CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON MAY 20, 2024, 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

<table>
<thead>
<tr>
<th>ITEM</th>
<th>TOPIC</th>
<th>ACTION</th>
<th>PRESENTER/SPONSOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CALL TO ORDER</td>
<td>Execute</td>
<td>Ms. Janie Gonzalez</td>
</tr>
<tr>
<td>2</td>
<td>SAFETY MESSAGE, INVOCATION &amp; PLEDGE OF ALLEGIANCE</td>
<td>Execute</td>
<td>Mr. Richard Urrutia</td>
</tr>
<tr>
<td>3</td>
<td>PUBLIC COMMENT</td>
<td>Discuss</td>
<td>Ms. Janie Gonzalez</td>
</tr>
</tbody>
</table>

Pre-Registration is from Wednesday, May 15, 2024, 5:00 PM – Friday, May 17, 2024, 1:00 PM. Dial (210) 353-4662 or email PublicCommentRegistration@CPSEnergy.com

UPDATE ON CHAIR’S PRIORITIES

| 4    | CHAIR’S REMARKS | Discuss | Ms. Janie Gonzalez |

CONSENT AGENDA

<table>
<thead>
<tr>
<th>5</th>
<th>APPROVAL OF CONSENT ITEMS:</th>
<th>Vote</th>
<th>Ms. Janie Gonzalez</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Payment to the City of San Antonio for April 2024</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B.</td>
<td>Minutes from the April Regular Board Meeting, held on April 22, 2024</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C.</td>
<td>Procurements Items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Professional Services: Substation and Transmission Engineering Services (Mr. Richard Medina)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

REGULAR AGENDA

<table>
<thead>
<tr>
<th>6</th>
<th>COMMITTEE REPORTS</th>
<th>Discuss</th>
<th>Ms. Janie Gonzalez</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Audit and Finance Committee (A&amp;F) meeting held on April 15, 2024 (Ms. Janie Gonzalez)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B.</td>
<td>Employee Benefits Oversight Committee (EBOC) meeting held on April 15, 2024 (Ms. Janie Gonzalez)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<p>| 7 | VISION 2027 GENERATION PLAN UPDATE | Discuss | Mr. Benny Ethridge &amp; Ms. Elaina Ball |</p>
<table>
<thead>
<tr>
<th></th>
<th>Agenda Item</th>
<th>Action</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>SUMMER PREPAREDNESS UPDATE</td>
<td>Discuss</td>
<td>Executive Leadership Team</td>
</tr>
<tr>
<td>9</td>
<td>CEO RECOGNITION</td>
<td>Discuss</td>
<td>Mr. Rudy Garza</td>
</tr>
<tr>
<td>10</td>
<td>REVIEW OF ACTION ITEMS</td>
<td>Discuss</td>
<td>Ms. Shanna Ramirez</td>
</tr>
</tbody>
</table>

**CONVENE TO EXECUTIVE SESSION**

<table>
<thead>
<tr>
<th></th>
<th>EXECUTIVE SESSION</th>
<th>Action</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>A. Attorney-Client Matters (§551.071) &amp; Competitive Matters (§551.086)</td>
<td>Discuss</td>
<td>Ms. Janie Gonzalez</td>
</tr>
<tr>
<td></td>
<td>B. Competitive Matters (§551.086) &amp; Attorney-Client Matters (§551.071)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**RECONVENE TO OPEN SESSION**

<table>
<thead>
<tr>
<th></th>
<th>ADJOURNMENT</th>
<th>Execute</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td></td>
<td></td>
<td>Ms. Janie Gonzalez</td>
</tr>
</tbody>
</table>

If the Board meeting has not adjourned by 3:25 PM, the presiding officer may entertain a motion to continue the meeting, postpone the remaining items to the next Board meeting date, or recess and reconvene the meeting at a specified date and time.
Approval of Payment to the City of San Antonio for April 2024

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 2024 is based on actual gross revenue per the New Series Bond Ordinance of $197,508,924.08, 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 $22,918,941.86. 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 $22,918,941.86 against future months’ revenues for fiscal year 2025. The revenue for the month of April 2024 is calculated as follows:

Gross revenue per CPS Energy financial statements

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric revenue</td>
<td>$185,755,851.82</td>
</tr>
<tr>
<td>Gas revenue</td>
<td>12,570,321.87</td>
</tr>
<tr>
<td>Interest and other income</td>
<td>1,339,228.33</td>
</tr>
<tr>
<td><strong>Gross revenue per CPS Energy financial statements</strong></td>
<td><strong>199,665,402.02</strong></td>
</tr>
</tbody>
</table>

Excluded revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>School and hospital revenue per City Ordinance 55022</td>
<td>(7,497,560.33)</td>
</tr>
<tr>
<td>Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts</td>
<td>(5,195,763.90)</td>
</tr>
<tr>
<td>Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue</td>
<td>10,536,846.29</td>
</tr>
<tr>
<td><strong>Total excluded revenue</strong></td>
<td><strong>(2,156,477.94)</strong></td>
</tr>
</tbody>
</table>

Gross revenue per New Series Bond Ordinance subject to 14% payment to the City

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross revenue per New Series Bond Ordinance subject to 14% payment to the City</strong></td>
<td><strong>$197,508,924.08</strong></td>
</tr>
</tbody>
</table>

City payment per Bond Ordinance for April 2024 based upon April 2024 revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City payment per Bond Ordinance for April 2024 based upon April 2024 revenue</td>
<td>$27,651,249.37</td>
</tr>
</tbody>
</table>

City payment per memorandum of understanding (MOU) regarding wholesale special contracts

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City payment per memorandum of understanding (MOU) regarding wholesale special contracts</td>
<td>(287,346.20)</td>
</tr>
</tbody>
</table>

City Payment reduction per gas customer billing adjustment MOU

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Payment reduction per gas customer billing adjustment MOU</td>
<td>(12,500.00)</td>
</tr>
</tbody>
</table>

City payment per Bond Ordinance plus adjustments for memorandums of understanding

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City payment per Bond Ordinance plus adjustments for memorandums of understanding</td>
<td>27,351,403.17</td>
</tr>
</tbody>
</table>

Utility services provided to the City for April 2024

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility services provided to the City for April 2024</td>
<td>(2,833,906.79)</td>
</tr>
</tbody>
</table>

Net amount to be paid from April 2024 revenue to the City in May 2024

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net amount to be paid from April 2024 revenue to the City in May 2024</td>
<td>$24,517,496.38</td>
</tr>
</tbody>
</table>
Comparison of City payment per Bond Ordinance (plus adjustments for memorandums of understanding) vs. Budget before deduction for utility services provided to the City:

<table>
<thead>
<tr>
<th></th>
<th>April 2024</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Month* A</td>
<td>$27,352</td>
<td>$29,631</td>
<td>$(2,279)</td>
</tr>
<tr>
<td>Year-to-Date</td>
<td>$88,879</td>
<td>$93,727</td>
<td>$(4,848)</td>
</tr>
</tbody>
</table>

*D includes a rounding adjustment of $1 to agree to correctly rounded YTD amount.

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 $24,517,496.38 representing 14% of applicable system gross revenues for the month of April 2024, such payment being net of City utility services ($2,833,906.79), and including the current month shortage, is hereby approved." The total amount to be recovered from future months’ revenues for fiscal year 2025 is $31,037,921.78.
CALL TO ORDER

Chair Gonzalez called the meeting to order at 10:00 a.m.

Present were Board members:
Ms. Janie Gonzalez, Chair
Dr. Francine Romero, Vice Chair
Dr. Willis Mackey (arrived at 10:14 a.m.)
Mr. John Steen
Mayor Ron Nirenberg (arrived at 10:02 a.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. Cory Kuchinsky, Chief Financial Officer & Treasurer
Ms. DeAnna Hardwick, Chief Customer Strategy Officer
Mr. Evan O'Mahoney, Chief Information Officer
Ms. Lisa Lewis, Chief Administrative Officer
City of San Antonio officials
CPS Energy staff members
Interested Citizens

SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE

A safety message, invocation, and the Pledge of Allegiance were delivered by Mr. David Ramirez, Senior Director, Controller.

PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, stated she was happy to see the Board of Trustees here this morning. She stated that all CPS Energy employees are special, and she appreciates them. She feels it's important to get to know them when she's in the community. She also stated her support for the ERP Transformation Program procurement for improving CPS Energy's technology.

CHAIR’S REMARKS

Chair Gonzalez stated that CPS Energy’s employees do amazing things, and on Earth Day she wanted to highlight CPS Energy's commitment through our current portfolio of renewables and our Vision
2027 Generation Plan. She also noted that rebates are available to customers for many products that help protect the environment. Finally, she noted CPS Energy’s participation in tree giveaways at various events across the community.

Next, Chair Gonzalez noted that San Antonio hosted a Large Public Power Council event with 28 member utilities participating. Mr. Rudy Garza gave an address at the event.

She noted that April is National Volunteer Month, and noted our employees are able to give back to the community. She highlighted the 25th Kids Fish Fry at Calaveras Lake, in which CPS Energy partnered with United Way for kids to fish. She thanked the employees who volunteered for the event.

Finally, Chair Gonzalez noted that CPS Energy’s Fiesta medal won first place, and congratulated those that designed this year’s medal. She asked community members to be safe during Fiesta and use public transportation.

V. EXECUTIVE SESSION

At approximately 10:14 a.m., 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:

- Real Property (§551.072),
- Competitive Matters (§551.086), Security Audits & Devices (§551.089), and Confidential Information Under the Texas Homeland Security Act (§418.182(f))
- Competitive Matters (§551.086) & Attorney-Client Matters (§551.071)
- Attorney-Client Matters (§551.071)
- Attorney-Client Matters (§551.071)

The Board reconvened in open session at 11:37 a.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.

VI. APPROVAL OF CONSENT ITEMS

On a motion by Trustee Dr. Mackey, seconded by Vice Chair Dr. Romero, and upon affirmative vote by a majority of members present, the following items on the Consent Agenda were approved:\footnote{Trustee Steen made a point of order to ask if one Trustee can pull an item from consent for separate consideration in accordance with Robert’s Rules of Order. Ms. Ramirez, as General Counsel & Board Secretary, noted that the Rules of Order adopted by the Board of Trustees, states that Robert’s Rules of Order are a general guideline for parliamentary procedure but are not a formal procedural requirement. She also noted Trustee Steen was welcome to provide his discussion points for any item on consent without pulling the item. Chair Gonzalez determined that Trustee Steen had ample opportunity to communicate his request to her for consideration, and Trustee Steen had not done so. Chair Gonzalez called for a vote, and Trustee Steen voted against the motion.}
A. Approval of Payment to the City of San Antonio for March 2024

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 March 2024 is based on actual gross revenue per the New Series Bond Ordinance of $206,907,648.19, 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 $8,118,979.92. 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 $8,118,979.92 against future months’ revenues for fiscal year 2025. The revenue for the month of March 2024 is calculated as follows:

Gross revenue per CPS Energy financial statements

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric revenue</td>
<td>$208,736,168.73</td>
</tr>
<tr>
<td>Gas revenue</td>
<td>17,677,290.97</td>
</tr>
<tr>
<td>Interest and other income</td>
<td>7,224,246.85</td>
</tr>
<tr>
<td><strong>Gross revenue per CPS Energy financial statements</strong></td>
<td><strong>233,637,706.55</strong></td>
</tr>
</tbody>
</table>

Excluded revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>School and hospital revenue per City Ordinance 55022</td>
<td>(4,346,591.32)</td>
</tr>
<tr>
<td>LVG revenue per City Ordinance 100709</td>
<td>(25,582.61)</td>
</tr>
<tr>
<td>Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts</td>
<td>(8,547,662.97)</td>
</tr>
<tr>
<td>Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue</td>
<td>(13,810,221.46)</td>
</tr>
<tr>
<td><strong>Total excluded revenue</strong></td>
<td><strong>(26,730,058.36)</strong></td>
</tr>
</tbody>
</table>

Gross revenue per New Series Bond Ordinance subject to 14% payment to the City

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$206,907,648.19</td>
</tr>
</tbody>
</table>

City payment per Bond Ordinance for March 2024 based upon March 2024 revenue

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$28,967,070.75</td>
</tr>
</tbody>
</table>

City payment per memorandum of understanding (MOU) regarding wholesale special contracts

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>639,644.87</td>
</tr>
</tbody>
</table>

City Payment reduction per gas customer billing adjustment MOU

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(12,500.00)</td>
</tr>
</tbody>
</table>

City payment per Bond Ordinance plus adjustments for memorandums of understanding

<table>
<thead>
<tr>
<th>Amount</th>
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<tbody>
<tr>
<td>29,594,215.62</td>
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</table>

Utility services provided to the City for March 2024

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>(2,849,785.78)</td>
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</tbody>
</table>

Net amount to be paid from March 2024 revenue to the City in April 2024

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$26,744,429.84</strong></td>
</tr>
</tbody>
</table>
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)

<table>
<thead>
<tr>
<th></th>
<th>March 2024</th>
<th>Actual</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Month A</td>
<td>$29,594</td>
<td>$30,856</td>
<td>($1,262)</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Year-to-Date</td>
<td>$61,527</td>
<td>$64,096</td>
<td>($2,569)</td>
<td>-4.0%</td>
</tr>
</tbody>
</table>

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 $26,744,429.84 representing 14% of applicable system gross revenues for the month of March 2024, such payment being net of City utility services ($2,849,785.78), and including the current month shortage, is hereby approved.” The total amount to be recovered from future months’ revenues for fiscal year 2025 is $8,118,979.92.

B. Minutes from the February Regular Board Meeting, held on March 4, 2024
C. Minutes from the March Regular Board Meeting, held on March 25, 2024
D. Resolution Approving Substation Purchase

The approved resolution is attached as Attachment “A” to the meeting minutes.

E. Employee Benefit Plans Statement of Governance
F. Procurement Items:

1. Item Description: Metal-Clad Substation Switchgear
   Category: Commodity & Material Goods
   Supplier: Powell Electrical Systems, Inc.

VII. COMMITTEE REPORTS

In the interest of time, Chair Gonzalez 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 19, 2024. The report is attached as Attachment “B” to the meeting minutes.
B. Operations Oversight Committee meeting held on March 26, 2024. The report is attached as Attachment “C” to the meeting minutes.
C. Personnel Committee meeting held on April 9, 2024. The report is attached as Attachment “D” to the meeting minutes.

VIII. ENTERPRISE RESOURCE PLANNING (ERP) TRANSFORMATION PROGRAM

Mr. Evan O’Mahoney, Chief Information Officer, presented and requested approval of the technology solution for the Enterprise Resource Planning (ERP) Transformation Program. He reviewed the current
legacy systems, which create complexity, and noted the vendor for the current system will cease standard support in 2027. He noted that two third-party vendor assessments were completed to inform the implementation approach, business case development, and transition strategy. He reviewed the strategy and outcomes for the Program, which are anchored to Vision 2027. He then reviewed the approach to establish a robust partner ecosystem, and he noted that our goal is to achieve 20% local, small, and/or diverse business participation for the remaining program scope. He reviewed the end-to-end selection process we utilized to evaluate the technology solutions. He informed the Board of Trustees that Oracle is the recommended technology partner, and he walked through the reasons for the selection. Finally, he noted that all funding required to support the contract is included in our approved budget.

Trustee Dr. Mackey moved to approve the purchase of ERP Cloud Software from Oracle America, Inc., and Vice Chair Dr. Romero seconded the motion. The Board of Trustees discussed and asked questions. The motion was approved unanimously.

IX. ANNUAL AUDITED FINANCIAL STATEMENTS

Mr. Cory Kuchinsky, Chief Financial Officer, noted that an external audit is required by practice and our bond covenants. Then, he introduced Mr. Andy Crouch and from KMPG, who introduced Ms. Logan Valladres from KMPG, and Mr. Chris Carmona from Carmona, Shriver & Company. Mr. Crouch stated that the CPS Energy received a clean, unmodified opinion. Mr. Crouch reviewed the audit, and noted the team really hit their stride in the third year. The Board of Trustees asked questions and discussed the audit.

X. CEO RECOGNITION

Mr. Rudy Garza, President & CEO, recognized our Lineworkers Rodeo & the all-female Caterpillar Construction Competition Teams. He noted that the events tested their skills, and he is proud of them. He also appreciates how much they help CPS Energy accomplish in their jobs.

XI. REVIEW OF ACTION ITEMS

Ms. Ramirez reviewed the previous action items, noting that all action items are closed. She noted no new action items arose during the meeting.

XII. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Trustee Dr. Mackey, seconded by Vice Chair Dr. Romero, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 12:34 p.m. by Chair Janie Gonzalez.

_____________________________
Shanna M. Ramirez
Secretary of the Board
## 1. Item Description: Substation and Transmission Engineering Services

<table>
<thead>
<tr>
<th>Purchase Category: Professional Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier:</td>
</tr>
<tr>
<td>Black &amp; Veatch Corp.</td>
</tr>
<tr>
<td>HDR Engineering, Inc.</td>
</tr>
<tr>
<td>M&amp;S Engineering, LLC</td>
</tr>
<tr>
<td>TRC Engineers, Inc.</td>
</tr>
</tbody>
</table>

### Committee Presentations:
- Operations Oversight Committee – March 26, 2024
- Audit & Finance Committee – April 15, 2024

### Approval:
- Lewis, Lisa D
  - Digitally signed by Lewis, Lisa D
  - Date: 2024.05.02
  - 14:24:01 -05'00'
  - Lisa Lewis, Chief Administrative Officer

- Garza, Rudy D
  - Digitally signed by Garza, Rudy D.
  - Date: 2024.05.02
  - 16:23:58 -05'00'
  - Rudy Garza, President & CEO
CPS Energy Board of Trustees Meeting  
May 20, 2024  
Procurement Form 1

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Substation and Transmission Engineering Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Order Value</td>
<td>$50,000,000</td>
</tr>
<tr>
<td>Purchase Category</td>
<td>Professional Services</td>
</tr>
<tr>
<td>Department</td>
<td>T&amp;D Engineering &amp; Grid Transformation</td>
</tr>
<tr>
<td>VP T&amp;D Engineering &amp; Grid Transformation</td>
<td>Ricardo Maldonado</td>
</tr>
<tr>
<td>Chief Energy Delivery Officer</td>
<td>Richard Medina</td>
</tr>
</tbody>
</table>

**Detailed Description**

CPS Energy staff recommends that a contract be awarded to Black & Veatch Corp., HDR Engineering, Inc., M&S Engineering, LLC and TRC Engineers, Inc. all local firms, as the respondents who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract will provide professional engineering services to augment CPS Energy staff resources. These services are required to support a large influx of emergent customer projects, including generation interconnect and large customer load requests, which have resulted in high demand for new substations and transmission lines, in addition to the expansion and rebuilding of existing facilities needed to support this CPS Energy system growth. This contract will expire on June 30, 2027.

**Subcontracting Opportunities**

All businesses awarded a contract have committed a portion of the services to one or more diverse businesses.

The solicitation method for this procurement was a Request for Qualifications (RFQ)\(^1\). An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience and qualifications to perform the Services</td>
<td>100</td>
</tr>
<tr>
<td>Safety records and training program</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td>The financial soundness of the Respondent.</td>
<td>Pass/Fail</td>
</tr>
</tbody>
</table>

\(^1\) CPS Energy is unable to consider price or economic development as Evaluation Criteria for RFQ's.
Recommended Respondent(s) & Award

<table>
<thead>
<tr>
<th>Respondent Name</th>
<th>SBA Classification &amp; Details</th>
<th>Score</th>
<th>PO Value</th>
<th>PO #</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;S Engineering, LLC</td>
<td>Local</td>
<td>85</td>
<td>$27,500,000</td>
<td>2218837</td>
<td>Corporate headquarters located in San Antonio Metropolitan Area</td>
</tr>
<tr>
<td>TRC Engineers, Inc.</td>
<td>Local</td>
<td>81</td>
<td>$7,500,000</td>
<td>2218838</td>
<td></td>
</tr>
<tr>
<td>Black &amp; Veatch Corp.</td>
<td>Local</td>
<td>72</td>
<td>$7,500,000</td>
<td>2218839</td>
<td></td>
</tr>
<tr>
<td>HDR Engineering, Inc.</td>
<td>Local</td>
<td>71</td>
<td>$7,500,000</td>
<td>2218840</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>$50,000,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Twenty (20) additional respondents were not recommended for award: Ampirical Solutions LLC; Atwell LLC; ASEC Inc.; Aquawolf LLC; Burns & McDonnell; EN Engineering LLC; Leidos Engineering LLC; Luzco Technologies LLC; McCord Engineering; Moy Tarin Ramirez Engineers; NVS Inc; Pickett and Associates LLC; Prime Partners Engineering; Qualus; Sargent & Lundy; Select Power Systems LLC; SEnergy; Ulteig Engineers Inc; United Engineers & Constructors; and Worley Group.

Annual Funds Budgeted

<table>
<thead>
<tr>
<th>Corporate Annual Budget</th>
<th>Funding Method</th>
<th>Projected FY2025 PO Spend</th>
<th>% of FY2025 Annual Corp Budget</th>
<th>Projected FY2026 PO Spend</th>
<th>Projected FY2027 PO Spend</th>
<th>Projected FY2028 PO Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>$937,000,000</td>
<td>Capital</td>
<td>$12,000,000</td>
<td>0.85%</td>
<td>$14,800,000</td>
<td>$12,700,000</td>
<td>$10,500,000</td>
</tr>
<tr>
<td>$890,000,000</td>
<td>Non-Fuel O&amp;M</td>
<td>$0</td>
<td>0%</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

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

Procurement Item: Professional Services

$50,000,000

- Local & Diverse
- Local
- Diverse
- Other
EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 15, 2024 MEETING
PREPARED FOR CHAIR JANIE GONZALEZ
FOR REPORT AT THE MAY 20, 2024 BOARD OF TRUSTEES MEETING

The Audit & Finance Committee met on April 15, 2024. As part of the Audit & Finance Committee agenda, the Committee:

A. Approved meeting minutes from the prior meeting held on January 22, 2024.

B. Received the results of the external audit from KPMG. There were no significant items, no uncorrected misstatements, and no corrected misstatements identified. Informed that an unmodified “clean” audit opinion would be issued.

C. Received an update on the Ethics Program, including a summary of the types and numbers of cases opened and closed from February 1, 2024 through March 8, 2024, and a trend analysis based on case category for FY2024 fourth Quarter versus FY2024 fourth Quarter. Informed there were more gifts & entertainment contacts in FY2024 than in FY2023 and that periodically scenarios which provide guidance on how an employee should handle situations, such as receipt of a gift from a vendor per the Ethics policy, are included in company communications.

D. Provided an overview of the Transportation Security Administration (TSA) Pipeline Cybersecurity Directive and the TSA on-site inspection performed in January 2024. Informed final report from TSA inspection was received on April 10, 2024, and there were no findings or recommendations.

E. Provided a presentation from PA Consulting (PAC) regarding activities related to 2040/2050 goal development process. Informed of the six energy industry disruptors identified by PAC that are likely to shape our future by 2050. Also, informed of the top eight uncertainties identified by PAC as a result of their executive interview and workshop process.

F. Provided a procurement preview of new contracts. The new contracts were for substation and transmission engineering services, independent validation & verification (IV&V) for the Enterprise Resource Plan (ERP) project, and supply, delivery and commissioning of generator step-up and auxiliary power transformers.

G. Provided a review of project count, audit plan coverage, audit universe coverage, and project feedback metrics. Received a review of the results of four completed audit projects.

H. Provided an overview of the annual audit planning process and the proposed FY2025 audit projects. Approved proposed FY2025 audit projects.

The next meeting of the Audit & Finance Committee will be held in July 2024.
EMPLOYEE BENEFITS OVERSIGHT COMMITTEE (EBOC)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 15, 2024 MEETING
PREPARED FOR COMMITTEE CHAIR JANIE GONZALEZ
FOR REPORT AT THE MAY 20, 2024 BOARD OF TRUSTEES MEETING

The EBOC met on April 15, 2024. As part of the EBOC agenda, the Committee:

A. Approved meeting minutes from the prior meeting held on January 22, 2024.
B. Reviewed the Action Items list from the meeting held on January 22, 2024.

The Committee also received presentations regarding:

C. A recommendation from the Administrative Committee to approve the Statement of Governance (SoG) with no proposed revisions. The EBOC approved the recommendation. The SoG was approved by the Board of Trustees during the April 22nd meeting.
D. A Benefit Plans Administrative & Financial Update, which highlighted the following topics: governance overview and calendar review, CY2023 audit results with an unmodified (“clean”) opinion by BDO USA, LLP for each plan (Pension, Health, Life, & Disability), and trusts investment performance for CY2023, since inception and YTD thru February.

The next meeting of the EBOC will be held in July 2024.
VISION 2027 GENERATION PLAN UPDATE

PRESENTED BY:
Benny Ethridge
Chief Energy Supply Officer

Elaina Ball
Chief Strategy Officer

May 20, 2024
Informational Update
AGENDA

- PLAN OVERVIEW
- ACCOMPLISHMENTS
- STATUS
- NEXT STEPS
- OPPORTUNITIES BEYOND 2030

We have made significant progress towards the execution of our Vision 2027 Generation Plan and are well-positioned to meet our community’s future energy needs.
VISION 2027 GENERATION PLAN

ACCOMPLISHMENTS

Power Purchase Agreements completed

- Natural Gas: contract for 522 MWs – units online
- Solar: 4 contracts for 730 MWs – under development
- Storage: contract for 50 MWs – under development
- Wind: Added 84 MWs – resource online, power available this summer

Request for Proposals released

- Community Solar – 50 MWs
- Storage – 480 MWs

Purchases & New construction

- Purchased 1,710 MWs of dispatchable generation, power available for summer
- Developing specifications for peaking units and Spruce 2 gas conversion
- Acquired additional 2% ownership share in STP (52 MWs) and a 200 MW PPA
CPS Energy is ERCOT’s 4th largest energy generator.
VISION 2027 GENERATION PLAN
STATUS UPDATE- MAY 2024

- Retired
- Under Development/Construction
- Online

Generation Capacity (MWs)

NEW SOLAR
NEW WIND
NEW STORAGE
NEW NUCLEAR
GAS REPOWER
NEW GAS

TIMELINE

COAL RETIREMENTS
GAS RETIREMENTS

MAY 20, 2024 BOARD MEETING - REGULAR AGENDA
VISION 2027 GENERATION PLAN
PROGRAM

Existing Fleet

• Operational readiness
• Workforce transition
• ERCOT unit retirement process

New Generation

• Flexible gas generation
• Solar, wind, and storage
• Effective Integration

Strategic Planning

• ERCOT market redesign
• Portfolio modeling & analysis
• Risk Management
PATHWAY TO 2050
OUR TRANSITION TO NET-ZERO CARBON EMISSIONS

In 2030:

- Inclusion of the newly acquired CPS Energy South units have lowered our CO2 emissions intensity compared to the previous fleet.
- Addition of nuclear energy further reduces carbon intensity.

Beyond 2030, it is crucial to continually seek out opportunities and technologies to integrate into our fleet to further lower CO2 carbon intensity.

This ongoing effort is essential for achieving our 2040 target and ultimately reaching net-zero carbon by 2050.
### PATHWAY TO 2050

**OUR TRANSITION TO NET-ZERO CARBON EMISSIONS**

<table>
<thead>
<tr>
<th>2010</th>
<th>2022</th>
<th>2030</th>
<th>2040</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taking Initial Steps</strong></td>
<td><strong>Accelerating Action</strong></td>
<td><strong>Utilizing New Solutions</strong></td>
<td><strong>Our Transition to Net-Zero Carbon Emissions</strong></td>
<td></td>
</tr>
<tr>
<td>o Deely Coal Closures</td>
<td>o Planned additions of solar, storage, nuclear, efficient &amp; peaking natural gas</td>
<td>o Conservation/STEP</td>
<td>o Conservation/STEP</td>
<td></td>
</tr>
<tr>
<td>o Wind and Solar Expansion</td>
<td>o Conservation/STEP</td>
<td>o Large-Scale/Long-Duration Storage</td>
<td>o Advanced Metering</td>
<td></td>
</tr>
<tr>
<td>o Advanced Metering</td>
<td>o EV Programs</td>
<td>o New Nuclear Technologies</td>
<td>o EV Programs</td>
<td></td>
</tr>
<tr>
<td>o Conservation/STEP</td>
<td>o Embarked on inclusive generation planning with community</td>
<td>o Geothermal Energy</td>
<td>o Planned additions of solar, storage, nuclear, efficient &amp; peaking natural gas</td>
<td></td>
</tr>
<tr>
<td>o CAAP goals</td>
<td></td>
<td>o Hydrogen Creation, Storage &amp; Utilization</td>
<td>o Conservation/STEP</td>
<td></td>
</tr>
</tbody>
</table>

A blend of proven technologies, energy efficiency, and timely commercialization of new generation and storage technologies is our path to net-zero carbon by 2050.
THANK YOU
## Glossary / Definitions

<table>
<thead>
<tr>
<th>Acronym or Word</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERCOT</td>
<td>Electric Reliability Council of Texas - operates the electric grid and manages the deregulated market for 75 percent of the state of Texas.</td>
</tr>
<tr>
<td>Power Purchase Agreement (PPA)</td>
<td>Power Purchase Agreement - a contract between two parties, one which generates electricity (the seller) and one which is looking to purchase electricity (the buyer).</td>
</tr>
<tr>
<td>CAAP</td>
<td>Climate Action &amp; Adaption Plan</td>
</tr>
<tr>
<td>Gas CC</td>
<td>Natural Gas Combined Cycle</td>
</tr>
<tr>
<td>ML</td>
<td>Machine Learning</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>EV</td>
<td>Electric Vehicles</td>
</tr>
<tr>
<td>BTU</td>
<td>British Thermal Unit</td>
</tr>
<tr>
<td>STEP</td>
<td>Save for Tomorrow Energy Plan</td>
</tr>
<tr>
<td>MW</td>
<td>Megawatt</td>
</tr>
<tr>
<td>STP</td>
<td>South Texas Project</td>
</tr>
</tbody>
</table>
2022 US ENERGY CONSUMPTION

Estimated U.S. Energy Consumption in 2022: 100.3 Quads

Source: LBNL, 2022. Data is based on DOE/EIA 0383 (1976). If this information is a reproduction of LP in speed, credit must be given to the Lawrence Livermore National Laboratory and the Department of Energy. Note: When evaluating the work, any commercial, distributed electricity generated only small distributed units and does not include multi-generation. The imports consumption of renewable resources (e.g., hydropower, wind, geothermal and solar) for electricity is EIA equivalent values by assuming a typical fossil fuel plant heat rate. The efficiency of electricity production is calculated as the total annual electricity delivered divided by the primary energy input into electricity generation. The net efficiency is estimated at 0.45 for the residential sector, 0.40 for the commercial sector, 0.49% for the industrial sector, and 0.25% for the transportation sector. Totals may not equal sum of components due to independent rounding. LBNL-91245747
SUMMER PREPAREDNESS UPDATE

PRESENTED BY:
Executive Leadership Team

May 20, 2024
Informational Update
AGENDA

• WEATHER OUTLOOK
• ERCOT MARKET UPDATE
• SUMMER PREPAREDNESS UPDATE
  • ENERGY SUPPLY
  • ENERGY DELIVERY SERVICES
  • CUSTOMER STRATEGY & COMMUNICATIONS

Our team will share current efforts to support our community and highlight how we are preparing for upcoming summer conditions.
SUMMER PREPAREDNESS IN OPERATIONS
OVERVIEW

People
Safety awareness - Heat-related illnesses (fatigue), snake / insect bites, emergency operations preparation, hazardous driving conditions

Process
Review and update procedures, evaluate weather and market forecasts, review business continuity plans, update inventory plans, collaboration with Emergency Ops Center, and submit ERCOT declaration of summer preparedness

Equipment
Inspection, testing, maintenance, and tuning of systems and equipment, material staging, inventory checks

We leverage lessons-learned to enhance system performance and emergency response during significant events.
SUMMER WEATHER OUTLOOK

PRESENTED BY:
Brian Alonzo
Chief Meteorologist

May 20, 2024
Informational Update
Above normal temperatures are expected. Precipitation outlook varies among forecasts, but NOAA is calling for near normal precipitation for San Antonio.
Texas Tropical Predictions

Cyclones 1993-2023

El Niño Years

4 Storms

La Niña Years

12 Storms

2024 Hurricane Season

Chances for storm landfall:
- 80% for tropical storm in Texas
- 54% for hurricane in Texas
- 38% for tropical storm in Nueces County

2024 Return of La Niña

- Colorado State University

- La Niña means higher likelihood of tropical storms impacting the Texas coast.

- Multiple forecasts from various entities are calling for an average prediction of 24 named storms during the 2024 hurricane season.
ENERGY SUPPLY

PRESENTED BY:
Benny Ethridge
Chief Energy Supply Officer

May 20, 2024
Informational Update
ERCOT FORWARD OUTLOOK

GROWING CONCERNS ON RESOURCE ADEQUACY

- ERCOT reliance on non-dispatchable generation to serve summer demand
- Investment needed to meet ERCOT’s future load forecast

Source: "CEO Board Update"; ERCOT Board of Directors Meeting (April 23, 2024)
ENERGY SUPPLY & MARKET OPERATIONS

MARKET SUMMER PREPARATIONS

- Demand Response programs tested and ready.
- Reserve capacity available to manage uncertainties such as extreme weather.
- Provisions for fuel supply in place.
- Coordinated with natural gas pipeline operators to manage pipeline outage risk.

Our people and systems ready to respond to changing market conditions.
PLANT SUMMER PREPAREDNESS
SUMMER PREPAREDNESS PROGRAM

Lessons Learned
Seasonal Execution
ERCOT Certification June 1
Weekly fleet level progress reviews until complete
Supply audits and material staging
Equipment inspections/testing, System tuning, Outage Maintenance

Power Generation uses a strong program that has been designed to ensure for safe and reliable operations.

PREPARATION = SAFE, RELIABLE OPERATIONS
NEW GENERATION ASSETS
SUMMER PREPAREDNESS PROGRAM

Laredo CT – 178 MW

- Planned unit maintenance and inspections are complete.

- Support contracts are in place.

Nueces Bay NGCC – 635 MW

- Enhanced focus on severe weather and hurricane preparation.

- ERCOT certification by June 1.

Barney Davis NGCC – 605 MW

Barney Davis ST – 292 MW
ENERGY DELIVERY SERVICES (EDS)

PRESENTED BY:
Richard Medina
Chief Energy Delivery Officer

May 20, 2024
Informational Update
ENERGY DELIVERY SERVICES
ORG STRUCTURE

Richard Medina
Chief Energy Delivery Officer

Darrell Clifton
VP Construction & Maintenance Services

LeeRoy Perez
VP Systems Operations & Reliability

Ricardo Maldonado
VP T&D Engineering & Grid Transformation

Richard Lujan
VP Gas Solutions
PREPARING CREWS & SYSTEMS

• Workforce Readiness
  • Summer safety topics
  • Vehicle & equipment inspections

• Restoration Stock Materials
  • Restoration material levels

• System Improvements
  • Work prioritization
  • Critical work order completion

Prioritization of materials and work orders will be a key component of success.
PREPARING FOR EXTREME WEATHER

- Load Shed
  - Maintain readiness and increased capacity
- ERCOT
  - Outage Coordination Meeting – March 2024
  - Severe Weather Drill – August 2024
- Gas Operations
  - Pressure adjustments
  - Gate station inspections

- Training
  - ERCOT Operations Training Seminar – March 2024
  - ERCOT Load Shed Workshop – June 2024
  - ERCOT led Blackstart – June 2023/October 2024
  - Internal Black Start/Load Shed – October 2023/2024
  - Internal System Operator Hurricane Drill – May 2024

- Drills & Exercises
  - City of San Antonio (CoSA) Emergency Operations Center (EOC)
    - Summer Heat Planning Meeting – April 2024
    - Incident Management Team (IMT)
    - Severe Event Exercise – April 2024

Communication and collaboration are critical components of preparedness.
CUSTOMER STRATEGY & COMMUNICATIONS

PRESENTED BY:
DeAnna Hardwick
Chief Customer Strategy Officer

May 20, 2024
Informational Update
CUSTOMER FOCUS

• Empower customers
  • Provide information to make individual decisions to optimize consumption
  • Target customers through enhanced data efforts

• Connect customers
  • Identify bill assistance opportunities
  • Enhance support for high energy burden and critical care customers

• Partner with stakeholders
  • Connect with non-profits and community agencies to support our customers
  • Utilize a multichannel approach to engage with the community and stakeholders
  • Support workforce development initiatives and public safety and education programs

Our nearly 600 team members are here to help you take control and save on your energy bill.
SUMMER PREPAREDNESS

• Prepare internal teams and processes
  • Optimize staffing to support summer peak conditions
  • Communicate summer weather hazard awareness
  • Continue our strategic and compassionate approach to collections

• Partner with large commercial customers
  • Continue Demand Response Program for large commercial customers
  • Utilize large resiliency and Network Conservation customers for load reduction

• Coordinate with state and local agencies
  • Partner with local Emergency Response contacts and Public Information Officers
  • Follow ERCOT guidelines, updates, and grid information

We are ready to encourage conservation and provide emergency messaging to our customers and stakeholders.
SUMMER CAMPAIGN 2024
UPDATED CAMPAIGN TO ADDRESS CUSTOMER FEEDBACK

• Our Marketing and Communications survey shows the need for updated energy conservation messaging.

• Summer campaign dates are mostly peak energy demand days.

• We are changing campaign creative and will evaluate message fatigue and adjust the frequency if needed.

We’re taking an innovative approach to our creative strategy and media plan so customers can save energy and money and stay safe this summer season.
THANK YOU
APPENDIX
<table>
<thead>
<tr>
<th>ACRONYM OR WORD</th>
<th>DEFINITION</th>
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</thead>
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</tr>
<tr>
<td>ST</td>
<td>Steam turbine</td>
</tr>
<tr>
<td>CT</td>
<td>Combustion Turbine</td>
</tr>
<tr>
<td>NGCC</td>
<td>Natural Gas Combined Cycle</td>
</tr>
<tr>
<td>NOAA</td>
<td>National Oceanic and Atmospheric Administration</td>
</tr>
</tbody>
</table>
SUMMER 2023

- We deployed 37 demand response events last summer and reduced an estimated 250 MWs, enough to power up to 50,000 homes.

<table>
<thead>
<tr>
<th></th>
<th>Summer 2022 (June – September)</th>
<th>Summer 2023 (June – September)</th>
</tr>
</thead>
<tbody>
<tr>
<td>75 “Green Days” – Everyday Conservation</td>
<td>56 “Green Days” – Everyday Conservation</td>
<td></td>
</tr>
<tr>
<td>42 “Yellow Days” – Peak Energy Demand</td>
<td>60 “Yellow Days” – Peak Energy Demand</td>
<td></td>
</tr>
<tr>
<td>0 “Orange Alert – Grid Reliability Risk</td>
<td>1 “Orange Alert Day” – Grid Reliability Risk</td>
<td></td>
</tr>
</tbody>
</table>

MAY 20, 2024 BOARD MEETING - REGULAR AGENDA