



**CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON JULY 29, 2024, AT 3:00 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

ITEM	TOPIC	ACTION	PRESENTER/ SPONSOR
1	CALL TO ORDER	Execute	Ms. Janie Gonzalez
2	SAFETY MESSAGE, INVOCATION & PLEDGE OF ALLEGIANCE	Execute	Mr. Chris Tellez
3	PUBLIC COMMENT Pre-Registration is from Wednesday, July 24, 2024, 5:00 PM – Friday, July 26, 2024, 1:00 PM. Dial (210) 353-4662 or email PublicCommentRegistration@CPSEnergy.com	Discuss	Ms. Janie Gonzalez
UPDATE ON CHAIR’S PRIORITIES			
4	CHAIR’S REMARKS	Discuss	Ms. Janie Gonzalez
5	CEO RECOGNITION	Discuss	Mr. Rudy Garza
CONSENT AGENDA			
6	APPROVAL OF CONSENT ITEMS: A. Payment to the City of San Antonio for June 2024 B. Minutes from the June Regular Board Meeting, held on June 24, 2024 C. Procurement Items: 1. General Services: Civil Site Work Construction Services (Mr. Richard Medina)	Vote	Ms. Janie Gonzalez

	2. General Services: Underground Residential Electric Distribution and Electric Terminations (Mr. Richard Medina)		
REGULAR AGENDA			
7	COMMITTEE REPORTS A. Technology and Resilience Committee (T&R) meeting held on June 10, 2024 (Ms. Janie Gonzalez)	Discuss	Ms. Janie Gonzalez
8	RESOLUTION SUPPORTING FY2025 CEO SCORECARD & METRICS (Ms. Lisa Lewis)	Vote	Ms. Janie Gonzalez
9	APPOINTMENT TO THE COMMUNITY INPUT COMMITTEE (CIC) (Mr. Matthew Jones)	Vote	Ms. Janie Gonzalez
10	FY2025 FIRST QUARTER PERFORMANCE UPDATE	Discuss	Mr. Cory Kuchinsky & Ms. Elaina Ball
11	SUPPLY CHAIN UPDATE	Discuss	Ms. Lisa Lewis
12	REVIEW OF ACTION ITEMS	Discuss	Ms. Devi Kumar-Nambiar
CONVENE TO EXECUTIVE SESSION			
13	EXECUTIVE SESSION: A. Competitive Matters (§551.086) B. Attorney-Client Matters (§551.071)	Discuss	Ms. Janie Gonzalez
RECONVENE TO OPEN SESSION			
14	ADJOURNMENT	Execute	Ms. Janie Gonzalez
If the Board meeting has not adjourned by 5:25 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.			

CPS Energy Board of Trustees Meeting July 29, 2024

Approval of Payment to the City of San Antonio for June 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 June 2024 is based on actual gross revenue per the New Series Bond Ordinance of \$305,034,128.32, less applicable exclusions. The revenue for the month of June 2024 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$340,772,962.07
Gas revenue	12,838,378.54
Interest and other income	7,208,346.93
Gross revenue per CPS Energy financial statements	360,819,687.54
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(9,281,105.19)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(28,084,960.90)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	(18,419,493.13)
Total excluded revenue	(55,785,559.22)
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	\$305,034,128.32
City payment per Bond Ordinance for June 2024 based upon June 2024 revenue	\$42,704,777.96
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	287,426.07
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)
City payment per Bond Ordinance plus adjustments for memorandums of understanding	42,979,704.03 A
Utility services provided to the City for June 2024	(2,973,027.57)
Net amount to be paid from June 2024 revenue to the City in July 2024	\$40,006,676.46

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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)

June 2024	Actual	Budget	Variance	
Current Month A	\$42,980	\$40,868	\$2,112	5.2%
Year-to-Date	\$167,459	\$167,045	\$414	0.2%

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 \$40,006,676.46 representing 14% of applicable system gross revenues for the month of June 2024, such payment being net of City utility services (\$2,973,027.57), is hereby approved." The Board ratifies that June 2024 revenue was sufficient to recover \$36,098,934.05 in funds that were advanced to the City in prior fiscal months.

Draft for review and approval
at the July 29, 2024 meeting

**CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON JUNE 24, 2024**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of June was held on Monday, June 24, 2024, in the Board Room on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas.

I. CALL TO ORDER

Chair Gonzalez called the meeting to order at 1:00 p.m.

Present were Board members:

Ms. Janie Gonzalez, Chair
Dr. Francine Romero, Vice Chair
Dr. Willis Mackey
Mr. John Steen
Mayor Ron Nirenberg (arrived at 1:04 p.m.)

Also present were:

Mr. Rudy Garza, President & CEO
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary
Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer
Mr. Evan O'Mahoney, Chief Information Officer
Ms. Lisa Lewis, Chief Administrative Officer
CPS Energy staff members
Interested Citizens

II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE

A safety message, invocation, and the Pledge of Allegiance were delivered by Mr. Matthew Jones, Director, Local Government Relations.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, thanked the Board for allowing her to be here, and stated she feels CPS Energy employees are proud to work for CPS Energy. She stated that Mr. Rudy Garza is not just doing a great job - she could use all the adjectives that say he is doing an amazing job. She stated that when she stops at construction sites, she asks the employees, and they all say that Mr. Garza is great and that he puts safety first. Finally, she quoted Justice Ruth Bader Ginsburg and encouraged women to be in places where decisions are made. She encouraged all women to empower themselves, and she stated she would provide a pin to Chair Gonzalez.

IV. CHAIR'S REMARKS

Chair Gonzalez stated it is a great time to connect with CPS Energy. She encouraged customers to participate in community events, and she highlighted upcoming events where customers can learn about

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assistance programs, energy conservation, and rebates. She noted that with higher summer bills, we want our customers to be prepared and informed. She encouraged customers to contact CPS Energy for assistance programs and information on conservation initiatives, rebate programs, and other programs.

She also introduced Cruz, the Chameleon, to be featured in CPS Energy's summer campaign. Cruz will provide energy-saving tips in English and Spanish to help customers manage their energy use more effectively. She also highlighted our Customer Response Unit, "CRU team," for their engagement with our customers.

Finally, she noted that CPS Energy is observing and supporting Pride Month as a time to honor and celebrate the LGBTQ+ community. She highlighted Mr. Michael Thurston, Project/Program Lead for Corporate Responsibility, who shared his story with the CPS Energy workforce. She expressed her love for her child who chose to live her true self. Finally, she thanked those who embrace and support Team Pride.

V. APPROVAL OF CONSENT ITEMS

On a motion by Trustee Dr. Mackey, seconded by Vice Chair Dr. Romero, and upon affirmative vote by all members present, the following items on the Consent Agenda were unanimously approved:

A. Approval of Payment to the City of San Antonio for May 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 May 2024 is based on actual gross revenue per the New Series Bond Ordinance of \$252,269,489.02, 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 \$5,061,012.27. 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 \$5,061,012.27 against future months' revenues for fiscal year 2025. The revenue for the month of May 2024 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$305,032,829.43
Gas revenue	14,304,594.88
Interest and other income	9,961,255.65
Gross revenue per CPS Energy financial statements	329,298,679.96
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(8,266,669.46)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(20,259,232.68)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled	

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revenue	(48,503,288.80)
Total excluded revenue	<u>(77,029,190.94)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$252,269,489.02</u>
City payment per Bond Ordinance for May 2024 based upon May 2024 revenue	\$35,317,728.46
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	295,556.06
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	35,600,784.52 A
Utility services provided to the City for May 2024	<u>(2,797,419.24)</u>
Net amount to be paid from May 2024 revenue to the City in June 2024	<u>\$32,803,365.28</u>

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)

May 2024	Actual	Budget	Variance	
Current Month A	\$35,600	\$32,450	\$3,150	9.7%
Year-to-Date	\$124,479	\$126,177	(\$1,698)	-1.3%

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 \$32,803,365.28 representing 14% of applicable system gross revenues for the month of May 2024, such payment being net of City utility services (\$2,797,419.24), and including the current month shortage, is hereby approved." The total amount to be recovered from future months' revenues for fiscal year 2025 is \$36,098,934.05.

B. Minutes from the May Regular Board Meeting, held on May 20, 2024

C. Procurement Items: None

VI. 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. Operations Oversight Committee meeting held on May 6, 2024. The report is attached as Attachment "A" to the meeting minutes.
- B. Personnel Committee meeting held on May 29, 2024. The report is attached as Attachment "B" to the meeting minutes.

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VII. EXECUTIVE SESSION

At approximately 1:13 p.m., Chair Gonzalez announced the Board would go into Executive Session, and 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:

- Personnel Matters (§551.074)

The Board reconvened in open session at 2:06 p.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.

VIII. FY2024 CEO PERFORMANCE OVERVIEW & VOTE ON COMPENSATION ADJUSTMENT

Ms. Lisa Lewis, Chief Administrative Officer, summarized the process for annually reviewing the performance of the President & CEO. She noted that it aligns with the fiscal year, and recapped the steps taken to date for Mr. Garza's FY2024 review, including meetings of the Personnel Committee and input by the Board.

Trustee Dr. Mackey noted that the Board of Trustees met in Executive Session to discuss the performance of Mr. Garza, for the period ended January 31, 2024. The Board reviewed the CEO scorecard, which includes quantitative metrics for customer satisfaction, financial performance, and operational excellence. The metrics are challenging, and they help ensure that the company continues moving forward. He also noted the strategic objectives for the CEO, which included securing new generation, addressing reliability and resiliency for the long term, and ensuring robust strategic planning for the future. He also noted that under the leadership of Mr. Garza, CPS Energy has improved already-strong customer satisfaction ratings, improved the financial condition of the utility in relation to past-due accounts, and increased reliability through extensive focus on tree-trimming, infrastructure improvements, and securing current and future generation resources. Finally, he noted that the Board reviewed information prepared by Willis Towers Watson (WTW) regarding total compensation for CEOs in the energy utility sector. In looking at more than a dozen comparable companies across the industry, including for-profit and municipal utilities, Mr. Garza's salary is a fraction of the average for CEOs, even though Mr. Garza has the same accountabilities as his peers—and those accountabilities have increased as operations grow to include assets across Texas.

Based on this information, Trustee Dr. Mackey moved that the Board recognize Mr. Garza's FY2024 accomplishments by:

- Increasing Mr. Garza's base salary, effective May 26, 2024, by 13.2 percent, from \$655,000 per year to \$742,000 per year;
- Incorporating into his employment agreement an annual retention payment for years 2025 and 2026 of up to 10% base pay per year, payable at the conclusion of the initial term of the agreement provided he remains in good standing with the organization, to induce Mr. Garza to remain with the organization through the full contract period.
- Directing staff and outside counsel to prepare an update to the CEO Agreement to reflect the same.

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Chair Gonzalez seconded the motion. The Board of Trustees discussed the motion, and it was unanimously approved.

IX. RESOLUTION SUPPORTING FY2025 CEO SCORECARD & METRICS

Trustee Dr. Mackey moved adoption of the resolution, and Mayor Nirenberg seconded the motion. Ms. Ramirez read the following resolution:

RESOLUTION SUPPORTING FY2025 CEO SCORECARD

WHEREAS, CPS Energy is a municipally-owned utility of the City of San Antonio;
and

WHEREAS, Section 1502.070 of the Texas Government Code provides that the powers and duties of the CPS Energy Board of Trustees is determined through the proceedings of the City of San Antonio in its bond ordinances; and

WHEREAS, these Bond Ordinances vest the management and control of CPS Energy with the Board of Trustees and provides that the Board may appoint a President & CEO; and

WHEREAS, the CPS Energy Board of Trustees has consistently appointed a President & CEO to develop the strategic direction and provide for the overall management of CPS Energy's operations; and

WHEREAS, the CPS Energy Board of Trustees has created a Personnel Committee which is charged with managing the performance of the President & CEO, as the Board of Trustees' sole employee; and

WHEREAS, the Personnel Committee Charter directs the Committee to report to the Board the "appropriate CEO performance metrics consistent with CPS Energy's long-term vision and strategic objectives"; and

WHEREAS, the Personnel Committee establishes a "CEO Scorecard" each year, which represents the CEO performance metrics that aligns with the CPS Energy enterprise measures and strategic objectives; and

WHEREAS, the enterprise measures have been developed in consultation with third party to identify considerations, challenge assumptions, and compare to benchmarks; and

WHEREAS, for this fiscal year, the Personnel Committee utilized the enterprise measures, validated by hbaileygroup, LLC, and the established Vision 2027 strategic plan to develop the FY2025 CEO Scorecard; and

WHEREAS, the Board of Trustee provides feedback to management in the development and establishment of these enterprise measures each year; and

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WHEREAS, the FY2025 CEO Scorecard drives the Board of Trustees' expectations for the President & CEO which then translates to the organization's performance; and

WHEREAS, this year, the Personnel Committee has reported the appropriate CEO performance metrics for President & CEO, Mr. Rudy D. Garza, to this Board with the FY2025 CEO Scorecard, and has offered an opportunity for input and feedback from all Board Members.

NOW, THEREFORE, BE IT RESOLVED, CPS Energy Board of Trustees confirms and supports this process and affirms that the FY2025 CEO Scorecard is the means to measure the performance this fiscal year of the CPS Energy President & CEO, Mr. Rudy D. Garza.

The Board discussed the motion.¹ As a result of the discussion, Trustee Dr. Mackey withdrew his motion to approve the resolution. The Board of Trustees decided to defer the item until the next Board of Trustees meeting. Chair Gonzalez asked that Trustees provide any feedback within two weeks to ensure an updated version of the FY2025 CEO Scorecard could be timely prepared.

X. APPOINTMENTS TO THE COMMUNITY INPUT COMMITTEE (CIC)

Ms. Kathy Garcia, Vice President, Government and Regulatory Affairs & Public Policy, presented the appointments to the Community Input Committee (CIC). She reviewed the recent changes by the Board that led to the Citizens Advisory Committee (CAC) evolving into the CIC. She reviewed the current composition of the CIC, including the two vacancies. She then noted that four new members will be appointed. She provided an overview of the application process, and she then highlighted the four quadrant nominees: Christopher Fullerton, Dana McGinnis, Frank Dunn, and Peter Onofre; the at-large nominee: Maria Nelson; and the District 5 nominee: Julián Villarreal.

Trustee Dr. Mackey asked that we vote on each nominee, which was agreed to by Chair Gonzalez.

Trustee Dr. Mackey then moved approval of Chris Fullerton. Vice Chair Dr. Romero seconded. Dr. Romero thanked everyone who applied in her quadrant and noted she felt they were all really qualified. She also noted that Mr. Fullerton served on the Rate Advisory Committee (RAC). The Board approved Mr. Fullerton's appointment unanimously.

Trustee Steen moved approval of Dana McGinnis, and there was not a second. Chair Gonzalez asked that Trustee Steen have an opportunity to review the applications.

Trustee Dr. Mackey moved approval of Frank Dunn, and Chair Gonzalez seconded. Trustee Steen asked Mr. Dunn to share some of his experience in working for CPS Energy. Mr. Dunn noted that he worked

¹ Trustee Steen asked that his concerns be reflected in the minutes. He noted his ongoing concern that the changes to the CEO and enterprise metrics have resulted in a weakening of metrics which will result in a better scorecard result not by improved performance but by changing the methodology. He also expressed concerns with the draft FY2025 CEO Scorecard, noting that it appeared to be hastily put together and not well thought out. He noted concern with some of the proposed goals, specifically the liquidity cushion metric and bond rating metric. Finally, he expressed concern that there was not a metric related to past due accounts receivables.

Draft for review and approval
at the July 29, 2024 meeting

at a power plant in his younger years, but that as he comes from a family of businesspeople, while he loved CPS Energy, he needed to change his career. The Board approved Mr. Dunn's appointment unanimously.

Chair Gonzalez moved approval of Peter Onofre, and Trustee Dr. Mackey seconded. She noted that Mr. Onofre is very active in the community, and it's important to have engaged people on the CIC. She noted his retirement from the City of San Antonio. The Board approved Mr. Onofre's appointment unanimously.

Trustee Dr. Mackey moved approval of Maria Nelson, and Vice Chair Dr. Romero seconded. Dr. Romero noted she took her class at UTSA and that it's not lost that she is the only woman being appointed. Chair Gonzalez stressed that women should apply to increase board diversity. The Board approved Ms. Nelson's appointment unanimously.

Trustee Dr. Mackey moved approval of Julián Villarreal, and Chair Gonzalez seconded. The Board approved Mr. Villarreal's appointment unanimously.

Trustee Steen asked Chair Gonzalez to review the applications for Quadrant 2 and bring forward a candidate. She agreed.

XI. CEO RECOGNITION

Mr. Rudy Garza, President & CEO, recognized the first quarter CEO Core Value Award Honorees. He noted that these employees are at the heart of everything we do and that they consistently go above and beyond.

XII. REVIEW OF ACTION ITEMS

Ms. Ramirez reviewed the previous action items, noting that there are two remaining open items from the Risk Management Committee. She reviewed the three action items from today.

XIII. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Trustee Dr. Mackey, seconded by Chair Gonzalez and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 3:05 p.m. by Chair Janie Gonzalez.

Shanna M. Ramirez
Secretary of the Board



CPS Energy Board of Trustees Meeting
July 29, 2024
APPROVAL of PROCUREMENT ITEMS
Table of Contents

<p>1. Item Description:</p> <p>Purchase Category:</p> <p>Supplier:</p>	Civil Site Work and Construction Services
	General Services
	Allbrite Constructors of Texas, Inc
	Dorazio Enterprises, Inc
	E-Z Bel Construction, LLC
	Guido Construction Company
	HJD Capital Electric, Inc
	JAMCO Ventures, LLC
	Paloma Blanca Enterprises, Inc
	Zachry Underground & Utility Services, Inc

Committee Presentations: Operations Oversight Committee – May 6, 2024
 Audit & Finance Committee – July 18, 2024

<p>2. Item Description:</p> <p>Purchase Category:</p> <p>Supplier:</p>	Underground Residential Electric Distribution and Electric Terminations
	General Services
	Bartek Construction Co
	HJD Capital Electric, Inc.
Zachry Underground & Utility Services, Inc	

Committee Presentations: Operations Oversight Committee – May 6, 2024
 Audit & Finance Committee – July 18, 2024

Approval:

**Lewis,
Lisa D** Digitally signed
by Lewis, Lisa D
Date: 2024.07.16
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Lisa Lewis, Chief Administrative Officer

Approval:

**Garza,
Rudy D.** Digitally signed
by Garza, Rudy D.
Date: 2024.07.16
10:24:32 -05'00'

Rudy Garza, President & CEO



**CPS Energy Board of Trustees Meeting
July 29, 2024
Procurement Form 1**

Item Description	Civil Site Work and Construction Services
Purchase Order Value	\$200,000,000
Purchase Category	General Services
Department	Energy Delivery Services
VP T&D Engineering & Grid Transformation	Ricardo Maldonado
Chief Energy Delivery Officer	Richard Medina

Detailed Description

CPS Energy staff recommend that a contract be awarded to Allbrite Constructors of Texas, Inc., Dorazio Enterprises, Inc., E-Z Bel Construction, LLC, Guido Construction Company, HJD Capital Electric, Inc., JAMCO Ventures, LLC, and Paloma Blanca Enterprises, Inc. all local, diverse firms and Zachry Underground & Utility Services, Inc. a local firm as the respondents who will provide the goods or services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is for civil construction services for electrical substation civil site work and general civil construction services, which include grading, drainage, stormwater pollution prevention, concrete foundations, access roads, and driveways. This contract will allow CPS Energy to support a large influx of emergent customer projects, including generation interconnect and large customer load requests. This contract will expire on July 31, 2027.

Subcontracting Opportunities

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

The solicitation method for this procurement was a Request for Proposals (RFP). An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

Evaluation Criteria	Points
The overall cost	34
Experience and qualifications to perform the Services	30
Safety records and training program	20
Economic Development (local & diverse consideration)	10
The ability to meet CPS Energy's requirements	6
TOTAL	100



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Procurement Form 1

Recommended Respondent(s) & Award					
Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Paloma Blanca Enterprises, Inc	Local/Diverse (Small)	94	\$25,000,000	2221176	Corporate headquarters located in San Antonio Metropolitan area
JAMCO Ventures, LLC	Local/Diverse (Small, Hispanic American Owned, HUBZone)	93	\$25,000,000	2221177	Corporate headquarters located in San Antonio Metropolitan area
HJD Capital Electric, Inc	Local/Diverse (Small, HUBZone)	92	\$25,000,000	2221178	Corporate headquarters located in San Antonio Metropolitan area
E-Z Bel Construction, LLC	Local/Diverse (Small, Hispanic American Owned)	90	\$25,000,000	2221179	Corporate headquarters located in San Antonio Metropolitan area
Guido Construction Company	Local/Diverse (Small, Woman Owned)	89	\$25,000,000	2221180	Corporate headquarters located in San Antonio Metropolitan area
Zachry Underground & Utility Services, Inc	Local	80	\$25,000,000	2221181	Corporate headquarters located in San Antonio Metropolitan area
Dorazio Enterprises, Inc	Local/Diverse (Small)	77	\$25,000,000	2221182	Corporate headquarters located in San Antonio Metropolitan area
Allbrite Constructors of Texas, Inc	Local/Diverse (Small)	77	\$25,000,000	2221183	Corporate headquarters located in San Antonio Metropolitan area
TOTAL			\$200,000,000		

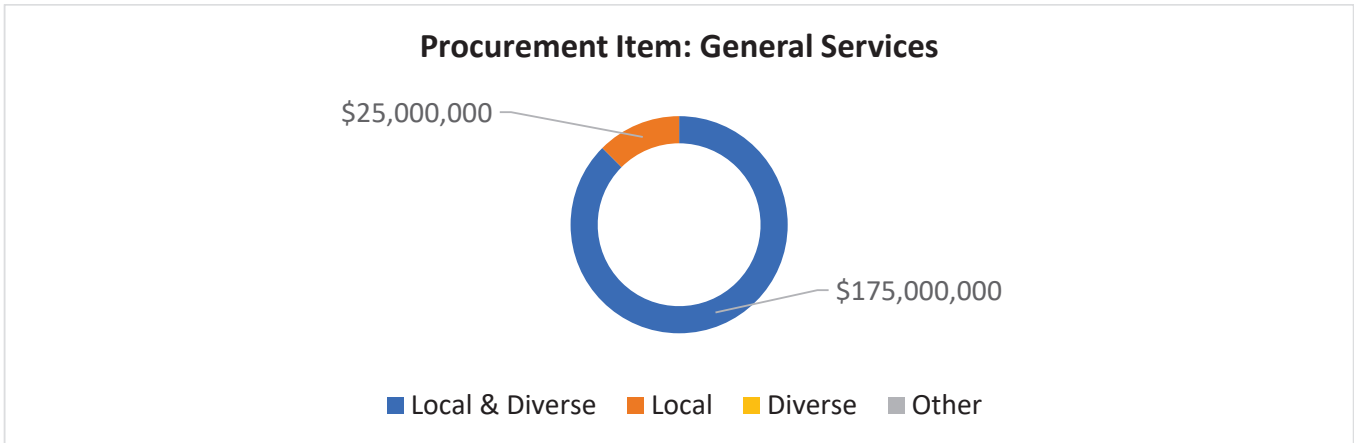
Three (3) additional respondents were not recommended for award: 4MX Ag. Conservation & Construction LLC DBA 4MX Ag. Conservation & Construction; Packet Construction LLC; and RIGID CONSTRUCTORS LLC.



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Procurement Form 1

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2025 PO Spend	% of FY2025 Annual Corp Budget	Projected FY2026 PO Spend	Projected FY2027 PO Spend	Projected FY2028 PO Spend
\$937,000,000	Capital	\$18,600,000	2%	\$91,910,000	\$60,000,000	\$29,490,000
\$890,000,000	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

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





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Procurement Form 2

Item Description	Underground Residential Electric Distribution and Electric Terminations
Purchase Order Value	\$100,000,000
Purchase Category	General Services
Department	Resource Management
VP Construction & Maintenance Services	Jose Trevino
Chief Energy Delivery Officer	Richard Medina

Detailed Description

CPS Energy staff recommends that a contract be awarded to Bartek Construction Co. and HJD Capital Electric, Inc., both local, diverse firms, and Zachary Underground & Utility Services, Inc., a local firm, 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 installation and maintenance of underground residential electric distribution and electric terminations. This contract will enhance CPS Energy’s resiliency and reliability through replacement of residential direct buried cable with cable inside conduit and replacing single-phased electric transformers. Award amounts were based on crew resource availability. This contract will expire September 30, 2027.

Subcontracting Opportunities

All large 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 Proposals (RFP). An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

Evaluation Criteria	Points
Experience and qualifications to perform the Services	40
The overall cost	24
Safety records and training program	20
Economic Development (local & diverse consideration)	10
The ability to meet CPS Energy’s requirements	6
The financial soundness of the Respondent.	Pass/Fail
TOTAL	100



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Procurement Form 2**

Recommended Respondent(s) & Award					
Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
HJD Capital Electric, Inc.	Local/Diverse (Small, HUBZone)	65	\$30,000,000	2219969	Corporate headquarters located in San Antonio Metropolitan Area
Zachry Underground & Utility Services, Inc	Local	62	\$40,000,000	2219971	Corporate headquarters located in San Antonio Metropolitan Area
Bartek Construction Co	Local/Diverse (Small)	58	\$30,000,000	2219968	Corporate headquarters located in San Antonio Metropolitan Area
TOTAL			\$100,000,000		

Seven (7) additional respondents were not recommended for award: E-Z Bel Construction, LLC; Future Infrastructure; Greenstone Electrical Services, LLC; Mears Installation LLC; Pike Electric LLC; Power Standard, LLC; and Southwire Company.

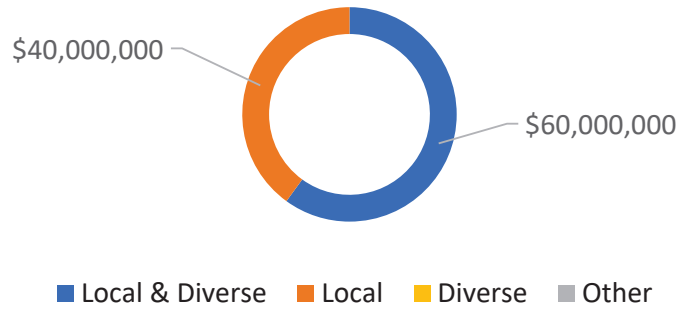
Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2025 PO Spend	% of FY2025 Annual Corp Budget	Projected FY2026 PO Spend	Projected FY2027 PO Spend	Projected FY2028 PO Spend
\$937,000,000	Capital	\$15,000,000	1.6%	\$30,000,000	\$30,000,000	\$25,000,000
\$890,000,000	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

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



CPS Energy Board of Trustees Meeting July 29, 2024 Procurement Form 2

Procurement Item: General Services





TECHNOLOGY & RESILIENCE COMMITTEE (T&R) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JUNE 10, 2024 MEETING PREPARED FOR BOARD CHAIR JANIE GONZALEZ FOR REPORT AT THE JULY 29, 2024 BOARD OF TRUSTEES MEETING

The Technology & Resilience Committee met on June 10, 2024. As part of the Technology & Resilience Committee Meeting agenda, the Committee:

- A. Approved meeting minutes from the prior meeting, held on February 19, 2024.
- B. Discussed the T&R Committee Charter.
- C. Received Evolve ERP Transformation and Data Center Transformation (DCT) Program – Phase II updates.
- D. One new action item was generated from this session.

The next meeting of the Technology & Resilience Committee will be held September 11, 2024.

RESOLUTION SUPPORTING FY2025 CEO SCORECARD & METRICS

WHEREAS, CPS Energy is a municipally-owned utility of the City of San Antonio; and

WHEREAS, Section 1502.070 of the Texas Government Code provides that the powers and duties of the CPS Energy Board of Trustees is determined through the proceedings of the City of San Antonio in its bond ordinances; and

WHEREAS, these Bond Ordinances vest the management and control of CPS Energy with the Board of Trustees and provides that the Board may appoint a President & CEO; and

WHEREAS, the CPS Energy Board of Trustees has consistently appointed a President & CEO to develop the strategic direction and provide for the overall management of CPS Energy's operations; and

WHEREAS, the CPS Energy Board of Trustees has created a Personnel Committee which is charged with managing the performance of the President & CEO, as the Board of Trustees' sole employee; and

WHEREAS, the Personnel Committee Charter directs the Committee to report to the Board the "appropriate CEO performance metrics consistent with CPS Energy's long-term vision and strategic objectives"; and

WHEREAS, the Personnel Committee establishes a "CEO Scorecard" each year, which represents the CEO performance metrics that aligns with the CPS Energy enterprise measures and strategic objectives; and

WHEREAS, the enterprise measures have been developed in consultation with third party to identify considerations, challenge assumptions, and compare to benchmarks; and

WHEREAS, for this fiscal year, the Personnel Committee utilized the enterprise measures, validated by hbaileygroup, LLC, and the established Vision 2027 strategic plan to develop the FY2025 CEO Scorecard; and

WHEREAS, the Board of Trustee provides feedback to management in the development and establishment of these enterprise measures each year; and

WHEREAS, the FY2025 CEO Scorecard drives the Board of Trustees' expectations for the President & CEO which then translates to the organization's performance; and

WHEREAS, this year, the Personnel Committee has reported the appropriate CEO performance metrics for President & CEO, Mr. Rudy D. Garza, to this Board with the FY2025 CEO Scorecard, and has offered an opportunity for input and feedback from all Board Members.

NOW, THEREFORE, BE IT RESOLVED, CPS Energy Board of Trustees confirms and supports this process and affirms that the FY2025 CEO Scorecard is the means to measure the performance this fiscal year of the CPS Energy President & CEO, Mr. Rudy D. Garza.

Shanna M. Ramirez
Secretary of the Board

DRAFT

Dear CPS Energy Board of Trustees:

The Personnel Committee recommends the proposed new CEO scorecard for the President & CEO of our municipally owned utility. This recommendation is based on a thorough review of best practices from leading utilities, including, Austin Energy, Seattle City Light, Los Angeles Department of Water and Power, Nashville Electric Service, and industry associations, like the American Public Power Association (APPA).

Benefits of the New Scorecard

- **Strategic Alignment:** Aligns with CPS Energy's Vision 2027, focusing on operational evolution, financial stability, customer experience, community partnerships and growth, and innovation and modernization.
- **Comprehensive Evaluation:** Combines quantitative and qualitative measures for a balanced performance assessment, providing a nuanced understanding of the CEO's performance and its impact on employee morale, customer satisfaction, and community engagement.
- **Improved Transparency:** Demonstrates our commitment to transparency in leadership evaluation, offering stakeholders a clearer understanding of the CEO's performance and the organization's progress toward its goals.
- **Facilitation of Continuous Improvement:** Encourages continuous improvement by regularly updating scorecard metrics, ensuring the CEO's goals remain relevant and aligned with evolving challenges and opportunities in the energy sector.

The Personnel Committee believes this new scorecard will drive effective performance evaluation and strategic alignment, ultimately benefiting our utility and the community we serve.

Sincerely,



Janie Martinez Gonzalez
Chair, Personnel Committee
CPS Energy

CC: Dr. Willis Mackey
Vice Chair, Personnel Committee

CPS Energy CEO Scorecard for FY2025

The CEO's scorecard is designed to provide a comprehensive evaluation based on metric types, Vision 2027, FY2025 enterprise goals, and performance ratings. Below is a detailed breakdown of the scorecard:

Leadership Pillar: Operational Evolution (20%)

- **Power Plant Availability (10%)**
 - **Metric Type:** Critical Months Equivalent Availability Factor (EAF). The fraction of net maximum generation that could be provided after all the types of outages and de-ratings during the critical seasons (January through February and June through September) are taken into account. The calculation will include coal, large gas (steam), peaking, and combined cycle plants.
 - **FY2025 Goal:** Achieve 90.5% power plant availability.
 - **Rating Criteria:**
 - **Meets:** Achieves 90.5% power plant availability.
- **Outage Duration - Reliability Metric (10%)**
 - **Metric Type:** System Average Interruption Duration Index (SAIDI). SAIDI represents the average outage duration per customer.
 - **FY2025 Goal:** Achieve SAIDI of 57.68 minutes per customer.
 - **Rating Criteria:**
 - **Meets:** Achieves SAIDI of 57.68 minutes per customer.

Leadership Pillar: Financial Stability (20%)

- **Financial Flexibility (5%)**
 - **Metric Type:** Adjusted debt service coverage. (2.5%)
 - **FY2025 Goal:** Achieve an adjusted debt service coverage ratio of $\geq 1.6X$.
 - **Rating Criteria:**
 - **Meets:** Achieves an adjusted debt service coverage ratio of $\geq 1.6X$.
- **Metric Type:** Debt Capitalization Ratio. (2.5%)
- **FY2025 Goal:** Achieve a debt capitalization ratio of $\leq 65\%$.
- **Rating Criteria:**
 - **Meets:** Achieves a debt capitalization ratio of $\leq 65\%$.

- **Liquidity (5%)**
 - **Metric Type:** Days cash on hand. (2.5%)
 - **FY2025 Goal:** Maintain \geq 150 days cash on hand.
 - **Rating Criteria:**
 - **Meets:** Maintains \geq 150 days cash on hand.
 - **Metric Type:** Days liquidity on hand. (2.5%)
 - **FY2025 Goal:** Maintain \geq 200 days liquidity on hand.
 - **Rating Criteria:**
 - **Meets:** Maintains \geq 200 days liquidity on hand.
- **Financial Performance (5%)**
 - **Metric Type:** Management of Capital budget. (2.5%)
 - **FY2025 Goal:** Achieve +/- 2.01 – 10% variance on the Capital budget.
 - **Rating Criteria:**
 - **Meets:** Achieves +/- 2.01 – 10% variance on the Capital budget.
 - **Metric Type:** Management of the Operations & Maintenance (O&M) budget. (2.5%)
 - **FY2025 Goal:** Achieve +/-2.01 – 5% variance on the O&M budget.
 - **Rating Criteria:**
 - **Meets:** Achieves +/-2.01 – 5% variance on the O&M budget.
- **Bond Rating Stability (5%)**
 - **Metric Type:** Bond Rating maintenance.
 - **FY2025 Goal:** No downgrade in the Bond Rating from the start to the end of the evaluation period.
 - **Rating Criteria:**
 - **Meets:** Maintains current Bond Rating.

Leadership Pillar: Customer Experience & Community Partnerships & Growth 20%

- **Customer Satisfaction (10%)**
 - **Metric Type:** The Customer Perception measure uses Escalent's Residential Engaged Customer Relationship, or ECR to measure CPS Energy customers'

value perceptions. The ECR is composed of three subcomponents: Brand Trust, Product Experience, and Service Satisfaction.

- **FY2025 Goal:** Achieve a satisfaction score of 699.
- **Rating Criteria:**
 - **Meets:** Achieves a satisfaction score of 699.

- **Strategic Community Investment (10%)**

- **Metric Type:** The percentage of eligible enterprise purchase order spend with businesses located within the San Antonio Metropolitan Statistical Area.
- **FY2025 Goal:** 70% of eligible enterprise purchase order spend with businesses located within the San Antonio Metropolitan Statistical Area.
- **Rating Criteria:**
 - **Meets:** 70% of eligible enterprise purchase orders are spent with businesses located within the San Antonio Metropolitan Statistical Area.

Leadership Pillar: Team Culture (15%)

- **Safety Performance (7.5%)**

- **Metric Type:** Enterprise Recordable Incident Rate (RIR), a measure of the number of recordable incidents per 100 full-time employees that have been involved in a recordable injury or illness. Recordable is an injury that requires medical treatment other than first aid, as well as one that causes death, days away from work, restricted work, transfer to another job, or loss of consciousness.
- **FY2025 Goal:** Achieve an RIR of 1.12.
- **Rating Criteria:**
 - **Meets:** Achieves an RIR of 1.12.

- **Living Mission & Values (7.5%)**

- **Metric Type:** Measure of organizational performance in four key areas that make up the demands of a changing workforce and reflect employees' perception of the corporate culture.
- **FY2025 Goal:** Achieve a Gallup 12+ Index score of 4.15.
- **Rating Criteria:**
 - **Meets:** Achieves a Gallup 12+ Index score of 4.15.

Leadership Pillar: Innovation & Modernization (10%)

- **Development of an AI Roadmap (3.33%)**
 - **Metric Type:** Create a comprehensive plan for AI initiatives that align with evolving business needs.
 - **FY2025 Goal:** Development of an AI Roadmap.
 - **Rating Criteria:**
 - **Meets:** Develops an AI Roadmap.
- **Additional Revenue / Grants (3.33%)**
 - **Metric Type:** Alternative funding sources.
 - **FY2025 Goal:** Pursuit of alternative funding sources, like State and Federal Grant opportunities or Congressional Budget inclusion.
 - **Rating Criteria:**
 - **Meets:** Pursues alternative funding sources.
- **Progress towards 2050 Strategy (3.33%)**
 - **Metric Type:** Development of a CPS Energy 2050 Strategy.
 - **FY2025 Goal:** Complete initial draft of 2050 Strategy.
 - **Rating Criteria:**
 - **Meets:** Completes initial draft of 2050 Strategy.

To advance Vision 2027 and achieve our strategic goals aligned with industry advancements, we have identified key initiatives for the CEO. These initiatives are crucial for the ongoing evolution of our organization and the utility sector.

Strategic Goals (15%):

- **Carbon Reduction / Progress Towards CAAP (3%):** Implementation of our Power Generation Plan with the goal of moving to more efficient, less emitting resources to reduce carbon intensity. In addition, we are committed to our City's Climate Action & Adaptation Plan (CAAP), which includes a resolution to become carbon neutral by 2050.
- **Past-Due Receivables (3%):** To outperform budget to write-offs.

- **Community Resiliency & Conservation (3%):** Continue to engage in public / private partnerships with our community to improve resiliency and conservation.
- **Workforce Development (3%):** Continue to engage in training and upskilling programs to attract and retain talent with expertise in evolving energy infrastructure and technology systems. In addition, we will continue to prioritize succession planning and workforce diversity.
- **Digital Business Transformation (3%):** Progress towards ERP implementation, on schedule, scope, and budget.

Summary

This scorecard provides a balanced and comprehensive assessment of the CEO's performance across our Leadership Pillars. By focusing on operational evolution, financial stability, customer experience, community partnerships and growth, team culture, and innovation and modernization, we are ensuring that the CEO's efforts align with the company's Strategic Vision 2027, Enterprise Scorecard, and community values. Each metric type has clearly defined FY2025 goals and performance is evaluated based on whether these goals are met.

Executive summary of scorecards and performance metrics for CEOs of municipally owned utilities:

1. CPS Energy:

The CEO's scorecard is designed to align with CPS Energy's Enterprise Scorecard, Vision 2027, and community values which evaluates performance by delivering today and preparing for tomorrow.

2. Austin Energy:

Austin Energy is led by General Manager Bob Kahn, whose metrics include day-to-day operations, strategic direction, customer experience, grid resilience, environmental leadership, financial health, employee experience, and health and safety.

3. Seattle City Light:

Former CEO Debra Smith's performance metrics focused on financial stability, operational reliability, customer satisfaction, environmental stewardship, and employee engagement. The utility's strategic plan includes targets for renewable energy integration, grid modernization, and community programs.

4. Los Angeles Department of Water and Power (LADWP):

Former CEO Martin Adams' metrics were related to infrastructure investments, water and power reliability, environmental initiatives, customer service, and regulatory

compliance. The utility's performance is measured against ambitious sustainability goals, including reducing greenhouse gas emissions and increasing renewable energy usage.

5. Nashville Electric Service (NES):

Former CEO Decosta Jenkins' scorecard included financial performance, system reliability, customer service, and employee safety. NES focuses on modernizing the grid, enhancing cybersecurity, and improving community outreach programs.

6. General Practices in Public Power Utilities:

The American Public Power Association (APPA) highlights metrics like financial performance, operational reliability, customer service, digital transformation, environmental impact, community engagement, and leadership effectiveness for public power utilities.

DRAFT



APPOINTMENT TO COMMUNITY INPUT COMMITTEE (CIC)

PRESENTED BY:

Matthew C. Jones
Director, Local Government Relations

July 29, 2024
APPROVAL REQUESTED



COMMUNITY INPUT COMMITTEE (CIC) CANDIDATE

- At the June 24, 2024 Board meeting, Chair Gonzalez was asked to select a candidate to represent Quadrant Two (Q2) on the Community Input Committee (CIC).
- The 12 remaining applications were reviewed and given thorough consideration.
- Sara Villarreal is the recommended appointee.
- All CIC appointments require Board approval.



Sara Villarreal
(Quadrant 2)

- Entrepreneur and executive in real estate development.
- Board of Directors, KIPP Texas Public Charter Schools.
- Claremont McKenna College, B.A., with executive education courses from Columbia and UC Berkeley.

We are seeking your approval of Sara Villarreal as the Quadrant 2 representative on the Community Input Committee.

REQUEST FOR APPROVAL
COMMUNITY INPUT COMMITTEE (CIC) CANDIDATE



Sara Villarreal (Quadrant 2)



THANK YOU



FY2025 FIRST QUARTER PERFORMANCE UPDATE

PRESENTED BY:

Cory Kuchinsky, CPA

Chief Financial Officer & Treasurer (CFO)

Elaina Ball

Chief Strategy Officer

July 29, 2024

Informational Update

AGENDA



- Financial Performance
- Past Due Accounts Update
- Enterprise Scorecard Recap

**Our objective is to provide you with an update on our Q1 (as of April 30, 2024)
Financial & Enterprise Performance.**

FINANCIAL PERFORMANCE



Q1 UPDATE

- Milder weather drove core business electric and gas sales lower; led to Repair and Replacement (R&R) contributions lower than Plan
- Partially offsetting those lower sales was higher than planned wholesale revenue
- O&M costs were slightly higher due to storm restoration efforts and gas compliance activities
- Capital costs were above Plan due to transmission-related investments

NEW ASSET PURCHASE

- We made changes to our forecast that incorporate the recently announced power generation acquisitions
- These assets will enable us to mitigate market volatility in ERCOT, accommodate growth, and provide us with length near-term for our customers

FINANCIAL PERFORMANCE CONT'D.



FORWARD GUIDANCE

- The new gas plants provide us with additional generation length which could result in much higher wholesale revenues than Plan
- Progress on accounts receivables continue and we expect bad debt levels to fall lower than Plan
- O&M is expected to be slightly higher than Plan due to the addition of new assets and storm-related work
- Total Capital is expected to come in higher than Plan due to transmission-related investments



FLOW OF FUNDS

YEAR-TO-DATE ACTUAL VS. PLAN

Description	FY2025		
	Plan	Actuals	Variance: (Under Plan) Over Plan
Revenues, net of unbilled¹	\$ 738.3	\$ 678.9	\$ (59.4)
Less: fuel & regulatory expense	293.9	223.3	(70.6)
Less: Operation & maintenance	234.1	237.2	3.1
Revenues, net of Operating Expenses	210.3	218.4	8.1
Less: Debt service	119.1	119.9	0.8
6% Gross Revenue to R&R	44.3	40.7	(3.6)
Less: city payment (CP) per flow of funds	46.9	57.8	10.9
Remaining to R&R	-	-	-
Total R&R fund additions	\$ 44.3	\$ 40.7	\$ (3.6)
Gross Non-Transmission Capital	\$ 195.6	\$ 181.3	\$ (14.3)
Gross Transmission Capital	22.5	44.0	21.5
Total Gross Capital	\$ 218.1	\$ 225.3	\$ 7.2

Highlights:

- **Total Revenues**

- Low fuel costs and lower local customer electric sales drove lower fuel revenue.
- High market prices and low fuel costs increased wholesale revenue above Plan.

- **Operation & Maintenance**

- Over Plan primarily due to storm-related work and gas compliance activities.

- **Capital**

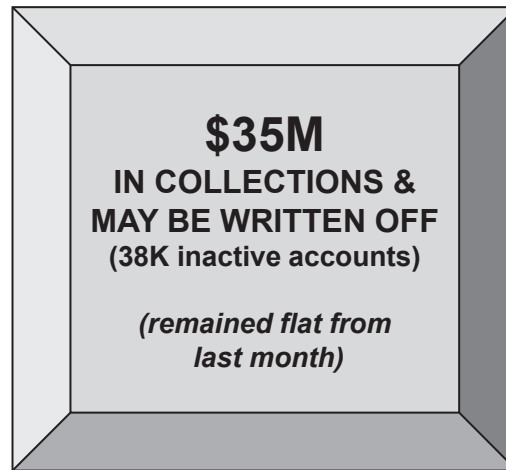
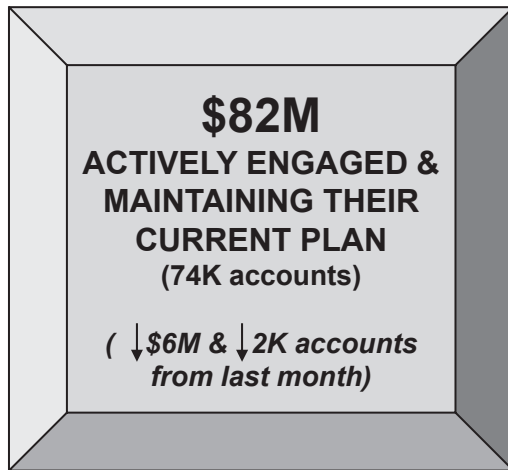
- Non-transmission is below Plan due to lower spending on residential and commercial new service installations as well as lower EVOLVE project spend.
- Transmission capital is above Plan primarily due to Elm Creek and Howard Rd. switchyard projects.

¹ April YTD bad debt expense of \$(5.2M) vs \$3.5M for Plan which is \$(8.7M) under Plan.



PAST DUE ACCOUNTS

We are actively managing the overall past-due balances and placing a strategic focus on the \$28M (down \$3M from March 2024) that holds the most significant potential for resolution through payment plans or account closure.



1. Data as of April 30, 2024



FY2025 ENTERPRISE SCORECARD



FY2025 ENTERPRISE SCORECARD

DRIVING ACTIONS TO DELIVER ON OUR MISSION

VISION 2027 OBJECTIVES

OPERATIONAL EVOLUTION

FINANCIAL STABILITY

CUSTOMER EXPERIENCE

TEAM CULTURE

COMMUNITY PARTNERSHIP & GROWTH

Strategic Execution - Forward Looking Progress Towards Vision 2027

Power Generation Plan		System Resiliency & Growth		EVOLVE: Enterprise Resource Planning		Customer Experience	
FY2025 Milestone	Status	FY2025 Milestone	Status	FY2025 Milestone	Status	FY2025 Milestone	Status
Execute Power Purchase Agreement(s) (PPA) pursuant to Storage Request for Proposal (RFP)	On Track	Commission Southgate and Westcreek station gas supply projects	On Track	Finalize Enterprise Resource Planning (ERP) technology contract	Completed	Target outreach and messaging by customer preference	On Track
Start procurement for Peaking Project 1	On Track	Begin routing process to build San Antonio South Reliability Transmission Line, complete Howard Rd substation site work expansion	On Track	Select system implementation partner	On Track	Expand customer equity programs qualification and enrollment approach	On Track
Notify and seek ERCOT response on intent to retire Braunig 1, 2 & 3	Completed	Complete ADMS hardware deployment, EMS functional acceptance testing and ADMS/GIS utility network final data conversion	On Track	Establish comprehensive change management and communication strategy	On Track	Enhance customer offerings and service offerings	On Track
Execute new acquisition integration plan	On Track						

Run the Business - Enterprise Measure Targets (yellow indicates Year End target is At Risk; details on FY2025 ENTERPRISE MEASURE RESULTS SLIDE)

57.68 Average Customer Outage Duration	0.54 Gas Safety	90.5% Plant Availability	≥3.0 Fiscal Resiliency	699 Customer Perception	4.15 Living Mission & Values	1.12 Safety Performance	70% Strategically Investing in the Community
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Milestones and measures are aligned with our Mission, Vision 2027, and Strategic Objectives.

FY2025 ENTERPRISE MEASURE RESULTS

AS OF APRIL 30, 2024



Strategic Objective	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year (FY2025 / CY2024)			Year-End Forecast	Latest Estimate
						FY2023	FY2024	YTD Target	YTD Actual	Year-End Target		
						CY2022	CY2023					
Operational Evolution	Average Customer Outage Duration (System Average Interruption Duration Index - SAIDI)	monthly	CY	#	↓	59.81	61.19	13.92	21.25	57.68	At Risk	63.59
	Plant Availability ¹ (Critical Months Equivalent Availability Factor - CMEAF)	monthly	CY	%	↑	88.9	94.4	90.5	95.8	90.5	On Track	92.4
	Gas Safety (Leaks Remaining at End of Year Per 1,000 Customers)	monthly	CY	#	↓	0.58	0.61	0.68	0.43	0.54	On Track	0.54
Financial Stability	Fiscal Resiliency ² (Index of Key Financial Measures)	monthly	FY	#	↑	3.13	3.71	2.54	2.37	≥3.0	On Track	3.20
Customer Experience	Customer Perception (Residential Engaged Customer Relationship – ECR)	quarterly	CY	#	↑	682	699	699	687	699	On Track	699
Team Culture	Living Mission & Values ³ (Gallup 12+ Index)	annually	FY	#	↑	N/A ⁴	4.12	4.15	-	4.15	On Track	-
	Safety Performance (Enterprise Recordable Incident Rate - RIR)	monthly	FY	#	↓	1.49	0.85	1.12	0.85	1.12	On Track	0.82
Community Partnership & Growth	Strategically Investing in the Community (Local Spend Percentage)	quarterly	FY	%	↑	73.97	74.78	70.00	72.23	70.00	On Track	70.00

¹ Critical months include January & February only; calculation to resume in June through September

² More information about this measure can be found in the Monthly Financial Update

³ A dash (-) represents no data currently available due to measure being reported annually

⁴ N/A signifies no historical results in FY2023 because measure was not tracked

FY2025 ENTERPRISE MEASURE - AT RISK

KEY OBSERVATIONS



Strategic Objective	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year			Year End Forecast	Latest Estimate
						FY 2023	FY 2024	YTD Target	YTD Actual	Year-End Target		
						CY 2022	CY 2023					
Operational Evolution	Average Customer Outage Duration (System Average Interruption Duration Index - SAIDI)	monthly	CY	#	↓	59.81	61.19	13.92	21.25	57.68	At Risk	63.59
	<p style="text-align: center;"><u>Key Observations:</u></p> <p><u>Drivers:</u></p> <ul style="list-style-type: none"> The first quarter of 2024 was met with severe weather patterns, resulting in an ice event in January and record setting rainfall throughout April. Equipment failure and tree outages are also contributing to outage durations. <p><u>Mitigations:</u></p> <ul style="list-style-type: none"> Addressing poor performing reliability circuits with enhanced inspections to identify maintenance and tree trimming needs. For substations, wildlife mitigation systems are being added as well as enhancing bi-annual inspections. Continuing investments with Capex reliability programs. 											



THANK YOU



APPENDIX

GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
ADMS	Advanced Distribution Management System	Debt Service	In the Flow of Funds, the annual amount of principal and interest payments due to bond holders
ADP	Affordability Discount Program	DOE	Department of Education
Adjusted Debt Service Coverage Ratio (ADSC)	Measurement of available cash flow to pay current debt obligations	ECR	Engaged Customer Relationship
CCF	100 Cubic Feet of Gas	EIT	Enterprise Information Technology
CIAC	Contribution in Aid of Construction	EMS	Emergency Management System
CP	City Payment	EPA	Environmental Protection Agency
CY	Calendar Year	EPC	Engineer, Procure, Construct
Days Cash on Hand (DCOH)	Represents the number of days a company can continue to pay its operating expenses with current cash available	ERCOT	Electric Reliability Council of Texas
Debt Capitalization Ratio	Measurement that shows the proportion of debt a company uses to finance its assets, relative to the amount of cash (equity) used for the same purpose	ERP	Enterprise Resource Planning

GLOSSARY / DEFINITIONS CONT'D.



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
EV	Electric Vehicle	LTSA	Long- Term Service Agreement
EVOLVE	Program for implementing ERP system	MCF	1000 Cubic Feet of Gas
FEMA	Federal Emergency Management Agency	MRA	Must Run Alternatives
FPL	Federal Poverty Level	MW	Megawatt
FY	Fiscal Year	NOE	Notice of Enforcement
GIS	Geographic Information System	NOV	Notice of Violation
GRIP	Grid Resilience and Innovation Partnerships	O&M	Normal costs incurred to keep business operations ongoing (Operating & Maintenance)
I&E	Instrumentation and Electrical	OER	Operational Efficiency Review
IEEE	Institute of Electrical and Electronics Engineers	OMS	Outage Management System
kWh	Kilowatt-hour	OPEB	Postemployment benefits other than pension benefits (Other Post-employment Benefits)
LE	Latest Estimate	OSHA	Occupational Safety and Health Administration

GLOSSARY / DEFINITIONS CONT'D.



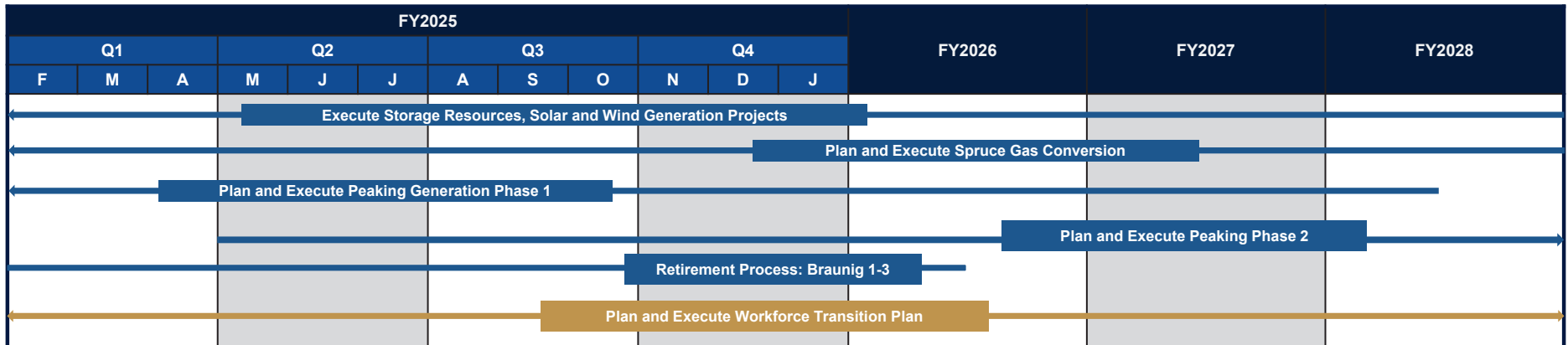
ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
PCA	Portfolio Commercial Availability	SAIDI	System Average Interruption Duration Index
PowerGADS	Power Generating Availability Data System	SAIFI	System Average Interruption Frequency Index
PPA	Power Purchase Agreement	SAP	Systems Applications and Products in Data Processing
R&R	A restricted cash account which may be used to fund construction costs (Repair & Replacement account)	SCADA	Supervisory Control and Data Acquisition
REP	Retail Electric Provider	STP	South Texas Project
RFP	Request for Proposal	TCEQ	Texas Commission on Environmental Quality
RFQ	Request for Quote	UN	Utility Network
RIR	Recordable Incident Rate	Wholesale Revenue net Fuel	Revenues from market sales of incremental power produced less the cost of fuel to produce the power
RMR	Reliability Must Run	WRAP	Weatherization Repair Assistance Program
S&P	Standard & Poor's	YTD	Year-to-Date



POWER GENERATION PLAN

Goal: Transition power generation portfolio to reduce emissions while providing reliable and affordable energy to meet growing community needs.

FY2025 Milestones	Status	Updates
Execute PPA pursuant to Storage RFP	On Track	<ul style="list-style-type: none"> Actively negotiating multiple contracts totaling 480 MW of 4-hour storage capacity Contracts are planned to be executed in Q2 of FY2025
Start procurement for Peaking Project 1	On Track	<ul style="list-style-type: none"> Request for Proposal (RFP) for power transformers is in flight Request for Quote (RFQ) for Engineer, Procure, Construct (EPC) contract is on track to start bid process in summer 2024 Working with facilities to possibly procure new site for project
Notify and seek ERCOT response to intent to retire Braunig 1, 2 & 3	Completed	<ul style="list-style-type: none"> Notified ERCOT in March 2024 of intent to retire Braunig 1-3 in March 2025 Response from ERCOT received; Reliability Must Run (RMR) decision delayed until an RFP for Must-Run Alternatives (MRA's) are initiated and completed by ERCOT
Execute new acquisition integration plan	On Track	<ul style="list-style-type: none"> Started work on transition plan focused on people, processes, and technology integration

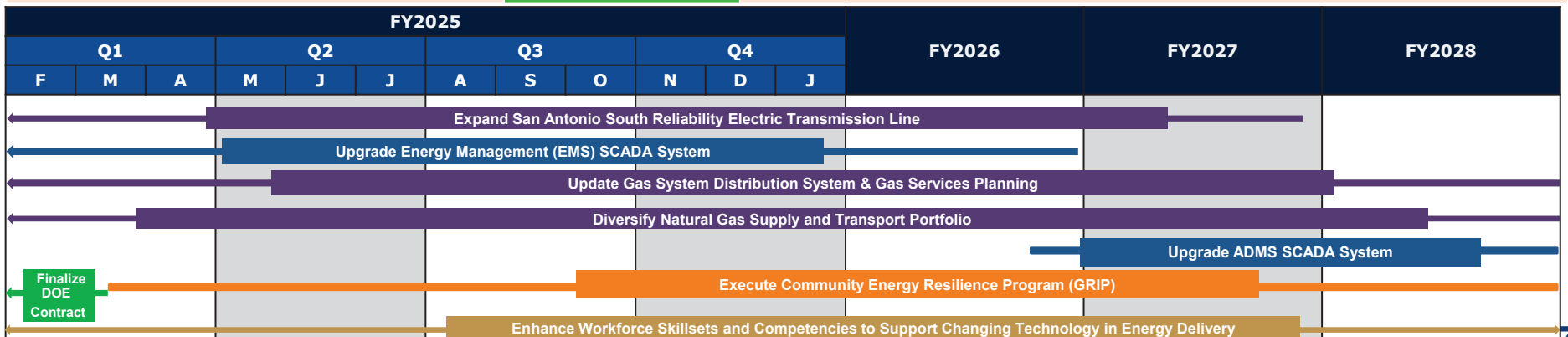




SYSTEM RESILIENCY & GROWTH

Goal: Support safe and responsible growth through enhancing resilient, safe, responsive and modern electric and gas services.

FY2025 Milestones	Status	Updates
Commission Southgate and Westcreek station gas supply projects	On Track	<ul style="list-style-type: none"> Westcreek: Infrastructure demo to begin in May. On track for construction to be completed 9/30 and commissioning 10/14 Southgate (now "Tejas Station"): Construction to be completed by July, CPS Energy civil/conduit installation occurring in July, mechanical/I&E installation occurring in August, and commissioning to occur 9/30
Begin routing process to build San Antonio South Reliability Transmission Line, complete Howard Rd. substation site work expansion.	On Track	<ul style="list-style-type: none"> Routing for one project has begun and the other is scheduled to begin in the upcoming months. Howard Rd. site work is 75% complete and on schedule to finish in October
Complete Advanced Distribution Management System (ADMS) hardware deployment, Emergency Management System (EMS) functional acceptance testing and ADMS/Geographic Information System (GIS) utility network final data conversion	On Track	<ul style="list-style-type: none"> SCADA transformation on track for ADMS/EMS and GIS Utility Network (UN) Phase 1 activities

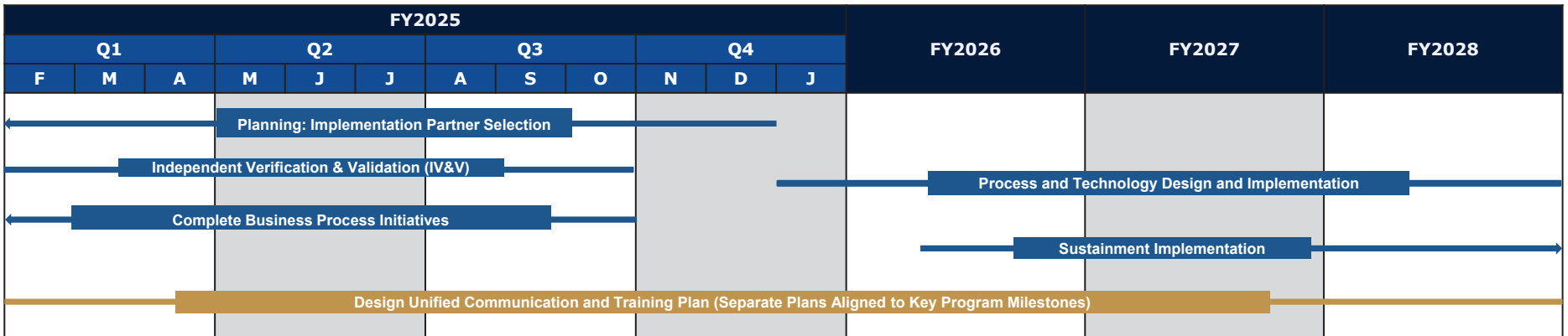


EVOLVE: ENTERPRISE RESOURCE PLANNING



Goal: Provide technology foundation that supports operational evolution through enhanced experiences for customers and employees.

FY2025 Milestones	Status	Updates
Finalize ERP technology contract	Completed	<ul style="list-style-type: none"> Oracle America, Inc. selected as the technology vendor with approved 10-year term contract valued at \$70 million Program budget of \$304M supports this technology contract
Select system implementation partner	On Track	<ul style="list-style-type: none"> Evaluation of options and strategy determination for implementation partner selection and bid package release targeted for Q2 Evaluation of proposals and contracting for Implementation Partner services is expected to be completed by Q4
Establish comprehensive change management and communication strategy	On Track	<ul style="list-style-type: none"> Change Management proposals solicited through IT Services partner ecosystem process Selected vendor will support the creation of a Change Management Strategic Plan for the program by Q2





CUSTOMER EXPERIENCE

Goal: Enhance CPS Energy's reputation, satisfaction and revenue through better employee engagement and positive customer experiences.

FY2025 Milestones	Status	Updates
Target outreach and messaging by customer preference	On Track	<ul style="list-style-type: none"> Provided targeted messaging for several City Council District and Bexar County assistance fairs to ensure customers needing assistance were aware of community events
Expand customer equity programs qualification and enrollment approach	On Track	<ul style="list-style-type: none"> The Affordable Discount Program (ADP) received Board & Council approval to increase the Federal Poverty Level (FPL) income qualifier from 125% to 150%. We are proposing to increase FPL for the REAP program as well.
Enhance customer offerings and service offerings	On Track	<ul style="list-style-type: none"> We have added the Weatherization Repair Assistance Program (WRAP) to help our customers with small repairs needed to their homes to improve energy efficiency. The City of San Antonio and other government sources have provided funding for repairs

FY2025											FY2026	FY2027	FY2028
Q1			Q2			Q3			Q4				
F	M	A	M	J	J	A	S	O	N	D			
Complete Residential and Commercial Segmentation and mapping of Customer Journey													
Identify Requirements in Evolve for CX Improvements													
Establish a Customer Experience (CX) Championship Team and define CX and set CS goals and metrics													
Increase Employee, Stakeholder and Community Communication													
Enhance New Products / Services / Rates													

FY2025 ENTERPRISE MEASURE SUMMARY

AS OF APRIL 30, 2024

Unrecoverable		At Risk		Strategic Variance		On Track		Total Enterprise Measures
0	0%	1	12.5%	0	0%	7	87.5%	8

FY2025 ENTERPRISE MEASURE OUTLIERS	
At Risk	Average Customer Outage Duration (System Average Interruption Duration Index – SAIDI)

**SAIDI is At Risk of achieving its year-end target.
Mitigations are in place to impact positive performance.**



ELECTRIC SALES

BY CUSTOMER SEGMENT – YTD FY2025*

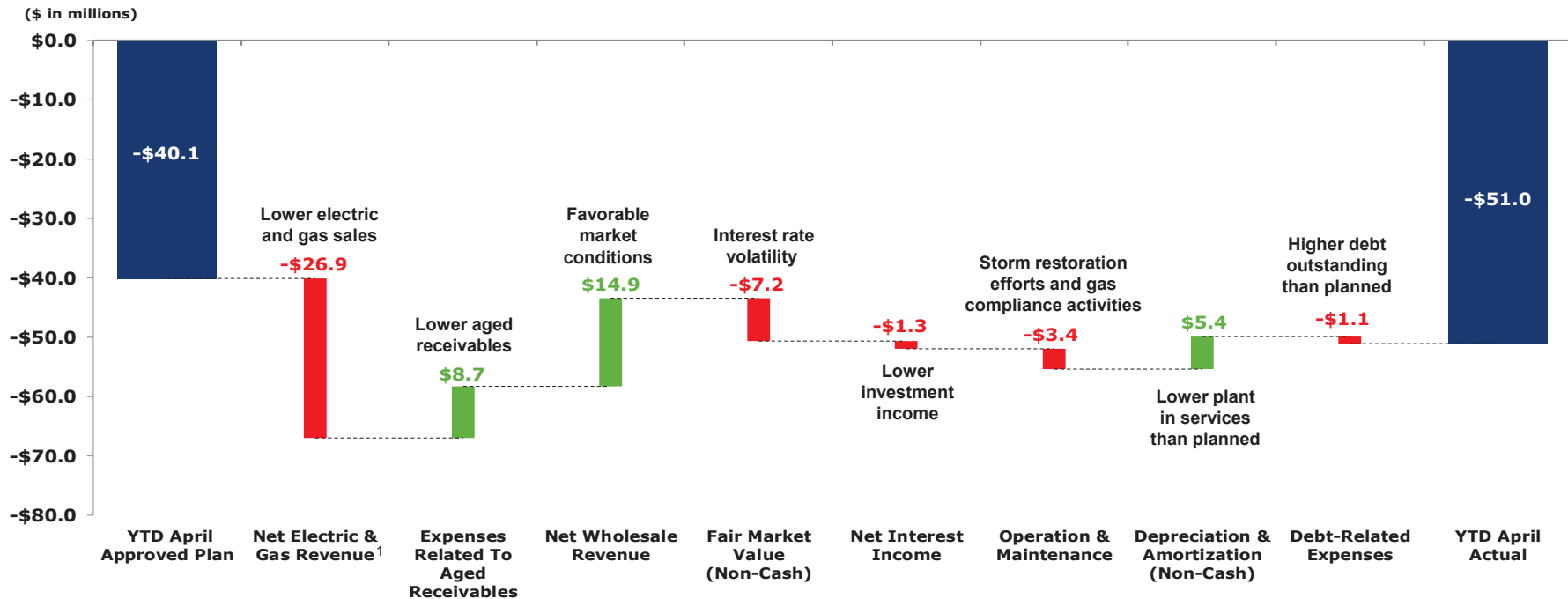
Customer Sector	Sales vs. Budget	% of Total Load	% Impact on Total Usage
Residential	-7.6%	40.8%	-3.1%
Churches & Services	-0.2%	6.5%	0.0%
Manufacturing	-0.5%	2.3%	0.0%
Retail	-0.7%	5.0%	0.0%
Educational Services	0.4%	4.9%	0.0%
Hotel & Food Services	0.0%	4.2%	0.0%
Other**	-2.1%	36.3%	-0.8%
Total System		100.0%	-3.9%

*Billed April actual YTD performance to Plan.

**Other sector includes other commercial sectors, data centers, food & wood product manufacturing, municipals, lighting, etc.

FY2025 YTD NET INCOME

PLAN TO ACTUAL WALK-FORWARD

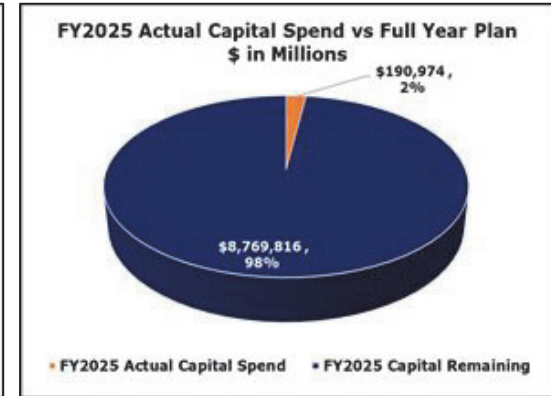
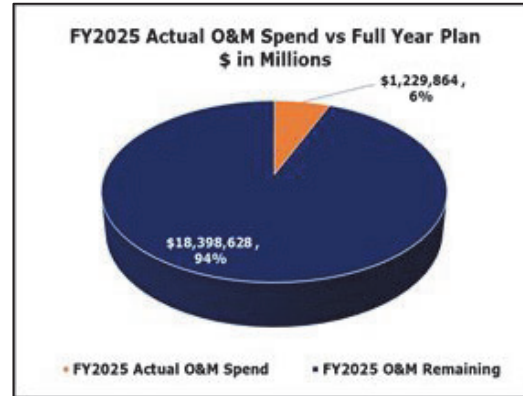
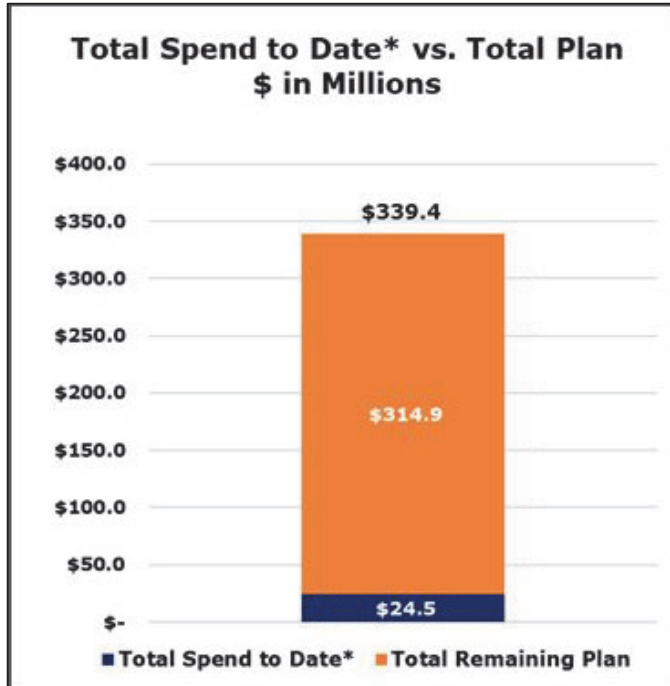


Lower electric and gas revenue brings Net Income lower than the Plan.

¹ 'Net electric & gas revenue' is net of gross revenue (billed & unbilled), net TCOS revenues, fuel & reg. & city payment.

EVOLVE FINANCIAL SUMMARY

AS OF APRIL 30, 2024



FY2025 O&M & Capital Spend			
\$ in Millions	Actual Spend	Full Year Plan	Variance
O&M	\$1.23	\$19.63	(\$18.40)
Capital	\$0.19	\$8.96	(\$8.77)
Total	\$1.42	\$28.59	(\$27.17)

* Includes FY2021-FY2024 Actuals and FY2025 YTD Actuals

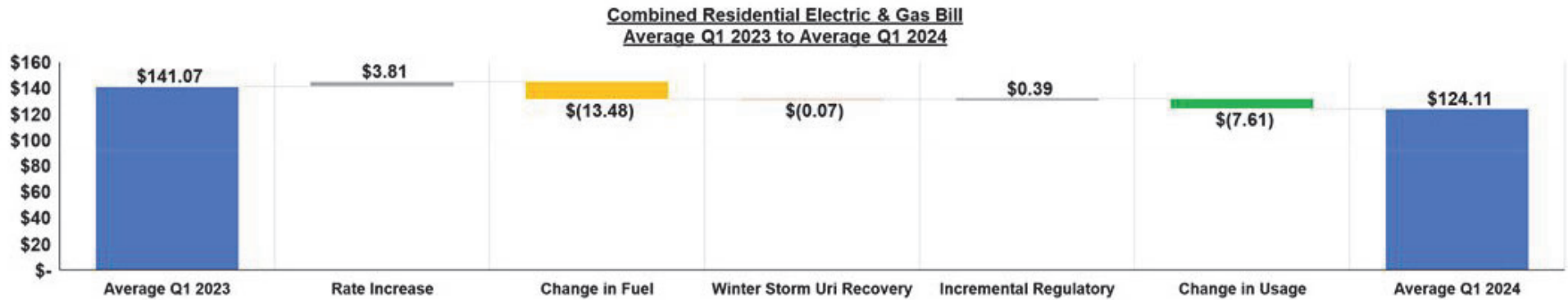
Oracle has been selected as the ERP vendor. Evolve initiatives continue to move forward.

(1) Visuals do not include any adjustments for contingencies.
 (2) Visuals include all EVOLVE initiatives. ERP is the largest effort within EVOLVE.
 (3) Total estimate informed by current known variables, to be refined based on future organizational, technology and market conditions.



RESIDENTIAL BILL IMPACT

Q1 FY2025 VS. Q1 FY2024



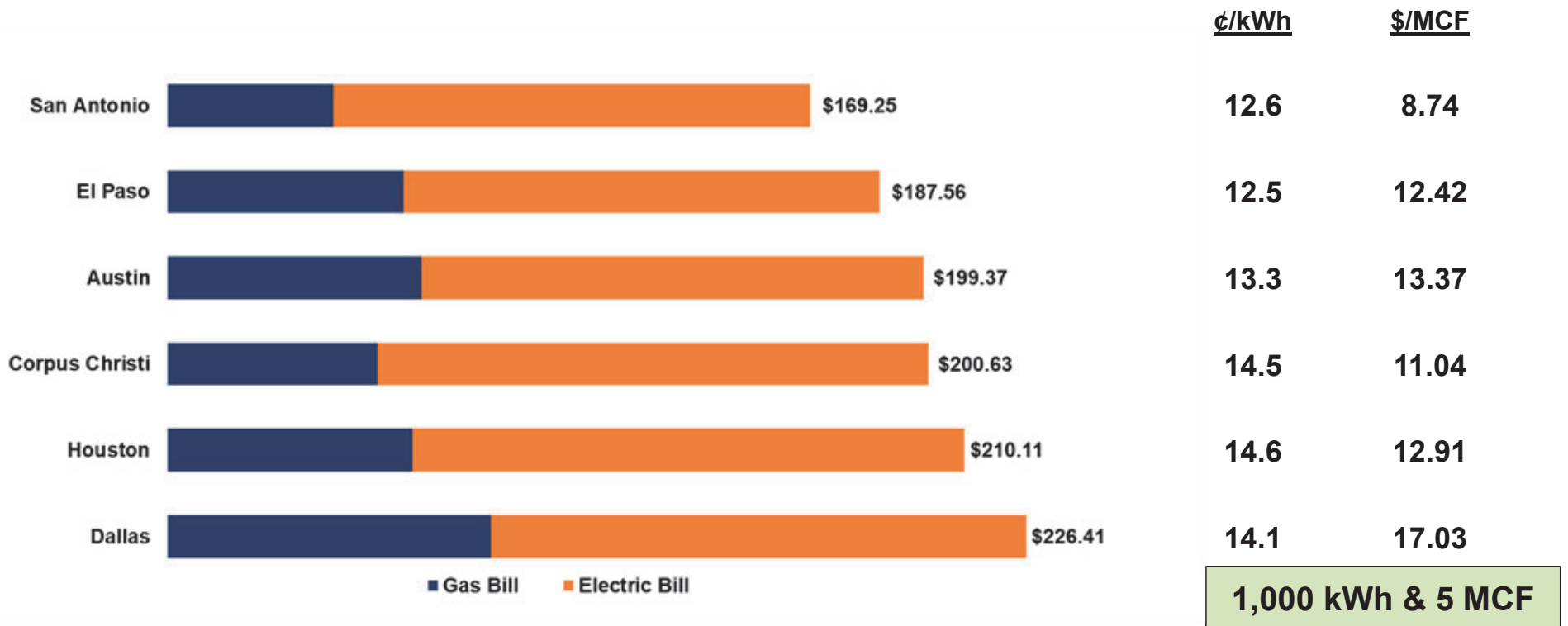
AVERAGE RESIDENTIAL USAGE			
	<u>Average Q1</u> <u>2023</u>	<u>Average Q1</u> <u>2024</u>	<u>Variance</u>
Electric (kWh)	798	752	-46
Gas (CCF)	32	30	-2

Bills are significantly lower year-over-year due to lower fuel costs and usage.



TEXAS CITIES COMBINED RESIDENTIAL BILL COMPARISON

TRAILING TWELVE MONTHS ENDING APRIL 2024



Note: Deregulated markets electric data from powertochoose.org (Term 12 mos.; 4&5 star rated REPs).
San Antonio is the only city that has a single electric & gas provider.



SUPPLY CHAIN UPDATE

PRESENTED BY:
Lisa Lewis
Chief Administrative Officer

July 29, 2024
INFORMATIONAL UPDATE



AGENDA

- Supply Chain Update
- Supply Chain Impact – Infrastructure Growth
- Transformer Usage
- Transformers-At-A-Glance
- Lead Times for New Generation
- Ongoing Material Challenges

This presentation describes the current supply chain environment and how we continue to position ourselves to support resiliency and growth in the community.



INFRASTRUCTURE GROWTH SUPPLY CHAIN IMPACT

We are proactively planning our transmission system to accommodate these growth drivers:

- **Population Growth:** Bexar County expected to increase by 3.2%* between 2022 and 2027
- **Energy Demand:** System load projected to grow 3.4% annually over the next 5-6 years
- **Data Center Demand:** Significant increased interest from large data center customers is anticipated to increase system load by 25% within the next 5-6 years
- **Renewables Expansion:** High renewables and storage projects outside of our Service Territory requiring transmission interconnect projects
- **Power Generation Retirements:** Planned retirements of existing power generation facilities impacting infrastructure needs

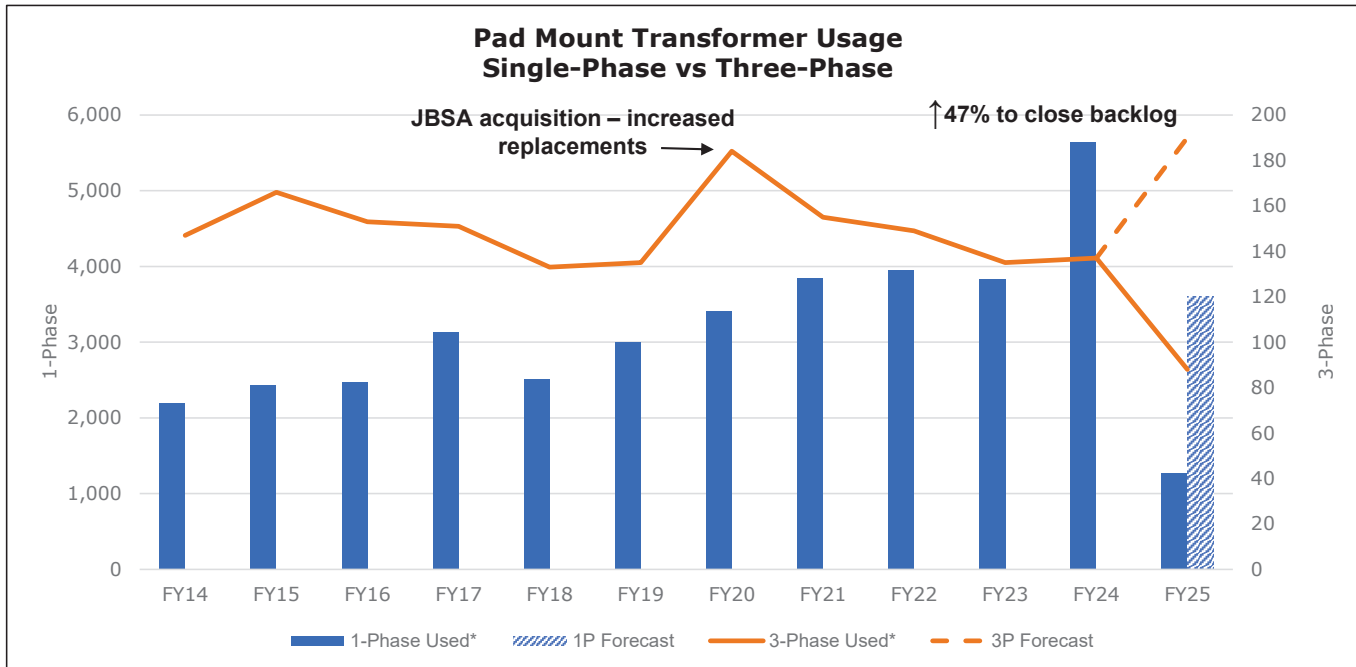


Lead times for materials critical to this infrastructure work have doubled or more (e.g. autotransformers and 345KV breakers have increased from 2 years to 4 years). We are strategically planning our infrastructure work to mitigate the impact of the increased lead times of critical materials.

*Source: https://greatersatx.nyc3.digitaloceanspaces.com/main/economy_overview_downloads/economy_overview_bexar-10.2023.pdf

PAD MOUNT TRANSFORMER USAGE

IMPACT OF BOOM IN GROWTH



*Actuals through June 30, 2024

While residential transformer demand is forecast to trend closer to pre-pandemic levels this year, commercial transformer demand is on track for a record year.

TRANSFORMERS AT-A-GLANCE

12-MONTH COMPARISON

SINGLE PHASE PAD MOUNT UNITS		THREE PHASE PAD MOUNT UNITS	
MAY 2023	JUNE 2024	MAY 2023	JUNE 2024
PROJECT BACKLOG: 245 PROJECTS 3,731 UNITS NEEDED	NO BACKLOG: 5,900 UNITS NEEDED FOR JOBS THROUGH JAN 2026	PROJECT BACKLOG: 136 PROJECTS 147 UNITS NEEDED	PROJECTS AT RISK: 6 AT RISK FOR DELIVERY DATES 236 UNITS NEEDED FOR JOBS THROUGH OCT 2025
688 TRANSFORMERS IN STOCK	2,300 TRANSFORMERS IN STOCK	89 TRANSFORMERS IN STOCK	169 TRANSFORMERS IN STOCK
4,258 TRANSFORMERS ON ORDER	2,900 TRANSFORMERS ON ORDER*	211 TRANSFORMERS ON ORDER	140 TRANSFORMERS ON ORDER*

*Scheduled into next year

While three-phase transformer deliveries continue to be volatile, single-phase deliveries have normalized. We also have more in stock to mitigate risks to business continuity.

LEAD TIMES FOR NEW GENERATION

GLOBAL DECARBONIZATION HAS ADDED PRESSURE



- Original Equipment Manufacturers (OEMs) continue to cite material, equipment, and skilled labor as constraints
- High lead times and rising manufacturing costs may cause expensive project delays on a global scale, preventing new generation from coming online when scheduled
- Global demand for standalone photovoltaic (PV), wind and grid scale storage are all expected to grow, which will continue to put pressure on lead times
- Substation and Generator Step Up (GSU) transformers and Low/Medium Voltage Switchgear have lead times of 80-210 weeks
 - Efforts are underway to get a head start procuring this equipment to support the anticipated new generation projects

ONGOING MATERIAL CHALLENGES

CPS ENERGY IMPACTS AND ACTIONS

Current Impacts

The following materials continue to have delayed/volatile deliveries:

- 3 Phase padmount transformers
- Commercial/Industrial meter cans and enclosures
- Surge arresters
- Current and Voltage Transformers (CT's)

Mitigation Action Completed

- Increased diversification of material sourcing (secondary & tertiary contracts)
- Continuous review of alternate materials and vendors
- Ongoing engagement with expanded list of vendors & manufacturers
- Recertification / Reuse of equipment
- Ongoing review of customer referred material for potential use
- Ongoing partnership with industry organizations
- Early initiation of orders

We continue to maintain ongoing communication with all impacted customers.



THANK YOU



APPENDIX

GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION
JBSA	Joint Base San Antonio
OEM	Original Equipment Manufacturer
PV	Photovoltaic
GSU	Generator Step Up