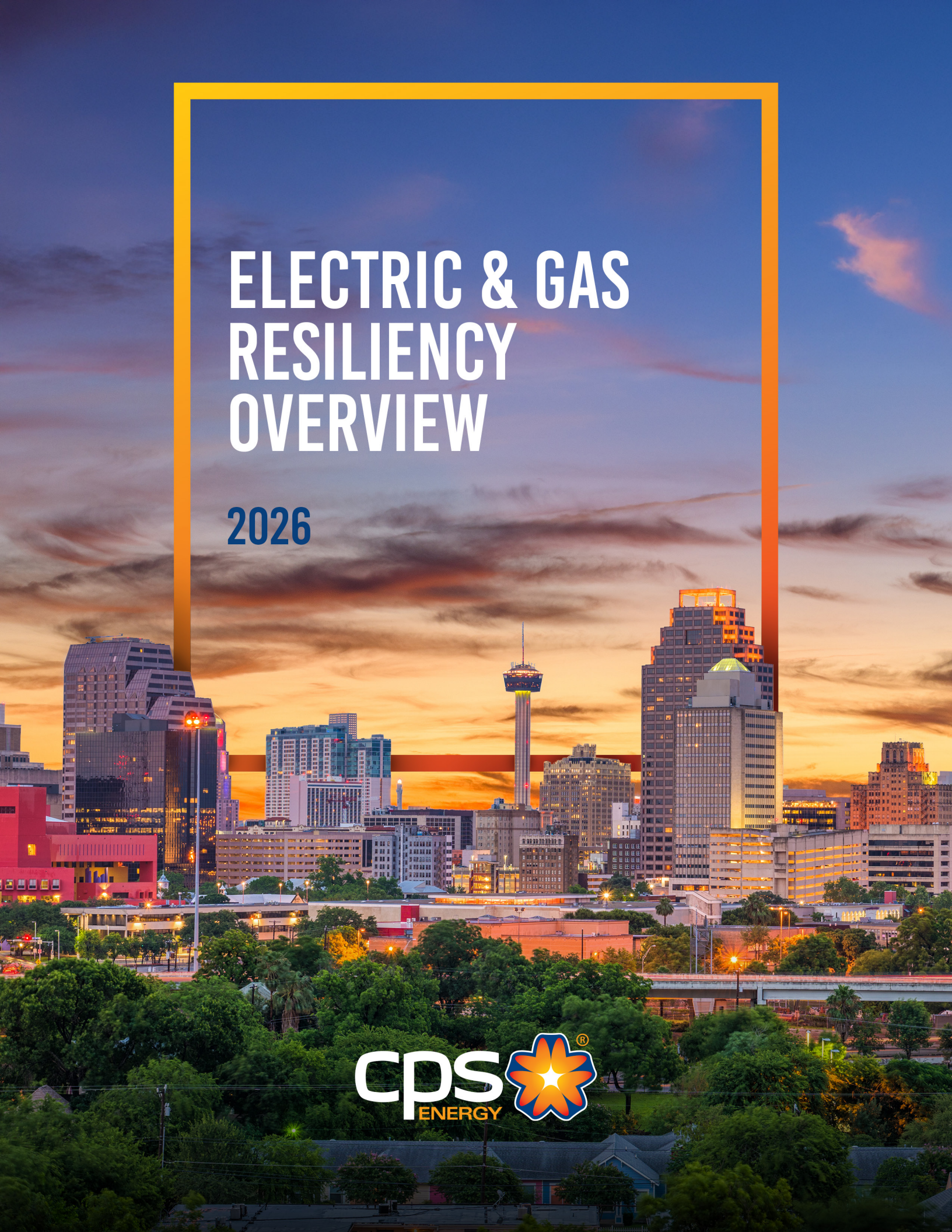
# ELECTRIC & GAS RESILIENCY OVERVIEW

2026



CPS ENERGY®

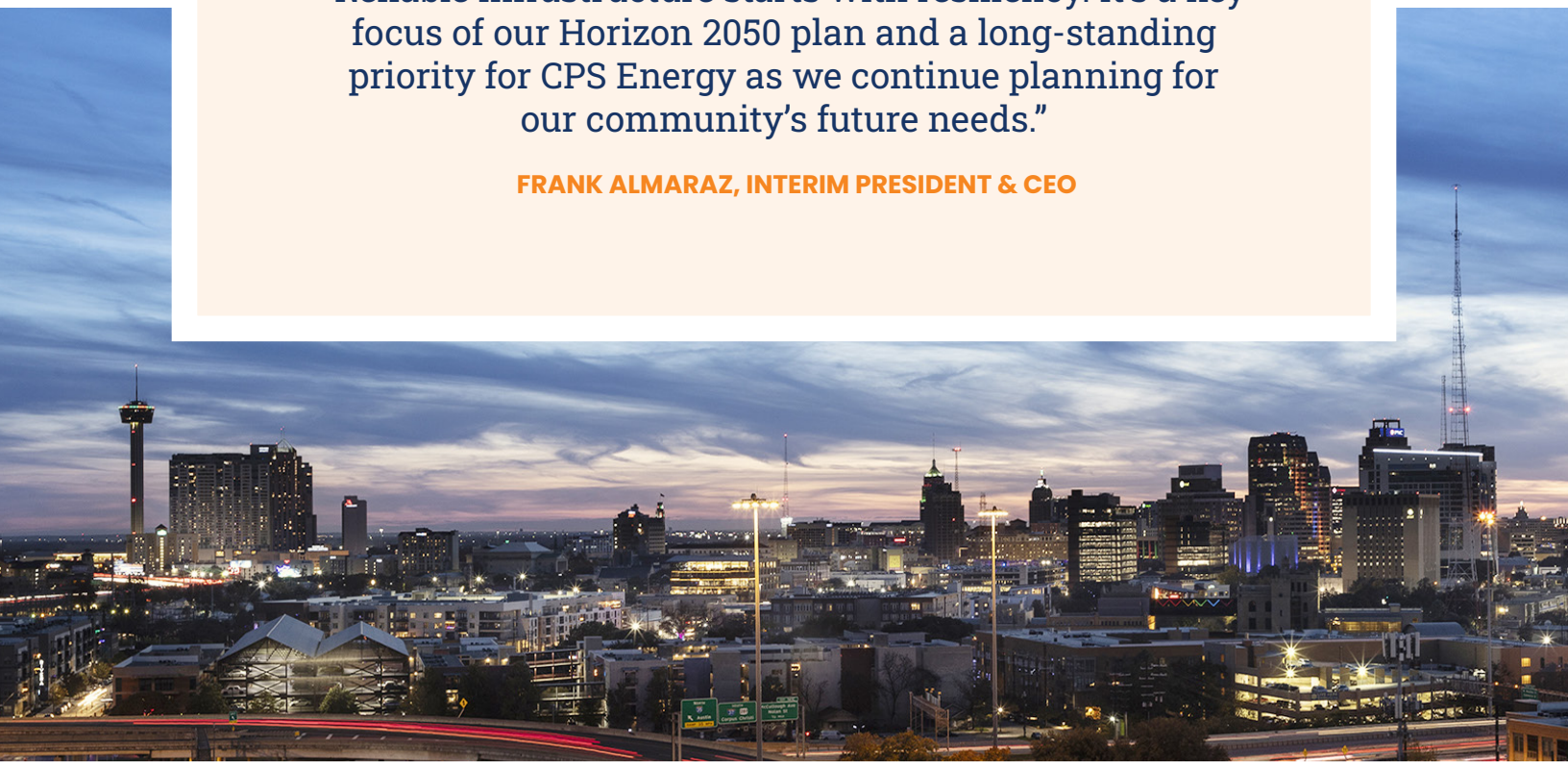
# EMPOWERING OUR COMMUNITY FOR GENERATIONS

As a critical service provider to San Antonio and its surrounding communities, CPS Energy is committed to delivering reliable, affordable, and cleaner energy. That reliability is built on a foundation of resilient infrastructure. The stronger and more adaptable our systems are, the more consistently we can serve our customers.

To meet evolving community needs, CPS Energy continuously assesses and strengthens its infrastructure and operations to better withstand and recover from disruptions. By enhancing resiliency, we reduce the impact of adverse events and restore service more quickly, ensuring dependable energy when our customers need it most.

Our resiliency efforts span electric and gas infrastructure and supply, as well as physical security and cybersecurity. Together, these efforts strengthen and strategically position our systems to maintain reliable service through extreme weather, wildfires, cyber threats, and other potential disruptions.

> "Reliable infrastructure starts with resiliency. It's a key focus of our Horizon 2050 plan and a long-standing priority for CPS Energy as we continue planning for our community's future needs."
>
> **FRANK ALMARAZ, INTERIM PRESIDENT & CEO**



# UTILITY INFRASTRUCTURE

CPS Energy operates millions of physical components in its electric and natural gas infrastructure, delivering electricity and natural gas from power plants and gas suppliers to homes and businesses across our community.

## ELECTRIC INFRASTRUCTURE

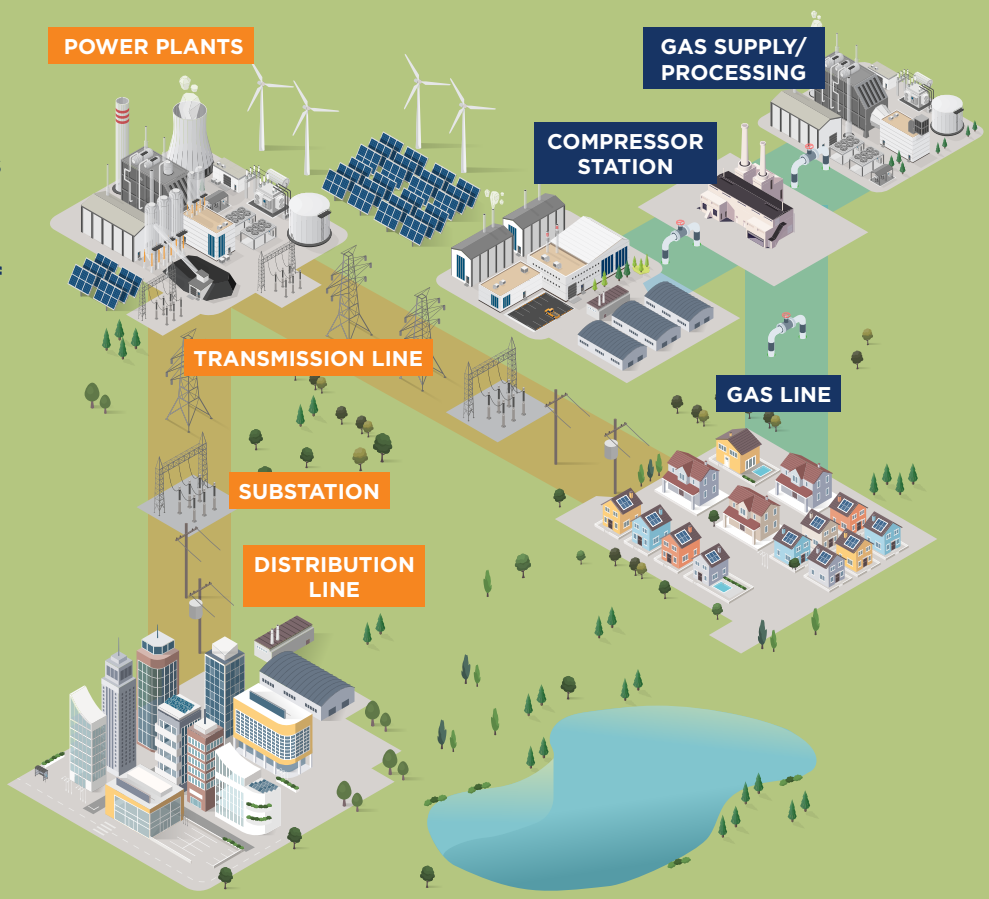
Electric infrastructure comprises power plants, substations, transmission, and distribution lines which connect customers to the grid and deliver electricity.

Our network contains over **17,000 miles of electric lines**, including over **1,550 miles of transmission** lines, **100 substations**, and over **15,500 miles of distribution lines**, of which approximately 46% is underground.

## NATURAL GAS INFRASTRUCTURE

Natural gas infrastructure includes pipelines and pressure regulating stations, connecting customers and delivering gas.

It consists of over **10,000 miles of natural gas pipelines**, more than **200 pressure regulating stations**, and approximately **4,000 miles of service lines**.




# UNDERSTANDING RESILIENCY

CPS Energy takes steps to improve and increase its resilience across three areas:

**WITHSTAND:** The physical strength and capability of materials and assets to continue operating under extreme conditions.
**ADAPT:** The ability to minimize impact to the infrastructure by taking action quickly and/or automatically.
**RECOVER:** Organizational awareness and capability to respond and repair/replace damaged equipment and materials.

## WHY RESILIENCY MATTERS TODAY

Our community has come to depend on reliable energy to power our homes and businesses year-round. This reliance is now greater than ever. At the same time, we are facing more frequent and significant impacts to our infrastructure. In response, CPS Energy is exploring and deploying certain recent advances in technology to increase resiliency. By investing in the resiliency of our energy systems, we are working to ensure we can continue to meet the evolving needs of our growing community.

## INFRASTRUCTURE RISKS

Numerous risks threaten electric and gas infrastructure across four areas described below. CPS Energy continuously evaluates exposure to these risks to determine the best mitigations.

### Physical Damage

Motor vehicles, construction equipment, tools, and intentional acts can directly damage utility equipment.

### Cyber

Hardware, software, service, and cyber events may compromise operational systems, networks, or equipment, impacting operations and communications.

### Wildfire

Wildfires can damage equipment. Fire risks increase in arid environments with dry vegetation.

### Extreme Weather

Severe conditions may damage electric, gas, and generation assets by disrupting fuel supply, stressing operations and equipment, and causing outages.

Extreme weather includes several diverse risks with varying potential impacts.

**Wind**
Sustained winds or gusts can cause damage to equipment.

**Lightning**
Lightning from storms can damage or degrade equipment.

**Flooding**
Flash floods can cause damage and corrosion and delay restoration.

**Cold and Ice**
Cold temperatures can strain the system, leading to equipment damage.

**Heat Waves**
Heat can cause higher energy use and equipment stress.

# ELECTRIC GRID

The projects and programs below are examples of how CPS Energy is investing in the resilience of the electric grid serving San Antonio and the surrounding communities.

| GRID HARDENING | GRID AUTOMATION | GRID INTELLIGENCE |
|---|---|---|
| Vegetation Management | Smart Switches | Weather Monitoring for Impact Preparation |
| Strategic Undergrounding | Smart Meters | Light Detection and Ranging (LiDAR) & Drone Inspections |
| Pole Inspection & Replacement | Smart Sensors on Downtown Network | Grid Analytics to Improve Demand Forecasting |
| Wire Capacity Upgrades | Grid Segmentation | Data-informed Wildfire & Vegetation Trimming |
| Physical Barriers for Animal Protection | Feeder of the Future | Volt-Var Optimization (Local Resource Integration) |
| | | Substation Analytics for Predictive Maintenance |
| | | Employee Training & Workforce Development |

**Withstand** **Adapt**
**Recover** **In Development**

For example, CPS Energy spends an average of $14 million per year installing smart switches, over $11 million per year replacing structures, and nearly $20 million per year on vegetation management. Also, over $15 million is spent each year relocating and investing in infrastructure in coordination with civic improvement projects. In addition to programs addressing physical infrastructure and operations, CPS Energy's Incident Response and Business Continuity Team is continuously improving how the organization and its employees respond to adverse events. This often involves coordination with community partners.

## RESILIENCY IN ACTION

CPS Energy supports Texas grid resiliency by contributing to the temporary installation of mobile natural gas generators at select substations. These generators can help reduce strain on key transmission lines during extreme conditions and lower the risk of broader outages. The operation of these generators is coordinated with ERCOT and other regional partners.

# ELECTRIC SUPPLY

As part of our Vision 2027 Generation Plan, CPS Energy has secured more than 4,700 megawatts (MW) of generation and energy storage capacity to meet the evolving needs of our growing community. These additions include nuclear, natural gas, solar, and wind.

**CPS ENERGY HAS SECURED OVER 4,700 MW OF CAPACITY**

## Nuclear Power

We are finalizing the acquisition of 2% ownership stake in the South Texas Nuclear Project (STP) which will add 52 MW of carbon-free power to our portfolio.

## Natural Gas Power

We purchased 3,342 MW of natural gas power plant capacity to offset the retirement of aging units. These newer plants are more efficient and cost-effective.

## Solar & Wind Power

We added 734 MW of solar generation and 113 MW of wind generation to our fleet at multiple sites across the state, maintaining our status as the largest solar energy purchaser and the second-largest wind energy purchaser in Texas.

## Energy Storage

We added 50 MW of 2-hour duration storage to our portfolio. We are working towards an additional 470 MW of 4-hour duration storage, which will further strengthen our overall grid resiliency. These efforts bring our total battery storage capacity to 520 MW.

## MAINTAINING GENERATION PLANTS

CPS Energy continually prepares each unit to be capable of withstanding harsh summer and winter environments.

### PREPARING OUR POWER PLANTS

#### Summer

- Cooling systems serviced
- Summer supplies checked
- Emergency procedures updated

#### Winter

- Freeze protection systems checked
- Winter supplies checked
- Emergency procedures updated

# GAS INFRASTRUCTURE

CPS Energy is the fourth-largest natural gas distribution system in Texas and connects thousands of new customers every year. Natural gas service delivers value to San Antonio and the surrounding communities, offering reliability at a competitive cost. Overall, energy bills are often lower with gas service when compared to electric-only households.

## EXPANDING GAS SUPPLY

CPS Energy continuously evaluates and optimizes gas supply contracts and expands supply infrastructure for reliable delivery of natural gas. This is essential for maintaining retail service to customers and to power the gas plants we operate.

## CIVIC IMPROVEMENTS

In support of joint civic projects with community partners, CPS Energy replaces and upgrades many miles of gas pipeline each year, spending over $25 million in relocation services alone.

## IMPROVING OPERATIONS

CPS Energy deploys smart sniffer technology to detect, locate, and fix leaks. We perform 250,000 utility locates and respond to nearly 10,000 odor reports annually.

## PERFORMANCE

CPS Energy is targeting more than $30 million per year in pipeline projects, including those that strategically improve redundancy of the infrastructure.

## RESILIENCY IN ACTION

CPS Energy is increasing supply through additional natural gas supply and transportation contracts.

Over four miles of pipeline are being relocated and upgraded as part of the TxDOT 1604 projects.

CPS Energy surveys gas infrastructure on a recurring cycle, with certain facilities visited more often.

# SECURITY

## PHYSICAL SECURITY

CPS Energy is continuously assessing physical access and security risk to its infrastructure. This includes supporting physical security measures, reinforcing access control, continually training to improve detection, response, and recovery capabilities, and maintaining robust partnerships with our local, state, and federal partners.

## CYBERSECURITY

CPS Energy has implemented a number of mitigations in response to cyber threats, for example:

- Increasing visibility and automating detection to maintain continuous awareness across operations, spotting issues early and limiting disruption.
- Assessing and prioritizing infrastructure and facilities to ensure cyber investments provide maximum value while safeguarding reliable and secure operations.
- Conducting drills, exercises, and simulations to improve preparedness and response.
- Measuring and assessing risk to integrate security policies, accountability, processes, and investments with overall CPS Energy strategy.
- Maturing training, awareness, and engagement so employees, contractors, customers, and partners all do their part in detecting, avoiding, and responding to threats.
- Modernizing supporting infrastructure and business processes to current standards and future capabilities to ensure holistic, defendable environments.

## RESILIENCY IN ACTION

CPS Energy recently hosted **GridEx VIII** which is a national grid exercise conducted every two years by the Electricity Information Sharing and Analysis Center and the Department of Energy. These events test our ability to respond to complex coordinated attacks on America's infrastructure, combining cyber attacks with physical attacks. It included representatives from local, state, and federal agencies.

The **Alamo Regional Security Operations Center (ARSOC)** strengthens the collaboration of security teams from the City of San Antonio, CPS Energy, San Antonio Water System (SAWS), and other infrastructure partners. This around-the-clock center enables proactive preparations and joint response to threats targeting our community.

# SUPPORTING COMMUNITY-SERVING FACILITIES

CPS Energy offers optional solutions for customers that wish to further reduce the risk of service interruptions at specific facilities, subject to customer funding. These solutions are often selected by community-serving facilities that support the needs of the community during adverse conditions such as storms, floods, and extreme temperatures.

## FACILITY RESILIENCY OPTIONS

Community-serving facilities such as hospitals, police and fire stations, water and wastewater facilities, and resilience hubs may elect to fund infrastructure configurations that help reduce the risk of interruption.

**Redundant Service**
Some facilities may be able to receive two service connections supplied from separate stations to provide backup if one connection is disrupted.

**Dedicated Service**
In some cases, a facility may be served by a dedicated line from a substation or supply point with no other customers connected, reducing the likelihood that issues elsewhere affect service.


**Placement of Equipment**
Where feasible, switches or valves may be installed just downstream of a facility so issues on the line beyond it can be isolated without interrupting service to that facility.

**Backup Generation**
CPS Energy can provide guidance on backup generation considerations to help customers mitigate the risk of power disruption or outages.

## RESILIENCY IN ACTION

### San Antonio Water System

CPS Energy coordinates with and provides guidance to the San Antonio Water System (SAWS) to help keep water flowing during adverse events. SAWS has been investing in backup generation at important sites with CPS Energy actively supporting those resources during adverse events. This partnership mitigates against the loss of safe, reliable water service.

### Joint Base San Antonio

CPS Energy coordinates closely with Joint Base San Antonio (JBSA) to strengthen the reliability and resilience of the energy service supporting the installation. Planning efforts focus on how power is delivered to JBSA facilities, how those facilities would operate during extended outages, and where backup power and other investments add the most resilience. These efforts help JBSA maintain essential operations during emergencies, which benefits both national defense and the broader San Antonio community.

# COMMUNITY-FOCUSED RESILIENCY

CPS Energy continues to focus on resiliency so our community is better able to withstand, adapt, and recover from extreme weather and other disruptive events. Many efforts are underway with further improvements planned as part of our long-term strategy.

## AFFORDABILITY

As we make investments, affordability remains a cornerstone of our decision-making. We carefully weigh how projects reduce risk, support essential services, and affect customer bills so we can strengthen resiliency without overburdening our community.

## CUSTOMER ASSISTANCE

CPS Energy consistently exhibits innovative practices with community partnerships to support its customers in need. Programs such as the Critical Care Customer Program and Energy Angels have been recognized by the National Energy & Utility Affordability Coalition.

## PUBLIC EDUCATION & OUTREACH

To help facilitate a more resilient community, CPS Energy provides public awareness and guidance to inform the community on ways they can help protect themselves during high risk conditions and reduce strains on electrical equipment during times of peak load.

## INNOVATION

CPS Energy continuously evaluates advances in materials, technologies, and processes that can be safely and affordably incorporated into our infrastructure. Coupled with Evolve — our digital transformation program modernizing how we work — these efforts will improve the customer experience both on a daily basis and during the challenging moments.

## A VISION FOR THE FUTURE

Incorporating resiliency into our infrastructure is inherent in CPS Energy's planning and decision-making, enabling us to progressively build toward our long-term Horizon 2050 vision, empowering our community for generations.




# CAPITAL BUDGET

CPS Energy dedicates a meaningful portion of its annual spending to programs that strengthen the resilience of the energy systems our community depends on.

## SPEND FORECAST

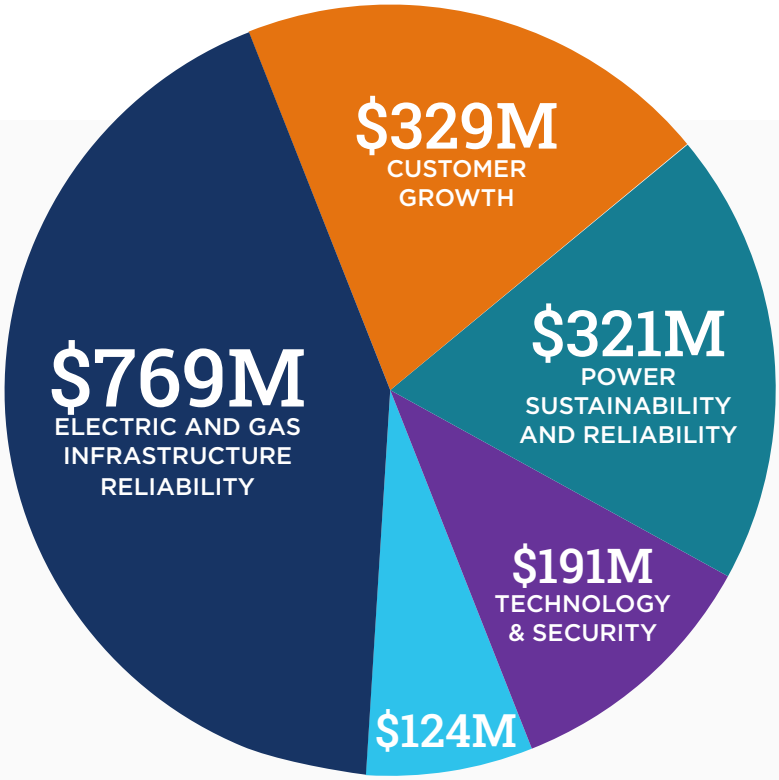
The chart below highlights CPS Energy's fiscal year 2027 capital budget forecast which demonstrates that a majority of future spending will be directed toward resiliency-related investments and programs. These investments reflect our effort to deliver reliable, affordable, and cleaner energy for our customers and support the long-term needs of the community we serve.

Current capital budget demonstrates broad resiliency spending.

FY 2027

**CAPITAL BUDGET FORECAST**

**$1.73B**




**Electric and Gas Infrastructure Reliability**
The focus is on electric and gas distribution and transmission infrastructure projects. The goal of these projects is to improve customer safety and minimize the quantity and duration of customer outages.

**Customer Growth**
The plan is to upgrade and extend service to meet evolving needs of existing customers and the growing community. Projects include new subdivision construction, meter installation, and commercial services.

**Power Sustainability & Reliability**
The strategy includes generation fleet overhauls, planned upgrades, and new reliability projects to expand our electric supply and energy storage.

**Technology & Security**
The objectives are to address physical security risks, implement technology platform upgrades and enhance computer based communication. Integrated systems and improved monitoring support better security and modernized operations.

**Customer and Community Engagement and Shared Services**
To drive innovation and support our customers as One Team, CPS Energy will invest in Critical Support Operations, which encompasses Administration, Financial Services, Legal, Customer, Fleet and Real Estate Master Plan projects.

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