CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON NOVEMBER 17, 2025

The Regular Meeting of the Board of Trustees of CPS Energy for the month of November was held on Monday, November 17, 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 (Absent)

Also present were:
Mr. Rudy Garza, President & CEO
Ms. Devi Kumar-Nambiar, Deputy General Counsel
CPS Energy staff members

II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE

A safety message, invocation, and the Pledge of Allegiance were delivered by Mr. Brian Alonso, Chief Meteorologist.

III. PUBLIC COMMENT

Mr. Brian Lopez, SA Workers Assembly, urged CPS Energy to consider the impacts of winter and to take meaningful action to assist vulnerable individuals.

Mr. Alan Montemayor, Alamo Group of the Sierra Club, expressed support for sustainability initiatives, including policy to adopt renewables.

Ms. Amanda Griffin, Hill Country Preservation Coalition, advocated for coordination with the Public Utility Commission to limit impacts to the Hill Country from the planned Howard - Solstice transmission line project.

IV. CHAIR'S REMARKS

Chair Romero provided brief comments on the success of Grillsgiving, which raised $520,000, with net proceeds going to benefit REAP. Trustee Gonzalez echoed that it is a great event.

Chair Romero then noted our successful tree trimming and excavator event, which covered tree and vegetation management. She also reviewed customer resources and noted CPS Energy will have a press conference on winter preparedness on December 1.

V. CEO RECOGNITION & REMARKS

Mr. Rudy Garza, President & CEO, recognized all veteran employees, noting they serve in a variety of roles at CPS Energy. He stated the service, sacrifice, and dedication by them and their families is much appreciated. He then introduced representatives from Employer Support of the Guard and Reserve (ESGR), which awarded CPS Energy with the 2025 Pro Patria award for the State of Texas, recognizing CPS Energy's support of our Guard and Reserve employees. Vice Chair Dr. Mackey noted this award is another great moment for CPS Energy under Mr. Garza's leadership.

Mr. Garza then provided a brief overview of the agenda.

VI. EXECUTIVE SESSION

At approximately 1:32 p.m., Chair Romero announced the Board would go into Executive Session, and Ms. Kumar-Nambiar 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:

- Competitive Matters (§551.086)
- Competitive Matters (§551.086)
- Real Property Matters (§551.072)
- Real Property Matters (§551.072)

The Board reconvened in open session at 2:13 p.m. The quorum was re-established, and all members were present. Ms. Kumar-Nambiar reported that only the matters cited above, and no others were discussed, and no votes were taken in Executive Session.

VII. APPROVAL OF CONSENT ITEMS

On a motion by Vice Chair Dr. Mackey and seconded by Trustee Gonzalez, the following items on the Consent Agenda were approved on a 3-1 vote, with Trustee Steen voting against the motion and Mayor Jones absent:

A. Approval of Payment to the City of San Antonio for September 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 September 2025 is based on actual gross revenue per the New

Series Bond Ordinance of $346,738,219.36, less applicable exclusions. The revenue for the month of September 2025 is calculated as follows:

Gross revenue per CPS Energy financial statements		
Electric revenue	$340,691,715.83	
Gas revenue	12,206,815.72	
Interest and other income	9,257,783.87	
Gross revenue per CPS Energy financial statements	362,156,315.42	
Excluded revenue		
School and hospital revenue per City Ordinance 55022	(11,058,040.17)	
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(43,083,524.78)	
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	38,723,468.89	
Total excluded revenue	(15,418,096.06)	
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	$346,738,219.36	
City payment per Bond Ordinance for September 2025 based upon September revenue	$48,543,350.71	
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	977,098.30	
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)	
City payment per Bond Ordinance plus adjustments for memorandums of understanding	49,507,949.01	**A**
Utility services provided to the City for September 2025	(3,065,146.23)	
Net amount to be paid from September 2025 revenue to the City in October 2025	$46,442,802.78	

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)

September 2025	Actual	Budget	Variance	
Current Month **A**	$49,508	$47,701	$1,807	3.8%
Year-to-Date	$343,919	$346,525	($2,606)	-0.8%

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 $46,442,802.78 representing 14% of applicable system gross revenues for the month of September 2025, such payment being net of City utility services ($3,065,146.23), is hereby approved."

B. **Minutes from the September Board Meeting, held on September 29, 2025**
E. **Resolution Approving Real Property Purchase: Switching Station**[1]
F. **Approval of Real Property Purchase: STATCOM**
G. **Procurement Items:**

1. **Item Description:** Distribution Pad Mount Switchgear
   Category: Commodity & Material Goods
   Supplier: Real Distributing Company, LLC
   Anixter, Inc.

2. **Item Description:** Gas Turbine Depot Services
   Category: General Services
   Supplier: GE Vernova Operations, LLC
   TransCanada Turbines, Inc.

3. **Item Description:** Industrial Scaffolding Services
   Category: General Services
   Supplier: BrandSafway, LLC
   Taurus Industrial Group, LLC

4. **Item Description:** Large Electric Motor Maintenance Services
   Category: General Services
   Supplier: Bradleys, Inc.
   Integrated Power Services, LLC
   San Antonio Armature Works, Inc.
   Shermco Industries, Inc.

5. **Item Description:** Insulation, Abatement, and Refractory Services
   Category: General Services
   Supplier: BrandSafway, LLC
   Taurus Industrial Group, LLC

The following items were pulled from consent, and voted on individually:

C. **Nuclear Decommissioning Trust Investment Manager Agreements Approval**

Trustee Gonzalez asked several questions, primarily focused on performance and changes to investment managers. Vice Chair Dr. Mackey made a motion to approve, it was seconded by Chair Romero, and it was approved on a 4-0 vote, with Mayor Jones being absent.[2]

[1] The resolution is attached as Attachment "A" to the meeting minutes.
[2] The resolution approving the policy is attached as Attachment "B" to the meeting minutes.

D. Financial Policies Annual Approval

Vice Chair Dr. Mackey made a motion to approve the policies, including the resolutions adopting the policies, and it was seconded by Trustee Gonzalez. It was approved on a 4-0 vote, with Mayor Jones being absent.[3]

The following items were deferred until a later meeting:

G. Procurement Items:

6. **Item Description:** Competitively Sensitive Item
   Category: General Services

7. **Item Description:** Competitively Sensitive Item
   Category: General Services

VIII. 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. Audit & Finance Committee Meeting held on October 6, 2025. The report is attached as Attachment "D" to the meeting minutes.
B. Employee Benefits Oversight Committee Meeting held on October 6, 2025. The report is attached as Attachment "E" to the meeting minutes.
C. Nominations Committee Meeting held on September 4, 2025. The report is attached as Attachment "F" to the meeting minutes.
D. Nominations Committee Meeting held on September 11, 2025. The report is attached as Attachment "G" to the meeting minutes.
E. Nominations Committee Meeting held on October 2, 2025. The report is attached as Attachment "H" to the meeting minutes.
F. Nominations Committee Meeting held on October 3, 2025. The report is attached as Attachment "I" to the meeting minutes.
G. Nominations Committee Meeting held on October 8, 2025. The report is attached as Attachment "J" to the meeting minutes.
H. Technology & Resilience Committee meeting held on September 15, 2025. The report is attached as Attachment "K" to the meeting minutes.

[3] The resolutions approving the policies are attached as Attachment "C" to the meeting minutes.

Community Input Committee Reports

A. Community Input Committee Meeting held on October 8, 2025. The report is attached as Attachment "L" to the meeting minutes.

IX. PROCUREMENT REQUEST FOR APPROVAL: ADDITIONAL FUNDING: SPRUCE TO PAWNEE TO TANGO LIVE LINE 345KV TRANSMISSION LINE REBUILD

Mr. Richard Medina, Chief Energy Delivery Officer, explained that the additional funding is due to changes in the final design of the project, and he reviewed the project. The Board of Trustees asked questions around the procurement process for the contract and details on the accelerated project.

Vice Chair Dr. Mackey moved to approve the request, Trustee Gonzalez seconded, and it was approved on a 3-1 vote, with Trustee Steen voting against the motion and Mayor Jones being absent.[4]

X. WINTER PREPAREDNESS

Mr. Garza introduced the topic, noting that the team created a video to provide a different approach. The video summarized the winter 2025 weather outlook, compliance with statutes and regulations, our winter resource adequacy to support peak loads, crew preparation, and tips for customers to prepare for winter weather. Mr. Benny Ethridge, Chief Energy Supply Officer, then introduced our plant managers.

The Board of Trustees discussed and asked questions, focused on plant preparedness, customer outreach, and communications with stakeholders.

XI. ADJOURNMENT

Chair Romero asked Ms. Kumar-Nambiar to review the requested action items. There being no further business to come before the Board, upon a motion duly made by Vice Chair Dr. Mackey, seconded by Chair Romero, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 2:58 p.m. by Chair Romero.

Shanna M. Ramirez
Secretary of the Board

[4] Trustee Steen requested that his comments be included in total and provided his written summary, which is attached to the meeting minutes as Attachment "M".

A RESOLUTION

APPROVING AND AUTHORIZING CONSTRUCTION OF THE HOWARD ROAD 345KV/765KV SWITCHING STATION AND THE ACQUISITION OF FEE SIMPLE TITLE AND PROPERTY EXCHANGES WITH OUTSIDE ENTITIES FOR A PORTION OF THE PROPERTY LOCATED AT THE SOUTH EAST CORNER OF STATE HIGHWAY 16 AND WATSON ROAD/LONE STAR PASS IN SAN ANTONIO, BEXAR COUNTY, TEXAS, EITHER BY PURCHASE THROUGH NEGOTIATIONS OR BY THE PROCESS OF EMINENT DOMAIN, FOR THE CONSTRUCTION, OPERATION, EXPANSION, AND MAINTENANCE OF A 345KV/765KV SWITCHING STATION, ELECTRIC TRANSMISSION LINES, DISTRIBUTION LINES, COMMUNICATION SYSTEMS, AND RELATED APPURTENANCES.

WHEREAS, in 2023 the Texas Legislature (HB 5066) required the Public Utility Commission of Texas (PUC) to develop a reliability plan for the Permian Basin Region. On April 24, 2025, the PUC approved the development of three 765kV import path corridors. The Howard Road to Soltice Project (one of the required three import path corridors) will be jointly developed by CPS Energy and AEP Texas. The construction of the Howard Road 345kV/765kV Switching Station is a critical and essential piece of PUC's Permian Basin Reliability Plan and a key part of the plan to strengthen the entire ERCOT grid (the "Howard Switching Station Project");

WHEREAS, the Howard Switching Station Project has a projected completion date of December 2030;

WHEREAS, the Board agrees with the staff's determination that selected site for the Howard Switching Station is the best option to provide the necessary support PUC's Permian Basin Reliability Plan:

WHEREAS, the Board finds necessary and desirable for the construction of the Howard Switching Station Project and the acquisition of fee simple title and property exchanges with outside entities for the property located at the South East corner of State Highway 16 and Watson Road/Lone Star Pass in San Antonio, Bexar County, Texas for the construction, operation, expansion, and maintenance of the City of San Antonio Electric System, including the construction, operation, expansion, and maintenance of the Howard Switching Station 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 finds that the Howard Switching Station Project is of great importance and necessary to the public and for the public use, and that CPS Energy has taken into account appropriate considerations in choosing and designating the recommended site.

3. The Board hereby approves the CPS Energy Howard Switching Station Project to be constructed on the recommended site 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 Switching Station Project.

4. The Board authorizes the President and CEO of CPS Energy and/or his designee to take the necessary steps to complete the Howard Switching Station Project on the site as depicted generally on Exhibit A. The Board also authorizes the President and CEO of CPS Energy and/or his designee to make reasonable

modifications to the size, configuration, and location of the Howard Switching Station Project, as deemed necessary.

5. The Board finds that the acquisition of easement rights, fee simple title to properties, and property exchanges with outside entities at the recommended site is necessary for the important public purpose and use of the construction, operation, expansion and maintenance of the City of San Antonio's Electric System, including the Howard Switching Station Project. The Board hereby authorizes acquisition of easement rights, fee simple title, and property exchanges with outside entities necessary for CPS Energy's Howard Switching Station 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.

I, Shanna M. Ramirez, Secretary of the Board of Trustees of CPS Energy, do hereby certify that the foregoing is a true and exact copy of a resolution which was passed and approved at the meeting of the Board of Trustees of CPS Energy, held on November 17, 2025, at which a quorum was present.

WITNESS MY HAND AND SEAL OF THE CPS ENERGY BOARD OF TRUSTEES on the 26th day of November 2025.

Shanna M. Ramirez

Secretary of the Board

Executive Summary
Renewal / Approval of Investment Manager (IM) Agreements for the STP Nuclear Decommissioning Trusts (NDTs) November 17, 2025 Board Consent Agenda Item

ACTION REQUIRED:

- Board biannual approval of a) renewal of eight existing NDT IM Agreements and b) replacement of one underperforming IM.
- Should you have any questions or need additional information, please contact:
    - Julie Johnson at 210-353-2462 (office) / 210-289-3490 (cell)

BACKGROUND:

- CPS Energy staff provides oversight of the activities and performance of the following two NDTs:
    - 28% CPS Energy NDT (the 28% Trust) and
    - 12% Texas Central Company (TCC) Funded NDT (the 12% Trust)
- CPS Energy utilizes nine IMs to manage the investment of assets in both the 28% Trust and the 12% Trust. CPS Energy staff, with the assistance of its Investment Consultant, Callan, LLC (Callan), oversees NDT IM performance.
- Our CPS Energy Investment Policy and the Texas Public Funds Investment Act (PFIA) require CPS Energy Board (Board) approval for the initial contract and any related extension of IM Agreements for the 28% Trust and the 12% Trust. IM Agreements, whether initial or an extension, are valid for a period of two years.
    - The IM Agreements were last renewed by the Board in October 2023, effective February 1, 2024.
- The CPS Energy NDT Investment Committee (NDT IC), in conjunction with Callan, has determined that.
    - IM performance has been acceptable relative to the benchmarks and IM fees are competitive relative to their peers.
    - The following IM Agreements with the eight IMs listed below need only to be renewed (with no updates).

Executive Summary
Renewal / Approval of Investment Manager (IM) Agreements for the STP Nuclear Decommissioning Trusts (NDTs) November 17, 2025 Board Consent Agenda Item

Investment Manager	Portfolio Managed	Asset Class	Renew for 2 years
Rhuubline Advisors	28% & 12%	Domestic Equity	✓
Earnest Partners, LLC	28% & 12%	International Equity	✓
State Street Global Advisors	28% & 12%	International Equity	✓
Duff & Phelps Investment Mgmt. Co.	28% & 12%	U.S. Real Estate Investment Trusts	✓
Galliard Capital Management	28% & 12%	Fixed Income	✓
Garcia Hamilton & Associates	28% & 12%	Fixed Income	✓
Pugh Capital Mgmt., Inc.	28% & 12%	Fixed Income	✓
Dodge & Cox	28% Only	Fixed Income	✓

  - Replacement of an underperforming IM, with MFS Investment Management (Mutual Fund) in both the 28% and 12% Trusts is warranted, due to strong performance and MFS' complimentary strategy to current international equity IMs.
  - We request approval to replace an underperforming IM, with MFS Investment Management (Mutual Fund) for investment in the MFS International Diversification Fund, effective February 1, 2026.
  - The proposed change better aligns current international equity strategy with the long-term growth strategy of the Trusts.
- IM Agreements have been reviewed by Cash and Liquidity Management and Legal Services to ensure compliance with CPS Energy policies and guidelines.
- CPS Energy staff will continue to monitor IM performance to ensure satisfactory investment returns relative to their benchmark. In the event CPS Energy would need to terminate an IM in the future, IM Agreements carry termination clauses that allow CPS Energy to terminate the IM Agreement with the required written notice.

CONTENTS:

- Board Resolution: CPS Energy's NDT IM Agreements.

Executive Summary
Renewal / Approval of Investment Manager (IM) Agreements for the STP Nuclear Decommissioning Trusts (NDTs) November 17, 2025 Board Consent Agenda Item

Note: Due to the volume of pages related to the IM Agreements, we have not included the full documents as part of the materials. Please note they are readily available for your review upon request.

NUCLEAR DECOMMISSIONING TRUST INVESTMENT MANAGER AGREEMENTS RESOLUTION

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

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

WHEREAS, the Board is responsible for the prudent handling and control of funds and investments of the City Public Service Decommissioning Master Trust for the South Texas Project (the "28% NDT"), and the City Public Service Decommissioning Master Trust Agreement Related to the South Texas Project Interest Acquired from AEP Texas Central Company (the "12% NDT"), pursuant to the South Texas Project Nuclear Decommissioning Trust Investment Policy (the "Policy"); and

WHEREAS, Texas Government Code Section 2256.003(b), a section of the Public Funds Investment Act ("PFIA"), requires that the Board of Trustees approve contracts with investment management firms to help implement the Policy and provide CPS Energy with investment advice; and

WHEREAS, CPS Energy Management recommends and desires approval of a resolution to renew Investment Manager Agreements with the following managers for the 28% NDT through January 31, 2028:

Dodge & Cox
EARNEST Partners, LLC
Garcia Hamilton & Associates
RhumbLine Advisers
Duff & Phelps Investment Mgmt.
Galliard Capital Mgmt., Inc.
Pugh Capital Mgmt., Inc.
State Street Global Advisors

WHEREAS, CPS Energy Management recommends and desires the approval of a resolution to renew Investment Manager Agreements with the following managers for the 12% NDT through January 31, 2028:

EARNEST Partners, LLC
Garcia Hamilton & Associates
RhumbLine Advisers
State Street Global Advisors
Duff & Phelps Investment Mgmt.
Galliard Capital Mgmt., Inc.
Pugh Capital Mgmt., Inc.

WHEREAS, the CPS Energy management and the NDT Investment Committee recommends:

1) Both the 12% Trust and 28% Trust enter into investment agreements with MFS Investment Management, pursuant to negotiated agreements.
2) Both the 12% Trust and 28% Trust investing in the MFS Investment Management – MFS International Diversification strategy.

WHEREAS, with regard to both the 12% Trust and the 28% Trust, the CPS Energy management and the NDT Investment Committee desires approval to invest in the following:

3) MFS Investment Management – MFS International Diversification Strategy (international equity) (pursuant to negotiated agreement documents).

WHEREAS, CPS Energy Management finds that all the agreements are compliant with the Policy and requirements of the PFIA; and

WHEREAS, the identified Investment Manager Agreements will each be valid for a two-year period, after which extensions will require additional Board approval, as required by the PFIA.

NOW THEREFORE BE IT RESOLVED that the Board hereby approves and adopts the Nuclear Decommissioning Trust Investment Manager Agreements as discussed herein.

Shanna M. Ramirez
Secretary of the Board

Executive Summary
CPS Energy Financial Policies Annual Approval
November 17, 2025, Board Consent Agenda Item

ACTION REQUIRED:

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

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

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

BACKGROUND:

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

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

(1) No changes proposed other than update of effective date to January 31, 2026.
(2) Minor wording edits for clarification and update of effective date to January 31, 2026.
(3) These policies are included as appendices to the CPS Energy Investment Policy.

Executive Summary

CPS Energy Financial Policies Annual Approval
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- The Texas Public Funds Investment Act (PFIA) and other State Laws require a public entity's investment policy be reviewed at least annually.
- All Financial Policies were last brought to the Board for review / approval at the November 18, 2024, Board Meeting.
- Changes to the Master Interest Rate Mgmt. Policy are administrative in nature, intending to simplify or clarify language and document existing processes.
- The proposed changes will not alter the overall investment strategy and operations of CPS Energy.
- See the attachments for further details of the changes.

ATTACHMENT A
Summary of Changes to the CPS Energy Investment Policy
November 17, 2025 Board Consent Agenda Item

BACKGROUND:

This Investment Policy (Policy):

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

SUMMARY OF CHANGES:

There are no recommended changes to the CPS Energy Investment Policy other than updating the effective date as a result of the annual renewal. The CPS Energy Investment Committee has reviewed the Policy and recommends approval.

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

Administrative	Organizational	Procedural	Substantive
None	None	None	None

CONTENTS:

- Board Resolution: CPS Energy's "Investment Policy."

INVESTMENT POLICY RESOLUTION

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

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

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

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

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

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

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

NOW THEREFORE BE IT RESOLVED that the Board hereby approves and adopts the Policy, as attached hereto, effective January 31, 2026.

Shanna M. Ramirez
Secretary of the Board

ATTACHMENT B
Summary of Changes to the CPS Energy South Texas Project (STP) Nuclear Decommissioning Trust (NDT) Investment Policy November 17, 2025 Board Consent Agenda Item

BACKGROUND:

This NDT Investment Policy (Policy):

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

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

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

Administrative	Organizational	Procedural	Substantive
None	None	None	None

CONTENTS:

- Board Resolution: CPS Energy's "NDT Investment Policy."

NUCLEAR DECOMMISSIONING TRUST INVESTMENT POLICY RESOLUTION

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

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

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

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

WHEREAS, CPS Energy Management has no proposed changes to the CPS Energy South Texas Project NDT Investment Policy ("Policy"), other than the effective date.

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

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

NOW THEREFORE BE IT RESOLVED that the Board hereby approves and adopts the Policy as attached hereto, effective January 31,2026.

Shanna M. Ramirez
Secretary of the Board

ATTACHMENT C
Summary of Changes to the CPS Energy Financial Authorizations & Approvals Policy for Banking, Investing & Hedging ("FAAP")
November 17, 2025 Board Consent Agenda Item

BACKGROUND:

This Policy:

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

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

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

Administrative	Organizational	Procedural	Substantive
None	None	None	None

CONTENTS:

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

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

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

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

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

WHEREAS, CPS Energy Management has no proposed changes to the Financial Authorizations and Approvals Policy other than the effective date.

NOW THEREFORE BE IT RESOLVED that the Board hereby approves the attached CPS Energy Financial Authorizations and Approvals Policy for Banking, Investing and Hedging, effective January 31, 2026.

Shanna M. Ramirez
Secretary of the Board

ATTACHMENT D

Summary of Changes to the CPS Energy Collateral Policy
November 17, 2025 Board Consent Agenda Item

BACKGROUND:

The Policy:

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

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

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

Administrative	Organizational	Procedural	Substantive
None	None	None	None

CONTENTS:

- Board Resolution: CPS Energy's "Collateral Policy."

COLLATERAL POLICY RESOLUTION

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

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

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

NOW THEREFORE BE IT RESOLVED that the Board hereby approves the attached CPS Energy Collateral Policy, effective January 31, 2026.

Shanna M. Ramirez
Secretary of the Board

Attachment E
Summary of Changes to the CPS Energy Master Interest Rate Management Policy
November 17, 2025 Board Consent Agenda Item

BACKGROUND:

This Master Interest Rate Management Policy (the "Policy"):

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

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

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

Administrative	Organizational	Procedural	Substantive
✓	None	None	None

CONTENTS:

- Board Resolution: CPS Energy's "Master Interest Rate Management Policy."

MASTER INTEREST RATE MANAGEMENT POLICY RESOLUTION

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

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

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

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

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

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

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

NOW THEREFORE BE IT RESOLVED that the Board hereby ratifies and approves the attached CPS Energy Master Interest Rate Management Policy, as revised, effective January 31, 2026.

Shanna M. Ramirez
Secretary of the Board

ATTACHMENT F
Summary of Changes to the CPS Energy Energy Price Risk Management (EPRM) Policy November 17, 2025 Board Consent Agenda Item

BACKGROUND:

This Policy:

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

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

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

Administrative	Organizational	Procedural	Substantive
None	None	None	None

CONTENTS:

- Board Resolution: CPS Energy's "Energy Price Risk Management Policy Resolution."

ENERGY PRICE RISK MANAGEMENT POLICY RESOLUTION

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

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

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

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

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

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

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

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

NOW THEREFORE BE IT RESOLVED that the Board hereby approves and adopts the Policy, as attached hereto, effective January 31, 2026.

Shanna M. Ramirez
Secretary of the Board

AUDIT & FINANCE COMMITTEE (A&F)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM OCTOBER 6, 2025 MEETING

PREPARED FOR COMMITTEE CHAIR DR. FRANCINE SANDERS ROMERO

FOR REVIEW AT THE NOVEMBER 17, 2025, BOARD OF TRUSTEES MEETING

The Audit & Finance Committee met on October 6, 2025. As part of the Audit & Finance Committee agenda, the Committee:

A. Approved meeting minutes from the prior meeting held on July 14, 2025.

B. Received the Audit & Finance Committee Governance Policy noting no material changes and conformity with the other charters. The Committee's Governance Policy Charter was approved for presentation to the board.

C. Received the Audit Services Quarterly Report, including a review of projects completed, projects in progress, and ongoing projects. Additionally, the Annual Audit & Finance Committee Charter was presented with no changes from prior year and to be considered a preview item. Provided an update on department staff.

D. Received the CPS Energy discussion with those charged with governance and KPMG audit & non-audit services presentation by KPMG partner and local partner for engagements. Approved the KPMG Audit & Non-Audit Services.

E. Received the Financial Policies Annual Renewal with no significant changes and to be considered a preview item.

F. Received the Nuclear Decommissioning Trusts' Investment Manager Agreements Biannual Renewal with eight investment managers renewals and one underperforming investment manager replacement.

G. Received a Procurement Review of seven contracts related to the distribution pad mount switchgear; Spruce to Pawnee to Tango 345kV live line rebuild; insulation, abatement, and refractory services; large electric motor maintenance services; gas turbine depot services; Industrial scaffolding services; and Spruce 2 gas conversion project that will be presented to the Board for approval in November 2025.

H. Received the 765 Project Outlook presentation related to the construction of a new 765kV transmission line from Howard Station (CPS Energy) to Solstice Station (AEP). Including a request for an exemption to competitive procurement of engineering services for the design of the transmission line.

I. Received the Generation Plan Refresh Overview presentation linking Vision 2027 plan with updates to reflect the new Corpus Christi and Laredo assets and the East Texas Peaking Units. The presentation included the types of engagement CPS Energy will have with the community in the subsequent months.

The next meeting of the Audit & Finance Committee will be held on January 12, 2026.

EMPLOYEE BENEFITS OVERSIGHT COMMITTEE (EBOC)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE OCTOBER 6, 2025, MEETING

PREPARED FOR COMMITTEE CHAIR DR. FRANCINE SANDERS ROMERO

FOR REVIEW AT THE NOVEMBER 17, 2025, BOARD OF TRUSTEES MEETING

The EBOC met on October 6, 2025. As part of the EBOC agenda, the Committee:

A. Approved meeting minutes from the prior meeting held on July 14, 2025.

B. Reviewed two Action Items from the meeting held on July 14, 2025.

C. Reviewed the annual EBOC calendar and governance overview as part of a Benefit Plans Administrative & Financial Update.

D. Reviewed Membership and Succession Planning of the Administrative Committee (AC).

E. Received an update on actuarial assumption practices and expectations, noting the AC approved keeping the Actuarial Rate of Return (ARoR) at 7% for the 2025 valuation.

F. Discussed and approved proposed changes to the Investment Policy (IP), which included clarifications of compliance with Texas Government Code Section 802 and incorporated the updated asset allocation targets previously approved by the EBOC, as well as other minor changes.

G. Received an Investment Performance Update recapping investment performance (net of fees) through August 2025 and highlighting that performance remained positive, exceeding the 7% ARoR. The primary contributor to the positive performance was Non-US Equities, with a year-to-date return of 23%.

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

A. Addressed the action items from the Board of Trustees meeting:
   a. Review the retiree healthcare "certificate."
   b. Provide information on the analysis that led to the decision to change plan design.
   c. Analyze claims data for retirees who have expressed concerns about plan changes during the Public Comment period at multiple Board meetings.

B. Presented the restated Health Plan documents updated to incorporate the previously approved plan design changes. The restated Health Plan documents were approved by the EBOC to be effective January 1, 2026.

One Action Item was noted for follow-up.

The next meeting of the EBOC will be held on January 12, 2026.

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NOMINATIONS COMMITTEE MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 4, 2025 MEETING
PREPARED FOR COMMITTEE CHAIR FRANCINE ROMERO
FOR REPORT AT THE NOVEMBER 17, 2025 BOARD OF TRUSTEES MEETING

The Nominations Committee met on September 4, 2025. As part of the Nominations Committee agenda, the Committee:

A. Reviewed candidate binders with Chair Romero and Trustee Steen
B. Walked through the logistics for first round of interviews
    - Guiding questions
    - Location for interviews
C. Began socializing dates for round one interviews and round two full Board interviews

The next meeting of the Nominations Committee will be scheduled for September 11, 2025.

Last Update: 2/3/2026
Prepared by: Board Relations

NOMINATIONS COMMITTEE MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 11, 2025 MEETING
PREPARED FOR COMMITTEE CHAIR FRANCINE ROMERO
FOR REPORT AT THE NOVEMBER 17, 2025 BOARD OF TRUSTEES MEETING

The Nominations Committee met on September 11, 2025. As part of the Nominations Committee agenda, the Committee:

A. Agreed to create Board Communication with list of candidates to Board
B. Discussion on conflict-of-interest law
C. Set interview time to 30 minutes per interview for round one
D. Interviews to be scheduled with all candidates for October 2nd and 3rd in the afternoon
E. When nominee will be taken to Council pending

No follow-up meeting of the Nominations Committee scheduled at this time.

Last Update: 2/3/2026
Prepared by: Board Relations

NOMINATIONS COMMITTEE MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE OCTOBER 2, 2025 MEETING
PREPARED FOR COMMITTEE CHAIR FRANCINE ROMERO
FOR REPORT AT THE NOVEMBER 17, 2025 BOARD OF TRUSTEES MEETING

The Nominations Committee met on October 2, 2025. As part of the Nominations Committee agenda, the Committee:

A. Interviewed applicants

The next meeting of the Nominations Committee will be scheduled for October 3, 2025.

Last Update: 2/3/2026
Prepared by: Board Relations

NOMINATIONS COMMITTEE MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE OCTOBER 2, 2025 MEETING
PREPARED FOR COMMITTEE CHAIR FRANCINE ROMERO
FOR REPORT AT THE NOVEMBER 17, 2025 BOARD OF TRUSTEES MEETING

The Nominations Committee met on October 3, 2025. As part of the Nominations Committee agenda, the Committee:

A. Interviewed applicants

B. Discussed next steps in the interview process

The next meeting of the Nominations Committee will be scheduled for October 8, 2025.

Last Update: 2/3/2026
Prepared by: Board Relations

NOMINATIONS COMMITTEE MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE OCTOBER 2, 2025 MEETING
PREPARED FOR COMMITTEE CHAIR FRANCINE ROMERO
FOR REPORT AT THE NOVEMBER 17, 2025 BOARD OF TRUSTEES MEETING

The Nominations Committee met on October 8, 2025. As part of the Nominations Committee agenda, the Committee:

A. Reviewed and approved proposed changes to the charter

B. Further discussed next steps and logistics

Last Update: 2/3/2026
Prepared by: Board Relations

TECHNOLOGY & RESILIENCE COMMITTEE (T&R) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE SEPTEMBER 15, 2025 MEETING

PREPARED FOR BOARD CHAIR DR. FRANCINE ROMERO

FOR REPORT AT THE NOVEMBER 17, 2025 BOARD OF TRUSTEES MEETING

The Technology & Resilience Committee met on September 15, 2025. As part of the Technology & Resilience Committee Meeting agenda, the Committee:

A. Approved meeting minutes from the prior meeting, held on June 9, 2025.

B. Approved revisions to the T&R Committee Charter.

C. Received Geographic Information System (GIS) transition, Private Long-Term Evolution (LTE), and Evolve: ERP Transformation updates.

D. One new action item was generated during the meeting.

The next meeting of the Technology & Resilience Committee will be held December 8, 2025.

Community Input Committee (CIC)
Committee Report

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE OCTOBER 8, 2025, MEETING
PREPARED FOR COMMITTEE CHAIR, MS. LAWSON PICASSO
FOR REPORT AT THE NOVEMBER 17, 2025, BOARD OF TRUSTEES MEETING

The Community Input Committee met on October 8, 2025. Due to technical difficulties with the recording, the first 45 minutes of this meeting were not captured. The summary below is reflective of the discussion. As part of the agenda, the committee:

A. Received a presentation on CPS Energy's recent acquisition of natural gas peaking power plants in Brazoria, Harris, and Galveston counties, totaling 1,632 MW. These assets, which are relatively new and could operate for 40 years, are now being integrated into CPS Energy's generation fleet, supporting the existing Board-approved Generation Plan. The acquisition enhances grid reliability, helps meet peak demand, and provides long-term bill savings when compared to the higher costs of constructing new facilities. The acquired plants also offer future flexibility, with dual-fuel capability allowing for a potential transition to a hydrogen fuel blend.

B. Received a presentation on CPS Energy's efforts to refresh its Generation Plan that will guide how the utility powers San Antonio and the surrounding region into the future. Building on the foundation of the Vision 2027 Plan, the Generation Plan update seeks to preserve a balanced and diversified energy portfolio that balances reliability, affordability, and environmental responsibility. With San Antonio being one of the fastest-growing cities in the country, this effort is designed to address new planning assumptions such as rapid community growth, emerging technologies, and evolving regulatory landscapes. The updates to the plan will continue to incorporate insights gained from extensive community engagement including input from the Citizens' Input Committee (CIC), ensuring that customers, stakeholders, and partners help shape the utility's long-term strategy. The Generation Plan update will also evaluate the needs of large-load customers, explore emerging and advanced technologies, and consider changes in federal and state energy policy. Additionally, it will reassess current operations and identify new opportunities, such as leveraging recent acquisitions and market efficiencies, to strengthen system reliability and maintain affordability for customers. It is anticipated that the CIC will receive another update at their December meeting, including preliminary results of the ongoing portfolio analysis conducted by Charles River Associates.

The next CIC meeting is scheduled for December 10, 2025.

11/17/2025

John Steen Comments

Procurement Request for Approval:

Additional Funding: Spruce to Pawnee

to Tango Live Line 345KV Transmission Line Rebuild

Agenda Item #9

Thanks for your presentation today, Mr. Medina. Please put up **slide 2**. What we're dealing with here is the rebuilding of an existing 58-mile-long transmission line that runs from CPS Energy's Spruce Power Plant to the Pawnee Station and then on to the Tango Station, both in South Texas. We know that Spruce 1 and 2 combined have 1345 MWs of generating capacity. However, it's CPS Energy's current game plan – which, by the way, I disagree with – to shut down completely Spruce 1 by the end of 2028. That's 20 to 34 years before the end of its technical life. Shuttering Unit 1 will reduce Spruce's overall generating capacity by 560 MWs down to 785 MWs. When we discussed and voted on this same item at our March 31, 2025, Board of Trustees meeting, Mr. Garza assured me that the planned Spruce 1 shutdown will have no impact whatsoever on the need to rebuild this transmission line. So my question on that has been asked and answered. Let's focus for a moment on the third bullet point of this same slide. You've bolded and underlined the words "remains energized," When you've described this in the past, you've used the phrase "live line, bare hand," which means the current line will be bolstered by a second circuit while the current line remains at full energization. At our board meeting last March, Mr. Perez and Mr. Garza described how his work is performed, and I think it's accurate to describe it as hazardous. Since I believe every decision at CPS Energy should be made with safety at the forefront, I was relieved to learn that this dangerous work will be performed by contractor employees, who have specialized safety training in – and much experience with – this perilous work. So none – and I emphasize none – of this work will be done by our CPS Energy employees. Now at the lower righthand corner of this slide, we see a brown box that contains the words "TCOS Reimbursement." TCOS, of course, stands for transmission cost of service. This was addressed eight months ago at our board of trustees meeting, and Mr. Garza and Mr. Perez assured us that all costs of this project will be reimbursed. They confirmed that the cost is eventually shared by all ratepayers across ERCOT. Mr. Garza said that, when the dust settles, CPS Energy customers will end up paying 7% "ish" of the cost of this project. However, though the cost is reimbursable, there's still an obligation to spend responsibly. In fact, any expenses not deemed reasonable and necessary can be rejected by ERCOT. Now let's recall that, as I've previously alluded to, a mere eight months ago, at our March 31, 2025, meeting, this board approved on a 4-to-1 vote a $150 million contract for this very same project. Recommended by staff, the contract with Quanta Infrastructure Solutions Group was approved with a term of three years, so an expiration date of perhaps mid-2028. I voted against this award because the recommended contractor received a score of 63 out of 100 from our evaluation team, and I was concerned about such a low score. That brings us to today where this very same procurement matter is again before us, but now management is asking us to approve an additional $100 million on top of the $150 million ratified just eight months ago. That represents a cost increase of 67%. Now in bullet point 4 on **slide 2** some general reasons for this 67% increase are provided, that is, expanded scope in final design, larger and more structures, increased right-of-way and access needs, and a complex lake crossing.

But my question is: What about the other two respondents who sought the contract earlier this year? Yesterday, I reviewed the supplemental materials you provided us for the March 31st board meeting and discovered that you did indeed disclose the names of the other two respondents to the RFP. It's in small print, but there it is: "Two additional respondents were not recommended for the award: Pike Electric LLC and Utility Construction Services, LLC." I proceeded to google these companies and learned that they're both substantial companies that have heavy-duty expertise in regard to 345KV transmission lines. For example, I learned Pike Electric is one of the largest providers of energy solutions in the United States. It's a 75-year-old company with 10,000 employees. Please put up **slide 3**. There are two bullet points I question regarding their accuracy. First, the third bullet point that sets forth the estimated expiration of the current $150 million contract with Quanta as December 2026 – about a year from now. I've got a copy of the equivalent page for the presentation we were given eight months ago, and it states the term of the new contract that was approved by this board is three years or until 2028. How does a three-year contract morph into a year-and-a-half contract? [Note: This was explained satisfactorily during Mr. Medina's presentation.] And then the last bullet point on **slide 3** where, as I interpret it, you're representing that the contract we're being asked to approve today was awarded through a competitive RFP. But how is it competitive to the other two respondents who sought the contract eight months ago? Perhaps they bid a higher amount than Quanta. Quanta got the award, and then eight months later Quanta's back seeking $100 million more. Is that fair to all concerned? Is that really the way to get best value for CPS Energy? To close out, for the reasons I've given, I'm going to cast a "no" vote on this procurement item. I also respectfully ask Deputy General Counsel Devi Kumar-Nambiar to include in this meeting's minutes my full comments. Finally, I request that an independent party, perhaps our internal auditor, look into this matter to assure us that everything has been handled appropriately. Looking again at the last bullet point on **slide 3**, I'd ask our internal auditor to address specifically whether this contract has been awarded through a truly competitive RFP and in accordance with Board Procurement Policy and Procedures. Ms. Kumar-Nambiar, please make this an action item. Thanks, that's all I have at this time.