



**CPS ENERGY BOARD OF TRUSTEES MEETING  
TO BE HELD ON NOVEMBER 18, 2024, AT 1:00 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
<b>1</b>	<b>CALL TO ORDER</b>	Execute	Ms. Janie Gonzalez
<b>2</b>	<b>SAFETY MESSAGE, INVOCATION &amp; PLEDGE OF ALLEGIANCE</b>	Execute	Mr. Ronnie de Los Santos
<b>3</b>	<b>PUBLIC COMMENT</b> Pre-Registration is from Wednesday, November 13, 2024, 5:00 PM – Friday, November 15, 2024, 1:00 PM. Dial (210) 353-4662 or email <a href="mailto:PublicCommentRegistration@CPSEnergy.com">PublicCommentRegistration@CPSEnergy.com</a>	Discuss	Ms. Janie Gonzalez
<b>UPDATE ON CHAIR’S PRIORITIES</b>			
<b>4</b>	<b>CHAIR’S REMARKS</b>	Discuss	Ms. Janie Gonzalez
<b>CONSENT AGENDA</b>			
<b>5</b>	<b>APPROVAL OF CONSENT ITEMS:</b> A. Payment to the City of San Antonio for October 2024 B. Financial Policies – Annual Approval C. Secondary Bank Depository Services D. Procurement Items: 1. <b>Commodity &amp; Material Goods:</b> Miscellaneous Transmission Conductors (Mr. Richard Medina) 2. <b>Commodity &amp; Material Goods:</b> Miscellaneous Transmission Hardware (Mr. Richard Medina)	Vote	Ms. Janie Gonzalez
<b>REGULAR AGENDA</b>			
<b>6</b>	<b>BOARD COMMITTEE REPORTS</b> A. Nominations Committee Meeting held on November 4, 2024 (Dr. Willis Mackey)	Discuss	Ms. Janie Gonzalez

	<p><b>COMMUNITY INPUT COMMITTEE (CIC) REPORTS</b></p> <p>A. Power and Technology Subcommittee Meeting held on November 13, 2024</p> <p>B. Customer Relations and Communications Subcommittee Meeting held on November 13, 2024</p> <p>C. Rates, Finance, and Business Subcommittee Meeting held on November 13, 2024</p>		
7	<b>ELECTION OF NEW BOARD OF TRUSTEES CHAIR AND VICE CHAIR</b>	Vote	Ms. Janie Gonzalez
8	<b>DATA CENTER &amp; LARGE LOAD PRESENTATION</b>	Discuss	Ms. Elaina Ball & Mr. Richard Medina
9	<p><b>PROCUREMENT REQUEST FOR APPROVAL: ARCHITECTURAL SERVICES</b> (Ms. Lisa Lewis)</p>	Vote	Ms. Janie Gonzalez
10	<p><b>PROCUREMENT REQUEST FOR APPROVAL: POWER GENERATION ENGINEERING SERVICES</b> (Mr. Benny Ethridge)</p>	Vote	Ms. Janie Gonzalez
11	<p><b>HOWARD TO LEON CREEK TRANSMISSION LINE PROJECT REBUILD</b> (Mr. Richard Medina)</p>	Vote	Ms. Janie Gonzalez
12	<p><b>SAT15 ROUTING AND SITING PROJECT</b> (Mr. Richard Medina)</p>	Vote	Ms. Janie Gonzalez
13	<b>CEO RECOGNITION</b>	Discuss	Mr. Rudy Garza
14	<b>REVIEW OF ACTION ITEMS</b>	Discuss	Ms. Janie Gonzalez
<b>CONVENE TO EXECUTIVE SESSION</b>			
15	<p><b>EXECUTIVE SESSION</b></p> <p>A. Attorney-Client Matters (§551.071) &amp; Competitive Matters (§551.086)</p> <p>B. Attorney-Client Matters (§551.071) &amp; Competitive Matters (§551.086)</p> <p>C. Real Property (§551.072)</p>	Discuss	Ms. Janie Gonzalez
<b>RECONVENE TO OPEN SESSION</b>			
16	<b>ADJOURNMENT</b>	Execute	Ms. Janie Gonzalez

If the Board meeting has not adjourned by 4:50 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.



## Executive Summary

# CPS Energy Financial Policies Annual Approval November 18, 2024, Board Consent Agenda Item

### **ACTION REQUIRED:**

- Board annual approval of CPS Energy Financial Policies Resolutions.
- Should you have any questions or need any additional information, please contact
  - Julie Johnson at 210-353-2462 (office) / 210-289-3490 (cell)
  - Cory Kuchinsky at 210-353-5176 (office) / 210-415-2941 (cell).

### **ATTACHMENTS (A-F) SUMMARY OF CHANGES TO THE FINANCIAL POLICIES:**

Due to the volume of pages related to the Financial Policies, the full details of the proposed changes were sent previously in a Board email and were not included with the documents as part of the Board materials. Further information is available for your review upon request.

### **BACKGROUND:**

At least once a year, CPS Energy Management presents the following Financial Policies to the Board of Trustees for review and approval. The below is a high-level summary of the extent of the changes that are being proposed.

ATTACH	POLICY	OWNER	TYPE OF CHANGE			
			Administrative	Organizational	Procedural	Substantive
A	CPS Energy Investment Policy	Cash & Liquidity Mgmt.	✓ (1)			None
B	Nuclear Decommissioning Trust (NDT) Investment Policy	Cash & Liquidity Mgmt.	✓ (2)			None
C	Financial Authorizations & Approvals Policy (4)	Cash & Liquidity Mgmt.	✓ (2)			None
D	Collateral Policy (4)	Cash & Liquidity Mgmt.				None(3)
E	Master Interest Rate Mgmt. Policy	Debt Mgmt.	✓ (2)			None
F	Energy Price Risk Mgmt. (EPRM) Policy	Enterprise Risk Mgmt.				None(3)

- (1) Update Investment Strategy to reflect use of Money Market Funds for liquidity, other minor wording edits for clarification, and update of effective date to January 31, 2025.
- (2) Minor wording edits for clarification and update of effective date to January 31, 2025.
- (3) No changes proposed other than update of effective date to January 31, 2025.
- (4) These policies are included as appendices to the CPS Energy Investment Policy.



## Executive Summary

### **CPS Energy Financial Policies Annual Approval November 18, 2024, Board Consent Agenda Item**

- The Texas Public Funds Investment Act (PFIA) and other State Laws require a public entity's investment policy be reviewed at least annually.
- All Financial Policies were last brought to the Board for review / approval at the October 2023, Board Meeting.
- Changes are administrative in nature, intending to simplify or clarify language, which includes updating Investment Strategy for use of Money Market Funds to support liquidity, and document existing processes.
- The proposed changes will not alter the overall investment strategy and operations of CPS Energy.
- See the attachments for further details of the changes.



## ATTACHMENT A

# Summary of Changes to the CPS Energy Investment Policy November 18, 2024 Board Consent Agenda Item

### **BACKGROUND:**

This Investment Policy (Policy):

- Sets forth formal guidelines for the investment and management of CPS Energy Funds, based on rules mandated by the Texas Public Funds Investment Act (PFIA). The funds governed by this Policy are the operational funds for CPS Energy and are invested over a short time horizon (less than 10 years).
- Establishes primary investment objectives: preservation and safety of principal, liquidity, yield of investment, competitive pricing, diversification and control of assets.
- Outlines overall investment strategy: to earn market yields, to maintain appropriate diversification and liquidity of investments, and to select maturities that match projected cash requirements.
- Requires controls to help ensure investments made comply with established guidelines; addresses written administrative procedures; controls against collusion; and provides for separation of functions, security safekeeping, delegation of authority and written confirmations and approvals.

**SUMMARY OF CHANGES:** There are no recommended changes to the CPS Energy Investment Policy other than clarifying language, including the current use of money market funds to support liquidity and updating the effective date as a result of the annual renewal. The CPS Energy Investment Committee has reviewed the Policy and recommends approval.

The following is a high-level summary of the extent of the changes that are being proposed herein:

Administrative	Organizational	Procedural	Substantive
✓	<b>None</b>	<b>None</b>	<b>None</b>

### **CONTENTS:**

- Board Resolution: CPS Energy’s “Investment Policy.”



## **INVESTMENT POLICY RESOLUTION**

The following resolution relating to the investment activities of the City of San Antonio, Texas acting by and through City Public Service Board ("CPS Energy") was presented for consideration and approval by the CPS Energy Board of Trustees ("Board"):

**WHEREAS**, Texas Government Code Section 1502.070 vests management and control of the CPS Energy gas and electric systems in the Board, including management and control over the purchasing activities of the systems; and

**WHEREAS**, the Board is responsible for the prudent handling and control of funds and investments of CPS Energy; and

**WHEREAS**, the Texas Public Funds Investment Act ("PFIA") requires that the governing body of a local government review its investment policies and investment strategies not less than annually during the fiscal year; and

**WHEREAS**, CPS Energy Management desires to modify the Policy, as attached, with non-substantive changes which are administrative in nature and include:

- Clarifying language around the current use of money market funds to support liquidity, and other minor changes;
- Updating the effective date;

**WHEREAS**, CPS Energy desires the approval of a resolution a) acknowledging that a review of the Policy has been completed and b) adopting the Policy with the proposed changes; and

**WHEREAS**, CPS Energy Management has verified and represents to the Board that the Policy as attached hereto is in compliance with the requirements of the CPS Energy operating procedures, the PFIA, the Bond Ordinances and the Commercial Paper Ordinances.

**NOW THEREFORE BE IT RESOLVED** that the Board hereby approves and adopts the Policy, as attached hereto, effective January 31, 2025.

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Shanna M. Ramirez  
Secretary of the Board



# ATTACHMENT B

## Summary of Changes to the CPS Energy South Texas Project (STP) Nuclear Decommissioning Trust (NDT) Investment Policy

### November 18, 2024 Board Consent Agenda Item

**BACKGROUND:**

This NDT Investment Policy (Policy):

- Sets forth formal guidelines for the investment and management of the NDT funds and related activity, based on rules mandated by the Texas Public Funds Investment Act (PFIA). The funds governed by this Policy are invested over a long period of time to provide for the eventual decommissioning of CPS Energy’s 40% interest in the STP nuclear facility.
- Establishes primary investment objectives: preservation and safety of principal, liquidity, yield of investment, competitive pricing, diversification and control of assets consistent with the long-term goals of the Trusts.
- Outlines overall investment strategy: to earn market yields, to maintain appropriate diversification and liquidity of investments, and to select maturities that match projected cash requirements.
- Requires controls to help ensure investments comply with established guidelines; addresses written administrative procedures; and provides for separation of functions, security safekeeping, delegation of authority and written confirmations and approvals.

**SUMMARY OF CHANGES:** There are no recommended changes to the CPS Energy STP NDT Investment Policy other than clarifying existing language and updating the effective date as a result of the annual renewal. The CPS Energy NDT Investment Committee has reviewed the Policy and recommends approval.

The following is a high-level summary of the extent of the changes that are being proposed herein:

Administrative	Organizational	Procedural	Substantive
✓	<b>None</b>	<b>None</b>	<b>None</b>

**CONTENTS:**

- Board Resolution: CPS Energy’s “NDT Investment Policy.”
- Updated Policy (w/o Appendices) (Red-lined): CPS Energy’s “NDT Investment Policy”, effective January 31, 2025.
- Updated Policy Appendix A (Red-lined): Authorized Investments and Supplemental Reporting, effective January 31, 2025.
- Updated Policy Appendix K (Red-lined): Defined Terms, effective January 31, 2025.
- Updated Policy (w/o Appendices) (Clean): CPS Energy’s “NDT Investment Policy”, effective January 31, 2025.
- Updated Policy (w Appendices A & K) (Clean): CPS Energy’s “NDT Investment Policy”, effective January 31, 2025.





**NUCLEAR DECOMMISSIONING TRUST INVESTMENT POLICY  
RESOLUTION**

The following resolution relating to the Nuclear Decommissioning Trust (“NDT”) activities of the City of San Antonio, Texas acting by and through the City Public Service Board (“CPS Energy”) was presented for consideration and approval by the CPS Energy Board of Trustees (the “Board”):

**WHEREAS**, Texas Government Code Section 1502.070 vests management and control of the CPS Energy gas and electric system in the Board, including management and control over the purchasing activities of the systems; and

**WHEREAS**, the Board is responsible for the prudent handling and control of funds and investments of CPS Energy, the City Public Service Decommissioning Master Trust for the South Texas Project (the “28% Trust”), and the City Public Service Decommissioning Master Trust Agreement Related to the South Texas Project Interest Acquired from AEP Texas Central Company (the “12% Trust (TCC Funded)”); and

**WHEREAS**, the Texas Public Funds Investment Act (“PFIA”) requires that the governing body of a local government review its investment policies and investment strategies not less than annually during the fiscal year; and

**WHEREAS**, CPS Energy Management desires to modify the CPS Energy South Texas Project NDT Investment Policy (“Policy”), as attached, with non-substantive changes which are administrative in nature and include:

- Clarifying existing language, and
- Updating the effective date;

**WHEREAS**, CPS Energy desires the approval of a resolution  
a) acknowledging that a review of the Policy has been completed and  
b) adopting the Policy with the proposed changes.

**WHEREAS**, CPS Energy management has verified and represents to the Board that the Policy as attached hereto complies with the requirements of the U.S. Nuclear Regulatory Commission, the Public Utility Commission of Texas, the PFIA, the Texas Property Code Subtitle B, Title 9, where applicable and the requirements of the 28% Trust and the 12% Trust (TCC Funded).

**NOW THEREFORE BE IT RESOLVED** that the Board hereby approves and adopts the Policy as attached hereto, effective January 31,2025.

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Shanna M. Ramirez  
Secretary of the Board



## ATTACHMENT C

# Summary of Changes to the CPS Energy Financial Authorizations & Approvals Policy for Banking, Investing & Hedging ("FAAP") November 18, 2024 Board Consent Agenda Item

### **BACKGROUND:**

This Policy:

- Designates CPS Energy officers ("Officers") and other staff who are authorized to approve various banking, investing and hedging transactions and relationships.
- Designates Investment Officers for CPS Energy, as defined by the Texas Public Funds Investment Act ("PFIA").
- Authorizes Officers to act in the name of CPS Energy to perform duties such as establishing, maintaining and closing bank accounts; authorizing or approving investment and banking transactions; and establishing, maintaining and closing trading authorizations for the investment of a) CPS Energy and the b) South Texas Project Nuclear Decommissioning Trusts funds.

**SUMMARY OF CHANGES:** There are no recommended changes to the FAAP other than updating Fuel Hedging titles consistent with current organization and the effective date of the Policy as a result of the annual renewal.

The following is a high-level summary of the extent of the changes that are being proposed herein:

Administrative	Organizational	Procedural	Substantive
✓	<b>None</b>	<b>None</b>	<b>None</b>

### **CONTENTS:**

- Board Resolution: CPS Energy's "Financial Authorizations & Approvals Policy for Banking, Investing & Hedging."



**FINANCIAL AUTHORIZATIONS AND APPROVALS POLICY FOR BANKING, INVESTING AND HEDGING RESOLUTION**

The following resolution relating to the banking, investing and hedging activities of the City of San Antonio, Texas acting by and through City Public Service Board ("CPS Energy") was presented for consideration and approval by the Board of Trustees ("Board"):

**WHEREAS**, the Board of Trustees of the City Public Service Board of San Antonio, Texas, is required to designate and authorize specific CPS Energy Officers and staff to conduct financial transactions on behalf of CPS Energy, the City Public Service Restated Decommissioning Master Trust for the South Texas Project, the City Public Service Decommissioning Master Trust Agreement Related to the South Texas Project Interest Acquired from AEP Texas Central Company; and Hedge Instrument transactions on behalf of CPS Energy; and

**WHEREAS**, a CPS Energy Financial Authorizations and Approvals Policy for Banking, Investing and Hedging ("the Policy") must be provided to banks, investment firms, brokers and other counterparties in order to conduct transactions in the daily operations of CPS Energy; and

**WHEREAS**, CPS Energy Management desires to modify the Policy, as attached, with non-substantive changes which are administrative in nature and include:

- Clarifying existing language, and
- Updating the effective date;

**NOW THEREFORE BE IT RESOLVED** that the Board hereby approves the attached CPS Energy Financial Authorizations and Approvals Policy for Banking, Investing and Hedging, effective January 31, 2025.

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Shanna M. Ramirez  
Secretary of the Board



**ATTACHMENT D**

**Summary of Changes to the CPS Energy Collateral Policy  
November 18, 2024 Board Consent Agenda Item**

**BACKGROUND:**

The Policy:

- Requires that deposits of CPS Energy funds in a bank or other financial institution be collateralized in accordance with the CPS Energy Collateral Policy (the “Policy”) and the Texas Public Funds Collateral Act.
- Sets forth certain requirements regarding collateral pledged to CPS Energy to secure the deposits of public funds and collateral owned by CPS Energy and investments which are collateralized.

**SUMMARY OF CHANGES:** There are no recommended changes to the Policy, other than updating the effective date of the Policy as a result of the required annual renewal.

The following is a high-level summary of the extent of the changes that are being proposed herein:

Administrative	Organizational	Procedural	Substantive
None	None	None	None

**CONTENTS:**

- Board Resolution: CPS Energy’s “Collateral Policy.”



**COLLATERAL POLICY RESOLUTION**

The following resolution relating to the collateral activities of the City of San Antonio, Texas acting by and through City Public Service Board ("CPS Energy") was presented for consideration and approval by the Board of Trustees ("Board"):

**WHEREAS,** Texas Government Code Section 2257.023 requires that CPS Energy adopt a policy concerning the collateral pledged to secure the deposit of CPS Energy funds in a depository bank or other financial institution; and

**WHEREAS,** CPS Energy Management has no proposed changes to the Collateral Policy other than the effective date.

**NOW THEREFORE BE IT RESOLVED** that the Board hereby approves the attached CPS Energy Collateral Policy, effective January 31, 2025.

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Shanna M. Ramirez  
Secretary of the Board



## Attachment E

### Summary of Changes to the CPS Energy Master Interest Rate Management Policy November 18, 2024 Board Consent Agenda Item

**BACKGROUND:**

This Master Interest Rate Management Policy (the “Policy”):

- Sets forth guidelines by which CPS Energy may actively manage its interest rate exposure to help protect and provide balance within its debt portfolio. Interest rate management transactions could be used primarily to hedge against the risk of rising interest rates. **While this Policy authorizes CPS Energy to utilize various interest rate hedging products, each transaction / program must be approved by both the CPS Energy Board of Trustees (Board) and the San Antonio City Council. Today’s approval is renewal of the Policy only.**
- Was first approved by the Board in 2011, the Policy is presented annually to the Board for approval.

**SUMMARY OF CHANGES:** There are no recommended changes to the Policy, other than clarifying existing language and updating the effective date of the Policy as a result of the required annual renewal.

The following is a high-level summary of the extent of the changes that are being proposed herein:

Administrative	Organizational	Procedural	Substantive
✓	<b>None</b>	<b>None</b>	<b>None</b>

**CONTENTS:**

- Board Resolution: CPS Energy’s “Master Interest Rate Management Policy.”



## MASTER INTEREST RATE MANAGEMENT POLICY RESOLUTION

The following resolution relating to interest rate management agreements and transactions of the City of San Antonio, Texas acting by and through City Public Service Board ("CPS Energy") was presented for consideration and approval by the CPS Energy Board of Trustees ("Board"):

**WHEREAS**, Texas Government Code Section 1371.056, requires that the City Council (the "*City Council*") of the City of San Antonio, Texas (the "*City*"), adopt a risk management policy governing entering into and managing interest rate management agreements and transactions in anticipation of, related to, or in connection with the authorization, issuance, security, purchase, payment, sale, resale, redemption, remarketing, or exchange of debt obligations of the City as a condition to the execution of any such agreement or transaction; and

**WHEREAS**, Texas Government Code Section 1502.070 and various ordinances of the City Council vests management and control of the CPS Energy electric and gas systems (the "*Systems*") in the Board; and

**WHEREAS**, it is in the best interests of the customers of the Systems that the Board and the City be authorized to enter into interest rate management agreements to manage the net interest expense borne by debt obligations of the City issued and to be issued to finance or refinance eligible costs of Systems' projects and/or other permitted costs and payable from revenue of the Systems; and

**WHEREAS**, on November 28, 2011, the Board approved the Master Interest Rate Management Policy, which has subsequently been updated; and

**WHEREAS**, CPS Energy Management desires to modify the Master Interest Rate Management Policy, as attached, with non-substantive changes that are administrative in nature and include:

- Clarifying existing language, and
- Updating the effective date;

**NOW THEREFORE BE IT RESOLVED** that the Board hereby ratifies and approves the attached CPS Energy Master Interest Rate Management Policy, as revised, effective January 31, 2025.

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Shanna M. Ramirez  
Secretary of the Board



# ATTACHMENT F

## Summary of Changes to the CPS Energy Energy Price Risk Management (EPRM) Policy November 18, 2024 Board Consent Agenda Item

**BACKGROUND:**

This Policy:

- Sets forth formal guidelines for the execution of financial hedge transactions in connection with fuel price and power generation exposure.
- The guidelines are established in part based on rules mandated by the Texas Public Funds Investment Act (PFIA).
- Hedge Instrument transactions are allowed for the sole purpose of managing risks of financial uncertainty or loss associated with adverse volatility in the pricing of CPS Energy fuel purchases and wholesale electric sales in an effort to optimize the value of these assets for the benefit of CPS Energy customers.

**SUMMARY OF CHANGES:** There are no recommended changes to the Energy Price Risk Management Policy other than updating the effective date of the Policy as a result of the annual renewal. The Energy Portfolio Strategy Committee has reviewed the Policy and recommends approval.

The following is a high-level summary of the extent of the changes that are being proposed herein:

Administrative	Organizational	Procedural	Substantive
<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>

**CONTENTS:**

- Board Resolution: CPS Energy’s “Energy Price Risk Management Policy Resolution.”





**ENERGY PRICE RISK MANAGEMENT POLICY RESOLUTION**

The following resolution relating to the investment and hedging activities of the City of San Antonio, Texas acting by and through City Public Service Board ("CPS Energy") was presented for consideration and approval by the CPS Energy Board of Trustees ("Board"):

**WHEREAS**, Texas Government Code Section 1502.070 vests management and control of the CPS Energy gas and electric systems in the Board, including management and control over the purchasing activities of the systems; and

**WHEREAS**, the Board is responsible for the prudent handling and control of energy hedge instruments; and

**WHEREAS**, the Texas Public Funds Investment Act ("PFIA") requires that the governing body of a local government review its investment policies and investment strategies not less than annually; and

**WHEREAS**, by policy, the Board shall review CPS Energy's Energy Price Risk Management ("EPRM") Policy on an annual basis and approve any changes thereto; and

**WHEREAS**, CPS Energy Management desires to modify the EPRM Policy, as attached, with non-substantive changes which are administrative in nature and include:

- Updating the effective date;

**WHEREAS**, CPS Energy desires the approval of a resolution a) acknowledging that a review of the Policy has been completed and b) adopting the Policy with the proposed changes; and

**WHEREAS**, CPS Energy Management has verified and represents to the Board that the Policy as attached hereto is in compliance with the requirements of the PFIA.

**NOW THEREFORE BE IT RESOLVED** that the Board hereby approves and adopts the Policy, as attached hereto, effective January 31, 2025.

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Shanna M. Ramirez  
Secretary of the Board



# SECONDARY BANK DEPOSITORY SERVICES

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*PRESENTED BY:*

**Cory Kuchinsky**  
Chief Financial Officer & Treasurer

**November 18, 2024**  
*Approval Requested*

# AGENDA



- Depository Bank Recommendation and Request for Approval

**The objective of today's presentation is to request approval for our second Depository Bank as required by Local Government Code 105.**

# DEPOSITORY BANK RECOMMENDATION AND REQUEST FOR APPROVAL



After an evaluation based on established criteria, staff recommends Wells Fargo as a second depository bank<sup>(1)</sup>:

- Good understanding of our operational needs
- Strong technological capabilities
- Financially strong
- Very competitive pricing
- Strong liquidity partner

We are requesting procurement approval of the following:

- Depository Services Agreement with Wells Fargo for a five-year term for less than \$200,000 beginning February 1, 2025

**Wells Fargo is recommended as a second depository bank to provide resilience and flexibility to meet our banking needs.**

<sup>(1)</sup> Evaluation was made consistent with Local Government Code 105 and CPS Energy procurement policies and procedures.



**THANK YOU**



# APPENDIX



# CURRENT BANKING PARTNERS

Entity	Services Provided	Financial Institution
CPS Energy	Primary depository*	JPMorgan Chase Bank
	Investment custodian (NDT** and Direct)	Frost Bank
	Investment account held	Bank of San Antonio
REAP	Depository and investment custodian	Frost Bank
Benefit Trusts	Depository and investment custodian	JPMorgan Chase Bank
	Depository – Real estate activities	Texas Capital Bank

\* Current contract expires January 31, 2029

\*\* Nuclear Decommissioning Trusts

**We utilize a number of financial institutions for our various needs. We have utilized the depository procurement process to consider adding a secondary depository.**

# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION
NDT	Nuclear Decommissioning Trust
REAP	Residential Energy Assistance Partnership, Inc.





**CPS Energy Board of Trustees Meeting  
November 18, 2024  
APPROVAL of PROCUREMENT ITEMS  
Table of Contents**

<b>1. Item Description:</b>	<b>Architectural Services</b>
	<b>Purchase Category:</b> Professional Services
	<b>Suppliers:</b> Alta Architects, Inc.
	West East Design Group, LLC

**Committee Presentations:** Operations Oversight Committee – August 12, 2024  
Audit & Finance Committee – October 24, 2024

<b>2. Item Description:</b>	<b>Power Generation Engineering Services</b>
	<b>Purchase Category:</b> Professional Services
	AECOM Technical Services, Inc.
	Black & Veatch Corporation
	Braun Intertec Corporation
	Burns & McDonnell Engineering Company, Inc.
	Electric Power Engineers, LLC
	EN Engineering, LLC
	<b>Suppliers:</b> Pape-Dawson Engineers, LLC
	Prime Partners Engineering
	Sargent & Lundy, LLC
	Schneider Engineering, LLC dba SEnergy
	SEL Engineering Services, Inc.
	Terracon Consultants, Inc.
TRC Engineers, Inc.	

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

3. <b>Item Description:</b>	<b>Miscellaneous Transmission Conductors</b>
	<b>Purchase Category:</b> Commodity & Material Goods
	<b>Suppliers:</b> Techline, Inc.
	Stuart C. Irby Co.

**Committee Presentations:** Operations Oversight Committee – November 4, 2024  
 Audit & Finance Committee – October 24, 2024

4. <b>Item Description:</b>	<b>Miscellaneous Transmission Hardware</b>
	<b>Purchase Category:</b> Commodity & Material Goods
	<b>Suppliers:</b> Techline, Inc.
	Stuart C. Irby Co.

**Committee Presentations:** Operations Oversight Committee – November 4, 2024  
 Audit & Finance Committee – October 24, 2024

**Approval:**

Lisa Lewis, Chief Administrative Officer

**Approval:**

Rudy Garza, President & CEO



**CPS Energy Board of Trustees Meeting  
November 18, 2024  
Procurement Form 1**

<b>Item Description</b>	<b>Architectural Services</b>
<b>Purchase Order Value</b>	<b>\$7,000,000</b>
Purchase Category	Professional Services
Department	Facilities
VP Operational Support Services	Bert Hargesheimer
Chief Administrative Officer	Lisa Lewis

**Detailed Description**

CPS Energy staff recommend that a contract be awarded to Alta Architects, Inc. and West East Design Group, LLC, both local and diverse firms, 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 architectural services to improve the resiliency and reliability of new and existing CPS Energy facilities. This includes design concepts and development, detailed construction documents, drawings, specifications & budget estimates, new construction feasibility studies and facility assessments, facility codes & standards compliance review. This contract will expire on January 1, 2028.

**Subcontracting Opportunities**

Both local and diverse businesses intend to self-perform these services.

The solicitation method for this procurement was a Request for Qualifications (RFQ)<sup>1</sup>. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

<b>Evaluation Criteria</b>	<b>Points</b>
Experience and qualifications to perform the Services	100
The ability to meet CPS Energy requirements	Pass/Fail
Safety records and training program	Pass/Fail
The financial soundness of the Respondent	Pass/Fail
<b>TOTAL</b>	<b>100</b>

<sup>1</sup> CPS Energy is unable to consider price or economic development as Evaluation Criteria for RFQ's.



**CPS Energy Board of Trustees Meeting  
November 18, 2024  
Procurement Form 1**

**Recommended Respondent(s) & Award**

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Alta Architects, Inc.	Local/Diverse (Small, HUBZone, Hispanic American- Owned)	100	\$3,500,000	2223337	Corporate headquarters located in San Antonio Metropolitan area
West East Design Group, LLC	Local/Diverse (Small, Asian American-Owned)	100	\$3,500,000	2223338	Corporate headquarters located in San Antonio Metropolitan area
<b>TOTAL</b>			<b>\$7,000,000</b>		

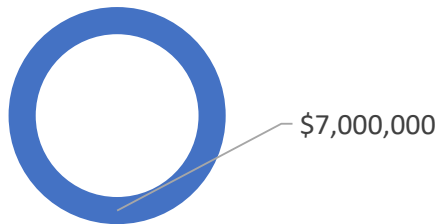
Two (2) additional respondents were not recommended for award: Robert E Lamb, Inc. and Burns & McDonnell Engineering Company, Inc.

**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	\$0	0%	\$1,900,000	\$1,900,000	\$1,900,000
\$890,000,000	Non-Fuel O&M	\$0	0%	\$430,000	\$430,000	\$430,000

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

**Procurement Item: General Services**



■ Local & Diverse ■ Local ■ Diverse ■ Other



**CPS Energy Board of Trustees Meeting**  
**November 18, 2024**  
**Procurement Form 2**



<b>Item Description</b>	<b>Power Generation Engineering Services</b>
<b>Purchase Order Value</b>	<b>\$125,000,000</b>
Purchase Category	Professional Services
Department	Power Generation
VP Generation Operations	Richard Urrutia
Chief Energy Supply Officer	Benjamin Ethridge

**Detailed Description**

CPS Energy staff recommend that a contract be awarded to Schneider Engineering, LLC dba SEnergy, a local, diverse firm, to Prime Partners Engineering, a diverse firm, to AECOM Technical Services Inc., Black & Veatch Corporation, Braun Intertec Corporation, EN Engineering LLC, Pape-Dawson Engineers LLC, SEL Engineering Services, Inc., Terracon Consultants Inc., and TRC Engineers Inc. all local firms, and to Burns & McDonnell Engineering Company Inc., Electric Power Engineers, LLC, and Sargent & Lundy LLC, 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 professional engineering services which include detailed engineering support for specification development, controls design review/consultation, construction monitoring, environmental planning/permitting, regulatory studies & modeling and system protection engineering/design/consultation. This contract will allow CPS Energy to provide the necessary engineering support services to maintain its current and future power generation fleet as it evolves to meet CPS Energy's growing needs. This contract will expire on November 30, 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 Qualifications (RFQ)<sup>2</sup>. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

<b>Evaluation Criteria</b>	<b>Points</b>
Experience and qualifications to perform the Services	80
Safety records and training program	20
The ability to meet CPS Energy's requirements	Pass/Fail
The financial soundness of the Respondent	Pass/Fail
<b>TOTAL</b>	<b>100</b>

<sup>2</sup> CPS Energy is unable to consider price or economic development as Evaluation Criteria for RFQ's.



**CPS Energy Board of Trustees Meeting  
November 18, 2024  
Procurement Form 2**



**Recommended Respondent(s) & Award**

<b>Respondent Name</b>	<b>SBA Classification &amp; Details</b>	<b>Score</b>	<b>PO Value</b>	<b>PO #</b>	<b>Comments</b>
Pape-Dawson Engineers, LLC	Local	82	\$5,000,000	2222399	<b>Corporate headquarters located in San Antonio Metropolitan area</b>
Black & Veatch Corporation	Local	80	\$25,000,000	2222414	
Burns & McDonnell Engineering Company, Inc.	NA	80	\$25,000,000	2222415	
Terracon Consultants, Inc.	Local	78	\$5,000,000	2222400	
AECOM Technical Services, Inc.	Local	78	\$5,000,000	2222416	
Braun Intertec Corporation	Local	74	\$5,000,000	2222417	
EN Engineering, LLC	Local	71	\$5,000,000	2221959	
TRC Engineers, Inc.	Local	69	\$5,000,000	2222181	
Electric Power Engineers, LLC	NA	62	\$5,000,000	2222401	
Sargent & Lundy, LLC	NA	62	\$25,000,000	2222419	
Prime Partners Engineering	Diverse <b>(Small)</b>	56	\$5,000,000	2222405	
Schneider Engineering, LLC dba SEnergy	Local/Diverse <b>(Small)</b>	56	\$5,000,000	2222402	
SEL Engineering Services, Inc.	Local	55	\$5,000,000	2222410	
<b>TOTAL</b>			<b>\$125,000,000</b>		

Four (4) additional respondents were not recommended for award: Ascend Analytics, LLC; Taurus Industrial Group, LLC; Commonwealth Associates, Inc.; and Zachry Engineering Corporation.



**CPS Energy Board of Trustees Meeting**  
**November 18, 2024**  
**Procurement Form 2**

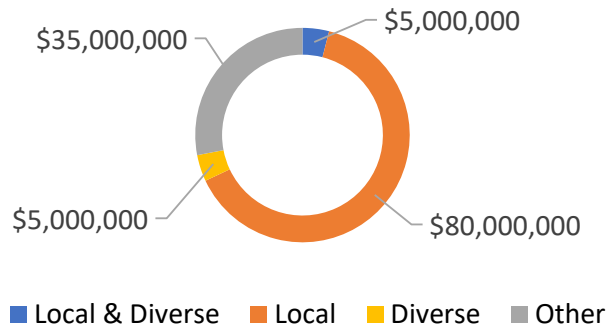


**Annual Funds Budgeted**

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	\$5M	0.5%	\$35M	\$35M	\$50M
\$890,000,000	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

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

**Procurement Item: Professional Services**





**CPS Energy Board of Trustees Meeting**  
**November 18, 2024**  
**Procurement Form 3**



<b>Item Description</b>	<b>Miscellaneous Transmission Conductors</b>
<b>Purchase Order Value</b>	<b>\$90,000,000</b>
Purchase Category	Commodity & Material Goods
Department	Energy Delivery Services
Sr. Director Substation & Engineering	Ricardo Renteria
Chief Energy Delivery Officer	Richard Medina

**Detailed Description**

CPS Energy staff recommend that a contract be awarded to Techline, Inc., a local and diverse supplier, and Stuart C. Irby, Co. as the respondents who will provide the goods at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is for the procurement of transmission conductors needed for new and aging transmission infrastructure. This contract will allow CPS Energy to support a large influx of emergent customer projects, including large customer load requests, generation interconnections and the South Texas Reliability Project, which have resulted in high demand for new transmission projects. This is in addition to the expansion and rebuilding of existing facilities needed to support the CPS Energy system growth. This contract will expire on November 30, 2029.

**Subcontracting Opportunities**

None at this time.

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.

<b>Evaluation Criteria</b>	<b>Points</b>
The overall cost	40
Experience, warranty, quality control and contingencies	35
The ability to meet CPS Energy's requirements	15
Economic Development (local & diverse consideration)	10
<b>TOTAL</b>	<b>100</b>





**CPS Energy Board of Trustees Meeting**  
**November 18, 2024**  
**Procurement Form 3**



**Recommended Respondent(s) & Award**

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Techline, Inc.	Local/Diverse <b>(Woman-Owned)</b>	91	\$70,000,000	3076367	
Stuart C. Irby Co.		73	\$20,000,000	3076368	
<b>TOTAL</b>			<b>\$90,000,000</b>		

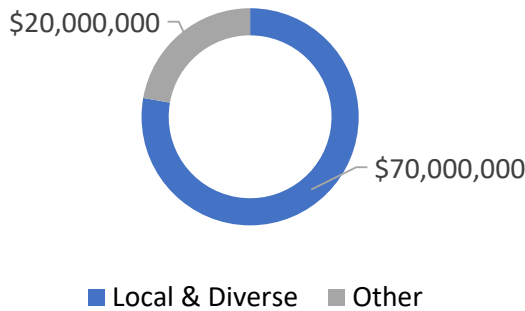
Three (3) additional respondents were not recommended for award: KBS Electrical Distributors, Inc.; Anixter, Inc.; Texas Electric Cooperatives, Inc.

**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	\$1,000,000	0.1 %	\$15,000,000	\$28,500,000	\$45,500,000
\$890,000,000	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

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

**Procurement Item: Commodity & Material Goods**





**CPS Energy Board of Trustees Meeting**  
**November 18, 2024**  
**Procurement Form 4**



<b>Item Description</b>	<b>Miscellaneous Transmission Hardware</b>
<b>Purchase Order Value</b>	<b>\$30,000,000</b>
Purchase Category	Commodity & Material Goods
Department	Energy Delivery Services
Sr. Director Substation & Engineering	Ricardo Renteria
Chief Energy Delivery Officer	Richard Medina

**Detailed Description**

CPS Energy staff recommend that a contract be awarded to Techline, Inc., a local and diverse supplier, and Stuart C. Irby Co., 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 the procurement of miscellaneous transmission hardware needed for our transmission infrastructure. This contract will allow CPS Energy to support a large influx of emergent customer projects, including large customer load requests, generation interconnections and the South Texas Reliability Project, which have resulted in high demand for new transmission projects. This is in addition to the expansion and rebuilding of existing facilities needed to support the CPS Energy system growth. This contract will expire on November 30, 2029.

**Subcontracting Opportunities**

None at this time.

**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.

<b>Evaluation Criteria</b>	<b>Points</b>
The overall cost	40
Experience, warranty, quality control and contingencies	35
The ability to meet CPS Energy's requirements	15
Economic Development (local & diverse consideration)	10
<b>TOTAL</b>	<b>100</b>



**CPS Energy Board of Trustees Meeting**  
**November 18, 2024**  
**Procurement Form 4**



**Recommended Respondent(s) & Award**

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Techline, Inc.	Local/Diverse <b>(Woman-Owned)</b>	85	\$23,000,000	3076365	
Stuart C. Irby Co.		49	\$7,000,000	3076366	
<b>TOTAL</b>			<b>\$30,000,000</b>		

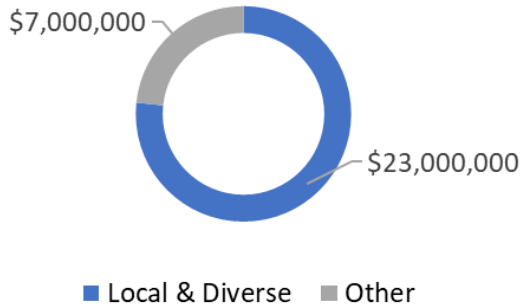
There were no additional respondents.

**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	\$0	0.0%	\$10,500,000	\$9,500,000	\$10,000,000
\$890,000,000	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

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

**Procurement Item: Commodity & Material Goods**





## NOMINATIONS COMMITTEE

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE NOVEMBER 4, 2024 MEETING  
PREPARED FOR COMMITTEE CHAIR JANIE GONZALEZ  
FOR REPORT AT THE NOVEMBER 18, 2024 BOARD OF TRUSTEES MEETING**

The Nominations Committee met on November 4, 2024. The Committee discussed the process for nomination and Trustee approval for the Board Chair and Vice Chair for Fiscal Year 2026.

The next meeting of the Nominations Committee is not yet scheduled.



## Community Input Committee (CIC) Subcommittee Report Power and Technology

### EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE NOVEMBER 13, 2024, MEETING PREPARED FOR COMMITTEE CHAIR, MR. STEVE BONNETTE FOR REPORT AT THE NOVEMBER 18, 2024, BOARD OF TRUSTEES MEETING

The Power and Technology subcommittee met on November 13, 2024. As part of the agenda, the Committee:

A. Received a presentation on CPS Energy's Renewable Product Updates

Solartricity & Windtricity

- Rebrand, relaunch, reintroduction.
- These are opt-in products.
- Updating marketing campaign for customer ease of use and understanding.
- Why customers participate.
- Pricing
- FAQs

Large Commercial Power (LCP) - Green rate

- Enables large commercial customers to work with CPS Energy to procure large-scale renewable resources.
- Marketing for the LCP-Green Program is done through direct meetings with eligible customers.
- Benchmarking - comparable products from peer utilities.
- Comparison of Original Green Tariff to LCP-Green.

Updated Timeline for further consideration

B. Received a presentation on Horizon 2050

- Stakeholder engagement timeline.
- Strategic framework.

C. Elections were held to reaffirm subcommittee chairs and elect a vice chair.

After the presentation, the subcommittee asked questions. CPS Energy subject matter experts provided answers to all questions posed. During the Q&A, common themes emerged. In the case of renewable product offerings, subcommittee members discussed technical aspects of the LCP-Green rate and expressed interest in how customers will engage with the product, as well as the impact to renewable energy generation and consumption in the community. The subcommittee suggested further communication with the community regarding additional revenues from these programs and their use to further develop sustainable power sources. For Horizon 2050, subcommittee members acknowledged the general framework but looked forward to more specifics on how the framework goals will be measured and encouraged consideration of the most vulnerable and energy burdened citizens during the planning process.

The next Power and Technology Subcommittee meeting is February 12, 2025.



**Community Input Committee (CIC)  
Subcommittee Report  
Customer Relations and Communication**

**EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE NOVEMBER 13, 2024, MEETING  
PREPARED FOR COMMITTEE CHAIR, MR. RICHARD FARIAS  
FOR REPORT AT THE NOVEMBER 18, 2024, BOARD OF TRUSTEES MEETING**

The Customer Relations and Communication subcommittee met on November 13, 2024. As part of the agenda, the Committee:

A. Received a presentation on CPS Energy's Renewable Product Updates

Solartricity & Windtricity

- Rebrand, relaunch, reintroduction.
- These are opt-in products.
- Updating marketing campaign for customer ease of use and understanding.
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Updated Timeline for further consideration

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- Stakeholder engagement timeline.
- Strategic framework.

C. Elections were held to reaffirm subcommittee chairs and elect a vice-chair.

After the presentation, the subcommittee asked questions. CPS Energy subject matter experts provided answers to all questions posed. During the Q&A, common themes emerged. In the case of renewable product programs, subcommittee members discussed ways in which CPS Energy could incentivize customers to participate in renewable programs and suggested partnerships with non-profits, providing more information on carbon offset contributions, and exploring large commercial marketing incentives for giving back to the community.

For Horizon 2050, subcommittee members agreed the language needs revisions and suggested we include investment in technology, as well as incorporating visuals and pictures to convey the message in a compelling way.

The next Customer Relations and Communications Subcommittee meeting is February 12, 2025.



## Community Input Committee (CIC) Subcommittee Report Rates, Finance, and Business

### EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE NOVEMBER 13, 2024, MEETING PREPARED FOR COMMITTEE CHAIR, MS. LAWSON PICASSO FOR REPORT AT THE NOVEMBER 18, 2024, BOARD OF TRUSTEES MEETING

The Rates, Finance, and Business subcommittee met on November 13, 2024. As part of the agenda, the Committee:

A. Received a presentation on CPS Energy's Renewable Product Updates

Solartricity & Windtricity

- Rebrand, relaunch, reintroduction.
- These are opt-in products.
- Updating marketing campaign for customer ease of use and understanding.
- Why customers participate.
- Pricing
- FAQs

Large Commercial Power (LCP) - Green rate

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Updated Timeline for further consideration

B. Received a presentation on Horizon 2050

- Stakeholder engagement timeline.
- Strategic framework.

C. Elections were held to reaffirm subcommittee chairs and elect a vice-chair

After the presentation, the subcommittee asked questions. CPS Energy subject matter experts provided answers to all questions posed. During the Q&A, common themes emerged. In the case of renewable product updates, subcommittee members asked questions regarding the overall goals for this product offering and suggested that when marketing materials are available, heavy outreach be done with Greater SATX.

For Horizon 2050, subcommittee members agreed this is a much-needed project, however, they asked that further outreach be done to school aged children to involve the next generation of CPS Energy customers and as an avenue to reach the parents.

The next Rates, Finance, and Business Subcommittee meeting is February 12, 2025.



# DATA CENTER & LARGE LOAD PRESENTATION

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*PRESENTED BY:*

**Elaina Ball**

Chief Strategy Officer

**Richard Medina**

Chief Energy Delivery Officer

**November 18, 2024**

*Informational Update*



# AGENDA



- Headlines
- Industry Trends
- State of the State / Utility
- Transmission Studies
- What We Are We Doing Today
- Options We Are Evaluating Moving Forward





# HEADLINES

## LARGE LOAD CHALLENGES IN US

**NBC NEWS** 2024 ELECTION U.S. NEWS WORLD BUSINESS HEALTH CULTURE & TRENDS TPLINE SHOPPING WATCH LIVE

**Three Mile Island nuclear plant to help power Microsoft's data-center needs**  
Unit 1 has been shut down for five years for economic reasons, it is separate from Unit 2, which melted down in 1979.

**ENVIRONMENT TEXAS** RESEARCH & POLICY CENTER

**Data centers pose energy challenge for Texas**  
Existing technology can make booming industry more efficient

**San Antonio Express-News** e-Edition Account

**OPINION / COMMENTARY**  
**Tech industry's energy demands are powering new problems for Texans**  
The industry is struggling to grapple with electricity consumption.

**Bloomberg** Markets Economics Industries Tech Publics Businessweek Opinion More

**Technology**  
**Texas Regulator Wants Data Centers to Build Power Plants**  
■ New AI centers need their own generation, official says  
■ Proposed centers can consume as much electricity as cities

**THE WALL STREET JOURNAL**

**'Three New York Cities' Worth of Power: AI Is Stressing the Grid**  
Across the nation, utilities are worried about expanding the overburdened power grid, citing high costs and concerns about commitment from data center projects

**Bloomberg** NEWS MARKETS BUSINESS ENERGY ENVIRONMENT OPINION ANALYSIS

**Texas Tug of War: Grid Juggles Solar Boom and Power-Hungry Data Centers**

**HOUSTON CHRONICLE** e-Edition Account

**The Washington Post** Democracy Dies in Darkness

Business Economy Economic Policy Personal Finance Work Technology Business of Climate

**POWER GRID**  
**AI is exhausting the power grid. Tech firms are seeking a miracle solution.**

**San Antonio Express-News** ELECTION SALE: 25¢ Save 10

**BUSINESS**  
**In AI arms race, San Antonio data centers wonder: Does CPS have the juice?**  
A new group has concerns about the city-owned utility's capacity to handle coming projects in data, other business  
By **Madison Haller, Sara DiMatteo**, Staff writers  
July 25, 2024

**BUSINESS / ENERGY**  
**A surge in data center development is feeding demand for electricity. Here's why that's a win for natural gas in Texas.**  
By **Clair Hax**, Staff writer  
Oct 20, 2024

We are not unique to the large load challenges this industry faces in the years to come. Solving this problem will be a One Team effort. **3**



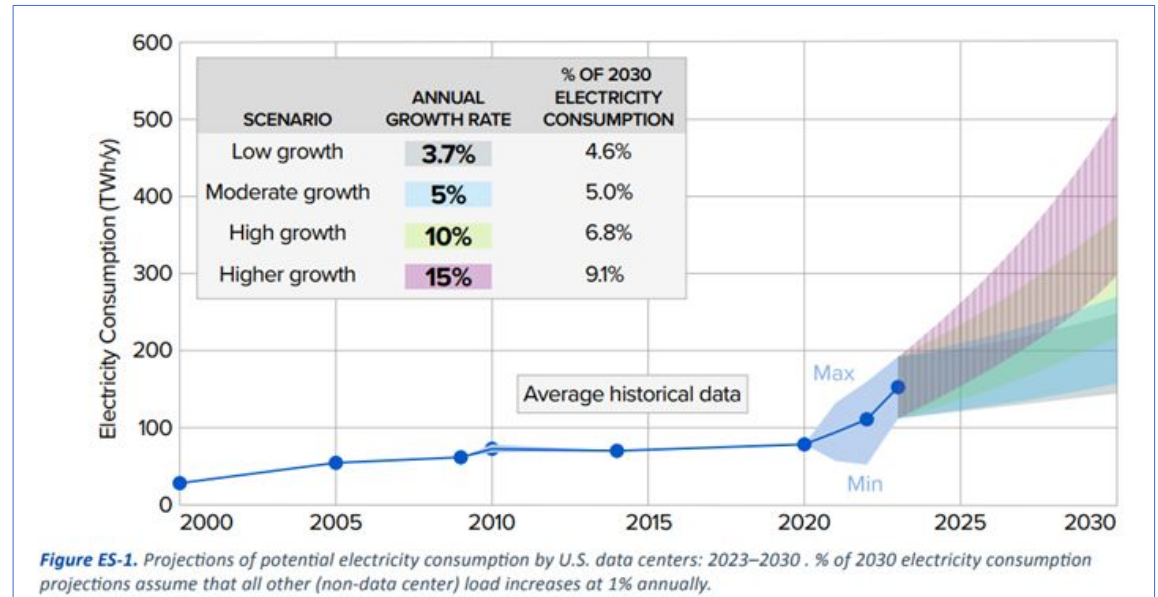
# INDUSTRY TRENDS

## DATA CENTER – ELECTRIC LOAD GROWTH IN US

Data Center Industry growth has led to an **unprecedented** electric load **growth**.

Data Centers account for<sup>1</sup>:

- ~4% of total US electric load in 2023
- Up to 9.1% projected by 2030



**Data Centers consume 10 to 50 times the energy per floor space of a typical office building.<sup>2</sup>**

<sup>1</sup> EPRI – Powering Intelligence: Analyzing Artificial Intelligence and Data Center Energy Consumption

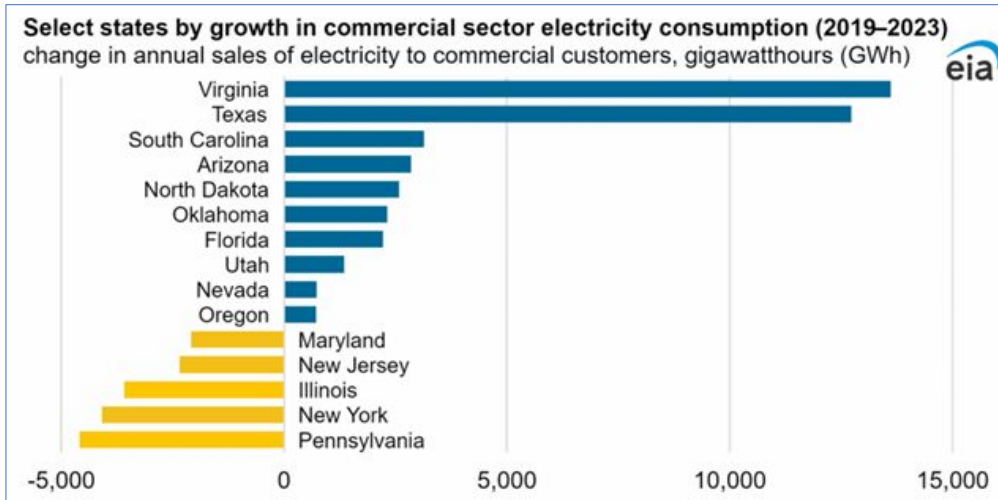
<sup>2</sup> <https://www.energy.gov/eere/buildings/data-centers-and-servers>



# INDUSTRY TRENDS

## DATA CENTER – ELECTRIC LOAD GROWTH IN TEXAS

Texas is #2 in the US in Data Center load... and growing



Source: <https://www.eia.gov/todayinenergy/detail.php?id=62409>

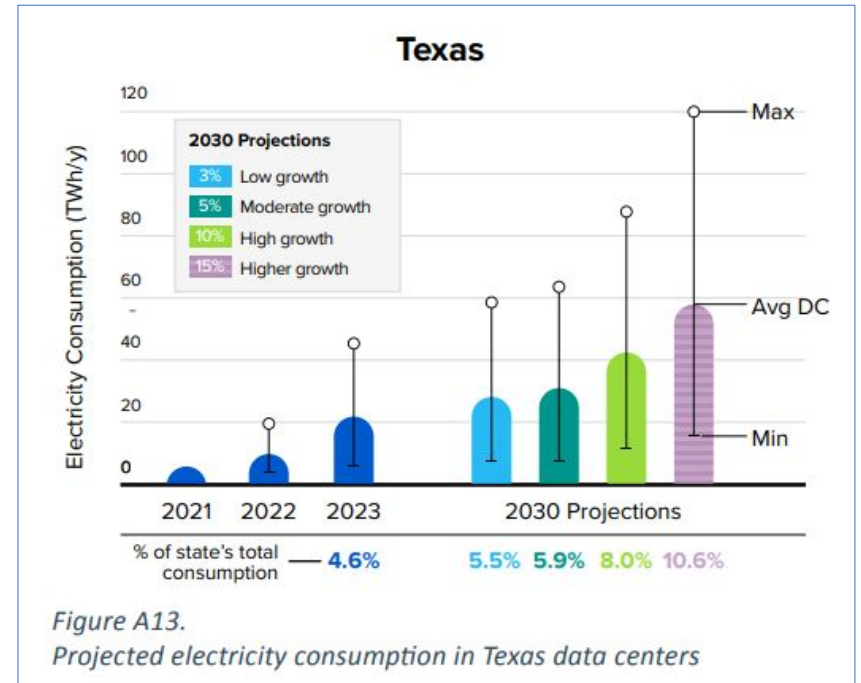


Figure A13.  
Projected electricity consumption in Texas data centers

Source: EPRI – Powering Intelligence: Analyzing Artificial Intelligence and Data Center Energy Consumption

**ERCOT anticipates about 152 GW of new load by 2030.<sup>1</sup>**

<sup>1</sup> <https://ercot.new.swagit.com/videos/303514>

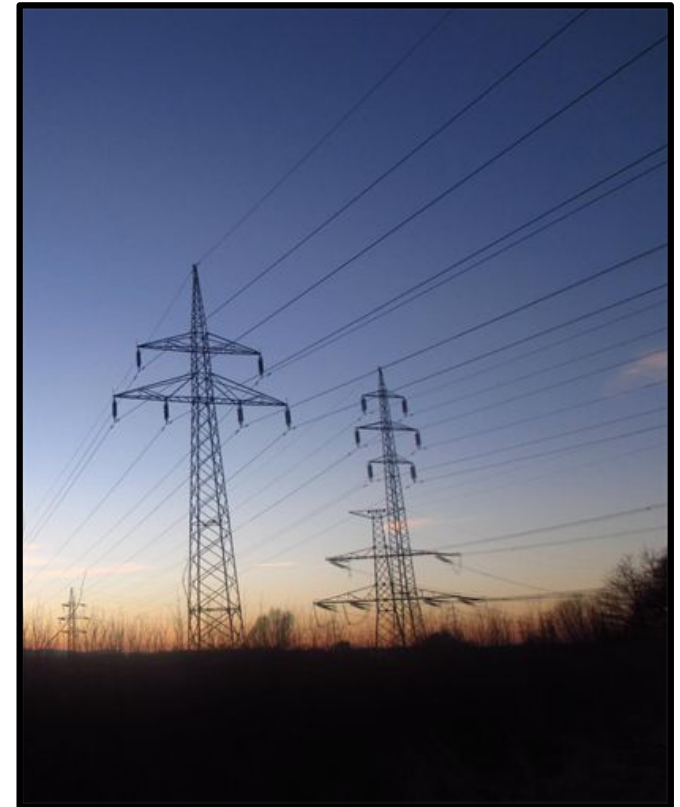


# STATE OF THE STATE

## ERCOT

- ERCOT anticipates **~152 GW** of new load by 2030
- There are ~1,775 active generation interconnection requests\* in the queue totaling **~346 GW**

\* Note: Not all interconnection requests will advance to commissioning phase



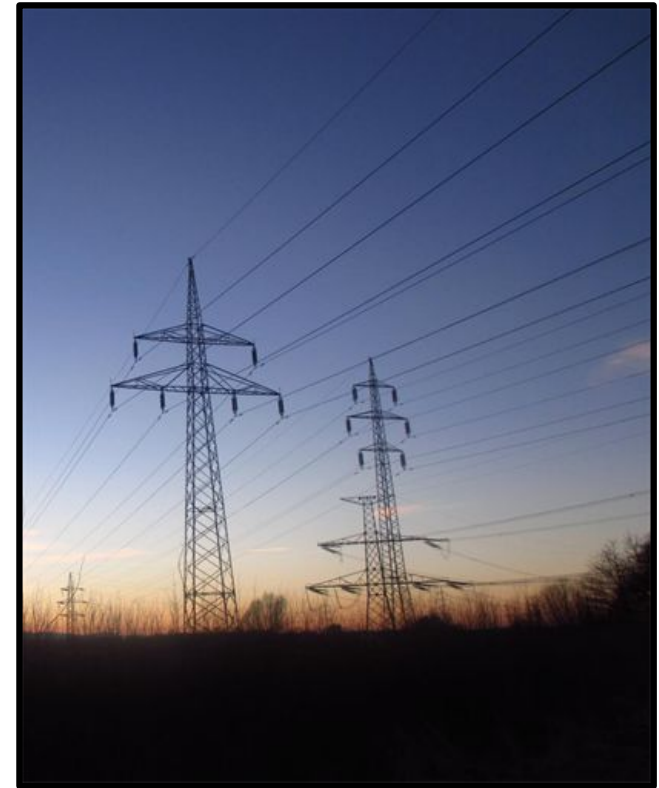
The ERCOT region is forecasted to experience tremendous electric demand growth in the next 5-7 years, which is driving the need for ERCOT to adapt and plan differently for the future.

# STATE OF THE STATE

## ERCOT



- Through HB 5066, prospective loads are now included in planning forecasts beginning in January 2024
- Impacts:
  - ~**40GW** increase
  - Increased transmission constraints throughout Texas



San Antonio, in the state's geographic center, sees increased "flow-through" transmission constraints.

# TRANSMISSION STUDIES



- We perform multiple studies that have the potential to generate projects that affect the system's capability to serve large loads, including:
  - Annual Planning Assessment performed for NERC requirements
  - Interconnection Studies for generation, transmission & end-user (large load, wholesale power, etc.)
  - Operational Analysis Studies
- In addition to the internal studies, we also utilize third-party studies:
  - **Stability Study:** Hitachi performed reactive power analysis for generation retirement scenarios, IROL studies & multiple generation interconnection studies
  - **Load Serving Study:** 1898 Co. (B&M) performed phase 1 of system capacity analysis to confirm system capabilities to serve large loads into the future
  - **Future Phase 2 (Underway):** 1898 Co. (B&M) phase 2 of system capacity analysis will utilize the latest cases & load forecasts with estimated completion of **Q4 2024**

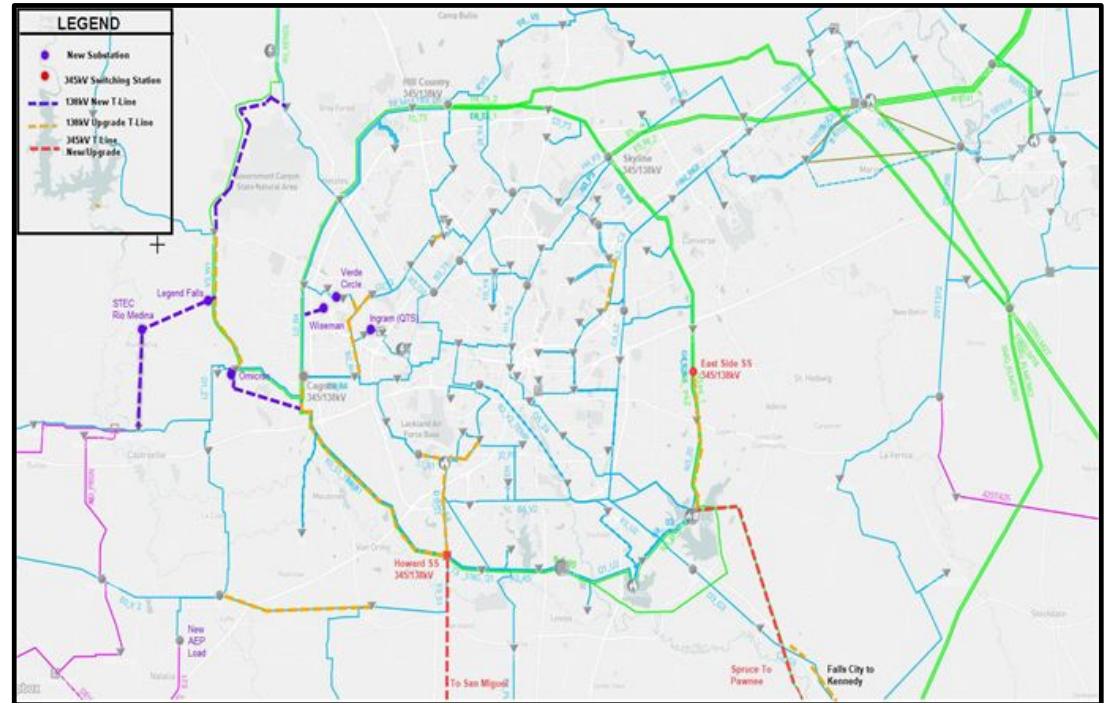
Multiple studies are underway to ensure long-term system reliability is maintained.



# WHAT WE ARE DOING TODAY

## BUILDING TRANSMISSION INFRASTRUCTURE

- 2 new 345kV/138kV switching stations & 15 new or upgraded transmission lines approved
- 3 to 5-year timeline to design, construct, energize
- We expect to spend ~\$1.3 Billion in the next 5 years to add a load-serving capacity of ~1GW by 2029



Completing the Phase 2 study may reveal a need for projects over the next five years to boost transmission capacity, requiring additional spending.



# WHAT WE ARE DOING TODAY

## CUSTOMER EXPERIENCE

### Customer Engagement

- Community and customer communications
  - Chambers & Working Groups
- External website established for updates

### Completed Assessment of Large Load Interconnection Process

- Improve visibility of the interconnection queue and timeline
- Align with industry best practices for large-load interconnection processes
- Update capacity studies with the latest information



**We have reviewed the large load interconnection process to improve transparency and adopt best practices.**

# OPTIONS WE ARE EVALUATING MOVING FORWARD



## On-Site Power Generation

- Natural Gas Turbine / Combined Cycle
- Fuel Cell
- Solar & Storage
- Customer-Owned / Co-operative Substation Construction



## New Customer Offerings

- Flexible Interconnection
- Peak Load Curtailment



## Expanding Grid-Enhancing Technologies

- Targeted Expansion of Dynamic Line Ratings Implementation
- Targeted Expansion of Advanced Conductor Implementation



**We are currently exploring new technologies and process improvements to adapt to changing grid requirements.**



# KEY TAKEAWAYS



We are actively identifying large load interconnection system constraints and **developing plans** to address them



We will continue working to **provide visibility** to the interconnection process with realistic timeframes



We are committed to **partnering with customers** to find and implement mutually beneficial solutions

We will work individually with customers to find the right path forward solution(s).



**THANK YOU**



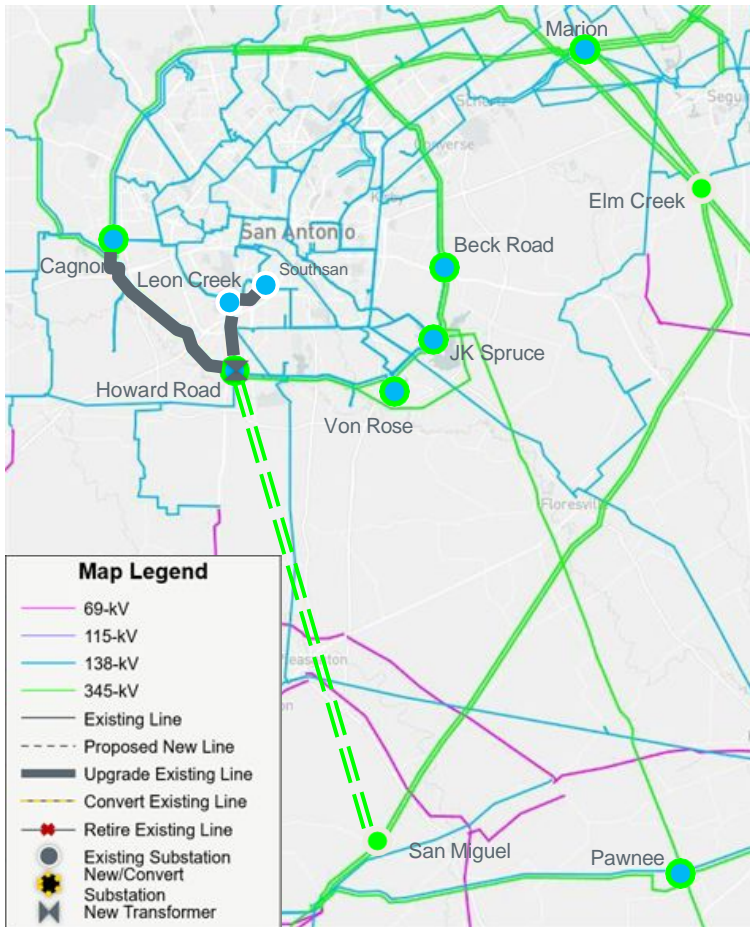
# APPENDIX

# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
B&M	Burns & McDonnell	KV	Kilovolt
DLR	Dynamic Line Rating	NERC	North American Electric Reliability Corporation
ERCOT	Electric Reliability Council of Texas	Q4	4 <sup>th</sup> Quarter
GW	Gigawatt	US	United States
GWH	Gigawatt Hour		
HB	Texas House Bill		
IROL	Interconnection Reliability Operating Limit		

# ERCOT BOARD APPROVAL FOR CPS ENERGY



Source: ERCOT



## ERCOT Board Approves San Antonio South Reliability Project

The ERCOT Board of Directors met on August 31, 2023, and provided endorsement for the CPS Energy San Antonio South Reliability Project. This project will provide a new 345 kV transmission line path into San Antonio to be energized prior to summer peak of 2027. This new 50-mile path will enable more renewable generation power in south Texas and will support our growing customer demand growth well into the future.



# PROCUREMENT REQUEST FOR APPROVAL

## ARCHITECTURAL SERVICES

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*PRESENTED BY:*  
**Lisa Lewis**  
Chief Administrative Officer

**November 18, 2024**  
*Request for Approval*



# NEW CONTRACT / REBID

## ARCHITECTURAL SERVICES



- Selected firms will provide architectural services to support master planning of complex projects for existing and future facilities.
- This includes design concepts and development, detailed construction documents, drawings, specifications & budget estimates, and facility assessments, facility codes & standards compliance review.



Tuttle Complex



# REQUEST FOR APPROVAL

## ARCHITECTURAL SERVICES

- Current Contracts:
  - Value: \$5.35 million
  - Term: 6 years
  - Expiration: December 2024
- New Contract Details:
  - Value: \$7 million
  - Term: 3 years
  - # Bidders: 4 responded to solicitation (2 Local and 2 Diverse businesses)
  - # Awardees: 2 (Both Local and Diverse businesses)

We respectfully request your approval at this time.



**THANK YOU**



# APPENDIX

# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
ERP	Enterprise Resource Planning		
TCOS	Transmission Cost of Service		



# KEY DRIVERS FOR SUPPLY CHAIN IDENTIFIERS FOR PROCUREMENT ITEMS



**SUPPLY CHAIN CONSTRAINTS**



**ELECTRIC SYSTEM GROWTH**



**GAS SYSTEM GROWTH**



**TCOS REIMBURSEMENT**



**GRID MODERNIZATION**



**VISION 2027 GENERATION PLAN**



**ERP TRANSFORMATION**



**REGULATORY COMPLIANCE**



# **PROCUREMENT REQUEST FOR APPROVAL**

## **POWER GENERATION ENGINEERING SERVICES**

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*PRESENTED BY:*  
**Benny Ethridge**  
Chief Energy Supply Officer

**November 18, 2024**  
*Request for Approval*

# NEW CONTRACT / REBID

## POWER GENERATION ENGINEERING SERVICES

- Services include:
  - Detailed specification development
  - Design and analysis support
  - Controls design review/consultation
  - Construction monitoring
  - Environmental planning/permitting
  - Regulatory studies and modeling
  - System protection engineering
- A new Request for Qualifications (RFQ) was issued early due to the significant increase in project volume in support of the Vision 2027 Generation Plan and the acquisition of the new plants in Corpus Christi and Laredo.



5kV Switchgear Upgrade







# REQUEST FOR APPROVAL

## POWER GENERATION ENGINEERING SERVICES

- Current Contracts:
  - Value: \$36 million
  - Term: 5 years
  - Expiration: August 2026
- New Contract Details:
  - Value: \$125 million
  - Term: 3 years
  - # Bidders: 17 responded to solicitation (11 Local, 3 Diverse)
  - # Awardees: 13 (9 Local and 2 Diverse)
  - Contracts to include diverse subcontracting commitments and utilization of subcontractors will be tracked and incorporated into the vendor performance scorecard.



**We respectfully request your approval at this time.**



**THANK YOU**



# APPENDIX

# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
ERP	Enterprise Resource Planning		
RFQ	Request for Qualifications		
TCOS	Transmission Cost of Service		



# KEY DRIVERS FOR SUPPLY CHAIN IDENTIFIERS FOR PROCUREMENT ITEMS



**SUPPLY CHAIN CONSTRAINTS**



**ELECTRIC SYSTEM GROWTH**



**GAS SYSTEM GROWTH**



**TCOS REIMBURSEMENT**



**GRID MODERNIZATION**



**VISION 2027 GENERATION PLAN**



**ERP TRANSFORMATION**



**REGULATORY COMPLIANCE**



# HOWARD TO LEON CREEK TRANSMISSION LINE PROJECT REBUILD

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*PRESENTED BY:*  
**Richard Medina**  
Chief Energy Delivery Officer

**November 18, 2024**  
*Request for Approval*



# AGENDA

- Routing and Siting (R&S) Process Comparison
- Project Overview
- Public Involvement
- Recommendation
- Board Action

**We are requesting Board approval of the route and project.**



# R&S PROCESS COMPARISON

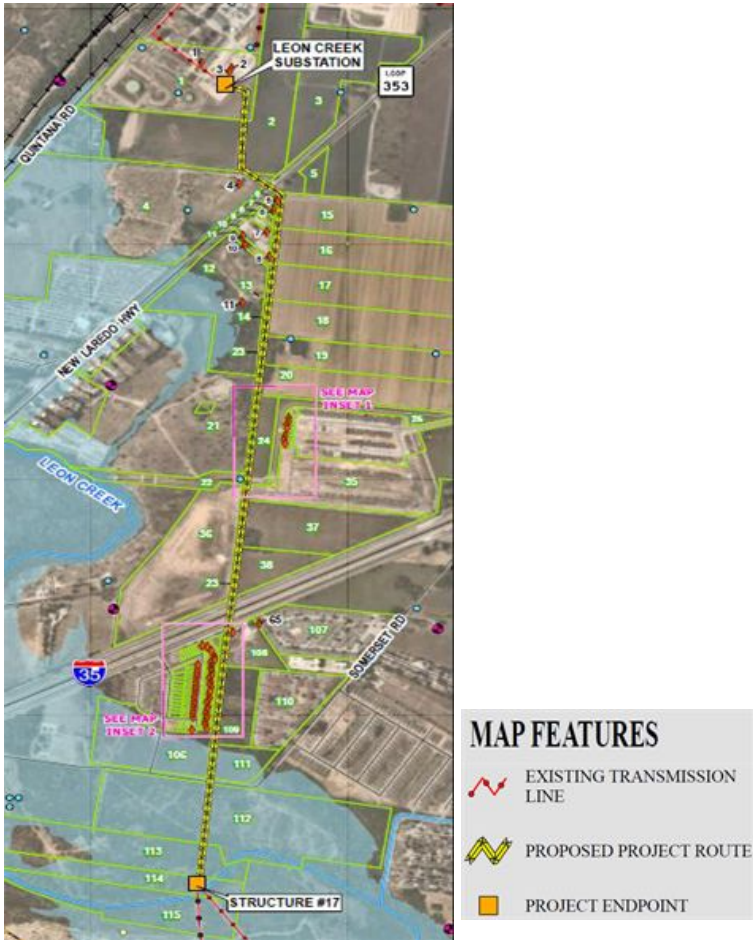
INSIDE CITY LIMITS	OUTSIDE CITY LIMITS	INSIDE & OUTSIDE CITY LIMITS
Initial Data Collection	Initial Data Collection	Initial Data Collection
Open House/ Public Input	Open House/ Public Input	Open House/ Public Input
Route Evaluation	Route Evaluation	Route Evaluation
CPS Energy Recommendation	PUC Application	PUC Application
Board Input Session	PUC Hearings	PUC Hearings
CPS Energy Board Approval & Route Selection	PUC Approval & Route Selection	PUC Approval & Partial Route Selection
	CPS Energy Board Gives Approval to Proceed	CPS Energy Board Approval & Partial Route Selection





# PROJECT OVERVIEW

- One of nine ERCOT-Approved San Antonio South Reliability Projects to increase system capacity, support growth, and increase renewable generation in south and central Texas
- Transmission rebuild requiring additional right of way (ROW)
- Located in Council District 4
- Inside San Antonio city limits
- Target in-service date: May 2026



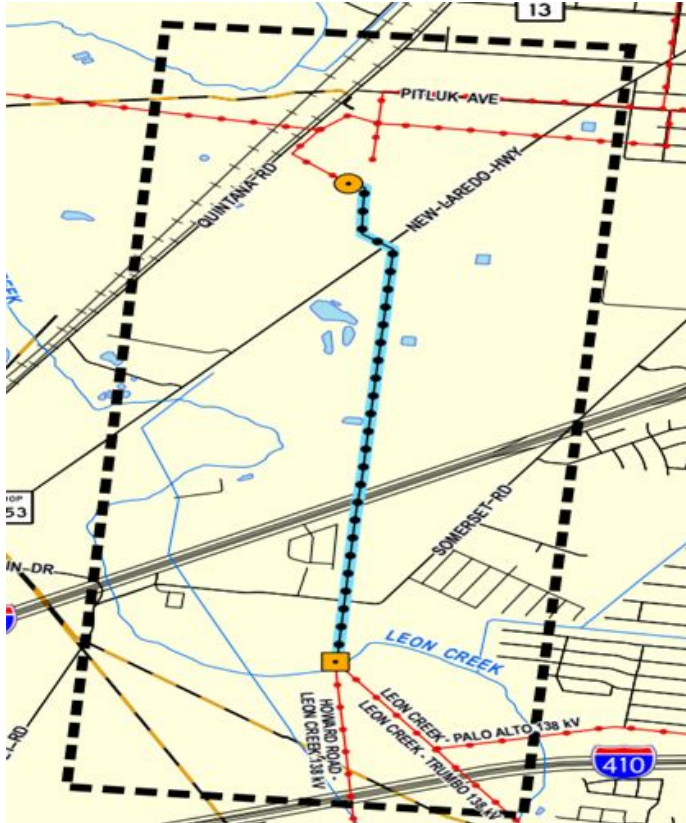
Transmission line from Leon Creek Substation to structure 17



# PUBLIC INVOLVEMENT

- Public Open House (8/29/2024)
  - 85 property owners and residents invited
  - Location: St. Clare Church
  - 4 people signed in
- Board Input Session (10/28/2024)
  - 85 property owners and residents invited
  - Location: CPS Energy HQ
  - No customer interaction related to the project
- Additional outreach efforts
  - Project Website
  - Project Brochure/FAQ/Questionnaires
  - Multiple newspaper notice advertisements

# RECOMMENDATION



Project study area

Utilize existing and added ROW to rebuild the triple circuit transmission line

- 1.77 miles total length (existing route)
- 50 feet of additional ROW is needed to upgrade the existing three transmission lines
- \$16.8M estimated project cost



# REQUEST FOR APPROVAL

## Project team requests Board approval to:

- Proceed with transmission rebuild of existing line
- Execute planning, easement procurement and construction of the project



**THANK YOU**



# APPENDIX

# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
ROW	Right of Way		
PUC	Public Utility Commission of Texas		
ERCOT	Electric Reliability Council of Texas		



# **SAT15 ROUTING AND SITING PROJECT**

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*PRESENTED BY:*  
**Richard Medina**  
Chief Energy Delivery Officer

**November 18, 2024**  
*Request for Approval*





# AGENDA

- Routing and Siting (R&S) Process Comparison
- Project Overview
- Public Involvement
- Public Utility Commission (PUC) Process and Approved Route H
- Board Action

**We are seeking Board approval for the route and project.**

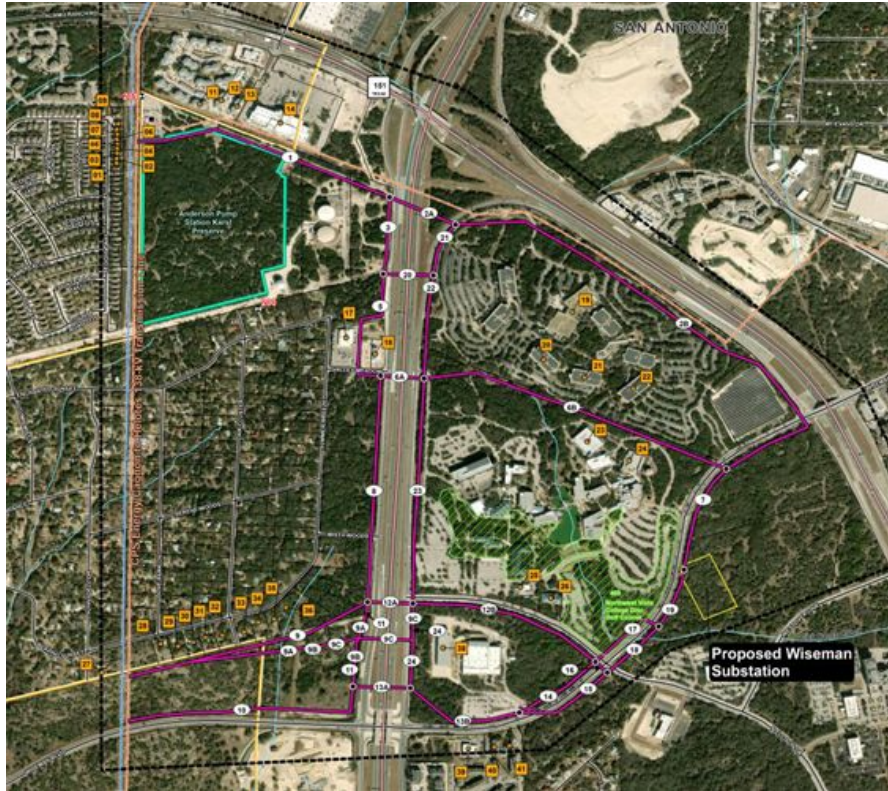


# R&S PROCESS COMPARISON

INSIDE CITY LIMITS	OUTSIDE CITY LIMITS	INSIDE & OUTSIDE CITY LIMITS
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	CPS Energy Board Gives Approval to Proceed	CPS Energy Board Approval & Partial Route Selection



# PROJECT OVERVIEW



- Project needed to provide electric service to a large data center
- 19 route options
- Customer substation site southwest of Wiseman Blvd and State Highway 151
- Substation located in Council District 6
- PUC process because transmission line located partially outside San Antonio city limits
- Target in-service date: May 2027

## LEGEND

- ..... Substation & Transmission Study Area
- Existing 138kV T-Line
- Potential transmission line segments
- Customer Substation Site



# PUBLIC INVOLVEMENT



- Open House (6/7/2023)
  - 127 property owners and residents invited
  - 15 participants signed in
- Additional outreach efforts
  - Met with North San Antonio Hills HOA
  - Project Website
  - Project Brochure/FAQ/Questionnaires
  - Newspaper notice advertised 11/9/2023
  - PUC application notice packet

The routes were updated based on customer input.



## PUC PROCESS

- Application submitted to PUC and included: 11/03/2023
  - Environmental assessment comparing attributes of route options
  - Cost estimates comparing route costs
  - CPS Energy testimony filed
  - 69 property owners and 15 agencies received notice
- Landowner Testimonies and Statements of Position filed 12/29/2023
- Hearing on the Merits 01/16/2024
- PUC made final determination 10/03/2024

**After an extensive review of the project, the PUC selected Route H.**



# PUC APPROVED ROUTE H



- PUC selected and approved route H
- 1.24 miles total length (2<sup>nd</sup> shortest)
- Customer substation site
- Lowest number of habitable structures
- \$35.7M estimated project cost (4<sup>th</sup> least)
- Located along the frontage of Wiseman Blvd

# REQUEST FOR APPROVAL



## Project team requests Board approval to:

- Proceed with PUC selected and approved Route H
- Execute planning, easement procurement, and construction of the project



**THANK YOU**





# APPENDIX

# GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
HOA	Homeowners Association		
kV	Kilovolts		
PUC	Public Utility Commission of Texas		
T-Line	Transmission line		