# CPS ENERGY BOARD OF TRUSTEES

## NOTICE OF SPECIAL MEETING



Notice is hereby given of a Special Meeting of the CPS Energy Board of Trustees **to be held on Monday, January 23, 2023 at 1:00 p.m.** in the Board Room located on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas. The meeting will also be live-streamed.

The subject of this meeting is to act upon all matters pertaining to the current management and operation of the municipal electric and gas systems, including the acquisition of real property and interest therein by purchase and condemnation, the facilities, financing, the handling and administration of funds and accounts, consideration of matters relating to operations and administration and such other matters as may be brought before the meeting by the Trustees of the Board, and specifically those matters referred to in the attached agenda, which is incorporated herein.

**The meeting will be streamed on cpsenergy.com.**

Those wishing to speak on an agenda item during the Public Comment portion of the meeting must register between Wednesday, January 18, 2023 at 5:00 p.m. and Friday, January 20, 2023 at 1:00 p.m. CT. Registration may be made by email at **publiccommentregistration@cpsenergy.com** or by phone at **(210) 353-4662**. Those registering to speak should be prepared to provide the following information:

- First & Last name
- City & State of residence
- Phone number
- Email address
- Group for which the individual is speaking, if applicable
- Agenda item # listed on the Agenda (any item other than #1 or 2) about which they are speaking
- Any required translation services

Commenters will be called to speak in the order that each registers.

Written comments may be sent to **publiccommentregistration@cpsenergy.com** and will be shared with the Board prior to the start of the meeting.

The agenda packet is attached. It and other informational material may be found at:

https://www.cpsenergy.com/en/about-us/who-we-are/trustees/board-meetings.html

A recording of the meeting will be made and will be available to the public in accordance with the Open Meetings Act upon written request.

*At any time during the Board Meeting, and pursuant to the provisions of Chapter 551 of the Texas Government Code, the Board may meet in executive session for consultation concerning attorney-client matters under Section 551.071; for deliberations and other authorized action on real property under Section 551.072; on prospective gifts or donations under Section 551.073; on personnel under Section 551.074; on security personnel or devices under Section 551.076; on economic development negotiations under Section 551.087; to deliberate, vote, or take final action on competitive matters under Section 551.086; to deliberate regarding security audits and devices under Section 551.089; or to deliberate under Texas Government Code Section 418.183(f) about confidential information under the Texas Homeland Security Act.*

Shanna M. Ramirez
Secretary of the Board
January 18, 2023

# CPS ENERGY BOARD OF TRUSTEES SPECIAL MEETING
# TO BE HELD ON JANUARY 23, 2023 AT 1:00 PM
# LOCATION: CPS ENERGY BOARD ROOM (500 MCCULLOUGH AVE)

*At any time during the Board Meeting, and pursuant to the provisions of Chapter 551 of the Texas Government Code, the Board may meet in executive session concerning:*

- *attorney-client matters under Section 551.071;*
- *deliberations and other authorized action on real property under Section 551.072;*
- *prospective gifts or donations under Section 551.073;*
- *personnel under Section 551.074;*
- *security personnel or devices under Section 551.076;*
- *economic development negotiations under Section 551.087;*
- *deliberations, voting or taking final action on competitive matters under Section 551.086;*
- *deliberations regarding security audits and devices under Section 551.089; or*
- *deliberations under Texas Government Code Section 418.183(f) about confidential information under the Texas Homeland Security Act.*



## AGENDA

| ITEM | TOPIC | ACTION | PRESENTER/ SPONSOR |
|---|---|---|---|
| 1 | **CALL TO ORDER** | Execute | Dr. Willis Mackey |
| 2 | **SAFETY MESSAGE, INVOCATION & PLEDGE OF ALLEGIANCE** | Execute | Ms. Nathalia Lopez |
| 3 | **PUBLIC COMMENT**<br>Pre-Registration on Wednesday, January 18, 2023 from 5:00 PM – Friday, January 20, 2023 1:00 PM @ (210) 353-4662 or PublicCommentRegistration@CPSEnergy.com | Discuss | Dr. Willis Mackey |
| **CONVENE TO EXECUTIVE SESSION** | | | |
| 4 | **EXECUTIVE SESSION** | Discuss | Dr. Willis Mackey |
| **RECONVENE TO OPEN SESSION** | | | |
| **REGULAR AGENDA** | | | |
| 5 | **GENERATION PLANNING**<br>**A.** GENERATION PLANNING RECOMMENDATION<br>**B.** RESOLUTION TO APPROVE THE GENERATION PLANNING PORTFOLIO (Ms. Shanna Ramirez) | Discuss & Vote | Mr. Rudy Garza |
| 6 | **ADJOURNMENT** | Execute | Dr. Willis Mackey |

If the Board meeting has not adjourned by 2:15 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.

# GENERATION PLANNING UPDATE

*PRESENTED BY:*

**Rudy D. Garza**
President & CEO

January 23, 2023

*Approval Requested*

# AGENDA

- **REVIEW DECEMBER PORTFOLIO RECOMMENDATION**
- **REQUEST APPROVAL**

**Our objective today is to request your approval of the Blended Portfolio (P2).**

# BLENDED PORTFOLIO (P2) RECOMMENDATION

- With majority support, the RAC recommended Blended Portfolio (P2) to you.

- Our recommendation was also the Blended Portfolio (P2).

**The presentations and recommendations made at the December 19, 2022 Board Meeting and the January 12, 2023 City Council Meeting are included in the appendix.**

# REQUEST FOR APPROVAL

We request your approval of the Blended Portfolio (P2)

- Balances reliability with affordability
- Continues transition to a lower carbon future
- Retains experienced workforce to support transition
- Retains a greater degree of fuel diversity to manage cost risk
- Supports expansion of renewables while providing greater protection from extreme weather risk
- Aligns with community survey results
- With majority support, the RAC recommended Blended Portfolio (P2) to you

**The Blended Portfolio (P2) provides reliable, affordable, and sustainable energy resources through 2030 and retains flexibility as energy policy and emerging technologies evolve.**

# DISCUSSION

# *Thank You*

# *Appendix*

# GENERATION PLAN RECOMMENDATIONS

*PRESENTED BY:*

**Kathy Garcia**
VP, Govt & Reg Affairs & Public Policy

December 19, 2022

*Informational Update*

# AGENDA

- **OUR PATHWAY**
- **GENERATION PLANNING OBJECTIVES**
- **OUR PLANNING APPROACH**
- **PORTFOLIO OVERVIEW & RECOMMENDATIONS**
- **INFLUENTIAL FACTORS**

**Our objective today is to present an update on our generation planning process & discuss potential options.**

# OUR COMMITMENT

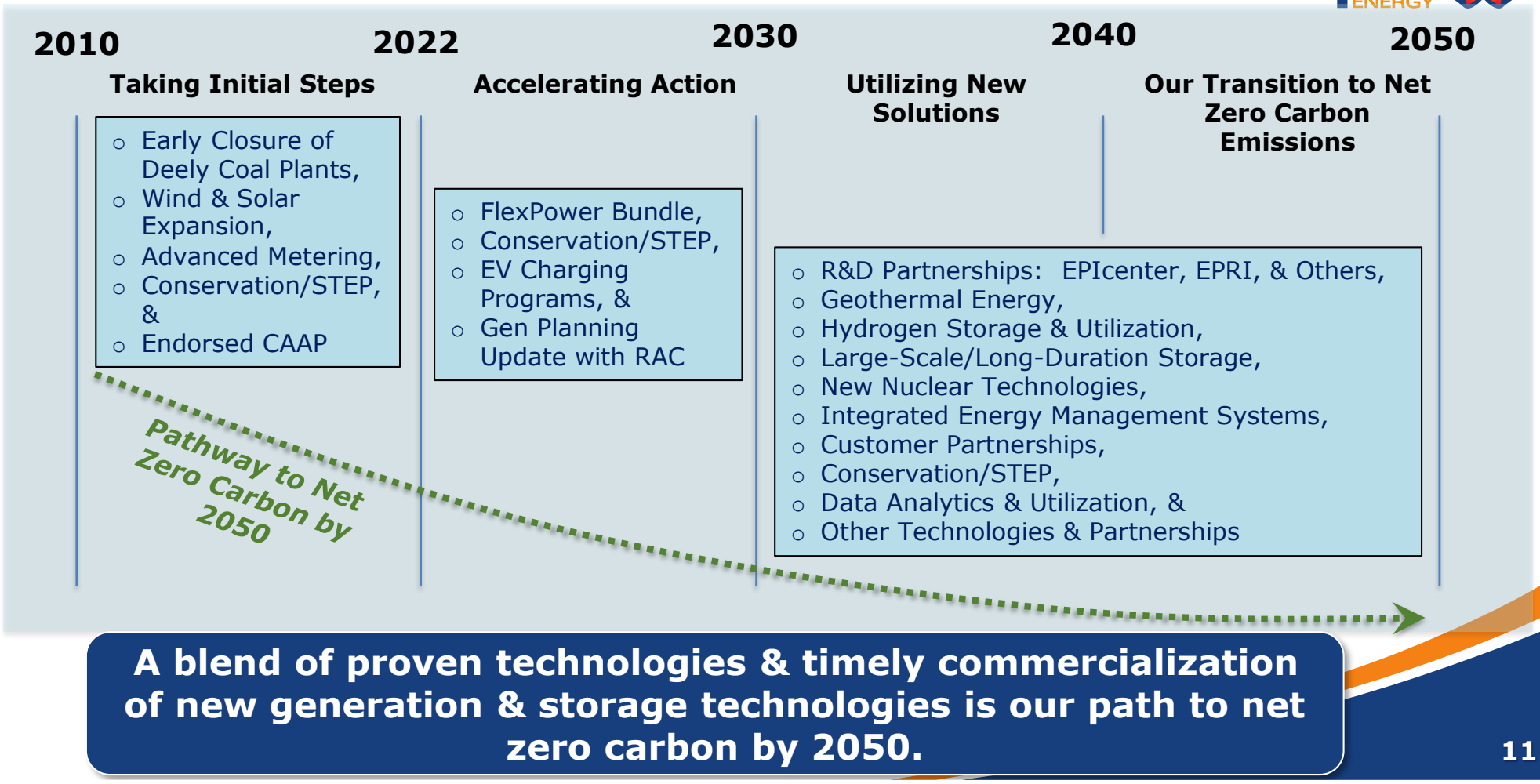
## HOST COMMUNITY CONVERSATION ON ENERGY SUPPLY

- Gain Rate Advisory Committee (RAC) & community feedback in the energy planning process
- Achieve the objectives of community Climate Action & Adaptation Plan (CAAP)
- Analyze a comprehensive list of options to gain broad perspectives
- Initial focus is on transitional needs through 2030, next we will leverage developing technologies to achieve the 2050 CAAP goal

**Our goal this planning cycle is to ensure reliable, affordable, & sustainable energy resources through 2030.**

# PATHWAY TO 2050

## OUR TRANSITION TO NET ZERO CARBON EMISSIONS




**A blend of proven technologies & timely commercialization of new generation & storage technologies is our path to net zero carbon by 2050.**

# PLANNING OBJECTIVES
## IN ORDER OF RAC PRIORITY*

**System Reliability & Climate Resiliency**
Consistent delivery & ability to cope with extreme events

**Environmental Sustainability**
Support for community environmental goals

**Affordability**
Customers' ability to pay for service

**System Flexibility**
Ability to respond to changing conditions

**Workforce Impact**
Employees needed to operate effectively

**CPS Energy considers all objectives equally critical to serving our customers.**

* CPS Energy Financial Stability was moved to a model requirement based on input from the RAC & is not shown

# ROBUST PLANNING PROCESS
## LEVERAGING BROAD PERSPECTIVES & EXPERTISE

- Engaged consultants with broad expertise supporting utilities in comprehensive generation resource planning
- Jointly developed 9 portfolios, each with a diverse set of technologies to serve the expected energy demand
- Analyzed 50 data sets, across 4 market scenarios & sensitivities like extreme weather & conservation/STEP
- Detailed feedback/input from the Rate Advisory Committee shaped the planning process
- Focused on near-term ability to replace 2,100 MW of retiring fossil-fuel power plants by 2030
- Further our strategy to reduce carbon intensity

# POWER GENERATION RESOURCE PLANNING APPROACH

## Identify Planning Objectives

Agree on planning objectives & metrics to measure the performance of the plan against each objective

## Develop Market Scenarios

Identify key sources of uncertainty & the potential range of future outcomes, & design internally consistent future scenarios

## Develop Resource Portfolios

Design options for future resource plans, based on different future scenarios & priorities

## Portfolio Modeling & Analysis

Evaluate the performance of each resource portfolio against each future scenario, stochastic uncertainty, & extreme risk events

## Select Preferred Plan

Identify trade-offs from each resource portfolio & select the preferred portfolio

# PORTFOLIO METRIC RESULTS

| | System Reliability & Climate Resiliency | | | | Environmental Sustainability | | | Affordability | | | | System Flexibility | | Workforce Impact | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Diversity of Generation Mix | Capacity Head-room | Extreme Weather Exposure | | Progress Towards City of SA CAAP Goals | | | Energy Cost ($/MWh) | | Present Value (PV) Revenue Requirements | | Market Purchases | Dispatch-ability | CPS Energy Workforce Impact | Local Economic Impact |
| | Generation Mix (MWh) | Expected Reserve Margin (%) | Rev. Req. Extreme Weather ($Billion) | % Of CPS Energy Consumption That Is Met Through ERCOT Market Purchases | % CO2 Intensity Reduction Relative To 2016 (Ref Scenario) | Emission Intensity (lb CO2/MWh) | | % Reduction In Consumption Due To STEP | Reference Scenario Average Cost ($/MWh) | Range In Cost In *All* Scenarios ($/MWh) | Ref Scenario ($Billion) | Range Across *All* Scenarios ($Billion) | % Of CPS Energy Consumption That Is Met Through ERCOT Market Purchases | % Of CPS Energy Capacity That Is Dispatchable | # Of Impacted CPS Energy Generation Employees | Capital Expenditures For New Generation Capacity Built In Greater San Antonio Area ($Millions) |
| | *2030* | *2030* | *2030* | *2030* | *2030* | *2030* | *2040* | *2030* | *2023 - 2030* | | *2023 – 2030* | *2023 – 2030* | *2030* | *2030* | *2030* | *2023 – 2030* |
| P1 | | 13.7% | $1.70 | 1.0% | 37% | 578 | 547 | 9.7% | $58.07 | $52-60 | $8.58 | $7.87-8.58 | 1% | 61% | 155 | $2,758 |
| P2 | | 15.7% | $2.04 | 3.1% | 44% | 518 | 350 | 9.7% | $60.04 | $55-63 | $8.85 | $8.19-8.99 | 4% | 57% | 170 | $2,004 |
| P3 | | 14.5% | $3.26 | 12.8% | 65% | 321 | 161 | 9.7% | $60.58 | $56-63 | $8.90 | $8.36-8.98 | 13% | 46% | 345 | $1,310 |
| P4 | | 15.3% | $2.02 | 6.1% | 30% | 641 | 361 | 9.7% | $59.16 | $53-61 | $8.72 | $7.99-8.72 | 7% | 63% | 90 | $1,787 |
| P5 | | 15.0% | $3.28 | 13.5% | 65% | 325 | 161 | 9.7% | $60.47 | $55-62 | $8.88 | $8.23-8.88 | 13% | 46% | 355 | $866 |
| P6 | | 13.2% | $3.27 | 19.6% | 78% | 200 | 31 | 9.7% | $65.34 | $61-69 | $9.54 | $9.07-9.68 | 18% | 39% | 355 | $4,041 |
| P7 | | 13.1% | $3.34 | 19.7% | 78% | 202 | 35 | 9.7% | $65.96 | $61-69 | $9.63 | $9.14-9.76 | 18% | 39% | 355 | $4,041 |
| P8 | | 15.4% | $2.79 | 11.2% | 59% | 378 | 160 | 9.7% | $60.67 | $55-62 | $8.92 | $8.20-8.92 | 11% | 48% | 295 | $548 |
| P9 | | 14.6% | $2.69 | 7.9% | 60% | 371 | 160 | 9.7% | $58.64 | $54-59 | $8.65 | $8.04-8.65 | 9% | 46% | 295 | $548 |

Nuclear · Geothermal · Coal · Gas · Gas Toll · Wind · Solar · Other · Storage · Hydrogen · Energy Efficiency

Legend: Less Favorable — More Favorable

15

# PORTFOLIO SCORING DETAIL

1. Assigned metric scores per the scale
2. Calculated an average score by Objective
3. Calculated a unweighted total score by Portfolio

**Scale**

| 1 | 2 | 3 | 4 |
|---|---|---|---|

*Note: Refer to Portfolio Metric Results Scorecard*

| Portfolios | System Reliability & Climate Resiliency | | | | Environmental Sustainability | | | | Affordability | | | | System Flexibility | | Workforce Impact | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Diver-sity of Genera-tion Mix | Capacity Head-room | Extreme Weather Exposure | | Progress Towards City of SA CAAP Goals | | | | Energy Cost ($/MWh) | | Present Value (PV) Revenue Requirements | | Market Purchases | Dispatchability | CPS Energy Workforce Impact | Local Economic Impact |
| | Generation Mix (MWh) | Expected Reserve Margin (%) | Rev. Req. Extreme Weather ($Billion) | %of CPS Energy consumption that is met through ERCOT market purchases | %CO2 Intensity Reduction Relative to 2035 (Ref Scenario) | Emission Intensity (lb CO2/MWh) | | %reduction in consumption due to STEP | Reference Scenario Average Cost ($/MWh) | Range in Cost in all Scenarios ($/MWh) | Ref Scenario ($Billion) | Range Across all Scenarios ($Billion) | %of CPS Energy consumption that is met through ERCOT market purchases | %of CPS Energy Capacity that is Dispatchable | # of Impacted CPS Energy Generation Employees | Capital expenditures for new generation capacity built in greater San Antonio area ($Millions) |
| | 2030 | 2030 | 2030 | 2030 | 2030 | 2030 \| 2040 | | 2030 | 2023 - 2030 | | 2023 – 2030 | 2023 – 2030 | 2030 | 2030 | 2030 | 2023 – 2030 |
| P1 | 1 | 2 | 4 | 4 | See Note 1 | 1 | 1 | 4 | 4 | 2 | See Note 2 | 2 | 4 | 4 | 3 | 3 |
| P2 | 2 | 4 | 4 | 4 | See Note 1 | 2 | 2 | 4 | 2 | 2 | See Note 2 | 2 | 4 | 4 | 3 | 3 |
| P3 | 3 | 2 | 1 | 2 | See Note 1 | 3 | 3 | 4 | 2 | 2 | See Note 2 | 4 | 2 | 2 | 1 | 2 |
| P4 | 2 | 4 | 4 | 3 | See Note 1 | 1 | 2 | 4 | 4 | 2 | See Note 2 | 2 | 4 | 4 | 4 | 2 |
| P5 | 3 | 4 | 1 | 2 | See Note 1 | 3 | 3 | 4 | 2 | 4 | See Note 2 | 2 | 2 | 2 | 1 | 1 |
| P6 | 2 | 1 | 1 | 1 | See Note 1 | 4 | 4 | 4 | 1 | 2 | See Note 2 | 4 | 1 | 1 | 1 | 4 |
| P7 | 2 | 1 | 1 | 1 | See Note 1 | 4 | 4 | 4 | 1 | 2 | See Note 2 | 4 | 1 | 1 | 1 | 4 |
| P8 | 4 | 4 | 2 | 2 | See Note 1 | 3 | 3 | 4 | 2 | 2 | See Note 2 | 2 | 2 | 2 | 2 | 1 |
| P9 | 4 | 2 | 2 | 3 | See Note 1 | 3 | 3 | 4 | 4 | 4 | See Note 2 | 4 | 4 | 2 | 2 | 1 |

| Portfolios | System Reliability & Climate Resiliency | Environmental Sustainability | Affordability | System Flexibility | Workforce Impact | Total Score |
|---|---|---|---|---|---|---|
| P1 | 2.75 | 2.00 | 2.67 | 4.00 | 3.00 | 14.42 |
| P2 | 3.50 | 2.67 | 2.00 | 4.00 | 3.00 | 15.17 |
| P3 | 2.00 | 3.33 | 2.67 | 2.00 | 1.50 | 11.50 |
| P4 | 3.25 | 2.33 | 2.67 | 4.00 | 3.00 | 15.25 |
| P5 | 2.50 | 3.33 | 2.67 | 2.00 | 1.00 | 11.50 |
| P6 | 1.25 | 4.00 | 2.33 | 1.00 | 2.50 | 11.08 |
| P7 | 1.25 | 4.00 | 2.33 | 1.00 | 2.50 | 11.08 |
| P8 | 3.00 | 3.33 | 2.00 | 2.00 | 1.50 | 11.83 |
| P9 | 2.75 | 3.33 | 4.00 | 3.00 | 1.50 | 14.58 |

**Notes:**

1. % CO2 intensity metric was not used since it is redundant to CO2 intensity in lb/MWh.
2. Reference PV of Revenue Requirements in $B was not used since it is redundant to Reference Average Cost in $/MWh.

# PORTFOLIO SELECTION

| | Objectives | | | | | Total Score |
|---|---|---|---|---|---|---|
| | Reliability & Resiliency | Environmental Sustainability | Affordability | Flexibility | Workforce | |
| **P1** | 2.75 | 2.00 | 2.67 | 4.00 | 3.00 | **14.42** |
| **P2** | 3.50 | 2.67 | 2.00 | 4.00 | 3.00 | **15.17** |
| **P3** | 2.00 | 3.33 | 2.67 | 2.00 | 1.50 | **11.50** |
| **P4** | 3.25 | 2.33 | 2.67 | 4.00 | 3.00 | **15.25** |
| **P5** | 2.50 | 3.33 | 2.67 | 2.00 | 1.00 | **11.50** |
| **P6** | 1.25 | 4.00 | 2.33 | 1.00 | 2.50 | **11.08** |
| **P7** | 1.25 | 4.00 | 2.33 | 1.00 | 2.50 | **11.08** |
| **P8** | 3.00 | 3.33 | 2.00 | 2.00 | 1.50 | **11.83** |
| **P9** | 2.75 | 3.33 | 4.00 | 3.00 | 1.50 | **14.58** |

- **P1, P2, P4, & P9 are most aligned with the objectives.**
- **P3, P5, P6, P7, & P8 are least aligned with the objectives.**

# ALIGNED PORTFOLIOS

## P1, P2, P4, & P9

| | System Reliability & Climate Resiliency | | | | Environmental Sustainability | | | Affordability | | | | System Flexibility | | Workforce Impact | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Diversity of Generation Mix | Capacity Head-room | Extreme Weather Exposure | | Progress Towards City of SA CAAP Goals | | | Energy Cost ($/MWh) | | Present Value (PV) Revenue Requirements | | Market Purchases | Dispatch-ability | CPS Energy Workforce Impact | Local Economic Impact |
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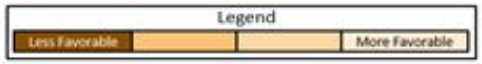
| | *2030* | *2030* | *2030* | *2030* | *2030* | *2030* | *2040* | *2030* | *2023 - 2030* | | *2023 – 2030* | *2023 – 2030* | *2030* | *2030* | *2030* | *2023 – 2030* |
| P1 |  | 13.7% | $1.70 | 1.0% | 37% | 578 | 547 | 9.7% | $58.07 | $52-60 | $8.58 | $7.87-8.58 | 1% | 61% | 155 | $2,758 |
| P2 |  | 15.7% | $2.04 | 3.1% | 44% | 518 | 350 | 9.7% | $60.04 | $55-63 | $8.85 | $8.19-8.99 | 4% | 57% | 170 | $2,004 |
| P4 |  | 15.3% | $2.02 | 6.1% | 30% | 641 | 361 | 9.7% | $59.16 | $53-61 | $8.72 | $7.99-8.72 | 7% | 63% | 90 | $1,787 |
| P9 |  | 14.6% | $2.69 | 7.9% | 60% | 371 | 160 | 9.7% | $58.64 | $54-59 | $8.65 | $8.04-8.65 | 9% | 46% | 295 | $548 |

**Benefits & risks are examined in the following slides.**

# P1 – GAS
## GAS ADDITIONS

| Benefits | Risks |
|---|---|
| • Higher energy availability in normal & extreme conditions<br>• Reduced market exposure<br>• More dispatchable generation<br>• Includes flexible gas technologies | • Greater risk of natural gas availability issues & price volatility |
| • One of the lower-cost portfolios; especially in extreme weather<br>• Leveraging Spruce 2 infrastructure with gas conversion | |
| | • Does not meet CAAP 2030 (+6%) or 2040 targets (+105%) |
| • Low impact on our workforce<br>• Greater local economic impact | |

Reliability & Flexibility | Affordability | Sustainability | Workforce Impact

# P2 – BLEND

## GAS, SOLAR, WIND & STORAGE ADDITIONS

| Benefits | Risks |
|---|---|
| • Lower risk in extreme weather<br>• Reduced market exposure<br>• More dispatchable generation<br>• Includes flexible gas technologies | • Some risk of natural gas availability & price volatility |
| • One of the lower-cost portfolios; especially in extreme weather<br>• Leveraging Spruce 2 infrastructure with gas conversion | |
| • Meets 2030 CAAP target (-5%) | • Does not meet 2040 CAAP target (+31%) |
| • Reduced impact on our workforce<br>• Greater local economic impact | |

Reliability & Flexibility | Affordability | Sustainability | Workforce Impact

# P4 – BLEND (RETAINS COAL)

## GAS, SOLAR, & STORAGE ADDITIONS

| Benefits | Risks |
|---|---|
| • Retains greater energy security<br>• Lower risk in extreme weather<br>• Reduced market exposure<br>• Greater dispatchable generation | |
| • One of the lower-cost portfolios; especially in extreme weather | • Potential for additional environmental regulations |
| | • Does not meet CAAP 2030 (+18%) or 2040 (+35%) targets |
| • Lower impact on our workforce<br>• Greater local economic impact | |

Reliability & Flexibility | Affordability | Sustainability | Workforce Impact

# P9 – RENEWABLES

## WIND, SOLAR, & STORAGE ADDITIONS

| Benefits | Risks |
|---|---|
| • Retains some existing dispatchable gas generation<br>• Retains Spruce 2 infrastructure with gas conversion for 7 years | • Less dispatchable generation<br>• Greater energy availability risk in normal & extreme conditions |
| • One of the lower-cost portfolios due to lower capital investment | • Higher cost exposure in extreme weather events due to increased market purchases |
| • Lower carbon intensity<br>• Meets 2030 (-32%) & 2040 (-40%) CAAP targets | |
| | • High impact on our workforce<br>• Small local economic impact |

Reliability & Flexibility | Affordability | Sustainability | Workforce Impact

# P2 & P9 ARE MOST VIABLE

## RETIRE COAL & ACHIEVE 2030 CAAP TARGET

- P2 offers increased reliability, affordability & retains our experienced workforce to support our lower-carbon transition
- P2 will require continuous evolution to meet 2040 CAAP target
- P9 allows us to meet CAAP 2030/2040 without new technology
- P9 challenges our ability to ensure reliability during extreme weather conditions - more prevalent in recent years as disruptive climate events have increased

**Regardless of portfolio selected, our plans must respond to an evolving ERCOT market & adapt to leverage new technology.**

# OTHER FACTORS ON OUR PATH FORWARD

- Adequate rate support
- PUC/ERCOT market changes
- State legislative actions
- EPA/TCEQ permitting & rulemakings
- Supply chain risks
- Geopolitical impacts on energy markets
- Timely approval of individual plant closures by ERCOT
  - ERCOT will analyze grid reliability with each plant closure
- Timely commercialization of new generation & storage technologies
  - Geothermal, hydrogen storage, large scale/long duration storage, new nuclear technologies
  - Integrated energy management systems, customer partnerships, conservation/STEP, data analytics & utilization, & others

**Carbon neutrality requires a coordinated multi-part plan.**

# DISCUSSION


# *Thank You*

# RATE ADVISORY COMMITTEE RECOMMENDATION

*PRESENTED BY:*

**W. Reed Williams**
Chair, Rate Advisory Committee

January 12, 2023

*Informational Update*

# CHARGE OF THE RAC

**The CPS Energy Board of Trustees approved the creation of its Rate Advisory Committee in December 2020 and the committee was formed in April 2021.**

The purpose of the RAC as defined in the bylaws is:

*"Members of the RAC will devote the necessary time and energy to learn about the utility business and the rate design function in order to understand and provide thoughtful input and perspectives to CPS Energy Management and Board of Trustees on rate structure, rate design, proposed rate increases and generation planning issues."*

# COUNCIL APPOINTEES

| District | Appointee | Zip Code | Quadrant | Profession |
|---|---|---|---|---|
| 1 | John Agather | 78212 | 2 | Musician |
| 2 | Anacua Garcia | 78220 | 3 | Community Organizer |
| 3 | Phyllis Viagran | 78214 | 3 | City Councilwoman |
| 4 | Peter Onofre | 78245 | 4 | Operations Administrator |
| 5 | Andy Castillo | 78211 | 4 | Designer |
| 6 | Alvaro Rodriguez | 78250 | 1 | Sales |
| 7 | **Dr. Adelita Cantu, Vice Chair** | 78228 | 1 | Associate Professor |
| 8 | Michael Kennick | 78203 | 1 | Electrical Engineer |
| 9 | Ann Marie Nikolich | 78230 | 1 | Exec. Asst. |
| 10 | Jack Hebdon | 78209 | 2 | Developer Partner |

**Each Council Member nominates one RAC member to represent their district. Nominees are confirmed by the CPS Energy Board of Trustees.**

# CPS ENERGY BOARD APPOINTEES

| Trustee | Appointee | Zip Code | Quadrant | Profession |
|---|---|---|---|---|
| Chair Dr. Mackey | Wayne Eddington | 78148 | 3 | Civil Engineer |
| | Anthony Edwards | 78258 | 2 | VP Community Prgm |
| Vice Chair Gonzalez | Michael Sanchez | 78249 | 1 | Real Estate Investor |
| | DeeDee Belmares | 78109 | 3 | Organizer |
| Trustee Dr. Romero | Curtis Anastasio | 78230 | 1 | Public Board Service |
| | Christopher T. Fullerton | 78230 | 1 | Researcher Attorney |
| Trustee Steen | Dana McGinnis | 78212 | 2 | Investment Advisor |
| | Jim Berg | 78209 | 3 | Business Owner |
| Mayor Nirenberg | **W. Reed Williams, Chair** | 78209 | 2 | Retired |
| | Dr. Olufemi Osidele | 78253 | 4 | Consultant |
| All | Anita Ledbetter | 78223 | 3 | Executive Director |

**Eleven members are nominated and confirmed by the CPS Energy Board of Trustees.**

# RAC RECOMMENDS PORTFOLIO 2

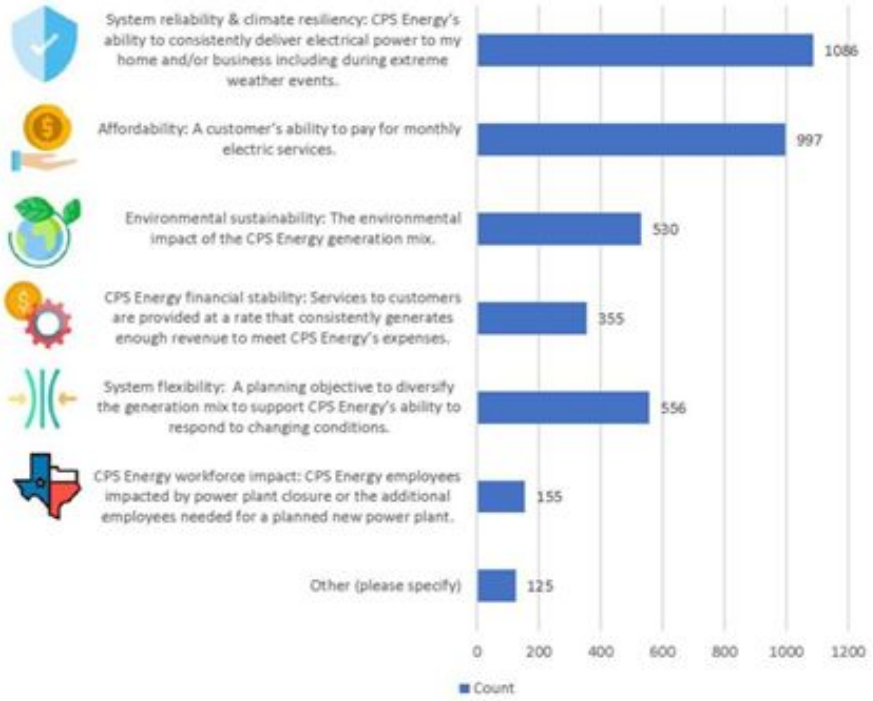
- Increases Reliability
- Reduces System Risk
- Continues Progress to CAAP Goals
- Facilitates New Technologies

# THANK YOU

# POWERING OUR COMMUNITY'S FUTURE SURVEY RESULTS

## QUESTION 1

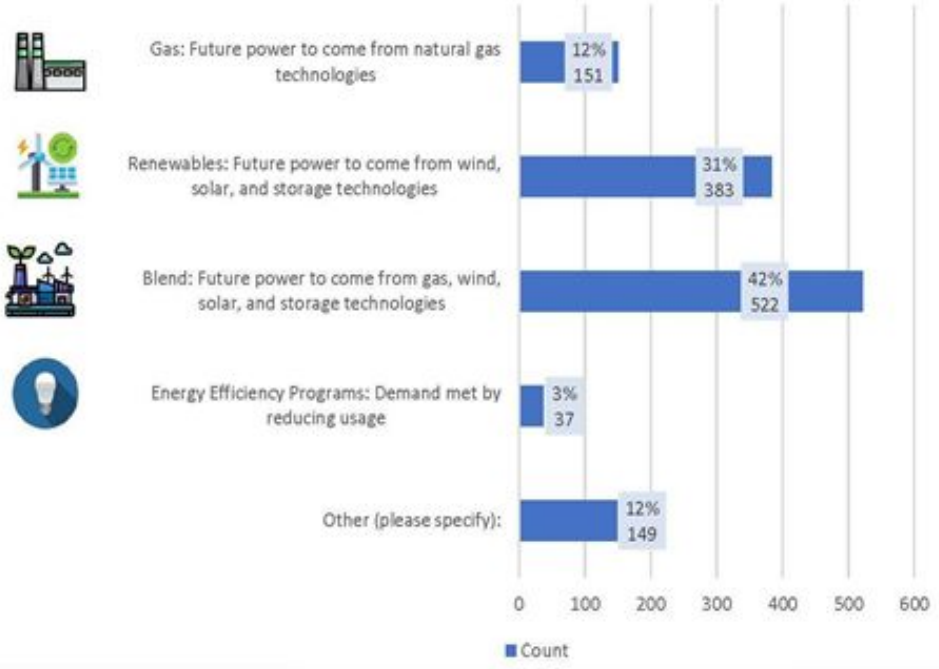
Please select **three** objectives listed below that are important to you in how CPS Energy powers our community now and in the future.




| BREAKDOWN OF RESULTS BY RANK | | Total Responses |
|---|---|---|
| **System Reliability & Climate Resiliency** | **29%** | **1086** |
| **Affordability** | **26%** | **997** |
| **System Flexibility** | **15%** | **556** |
| Environmental Sustainability | 14% | 530 |
| Financial Stability | 9% | 355 |
| Workforce Impact | 4% | 155 |
| Other | 3% | 12 |

## QUESTION 2

What is your primary preference for how CPS Energy will make power in the future?




| BREAKDOWN OF RESULTS BY RANK | | Total Responses |
|---|---|---|
| **Blend** | **42%** | **522** |
| Renewables | 31% | 383 |
| Gas | 12% | 151 |
| Other | 12% | 149 |
| Energy Efficiency Programs | 3% | 37 |

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