CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON JANUARY 31, 2025

The Regular Meeting of the Board of Trustees of CPS Energy for the month of January was held on Monday, January 31, 2025, in the Board Room on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas.

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I. CALL TO ORDER

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

Present were Board members:
Ms. Janie Gonzalez, Chair
Dr. Francine Romero, Vice Chair
Dr. Willis Mackey
Mr. John Steen
Mayor Ron Nirenberg

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
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 Ms. Brianna Lohse, Business Management Strategist.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, stated it is an honor to be here. She provided a quote: "Stand up for what is right, even if you're standing alone." She stated the community appreciates Mr. Garza. She also stated her appreciation for members of the Board.

IV. CHAIR'S REMARKS

Chair Gonzalez deferred this item and item #8 to later in the meeting.

V. CEO RECOGNITION

Mr. Rudy Garza, President & CEO, recognized the Third Quarter CEO Core Value Award Honorees. He noted that these individuals' actions align with our Core Values, and they earn the trust and respect of their colleagues.

VI. APPROVAL OF CONSENT ITEMS

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

A. Approval of Payment to the City of San Antonio for December 2024

The New Series Bond Ordinance that took effect February 1, 1997 provides for a total cash payment to the City of San Antonio (City) in an amount not to exceed 14% of gross revenue as calculated pursuant to such Ordinance, less the value of other services provided to the City, with the percentage (within the 14% limitation) to be determined by the governing body of the City. The cash transfer to the City for the month of December 2024 is based on actual gross revenue per the New Series Bond Ordinance of $197,329,980.99, less applicable exclusions. The revenue for the month of December 2024 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	$229,265,757.92
Gas revenue	19,547,146.74
Interest and other income	5,563,750.56
Gross revenue per CPS Energy financial statements	254,376,655.22
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(6,805,578.79)
LVG revenue per City Ordinance 100709	(9,694.10)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(38,497,217.17)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	(11,734,184.17)
Total excluded revenue	(57,046,674.23)
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	$197,329,980.99
City payment per Bond Ordinance for December 2024 based upon December 2024 revenue	$27,626,197.34
City payment per memorandum of understanding (MOU)	

regarding wholesale special contracts	430,611.25	
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)	
City payment per Bond Ordinance plus adjustments for memorandums of understanding	28,044,308.59	**A**
Utility services provided to the City for December 2024	(2,735,898.66)	
Net amount to be paid from December 2024 revenue to the City in January 2025	$25,308,409.93	

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)

December 2024	Actual	Budget	Variance	
Current Month **A**	$28,044	$30,224	($2,180)	-7.2%
Year-to-Date*	$421,700	$391,125	$30,575	7.8%

* Includes a rounding adjustment of $1 to agree to correctly rounded YTD amount.

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 $25,308,409.93 representing 14% of applicable system gross revenues for the month of December 2024, such payment being net of City utility services ($2,735,898.66), is hereby approved."

B. Minutes from the December Regular Board Meeting held on December 16, 2024

VII. COMMITTEE REPORTS

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

A. Nomination Committee (NC) Meeting held on November 4, 2024. The report is attached as Attachment "A" to the meeting minutes.
B. Operations Oversight Committee (OOC) Meeting held on November 4, 2024. The report is attached as Attachment "B" to the meeting minutes.

Also, in the interest of time, Chair Gonzalez, accepted the submission of the following reports of the Community Input Committee:

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

VIII. ELECTION OF NEW BOARD OF TRUSTEES CHAIR AND VICE CHAIR

Chair Gonzalez postponed this item to follow item #17 towards the end of the meeting.

IX. PROCUREMENT REQUEST FOR APPROVAL: SYSTEM PROTECTION ENGINEERING SERVICES

Mr. Richard Medina, Chief Energy Delivery Officer, noted that the procurement will assist with designing relay protection, ensuring accurate relay calibration, and developing setting calculations for new transmission and substation projects. Trustee Dr. Mackey moved to approve the procurement, and it was seconded by Vice Chair Dr. Romero. The Board of Trustees discussed the motion. The motion was approved unanimously.

X. PROCUREMENT REQUEST FOR APPROVAL: UTILITY LOCATING SERVICES

Mr. Richard Medina, Chief Energy Delivery Officer, noted that the contract is for utility locating and damage prevention services that support regulatory compliance and public safety. The Board of Trustees discussed the procurement. Trustee Dr. Mackey moved to approve the procurement, and it was seconded by Mayor Nirenberg. The motion was approved unanimously.

XI. PROCUREMENT REQUEST FOR APPROVAL: OUTSIDE PLANT (OSP) FIBER ENGINEERING SERVICES

Mr. Evan O'Mahoney, Chief Information Officer, noted that the contract is for engineering for outside plant (OSP) fiber infrastructure to support fiber lifecycle replacement, new-build, and pole attachment processes. The Board of Trustees discussed the procurement. Trustee Dr. Mackey moved to approve the procurement, and it was seconded by Vice Chair Romero. The motion was approved unanimously.

*****The procurement package is attached as Attachment "D" to the meeting minutes.

XII. EVOLVE: ENTERPRISE RESOURCE PLANNING (ERP) TRANSFORMATION PROGRAM

Mr. Evan O'Mahoney, Chief Information Officer, presented an update on the Enterprise Resource Planning (ERP) component of Evolve. He walked through the actions taken and steps to arrive at today's request to approve the addition of funds to the IT services Framework to support implementation services related to the ERP Transformation program. He stated that Accenture is the selected partner for the Business Transformation & System Implementation component of ERP.

Trustee Dr. Mackey moved to approve, and Vice Chair Dr. Romero seconded. The Board discussed and asked questions about ERP and the approval of the procurement. The motion was approved unanimously.

XIII. FY2026 ENTERPRISE SCORECARD & MEASURE TARGETS

Ms. Elaina Ball, Chief Strategy Officer, presented our FY2026 scorecard and measures. She reviewed the progress on Vision 2027 and the community commitments we have delivered. She then reviewed the FY2026 Strategic Initiatives in the Enterprise Scorecard and walked through the updated FY2026 Enterprise Measure Targets.

The Board of Trustees discussed and asked questions.[1]

XIV. FY2026 BUDGET

Mr. Cory Kuchinsky, Chief Financial Officer, presented the FY2026 Budget. He noted that the proposed budget continues to execute plans the Board previously approved, such as Vision 2027, the Generation Plan, and the Technology Plan. He noted that FY2026 places us into a period of high investment as we look to empower our community for generations. Finally, he requested approval for the FY2026 proposed budget, which will fund investments that will benefit our community and meet our commitments.

Vice Chair Dr. Romero moved approval, and Trustee Dr. Mackey seconded. The Board of Trustees discussed and asked questions. The motion passed on a 4-1 vote, with Trustee Steen voting against the motion.[2]

XV. FY2026 FINANCING PLAN

Mr. Cory Kuchinsky, Chief Financial Officer, presented the FY2026 Financial Plan. He noted that the financial transactions presented will improve our fiscal resiliency and seek potential savings for our customers.

Vice Chair Dr. Romero moved approval, and Trustee Dr. Mackey seconded. The Board of Trustees discussed and asked questions. The motion passed on a 4-1 vote, with Trustee Steen voting against the motion.[3]

XVI. HORIZON 2050 FRAMEWORK

Ms. Elaina Ball, Chief Strategy Officer, presented the updated Horizon 2050 Strategic Framework, explaining the vision, mission, goals, and values for CPS Energy as it makes strategic decisions for the future. She also explained that Horizon 2050 will include five-year strategic checkpoints, with ongoing community engagement and collaboration for continued success. She then requested approval for a resolution approving the Horizon 2050 Strategic Framework.

The Board of Trustees then discussed and asked questions. Chair Gonzalez moved to approve the resolution, and Trustee Steen seconded. It was approved on a 4-1 vote, with Vice Chair Dr. Romero voting against the motion.

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[1] Trustee Steen requested his continued concerns that the changes to performance metrics unacceptably lower the standard of expected performance be included in the minutes. He expressed concern that the Board of Trustees does not vote to approve the enterprise scorecard and he does not support the recent changes in metrics. He also expressed concern about performance in recent years and through the third quarter of this fiscal year – noting that the metrics represent CPS Energy's "report card."

[2] Trustee Steen noted he voted against approval because he does not agree with the Board approved plans or a budget with a forecasted debt capitalization ratio above 60%.

[3] Trustee Steen noted that while he agrees with the financing plan which will result in savings, he voted against the motion because of his concern with the overall direction of CPS Energy and he believes it is going down a path to potentially being overleveraged.

XVII. EVOLVE: ARTIFICIAL INTELLIGENCE (AI)

Mr. Evan O'Mahoney, Chief Information Officer, presented on the Generative Artificial Intelligence (AI) Policy. He noted that formulating our strategy and establishing governance will mitigate risks and support our ability to effectively seek out GenAI opportunities to deploy within our operations. He then requested approval of a resolution supporting the policy.

The Board of Trustees then discussed and asked questions. Chair Gonzalez moved to approve the resolution, and Trustee Dr. Mackey seconded. The motion was approved unanimously.

XVIII. CHAIR'S REMARKS

Chair Gonzalez began by highlighting the CPS Energy internship program and shared a video. She noted that in February 2025 information will be on the website for the program.

Chair Gonzalez then noted this meeting concludes her term as Chair, and she thanked her fellow Board members and Mr. Garza. She also thanked her family and others who have supported her as Chair.

XIX. ELECTION OF NEW BOARD OF TRUSTEES CHAIR AND VICE CHAIR

Trustee Dr. Mackey thanked Chair Gonzalez for her leadership. He then nominated Vice Chair Dr. Romero as the next Chair and nominated himself as Vice Chair effective February 1, 2025. Mayor Nirenberg seconded the nomination. It was approved unanimously.

XX. REVIEW OF ACTION ITEMS

Ms. Ramirez reviewed the previous action items, and she noted the new action items arose during the meeting.

XXI. EXECUTIVE SESSION

At approximately 4:22 p.m., Chair Gonzalez announced the Board would go into Executive Session, and Ms. Ramirez announced that the required notice had been posted and that the Trustees, with only necessary parties in attendance, would convene into Executive Session, pursuant to the provisions of Chapter 551 of the Texas Government Code, for discussion of a number of posted items, including the following:

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

The Board reconvened in open session at 4:40 p.m. The quorum was re-established, and four members were present. Ms. Ramirez reported that only the matters cited above, and no others were discussed, and no votes were taken in Executive Session.

XXII. ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Trustee Dr. Mackey, seconded by Vice Chair Dr. Romero, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 4:41 p.m. by Chair Gonzalez.

Shanna M. Ramirez
Secretary of the Board

NOMINATIONS COMMITTEE

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE NOVEMBER 4, 2024 MEETING

PREPARED FOR COMMITTEE CHAIR JANIE GONZALEZ

FOR REPORT AT THE JANUARY 31, 2025 BOARD OF TRUSTEES MEETING

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

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

OPERATIONS OVERSIGHT COMMITTEE (OOC) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE NOVEMBER 4, 2024 MEETING
PREPARED FOR COMMITTEE CHAIR, DR. FRANCINE ROMERO
FOR REPORT AT THE JANUARY 31, 2025 BOARD OF TRUSTEES MEETING

The Operations Oversight Committee met on November 4, 2024. As part of the agenda, the Committee:

A. Reviewed and approved meeting minutes from the prior meeting held on August 12, 2024.

B. Received a Procurement Preview that included:
   a. A new contract/ rebid for Transmission Conductors,
   b. A new contract/rebid for Miscellaneous Transmission Hardware,
   c. A new contract/rebid for 15KV & 38 KV Reclosers,
   d. A new contract/rebid for System Protection Engineering Services,
   e. A new contract/rebid for Utility Locating,
   f. A new contract/rebid for Outside Plant (OSP) Fiber Engineering Services,
   g. An active PO funding increase for IT Services,
   h. And a new contract for the Coal Combustion Residual Closure Project

C. Received a Compensation Strategy Update that included:
   a. A brief history of the Compensation Strategy,
   b. A summary of the assessment work to date,
   c. And a discussion on mitigation initiatives to increase retention and improve workforce attraction.

D. Received an update on our Engaged Customer Relationship that included:
   a. A review of the Customer Satisfaction (CSAT) measure,
   b. An overview of the Engaged Customer Relationship (ECR) measure,
   c. And a discussion on how we are using both surveys in parallel to better understand our community's needs and where to focus our resources to benefit the customer.

E. Received an FY2026 Enterprise Scorecard Update & Proposed Measure Targets update that included:
   a. A review of the Vision 2027 Strategic Initiatives,

b. A preview of proposed FY2026 Enterprise Measure Targets,

c. And a discussion on our major accomplishments on the FY2025 Strategic Objectives and how we utilize benchmarking as a tool in target development.

The next meeting of the Operations Oversight Committee Meeting is Planned for the first quarter of FY2026.

Community Input Committee (CIC)
Committee Report

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JANUARY 8, 2025, MEETING
PREPARED FOR COMMITTEE CHAIR, LAWSON PICASSO
FOR REPORT AT THE JANUARY 31, 2025, BOARD OF TRUSTEES MEETING

The Community Input Committee met on January 8, 2025. As part of the agenda, the Committee:

A. Received a presentation on CPS Energy's State Public Policy Agenda (PPA) as preparations continue for the 89th Legislative Session. The PPA guides the utility's advocacy efforts in support of the utility's Vision 2027 and Horizon 2050 strategic plans.

B. Received feedback from the December 9, 2024, Municipal Utilities Committee (MUC) presentation regarding the CIC formation and subcommittee practices.

C. Discussed a review process for committee bylaws.

D. Discussed and voted to post agendas for all subcommittee meetings, effective immediately.

E. Steve Bonnette (CIC At-Large Appointee) accepted the position of 2025 CIC Vice Chair.

F. Voted unanimously to allow Diana Aguirre Martinez (City of San Antonio District 3 Appointee) to serve one year as immediate past chair on the CIC Executive Committee, in accordance with the CIC bylaws and the preference of the District 3 Councilmember.

CPS Energy Board of Trustees Meeting
February 24, 2025
APPROVAL of PROCUREMENT ITEMS
Table of Contents

1.	**Item Description:**	**15KV & 38KV Reclosers**
	Purchase Category:	**Commodities & Material Goods**
	Supplier:	Anixter, Inc.
		KBS Electrical Distributors, Inc.
		Real Distributing Company LLC.
	Committee Presentation:	Operations Oversight Committee – November 4, 2024
2.	**Item Description:**	**Installation of Underground Residential Electric Distribution and Electric Cable Terminations**
	Purchase Category:	**General Services**
	Supplier:	Chain Electric Company
		Greenstone Electrical Services, LLC
		Trinity URD Electric, LLC
3.	**Item Description:**	**Active PO Funding Increase: Engineering Services for Electric Distribution Planning**
	Purchase Category:	**Professional Services**
	Supplier:	Black & Veatch Management Consulting, LLC.
		Burns & McDonnell Engineering Company, Inc.
		ICF Resources, LLC
		KBS Electrical Distributors, Inc.
		TRC Engineers, Inc.

4.	**Item Description:**	**Active PO Funding Increase: Engineering Services for Transmission Planning and Operations Engineering**
	Purchase Category:	**Professional Services**
		Burns & McDonnell Engineering Company, Inc.
		DNV Energy USA, Inc.
		Hitachi Energy USA, Inc.

5.	**Item Description:**	**Independent Verification and Validation Services**
	Purchase Category:	**General Services**
	Supplier:	Gartner, Inc.

Committee Presentations:	Operations Oversight Committee – March 26, 2024 Audit & Finance Committee – April 15, 2024

Approval:

Lewis, Lisa D

Digitally signed by Lewis, Lisa D
Date: 2025.02.19 11:53:27 -06'00'

Lisa Lewis, Chief Administrative Officer

Approval:

Rudy D. Garza

Digitally signed by Rudy D. Garza
Date: 2025.02.19 13:01:36 -06'00'

Rudy Garza, President & CEO

CPS Energy Board of Trustees Meeting
February 24, 2025
Procurement Form 1

RESILIENCE/ RELIABILITY

ELECTRIC SYSTEM GROWTH

Item Description	**15KV & 38KV Reclosers**
Purchase Order Value	**$30,000,000**
Purchase Category	Commodity & Material Goods
Department	T&D Engineering & Grid Transformation
VP T&D Engineering & Grid Transformation	LeeRoy Perez
Chief Energy Delivery Officer	Richard Medina

Detailed Description

CPS Energy staff recommend that a contract be awarded to KBS Electrical Distributors, Inc., Real Distributing Company LLC., both local and small firms, and Anixter, Inc., a local firm, as the respondents who will provide the goods at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is for supply and delivery of electronic reclosers for installation in the overhead distribution system. This contract will allow CPS Energy to support the Recloser Deployment Plan and the Community Energy Resiliency (CER) Program which serve to enhance grid flexibility and resiliency of the overhead distribution system, improving service reliability for all CPS Energy customers. This contract will expire on February 28, 2030.

Subcontracting Opportunities

None at this time.

The solicitation method for this procurement was a Request for Proposal (RFP). An evaluation team considered the following weighted evaluation criteria and demonstrated their products ability to meet CPS Specification 687-07 to determine the best value to CPS Energy.

Evaluation Criteria	Points
Overall Cost	50
Experience, warranty, quality control, and contingencies	30
The ability to meet CPS Energy's requirements	10
Economic Development (local & small consideration)	10
TOTAL	**100**

CPS Energy Board of Trustees Meeting
February 24, 2025
Procurement Form 1

RESILIENCE/ RELIABILITY

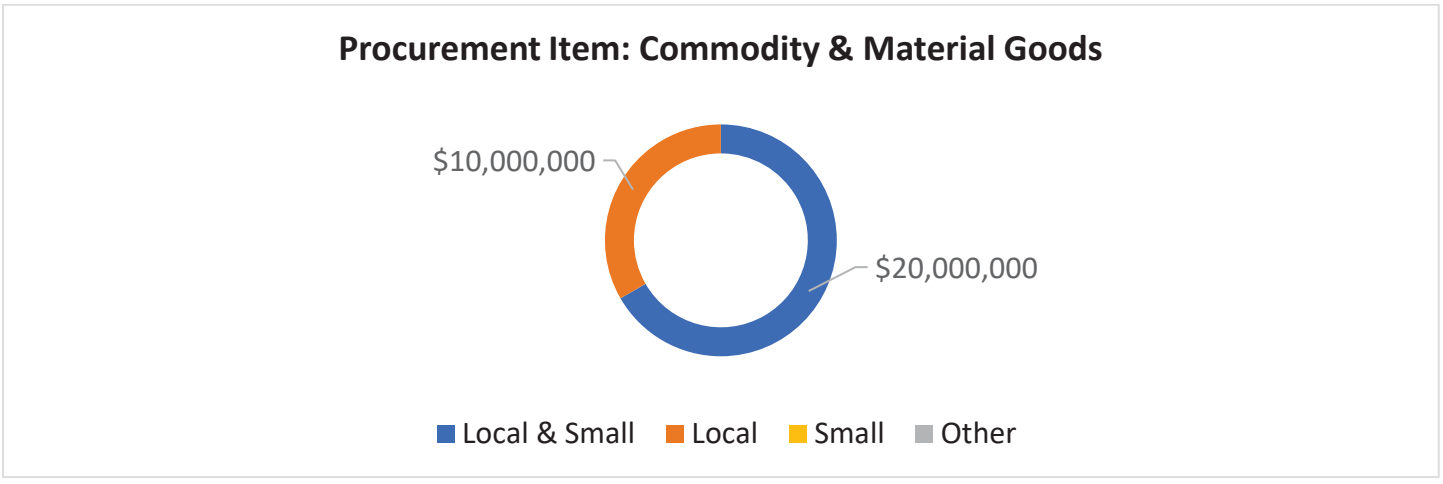
ELECTRIC SYSTEM GROWTH

Recommended Respondent(s) & Award					
Respondent Name	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Anixter, Inc.	Local	90	$10,000,000	3077167	
KBS Electrical Distributors, Inc.	Local/Small	70	$10,000,000	3077165	
Real Distributing Company LLC.	Local/Small	69	$10,000,000	3077166	**Corporate headquarters located in San Antonio Metropolitan area**
		TOTAL	**$30,000,000**		

Two (2) additional respondents were not recommended for award: Noja Power LLC. and Techline, Inc.

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	$6,000,000	0.4%	$6,000,000	$6,000,000	$6,000,000
$982,000,000	Non-Fuel O&M	$0	0%	$0	$0	$0

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



CPS Energy Board of Trustees Meeting
February 24, 2025
Procurement Form 2

Item Description	Installation of Underground Residential Electric Distribution and Electric Cable Terminations
Purchase Order Value	**$24,000,000**
Purchase Category	General Services
Department	Energy Delivery Services
VP Construction & Maintenance Services	Jose Trevino
Chief Energy Delivery Officer	Richard Medina

Detailed Description

CPS Energy staff recommend that a contract be awarded to Greenstone Electrical Services, LLC, and Trinity URD Electric, LLC, both small, local firms, and Chain Electric Company, a local firm as the respondents who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts are for the installation of new underground residential electric distribution infrastructure and electric cable terminations. These contracts will allow CPS Energy to expand our infrastructure and provide capacity to serve new customers within our service territory. This contract will expire on April 30, 2028.

Subcontracting Opportunities

Chain Electric Company has committed to subcontract a portion of the services to one or more small businesses.

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
Experience and qualifications to perform the Services	35
The overall cost	20
Safety records and training program	20
The ability to meet CPS Energy's requirements	15
Economic Development (Local and Small business consideration)	10
The financial soundness of the Respondent	Pass/Fail
TOTAL	**100**

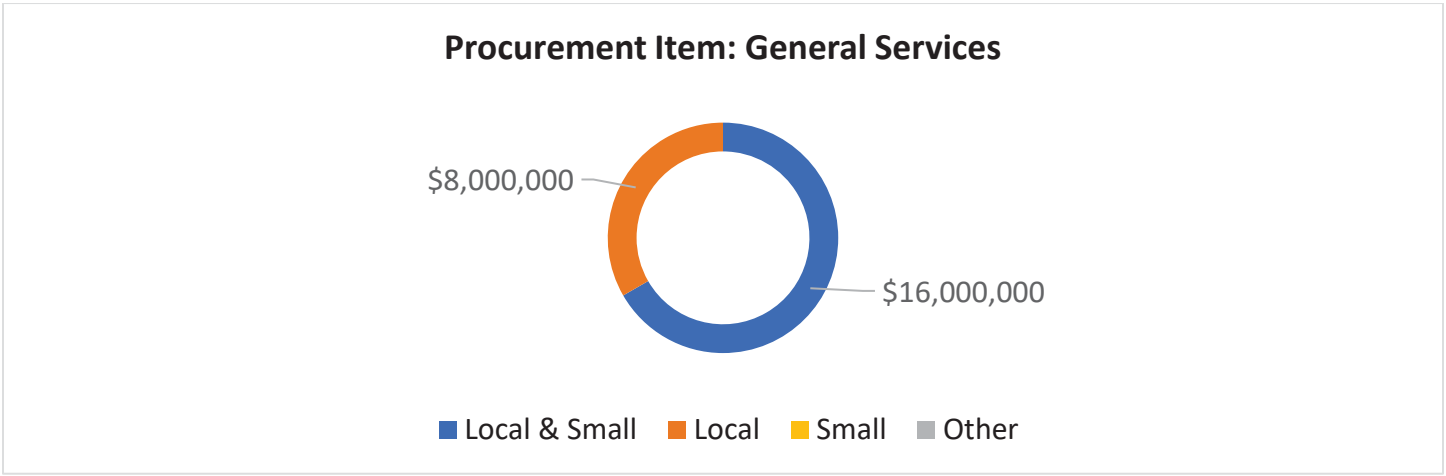
CPS Energy Board of Trustees Meeting
February 24, 2025
Procurement Form 2

Recommended Respondent(s) & Award					
Respondent Name	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Greenstone Electrical Services, LLC	Local/Small	93	$8,000,000	2224896	**Company headquartered in the San Antonio Metropolitan Area**
Trinity URD Electric, LLC	Local/Small	90	$8,000,000	2224897	**Company headquartered in the San Antonio Metropolitan Area**
Chain Electric Company	Local	86	$8,000,000	2224898	
		TOTAL	**$24,000,000**		

Eight (8) additional respondents were not recommended for award: 5 Star Electric LLC; Bartek Construction Co.; FNT Services, LLC; HJD Capital Electric, Inc.; James Power Line Construction LLC; Mastec North America Inc.; Mears Installation LLC; and Zachry Underground & Utility Services, Inc.

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	$8,000,000	0.5%	$8,000,000	$8,000,000	$0
$982,000,000	Non-Fuel O&M	$0	0%	$0	$0	$0

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



CPS Energy Board of Trustees Meeting
February 24, 2025
Procurement Form 3

GRID MODERNIZATION | ELECTRIC SYSTEM GROWTH | RESILIENCE/ RELIABILITY

Item Description		Active PO Funding Increase: Engineering Services for Electric Distribution Planning
Original Cumulative Purchase Order Value	**(A)**	**$3,000,000**
Previously Added Funds	**(B)**	**$0**
Additional Funds Requested	**(C)**	**$7,500,000**
Projected Cumulative Purchase Order Value	**(D)**	**$10,500,000**
Purchase Category		Professional Services
Department		Energy Delivery Services
VP T&D Engineering & Grid Transformation		LeeRoy Perez
Chief Energy Delivery Officer		Richard Medina

Detailed Description

CPS Energy staff recommend that additional purchase order funding be approved for an existing contract for engineering services for electric distribution planning. This contract was previously awarded to KBS Electrical Distributors, Inc., a local, small firm and Burns & McDonnell Engineering Company, Inc., Black & Veatch Management Consulting, LLC., and ICF Resources, LLC, all local firms, as the respondents who provided the services at the best value for CPS Energy based on the evaluation criteria set forth below.

Additional funding is required on these purchase orders due to unanticipated large load projects and distributed generation interconnection studies which were unaccounted for in the original contract. This contract is for engineering services for electric distribution planning and will allow CPS Energy to develop strategies and objectives for distribution automation and smart grid initiatives, support distributed generation interconnection projects, perform system modeling and planning, and develop roadmaps for the future distribution grid. This contract will expire on March 31, 2027.

Subcontracting Opportunities

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

The solicitation method for this procurement was a Request for Qualification (RFQ)[1]. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

Evaluation Criteria	Points
Experience and qualifications to perform the Services	100
The financial soundness of the Respondent	Pass/Fail
TOTAL	**100**

[1] CPS Energy is unable to consider price or economic development as Evaluation Criteria for RFQ's.

CPS Energy Board of Trustees Meeting
February 24, 2025
Procurement Form 3

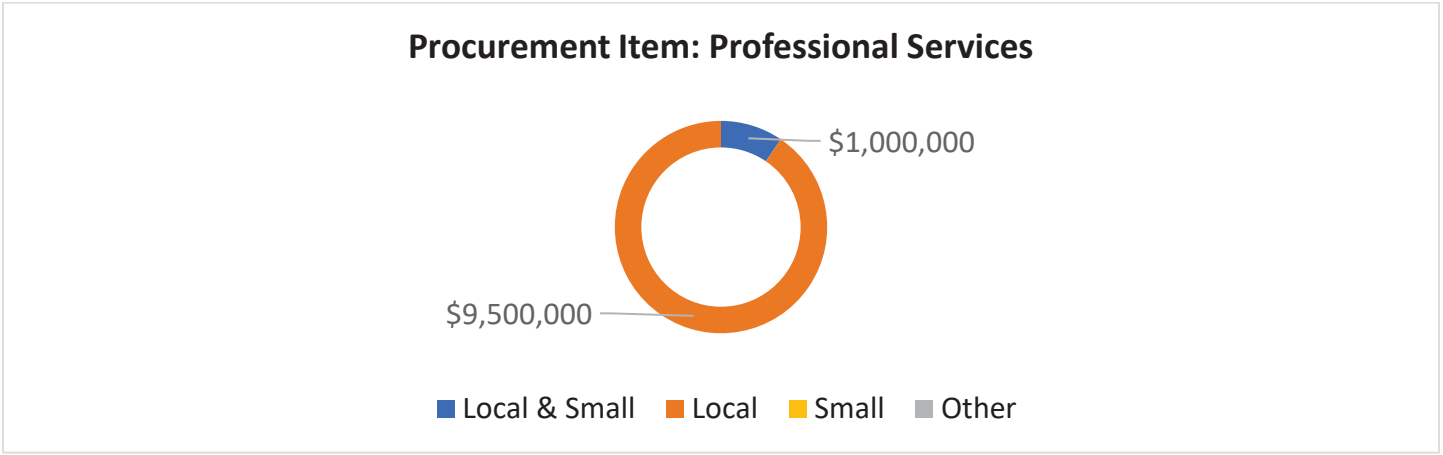
GRID MODERNIZATION | ELECTRIC SYSTEM GROWTH | RESILIENCE/ RELIABILITY

Recommended Respondent(s) & Award					
Vendor Name	**SBA Classification & Details**	**Original PO Value**	**Previously Added or Reallocated Funds**	**Additional Funds Requested**	**PO#**
Burns & McDonnell Engineering Company, Inc.	Local	$1,100,000	$0	$2,700,000	2216707
Black & Veatch Management Consulting, LLC.	Local	$1,000,000	$0	$2,700,000	2216708
TRC Engineers, Inc.	Local	$300,000	$0	$700,000	2217464
KBS Electrical Distributors, Inc.	Local/Small	$300,000	$0	$700,000	2216709
ICF Resources, LLC	Local	$300,000	$0	$700,000	2216710
		(A)	**(B)**	**(C)**	
	Totals	**$3,000,000**	**$0**	**$7,500,000**	
	Projected Cumulative Purchase Order Value (D)			**$10,500,000**	

Eleven (11) additional respondents were not recommended for award: EN Engineering, LLC; Electric Power Engineers, Inc.; Enercon Services, Inc.; Schneider Engineering, LLC; Ulteig Engineers, Inc.; HDR Inc.; Commonwealth Associates, Inc.; Esta International Inc.; Select Power Systems, LLC; Schneider Electric; and K&A Engineering Consulting, P.C.

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	$0	0%	$0	$0	$0
$982,000,000	Non-Fuel O&M	$4,000,000	0.41%	$4,000,000	$1,500,000	$0

Our current approved budget and latest estimates support this additional purchase order increase.



CPS Energy Board of Trustees Meeting
February 24, 2025
Procurement Form 4

ELECTRIC SYSTEM GROWTH | RESILIENCE/ RELIABILITY

Item Description		Active PO Funding Increase: Engineering Services for Transmission Planning and Operations Engineering
Original Cumulative Purchase Order Value	**(A)**	**$3,000,000**
Previously Added Funds	**(B)**	**$0**
Additional Funds Requested	**(C)**	**$6,000,000**
Projected Cumulative Purchase Order Value	**(D)**	**$9,000,000**
Purchase Category		Professional Services
Department		Energy Delivery Services
VP T&D Engineering & Grid Transformation		LeeRoy Perez
Chief Energy Delivery Officer		Richard Medina

Detailed Description

CPS Energy staff recommend that additional purchase order funding be approved for an existing contract for engineering services for electric transmission planning. This contract was previously awarded to Burns & McDonnell Engineering Company, Inc., a local firm, and DNV Energy USA, Inc. and Hitachi Energy USA, Inc., as the respondents who provided the services at the best value for CPS Energy based on the evaluation criteria set forth below.

Additional funding is required on these purchase orders due to unanticipated large load support projects and transmission interconnection studies, which were not accounted for with the original contract.
This contract is for providing services for complex electric transmission planning projects including: interconnection studies for new generation and large load customers, NERC compliance and for ERCOT and PUCT project approvals, and grid modernization and reliability projects to prepare for extreme weather and the changing electric grid landscape. These contracts will expire on February 5, 2027.

Subcontracting Opportunities

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

The solicitation method for this procurement was a Request for Qualification (RFQ)[2]. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

Evaluation Criteria	Points
Experience and qualifications to perform the Services	100
The financial soundness of the Respondent	Pass/Fail
TOTAL	**100**

[2] CPS Energy is unable to consider price or economic development as Evaluation Criteria for RFQ's.

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Procurement Form 4

ELECTRIC SYSTEM GROWTH | RESILIENCE/ RELIABILITY

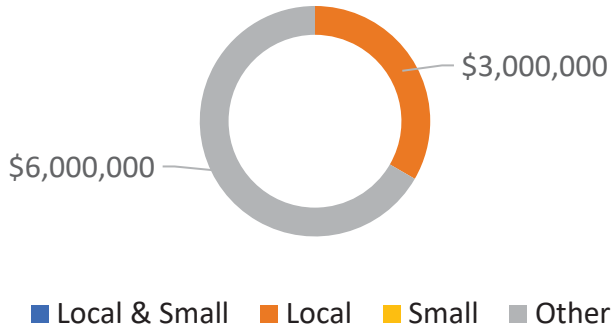
Recommended Respondent(s) & Award					
Vendor Name	**SBA Classification & Details**	**Original PO Value**	**Previously Added or Reallocated Funds**	**Additional Funds Requested**	**PO#**
Burns & McDonnell Engineering Company, Inc.	Local	$1,000,000	$0	$2,000,000	2216713
DNV Energy USA, Inc.		$1,000,000	$0	$2,000,000	2216714
Hitachi Energy USA, Inc.		$1,000,000	$0	$2,000,000	2216715
		(A)	**(B)**	**(C)**	
	Totals	**$3,000,000**	**$0**	**$6,000,000**	
	Projected Cumulative Purchase Order Value (D)			**$9,000,000**	

Thirteen (13) additional respondents were not recommended for award: Electric Power Engineers, Inc.; Power Engineers, Inc.; Quanta Technology, LLC; Siemens Energy co FAPCO, LLC; Commonwealth Associates, Inc.; Power Systems Consultants, Inc.; TRC Engineers, Inc.; ICF Resources LLC; Ulteig Engineers, Inc.; Schneider Engineering, LLC; Prime Partners Engineering; Entrust Solutions Group; and Select Power Systems, LLC.

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	$0	0%	$0	$0	$0
$982,000,000	Non-Fuel O&M	$3,000,000	0.3%	$3,000,000	$0	$0

Our current approved budget and latest estimates support this additional purchase order increase.

Procurement Item: Professional Services



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Procurement Form 5

Item Description	Independent Verification and Validation Services
Purchase Order Value	**$20,000,000**
Purchase Category	General Services
Department	Enterprise Risk Management and Solutions
Director Enterprise Risk Management and Solutions	Annamarie L Rangel
Chief Strategy Officer	Elaina Ball

Detailed Description

CPS Energy staff recommend that a contract be awarded to Gartner, Inc. as the respondent who will provide the goods or services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is for Independent Verification and Validation (IV&V) services. This contract will allow CPS Energy to perform continuous and on-going IV&V assessments for the cloud ERP transformation with a focus on the change management strategy, metrics, and activities to include training and communication plans. This contract will expire on February 1, 2029

Subcontracting Opportunities

Gartner, Inc. has committed to subcontract a portion of the services to one or more local or small businesses.

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

Evaluation Criteria	Points
Overall Cost	30
Services to be Provided	20
Change Management	15
Methodology & Quality of the Proposal	10
General Qualifications	10
Economic Development	10
Key Personnel	5
TOTAL	**100**

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Recommended Respondent(s) & Award					
Respondent Name	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Gartner, Inc.		73	$20,000,000	2225097	
		TOTAL	$20,000,000		

Five (5) additional respondents were not recommended for award: Hitachi Energy USA Inc.; PA Consulting Group, Inc.; Public Consulting Group LLC; RSM US LLP; and E Source Companies LLC dba E Source.

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2026 PO Spend	% of FY2025 Annual Corp Budget	Projected FY2027 PO Spend	Projected FY2028 PO Spend	Projected FY2029 PO Spend
$1,501,000,000	Capital	$5,500,000	0.4%	$5,500,000	$5,500,000	$3,500,000
$982,000,000	Non-Fuel O&M	$0	0%	$0	$0	$0

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

