CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON JUNE 22, 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	Ms. Samantha Pixley
3	**PUBLIC COMMENT**	Discuss	Dr. Francine Romero
UPDATE ON CHAIR'S PRIORITIES			
4	**CHAIR'S REMARKS AND RECOGNITION OF OUTGOING PRESIDENT & CEO RUDY D. GARZA**	Discuss & Vote	Dr. Francine Romero
5	**OUTGOING PRESIDENT & CEO REMARKS AND INTERIM PRESIDENT & CEO WELCOME**	Discuss	Mr. Rudy D. Garza & Mr. Frank Almaraz
CONSENT AGENDA			
6	**APPROVAL OF CONSENT ITEMS:** A. Payment to the City of San Antonio for April 2026 B. Payment to the City of San Antonio for May 2026 C. Minutes from the Regular Board Meeting, held on April 27, 2026 D. Minutes from the Special Board Meeting, held on June 4, 2026	Vote	Dr. Francine Romero

	E. **Procurement Items:** 1. **General Services:** Electric Overhead and Underground Temporary and Permanent Electric Services 2. **Commodity & Material Goods:** Fuel 3. **Professional Services**: Civil Engineering Services 4. **Professional Services**: Engineering Services for CPS Energy Lake Dams 5. **Commodity & Material Goods:** Active PO Funding Increase: Transmission Monopoles		
REGULAR AGENDA			
7	**BOARD COMMITTEE REPORTS:** A. Audit & Finance Committee (A&F) Meeting held April 23, 2026 B. Employee Benefits Oversight Committee (EBOC) Meeting held April 23, 2026 C. Personnel Committee Meeting held April 23, 2026 D. Operations Oversight Committee (OOC) Meeting held May 4, 2026 E. Technology & Innovation (T&I) Committee Meeting, held May 11, 2026 F. Personnel Committee Meeting held June 1, 2026 **COMMUNITY INPUT COMMITTEE REPORTS:** G. Community Input Committee (CIC) Meeting held May 13, 2026	Discuss	Dr. Francine Romero
8	**OMICRON ROUTING AND SITING PROJECT** (Mr. LeeRoy Perez)	Vote	Dr. Francine Romero
9	**FY2027 FIRST QUARTER PERFORMANCE UPDATE**	Discuss	Ms. Elaina Ball & Mr. Cory Kuchinsky
10	**ENERGIZING PROGRESS TOGETHER - GENERATION PLAN REFRESH** (Mr. David Kee)	Vote	Dr. Francine Romero

11	**SUMMER PREPAREDNESS UPDATE**	Discuss	Executive Leadership Team
CONVENE TO EXECUTIVE SESSION			
12	**EXECUTIVE SESSION:** A. Attorney Client Matters (§551.071) B. Attorney Client Matters (§551.071)	Discuss	Dr. Francine Romero
RECONVENE TO OPEN SESSION			
ADJOURNMENT			
13	**ADJOURNMENT**	Execute	Dr. Francine Romero
If the Board meeting has not adjourned by 4:00 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 April 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 April 2026 is based on actual gross revenue per the New Series Bond Ordinance of $362,521,971.01, less applicable exclusions. The revenue for the month of April 2026 is calculated as follows:

Gross revenue per CPS Energy financial statements		
Electric revenue	$239,560,098.89	
Gas revenue	24,572,699.80	
Other operating revenue	1,237,148.20	
Interest and other income	121,022,394.53	
Gross revenue per CPS Energy financial statements	386,392,341.42	
Excluded revenue		
School and hospital revenue per City Ordinance 55022	(8,828,840.36)	
LVG revenue per City Ordinance 100709	(34,686.28)	
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(30,975,487.16)	
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	15,968,643.39	
Total excluded revenue	(23,870,370.41)	
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	$362,521,971.01	
City payment per Bond Ordinance for April 2026 based upon April revenue	$50,753,075.94	
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	2,301,025.55	
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)	
City payment per Bond Ordinance plus adjustments for MOU	53,041,601.49	**A**
Utility services provided to the City for April 2026	(3,006,879.27)	
Net amount to be paid from April 2026 revenue to the City in May 2026	$50,034,722.22	

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)

April 2026	Actual	Budget	Variance	
Current Month **A**	$53,042	$36,207	$16,835	46.5%
Year-to-Date	$132,584	$113,204	$19,380	17.1%

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 $50,034,722.22 representing 14% of applicable system gross revenues for the month of April 2026, such payment being net of City utility services ($3,006,879.27), is hereby approved." The Board ratifies that April 2026 revenue was sufficient to recover $42,573,749.63 in funds that were advanced to the City in February and March 2026 ($11,911,363.54 and $30,662,386.09, respectively).

Approval of Payment to the City of San Antonio for May 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 May 2026 is based on actual gross revenue per the New Series Bond Ordinance of $257,814,093.26, less applicable exclusions. The revenue for the month of May 2026 is calculated as follows:

Gross revenue per CPS Energy financial statements		
Electric revenue	$281,784,095.64	
Gas revenue	21,965,806.79	
Other operating revenue	721,461.11	
Interest and other income	3,387,626.32	
Gross revenue per CPS Energy financial statements	307,858,989.86	
Excluded revenue		
School and hospital revenue per City Ordinance 55022	(8,994,685.59)	
LVG revenue per City Ordinance 100709	(186,902.97)	
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(40,387,340.21)	
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	(475,967.83)	
Total excluded revenue	(50,044,896.60)	
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	$257,814,093.26	
City payment per Bond Ordinance for May 2026 based upon May revenue	$36,093,973.06	
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	2,536,308.78	
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)	
City payment per Bond Ordinance plus adjustments for MOU	38,617,781.84	**A**
Utility services provided to the City for May 2026	(2,930,087.37)	
Net amount to be paid from May 2026 revenue to the City in June 2026	$35,687,694.47	

Comparison of City payment per Bond Ordinance (plus adjustments for memorandums of understanding) vs. Budget before deduction for utility services provided to the City:

(Dollars in thousands)

May 2026	Actual	Budget	Variance	
Current Month **A**	$38,618	$41,833	($3,215)	-7.7%
Year-to-Date	$171,202	$155,037	$16,165	10.4%

Approval of the following resolution is requested:

"**BE IT RESOLVED** by the CPS Energy Board of Trustees that payment to the City of San Antonio in the amount of $35,687,694.47 representing 14% of applicable system gross revenues for the month of May 2026, such payment being net of City utility services ($2,930,087.37), is hereby approved."

CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON APRIL 27, 2026

The Regular Meeting of the Board of Trustees of CPS Energy for the month of April was held on Monday, April 27, 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 (present from 1:00 p.m. to 1:35 p.m.)
Dr. Erika Gonzalez

Absent:
Mayor Gina Ortiz Jones

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 Mr. Mike Hemingson, Lean Six Sigma Manager.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, reminded all CPS Energy employees and Board of Trustees members to take care of their health.

Ms. DeeDee Belmares, Public Citizen, stated she is encouraged that the blended approach for the Power Generation Plan includes more renewable energy, but urged the Board to consider demand response options. She also requested an update on community solar and costs of service.

IV. CEO REMARKS

Mr. Garza stated he is sending his prayers and best wishes to the Nowell and Ochoa families. He further stated that our thoughts continue to be with the impacted residents of the Preston Hollow subdivision, and our focus solely remains on supporting them. He thanked a number of employees and officials who responded. He noted that our Customer Response Unit (CRU) has been helping customers, and asked people to call us if they

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needed assistance. He reminded customers that if they smell gas to immediately leave the premises and call CPS Energy and 911. Finally, he explained that the National Transportation Safety Board (NTSB) is leading the investigation, and that even these comments had to be pre-approved. We are being cooperative and are updating the community as we can and are able. He closed by stating that everything our community feels, CPS Energy feels as well, and that we are going to do everything we can to support our customers, to ensure that our gas system remains safe for our customers, and to follow the investigation process.

V. CHAIR'S REMARKS

Chair Romero echoed Mr. Garza's sentiments for the residents of Preston Hollow, noting they are all in in our thoughts. She stated the Board has seen how CPS Energy responded, and we thank them for handling this situation with empathy and care. She stated that Mr. Garza and his team have kept the Board updated on their work to help customers, and she thanked the team on behalf of the Board.

VI. CEO RECOGNITION

Mr. Garza recognized the CPS Energy team that provided educational information at the San Antonio Rodeo this past season. He noted the teams visited with 21,000 community members, including 36 school districts. He stated that he appreciated their hard work and efforts to give back to our community.

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

VII. CONSENT AGENDA

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

A. 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

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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."

B. Minutes from the Regular Board Meeting held on March 30, 2026

C. Assistant Treasurer Appointment (Resolution)

The resolution is attached as Attachment "A".

D. Board of Trustees Committee Charters

E. Procurement Items:

1. **Item Description:** Real Estate Appraisal and Expert Testimony Services
   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

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

3. **Item Description:** Large Electrical Motor Maintenance and Repair Services
   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
   Lonestart Armature, LLC
   Shermco Industries, Inc.

4. **Item Description:** BPA PO Release: Geotechnical Engineering Services – Howard-to-San Miguel Transmission Line Project
   Category: Professional Services
   Supplier: Arias & Associates, Inc.

VIII. BOARD COMMITTEE REPORTS

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

Board Committee Reports

A. Technology & Resilience Committee Meeting held on March 16, 2026. The report is attached as Attachment "B" to the meeting minutes.

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Community Input Committee Reports

B. Customer Relations and Communications Working Group Meeting held on April 8, 2026. The report is attached as Attachment "C" to the meeting minutes.

C. Power and Technology Working Group Meeting held on April 8, 2026. The report is attached as Attachment "D" to the meeting minutes.

D. Finance and Business Working Group Meeting held on April 8, 2026. The report is attached as Attachment "E" to the meeting minutes.

IX. COMMUNITY INPUT COMMITTEE (CIC) CANDIDATE APPROVAL

Ms. Kathy Garcia, Vice President, Government, Regulatory Affairs and Public Policy, presented two nominations for approval to the CIC. The two nominees were:

- Mr. Martin Gutierrez, nominated by City Council District 1
- Ms. Melinda Lechuga, nominated by City Council District 4

Vice Chair Dr. Mackey moved approval of the nominees, and the motion was seconded by Trustee Dr. Gonzalez. The appointments were approved 3-0, with Mayor Jones and Trustee Gonzalez being absent from the dais.

X. FY2026 YEAR-END PERFORMANCE RECAP

Ms. Elaina Ball, Chief Strategy Officer, provided a presentation on FY2026 performance. She provided year-end highlights, reviewed scorecard results, and discussed mitigations to improve specific metrics.

Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer, highlighted some of the FY2026 financial accomplishments and summarized the FY2026 key investments. He then reviewed the flow of funds for the year-end actual vs. plan and noted that financial metrics were met for the year.

The Board of Trustees discussed and asked questions with a focus on how some metrics are calculated.

XI. ANNUAL AUDITED FINANCIAL STATEMENTS

Mr. Andy Crouch, KMPG, introduced the team, including Mr. Chris Carmona, Shriver Carmona. Mr. Crouch reviewed the required communications to those charged with governance, and he noted that the audit report is an unqualified report with no corrected or uncorrected misstatements.

The Board of Trustees acknowledged receipt of the report, which was also provided to the Audit & Finance Committee.

XII. ENERGIZING PROGRESS TOGETHER – GENERATION PLAN REFRESH

Mr. David Kee, Director, Energy Market Policy, reviewed the process used to refresh the generation plan. He reviewed the existing generation plan against the revised forecasts and current costs, and then he presented

a summary of observations about potential pathways to meet the demand forecast. Finally, he provided a recommendation to the Board of Trustees, to approve a strategic plan that continues a blended strategy.

The Board of Trustees discussed and asked questions, focusing on the details of the pathways, mitigating risks, meeting environmental goals, increasing reliability, and ensuring costs are appropriately paid by each customer class. Mr. Pat Augustine, Charles River Associates, also answered a question about the process CPS Energy has undertaken, noting that it is not a simple refresh but that a lot of rigorous analysis has been completed.

XIII. EXECUTIVE SESSION

At approximately 2:24 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. 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))

The Board reconvened in open session at 3:20 p.m. The quorum was re-established with a majority of members. Ms. Ramirez reported that only the matters cited above, and no others were discussed, and no votes were taken in Executive Session.

XIV. 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 Trustee Dr. Gonzalez, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 3:21 p.m. by Chair Romero.

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Shanna M. Ramirez
Secretary of the Board

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CPS ENERGY
MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES
HELD ON JUNE 4, 2026

A Special Meeting of the Board of Trustees of CPS Energy was held on Thursday, June 4, 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 1:05 p.m.)

Also present were:
Mr. Rudy Garza, President & CEO
Ms. Shanna 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. Cathy Stephens, Board Relations Liaison.

III. PUBLIC COMMENT

Mr. Patrick Swearingen, community member, stated it is important to make the right selection for President & CEO and provided input on how to effectively lead the search process for a qualified candidate.

IV. EXECUTIVE SESSION

At approximately 1:07 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 the following:

A. Attorney Client Matter (§551.071) & Personnel Matter (§551.074) – CEO Succession

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The Board reconvened in open session at 1:51 p.m. The quorum was re-established, and all members were present. Ms. Ramirez reported that only the matter cited above, and no others were discussed, and no votes were taken in Executive Session.

V. PERSONNEL MATTERS - CEO SUCCESSION DISCUSSION

Chair Romero stated that the Personnel Committee accepted Mr. Garza's intent to retire and expressed appreciation for his years of service to CPS Energy. She then reviewed the succession planning process for the President & CEO position and announced that Mr. Frank Almaraz, Chief Operating Officer, will serve as the Interim President & CEO, effective immediately. She noted that Mr. Almaraz's background and experience position him to successfully advance our strategic priorities. Finally, she stated that the CEO Search Committee, consisting of Chair Romero and Trustee Dr. Gonzalez, will seek Board input and feedback on conducting the CEO selection process. She noted that a robust process will be followed to select the right candidate to continue leading CPS Energy into the future.

VI. 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 Trustee Gonzalez, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 1:54 p.m. by Chair Romero.

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Shanna M. Ramirez
Secretary of the Board

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CPS Energy Board of Trustees Meeting
June 22, 2026
APPROVAL of PROCUREMENT ITEMS
Table of Contents

1.	**Item Description:**	**Electric Overhead and Underground Temporary and Permanent Electric Services**
	Purchase Category:	**General Services**
	Supplier:	Chain Electric Company
		HJD Capital Electric, Inc.
	Committee Presentations:	Operations Oversight Committee – May 4, 2026 Audit & Finance Committee – April 23, 2026
2.	**Item Description:**	**Fuel**
	Purchase Category:	**Commodity & Material Goods**
	Supplier:	Petroleum Traders Corporation
		Mansfield Oil Company of Gainesville, Inc.
	Committee Presentations:	Operations Oversight Committee – May 4, 2026 Audit & Finance Committee – April 23, 2026
3.	**Item Description:**	**Civil Engineering Services**
	Purchase Category:	**Professional Services**
	Supplier:	Civil Design Services, Inc dba CDS Muery
		Moy Tarin Ramirez Engineers, LLC
		Quiddity Engineering, LLC
	Committee Presentations:	Operations Oversight Committee – May 4, 2026 Audit & Finance Committee – April 23, 2026

4.	**Item Description:**	**Engineering Services for Lake Dams**
	Purchase Category:	**Professional Services**
	Supplier:	Black & Veatch Corporation
		Freese and Nichols, Inc.
		Weston Solutions, Inc.
	Committee Presentations:	Operations Oversight Committee – March 2, 2026 Audit & Finance Committee – April 23, 2026

5.	**Item Description:**	**Active PO Funding Increase: Transmission Monopoles**
	Purchase Category:	**Commodity & Material Goods**
	Supplier:	Techline, Inc.
		KBS Electrical Distributors, Inc.
		Meyer Utility Structures, LLC
	Committee Presentations:	Operations Oversight Committee – May 4, 2026 Audit & Finance Committee – April 23, 2026

Approval: Lewis, Lisa D — Digitally signed by Lewis, Lisa D Date: 2026.06.10 09:58:00 -05'00'

Lisa D. Lewis, Chief Administrative Officer

Approval: Frank Almaraz — Digitally signed by Frank Almaraz Date: 2026.06.10 13:56:15 -05'00'

Frank T. Almaraz, Interim President & CEO

CPS Energy Board of Trustees Meeting
June 22, 2026
Procurement Form 1

Item Description	Electric Overhead and Underground Temporary and Permanent Electric Services
Purchase Order Value	**$30,000,000**
Purchase Category	General Services
Department	Energy Delivery Services
Chief Operating Officer	Frank Almaraz

Detailed Description

CPS Energy staff recommend that a contract be awarded to HJD Capital Electric, Inc., a local/small firm, and Chain Electric Company, a local firm, 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.

This contract is for electric overhead and underground temporary and permanent electric services. This contract will allow CPS Energy to support the growth of the CPS Energy service territory. This contract will expire on July 31, 2029.

Subcontracting Opportunities

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

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

Evaluation Criteria	Points
Experience and qualifications to perform the Services	35
The overall cost	25
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
June 22, 2026
Procurement Form 1

ELECTRIC SYSTEM GROWTH

Recommended Respondent(s) & Award					
Respondent Name	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Chain Electric Company	Local	75	$15,000,000	2234530	Incumbent supplier for 9 years
HJD Capital Electric, Inc.	Local & Small	74	$15,000,000	2234531	**Corporate headquarters in the San Antonio Metropolitan area** Incumbent supplier for 12 years
		TOTAL	**$30,000,000**		

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 FY2030 PO Spend
$1,664,388,329	Capital	$5,000,000	0.02%	$10,000,000	$10,000,000	$5,000,000
$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
June 22, 2026
Procurement Form 2

RESILIENCE/ RELIABILITY

Item Description	Fuel
Purchase Order Value	**$20,000,000**
Purchase Category	Commodity & Material Goods
Department	Supply Chain – Warehouse Operations
Chief Administrative Officer	Lisa D. Lewis

Detailed Description

CPS Energy staff recommend that a contract be awarded to Petroleum Traders Corporation, a small firm, and Mansfield Oil Company of Gainesville, Inc., as the respondents who will provide the goods at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts are for the supply and bulk delivery of mid-grade unleaded gasoline, ethanol (E85), ultra-low sulfur non-dyed diesel, ultra-low sulfur red dyed diesel, and diesel exhaust fluid (DEF) for CPS Energy vehicles and equipment. These contracts will allow CPS Energy to keep up with the growing fuel needs from new projects, community growth, and everyday operations. These contracts will expire on July 31, 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, warranty, quality control, and contingencies	30
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	10
TOTAL	**100**

CPS Energy Board of Trustees Meeting
June 22, 2026
Procurement Form 2

RESILIENCE/ RELIABILITY

Recommended Respondent(s) & Award					
Respondent Name	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Mansfield Oil Company of Gainesville, Inc.		77	$10,000,000	3080168	Incumbent supplier for 3 years.
Petroleum Traders Corporation	Small	74	$10,000,000	3080167	Incumbent supplier for 13 years.
		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 FY2030 PO Spend
$1,664,388,329	Capital	$0	0%	$0	$0	$0
$1,061,000,000	Non-Fuel O&M	$3,500,000	0.33%	$6,500,000	$6,500,000	$3,500,000

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

CPS Energy Board of Trustees Meeting
June 22, 2026
Procurement Form 3

REGULATORY COMPLIANCE | ELECTRIC SYSTEM GROWTH | TCOS REIMBURSEMENT

Item Description	Civil Engineering Services
Purchase Order Value	**$10,000,000**
Purchase Category	Professional Services
Department	Substation & Transmission Engineering
Chief Operating Officer	Frank Almaraz

Detailed Description

CPS Energy staff recommend that a contract be awarded to Civil Design Services, Inc dba CDS Muery and Moy Tarin Ramirez Engineers, LLC both local/small firms, and Quiddity Engineering, LLC a local firm, 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.

This contract is for civil engineering services related to substation and transmission projects. This contract will allow CPS Energy to obtain design services for substation and transmission facilities, which include site development, foundation design, structural design, and feasibility studies. These firms have specialized technical experience, satisfy CPS Energy's permitting needs, and provide expertise with environmental, regulatory, and compliance requirements for complex projects. This contract will expire on June 30, 2029.

Subcontracting Opportunities

Quiddity Engineering, LLC has committed to subcontract a portion of the services to one or more small businesses.

The solicitation method for this procurement was a Request for 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
June 22, 2026
Procurement Form 3

REGULATORY COMPLIANCE | ELECTRIC SYSTEM GROWTH | TCOS REIMBURSEMENT

Recommended Respondent(s) & Award					
Respondent Name	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Civil Design Services, Inc dba CDS Muery	Small & Local	100	$3,500,000	2232856	**Corporate headquarters in the San Antonio Metropolitan Area** Incumbent supplier for 8 years
Moy Tarin Ramirez Engineers, LLC	Small & Local	98	$3,500,000	2232855	**Corporate headquarters in the San Antonio Metropolitan Area** Incumbent supplier for 16 years
Quiddity Engineering, LLC	Local	85	$3,000,000	2232854	New supplier of this scope
		TOTAL	**$10,000,000**		

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	$2,500,000	0.15%	$2,400,000	$2,600,000	$2,500,000
$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
June 22, 2026
Procurement Form 4

RESILIENCE/ RELIABILITY

VISION 2027 GENERATION PLAN

Item Description	**Engineering Services for Lake Dams**
Purchase Order Value	**$6,000,000**
Purchase Category	Professional Services
Department	Power Generation
Chief Operating Officer	Frank Almaraz

Detailed Description

CPS Energy staff recommend that a contract be awarded to Black & Veatch Corporation, Freese and Nichols, Inc., and Weston Solutions, Inc., all 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.

This contract is for construction management services, inspections, and surveying of CPS Energy dams, spillways, and outfalls. This contract will allow CPS Energy to obtain instrument readings, conduct visual observations, interpret data, and provide maintenance recommendations. This contract will expire on June 25, 2029.

Subcontracting Opportunities

All recommended respondents have committed to subcontracting a portion of the services to one or more local or small businesses.

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

Evaluation Criteria	Points
Experience and qualifications to perform the Services	100
Licenses and certificates	Pass/Fail
Safety records and training program	Pass/Fail
The financial soundness of the Respondent	Pass/Fail
TOTAL	**100**

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

CPS Energy Board of Trustees Meeting
June 22, 2026
Procurement Form 4

RESILIENCE/ RELIABILITY

VISION 2027 GENERATION PLAN

Recommended Respondent(s) & Award					
Respondent Name	**SBA Classification & Details**	**Score**	**PO Value**	**PO #**	**Comments**
Black & Veatch Corporation	Local	97	$2,000,000	2234149	New supplier of this scope
Freese and Nichols, Inc.	Local	97	$2,000,000	2234150	New supplier of this scope
Weston Solutions, Inc.	Local	97	$2,000,000	2234151	Incumbent supplier for 4 years
		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 FY2030 PO Spend
$1,664,388,329	Capital	$1,850,000	0.11%	$600,000	$600,000	$600,000
$1,061,000,000	Non-Fuel O&M	$600,000	0.06%	$400,000	$400,000	$600,000

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

CPS Energy Board of Trustees Meeting
June 22, 2026
Procurement Form 5

ELECTRIC SYSTEM GROWTH | RESILIENCE/ RELIABILITY | TCOS REIMBURSEMENT

Item Description		Active PO Funding Increase: Transmission Monopoles
Original Cumulative Purchase Order Value	**(A)**	$220,000,000
Previously Added Funds	**(B)**	$0
Additional Funds Requested	**(C)**	**$400,000,000**
Projected Cumulative Purchase Order Value	**(D)**	**$620,000,000**
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 monopoles. These contracts were previously awarded to Techline, Inc. and KBS Electrical Distributors, Inc., both local/small firms, and Meyer Utility Structures, LLC, as the suppliers that offered the best overall value for CPS Energy based on the evaluation criteria set forth below.

These contracts are for the procurement of steel monopoles for both 138kV and 345kV transmission lines.

Additional funding is needed to meet growing system demands, support ERCOT-mandated grid stability projects, accommodate ERCOT-requested accelerated project timelines, and advance interconnect and battery energy storage systems (BESS) projects. It also enables CPS Energy to address aging infrastructure and maintain grid resiliency and reliability.

Recent tariffs that took effect April 6, 2026, have increased monopole costs up to 50%. Pricing is based on the weight of steel, and we must procure 53.8M pounds of steel for 42 transmission projects under this contract. Additionally, newly identified large transmission line rebuild projects required to support community growth will significantly increase the number of monopoles needed. Lastly, approval of this request would allow CPS Energy to maintain, secure, and reserve critical manufacturing slots.

Without additional funding, these combined impacts would quickly exhaust funding and delay essential projects. These contracts will expire on April 30, 2030.

Subcontracting Opportunities

None at this time.

CPS Energy Board of Trustees Meeting
June 22, 2026
Procurement Form 5

ELECTRIC SYSTEM GROWTH | RESILIENCE/ RELIABILITY | TCOS REIMBURSEMENT

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**

Recommended Respondent(s) & Award

Vendor Name	SBA Classification & Details	Original PO Value	Previously Added or Reallocated Funds	Additional Funds Requested	PO#
Techline, Inc.[1]	Local & Small	$90,000,000		$160,000,000	3078064
KBS Electrical Distributors, Inc.[2]	Local & Small	$40,000,000	($40,000,000)	$40,000,000	3078066
Meyer Utility Structures LLC[3]		$90,000,000	$40,000,000	$200,000,000	3078065
		(A)	**(B)**	**(C)**	
	Totals	**$220,000,000**	**$0**	**$400,000,000**	
	Projected Cumulative Purchase Order Value (D)			**$620,000,000**	

[1] Incumbent supplier for 7 years.

[2] New supplier of this scope.

[3] Incumbent supplier for 17 years.

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	$175,000,000	10.5%	$230,000,000	$100,000,000	$67,000,000
$1,061,000,000	Non-Fuel O&M	$0	0%	$0	$0	$0

Projected FY2031 PO Spend: $48,000,000.

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

AUDIT & FINANCE COMMITTEE (A&F) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 23, 2026, MEETING
PREPARED FOR BOARD CHAIR, DR. FRANCINE ROMERO
FOR REVIEW AT THE JUNE 22, 2026, BOARD OF TRUSTEES MEETING

The Audit & Finance Committee met on April 23, 2026. As part of the Audit & Finance Committee agenda, the Committee:

A. Approved meeting minutes from the prior meeting, held on January 12, 2026.

B. Received the Energizing Progress Together presentation by Charles River Associates ("CRA") which detailed the large load growth that ERCOT is experiencing and forecasting.

C. Received a presentation from KPMG, external auditors, regarding the audit results and required communication with those charged with governance in relation to the audit services provided.

D. Received the Annual Audit Process and request for proposals (RFP) update presentation covering the status of the FY2026 annual audit process, review of the external auditor rotation policy, and key considerations for the external audit services RFP.

E. Received the Audit Services Quarterly Report, including a review of project count, audit plan coverage, project metrics, and results of completed projects.

F. Reviewed the Audit Services FY2027 Annual Planning process that includes ERP audit focus areas. Vote and approval of the FY2027 Audit Projects.

G. Received the Resiliency Plan Overview and the CPS resiliency plan document. The resiliency plan reflects current initiatives and aligns with Horizon 2025 and is scheduled to be published in April-May timeframe.

H. Received the Modernizing Contracting presentation introducing blanket purchase orders (BPAs). The BPA process will be implemented as part of the new ERP Oracle implementation.

I. Received the Procurement Review related to real estate appraisal services; miscellaneous hardware; geotechnical services for Howard to San Miguel Transmission Line project; and large electric motor maintenance services to be presented to the Board in April 2026. Transmission monopolies; civil engineering services; electric overhead and underground temporary and permanent services; engineering services for CPS Energy dams; specialty scaffolding services; and fuel contract to be presented to the Board in June 2026.

J. Facilities & Real Estate Master plan update delayed until the July 2026 meeting.

The next meeting of the Audit & Finance Committee will be held in July 2026.

EMPLOYEE BENEFITS OVERSIGHT COMMITTEE (EBOC)

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 23, 2026, MEETING

PREPARED FOR BOARD CHAIR DR. FRANCINE ROMERO

FOR REVIEW AT THE JUNE 22, 2026, BOARD OF TRUSTEES MEETING

The EBOC met April 23, 2026. As part of the EBOC agenda, the Committee:

A. Approved the meeting minutes from the prior meeting held on January 12, 2026.

B. Reviewed one Action Item from the prior meeting held on January 12, 2026.

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

D. Discussed Membership and Succession Planning processes of the Administrative Committee (AC) and approved the reappointment of four Administrative Committee members.

E. Received an update on the 2025 external audit of the employee benefit trusts resulting in an unmodified (clean) opinion.

F. Received an update on the Investment Practices and Performance Evaluation (IPPE) of the CPS Energy Pension Plan. The EBOC will receive the final IPPE report in July 2026.

G. Received an Investment Performance Update, recapping investment performance across all four benefit plan trusts (net of fees) for the year ended December 31, 2025. Each of the four plans achieved a return of 13% or higher. Additionally, for the one-to ten-year time horizons, the CPS Energy Pension Plan ranks in the top quartile in comparison to other public pension plans.

H. The Committee noted no Action Items for follow-up.

The next meeting of the EBOC will be held in July 2026.

PERSONNEL COMMITTEE

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE APRIL 23, 2026, MEETING
PREPARED FOR BOARD CHAIR DR. FRANCINE ROMERO
FOR REPORT AT THE JUNE 22, 2026, BOARD OF TRUSTEES MEETING

The Personnel Committee met on April 23, 2026. As part of the Personnel Committee agenda, the Committee:

A. Chair Dr. Romero requested that the committee convene to Executive Session to discuss input and process for CEO performance feedback.

The next meeting date is still being determined.

OPERATIONS OVERSIGHT COMMITTEE (OOC) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE MAY 4, 2026 MEETING
PREPARED FOR BOARD CHAIR, DR. FRANCINE ROMERO
FOR REPORT AT THE JUNE 22, 2026 BOARD OF TRUSTEES MEETING

The Operations Oversight Committee met on May 4, 2026. As part of the agenda, the Committee:

A. Received an update on Power Generation Planning Perspectives that included:
    a. ERCOT's large load interconnection queue, and
    b. The process by which CPS Energy consultant, CRA, worked closely with CPS Energy to develop, evaluate pathways for the Generation Plan Refresh.

B. Received a Procurement Preview that included:
    a. A new contract/rebid for Fuel Supply for vehicles and equipment,
    b. A new contract/rebid for Specialty Scaffolding Services for power stations,
    c. A new contract/rebid for Civil Engineering Services for substation and transmission facilities,
    d. A new contract/rebid for Electric Overhead and Underground Temporary and Permanent Services,
    e. An active PO funding increase request for Transmission Monopoles for new transmission lines, and
    f. Information on new federal tariffs on metals.

C. Received an update on our Summer Preparedness Activities that included:
    a. A review of key opportunities and mitigating actions to prepare our power generation fleet,
    b. Transmission weatherization inspections,
    c. Improvements in Load Shed capability,
    d. South Texas transmission line expansion,
    e. Wildfire mitigation initiatives,
    f. Demand Response programs, and
    g. A refresher on our disconnection policy during a heat advisory.

D. Received an introduction to a recent effort presented by Operations Leaders on Modernizing the Operations Organization that included:

   a. Objectives and business drivers for modernizing how Operations is structured to deliver exceptional value,

   b. The process by which Operational leaders identified critical capabilities,

   c. Initial observations, and

   d. Next steps, which include further refining the plan and sharing progress updates with the Operations Oversight Committee.

The next meeting of the Operations Oversight Committee Meeting is planned for August 17, 2026.

TECHNOLOGY & INNOVATION COMMITTEE (T&I) MEETING

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE MAY 11, 2026, MEETING

PREPARED FOR BOARD CHAIR DR. FRANCINE ROMERO

FOR REPORT AT THE JUNE 22, 2026, BOARD OF TRUSTEES MEETING

The Technology & Innovation Committee met on May 11, 2026. As part of the Technology & Innovation Committee Meeting agenda, the Committee:

A. Approved meeting minutes from the prior meeting, held on March 16, 2026.

B. Received updates on Electric Price Forecasting, Transforming Access Control, the Transport Communication Transformation Program, and the Evolve: ERP Transformation Program.

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

The next meeting of the Technology & Innovation Committee will be held August 24, 2026.

PERSONNEL COMMITTEE

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JUNE 1, 2026, MEETING

PREPARED FOR COMMITTEE CHAIR DR. FRANCINE ROMERO

FOR REPORT AT THE JUNE 22, 2026, BOARD OF TRUSTEES MEETING

The Personnel Committee met on June 1, 2026. As part of the Personnel Committee agenda, the Committee:

A. Chair Dr. Romero requested that the committee convene to Executive Session to accept the CEO's intent to retire and discuss CEO succession.

The next meeting date is still being determined.

Community Input Committee (CIC)
Committee Report

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE MAY 13, 2026, MEETING
PREPARED FOR COMMITTEE CHAIR, MR. STEVE BONNETTE
FOR REPORT AT THE JUNE 22, 2026, BOARD OF TRUSTEES MEETING

The Community Input Committee met on May 13, 2026. The meeting was open to the public, livestreamed, and a recording of the video has been posted on the CIC website. As part of the agenda, the committee:

A. Received an update on CPS Energy's generation planning from David Kee, Director of Energy Market Policy, Kevin Pollo, Sr. Director of Asset Management, and Patrick Augustine, Asset Management of Charles River Associates. The presentation provided ongoing information about energy demand growth from residential and commercial customers, and CPS Energy's continued strategy to meet that demand through a blended approach to power generation that balances reliability, affordability, and cleaner energy. The presentation summarized the three alternative plans, and the recommended plan, as presented to the CPS Energy Board of Trustees in April, and proceeded to receive comments from CIC members. These comments will be summarized and presented to the Board. CIC members were given a voluntary questionnaire to provide additional, individualized input on the generation plan update, which will also be shared with the Board.

B. Received a presentation that was an introduction to cost-of-service studies from Chad Hoopingarner, Vice President, Financial Planning, Pricing, and Budgets. The presentation defined the regulatory guidelines for allocating costs across customer groups, explained what cost-of-service studies are, and detailed how they are used within the utility industry.

The next regular CIC meeting is scheduled for July 8, 2026.

OMICRON ROUTING AND SITING PROJECT

PRESENTED BY:
LeeRoy Perez
VP T&D Engineering & Grid Transformation

June 22, 2026
Request for Approval

AGENDA

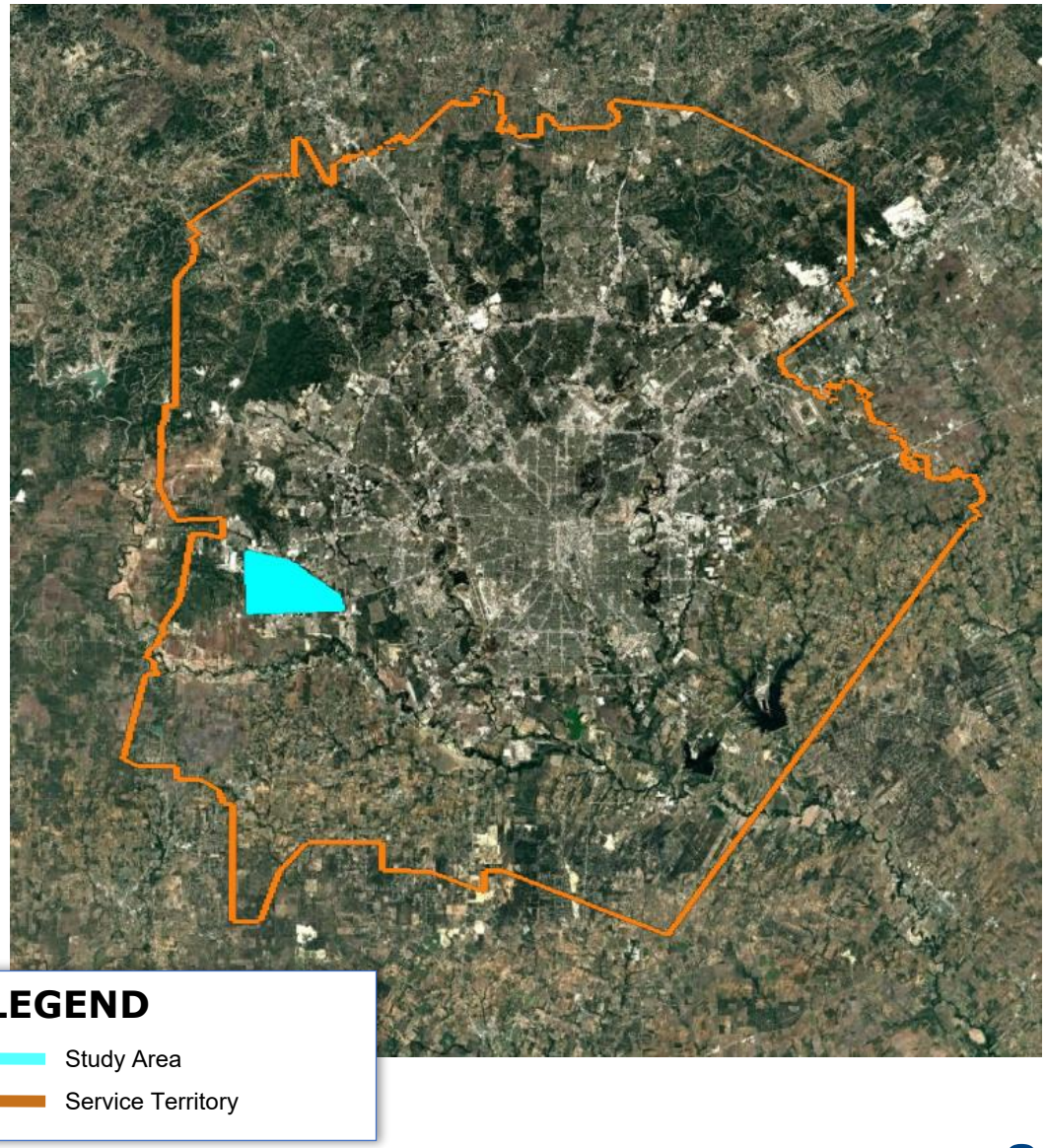
- Project Overview
- Public Involvement
- Public Utility Commission (PUC) Process and Approved Route
- Board Action



We are seeking Board approval to proceed with the Omicron project to build a new 138kV double circuit transmission line. This is part of the ERCOT-endorsed Omicron Reliability Project set.

PROJECT OVERVIEW

- New 138kV double circuit transmission line starting from the Omicron Substation and connecting to the existing Cagnon to Howard Rd line
- Part of the ERCOT-endorsed Omicron Reliability Project set
- 31 route options
- Project is outside the City of San Antonio (CoSA)
  - Near City Council District 4
  - Trustee Quadrant 4
- Target in-service date: November 2027



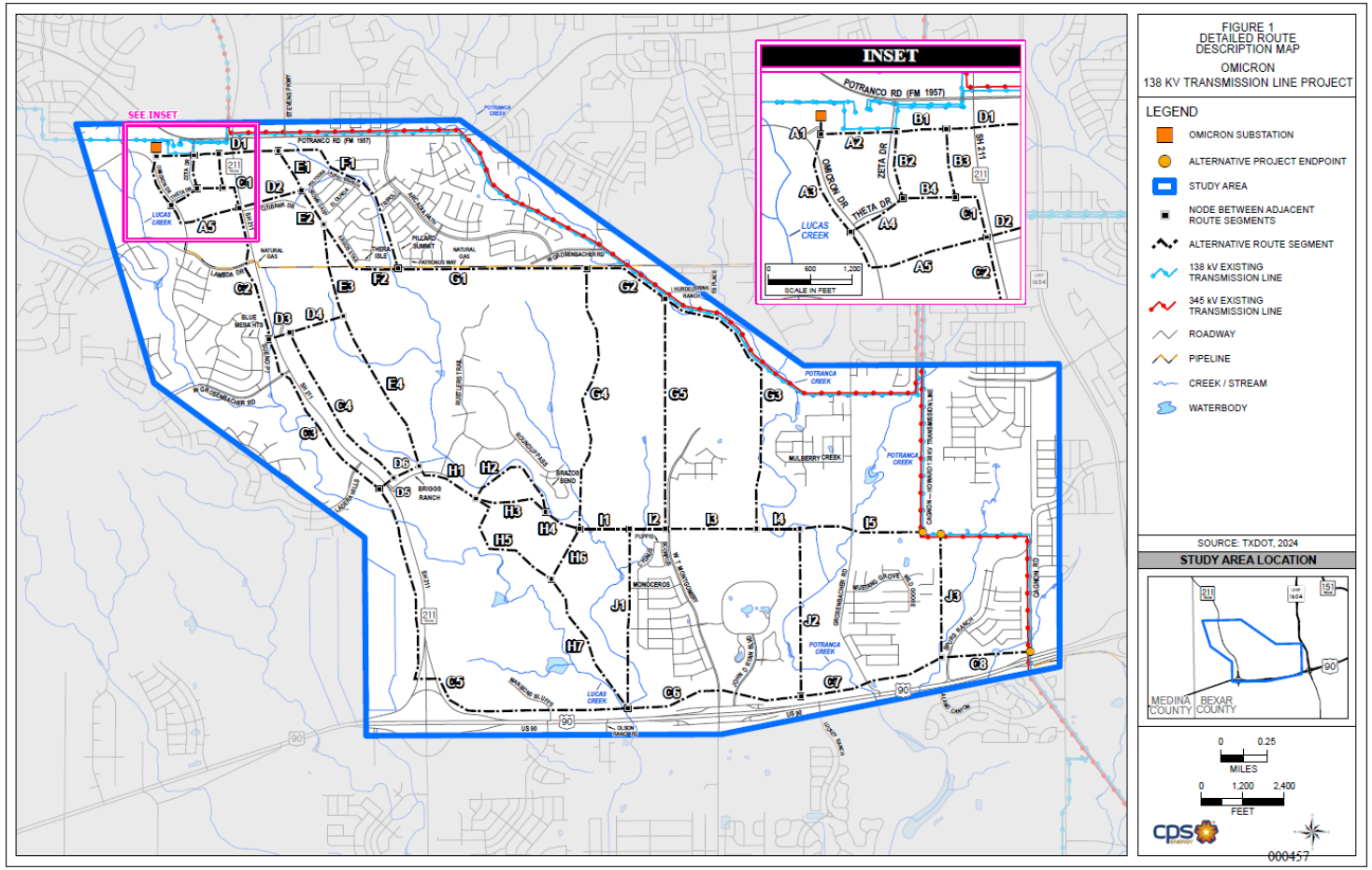
PUBLIC INVOLVEMENT

- Public Open House (February 13, 2025)
  - Location: Ladera Elementary School
  - 634 property owners and residents invited
  - 9 people attended
- Additional Outreach Efforts
  - Project website
  - Project brochure, FAQ, and questionnaires
  - Multiple newspaper advertisements
  - PUC application packet distributed on June 27, 2025



PUC DECISION

- CCN Application filed with the PUC on June 27, 2025.
- Landowner testimonies and Statements of Position filed on August 21, 2025.
- Hearing on the merits occurred on September 17, 2025.
- PUC issued its Final Order on March 12, 2026, selecting and approving Route 26.
- Estimated CPS Energy project cost: $46.2M
- Approximately 6 miles in length



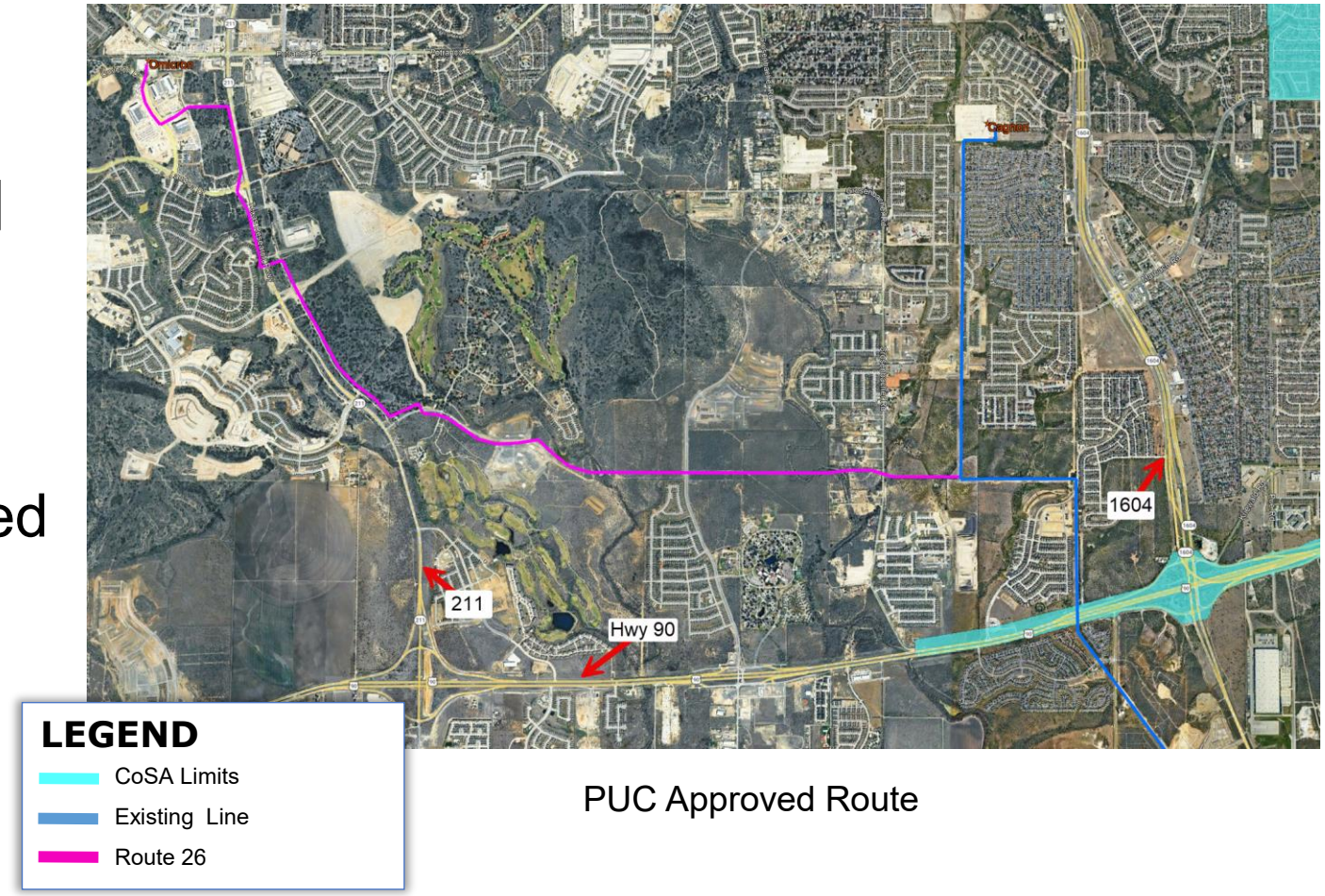
Route segments submitted to PUC

After extensive review of the project, the PUC approved Route 26.

REQUEST FOR APPROVAL

We are requesting the Board approve a resolution which allows us to:

- Proceed with the PUC-approved Route 26
- Execute planning, easement acquisition and construction of the project



PUC Approved Route

THANK YOU

APPENDIX

GLOSSARY / DEFINITIONS

ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
CCN	Certificate of Convenience and Necessity	PUC	Public Utility Commission of Texas
CoSA	City of San Antonio	T&D	Transmission & Distribution
ERCOT	Electric Reliability Council of Texas	TCOS	Transmission Cost of Service
FAQ	Frequently asked questions	VP	Vice President
kV	Kilovolt		
M	Million		

ROUTING & SITING PROCESS COMPARISON

INSIDE CITY LIMITS
Initial Data Collection
Open House/ Public Input
Route Evaluation
CPS Energy Recommendation
Board Input Session
CPS Board Approval and Route Selection

OUTSIDE CITY LIMITS
Initial Data Collection
Open House/ Public Input
Route Evaluation
PUC Application
PUC Hearings
PUC Approval and Route Selection
CPS Board Gives Approval to Proceed

INSIDE AND OUTSIDE CITY LIMITS
Initial Data Collection
Open House/ Public Input
Route Evaluation
PUC Application
PUC Hearings
PUC Approval and Partial Route Selection
CPS Board Approval and Partial Route Selection

A RESOLUTION

APPROVING THE CONSTRUCTION OF THE OMICRON 138KV TRANSMISSION LINE PROJECT AND THE ACQUISITION OF EASEMENT RIGHTS, FEE SIMPLE TITLE AND PROPERTY EXCHANGES OVER AND ACROSS CERTAIN PROPERTIES LOCATED IN WEST BEXAR COUNTY TEXAS, EITHER BY PURCHASE THROUGH NEGOTIATIONS OR BY THE PROCESS OF EMINENT DOMAIN, FOR EXPANSION AND OPERATION OF THE CITY OF SAN ANTONIO ELECTRIC SYSTEM, INCLUDING THE CONSTRUCTION, OPERATION AND MAINTENANCE OF ELECTRIC TRANSMISSION LINES, DISTRIBUTION LINES, COMMUNICATION SYSTEMS, AND RELATED APPURTENANCES.

WHEREAS, the Public Utility Commission of Texas ("PUC") has affirmed the need for a new transmission line to satisfy the power needs and to enhance reliability of the CPS Energy and ERCOT electric system within Bexar County Texas (the "Omicron 138kV Transmission Line Project");

WHEREAS, the Omicron 138kV Transmission Line Project has a projected in-service date by November 2027;

WHEREAS, CPS Energy, using their respective staff resources and a team of engineering, environmental, and other professionals (the "Project Team"), has followed the PUC's Routing/Siting Process to have the PUC approve the transmission route that should be constructed on this project in Docket No. 58276 before the PUC; and

WHEREAS, The Omicron 138kV Transmission Line Project is a new 138kV transmission line in Bexar County connecting the CPS Energy Omicron Substation to the Cagnon-Howard 138kV transmission line located 5.73 miles to the southeast.

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

WHEREAS, at the close of the PUC process in Docket No. 58276, for the project the PUC Commissioners unanimously selected Route 26 from the Omicron station located in West Bexar County to the existing Cagnon-Howard 138kV transmission line in Bexar County as shown on the Project Site Map attached as Exhibit "A" to this Resolution (the "Project Site Map");

WHEREAS, CPS Energy staff presented Route 26 to the CPS Energy Board of Trustees ("Board") as selected by the PUC and shown on the Project Site Map.

WHEREAS, the Board understands the PUC's selection of Route 26 for the Omicron 138kV Transmission Line Project that Route 26 has one of the lowest impacts of the alternatives on both the human and natural environments because such route will, to the greatest extent practicable when compared to other alternatives:

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

WHEREAS the Board adopts the PUC's selected Route 26 for the Omicron 138kV Transmission Line Project.

WHEREAS, the Board approves of the construction of the Omicron 138kV Transmission Line Project and associated electric transmission and distribution lines, substation, communication systems and related appurtenances and the acquisition of easement rights, fee simple title and property exchanges over and across properties in Bexar County, Texas, along the project route of the electric transmission line, and any required distribution lines, for the construction, operation and maintenance of the City of San Antonio Electric System, including the construction, operation and maintenance of the Omicron 138kV Transmission Line Project, either by purchase through negotiations, or by the process of eminent domain approved by the San Antonio City Council.

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

1. The recitals to this Resolution are hereby incorporated for all purposes.

2. The Board adopts the PUC's selection of Route 26 for the Omicron 138kV Transmission Line route to be constructed.

3. The Board finds that the Omicron 138kV Transmission Line Project is of great importance to the public, and that CPS Energy has taken into account appropriate environmental, health and safety concerns in designating the route.

4. The Board hereby approves the CPS Energy Omicron 138kV Transmission Line Project to be constructed as generally depicted on the Project Site Map attached to this Resolution as Exhibit "A" and hereby incorporated for all purposes and directs CPS Energy staff and attorneys to proceed with the necessary steps to undertake and complete the Omicron 138kV Transmission Line Project.

5. The Board authorizes the President and CEO of CPS Energy and/or his/her designee to determine the exact location for CPS Energy's electric transmission line in accordance with the PUC's Final Order in Docket No. 58276 as generally depicted on the Project Site Map and associated distribution lines.

6. The Board finds that the acquisition of easement rights, fee simple title to properties, and property exchanges along the selected electric transmission route, and for any required distribution line routes is necessary and desirable for the important public purpose of the construction, operation and maintenance of the City of San Antonio's Electric System, including the CPS Energy Omicron 138kV Transmission Line Project. The Board hereby authorizes acquisition of easement rights, fee simple title and property exchanges necessary for CPS Energy's Omicron 138kV Transmission Line Project, either by purchase through negotiations or by the process of eminent domain, as well as all other

lawful action necessary and incidental to such acquisitions or eminent domain proceedings to survey, specify, define, and secure the necessary title and rights.

7. The Board directs CPS Energy staff to continue to ensure that members of the public may obtain the current Project Site Map at www.cpsenergy.com (search word “Omicron”).

PASSED AND ADOPTED, this ____ day of _____ 2026.

_____
Shanna M. Ramirez
Secretary of the Board

DRAFT

FY2027 FIRST QUARTER PERFORMANCE UPDATE

PRESENTED BY:

Elaina Ball
Chief Strategy Officer

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

June 22, 2026
Informational Update

AGENDA

- FY2027 Enterprise Scorecard Recap
- Year-to-Date Financial Performance
- Big Picture Outlook
- Full-Year Financial Expectations

Our objective is to provide you with an update on our enterprise scorecard results, Q1 financial performance (as of April 30, 2026), past-due receivables, an overview of current macroeconomic conditions, and expected full-year results.

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).	On Track	Advance the Evolve digital transformation program by supporting the Oracle Enterprise Resource Planning (ERP) design and build activities for Releases 1 and 2.	On Track	Award key contracts including engineering, procurement, and construction (EPC), finalize engineering, and start equipment purchases for the Spruce 2 Natural Gas Conversion.	On Track	Submit TCOS (Transmission Cost of Service) rate filing package.	On Track	Continue maturing Safety Culture work with existing Grass Roots and guidance teams, adding Power Generation and Supply Chain teams.	On Track
Complete Energy Management Systems (EMS) & Supervisory Control and Data Acquisition (SCADA) roll-out and continue upgrading Advanced Distribution Management System (ADMS).	On Track	Improve the large load customer experience by enabling power solutions that comply with regulatory requirements.	On Track	Execute continuation of STEP Program initiatives to include Weatherization and Community Solar growth.	On Track	Conduct an updated cost of service analysis to demonstrate fiscal responsibility and transparency.	On Track	Continue STCKY (Stuff That Can Kill You) prevention transition to further focus safety on key risks.	On Track
Execute gas strategies to include Permian Hwy to Rio Nogales, Southgate to Rio Nogales, and N. Outer Loop.	On Track	Continue to develop and scale premium outreach and assistance programs that actively support customers.	On Track	Continue execution of approved power generation plan, including additional acquisition of incremental solar, wind and storage capacity.	On Track	Maintain financial stability and a strong credit profile, reflecting disciplined financial management, diversified revenue sources, and adequate liquidity.	On Track	Enhance and expand the Industrial Athlete program to address preparation for work in the field and minimize musculoskeletal disorders.	On Track
Optimize approved power generation plan execution through strategic transactions.	On Track			Execute the power generation plan refresh to maintain diversification of our generation portfolio and meet evolving community growth.	On Track	Prioritize and execute business optimization initiatives to improve operational efficiency and support long-term sustainability.	On Track	Business units drive organizational change management and develop a series of workforce plans to improve collaboration and communication.	On Track
						Optimize receivables performance through customer payment solutions that promote current account status.	On Track	Business units execute the ERP change management plan to prepare the organization for future state business processes, enhanced technical/enabled capabilities and training.	On Track

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	**1st Quartile** 12-Month Total Bill - Residential	**COSA CAAP Goal** Carbon Intensity	**≥2.93** Fiscal Resiliency	**1st Quartile** Living Mission & Values	**1.11** Safety Performance

FY2027 ENTERPRISE MEASURE RESULTS

AS OF APRIL 30, 2026

Strategic Goals	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year (FY2027 / CY2026)			Year-End Forecast	Latest Estimate
						FY2025 / CY2024	FY2026 / CY2025	YTD Target	YTD Actual	Year-End Target		
Reliability	**Average Customer Outage Duration** (System Average Interruption Duration Index - SAIDI)	Monthly	CY	#	↓	61.80	75.38	18.56	27.21	73.00	On Track	81.64
	Plant Availability [1] (Critical Months Equivalent Availability Factor - CMEAF)	Monthly	CY	%	↑	89.5	81.5	87.0	79.9	87.0	At Risk	81.5
	Gas Safety (Leaks Remaining at End of Year Per 1,000 Customers)	Monthly	CY	#	↓	0.23	0.42	0.42	0.41	0.42	On Track	0.42
Financial Strength	**Fiscal Resiliency** [2] (Index of Key Financial Measures)	Monthly	FY	#	↑	3.15	3.13	1.97	1.90	≥2.93	On Track	2.93
Value	**Customer Perception** (Residential Engaged Customer Relationship – ECR)	Quarterly	CY	#	↑	687	716	705 - 710	720	705 - 710	On Track	705
	Strategically Investing in the Community (Local Spend Percentage)	Quarterly	FY	%	↑	74.58	72.08	70.00	76.22	70.00	On Track	70.00
	12-Month Total Bill – Residential [3]	Quarterly	FY	$	↓	N/A	N/A	1st Quartile	191.77	1st Quartile	On Track	191.77
Team Excellence	**Living Mission & Values** [4] (Gallup 12+ Index)	Annually	FY	#	↑	4.15	4.12	-	-	1st Quartile	On Track	-
	Safety Performance (Enterprise Recordable Incident Rate - RIR)	Monthly	FY	#	↓	1.19	1.54	1.11	1.16	1.11	On Track	1.31
Cleaner Energy	**Carbon Intensity** [3]	Quarterly	CY	#	↑	N/A	N/A	COSA CAAP Goal	826	COSA CAAP Goal	On Track	826

[1] Critical month calculation includes January & February only; calculation to resume in June through September.

[2] More information about this measure can be found in the Monthly Financial Update.

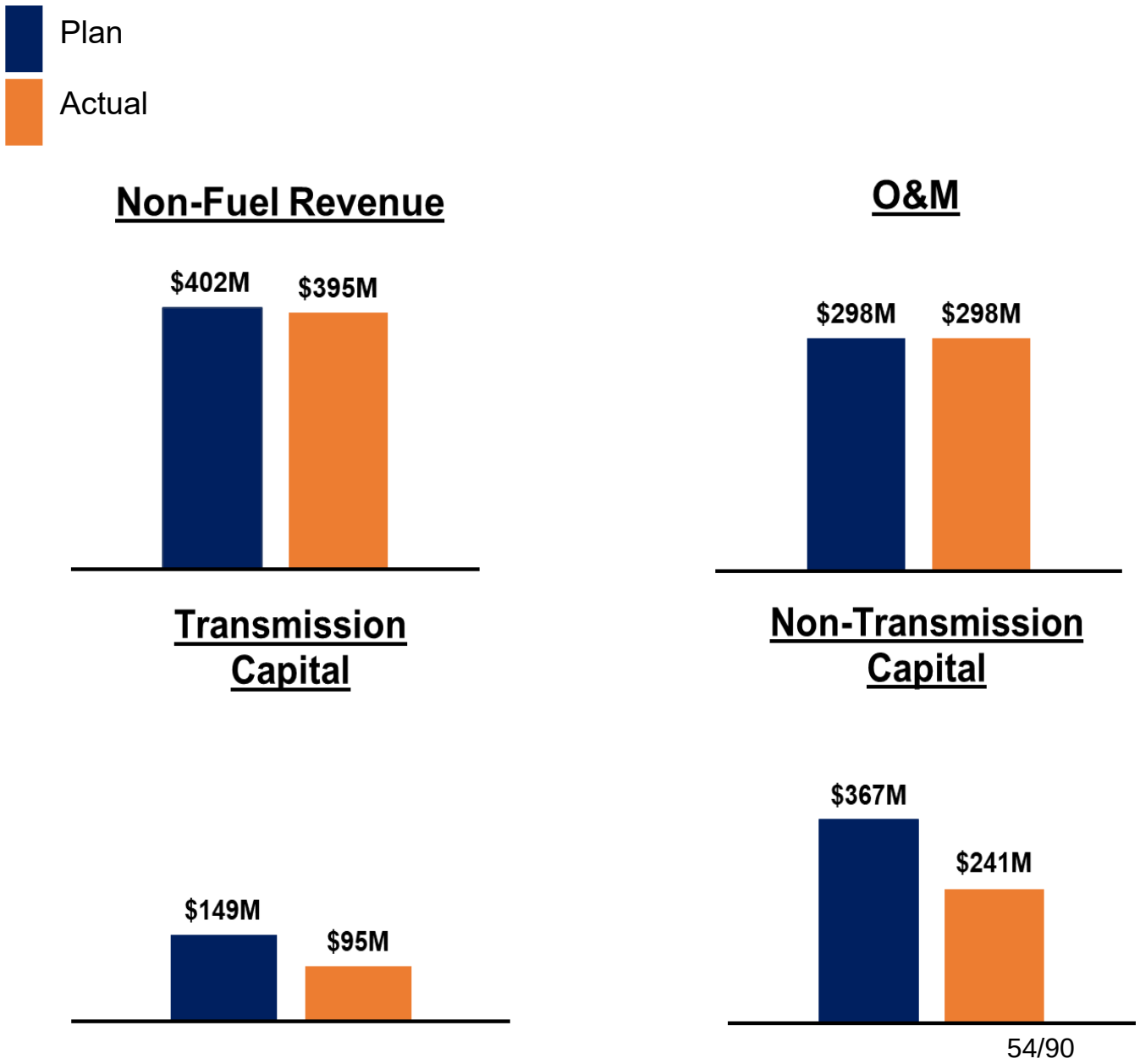
[3] No historical information available due to newly reported measure in FY2027.

[4] A dash (-) represents no data currently available due to measure being reported annually.

NOTE: The 12-month rolling average for SAIDI is 84.98

FY2027 FIRST QUARTER FINANCIAL PERFORMANCE

Q1 YEAR-TO-DATE FINANCIAL RESULTS

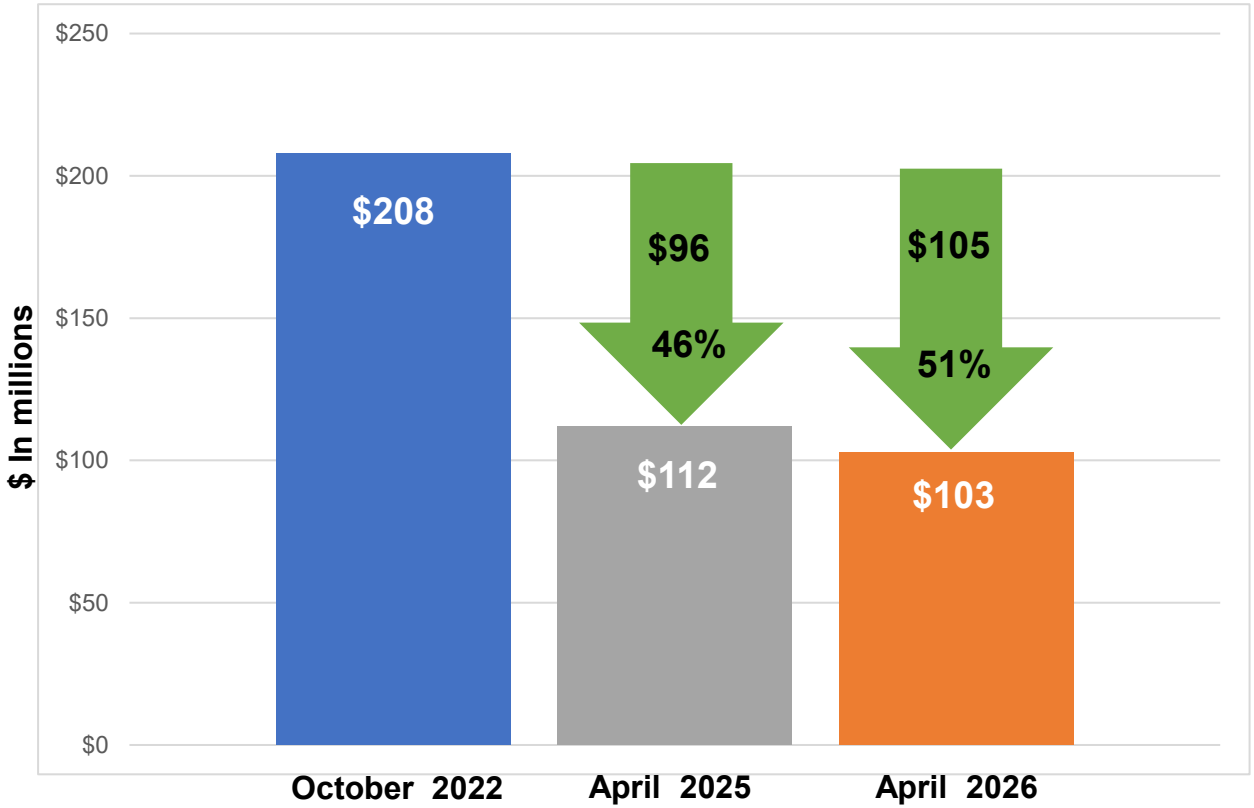


- Non-fuel revenue is lower than plan due to mild weather and lower customer growth.
- O&M is consistent with plan, but we expect some additional spend going forward due to heavy storm season.

Capital is temporarily lower than plan due to timing of transmission projects and pending STP 2% acquisition.

PAST-DUE CUSTOMER BALANCE

REDUCING OUR RISK PROFILE



- As of April 2026, the percent of past-due balances on payment plans is ~44%, an increase from 37% in 2022.
- The success rate for customers enrolled in payment plans is 80%.
- In a recent benchmarking survey, we ranked third in percent of receivables that are current.[1]
- Also, we work with the most vulnerable customers and help them find assistance.

Nationally, past-due balances have grown ~55% since 2022, while ours have reduced by ~51%, which has decreased our risk profile.[2]

1. First Quartile Consulting
2. National Energy Assistance Directors' Association

BIG PICTURE OUTLOOK

HEADWINDS (CHALLENGES WE FACE)	TAILWINDS (OPPORTUNITIES AHEAD)
Economic Pressures: Slower U.S. growth, rising inflation, falling consumer sentiment, and fewer building permits in San Antonio are all squeezing budget flexibility.	**Economic Strengths:** Despite slower US economic growth, job growth remains resilient and unemployment is low. Additionally, GDP is supported by the AI and tech investment cycle and fiscal support (i.e. tax incentives). Corporate earnings remain robust.
Borrowing Costs: Interest rate environment is expected to remain high as the Federal Reserve is anticipated to keep rates on hold for the balance of the year.	**Investment Rates:** A continued higher interest rate environment will yield more investment income on our cash investments.
Geopolitical Risk : Oil and LNG prices continue to be volatile due to ongoing conflicts and shipping disruptions.	**Permian Basin Natural Gas Supply:** Oil production remains high causing excess natural gas by-product to be priced low, which helps customer bills and provides additional wholesale margin.
San Antonio Housing Market: Housing inventory has increased in comparison to last year at this time, which could lead to further declining building permits.	**Community & Load Growth:** Population and industrial expansion are driving revenue potential (albeit slightly slower).

FY2027 FINANCIAL EXPECTATIONS

- The economy is slowing and inflation remains above the Federal Reserve's 2% target, reflecting a more challenging macroeconomic environment going forward.
- Mild weather and slower customer growth has resulted in lower-than-expected non-fuel revenue through Q1.
- We expect O&M to be higher than plan due to the heavy storm season & emergency work.
- Capital is expected to come in higher than plan as we see an increase in transmission capital.
- Countering some of the lower revenue growth are a few financial tailwinds likely to occur during the balance of the fiscal year, including another nuclear production tax credit that we expect to receive in 2026.

We will continue to closely manage our financial position through the remainder of the year.

PROJECTED FINANCIAL METRICS RESULTS

	Range	Performance
Adjusted Debt Service Coverage Ratio (Higher is Better)	**1.60 - 1.99x** ~$1.1B - ~$1.3B (Net Revenues)	☑
Debt Capitalization Ratio (Lower is Better)	**65.00% - 69.99%** ~$9.5B - ~$11.9B (Total Outstanding Debt)	☑
Days Cash on Hand (Higher is Better)	**150 - 199** ~$1.4B - ~$1.9B (Cash)	☑
Days Liquidity on Hand (Higher is Better)	**≥275** ~$1.5B - ~$2.1B (Short-Term Financing Capacity)	☑
Fiscal Resiliency Score (Higher is Better)	**≥2.93**	☑

On a full-year basis, we expect our FY2027 financial metrics and fiscal resiliency score to be in line with the plan.

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	YTD	Year-to-Date

FLOW OF FUNDS
YEAR-TO-DATE ACTUAL VS. PLAN

($ in millions)	FY2027		
Description	Plan	Actuals	Variance: (Under Plan) Over Plan
Revenues, net of unbilled	$ 1,129.0	$ 1,043.9	$ (85.1)
Less: fuel & regulatory expense	508.7	382.6	(126.1)
Less: Operation & maintenance	298.1	298.3	0.2
Revenues, net of Operating Expenses	322.2	363.0	40.8
Less: Debt service	164.5	160.0	(4.5)
Less: 6% Gross Revenue to R&R	67.7	62.6	(5.1)
Less: city payment (CP) per flow of funds	90.0	132.6	42.6
Remaining to R&R	-	7.8	7.8
Total R&R fund additions	$ 67.7	$ 70.4	$ 2.7
Gross Non-Transmission Capital	$ 366.8	$ 241.2	$ (125.6)
Gross Transmission Capital	131.3	91.2	(40.1)
Transmission Finance Structure	17.5	3.9	(13.6)
Total Gross Capital	$ 515.6	$ 336.3	$ (179.3)

Revenues
Non-fuel revenue is below plan due to mild weather and slower customer growth.

O&M
On par with plan.

Capital
Temporarily lower than plan due to timing of transmission projects and pending STP 2% acquisition.

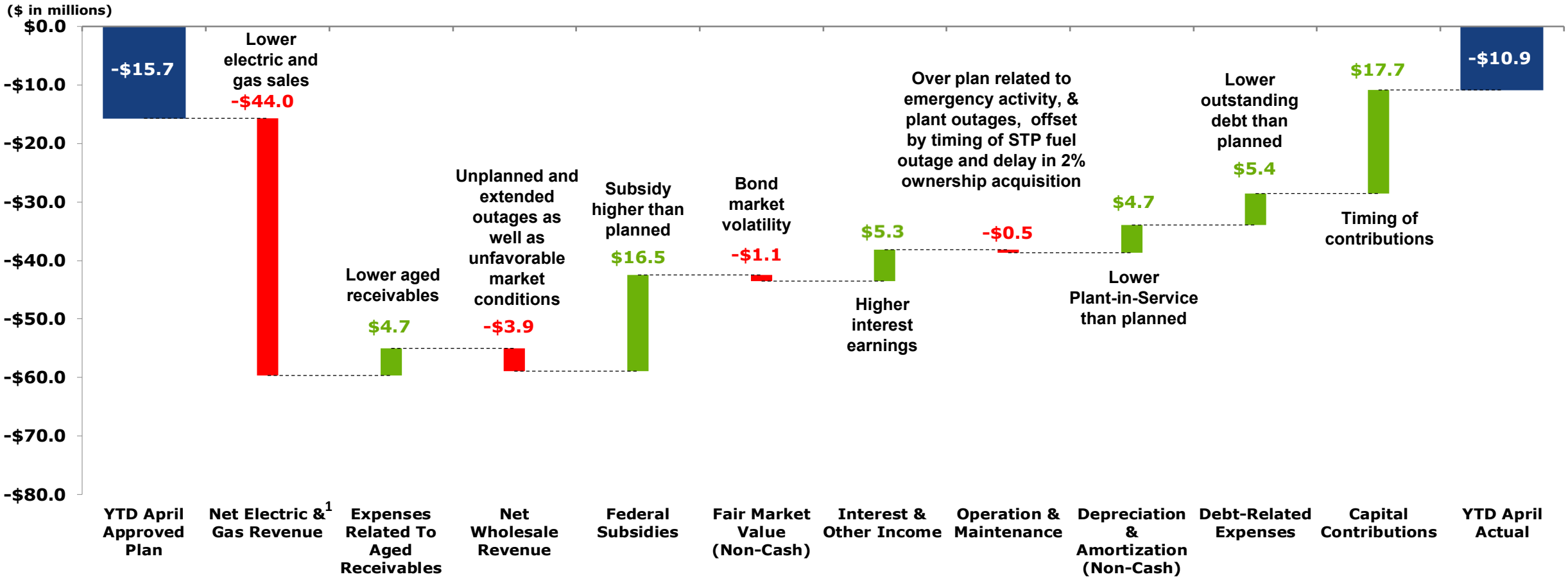
NET INCOME
YEAR-TO-DATE ACTUAL VS. PLAN

($ in millions)	FY2027		
Description	Plan	Actuals	Variance: (Under Plan) Over Plan
Revenue available for nonfuel expenses			
Electric	$ 918.2	$ 765.1	$ (153.1)
Gas	85.7	113.1	27.4
Other Operating Revenue	3.2	2.1	(1.1)
Total operating revenue	1,007.1	880.3	(126.8)
Less:			
Electric fuel, distribution gas and regulatory	510.1	383.9	(126.2)
Payments to the City of San Antonio	89.9	132.6	42.7
Net operating revenue	407.1	363.8	(43.3)
Non-Capital Subsidies	100.6	117.1	16.5
Nonoperating revenue	20.1	24.4	4.3
Total revenue available for nonfuel expenses	527.8	505.3	(22.5)
Nonfuel expenses			
Operation & maintenance	297.8	298.3	0.5
Depreciation, amortization & decommissioning	167.0	162.3	(4.7)
Interest & debt-related	108.2	102.8	(5.4)
Total nonfuel expenses	573.0	563.4	(9.6)
Capital Contribitions	29.5	47.2	17.7
Net Income (Loss)	$ (15.7)	$ (10.9)	$ 4.8

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.

FY2027 APRIL YTD NET INCOME

PLAN TO ACTUAL WALK-FORWARD



[1] Net electric & gas revenue is net of gross revenue (billed & unbilled), net TCOS revenues, fuel & regulatory, and city payment.

FY2027 ENTERPRISE MEASURE SUMMARY

AS OF APRIL 30, 2026

Unrecoverable		At Risk		On Track		Total Enterprise Measures
0	0%	1	10%	9	90%	10

Plant Availability continues to be At Risk of achieving its year-end target and mitigations are in place to support positive performance.

FY2027 FISCAL RESILIENCY SCORE
AS OF APRIL 30, 2026

Enterprise Measure	Component Name	Index Weight	Unit	Target Indicator	Historical Actuals			Current Year (FY2027 / CY2026)			Latest Estimate
					FY2024	FY2025	FY2026	YTD	YTD	Year-End Target	
					CY2023	CY2024	CY2025	Target	Actual		
Fiscal Resiliency	Adjusted Debt Service Coverage (ADSC)	33.0%	#	↑	2.21	1.94	1.62	1.41	1.44	1.60 - 1.99x	1.72
	Debt Capitalization	27.0%	%	↓	60.8	61.8	63.5	68.3	67.1	65.00% - 69.99%	68.7
	Days Cash on Hand (DCOH)	15.0%	#	↑	201	182	167	130	98	150 - 199	156
	Days Liquidity on Hand (DLOH)	15.0%	#	↑	432	450	339	238	281	≥275	303
	Non-Fuel Revenue w/OSS RnF	5.0%	$	↑	1,784.1	1,936.5	1,942.3	402.1	395.2	-5.00% to +4.99%	2,211.1
	O&M	2.5%	$	↓	787.6	932	1027.9	297.8	298.3	≤ +/- 2.00%	1,060.7
	Capital Budget (Gross of CIAC)	2.5%	$	↓	1,004.6	1,749.7	1,314.1	515.6	336.3	≤ +/- 2.00%	1,734.3
Fiscal Resiliency Weighted Index Score								1.97	1.90	≥2.93	2.93

CY2026 ENTERPRISE MEASURE - AT RISK
KEY OBSERVATIONS

Strategic Goal	Measure Name	Measure Frequency	FY/CY	Unit	Target Indicator	Historical Actuals		Current Year			Year-End Forecast	Latest Estimate
						FY2025 CY2024	FY2026 CY2025	YTD Target	YTD Actual	Year-End Target		
Reliability	**Power Plant Availability (Critical Months Equivalent Availability Factor – CMEAF)**	Monthly	CY	%	↑	89.5	81.5	87.0	79.9	87.0	At Risk	81.5

Key Observations:

Drivers (CY2026 through February):

- Sommers 2 Low Pressure (LP) turbine blade repairs (33%)
- Nueces Bay current transformer failure (29%)
- Barney Davis Unit 1 Waterwall tube leak outage (23%)
- Spruce 1 boiler tube leak repairs (8%)
- Fleet additional impact due to various equipment issues (7%)

Mitigations (CY2026 through February):

- **Sommers 2** – Low Pressure (LP) turbine failure
  - Completing Root Cause Analysis (RCA) to identify causal factors and preventative actions
  - Evaluating Low Pressure (LP) turbine replacement options for future implementation
- **Nueces Bay** – Current transformer failure
  - Updating to modern, non-oil-filled transformer design
- **Barney Davis Unit 1** – Waterwall tube leak outage
  - Currently evaluating the economics of future operation
- **Spruce 1** – Boiler tube leak
  - Enhance periodic boiler tuning to sustain boiler gas temperatures
  - Enhance preventive boiler condition assessments and repairs during upcoming planned outages
  - Enhance boiler ash cleaning system inspections, maintenance, and repairs

NOTE: Critical month calculation includes January & February only; calculation to resume in June through September.

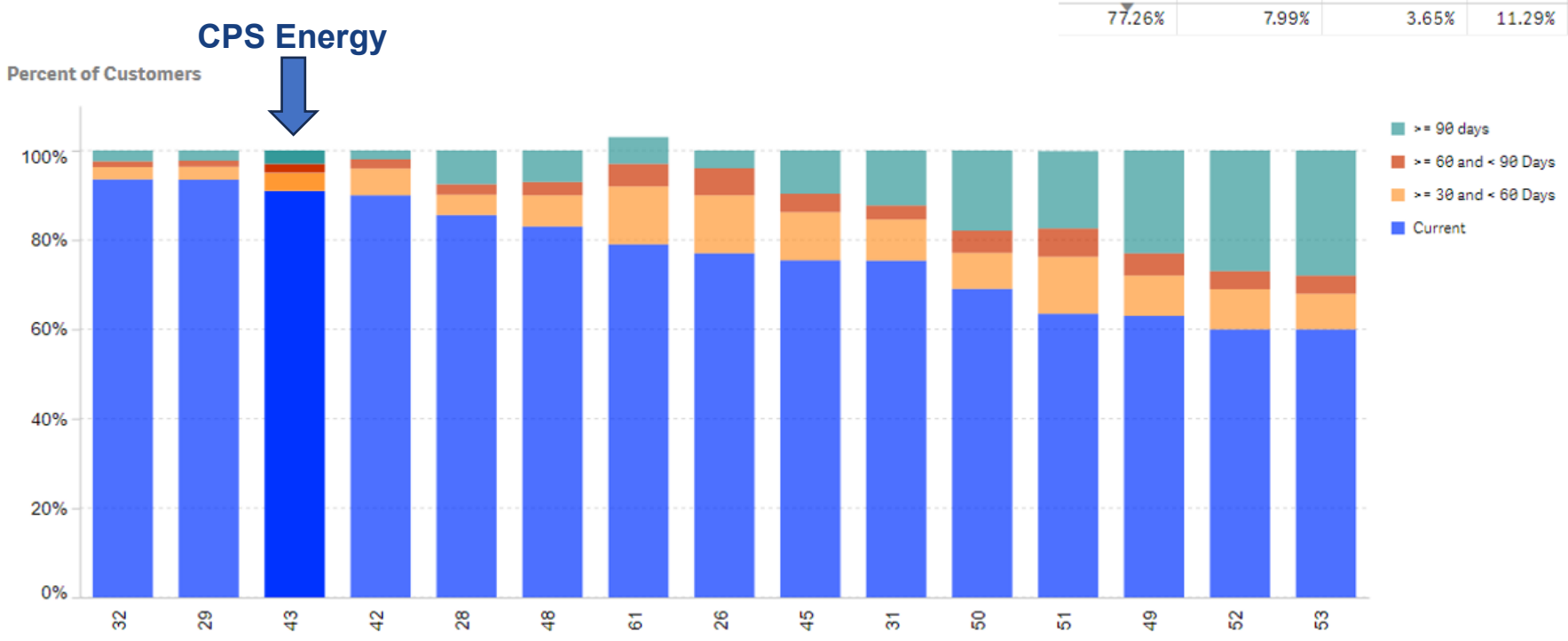
UTILITY ARREARAGES

BENCHMARKING

During an Average Month, Percent of Customers in Each Category: Combined Total

Mean, by Category

Current	30 to 59 Days	60 to 89 Days	90+ Days
77.26%	7.99%	3.65%	11.29%



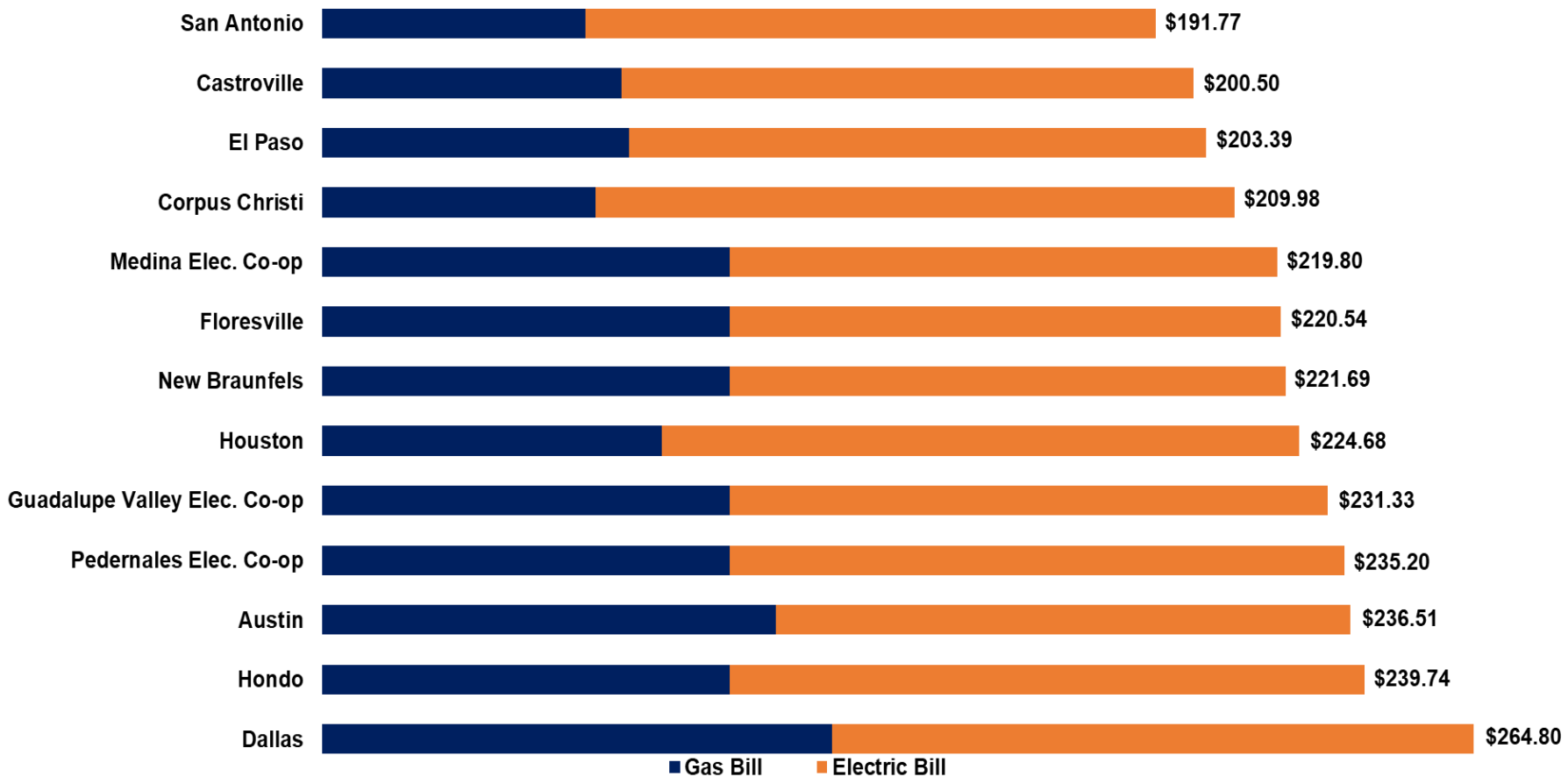
FIRST QUARTILE CONSULTING

* Data compiled & presented by First Quartile Consulting – Customer Service Benchmarking Study. Data as of December 31, 2025

In national benchmarking, we rank third in percent of receivables current, due to our efforts to focus on connecting customers with the right programs and assistance.

TEXAS & LOCAL CITIES COMBINED RESIDENTIAL BILL COMPARISON

TRAILING TWELVE MONTHS ENDING APRIL 2026

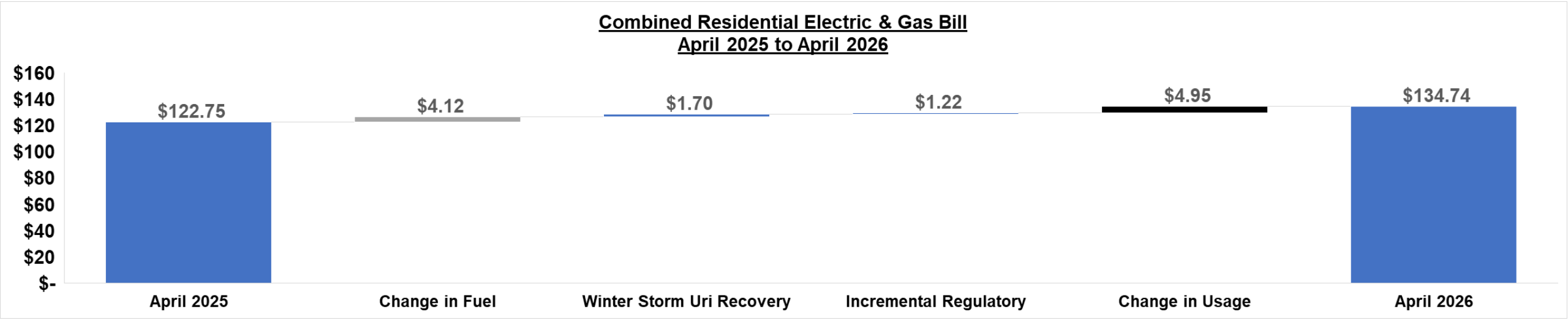


¢/kWh	$/MCF
13.1	12.1
13.2	13.8
13.3	14.1
14.7	12.6
12.6	18.7
12.7	18.7
12.8	18.7
14.7	15.6
13.8	18.7
14.1	18.7
13.2	20.9
14.6	18.7
14.7	23.5

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.

YEAR-OVER-YEAR CHANGE IN RESIDENTIAL BILL

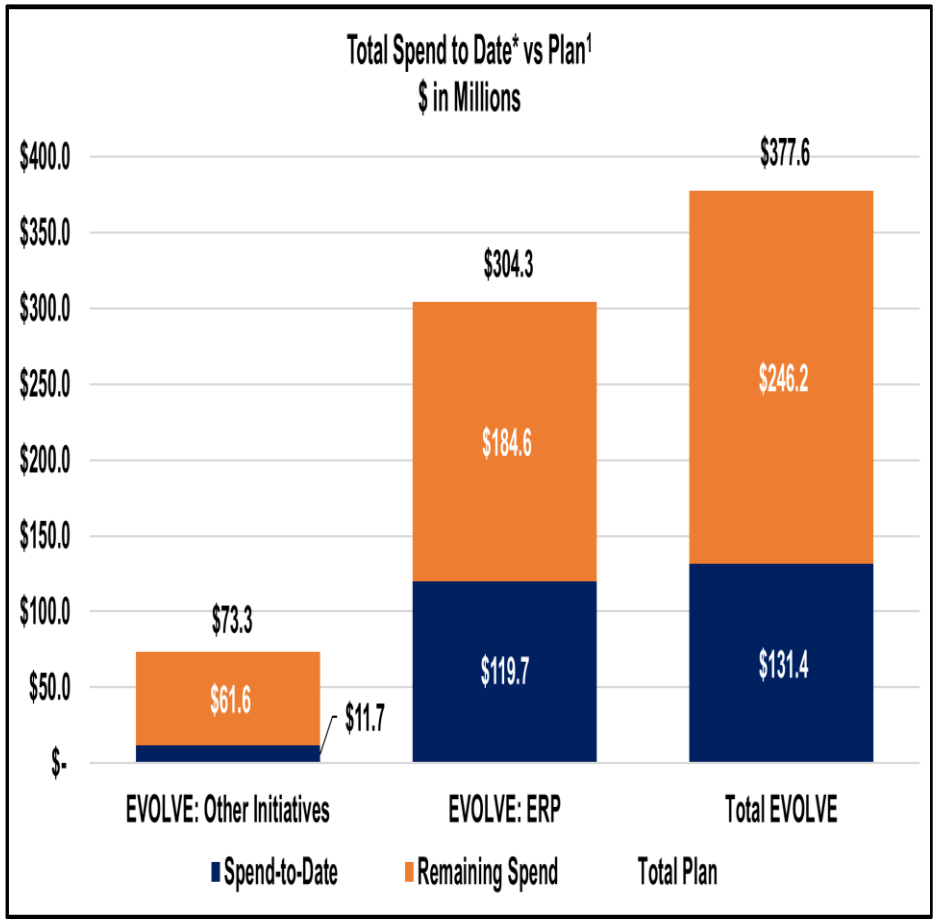


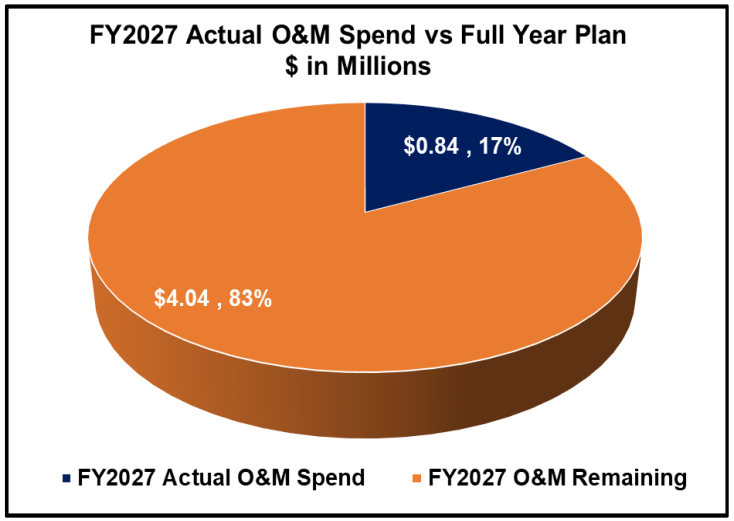
AVERAGE RESIDENTIAL USAGE			
	April 2025	April 2026	Variance
Electric (kWh)	780	815	35
Gas (CCF)	15	16	1

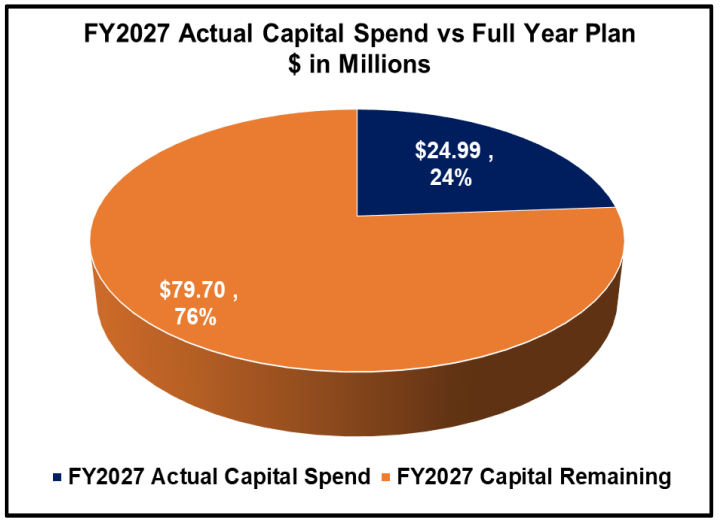
Bills are higher due to an increase in fuel and usage on a year-over-year basis.

EVOLVE FINANCIAL SUMMARY

AS OF APRIL 30, 2026







FY2027 O&M & Capital Spend

$ in Millions	Spend to Date	Remaining Spend
O&M	$0.84	$4.04
Capital	$24.99	$79.70
Total	$25.83	$83.74

* Includes FY2021-FY2026 Actuals and FY2027 Actuals thru Period 3 (April).
[1] Plan is based on EIT's total estimated costs for EVOLVE of $377.6M and ERP of $304.3M through FY2031, as of the FY2027 approved budget.

(1) Visuals do not include any adjustments for contingencies.
(2) Visuals include all EVOLVE initiatives. ERP is the largest effort within EVOLVE.
(3) 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, and the Detailed Design phase is proceeding. Overall EVOLVE portfolio remains on track with the established budget.

Energizing Progress Together

June 22, 2026

Request for Approval

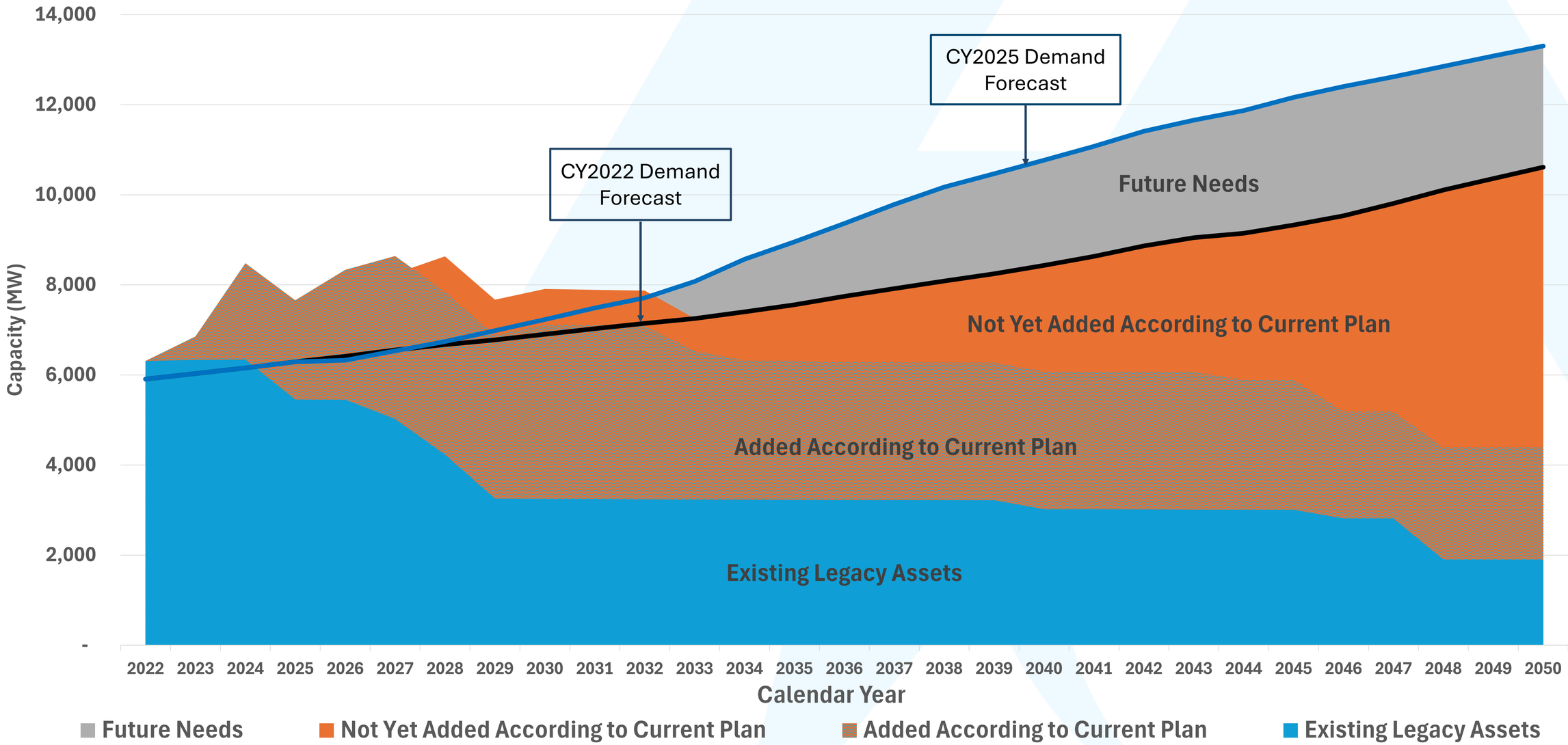
PRESENTED BY

David Kee
Director of Energy Market Policy

Today, we're going to:

- Share Generation Plan Overview
- Recap Study Observations & Alternatives
- Request Approval

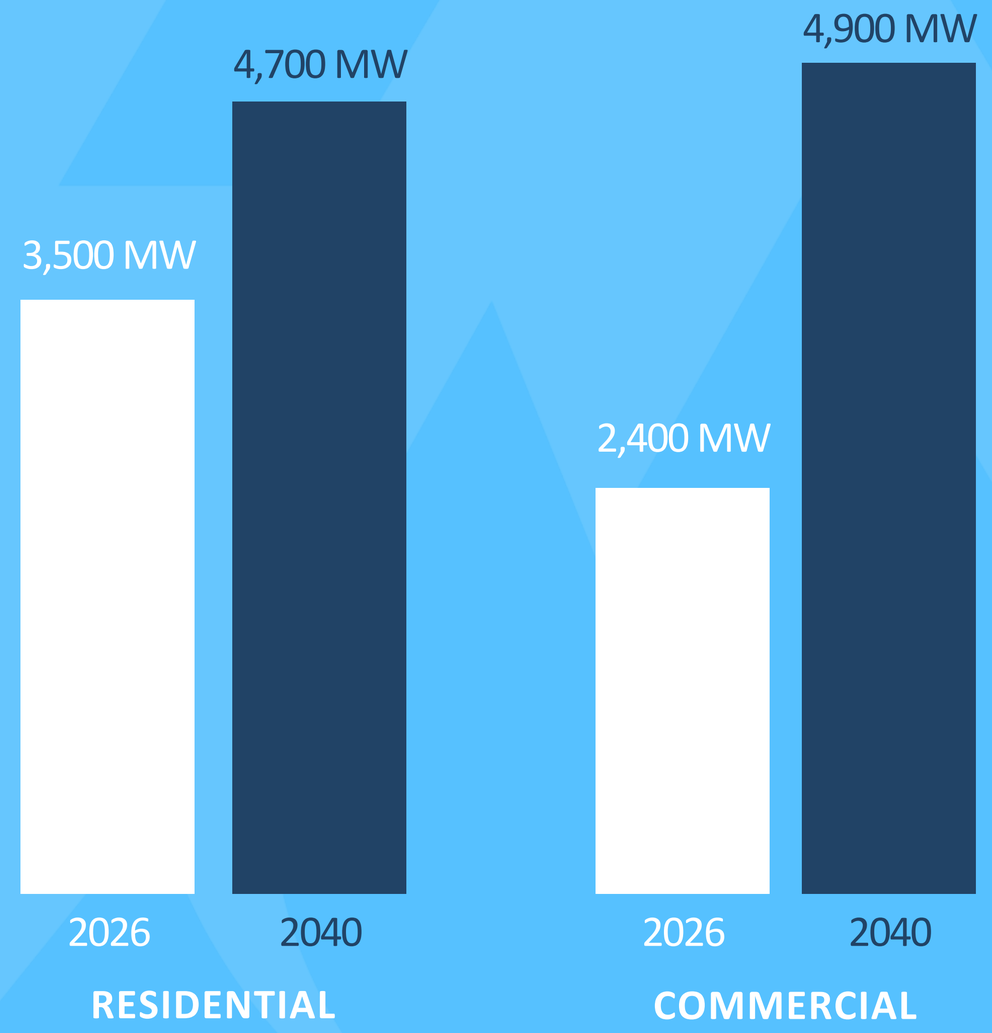
GENERATION PLAN CY2025 DEMAND FORECAST



Demand forecasts include reserve margins

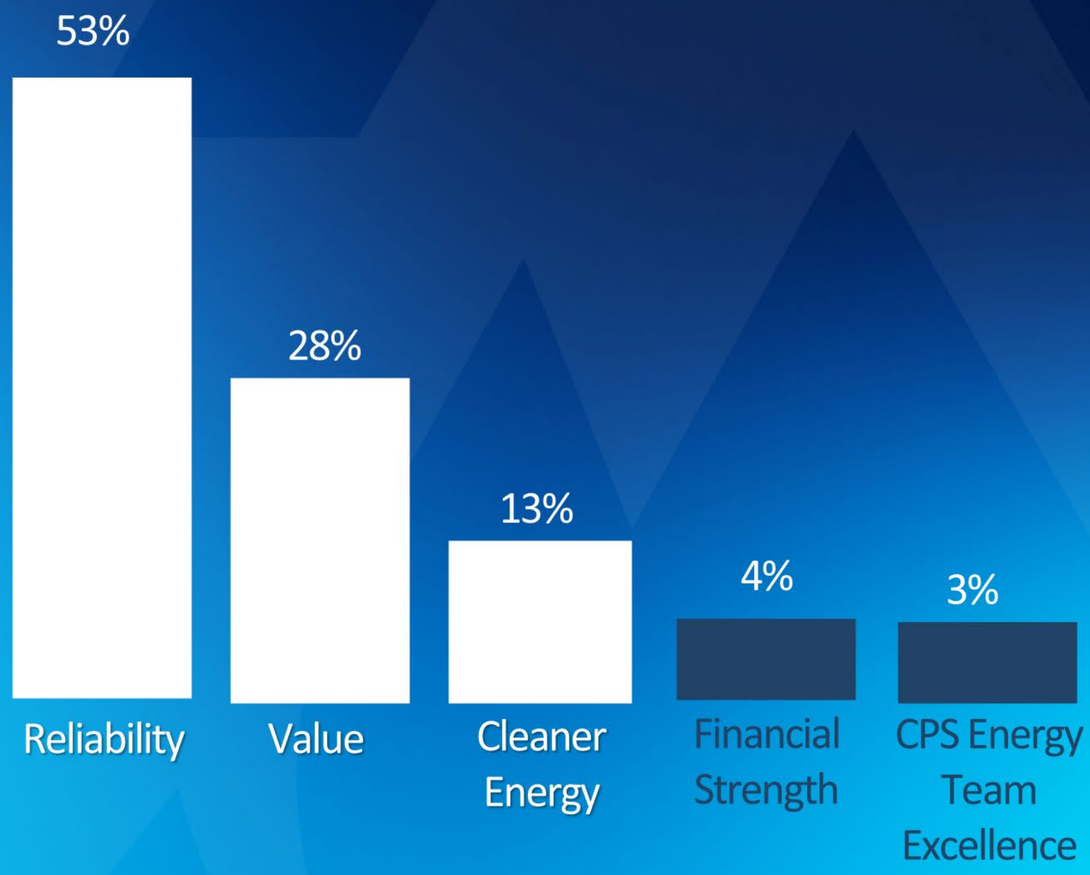
Demand is growing across homes and businesses

Forecasted demand



SURVEY RESULTS*

How our community ranks our strategic goals



*Numbers do not total 100% due to rounding

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

SUMMARY OF OBSERVATIONS

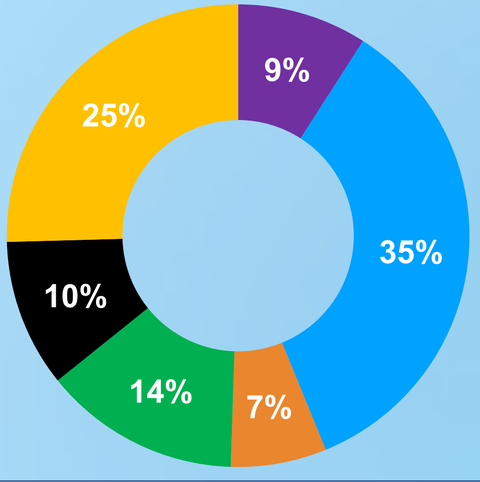
Nuclear	Geothermal
Demand Side Management	Nat. Gas
Hydrogen	Storage
Wind	Solar
Market Purchase	

How we fill the gap:	Total Generation Mix (MW)	Affordability	System Reliability and Resiliency	Environmental Sustainability	
		Customer Energy Cost	Price Risk	Progress Towards City of SA CAAP Goals	
		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** ✓
				Goal: 543	Goal: 267

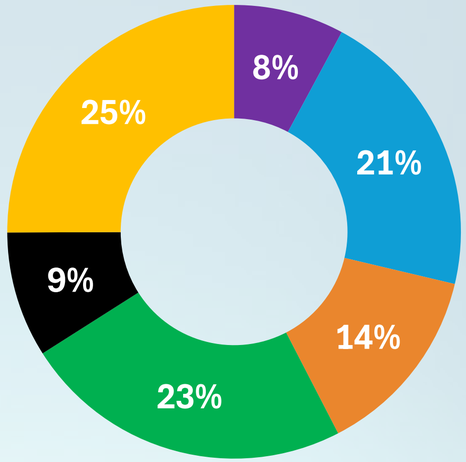
Smaller numbers are better

HOW TO CLOSE THE GAP (MW) CY 2040

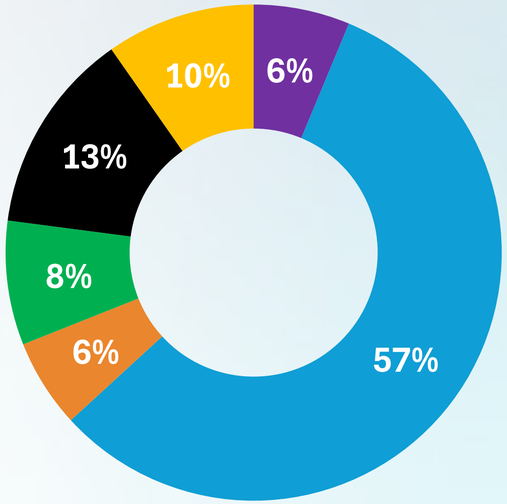
Updated Blended Plan



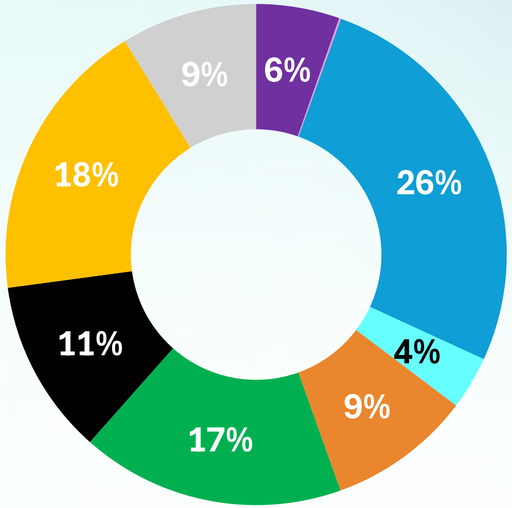
Zero Emitting Power Sources



Natural Gas



Current Plan in Today's Price Environment



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

WHAT COULD IT LOOK LIKE?

Looking ahead

Near-term and long-term outlook

Next 5 years - Focuses largely on renewables

- Wind
- Energy Storage
- Solar
- Spruce 2 coal to natural gas conversion

Through 2050 - maintain balanced growth across fuel types to match system needs

- Wind
- Energy Storage
- Solar
- Natural Gas
- Nuclear
- Hydrogen

We will follow our Board-approved procurement processes as we identify viable projects to pursue.

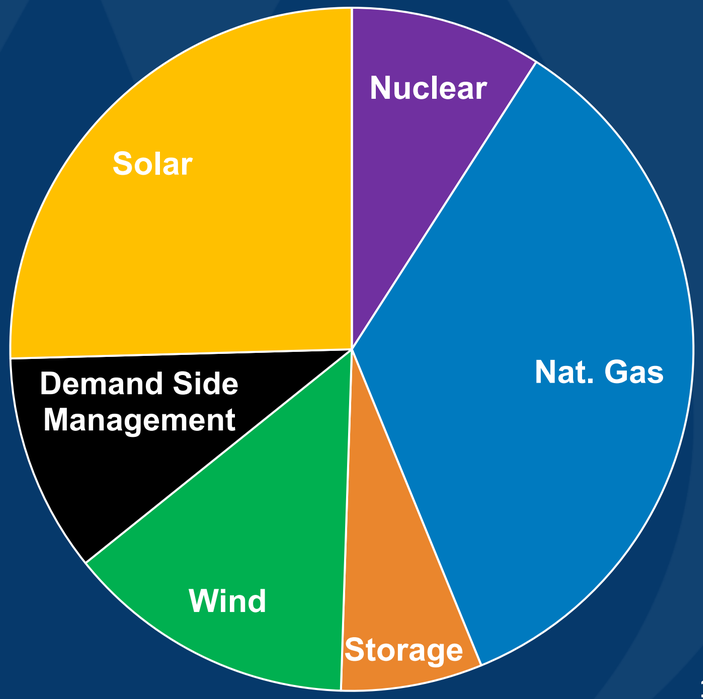
REQUEST FOR APPROVAL

We are requesting approval of our Updated Blended Strategy

Our proposed strategy provides flexibility to make affordable decisions.

The Blended Strategy:

- Adds dispatchable capacity, renewables, and storage to meet our growing needs.
- Exits coal and leverages emerging technologies.
- Evaluates generation options, including life extensions and conversions.
- Allows us to identify specific projects that align with the plan, only bringing what we need for Board Consideration.



Thank you &

Comments from CIC Chair

Appendix

IMPACT OF GROWTH & HIGHER COSTS

Current Plan
(2023)

Avg. residential bill: $207
Avg. small commercial bill: $1.2K
Avg. large commercial bill: $58K

~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
Avg. small commercial bill: $1.4K
Avg. large commercial bill: $100K

~13,000MW by 2050

~$2,300/KW new build cost

Significant market energy purchases increase price risk

Ongoing rate support

BENEFITS OF THE STRATEGY

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

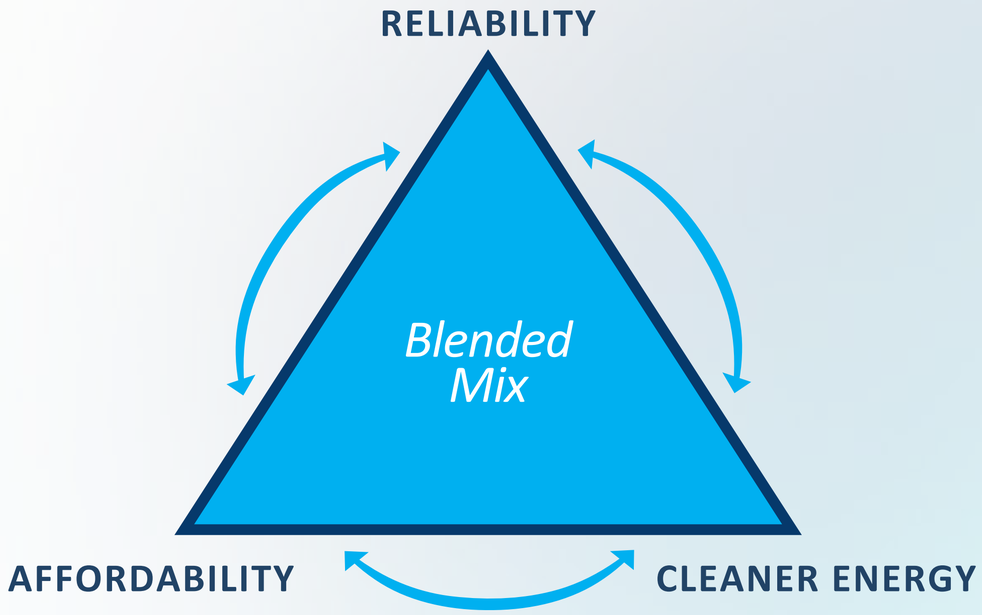
For Commercial & Industrial Businesses

- 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

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

RESOLUTION SUPPORTING GENERATION PLAN STRATEGY

WHEREAS, on January 23, 2023, this Board of Trustees approved a blended portfolio of generation resources, recognizing that utilizing a mix of dispatchable, renewable, demand response, and energy storage sources allows CPS Energy to increase reliability, provide affordability, reduce system risk, and lower carbon emissions, and

WHEREAS, the implementation of this Vision 2027 Generation Plan has been successful – allowing CPS Energy to acquire more power resources ahead of schedule and at a significantly lower cost than originally forecasted; and

WHEREAS, this Board of Trustees recognizes that as CPS Energy is sunsetting Vision 2027, and advancing its five-year strategic plan into Vision 2030, anchored to the Horizon 2050 framework, it is appropriate to refresh its generation planning strategy; and

WHEREAS, this Board of Trustees directed CPS Energy management to refresh and align our blended portfolio with Horizon 2050 to safely power our community with reliable, affordable, and cleaner energy; and

WHEREAS, CPS Energy also engaged the community for feedback, and the community priorities remain as: 1) reliability, 2) affordability, and 3) sustainability.

NOW, THEREFORE, BE IT RESOLVED, the CPS Energy Board of Trustees endorses the strategy to continue to execute a refreshed blended portfolio.

BE IT FURTHER RESOLVED, this Board directs CPS Energy staff to take steps to implement this strategy, while remaining committed to ending coal generation by 2030, by analyzing and evaluating generation opportunities and seeking approval for projects.

BE IT FURTHER RESOLVED, the Board directs CPS Energy staff to continue providing this Board an annual update on the status of generation planning efforts; and

BE IT FURTHER RESOLVED, the Board directs CPS Energy staff to continue to thoroughly review its generation plan periodically to ensure we are meeting a shifting energy landscape and exploring new technologies.

PASSED AND ADOPTED, this ____ day of _____ 2026.

_____
Shanna M. Ramirez
Secretary of the Board

DRAFT

SUMMER 2026 PREPAREDNESS

June 22, 2026

Informational Update

CPS ENERGY - 2026 SUMMER PREPAREDNESS.MP4

THANK YOU