close shades & blinds; turn off unnecessary lights
- Unplug electronics when not in use
- Try cooking on a grill & line-drying clothes when possible

cpsenergy.com/conservation

City of San Antonio and Bexar County, Texas

CPS Energy @cpsenergy - Jun 14
Today is a Yellow Day! #BeatTheHeat by conserving energy between 2-7 PM when demand for energy is highest.

Learn more about our energy conservation levels by visiting cpsenergy.com.

City of San Antonio - Municipal Government & Bexar County, Texas - Government

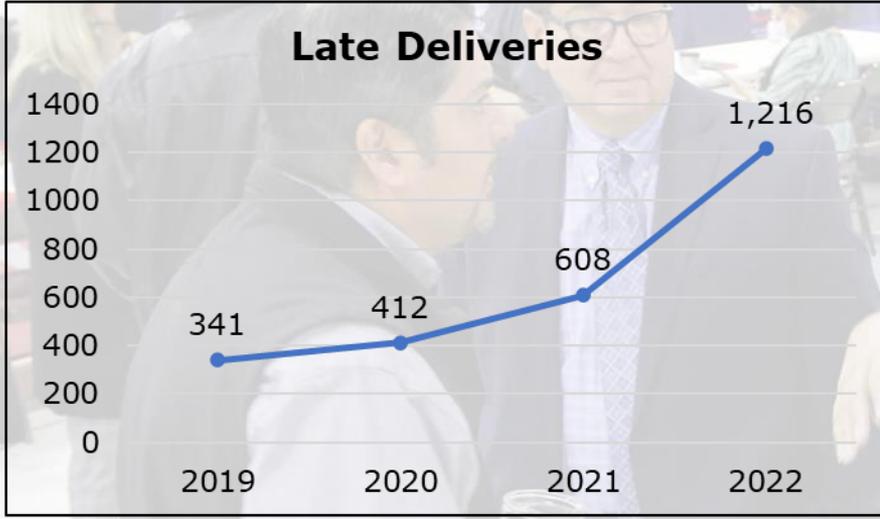
PEAK ENERGY DEMAND

CONSERVE ENERGY 2-7PM

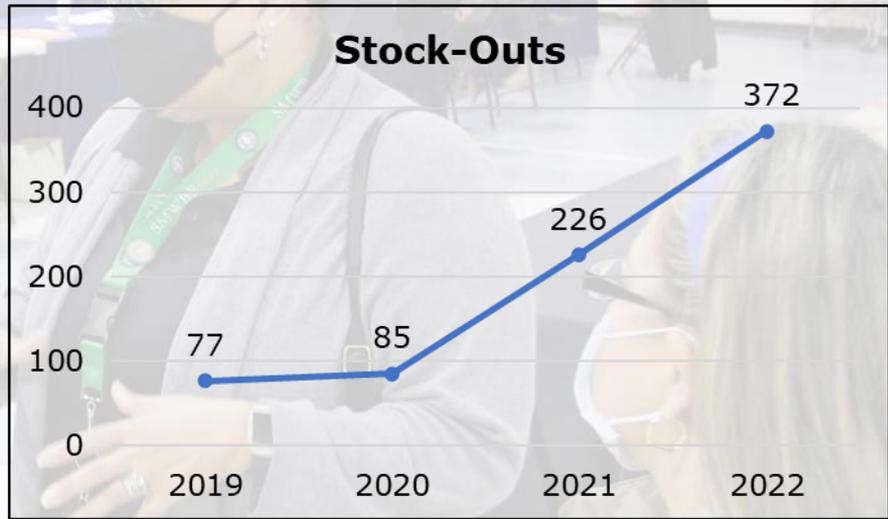
cpsenergy.com

MATERIAL SHORTAGE

GAS INSTALLATION DISRUPTIONS



June 2022 late deliveries are 3.5x the pre-pandemic levels in June 2019.



May 2022 stock-outs were nearly 5x the pre-pandemic levels in May 2019.

Our multi-department working group is actively managing material disruptions, which are now impacting construction/development.

CHALLENGES EXPECTED THRU FY24

ACTIVE MITIGATION PLANS



- Supply shortages for basic materials have impacted construction the most
- Stock reserves established for Resiliency & Restoration
- Continue to seek alternatives and manage specifications
- Increased stock refurbishment (example: transformers)
- “Getting in line now”, leveraging increased planning
- Preparing for higher inventories
- Keeping customers informed

Example: Gas Services Lack of Basic Parts



TEE TAPPING ASSEMBLY W/EFV (2" X 3/4")
 Gas pipe with Excess Flow Valve (EFV) that prevents leakage if gas flow exceeds the required rate (regulatory requirement)

Avg Monthly Usage	600
Cost per Unit	\$60-\$66



ALTERNATE SOLUTION LOCATED ANODELESS GAS RISER (3/4" X 3/4" X 50V X 36H)
 Transports natural gas from underground to the meter

Avg Monthly Usage	700
Cost per Unit	\$62-\$66



GAS SERVICE REGULATOR (3/4" X 1" GLOBE)
 Regulates gas pressure to provide continual consistent flow

Avg Monthly Usage	700
Cost per Unit	\$29-\$86

*Note: stats are for past 6 months

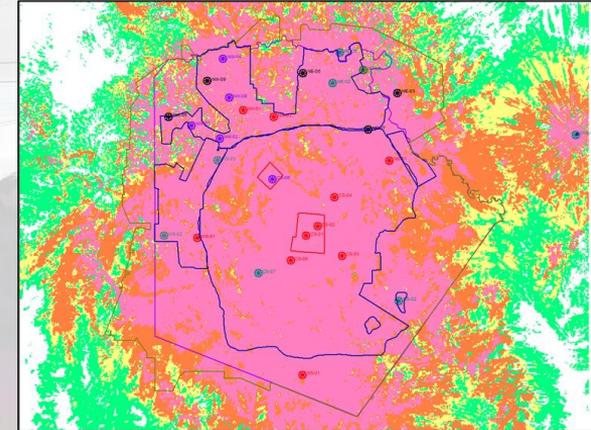
We continue to focus on limiting negative impacts of material shortages to our Customers.

AARRS PROJECT

ENHANCING COMMUNITY SAFETY



- In 2018 Board approved us to join the Alamo Area Regional Radio System (AARRS) project
- Provides enhanced audio & fidelity quality, withstands extreme conditions, and includes GPS Location Services
- The P25-based AARRS is the Public Safety and Utility Service Standard for Critical Communications Interoperability
- As of June 9th, 2022, we successfully migrated to the new AARRS, which included distribution of 1,400 radios



AARRS Coverage Map

The AARRS system reaches well beyond CPS Energy service boundaries. Radios are interoperable with agencies across the City, County, and State of Texas.

AARRS PROJECT CONNECTING OUR TEAM



Gilbert Brown, Manager of Service Restoration, talks about the positive experience his team members are having with the AARRS.

<https://youtu.be/yV9Xmt7LhaU>



EMPLOYEE RECOGNITION – AARRS PROJECT TEAM



Richard Silva	Project Manager
Renee Garner	Project Manager
Joe Deuel	Manager, Radio Services
Shon Essman	Sr Manager, Engineering & Transport
Eric Olson	Power Generation Sr. Engineer
Dustin Mattke	System Operations Sr. Manager
Gilbert Brown	Service Restoration Sr. Manager
Stacy Zimmerle	Manager, UIO Downtown Network
Ralph Flores	Manger, Gas Service
Melissa Gutierrez	Operations, Sr. Manager
David Lentz	Manager, Substation Construction and Maintenance
Lisa Marie Pivoda	Manager, Supply Chain
Mark Brumbaugh	Manager, Right of Way
Scott Lyssy	Manager, Substation Engineering
Teresa C. Green	Manager, Procurement
John Mason	Customer Engineering
Andrew Sekula	Manager, Transmission Engineering
Joshua Dean	Manger, Security Operations
Emily Speed	Corporate Environmental
Cynthia Reyna	Manager, Communications Engineering Services
Martha Garza	Change Management
Jeanne Drehs	Finance & Budget



23RD ANNUAL KIDS FISH DAY



- Executive Sponsor: Benny Ethridge
- Hosted 40 children from Peace Pals & "disABILITYsa"
- Over 150 volunteers
- Lunch cooked by IBEW Local 500
- 500 12" catfish donated by Texas Parks and Wildlife
- C.A.S.T. For Kids (Catch a Special Thrill) provided rods, reels, tackle and award plaques
- Each fishing guest kept the equipment for continued fun & fishing
- SAVE THE DATE: April 1, 2023



MONTHLY PERFORMANCE UPDATE

PROGRESS TOWARDS COMMUNITY COMMITMENTS

Strategic Objectives	Key Result	Progress
 Customer Experience	Connecting Customers with Support	32%
	 Engaged & Service - Oriented Culture	Safety Culture Fundamentals
	Retain & Attract Talent	44%
 Operational Evolution	Strengthen Generation Capabilities to meet Extreme Conditions	34%
	Enhance Communication & Grid Management in Major Events	27%
	Support Expanding Community	24%
	Digital Enterprise Resource Planning	23%
	IT Systems Modernization	25%

All key result targets were met in Q1.

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

Utility Assistance Fairs, ARPA Events, & more

- cpsenergy.com/events

Social Media



CPSEnergy



Cps_energy



@Cpsenergy



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



Appendix



GLOSSARY / DEFINITIONS



Acronym or Word	Definition	Acronym or Word	Definition
AARRS	Alamo Area Regional Radio System		
IBEW	International Brotherhood of Electrical Workers		

