CPS ENERGY
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON JULY 20, 2026

The Regular Meeting of the Board of Trustees of CPS Energy for the month of July was held on Monday, July 20, 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 1:02 p.m.

Present were Board members:
Dr. Francine Romero, Chair
Dr. Willis Mackey, Vice Chair
Dr. Erika Gonzalez
Mayor Gina Ortiz Jones (arrived at 1:05 p.m.)

Absent:
Ms. Janie Gonzalez

Also present were:
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. Stephanie Burkhardt, Manager, Program Governance & Status.

III. PUBLIC COMMENT

There were no members of the public wishing to provide comments.

IV. CHAIR'S REMARKS

Chair Romero invited community members to attend CPS Energy resource fairs to learn about available programs and bill-assistance options during these summer months. She also highlighted the importance of emergency preparedness considering the number of storms that have occurred.

V. INTERIM CEO REMARKS

Mr. Frank Almaraz, Interim President & CEO, provided an overview of the agenda, highlighting the update on Enterprise Resource Planning (ERP). Mr. Almaraz then recognized the Corporate Communications

& Marketing Team for receiving the Public Relations Society of America, San Antonio Chapter, Del Oro Award and merit recognition.

VI. 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 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 nonfarm 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."

B. Minutes from the Regular Board Meeting held on June 22, 2026

VII. 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. CEO Search Committee Meeting held on July 6, 2026 and July 14, 2026. The report is attached as Attachment "A" to the meeting minutes.

Community Input Committee Reports

B. Customer Relations and Communications Working Group Meeting held on June 10, 2026. This report is Attachment "B" to the meeting minutes.
C. Power and Technology Working Group Meeting held on June 10, 2026. This report is Attachment "C" to the meeting minutes.
D. Finance and Business Working Group Meeting held on June 10, 2026. This report is Attachment "D" to the meeting minutes.

VIII. EVOLVE: ENTERPRISE RESOURCE PLANNING (ERP) TRANSFORMATION PROGRAM UPDATE

Mr. Evan O'Mahoney, Chief Information Officer, provided an update on the Evolve: Enterprise Resource Planning (ERP) Transformation Program. He noted the program is progressing through Detailed Design & Build phase, with a continued focus on strengthening delivery confidence, stabilizing scope and improving readiness for upcoming releases.

The Board of Trustees discussed and asked questions primarily related to the release plan's progress and sequencing, the importance of change management, personnel assigned to the program, and how customer feedback is being incorporated.

IX. EXECUTIVE SESSION

At approximately 1:43 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. Personnel Matters (§551.074)
B. Attorney Client Matters (§551.071), Competitive Matters (§551.086) & Critical Infrastructure (§551.0761)
C. Attorney Client Matters (§551.071) & Critical Infrastructure (§551.0761)

The Board reconvened in open session at 3:01 p.m. The quorum was re-established, and four members were present. Ms. Ramirez reported that only the matters cited above, and no others, were discussed, and no votes were taken in Executive Session.

X. 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 Vice Chair Dr. Mackey, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 3:02 p.m. by Chair Romero.

Shanna M. Ramirez
Secretary of the Board

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.

Attachment "B" to the July 20, 2026
Regular Board Meeting

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.

Attachment "C" to the July 20, 2026
Regular Board Meeting

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.

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.