

REVISED

CPS ENERGY BOARD OF TRUSTEES

NOTICE OF REGULAR MEETING

Notice is hereby given that the CPS Energy Board of Trustees will hold its Regular Monthly Meeting on Monday, May 24, 2021 at 1:00 p.m. in the Board Room located on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas. The meeting will also be live-streamed.

To protect the health of the public and limit the potential spread of COVID-19, social distancing and limited in-person attendance will be enforced at the meeting. Facial coverings are encouraged. Public comment on agenda items may be provided in- person, virtually or in writing. These meeting standards are based upon the provisions of the Open Meetings Act, as modified by the Governor of Texas in response to the COVID-19 crisis, and shall remain in place until further notice or until the state disaster declaration expires or is otherwise terminated by the Texas Governor.

The subject of this meeting is to act upon all matters pertaining to the current management and operation of the municipal electric and gas systems, including the acquisition of real property and interest therein by purchase and condemnation, the facilities, financing, the handling and administration of funds and accounts, consideration of matters relating to operations and administration and such other matters as may be brought before the meeting by the Trustees of the Board, and specifically those matters referred to in the attached agenda, which is incorporated herein.

The meeting will be streamed on cpsenergy.com.

Those wishing to speak on an agenda item during the Public Comment portion of the meeting must register on Friday, May 21, 2021, from 7:00 a.m. CT to 1:00 p.m. CT. Registration may be made by email at publiccommentregistration@cpsenergy.com or by phone at (210) 353-4662. Those registering to speak should be prepared to provide the following information:

- First & last name
- City & state of residence
- Phone number
- Email address
- Designate whether public comment will be provided in person or virtually
- Group for which the individual is speaking, if applicable
- Agenda item # about which they are speaking
- Any required translation services

In-person commenters, followed by virtual commenters, will be called to speak in the order that each registers.

Written comments may be sent to publiccommentregistration@cpsenergy.com. Note that written comments will not be read during the Board meeting.

The agenda packet is attached. It and other informational material may be found at:

<https://www.cpsenergy.com/en/about-us/who-we-are/trustees/board-meetings.html>

A recording of the meeting will be made and will be available to the public in accordance with the Open Meetings Act upon written request.

At any time during the Board Meeting, and pursuant to the provisions of Chapter 551 of the Texas Government Code, the Board may meet in executive session for consultation concerning attorney-client matters under Section 551.071; for deliberations and other authorized action on real property under Section 551.072; on prospective gifts or donations under Section 551.073; on personnel under Section 551.074; on security personnel or devices under Section 551.076; on economic development negotiations under Section 551.087; to deliberate, vote, or take final action on competitive matters under Section 551.086; to deliberate regarding security audits and devices under Section 551.089; or to deliberate under Texas Government Code Section 418.183(f) about confidential information under the Texas Homeland Security Act.



Carolyn E. Shellman
Secretary of the Board
May 21, 2021



REVISED
CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON MAY 24, 2021 AT 1:00 PM

COSA - CITY CLERK
2021 MAY 21 PM 12:28:16

LOCATION: CPS ENERGY BOARD ROOM (500 MCCULLOUGH AVE)

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At any time during the Board Meeting, and pursuant to the provisions of Chapter 551 of the Texas Government Code, the Board may meet in executive session for consultation concerning attorney-client matters under Section 551.071; for deliberations and other authorized action on real property under Section 551.072; on prospective gifts or donations under Section 551.073; on personnel under Section 551.074; on security personnel or devices under Section 551.076; on economic development negotiations under Section 551.087; to deliberate, vote, or take final action on competitive matters under Section 551.086; to deliberate regarding security audits and devices under Section 551.089; or to deliberate under Texas Government Code Section 418.183(f) about confidential information under the Texas Homeland Security Act.

ITEM	TOPIC	ACTION	PRESENTER/ SPONSOR
1	CALL TO ORDER	Execute	Dr. Willis Mackey
2	INVOCATION AND PLEDGE OF ALLEGIANCE	Execute	Mr. LeeRoy Perez
3	SAFETY MESSAGE	Execute	Mayor Ron Nirenberg & Ms. Paula Gold-Williams
4	PUBLIC COMMENT Pre-Registration on Friday, May 21, 2021 from 7:00 AM – 1:00 PM @ (210) 353-4662 or PublicCommentRegistration@CPSEnergy.com A. Chair's Announcements B. Comments	Discuss	Dr. Willis Mackey
UPDATE ON CHAIR'S PRIORITIES			
5	CEO'S REPORT	Discuss	Ms. Paula Gold-Williams
6	RESOLUTION FOR APPOINTMENT OF TREASURER TO THE CPS ENERGY BOARD OF TRUSTEES (Paula Gold-Williams)	Vote	Dr. Willis Mackey
CONVENE TO EXECUTIVE SESSION			
7	EXECUTIVE SESSION: Please see the narrative list at the top of this agenda for the potential discussion topics.	Discuss	Dr. Willis Mackey
RECONVENE TO OPEN SESSION			
8	BOARD'S INDEPENDENT REVIEW OF THE 2021 EXTREME WINTER WEATHER EVENT (Vice Chair Janie Gonzalez)	Discuss & Possible Vote	Dr. Willis Mackey
CONSENT AGENDA			
9	APPROVAL OF CONSENT ITEMS: A. Minutes of the Special Board Meeting held on 04/22/2021 B. Payment to the City of San Antonio for April 2021	Vote	Dr. Willis Mackey
REGULAR AGENDA			
10	COMMITTEE REPORTS: A. Audit & Finance Committee (A&F) Meeting held on April 15, 2021 (Mr. John Steen) B. Employee Benefits Oversight Committee (EBOC) Meeting held on April 15, 2021 (Mr. John Steen) C. A&F & EBOC Aligned Risk Sub-Committee Meeting held on April 15, 2021 (Mr. John Steen) D. Master Planning Oversight Committee (MPOC) Meeting held on April 26, 2021 (Mr. Ed Kelley)	Discuss	Dr. Willis Mackey
11	FY2022 FINANCIAL PLAN PART 3 – SUSTAINABILITY APPROACH	Discuss	Mr. Cory Kuchinsky
12	FY2022 FINANCIAL PLAN PART 4 – UPDATED BUDGET PROPOSAL	Discuss & Possible Vote	Ms. Shannon Albert
13	TEZEL SUBSTATION ROUTING & SITING	Discuss	Mr. LeeRoy Perez

14	ADJOURNMENT	Execute	Dr. Willis Mackey
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.			



RESOLUTION APPROVING APPOINTMENT OF TREASURER FOR THE CPS ENERGY BOARD OF TRUSTEES

WHEREAS, the CPS Energy Board of Trustees is required to designate and authorize specific officers and staff to conduct financial transactions on behalf of CPS Energy; and

WHEREAS, effective August 1, 2020, CPS Energy appointed Gary Gold to serve as the Interim Chief Financial Officer (CFO), to oversee all of CPS Energy's financial functions; and

WHEREAS, Mr. Gold announced that he will retire on June 30, 2021; and

WHEREAS, to effectuate a smooth transition, effective May 17, 2021, Mr. Gold was named Chief Business Excellence Officer and CPS Energy appointed Cory P. Kuchinsky to serve as the Chief Financial Officer (CFO), to oversee all of CPS Energy's financial functions; and

WHEREAS, in his new role as CFO, Mr. Kuchinsky will assume responsibility for managing and directing the financial transactions that require Board of Trustees approval and will be providing support to the Board related to these financial matters; and

WHEREAS, Mr. Kuchinsky was most recently and currently serves as an Assistant Treasurer, and

WHEREAS, the Board previously appointed Shannon R. Albert, who now serves as Vice President – Accounting, Julie Johnson, who now serves as Sr. Director, Treasury & Finance, and Maricela Benavides, who now serves as Sr. Director, Financial Systems & Strategic Projects to serve as Assistant Treasurers to the Board; and

WHEREAS, one Treasurer and three Assistant Treasurers will facilitate more effective and timely financial transaction coverage;

NOW, THEREFORE, BE IT RESOLVED that the CPS Energy Board of Trustees hereby approves the appointment of Cory P. Kuchinsky as Treasurer to the Board of Trustees, effective May 17, 2021.

Draft for review and approval
at the May 24, 2021 meeting

CPS ENERGY
MINUTES OF SPECIAL MEETING OF THE BOARD OF TRUSTEES
HELD ON APRIL 22, 2021

A Special Meeting of the CPS Energy Board of Trustees was held on Thursday, April 22, 2021, by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). There was no in-person public access to the meeting. Chair Dr. Willis Mackey called the meeting to order at 1:00 p.m.

Present via phone were Board members:

Dr. Willis Mackey, Chair
Ms. Janie Gonzalez, Vice Chair
Mr. Ed Kelley (joined the meeting after the roll call)
Mr. John Steen
Mayor Ron Nirenberg

Also present via phone were:

Ms. Paula Gold-Williams, President & CEO
Ms. Carolyn E. Shellman, Chief Legal Officer & General Counsel and Board Secretary
Mr. Frank Almaraz, Chief Power, Sustainability, & Business Development Officer
Mr. Paul Barham, Chief Grid Optimization & Resiliency Officer
Mr. Fred Bonewell, Chief Security, Safety & Gas Solutions Officer
Mr. Rudy Garza, Chief Customer Engagement Officer
Mr. Gary Gold, Chief Financial Officer & Treasurer
CPS Energy Staff Members
City of San Antonio officials
Interested Citizens

I. ROLL CALL OF BOARD MEMBERS

Ms. Shellman called the roll. A quorum was present.

II. SAFETY MESSAGE

Mr. Louis Labatt, Interim Director & Chief of Staff to Chief Legal Officer & General Counsel, provided a safety message.

III. INVOCATION

Ms. Ann Kinnard, Director & Chief of Staff to Customer Engagement Officer, delivered an invocation.

IV. PUBLIC COMMENT

No persons gave public comment.

Draft for review and approval
at the May 24, 2021 meeting

V. OPENING REMARKS

Vice Chair Janie Gonzalez stated that strengthening the American spirit of board service and volunteerism to develop community solutions is one of her goals as a trustee. Here, the collective efforts of Mayor Nirenberg, San Antonio City Council, the Board of Trustees and CPS Energy leadership and staff resulted in the development of the Rate Advisory Committee (RAC). Vice Chair Gonzalez, Board liaison to the RAC, thanked the 280 individuals that applied to serve on the RAC.

Vice Chair Gonzalez noted that City Councilmembers and the Trustees have each selected their nominees to the RAC. During today's meeting, the RAC members, Chair and Vice Chair will be selected and the RAC bylaws finalized.

VI. RATE ADVISORY COMMITTEE (RAC) BYLAWS

Ms. Shellman explained that she considered previous comments made by the Board in public meetings, as well as subsequent comments by them and CPS Energy staff to categorize bylaws into consensus items and discussion items. She stressed that consensus items are based solely on what she believes the will of the Board to be and encouraged discussion of any of them. Eight sections of the bylaws were briefly reviewed and no suggestions were made to modify them.

Turning to discussion items, Trustee Steen asked about the change made to Article 1, Section 2, concerning the RAC's purpose regarding proposed rate increases. Ms. Shellman explained the provision was revised so that it describes the RAC's permissible role to provide input and perspectives regarding proposed rate increases, rather than proscribed conduct.

The Board then discussed the appropriateness of subcommittees, their authority and supporting resources. In response, Article 5, Section 1 was revised to state that subcommittees function as working groups. They may seek assistance from CPS Energy staff only in accordance with their charges and any issues resulting from requests for assistance will be resolved by consulting with the RAC Chair.

Terms of RAC members and the frequency of RAC meetings were discussed. Mayor Nirenberg noted that the proposed bylaws are based on the bylaws of the Rate Advisory Committee of the San Antonio Water Systems (SAWS), whose rate setting process and timing significantly differ from that of CPS Energy. Given that, the original language of Article 2, Section 4 was reinstated to provide for time-based, not scope-based, terms. Proposed Article 4, Section 1 was revised to include Board discretion over meeting frequency.

After discussion, Article 4, Sections 5 and 6 were not revised.

Ms. Shellman recapped the bylaws deliberated and the revisions that the Board members had proposed during the meeting.

Upon motion duly made by Mayor Nirenberg, seconded by Vice Chair Gonzalez, the attached RAC bylaws reflecting revisions made during discussion, were approved by a vote of 4-0-1, Trustee Kelley announcing that he was present, thus recorded as abstaining.

Draft for review and approval
at the May 24, 2021 meeting

VII. RATE ADVISORY COMMITTEE MEMBER SELECTION

Mr. Garza recapped the process for the selection of the 21 members comprising the RAC, noting that the period for applications was extended by two weeks after Winter Storm Uri. After applications were received, each San Antonio Councilmember nominated a member from his/her district. Each Trustee selected two applicants and two alternates. CPS Energy staff, considering the Board-selected alternate candidates and the diversity of the nominee group, made a recommendation of one additional candidate for joint Board nomination. Three of the nominees have past or existing experience on our Citizens Advisory Committee. Mr. Garza stated that the demographic and geographic diversity of the candidate pool reflects the customer base of CPS Energy. The following are the resulting nominees for RAC membership:

John Agather (District 1)	Wayne Eddington (Chair Dr. Mackey)
Seymour Battle (District 2)	Anthony Edwards (Chair Dr. Mackey)
Lulu Avitua (District 3)	Michael Sanchez (Vice Chair Gonzalez)
Peter Onofre (District 4)	DeeDee Belmares (Vice Chair Gonzalez)
Andy Castillo (District 5)	Curtis Anastasio (Trustee Kelley)
Alvaro Rodriguez (District 6)	Norman Dugas (Trustee Kelley)
Eloisa Portillo-Morales (District 7)	Dana McGinnis (Trustee Steen)
Michael Kennick (District 8)	Jim Berg (Trustee Steen)
Ann Marie Nikolich (District 9)	Reed Williams (Mayor Nirenberg)
Jack Hebdon (District 10)	Dr. Olufemi Osidele (Mayor Nirenberg)
	Anita Ledbetter (All)

Mayor Ron Nirenberg moved that the 21 nominations to the RAC be approved, and Trustee Steen seconded. Upon affirmative vote by all members present, the motion was unanimously approved.

VIII. RATE ADVISORY COMMITTEE (RAC) CHAIR & VICE CHAIR SELECTION

Mayor Nirenberg nominated Reed Williams to be RAC Chair. Trustee Steen seconded the nomination to demonstrate his support. Upon affirmative vote by all members present, Mr. Williams was selected as RAC Chair.

Vice Chair Gonzalez nominated Eloisa Portillo-Morales to be RAC Vice Chair. Mayor Nirenberg seconded the nomination to demonstrate his support.

Trustee Steen spoke favorably about Lulu Avitua's qualifications and nominated her to be RAC Vice Chair.

Mayor Nirenberg noted Ms. Portillo-Morales's qualifications and expressed his positive regard for Ms. Avitua.

Trustee Steen expressed his positive regard for Ms. Portillo-Morales.

By a vote of 3-2, the Board selected Ms. Portillo-Morales as the RAC Vice Chair.

Vice Chair Gonzalez noted that the plan will be to hold the initial RAC meeting in May.

Draft for review and approval
at the May 24, 2021 meeting

IX. ADJOURNMENT

There being no further business to come before the Board, and upon motion duly made by Mayor Nirenberg, seconded by Trustee Steen, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 2:18 p.m. by Chair Dr. Mackey.

Carolyn E. Shellman
Secretary of the Board

CPS Energy Board of Trustees Meeting May 24, 2021

Approval of Payment to the City of San Antonio for April 2021

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 2021 is based on actual gross revenue per the New Series Bond Ordinance of \$181,421,777.76, less applicable exclusions. In accordance with the New Series Bond Ordinance, current month revenue was insufficient to meet the City Payment by \$3,376,981.06. Under the previously approved agreement with the City, CPS Energy will advance to the City \$3,376,981.06 against future months' revenues for fiscal year 2022. The revenue for the month of April 2021 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$177,224,654.03
Gas revenue	14,420,213.12
Interest and other income	2,047,406.09
Gross revenue per CPS Energy financial statements	<u>193,692,273.24</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(6,581,724.63)
LVG revenue per City Ordinance 100709	0.00
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(13,113,883.47)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>7,425,112.62</u>
Total excluded revenue	<u>(12,270,495.48)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u><u>\$181,421,777.76</u></u>
City payment per Bond Ordinance for April 2021 based upon April 2021 revenue	\$25,399,048.89
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	1,019,402.57
Wholesale Special Contract Annual True Up	0.00
City Payment reduction per gas customer billing adjustment MOU	<u>(12,500.00)</u>
City payment per Bond Ordinance plus adjustments for memorandums of understanding	26,405,951.46 A
Utility services provided to the City for April 2021	<u>(2,652,861.57)</u>
Net amount to be paid from April 2021 revenue to the City in May 2021	<u><u>\$23,753,089.89</u></u>

CPS Energy Board of Trustees Meeting May 24, 2021

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)

April 2021	Actual	Budget	Variance	
Current Month* A	\$26,406	\$25,409	\$997	3.9%
Year-to-Date*	\$74,948	\$74,363	\$585	0.8%

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

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 \$23,753,089.89 representing 14% of applicable system gross revenues for the month of April 2021, such payment being net of City utility services (\$2,652,861.57), and including the current month deficiency, is hereby approved." The total amount to be recovered from future months' revenues for fiscal year 2022 is \$49,419,082.35.



AUDIT & FINANCE COMMITTEE (A&F)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 15, 2021 MEETING

PREPARED FOR COMMITTEE CHAIR TRUSTEE STEEN

FOR REPORT AT THE MAY 24, 2021 BOARD OF TRUSTEES MEETING

The Audit & Finance Committee met on April 15, 2021. As part of the Audit & Finance Committee agenda, the Committee:

- A. Approved meeting minutes from the prior meeting, held on January 19, 2021.
- B. Received an update on the FY2021 Financial Report & Audit Process, including that audit work and agreed upon procedures work was substantially completed and that the SA Energy Acquisition Public Facility Corporation (PFC) audit will be performed in May.
- C. Received an update on the Results of the External Audit – External Auditors:
 - a. Provided an overview of the audit work performed and shared that the external audit work was performed in accordance with Generally Accepted Auditing Standards (GAAS).
 - b. The financial statements received an unmodified opinion (clean opinion) and no material weakness or significant deficiencies were identified for the FY2021 external audit.
- D. Received an update on Enterprise Compliance:
 - a. Regulatory agencies are still exercising enforcement discretion as necessary, and many regulatory agencies employees are working remotely.
 - b. Provided an overview of the preparation, actual event, and post event activities in relation to Winter Storm Uri and discussed prior reports regarding winter generation preparation.
- E. Received an update on the Ethics Program, including a summary of cases that were opened and closed through March 29, 2021, and a trend analysis for FY2020 versus FY2021 4th Quarter.
- F. Received an update on our Commercial Paper Refunding Transaction:
 - a. Provided an overview of the debt portfolio by type.
 - b. Discussed the impact of Winter Storm Uri, which occurred during the pre-planned commercial paper refunding transaction and shared that event disclosures, the offering document, and a roadshow presentation led to significant investor interest in the bond refunding. Due to the high demand for our bonds, we were able to reprice them at an even lower rate.
- G. Received an Audit Services Update:
 - a. Provided a status of projects for FY2022, the results of eight projects completed since the last Committee meeting, a review of the FY2022 Project Backlog, and an update on the external audit request for proposal (RFP) process.

The next meeting of the Audit & Finance Committee is to be determined.



EMPLOYEE BENEFITS OVERSIGHT COMMITTEE (EBOC)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 15, 2021 MEETING PREPARED FOR COMMITTEE CHAIR TRUSTEE STEEN FOR REPORT AT THE MAY 24, 2021 BOARD OF TRUSTEES MEETING

The EBOC met on April 15, 2021. As part of the EBOC agenda, the Committee:

- A. Approved meeting minutes from the prior meeting held on January 19, 2021.
- B. Reviewed the Action Item list from the January 19, 2021 Meeting.
- C. Received a Benefit Plans Administrative & Financial Update, which included items related to governance, an update on 2020 monthly returns & yearly investment performance, an update on 2021 year-to-date investment performance, and Administrative Committee (AC) membership & leadership transition changes.
- D. Received a Benefit Plans Improvement Plan & Audit Update, which included items related to continued improvement initiatives being led by the AC, an update on 2020 Audit results, and an update on the upcoming 2021 external audit Request for Proposal timeline.

The next meeting of the EBOC is to be determined.



AUDIT & FINANCE & EMPLOYEE BENEFITS OVERSIGHT COMMITTEE (EBOC) ALIGNED RISK SUB-COMMITTEE

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 15, 2021 MEETING

PREPARED FOR COMMITTEE CHAIR TRUSTEE STEEN

FOR REPORT AT THE MAY 24, 2021 BOARD OF TRUSTEES MEETING

The Audit & Finance & EBOC Aligned Risk Sub-Committee met on April 15, 2021. As part of the Audit & Finance & EBOC Aligned Risk Sub-Committee (Sub-Committee) agenda, the Sub-Committee:

- A. Approved meeting minutes from the previous meeting held on January 19, 2021
- B. Reviewed the action item from the previous meeting
- C. Provided context on the evolving risk landscape
- D. Heard from risk owner on Ratings Agencies actions and perspectives, including Environmental, Social & Governance.

The next meeting of the Sub-Committee is to be determined.



MASTER PLANNING & OVERSIGHT COMMITTEE (MPOC)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 26, 2021 MEETING PREPARED FOR COMMITTEE CHAIR KELLEY FOR REPORT AT THE MAY 24, 2021 BOARD OF TRUSTEES MEETING

The MPOC met on April 26, 2021. As part of the MPOC agenda, the Committee:

- A. Reviewed the LEED certification status for the McCullough Building.
- B. Reviewed the status, current and potential buyers, marketing strategies and contract deadlines for the following properties:
 - 1. Main Office Building
 - 2. Tower Garage
 - 3. La Villita Assembly Building
 - 4. Lot 2 Surface Lot
 - 5. Northside Customer Service Center
- C. Discussed Jones North and Jones South (related to SAMA) options.
- D. Discussed strategic property purchase opportunities that support electric and gas system reliability, resiliency and customer growth.

The next meeting of the MPOC will be held on May 24, 2021.



FY2022 FINANCIAL PLAN PART 3 - SUSTAINABILITY APPROACH

PRESENTED BY:

Cory Kuchinsky, CPA

VP, Strategic Pricing & Enterprise Risk Management & Solutions

May 24, 2021

Informational Update

1

DISCLAIMER



We continue to work through the unprecedented global, national, state, and local implications of COVID-19. Our current financial projections were prepared in-light of COVID-19 for preliminary informational discussion purposes only. Due to the changing COVID-19 environment, these financial projections are preliminary and subject to change at any time in the future. Please be assured that we worked hard to thoroughly think through our financial analysis. This said, since there is tremendous uncertainty across the current economic and financial landscapes, the actual results for this fiscal year could be lower, comparable, or higher than what we are projecting at this time.



OBJECTIVES & TAKEAWAYS



- REVIEW OUR FINANCIAL LANDSCAPE
- EXPLAIN THE DRIVERS OF THE PROVISIONAL RATE INCREASE
- RECOGNIZE THE RISKS & CONSEQUENCES OF REMOVING THE PROVISIONAL RATE INCREASE
- REALIZE OUR FOCUS ON *CUSTOMER AFFORDABILITY*



AGENDA



- **FINANCIAL LANDSCAPE UPDATE**
- **WHY WE ADDED A PROVISIONAL RATE INCREASE**
- **WHAT IF WE REMOVED THE PROVISIONAL RATE INCREASE**
- ***CUSTOMER AFFORDABILITY***
- **PATH FORWARD**



FINANCIAL LANDSCAPE UPDATE



CONTINUING TO HELP CUSTOMERS	LANDSCAPE & CHALLENGES	SUSTAINABILITY APPROACH	BUDGET PROPOSAL
✓	✓	Today Agenda Item #10	Today Agenda Item #11
April 26, 2021 Board Meeting		May 24, 2021 Board Meeting	

OUR GUIDING PILLARS & FOUNDATION



All business decisions are based on our commitment to being one of the best-managed & most **Financially Responsible** utilities in the nation!

SUSTAINABILITY APPROACH



- **CONTINUE TO CONTROL COSTS**
- **PROVISIONAL RATE INCREASE**
 - It is only a placeholder
 - Included in the financial plan
 - Subject to approval by you & Council
 - Estimated timing - fall 2021

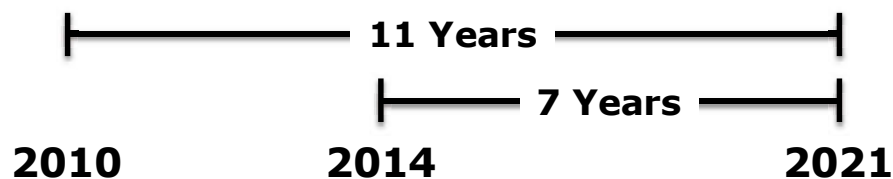


**The underlying drivers are increasing in velocity;
rate support in some form is inevitable.**

SUSTAINABILITY APPROACH



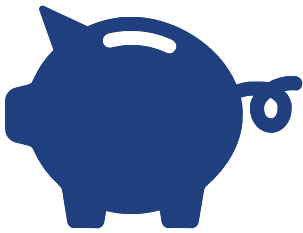
We have only had 1 rate increase in 11 years & the last increase was 7 years ago!



We have continued to provide critical services while avoiding previously planned rate increases by maximizing efficiencies & achieving substantial cost savings.

CUSTOMER AFFORDABILITY

COST CONTROL OVERVIEW



- Continue to prioritize our essential services work
- Continue to seek state or local COVID-19 funding, limited to date
- Identify new debt refinancing opportunities
- Interim suspension of merit, wage increases, Employee Incentive Plan & strategic hiring freeze

Our teams continue to identify cost savings which have a positive financial impact & benefit our customers. Since 2018, we have identified \$604M in savings!

CONSEQUENCES WITHOUT THE INCREASE



	1 LONGER & MORE FREQUENT OUTAGES
	2 LESS INNOVATION, TECHNOLOGY & OUTDATED PRODUCTS
	3 REDUCED ABILITY TO SUPPORT GROWTH IN THE METROPOLITAN AREA
	4 DECLINING CUSTOMER SERVICE
	5 UNCERTAINTY & BIGGER BILL INCREASES IN THE FUTURE
	6 INCREASED RISK TO SECURITY & SAFETY

Core customer services would be negatively impacted.

HOW WOULD ADDITIONAL FUNDING BE USED?



INVESTMENTS & PROJECTS FOR THE FUTURE

- We deliver value to the Community through:
 - System upgrades & maintenance
 - Customer service enhancements
 - Community improvement projects
 - Economic development & growth
 - Other supporting initiatives



Even before the impacts of the Pandemic & Winter Storm Uri, our need for an increase was building.

WHERE WE ARE TODAY

TOP 25% 
FOR SHORT OUTAGE DURATION

52+ 
PRODUCTS & SERVICES & GROWING

1.9M* → **2.9M**
CUSTOMER GROWTH **BY 2040**
*Bessemer County Census Report, July 2017

 **TOP 10% CUSTOMER SERVICE LEVELS**
= 89%
CALLS ANSWERED BY A LIVE PERSON WITHIN 30 SECONDS

Aa1 **CREDIT RATING**
LOWER COSTS TO CUSTOMERS



WHY WE NEED THE INCREASE

- 1 TO MAINTAIN SYSTEM RELIABILITY
- 2 TO IMPROVE TECHNOLOGY & CONTINUE NEW PRODUCTS & SERVICES
- 3 TO KEEP UP WITH GROWTH & COMMUNITY IMPROVEMENT PROJECTS
- 4 TO KEEP OPERATIONAL SERVICE LEVELS STRONG
- 5 TO MAINTAIN FINANCIAL STABILITY
- 6 TO SERVE & PROTECT CUSTOMERS



Even before the impacts of the Pandemic & Winter Storm Uri, our need for an increase was building.

ADDRESSING THE NEW LANDSCAPE

TIMING IS TBD



Maintain Operations & Support Growth

Drivers: Maintaining operations, customer growth, increasing fuel costs; **FlexPower BundleSM**, **FlexStepSM**, wholesale revenues

Possible Timing: Late 2021

Duration: Ongoing

Bill Impact: *Estimated ~4-4.5%*



Pandemic

Driver: Unrecovered costs due to write-offs of customer balances

Possible Timing: Late 2021

Duration: up to 5 years

Bill Impact: *Estimated ~1-2%*



Winter Storm Uri

Driver: High fuel costs incurred during February Storm Uri

Possible Timing: Late 2021

Duration: up to 25 years

Bill Impact: *Estimated ~1.5-3.0%*

PRELIMINARY VIEW

CUSTOMER AFFORDABILITY



Managing the Affordability impact over time is our utmost priority as we continue to evaluate these items on customer bills.

Driver	Avg. Est. * Customer Affordability		Duration	Description
	Low	High		
Operations & Growth	~4.0%	- 4.5%	Ongoing	Supports Reliability , customer service, infrastructure maintenance & growth.
Pandemic-Related Bad Debt Recovery	~1.0%	- 2.0%	Time Limited: up to 5 years	
Sub-total	~5.0%	- 6.5%		
	~\$7.40	- \$9.70		
Winter Storm Uri Fuel Usually recovered over 60-90 days. Recommend alternative	~1.5%	- 3.0%	Time Limited: up to 25 years	STILL UNDER DISPUTE: With customers in mind, we recommend spreading over time to minimize bill impact.
Total Est. Affordability Impact	~6.5%	- 9.5%	Avg Bill Impact: FY '22 - FY '23	
	~\$9.70	- \$14.60		

* Percentages are rounded & are estimated based on currently known information. Subject to change.

PATH FORWARD



- Preview the FY2022 Budget Proposal
- Request approval of the FY2022 O&M & Capital budgets at today's meeting
- A specific Rate Increase is not being recommended for approval today; if & when one is needed, it will be fine-tuned & requested separately.





Thank You





FY2022 FINANCIAL PLAN PART 4- UPDATED BUDGET PROPOSAL

PRESENTED BY:

Shannon R. Albert, CPA

VP, Accounting & Assistant Treasurer

May 24, 2021

Approval Requested

DISCLAIMER



We continue to work through the unprecedented global, national, state, and local implications of COVID-19 and the Winter Storm Uri. Our current financial projections were prepared in-light of COVID-19 and the Winter Storm Uri for preliminary informational discussion purposes only. Due to the Winter Storm Uri and the changing COVID-19 environment, these financial projections are preliminary and subject to change at any time in the future. Please be assured that we worked hard to thoroughly think through our financial analysis. This said, since there is tremendous uncertainty across the current economic and financial landscapes, the actual results for this fiscal year could be lower, comparable, or higher than what we are projecting at this time.

OBJECTIVES & TAKEAWAYS



- **REVIEW OUR FINANCIAL LANDSCAPE**
- **PREVIEW FINANCIAL BUDGET PROJECTIONS FOR FY2022 & FY2023**
- **REQUEST APPROVAL OF THE FY2022 O&M & CAPITAL BUDGET**



AGENDA



- **FINANCIAL LANDSCAPE UPDATE**
- **TIMING**
- **FINANCIAL PLANNING PROCESS**
- **FY2022 BUDGET PROPOSAL & REQUEST FOR APPROVAL**



FINANCIAL LANDSCAPE UPDATE



CONTINUING TO HELP CUSTOMERS	LANDSCAPE & CHALLENGES	SUSTAINABILITY APPROACH	BUDGET PROPOSAL
✓	✓	Today Agenda Item #10	Today Agenda Item #11
April 26, 2021 Board Meeting		May 24, 2021 Board Meeting	

TIMING



- **NORMAL TIMING** – We typically complete the budget by February.
- **CHALLENGE** – Multiple revisions were necessary. The continuation of the Pandemic & Winter Storm Uri required a refreshed approach.



ADDRESSING THE NEW LANDSCAPE

TIMING IS TBD



Maintain Operations & Support Growth

Drivers: Maintaining operations, customer growth, increasing fuel costs; **FlexPower BundleSM**, **FlexStepSM**, wholesale revenues

Possible Timing: Late 2021
Duration: Ongoing
Bill Impact: *Estimated ~4-4.5%*



Pandemic

Driver: Unrecovered costs due to write-offs of customer balances

Possible Timing: Late 2021
Duration: up to 5 years
Bill Impact: *Estimated ~1-2%*



Winter Storm Uri

Driver: High fuel costs incurred during February Storm Uri

Possible Timing: Late 2021
Duration: up to 25 years
Bill Impact: *Estimated ~1.5-3.0%*

SUSTAINABILITY APPROACH



- **CONTINUE TO CONTROL COSTS**
- **PROVISIONAL RATE INCREASE**
 - It is only a placeholder
 - Included in the financial plan
 - Subject to approval by you & Council
 - Estimated timing - fall 2021



**The underlying drivers are increasing in velocity;
rate support in some form is inevitable.**

PRELIMINARY VIEW

CUSTOMER AFFORDABILITY



Managing the Affordability impact over time is our utmost priority as we continue to evaluate these items on customer bills.

Driver	Avg. Est. * Customer Affordability		Duration	Description
	Low	High		
Operations & Growth	~4.0%	- 4.5%	Ongoing	Supports Reliability , customer service, infrastructure maintenance & growth.
Pandemic-Related Bad Debt Recovery	~1.0%	- 2.0%	Time Limited: up to 5 years	
Sub-total	~5.0%	- 6.5%		
	~\$7.40	- \$9.70		
Winter Storm Uri Fuel <i>Usually recovered over 60-90 days. Recommend alternative</i>	~1.5%	- 3.0%	Time Limited: up to 25 years	STILL UNDER DISPUTE: With customers in mind, we recommend spreading over time to minimize bill impact.
Total Est. Affordability Impact	~6.5%	- 9.5%	Avg Bill Impact: FY '22 - FY '23	
	~\$9.70	- \$14.60		

* Percentages are rounded & are estimated based on currently known information. Subject to change.

GOVERNANCE & BUDGET APPROVAL



BUDGET COMPONENT	GOVERNANCE	APPROVAL
RATE SUPPORT	Requests approved by you & Council	TBD
FUEL PURCHASES	Governed by Procurement policy with material fuel purchases approved by you	✓
DEBT ISSUANCE	Bond Issuances approved by you & Council	✓
R&R ADDITIONS	Governed by Bond Ordinance	✓
CITY PAYMENT	Approved Monthly by you	✓
NON-FUEL O&M	Approved Annually by you	TBD
CAPITAL	Approved Annually by you	TBD

You have oversight of the components of the planned Uses of Revenue through policy & various other approvals.

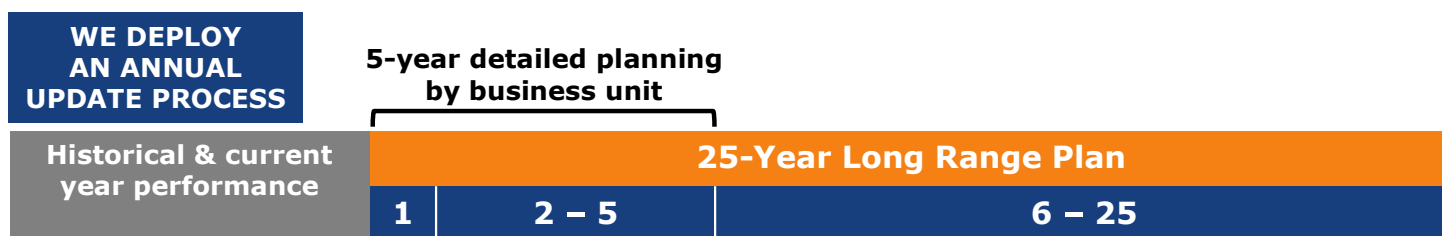
FINANCIAL PLANNING PROCESS



Generation Resource = Load (Demand) + Reserve Margin

FORECAST INPUTS

- Customer Growth (Electric & Gas Sales)
- Regulatory Costs (TCOS, ERCOT)
- Fuel Cost (gas, coal, nuclear, renewables)
- Generation Resource Plan
- Market Power Prices
- Wholesale price, revenue & margin
- Interest Rates



Year 1 will be presented to you for approval (outer years are refreshed in subsequent planning cycles, so they are considered preliminary & subject to change)

A robust long range planning process is essential for long-term resource planning & yields budget targets, financial metric performance, & revenue support requirements.

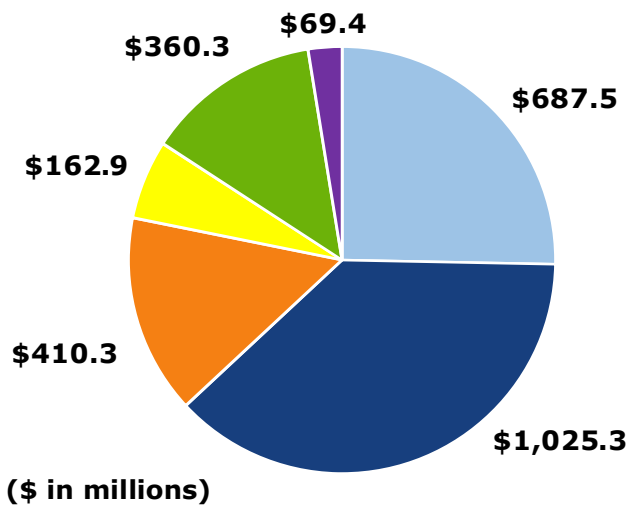
FY2022 BUDGET PROPOSAL

OUR TOTAL ANNUAL FUNDING REQUIREMENTS = \$2,715.7M



The order of uses of revenue is determined by Bond Ordinance

- Non-Fuel Operating Expenses - Provides **Reliability** to our customers.
- Fuel & Other Operating Expenses - Pass thrus for fuel & regulatory.
- Debt Requirements - Repayment of debt used to finance initiatives & infrastructure improvements.
- Repair & Replacement 6% - Cash for future system, customer growth & new strategic initiatives.
- City Payment - Transfer funds to the City of San Antonio's General Fund that benefits our community.
- Repair & Replacement - Remaining cash for future system, customer growth & new strategic initiatives.

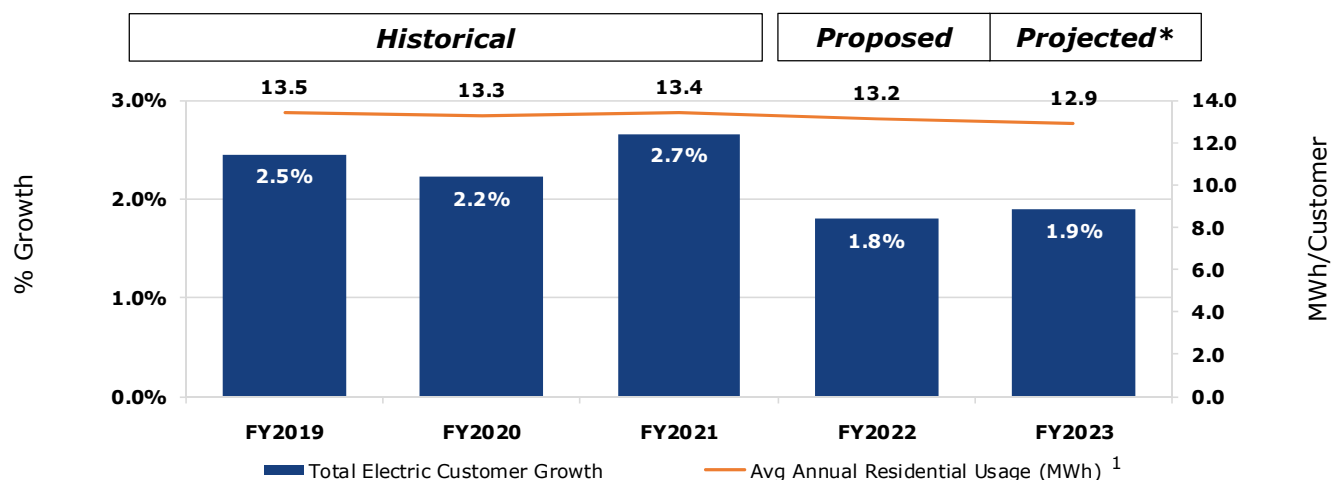


* Gross of customer contributions.

Note: Winter Storm Uri regulatory asset amortization expense & recovery of costs through the existing fuel adjustment will begin in FY2023.

	Estimate	Prior Year	Budget
(\$ in millions)	FY2021 AB	FY2021	FY2022
Capital*	\$684.1	\$630.8	\$714.3
Non-Fuel O&M	\$712.8	\$654.9	\$687.5

ANNUAL ELECTRIC CUSTOMER GROWTH RATES

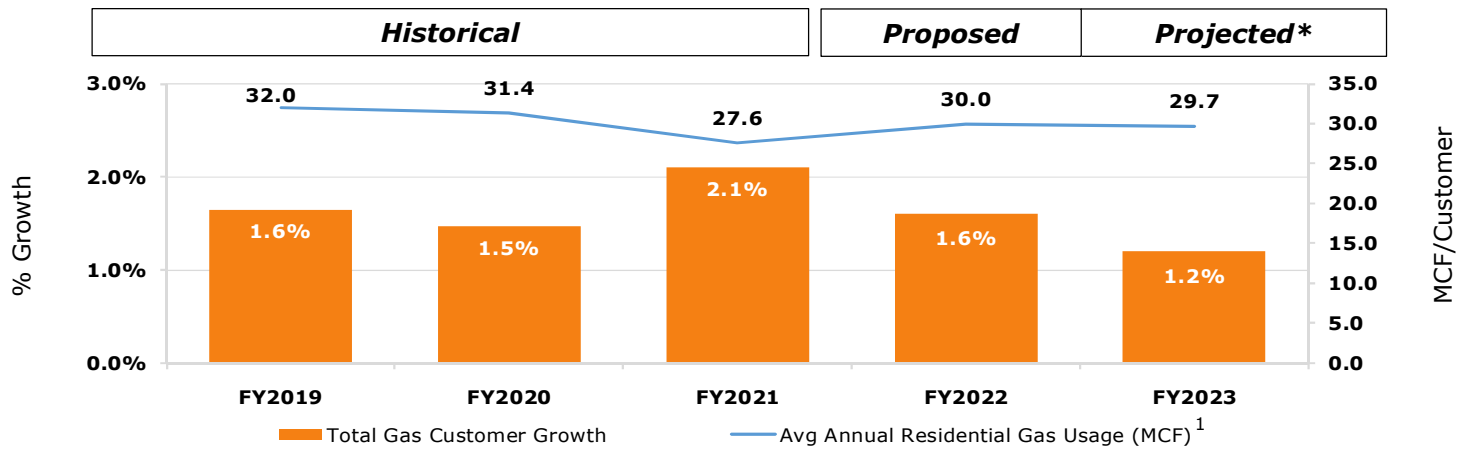


Customer growth, partially offset by continued growth of energy efficiency through STEP programs, results in moderate sales volume growth.

* To be refreshed in subsequent planning cycles.

¹ MWh – Megawatt hour.

ANNUAL GAS CUSTOMER GROWTH RATES



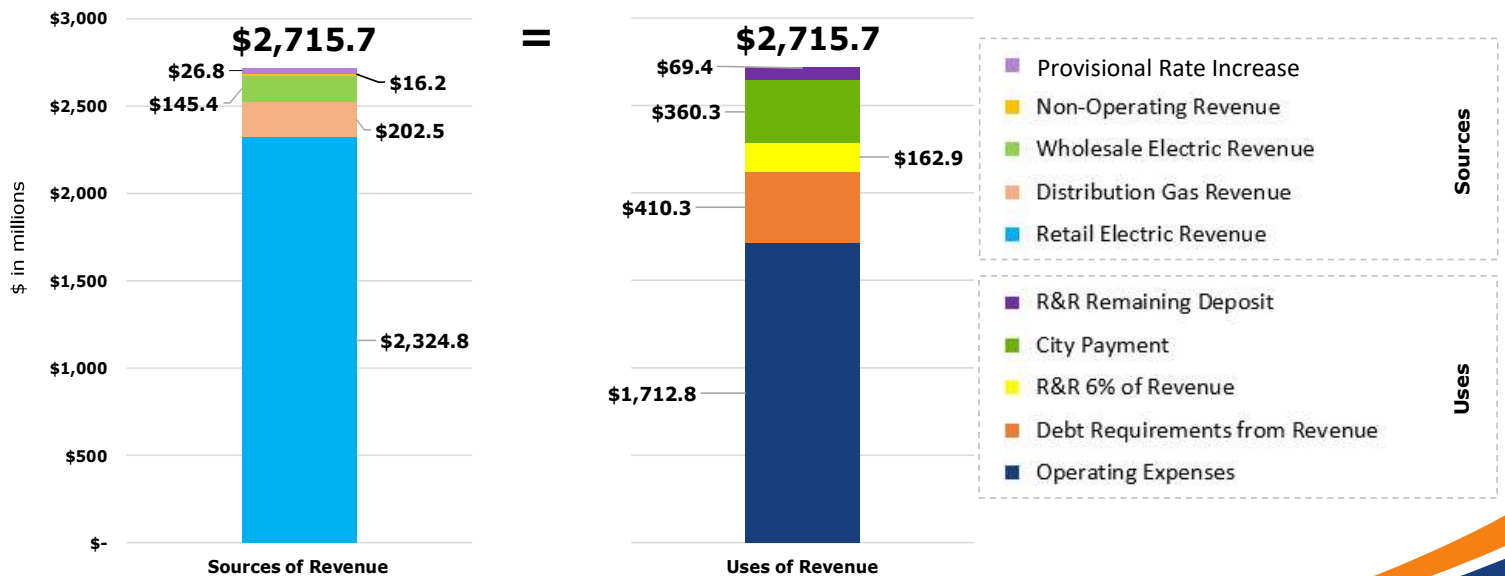
Downward pressure on small commercial sales due to COVID-19 was partially offset by the recent growth of the gas system from residential & existing large commercial accounts.

* To be refreshed in subsequent planning cycles.

¹ MCF - Thousand Cubic Feet.

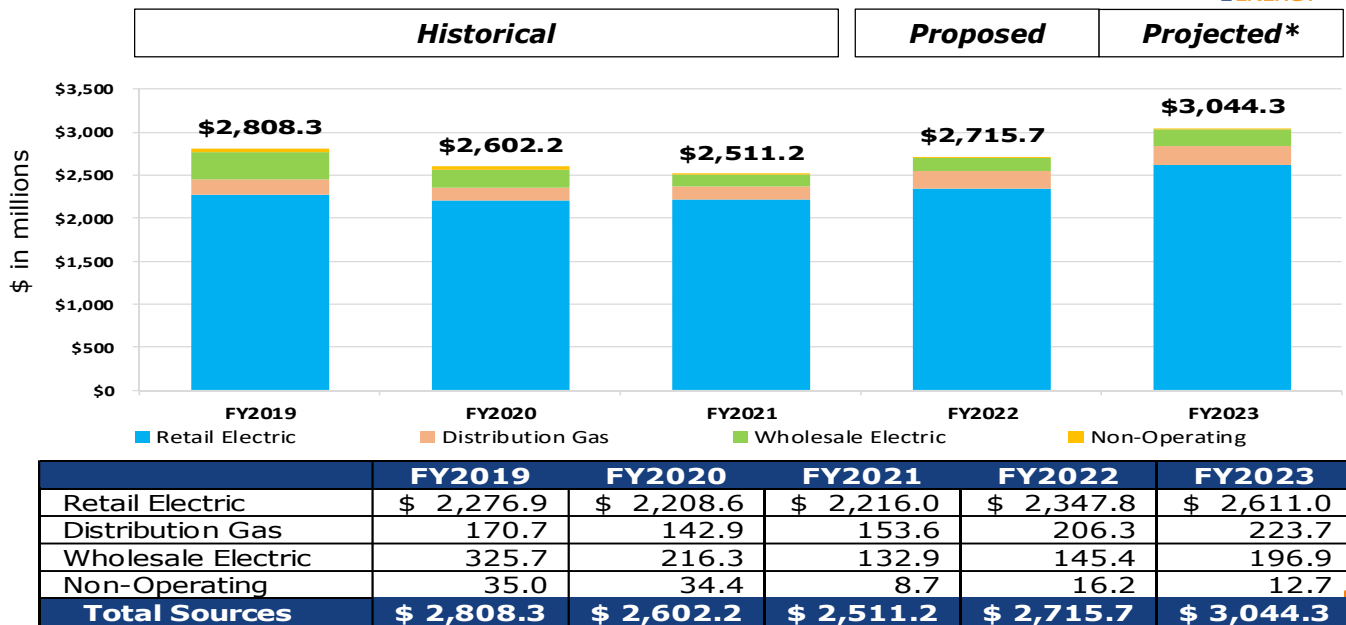


PROJECTED FY2022 REVENUE REQUIREMENTS



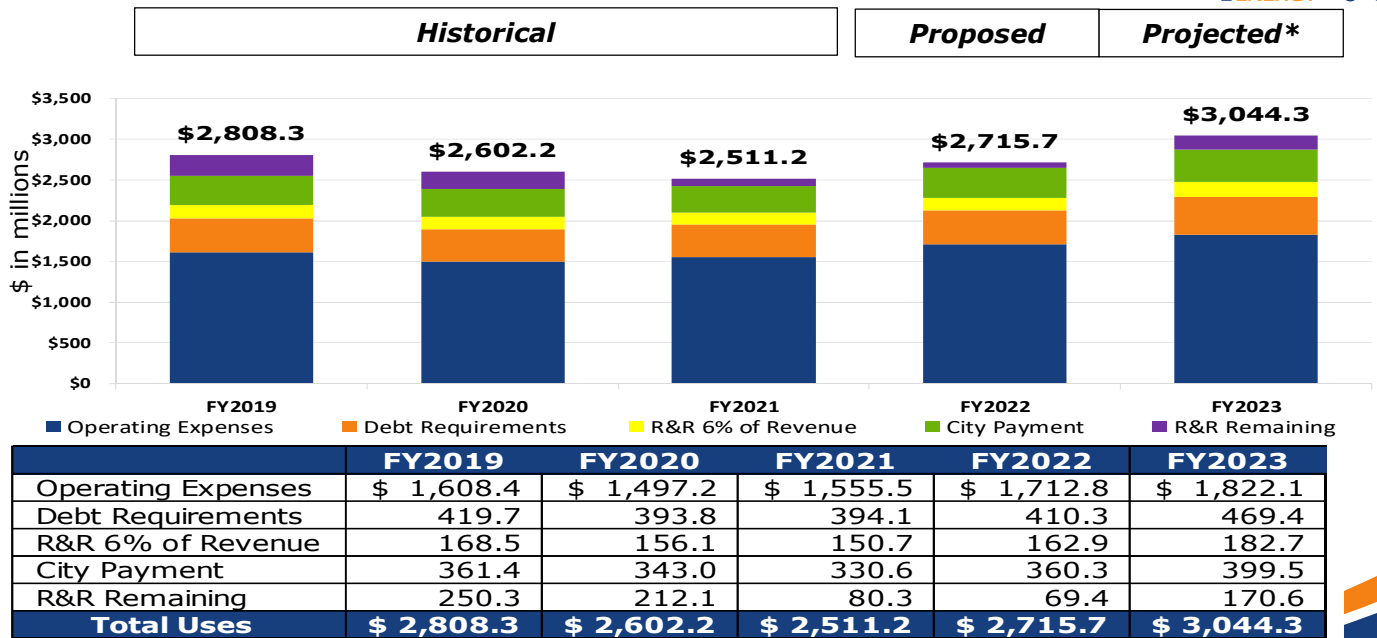
Per Flow of Funds, Uses of Revenue must equal Sources of Revenue.

SOURCES OF REVENUE



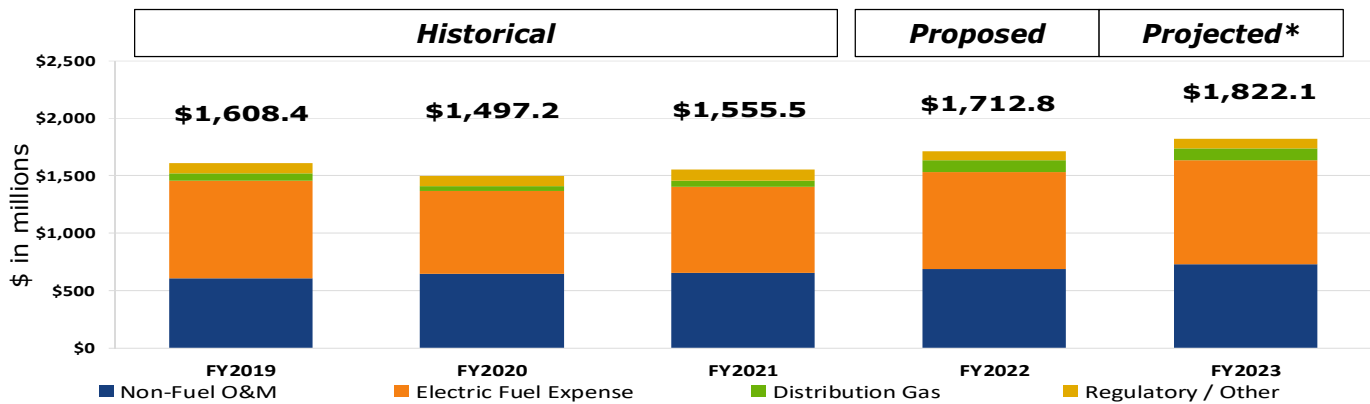
* To be refreshed in subsequent planning cycles.

USES OF REVENUE



* To be refreshed in subsequent planning cycles.

OPERATING EXPENSES

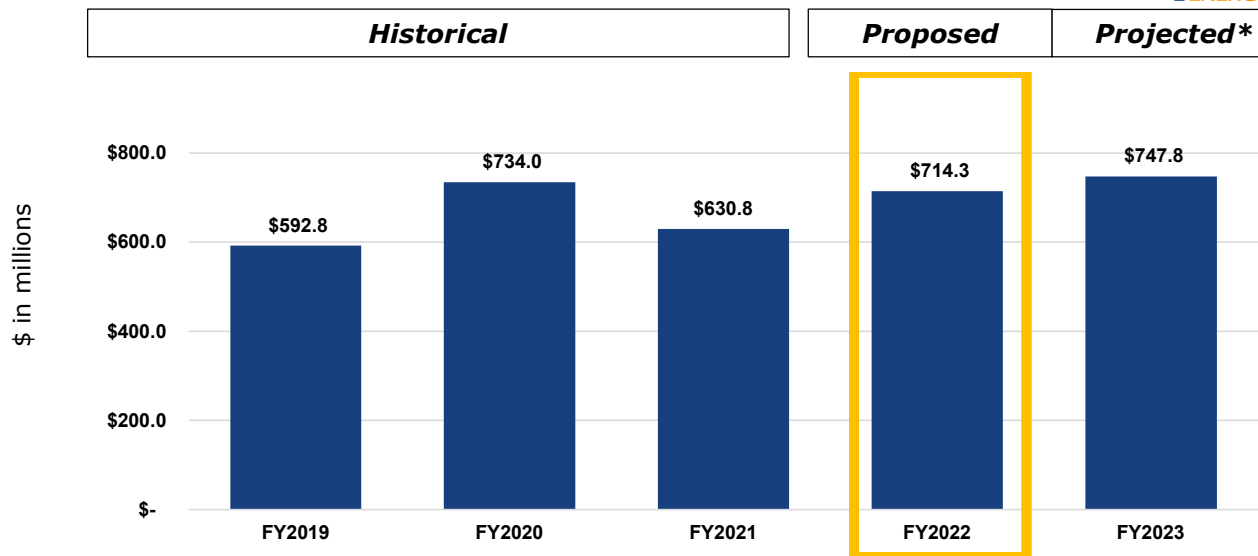


	FY2019	FY2020	FY2021	FY2022	FY2023
Non-Fuel O&M	\$606.9	\$647.1	\$654.9	\$687.5	\$729.0
Electric Fuel Expense	850.0	722.0	747.5	844.2	906.1
Distribution Gas	63.8	43.7	54.1	102.0	103.1
Regulatory / Other	87.7	84.4	99.0	79.1	83.9
Total	\$1,608.4	\$1,497.2	\$1,555.5	\$1,712.8	\$1,822.1

Management remains keenly focused on operating cost reductions & efficiencies as our system continues to grow.

* To be refreshed in subsequent planning cycles.

CAPITAL PLAN

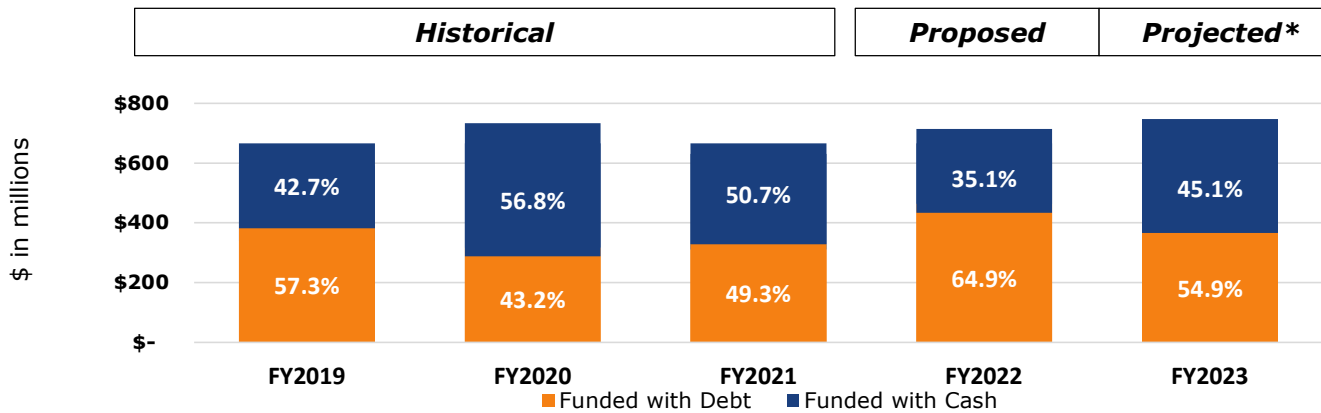


A planned increase would be due to customer growth, plant maintenance, system *Reliability* projects & an increase in customer funded projects.

* To be refreshed in subsequent planning cycles.

FINANCING PLAN

FUNDING ALLOCATIONS



	FY2019	FY2020	FY2021	FY2022	FY2023
Funded with Debt	\$339.8	\$317.3	\$311.1	\$463.9	\$410.9
Funded with Cash	253.0	416.7	319.7	250.4	336.9
Gross Construction Total	\$592.8	\$734.0	\$630.8	\$714.3	\$747.8

The plan to fund capital is developed to provide for adequate cash balances & long-term debt / equity targets.

* To be refreshed in subsequent planning cycles.

FY2022 BUDGET PROPOSAL

METRICS SUMMARY



METRIC	MINIMUM THRESHOLDS	FY2022		FY2023	
		Medium	High	Medium	High
Adjusted Debt Service Coverage (ADSC)	1.50	1.57	1.57	1.75	1.71
Days Cash on Hand	150	181	181	180	180
Debt / Equity*	<60%	63.37%	65.09%	63.36%	64.98%
Net Income (Loss)	>0	(\$34.4M)	(\$34.4M)	\$71.9M	\$71.9M
Remaining R&R		\$69.4M	\$69.4M	\$170.6M	\$168.6M

Medium Case = \$516M Fuel Reg Asset

High Case = \$1,025M Fuel Reg Asset

*will need to monitor closely.

Key Financial Metrics are challenged in FY2022 & remain a focus area for improvement going forward.

PATH FORWARD



- Request your approval of the FY2022 O&M & Capital Budget
- Monitor FY2022 financial performance through monthly financial updates
- Request your approval of the FY2022 Financing Transactions at a future meeting
- Continue deep-dive discussions, engagement & due diligence on sustainability approach
- A specific Rate Increase is not being recommended for approval today; if & when one is needed, it will be fine-tuned & requested separately.

REQUEST FOR APPROVAL

Requesting Your Approval of Capital & Non-Fuel O&M Budget for FY2022



The **FY2022** proposed budget will support our **People First** focus that will benefit our community & meet our commitments, including:

- Funding & plan expense for employee benefit obligations
- Continuing top tier **Safety, Reliability, & Environmental Responsibility**
- Investing in core customer facing functions & security
- Meeting customer growth while continuing system **Reliability** & plant maintenance projects
- Focusing on Adjusted Debt Service Coverage & Days Cash on Hand metrics to achieve minimum thresholds

	Estimate	Prior Year	Budget
(\$ in millions)	FY2021 AB	FY2021	FY2022
Capital*	\$684.1	\$630.8	\$714.3
Non-Fuel O&M	\$712.8	\$654.9	\$687.5

* Excludes AFUDC – Capitalized Interest.

May 2021 Board Meeting - REGULAR AGENDA



Thank You





Appendix



GLOSSARY / DEFINITIONS



Acronym or Word	Definition
AB (Approved Budget)	Approved Budget.
AFUDC (Allowance for Funds Used During Construction)	A cost accounting procedure whereby interest on the debt used to finance construction is added to the cost of the asset being constructed. Also referred to as capitalized interest.
Capital Asset	An asset with a life of more than one year that is not bought and sold in the ordinary course of business.
CIAC	CIAC stands for Contributions in Aid of Construction and is a funding source for the capital program.
Days Cash on Hand	An estimate of the number of days of operating expenses that a company could pay with its current cash available.
Debt Service Coverage Ratio	The amount of revenues available to meet annual interest and principal payments on debt.
ERCOT	Electric Reliability Council of Texas - operates the electric grid and manages the deregulated market for 75 percent of the state of Texas.

GLOSSARY / DEFINITIONS



Acronym or Word	Definition
O&M	Operating and Maintenance expenses.
R&R (Repair & Replacement Account)	Identified and outlined in the Bond Ordinance as an account the organization will deposit funds in as required in the Ordinance and these funds shall be used for the following purposes: providing extensions, additions, and improvements to the Systems; meeting contingencies of any nature in connection with the operations, maintenance, improvement, replacement, or restoration of properties of the Systems; and paying bonds or other obligations for which other funds are not available, or for any or all of such purposes, as, from time to time, may be determined by the Board of Trustees.
TCOS (Transmission Cost of Service)	A pass through charge levied on utilities to cover the cost of transmission infrastructure investment in the ERCOT (Electric Reliability Council of Texas) energy market.



TEZEL SUBSTATION ROUTING & SITING

PRESENTED BY:

LeeRoy Perez

Senior Director, Substation & Transmission

May 24, 2021

Informational Update



OBJECTIVES & TAKEAWAYS



- **PRESENT SUBSTATION SITE RECOMMENDATION**



AGENDA



- **PROJECT OVERVIEW**
- **PUBLIC INVOLVEMENT**
- **RECOMMENDATION OF SITE 5**
- **NEXT STEPS**



OUR GUIDING PILLARS & FOUNDATION



All business decisions are based on our commitment to being one of the best-managed & most **Financially Responsible** utilities in the nation!

PROJECT NEED



- Increase capacity for residential & commercial growth in Northwest San Antonio
- Strengthen **Reliability**
- Project is located within San Antonio city limits
- Target date: June 2024

LEGEND

- Recently completed
- Routing & Siting in progress
- Engineering in progress

The Routing & Siting process is used to select a suitable substation site & associated transmission line route.

STUDY AREA



Study Area:

- Boundary (~0.78 square miles)
- 6 potential substation sites

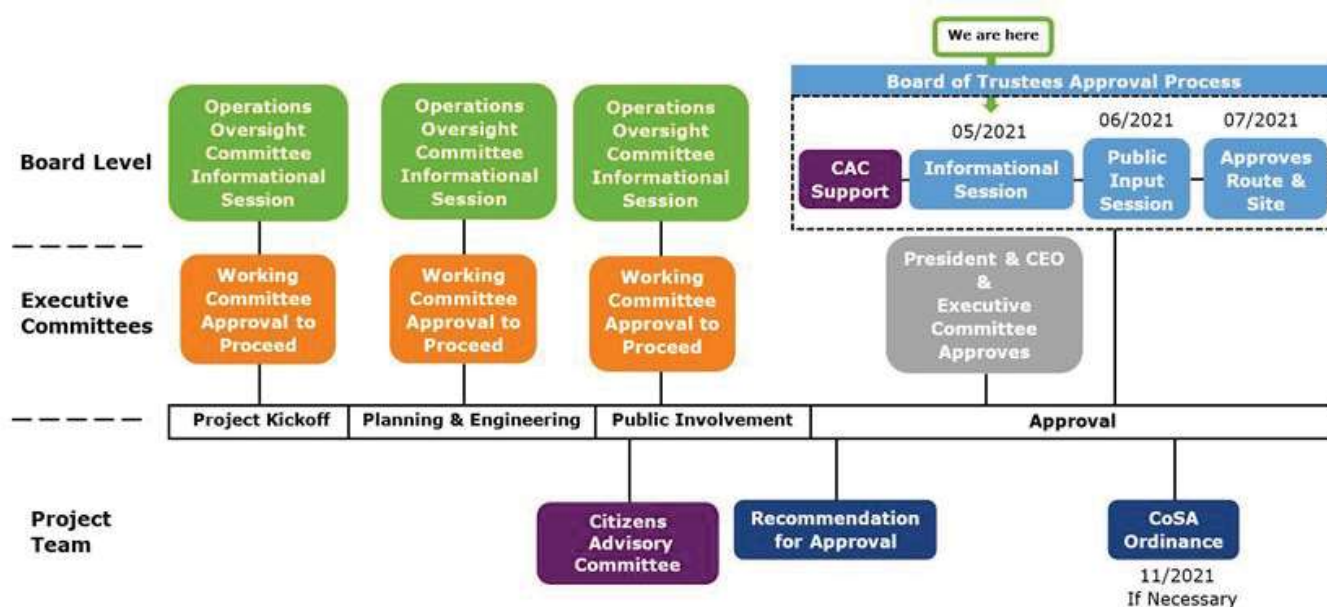
Land Use:

- Residential & businesses
- Schools
- Day care
- Parks/Recreation
- Churches

LEGEND

- | | |
|--------------------------------------|--------------------------------------|
| Substation & Transmission Study Area | Potential transmission line segments |
| Existing Bandera to Helotes T-Line | Potential substation sites |

GOVERNANCE PROCESS



The Project Team meets with Committees at different stages of the project for oversight & guidance.

PUBLIC INVOLVEMENT BEGAN JULY 15, 2020



Ricardo Renteria, Director S&T Engineering
speaking project details on video broadcast

- Distributed project information:
 - Notified customers within 300 feet of the study area
 - 486 property owners & residents
 - Northside ISD
 - 5 Neighborhood Associations
 - District 6 Councilwoman
Melissa Cabello Havrda
 - District 7 Councilwoman
Ana Sandoval
- Introduced Project to CAC
- Launched project website
- Sent Follow-up notification in Sept. 2020

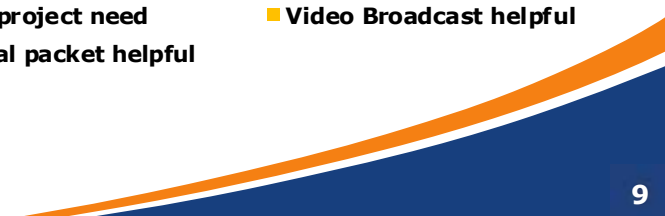
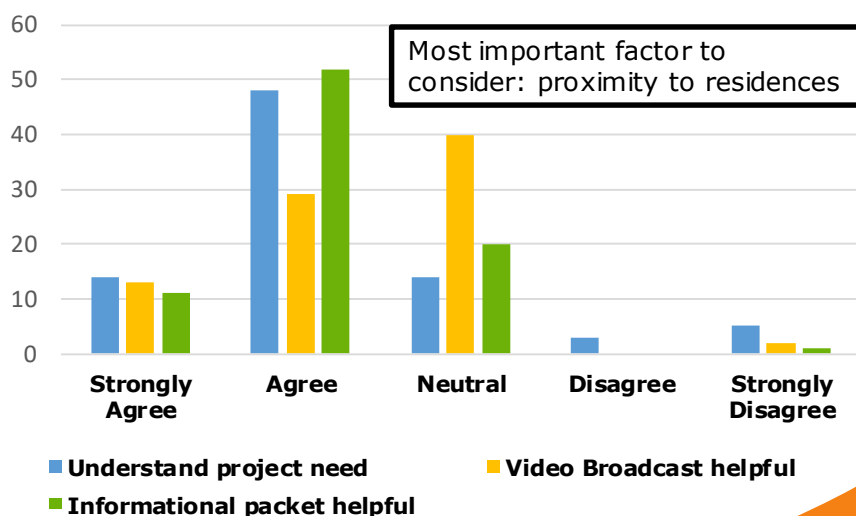
We broadcasted our first ever Routing & Siting project video!

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PUBLIC INVOLVEMENT FEEDBACK AS OF MAY 5, 2021



- The Open House video broadcast was viewed by 370 people!
- Received customer feedback by:
 - Phone;
 - Email; and
 - Mail.
- The Project Team received questionnaires through November 2020.



RECOMMENDATION SUBSTATION SITE 5



LEGEND

- Potential substation site
- Existing Bandera to Helotes T-Line

- Best environmental ranking (1st)
 - Least impact of all sites
- Lower project costs
- Adjacent to existing transmission line
- No displacement of residents or businesses
- No ordinance required
- Adjacent access to Guilbeau Rd
 - Distribution line ties
- Minimal impact to community

**This property was
strategically purchased in
June 2020.**

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DECORATIVE WALL TYPES ENHANCED AESTHETICS



Dresden Substation – example decorative concrete wall (artwork provided by CoSA)



Exeter Substation – example decorative concrete wall

**Our team continues to work with the community
to minimize impact & answer questions.**

NEXT STEPS



- **Board Public Input Session** **June 24, 2021**
- **Your Approval** **July 26, 2021**



May 2021 Board Meeting - REGULAR AGENDA



Thank You





Appendix



GLOSSARY / DEFINITIONS



Acronym or Word	Definition
Citizens Advisory Committee (CAC)	The 15-member Citizens Advisory Committee provides a channel for two-way communication between the community & the utility. City of San Antonio council members nominate 10 of the 15 members, one representing each district. The other five members are at-large candidates interviewed & nominated by the CAC from those submitting applications & resumes. The CPS Energy Board of Trustees appoints all members to the committee. Members can serve up to three two-year terms. The CAC meets monthly with the primary goal of providing judicious advice from a customer perspective on utility-related projects & programs.
Distribution Line	A distribution line carries electricity from the transmission system to the end users (customers)
Substation	Steps-down the 138,000 transmission voltage (138 kV) to 34,500 (34.5 kV) & 13,800 (13.8 kV) distribution voltages to distribute to customers.
Transmission Line	A three phase system of conductors that conduct electric power between power plants, switchyards, & substations. Transmission voltages are higher to reduce line losses when transmitting power over long distances.

SITES/ROUTES EVALUATION

SITE 5 RECOMMENDED FOR APPROVAL



- Environmental / Cost ranking from 1-15 with 1 being the best
- Site 5 has the least environmental impact & ranks second in lowest cost
- Recommendation considers a balance, plus other factors

Site Number	Route Number	Environmental Assessment	Cost	Cost Ranking
1	1-A	15	\$13,741,524	14
1	1-B	13	\$13,523,324	12
1	1-C	14	\$13,396,124	10
2	2-D	8	\$13,699,934	13
2	2-E	9	\$14,129,034	15
2	2-F	7	\$12,747,684	8
2	2-G	11	\$13,327,284	9
2	2-H	12	\$13,438,734	11
3	3-I	6	\$11,740,254	7
3	3-J	5	\$11,657,154	6
3	3-K	3	\$10,698,254	3
3	3-L	4	\$10,707,454	4
4	N/A	2	\$10,171,304	1
5	N/A	1	\$10,583,718	2
6	6-M	10	\$11,525,114	5

SITES/ROUTES EVALUATION

SITE 5 RECOMMENDED FOR APPROVAL



Site Number	Environmental Assessment	*Cost Difference	Proximity to Habitable Strs / Multifamily		Impact to Landowner Development	Distribution Need	Ordinance Required
4	2	-	28	17	Yes	2	Yes
5	1	3%	29	1	No	1	No

Signifies better result in comparison of sites 4 & 5

- Ideally we prefer our recommendation to have the least environmental impact & lowest cost. Our recommendation also considers many other factors.
- *Cost
 - Site 5: property cost mitigates any cost escalation risks
 - Site 4: property cost is only an estimate
 - Property cost is not fixed which introduces cost escalation risks to the project & is likely to close the 3% gap

Site 5 minimizes community impact & supports the public need.

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SUBSTATION SITE 1



Habitable Structures

- Route 1 - 104
- Route 2 - 90
- Route 3 - 86

Environmental Ranking*

- Route 1 - 15th
- Route 2 - 13th
- Route 3 - 14th

Cost Ranking*

- Route 1 - 14th
- Route 2 - 12th
- Route 3 - 10th

LEGEND

- Existing Bandera to Helotes T-Line
- Potential transmission line segments
- Potential substation site

* Environmental/Cost ranking from 1-15 with 1st being the best

SUBSTATION SITE 2



LEGEND

- Existing Bandera to Helotes T-Line
- Potential substation site
- Potential transmission line segments

* Environmental/Cost ranking from 1-15 with 1st being the best



Habitable Structures

- Route 1 - 55
- Route 2 - 57
- Route 3 - 50
- Route 4 - 85
- Route 5 - 92

Environmental Ranking*

- Route 1 - 8th
- Route 2 - 9th
- Route 3 - 7th
- Route 4 - 11th
- Route 5 - 12th

Cost Ranking*

- Route 1 - 13th
- Route 2 - 15th
- Route 3 - 8th
- Route 4 - 9th
- Route 5 - 11th

SUBSTATION SITE 3



Habitable Structures

- Route 1 - 62
- Route 2 - 58
- Route 3 - 47
- Route 4 - 51

Environmental Ranking*

- Route 1 - 6th
- Route 2 - 5th
- Route 3 - 3th
- Route 4 - 4th

Cost Ranking*

- Route 1 - 7th
- Route 2 - 6th
- Route 3 - 3th
- Route 4 - 4th

LEGEND

- Existing Bandera to Helotes T-Line
- Potential transmission line segments
- Potential substation site

* Environmental/Cost ranking from 1-15 with 1st being the best

SUBSTATION SITE 4



LEGEND

- Existing Bandera to Helotes T-Line
- Potential substation site

Habitable Structures

- Site 4 – 28 (17 multi-family)

Environmental Ranking*

- Site 4 – 2nd

Cost Ranking*

- Site 4 – 1st

* Environmental/Cost ranking from 1-15 with 1st being the best

SUBSTATION SITE 5 (RECOMMENDED)



LEGEND

- Existing Bandera to Helotes T-Line
- Potential substation site

Habitable Structures

- Site 5 – 29 (1 multi-family)

Environmental Ranking*

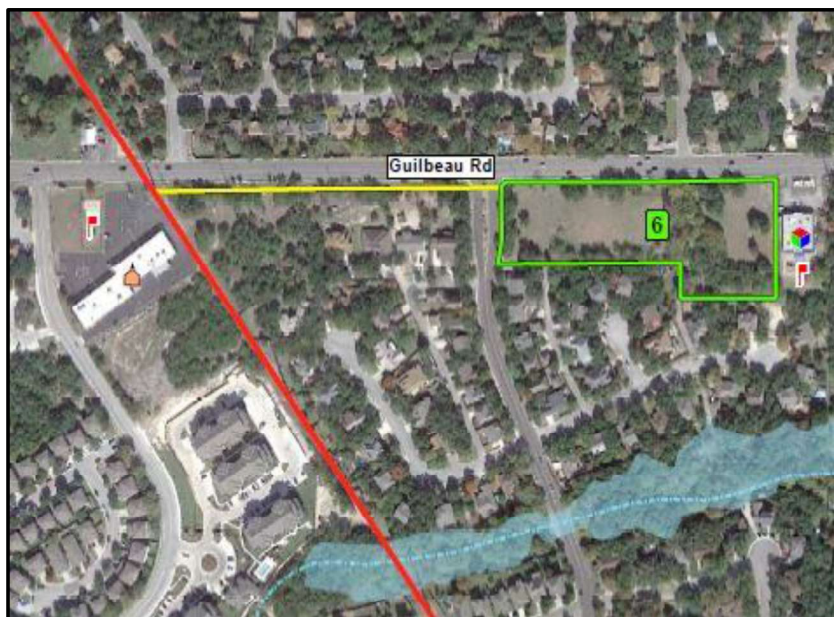
- Site 5 - 1st

Cost Ranking*

- Site 5 - 2nd

* Environmental/Cost ranking from 1-15 with 1st being the best

SUBSTATION SITE 6



LEGEND

- Existing Bandera to Helotes T-Line
- Potential transmission line segments
- Potential substation site

Habitable Structures

- Route 1 - 96

Environmental Ranking*

- Route 1 - 10th

Cost Ranking*

- Route 1 - 5th

* Environmental/Cost ranking from 1-15 with 1st being the best

PUBLIC INVOLVEMENT

FEEDBACK RECEIVED



- Electric & Magnetic Fields (EMF)
- Property values & aesthetics
- Construction impact
- Radio interference
- Proximity to schools, churches & residents
- Future development plans
- Use decorative walls
- Displacement of deer
- Community & environmental impact

We continue to work with the community to answer questions & minimize impacts.

VIDEO BROADCAST TOPICS

WENT LIVE ON JULY 15, 2020



- **PROJECT NEED**
- **ROUTING & SITING PROCESS**
- **SUBSTATION & TRANSMISSION ENGINEERING**
- **RIGHT OF WAY**
- **ENVIRONMENTAL**
- **STUDY AREA MAP**
- **PUBLIC INVOLVEMENT**
 - **HOW TO SUBMIT FEEDBACK**