



**CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON MARCH 30, 2026, AT 1:00 PM**

LOCATION: CPS ENERGY BOARD ROOM (500 MCCULLOUGH AVE)

LIVESTREAM: [CPS ENERGY BOARD OF TRUSTEES MEETING LIVESTREAMS](#)

At any time during the Board Meeting, the Board may go into an executive session as permitted by the Texas Open Meetings Act, (Chapter 551 of the Texas Government Code) regarding any item on this agenda. To note, the Public Comment Registration period runs the Tuesday prior to the Board of Trustees meeting at 5:00 PM through 12:30 PM on the day of the meeting via our online registration form in addition to the ability to register via phone from the Tuesday prior to the Board of Trustees meeting at 5:00 PM through the Friday prior at 1:00 PM.

ITEM	TOPIC	ACTION	PRESENTER/ SPONSOR
1	CALL TO ORDER	Execute	Dr. Francine Romero
2	SAFETY MESSAGE, INVOCATION, & PLEDGE OF ALLEGIANCE	Execute	Ms. Annamarie Rangel
3	PUBLIC COMMENT	Discuss	Dr. Francine Romero
UPDATE ON CHAIR’S PRIORITIES			
4	CHAIR’S REMARKS	Discuss	Dr. Francine Romero
5	CEO RECOGNITION & REMARKS	Discuss	Mr. Rudy D. Garza
CONVENE TO EXECUTIVE SESSION			
6	EXECUTIVE SESSION: Real Property Matter (§551.072)	Discuss	Dr. Francine Romero
RECONVENE TO OPEN SESSION			
CONSENT AGENDA			
7	APPROVAL OF CONSENT ITEMS: A. Payment to the City of San Antonio for February 2026 B. Minutes from the Regular Board Meeting, held on February 23, 2026 C. Approval of Real Property Purchase: New Central Service Station	Vote	Dr. Francine Romero

	D. Procurement Item: 1. General Services: Supply & Delivery of Operational Technology (OT) Transport Systems Network		
REGULAR AGENDA			
8	BOARD COMMITTEE REPORT: A. Operations Oversight Committee (OOC) Meeting held on March 2, 2026 COMMUNITY INPUT COMMITTEE REPORT: B. Community Input Committee (CIC) Meeting held on March 11, 2026	Discuss	Dr. Francine Romero
9	POWERING OUR COMMUNITY – BUDGET OVERVIEW (Mr. Cory Kuchinsky)	Vote	Dr. Francine Romero
10	ENERGIZING PROGRESS TOGETHER – GENERATION PLAN REFRESH	Discuss	Mr. David Kee
CONVENE TO EXECUTIVE SESSION			
11	EXECUTIVE SESSION: A. Attorney Client Matter (§551.071) B. Security Personnel or Devices (§551.076) & Critical Infrastructure (§551.0761) C. Competitive Matter (§551.086) – Power Generation	Discuss	Dr. Francine Romero
	D. Competitive Matter (§551.086) – Purchased Power	Vote	
RECONVENE TO OPEN SESSION			
ADJOURNMENT			
12	ADJOURNMENT	Execute	Dr. Francine Romero
If the Board meeting has not adjourned by 4:45 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

March 30, 2026

Approval of Payment to the City of San Antonio for February 2026

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 February 2026 is based on actual gross revenue per the New Series Bond Ordinance of \$291,519,705.05, 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 \$11,911,363.54. This situation is a common occurrence for CPS Energy in the late winter and spring months due to the seasonal billing patterns. Under the previously approved agreement with the City, CPS Energy will advance to the City \$11,911,363.54 against future months' revenues for fiscal year 2027. The revenue for the month of February 2026 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$279,465,089.11
Gas revenue	60,577,859.57
Other operating revenue	575,333.48
Interest and other income	5,222,577.16
Gross revenue per CPS Energy financial statements	345,840,859.32
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(9,507,411.32)
LVG revenue per City Ordinance 100709	(239,499.00)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(55,115,419.52)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	10,541,175.57
Total excluded revenue	(54,321,154.27)
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	\$291,519,705.05
City payment per Bond Ordinance for February 2026 based upon February revenue	\$40,812,758.71
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	1,258,143.99
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)
Prior year accounting adjustment	(10,203.12)
Annual true up/(down) per gas customer MOU	16,996.65
City payment per Bond Ordinance plus adjustments for MOU	42,065,196.23 A
Utility services provided to the City for February 2026	(3,347,362.99)
Net amount to be paid from February 2026 revenue to the City in March 2026	\$38,717,833.24

CPS Energy Board of Trustees Meeting March 30, 2026

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)

February 2026	Actual	Budget	Variance	
Current Month A	\$42,065	\$40,105	\$1,960	4.9%
Year-to-Date	\$42,065	\$40,105	\$1,960	4.9%

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 \$38,717,833.24 representing 14% of applicable system gross revenues for the month of February 2026, such payment being net of City utility services (\$3,347,362.99), and a prior month accounting adjustment, and including the current month shortage, is hereby approved." The total amount to be recovered from future months' revenues for fiscal year 2027 is \$11,911,363.54.

CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON FEBRUARY 23, 2026

The Regular Meeting of the Board of Trustees of CPS Energy for the month of February was held on Monday, February 23, 2026, in the Board Room on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas.

I. CALL TO ORDER

Chair Romero called the meeting to order at 1:01 p.m.

Present were Board members:

Dr. Francine Romero, Chair
Dr. Willis Mackey, Vice Chair
Dr. Erika Gonzalez
Ms. Janie Gonzalez
Mayor Gina Ortiz Jones (arrived at 1:12 p.m.)

Also present were:

Mr. Rudy D. Garza, President & CEO
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary
CPS Energy staff members

II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE

A safety message, invocation, and the Pledge of Allegiance were delivered by Mr. Mario Guzman, Senior Manager Financial Planning and Analysis.

III. PUBLIC COMMENT

Ms. Antonia Taylor, Climate Justice SA, urged the Board to focus on emissions that impact asthma rates and our most vulnerable citizens.

Ms. DeeDee Belmares, Public Citizen, stated she believed additional data needed to be considered as part of the generation plan refresh, and she urged the Board to assist the most vulnerable customers.

Mr. Alan Montemayor, Alamo Group of Sierra Club, expressed concerns about data center growth, and urged the Board to keep an emphasis on decarbonization.

Mr. Brian Lopez, Public Citizen, noted all customers of CPS Energy should have input to the Board, and he urged the Board to focus on our community's most vulnerable citizens and provide more assistance.

Mr. Peter Bella, community member, noted that climate change is real and that renewables are cheaper than fossil fuels.

Mr. Ed Banas, community member, noted we are running out of electricity and water, and he urged progress in building generation and transmission facilities in a way that limits negative impacts.

Mr. Russell Seal, community member, noted previous projections were not accurate and he urged the Board to exercise caution in relying on projections as they moved forward with decisions.

IV. CHAIR'S REMARKS

Chair Romero stated we continue momentum on executing to the Vision 2027 and Horizon 2050 plans. She noted that the Board will also hear updates on that strategic progress along with our financial plan and the generation plan. This work is critical in moving this organization forward to help our growing community.

Next, she welcomed Trustee Dr. Erika Gonzalez to the Board of Trustees, noting that she is joining us at a time when we will work together as a Board to guide the organization on this progress in a very complex time for our community and for the entire energy industry.

Finally, she noted that CPS Energy is seeking feedback on the Generation Plan refresh and wants to hear from the community about their priorities through a survey.

V. CEO RECOGNITION & REMARKS

Mr. Rudy D. Garza, President & CEO, briefly welcomed the new Chief Operating Officer, Frank Almaraz, who is returning to CPS Energy.

Mr. Garza then recognized the ERP Transformation Global Design Team, appreciating the large collaborative effort of employees to meet the milestones and timelines necessary to move the project ahead.

He then provided an overview of the agenda, noting how we've worked together on the FY2027 Budget and FY2027 Scorecard and the other financial items, and that these items set the path for the year ahead.

VI. EXECUTIVE SESSION:

At approximately 1:37 p.m., Chair Romero announced the Board would go into Executive Session, and Ms. Ramirez announced that the required notice had been posted and that the Trustees, with only necessary parties in attendance, would convene into Executive Session, pursuant to the provisions of Chapter 551 of the Texas Government Code, for discussion of a number of posted items, including the following:

- Attorney Client Matter (§551.071)
- Attorney Client Matter (§551.071)
- Real Property Matter (§551.072)
- Real Property Matter (§551.072)

The Board reconvened in open session at 2:47 p.m. The quorum was re-established, and all members were present. Ms. Ramirez reported that only the matters cited above, and no others were discussed, and no votes were taken in Executive Session.

VII. CONSENT AGENDA

Vice Chair Dr. Mackey moved approval of Consent Agenda Items A and B, and Mayor Jones seconded the motion. The Board of Trustees discussed, with Trustee Gonzalez asking some questions about the city payment. The items were approved unanimously.

A. Approval of Payment to the City of San Antonio for January 2026 & Additional Transfer to the City of San Antonio for FY2026

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 January 2026 is based on actual gross revenue per the New Series Bond Ordinance of \$281,005,362.29, less applicable exclusions. The revenue for the month of January 2026 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$372,318,681.30
Gas revenue	53,068,854.95
Other operating revenue	765,198.19
Interest and other income	12,798,848.97
Gross revenue per CPS Energy financial statements	<u>438,951,583.41</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(7,745,216.56)
LVG revenue per City Ordinance 100709	(163,213.40)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(106,797,425.75)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>(43,240,365.41)</u>
Total excluded revenue	<u>(157,946,221.12)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$281,005,362.29</u>
City payment per Bond Ordinance for January 2026 based upon January revenue	\$39,340,750.72
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	5,093,448.64
Wholesale Special Contract Annual True Up	321,294.06

City Payment reduction per gas customer billing adjustment MOU	(12,500.00)	
City payment per Bond Ordinance plus adjustments for MOU	44,742,993.42	A
Utility services provided to the City for January 2026	(3,127,187.56)	
Net amount to be paid from January 2026 revenue to the City in February 2026	\$41,615,805.86	

Comparison of City payment per Bond Ordinance (plus adjustments for MOU) vs. Budget before deduction for utility services provided to the City:

(Dollars in thousands)

January 2026	Actual	Budget	Variance	
Current Month* A	\$44,743	\$45,621	(\$878)	-1.9%
Year-to-Date*	\$497,088	\$498,220	(\$1,132)	-0.2%

* This amount does not include any additional funding authorized by the Board of Trustees.

ADDITIONAL FUNDING AND TRANSFERS

Accrued January 2026 – Additional Transfer per Bond Ordinance Total	<u>\$13,748,804.15</u> B
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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 \$41,615,805.86 representing 14% of applicable system gross revenues for the month of January 2026, such payment being net of City utility services (\$3,127,187.56), is hereby approved."

"BE IT RESOLVED by the CPS Energy Board of Trustees that payment to the City of San Antonio in the amount of \$13,748,804.15, representing an additional transfer within the allowed 14% of applicable system gross revenues, is hereby approved."

CPS Energy's management team has verified that collectively all of the City Payments mentioned herein fit under the Bond ordinance maximum of 14% of applicable revenues, including the following:

- A. The amounts paid routinely during the year, net;
- B. The additional distribution paid once for the year.

B. Minutes from the Regular Board Meeting, held on January 30, 2026

The following items were postponed to a future meeting:

- C. Approval of Real Property Purchase: New Central Service Center
- D. Approval of Real Property Purchase: Expansion of Facilities

VIII. COMMITTEE REPORTS

In the interest of time, Chair Romero accepted the submission of the following reports for the record in lieu of having them read during the meeting:

BOARD COMMITTEE REPORTS:

- A. Personnel Committee Meeting held on January 12, 2026. The report is attached as Attachment "A" to the meeting minutes.
- B. Audit and Finance (A&F) Meeting held on January 12, 2026. The report is attached as Attachment "B" to the meeting minutes.
- C. Employee Benefits Oversight Committee (EBOC) Meeting held on January 12, 2026. The report is attached as Attachment "C" to the meeting minutes.

COMMUNITY INPUT COMMITTEE REPORTS:

- A. Community Input Committee Meeting held on February 11, 2026. The report is attached as Attachment "D" to the meeting minutes.
- B. Customer Relations and Communications Working Group Meeting held on February 11, 2026. The report is attached as Attachment "E" to the meeting minutes.
- C. Power and Technology Working Group Meeting held on February 11, 2026. The report is attached as Attachment "F" to the meeting minutes.
- D. Finance and Business Working Group Meeting held on February 11, 2026. The report is attached as Attachment "G" to the meeting minutes.

IX. BOARD OF TRUSTEES COMMITTEE ASSIGNMENTS

Chair Romero introduced the committee assignments. The Board of Trustees discussed the slate, and asked questions regarding the process for committee assignments, and if a motion to amend the slate for specific committees was appropriate.

After discussion, Chair Romero made a motion to approve the committee assignments. Trustee Dr. Gonzalez seconded, and it passed on a 3-2 vote with Trustee Gonzalez and Vice Chair Dr. Mackey voting against the motion.

X. ESTABLISH TRANSMISSION FINANCING STRUCTURE

Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer, presented a request to establish a transmission financing structure. He provided an overview of the structure and explained that the financing structure allows us to deliver the value of transmission investments to customers without negatively impacting our overall financial health. He then requested approval of a resolution to establish a transmission financing structure.

The Board of Trustees discussed and asked questions focused on the mechanics of the structure, financial benefits of owning transmission facilities, impacts of not creating the structure, and governance and oversight of the structure. Trustee Dr. Gonzalez moved to approve the resolution, Mayor Jones seconded, and it passed unanimously.¹

XI. STRATEGIC PROGRESS

Ms. Elaina Ball, Chief Strategy Officer, provided a presentation on our strategic progress. She noted we aligned the FY2027 milestones, measures, and targets to Vision 2030 goals and strategic initiatives. She reviewed the process CPS Energy undertook to set the milestones and metrics, and she then reviewed the FY2027 Scorecard. She stated that this process advanced the five-year strategic plan by aligning to the Vision 2030 strategic initiatives, anchored to the Horizon 2050 framework.

The Board of Trustees discussed and asked questions about the process, targets, and strategic actions and planning that could positively impact our community.

XII. FY2027 BUDGET

Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer, presented the FY2027 Budget. He noted that the budget supports our Board-approved plans. He reviewed our internal budget processes and guardrails to ensure the budget meets our financial metrics. He then reviewed the proposed Capital and O&M budgets and provided details on the budgeted items. He concluded by requesting approval of the Capital & Non-Fuel O&M Budget for FY2027.

The Board of Trustees discussed, asked questions, and made requests for additional information. The Board of Trustees further discussed taking additional time to review materials prior to approving the FY2027 Budget. Chair Romero then asked for a motion to postpone the budget vote until next month. Mayor Jones made a motion to continue the discussion and vote at the March Board of Trustees meeting, and Trustee Gonzalez seconded. Mr. Garza asked that Board Members let management know of any questions they have as soon as possible. The motion passed unanimously.

XIII. FY2027 FINANCING PLAN

Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer, provided an overview of financial transactions that improve our fiscal resiliency and seek potential savings for our customers. He then requested authorization, without obligation, to execute the FY2027 Financing Plan, by delegating authority to the Chief Executive Officer or Chief Financial Officer over the next 12 months, after City Council approval. This included the approval of the associated financial resolutions to effectuate the FY2027 Financing Plan.

Vice Chair Dr. Mackey made a motion to approve, and Chair Romero seconded the motion. The Board of Trustees discussed and asked questions focused on governance and implications of the financing transactions. The motion passed unanimously.²

¹ The signed resolution is attached as Attachment "H" to the minutes.

² The signed resolutions are attached as Attachment "I" to the minutes.

XIV. GENERATION PLAN REFRESH – ENERGIZING PROGRESS TOGETHER

This item was postponed until the March Board of Trustees meeting.

XV. ADJOURNMENT

Chair Romero asked Ms. Ramirez to review the requested action items. There being no further business to come before the Board, upon a motion duly made by Vice Chair Dr. Mackey, seconded by Chair Romero, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 4:36 p.m. by Chair Romero.

Shanna M. Ramirez
Secretary of the Board



CPS Energy Board of Trustees Meeting
March 30, 2026
APPROVAL of PROCUREMENT ITEMS
Table of Contents

1. Item Description:	Supply & Delivery of Operational Technology (OT) Transport Systems Network
Purchase Category:	General Services
Supplier:	Mobile Communications America, Inc.
 Committee Presentations:	 Operations Oversight Committee – November 13, 2025 Audit & Finance Committee – January 12, 2026

Approval: **Lewis, Lisa D.** Digitally signed by Lewis, Lisa D
Date: 2026.03.19 10:08:56 -05'00'

Lisa D. Lewis, Chief Administrative Officer

Approval: **Garza, Rudy D.** Digitally signed by Garza, Rudy D.
Date: 2026.03.19 10:16:42 -05'00'

Rudy D. Garza, President & CEO



**CPS Energy Board of Trustees Meeting
March 30, 2026
Procurement Form 1**

Item Description	Supply & Delivery of Operational Technology (OT) Transport Systems Network
Purchase Order Value	\$38,000,000
Purchase Category	General Services
Department	Transport Services
Chief Information Officer	Evan O’Mahoney

Detailed Description

CPS Energy staff recommend that a contract be awarded to Mobile Communications America, Inc., a local firm, as the respondent who will provide the goods or services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is for the purchase of communications hardware, software, and supporting services for the implementation of the transport communications network. This contract will allow CPS Energy to replace aging infrastructure while modernizing its transport network to support current and planned grid operations. This contract will expire on April 30, 2031.

Subcontracting Opportunities

Mobile Communications America, Inc. has committed to subcontract a portion of the services to one or more local or small businesses.

The solicitation method for this procurement was a two-step process. First, a Request for Qualifications (RFQ) was issued to identify qualified companies. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

Evaluation Criteria	Points
Experience and qualifications to perform the Services	67
Safety records and training program	20
Experience, warranty, quality control, and contingencies relating to the supply of Goods or Software	13
The financial soundness of the Respondent	Pass/Fail
TOTAL	100



**CPS Energy Board of Trustees Meeting
March 30, 2026
Procurement Form 1**

A Request for Proposals (RFP) was then issued to the short-listed respondents. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

Evaluation Criteria	Points
The overall cost	75
Legal and compliance requirements	5
Economic Development (Local and Small business consideration)	20
TOTAL	100

Recommended Respondent(s) & Award					
Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Mobile Communications America, Inc.	Local	86	\$38,000,000	2232433	
TOTAL			\$38,000,000		

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY2030 PO Spend
\$1,664,388,329	Capital	\$5,000,000	0.3%	\$6,000,000	\$8,300,000	\$8,300,000
\$1,061,000,000	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

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



OPERATIONS OVERSIGHT COMMITTEE (OOC) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE MARCH 2, 2026, MEETING PREPARED FOR BOARD CHAIR, DR. FRANCINE ROMERO FOR REPORT AT THE MARCH 30, 2026, BOARD OF TRUSTEES MEETING

The Operations Oversight Committee met on March 2, 2026. As part of the agenda, the Committee:

- A. Reviewed the Committee Governance Charter.
- B. Received a Modernizing Contracting: Introducing Blanket Purchase Agreements update that included:
 - a. a current state of procurement practice and purchase orders;
 - b. an overview of the future state of procurement using Blanket Purchase Agreements (BPAs);
 - c. a review of outcomes from a BPA pilot conducted on small-scale products ahead of ERP;
 - d. a review of an upcoming BPA procurement;
 - e. a summary of governance process impacts and guardrails under the BPA model.
- C. Received a Procurement Preview that included:
 - a. a new contract/rebid for Real Estate Appraisal and Expert Testimony;
 - b. an active PO Funding Increase request for Miscellaneous Transmission Hardware;
 - c. a BPA PO Release for Geotechnical Engineering Services for Howard-San Miguel Transmission Line Project;
 - d. a new contract/rebid for Engineering Services for CPS Energy Dams; and
 - e. a new contract/rebid for Large Electrical Motor Maintenance Services.
- D. Received a Gas Compliance Update that included:
 - a. an overview of our Natural Gas System;
 - b. a summary of our Gas Compliance Program components;
 - c. an overview of a Texas Railroad Commission (RRC) Audit; and
 - d. results from the FY2026 Regulatory Audit and corrective measures approved by the RRC.



- E. Received a SCADA: Control and Monitoring Technologies Update that included:
 - a. an overview of current Control and Monitoring Technologies;
 - b. an update on Transmission and Distribution (T&D) projects, such as current and future state of our Energy Management Systems (EMS) and Advanced Distribution Management Systems (ADMS) projects; and
 - c. next steps of SCADA Transformation Projects projected to go-live Q2 and Q4 of CY2026.

- F. Received a Resiliency Plan Overview that included:
 - a. an update of how the plan reflects current initiatives and aligns with Horizon 2050;
 - b. a summary of the development process; and
 - c. next steps toward publication.

- G. Received a Facilities & Real Estate Master Plan Update that included:
 - a. an overview of customer growth and current Customer Walk-In and Operations Campus locations;
 - b. an update of Transition Cost Improvements;
 - c. an overview of projects to align the next 25+ years of operation; and
 - d. activities associated with possible real estate transactions.

The next meeting of the Operations Oversight Committee Meeting is planned for May 4, 2026.



Community Input Committee (CIC) Committee Report

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE MARCH 11, 2026, MEETING PREPARED FOR COMMITTEE CHAIR, MR. STEVE BONNETTE FOR REPORT AT THE MARCH 30, 2026, BOARD OF TRUSTEES MEETING

The Community Input Committee met on March 11, 2026. The meeting was open to the public, livestreamed, and a recording of the video has been posted on the CIC website. As part of the agenda, the committee:

- A. Received a presentation on CPS Energy's responsible management of large load growth from Ben Jordan, Sr. Director of Integrated Planning, and Rick Luna, Director of Strategic Pricing and Cost Recovery. The presentation explained CPS Energy's large load requests over 40MW, including from data centers, the expected timeline and process for interconnection, the financial impact of these customers, and the policies that protect residential customers from paying the costs of this growth.
- B. Received an update on CPS Energy's generation planning from Kevin Pollo, Sr. Director of Asset Management. The presentation provided ongoing information about energy demand growth from residential and commercial customers, and CPS Energy's continued strategy to meet that demand through a blended approach to power generation that balances reliability, affordability, and cleaner energy.

The next regular CIC meeting is scheduled for May 13, 2026.



Powering Our Community Budget Overview

March 30, 2026

Approval Requested

PRESENTED BY

Cory Kuchinsky
Chief Financial Officer

Today, we're sharing:

Our financial strategy that meets our community's priorities and aligns with our strategic focus

Staff recommended FY2027 budget for approval

OUR SIZE

Growing Community, Bigger Needs



3,700
Employees



~988K
Electric
Customers

1M
Electric Meters



56
Generating Plants

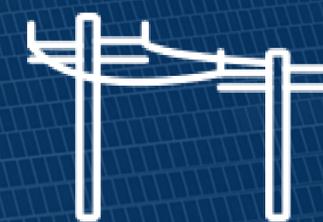
~8,700 MW
Generation



125
Substations

~16K miles
Distribution Lines

~1.6K miles
Transmission Lines



~170K
Transformers

~370K
Poles



~400K
Gas Meters

>6K miles
Gas Distribution Mains

~116 miles
Gas Transmission Lines ³

“**Reliability** should be CPS (Energy)’s number one goal.”

“Consider the balance of **clean energy** and **affordability**.”

“**Keeping the power on** in an emergency.”

“CPS Energy should prioritize **long-term grid resilience** and **affordability** as the region grows. That includes modernizing aging infrastructure, hardening the system against extreme weather, and expanding a balanced mix of generation resources, including renewables, storage, and reliable baseload power.”

Feedback from Nov. 2025 to present when customers were asked how CPS Energy should prioritize planning for the future.

Community Expectations

	Measure	FY2027 / CY2026 Target*	Desired Direction
Reliability	Average Customer Outage Duration <i>(SAIDI)</i>	73.00 Min	↓
	Plant Availability <i>(Critical Months EAF)</i>	87.0%	↑
	Gas Safety <i>(Leaks Remaining at End of Year per 100 Customers)</i>	0.42	↓
Value	Customer Perception <i>(Residential Engaged Customer Relationship – ECR)</i>	705-710	↑
	Strategically Investing in the Community <i>(Local Spend Percentage)</i>	70.0%	↑
	12-Month Total Bill <i>(Residential – NEW)</i>	Top 25% <i>(1st Quartile)</i>	↓
Cleaner Energy	Carbon Intensity (NEW)	COSA CAAP GOAL <i>(41% reduction by 2030)</i>	↓
Financial Strength	Fiscal Resiliency <i>(Index of Key Financial Measures)</i>	≥2.93	↑
Team Excellence	Living Mission & Values <i>(Gallup 12+)</i>	75th Percentile <i>(1st Quartile)</i>	↑
	Safety Performance <i>(Enterprise Recordable Incident Rate - RIR)</i>	1.11	↓

These defined metrics reflect progress on our priorities.

*All targets supported by third-party consultant

Delivering for Our Community

For Families & Neighbors

- Fewer outages
- Shorter outages
- Affordable bills
- Safer infrastructure

For Small Businesses

- Reliable energy
- Faster restoration
- Predictable costs
- Modernized systems

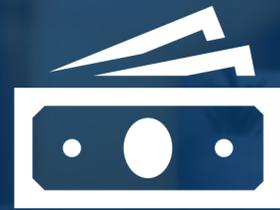
For Commercial & Industrial Businesses

- Resilient grid
- Capacity growth
- Operational certainty
- Enhanced security

For Business & Economic Development

- Growth readiness
- Stronger economy
- Investment capacity
- Modern infrastructure

Supporting our customers



Payment Assistance Programs

- Budget Payment Plan
- Modified Budget Payment Plan
- Senior Citizens Program
- Disabled Citizens Program
- Senior Citizens Late Fee Waiver



~377K

Walk-in Center Transactions



3.4M

Customer Calls



STEP

- Weatherization Programs
- WiFi Thermostat Rewards
- Home Energy Rebates
- New Home Construction Rebate
- Cool Roof Rebate
- Residential Solar
- Community Solar



Residential Energy Assistance Partnership



Affordability Discount Program



Critical Care Program

- Burned Veterans Discount Program
- First Responders with Burn Injuries Discount Program

**70% of the
budget is
required
investments**

REQUIRED INVESTMENTS

More than \$1.99B in Required Investments

Plant Operations, \$642M

New Customer Connections, \$292M

Local, State, & Federal Compliance Requirements/Mandated Improvements, \$114M

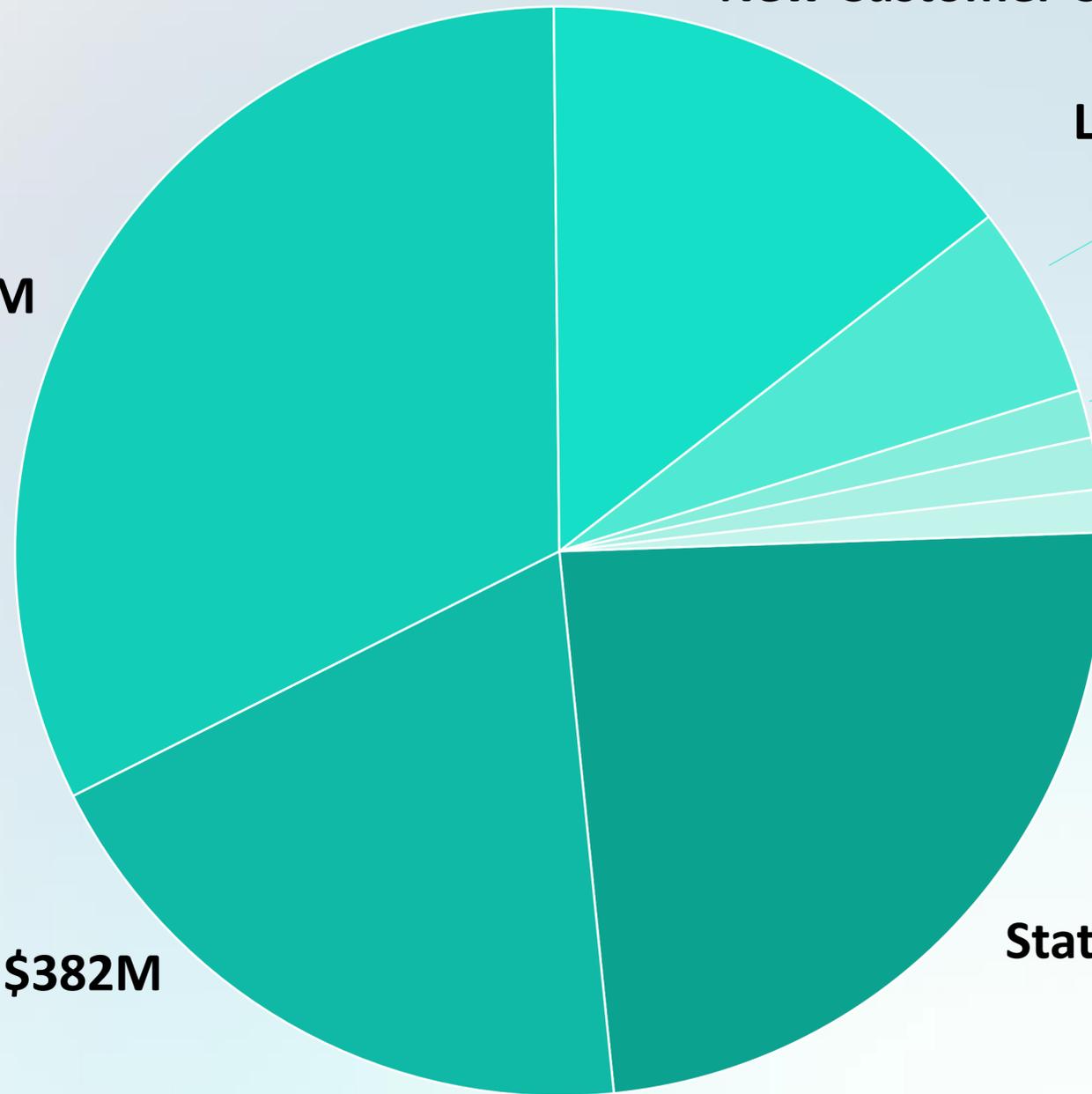
Gas Safety, \$28M

Cyber & Physical Security, \$31M

Insurance, \$25M

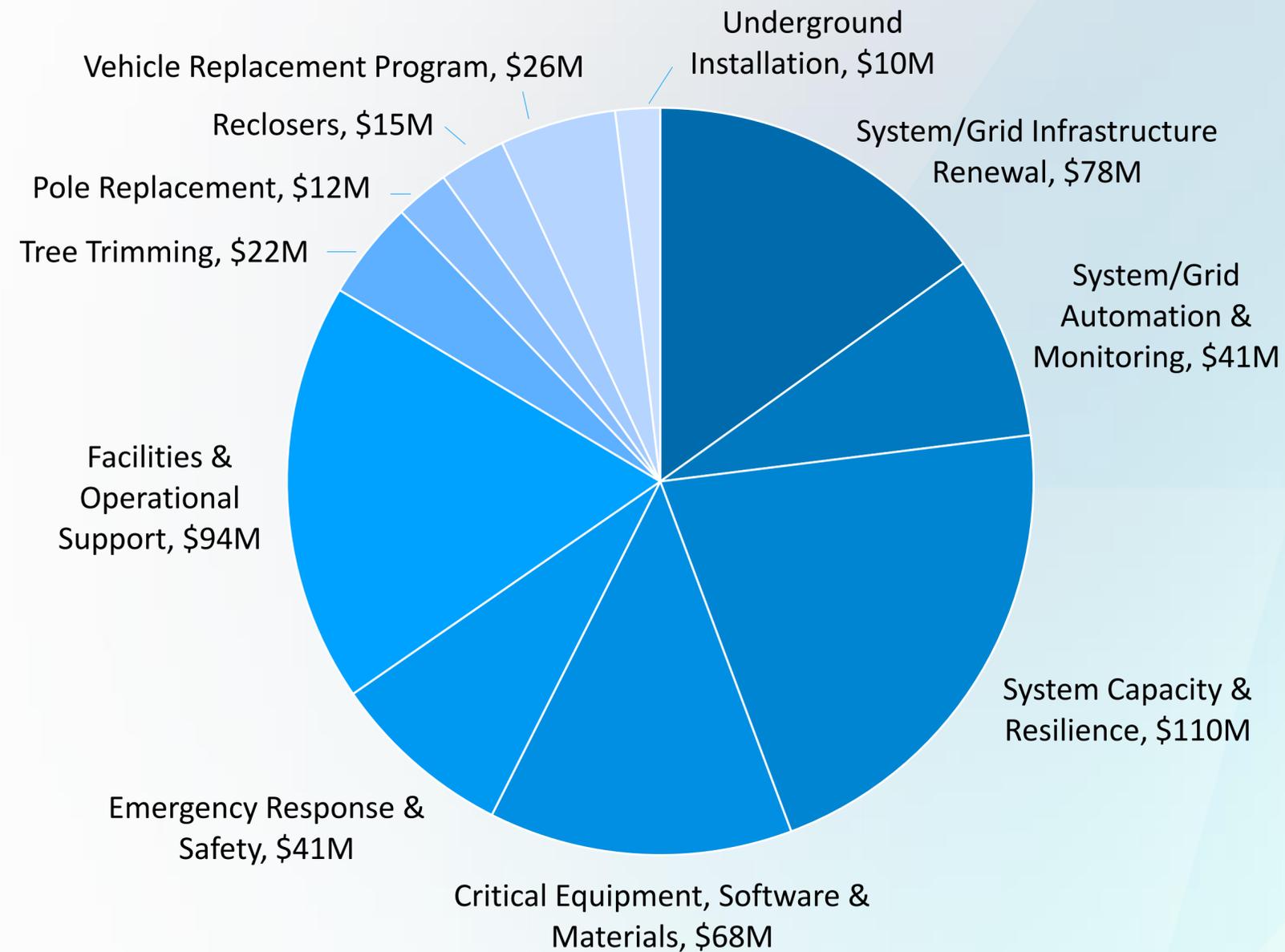
Current Workforce, \$382M

State Regulated Transmission Investments, \$477M

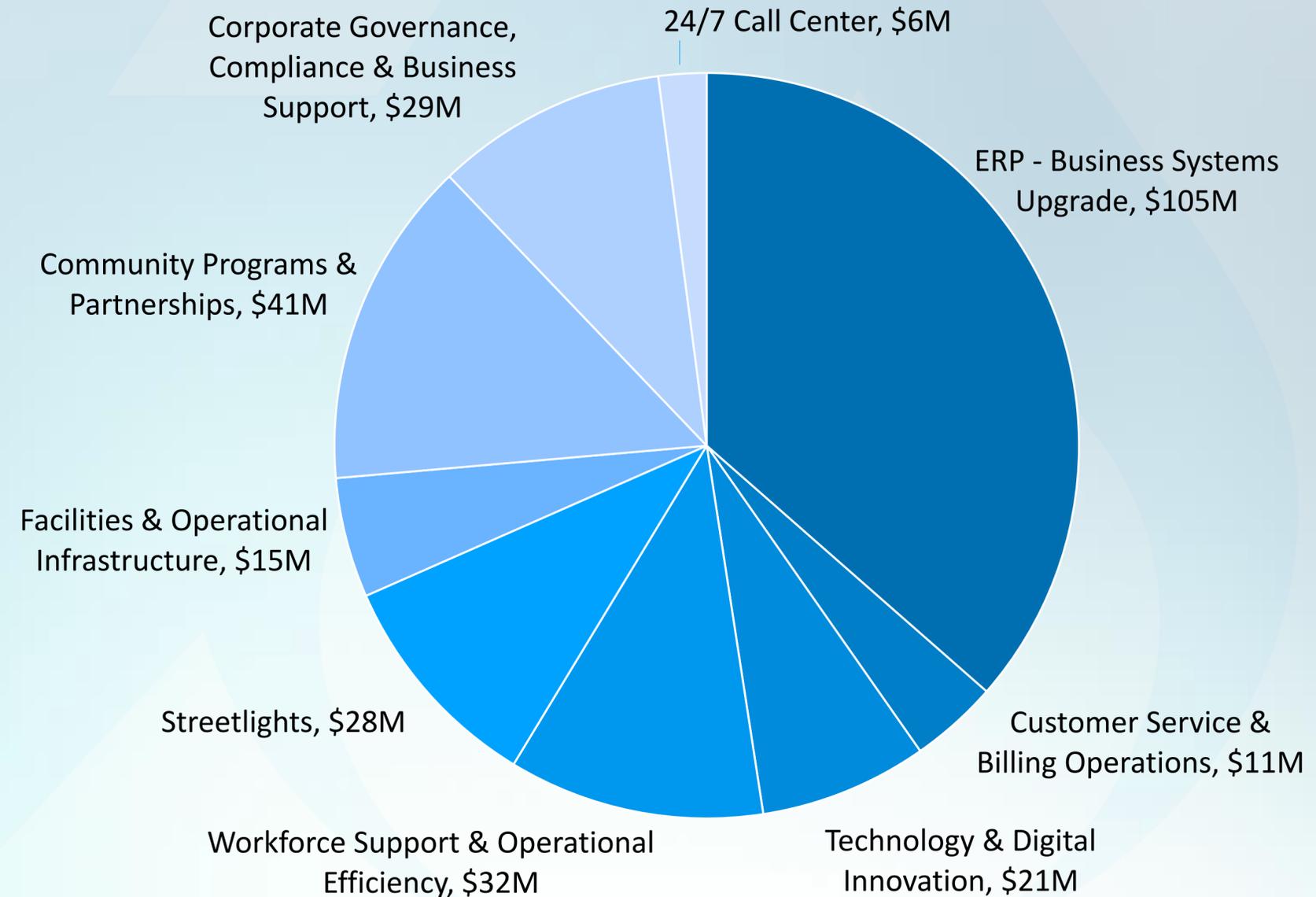


**30% of the budget is
critical to achieve the
defined customer
service level metrics**

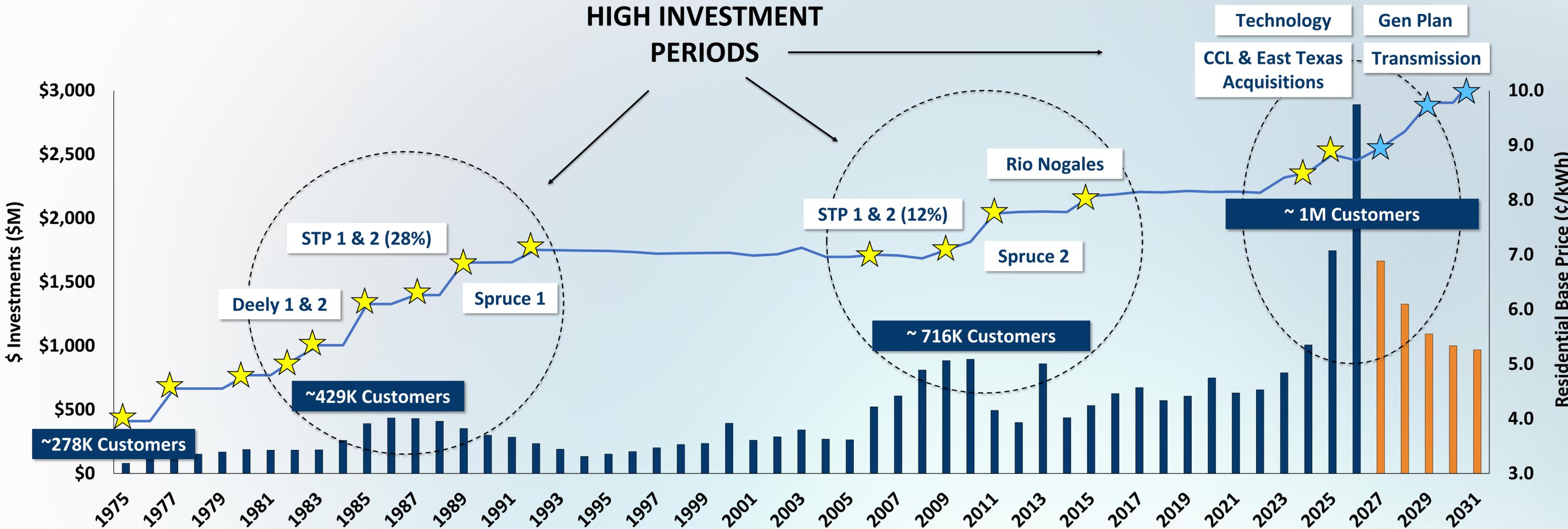
\$517M Reliability Investments



\$288M Affordability & Community Investments



INVESTMENT IN GROWTH



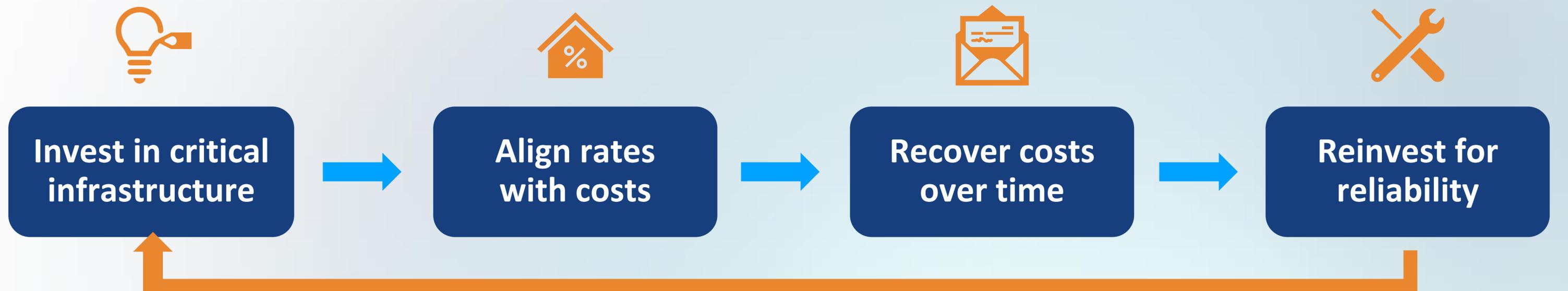
1. Historical and planned investments in our capital budget
2. Average residential price includes base rate, fuel cost, and other fees

Meeting the needs of our growing community has always required periods of high investment and corresponding revenue support.

Legend

- ★ Rate Increase
- ★ Forecasted Rate Increase
- Historical Capital Spend¹
- Forecasted Capital Spend¹
- Residential Price²

RECOVER COSTS FAIRLY



We use a mix of cash and debt to **build and replace** long-lived assets across our system.

We study how each customer group **uses** the system, so that our **rates recover the true cost to serve** each customer group.

Over time, **customer payments** allow us to cover shared system costs, manage debt, and meet our **commitment to the community**.

We use our revenues to **reinvest** in daily operations and system improvements to keep service **reliable** and **affordable**.



Recovery < Cost + City Payment

Drivers

- ▶ Mild weather
- ▶ Supply chain increases

Rebalance Strategies

- ▶ Scale back customer services
- ▶ Adjusted community investment
- ▶ Rate increase



IDEAL STATE

Recovery = Cost + City Payment

Benefits

- ▶ Operate efficiently, increase reliability, affordability, & cleaner energy
- ▶ Deliver community services and support



Recovery > Cost + City Payment

Drivers

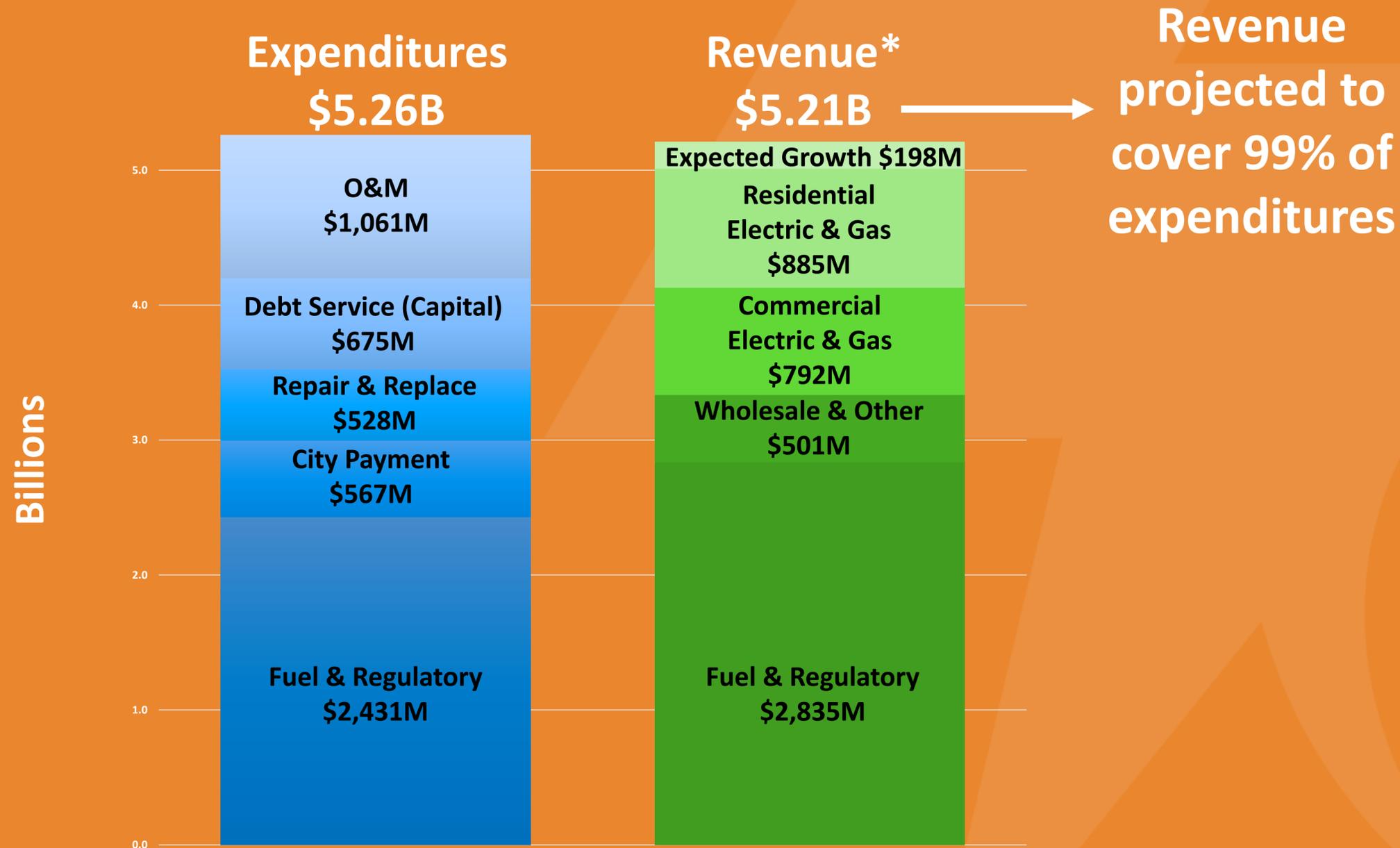
- ▶ Intense weather
- ▶ Increased wholesale revenue

Rebalance Strategies

- ▶ Strategic purchase(s)
- ▶ Buy down debt
- ▶ Delay rate increase

Sources vs Uses of Funds

FY2027 FORECAST



Expense Drivers

- Rising costs of materials
- Growth: 28K new electric & 5K new gas customers
- Newly acquired East Texas peakers
- Transmission projects
- Plant maintenance for aging fleet
- Gas leak surveying and repairs
- Labor

Revenue Drivers

- \$18M Residential Growth
- \$46M Commercial Growth
- \$135M Wholesale Growth

*Revenue includes collection for City Payment

Always Seeking Efficiency

Annual Savings: \$3-3.6M per year
One-time savings: \$68.8M
External Funding: \$400-500M
Cost Avoided: \$3B



Operational Efficiency

Non-Emergency Overtime

- ▶ \$1.5-2.0M reduction

Fleet Strategy

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



Technology & Process Optimization

Self-Service Account Reconnection

- ▶ 24/7 self-service availability
- ▶ Remote reconnection

Cloud Optimization

- ▶ \$1M realizing
- ▶ \$200K annual run-rate savings

Wireless Consolidation

- ▶ \$500K annual savings



Revenue & Market Strategy

Wholesale Revenue

- ▶ ~\$400M-500M in forward sales of wholesale power

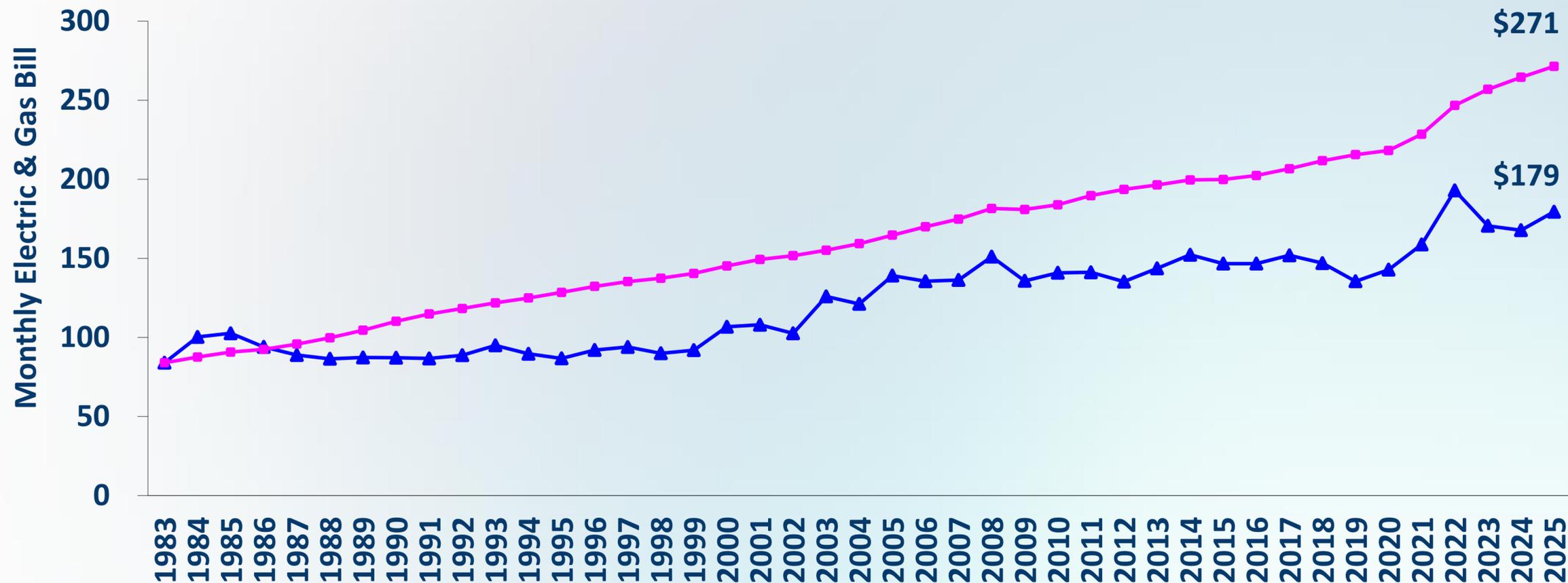
Commodity Prepay

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

Recent Plant Acquisitions

- ▶ 2024: Recovered ~1/3 purchase price first year; Purchased at ~\$1B below build cost
- ▶ 2025: ~\$2B saved vs. build price

Holding the Line for Customers



\$271
Inflation Adjusted 2025 bill

\$179
Actual 2025 bill

Note: Customer Price Index values provided by US Bureau of Labor Statistics; bills calculated at 1,000 kWh flat (each month) & 5 MCF & include pass-thru charges (fuel & regulatory adjustment); "Inflation Adjusted 2025 Bill" reflects the total residential electric & gas bill adjusted for inflation; "Actual 2025 bill" reflects the total Residential electric & gas bill NOT adjusted for inflation; Baseline: 1983 = \$83.98

“Run-the-Business” investments support people and systems to keep power reliable

These investments provide customers with:

- ▶ 3,700 employees keeping energy flowing
- ▶ 24/7 support, plus walk-in centers
- ▶ Proactive equipment maintenance
- ▶ A secure grid

Strengthening the system reduces future outages and rising costs

These investments provide customers with a weather-ready system:

- ▶ 4 substations reinforced for resilience and protection
- ▶ Expand upon 1.6K miles of transmission
- ▶ 1,200+ employees responding with a fleet of vehicles and equipment
- ▶ 1,250 poles replaced
- ▶ 17K+ miles of protected electric lines and 6K+ miles of protected gas mains

Sharing costs through customer growth

Connecting new customers:

- ▶ Enables grid resilience
- ▶ Strengthens reliable, affordable service
- ▶ Broadens fixed-cost sharing
- ▶ Boosts local economic activity
- ▶ Expands reinvestment capacity
- ▶ Residential growth \$18M
- ▶ Commercial growth \$46M

Budget Supports Defined Metrics

	Measure Name	FY2027 / CY2026 Target*	Desired Direction
Reliability	Average Customer Outage Duration <i>(SAIDI)</i>	73.00 Min	↓
	Plant Availability <i>(Critical Months EAF)</i>	87.0%	↑
	Gas Safety <i>(Leaks Remaining at End of Year per 100 Customers)</i>	0.42	↓
Value	Customer Perception <i>(Residential Engaged Customer Relationship – ECR)</i>	705-710	↑
	Strategically Investing in the Community <i>(Local Spend Percentage)</i>	70.0%	↑
	12-Month Total Bill <i>(Residential – NEW)</i>	Top 25% <i>(1st Quartile)</i>	↓
Cleaner Energy	Carbon Intensity (NEW)	COSA CAAP GOAL <i>(41% reduction by 2030)</i>	↓
Financial Strength	Fiscal Resiliency <i>(Index of Key Financial Measures)</i>	≥2.93	↑
Team Excellence	Living Mission & Values <i>(Gallup 12+)</i>	75th Percentile <i>(1st Quartile)</i>	↑
	Safety Performance <i>(Enterprise Recordable Incident Rate - RIR)</i>	1.11	↓

(\$ in Millions)	FY2027 Budget
Capital	\$1,664
Transmission Financing Structure (TFS) Capital	\$70
Non-Fuel O&M	\$1,061
Total	\$2.8B

*All targets supported by third-party consultant

We are seeking approval for a Budget that:

- ▶ Meets the **growth** needs of our community
- ▶ Invests in infrastructure **modernization** and **resiliency**
- ▶ Enables our **digital transformation** strategy
- ▶ Invests in **new generation** resources
- ▶ Develops our workforce to **serve the community**

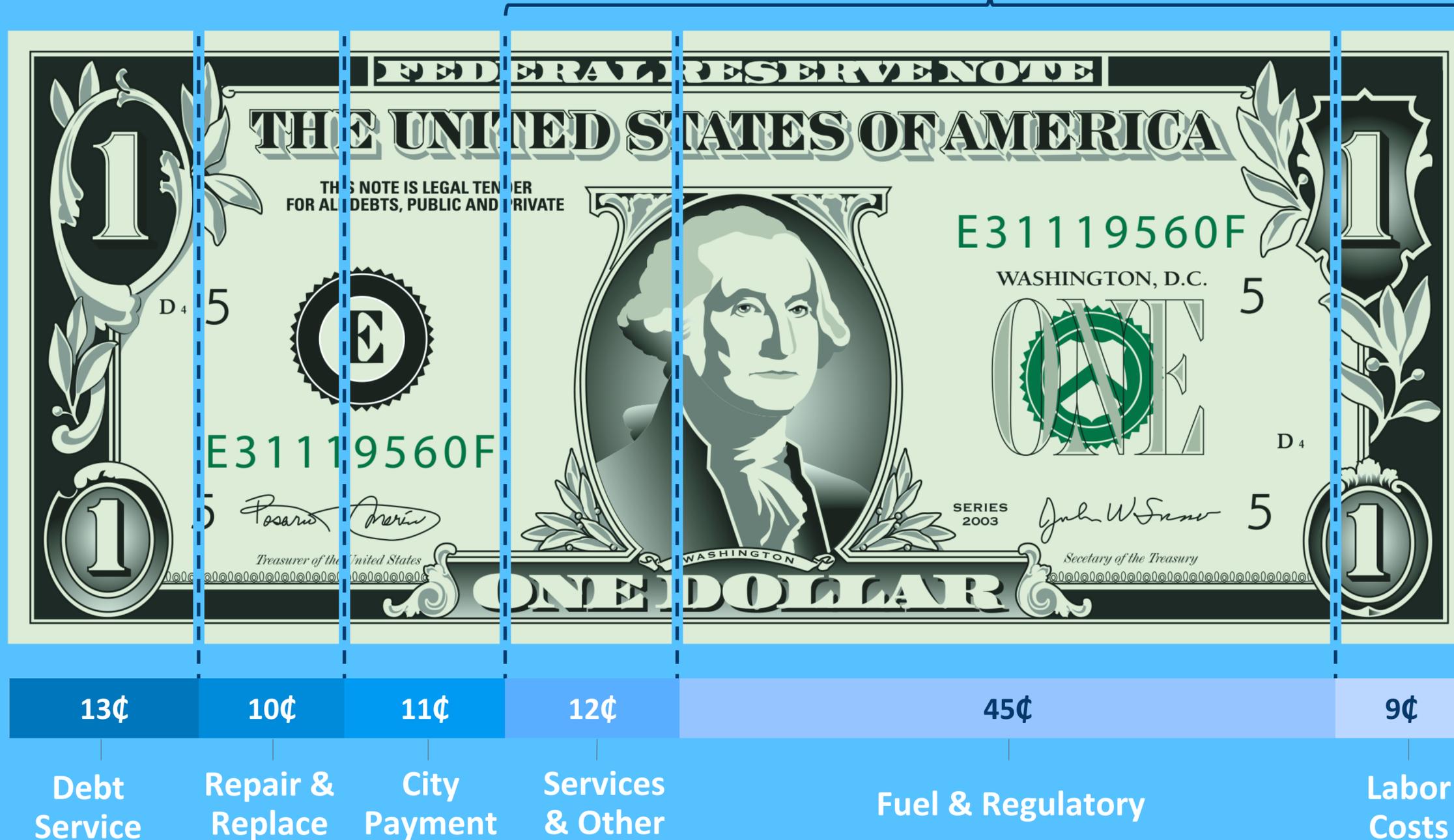
(\$ in Millions)	FY2027 Budget
Capital	\$1,664
Transmission Financing Structure (TFS) Capital	\$70
Non-Fuel O&M	\$1,061
Total	\$2.8B

Thank You

Appendix

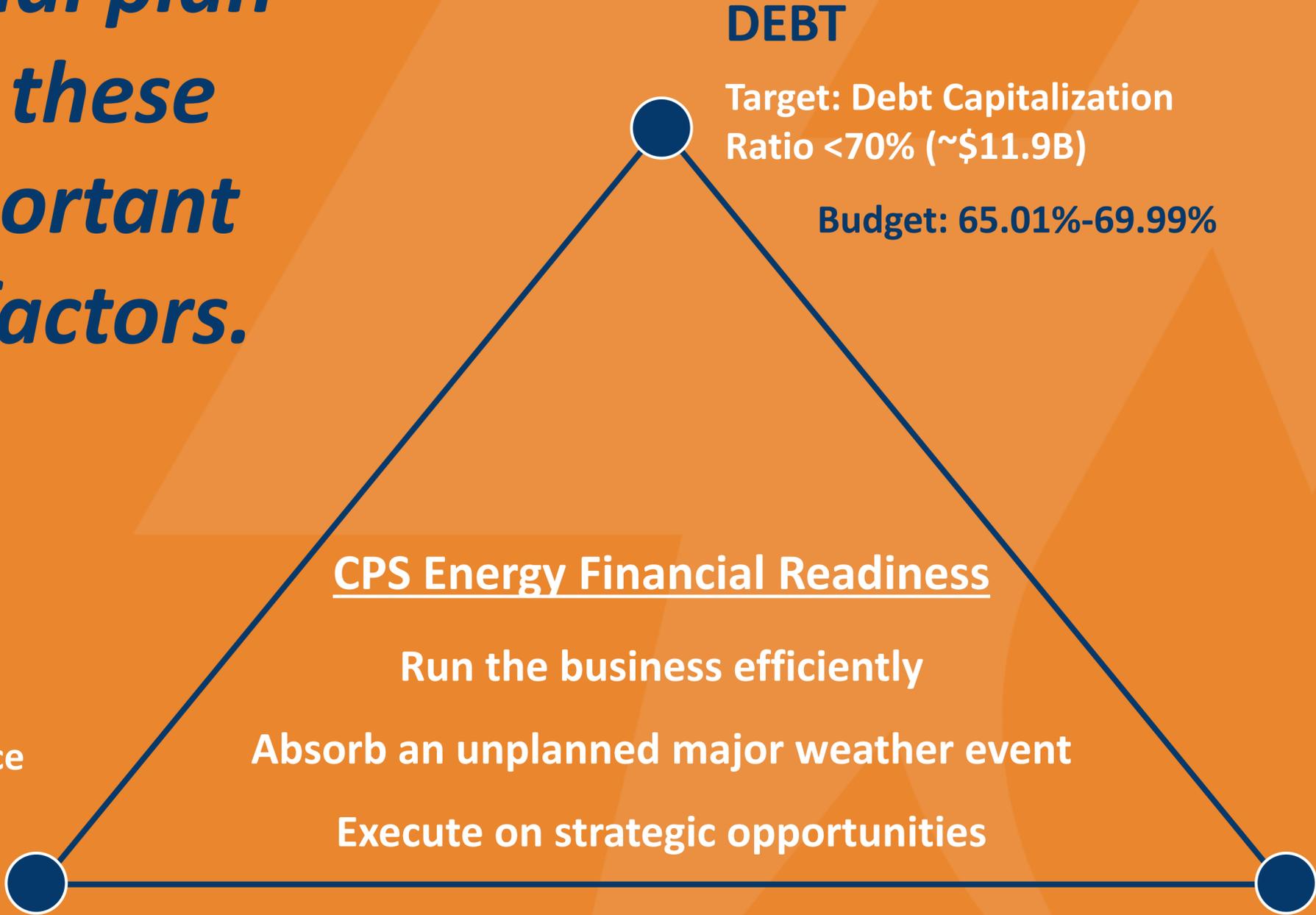
DOLLAR BREAKDOWN

Operating Expenses

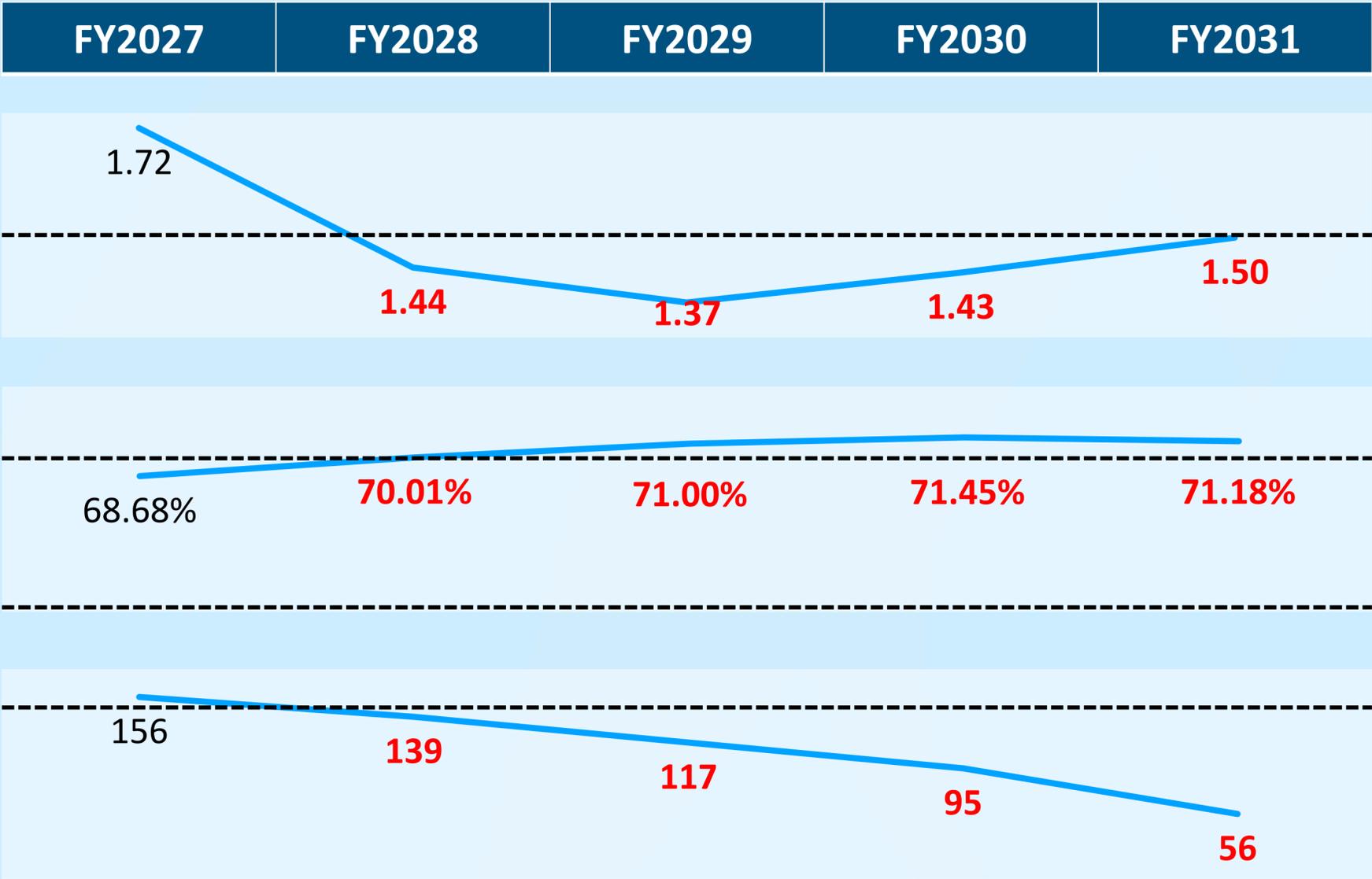


Data reflects our FY2027 Budget

Our financial plan balances these three important financial factors.



Rate Increases Needed to Support Healthy Metrics



Adjusted Debt Service Coverage
Target: ≥ 1.50

↑ 1.50

Debt Capitalization Ratio
Target: $\leq 60\%$

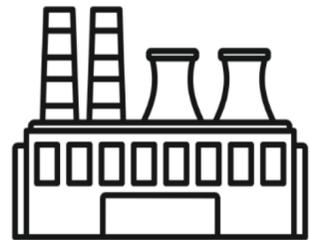
↓ 70% High investment period target

↓ 60% Long-term target

Days Cash on Hand
Target: ≥ 150

↑ 150

By the numbers*



1,632 MW
Purchase of East Texas Peaker Plant



~\$30M
Added Wholesale Revenue from East Texas Peaker Plant Purchase



Proactively Maintained Strong Credit Ratings



35 Miles
Cable Rehabilitation



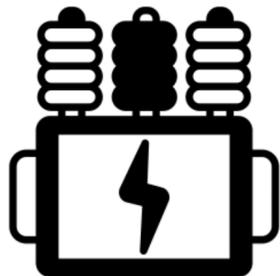
\$21M
In Assistance to Customers



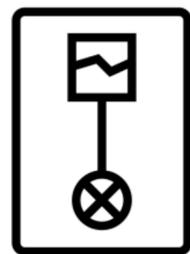
28,468
New Electric and Gas Meter Sets



5,674MW
2025 Peak Summer Demand



168
Large Pad Mount Transformers Installed



156
Reclosers Installed



1.5K
Miles of Vegetation Management



812
Distribution Poles Replaced

*As of 1/31/2026

\$1.7B FORECASTED CAPITAL

42% - \$700M

Electric and Gas Infrastructure Reliability

- Electric and Gas distribution and transmission infrastructure projects
- Minimize the quantity and duration of customer outages

20% - \$329M

Customer Growth

- Upgrade and extend service to new customers
- New meters, subdivisions, and commercial services

19% - \$321M

Power Sustainability and Reliability

- Generation fleet overhauls, planned upgrades, and new projects

10% - \$166M

Technology & Security

- Address physical security risks, technology platform upgrades, and computer-based communication

9% - \$148M

Customer & Community Engagement and Shared Services

- Invest in Critical Support Operations - Administration, Financial Services, Legal, Customer, Fleet, and Real Estate Master Plan projects

\$70M

Transmission Financing Structure (TFS)

*This capital plan is partially funded by Contribution in Aid of Construction (CIAC) - external funding not collected thru customer rates. For FY2027, CIAC is estimated to be \$118M.

The O&M budget supports key strategic initiatives, including Customer Growth and Outreach, Technology Improvements, and Reliability.

45% - \$475M

Labor

- Salaries and Wages, Benefits, Other Compensation

34% - \$360M

Power Sustainability and Resiliency

- Generation fleet overhauls and seasonal maintenance to maximize plant availability and minimize downtime

10% - \$103M

Technology & Security

- Maintain and assess enterprise technology systems, execute cyber security initiatives, and design future state of technology platforms

8% - \$84M

Electric and Gas Infrastructure Reliability

- Electric and Gas distribution and transmission infrastructure maintenance minimize the quantity and duration of customer outages

3% - \$39M

Customer and Community Engagement and Shared Services

- Investment in programs that promote engagement with customers and stakeholders
- Invest in Critical Support Operations, including Administration, Financial Services, and Legal



Energizing Progress Together

Generation Plan Refresh

March 30, 2026
Informational Update

PRESENTED BY

David Kee
Director of Energy Market Policy

Today, we're going to share:

- ▶ What's Changed
- ▶ Our Path Forward
- ▶ Community Engagement

OUR PATH FORWARD

Vision 2030

- ▶ Reliability
- ▶ Value
- ▶ Clean Energy
- ▶ Financial Strength
- ▶ CPS Energy Team Excellence

Defines our strategic focus



5-Year Checkpoints



Ongoing Community Engagement



Collaboration

Energy demand is growing fast

Annual growth is

2.3x

More than forecast

Original forecast

115 MW

Latest annual growth projections

260 MW

What our community is
projected
to use

1 MW powers

250
Homes

During peak hours

We are projected to use approx.

5,900 MW
this year

Original forecast anticipated using approx.

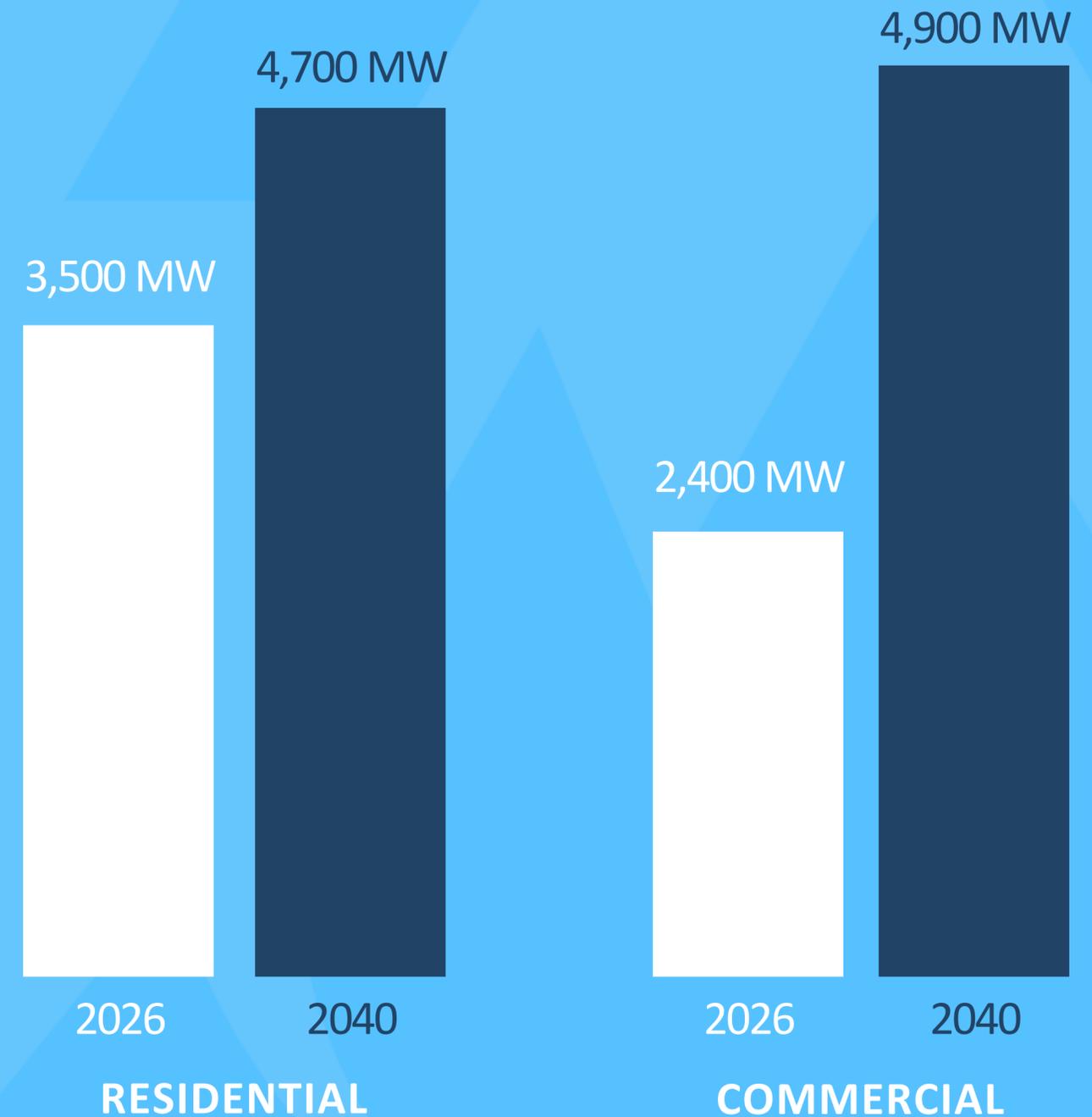
7,400 MW
by 2040

Latest forecast anticipates using approx.

9,600 MW
by 2040

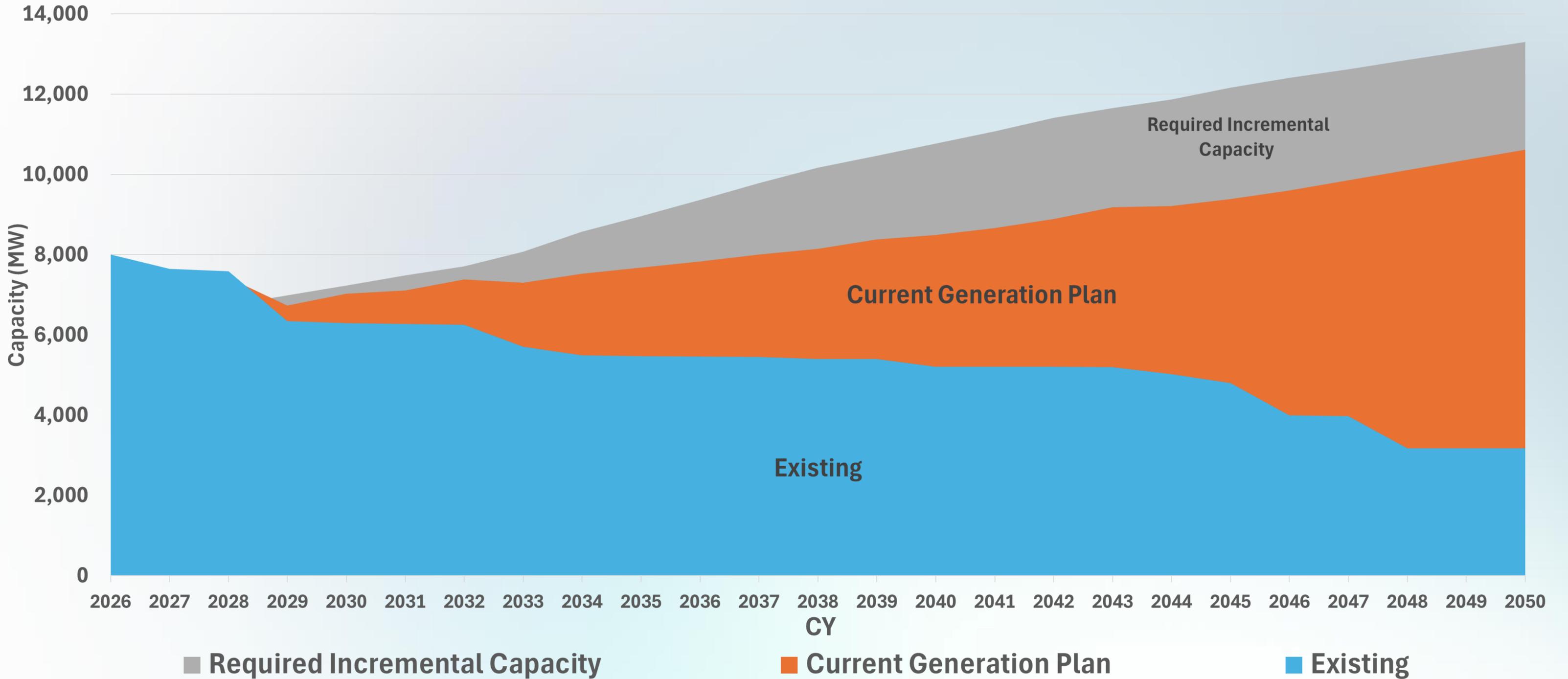
Demand is growing across homes and businesses

Forecasted demand

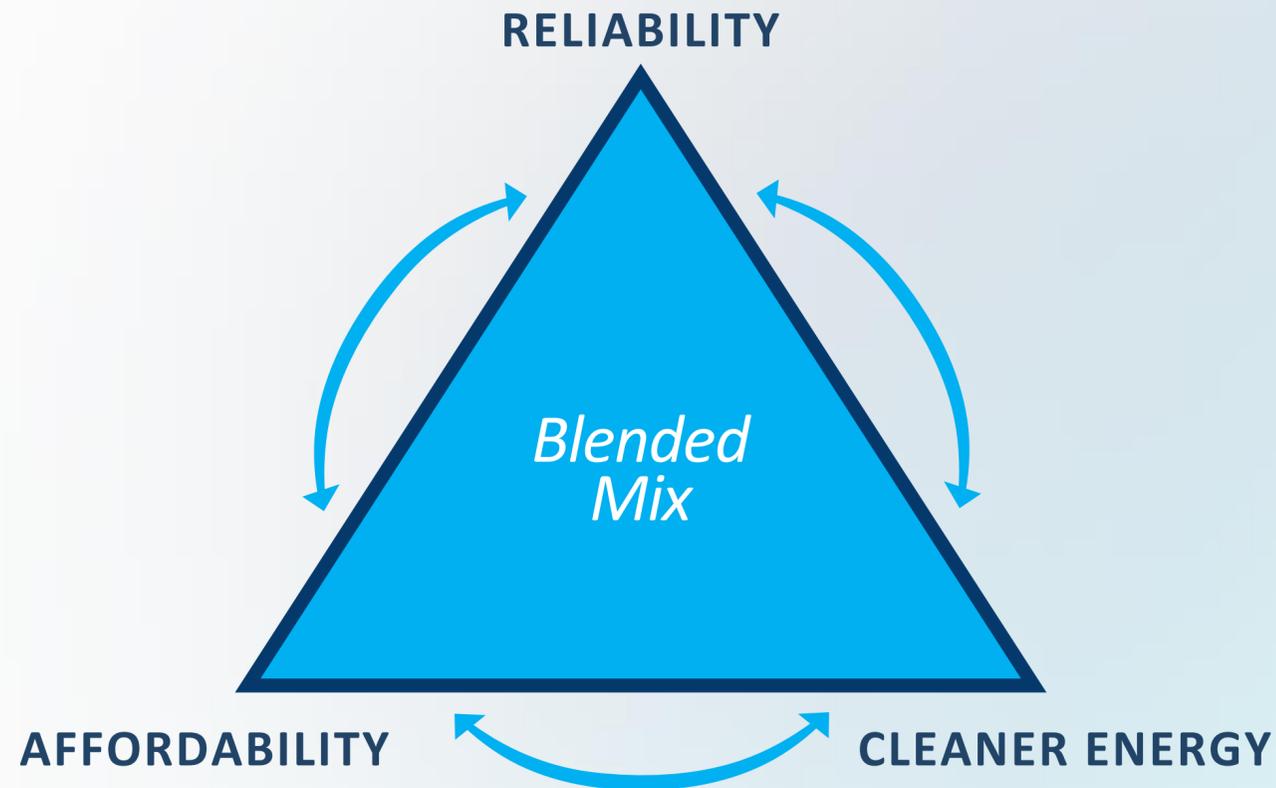


Right size our
blended mix of
power generation

OUR PATH FORWARD RECOMMENDATION



With added generation:



Market dependence increases exposure to:

- Price volatility and higher costs
- Higher emissions and environmental risks
- Lower reliability
- Peak demand risk

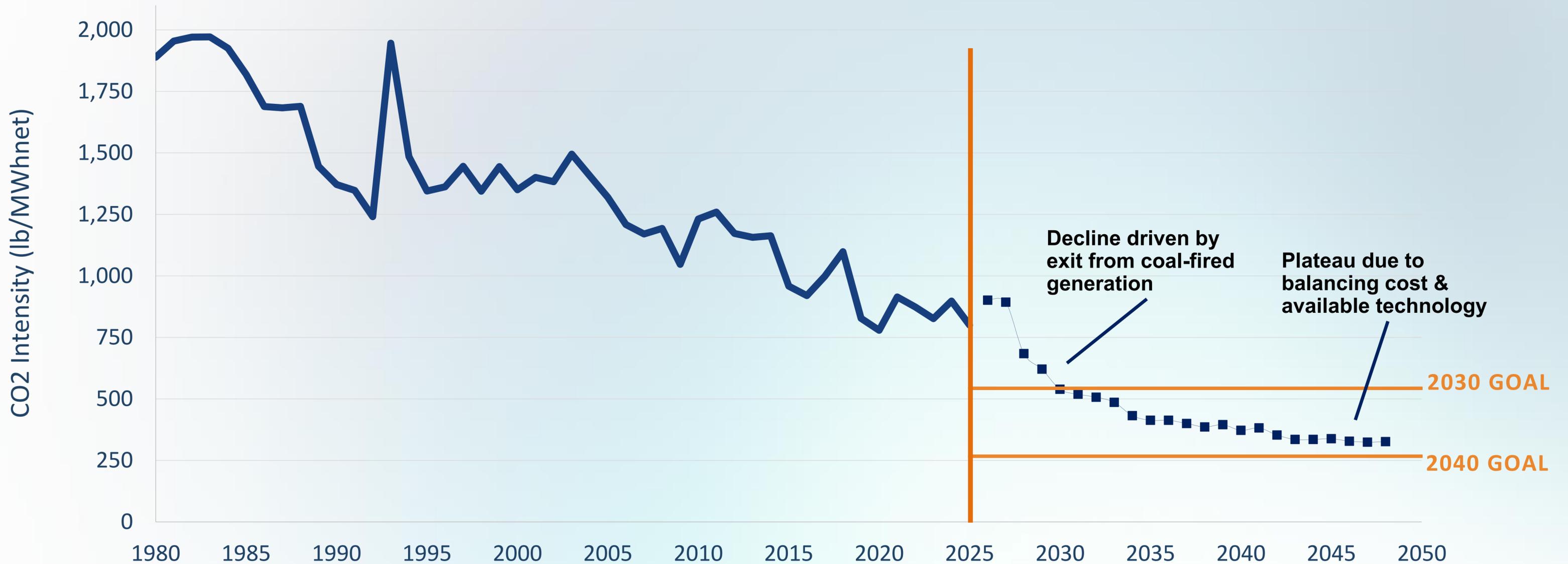
Continued investment in our generation resources empowers us to take ownership of our future and shape the path ahead.

Customer protection

Responsible investments

- ▶ Preserves reliability
- ▶ Protects against extreme events
- ▶ Reduces exposure to market volatility
- ▶ Provides flexibility to make affordable decisions

Continuing progress towards cleaner air



Note: Does not account for policy uncertainty at the federal level

— Historic Emissions ■ ■ ■ Projected Emissions

Continue to Pursue a Blended Approach

- ▶ Add dispatchable capacity, renewables, and storage
- ▶ Exit coal and leverage emerging technologies
- ▶ Evaluate generation options, including life extensions and conversions
- ▶ Seek Board approval for viable projects as they are ready

We will continue to
Connect, listen and engage

November

- ▶ D2 Community Fair
- ▶ Community Pop-Ups
- ▶ Community Survey
- ▶ Stakeholder Meetings

December

- ▶ D7 Community Fair
- ▶ Community Pop-Ups
- ▶ Community Survey
- ▶ Stakeholder Meetings

January

- ▶ Community Tele-Town Hall
- ▶ D1 Community Fair
- ▶ Bexar County Community Fair
- ▶ D6 Community Fair
- ▶ Community Survey
- ▶ Stakeholder Meetings
- ▶ Board of Trustees Meeting

February

- ▶ Community Survey
- ▶ Stakeholder Meetings
- ▶ Community Pop-Ups
- ▶ D4 Townhall
- ▶ D5 Townhall
- ▶ D7 Townhall
- ▶ D10 Townhall
- ▶ Board of Trustees Meeting

March

- ▶ Community Survey
- ▶ Stakeholder Meetings
- ▶ D8 Townhall
- ▶ D4 Community Fair
- ▶ Board of Trustees Meeting

Board Consideration

Thank You
