CPS ENERGY BOARD OF TRUSTEES MEETING
TO BE HELD ON JULY 20, 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. Stephanie Burkhardt
3	**PUBLIC COMMENT**	Discuss	Dr. Francine Romero
UPDATE ON CHAIR'S PRIORITIES			
4	**CHAIR'S REMARKS**	Discuss	Dr. Francine Romero
5	**INTERIM PRESIDENT & CEO RECOGNITION AND REMARKS**	Discuss	Mr. Frank Almaraz
CONSENT AGENDA			
6	**APPROVAL OF CONSENT ITEMS:** A. Payment to the City of San Antonio for June 2026 B. Minutes from the Regular Board Meeting, held on June 22, 2026	Vote	Dr. Francine Romero
REGULAR AGENDA			
7	**BOARD COMMITTEE REPORTS:** A. CEO Search Committee, held on July 6, 2026 and July 14, 2026	Discuss	Dr. Francine Romero

	COMMUNITY INPUT COMMITTEE REPORTS: B. Customer Relations and Communications Working Group Meeting held on June 10, 2026 C. Power and Technology Working Group Meeting held on June 10, 2026 D. Finance and Business Working Group Meeting held on June 10, 2026		
8	**EVOLVE: ENTERPRISE RESOURCE PLANNING (ERP) TRANSFORMATION PROGRAM UPDATE**	Discuss	Mr. Evan O'Mahoney
CONVENE TO EXECUTIVE SESSION			
9	**EXECUTIVE SESSION:** A. Personnel Matters (§551.074) B. Attorney Client Matters (§551.071), Competitive Matters (§551.086), & Critical Infrastructure (§551.0761) C. Attorney Client Matters (§551.07) & Critical Infrastructure (§551.0761)	Discuss	Dr. Francine Romero
RECONVENE TO OPEN SESSION			
ADJOURNMENT			
10	**ADJOURNMENT**	Execute	Dr. Francine Romero
If the Board meeting has not adjourned by 3:00 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 June 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 June 2026 is based on actual gross revenue per the New Series Bond Ordinance of $292,264,774.02, less applicable exclusions. The revenue for the month of June 2026 is calculated as follows:

Gross revenue per CPS Energy financial statements		
Electric revenue	$345,383,353.36	
Gas revenue	18,930,377.65	
Other operating revenue	437,499.75	
Interest and other income	4,752,185.81	
Gross revenue per CPS Energy financial statements	369,503,416.57	
Excluded revenue		
School and hospital revenue per City Ordinance 55022	(8,986,031.58)	
LVG revenue per City Ordinance 100709	(328,187.24)	
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(51,419,302.52)	
Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue	(16,505,121.21)	
Total excluded revenue	(77,238,642.55)	
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	$292,264,774.02	
City payment per Bond Ordinance for June 2026 based upon June revenue	$40,917,068.36	
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	(76,186.73)	
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)	
Annual True up/ (down) per gas customer MOU	(735.35)	
City payment per Bond Ordinance plus adjustments for MOU	40,827,646.28	**A**
Utility services provided to the City for June 2026	(2,886,138.18)	
Net amount to be paid from June 2026 revenue to the City in July 2026	$37,941,508.10	

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)

June 2026	Actual	Budget	Variance	
Current Month **A**	$40,828	$50,665	($9,837)	-19.4%
Year-to-Date	$212,030	$205,702	$6,328	3.1%

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 $37,941,508.10 representing 14% of applicable system gross revenues for the month of June 2026, such payment being net of City utility services ($2,886,138.18), is hereby approved."

CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON JUNE 22, 2026

The Regular Meeting of the Board of Trustees of CPS Energy for the month of June was held on Monday, June 22, 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 2:00 p.m., left at 4:42 p.m.)

Also present were:
Mr. Rudy D. Garza, Outgoing President & CEO
Mr. Frank Almaraz, Interim 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. Samantha Pixley, Business Management Strategist.

III. PUBLIC COMMENT

Ms. Henrietta LaGrange, community member, expressed appreciation for Mr. Rudy D. Garza, Outgoing President & CEO, and the employees of CPS Energy.

Mr. Daniel Bertelli, Climate Justice, expressed concern about any rate increases related to power generation and the impacts of harmful environmental releases.

Mr. Brett Finley, Metro SA Chamber of Commerce, expressed support for the strategy to refresh the blended portfolio generation plan. He also expressed appreciation for Mr. Garza's service.

Mr. Adrian Shelley, Texas Director of Public Citizen, urged the Board to be transparent and ensure the residential class does not subsidize large-load projects.

Mr. Dan Yoxall, President & CEO of the San Antonio Manufacturers Association, expressed support for the strategy to refresh the blended portfolio generation plan. He also expressed appreciation for Mr. Garza's service.

Mr. Jeremy Linville, community member, stated that he believes there is a lack of transparency regarding how much executing the generation plan will impact customers, and urged the Board to conduct a third-party review.

Mr. Jonathan DeHoyos, community member, expressed concern about any rate increases related to power generation due to the impacts on low-income customers who may reduce their electricity usage because of affordability.

Ms. DeeDee Belmares, Public Citizen, urged the Board to ensure that costs related to commercial demand do not fall on residential customers and that demand-side strategies continue.

Ms. Jessica Solis, community member, expressed concern about any rate increases, reconnection fees, and data centers. She also requested that the Board discuss the affordability crisis.

Ms. Isa Herrera, community member, expressed concern about any rate increases affecting San Antonians who cannot afford their utility bills and urged the Board to avoid increasing the use of natural gas.

Mr. Jeff Webster, Greater San Antonio Chamber of Commerce, expressed support for working together to develop the strategy to refresh the blended portfolio. He also expressed appreciation for Mr. Garza's service.

Ms. Aissa Le, community member, stated that she believes the community does not support any rate increases because many residents are already struggling to pay their utility bills. She also urged the Board to consider the impacts of large-load projects.

Mr. Jose Perez, community member, stated that greenhouse gases contribute to global warming and urged the Board to use renewable sources of generation.

Ms. Myra Dumapas, community member, urged the Board to reconsider and pause implementation until an independent third-party cost-of-service study is completed and the impacts of data centers on residential customers are reviewed.

Mr. Omar Garcia, community member, expressed concern about any rate increases related to power generation and urged the Board to reevaluate the plan to identify benefits for community members.

Senator Jose Menendez, District 26, expressed appreciation for the comments from community members and read a resolution from the Senate of Texas honoring Mr. Garza and his leadership.

Ms. Connie Gonzalez, Chief Strategy Officer of the Brooks Development Authority, recognized and thanked Mr. Garza for his service and leadership, noting that his efforts advanced Brooks' initiatives and benefited the City of San Antonio.

IV. CHAIR'S REMARKS AND RECOGNITION OF OUTGOING PRESIDENT & CEO RUDY D. GARZA

Chair Romero recognized the leadership and contributions of Outgoing President & CEO, Mr. Rudy D. Garza, and then provided an opportunity for the Board to recognize him. Vice Chair Dr. Mackey, Trustee Dr. Gonzalez, Trustee Gonzalez, and Mayor Jones all commended Mr. Garza for his service and expressed appreciation for his leadership of and contributions to CPS Energy.

The Board of Trustees then approved a resolution commending Mr. Garza by acclamation.[1]

V. OUTGOING PRESIDENT & CEO REMARKS AND WELCOME OF THE INTERIM PRESIDENT & CEO

Mr. Rudy D. Garza, Outgoing President & CEO, expressed his gratitude to the people who helped position him to lead CPS Energy, stating that they are all a part of the One Team mindset. He then formally congratulated Mr. Frank Almaraz, Interim President & CEO, noting he has confidence in him to lead CPS Energy.

Mr. Almaraz expressed his appreciation for Mr. Garza. He also stated that he is proud to assume the role as a San Antonio native and is committed to providing continuity during the leadership transition while remaining focused on the organization's key strategic initiatives. Vice Chair Dr. Mackey expressed his confidence in Mr. Almaraz's ability to move the company forward and stated that he looks forward to working with him.

VI. CONSENT AGENDA

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

A. 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)

[1] The resolution is attached as Attachment "A."

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).

B. 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."

C. Minutes from the Regular Board Meeting, held on April 27, 2026
D. Minutes from the Special Board Meeting, held on June 4, 2026
E. Procurement Items:

1. **Item Description:** Electric Overhead and Underground Temporary and Permanent Electric Services
   Category: General Services
   Supplier: Chain Electric Company
   HJD Capital Electric, Inc.

2. **Item Description:** Fuel
   Category: Commodity & Material Goods
   Supplier: Petroleum Traders Corporation
   Mansfield Oil Company of Gainesville, Inc.

3. **Item Description:** Civil Engineering Services
   Category: Professional Services
   Supplier: Civil Design Services, Inc. dba CDS Muery
   Moy Tarin Ramirez Engineers, LLC
   Quiddity Engineering, LLC

4. **Item Description:** Engineering Services for Lake Dams
   Category: Professional Services
   Supplier: Black & Veatch Corporation
   Freese and Nichols, Inc.
   Weston Solutions, Inc.

5. **Item Description:** Active PO Funding Increase: Transmission Monopoles
   Category: Commodity & Material Goods
   Supplier: Techline, Inc.
   KBS Electrical Distributors, Inc.
   Meyer Utility Structures, LLC

VII. REGULAR AGENDA

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

Board Committee Reports:

A. Audit & Finance Committee (A&F) Meeting held on April 23, 2026. The report is attached as Attachment "B" to the meeting minutes.

B. Employee Benefits Oversight Committee (EBOC) Meeting held on April 23, 2026. The report is attached as Attachment "C" to the meeting minutes.
C. Personnel Committee Meeting held on April 23, 2026. The report is attached as Attachment "D" to the meeting minutes.
D. Operations Oversight Committee (OOC) Meeting held on May 4, 2026. The report is attached as Attachment "E" to the meeting minutes.
E. Technology & Innovation Committee (T&I) Meeting held on May 11, 2026. The report is attached as Attachment "F" to the meeting minutes.
F. Personnel Committee Meeting held on June 1, 2026. The report is attached as Attachment "G" to the meeting minutes.

Community Input Committee Reports:

G. Community Input Committee Meeting held on May 13, 2026. The report is attached as Attachment "H" to the meeting minutes.

VIII. OMICRON ROUTING AND SITING PROJECT

Mr. LeeRoy Perez, Vice President, Transmission & Distribution Engineering & Grid Transformation, presented the Omicron Routing & Siting Project. He provided an overview of the project to build a new 138kV double circuit transmission line, reviewed public involvement process, and summarized the Public Utility Commission's (PUC) decision-making process that resulted in the selection of Route 26. He then requested the Board approve a resolution authorizing CPS Energy to proceed with the PUC-approved Route 26 and to execute the planning, easement acquisition, and construction of the project.

The Board of Trustees discussed and asked questions primarily focused on how the project supports the state's grid reliability, transmission cost of service reimbursement, community feedback, planning for future growth, and the evaluation factors utilized by the PUC. Vice Chair Dr. Mackey moved approval of the resolution, Trustee Dr. Gonzalez seconded, and the resolution was unanimously approved.[2]

IX. FY2027 FIRST QUARTER PERFORMANCE UPDATE

Ms. Elaina Ball, Chief Strategy Officer, reviewed our FY2027 Scorecard results through the first quarter. She noted that all milestones for strategic goals are on track. She also noted that the measure for plant availability is at risk, and reviewed mitigations.

Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer, reviewed financial performance through the first quarter, noting key drivers. He stated that on a full-year basis, the FY2027 financial metrics are expected to be in line with the financial plan.

The Board of Trustees discussed and asked questions with a primary focus on the financial measures, a shifting regulatory and financial landscape, past-due customer balance, and the target for strategically investing in the community.

[2] The resolution is attached as Attachment "I."

X. ENERGIZING PROGRESS TOGETHER – GENERATION PLAN REFRESH

Mr. David Kee, Director of Energy Market Policy, presented the generation plan refresh. He reviewed the demand forecast, and then he reviewed the options and the benefits of the updated strategy for the blended portfolio. Finally, he requested approval of a resolution approving the strategy to execute a refreshed blended portfolio.

Mr. Steve Bonnette, Chair of the Community Input Committee (CIC), thanked each CIC member for their contributions, noting there was a diversity of thought. He explained that overall, there was broad support within the CIC for a blended approach and the updated strategy.

The Board of Trustees discussed and asked questions focused on clarifying that the updated strategy was not a rate increase request, the CIC's participation and feedback, community engagement, risks related to forced market exposure and avoiding volatility in customer bills, the regulatory landscape related to data centers, system growth and mix of generation sources, and affordability.

Trustee Dr. Gonzalez moved approval of the resolution, and Vice Chair Dr. Mackey seconded. Mayor Jones asked that the resolution be read, and Ms. Ramirez read the resolution. It was approved 4-1, with Trustee Gonzalez voting against the motion.[3]

XI. SUMMER PREPAREDNESS UPDATE

Summer Preparedness included a video update to detail the weather forecast, preparation activities, and community engagement. Following the video, Mr. Almaraz introduced all plant managers.

The Board of Trustees discussed and asked questions, primarily focused on reviewing and sharing the disconnection policy and considering heat islands and ecosystems with the broader service area.

XII. EXECUTIVE SESSION

At approximately 4:06 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. Attorney Client Matter (§551.071)

The Board reconvened in open session at 4:42 p.m. The quorum was re-established, with four members present. Ms. Ramirez reported that only the matters cited above, and no others were discussed, and no votes were taken in Executive Session.

[3] The resolution is attached as Attachment "J."

DRAFT

XIII. 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 Trustee Dr. Gonzalez, seconded by Trustee Gonzalez, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 4:44 p.m. by Chair Romero.

_____
Shanna M. Ramirez
Secretary of the Board

DRAFT

CEO SEARCH COMMITTEE

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JULY 6 AND JULY 14, 2026,

MEETINGS PREPARED FOR COMMITTEE CHAIR DR. FRANCINE ROMERO

FOR REPORT AT THE JULY 20, 2026, BOARD OF TRUSTEES MEETING

The CEO Search Committee met on July 6 and July 14, 2026. The Committee:

A. Reviewed energy utility compensation data with Willis Towers Watson (WTW);
B. Reviewed a draft job description;
C. Discussed a timeline for the process to select a permanent CEO.

The next meeting date is not yet scheduled.

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

EXECUTIVE SUMMARY REPORT FROM THE JUNE 10, 2026, MEETING

PREPARED ON BEHALF OF WORKING GROUP CHAIR, MR. TOM CORSER

FOR REPORT AT THE JULY 20, 2026, BOARD OF TRUSTEES MEETING

The Working Group received a presentation and overview of the Evolve: Enterprise Resource Planning (ERP) Transformation Program.

A. Evolve: ERP Journey
   - Established Digital Strategy:
     - Anchored to Vision 2027 & Horizon 2050
   - CPS Energy's Integrated Solution
     - A Modern Utilities Platform
   - ERP Transformation Journey
     - Looking Back on the Past Year
     - Program Scorecard

B. Global Design Retrospective
   - Roadmap Planning
     - Evolving the Release Plan
     - Updated Release Plan

C. Change Impacts & Value
   - The Value Continuum
     - Realizing Value from Our Transformation
   - Identifying Change Impacts
     - Top 25 by Capability Area

D. Program Look Ahead
   - Customer Workstream
     - Change Impacts & Expected Value

Working Group members received an update on CPS Energy's Evolve Enterprise Resource Planning (ERP) Transformation Program, with a specific focus on customer impacts. Members learned how this will enhance integrated solutions for internal departmental collaboration and increase efficiencies and innovation across the enterprise. Members inquired about how the upgrades will support geotargeted customer communications, particularly during specific events such as community events and special townhalls. They also asked how the committee could assist in communicating ERP updates to the community. Members commended CPS Energy for engaging with SA Hope Center and for ensuring diverse community perspectives are reflected in future outreach goals.

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

The next Customer Relations and Communications Working Group meeting is on August 12, 2026.

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

EXECUTIVE SUMMARY REPORT FROM THE JUNE 10, 2026, MEETING
PREPARED ON BEHALF OF WORKING GROUP CHAIR, MR. BOB ZAPATA
FOR REPORT AT THE JULY 20, 2026, BOARD OF TRUSTEES MEETING

The Working Group received a presentation and overview of the Evolve: Enterprise Resource Planning (ERP) Transformation Program.

A. Evolve: ERP Journey
   - Established Digital Strategy
     - Anchored to Vision 2027 & Horizon 2050
   - CPS Energy's Integrated Solution
     - A Modern Utilities Platform
   - ERP Transformation Journey
     - Looking Back on the Past Year
     - Program Scorecard

B. Global Design Retrospective
   - Roadmap Planning
     - Evolving the Release Plan
     - Updated Release Plan

C. Change Impacts & Value
   - The Value Continuum
     - Realizing Value from Our Transformation
   - Identifying Change Impacts
     - Top 25 by Capability Area

D. Program Look Ahead
   - Finance Workstream
     - Change Impacts & Value

Working Group members received an update on CPS Energy's Evolve: Enterprise Resource Planning (ERP) Transformation program, with a specific focus on the finance capabilities. Members learned how this will enhance integrated solutions for interdepartmental collaboration and increase efficiencies and innovation across the enterprise. Members inquired about the return on investment and encouraged CPS Energy to use metrics to measure customer impact after implementation of the program. They also emphasized their continued commitment to informing the community of CPS Energy's initiatives. Working Group members commended CPS Energy for the thoughtful, integrated approach while keeping change management and employee retention a priority.

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

The next Finance and Business Working Group meeting is on August 12, 2026.

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

EXECUTIVE SUMMARY AND CHAIR REPORT FROM THE JUNE 10, 2026, MEETING
PREPARED ON BEHALF OF THE WORKING GROUP CHAIR, MR. PETER ONOFRE
FOR REPORT AT THE JULY 20, 2026, BOARD OF TRUSTEES MEETING

The Working Group received a presentation and overview of the Evolve: Enterprise Resource Planning (ERP) Transformation Program.

A. Evolve: ERP Journey
    - Established Digital Strategy
        - Anchored to Vision 2027 & Horizon 2050
    - CPS Energy's Integrated Solution
        - A Modern Utilities Platform
    - ERP Transformation Journey
        - Looking Back on the Past Year
        - Program Scorecard
B. Global Design Retrospective
    - Roadmap Planning
        - Evolving the Release Plan
        - Updated Release Plan
C. Change Impacts & Value
    - The Value Continuum
        - Realizing Value from Our Transformation
    - Identifying Change Impacts
        - Top 25 by Capability Area
D. Program Look Ahead
    - Work, Assets & Projects Workstream
        - Change Impacts & Value

Working Group members received an update on CPS Energy's Evolve: Enterprise Resource Planning (ERP) Transformation program, with a specific focus on asset management. Members learned how this will enhance integrated solutions for interdepartmental collaboration and increase efficiencies and innovation across the enterprise. They inquired about the greatest areas of change, how implementation will impact resiliency, and risk mitigation strategies associated with cloud-based systems. Members also explored how CPS Energy is mapping processes from legacy systems and sought more clarity on the timeline for phased implementation.

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

The next Finance and Business Working Group meeting is on August 12, 2026.

EVOLVE: ENTERPRISE RESOURCE PLANNING (ERP) TRANSFORMATION PROGRAM

PRESENTED BY:

Evan O'Mahoney
Chief Information Officer

July 20, 2026

Informational Update

AGENDA

- ERP Journey and Progress
- Recalibrated Release Plan
- Advancing Our Solution
- Program Look Ahead

The Program is progressing through Detailed Design & Build activities, as we strengthen delivery confidence, stabilize scope and improve readiness for upcoming releases.

REFLECTING ON OUR PROGRESS

EXECUTING TO ESTABLISHED BUDGET & SCHEDULE

FY2024 | FY2025 | FY2026 | FY2027 | FY2028 | FY2029

We are here

Planning & Selection



Evaluated and selected the technology platform, implementation partner, and independent verification and validation partner

Onboarding & Mobilization



Established a dedicated program team supported by 700+ subject matter experts and 300+ change agents

Global Design Phase



Conducted 300+ workshops to define 8,300+ requirements and assess 1,200+ organizational change impacts

Build Phase



Established release plan and delivery approach, including governance, sequencing, testing, and deployment readiness

Iterative Releases



Developed an iterative release plan focused on delivering value early and often

Delivering Enhanced Experiences for Customers & Employees

Enhanced Payment Methods (Digital Wallets) | Online Assistance Finder | Customer Data Insights (Residential & Customer)
CPSEnergy.com Enhancements | Employee Intranet Connect | Data Governance & Strategy

Our disciplined planning has established a strong foundation for timely execution; reducing risk, maintaining alignment with budget and schedule, while delivering meaningful benefits to customers and employees along the way.

ERP TRANSFORMATION JOURNEY
FY2027 PROGRAM ACTIVITIES

Q1

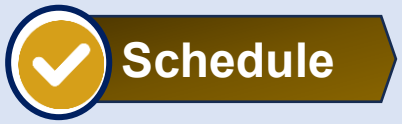
- Completed Global Design Solution Reviews for further scope refinement
- Completed planning for Detailed Design & Build activities
- Launched Change Network to support organizational readiness and adoption
- Implemented Leadership Scorecard, enhancing governance and accountability
- Initiated Change Plans specific to each Business Unit

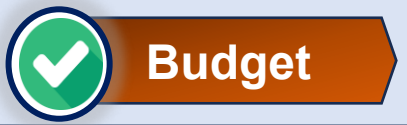
Q2

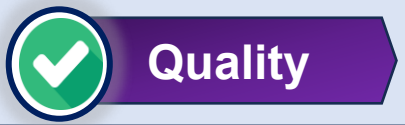
- Completed foundational Detailed Design & Build activities based on Program Increment Plan
- Established baseline technical scope for integrations, conversions and reports
- Onboarded partner to support development of integrations and conversions
- Developed baseline Training Plan to develop training materials and establish rollout approach for training
- Refined Release Plan and Scope through recalibration activities

Program Scorecard

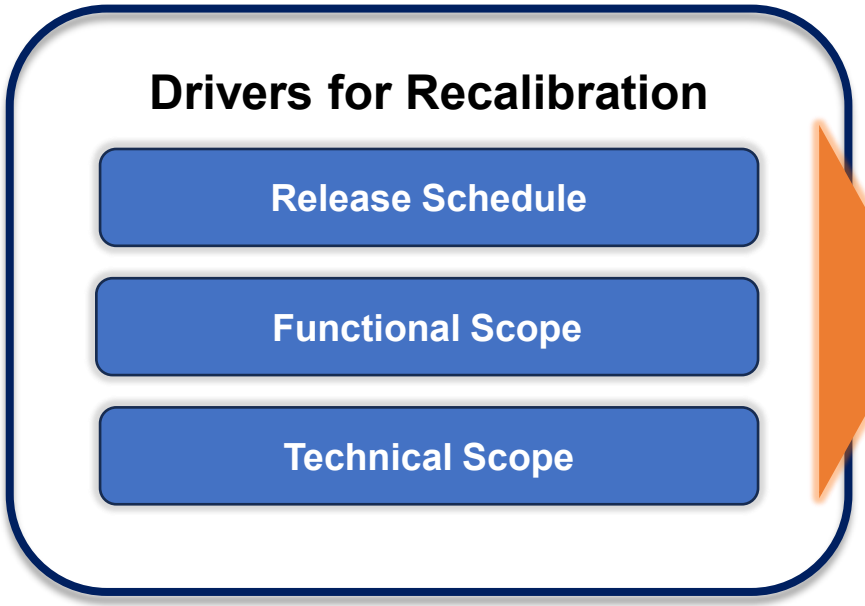








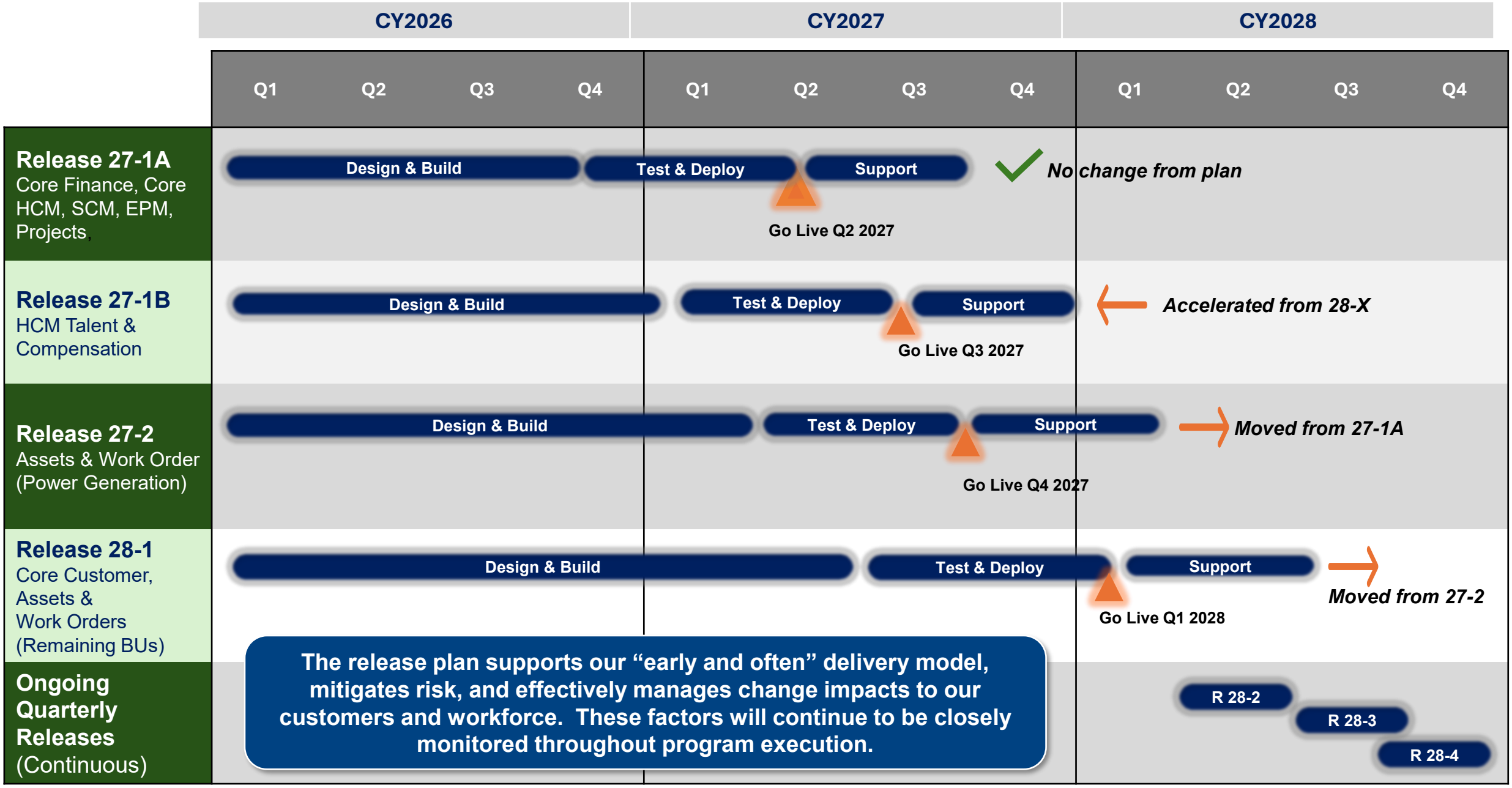
PROGRAM RECALIBRATION
COMPLETED WITHIN ESTABLISHED BUDGET



Driver	Definition
Committed Fees ($8.5M)	
Release Schedule	Defines functionality to be deployed within a release and corresponding go-live dates.
Contingent Fees ($12M)	
Functional Scope	Non-technical features and functions that may be configured to support specific business requirements.
Technical Scope	Technical components that may be developed to support specific business requirements, or transition from legacy systems.

The result of the recalibration effort provides an updated release schedule and flexibility in how fees are used to support emerging program requirements. All committed and contingent fees related to the recalibration are within the established Evolve program budget.

UPDATED RELEASE ROADMAP



HIGHLIGHTS FROM PROGRAM INCREMENT 1

BUILDING FOR OUR FUTURE

Customer Experience

- Pay plans, payment arrangements, teller transactions
- Start/Stop service, collections, refunds

Assets & Work Orders

- Asset hierarchy, asset types
- Work initiation process

Employee Experience

- Organization structure and hierarchy
- Workforce benefit policies

Capital Projects

- Project classification and definition standards
- Defined regulatory and compliance requirements

Financial Management

- Chart of Accounts and regulatory reporting requirements
- Budget configurations

Supply Chain Management

- Procurement and supplier management configuration

Each Program Increment is designed to deliver planned configurations and components of the overall solution in an iterative manner.

VALUE REALIZATION

ACTIVATING OUR CHANGE AGENT NETWORK

Build a network of change agents who can:

- Serve as champions for change within their business areas
- Proactively mitigate risks associated with adoption by team
- Drive changes that accelerate benefits to workforce, customers, and community

By The Numbers:

300
Change Agents

60
Departments Represented

67%
Worked at CPS Energy for 5 years+



EVOLVE: ERP SUMMER SERIES

BY THE NUMBERS

4
Sessions Completed

100+
Employees Engaged

136%*
Increase in June SharePoint site visits



Teams are **encouraged by leaders** to stop by at the HQ Café and **learn more** about Evolve: ERP



Date	Topic
✓ 6/10/26	Get to know ERP
✓ 6/17/26	Talk shop with ERP
✓ 6/24/26	What's changing in your area?
✓ 7/1/26	Top Changes
✓ 7/15/26	System Design Preview(s)
7/29/26	ERP Trivia
8/12/26	What are you most excited about?
8/12/28	Countdown to go-live

ERP TRANSFORMATION JOURNEY

FY2027 LOOKAHEAD

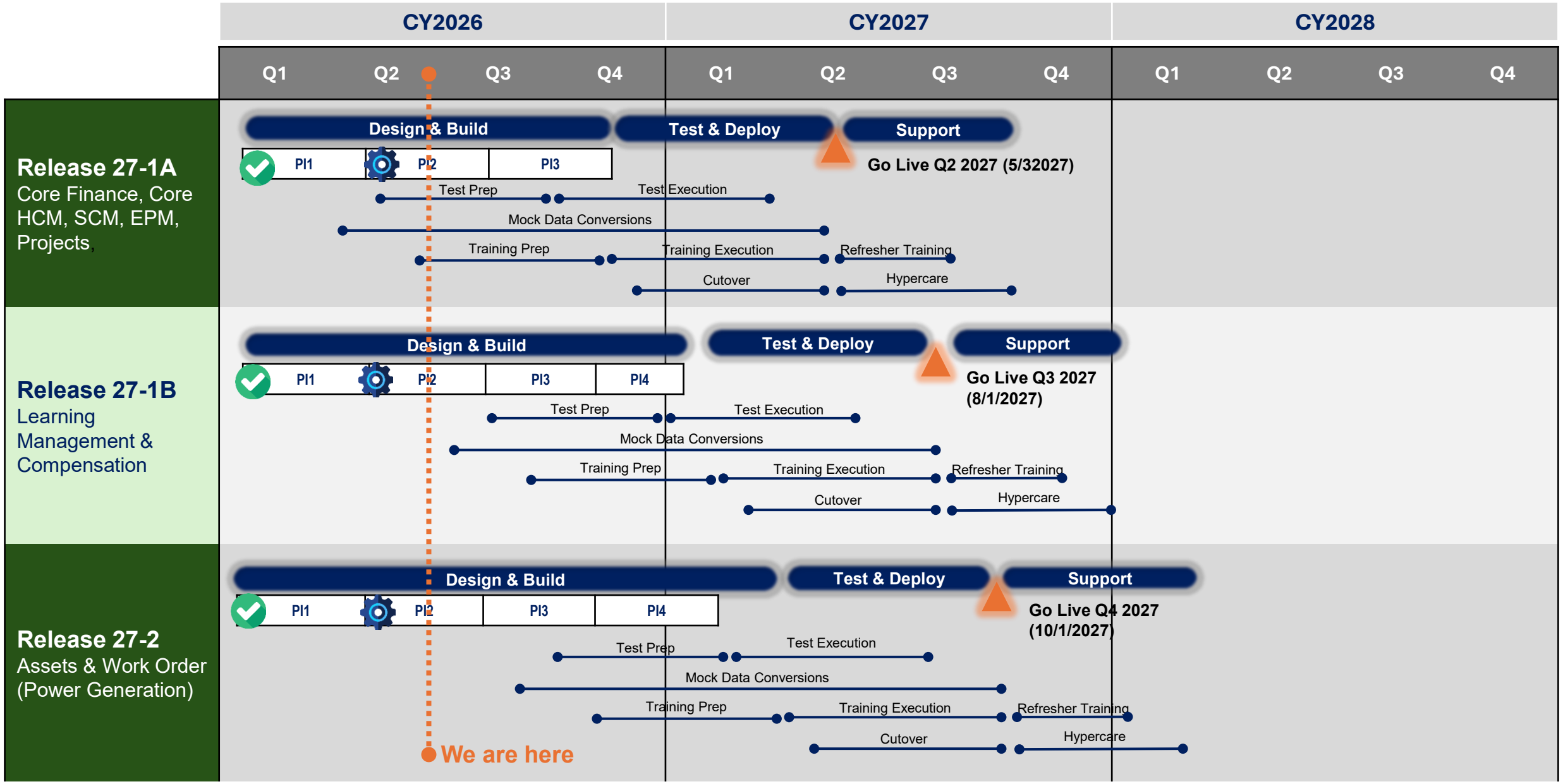
Q3

- Complete planned Detailed Design and Build activities per the Project Plan
- Complete planned Technical Development per the Project Plan
- Complete detailed Testing Plan and related scripts for upcoming releases
- Execute planned Mock Data Conversions to validate data readiness
- Complete detailed Training Plan and develop planned training materials

Q4

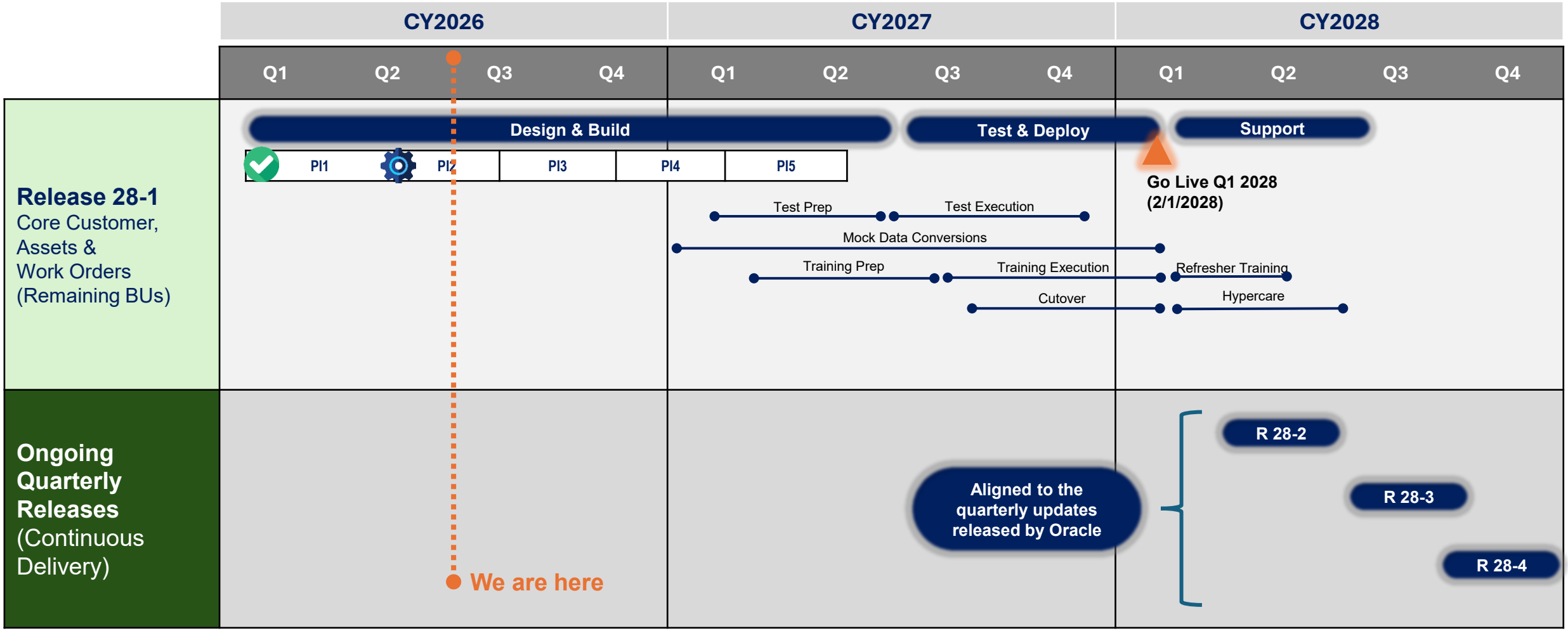
- Complete planned Detailed Design and Build activities per the Project Plan
- Complete planned Technical Development per the Project Plan
- Execute planned testing activities per the detailed Testing Plan
- Execute planned Mock Data Conversions to validate data readiness
- Develop planned training materials per the Training Plan
- Develop detailed Cutover Plan and draft cutover checklist for upcoming releases

RELEASE PLAN PROGRESS



Legend: Complete In Progress Planned

RELEASE PLAN PROGRESS



Legend: Complete In Progress Planned



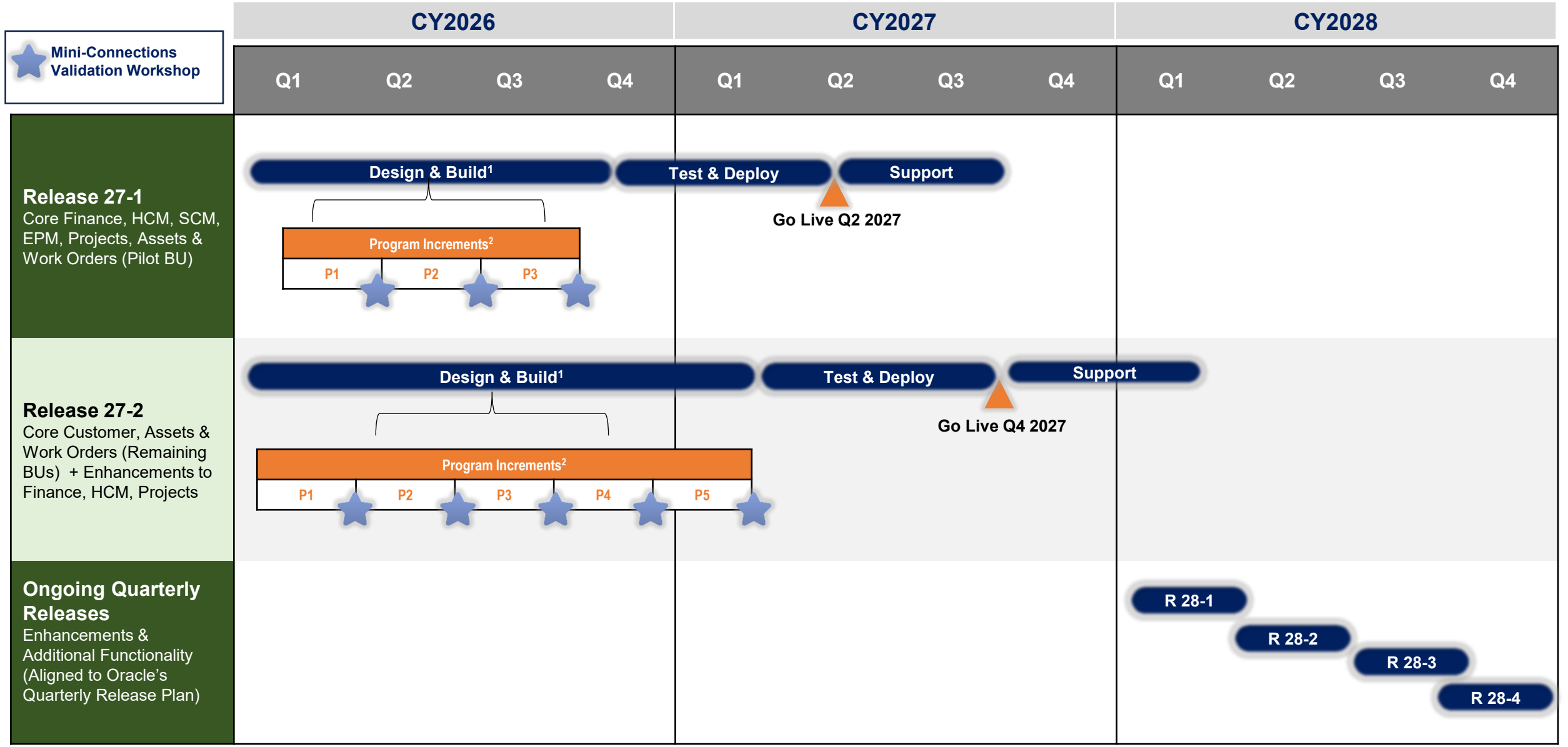
THANK YOU

APPENDIX

GLOSSARY / DEFINITIONS

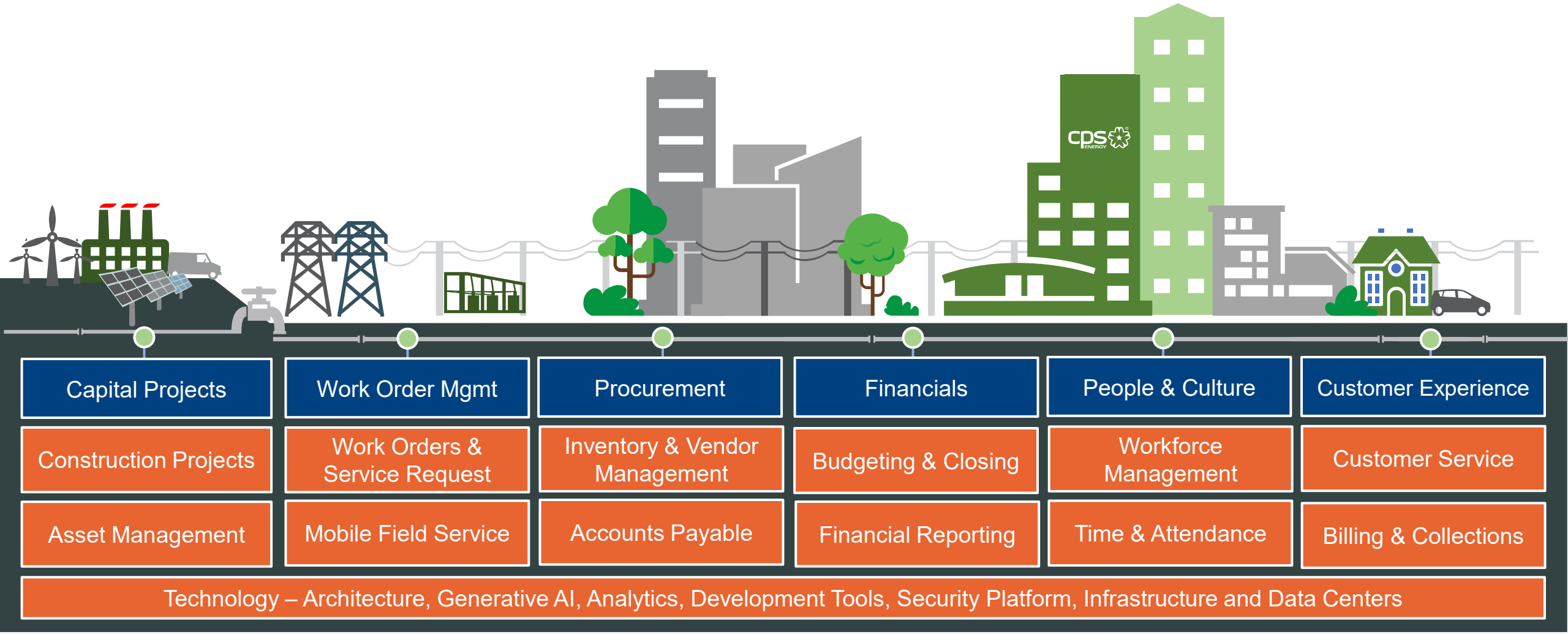
ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
AI	Artificial Intelligence	Hypercare	Period of high-touch support and assistance provided after a new system is implemented
BoT	Board of Trustees	IV&V	Independent Verification & Validation
Detailed Design & Build	Final design of all business processes and configuration of Oracle to support the redesigned processes	PI	Program Increment
EIT	Enterprise Information Technology	RICE Inventory	Reports, interfaces, conversions and enhancements inventory
ERP	Enterprise Resource Planning	SME	Subject Matter Expert
Global Design	A unified blueprint of processes and technology used to enable business transformation	Transformation GPS	Analytics tool designed to guide organizations through large-scale transformations

PREVIOUS RELEASE ROADMAP



OUR INTEGRATED SOLUTION

A MODERN UTILITIES PLATFORM



Capital Projects	Work Order Mgmt	Procurement	Financials	People & Culture	Customer Experience
Construction Projects	Work Orders & Service Request	Inventory & Vendor Management	Budgeting & Closing	Workforce Management	Customer Service
Asset Management	Mobile Field Service	Accounts Payable	Financial Reporting	Time & Attendance	Billing & Collections

Technology – Architecture, Generative AI, Analytics, Development Tools, Security Platform, Infrastructure and Data Centers

OUR INTEGRATED SOLUTION

THE ECOSYSTEM IN ACTION



Accenture's Scope

- Program Management
- Business Process Design
- Technical Development
- Configuration & Testing
- Change Management

Subcontractor Partners:

BCG · VERACITY · DTI

Business Transformation & System Implementation

Resources & Business Requirements

Cloud-Based Technology Solution

Independent Validation & Verification

accenture · CPS ENERGY · ORACLE · Gartner

Gartner's Scope

- Project Health Assessment
- Adherence to Best Practices
- Risk Assessment
- Issue & Mitigation Planning

Subcontractor Partner:

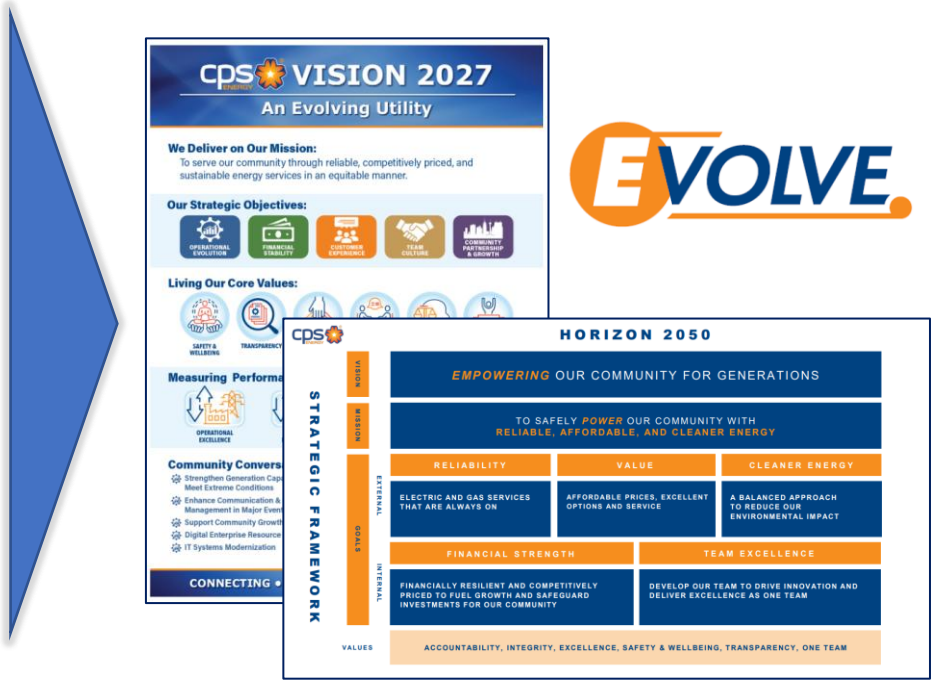
SmartBridge

Program Execution Aligned to Plan	Aligned to Best Practices in Utilities	Solution is Technically Sound	Solution Meets Business Requirements	Workforce is Operationally Ready

ESTABLISHED DIGITAL STRATEGY

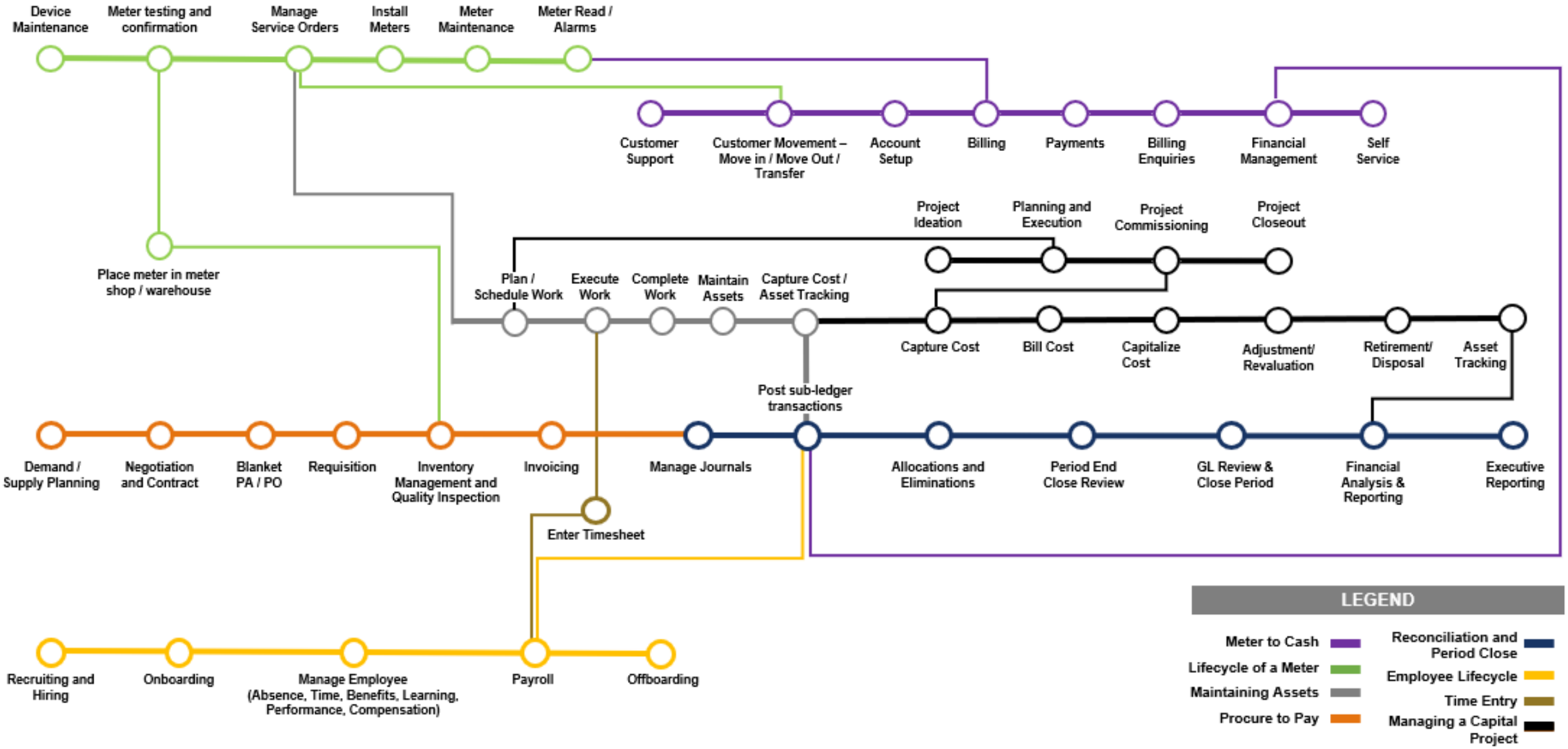
ANCHORED TO VISION 2027 & HORIZON 2050

Strategic Outcomes	
	Improved experiences for customers and employees
	Data-driven insights that enable real-time decisions
	Continuous improvement to enhance and optimize systems
	Increased ability to support bill and rate redesign
	Enhanced technology reliability and resiliency
	Expanded customer self-service and payment options
	Enhanced ability to meet changing industry needs
	Improved operational processes and efficiencies



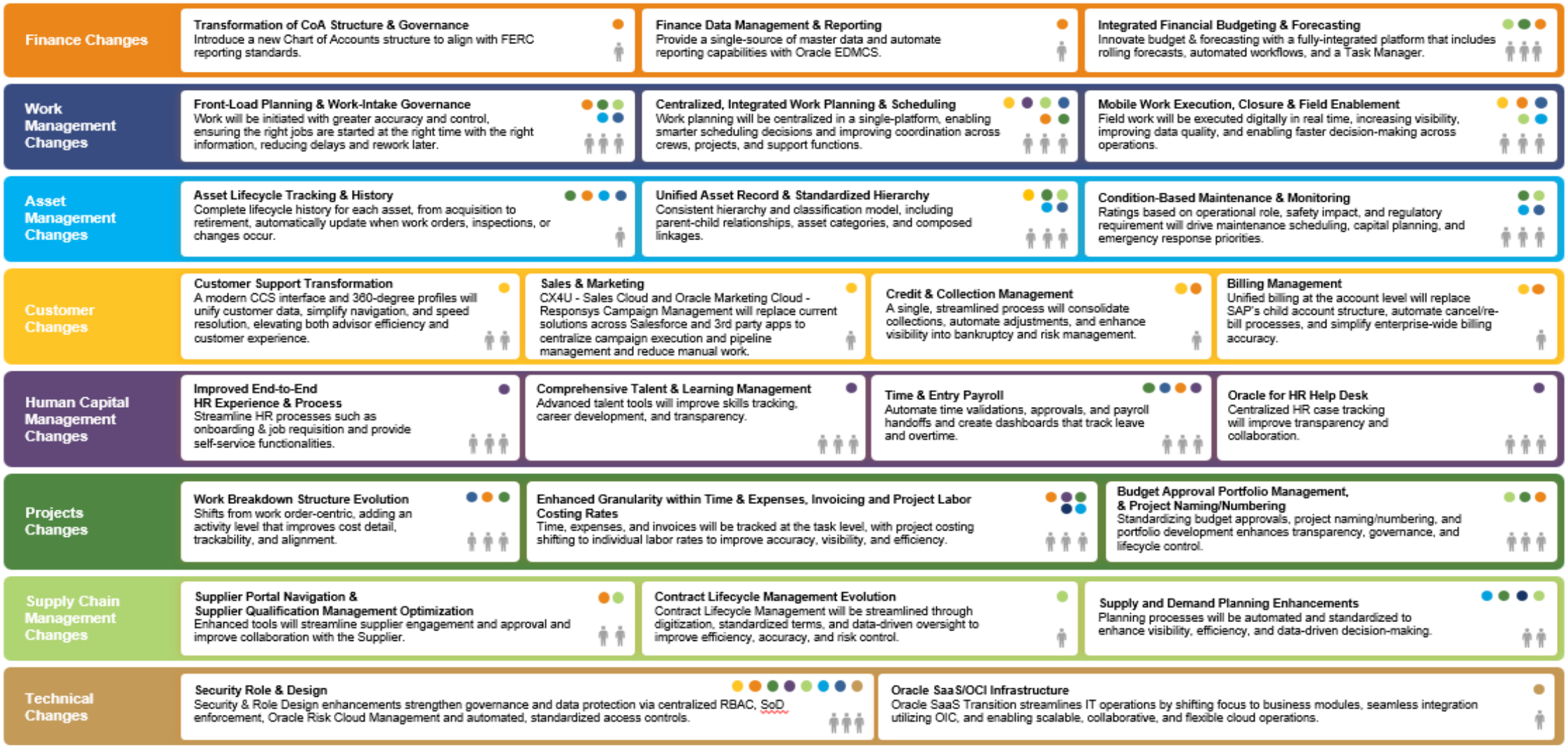
Established business outcomes will measure improvements in software savings, process efficiencies, customer satisfaction, and other in-scope performance areas.

OUR INTEGRATED SOLUTION



WHAT WILL CHANGE?

INSIGHTS BY BUSINESS AREA



THE VALUE CONTINUUM

REALIZING VALUE FROM OUR TRANSFORMATION



BENEFITS APPROACH

- Anchoring on mitigating risks across our legacy technology ecosystem
- Evaluating efficiency opportunities across the enterprise that will be enabled by the ERP transformation program
- Identifying value levers through operational improvements and new value creation (for example, implementing rate structures, providing more self-service options, etc.)

Our team is actively engaged in a process to formally document expected outcomes and supporting measures to be achieved from our Digital Business Transformation.

APPROVED GOVERNANCE STRUCTURE

Approved by Steering Committee 04/13/23
Approved Updated Titles 12/8/23
Approved Updated Risk Structure 06/26/24

Legend:
- Formed – Meets Regularly
- Formation In Progress
- Planned for FY25



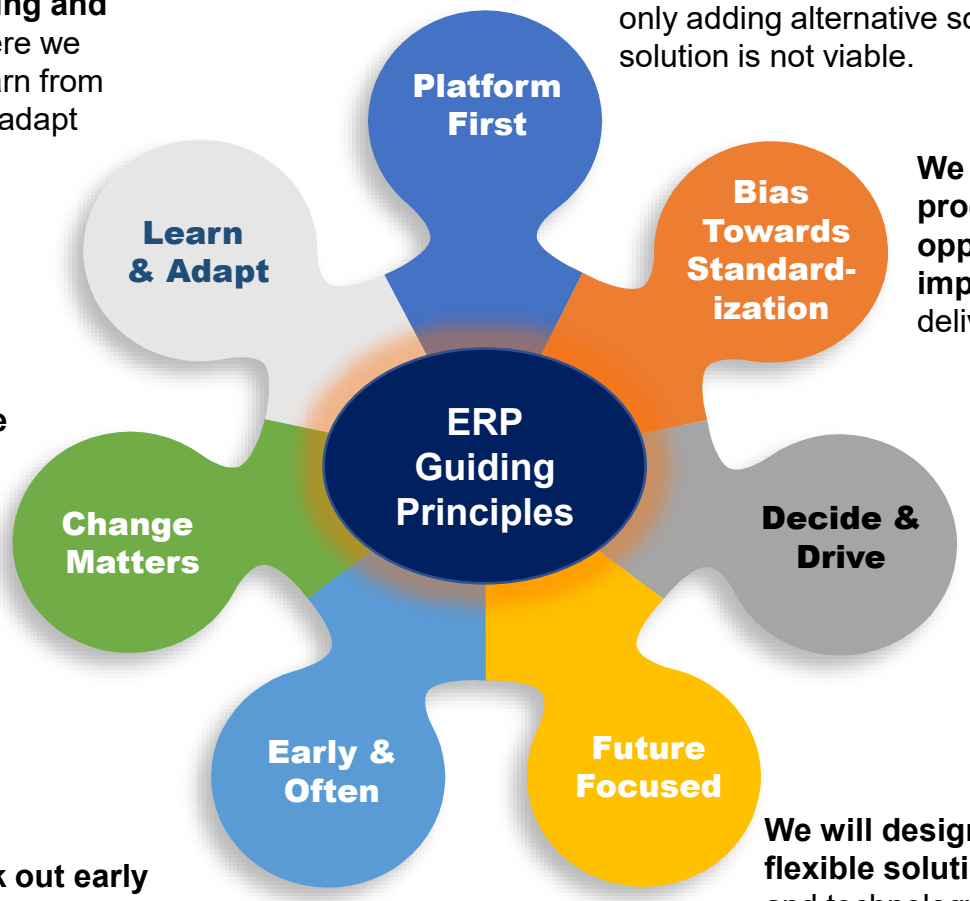
A governance process is in place to drive and manage decision-making, culture, controls, and accountability for the ERP Transformation Program.

PROGRAM GUIDING PRINCIPLES

GUARDRAILS FOR DECISION MAKING

We will build a culture of continuous learning and improvement where we make changes, learn from our stumbles, and adapt and adjust quickly.

We will use the purchased software solution to the greatest extent possible, only adding alternative solutions when our solution is not viable.



We will honor our current processes but seek opportunities for improvement aligned to delivered functionality.

We will meet people Where They Are (where they work and how they work). We will be biased towards extreme communication, comprehensive easy-to-consume training, and a single-minded focus on the user experience.

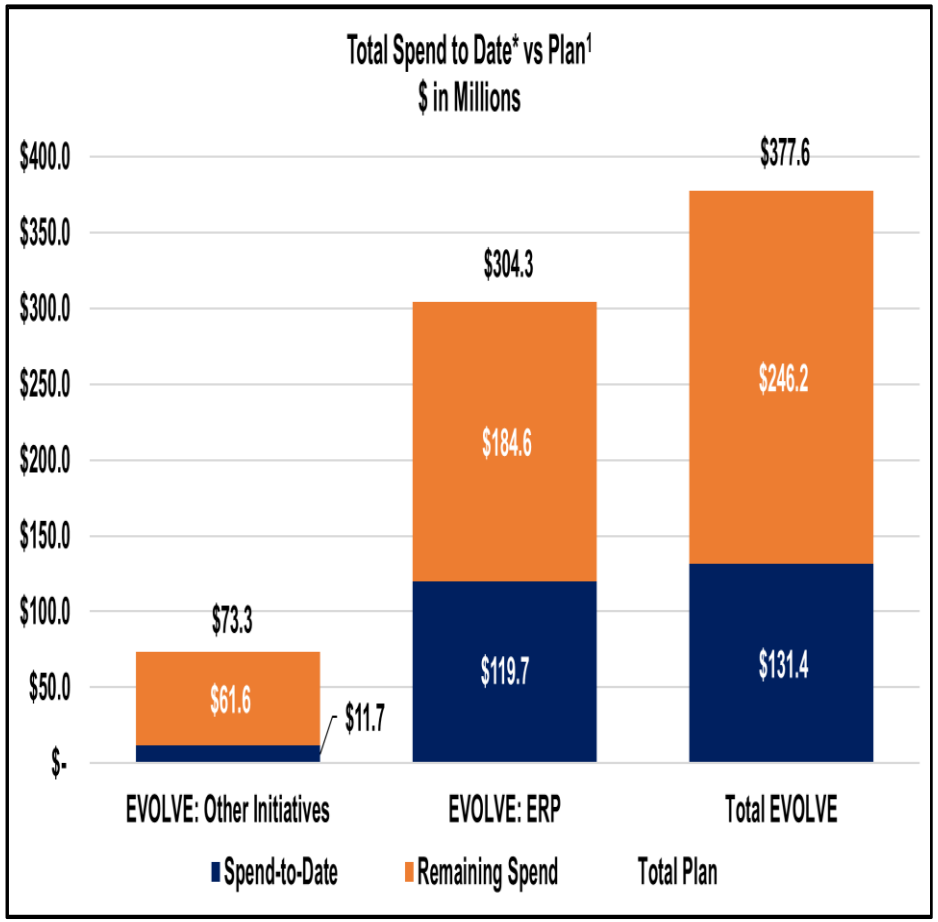
We commit to decisions and will move forward without revisiting or rehashing them.

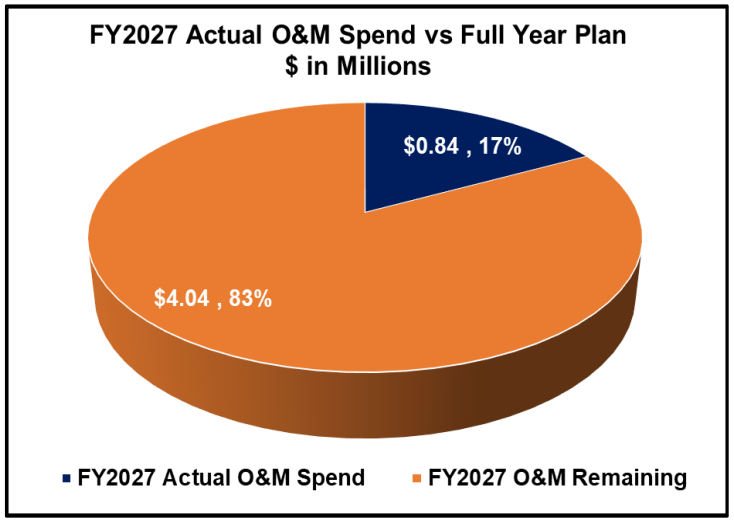
We will seek out early successes, then iterate and build on those successes.

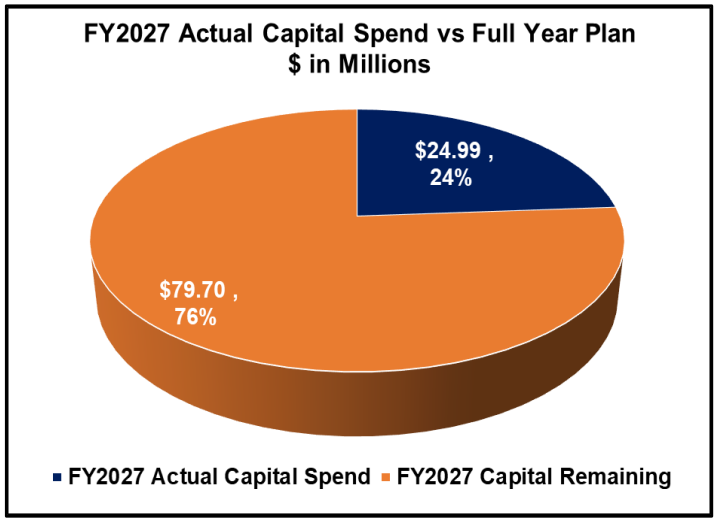
We will design for future scale by building a flexible solution (blending people, process and technology) that can adjust to meet future changing business requirements, customer demands, and employee needs.

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.