



**CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON AUGUST 25, 2025, 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
1	CALL TO ORDER	Execute	Dr. Francine Romero
2	SAFETY MESSAGE, INVOCATION, & PLEDGE OF ALLEGIANCE	Execute	Ms. Sarah Neill
3	PUBLIC COMMENT Pre-Registration is from Wednesday, August 20, 2025, 5:00 PM – Friday, August 22, 2025, 1:00 PM. Dial (210) 353-4662 or email PublicCommentRegistration@CPSEnergy.com	Discuss	Dr. Francine Romero
UPDATE ON CHAIR'S PRIORITIES			
4	CHAIR'S REMARKS	Discuss	Dr. Francine Romero
5	CEO RECOGNITION & REMARKS	Discuss	Mr. Rudy Garza
CONSENT AGENDA			
6	APPROVAL OF CONSENT ITEMS: A. Payment to the City of San Antonio for July 2025 B. Minutes from the June Regular Board Meeting, held on June 30, 2025 C. Minutes from the July Regular Board Meeting, held on July 28, 2025 D. Approval of the Eastside Switching Station Land Acquisition E. Procurement Items: <i>Note: This item was heard in the July 14, 2025, Audit and Finance Committee Meeting</i>	Vote	Dr. Francine Romero

	1. General Services: Medium and Heavy-Duty Vehicles (Ms. Lisa Lewis)		
REGULAR AGENDA			
7	BOARD COMMITTEE REPORTS A. Audit and Finance Committee Meeting held on July 14, 2025 B. Employee Benefits Oversight Committee Meeting held on July 14, 2025 COMMUNITY INPUT COMMITTEE (CIC) REPORTS C. Community Input Committee Meeting held on August 13, 2025	Discuss	Dr. Francine Romero
8	2026 HEALTH PLAN UPDATE	Discuss	Ms. Veronica Uriegas
9	PROCUREMENT POLICY FOLLOW-UP	Discuss & Possible Vote	Ms. Lisa Lewis
10	ACCOUNT MANAGEMENT AND PAST DUE BALANCES	Discuss	Ms. DeAnna Hardwick & Ms. Devi Kumar-Nambiar
CONVENE TO EXECUTIVE SESSION			
11	EXECUTIVE SESSION A. Personnel Matters (§551.074) & Attorney-Client Matters (§551.071) B. Attorney Client Matters (§551.071) C. Security Personnel or Devices (§551.076)	Discuss	Dr. Francine Romero
RECONVENE TO OPEN SESSION			
12	ADJOURNMENT	Execute	Dr. Francine Romero
If the Board meeting has not adjourned by 5:10 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 August 25, 2025

Approval of Payment to the City of San Antonio for July 2025

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 July 2025 is based on actual gross revenue per the New Series Bond Ordinance of \$369,096,365.76, less applicable exclusions. The revenue for the month of July 2025 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$405,259,447.88
Gas revenue	15,337,428.57
Interest and other income	5,375,071.73
Gross revenue per CPS Energy financial statements	<u>425,971,948.18</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(8,930,594.32)
LVG revenue per City Ordinance 100709	(40,219.15)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(52,467,151.59)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	4,562,382.64
Total excluded revenue	<u>(56,875,582.42)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$369,096,365.76</u>
City payment per Bond Ordinance for July 2025 based upon July 2025 revenue	\$51,673,491.21
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	1,113,544.70
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	52,774,535.91 A
Utility services provided to the City for July 2025	<u>(3,260,086.17)</u>
Net amount to be paid from July 2025 revenue to the City in August 2025	<u>\$49,514,449.74</u>

CPS Energy Board of Trustees Meeting August 25, 2025

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)

July 2025	Actual	Budget	Variance	
Current Month A	\$52,775	\$53,104	(\$329)	-0.6%
Year-to-Date	\$238,900	\$241,867	(\$2,967)	-1.2%

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 \$49,514,449.74 representing 14% of applicable system gross revenues for the month of July 2025, such payment being net of City utility services (\$3,260,086.17), is hereby approved." The Board ratifies that July 2025 revenue was sufficient to recover the remaining \$11,040,012.01 in funds that were advanced to the City in prior fiscal months.

Draft for review and approval
at the August 25, 2025 meeting

**CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON JUNE 30, 2025**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of June was held on Monday, June 30, 2025, 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 Romero called the meeting to order at 1:01 p.m.

Present were Board members:

Dr. Francine Romero, Chair
Dr. Willis Mackey, Vice Chair
Ms. Janie Gonzalez
Mr. John Steen
Mayor Gina Ortiz Jones (arrived at 1:03 p.m.)

Also present were:

Mr. Rudy Garza, President & CEO
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary
Ms. Elaina Ball, Chief Strategy Officer
Mr. Benny Ethridge, Chief Energy Supply Officer
Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer
Ms. DeAnna Hardwick, Chief Customer Strategy Officer
Ms. Lisa Lewis, Chief Administrative Officer
Mr. Richard Medina, Chief Energy Delivery Officer
Mr. Evan O'Mahoney, Chief Information Officer
Mr. Erik Walsh, City Manager, City of San Antonio
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 Ms. Brandy Russell, Board Relations Liaison.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, expressed her excitement that President & CEO Rudy Garza, Trustee Janie Gonzalez, and Mayor Gina Ortiz Jones all held positions of leadership at CPS Energy and in the community. She provided words of encouragement, and indicated she would like private meetings with each of the three leaders.

Draft for review and approval
at the August 25, 2025 meeting

Ms. Dawn “Patty” Benitez, CPS Energy retiree, expressed concerns about the changes to the retiree health insurance plan, including a perceived lack of retiree input. She wanted CPS Energy to fund more of the retiree plan, and she believed other options were not thoroughly explored.

Ms. Deboarh Henrich, CPS Energy retiree, expressed concern that the proposed retiree health insurance plan would alter her benefits she was promised upon retirement.

Ms. Patricia Major, CPS Energy retiree, expressed concerns about the changes to the retiree health insurance plan and that the information provided regarding the plan change was too vague. She stated she wants more details about the new plan, more information about the fees, and more input from retirees. She stated that a petition will be forthcoming that expresses these retiree concerns.

The following individuals requested that CPS Energy stop disconnections for the community’s most vulnerable residents. They expressed concerns about the ability to pay bills and the health risks during more extreme weather. They also stated they felt that the interests of data centers and large businesses are prioritized over vulnerable customers, and several stated that they will continue to attend meetings until the Board discusses their concerns:

Ms. Paula Cary, community member
Ms. Isabella Briseño, community member
Ms. Ana Trevino, Texas Rising Coalition Member of Climate SA
Ms. Luissana Santibañez, Coalition for Dignified Housing
Ms. DeeDee Belmares, Public Citizen
Ms. Isabel Galvan, community member
Ms. Anissa Mancias, community member
Ms. Araceli Herrera, Coalition for Dignified Housing
Ms. Evangelina Villanueva, Coalition for Dignified Housing
Ms. Graciela Sanchez, Esperanza Peace & Justice Center
Ms. Erica Alvarado, community member
Ms. Claudia Sanchez, LULAC
Ms. Angelica Olvera, Citizen Keep South San Antonio Proud
Ms. Jazmine Herrera, Coalition for Dignified Housing
Mr. Gabriel Rosalez, LULAC
Mr. Brian Lopez, SA Workers Assembly

IV. CHAIR’S REMARKS

Chair Romero thanked those who provided public comment. She encouraged individuals who do need assistance to see the CPS Energy staff members available to help. She noted there are several detailed and information rich presentations on the agenda that are important for the Board and for our customers, one of which will address accounts receivable and when a disconnection may occur.

Next, she noted that, as we grapple with climate change, CPS Energy has worked on an exciting project at the Tessman Road landfill, which will convert landfill waste gas into renewable natural gas. This gas is added to CPS Energy’s pipeline and powers over 450 via buses.

Draft for review and approval
at the August 25, 2025 meeting

Finally, she encouraged those interested to apply for the upcoming vacancy for the Quadrant 2 position on the Board of Trustees. She noted there is a public information session upcoming on July 9 at 5 p.m. and one on August 12 at 12 p.m. She discussed the process for applying and noted that the application deadline is August 29.

V. CEO RECOGNITION & REMARKS

Mr. Rudy Garza, President & CEO, recognized the first quarter CEO Core Value Award Honorees. He emphasized the importance of our core values, and he noted that they serve as the guiding principles that shape our culture, drive our decision-making, and enable us to deliver exceptional service to our community. Our core values define who we are as an organization, and are at the heart of everything that we do.

Next, Mr. Garza provided an overview of the presentations on the agenda. Mr. Cory Kuchinsky and Ms. Elaina Ball will present on our first quarter performance, which shows the great progress we have made in addressing past due balances. Ms. DeAnna Hardwick will discuss our efforts to keep our customers on track, and when they fall behind, the programs that we have to assist them. He stated he believed that here in San Antonio, we do more than any other utility to help our customers. Finally, Ms. Kathy Garcia will provide a legislative and regulatory update.

VI. APPROVAL OF CONSENT ITEMS

On a motion by Vice Chair Dr. Mackey, seconded by Trustee Gonzalez, and upon the 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 2025

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 2025 is based on actual gross revenue per the New Series Bond Ordinance of \$273,198,098.18, 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 \$3,774,964.03. 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 \$3,774,964.03 against future months' revenues for fiscal year 2026. The revenue for the month of May 2025 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$323,612,653.02
Gas revenue	17,066,336.74
Interest and other income	4,487,271.07
Gross revenue per CPS Energy financial statements	<u>345,166,260.83</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(4,786,231.00)

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LVG revenue per City Ordinance 100709	(28,671.87)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(36,322,931.93)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	(30,830,327.85)
Total excluded revenue	(71,968,162.65)
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	\$273,198,098.18
City payment per Bond Ordinance for May 2025 based upon May 2025 revenue	\$38,247,733.75
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	618,958.06
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)
City payment per Bond Ordinance plus adjustments for memorandums of understanding	38,854,191.81 A
Utility services provided to the City for May 2025	(3,028,318.76)
Net amount to be paid from May 2025 revenue to the City in June 2025	\$35,825,873.05

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 2025	Actual	Budget	Variance	
Current Month A	\$38,854	\$36,121	\$2,733	7.6%
Year-to-Date	\$142,965	\$142,293	\$672	0.5%

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 \$35,825,873.05 representing 14% of applicable system gross revenues for the month of May 2025, such payment being net of City utility services (\$3,028,318.76), and including the current month shortage, is hereby approved." The total amount to be recovered from future months' revenues for fiscal year 2026 is \$43,880,985.00.

B. Minutes from the May Regular Board Meeting, held on May 19, 2025

C. Procurement Items: None

VII. COMMITTEE REPORTS

In the interest of time, Chair Romero accepted the submission of the following reports for the record in lieu of having them read during the meeting:

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at the August 25, 2025 meeting

Community Input Committee (CIC) Subcommittee Reports

- A. Customer Relations and Communications Subcommittee Meeting held on May 14, 2025. The report is attached as Attachment "A" to the meeting minutes.
- B. Rates, Finance, and Business Subcommittee Meeting held on May 14, 2025. The report is attached as Attachment "B" to the meeting minutes.
- C. Power and Technology Subcommittee Meeting held on May 14, 2025. The report is attached as Attachment "C" to the meeting minutes.

Board Committee Reports

- A. Nominations Committee meeting held on May 13, 2025. The report is attached as Attachment "D" to the meeting minutes.

VIII. FY2026 FIRST QUARTER PERFORMANCE UPDATE

Mr. Cory Kuchinsky, Chief Financial Officer, presented the financial results through the end of the first quarter. He noted that the financial metrics and financial resiliency score are projected to be in line with our plan. He also presented the current outlook for past due receivables, noting that we have reduced past-due dollars from a peak of \$208M to \$112M, and he noted that despite ongoing customer growth, we have effectively managed past due accounts, particularly those at risk of disconnection, now 15% lower than pre-pandemic levels. The Board of Trustees asked questions and discussed the quarterly financial results.

Ms. Elaina Ball, Chief Strategy Officer, presented on the FY2026 Enterprise Scorecard through the first quarter. She reviewed the status of the strategic objectives. She then noted that all measures are on track, except for safety, which is at risk. She provided an overview of the reportable safety events and steps taken to mitigate these events, including stretching and hydration. The Board of Trustees asked questions and discussed the enterprise scorecard.

IX. ACCOUNTS RECEIVABLES PROCESS AND SUPPORT

Ms. DeAnna Hardwick, Chief Customer Strategy Officer, presented on our accounts receivable process and how we support our customers. She noted that we are committed to helping our customers avoid disconnection through payment plans and assistance programs and continue exploring solutions to support our community and ensure reliable service for all. She highlighted CPS Energy's positive momentum in this area, noting that our arrears have reduced while other utilities see amounts increasing. She shared our awards and community partnerships related to customer support. She then walked through legal requirements that apply to CPS Energy, noting that we are prohibited from gifting public funds. Next, she provided an in-depth overview of our practices, our bundled care approach, and the steps we take before a customer can be disconnected. She provided examples through two customer scenarios. Our payment plans have a high success rate because we work with each individual customer, and we have helped connect our customers with nearly \$3.6 million in assistance. She reiterated that we focus on compassion and care - it just takes one call and we can help. Finally, she highlighted how we are focused on the future with short-term and long-term outcomes, such as leveraging technology, to improve customer experience.

The Board of Trustees asked questions, discussed the presentation, and requested additional information.

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X. LEGISLATIVE & REGULATORY POLICY UPDATE

Ms. Kathy Garcia, Vice President, Government and Regulatory Affairs and Public Policy, provided a recap of the Regular Session of the 89th Legislature and highlights of our current and forthcoming public policy activities. She noted that CPS Energy remains a trusted resource and partner with legislative offices, community partners, and industry counterparts. She reviewed the key bills and stated that we successfully advocated for changes to the legislation, and we will continue our efforts through the forthcoming rulemaking process. She also provided information on the federal policy and legislative actions.

The Board of Trustees asked questions, discussed the presentation, and requested additional information.

XI. EXECUTIVE SESSION

At approximately 4:38 p.m., Chair Romero 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:

- Attorney-Client Matters (§551.071) & Competitive Matters (§551.086)
- Attorney-Client Matters (§551.071)
- Real Property (§551.072)

The Board reconvened in open session at 5:27 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.

XII. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Trustee Steen, seconded by Trustee Gonzalez, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 5:36 p.m. by Chair Romero.

Shanna M. Ramirez
Secretary of the Board

Draft for review and approval
at the August 25, 2025 meeting

**CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON JULY 28, 2025**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of July was held on Monday, July 28, 2025, 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 Romero called the meeting to order at 1:00 p.m.

Present were Board members:

Dr. Francine Romero, Chair
Dr. Willis Mackey, Vice Chair
Ms. Janie Gonzalez
Mr. John Steen
Mayor Gina Ortiz Jones

Also present were:

Ms. Elaina Ball, Chief Strategy Officer
Ms. Ashley Glotzer, Director, Senior Counsel
Mr. Benny Ethridge, Chief Energy Supply Officer
Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer
Ms. DeAnna Hardwick, Chief Customer Strategy Officer
Ms. Lisa Lewis, Chief Administrative Officer
Mr. Richard Medina, Chief Energy Delivery Officer
Mr. Evan O'Mahoney, Chief Information Officer
City of San Antonio officials
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. Jimmy Stinnett, Manager, Gas Locating and Damage Prevention.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, stated she appreciates CPS Energy Service Center and CRU employees. She conveyed they are the backbone of CPS Energy and do a wonderful job.

Mr. Brian Lopez, SA Workers Assembly, stated his comments were for Mr. Rudy Garza, and he will hold his comments until next month when Mr. Garza is present. He also noted he and others will continue to come to Board meetings and fight to stop disconnections and rate increases.

Draft for review and approval
at the August 25, 2025 meeting

The following CPS Energy retirees provided public comment about upcoming changes to health care benefits for retirees at least 65 years of age: Ms. Dawn “Patty” Benitez, Ms. Mary Johnson, Ms. Isabel Hernandez, and Mr. Michael Gilbert. They generally expressed concern about the level of transparency and quality of communication from CPS Energy about the changes and potential impacts. They also generally expressed concerns and questions about the details of the new plan, how the trust will fund and how retirees will pay for the new plan, and about the legal compliance of the changes. They generally urged for more time to review the plan or for retirees to choose from options. Finally, Ms. Hernandez stated that the minutes for the June Board of Trustees meeting did not accurately reflect who provided comments and did not accurately summarize their concerns, and Mr. Gilbert expressed concern about the changes to hearing aid coverage.

Ms. Isabel Hernandez, CPS Energy retiree, expressed concern about the procurement for Broadleaf and wished to have more information about the costs and scope of services.

IV. CHAIR’S REMARKS

Chair Romero noted that the “Assistance Finder” on the main page of the CPS Energy website will make it easier for customers to find and apply for bill assistance. Nearly 29,000 customers have used this tool near its 1-year anniversary. She also provided information about the Pay-by-Text option and explained that it is designed to make bill payment more efficient.

Next, Chair Romero urged customers to be cautious of scams. CPS Energy will not ask customers to purchase gift cards or debit cards for payment.

She then encouraged individuals interested in joining the Board of Trustees to fill the seat when Trustee Steen’s term ends to attend the in-person information session on August 12 at CPS Energy headquarters.

Finally, Chair Romero thanked the CPS Energy interns for their work. She noted she had met with some of them and is optimistic about the future, and she appreciates those that run the internship program at CPS Energy.

V. CEO RECOGNITION & REMARKS

Ms. Elaina Ball, Chief Strategy Officer, recognized the fifty interns and mentor employees who participated in the intern program. She noted that interns worked across every aspect of our business and that this is our future workforce. She thanked everyone that participated in the program.

Ms. Ball then provided an overview of the upcoming items to be addressed in this meeting.

Trustees Gonzalez congratulated the rodeo team for their achievement in the competition.

Draft for review and approval
at the August 25, 2025 meeting

VI. APPROVAL OF CONSENT ITEMS

Chair Romero deferred approval of Item 6C to the August Board of Trustee Meeting. On a motion by Trustee Gonzalez, and seconded by Chair Romero, Items 6A, 6B and 6D were passed unanimously.

A. Approval of Payment to the City of San Antonio for June 2025

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 2025 is based on actual gross revenue per the New Series Bond Ordinance of \$302,614,443.56, less applicable exclusions. The revenue for the month of June 2025 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$341,247,810.12
Gas revenue	13,782,566.39
Interest and other income	7,122,377.66
Gross revenue per CPS Energy financial statements	<u>362,152,754.17</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(13,242,477.07)
LVG revenue per City Ordinance 100709	(119,383.08)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(43,659,824.32)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	<u>(2,516,626.14)</u>
Total excluded revenue	<u>(59,538,310.61)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u>\$302,614,443.56</u>
City payment per Bond Ordinance for June 2025 based upon June 2025 revenue	\$42,366,022.10
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	806,727.70
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	43,160,249.80
Utility services provided to the City for June 2025	<u>(3,073,495.13)</u>
Net amount to be paid from June 2025 revenue to the City in July 2025	<u>\$40,086,754.67</u>

A

Draft for review and approval
at the August 25, 2025 meeting

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 2025	Actual	Budget	Variance	
Current Month A	\$43,160	\$46,470	(\$3,310)	-7.1%
Year-to-Date	\$186,125	\$188,763	(\$2,638)	-1.4%

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 \$40,086,754.67 representing 14% of applicable system gross revenues for the month of June 2025, such payment being net of City utility services (\$3,073,495.13), is hereby approved." The Board ratifies that June 2025 revenue was sufficient to recover \$32,840,972.99 in funds that were advanced to the City in prior fiscal months. The total amount to be recovered from future months' revenues for fiscal year 2026 is \$11,040,012.01.

B. Minutes from the June Special Board Meeting, held on June 10, 2025

C. Minutes from the June Regular Board Meeting, held on June 30, 2025

D. Procurement Items:

1. **Item Description:** Managed Staffing Services
Category: General Services
Supplier: Broadleaf Results, Inc.
2. **Item Description:** Financial Audit Services
Category: Professional Services
Supplier: KPMG LLP
3. **Item Description:** Residential Gas Meters
Category: Commodity & Material Goods
Supplier: Itron, Inc.

*The Procurement Package will be attached as Attachment "A" to the meeting minutes.

VII. COMMITTEE REPORTS

In the interest of time, Chair Romero accepted the submission of the following reports for the record in lieu of having them read during the meeting:

Board Committee Reports

- A. Technology & Resilience Committee meeting held on June 9, 2025. The report is attached as Attachment "B" to the meeting minutes.
- B. Operations Oversight Committee meeting held on June 23, 2025. The report is attached as Attachment "C" to the meeting minutes.

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- C. Nominations Committee meeting held on June 24, 2025. The report is attached as Attachment "D" to the meeting minutes.

Community Input Committee (CIC) Reports

- A. Community Input Committee meeting held on July 9, 2025. The report is attached as Attachment "E" to the meeting minutes.

VIII. EVOLVE: ERP TRANSFORMATION UPDATE

Mr. Evan O'Mahoney, Chief Information Officer, provided an update on the Enterprise Resource Planning (ERP) Transformation Program. He noted this is the first bi-annual update since the execution phase began. He noted that the scope, schedule, and quality are on track. He also provided an update on our key partners and progress-to-date.

The Board of Trustees discussed and asked questions.

IX. HOWARD TO SAN MIGUEL ROUTING AND SITING PROJECT

Mr. Richard Medina, Chief Energy Delivery Officer, reviewed the Howard to San Miguel Routing and Siting Project. He provided a project overview for the new 345 kV double circuit transmission line, which is a part of the ERCOT endorsed San Antonio South Reliability Project. He also reviewed public involvement and the route selection process, which involved the Public Utility Commission of Texas (PUCT). He then requested approval.

Vice Chair Dr. Mackey moved to approve the routing and siting project and the resolution, and it was seconded by Trustee Steen. The following resolution was unanimously approved:

APPROVING THE CONSTRUCTION OF THE HOWARD ROAD TO SAN MIGUEL 345KV TRANSMISSION LINE PROJECT AND THE ACQUISITION OF EASEMENT RIGHTS, FEE SIMPLE TITLE AND PROPERTY EXCHANGES OVER AND ACROSS CERTAIN PROPERTIES LOCATED IN SOUTH BEXAR AND ATASCOSA COUNTIES TEXAS, EITHER BY PURCHASE THROUGH NEGOTIATIONS OR BY THE PROCESS OF EMINENT DOMAIN, FOR EXPANSION AND OPERATION OF THE CITY OF SAN ANTONIO ELECTRIC SYSTEM, INCLUDING THE CONSTRUCTION, OPERATION AND MAINTENANCE OF ELECTRIC TRANSMISSION LINES, DISTRIBUTION LINES, COMMUNICATION SYSTEMS, AND RELATED APPURTENANCES.

WHEREAS, the Public Utility Commission of Texas ("PUC") has affirmed the need for a new transmission line to satisfy the power needs and to enhance reliability of the CPS Energy and ERCOT electric system within Bexar and Atascosa Counties Texas (the "Howard Road to San Miguel 345kV Transmission Line Project");

WHEREAS, the Howard Road to San Miguel 345kV Transmission Line Project has a projected in-service date by June 2027;

WHEREAS, CPS Energy and South Texas Electric Cooperative ("STEC"), jointly using their respective staff resources and a team of engineering, environmental, and other

Draft for review and approval
at the August 25, 2025 meeting

professionals (the "Project Team"), has followed the PUC's Routing/Siting Process to have the PUC approve the transmission route that should be constructed on this project in Docket No. 57115 before the PUC;

WHEREAS, The Howard Road to San Miguel 345kV Transmission Line project is a joint project between CPS Energy and STEC with CPS Energy's portion of the project being the northern half from the Howard Road station to the approximate midpoint of the route. The midpoint of route Y-Mod being the CPS Energy transmission structure at or near Latitude 29°0'59.35"N, Longitude 98°25'54.98"W.

WHEREAS, in accordance with the PUC's Routing/Siting Process, the Project Team held two open house meetings and solicited public input, submitted geographically diverse routes to the PUC for consideration, notified all Affected Landowners, filed testimony on the need, constructability, environmental impact, and completeness of project, participated in hearings on the adequacy and merits of the routes, and provided input on this project to the PUC Commissioners at commission open meetings.

WHEREAS, at the close of the PUC process in Docket No. 57115, for the project the PUC Commissioners unanimously selected Route Y-Mod from the Howard Road station located in South Bexar County to the San Miguel station located in Atascosa County as shown on the Project Site Map attached as Exhibit "A" to this Resolution (the "Project Site Map");

WHEREAS, CPS Energy staff recommended to the CPS Energy Board of Trustees ("Board") Route Y-Mod as shown on the Project Site Map.

WHEREAS, the Board agrees with the PUC's selection of Route Y-Mod for the Howard Road to San Miguel 345kV Transmission Line Project and associated electric substation, transmission, and distribution lines and that Route Y-Mod has one of the lowest impacts of the alternatives on both the human and natural environments because such route will, to the greatest extent practicable when compared to other alternatives:

- Minimize impacts to natural resources and environmentally sensitive land;
- Minimize impacts to residential developments and habitable structures;
- Minimize overall impact of additional CPS Energy facilities in future years, and is the best route when balancing the routing factors

WHEREAS the Board adopts the PUC's selected Route Y-Mod for the Howard Road to San Miguel 345kV Transmission Line Project.

WHEREAS, the Board approves of the construction of CPS Energy's portion of the Howard Road to San Miguel 345kV Transmission Line Project and associated electric transmission and distribution lines, substation, communication systems and related appurtenances and the acquisition of easement rights, fee simple title and property exchanges over and across properties in Bexar and Atascosa County, Texas, along the project route of the electric transmission line, and any required distribution lines, for the construction, operation and maintenance of the City of San Antonio Electric System, including the construction, operation and maintenance of the Howard Road to San Miguel

Draft for review and approval
at the August 25, 2025 meeting

345kV Transmission Line Project, either by purchase through negotiations, or by the process of eminent domain approved by the San Antonio City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY PUBLIC SERVICE BOARD OF TRUSTEES that:

1. The recitals to this Resolution are hereby incorporated for all purposes.
2. The Board adopts the PUC's selection of Route Y-Mod for the Howard Road to San Miguel 345kV Transmission Line route to be constructed.
3. The Board finds that the Howard Road to San Miguel 345kV Transmission Line Project is of great importance to the public, and that CPS Energy has taken into account appropriate environmental, health and safety concerns in designating the recommended site and route.
4. The Board hereby approves the CPS Energy Howard Road to San Miguel 345kV Transmission Line Project to be constructed as generally depicted on the Project Site Map attached to this Resolution as Exhibit "A" and hereby incorporated for all purposes and directs CPS Energy staff and attorneys to proceed with the necessary steps to undertake and complete the Howard Road to San Miguel 345kV Transmission Line Project.
5. The Board authorizes the President and CEO of CPS Energy and/or his/her designee to determine the exact location for CPS Energy's electric transmission line in accordance with the PUC's Notice of Approval in Docket No. 57115 as generally depicted on the Project Site Map and associated distribution lines.
6. The Board finds that the acquisition of easement rights, fee simple title to properties, and property exchanges along the selected electric transmission route, and for any required distribution line routes is necessary and desirable for the important public purpose of the construction, operation and maintenance of the City of San Antonio's Electric System, including the CPS Energy Howard Road to San Miguel 345kV Transmission Line Project. The Board hereby authorizes acquisition of easement rights, fee simple title and property exchanges necessary for CPS Energy's Howard Road to San Miguel 345kV Transmission Line Project, either by purchase through negotiations or by the process of eminent domain, as well as all other lawful action necessary and incidental to such acquisitions or eminent domain proceedings to survey, specify, define, and secure the necessary title and rights.
7. The Board directs CPS Energy staff to continue to ensure that members of the public may obtain the current Project Site Map at www.cpsenergy.com (search word "Howard Road to San Miguel")

X. EXECUTIVE SESSION

At approximately 2:19 p.m., Chair Romero announced the Board would go into Executive Session, and Ms. Glotzer 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:

Draft for review and approval
at the August 25, 2025 meeting

- Personnel Matters (§551.074)
- Attorney-Client Matters (§551.071)
- Attorney-Client Matters (§551.071)
- Attorney-Client Matters (§551.071) & Competitive Matters (§551.086)
- Attorney-Client Matters (§551.071)

The Board reconvened in open session at 4:10 p.m. The quorum was re-established, and all members were present. Ms. Glotzer reported that only the matters cited above, and no others were discussed.

XI. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Trustee Steen, seconded by Mayor Jones and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 4:11 p.m. by Chair Romero.

Shanna M. Ramirez
Secretary of the Board



EASTSIDE SWITCHING STATION LAND ACQUISITION APPROVAL

PRESENTED BY:
Richard Medina
Chief Energy Delivery Officer

August 25, 2025
Request for Approval



AGENDA

- Project Overview
- Recommendation
- Request for Approval

We are seeking the Board's approval to proceed with the land purchase.

PROJECT OVERVIEW

- ERCOT-endorsed project as part of the San Antonio South Reliability Project
- Project is outside the City of San Antonio within Trustee Quadrant 3
- A new 345/138kV switching station in East Bexar County is necessary due to the following:
 - New generation resources in ERCOT
 - Generation retirement in San Antonio
 - Increasing customer load growth
- Land purchase price \$15.7M for approximately 120.7 acres
- Project execution date January 2030

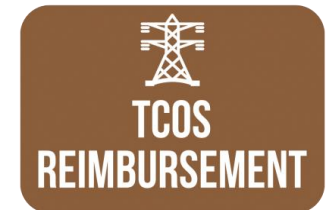


REQUEST FOR APPROVAL



The project team requests Board approval to:

- Proceed with land purchase for \$3.00 / square foot, which is approximately \$15.7M for the 120.7-acre parcel





THANK YOU



APPENDIX

GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
ERCOT	Electric Reliability Council of Texas		
kV	Kilovolt		
M	Million		
PUC	Public Utility Commission of Texas		
R&S	Routing and Siting		



CPS Energy Board of Trustees Meeting
August 25, 2025
APPROVAL of PROCUREMENT ITEMS
Table of Contents

1. Item Description: Purchase Category: Supplier:	Medium & Heavy-Duty Vehicles
	Commodity & Material Goods
	Bruckner Truck Sales Inc. dba Bruckner's Truck & Equipment
	Cavender Ford Motor Company, Ltd. dba Cavender Grande Ford
	Rush Truck Centers of Texas, LP dba Rush Truck Center, San Antonio

Committee Presentations: Audit & Finance Committee – July 14, 2025
 Operations Oversight Committee members provided 1:1 procurement preview meetings in lieu of a committee presentation due to a schedule change to the August Operations Oversight Committee meeting.

Approval:

Lewis, Lisa D. Digitally signed by Lewis, Lisa D
 Date: 2025.08.18 17:08:41 -05'00'

 Lisa D. Lewis, Chief Administrative Officer

Approval:

Garza, Rudy D. Digitally signed by Garza, Rudy D.
 Date: 2025.08.19 12:28:09 -05'00'

 Rudy D. Garza, President & CEO



CPS Energy Board of Trustees Meeting
August 25, 2025
Procurement Form 1

Item Description	Medium & Heavy-Duty Vehicles
Purchase Order Value	\$65,000,000
Purchase Category	Commodity & Material Goods
Department	Fleet Asset Management
Chief Administrative Officer	Lisa D. Lewis

Detailed Description

CPS Energy staff recommend that a contract be awarded to Cavender Grande Ford, a local, small firm, and Bruckner's Truck & Equipment and Rush Truck Centers of Texas, both local firms, as the respondents who will provide the goods at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts are for the purchase of new medium to heavy duty vehicles with Gross Vehicle Weight Rating (GVWR) ranging from 14,001 lbs. to 80,000 lbs. This procurement will enable CPS Energy to replace vehicles that are required to support the construction and maintenance of our system and continue toward our organization's 10-year lifecycle replacement plan for this type of fleet aligned with industry best practices. These vehicles are essential assets that support various departments responsible for system reliability, including Gas, Distribution, Power Generation, Storeroom, and Substation operations. These contracts will expire on September 29, 2030.

Subcontracting Opportunities

None available.

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

Evaluation Criteria	Points
Overall cost	40
Experience and qualifications to perform the services	35
Training program	10
Economic Development (Local and Small business consideration)	10
Legal and compliance requirements	5
TOTAL	100



CPS Energy Board of Trustees Meeting
August 25, 2025
Procurement Form 1

Recommended Respondent(s) & Award

Respondent Name	SBA Classification & Details	Score	PO Value	PO #	Comments
Bruckner's Truck & Equipment	Local	93	\$30,000,000	2228500	
Rush Truck Centers of Texas	Local	82	\$20,000,000	2228601	
Cavender Grande Ford	Local/Small	72	\$15,000,000	2228499	
TOTAL			\$65,000,000		

Annual Funds Budgeted

Corporate Annual Budget	Funding Method	Projected FY2026 PO Spend	% of FY2026 Annual Corp Budget	Projected FY2027 PO Spend	Projected FY2028 PO Spend	Projected FY2029 PO Spend
\$1,501,000,000	Capital	\$500,000	0.03%	\$13,000,000	\$13,000,000	\$13,000,000
\$982,000,000	Non-Fuel O&M	\$0	0%	\$0	\$0	\$0

Our current approved budget and latest estimates support the new purchase order.



AUDIT & FINANCE COMMITTEE (A&F)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM JULY 14, 2025 MEETING

PREPARED FOR CHAIR DR. FRANCINE ROMERO

FOR REPORT AT THE AUGUST 25, 2025 BOARD OF TRUSTEES MEETING

The Audit & Finance Committee met on July 14, 2025. As part of the Audit & Finance Committee agenda, the Committee:

- A. Approved meeting minutes from the prior meetings held on April 22, 2025.
- B. Received a presentation of the board procurement policy, described policy changes, proposed reporting cadence, procurement category limits and request for feedback from the committee.
- C. Received a presentation regarding the Special Facilities Structure project which included ERCOT market landscape, regional transmission growth, and the Permian Basin reliability project.
- D. Received a Procurement Preview of four contracts related to financial audit services and procurement of residential gas meters, purchase of medium and heavy-duty vehicles, and electric PVC conduit that will coming to the Board for approval in July, August, and September 2025, respectively.
- E. Received the Audit Services Quarterly Report, including a review of project count, audit plan coverage, and audit universe coverage. Provided an update on department staff.

The next meeting of the Audit & Finance Committee will be held on October 6, 2025.



EMPLOYEE BENEFITS OVERSIGHT COMMITTEE (EBOC)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JULY 14, 2025, MEETING PREPARED FOR COMMITTEE CHAIR DR. FRANCINE SANDERS ROMERO FOR REVIEW AT THE AUGUST 25, 2025, BOARD OF TRUSTEES MEETING

The EBOC met on July 14, 2025. As part of the EBOC agenda, the Committee:

- A. Approved meeting minutes from the prior meeting held on April 22, 2025.
- B. There were no Action Items to review from the meeting held on April 22, 2025.
- C. Reviewed the annual EBOC calendar and governance overview as part of a Benefit Plans Administrative & Financial Update.
- D. Approved the extension of the External Audit Services Agreement with BDO for one year.
- E. Received an Investment Performance Update, recapping investment performance (net of fees) for the year to date through May 2025, highlighting that performance remained positive despite high volatility in the financial markets due to the announcement of tariff policies and geopolitical tensions.

The Committee also received a presentation regarding the CPS Energy Health Plan:

- F. The presentation noted that health claims cost projections indicate a need to increase premiums by 11.2% for active employees and non-Medicare eligible retirees for the 2026 plan year. To mitigate the significant increase, the Administrative Committee recommended approval of an increase in deductibles and out-of-pocket maximums, which in turn, reduced the premium increase from 11.2% to 9.83%. A new employer-sponsored plan was presented for Medicare-eligible retirees and dependents that provides favorable plan design options through a Supplement Plan that coordinates with Medicare. The new plan will replace CPS Energy Group Health Plans A, B, and C for Medicare eligible retirees, at an overall average savings of 35% compared to 2025 Plan A costs. The EBOC approved all recommended plan design changes and premiums. The Health Trust will continue to fund retiree health plans, regardless of the plan in which they participate.
- G. The committee noted two Action Items for follow-up:
 - a. Provide a performance report by asset class.
 - b. Incorporate graph into future presentations that shows Pension Plan performance over time.

The next meeting of the EBOC will be held on October 6, 2025.



Community Input Committee (CIC) Committee Report

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE AUGUST 13, 2025, MEETING PREPARED FOR COMMITTEE CHAIR, MS. LAWSON PICASSO FOR REPORT AT THE AUGUST 25, 2025, BOARD OF TRUSTEES MEETING

The Community Input Committee met on August 13, 2025. As part of the agenda, the committee:

- A. Participated in a discussion led by Chair Lawson Picasso of the draft revisions to the Community Input Committee (CIC) Bylaws. All CIC members had an opportunity to provide proposed revisions to the bylaws, which the CIC Executive Committee considered, acting as the Bylaws Review Committee. The Bylaws Review Committee received 33 submissions, of which most were incorporated into the revisions. These submissions generally fell into the following categories: the role, naming, and structure of the CIC subcommittees; the meeting cadence for full CIC meetings; and member expectations and duties. The proposed revisions were submitted to the utility's legal department, which provided a redlined version of the bylaws. This redlined version was shared with all Committee members and posted on the CIC website in advance of the August 13th meeting. During this meeting, the committee discussed each change and moved to adopt the proposed revisions en bloc. The motion carried 12-1 to adopt the revisions and move them forward to the CPS Energy Board of Trustees for their consideration.

The next regularly scheduled Community Input Committee meeting is October 8, 2025.



2026 HEALTH PLAN UPDATE

PRESENTED BY:
Veronica Uriegas, PHR
VP, People & Culture

August 25, 2025
Informational Update



AGENDA

- Introduction of 2026 Medicare Supplement Plan for Eligible Retirees
- Health Plan Governance
- Retiree Health Coverage
- Communication & Implementation Plan

The objective of today's presentation is to inform the full Board of the implementation of a Company-Sponsored Medicare Supplement Health Plan for 2026.



INTRODUCED MEDICARE SUPPLEMENT EMPLOYER-SPONSORED HEALTH COVERAGE FOR RETIREES

- The CPS Energy Health Plan is funded through a combination of contributions by employees and retirees, CPS Energy and the CPS Energy Health Trust
- Under this plan, retirees with qualifying service are eligible for post-retirement benefits
- Plan design requires retirees to take Medicare when eligible; then the CPS Energy Plan becomes secondary to their Medicare
- Medicare Supplement Plan added in 2026, for eligible participants in the CPS Energy health coverage plan

CPS Energy Health Plan covers about 1,900 retirees, with about 1,400 of those retirees being Medicare-eligible; the remainder are pre-65 retirees.



WHAT DROVE OUR RECOMMENDATION

ALIGNING SUPPLEMENT COVERAGE TO MEDICARE SERVICES

- CPS Energy Group Health Plan is designed as primary coverage for active employees and families and extends to retirees
- Medicare-eligible participants seek coverage for some medical, pharmacy, hospital, and skilled nursing care, as well as vision/dental
- Implemented the addition of an employer-sponsored Medicare Supplement plan to address:
 - Retiree requests for coverage that is more affordable and better aligned to their primary coverage / Medicare
 - Significant changes in health coverage that have occurred since 1987, when the structure for retiree coverage was created

More than 80% of our Medicare-eligible plan participants will receive comparable plan benefits, with premiums and deductibles reduced about 35% as compared to the CPS Energy Group Health Plan.

HEALTH PLANS UPDATED ANNUALLY

ROBUST GOVERNANCE ENSURES THOROUGH REVIEW



Benefits Staff & Consultants

Analyze prior-year claims

- Medical
- Pharmacy
- Dental
- Vision

Project costs for next year

Review plan designs

- Premiums
- Co-pays
- Deductibles

Recommend changes

Administrative Committee

Fiduciary duty to manage Trust assets prudently

Review plan cost data

Consider / evaluate plan design recommendations and premiums

Endorse proposals (by formal vote) to be presented to EBOC

Oversight of Plan administration

Employee Benefits Oversight Committee

Oversight of fiduciary obligations

Review plan design changes and adjustments to premiums

Final approval through formal vote of EBOC



RETIREE HEALTH COVERAGE

VALUABLE BENEFIT THAT SUPPORTS CAREER RETENTION

- The CPS Energy Medicare Supplement Plan was designed to closely replicate the CPS Energy Group Health Plan
- The new plan is designed to coordinate with Medicare; 100% of hospitals and 98% of medical providers accept Medicare
- The new plan improves costs for plan participants and for the plan/Health Trust
- Retirees will be direct-billed for this plan, rather than pension deduction
- Biggest plan difference, hearing aid coverage, is under review

Irrevocable CPS Energy Health Trust remains in place for the sole purpose of supporting health benefits for CPS Energy retirees. The Health Trust is 89% funded as of January 31, 2025.

Medicare Supplement Plan

Implementation/Roll-out



Q1

Jan 2025 – Selected Medicare Administration Consultant
 27 Feb 2025 – Notified retired Plan members of Plan change in writing
 Mar 2025 – Benefits reviewed plan design with Administration Consultant

Q2

10 Apr 2025 – Announced changes at Retiree Association meeting, Q&A
 7-15 May 2025 – Small group meetings with retirees (3)
 11 Jun 2025 – Notify ALL Plan members by letter of upcoming information sessions
 24 Jun 2025 – Hosted dial-in phone sessions to preview information (2)
 30 June 2025 – Hosted in-person information sessions at Palo Alto (2)

Q3

1 July 2025 – Hosted in-person information sessions at CPS Energy (2)
 24 Jul 2025 – Hosted in-person information sessions at CPS Energy (2)
 14 Aug 2025 – Retiree Association meeting, Q&A
 4 Sep 2025 – Host dial-in phone sessions to preview information (2)
 Sep 2025 – Mail Open Enrollment Packets to all Medicare-eligible plan participants

Q4

Oct 2025 – Host dial-in Open enrollment phone sessions
 20 & 21 Oct 2025 – In person Open enrollment sessions at CPS Energy
 7 Nov 2025 – Open enrollment closes
 Dec 2025 – New cards (2) mailed to plan members for medical and pharmacy care



SUPPLEMENT PLAN SUMMARY

WE CONTINUE TO TAKE FEEDBACK AND REFINE OUR PLAN

- The Benefits team is committed to transparency and started communicating as quickly as possible following the decision to establish a Medicare Supplement plan
- All changes have followed the governance process and legal requirements of our CPS Energy Health Trust
- The new plan is employer-sponsored, just like our self-insured Group Health Plan and is not a publicly available product
- The value of the plan comes from transitioning the full population of Medicare-eligible participants therefore individual choice of plans is not an option

We support benefits that facilitate retention of team members for productive careers serving our community while reserving the right to make Plan changes as needed.



THANK YOU



APPENDIX

GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
EBOC	Employee Benefits Oversight Committee		



BOARD PROCUREMENT POLICY FOLLOW-UP

PRESENTED BY:

Lisa D. Lewis

Chief Administrative Officer

August 25, 2025

Discussion and Possible Vote



AGENDA

- Review December 2024 Policy Changes
- Board Procurement Policy Thresholds for Approval
- Request Feedback

Procurement Policy discussion and possible vote.

BOARD POLICY UPDATED IN DECEMBER



TWO EXEMPTIONS ADDED, SUPPLIER DEVELOPMENT UPDATES

- First approved exemption allows for sole-source procurement (without competitive solicitation) of technology or innovation products or services that are often proprietary to the provider, specifically to promote energy reliability, resiliency, and sustainability
- Second approved exemption allows for sole-source procurement (without competitive solicitation) of products or services needed to address physical or cyber security vulnerability
- Updated policy and procedures for supplier certification and reporting
- For discussion: documented procurement thresholds for Board approval

BENCHMARKING PROCUREMENT

REVIEWED PRACTICE OF UTILITIES AND AREA AGENCIES



- Organizational governance for procurement varies widely across utilities. Across the Large Public Power Council members, some:
 - Require budget approval only versus approval for contracting/purchasing
 - Review variance from planned budget versus review of key project spending
 - Review procurement based on value thresholds, and those vary widely also
- Staff also reviewed/compared to procurement thresholds of various area agencies

Consistency was found in how entities aligned to their relevant state or federal requirements, with variances driven by the governing body's oversight preferences and risk appetite.



FOLLOW-UP DISCUSSION

REVIEW THRESHOLDS IN PROCUREMENT POLICY

Purchasing Categories	Reduced	Reduced	Current	December Recommendation
General Services examples: electrical construction, staff augmentation	\$1 million + 163 POs, 91%	\$5 million + 50 POs, 63%	\$10 million + 16 POs, 35%	\$20 million + 4 POs, 19%
Professional/Personal Services example: financial audit services	\$50,000 + 34 POs, 100%	\$50,000 + 34 POs, 100%	\$500,000 + 22 POs, 97%	\$1 million + 22 POs, 97%
Commodity/Material Goods examples: electric cable, transformers	\$1 million + 153 POs, 83%	\$5 million + 25 POs, 40%	\$10 million + 5 POs, 23%	\$20 million + 4 POs, 22%
Real Estate Purchase/Leasing examples: easements, site purchases	\$500,000 +	\$500,000 +	\$1 million +	\$2 million +

The approval thresholds within the Procurement Policy can be aligned to any level the Board deems necessary to provide fiduciary oversight and governance.

Note: number of procurement items / percent within each category, using Fiscal Year 2024 data



THANK YOU



APPENDIX

GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
BOT	Board of Trustees	PO	Purchase Order

ANNUAL PROCUREMENTS

FISCAL YEARS 2022 THROUGH 2024



CPS Energy Board Threshold: Procurement Requires BoT Vote												
FY	Purch Category	< \$50K Count	Value	\$50K - \$1M Count	Value	\$1M - \$10M Count	Value	\$10M > Count	**Board Vote** Value	Total Prourements Count	Value	% Approved by BOT
FY2022	GENERAL COMMODITIES	19,480	\$ 60,842,689	663	\$ 124,230,833	63	\$ 175,768,976	3	\$ 164,637,300	20,209	\$ 525,479,799	31%
FY2023	GENERAL COMMODITIES	18,196	\$ 67,477,854	817	\$ 167,166,556	108	\$ 323,444,264	12	\$ 344,097,140	19,133	\$ 902,185,811	37%
FY2024	GENERAL COMMODITIES	18,936	\$ 74,390,368	919	\$ 186,382,514	148	\$ 385,292,135	5	\$ 195,000,000	20,008	\$ 841,065,017	23%
FY	Purch Category	< \$50K Count	Value	\$50K - \$1M Count	Value	\$1M - \$10M Count	Value	\$10M > Count	**Board Vote** Value	Total Prourements Count	Value	% Approved by BOT
FY2022	GENERAL SERVICES	93	\$ 1,657,419	158	\$ 51,452,001	101	\$ 355,227,295	15	\$ 458,260,626	367	\$ 866,597,341	51%
FY2023	GENERAL SERVICES	95	\$ 1,768,349	182	\$ 53,154,009	108	\$ 339,466,323	27	\$ 667,958,538	412	\$ 1,062,347,219	61%
FY2024	GENERAL SERVICES	115	\$ 2,236,096	221	\$ 72,695,150	151	\$ 487,484,032	16	\$ 330,803,346	503	\$ 893,218,623	35%
FY	Purch Category	< \$50K Count	Value	\$50K - \$500K Count	Value	\$500K > Count	**Board Vote** Value	Total Prourements Count	Value	% Approved by BOT		
FY2022	PROFESSIONAL SERVICES	5	\$ 83,263	37	\$ 8,147,501	12	\$ 46,695,138	54	\$ 54,925,902	85%		
FY2023	PROFESSIONAL SERVICES	2	\$ 30,000	5	\$ 1,514,500	1	\$ 500,000	8	\$ 2,044,500	24%		
FY2024	PROFESSIONAL SERVICES	4	\$ 77,690	8	\$ 2,279,833	22	\$ 88,000,000	34	\$ 90,357,523	97%		

PURCHASING CATEGORIES

DEFINITIONS



- **“General Services”** – services such as Fuel Supply and Related Services or Electricity and Related Products/Services, normally subject to Chapter 252, Local Government Code, that are provided by individuals or entities, and that are considered necessary by CPS Energy toward fulfilling its mission. Examples include line extension, repair and maintenance work, including support of generation equipment, security, janitorial services, printing services, etc.
- **“Professional and/or Personal Services”** – services provided by those individuals or entities that possess unique education, knowledge and/or skills that would add to and/or supplement CPS Energy’s internal knowledge and skills toward fulfilling its mission. Examples include engineering, accounting, architectural design, media and communication consultants, insurance brokers/advisors, etc.
- **“Commodity and Material Goods”** – physical goods needed to fulfill our mission. Examples include materials, and parts and equipment used to construct, maintain and operate the electric and gas systems, insurance and surety products, electricity and related products/services, etc. Professional and/or Personal Services and General Services are not included in this category, *unless* the service is included in the purchase of equipment (such as specialized equipment *and* its installation)



PROCUREMENT 101: PROCESS OVERVIEW

MATERIALS & SERVICES ACQUISITION IS CROSS-FUNCTIONAL



Goods, materials, services identified for solicitation	Solicitations for information, qualifications OR proposal issued and evaluated	Proposals ALSO reviewed for alignment to need and risk	Contract negotiated and draft completed	Recommendation presented, voted on at monthly board meetings	Contract signed & PO issued after Board approval	Work performed / goods received; payment issued	Vendor performance evaluated, commitments verified
<ul style="list-style-type: none"> • Business Team • Supply Chain 	<ul style="list-style-type: none"> • Business Team • Supply Chain 	<ul style="list-style-type: none"> • Legal Services • Risk Management • IT Security • Financial Services • Safety Operations • Environmental Services • Compliance 	<ul style="list-style-type: none"> • Legal Services • Supply Chain 	<ul style="list-style-type: none"> • Business Team • Supply Chain • Trustees 	<ul style="list-style-type: none"> • Supply Chain 	<ul style="list-style-type: none"> • Business Team • Accounts Payable 	<ul style="list-style-type: none"> • Business Team • Supply Chain

**CPS Energy
Board of Trustees**

Procurement Policy

**Adopted by the Board of Trustees on
September 30, 2002**

**Effective as of
October 30, 2002**

Revised December 16, 2024

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*** Excluding Fuel Supply and Related Services and Electricity and Related Products/Services**

CPS Energy Board of Trustees Procurement Policy

I. Purpose

The purpose of this City Public Service (“CPS Energy”) Board of Trustees (“Board”) Policy is to establish the procurement standards and authority of CPS Energy President & CEO for the purchase of goods and services needed for CPS Energy to fulfill its mission to provide reliable, cost-competitive electric and gas products and services to its customers in an environmentally responsible manner.

II. Philosophy and Public Purpose to be Served

In the course of providing electric and gas service, CPS Energy purchases significant goods and services from suppliers. It is the philosophy of the Board and CPS Energy management that such goods and services should:

- Be obtained at reasonable cost,
- Be of high quality,
- Be environmentally preferable, where available, and
- Be deemed best value.

In addition, it is the Board’s desire that the following be achieved for the benefit of CPS Energy customers, the City of San Antonio, Texas (“City”), and its citizens:

- Emphasize the safety of CPS Energy’s operations as well as its employees, suppliers, contractors and customers;
- Protect and enhance the ability of CPS Energy to provide reliable, environmentally preferable energy-related products and services on a cost competitive basis;
- Encourage all segments of the Local and Small business community to participate in the CPS Energy procurement process;
- Provide for a sufficient, timely and uninterrupted supply of materials and services; and
- Encourage the consideration of products and services that enable and accelerate the transition to distributed generation, smart grid and other future energy technologies and advance CPS Energy toward a sustainable energy future.

Further, these procurement and purchasing activities will be conducted in a manner that promotes and maintains public confidence in CPS Energy, its Board, and the CPS Energy President & CEO; and in their management and operation of the electric and gas systems of the City of San Antonio, Texas.

CPS Energy Board of Trustees Procurement Policy

III. Values and Standards of Procurement Activities

A. Values

CPS Energy will operate and conduct its business and decision-making in accordance with CPS Energy policies and the following values:

1. Honesty/Integrity

Maintain the highest standards of integrity and ethics in all business relationships both inside and outside the organization.

2. Professionalism

Foster excellence and professional competence.

3. Responsible Management

Optimize resources to provide the maximum benefit and value to CPS Energy's customers.

4. Serving the Public's Interest

Foster the public's confidence in CPS Energy and its Board, by acting in the public interest, by not using the authority of office or position for personal benefit, and by rejecting any business practice or activity that violates CPS Energy policies or is otherwise perceived as unethical.

5. Compliance with Applicable Laws and Regulations

Adhere to all applicable laws and regulations adopted by federal, state, city and county jurisdictions or other governing legal entities.

B. Standards of Behavior

CPS Energy employees involved in the procurement process are expected to follow procurement policies and procedures, operate with integrity, and in accordance with CPS Energy's Ethics Policy. Procurement decisions made on behalf of CPS Energy must be based on ethical business practices, prudent standards of conduct, ethical values and principles, in compliance with laws and regulations, and in accordance with the following standards of conduct:

1. Give first priority to serving the best interests of CPS Energy's customers in all purchasing decisions and activities.
2. Avoid any actions which are or may be considered unethical, compromise objectivity or violate CPS Energy's policies and procedures.
3. Make every effort to avoid actual or perceived conflicts of interest while working on behalf of or as a representative of CPS Energy. Should an actual or perceived conflict of interest arise, an employee must recuse himself or herself from the matter or decision in accordance with the CPS Energy Ethics Policy. The employee must immediately disclose the conflict to CPS Energy management, including prompt disclosure to the Board, if required as noted below.

Any business relationship established between CPS Energy and the following individuals, any time within 18 months following the conclusion of their employment with CPS Energy or service on the Board or Community Input Committee (CIC),

CPS Energy Board of Trustees Procurement Policy

shall be in writing and disclosed to the Board of Trustees within 30 days of contract execution:

- i. a current or former member of the Board of Trustees;
 - ii. a current or former member of the CIC; or
 - iii. a former CPS Energy employee who was an executive leader or higher immediately prior to their departure from CPS Energy.
4. An employee and his or her relatives shall not, as a result of the employee's position at CPS Energy, give, solicit, or accept any of the following from existing or potential suppliers of material, equipment, or services to CPS Energy, or from any existing or potential customer:
 - i. Advances or loans, other than through recognized financial institutions, such as banks and credit unions;
 - ii. Unlawful payments; for example, kickbacks or bribes, or any other similar kind of payment for, or transfer of, any tangible good or service;
 - iii. Discounts, gifts, meals or entertainment, unless in accordance with the CPS Energy Ethics Policy, or part of an approved CPS Energy program;
 - iv. Any unusual favors or arrangements; or
 - v. Any item that could be construed as an attempt to influence the employee's ability to deal objectively and impartially with regards to CPS Energy's business transactions and sponsored activities.
5. Buy without pre-conceived or preferential bias while obtaining the best value for CPS Energy.
6. Encourage participation in the CPS Energy procurement process by engaging Local and Small businesses, on a fair and equitable basis as required under applicable law.
7. Promote competition in procuring quality goods and services for CPS Energy.
8. Treat information received in the course of duty as confidential and not use such information for personal gain. Information given in the course of duty must be true, fair and not misleading.
9. Prohibit any individual from knowingly participating in acts of discrimination against or harassment toward any person with whom he or she has a business relationship and immediately report the situation to CPS Energy management.
10. Recognize CPS Energy's responsibility to the environment, and act in accordance with CPS Energy's corporate goals in that respect.
11. Refrain from any practices that could be perceived as an effort to avoid seeking Board approval in accordance with the limits outlined in Section IV of this Policy (i.e., "Specific Limitations"). For example, creating multiple contracts to the same supplier on a particular scope of work or for particular materials, with each purchase order/contract amount below the dollar threshold specified in Section IV for that type of procurement, in order to avoid exceeding any of the applicable Specific Limitations, is prohibited.

CPS Energy Board of Trustees Procurement Policy

IV. Specific Limitations

In fulfilling CPS Energy's mission to provide reliable, cost-competitive electric and gas products and services to its customers in an environmentally responsible manner these specific limitations are hereby set for the various categories of procurements, as indicated in the following paragraphs. The categories include: Professional and/or Personal Services, General Services, Commodity and Material Goods, Strategic Alliances, Real Estate, Fuel Supply and Related Services, and Electricity and Related Products/Services. Any procurement above the stated amounts will require Board approval in advance of the procurement. In addition, the Board will receive quarterly reporting by supplier for all cumulative activity above the limits stated, whether or not approval in advance was required for an individual procurement. Such reporting will be on a rolling 12-months basis.

A. Professional and/or Personal Services

"Professional and/or Personal Services" are defined as services provided by those individuals or entities that possess unique education, knowledge and/or skills that would add to and/or supplement CPS Energy's internal knowledge and skills toward fulfilling its mission. Examples of Professional and/or Personal Service providers may include but are not limited to, engineers, accountants, architects, media and communication consultants, insurance brokers/advisors, and lobbyists. The limit for expenditures that may be paid to any single Professional and/or Personal Service provider without prior approval by the Board shall be \$500,000 per purchase order.

B. General Services

"General Services" are defined as those services, other than Professional and/or Personal Services, Fuel Supply and Related Services or Electricity and Related Products/Services, normally subject to Chapter 252, Local Government Code, that are provided by individuals or entities, and that are considered necessary by CPS Energy toward fulfilling its mission. Examples of General Services providers may include, but are not limited to, security and janitorial services, line extension, repair and maintenance work, including support of generation equipment; and press and printing services. The limit for expenditures that may be paid to any single General Services provider without prior approval by the Board shall be \$10,000,000 per purchase order.

C. Commodity and Material Goods (excluding Fuel Supply and Related Services and Electricity and Related Products/Services)

"Commodity and Material Goods" are defined as physical goods needed by CPS Energy toward fulfilling its mission. Examples of Commodity and Material Goods may include, but are not limited to, insurance and surety products, materials, and parts and equipment used to construct, maintain and operate the electric and gas systems. Real Estate, Fuel Supply and Related Services, Electricity and Related Products/Services, Professional and/or Personal Services; and General Services, as defined herein, are not included in this definition, except

CPS Energy Board of Trustees Procurement Policy

to the extent that any General, Professional, or Personal Services from the same supplier are necessarily included in the purchase of the commodity and materials in question, e.g., technical assistance and installation services for computer equipment. The limit for expenditures that may be paid for Commodity and Material Goods to any single supplier without prior approval by the Board shall be \$10,000,000 per purchase order.

D. Real Estate (Purchases and Leaseholds)

“Real Estate” is defined as real property, with or without improvements, needed by CPS Energy toward fulfilling its mission. Examples of Real Estate may include, but are not limited to, land needed for plant and equipment installation for generation, transmission and distribution systems, and improved land containing office buildings for employees. The limit for expenditures that may be paid for the purchase of Real Estate without prior approval by the Board shall be \$1,000,000 per transaction. Such limitation does not preclude the CPS Energy President & CEO from bringing specific transactions to the attention of the Board, either for information or for approval, should circumstances appear to warrant such practice.

“Leaseholds” are defined as the leasing of real property needed by CPS Energy toward fulfilling its mission to provide reliable, cost-competitive electric and gas products and services to its customers in an environmentally responsible manner. The limit for expenditures that may be paid for Leaseholds without prior approval by the Board shall be \$1,000,000 per transaction.

E. Fuel Supply and Related Services

“Fuel Supply and Related Services” is defined as fuels and services directly related to the procurement of fuels for use in the generation of electricity or for resale to gas customers and needed by CPS Energy toward fulfilling its mission. Examples of Fuel Supply and Related Services may include, but are not limited to, natural gas, oil, coal and petroleum coke commodity supplies, transportation services, railcar leasing, fuel banking and balancing services, storage capability, approved hedging transactions and brokerage services, power purchase agreements, other related services and products, and various combinations of the preceding items. The limit for expenditures that may be paid for Fuel Supply and Related Services to any single supplier without prior approval by the Board shall be as provided in the resolution passed by the CPS Energy Board of Trustees on September 24, 2001, “Resolution Adopting Alternative Procurement Procedures for Obtaining Fuel Supply and Related Services” (the “Fuels Resolution”), as amended, which states: “The Board will consider for final approval any contract which may be recommended by CPS Energy management resulting from the [Fuel Supply and Related Services] procurement process with a term of one year or longer and of a material value that is greater than 10% of CPS Energy’s anticipated fuel purchases over the term of the proposed contract.”

CPS Energy Board of Trustees Procurement Policy

F. Electricity and Related Products/Services

"Electricity and Related Products/Services" is defined as electricity and those products and services directly related to wholesale power purchases which are needed by CPS Energy toward fulfilling its mission. Examples of Electricity and Related Products/Services may include, but are not limited to, electricity, generation capacity, Emissions Credits, Renewable Energy Credits, Transmission Congestion Rights, Congestion Revenue Rights, ancillary services, and scheduling and settlement services. The Board will consider for final approval any transaction recommended by CPS Energy management toward fulfilling its mission as stated above, with a term of one year or longer and a material value that is greater than 10% of CPS Energy's expected energy costs (fuel and purchased power only) to serve native load and long-term wholesale customers over the transaction term.

G. Strategic Relationship

"Strategic Relationships" are defined as those special associations or contractual relationships with other individuals or entities that further the interest of the parties and which represent best value to CPS Energy in fulfilling its mission. Strategic Relationships may have elements of multiple categories and does not fit into one of the other categories under Section IV Specific Limitations. A Strategic Relationship may include a participation agreement, such as a research and development funding agreement, related to CPS Energy business product development, business development, or testing of energy-related products. The limit for expenditures that may be paid for Strategic Relationships to any single provider/supplier without prior approval by the Board shall be \$10,000,000 per purchase order.

H. Technology and Innovation Products/Services

"Technology and Innovation Products/Services" are defined as limited-deployment projects, not to exceed two (2) years in duration, intended to pilot emerging technology. Technology and Innovation Products/Services should enable CPS Energy to work quicker to seize opportunities related to emerging, fast-moving technology and become early adopters to provide best value to CPS Energy. Technology and Innovation Products/Services may include a participation agreement, such as a research and development funding agreement, or pilot project agreement, related to CPS Energy business product development, business development, or testing of energy-related products. The limit for expenditures that may be paid for Technology and Innovation Products/Services to any single provider/supplier without prior approval by the Board shall be \$1,000,000 per purchase order.

CPS Energy Board of Trustees Procurement Policy

V. Alternative Procurement Procedures in Response to Senate Bill 7

A. Background

Until Senate Bill 7 (1999) was adopted, Chapter 252 of the Texas Local Government Code (“Chapter 252”) governed CPS Energy’s purchasing activities without regard for the competitive aspects of electric deregulation. Specifically, where a procurement of goods or services was in excess of \$25,000, CPS Energy was required to use a fair and open solicitation process promulgated by Chapter 252; and, where the procurement expenditure would be less than \$50,000 and more than \$25,000 (now \$25,000 pursuant to Board Approval given on June 2010), CPS Energy was required to contact at least two local historically underutilized businesses on a rotating basis. While these rules have served the public good by ensuring an open and equitable marketplace for all potential suppliers, under a new era of electric deregulation it creates an atmosphere in which CPS Energy could become competitively disadvantaged. This is primarily due to CPS Energy being required (1) to follow less efficient procurement processes than investor-owned utilities and other electric or gas market participants; and (2) to maintain an open process whereby industry competitors could easily gain knowledge of CPS Energy competitive activities, agreements and associated cost information.

In response to this concern by municipally owned utilities like CPS Energy, Senate Bill 7 amended Chapter 252’s exceptions to allow a municipal electric or gas utility greater flexibility in procurement in order to allow municipally owned electric or gas utilities to prepare for competition and compete in a manner consistent with private utilities. The law authorizes the CPS Energy Board to adopt alternative procurement Procedures so long as the public purpose supporting the new Procedures is clearly outlined. This provision is available whether the utility has adopted retail choice or not.

The Board first implemented a procurement resolution based upon this provision of Senate Bill 7 on September 24, 2001, entitled “Resolution Adopting Alternative Procurement Procedures for Obtaining Fuel Supply and Related Services.”

B. Public Purpose

The public purpose supporting the Procurement Procedures Alternative to Chapter 252 shall be consistent with the “Philosophy and Public Purpose to be Served” section of this Policy, with an increased emphasis on the following:

1. Increasing business efficiencies;
2. Improving CPS Energy’s ability to compete;
3. Maintaining a successful supplier development program; and
4. Seeking opportunities to assist CPS Energy business units in choosing products and services that are environmentally preferable where deemed best value.

C. Basis for Use of Procurement Procedures Alternative to Chapter 252

The Procurement Procedures Alternative to Chapter 252 (“Procedures”) provides Procedures that outline CPS Energy’s procurement processes that would normally fall under the

CPS Energy Board of Trustees Procurement Policy

requirements of Chapter 252 of the Local Government Code. The Fuel Supply and Related Services will continue to be procured under the Fuels Resolution. However, nothing in the Procedures precludes CPS Energy from utilizing other mechanisms for procurement that may be provided by law, including Chapter 252.

D. Adoption of Procurement Procedures Alternative to Chapter 252

The Procurement Procedures Alternative to Chapter 252 are incorporated by reference and adopted as part of this Policy. Any changes to the Procurement Procedures Alternative to Chapter 252 will require approval by the Board.

VI. Compelling Business Reasons

On occasion, CPS Energy employees may have the need to procure goods or services before the next scheduled Board meeting to meet a compelling business reason. The following describes some of the conditions under which a finding of “Compelling Business Reason” (“CBR”) may be deemed to be appropriate; however, other conditions may exist:

- The procurement is necessary to meet a critical and time sensitive need for materials or services necessary to restore or maintain the reliability or safety of the electric or gas systems, or a major component or related business operation;
- The procurement is necessary to respond expeditiously to fluctuating market conditions wherein potential delays in the normal and routine procurement process governed by the Procurement Procedures Alternative to Chapter 252 (adopted under section V of this Policy) would adversely affect CPS Energy’s ability to obtain quality materials and/or services at a commercially reasonable price; or
- The procurement is necessary to respond expeditiously to prevent or mitigate significant financial loss to CPS Energy due to inherent delays in the normal acquisition process.

The CPS Energy President & CEO, or his/her written designee, along with the written concurrence of the Direct Report to the CEO who leads the area for which the procurement is being made, and with the written concurrence of the Board Chair (or in the absence of the Board Chair, with the written concurrence of another member of the Board), is authorized to approve and/or execute contracts for the procurement of goods or services above the amounts specified under the “Specific Limitations” section of this Policy to meet a CBR. In addition, if a CBR exists under this section, CPS Energy may or may not apply subpart 2.2 of the Procurement Procedures Alternative to Chapter 252.

Within 24 hours of being contacted by the CPS Energy President & CEO or his/her written designee, the Board Chair or other Board member who authorized the procurement will then promptly notify the other members of the Board of the circumstances necessary for issuance of a CBR. The Board will review and ratify any expenditure made under this section of the Policy no later than at the next regularly scheduled Board meeting or called work session.

CPS Energy Board of Trustees Procurement Policy

The CPS Energy President & CEO or his/her designee shall be deliberative and judicious in exercising his/her authority under this section to only those compelling business reasons warranting such use.

VII. Audits of Procurement Activities

All procurement activities of CPS Energy are subject to audit by CPS Energy internal and/or external auditors at the discretion of the Chief Audit Services Officer or the Audit Committee of the Board.



ACCOUNT MANAGEMENT AND PAST DUE BALANCES

PRESENTED BY:

DeAnna Hardwick

Chief Customer Strategy Officer

Devi Kumar-Nambiar

Vice President & Deputy General Counsel

August 25, 2025

Informational Update

AGENDA



- Legal Framework
- Accounts Receivables
- Past Due Accounts
- Demographics of Past Due Accounts
- Engagement Landscape



LEGAL FRAMEWORK

CH. 1502 TEXAS GOVERNMENT CODE

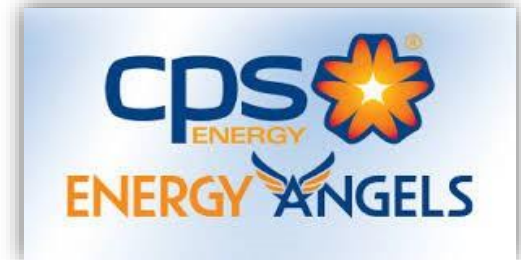
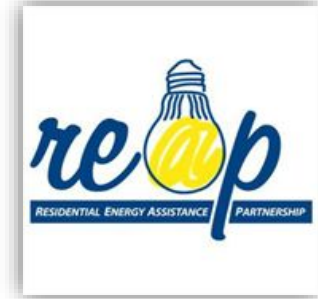
- Must impose and collect charges for services in amounts at least sufficient to cover the cost of:
 - Providing service - including all operating, maintenance, depreciation, replacement, improvement, and interest charges; and
 - Paying all debt obligations
- Cannot allow any free service

Per Texas code, we must impose and collect for charges and cannot allow any free service.

LEGAL FRAMEWORK

HOW WE ASSIST OUR CUSTOMERS

- Affordability Discount Program (ADP)
- Residential Energy Assistance Program (REAP)
- Energy Efficiency Programs
- Programs for Seniors, Critical Care and Other Customers
- Bill Payment and Arrangement Plans

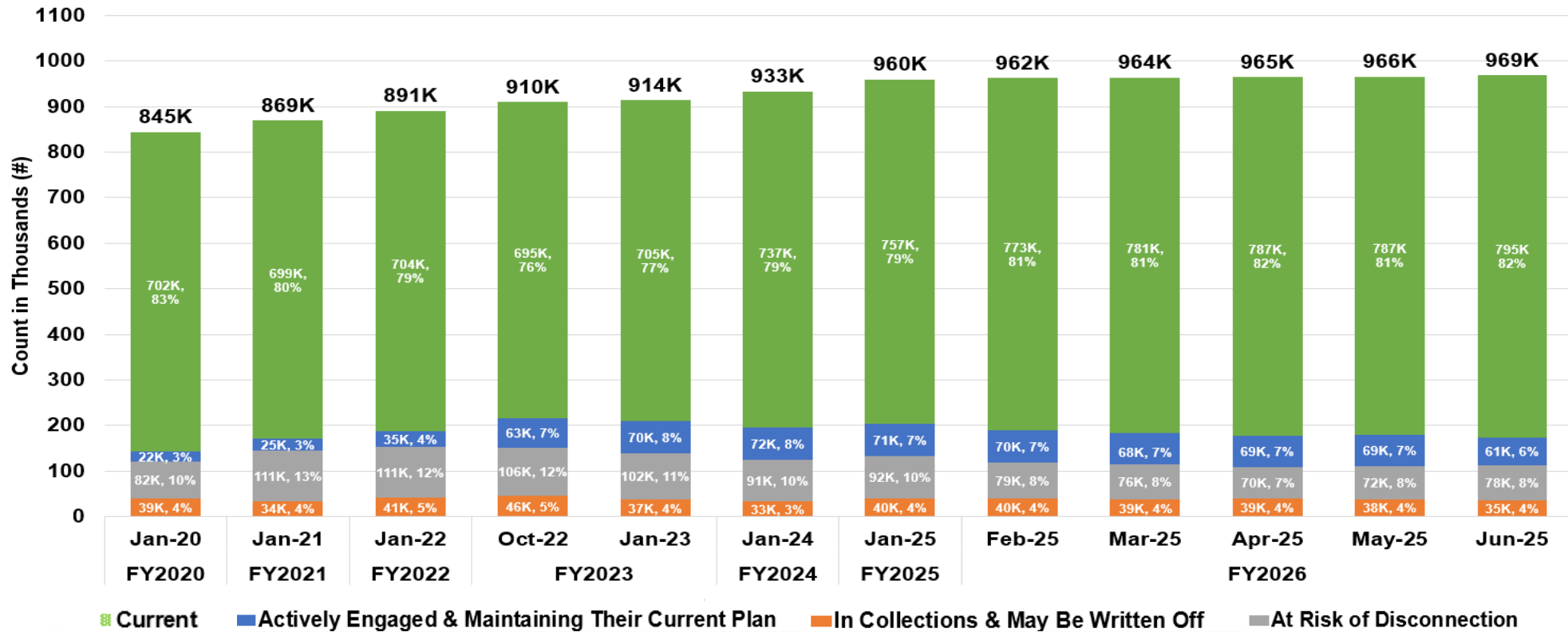




ACCOUNT RECEIVABLES

CURRENT AND PAST-DUE COUNT

Number of Current Versus Past-Due Count

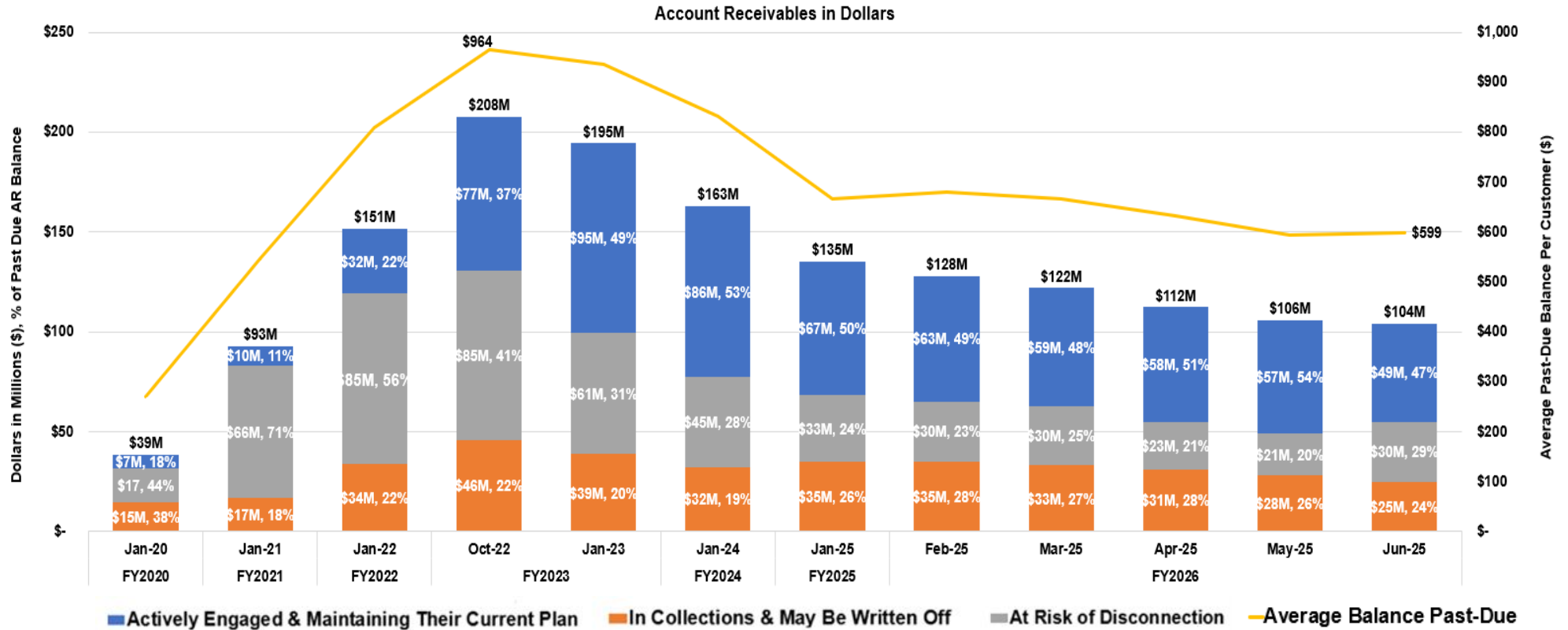


Despite customer growth and industry trend of growing past-due receivables, we've effectively managed past-due accounts, particularly those at risk of disconnection, which remain at or below our pre-pandemic levels.



ACCOUNT RECEIVABLES

PAST-DUE DOLLARS AND AVERAGE BALANCE PAST-DUE

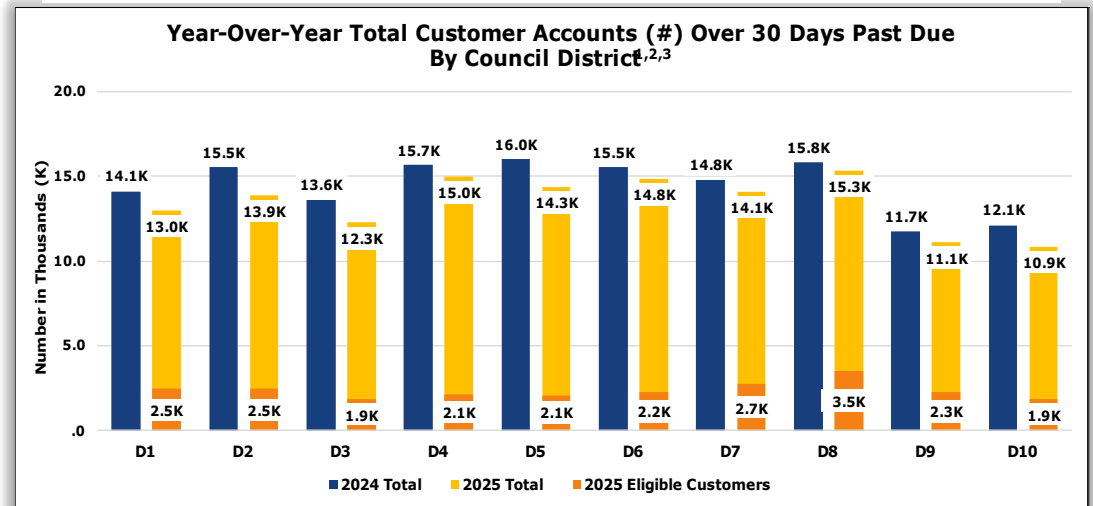
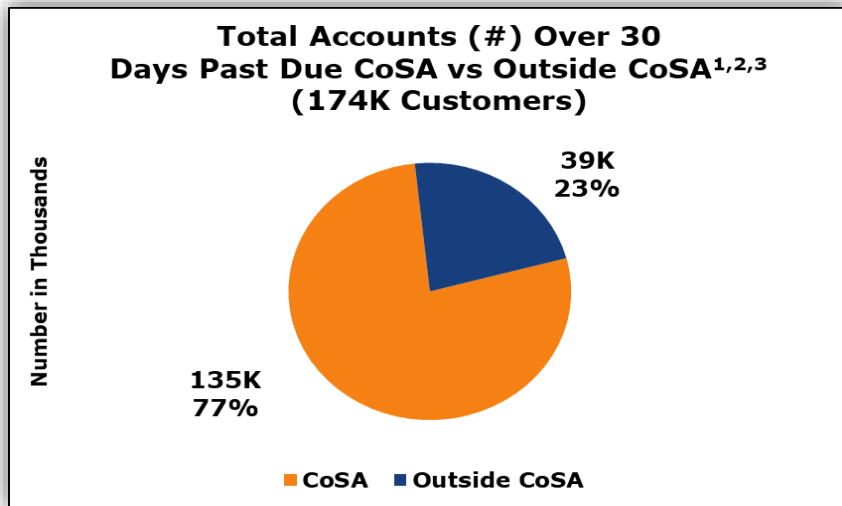


We also reduced past-due dollars from a peak of \$208M to \$104M, while enhanced collection strategies have cut the average balance per customer by almost \$400.

PAST DUE ACCOUNTS



**Year-Over-Year Total Customer Accounts (#) Over 30 Days Past Due
By Council Districts ^{1,2,3}**



As of June 30, 2025, 77% of past-due accounts are in the City of San Antonio and are spread across all council districts.

¹ Data as of 06/30/2025; including both active & inactive (customers who have moved out & the account still has an outstanding balance) customers with outstanding receivable balances greater than 30 days. This includes Residential, Commercial & Industrial, as well as Public Authority accounts.

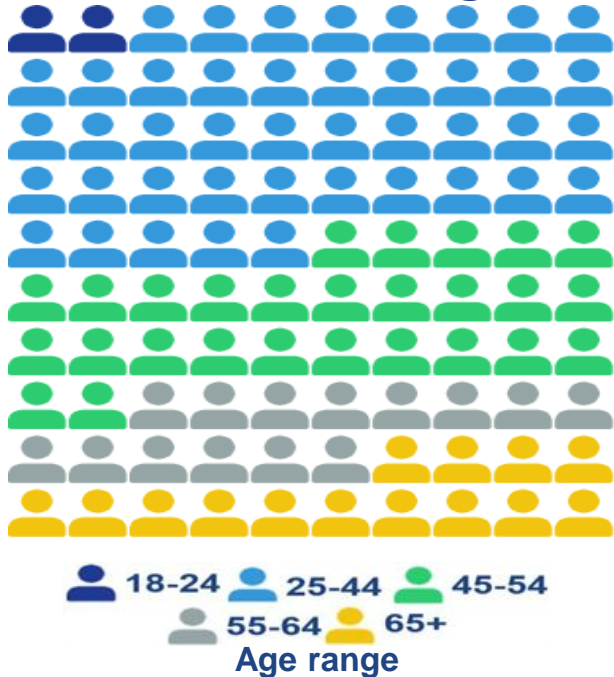
² Council Districts assigned utilizing GIS data within SAP

³ Outside CoSA defined as areas identified outside City Council boundaries

DEMOGRAPHICS¹ OF PAST DUE ACCOUNTS



~86% are under the age of 65



~65%

make less than \$70K annually, a threshold for Asset Limited, Income Constrained, & Employed families in San Antonio³

Over 60%

of all past due accounts have received assistance

Past-Due Account

Average Electric Consumption

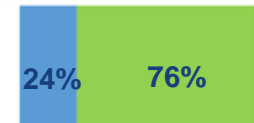
Average Bill

Received Assistance

Energy Burdened²

~1350 kWh

~\$195

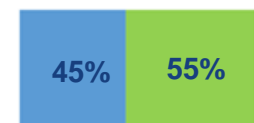


Yes
No

Not-Energy Burdened

~1015 kWh

~\$145



Our goal is to use information to identify the most vulnerable customers and ultimately improve access to assistance.

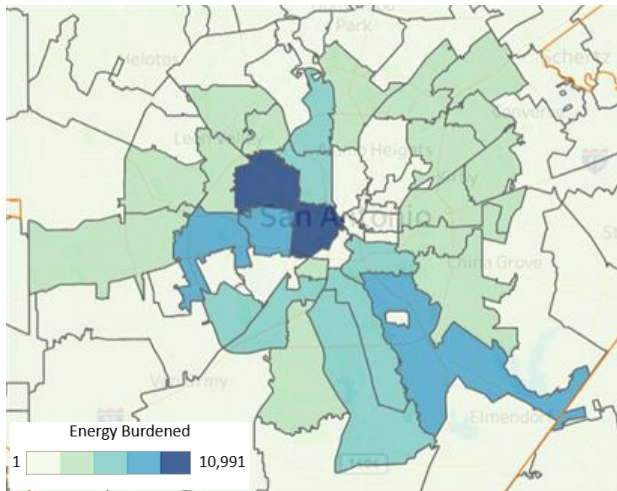
*Data as of June 30, 2025; ¹ demographics representative of residential past-due accounts; ² energy-burdened defined as annual energy bill being 6% or greater of annual household income; ³ Family of four (two adults and two school-aged dependents) <https://uwsatx.org/alice/>

ENGAGEMENT LANDSCAPE

COMMUNITY SATURATION – FY26



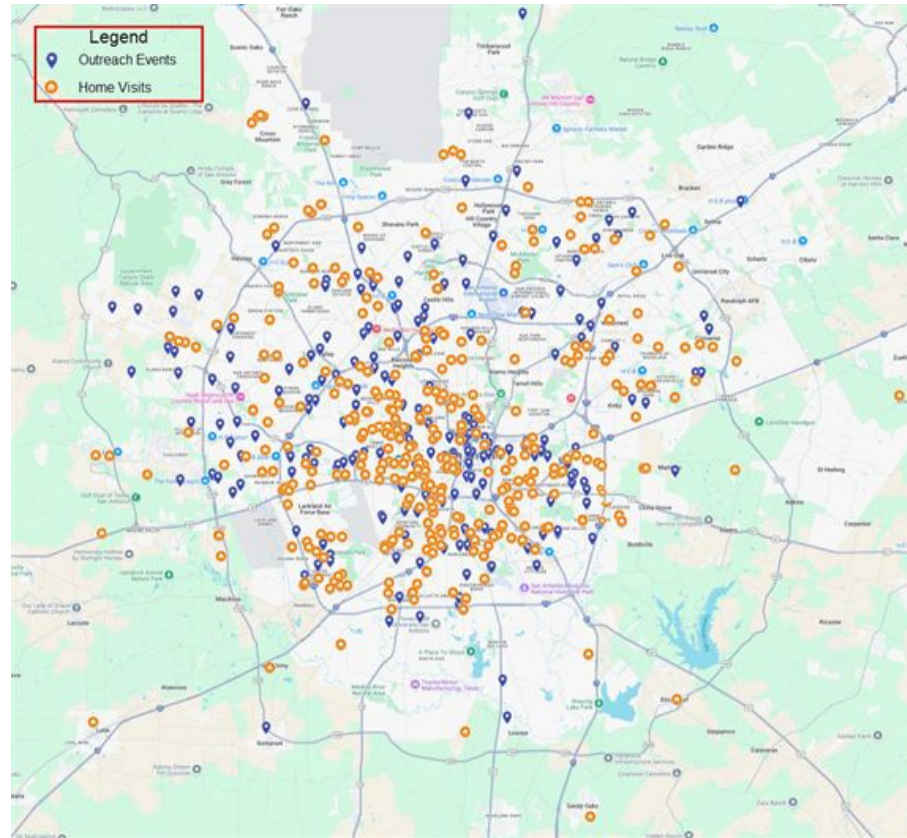
Energy Burdened Map



Guided by data and driven by care, we engage citywide while prioritizing areas with high energy burden.

*Data as of June 30, 2025

Community Engagement Map



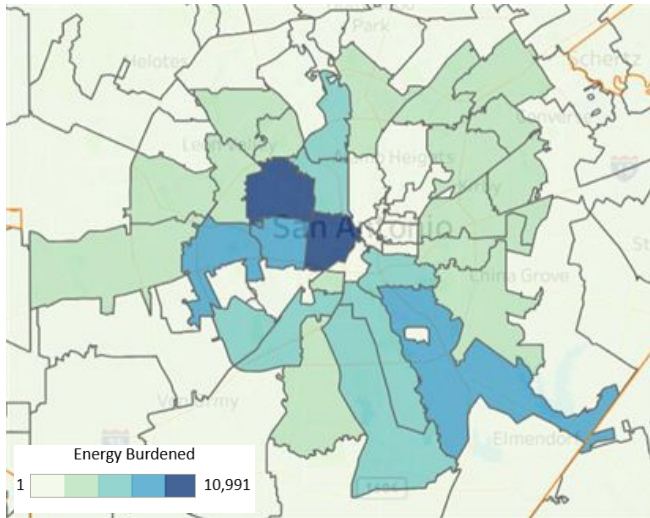
ENGAGEMENT LANDSCAPE

ASSISTANCE CAMPAIGN FY26



Targeting Messaging to Residents in High Energy Burdened Zip Codes

Energy Burdened Map



*Data as of May 31, 2025

English & Spanish Channels

- Social Media
- Bus Shelters
- Movie Theaters
- Digital Ads
- Video
 - Streaming channels
 - Broadcast TV
 - YouTube
 - Gas Stations, Business Centers, Pharmacies, etc.
- Digital & Print Billboards



27.9 Million
Total Estimated Campaign Impressions

COMBINED PROGRAMS & QUALIFIERS



	Affordability Discount Program (ADP)	Residential Energy Assistance Program (REAP)	Casa Verde (Weatherization) Program	Multi Family Energy Efficiency Program	Residential Critical Care Customer Program	Senior Citizen Late Payment Waiver
Description	Helps low-income residential customers with a monthly discount on electricity and gas services.	REAP is a nonprofit partnership offering temporary bill assistance to CPS Energy customers.	Provides eligible customers up to \$5,000 in free energy-saving upgrades, cutting bills by an average of \$350 annually—especially in summer and winter.	The Multifamily Program provides incentives and support for energy-efficient upgrades in multifamily properties.	Program provides additional time to pay bills for customers who or whose dependents require electrically operated medical equipment at home.	CPS Energy residential customers can qualify to have late payment charges waived.
Qualifications	<ul style="list-style-type: none"> • Age 60 or older Has a disability • Uses life-sustaining medical equipment • Has children under 18 or preschool-aged • Faces extenuating circumstances verified by CPS Energy 	<ul style="list-style-type: none"> • Have income at or below 150% of Federal Poverty Guidelines • Live in San Antonio or Bexar County • Are age 60+, disabled, have children under 16 at home, or need critical-care equipment 	<ul style="list-style-type: none"> • Have income at or below 200% of federal poverty guidelines. • If your energy burden is 9.9% or more of your pay • Your home must meet program minimum guidelines. 	<ul style="list-style-type: none"> • Be owned/operated by a 501(c)(3), or • Have ≥25% units with housing vouchers or income-based assistance • Have individually metered units 	<ul style="list-style-type: none"> • Physician must submit application form to CPS Energy • Re-enrollment required every 24 months and after moving 	<ul style="list-style-type: none"> • 60 years of age or older • Be the person whose name is on the bill • Be at or below 150% of the Federal Poverty Guidelines
Amount of assistance or discount	Monthly Electric Discount - \$13.48 Monthly Gas Discount - \$4.88 Monthly Combined Discount - \$18.36 Annual Combined Discount - \$220.32	COSA 2025: Up to \$400/year in utility bill assistance County: Up to \$1,200/year in utility bill assistance bill assistance	Homeowners and renters can get upgrades like insulation, air sealing, LED bulbs, duct sealing, solar screens, and health/safety items.	Upgrades may include: Water-saving showerheads, faucet aerators, WiFi thermostats, Attic insulation, LED bulbs, High-performance A/C tune-ups <ul style="list-style-type: none"> • Air sealing • Window solar screens 	25 days instead of the standard 16 days.	The amount of the late fee.

COMBINED PROGRAMS & QUALIFIERS



	Senior Citizens' Billing Program	Disabled Citizens' Billing Program	Burned Veterans' Discount	First Responders with Burn Injuries Discount	Budget Payment Plan	Payment Arrangements	Energy Angels
Description	Program provides senior citizens additional time to pay their utility bill each month.	Program extends the monthly payment period from 16 days to 25 days for eligible disabled CPS Energy residential customers.	Offers up to \$94/month bill discount for veterans with burn injuries affecting temperature control.	Offers monthly bill discount for first responders with burn injuries affecting temperature regulation.	Helps customers budget and avoid surprise energy bills from weather changes..	Payment extension lets customers delay paying past due balances. Installment plan spreads past due amounts across future bills.	Energy Angels lets you brighten someone's day by paying part of their energy bill.
Qualifications	<ul style="list-style-type: none"> • 60 years of age or older person whose name is on CPS Energy bill • Be the person whose name is on the bill • Provide Social Security number and/or driver license or Texas ID. 	<ul style="list-style-type: none"> • Only the CPS Energy account holder can enroll. To apply or recertify annually, submit: • Military: Official document verifying disability status (e.g., DD214) • Non-military: SSI disability document from Social Security Administration 	<ul style="list-style-type: none"> Eligibility requires certification from a military medical facility. • Medical confirmation needed annually • Discount applies to one CPS Energy account at your current residence • You don't need to be the account holder • Discount won't exceed your bill amount 	<ul style="list-style-type: none"> • Requires certification from a military medical facility • Annual medical confirmation needed • Discount applies to one CPS Energy account at your current home • You don't need to be the account holder • Discount won't exceed your bill amount 	<ul style="list-style-type: none"> • Must have been a CPS Energy customer for at least a year and have a good payment history • Must be current on utility bill. 	Be a CPS Energy Customer with a past due bill.	Be a CPS Energy customer to receive the gift.
Amount of assistance or discount	25 days instead of the standard 16 days.	25 days instead of the standard 16 days.	Up to \$94	Up to \$94	Pay a fixed monthly amount based on your average annual bill plus a small adjustment for fuel and environmental factors.	Based on amount owed.	Gift can be any amount.

CASA VERDE AND WRAP



Historical Deferral Rates by District - 2017 to 2023													
Category Description	Deferral Category	Deferral Percentage by district											Overall total % of deferrals by reason
Includes such items as high CO readings on gas stove, electrical issues, moisture issues, unvented heaters.	Health & Safety	4%	11%	13%	12%	6%	8%	4%	5%	1%	6%	2%	7%
Home had sufficient levels of insulation, at BTL, previously participated in last 10 years, newer home.	Limited Improvement Opportunities	71%	21%	38%	34%	56%	26%	61%	45%	83%	79%	72%	53%
Roof leaks, plumbing issues, in need of major repairs, foundation issues, sheetrock issues.	Structural	16%	47%	38%	38%	26%	49%	24%	32%	10%	6%	13%	27%
Home had a combination of disqualifying issues such as a roof leak/electrical issues, roof leak/sheetrock issues, foundation / electrical issues.	Other/ Multiple	9%	21%	13%	17%	12%	17%	11%	17%	7%	9%	13%	13%
		0	1	2	3	4	5	6	7	8	9	10	
		District											

This home has been weatherized by:

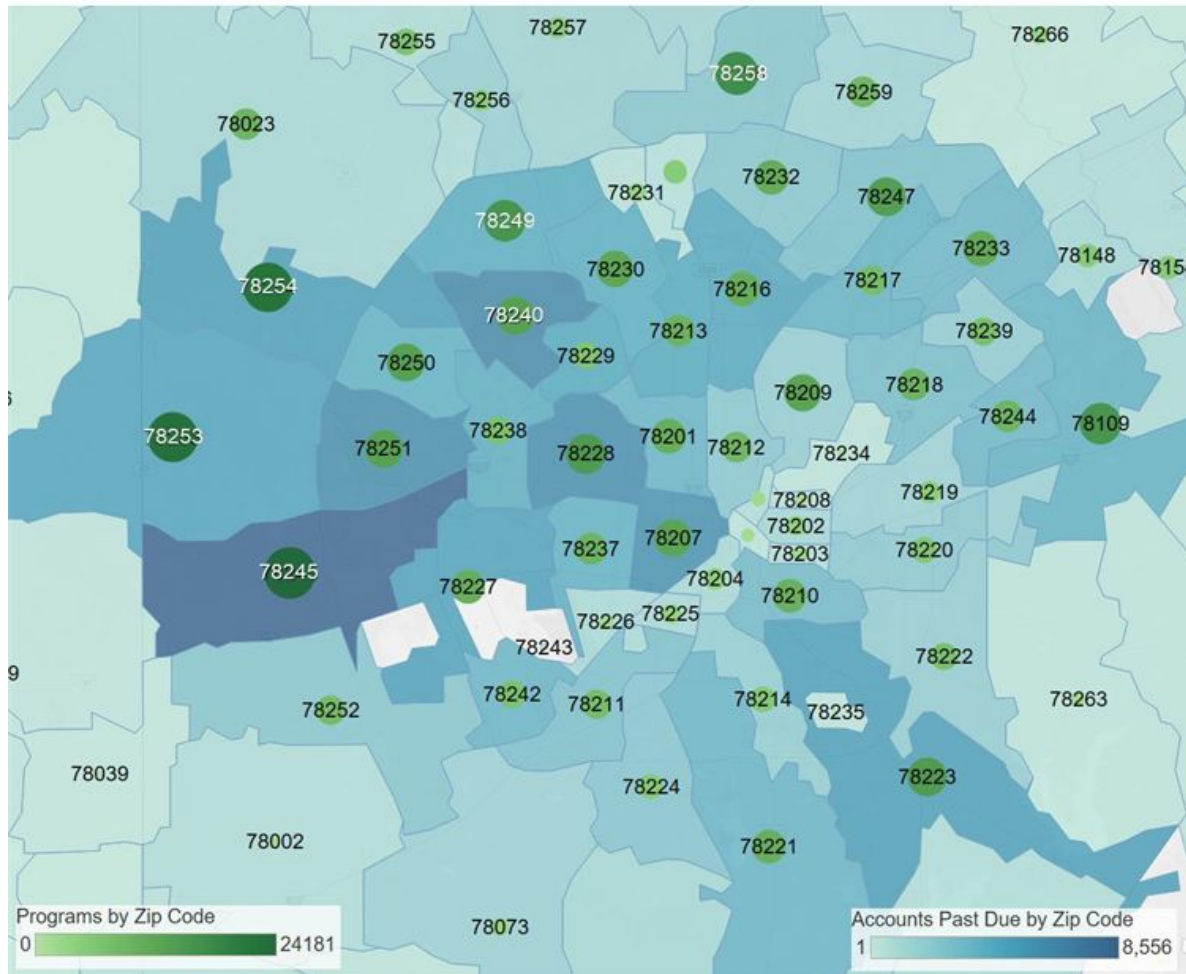


Partnering with the City of San Antonio, we launched WRAP to remove barriers and reach more families in need.

COMBINED PROGRAMS BY ZIP CODE



Accounts Past Due & Programs by Zip Code



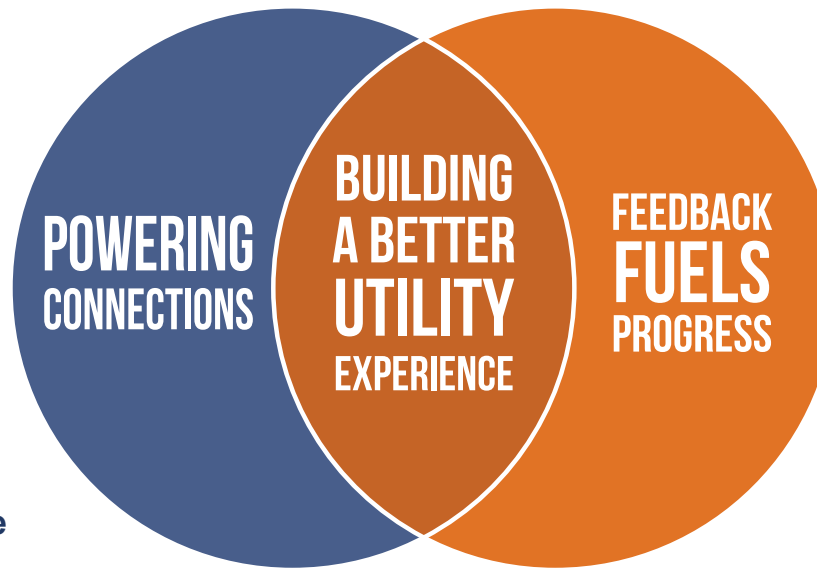
Our targeted approach to outreach and communication continues to develop and show effectiveness.

*Data as of June 30, 2025

ENERGY MEETS ENGAGEMENT



- Staying Connected**
- Showing Up in Communities**
- Partnering With Communities**
- Sharing Knowledge Locally**
- Reaching People, Their Way**
- Collaborating With Leadership**
- Building Together, Project-Wide**
- Meeting You Nearby**



- We learn from our neighbors**
- We create space to speak up**
- We welcome all voices**
- We ask, you share**
- We dig deeper to do better**
- We strengthen partnerships**
- We listen when it matters most**
- We stay part of the conversation**

STAY CONNECTED



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THANK YOU



APPENDIX

GLOSSARY / DEFINITIONS



ACRONYM OR WORD	DEFINITION
ADP	Affordability Discount Program
REAP	Residential Energy Assistance Program
WRAP	Weatherization Repair Assistance Program
STEP	Sustainable Tomorrow Energy Plan
CoSA	City of San Antonio
kWh	Kilowatt-Hour

CPS ENERGY TERMS AND CONDITIONS



Termination/Disconnection of service is outlined in Section III, Subsection C, Clause 2 of our terms and conditions. Specifically, disconnection due to nonpayment is covered under III.C.2.a.iii and III.C.2.a.iv, Disconnection With Notice:

- Failure to pay outstanding debt for which Customer is responsible, such as a past due bill, or failure to make deferred pay arrangements by the date of disconnection stated in the Notice of Disconnection;
- Failure to make payment in accordance with a deferred payment agreement by the disconnection date;

Customers receive notifications about their past due balance, encouraging them to contact our team for support. Whether they need payment arrangements or guidance on agency assistance, we are here to help them avoid service disconnection.

CPS ENERGY TERMS AND CONDITIONS

EXTREME WEATHER



CPS Energy will not discontinue or disconnect service to a customer of residential service on a weekend day or during an Extreme Weather Emergency.

- **Extreme Weather Emergency Definition**

- A period when the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below 32 degrees Fahrenheit for the next 24 hours according to the nearest National Weather Service (NWS) reports; or the NWS issues a heat advisory for a county in the CPS Energy Service Area, and the first two (2) calendar days following the termination of such advisory.

We prioritize the health and safety of our customers using practices in accordance with the Public Utility Commission of Texas (PUC) rule §25.483(j)(1) of the Texas Administrative Code.