



RAC UPDATE: POWER GENERATION RESOURCE PLANNING

PRESENTED BY:

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Informational Update

AGENDA



- **OVERVIEW**
- **MODELING PROCESS**
- **COMMUNITY INPUT**
- **NEXT STEPS**

Provide overview of Power Generation Resource Planning approach and next steps.

OVERVIEW



- **Key decisions are needed to serve our customers with adequate power generation as demand increases and aging power plants are set to retire**
- **Working with Rate Advisory Committee (RAC) last eighteen months to educate, inform and align on objectives for evaluation**
- **Charles River Associates (CRA) is providing modeling and analysis**
- **Burns & McDonnell is supporting the RAC with a peer review**

Focused on an open & transparent process to guide power generation planning decisions between now and 2030.

PLANNING OBJECTIVES

IN ORDER OF RAC PRIORITY*



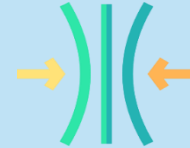
System Reliability & Climate Resiliency
Consistent delivery and ability to cope with extreme events



Environmental Sustainability
Support for community environmental goals



Affordability
Customers' ability to pay for service



System Flexibility
Ability to respond to changing conditions



Workforce Impact
Employees needed to operate effectively

All objectives are critical to serving our customers.

* CPS Energy Financial Stability was moved to a model requirement based on input from RAC & is not shown

MODELING APPROACH

FORECASTING SOLUTIONS TO INFORM DECISIONS



Portfolios Nine Distinct Concepts
A combination of electric resource decisions made by CPS Energy (type of generation, retirement dates)

Scenarios Four ERCOT Market Perspectives
A future external state-of-the-world independent of CPS Energy resource decisions (gas & carbon prices, technology costs, demand, ERCOT market design)

Sensitivities Four Variations
A test stressing a single variable to determine its impact (extreme weather, enhanced STEP, reduced STEP, build v. buy)

Scorecard Evaluation
How portfolios performed in a given situation based on objectives (Reliability, Affordability, Sustainability, System Flexibility & Workforce Impact)

Modeling helps forecast potential outcomes to inform the Board's decision; it does not produce one "best" solution.

* Additional details included in Board Communication sent on 11/15/22

COMMUNITY ENGAGEMENT

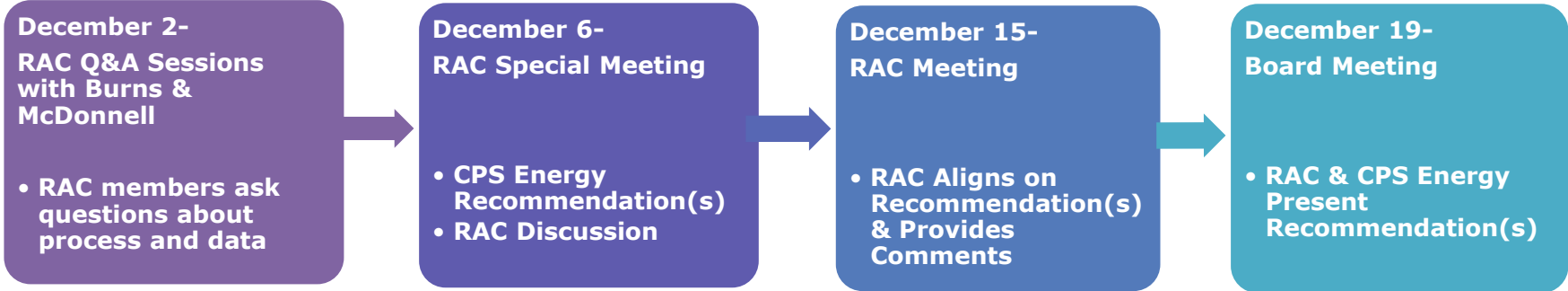
PROVIDING MULTIPLE OPPORTUNITIES FOR INPUT



- **RAC Meetings and Board of Trustees Meetings**
- **Municipal Utilities Committee (MUC) updated on progress**
 - Councilwoman Sandoval, Council Liaison to the RAC, provides updates to MUC
 - CPS Energy briefing at October MUC meeting
- **TOWNHALLS & EVENTS**
 - AM & PM Open Houses: October 6
 - Climate Justice San Antonio Townhall: November 15
 - AM & PM Open Houses: December 1
 - Virtual Community Townhall: December 8
 - Online Public Input Survey

Focused on communicating, engaging and listening to our community in a transparent way.

NEXT STEPS



RAC & CPS Energy will present their recommendations to the Board of Trustees at their December 19 meeting.



Thank You