Winter Weather Emergency - Frequently Asked Questions, as of 2/19/21

We are very sorry about the intense negative impacts on our customers that the weather event caused. We have worked out of the state-wide outage and have gotten the power for most all our San Antonio customers back on. We will continue working around the clock to get everyone's power on and keep it on. We thank you again for your patience and perseverance.

Here is information from frequently asked questions we've received. We will continue to add to this document and share updates with you.

Q: When can customers who have experienced outages expect the current event to end and power to be fully restored?

A: Power has been restored to almost all of our customers. There are about 500 customers who are experiencing equipment-related issues and remain without power. All our effort is directed at getting all customers' power restored as soon as possible. Most customers were fully restored when the risk of a statewide blackout became less likely. While that alleviated the need for controlled emergency outages, equipment that had failed on parts of our system required repair to fully restore all remaining customers across our community. Equipment repairs are underway.

Q: Why is it important to do rolling outages?

A: Rotating, or rolling, outages are necessary to avoid a catastrophic event involving the entire electrical power grid system. Without rolling outages during periods when the demand for energy is greater than the energy supply, the entire system could collapse, causing system-wide outages that last weeks, if not months.

The multiple-day outage many of you experienced may have prevented loss of the entire statewide electric grid managed by the Electric Reliability Council of Texas (ERCOT), the entity responsible for managing the flow of electric power to more than 26 million Texans.

Q: How can ERCOT tell utilities to turn people's power off?

A: The Electric Reliability Council of Texas (ERCOT) is the manager of the state transmission grid, and monitors Texas energy grid conditions. All electric utilities in the US and Canada are interconnected through similar electric grid systems. ERCOT has a comprehensive view of all energy generation in the state and dispatches the power that generators produce that is ultimately delivered to customers.

ERCOT monitors energy conditions to keep the state grid as stable as possible. They make decisions on a statewide level about how to balance energy demand and energy supply to ensure that the entire grid doesn't shut down, thereby causing a problem that could last much longer than a few days.

CPS Energy makes up 7% of the state grid. When ERCOT determines an amount of energy demand that needs to be reduced, our proportion is 7%. At one point during this winter storm, ERCOT requested a total of 20,000 MW be taken off the grid. Our share of that amount was far more than we have ever been required to reduce before.

Q: Why did my outages last so long? I thought they were "rolling" outages.

A: Under standard emergency procedures, rotating, or rolling, outages are targeted to last 10-15 minutes to reduce energy demand. The conditions during the winter weather emergency were not typical.

The Texas power grid experienced record levels of stress due to the extreme and persistent freezing weather. As a result, ERCOT required electric utilities to urgently reduce the amount of electricity being used by customers across the state. The required reduction was greater than had ever been requested before.

The process to reduce the demand for energy on the electric grid is called load shed and it is necessary to protect the grid from failing if electricity demand exceeds the available supply of electricity. Load shed is accomplished by turning off electrical circuits connected to the grid. Because circuits connect customers to the grid, load shed turns off service to customers to reduce energy demand and protect the grid.

To meet our required share of the load shed demand reduction, the duration of time circuits were off-line had to increase to a point where customers experienced extended outage periods and only brief periods of power. We adjusted our processes throughout this event to respond to the unprecedented levels of required load shed. We wanted to provide relief to customers who had been without power, but equipment limitations and failures occurred, resulting in the extended outage periods experienced by many.

For customers who could be restored, we implemented longer cycles to maximize the amount of time we gave customers to warm their homes, cook a meal, charge electronic devices, etc. Some customers could not be restored due to equipment issues, resulting in continuous loss of power.

Q: Why are the poorest neighborhoods being affected disproportionately?

We do not think this has happened. The location of critical facilities, not neighborhood demographics, is the only factor we used to make decisions about controlled outages.

Q: Why isn't there a way of distributing the power outages so it isn't such an extreme hardship on the ones that have been without power the longest?

A: A blackout of the statewide electric grid would be catastrophic. To help stabilize the state grid during times of extreme demand for electricity it is sometimes necessary to turn off some electric circuits that carry power to our customers. Not all electric circuits

are turned off because some circuits provide power to critical facilities throughout our community. Critical facilities include hospitals, police stations, and fire stations. Residents on the same circuits as critical facilities may not have initially experienced outages. Due to the extreme stress on the grid, some of these critical facilities and the homes on the same circuits eventually experienced outages.

Q: What is a critical circuit? Why aren't I on a critical circuit?

A: Critical circuits have been identified to provide power to essential facilities such as hospitals, fire stations or police stations. Because we need these essential services in all weather conditions, we do everything we can to avoid outages on these circuits. If your home is near one of these essential facilities, you may be on a critical circuit.

Q: Why did my neighbor have power and I didn't?

A: A neighbor across the street could be on a different circuit from you. If that circuit is "on," power will be flowing across the street while the circuit that your home is on may be experiencing an outage. Additionally, because of equipment issues within a circuit, portions of the circuit could have power while another area of the circuit does not. If a neighbor next door has power when you do not, please check your breakers.

Q: Why did I receive notice from CPS Energy incorrectly stating that my power was restored?

A: Our outage notification system, which automatically sends power outage and restoration messages to customers who signed up to receive messages, did not operate correctly with the high volume of outages necessary to urgently reduce energy demand. We turned the outage notification system off temporarily and performed maintenance so that customers would not receive messages. We apologize for the confusion and frustration these communications caused our customers.

Q: Will CPS Energy reimburse me for damages such as to my electronics, pool pump, and loss of perishable food?

A: We know it's inconvenient and sometimes costly to experience a power outage. However, as a utility, we work to keep the power on for our customers but cannot control adverse weather conditions or equipment failures that can result in outages. Generally, we do not reimburse for any damages caused by weather-related outages. We advise customers to consult their insurance policies on what losses may be covered.

Q: If we were not connected to ERCOT, would we have still had outages?

A: Yes – Being connected to ERCOT is a safety net. If one or more of our power generation plants becomes unable to perform, we rely on ERCOT to provide the power we need to supplement the lost production to meet our community's energy demand.

When we have extra power, we sell electricity to ERCOT to supplement other utilities as needed.

Q: What was the main issue? Was it generation? Was it not weatherizing units?

A: There was insufficient power generated by the power sources supporting the ERCOT grid. Multiple factors, including the extreme weather, caused plants to be offline. Some power plants were undergoing planned maintenance in preparation for the summer season of high demand. A thorough analysis will be conducted.

Q: Why weren't we prepared for something like this to happen? Will we be prepared in the future?

A: While we did pay very close attention to weather forecasts and began circulating messaging last week calling for energy conservation, this weather system had an unprecedented impact not only on Greater San Antonio, but across the entire state of Texas. We sent an English/Spanish telephone message to all customers we had phone numbers for on Sunday advising of the potential weather and asking for energy conservation.

As of Feb. 19, San Antonio experienced 6 straight days of freezing temperatures coupled with ice and several inches of snow. That is unheard of in our area. We normally see cold snaps that may last overnight, or even for a day or two, not longer. We manage our hot summer seasons, with help from the community to voluntarily reduce energy usage between the hours of 3:00 p.m. and 7:00 p.m. when demand is at its highest. Power plants in our state are not designed to run under sustained bitterly cold conditions. Once we are out of the crisis, we will carefully analyze operating procedures to enhance our preparedness for future winter events.

Q: Why didn't you let us know what was going on and how bad it would be while we had time to make plans and leave for somewhere with power?

A: We began communicating last week that it was important for everyone to stay safe and conserve energy due to the forecast of a winter storm. We sent an English/Spanish telephone message to all customers we had phone numbers for on Sunday advising of the potential weather and asking for energy conservation. We could not predict the severity of the impact of the storm on the grid until ERCOT increased the grid condition to load shed levels during the early hours of Monday morning.

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Q: Would having more renewable energy have prevented this from happening?

A: More renewable energy would not have prevented the current crisis. Solar and wind energy are intermittent and often experience lower performance during times of freezing precipitation. Frozen wind turbines led to a significant loss of power generation across the state and solar panels received little to no sun. Our current freeze has been so severe that every type of energy technology was heavily affected by this weather system, including coal, natural gas, wind, solar, and nuclear energy. Power companies across the state were hit hard by this storm, regardless of their energy generation portfolios.

Q: Should we change the way the grid is set up so this doesn't happen again?

A: Texas has a robust grid system that normally performs very well throughout the year. This is an unprecedented, historic weather event. Lessons are sure to be learned and applied to future events and processes, but it is not possible to completely weather-proof the services of generating and providing power at a reasonable cost. CPS Energy will take this experience and look for opportunities to improve our response to these events in the future. We are always looking to improve upon the service we provide our customers and community. We have already improved processes during the duration of this event and will continue to do so.

Q: Will ERCOT have to answer to the community for putting us in this situation?

A: CPS Energy is a municipally owned utility who takes direction from ERCOT as it relates to the electric grid. ERCOT is subject to oversight by the Public Utility Commission of Texas (PUC) and the Texas Legislature.

Q: My natural gas flame in my fireplace was low. Was natural gas service shut off?

A: Every type of energy technology has been heavily affected by this storm, including natural gas service. Low gas pressure was a common experience. We did not turn off gas services.

Q: What is CPS Energy's response to elected leaders who say if you can't provide electricity, provide information?

A: Despite the challenges our employees were faced with, we did the best we could throughout the energy emergency. We worked to provide our customers and city leaders with as much information as possible through as many channels as possible, including regular briefings with media outlets, website updates, statements posted in our Newsroom and all social media channels, as well as direct outreach to customers and local government offices. Many of our employees were without power for many hours and days, just like our customers. We understand frustration with the situation.

Q: How is this event going to affect my bill?

A: The financial impact of the winter weather emergency has not yet been fully calculated, but it may be substantial. Our goal remains to keep our customers' bills affordable.

Q: Why was power off for some SAWS pumping stations?

A: Most SAWS pump stations are on critical circuits and, as such, were initially excluded from controlled outages. As ERCOT continued to require additional load shedding, SAWS and CPS Energy jointly evaluated the challenges and made the decision to include some SAWS pump stations in the rotating outages in order to spare other critical sites, such as hospitals, police stations, and fire stations.

Q: Have the CPS Energy headquarter building's lights remained on, and what message does that send to the public?

A: We do have some 24-hour operations at our downtown office building, and due to security reasons, we kept those lights on in that particular work area and the parking garage for security reasons. However, we curtailed our power use at the downtown building to minimum levels.

Q: Why were the downtown city lights excluded from controlled outages?

A: The downtown area of San Antonio is supplied by an electric grid design that has built in redundancy that is not uncommon for dense downtown areas with multiple highrise buildings. The nature of this grid design creates significant challenges in performing load shed operations on these circuits. The best option for this part of our system was customer conservation measures during the event.