CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON APRIL 27, 2026, AT 1:00 PM
LOCATION: CPS ENERGY BOARD ROOM (500 MCCULLOUGH AVE)
LIVESTREAM: CPS ENERGY BOARD OF TRUSTEES MEETING LIVESTREAMS

At any time during the Board Meeting, the Board may go into an executive session as permitted by the Texas Open Meetings Act, (Chapter 551 of the Texas Government Code) regarding any item on this agenda. To note, the Public Comment Registration period runs the Tuesday prior to the Board of Trustees meeting at 5:00 PM through 12:30 PM on the day of the meeting via our online registration form in addition to the ability to register via phone from the Tuesday prior to the Board of Trustees meeting at 5:00 PM through the Friday prior at 1:00 PM.

AGENDA

ITEM	TOPIC	ACTION	PRESENTER/ SPONSOR
1	**CALL TO ORDER**	Execute	Dr. Francine Romero
2	**SAFETY MESSAGE, INVOCATION, & PLEDGE OF ALLEGIANCE**	Execute	Mr. Mike Hemingson
3	**PUBLIC COMMENT**	Discuss	Dr. Francine Romero
UPDATE ON CHAIR'S PRIORITIES			
4	**CHAIR'S REMARKS**	Discuss	Dr. Francine Romero
5	**CEO RECOGNITION & REMARKS**	Discuss	Mr. Rudy D. Garza
CONSENT AGENDA			
6	**APPROVAL OF CONSENT ITEMS:** A. Payment to the City of San Antonio for March 2026 B. Minutes from the Regular Board Meeting held on March 30, 2026 C. Assistant Treasurer Appointment D. Board of Trustees Committee Charters E. **Procurement Items**: 1. **Professional Services:** Real Estate Appraisal and Expert Testimony Services 2. **Commodity & Material Goods:** Active PO Funding Increase: Misc. Transmission Hardware 3. **General Services:** Large Electrical Motor Maintenance	Vote	Dr. Francine Romero

	4. **Professional Services:** BPA PO Release Geotechnical Engineering Services – Howard-to-San Miguel Transmission Line Project		
REGULAR AGENDA			
7	**BOARD COMMITTEE REPORTS:** A. Technology & Resilience Committee (T&R) Meeting held on March 16, 2026 **COMMUNITY INPUT COMMITTEE REPORTS:** B. Customer Relations and Communications Working Group Meeting held on April 8, 2026 C. Power and Technology Working Group Meeting held on April 8, 2026 D. Finance and Business Working Group Meeting held on April 8, 2026	Discuss	Dr. Francine Romero
8	**COMMUNITY INPUT COMMITTEE (CIC) CANDIDATE APPROVAL** (Ms. Kathy Garcia)	Vote	Dr. Francine Romero
9	**FY2026 YEAR-END PERFORMANCE RECAP**	Discuss	Ms. Elaina Ball & Mr. Cory Kuchinsky
10	**ANNUAL AUDITED FINANCIAL STATEMENTS** (KPMG)	Discuss	Dr. Francine Romero
11	**ENERGIZING PROGRESS TOGETHER - GENERATION PLAN REFRESH**	Discuss	Mr. David Kee
CONVENE TO EXECUTIVE SESSION			
12	**EXECUTIVE SESSION:** A. Attorney Client Matter (§551.071) B. Personnel Matter (§551.072) – Evaluation of President & CEO C. Security Personnel and Devices (§551.076) Critical Infrastructure (§551.0761) Security Audit and Devices (§551.089) Texas Homeland Security Act (§418.183(f))	Discuss	Dr. Francine Romero
RECONVENE TO OPEN SESSION			

ADJOURNMENT			
13	**ADJOURNMENT**	Execute	Dr. Francine Romero
If the Board meeting has not adjourned by 4:55 PM, the presiding officer may entertain a motion to continue the meeting, postpone the remaining items to the next Board meeting date, or recess and reconvene the meeting at a specified date and time.			

Approval of Payment to the City of San Antonio for March 2026

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 March 2026 is based on actual gross revenue per the New Series Bond Ordinance of $245,385,300.92, less applicable exclusions. In accordance with the New Series Bond Ordinance Flow of Funds requirements, current month revenue did not meet the full obligation for City Payment by $30,662,386.09. This situation is a common occurrence for CPS Energy in the spring months due to the seasonal billing patterns. Under the previously approved agreement with the City, CPS Energy will advance to the City $30,662,386.09 against future months' revenues for fiscal year 2027. The revenue for the month of March 2026 is calculated as follows:

Gross revenue per CPS Energy financial statements		
Electric revenue	$246,036,671.91	
Gas revenue	27,946,673.23	
Other operating revenue	310,625.27	
Interest and other income	8,015,829.85	
Gross revenue per CPS Energy financial statements	282,309,800.26	
Excluded revenue		
School and hospital revenue per City Ordinance 55022	(8,278,366.33)	
LVG revenue per City Ordinance 100709	(353,475.67)	
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(25,651,292.13)	
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	(2,641,365.21)	
Total excluded revenue	(36,924,499.34)	
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	$245,385,300.92	
City payment per Bond Ordinance for March 2026 based upon March revenue	$34,353,942.13	
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	3,135,549.11	
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)	
City payment per Bond Ordinance plus adjustments for MOU	37,476,991.24	**A**
Utility services provided to the City for March 2026	(2,979,257.84)	
Net amount to be paid from March 2026 revenue to the City in April 2026	$34,497,733.40	

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)

March 2026	Actual	Budget	Variance	
Current Month **A**	$37,477	$36,892	$585	1.6%
Year-to-Date	$79,542	$76,997	$2,545	3.3%

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 $34,497,733.40 representing 14% of applicable system gross revenues for the month of March 2026, such payment being net of City utility services ($2,979,257.84), and including the current month shortage, is hereby approved." The total amount to be recovered from future months' revenues for fiscal year 2027 is $42,573,749.63.

CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON MARCH 30, 2026

The Regular Meeting of the Board of Trustees of CPS Energy for the month of March was held on Monday, March 30, 2026, 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
Dr. Erika Gonzalez
Mayor Gina Ortiz Jones (arrived at 1:15 p.m.)

Also present were:
Mr. Rudy D. Garza, President & CEO
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary
CPS Energy staff members

II. SAFETY MESSAGE, INVOCATION, AND PLEDGE OF ALLEGIANCE

A safety message, invocation, and the Pledge of Allegiance were delivered by Ms. Annamarie Rangel, Director Enterprise Risk Management and Solutions.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, thanked all employees who work for CPS Energy and stated they are empowered women and men who are excellent workers.

Mr. Arthur Rakowitz, community member, expressed concerns about his property and electrical service issues.

Mr. Alan Montemayor, Sierra Club, spoke in support of a solar array at SAWS' H2Oaks facility. He also urged CPS Energy to emphasize decarbonization and expressed concern about growth.

Ms. Erica Alvarado, Public Citizen, expressed concern about any potential rate increase, any coordination with Immigration and Customs Enforcement, and CPS Energy security.

Ms. Isabella Briseno, Climate Justice San Antonio and teacher, spoke against rate increases, expressing concern about impact to low-income ratepayers. She also urged costs be passed to data centers.

Mr. Brian Lopez, Climate Justice San Antonio, stated gas prices have increased since the conflict with Iran began, and spoke against any potential rate increase.

Ms. Sharron Brown, community member, stated STEP is helpful, but churches cannot afford the difference between the program assistance and costs; she requested a meeting to discuss.

IV. CHAIR'S REMARKS

Chair Romero thanked everyone that provided public comment, and noted we are listening. She shared that the FORE REAP Golf Classic raised over $340,000 for customer assistance, and she appreciated all the work to make the event happen. She then noted the dates for our tree giveaway events, and shared information about rebates. Finally, she noted that safe digging starts with our community and urged individuals to call 811 before they dig.

V. CEO RECOGNITION & REMARKS

Mr. Rudy D. Garza, President & CEO, recognized the CEO Core Value Award Honorees from the fourth quarter. He noted that our core values define who we are as an organization, and these individuals exemplify them and consistently go above and beyond. He highlighted Mr. Jason Alaniz, Tech Revenue Assurance & Meter Quality, for the exceptional commitment to safety by directing CPR and coordinating with emergency responders and CPS Energy crews to assist a customer with a downed power line. He saved a customer's life.

He also asked Mr. Justin Mooney, President of our Local 500 IBEW, and Mr. Joey Davila, National Association of Public Employees, to be recognized for their positive relationship with management and all that they do to assist employees.

He then provided a summary of the agenda and highlighted certain items.

VI. EXECUTIVE SESSION

At approximately 1:30 p.m., Chair Romero announced the Board would go into Executive Session, and Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary, 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:

A. Real Property Matter (§551.072)

The Board reconvened in open session at 2:18 p.m. The quorum was re-established, and all members were present. Ms. Ramirez reported that only the matters cited above, and no others were discussed, and no votes were taken in this Executive Session.

VII. CONSENT AGENDA

Mayor Jones requested Consent Agenda Item C be pulled for discussion.

On a motion by Vice Chair Dr. Mackey, and seconded by Trustee Dr. Gonzalez, the following items were unanimously approved:

A. Approval of Payment to the City of San Antonio for February 2026

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 February 2026 is based on actual gross revenue per the New Series Bond Ordinance of $291,519,705.05, less applicable exclusions. In accordance with the New Series Bond Ordinance Flow of Funds requirements, current month revenue did not meet the full obligation for City Payment by $11,911,363.54. This situation is a common occurrence for CPS Energy in the late winter and spring months due to the seasonal billing patterns. Under the previously approved agreement with the City, CPS Energy will advance to the City $11,911,363.54 against future months' revenues for fiscal year 2027. The revenue for the month of February 2026 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	$279,465,089.11
Gas revenue	60,577,859.57
Other operating revenue	575,333.48
Interest and other income	5,222,577.16
Gross revenue per CPS Energy financial statements	345,840,859.32
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(9,507,411.32)
LVG revenue per City Ordinance 100709	(239,499.00)
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(55,115,419.52)
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	10,541,175.57
Total excluded revenue	(54,321,154.27)
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	$291,519,705.05
City payment per Bond Ordinance for February 2026 based upon February revenue	$40,812,758.71
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	1,258,143.99
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)
Prior year accounting adjustment	(10,203.12)
Annual true up/(down) per gas customer MOU	16,996.65

City payment per Bond Ordinance plus adjustments for MOU	42,065,196.23	**A**
Utility services provided to the City for February 2026	(3,347,362.99)	
Net amount to be paid from February 2026 revenue to the City in March 2026	$38,717,833.24	

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)

February 2026	Actual	Budget	Variance	
Current Month **A**	$42,065	$40,105	$1,960	4.9%
Year-to-Date	$42,065	$40,105	$1,960	4.9%

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 $38,717,833.24 representing 14% of applicable system gross revenues for the month of February 2026, such payment being net of City utility services ($3,347,362.99), and a prior month accounting adjustment, and including the current month shortage, is hereby approved." The total amount to be recovered from future months' revenues for fiscal year 2027 is $11,911,363.54."

B. Minutes from the Regular Board Meeting, held on February 23, 2026

D. Procurement Item:

1. **Item Description:** Supply & Delivery of Operational Technology (OT) Transport Systems Network
   Category: General Services
   Supplier: Mobile Communications America, Inc.

The Board of Trustees then returned to Consent Agenda Item C, and Mayor Jones requested a brief presentation. Ms. Lisa Lewis, Chief Administrative Officer, provided an overview of the purchase and stated that the property is intended to be used for a new central service station. Mayor Jones asked about the selection process and inclusion of an environmental impact study in the process. Trustee Gonzalez also asked that environmental impact studies be considered in the future.

On a motion by Trustee Dr. Gonzalez, and seconded by Trustee Gonzalez, the following item was approved 4-1, with Mayor Jones voting against approval of the real estate purchase:

C. Approval of Real Property Purchase: New Central Service Station

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. Operations Oversight Committee (OOC) Meeting held on March 2, 2026. The report is attached as Attachment "A" to the meeting minutes.

Community Input Committee Reports

A. Community Input Committee (CIC) Meeting held on March 11, 2026. The report is attached as Attachment "B" to the meeting minutes.

Trustee Gonzalez asked about recommendations and questions from a CIC member. She noted she will provide the inquiry to Ms. Ramirez, and CPS Energy staff will follow up with Trustee Gonzalez.

IX. POWERING OUR COMMUNITY – BUDGET OVERVIEW

Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer, presented an overview of the FY2027 budget. He noted that the recommended budget represents our financial strategy which meets our community's priorities and aligns with our strategic focus. He provided details on the proposed budget and requested approval from the Board of Trustees.

Vice Chair Dr. Mackey made a motion to approve the FY2027 budget, and Chair Romero seconded. The Board of Trustees discussed and asked questions regarding the proposed FY2027 budget, primarily focused on how the Board can receive monthly updates, how our staff can stay aligned with staff at the City of San Antonio, how the projected $50M shortfall may be closed, how this year's budget compared to last year's budget, how best to monitor the debt-to-capital ratio, and how to make investments towards cleaner energy.

There was a roll call vote, and the FY2027 Budget was approved 4-1, with Trustee Gonzalez voting against approval of the budget.

X. ENERGIZING PROGRESS TOGETHER - GENERATION PLAN REFRESH

Mr. David Kee, Director, Energy Market Policy, provided an update on the generation plan refresh process. He shared an overview of what has changed in demand, our recommended path forward, and our community engagement efforts.

The Board of Trustees discussed the presentation. The discussion primarily focused on timing of the plans, details of the forecasting and assumptions, impacts of the political climate and global conflicts, details on load growth and complexities of data centers, how we are communicating and planning, costs of the plan, frequency at which we will do modeling and revisit assumptions, and the role of the CIC in providing feedback to the Board.

XI. EXECUTIVE SESSION

At approximately 3:49 p.m., Chair Romero announced the Board would go into Executive Session, and Ms. Ramirez announced that the required notice had been posted and that the Trustees, with only necessary parties in attendance, would convene into Executive Session, pursuant to the provisions of

Chapter 551 of the Texas Government Code, for discussion of a number of posted items, including the following:

A. Attorney Client Matter (§551.071)
B. Security Personnel or Devices (§551.076) & Critical Infrastructure (§551.0761)
C. Competitive Matter (§551.086) – Power Generation
D. Competitive Matter (§551.086) – Purchased Power

The Board reconvened in open session at 4:59 p.m., with Mayor Jones having left the meeting at 4:30 p.m., during Executive Session. Once the quorum was re-established, and all remaining members were present. Ms. Ramirez reported that only the matters cited above, and no others were discussed. The competitively sensitive matter for purchased power, as posted on the agenda, was approved in Executive Session. Ms. Ramirez also noted that the item related to security and critical infrastructure was deferred until the next meeting.

XII. ADJOURNMENT

Chair Romero asked Ms. Ramirez 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 5:02 p.m. by Chair Romero.

_____
Shanna M. Ramirez
Secretary of the Board

RESOLUTION APPROVING APPOINTMENT OF ASSISTANT TREASURER FOR THE CPS ENERGY BOARD

WHEREAS, the CPS Energy Board of Trustees is required to designate and authorize specific officers and staff to conduct transactions on behalf of CPS Energy, and

WHEREAS, Cory Kuchinsky serves as Treasurer to the Board of Trustees; and,

WHEREAS, Maricela Benavides, who serves as an Assistant Treasurer and as the Principal Business Excellence will be leaving CPS Energy after more than 39 years of service; and,

WHEREAS, effective May 1, 2026, Gautam Shringarpure, who currently serves as Managing Fellow, Financial Services Strategy Analysis & Implementation, will assume responsibilities for managing and directing certain financial transactions requiring Board of Trustee approval and will be providing support to the Board related to these financial matter; and,

WHEREAS, Maricela Benavides will continue to serve as an Assistant Treasurer to the Board of Trustees though April 30, 2026 in order to assist in the transition of Gautam Shringarpure as an Assistant Treasurer; and,

WHEREAS, Julie Johnson and San Juanita Loredo will continue to serve as Assistant Treasurers to the Board of Trustees; and,

WHEREAS, one Treasurer and three Assistant Treasurers will facilitate effective and timely, financial transaction coverage;

NOW THEREFORE BE IT RESOLVED that the CPS Energy Board of Trustees hereby approves the appointment of Gautam Shringarpure as an Assistant Treasurer to the Board of Trustees, effective May 1, 2026.

I, Shanna M. Ramirez, Secretary of the Board of Trustees of CPS Energy, do hereby certify the foregoing as 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 April 27, 2026, at which a quorum was present.

WITNESS MY HAND AND SEAL OF THE CPS ENERGY BOARD OF TRUSTEES ON

____ day of _____ 2026.

_____
Shanna M. Ramirez
Secretary of the Board

DRAFT

CPS Energy
Board of Trustees

AUDIT & FINANCE COMMITTEE CHARTER

I. Role of the Audit & Finance Committee

The Audit & Finance Committee ~~(the "Committee")~~ is appointed by, and is a standing committee of, the CPS Energy Board of Trustees (the "Board"). The role of the Audit & Finance Committee is to assist the Board in fulfilling its oversight responsibilities for CPS Energy related to the following:

- quality and integrity of the financial statements and the financial reporting process;
- review of financial policies for the organization;
- review of proposed transactions relative to investment and debt activities;
- compliance with legal and regulatory requirements;
- qualifications, independence, and performance of the external auditors;
- qualifications, independence, and performance of the internal audit function;
- system of internal controls regarding financial reporting, accounting, finance, ethics, and compliance; and
- management of business/financial risks.

The role also includes coordination with other Board committees/members and maintenance of strong~~, positive~~ working relationships with management, external and internal auditors, legal counsel, and other financial advisors to management. In addition to CPS Energy, the Committee also has oversight for the 28% and 12% South Texas Project (STP) Nuclear Decommissioning Trusts and any additional trust modifications related to ownership.

II. Authority

The authority of the Committee is to exercise its business judgment, report to the Board, and recommend to the Board and/or management actions that the Committee reasonably believes to be in the best interest of CPS Energy. The Committee has authority to~~ conduct or~~ authorize investigations into any matters within its scope of responsibility specific to this Committee.

It is also empowered to:

- Recommend for final approval by the Board the appointment and compensation of any registered public accounting firm(s) employed by the organization to conduct the annual external audit of CPS Energy's financial statements (i.e., the external auditors) and other agreed upon engagements, and oversee the work of any such firm(s);
- Pre-approve all audit and non-audit services that may be requested of the audit

firm(s) selected to perform the annual financial statements audit;
- Review, at least annually, updates to financial policies which provide financial direction for management and ensure the financial integrity of the organization;
- Review management recommendations for new financing (includes refinancing) and investment transactions in accordance with policies and bond ordinances;
- Approve the remuneration of the Chief Audit Executive (CAE), as well as the appointment or removal of the CAE~~.~~;
- Retain independent legal counsel, accountants, or others to advise the Audit & Finance Committee or assist in the conduct of an investigation, as warranted, with the Board's concurrence;
- Seek any information it requires from employees all of whom are directed to cooperate with the Committee's requests or external parties; and
- Meet as needed with company officers (including the General Counsel), internal auditors, external auditors, or outside legal counsel.

III. Committee Membership

The Committee shall consist of two (2) Board members. Audit & Finance Committee appointments. Committee appointments, including designation of one members as Chair of the Committee, shall be recommended by the Board Chair and~~, including designation of one member as the Audit & Finance Committee chairperson, shall be~~ approved annually by the full Board.

Over time, the utility business and industry will change in response to evolving financial, industry, regulatory, economic, reporting, or other developments. It is therefore important for the Board to periodically re-evaluate its members' experiences, competencies, and the overall balance of skills on the Committee in response to emerging needs.

IV. Meetings

The Audit & Finance Committee shall meet at least two (2) times per calendar year. Additional meetings shall be scheduled as considered necessary by the Committee or the Committee Chair. All members are expected to attend each meeting. In person attendance is preferred. The committee may invite members of management, the external and/or internal auditors, and/or others to attend meetings and provide pertinent information, as necessary. The Committee will hold private meetings with the auditors (see below), and conduct meetings in executive session, as warranted and as permitted by law. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Meeting minutes will be prepared for each meeting.

V. Responsibilities

The Audit & Finance Committee will carry out the following responsibilities:

A. Financial Policies, Transactions and Reporting

- Review and discuss with management and the external auditors all critical financial and accounting policies and practices used by the company, as well as any significant financial reporting issues, including complex or unusual transactions and highly judgmental matters;
  - any significant changes in company financial and accounting policies as well as recent professional and regulatory pronouncements;
  - any material alternative financial and accounting treatments;
  - any financial and accounting proposals that may have a significant impact on the company's financial reports and metrics;
  - results of the annual financial audit, including any difficulties encountered; and
  - all matters required to be communicated to the Committee under generally accepted auditing standards.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
- Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.

B. Internal Control and Risk Management

- Consider the effectiveness of CPS Energy's system of internal controls, including information technology security and control.
- Understand the scope of the internal and external auditors' reviews of internal controls and obtain reports on significant findings and recommendations, together with management's responses.
- Understand CPS Energy's business risk profile and controls in selected areas representing significant financial and/or business risk (operational, legal, reputation, etc.).
- Meet periodically with management to review CPS Energy's major financial risk.

C. Internal Audit

- Ensure the Chief Audit Executive has unrestricted access to and communicates and interacts directly with the Audit & Finance Committee, including in private meetings without senior management present.
- Approve the internal audit function’s charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Approve the risk-based internal audit plan.
- Provide input to the internal audit function’s human resources administration and budgets.
- Review the internal audit function’s expenses.
- Provide input to senior management on the appointment and removal of the Chief Audit Executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards.
- Receive communications from the Chief Audit Executive about the internal audit function including its performance relative to its plan.

- Ensure a quality assurance and improvement program has been established and review the results annually.
- Make appropriate inquiries of senior management and the Chief Audit Executive to determine whether scope or resource limitations are inappropriate.

D. External Audit

- Review the qualifications of the external auditors; oversee due diligence responsibilities relative to the selection, compensation and terms of engagement for the external audit firm(s); and recommend final approval on the appointment or discharge of the external auditors to the Board.
- Review and confirm the independence of the external auditors by obtaining statements from them on their relationships with CPS Energy, including any non-audit services, and by discussing these relationships with the external auditors.
- Review the external auditors' proposed audit scope and approach, including coordination of their audit effort with internal audit.
- Meet with the external auditors and appropriate CPS Energy staff at the end of the annual audit to review the audit results and financial statements.
- Resolve any disagreements between management and the external auditors regarding financial reporting.
- Meet separately with the external auditors to discuss any matters that the Committee believes should be discussed privately.

E. Ethics

- Review the process for communicating the CPS Energy ethics policy/code of conduct to company personnel, including the annual training plan.
- Review the effectiveness of the system for monitoring compliance with the CPS Energy ethics policy/code of conduct, including the process for handling actual or perceived conflicts of interest.
- Review results of Ethics-related investigations by management (and follow-up, including disciplinary action) of any instances of noncompliance.

F. Compliance

- Understand the system for monitoring compliance with laws and regulations; review results of investigations by management and follow-up, including disciplinary action of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies and any internal or external auditor observations regarding compliance.
- Obtain regular updates from management and company legal counsel regarding compliance matters, including review and assessment of any significant conflicts of interest and related-party transactions.

G. Reporting Responsibilities

- Provide an open avenue of communication between internal audit (Audit

Services), the external auditors, and the Board.
- Report on a regular basis to the Board about Committee activities, issues, and related recommendations.

H. Other Responsibilities

- Confirm annually that all responsibilities outlined in this Charter have been sufficiently fulfilled~~carried out.~~
- ~~Institute and oversee special investigations, as needed.~~
- Review and update ~~assess the adequacy of~~ the Committee Charter periodically~~annually~~, requesting Board approval for proposed changes.
- ~~Confirm annually that all responsibilities outlined in this Charter have been carried out.~~
- ~~Evaluate, on a regular basis, the Committee's effectiveness in executing its responsibilities~~
- Perform other activities related to this Charter as requested by the Board.
- Institute and oversee special investigations, as needed.

This Charter of the Audit & Finance Committee of the CPS Energy Board of Trustees is ~~hereby~~ approved on and becomes effective ~~this~~this 27th day of April 2026~~October 2024~~.

CPS Energy
Board of Trustees

AUDIT & FINANCE COMMITTEE CHARTER

I. Role of the Audit & Finance Committee

The Audit & Finance Committee is appointed by, and is a standing committee of, the CPS Energy Board of Trustees (the "Board"). The role of the Audit & Finance Committee is to assist the Board in fulfilling its oversight responsibilities for CPS Energy related to the following:

- quality and integrity of the financial statements and the financial reporting process;
- review of financial policies for the organization;
- review of proposed transactions relative to investment and debt activities;
- compliance with legal and regulatory requirements;
- qualifications, independence, and performance of the external auditors;
- qualifications, independence, and performance of the internal audit function;
- system of internal controls regarding financial reporting, accounting, finance, ethics, and compliance; and
- management of business/financial risks.

The role also includes coordination with other Board committees/members and maintenance of strong working relationships with management, external and internal auditors, legal counsel, and other financial advisors to management. In addition to CPS Energy, the Committee also has oversight for the 28% and 12% South Texas Project (STP) Nuclear Decommissioning Trusts and any additional trust modifications related to ownership.

II. Authority

The authority of the Committee is to exercise its business judgment, report to the Board, and recommend to the Board and/or management actions that the Committee reasonably believes to be in the best interest of CPS Energy. The Committee has authority to authorize investigations into any matters within its scope of responsibility specific to this Committee.

It is also empowered to:

- Recommend for final approval by the Board the appointment and compensation of any registered public accounting firm(s) employed by the organization to conduct the annual external audit of CPS Energy's financial statements (i.e., the external auditors) and other agreed upon engagements, and oversee the work of any such firm(s);

- Pre-approve all audit and non-audit services that may be requested of the audit firm(s) selected to perform the annual financial statements audit;
- Review, at least annually, updates to financial policies which provide financial direction for management and ensure the financial integrity of the organization;
- Review management recommendations for new financing (includes refinancing) and investment transactions in accordance with policies and bond ordinances;
- Approve the remuneration of the Chief Audit Executive (CAE), as well as the appointment or removal of the CAE;
- Retain independent legal counsel, accountants, or others to advise the Audit & Finance Committee or assist in the conduct of an investigation, as warranted, with the Board's concurrence;
- Seek any information it requires from employees all of whom are directed to cooperate with the Committee's requests or external parties; and
- Meet as needed with company officers (including the General Counsel), internal auditors, external auditors, or outside legal counsel.

III. Committee Membership

The Committee shall consist of two (2) Board members. Audit & Finance Committee appointments. Committee appointments, including designation of one members as Chair of the Committee, shall be recommended by the Board Chair and approved annually by the full Board.

Over time, the utility business and industry will change in response to evolving financial, industry, regulatory, economic, reporting, or other developments. It is therefore important for the Board to periodically re-evaluate its members' experiences, competencies, and the overall balance of skills on the Committee in response to emerging needs.

IV. Meetings

The Audit & Finance Committee shall meet at least two (2) times per calendar year. Additional meetings shall be scheduled as considered necessary by the Committee or the Committee Chair. All members are expected to attend each meeting. In person attendance is preferred. The committee may invite members of management, the external and/or internal auditors, and/or others to attend meetings and provide pertinent information, as necessary. The Committee will hold private meetings with the auditors (see below), and conduct meetings in executive session, as warranted and as permitted by law. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Meeting minutes will be prepared for each meeting.

V. Responsibilities

The Audit & Finance Committee will carry out the following responsibilities:

A. Financial Policies, Transactions and Reporting

- Review and discuss with management and the external auditors all critical financial and accounting policies and practices used by the company, as well as any significant financial reporting issues, including complex or unusual transactions and highly judgmental matters;
  - any significant changes in company financial and accounting policies as well as recent professional and regulatory pronouncements;
  - any material alternative financial and accounting treatments;
  - any financial and accounting proposals that may have a significant impact on the company's financial reports and metrics;
  - results of the annual financial audit, including any difficulties encountered; and
  - all matters required to be communicated to the Committee under generally accepted auditing standards.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
- Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.

B. Internal Control and Risk Management

- Consider the effectiveness of CPS Energy's system of internal controls, including information technology security and control.
- Understand the scope of the internal and external auditors' reviews of internal controls and obtain reports on significant findings and recommendations, together with management's responses.
- Understand CPS Energy's business risk profile and controls in selected areas representing significant financial and/or business risk (operational, legal, reputation, etc.).
- Meet periodically with management to review CPS Energy's major financial risk.

C. Internal Audit

- Ensure the Chief Audit Executive has unrestricted access to and communicates and interacts directly with the Audit & Finance Committee, including in private meetings without senior management present.
- Approve the internal audit function’s charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Approve the risk-based internal audit plan.
- Provide input to the internal audit function’s human resources administration and budgets.
- Review the internal audit function’s expenses.
- Provide input to senior management on the appointment and removal of the Chief Audit Executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards.

- Receive communications from the Chief Audit Executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually.
- Make appropriate inquiries of senior management and the Chief Audit Executive to determine whether scope or resource limitations are inappropriate.

D. External Audit

- Review the qualifications of the external auditors; oversee due diligence responsibilities relative to the selection, compensation and terms of engagement for the external audit firm(s); and recommend final approval on the appointment or discharge of the external auditors to the Board.
- Review and confirm the independence of the external auditors by obtaining statements from them on their relationships with CPS Energy, including any non-audit services, and by discussing these relationships with the external auditors.
- Review the external auditors' proposed audit scope and approach, including coordination of their audit effort with internal audit.
- Meet with the external auditors and appropriate CPS Energy staff at the end of the annual audit to review the audit results and financial statements.
- Resolve any disagreements between management and the external auditors regarding financial reporting.
- Meet separately with the external auditors to discuss any matters that the Committee believes should be discussed privately.

E. Ethics

- Review the process for communicating the CPS Energy ethics policy/code of conduct to company personnel, including the annual training plan.
- Review the effectiveness of the system for monitoring compliance with the CPS Energy ethics policy/code of conduct, including the process for handling actual or perceived conflicts of interest.
- Review results of Ethics-related investigations by management (and follow-up, including disciplinary action) of any instances of noncompliance.

F. Compliance

- Understand the system for monitoring compliance with laws and regulations; review results of investigations by management and follow-up, including disciplinary action of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies and any internal or external auditor observations regarding compliance.
- Obtain regular updates from management and company legal counsel regarding compliance matters, including review and assessment of any significant conflicts of interest and related-party transactions.

G. Reporting Responsibilities

- Provide an open avenue of communication between internal audit (Audit Services), the external auditors, and the Board.
- Report on a regular basis to the Board about Committee activities, issues, and related recommendations.

H. Other Responsibilities

- Confirm annually that all responsibilities outlined in this Charter have been sufficiently fulfilled.
- Review and update the Committee Charter periodically, requesting Board approval for proposed changes.
- Perform other activities related to this Charter as requested by the Board.
- Institute and oversee special investigations, as needed.

This Charter of the Audit & Finance Committee of the CPS Energy Board of Trustees is approved on and becomes effective this 27th day of April 2026.

CPS Energy
Board of Trustees

NOMINATIONS COMMITTEE CHARTER

I. Role of the Nominations Committee

The Nominations Committee is appointed by, and is a standing committee of, the CPS Energy Board of Trustees (the "Board"). The role of the Nominations Committee is to assist the Board in fulfilling its oversight responsibilities for CPS Energy related to identifying willing and qualified candidates for positions on the Board when a vacancy occurs or is expected.

In support of this responsibility, the Nominations Committee will be charged with coordinating among Board members to identify specific capabilities and expertise desired in Board candidates, keeping in mind the qualifications and expertise of current Board members so as to enhance the strength of the Board as a whole. The Committee will be responsible for identifying a group of qualified candidates who can represent the interests of the community, work collaboratively with other Board members, and provide sound policy advice and oversight to CPS Energy management.

II. Authority

The authority of the Nominations Committee is to exercise its business judgment, report to the Board, and recommend to the Board and/or management actions that the Nominations Committee reasonably believes are in the best interest of CPS Energy.

The Committee is specifically empowered to visit with business and community leaders to identify Board candidates, to work with CPS Energy management and staff to initiate and manage the process of filling an immediate or anticipated Board vacancy, and to make recommendations to the Board about the process to follow when a Board vacancy occurs.

III. Committee Membership

The Nominations Committee shall consist of two (2) Board ~~m~~Members from the CPS Energy Board of Trustees. ~~Nominations~~ Committee appointments, including designation of one member as the ~~Nominations Committee c~~Chair of the Committee, shall be recommended by the Board Chair and approved annually by the full Board.

IV. Meetings

The Nominations Committee shall meet at least one (1) time per calendar year, to review the process for replacing Board members and to discuss potential candidates for Board positions (or the process for identifying candidates) even when a vacancy is not imminent or anticipated. Additional meetings shall be scheduled as considered

necessary by the Committee or the Committee Chair. In the event of an announced or anticipated Board position vacancy, the Nominations Committee shall meet as often as necessary to develop a slate of candidates and a process for proposing them to the full Board for consideration. All members are expected to attend each meeting. In person attendance is preferred. The Committee ~~will~~ may invite members of management and others to attend meetings and provide pertinent information, as necessary. The Committee may also conduct meetings in executive session as warranted and as permitted by law. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Meeting minutes will be prepared for each meeting.

V. Responsibilities

In addition to fulfilling the responsibilities required by the specific authority in this Charter, the Nominations Committee will have the following additional responsibilities:

- Confirm annually that all responsibilities outlined in this Charter have been sufficiently fulfilled.
- Review and update ~~assess the adequacy of~~ the Nominations Committee Charter periodically~~annually~~, requesting Board approval for proposed changes.
- Perform other activities related to this Charter as requested by the Board.
- ~~Confirm annually that all responsibilities outlined in this Charter have been carried out.~~
- ~~Evaluate the performance of the Nominations Committee and its individual members on a regular basis.~~
- ~~Perform other activities related to this Charter as requested by the Board.~~

This Charter of the ~~Operations Oversight~~Nominations Committee of the CPS Energy Board of Trustees is ~~hereby~~ approved on and becomes effective this 27th day of April 2026~~31st day of October 2016, and updated on the __day of ____ 2025~~.

CPS Energy
Board of Trustees

NOMINATIONS COMMITTEE CHARTER

I. Role of the Nominations Committee

The Nominations Committee is appointed by, and is a standing committee of, the CPS Energy Board of Trustees (the "Board"). The role of the Nominations Committee is to assist the Board in fulfilling its oversight responsibilities for CPS Energy related to identifying willing and qualified candidates for positions on the Board when a vacancy occurs or is expected.

In support of this responsibility, the Nominations Committee will be charged with coordinating among Board members to identify specific capabilities and expertise desired in Board candidates, keeping in mind the qualifications and expertise of current Board members so as to enhance the strength of the Board as a whole. The Committee will be responsible for identifying a group of qualified candidates who can represent the interests of the community, work collaboratively with other Board members, and provide sound policy advice and oversight to CPS Energy management.

II. Authority

The authority of the Nominations Committee is to exercise its business judgment, report to the Board, and recommend to the Board and/or management actions that the Nominations Committee reasonably believes are in the best interest of CPS Energy.

The Committee is specifically empowered to visit with business and community leaders to identify Board candidates, to work with CPS Energy management and staff to initiate and manage the process of filling an immediate or anticipated Board vacancy, and to make recommendations to the Board about the process to follow when a Board vacancy occurs.

III. Committee Membership

The Nominations Committee shall consist of two (2) Board Members from the CPS Energy Board of Trustees. Committee appointments, including designation of one member as the Chair of the Committee, shall be recommended by the Board Chair and approved annually by the full Board.

IV. Meetings

The Nominations Committee shall meet at least one (1) time per calendar year, to review the process for replacing Board members and to discuss potential candidates for Board positions (or the process for identifying candidates) even when a vacancy is not imminent or anticipated. Additional meetings shall be scheduled as considered

necessary by the Committee or the Committee Chair. In the event of an announced or anticipated Board position vacancy, the Nominations Committee shall meet as often as necessary to develop a slate of candidates and a process for proposing them to the full Board for consideration. All members are expected to attend each meeting. In person attendance is preferred. The Committee may invite members of management and others to attend meetings and provide pertinent information, as necessary. The Committee may also conduct meetings in executive session as warranted and as permitted by law. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Meeting minutes will be prepared for each meeting.

V. Responsibilities

In addition to fulfilling the responsibilities required by the specific authority in this Charter, the Nominations Committee will have the following additional responsibilities:

- Confirm annually that all responsibilities outlined in this Charter have been sufficiently fulfilled.
- Review and update the Nominations Committee Charter periodically, requesting Board approval for proposed changes.
- Perform other activities related to this Charter as requested by the Board.

This Charter of the Nominations Committee of the CPS Energy Board of Trustees is approved on and becomes effective this 27th day of April 2026.

CPS Energy
Board of Trustees

OPERATIONS OVERSIGHT COMMITTEE CHARTER

I. Role of the Operations Oversight Committee

The Operations Oversight Committee~~,~~ is appointed by, and is a standing committee of, the CPS Energy Board of Trustees (the "Board")~~,~~. The role of the Operations Oversight Committee is to assist~~s~~ the Board by conducting review and providing oversight of key strategic projects, performance indicators, and trends for the most critical operational areas of the utility, in order to ensure that planning and processes for reliability, safety, regulatory compliance and related indicators are fully sufficient.

The role also includes coordination with other Board committees/members and maintenance of strong working relationships with management, external and internal auditors, legal counsel, and consultants or advisors as may be necessary.

II. Authority

The authority of the Operations Oversight Committee is ~~authorized~~ to exercise its business judgment, ~~to~~ review reports from CPS Energy management concerning reliability, safety, compliance and related operational indicators, and to report ~~its findings~~ to the full Board and/or management actions that the Committee reasonably believes to be in the best interest of CPS Energy. The Committee is also authorized to make recommendations to the Board concerning any actions within the scope of its responsibility that it feels are necessary to enhance or improve the utility's operational performance. Committee members shall strive to develop a broad understanding of CPS Energy's business and to apply their business experience and judgment to the issues and reports brought to them by CPS Energy personnel concerning operational performance and trends.

III. Committee Membership

The Operations Oversight Committee shall consist of two (2) Board ~~m~~Members from the CPS Energy Board of Trustees. Committee appointments, including designation of one member as the Chair of the Committee, shall be recommended by the Board Chair approved annually by the full Board.

IV. Meetings

The Operations Oversight Committee shall meet at least two (2) times per calendar year. Additional meetings shall be scheduled as considered necessary by the Committee or Committee Chair. All members are expected to attend each meeting. In person attendance is preferred. The Committee may invite members of management or others to attend meetings and provide pertinent information, as necessary. The Committee may

also conduct meetings in executive session as warranted and as permitted by law. Minutes of meetings will be prepared.

V. Responsibilities

The Operations Oversight Committee is tasked with the following kinds of responsibilities:

A. General Responsibilities

- Meet periodically with management to review operational reports, trends and industry benchmarks for the CPS Energy electric and gas systems. Matters that may be reviewed include, but are not limited to:
  - Safety performance: enterprise level and by business unit/area.
  - Reliability:
    - Energy Delivery Services: SAIFI, SAIDI, CAIDI;
    - Power Generation: EAF, EFOR and Human Performance Events (by generation type, i.e., coal, gas steam, gas combined cycle, and gas combustion turbines); and
    - Gas: odor response time, lost/unaccounted for gas (annual), annual Railroad Commission audit findings.
  - Environmental: SO2 and NOX emissions, Notices of Violation (NOVs), Notices of Enforcement (NOEs).
  - Renewables: renewable energy supply and renewable energy participation.
  - Electric Generation Status and Plans: natural gas, coal, nuclear, renewables, other.
  - Fuel inventory: gas in storage, coal, oil.
  - Sales: retail and wholesale electric, gas.
  - Corporate Support Services: inventory accuracy, material availability, supplier development (including coordination with the City of San Antonio, Bexar County and other partners)~~diversity~~, local business utilization, residential customer satisfaction (e.g., MSI metrics), energy efficiency (STEP), and enterprise metrics.
- Understand CPS Energy's business and business plan objectives sufficiently to be able to ensure that there are no unreasonable restrictions or limitations on operations and processes that would impair safe and successful operations or prevent achievement of business plan goals.
- ~~Provide regular reports to the CPS Energy Board of Trustees concerning Committee activities, issues and recommendations~~

B. Other Responsibilities

- Confirm annually that all responsibilities outlined in this~~e~~ Charter have been sufficiently fulfilled.
- ~~Periodically r~~Review and update ~~assess the adequacy of~~ the Operations Oversight Committee Charter, requesting Board approval for any necessary changes.
- Perform other tasks authorized by the Charter as requested by the Board.

- Institute and oversee special investigations, as needed, to fulfill the responsibilities of the Committee.
  ~~Periodically review and assess the adequacy of the Committee Charter, requesting Board approval for any necessary changes~~
  ~~Confirm annually that all responsibilities outlined in the Charter have been sufficiently fulfilled~~
  ~~Review periodically the Committee's performance and the participation of individual members~~

This Charter of the Operations Oversight Committee of the CPS Energy Board of Trustees is ~~hereby~~ approved on and becomes effective this 27th~~5t~~ day of April 2026 ~~December 2023~~.

CPS Energy
Board of Trustees

OPERATIONS OVERSIGHT COMMITTEE CHARTER

I. Role of the Operations Oversight Committee

The Operations Oversight Committee is appointed by, and is a standing committee of, the CPS Energy Board of Trustees (the "Board"). The role of the Operations Oversight Committee is to assist the Board by conducting review and providing oversight of key strategic projects, performance indicators, and trends for the most critical operational areas of the utility, in order to ensure that planning and processes for reliability, safety, regulatory compliance and related indicators are fully sufficient.

The role also includes coordination with other Board committees/members and maintenance of strong working relationships with management, external and internal auditors, legal counsel, and consultants or advisors as may be necessary.

II. Authority

The authority of the Operations Oversight Committee is to exercise its business judgment, review reports from CPS Energy management concerning reliability, safety, compliance and related operational indicators, and to report to the full Board and/or management actions that the Committee reasonably believes to be in the best interest of CPS Energy. The Committee is also authorized to make recommendations to the Board concerning any actions within the scope of its responsibility that it feels are necessary to enhance or improve the utility's operational performance. Committee members shall strive to develop a broad understanding of CPS Energy's business and to apply their business experience and judgment to the issues and reports brought to them by CPS Energy personnel concerning operational performance and trends.

III. Committee Membership

The Operations Oversight Committee shall consist of two (2) Board Members from the CPS Energy Board of Trustees. Committee appointments, including designation of one member as the Chair of the Committee, shall be recommended by the Board Chair approved annually by the full Board.

IV. Meetings

The Operations Oversight Committee shall meet at least two (2) times per calendar year. Additional meetings shall be scheduled as considered necessary by the Committee or Committee Chair. All members are expected to attend each meeting. In person attendance is preferred. The Committee may invite members of management or others to attend meetings and provide pertinent information, as necessary. The Committee may also conduct meetings in executive session as warranted and as permitted by law. Minutes of meetings will be prepared.

V. Responsibilities

The Operations Oversight Committee is tasked with the following kinds of responsibilities:

A. General Responsibilities

- Meet periodically with management to review operational reports, trends and industry benchmarks for the CPS Energy electric and gas systems. Matters that may be reviewed include, but are not limited to:
  - Safety performance: enterprise level and by business unit/area.
  - Reliability:
    - Energy Delivery Services: SAIFI, SAIDI, CAIDI;
    - Power Generation: EAF, EFOR and Human Performance Events (by generation type, i.e., coal, gas steam, gas combined cycle, and gas combustion turbines); and
    - Gas: odor response time, lost/unaccounted for gas (annual), annual Railroad Commission audit findings.
  - Environmental: SO2 and NOX emissions, Notices of Violation (NOVs), Notices of Enforcement (NOEs).
  - Renewables: renewable energy supply and renewable energy participation.
  - Electric Generation Status and Plans: natural gas, coal, nuclear, renewables, other.
  - Fuel inventory: gas in storage, coal, oil.
  - Sales: retail and wholesale electric, gas.
  - Corporate Support Services: inventory accuracy, material availability, supplier development (including coordination with the City of San Antonio, Bexar County and other partners), local business utilization, residential customer satisfaction (e.g., MSI metrics), energy efficiency (STEP), and enterprise metrics.
- Understand CPS Energy's business and business plan objectives sufficiently to be able to ensure that there are no unreasonable restrictions or limitations on operations and processes that would impair safe and successful operations or prevent achievement of business plan goals.

B. Other Responsibilities

- Confirm annually that all responsibilities outlined in this Charter have been sufficiently fulfilled.
- Review and update the Operations Oversight Committee Charter, requesting Board approval for any necessary changes.
- Perform other tasks authorized by the Charter as requested by the Board.
- Institute and oversee special investigations, as needed, to fulfill the responsibilities of the Committee.

This Charter of the Operations Oversight Committee of the CPS Energy Board of Trustees is approved on and becomes effective this 27th day of April 2026.

CPS Energy
Board of Trustees

PERSONNEL COMMITTEE CHARTER

I. Role of the Personnel Committee

The Personnel Committee is appointed by, and is a standing committee of, the CPS Energy Board of Trustees (the "Board"). The role of the Personnel Committee is to oversee pertinent human resources (HR) matters on behalf of the Board, including succession planning and~~,~~ compensation ~~and incentive levels~~ for CPS Energy. ~~employees and executives.~~ Relative to all positions other than the President & CEO, the Board of Trustees has delegated responsibility to the President & CEO for human resources (HR) matters. The Personnel Committee may consult and review personnel items at a Board meeting without having separately and previously addressed the items.

The role also includes coordination with other Board committees/members and maintenance of strong ~~positive~~ working relationships with management, external and internal legal counsel and other Committee advisors.

II. Authority

The authority of the Personnel Committee is to exercise its business judgment, report to the Board, and recommend to the Board and/or management actions that the Committee reasonably believes to be in the best interest of CPS Energy~~report and recommend personnel actions to the Board of Trustees~~.

III. Committee Membership

The Personnel Committee shall consist of two (2) Board Members from the CPS Energy Board of Trustees. ~~One should be elected as chair.~~ Committee appointments, including the designation of one member as the Chair of the Committee, shall be recommended by the Board Chair and approved annually by the full Board. Management expertise and knowledge of personnel issues should be required of at least one of the Committee members.

IV. Meetings ~~Frequency~~

The Personnel Committee shall meet at least three (3) times per calendar year. Additional meetings shall be scheduled as considered necessary by the Committee or Committee Chair. All members are expected to attend each meeting. In person attendance is preferred. The Committee may invite members of management or others to attend meetings and provide pertinent information, as necessary. Minutes of the

meetings will be prepared.

V. Responsibilities

The Personnel Committee will carry out the following responsibilities:

A. Personnel Issues in General

1. Understand the general compensation ~~and incentive levels~~ being paid to executive, supervisory, and other employees of gas and/or electric utilities, publicly and privately owned, compared to compensation and incentive levels of CPS Energy executive, supervisory, and other employees.
2. Understand employee compensation in effect and report to the Board as deemed appropriate by the Personnel Committee.
3. Review with the President & CEO whether the compensation ~~and incentive levels~~ of CPS Energy executive personnel are within the range of compensation ~~and incentive levels~~ established by the Board in its annual budget and report any variances to the Board.
4. Understand the enterprise metric program structure applicable to all employees, and its support of ~~the incentive plans and~~ the President & CEO's accountability to align his/her metrics with those of the enterprise.
5. Be a resource for and understand the report to the Board regarding succession planning status.

~~6. Review the annual employee incentive plans and their targets.~~

~~7.~~6. As requested by the President & CEO, review the qualifications for and assist with any search for a Senior Executive reporting to the CEO for which there is a vacancy.

~~8.~~7. Review and provide oversight regarding organizational efforts to identify and develop employees for future leadership positions within the organization, specifically for the roles of President & CEO, and Senior Executives reporting directly to the CEO.

~~9.~~8. Provide expertise/direction to the President & CEO and report to the Board on such other matters upon which the President & CEO may consult the Committee or its members.

B. Personnel Issues Regarding President & CEO

~~1. Review and report to the Board on the annual President & CEO incentive plan targets and awards; exceptions to plan rules including adjustments for extraordinary items; and changes, modifications or termination of the plans.~~

~~2. Review and report to the Board on the compensation and incentive level for the President & CEO and consult with the President & CEO regarding the compensation and incentive levels for the Executive and Senior Vice Presidents.~~

~~3.~~1. Review and report to the Board on, executive compensation and employment contracts, if any, of the President & CEO.

~~4.~~2. Report to the Board on qualifications for President & CEO and on

appropriate CEO performance metrics consistent with CPS Energy's long-term vision and strategic objectives. Review annually the President & CEO's performance against those performance measures and report results to the Board of Trustees.

~~5.~~3. Facilitate the preparation of the President & CEO's annual performance review, gaining and aggregating applicable input from the Board of Trustees. Working with the Board Chair, create the communication approach and then meet with and discuss the evaluation with the President & CEO.

~~6.~~4. As requested by the Chair, participate on or serve as an advisor to the CEO Search Committee regarding compensation, ~~incentive plan strategies,~~ and succession planning for the role of President & CEO.

C. *Human Resource Risk Management*

Receive and evaluate risk assessments from management, and both the internal and external auditors, of those areas which involve human resource issues that are within the oversight of the Personnel Committee.

D. *Other Responsibilities*

1. Confirm annually that the responsibilities outlined in this Charter have been sufficiently fulfilled.

~~1.~~2. Review and update ~~assess the adequacy of~~ the Personnel Committee Charter periodically~~from time to time~~, requesting Board approval for proposed changes.

~~2.~~3. Perform other activities related to this ~~c~~Charter as requested by the Board.

~~3. Confirm annually that all responsibilities outlined in this charter have been carried out.~~

~~4. Evaluate the Committee's and its individual members' performance on a regular basis.~~

This Charter of the Personnel Committee of the CPS Energy Board of Trustees is ~~hereby~~ approved on and becomes effective this 27th~~20th~~ day of April 2026~~June 2019~~.

CPS Energy
Board of Trustees

PERSONNEL COMMITTEE CHARTER

I. Role of the Personnel Committee

The Personnel Committee is appointed by, and is a standing committee of, the CPS Energy Board of Trustees (the "Board"). The role of the Personnel Committee is to oversee pertinent human resources (HR) matters on behalf of the Board, including succession planning and compensation for CPS Energy. Relative to all positions other than the President & CEO, the Board of Trustees has delegated responsibility to the President & CEO for human resources (HR) matters. The Personnel Committee may consult and review personnel items at a Board meeting without having separately and previously addressed the items.

The role also includes coordination with other Board committees/members and maintenance of strong working relationships with management, external and internal legal counsel and other Committee advisors.

II. Authority

The authority of the Personnel Committee is to exercise its business judgment, report to the Board, and recommend to the Board and/or management actions that the Committee reasonably believes to be in the best interest of CPS Energy.

III. Committee Membership

The Personnel Committee shall consist of two (2) Board Members from the CPS Energy Board of Trustees. Committee appointments, including the designation of one member as the Chair of the Committee, shall be recommended by the Board Chair and approved annually by the full Board. Management expertise and knowledge of personnel issues should be required of at least one of the Committee members.

IV. Meetings

The Personnel Committee shall meet at least three (3) times per calendar year. Additional meetings shall be scheduled as considered necessary by the Committee or Committee Chair. All members are expected to attend each meeting. In person attendance is preferred. The Committee may invite members of management or others to attend meetings and provide pertinent information, as necessary. Minutes of the meetings will be prepared.

V. Responsibilities

The Personnel Committee will carry out the following responsibilities:

A. Personnel Issues in General

1. Understand the general compensation being paid to executive, supervisory, and other employees of gas and/or electric utilities, publicly and privately owned, compared to compensation and incentive levels of CPS Energy executive, supervisory, and other employees.
2. Understand employee compensation in effect and report to the Board as deemed appropriate by the Personnel Committee.
3. Review with the President & CEO whether the compensation of CPS Energy executive personnel are within the range of compensation established by the Board in its annual budget and report any variances to the Board.
4. Understand the enterprise metric program structure applicable to all employees, and its support of the President & CEO's accountability to align his/her metrics with those of the enterprise.
5. Be a resource for and understand the report to the Board regarding succession planning status.
6. As requested by the President & CEO, review the qualifications for and assist with any search for a Senior Executive reporting to the CEO for which there is a vacancy.
7. Review and provide oversight regarding organizational efforts to identify and develop employees for future leadership positions within the organization, specifically for the roles of President & CEO, and Senior Executives reporting directly to the CEO.
8. Provide expertise/direction to the President & CEO and report to the Board on such other matters upon which the President & CEO may consult the Committee or its members.

B. Personnel Issues Regarding President & CEO

1. Review and report to the Board on, executive compensation and employment contracts, if any, of the President & CEO.
2. Report to the Board on qualifications for President & CEO and on appropriate CEO performance metrics consistent with CPS Energy's long-term vision and strategic objectives. Review annually the President & CEO's performance against those performance measures and report results to the Board of Trustees.
3. Facilitate the preparation of the President & CEO's annual performance review, gaining and aggregating applicable input from the Board of Trustees. Working with the Board Chair, create the communication approach and then meet with and discuss the evaluation with the President & CEO.
4. As requested by the Chair, participate on or serve as an advisor to the CEO Search Committee regarding compensation, and succession planning for the role of President & CEO.

C. Human Resource Risk Management

Receive and evaluate risk assessments from management, and both the internal and external auditors, of those areas which involve human resource issues that are within the oversight of the Personnel Committee.

D. Other Responsibilities

1. Confirm annually that the responsibilities outlined in this Charter have been sufficiently fulfilled.
2. Review and update the Personnel Committee Charter periodically, requesting Board approval for proposed changes.
3. Perform other activities related to this Charter as requested by the Board.

This Charter of the Personnel Committee of the CPS Energy Board of Trustees is approved on and becomes effective this 27th day of April 2026.

Charter Created: 09/30/2019
Last RevisedUpdated: 09/11/202404/27/2026

CPS Energy
Board of Trustees

TECHNOLOGY & RESILIENCEINNOVATION[1] COMMITTEE CHARTER

I. Role of the Technology & ResilienceInnovation Committee

The Technology & Innovation Committee is appointed by, and is a standing committee of, the CPS Energy Board of Trustees (the "Board"). The role of the Technology & ResilienceInnovation Committee of the CPS Energy Board of Trustees is to oversee operational and business technology, including cyber-security and innovation matters, with a focus on enhancing our business functionality and resilienceinnovation, aligned to the work of other Board Committees, by:

- Eencouraging thought leadership in the industry;
- Uunderstanding and diligence in addressing gaps between current technologies and industry trends; and,
- Rreviewing the Company's strategic direction in relation to technology and resilienceinnovation.

The role also includes coordination with other Board committees/members and This committee will work to maintainmaintenance of strong positive working relationships with management; external and internal counsel; and Committee advisors, as may be necessary.

II. Authority

The authority of the Technology & ResiliencyInnovation Committee is to exercise its business judgment, report to the Board and/or management actions that the Committee reasonably believes to be in the best interest of CPS Energyin providing input and counsel to management, as well as to report and recommend actions to the Board of Trustees.

III. Committee Membership

The Technology & ResiliencyInnovation Committee shall consist of two (2) Board Members from the CPS Energy Board of Trustees. One should be elected as chair. Committee appointments, including designation of one member as the Chair of the Committee, shall be recommended by the Board Chair and approved annually by the full Board.

Management expertise and knowledge of technology & resilienceinnovation issues, with a preference for expertise in cybersecurity, financial oversight of large technology

[1] PreviouslyOriginally, the Technology & Innovation Committee from September 2019 before to April 2021, and the Technology & Resilience Committee from April 2021 to April 2026.

investments, energy sector insights, and project management for major initiatives like ERP implementations, should be required of at least one of the Committee members. While not absolutely necessary to do so every year because of the general need to rotate members periodically, the technology & innovationresiliency expert will typically be assigned to this Committee.

Regardless of committee assignments, if in any year the Board does not have a member with significant broad applicable expertise, the collective governing body can engage an independent counselor-/-advisor to provide that needed contribution to the Board and this Committee.

Year-after-year, the utility business and industry are expected to evolve. It is therefore important for the Board to periodically re-evaluate its members' experiences, competencies, and skills. The Board will identify and address any gaps, as needed, including following the provisions within this document. Management can assist with this evaluation at the request of the Board and-/-or any committee.

IV. Meetings

The Technology & ResiliencyInnovation Committee shall meet at least two (2) times per calendar year. Additional meetings shall be scheduled as considered necessary by the Committee or Committee Chair. All members are expected to attend each meeting. In person attendance is preferred. The Committee may invite members of management or others to attend meetings and provide pertinent information, as necessary. The Committee may also conduct meeting in executive session as warranted and as permitted by law. Minutes of the meeting will be prepared.

V. Responsibilities

The Technology & ResiliencyInnovation Committee will carry out the following responsibilities:

A. General

- Review the Company's technology & resilienceinnovation developments in support of its overall business strategy.
- Review management's efforts to evaluate existing and future trends in technology & resilienceinnovation to ensure that there is a consistent focus on improving the Company's strategic and business execution.
- Provide expertise and direction on such other matters about which the President & CEO may consult the Committee or its members.
- Provide guidance to staff as it relates to the scope of this Committee in the areas of policy and governance for consideration in management decisions.

B. Risk Management

- Receive and evaluate risk assessments from management in areas which

involve technology & resilienceinnovation issues that are within the oversight of this Committee.

- Relative to new and innovative product developments, review management's formal plans to address intellectual property, supply chain, possible brand infringement, and/or other business concerns.
- Assess risk mitigation policies and procedures relating to products based on new technology or significant innovations to existing technology.

C. Other

- Confirm annually that all responsibilities outlined in this Charter have been sufficiently fulfilled.
- Review and update assess the adequacy of the Technology & ResiliencyInnovation Committee Charter from time-to-timeperiodically, requesting Board approval for proposed changes.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the Committee's and its individual members' performance on a regular basis.
- Perform any other activities consistent with thisrelated to this cCharter as the Committee orrequested by the Board may deem necessary or appropriate.
- Report to the Board on the significant items covered at each Committee meeting.
- Invite industry Subject Matter Experts, as needed.

This Committee Charter of the Technology & Innovation Committee of the CPS Energy Board of Trustees is approved on and becomes effective this 27th day of April 2026was approved on the 30th day of September 2019 and updated on the 11th day of September 2024.

CPS Energy
Board of Trustees

TECHNOLOGY & INNOVATION[1] COMMITTEE CHARTER

I. Role of the Technology & Innovation Committee

The Technology & Innovation Committee is appointed by, and is a standing committee of, the CPS Energy Board of Trustees (the "Board"). The role of the Technology & Innovation Committee of the CPS Energy Board of Trustees is to oversee operational and business technology, including cybersecurity and innovation matters, with a focus on enhancing our business functionality and innovation, aligned to the work of other Board Committees, by:

- encouraging thought leadership in the industry;
- understanding and diligence in addressing gaps between current technologies and industry trends; and
- reviewing the Company's strategic direction in relation to technology and innovation.

The role also includes coordination with other Board committees/members and maintenance of strong working relationships with management; external and internal counsel; and Committee advisors, as may be necessary.

II. Authority

The authority of the Technology & Innovation Committee is to exercise its business judgment, report to the Board and/or management actions that the Committee reasonably believes to be in the best interest of CPS Energy.

III. Committee Membership

The Technology & Innovation Committee shall consist of two (2) Board Members from the CPS Energy Board of Trustees. Committee appointments, including designation of one member as the Chair of the Committee, shall be recommended by the Board Chair and approved annually by the full Board.

Management expertise and knowledge of technology & innovation issues, with a preference for expertise in cybersecurity, financial oversight of large technology investments, energy sector insights, and project management for major initiatives like ERP implementations, should be required of at least one of the Committee members. While not absolutely necessary to do so every year because of the general need to rotate

[1] Originally, the Technology & Innovation Committee from September 2019 to April 2021, and the Technology & Resilience Committee from April 2021 to April 2026.

members periodically, the technology & innovation expert will typically be assigned to this Committee.

Regardless of committee assignments, if in any year the Board does not have a member with significant broad applicable expertise, the collective governing body can engage an independent counselor/advisor to provide that needed contribution to the Board and this Committee.

Year-after-year, the utility business and industry are expected to evolve. It is therefore important for the Board to periodically re-evaluate its members' experiences, competencies, and skills. The Board will identify and address any gaps, as needed, including following the provisions within this document. Management can assist with this evaluation at the request of the Board and/or any committee.

IV. Meetings

The Technology & Innovation Committee shall meet at least two (2) times per calendar year. Additional meetings shall be scheduled as considered necessary by the Committee or Committee Chair. All members are expected to attend each meeting. In person attendance is preferred. The Committee may invite members of management or others to attend meetings and provide pertinent information, as necessary. The Committee may also conduct meeting in executive session as warranted and as permitted by law. Minutes of the meeting will be prepared.

V. Responsibilities

The Technology & Innovation Committee will carry out the following responsibilities:

A. General

- Review the Company's technology & innovation developments in support of its overall business strategy.
- Review management's efforts to evaluate existing and future trends in technology & innovation to ensure that there is a consistent focus on improving the Company's strategic and business execution.
- Provide expertise and direction on such other matters about which the President & CEO may consult the Committee or its members.
- Provide guidance to staff as it relates to the scope of this Committee in the areas of policy and governance for consideration in management decisions.

B. Risk Management

- Receive and evaluate risk assessments from management in areas which involve technology & innovation issues that are within the oversight of this Committee.
- Relative to new and innovative product developments, review management's formal plans to address intellectual property, supply chain, possible brand

infringement, and/or other business concerns.
- Assess risk mitigation policies and procedures relating to products based on new technology or significant innovations to existing technology.

C. Other

- Confirm annually that all responsibilities outlined in this Charter have been sufficiently fulfilled.
- Review and update the Technology & Innovation Committee Charter periodically, requesting Board approval for proposed changes.
- Perform other activities related to this Charter requested by the Board.
- Invite industry Subject Matter Experts, as needed.

This Charter of the Technology & Innovation Committee of the CPS Energy Board of Trustees is approved on and becomes effective this 27th day of April 2026.

CPS Energy Board of Trustees Meeting
April 27, 2026
APPROVAL of PROCUREMENT ITEMS
Table of Contents

1. **Item Description:** **Real Estate Appraisal and Expert Testimony Services**
   Purchase Category: **Professional Services**
   Supplier: Allen Williford & Seale, Inc.
   Atrium Real Estate Services, Inc.
   CBRE, Inc.
   JLL Valuation & Advisory Services, LLC
   Poseidon Valuation, LLC dba Titan Commercial Valuation, LLC

   Committee Presentations: Operations Oversight Committee – March 2, 2026
   Audit & Finance Committee – April 23, 2026

2. **Item Description:** **Active PO Funding Increase: Miscellaneous Transmission Hardware**
   Purchase Category: **Commodity & Material Goods**
   Supplier: Techline, Inc.
   Stuart C. Irby Co.

   Committee Presentations: Operations Oversight Committee – March 2, 2026
   Audit & Finance Committee – April 23, 2026

3.	**Item Description:**	**Large Electrical Motor Maintenance and Repair Services**
	Purchase Category:	**General Services**
	Supplier:	Amerimex Motor & Controls, LLC dba San Antonio Armature Works
		Austin Armature Works LP
		Bradley's, Inc.
		K&R Operating LLC dba North End Electric
		Lonestar Armature, LLC
		Shermco Industries, Inc.
	Committee Presentations:	Operations Oversight Committee – March 2, 2026 Audit & Finance Committee – April 23, 2026

4.	**Item Description:**	**BPA PO Release: Geotechnical Engineering Services – Howard-San Miguel Transmission Line Project**
	Purchase Category:	**Professional Services**
	Supplier:	Arias & Associates, Inc.
	Committee Presentations:	Operations Oversight Committee – March 2, 2026 Audit & Finance Committee – April 23, 2026

Approval: Kuchinsky, Cory P. Digitally signed by Kuchinsky, Cory P. Date: 2026.04.16 12:44:39 -05'00'

Cory Kuchinsky, Chief Financial Officer & Treasurer

Approval: Rudy D. Garza Digitally signed by Rudy D. Garza Date: 2026.04.16 13:59:05 -05'00'

Rudy D. Garza, President & CEO

CPS Energy Board of Trustees Meeting
April 27, 2026
Procurement Form 1

Item Description	Real Estate Appraisal and Expert Testimony Services
Purchase Order Value	**$6,000,000**
Purchase Category	Professional Services
Department	Energy Delivery Services
Chief Operating Officer	Frank Almaraz

Detailed Description

CPS Energy staff recommend that contracts be awarded to Allen Williford & Seale, Inc., a small/local firm, Atrium Real Estate Services, Inc. and Poseidon Valuation, LLC dba Titan Commercial Valuation, LLC, both small firms, and CBRE, Inc. and JLL Valuation & Advisory Services, LLC, both local firms 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 will provide certified property appraisal reports and expert testimony in eminent domain proceedings in CPS Energy's acquisition of easements and property. These contracts will expire on April 30, 2029.

Subcontracting Opportunities

CBRE, Inc. and JLL Valuation & Advisory Services, LLC have committed to subcontracting 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
April 27, 2026
Procurement Form 1

Recommended Respondent(s) & Award					
Respondent Name	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Allen Williford & Seale, Inc.	Small & Local	88	$1,200,000	2232912	
CBRE, Inc.	Local	88	$1,200,000	2232914	
Poseidon Valuation, LLC dba Titan Commercial Valuation, LLC	Small	87	$1,200,000	2233532	
JLL Valuation & Advisory Services, LLC	Local	82	$1,200,000	2233531	
Atrium Real Estate Services, Inc.	Small	80	$1,200,000	2232913	
		TOTAL	**$6,000,000**		

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY20230 PO Spend
$1,664,388,329	Capital	$1,400,000	0.09%	$2,000,000	$2,000,000	$600,000
$1,061,000,000	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
April 27, 2026
Procurement Form 2

Item Description		Active PO Funding Increase: Miscellaneous Transmission Hardware
Original Cumulative Purchase Order Value	**(A)**	$30,000,000
Previously Added Funds	**(B)**	$0
Additional Funds Requested	**(C)**	**$22,500,000**
Projected Cumulative Purchase Order Value	**(D)**	**$52,500,000**
Purchase Category		Commodity & Material Goods
Department		Transmission Engineering
Chief Operating Officer		Frank Almaraz

Detailed Description

CPS Energy staff recommend that additional purchase order funding be approved for existing contracts for transmission hardware. These contracts were awarded to Techline, Inc., a small/local firm, and Stuart C. Irby Co. as the respondents who provided the goods at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts are for the procurement of overhead transmission line hardware needed for our transmission infrastructure. Additional funding will allow CPS Energy to support a large influx of emergent transmission projects, including those related to large loads, interconnect developers, and ERCOT-mandated projects, as well as the expansion and rebuilding of existing facilities needed to support CPS Energy system growth. These contracts will expire on November 30, 2029.

Subcontracting Opportunities

None at this time.

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
The overall cost	40
Experience, warranty, quality control and contingencies	35
Legal and compliance requirements	15
Economic Development (Local and Small business consideration)	10
TOTAL	**100**

CPS Energy Board of Trustees Meeting
April 27, 2026
Procurement Form 2

Recommended Respondent(s) & Award					
Vendor Name	**SBA Classification & Details**	**Original PO Value**	**Previously Added or Reallocated Funds**	**Additional Funds Requested**	**PO#**
Techline, Inc.	Small & Local	$23,000,000	$0	$22,500,000	3076365
Stuart C. Irby Co.		$7,000,000	$0	$0	3076366
		(A)	**(B)**	**(C)**	
	Totals	**$30,000,000**	**$0**	**$22,500,000**	
	Projected Cumulative Purchase Order Value (D)			**$52,500,000**	

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY2030 PO Spend
$1,664,388,329	Capital	$6,470,000	0.4%	$7,675,000	$11,781,000	$12,237,000
$1,061,000,000	Non-Fuel O&M	$0	0%	$0	$0	$0

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

CPS Energy Board of Trustees Meeting
April 27, 2026
Procurement Form 3

Item Description	Large Electrical Motor Maintenance and Repair Services
Purchase Order Value	**$20,000,000**
Purchase Category	General Services
Department	Power Generation
Chief Operating Officer	Frank Almaraz

Detailed Description

CPS Energy staff recommend that contracts be awarded to Amerimex Motor & Controls, LLC dba San Antonio Armature Works, Lonestar Armature, LLC, both small/local firms, Austin Armature Works LP and Bradley's, Inc., both small firms, and K&R Operating LLC dba North End Electric and Shermco Industries, Inc., both local firms as the respondents who will provide the goods or services at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts offer parts, repairs, and technical services for large electrical motors. These contracts will allow CPS Energy to support the reliable operation of critical equipment at Power Generation facilities and will expire on April 30, 2029.

Subcontracting Opportunities

None at this time.

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	40
The overall cost	20
Safety records and training program	20
Legal and compliance requirements	10
Economic Development (Local and Small business consideration)	10
The financial soundness of the Respondent	Pass/Fail
TOTAL	**100**

CPS Energy Board of Trustees Meeting
April 27, 2026
Procurement Form 3

Recommended Respondent(s) & Award					
Respondent Name	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Amerimex Motor & Controls, LLC dba San Antonio Armature Works	Small & Local	79	$4,000,000	2232936	**Corporate headquarters in San Antonio Metropolitan Area**
Austin Armature Works LP	Small	76	$4,000,000	2232937	
Lonestar Armature, LLC	Small & Local	73	$3,000,000	2232939	**Corporate headquarters in San Antonio Metropolitan Area**
Bradley's, Inc.	Small	73	$3,000,000	2232938	
K&R Operating LLC DBA North End Electric	Local	73	$3,000,000	2232941	
Shermco Industries, Inc.	Local	70	$3,000,000	2232940	
		TOTAL	**$20,000,000**		

Annual Funds Budgeted						
Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY20230 PO Spend
$1,664,388,329	Capital	$0	0%	$0	$0	$0
$1,061,000,000	Non-Fuel O&M	$4,000,000	0.38%	$6,000,000	$5,000,000	$5,000,000

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

CPS Energy Board of Trustees Meeting
April 27, 2026
Procurement Form 4

Item Description	**BPA PO Release: Geotechnical Engineering Services – Howard-San Miguel Transmission Line Project**
Purchase Order Value	**$775,000**
Purchase Category	Professional Services
Department	Energy Delivery Services
Chief Operating Officer	Frank Almaraz

Detailed Description

CPS Energy staff recommend that a purchase order be released against the Blanket Purchase Agreement (BPA) for geotechnical engineering services to Arias & Associates, Inc., a small/local firm, as the vendor who will provide services at the best value for CPS Energy.

This contract is for geotechnical engineering services for the Howard-San Miguel Transmission Line Project. The selected company will develop soil logs, conduct laboratory and pressure meter testing, identify soil properties, and provide foundation design recommendations. This contract will allow CPS Energy to begin pre-construction activities necessary to safely and reliably build approximately 25 miles of new transmission infrastructure.

Subcontracting Opportunities

None at this time.

Recommended Respondent(s) & Award

Respondent Name	SBA Classification & Details	PO Value	PO #	Comments
Arias & Associates, Inc.	Small & Local	$775,000	2225059-01	
	TOTAL	**$775,000**		

Annual Funds Budgeted

Corporate Annual Budget	Funding Method	Projected FY2027 PO Spend	% of FY2027 Annual Corp Budget	Projected FY2028 PO Spend	Projected FY2029 PO Spend	Projected FY20230 PO Spend
$1,664,388,329	Capital	$775,000	0.05%	$0	$0	$0
$1,061,000,000	Non-Fuel O&M	$0	0%	$0	$0	$0

Our current approved budget and latest estimates supports this purchase order.

TECHNOLOGY & RESILIENCE COMMITTEE (T&R) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE MARCH 16, 2026, MEETING

PREPARED FOR BOARD CHAIR DR. FRANCINE ROMERO

FOR REPORT AT THE APRIL 27, 2026, BOARD OF TRUSTEES MEETING

The Technology & Resilience Committee met on March 16, 2026. As part of the Technology & Resilience Committee Meeting agenda, the Committee:

A. Approved meeting minutes from the prior meeting, held on December 08, 2025.

B. Received updates on Aligning Our Technology Decision Making, Evolve: ERP Transformation Program, and Turning Data Into Customer Value.

C. Four new action items were generated during the meeting.

The next meeting of the Technology & Resilience Committee will be held May 11, 2026.

Community Input Committee (CIC)
Working Group Report
Customer Relations & Communications

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 8, 2026, MEETING
PREPARED ON BEHALF OF WORKING GROUP CHAIR, MR. TOM CORSER
FOR REPORT AT THE APRIL 27, 2026, BOARD OF TRUSTEES MEETING

The Working Group received a presentation about empowering customers with their energy data in addition to an update on CPS Energy's generation plan engagement.

1. Empowering Customers with Their Energy Data:
   A. Original Improvement Opportunities
      - My Business Energy Portal
   B. Exploring the New Experience
      - Empowering Customers
   C. Customer Benefits and Relations
      - Unlocking Value
   D. Future Opportunities
      - Leveraging Data to Enhance Value

2. Generation Plan Engagement:
   A. Engagement
      - Engagement Survey
   B. Survey
      - Community Participation
      - Survey Results Questionnaire
   C. Touchpoints
      - Community Conversations
      - CIC Results
      - Next Steps

The Working Group members received an overview of CPS Energy's new technologies and tools to enhance energy management through My Business Energy Portal for business customers. They also received a preliminary recap of stakeholder participation in the generation plan community survey. The members expressed strong support for the overall approach and offered feedback on comprehensive and accessible communication methods for customers. Additionally, members suggested adding a standing item on working group meeting agendas to discuss future topics that are inclusive of input from members, staff and the CPS Energy Board of Trustees.

This report has been distributed to all members of the Community Input Committee.

The next Customer Relations & Communications Working Group meeting is on June 10, 2026.

Community Input Committee (CIC)
Working Group Report
Power and Technology

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 8, 2026, MEETING
PREPARED ON BEHALF OF THE WORKING GROUP CHAIR, MR. PETER ONOFRE
FOR REPORT AT THE APRIL 27, 2026, BOARD OF TRUSTEES MEETING

The Working Group convened to hold elections for the 2026 Vice Chair position. The Working Group elected Michael Kennick as Vice Chair. Following the election, the Working Group received a presentation on CPS Energy's state and federal grants.

A. Overview of CPS Energy state and federal grants, including their status:
    - Grid Resiliency & Innovation Partnership (GRIP)
    - Community Development Block Grant (Weatherization) FY23
    - Pipeline & Hazardous Materials Administration (PHMSA) FY23 & FY24
    - Community Resiliency FY26
    - Texas Department of Emergency Management Grid Resiliency
B. Individual contributions to resiliency by grant type
C. Grant alignment with CPS Energy Vision 2030 and Horizon 2050 goals

Working group members expressed appreciation for the collaboration between CPS Energy and other entities in securing grant funding, inquired about how sites are selected for certain funding, and explored the metrics used to determine program success. The working group participated in a deeper discussion around the GRIP and Grid Resiliency grants and provided feedback about the importance of engagement and collaboration with community-based non-profit organizations in executing resiliency projects.

This meeting summary has been distributed to all members of the Community Input Committee.

The next Power and Technology Working Group meeting is on June 10, 2026.

Community Input Committee (CIC)
Working Group Report
Finance and Business

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 8, 2026, MEETING
PREPARED ON BEHALF OF WORKING GROUP CHAIR, MR. BOB ZAPATA
FOR REPORT AT THE APRIL 27, 2026, BOARD OF TRUSTEES MEETING

The Working Group received a presentation and overview of the Electric Reliability Council of Texas (ERCOT) & Public Utility Commission of Texas (PUCT).

A. ERCOT & PUCT Overview
B. Key Players and Their Roles
    - Internal and External Stakeholders
C. ERCOT Stakeholder Participation
    - ERCOT Engagement
D. PUCT Open Meetings
    - PUCT Engagement
E. Rulemakings & Projects
    - SB6 Status and Updates
F. Cross Functional Coordination
    - Internal & External Collaboration

Working Group members received an overview of the roles of the PUCT and ERCOT and how they function in relation to the Texas Legislature. The interaction and coordination of CPS Energy's engagement with the PUCT and ERCOT was explained, emphasizing the utility's focus on advocacy, transparency, and legislative alignment. Members were also informed of the various documents available on the PUCT and ERCOT websites. Members offered feedback on opportunities for CPS Energy to leverage the CIC as an extension of its advocacy efforts within PUCT processes and through broader stakeholder engagement and encouraged CPS Energy to provide continued updates on key initiatives. Working Group members commended CPS Energy for its strategic approach to maintaining internal and external stakeholder alignment, monitoring priority issues, and mitigating risks that could impact CPS Energy customers.

This report has been distributed to all members of the Community Input Committee.

The next Finance and Business Working Group meeting is on June 10, 2026.

COMMUNITY INPUT COMMITTEE CANDIDATE APPROVAL

PRESENTED BY:

Kathy Garcia
Vice President, Government and Regulatory Affairs & Public Policy

April 27, 2026
Request for Approval

AGENDA

- Overview of the Community Input Committee (CIC)
- Presentation of the CIC Candidates for Approval
- Approval of Nominations

We are seeking your approval of two City Council nominations to the CIC.

OVERVIEW OF THE COMMUNITY INPUT COMMITTEE (CIC)

- The CIC is a 19-member community advisory body composed of:
  - 10 members nominated by the San Antonio City Council.
  - 4 members nominated by the CPS Energy Board of Trustees.
  - 5 At-Large members nominated by the CIC.
- All CIC nominations require CPS Energy Board approval.
- CIC members can serve 3 two-year terms, for a total of 6 years.
- We are seeking the approval of candidates for:
  - City Council District 1 (Councilmember Dr. Sukh Kaur)
  - City Council District 4 (Councilmember Edward Mungia)

COMMUNITY INPUT COMMITTEE (CIC) CANDIDATE



Martin Gutierrez

Council District 1 Nominee

- Vice President of Government Affairs and Advocacy, San Antonio Board of Realtors
- Past Chair, SAWS Community Experience Committee
- Board Member, San Antonio Hispanic Chamber of Commerce
- Board Member, Texans for Safe and Drug-Free Youth

COMMUNITY INPUT COMMITTEE (CIC) CANDIDATE



Melinda Lechuga

Council District 4 Nominee

- Retired, Citi Bank Client Services
- District 4 Chair, SAWS Community Experience Committee
- President, Lackland Terrace Neighborhood Association

REQUEST FOR APPROVAL
COMMUNITY INPUT COMMITTEE (CIC) CANDIDATES

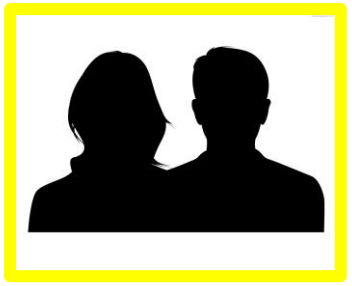
- Martin Gutierrez (District 1)
- Melinda Lechuga (District 4)

We are seeking your approval of two nominees to the CIC.

THANK YOU

APPENDIX

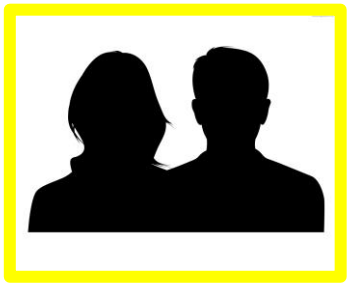
COMMUNITY INPUT COMMITTEE (CIC) MEMBERS



Richard Farias (D1)



Diana Lopez (D2)



Diana Martinez (D3)



Frank Gonzales (D4)



Dr. Julián Villarreal (D5)



Lawson Picasso (D6)



Dr. Adelita Cantu (D7)



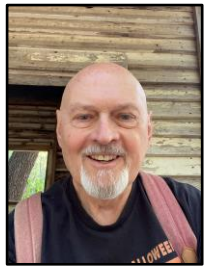
Michael Kennick (D8)



Tom Corser (D9)



Vanessa Alvarado (D10)



David Gannon
(At-Large)



Bob Zapata
(At-Large)



Aaron Stein
(At-Large)



Steve Bonnette
(At-Large)



Maria Nelson
(At-Large)

Current City Council and At-Large Members of the CIC.

COMMUNITY INPUT COMMITTEE (CIC) MEMBERS – CONTINUED



Christopher Fullerton
Quadrant 1 (Northwest)



Sara Villarreal
Quadrant 2 (Northeast)



Frank Dunn
Quadrant 3 (Southeast)



Peter Onofre
Quadrant 4 (Southwest)

Current Board-appointed Members of the CIC.

FY2026 YEAR-END PERFORMANCE RECAP

PRESENTED BY:
Elaina Ball
Chief Strategy Officer

Cory Kuchinsky, CPA
Chief Financial Officer (CFO) & Treasurer

APRIL 27, 2026
Informational Update

AGENDA

- Enterprise Scorecard Results
- Financial Performance

Our objective is to review our FY2026 financial performance, major accomplishments, and the enterprise initiatives that advanced the strategic goals developed in collaboration with our community and stakeholders.

FY2026 ENTERPRISE SCORECARD

YEAR-END STATUS

VISION 2027 OBJECTIVES

OPERATIONAL EVOLUTION | FINANCIAL STABILITY | CUSTOMER EXPERIENCE | TEAM CULTURE | COMMUNITY PARTNERSHIP & GROWTH

Strategic Execution - Forward Looking Progress from Vision 2027 Towards Vision 2030

Power Generation Plan

FY2026 Milestone	Status
Complete Wave 2 Transition Plan of new acquisitions	Completed
Achieve commercial operation for new solar and storage resources	Completed
Award key contracts including engineering, procurement, and construction (EPC) and major equipment supply for the Peaker Project and Spruce 2 Natural Gas Conversion Project	Deferred
Support ERCOT reliability through execution of directed Reliability Must-Run (RMR) contracts	Completed

System Resiliency & Growth

FY2026 Milestone	Status
Complete Emergency Management System (EMS) Supervisory Control & Data Acquisition (SCADA) System Roll-Out and continue upgrading Advanced Distribution Management System (ADMS) SCADA System	On Track
Complete GIS Utility Network Phase 1 (Electric Data Migration) and start Phase 2 (Electric Integration to ADMS)	Completed
Execute gas strategies to include Permian Hwy to Rio Nogales, Southgate to Rio Nogales, and North Outer Loop	On Track
Upgrade and modernize transmission system for resiliency and growth (Multiple projects as part of South Reliability Electric Transmission Line Expansion)	On Track
Submit TCOS rate filing package developed through significant cross-functional efforts and with internal and external legal guidance	On Track

EVOLVE: Enterprise Resource Planning

FY2026 Milestone	Status
On-Boarding of System Implementation (SI) partner and remaining program team roles	Completed
Complete Global Design	Completed
Execute change management efforts and communication strategy	Completed

Customer Experience

FY2026 Milestone	Status
Onboard a consultant to develop a customer experience (CX) roadmap, refining customer segmentation	Completed
Form a CX Championship Team to define the CX framework, set goals, and create a communication and training plan to align employees in enhancing customer experience	Completed
Support the development and execution of products and services to include customer feedback and effective engagement	On Track
Process improvement for customer support efforts	On Track

FY2026 Enterprise Measure Targets (red font indicates measure target was not achieved)

64.15 Average Customer Outage Duration	**0.54** Gas Safety	**90.5%** Plant Availability	**≥3.0** Fiscal Resiliency	**699** Customer Perception	**4.15** Living Mission & Values	**1.09** Safety Performance	**70.00%** Strategically Investing in the Community

FY2026 YEAR-END HIGHLIGHTS

Measure	Strategic Accomplishment
Average Customer Outage Duration	• Modernized Supervisory Control and Data Acquisition (SCADA) through multi-year project, replacing legacy system
Plant Availability	• Acquired **~1,600** MW of natural gas generation • Added a combined **519** MW of battery, wind, and solar capacity • Reduced operational stress on existing plants
Gas Safety	• Achieved target with leaks reduced to **0.42** per 1,000 customers • Earned SOAR (System Operational Achievement Recognition) from APGA (American Public Gas Association) for natural gas utility excellence
Fiscal Resiliency	• Remained solid at **3.13**, exceeding the target (≥3.0), indicating continued financial strength and stability (excludes the East Texas peaker acquisition)
Customer Perception	• Reached **716**, surpassing the target of 699, highlighting improved customer satisfaction and engagement • Expanded equity-focused programs and outreach
Living Mission & Values	• Fell slightly short of our 4.15 target, but our **4.12** result places us within the top quartile among our peers, indicating our commitment to strengthening the workforce culture

Safety Performance	• Received the American Public Power Association's (APPA) Safety Award of Excellence - Diamond Level, its highest honor, for exemplary safety efforts & the overall state of our safety program & culture in 2025
	• The STAR (Safety, Teamwork, Accountability, Results) Driver program, Smith System Driver Training Compliance, expansion of our Driver Scorecard Pilot Program, and ongoing communication on at-risk behaviors helped in reducing preventable motor vehicle accidents (PMVA).
	  ○ Achieved a **31%** decrease in PMVA since FY2024
	  ○ Achieved a **50%** decrease in collisions on company property compared to FY2025

Strategically Investing in the Community	• Local spend reached **72.08%,** well above the 70% target, demonstrating a strong commitment to community partnership and economic impact.

Achieved key targets with gas safety, financial health, customer satisfaction, and community investment.

FY2026 ENTERPRISE MEASURE RESULTS
AS OF JANUARY 31, 2026

Strategic Objective	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year (FY2026 / CY2025)		Year-End Result
						FY2024	FY2025	Year- End Actual	Year-End Target	
						CY2023	CY2024			
Operational Evolution	**Average Customer Outage Duration** (System Average Interruption Duration Index - SAIDI)	Monthly	CY	#	↓	61.19	61.80	75.38	64.15	Not Achieved
	Plant Availability[1] (Critical Months Equivalent Availability Factor - CMEAF)	Monthly	CY	%	↑	94.4	89.5	81.5	90.5	Not Achieved
	Gas Safety (Leaks Remaining at End of Year Per 1,000 Customers)	Monthly	CY	#	↓	0.61	0.23	0.42	0.54	Achieved
Financial Stability	**Fiscal Resiliency**[2,3] (Index of Key Financial Measures)	Monthly	FY	#	↑	3.71	3.15	3.13	≥3.0	Achieved
Customer Experience	**Customer Perception** (Residential Engaged Customer Relationship – ECR)	Quarterly	CY	#	↑	699	687	716	699	Achieved
Team Culture	**Living Mission & Values** (Gallup 12+ Index)	Annually	FY	#	↑	4.12	4.15	4.12	4.15	Not Achieved
	Safety Performance (Enterprise Recordable Incident Rate - RIR)	Monthly	FY	#	↓	0.85	1.19	1.54	1.09	Not Achieved
Community Partnership & Growth	**Strategically Investing in the Community** (Local Spend Percentage)	Quarterly	FY	%	↑	74.78	74.58	72.08	70.00	Achieved

[1]Critical month calculation includes January, February, and June through September. [2]Excludes the East Texas peaker acquisition. [3]Fiscal Resiliency detail can be found in the Financial Performance section.

AVERAGE CUSTOMER OUTAGE DURATION



Average Customer Outage Duration (System Average Interruption Duration Index - SAIDI)

- **Performance impacted by:**
  - More frequent storms, with 14 major events recorded in 2025 compared to 10 in 2024
  - Equipment-related failures contributing to outage duration & frequency, especially primary conductors, Underground Residential Distribution (URD) cables, & poles
  - Proactive circuit de-energization implemented during both planned & emergency work to ensure worker & public safety

- **Key mitigations underway:**
  - Multiple ongoing reliability programs, including vegetation management, reduced outage risk. Completed tree-trimming miles totaled:
    - CY2025: ~1,300 miles
    - FY2026: ~1,500 miles
  - Enhanced tracking & analysis of equipment failures enabling better identification of systematic issues & targeted asset replacement
  - Restoration sequencing & outage analytics supporting faster service restoration & efficient operational decision making

Preventative programs, prioritizing high-risk equipment replacements, implementing additional outage tracking, and launching lightning arrestor program enhance reliability and resilience.

PLANT AVAILABILITY



Plant Availability
(Critical Months Equivalent Availability Factor - CMEAF)

- **Performance impacted by:**
  - Sommers 2 Low Pressure (LP) turbine blade repairs (25%)
  - Sommers 1 main steam line repairs (23%)
  - Spruce 2 superheat tube leaks (22%)
  - Fleet – other equipment issues (19%)
  - Additional contributors: Spruce 1 tube leaks & Sommers 2 condensate pump issues (5% each)

- **Key mitigations underway:**
  - Sommers 2: Root Cause Analysis (RCA) and Identification of Low-Pressure (LP) turbine replacement options
  - Sommers 2: Spare motor & magnetic drive pump procurement to reduce downtime risk
  - Sommers 1: Enhanced high-energy piping inspections & repairs
  - Spruce 2: Boiler combustion tuning, preventive boiler assessments, boiler ash system maintenance, planned tube assembly replacements (Spring 2026)
  - Spruce 1: Boiler tuning, preventive boiler condition assessments & boiler ash system improvements

Enhanced inspection programs, repairs, capital replacements, unit enhancements and Root Cause Analysis-driven corrective actions support sustained improvements in reliability and performance.

LIVING MISSION & VALUES



Living Mission & Values (Gallup 12+ Index)

- **Performance was impacted by:**
  - Target-setting approach misaligned with organizational maturity and Gallup best practices.
  - Emphasis on numeric score attainment rather than sustaining Top Quartile performance.
  - Inconsistent action planning and follow-through.
  - Leadership engagement gaps influencing frontline engagement outcomes.
  - Overall decline in the Enterprise Employee Engagement results (grand mean).

- **Key mitigations underway:**
  - Realigning targets to sustain Top Quartile performance (≥75th percentile).
  - Strengthening leadership accountability through structured engagement reviews.
  - Implementing targeted improvement plans for persistently low-engagement teams.
  - Expanding leadership coaching to reinforce effective action planning.
  - Leveraging insights from high-performing teams and leadership focus groups to address root drivers.

Note: Observations reflect initial review; detailed analysis remains underway

Our consistent top-quartile results reflect Leadership's commitment to strengthening employee engagement to ensure employees' workplace needs are met consistently.

SAFETY PERFORMANCE



Safety Performance
(Enterprise Recordable Incident Rate - RIR)

- **Performance was impacted by:**
  - 51 recordable incidents
  - Musculoskeletal Disorders (MSDs) representing most of the recordables (43%)
  - One recordable incident met the Serious Injury or Fatality (SIF) criteria.
  - Organization continues to focus on psychological safety encouraging incident reporting and there continues to an increase in both First Aid Injuries and Recordable Injuries (RIs).

- **Key mitigations underway:**
  - Targeted injury prevention through Industrial Athlete program, with eight potentially recordable injuries successfully managed at the first-aid level through proactive intervention.
  - Integration of STCKY (“Stuff That Can Kill You”) and Direct Controls continued to improve frontline hazard identification.
  - Continued focus on prompt injury reporting and timely intervention to reduce escalation to recordable outcomes.
  - Safety Culture implementation has seen continued improvement in psychological safety and proactive safety leadership among our field crews.

Year-end results fall within our confidence interval. Sustained improvement in RIR reduction indicate mitigation strategies continue to gain traction.

FY2026
FINANCIAL PERFORMANCE

FY2026 SUCCESSES
FINANCIAL ACCOMPLISHMENTS

- Strategic acquisition of East Texas peaking units for ~$2B less than the cost to build.
- Delivered over $300M in WRNF funding, protecting services our customers rely on by reducing local funding pressure and managing budget risk effectively.
- Obtained an unmodified audit opinion for our FY2025 financial statements.
- Implemented study fees for large load customers to recover the costs associated with evaluating major load additions.
- Completed commodity prepay transactions for gas and renewables that had a total value of ~$60M.
- Proactively managed relationships with credit rating agencies.
- Executed multiple financing transactions with favorable terms.
- Enhanced liquidity access by adding $250M in commercial paper and $150M from our newly established Extendible Municipal Commercial Paper (EMCP) program.
- Reduced past-due balances by $20.4M, sustaining the overall downward trend that began after the October 2022 peak.

Each win resulted in real dollars back to our community, thereby lowering the amount we need to recover from our customers.

FY2026 KEY INVESTMENTS

Reduces likelihood and impact of outages

Reliability & Resiliency

- ✓ 157 reclosers installed
- ✓ 812 poles replaced
- ✓ 1.5K miles of vegetation management
- ✓ 16 major storms
- ✓ 2,001 leaks repaired
- ✓ 254,697 locates completed
- ✓ 1,213 miles of gas pipelines surveyed



Sufficient power to meet community needs

Community & Customer Growth

- ✓ ~28.5K new gas and electric meter sets
- ✓ 891 transformers installed
- ✓ >3 million customer calls
- ✓ +1,632 MW of capacity



Enhances customer experience and security

Technology & Security

- ✓ Completed ERP Global Design phase
- ✓ Delivered new payment options to customers
- ✓ Expanded visibility to energy consumption data for customers
- ✓ Acquired 900 Mhz wireless spectrum to enable future private-LTE network
- ✓ Conducted 12 Enterprise Incident Response exercises
- ✓ Modernized Identity Access Management platform

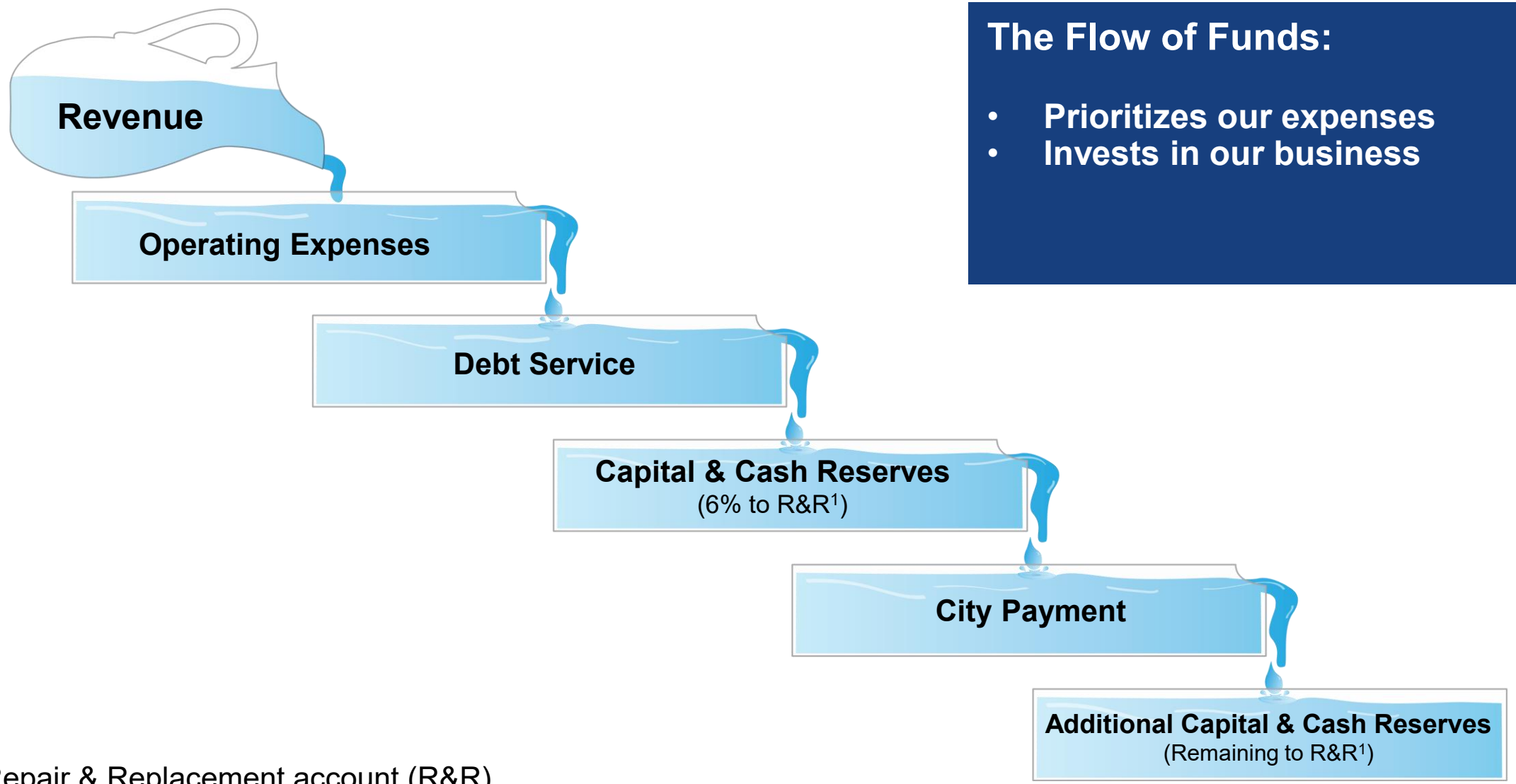


Staffed to meet customer needs

People

- ✓ 478 (~13%) employees moved into new roles
- ✓ 140 new managers placed, 90% internal
- ✓ 24 employees promoted through succession planning

GOVERNANCE OF OUR REVENUE
AS PRESCRIBED BY BOND COVENANTS



The Flow of Funds:

- Prioritizes our expenses
- Invests in our business

1. Repair & Replacement account (R&R)

FLOW OF FUNDS
YEAR-END ACTUAL VS. PLAN

($ in millions)	FY2026		
Description	Plan	Actuals	Variance: (Under Plan) Over Plan
Revenues, net of unbilled	$ 4,473.5	$ 4,116.0	$ (357.5)
Less: fuel & regulatory expense	1,999.8	1,701.6	(298.2)
Less: Operation & maintenance	983.3	1,058.8	75.5
Revenues, net of Operating Expenses	1,490.4	1,355.6	(134.8)
Less: Debt service	543.4	560.9	17.5
Less: 6% Gross Revenue to R&R	268.4	247.0	(21.4)
Less: city payment (CP) per flow of funds	498.2	497.1	(1.1)
Remaining to R&R	180.4	50.6	(129.8)
Total R&R fund additions	$ 448.8	$ 297.6	$ (151.2)
Gross Non-Transmission Capital	$ 1,230.2	$ 2,377.4	$ 1,147.2
Gross Transmission Capital	270.5	337.7	67.2
Total Gross Capital	$ 1,500.7	$ 2,715.1	$ 1,214.4

Highlights

Revenues, net of unbilled lower than plan
Lower fuel and wholesale revenue than plan

O&M higher than plan
Higher storm restoration due to weather, several unplanned plant outages, and increased streetlight maintenance

Capital higher than plan
Strategic acquisition of East Texas Peakers and increased transmission projects

FINANCIAL METRICS RESULTS

	Results vs. FY2026 Budget (*Excluding* Strategic Acquisition)		Results vs. Gen Plan Expectations (*Including* Strategic Acquisition)	
	Range	**Actual**	**Range**	**Actual**
Adjusted Debt Service Coverage Ratio (Higher is Better)	**1.60 - 1.99x** ~$1.3B - ~$1.6B (Net Revenues)	☑	**1.60 - 1.99x** ~$1.4B - ~$1.6B (Net Revenues)	☑
Debt Capitalization Ratio (Lower is Better)	**55.01% - 64.99%** ~$6.1B - ~$9.3B (Total Outstanding Debt)	☑	**65.01% - 69.99%** ~$9.3B - ~$11.6B (Total Outstanding Debt)	☑
Days Cash on Hand (Higher is Better)	**150 - 199** ~$900M - ~$1.3B (Cash)	☑	**150 - 199** ~$1.1B - ~$1.5B (Cash)	☑
Days Liquidity on Hand (Higher is Better)	**200 - 274** ~$1.5B - ~$2.1B (Short-Term Financing Capacity)	☑	**200 - 274** ~$1.5B - ~$2.1B (Short-Term Financing Capacity)	☑
Fiscal Resiliency Score (Higher is Better)	**≥3.00**	☑	**2.50 - 3.00**	☑

Our FY2026 financial metrics and fiscal resiliency score continue to be in line with the plan with the additional plant acquisitions.

THANK YOU

APPENDIX

GLOSSARY / DEFINITIONS

ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
Adjusted Debt Service Coverage Ratio (ADSC)	Measurement of available cash flow to pay current debt obligations	O&M	Normal costs incurred to keep business operations ongoing (Operating & Maintenance)
CCF	100 Cubic Feet of Gas	P&L	Profit & Loss
CMEAF	Critical Months Equivalent Availability Factor	Pre-FAT	Factory Acceptance Test
CY	Calendar Year	R&R	A restricted cash account which may be used to fund construction costs (Repair & Replacement account)
Days Cash on Hand (DCOH)	Represents the number of days a company can continue to pay its operating expenses with current cash available	RIR	Recordable Incident Rate
Debt Service	In the Flow of Funds, the annual amount of principal and interest payments due to bond holders	RMR	Reliability Must Run
ECR	Engaged Customer Relationship	SAIDI	System Average Interruption Duration Index
EVOLVE	Program for implementing ERP system	TCOS	Transmission Cost of Service
FY	Fiscal Year	TWh	Terawatt-hour or 1 billion of kWh
kWh	Kilowatt-hour	WRNF	Wholesale Revenue Net Fuel
YoY	Year-over-year	YTD	Year-to-Date

FY2026 CORPORATE MEASURE RESULTS

YEAR-END AS OF JANUARY 31, 2026

Strategic Objective	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year (FY2026 / CY2025)		Year -End Results
						FY2024 CY2023	FY2025 CY2024	Year-End Actual	Year-End Target	
Operational Evolution	Customer Average Interruption Duration Index (CAIDI)	Monthly	CY	#	↓	60.88	57.34	60.44	72.90	Achieved
	Critical IT System Availability	Monthly	FY	%	↑	99.8	99.9	99.9	99.5	Achieved
	Environmental Compliance Issues - NOE & NOV (Category A & B) Enterprise	Monthly	FY	#	↓	0	0	0	0	Achieved
	Environmental Compliance Issues - NOV (Category C)	Monthly	FY	#	↓	1	0	0	0	Achieved
	Improved Outage Communication	Quarterly	CY	#	↑	78	74	76	75	Achieved
	Native Load Supply Cost (NLPSC)	Monthly	FY	$	↓	26.17	23.99	25.29	30.30	Achieved
	Nuclear Performance Plan	Monthly	CY	%	↑	152.4	12.0	90.2	100.0	Not Achieved
	Portfolio Commercial Availability	Monthly	CY	%	↑	94.0	87.2	76.6	88.9	Not Achieved
	Reportable Environmental Incidents / Major Environmental Compliance Risk Indicator (ECRI)	Monthly	FY	#	↓	0	2	0	3	Achieved
	Response Time to Odor Complaints (% < 30)	Monthly	FY	%	↑	82.2	80.7	82.3	83.5	Not Achieved
	System Average Interruption Frequency Index (SAIFI)	Monthly	CY	#	↓	1.01	1.08	1.25	1.05	Not Achieved
	Wholesale Revenue Net Fuel	Monthly	FY	$	↑	246.84	292.74	304.35	337.00	Not Achieved

FY2026 CORPORATE MEASURE RESULTS

YEAR-END AS OF JANUARY 31, 2026

Strategic Objective	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year (FY2026 / CY2025)		Year -End Results
						FY2024	FY2025	Year-End Actual	Year-End Target Range	
						CY2023	CY2024			
Financial Stability	Adjusted Debt Service Coverage [1]	Monthly	FY	#	↑	2.21	1.94	1.62	1.60 - 1.99x	Achieved
	Capital Budget (Gross of CIAC) [1]	Monthly	FY	$	↓	1,004.6	1,749.7	1,314.1	+/- 2.01% to 10.00%	Achieved
	Days Cash on Hand [1]	Monthly	FY	#	↑	201	182	167	150 - 199	Achieved
	Days Liquidity on Hand [1]	Monthly	FY	#	↑	432	450	339	200 – 274	Achieved
	Debt Capitalization [1]	Monthly	FY	%	↓	60.8	61.8	63.5	55.01% - 64.99%	Achieved
	Non-Fuel Revenue w/OSS RnF [1]	Monthly	FY	$	↑	1,784.1	1,936.5	1,942.3	-5.00% to +4.99%	Achieved
	O&M Budget [1]	Monthly	FY	$	↓	787.6	932.0	1,027.9	+/- 2.01% to 5.00 %	Achieved
	Enterprise Senior Lien Bond Ratings [2]	Monthly	FY	#	=	1	1	1	1	Achieved
	Rating Agency Outlook	Monthly	FY	#	=	1	2	1	1	Achieved
	Financial Audit [3]	Annually	FY	#	↑	1	1	-	1	Achieved

[1] These measures comprise the Fiscal Resiliency Enterprise Measure and Year-End Target Range for each indicates the range that factors into achieving ≥ 3.0 for that measure and exclude the East Texas peaker acquisition.
[2] A measure of the senior lien bond ratings as measured by Fitch, Moody's, and Standard & Poor's (Fitch = AA-, Moody's = Aa2, Standard & Poor's = AA-) such that "1" represents the maintenance of current ratings, a "2" (or "0") indicates an upgrade (or downgrade) in one or more ratings.
[3] The Financial Audit YTD actuals reflect measure results through FY2025. FY2026 external audit results will be included in the April 2026 Corporate Measure Report issued in May.

FY2026 CORPORATE MEASURE RESULTS

YEAR-END AS OF JANUARY 31, 2026

Strategic Objective	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year (FY2026 / CY2025)		Year-End Results
						FY2024 CY2023	FY2025 CY2024	Year-End Actual	Year-End Target	
Customer Experience	**Customer Satisfaction Index**	Quarterly	CY	#	↑	NT [1]	81.9	82.6	82.0	Achieved
Team Culture	**Contractor Recordable Incidents**	Monthly	FY	#	↓	8	5	5	5	Achieved
	Employee Engagement – Enterprise	Annually	FY	#	↑	4.16	4.19	4.16	4.19	Not Achieved
	Enterprise Readiness – Executives	Annually	FY	%	↑	82	74	75	75	Achieved
	Enterprise Preventable Motor Vehicle Accident Rate (PMVAR)	Monthly	FY	#	↓	5.58	5.24	4.03	4.06	Achieved
Community Partnership & Growth	**Government Relations, Regulatory Affairs & Public Policy Agenda Index**	Annually	FY	%	↑	93.8	94.0	90.4	90.0	Achieved

[1] NT signifies no historical results in CY2023 because measure was not tracked.

VISION 2030 STRATEGY TO EXECUTION

FY2027 ENTERPRISE SCORECARD

VISION 2030 STRATEGIC GOALS - ENERGIZING PROGRESS TOGETHER

RELIABILITY	VALUE	CLEANER ENERGY	FINANCIAL STRENGTH	TEAM EXCELLENCE
Strengthen energy system growth, resilience, and modernization	*Drive customer-centric innovation that improves affordability, expands service choices, and elevates digital engagement*	*Reduce impact on the environment through measurable action*	*Manage costs, plan for future risks, and invest wisely*	*Invest in our people and future workforce by advancing safety culture, providing modern tools and support, and developing leaders who actively guide change*
FY2027 Milestones	FY2027 Milestones	FY2027 Milestones	FY2027 Milestones	FY2027 Milestones
• Continue modernization of transmission system for resiliency and growth with multi-year projects (e.g., Howard-Solstice 765kV, Spruce to Pawnee and Howard Rd to San Miguel 345kV). • Complete Energy Management Systems (EMS) & Supervisory Control and Data Acquisition(SCADA) roll-out and continue upgrading Advanced Distribution Management System (ADMS). • Execute gas strategies to include Permian Hwy to Rio Nogales, Southgate to Rio Nogales and North Outer Loop. • Optimize approved power generation plan execution through strategic transactions.	• Advance the Evolve digital transformation program by supporting the Oracle Enterprise Resource Planning (ERP) design and build activities for Releases 1 and 2. • Improve the large load customer experience by enabling power solutions that comply with regulatory requirements. • Continue to develop and scale premium outreach and assistance programs that actively support customers.	• Award key contracts including engineering, procurement, and construction (EPC), finalize engineering, and start equipment purchases for the Spruce 2 Natural Gas Conversion. • Execute continuation of STEP Program initiatives to include Weatherization and Community Solar growth. • Continue execution of approved power generation plan, including additional acquisition of incremental solar, wind and storage capacity. • Execute the power generation plan refresh to maintain diversification of our generation portfolio and meet evolving community growth.	• Submit (Transmission Cost of Service) TCOS rate filing package. • Conduct an updated cost of service analysis to demonstrate fiscal responsibility and transparency. • Maintain financial stability and a strong credit profile, reflecting disciplined financial management, diversified revenue sources, and adequate liquidity. • Prioritize and execute business optimization initiatives to improve operational efficiency and support long-term sustainability. • Optimize receivables performance through customer payment solutions that promote current account status.	• Continue maturing Safety Culture work with existing Grass Roots and guidance teams, adding Power Generation and Supply Chain teams. • Continue STCKY (Stuff That Can Kill You) prevention transition to further focus safety on key risks. • Enhance and expand the Industrial Athlete program to address preparation for work in the field and minimize musculoskeletal disorders. • Business units drive organizational change management and develop a series of workforce plans to improve collaboration and communication. • Business units execute the ERP change management plan to prepare the organization for future state business processes, enhanced technical/enabled capabilities and training.

FY2027 ENTERPRISE MEASURES & TARGETS

73.00 min Average Customer Outage Duration	**87.0%** Plant Availability	**0.42** Gas Safety	**705 - 710** Customer Perception	**70.00%** Strategically Investing in the Community	**Top 25%** 12-Month Total Bill - Residential	**Quarterly Update** Carbon Intensity	**≥2.93** Fiscal Resiliency	**75th Percentile** Living Mission & Values	**1.11** Safety Performance

NET INCOME

YEAR-END ACTUAL VS. PLAN

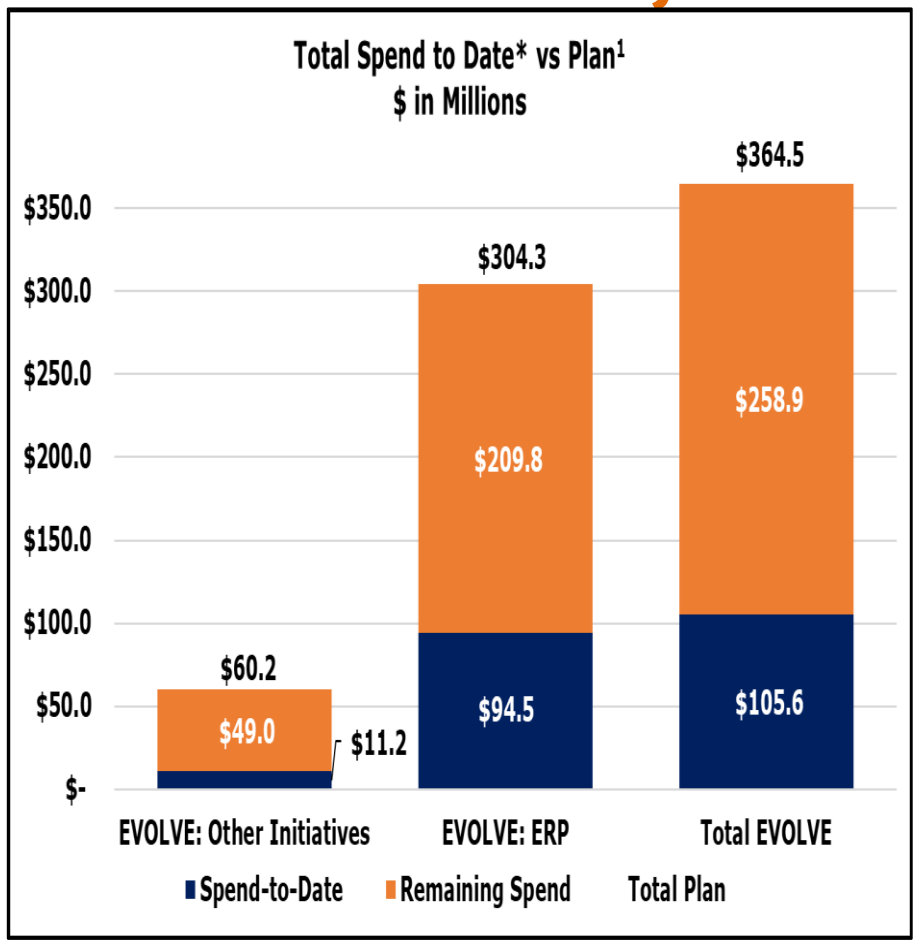
($ in millions) Description	FY2026 Plan	Actuals	Variance: (Under Plan) Over Plan
Revenue available for nonfuel expenses			
Electric	$ 4,126.8	$ 3,804.3	$ (322.5)
Gas	288.7	286.0	(2.7)
Other Operating Revenue	4.2	9.3	5.1
Total operating revenue	4,419.7	4,099.6	(320.1)
Less:			
Electric fuel, distribution gas and regulatory	2,006.7	1,705.5	(301.2)
Payments to the City of San Antonio	512.8	510.8	(2.0)
Net operating revenue	1,900.2	1,883.3	(16.9)
Nonoperating revenue[1]	77.7	107.4	29.7
Total revenue available for nonfuel expenses	1,977.9	1,990.7	12.8
Nonfuel expenses			
Operation & maintenance	982.2	1,058.8	76.6
Depreciation, amortization & decommissioning	612.6	605.9	(6.7)
Interest & debt-related	336.4	346.9	10.5
Total nonfuel expenses	1,931.2	2,011.6	80.4
Capital Contribitions	117.0	140.5	23.5
Net Income (Loss)	$ 163.7	$ 119.6	$ (44.1)

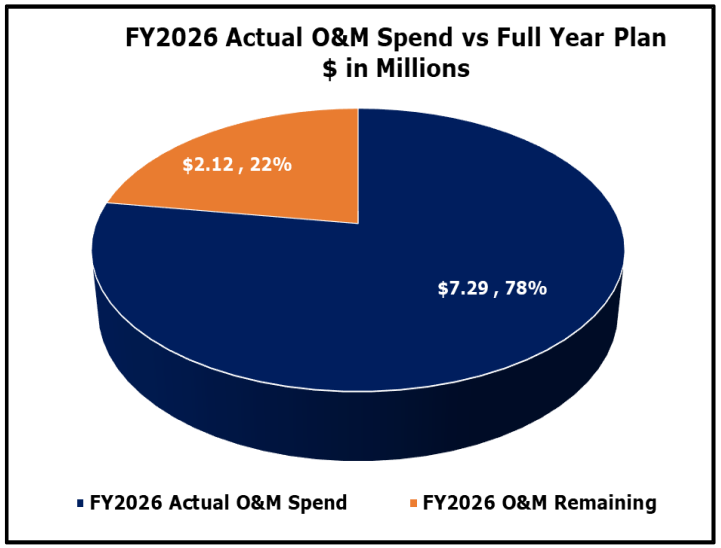
Non-cash items such as investment fair value adjustments do not impact financial metrics such as ADSC or DCOH. These items only impact net income and by extension the equity portion of the debt/capitalization metric.
January Year-End bad debt expense of $9.1M vs $14.0M for plan which is $4.9M under plan.

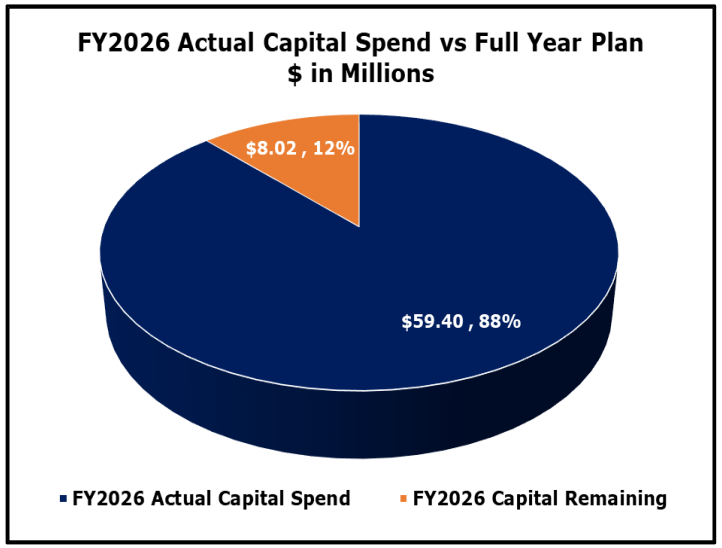
[1] The Braunig RMR incentive for January Year-End is ~$4.0M, while the related project spend of ~$51.7M is recorded as a receivable from ERCOT, with no impact on P&L.

EVOLVE FINANCIAL SUMMARY

AS OF JANUARY 31, 2026







FY2026 O&M & Capital Spend

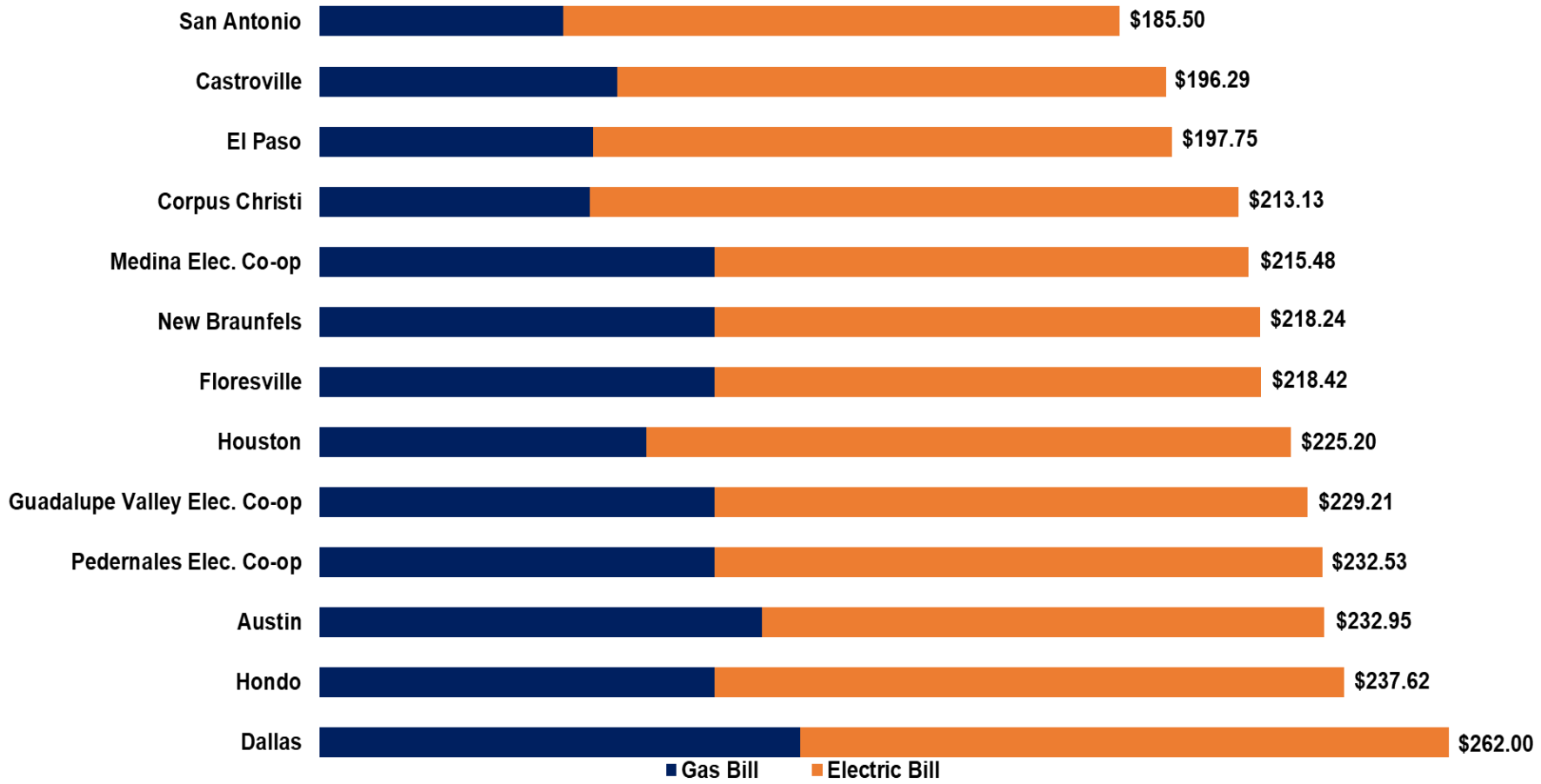
$ in Millions	Actual Spend	Full Year Plan	Variance
O&M	$7.29	$9.41	($2.12)
Capital	$59.40	$67.42	($8.02)
Total	$66.69	$76.83	($10.14)

* Includes FY2021-FY2025 Actuals and FY2026 Actuals thru Period 12 (January). [1] Plan is based on EIT's total estimated costs for EVOLVE of $364.5M and ERP of $304.3M through FY2030, as of the FY2026 approved budget.
Note: Visuals do not include any adjustments for contingencies; Visuals include all EVOLVE initiatives. ERP is the largest effort within EVOLVE.; Total estimate informed by current known variables, to be refined based on future organizational, technology and market conditions.

As planned, the ERP Program completed the Global Design phase in FY2026.
Overall EVOLVE portfolio remains on track with the financials.

TEXAS & LOCAL CITIES COMBINED RESIDENTIAL BILL COMPARISON

TRAILING TWELVE MONTHS ENDING JANUARY 2026



	¢/kWh	$/MCF
San Antonio	12.9	11.3
Castroville	12.7	13.8
El Paso	13.4	12.7
Corpus Christi	15.0	12.5
Medina Elec. Co-op	12.4	18.3
New Braunfels	12.7	18.3
Floresville	12.7	18.3
Houston	14.9	15.2
Guadalupe Valley Elec. Co-op	13.8	18.3
Pedernales Elec. Co-op	14.1	18.3
Austin	13.0	20.5
Hondo	14.6	18.3
Dallas	15.1	22.3

1,000 kWh & 5 MCF

Note: Deregulated markets electric data from powertochoose.org (Term 12 mos.; 4&5 star rated REPs).
San Antonio & Castroville are the only cities that have a single electric & gas provider.

CPS Energy
Discussion with those charged with governance

Audit results for the year ending January 31, 2026

April 27, 2026

People X Platform

Be confident in KPMG with our people and platform integrated into every aspect of your audit. Here's what makes us different:

Agile, industry-experienced team members

led by an empowered lead partner and backed by the strength of our full firm

Modernized project management

with milestones focused on minimizing disruption and maximizing insights

Tailored, data-driven approach

driving a risk-based strategy, with clarity and visibility from the very start

Environment of trust and transparency

through open communication and meaningful conversations

KPMG has put AI and innovation at the forefront and is significantly advancing the capabilities of auditing and financial reporting to uplevel employee experience and accelerate innovation. With the integration of AI innovations across the Microsoft Cloud, further enhanced by KPMG's Audit expertise, together we are creating more value and achieving more together as a result.

Amy Hood
Chief Financial Officer

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Audit results: Overview

Outstanding matters

- Completion of substantive procedures
- Final review of the financial statements
- Subsequent events inquiries through the date of filing
- Receipt of the management representation letter

Auditors' report

There are no modifications to the auditors' report. The draft audit report is included on pages 7 to 11.

Uncorrected Misstatements

None identified

Corrected Misstatements

None identified

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Required communications to those charged with governance

Prepared on: April 9, 2026

Presented on: April 27, 2026

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Audit results required communications and other matters

Matters to communicate		Reference
Significant unusual transactions	X	
Uncorrected audit misstatements	X	
Corrected audit misstatements	X	
Financial statement presentation and disclosure omissions	X	
Non-GAAP policies and practices	X	
Draft auditors' report	✓	Pages 7 to 11
Changes to our risk assessment and planned audit strategy	X	
Significant accounting policies and practice	X	
Significant accounting estimates	✓	Pages 12 to 15
Significant financial statement disclosures	X	
Group audit considerations	✓	Page 16

Matters to communicate		Reference
Related parties	X	
Going concern	X	
Other information	X	
Subsequent events	✓	Page 17
Noncompliance with laws and regulations	X	
Significant difficulties encountered during the audit	X	
Significant findings or issues discussed, or the subject of correspondence with management	X	
Management's consultation with other accountants	X	
Disagreements with management	X	
Other significant matters	X	

✓ = Matters to report X = No matters to report

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Audit results required communications and other matters

Matters to communicate	
Consultations	There were no difficult or contentious matters for which the auditor consulted outside the engagement team that are relevant to those charged with governance's oversight of the financial reporting process.
Illegal acts or fraud	No actual or suspected fraud involving group or component management, employees with significant roles in the group's system of internal control, or where fraud results in a material misstatement in the financial statements were identified during the audit.
Written communications	Engagement letter, management representation letters, including summary of uncorrected misstatements to be distributed under separate covers.
Required inquiries	See page 19

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Draft auditors' report

Independent Auditors' Report

Board of Trustees of City Public Service Board of San Antonio, Texas:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the City Public Service Board of San Antonio, Texas (CPS Energy), a component unit of the City of San Antonio, Texas, as of and for the years ended January 31, 2026 and 2025, and the related notes to the financial statements, which collectively comprise CPS Energy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of CPS Energy, as of January 31, 2026 and 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of the CPS Energy Pension Plan, the CPS Energy Group Health Plan, the CPS Energy Group Life Plan, and the CPS Energy Long-Term Disability Income Plan, which represent 100% of the fiduciary activities as of December 31, 2025 and 2024 and for the years then ended. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the CPS Energy Pension Plan, the CPS Energy Group Health Plan, the CPS energy Group Life Plan, and the CPS Energy Long-Term Disability Income Plan, are based solely on the reports of the other auditors.

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Draft auditors' report

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CPS Energy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CPS Energy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Draft auditors' report

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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Draft auditors' report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CPS Energy's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CPS Energy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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Draft auditors' report

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, the Schedules of Changes in CPS Energy Net Pension Liability and Related Ratios, the Schedules of Employer Contributions to CPS Energy Pension Plan, the Schedules of Changes in CPS Energy Net OPEB Liability and Related Ratios, the Schedules of Employer Contributions to CPS Energy OPEB Plans, and the Schedules of Investment Returns for CPS Energy Fiduciary Funds be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

/s/ KPMG LLP

San Antonio, Texas
April 24, 2026

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Significant accounting estimates

Fair value of investments

- The Company accounts for its investments at fair value based on the trading price as of the measurement date (January 31, 2026).

Audit findings

Management's process used to develop the estimates

- The Company measures investments at fair value. Securities are valued based on the trading price on the measurement date.

Significant assumptions used that have a high degree of subjectivity

- There are no significant assumptions used that involve a high degree of subjectivity.

Indicators of possible management bias

- No indicators of management bias were identified.

Qualitative aspects

- Management's fair value estimates for investments are based primarily on observable market prices and established valuation techniques, and therefore involve limited judgment and minimal estimation uncertainty.

Conclusions

- Based on our procedures performed, we determined that management's assumptions used in the fair value estimates were reasonable and that related material disclosures were adequate.

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Significant accounting estimates

Valuation of net pension liability

- The Company accounts for its net pension liability in accordance with GASB Statement No. 68, which represents the difference between the pension benefit obligations and the assets held in the pension plan as of the measurement date.

Audit findings

Management's process used to develop the estimates

- The total pension liability used to calculate the net pension liability is determined based on actuarial valuations. The pension plan's fiduciary net position is measured at the fair value of plan assets as of the measurement date.

Significant assumptions used that have a high degree of subjectivity

- Significant assumptions include the discount rate, expected rate of return on investments, projected annual base salary growth, participant mortality, and other demographic assumptions.

Indicators of possible management bias

- No indicators of management bias were identified.

Qualitative aspects

- The key assumptions used in measuring the pension obligations involve inherent estimation uncertainty; however, they are based on established actuarial methods and observable market data where applicable and are consistent with those used in prior periods.

Conclusions

- Based on our procedures performed, we determined that management's assumptions used in the valuation of the net pension liability were reasonable and that related material disclosures were adequate.

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Significant accounting estimates

Valuation of net OPEB asset

- The Company accounts for its net OPEB asset in accordance with GASB Statement No. 75, which represents the difference between the total OPEB liability and the fiduciary net position of the employee benefit plans as of the measurement date. The net OPEB asset includes the CPS Energy Group Health Plan, Group Life Plan, and Long-Term Disability Income Plan.

Audit findings

Management's process used to develop the estimates

- The net OPEB asset is calculated using the actuarially determined total OPEB liability and the fair value of employee benefit plan assets as of the measurement date.

Significant assumptions used that have a high degree of subjectivity

- Significant assumptions include the discount rate, expected rate of return on investments, participant mortality, demographic assumptions, per capita claim costs, and healthcare cost trend rates.

Indicators of possible management bias

- No indicators of management bias were identified.

Qualitative aspects

- The net OPEB asset is subject to inherent estimation uncertainty due to the use of actuarial assumptions. These assumptions are based on established methodologies and reflect management's best estimates as of the measurement date.

Conclusions

- Based on our procedures performed, we determined that management's assumptions used in determining the valuation of the net OPEB asset were reasonable and that related material disclosures were adequate.

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Significant accounting estimates

Loss contingencies

- CPS Energy's financial results may be affected by judgments and estimates related to loss contingencies. Contingencies arising from litigation and claims, as well as environmental and regulatory matters, require the use of significant judgment and estimation.

Audit findings

Management's process used to develop the estimates

- Estimates of commitments and contingencies are accrued and disclosed in the financial statements when the amounts can be reasonably estimated. Developing reasonable estimates may require judgment based on similar uncertainties and circumstances and may involve the use of specialists, such as legal counsel.

Significant assumptions used that have a high degree of subjectivity

- There are no significant assumptions used that involve a high degree of subjectivity.

Indicators of possible management bias

- No indicators of management bias were identified.

Qualitative aspects

- Estimating loss contingencies requires judgment related to assessing probabilities and potential outcomes of litigation, claims, and regulatory matters, which are subject to inherent uncertainty and may change as circumstances develop.

Conclusions

- Based on our procedures performed, management's judgments used in evaluating loss contingencies were reasonable, and material disclosures were adequate.

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Audit participants and strategy

Locations/Business Units Where Audit Procedures are Planned			Subject to further audit procedures:	
Locations and Business Units	**Legal name/location of component auditor**	**Planned responsibilities**	**Assets (In thousands)**	**Revenue (In thousands)**
CPS Energy	KPMG US LLP – San Antonio, Texas	Financial statement audit for the year ended January 31, 2026	$18,449,835	$4,099,666
South Texas Project	KPMG US LLP – Houston, Texas	Financial statement audit for the year ended December 31, 2025	$1,122861	$0
		Total Locations/Business Unit Where Further Audit Procedures are Planned (%)	100%	100%
		Total Locations/Business Unit Where Further Audit Procedures are Planned (%)	100%	100%

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Subsequent events

Subsequent events

Bond issuance

On February 12, 2026, CPS Energy issued $672.4 million of Series 2026A variable-rate junior lien revenue refunding bonds. The proceeds were used to refund various tax-exempt and extendible municipal commercial paper obligations. The bonds mature between 2051 and 2055 and have a true interest cost of approximately 6.0%, reflecting stepped interest rate provisions.

Inflation Reduction Act of 2022

Section 45U of the Inflation Reduction Act provides production tax credits for qualifying zero-emission nuclear facilities, with an option for eligible entities to receive the credit as a direct payment. STP Units 1 and 2 qualify under Section 45U, in which CPS Energy holds a 40% ownership interest. CPS Energy filed for the credit for the fiscal year ended January 31, 2025, and on March 24, 2026, received a direct payment of $117.1 million from the IRS, including $6.3 million of interest.

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Independence communications

The following are circumstances or relationships that, in our professional judgment, may reasonably be thought to bear on independence, and to which we gave significant consideration, in reaching the conclusion that independence has not been impaired.

Service	Description of the service	Fees
Complimentary access to KPMG Accounting Research Online (ARO)	KPMG Accounting Research Online is a web-based financial reporting and accounting research tool that provides authoritative literature and KPMG interpretive guidance.	$0
Complimentary access to the KPMG Custom Learning Portal	The KPMG Custom Learning Portal provides access to public KPMG training events, such as conferences, and self-study web-based training courses.	$0

Affirmation of independence

We hereby affirm that as of April 23, 2026, the engagement team and others in the firm as appropriate, the firm and its affiliated firms, have complied with relevant ethical requirements regarding independence.

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Audit and other professional services and related fees

We have summarized the fees billed and those expected to be billed by our firm relating to the audit of the FY 2026 consolidated financial statements and the fees billed for all other professional services in 2026, with comparison to the prior year.

Service	Estimated 2026 fees	Actual 2025 fees
Financial statement audit – CPS Energy	$395,000	$395,000
Financial statement audit – Decommissioning Master Trust	$13,000	$13,000
Financial statement audit – Decommissioning Master Trust (TCC Funded)	$13,000	$13,000
Financial statement audit – SA Energy PFC	$39,000	$39,000
Single audit	$55,000	$55,000
Agreed upon procedures – TCEQ	$20,000	$20,000
Agreed upon procedures – Revenue Bond Ordinance	$75,000	$0
Custom Learning Portal	$0	$0
Total	**$610,000**	**$535,000**

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Required inquiries

- What are your views about fraud risks, including management override of controls, at the entity and whether you have taken any actions to respond to these risks?
- Are you aware of, or have you identified, any instances of actual, suspected or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
- Are you aware of or have you received tips or complaints regarding the entity's financial reporting (including those received through the internal whistleblower program, if such program exists) and, if so, what was your response to such tips and complaints?
- How do you exercise oversight over management's assessment of fraud risk and the establishment of controls to address/mitigate fraud risks?
- Has the entity entered into any significant unusual transactions?
- Have there been any instances of actual or possible violations of laws and regulations, including illegal acts (irrespective of materiality threshold)?
- What is the audit committee's understanding of the entity's relationships and transactions with related parties that are significant to the entity?
- Does any member of the audit committee have concerns regarding relationships or transactions with related parties and, if so, what are the substance of those concerns?
- Have any subsequent events occurred that might affect the financial statements?
- Has there been any correspondence with regulators or licensing authorities?

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Questions?

For additional information and audit committee resources, including National Audit Committee Peer Exchange series, a Quarterly webcast, and suggested publications, visit the KPMG Audit Committee Institute (ACI) at www.kpmg.com/ACI

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Energizing Progress Together

April 27, 2026

Informational Update

PRESENTED BY

David Kee
Director of Energy Market Policy

Today, we're going to share:

- Process Overview
- Key Inputs
- Generation Plan Outlook
- Key Observations
- Recommendation & Next Steps

GENERATION PLAN PROCESS OVERVIEW



1

Identify Planning Objectives and Key Questions



2

Develop Market Perspectives (External Scenarios)



3

Develop Integrated Resource Strategies (Pathways)



4

Pathways Modeling and Analysis



5

Evaluate Tradeoffs and Select Preferred Plan



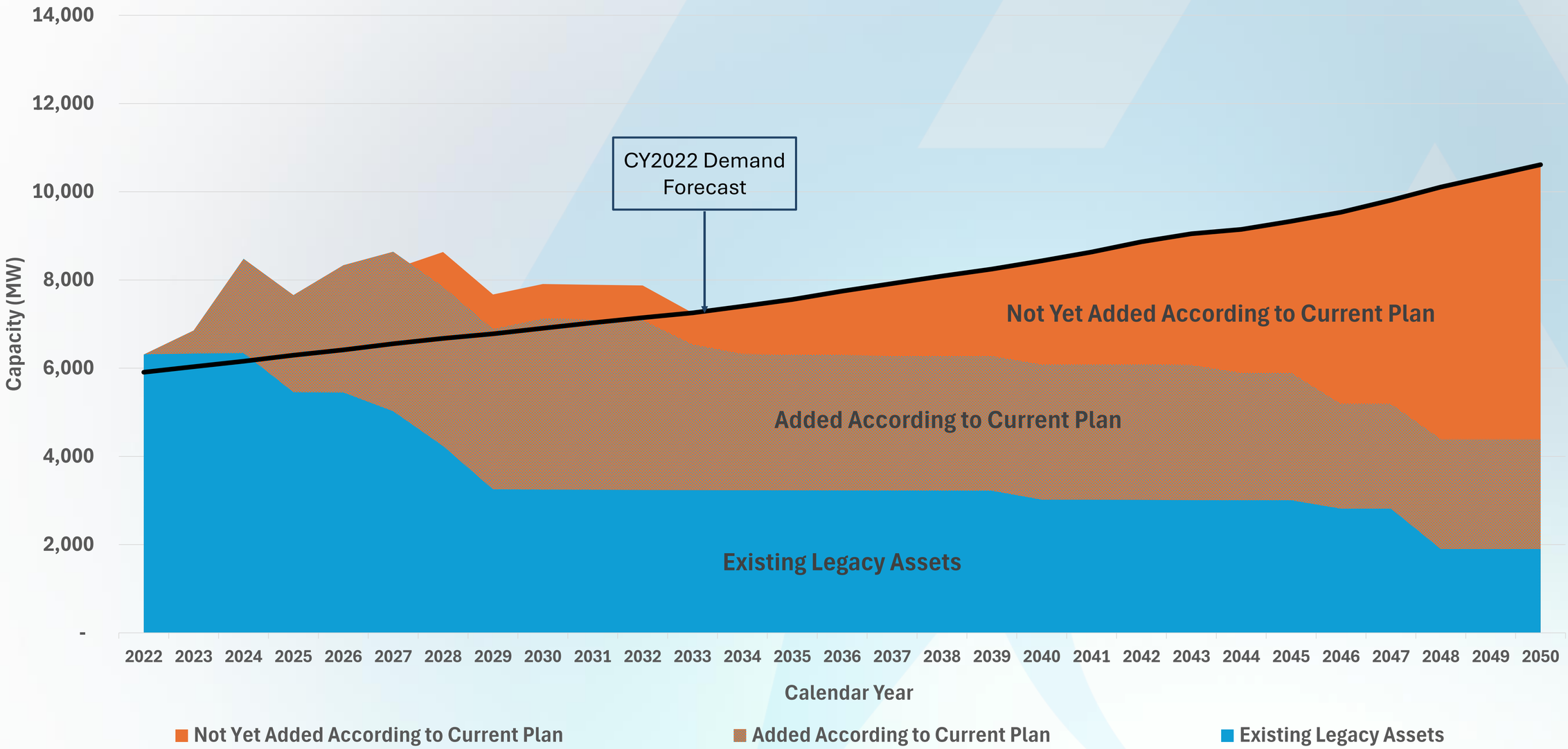
6

Other Considerations

KEY INPUTS

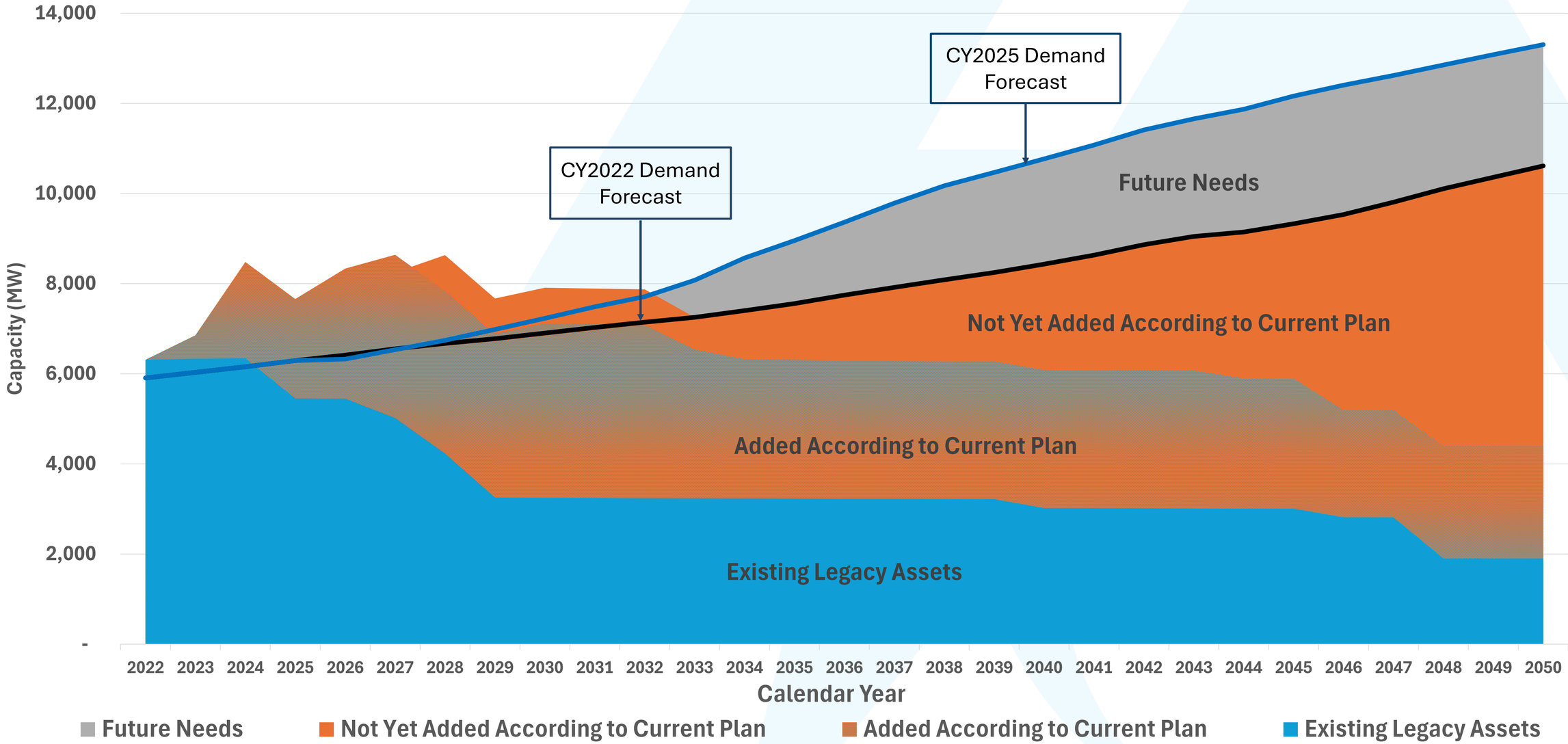
Variable	Fundamental Market Analysis
CPS Energy Load	✓
New Resource Costs	✓
Regional Load Growth	✓
ERCOT Market Prices	✓
Environmental Policy	✓
Fuel Prices	✓
Wind and Solar Output	✓
Thermal Resource Availability	✓

CURRENT GENERATION PLAN



Demand forecast includes reserve margins

GENERATION PLAN CY2025 DEMAND FORECAST



Demand forecasts include reserve margins

IMPACT OF GROWTH & HIGHER COSTS

Current Plan
(2023)

Avg. residential bill: $207

~10,000MW by 2050

~$1,200/KW new build cost

Minimal market energy purchases

Ongoing rate support

Current Plan in Today's Price Environment
(2026)

Avg. residential bill: $239

~13,000MW by 2050

~$2,300/KW new build cost

Significant market energy purchases increase price risk

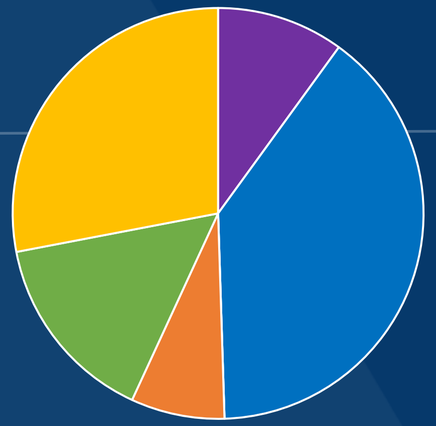
Ongoing rate support

SUMMARY OF OBSERVATIONS

■ Nuclear ■ Geothermal ■ Storage ■ Wind ■ Solar ■ Natural Gas ■ Market Purchase		Affordability	System Reliability and Resiliency	Environmental Sustainability	
		Customer Energy Cost	Price Risk	Progress Towards City of SA CAAP Goals	
How we fill the gap:	Total Generation Mix (MW)	Average Monthly Residential Bill ($)	Forced Market Exposure	Emission Intensity (lb CO2/MWh)	
	2040	*2026-2051*	*2040*	*2030*	*2040*
Current Plan in Today's Price Environment		**$239**	**$$$$$**	**467** ✓	**353** ✗
Updated Blended Plan		**$248**	**$**	**468** ✓	**334** ✗
Primarily Natural Gas		**$226**	**$$$**	**526** ✓	**612** ✗
Zero Emitting Power Sources		**$259**	**$$$**	**480** ✓	**199** ✓

Smaller numbers are better

RECOMMENDATION



Sustain the Blended Strategy

Our proposed strategy provides flexibility to make affordable decisions

Key Strategic Insights:

- Add dispatchable capacity, renewables, and storage
- Exit coal and leverage emerging technologies
- Evaluate generation options, including life extensions and conversions

Benefits of our Strategy:

- Produces most predictable outcomes for customers
- Offers greatest risk mitigation
- Balances our customers' priorities - reliable, affordable, cleaner energy

PROPOSED PATH FORWARD

Seeking Board approval of our strategic plan

Benefits of strategic plan endorsement

- Clear direction on future decisions
- Provides certainty and enables flexibility
- Enables efficient execution and ability to take advantage of market opportunities

Implementation efforts focused on customer outcomes

- Our strategy and assumptions create the “plan to beat”
- Our internal processes will seek solutions that meet or improve upon the planning assumptions (cost, emissions, schedule)

Implementation efforts will require Board approval

- Approval doesn’t direct us to start building a new asset today
- Our established Board oversight processes will be utilized to examine and approve specific project proposals that align with our strategic approach

Thank You

Appendix

Delivering for Our Community

For Families & Neighbors

- More consistent and predictable bills
- Community insight and input
- Continued service reliability

For Small Businesses

- Reliable energy
- More consistent and predictable bills
- Modernized systems

For Commercial & Industrial Businesses

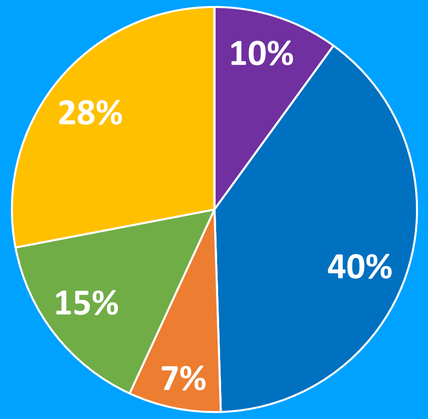
- Resilient grid
- Capacity growth
- Operational certainty
- More consistent and predictable bills for energy costs

For Business & Economic Development

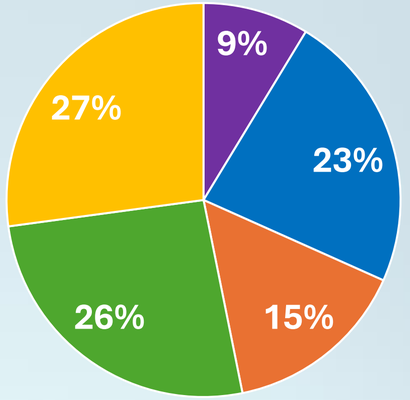
- Growth readiness
- Stronger economy
- Investment capacity
- Modern infrastructure

HOW TO CLOSE THE GAP (MW) CY 2040

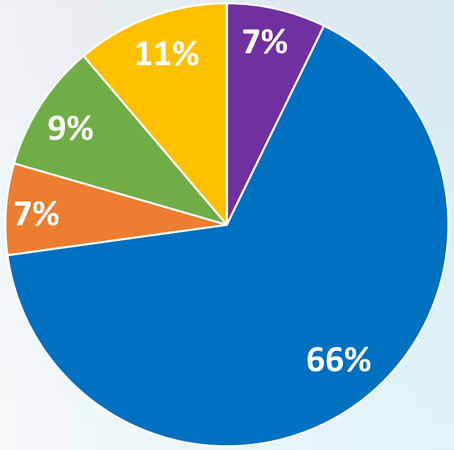
Updated Blended Plan



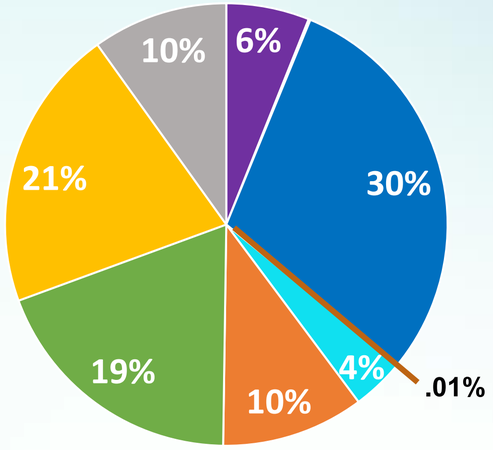
Zero Emitting Power Sources



Natural Gas



Current Plan in Today's Price Environment



Nuclear | Geothermal | Nat. Gas | Hydrogen | Storage | Wind | Solar | Market Purchase

OPTIONS

Updated Blended Plan

- Rightsizing the approved Generation Plan
- Allows technology types to be optimized

Zero Emitting Power Sources

- Comparing against alternative priorities
- Capacity additions are zero carbon resources including wind, solar, storage, & nuclear

Natural Gas

- Comparing against alternative priorities
- Capacity additions are primarily natural gas

Current Plan in Todays Price Environment

- Leverages the board-approved plan from 2023
- No capacity additions beyond those included in approved generation plan
- Increased load growth met through market purchases

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



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



Affordability
The portfolio's impact on customer costs



Environmental Sustainability
Support for community environmental goals

KEY CONSIDERATIONS

Rising Demand

- By 2040, the current forecast shows more than 2200 MW greater than the 2022 forecast

Longer Build Times

- Build time for all resources trending longer than 2022 assumptions
- Supply Chain & Economic challenges

Higher Costs

- The One Big Beautiful Bill Act (OBBBA) accelerates tax-credit phase out for solar & wind
- Supply Chain, Economic, and Inflationary Forces have raised costs across the industry

Market Volatility

- Wholesale Market Prices are trending up with increasing volatility
- Average market prices are ~80% higher in 2025 vs 2022

External Directives

- ERCOT Reliability Must Run requirements
- Department of Energy Executive Orders

SURVEY RESULTS

69%

of customers who took the survey

22% responded not sure
9% responded no

Support continuing using a blended mix of power sources

OBJECTIVES AND METRICS

Planning Objectives	Metrics
System Reliability and Resiliency *Consistent delivery & ability to cope with extreme events*	Market Exposure during Extreme Event Conditions
Affordability *The portfolio's impact on customer costs*	Energy Cost Total Revenue Requirements
Environmental Sustainability *Support for community environmental goals*	Progress Towards City of SA Climate Action & Adaptation Plan (CAAP) Goals

Modeling Process

The modeling process includes ERCOT market analysis and CPS Energy-specific portfolio evaluation.

ERCOT-wide Price Forecast

ERCOT Market Inputs

CPS Review

- Existing Plants in ERCOT
- New Plant Technology Costs
- Fuel Prices
- Emission Prices / Policy
- Zonal Transmission Constraints
- ERCOT Electricity Demand (aligned with CPSE)

Aurora

- Power System Modeling Tool
- Detailed Market Representation
- Project Market-wide New Plant Build

ERCOT Market Outputs

- Energy Prices by Zone
- Ancillary Service Prices by Zone
- Average ERCOT Carbon Emissions*

ERCOT Market Scenario Development

CPS Energy Portfolio Dispatch

- Existing Plants / Contracts
- Electricity Demand

Aurora

- Portfolio optimization
- Utility Resource Portfolio Modeling Dispatched to ERCOT Market Price
- Portfolio Cost Accounting with Market Transactions

CPS Energy Portfolio Outputs

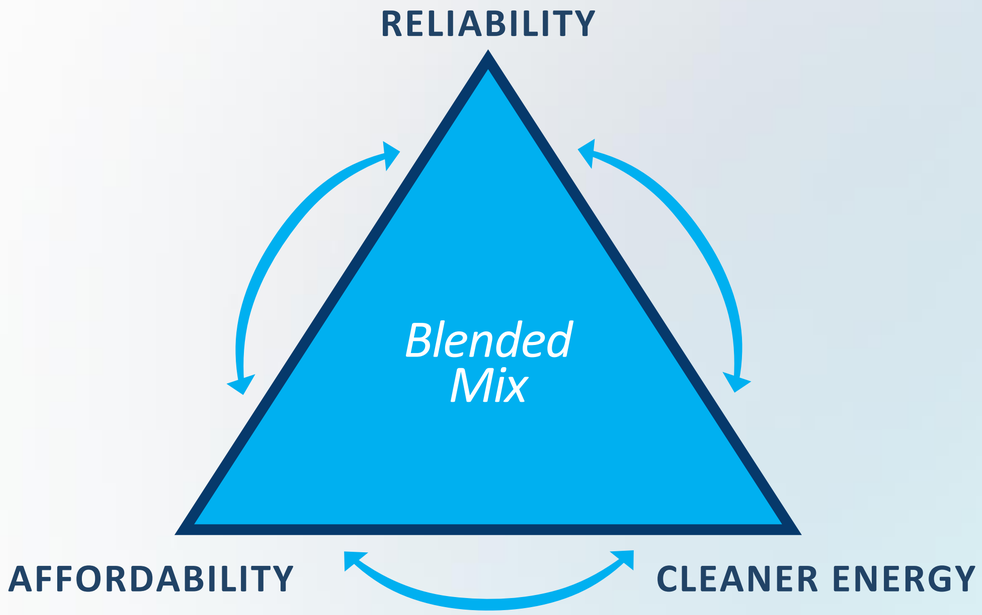
- Plant Dispatch, Cost, & Emission Profiles
- Market Sales and Purchases
- Portfolio Costs

CPS Energy Portfolio Analysis

*Note: *This is used to measure carbon emissions from electricity purchases by CPS Energy.*

Charles River Associates

With Added Generation



Planned resources help us maintain customer needs and priorities.

Market dependence increases exposure to:

- Price volatility and higher costs
- Higher emissions and environmental risks
- Lower reliability
- Peak demand risk

Investing in our resources empowers us to take ownership of our future and shape the path ahead