SPECIAL MEETING OF THE CPS ENERGY BOARD OF TRUSTEES
CONVENING AS THE RISK MANAGEMENT COMMITTEE
TO BE HELD ON JULY 20, 2026, IMMEDIATELY TO FOLLOW THE MEETING OF
THE SA ENERGY PUBLIC FACILITY CORPORATION
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. Erika Gonzalez
2	**PUBLIC COMMENT**	Discuss	Dr. Erika Gonzalez
CONSENT AGENDA			
3	**APPROVAL OF CONSENT ITEM:** A. Minutes of the Risk Management Committee (RMC) meeting held on 11/03/2025	Vote	Dr. Erika Gonzalez
RISK MANAGEMENT COMMITTEE REGULAR AGENDA			
4	**ENTERPRISE RISK MANAGEMENT UPDATE**	Discuss	Ms. Annamarie Rangel
5	**FIELD WORKFORCE DEVELOPMENT ENHANCEMENT**	Discuss	Mr. Jose G. Trevino
6	**SAFETY PROGRAM ENHANCEMENT**	Discuss	Mr. Bert Hargesheimer
7	**ADVANCING OPERATIONAL RESILIENCE THROUGH BUSINESS CONTINUITY**	Discuss	Mr. Jonathan Homer
CONVENE TO EXECUTIVE SESSION			
8	**EXECUTIVE SESSION:** A. Competitive Matters (§551.086) & Attorney-Client Matters (§551.071)	Discuss	Dr. Erika Gonzalez

RECONVENE TO OPEN SESSION			
9	**REVIEW OF ACTION ITEMS**	Discuss	Dr. Erika Gonzalez
ADJOURNMENT			
10	**ADJOURNMENT**	Execute	Dr. Erika Gonzalez
If the Board meeting has not adjourned by 5:00 PM, the presiding officer shall 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.			

CPS ENERGY
MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES
HELD ON NOVEMBER 3, 2025

The Special Meeting of the CPS Energy Board of Trustees convening as the Risk Management Committee was held on Monday, November 3, 2025 in the Board Room on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas.

I. CALL TO ORDER

Committee Chair Gonzalez called the meeting to order at 1:05 p.m.

Present were Board members:
Ms. Janie Gonzalez, Chair
Dr. Willis Mackey
Dr. Francine Romero
Mr. John Steen
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, & PLEDGE OF ALLEGIANCE

A safety message, invocation, and the Pledge of Allegiance were delivered by Mr. Jason Hernandez, Manager, Internal Controls.

III. PUBLIC COMMENT

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

IV. APPROVAL OF CONSENT AGENDA

Trustee Dr. Mackey made a motion to approve the minutes, which was seconded by Trustee Dr. Romero. The motion was approved on a 4-1 vote, with Trustee Steen voting against the motion.

A. Minutes of the Risk Management Committee Meeting held on June 16, 2025

V. COMMITTEE GOVERNANCE REVIEW

Ms. Shanna M. Ramirez, General Counsel, provided an overview of the proposed changes to the Risk Management Committee Charter, noting that the changes are not substantive, but intended to align with

other charters. Trustee Dr. Mackey made a motion to approve, Trustee Dr. Romero seconded the motion, and it was unanimously approved.

VI. ENTERPRISE RISK MANAGEMENT UPDATE

Ms. Annamarie Rangel, Director, Enterprise Risk Management & Solutions, shared how CPS Energy is planning, preparing, and adapting to current and future challenges and opportunities. She then provided an overview of navigating the utility risk horizon, and how CPS Energy engages in risk management.

The Board of Trustees discussed and asked questions focused on how CPS Energy best identifies risks, plans for upcoming needs, conducts benchmarking, and conveys risks to the Board.

VII. MACROECONOMIC UPDATE

Mr. Gautam Shringarpure, FS Managing Fellow, Financial Services, Strategic Analysis and Implementation, provided a macroeconomic and microeconomic update. He provided an update on the economic conditions we monitor and explained how they impact our business. He noted that understanding the macroeconomic picture helps drive better business decisions, and it provides guidance on how we navigate our business landscape.

The Board of Trustees discussed and asked questions, primarily focused on how to be proactive and mitigate negative impacts, and how to ensure our risk mitigation plans are not outpaced by emerging technologies and changing factors.

VIII. RISK, RELIABILITY, AND RESILIENCY

Ms. Lori R. Lopez, Director, Technical Distribution Services, explained distribution risks, noting that our commitment is to proactively provide continuous improvement in building more resilient systems. She reviewed how CPS Energy addresses risks and our long-term solutions.

The Board of Trustees discussed and asked questions. The discussion focused on the need to be prepared; inspection processes for high-risk fire zones; the ability to calculate avoided costs; criteria used to determine where lines should be underground; updates to our load shed process; coordination efforts with SAWS; impacts to financial reserves for black swan events; and cybersecurity.

IX. DISTRIBUTION SYSTEM RELIABILITY AND RESILIENCE

Mr. Durgesh Manjure, Vice President, Integrated Grid and Energy Systems at Electric Power Research Institute (EPRI), presented on distribution system reliability and resilience within the utility industry. He reviewed the current developments, applications, and future potential.

The Board of Trustees discussed and asked questions focused on the rate of the return for investment and how CPS Energy participates and utilizes the tools EPRI offers.

X. EXECUTIVE SESSION

At approximately 3:01 p.m., Committee Chair Gonzalez announced the Board would go into Executive Session, and Ms. Ramirez announced that the required notice had been posted and that the Trustees, with only necessary parties in attendance, would convene into Executive Session, pursuant to the provisions of Chapter 551 of the Texas Government Code, for discussion of a number of posted items, including the following:

- Competitive Matters (§551.086) & Attorney-Client Matters (§551.071)
- Security Personnel or Devices (§551.076) & Attorney-Client Matters (§551.071)

The Board reconvened in open session at 3:58 p.m. The quorum was re-established, and all members were present. Ms. Ramirez reported that only the matters cited above, and no others were discussed, and no votes were taken in Executive Session.

XI. REVIEW OF ACTION ITEMS

Ms. Ramirez noted that there were no open actions items from the last Risk Management Committee meeting, and she reviewed the new action items from this meeting.

XII. ADJOURNMENT

There being no further business to come before the Committee, upon a motion duly made by Trustee Dr. Mackey, seconded by Mayor Jones, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 4:02 p.m. by Committee Chair Gonzalez.

_____
Shanna M. Ramirez
Secretary of the Board

ENTERPRISE RISK MANAGEMENT UPDATE

PRESENTED BY:
Annamarie Rangel
Director Enterprise Risk Management & Solutions

July 20, 2026
Informational Update

AGENDA

- Enterprise Risk Register Refresh Alignment & Summary
- Industry Risks & Comparison
- Next Steps

Engaging across the organization ensures our risk landscape reflects the appropriate challenges and opportunities.

2026 UTILITY HEADLINES

CHALLENGES & OPPORTUNITIES

TEXAS

TEXAS NEWS

What soaring gas prices mean for Texas and how long it could take for costs to come down

Here's what you should know about the market forces at play and what higher prices mean for oil companies and the state.

by Riddhi Bora, The Texas Tribune
May 19, 2026

NATIONAL

Can Texas' power grid handle the demands of data centers?

MAY 22, 2026 · 4:44 AM ET

HEARD ON MORNING EDITION

By Cooper Katz McKim, Darian Woods

ENERGY

Texas leads nation in utility shutoffs as electric bills rise, federal report finds

The state accounted for more than 3 million of the 13.4 million disconnections that occurred in the U.S. in 2024, the highest total in the country.

BY DAVID MARTIN DAVIES, TEXAS PUBLIC RADIO

SHARE

MAY 4, 2026, 6:24 P.M. CENTRAL

Texas' annual solar power expected to eclipse coal for the first time

map

JOHN EGAN, INNOVATIONMAP

Updated Wed, May 20, 2026 at 12:37 PM CDT



State and local challenges and opportunities pose risks to the CPS Energy mission to safely power our community with reliable, affordable, and cleaner energy.

SAN ANTONIO

CPS Energy partners with Joint Base San Antonio for nuclear microreactor project

'This initiative aligns with our commitment to exploring innovative, reliable energy solutions,' CPS Energy president and CEO says

Spencer Heath, Digital Journalist
Garrett Brnger, Reporter

Published: May 8, 2026 at 11:36 AM

CPS Energy selects COO Frank Almaraz as interim president and CEO

Texas Public Radio | By Joey Palacios
Published June 4, 2026 at 5:02 PM CDT

CPS Energy partners with local developer on one of region's largest energy storage systems

By Amber Serio – Reporter, San Antonio Business Journal
May 21, 2026

CPS Energy outage map shows thousands without power in San Antonio

CPS Energy is working to restore power.

By Taylor Kamnetz, Victoria Lopez
May 23, 2026

BUSINESS

CPS Energy says it will 'get through summer' before deciding whether to ask for rate increase

By Kelsey Brown, Staff Writer
March 5, 2026

VISION 2030 & RISK OUTLOOK

PROTIVITI & NORTH CAROLINA STATE UNIVERSITY RISK SURVEY

Vision 2030 Goals & Top Long-Term Risks	
Reliability	**Value**
• Security & privacy	• Supply chains and third-party ecosystems • Customers & competition • AI deployments
Financial Strength	**Team Excellence**
• Markets & economies	• Talent challenges • Organizational resilience and culture
Cleaner Energy	
• Sustainability	

As we advance our plans for Vision 2030, we are assessing the multifaceted risks and opportunities that may influence the achievement of our strategic goals. We must:

- Prioritize investments.
- Continuously monitor risks.
- Make risk informed decisions.
- Maintain alignment of strategies that support our mission and vision.

We use risk insights to steer execution and maintain forward progress.

Note: Summary of risks from research conducted by Protiviti and North Carolina State University's Enterprise Risk Management Initiative.

ENTERPRISE RISK ALIGNMENT

Senior Executive Leadership Input

- Provide strategic direction & tone at the top
- Identify emerging risks and opportunities
- Challenge assumptions and priorities

Safety

- Assist in identifying safety risks
- Integrate safety into decision making
- Promote a strong safety culture



Integrated Planning

- Align strategic goals and milestones in business plans
- Consider risks and opportunities
- Inform budgets and priorities

Operations

- Embed risk management into daily operations
- Manage operational risks and performance
- Ensure compliance and resilience
- Drive continuous improvement

Leadership Input

- Identify and assess risks in their areas
- Implement risk mitigation plans and controls
- Provide performance and risk insights
- Escalate new issues and emerging risks

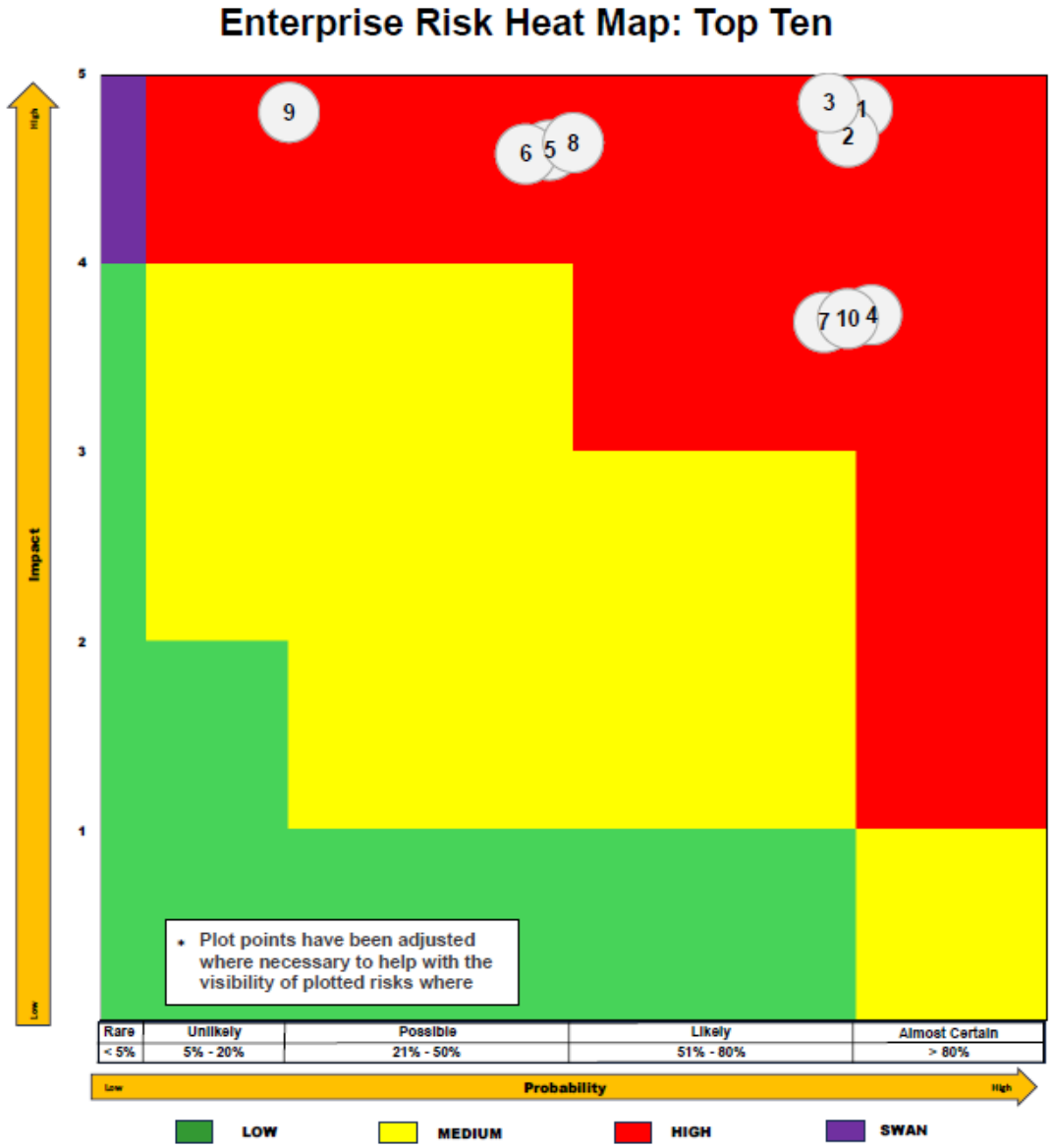
Our Enterprise Risk Management Program connects teams across the organization to strengthen risk awareness through a structured, standardized risk management framework.

ENTERPRISE RISK ASSESSMENT

RISK LEVEL & SCORE

- Risk impact is assessed by rating predefined impact categories.
- Risk probability reflects the likelihood of the risk occurring.
- Risk scores are calculated by multiplying impact and probability.
- Risk level (low, medium, high, and swan) are assigned based on the calculated score.

We assign risk ratings for each factor based on expertise and experience.



ENTERPRISE RISK REGISTER REFRESH

SUMMARY

Identified enterprise risks, which reflect current internal and external risks.

Elevated the enterprise risk assessment by including quantitative and qualitative methodologies to improve prioritization and decision making.

Continue to develop and/or update mitigation plans for high and swan risks.

Improve risk and mitigation planning accountability and cross-functional collaboration.

Enterprise Risk Register Refresh: Year Over Year Comparison

	FY26	FY27
High & Swan Risks	↑ 15%	↑ 7%
Total # of Risks	↑ 3%	↓ -3%

*Swan risks = high impact & low probability

We will continue to enhance risk management capabilities to strengthen decision making and operational resilience.

INDUSTRY RISKS & COMPARISON

Gartner

2Q26 Emerging Risks- Utilities	
1	Geopolitical energy supply shocks
2	Artificial intelligence discovery of cyber vulnerabilities
3	Information integrity risk
4	United States policy induced investment uncertainty
5	Escalating military interventionism
6	Strained United States - Europe relations
7	Agentic artificial intelligence
8	Data center resource strain
9	Artificial intelligence driven skill erosion
10	United States financial deregulation

protiviti

Top 5 Near-Term Risks: Energy and Utilities	
1	Impact of climate change and environmental and sustainability requirements and/or expectations
2	Third-party risks
3	Rising threat of catastrophic natural disasters and weather phenomena
4	Heightened regulatory change, uncertainty and fragmentation
5	Cyber-threats

Deloitte.

2026 Industry Outlook: Power and Utilities	
1	Delivering firm capacity for rising grid demand
2	Managing customer affordability amid rising electricity costs
3	Navigating tighter energy policy and compliance requirements

The organization's risk profile continues to align with prevailing, emerging, and persistent risks shaping the broader industry landscape.

ENTERPRISE RISK MANAGEMENT

RISK MANAGEMENT COMMITTEE INPUT



Risk Management Committee input improves the quality and effectiveness of the enterprise risk register.

- Provides enhanced strategic oversight
- Validates key risks
- Enhances alignment
- Strengthens governance

We propose that we hold a work session this fiscal year to provide input on risks, consistent with discussions with the Risk Management Committee Chair and aligned with the Risk Management Committee Charter.

RISK FOCUS

Partner and collaborate with the organization and Integrated Planning to ensure the risk register reflects the appropriate risks.

- Improve visibility into emerging and evolving risks.
- Enhance risk intelligence to support informed decisions.
- Increase clarity on enterprise-wide interdependencies.
- Leverage our enterprise risk management maturity self-assessment results to guide continuous improvement.



We will continue to drive the enterprise risk management focus through collaborative discussions and actions.

RISK INFORMED PLANNING

We must maintain a balanced, risk-informed planning approach that supports reliable, affordable, and cleaner energy, while strengthening the long-term economic resilience and prosperity of the community we serve.



Safety



Workforce



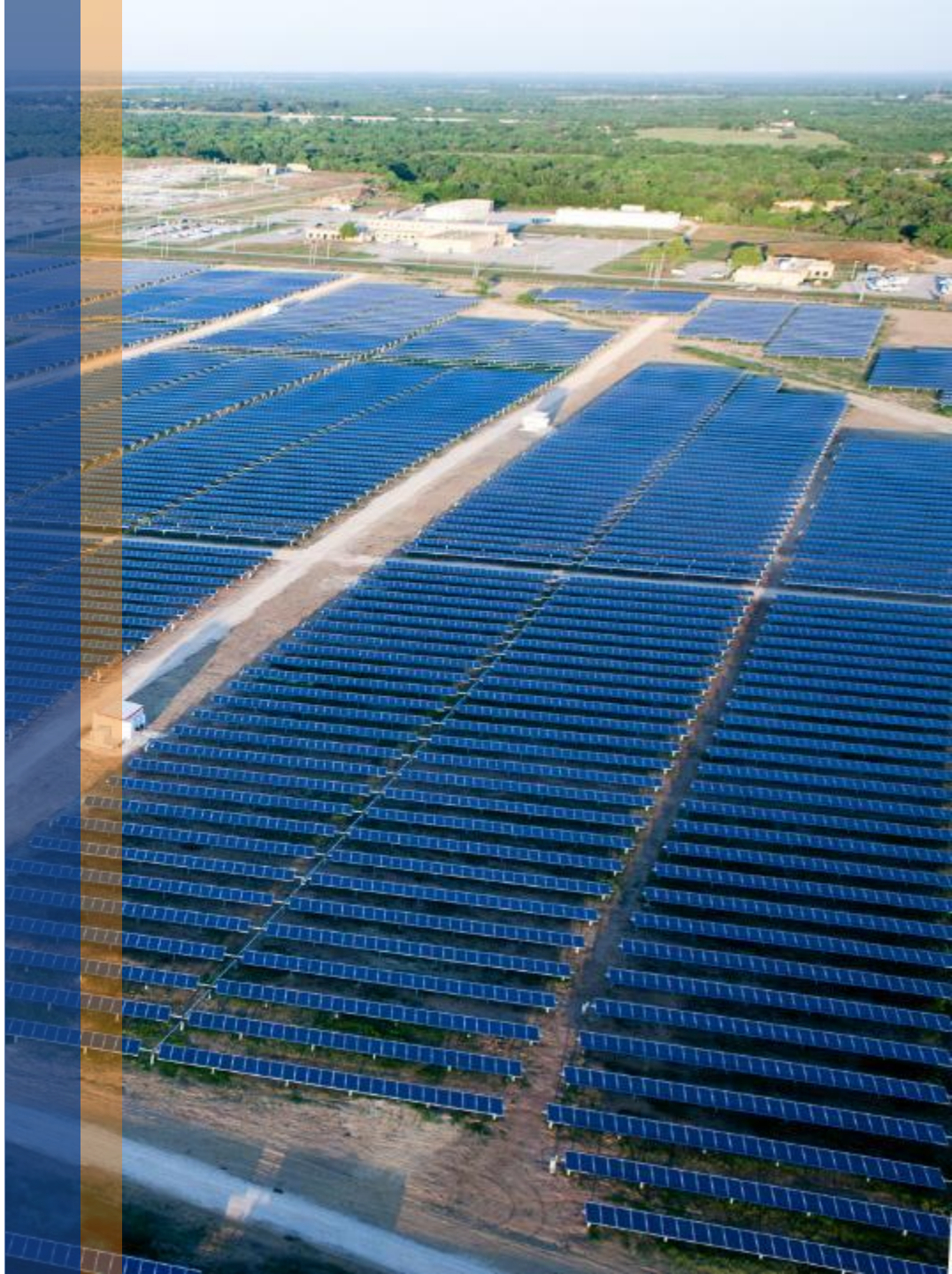
Operations

THANK YOU

FIELD WORKFORCE DEVELOPMENT ENHANCEMENT

PRESENTED BY:
Jose G Treviño
Interim Chief Operating Officer

July 20, 2026
Informational Update



AGENDA

- Joint Apprenticeship and Training Committee (JATC)
- Annual review and update to the Accident Prevention Guidebook (APG)
- Enhancements to the Apprenticeship Program
- New additions to the Trainee Program
- Drivers Behind Change
- Future State of the Programs

Driving a culture of continuous improvement in the development of our field employees is pivotal to their safety.

MISSION & VISION 2030
STRATEGICALLY ALIGNED ACTIONS

GOALS	RELIABILITY	VALUE	CLEANER ENERGY	FINANCIAL STRENGTH	TEAM EXCELLENCE
GOAL DESCRIPTIONS	Electric And Gas Services That Are Always On.	Affordable Prices, Excellent Options And Service.	A Balanced Approach To Reduce Our Environmental Impact.	Financially Resilient And Competitively Priced To Fuel Growth And Safeguard Investments For Our Community.	Develop Our Team To Drive Innovation And Deliver Excellence As One Team.
STRATEGIC INITIATIVES (SI)*	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.

**Strategic Initiative = major focus areas for the next five years.*

Deliver our mission by execution of our Vision 2030 strategy.

JOINT APPRENTICESHIP AND TRAINING COMMITTEE (JATC)

MANAGEMENT AND UNION LEADERSHIP SUPPORT

- Support staff and decision makers for all Construction Maintenance & Operations programs are registered with the United States Department of Labor.



- Consists of equal representation between CPS Energy management & IBEW Local 500 representatives
  - 12 member committee



REVIEW & UPDATE OF THE ACCIDENT PREVENTION GUIDEBOOK (APG)

CONTINUOUS IMPROVEMENT

Change in Work Practices

- Annual review and continuous input from the Safety Working Groups
- Safety working groups evaluate input from crews or lessons learned from events
  - Main goal is to establish direct controls
  - Where not feasible, indirect controls are implemented

Administrative Updates

- Standards are updated periodically
  - National Electric Safey Code (NESC)
  - National Fire Protection Association (NFPA)
  - Occupational Safety and Health Administration (OSHA)
- APG and safety manual updated as needed to reflect changes
- Implemented into new employee training
- Implemented into the apprenticeship or trainee programs

TRAINEE PROGRAM UPDATES

ACCELERATION OF EXPOSURE TO FIELD WORK

- 4-year program with steps of progression
- 5th month trainee test
- Qualifiers by year to include pole top rescue
- 3rd year testing
- Pre-apprentice qualifiers



APPRENTICESHIP PROGRAM

Qualifiers

Method for testing knowledge and hands on skills of employees

Some examples include wiring of transformers, make up of materials, knowledge of materials, advanced craft skills

Additional Craft Training

Expanded from a 2-year to a 3-year program

Additional areas of development added with respect to underground basics and troubleshooting basics

Addition of the Timpson Unit

Allows apprentices to train using the same real voltage they will see everyday on the job, while at the same time keeping the current to a safe level.

Changes the mindset and allows employees to experience real life situations in a training environment

Charter and Steering Committee Oversight

Added structure to the JATC committee

Added a layer to oversee and ensure proper resources are available for the training team

Allows leaders from employees impacted to come together and be informed on program changes

DRIVERS BEHIND CHANGE

Line Crew



High percentage of field personnel are retirement eligible

Substation



Gap in experience level

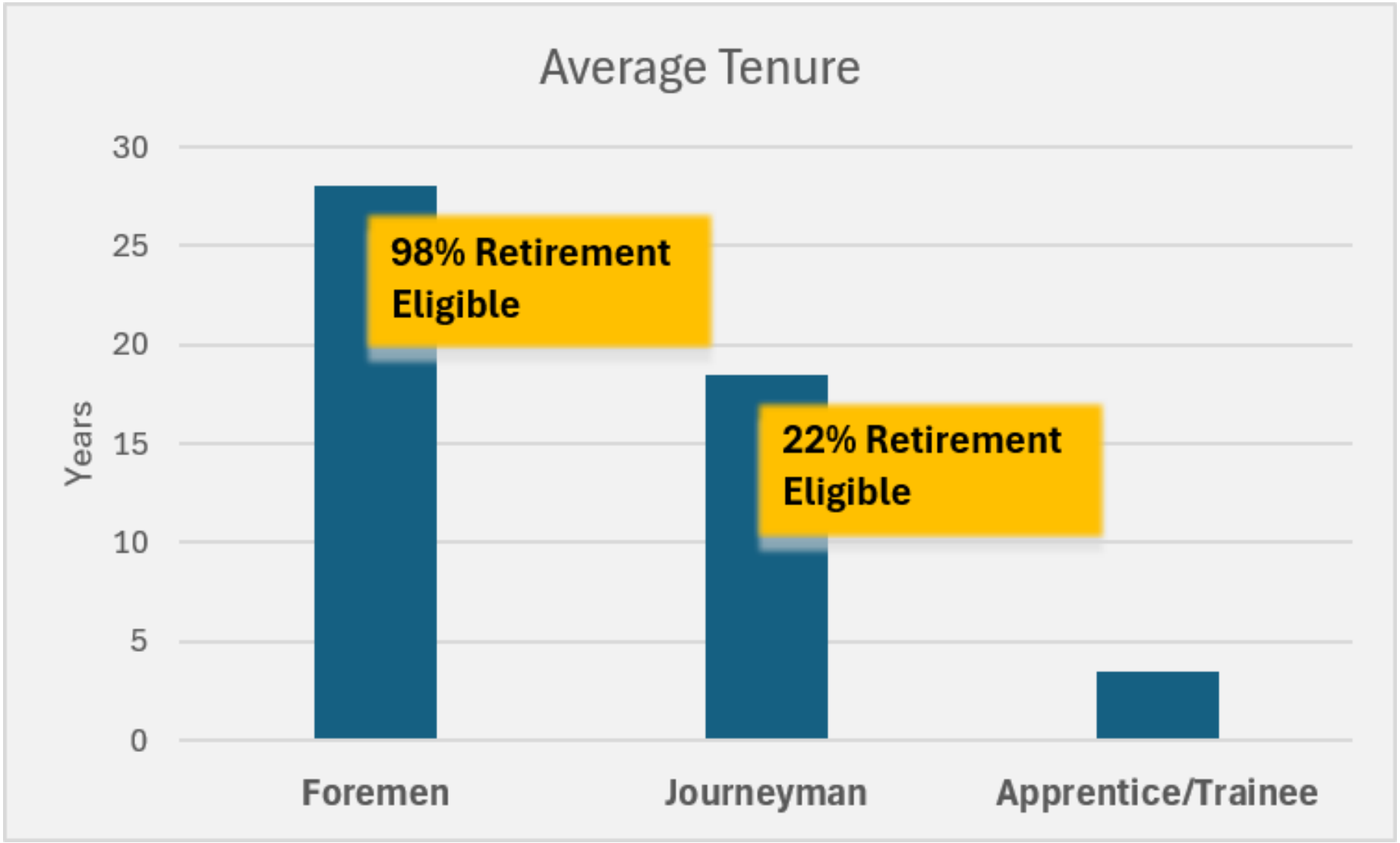
New Development



Time to make a Journeyman level employee

EXPERIENCE VS RETIREMENT ELIGIBLE

DISTRIBUTION CONSTRUCTION & MAINTENANCE



PROGRAM JOURNEY
FUTURE STATE

Continue to enhance qualification process

- Exposure to field work earlier in the process will improve employee readiness when entering apprenticeship.
- The program sets the bar for minimum qualifications upon completion.
- Reduced time requirements in a training environment allows for more on-the-job, hands-on training.

Continuous Learning Environment

- Evolutions that do not occur often will be trained on prior to work in the field.
- All levels will receive continuous training and qualifications (this is a change from current practices).

Shift in Entry Level for Field Employees

- Qualifiers and testing will allow us to develop a process to hire at different levels other than at the trainee level.
- This will help close the gap on experience level as new employees come with some On-the-Job Training (OJT) experience.

THANK YOU

APPENDIX

GLOSSARY / DEFINITIONS

ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
APG	Accident Prevention Guidebook	NFPA	National Fire Protection Association
IBEW	International Brotherhood of Electric Workers	OJT	On the Job Training
JATC	Joint Apprenticeship & Training Committee	OSHA	Occupational Safety and Health Administration
NESC	National Electric Safety Code		

SAFETY PROGRAM ENHANCEMENT

PRESENTED BY:

Bert Hargesheimer
VP Ops Support Services

July 20, 2026

AGENDA

- Comprehensive View of Safety Performance
- Protecting the Workforce
- Directing Resources to the Right Safety Issues
- Vision 2030 STCKY Metric Transition

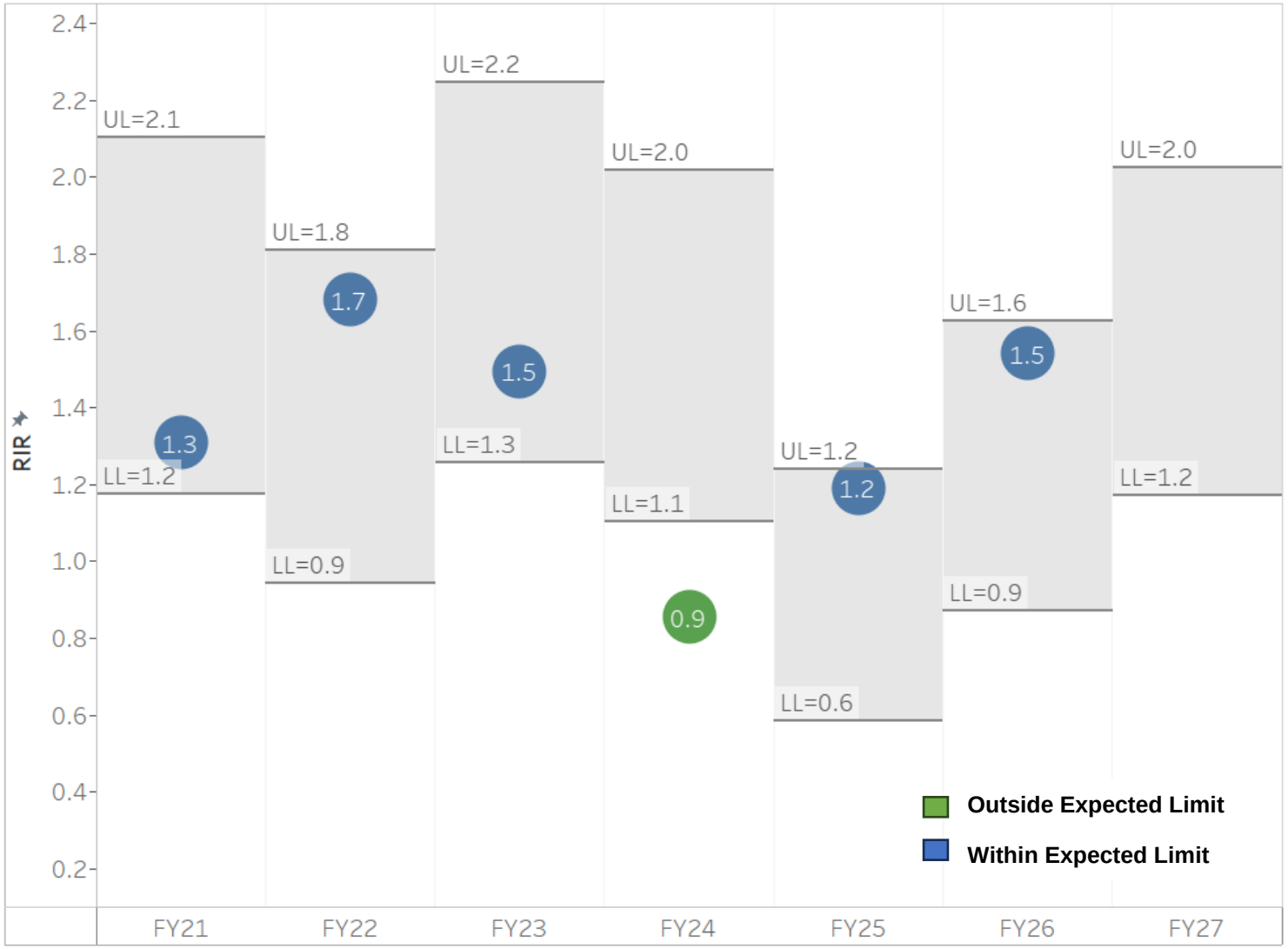
Employee & Public Safety

TEAM CULTURE

COMPREHENSIVE VIEW OF SAFETY PERFORMANCE

RECORDABLE INCIDENT RATE - LAGGING

UNDERSTANDING CPS ENERGY RECORDABLE INCIDENT RATE



Key Takeaways

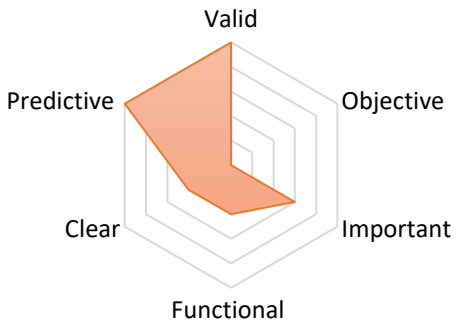
- **Recordable Incident Rate (RIR) has long been the traditional measure of safety performance.**
- **In the graph, RIR is shown within a confidence interval (CI). It has remained within the expected limit across fiscal years, indicating stable performance.**
- **This view aligns with evidence-based best practices.**

SAFETY MEASURES

BUILDING A COMPREHENSIVE VIEW OF SAFETY PERFORMANCE

Leading Indicators

Safety Climate

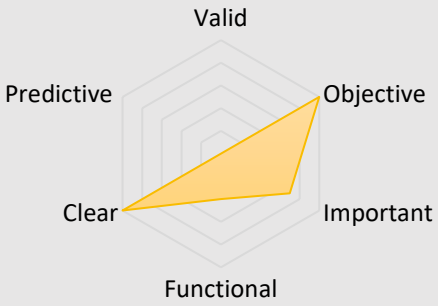


High-Energy Observations (HECA)

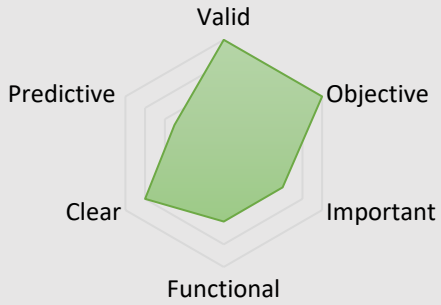


Lagging Indicators

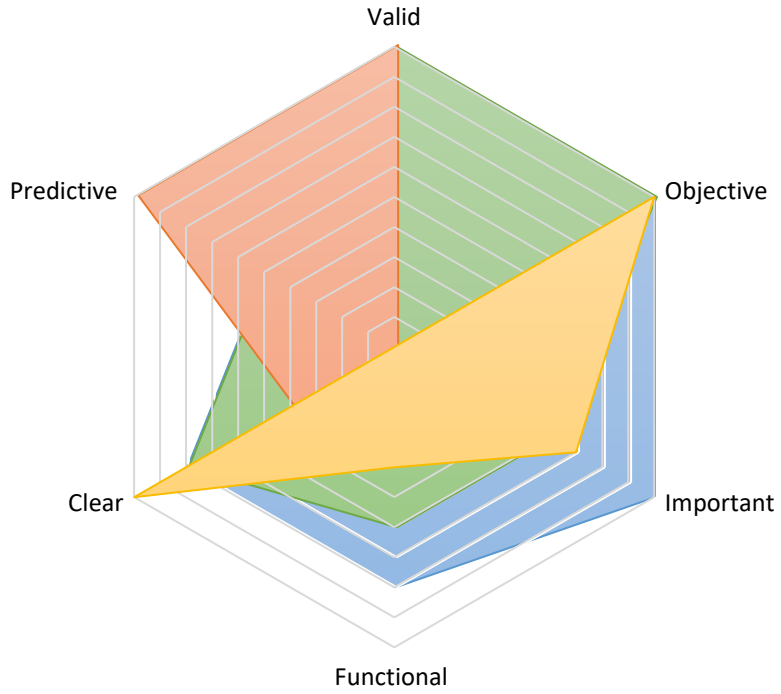
Recordable Incident Rate



First Aid



Comprehensive View

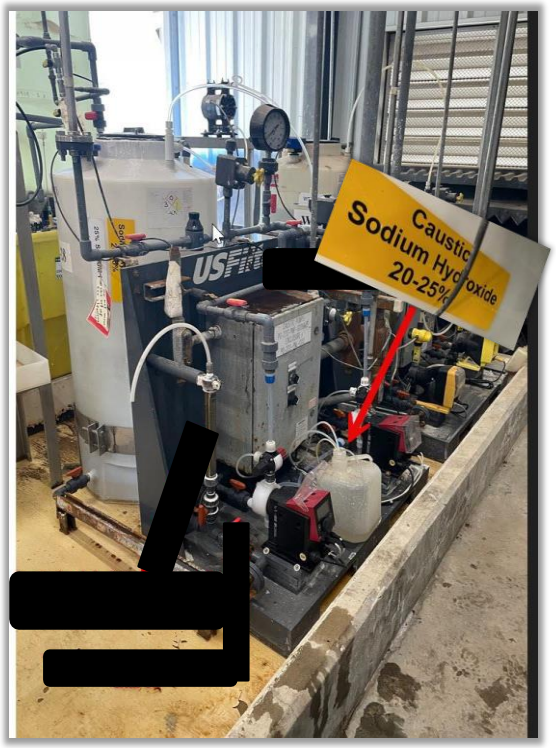


A clearer picture of Safety Performance

These 4 measures provide a more complete assessment of our Safety Performance.

HIGH ENERGY CONTROLS ASSESSMENT

ESTABLISHING CONTROLS FOR SAFETY SUCCESS

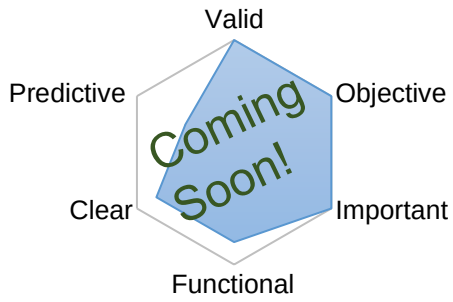
Exposure	Success
	

	Exposure	Success
High-Energy Hazard?	**Yes**	**Yes**
Direct Control?	**No**	**Yes**

Success = the number of high-energy hazards <u>with</u> a corresponding direct control.

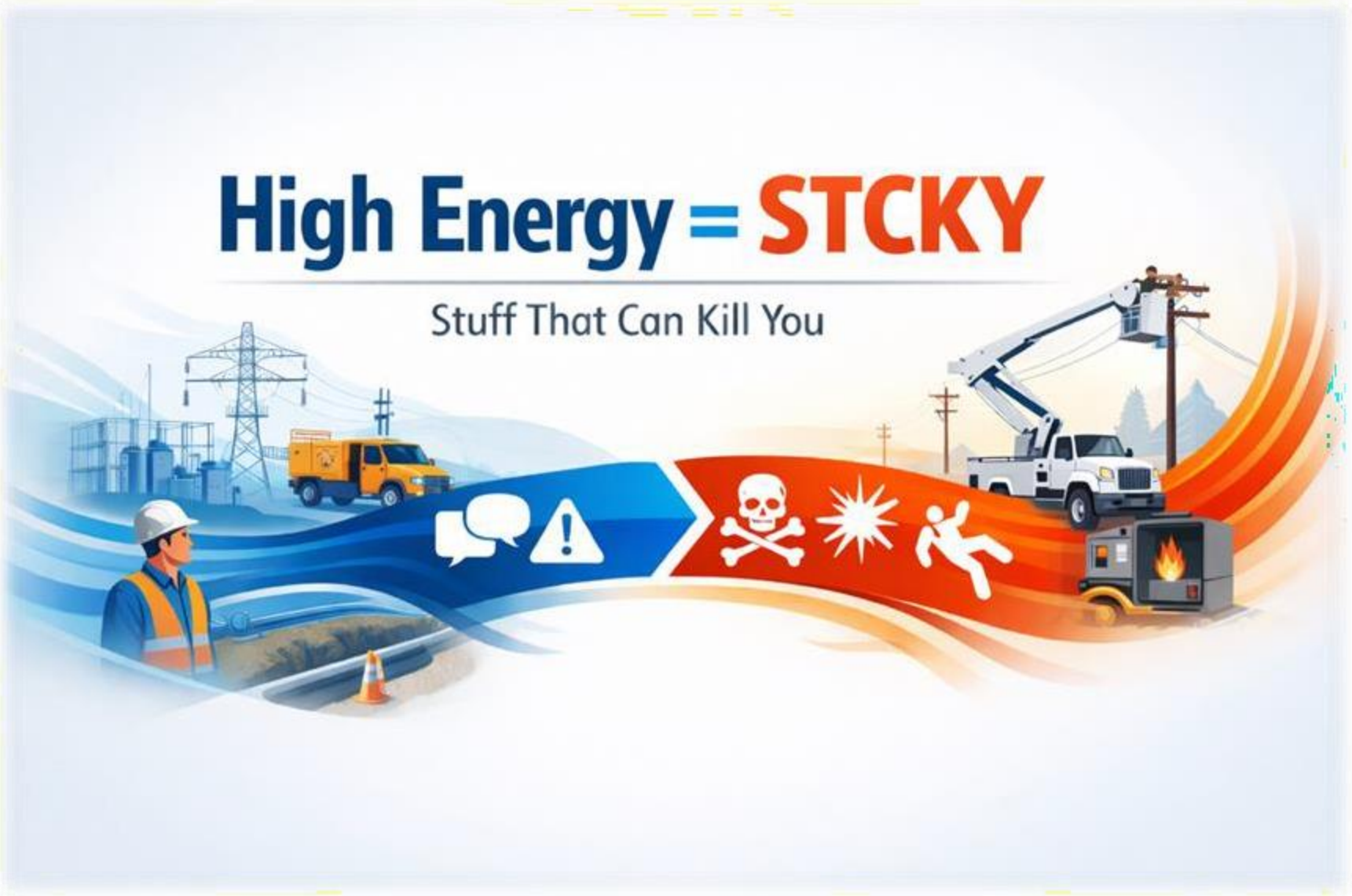
Exposure = the number of high-energy hazards <u>without</u> a corresponding direct control.

High-Energy Controls Assessment (HECA)



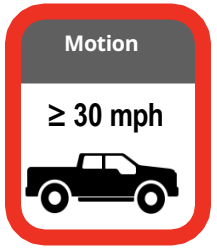
WHAT IS STCKY?

STCKY: STUFF THAT CAN KILL YOU



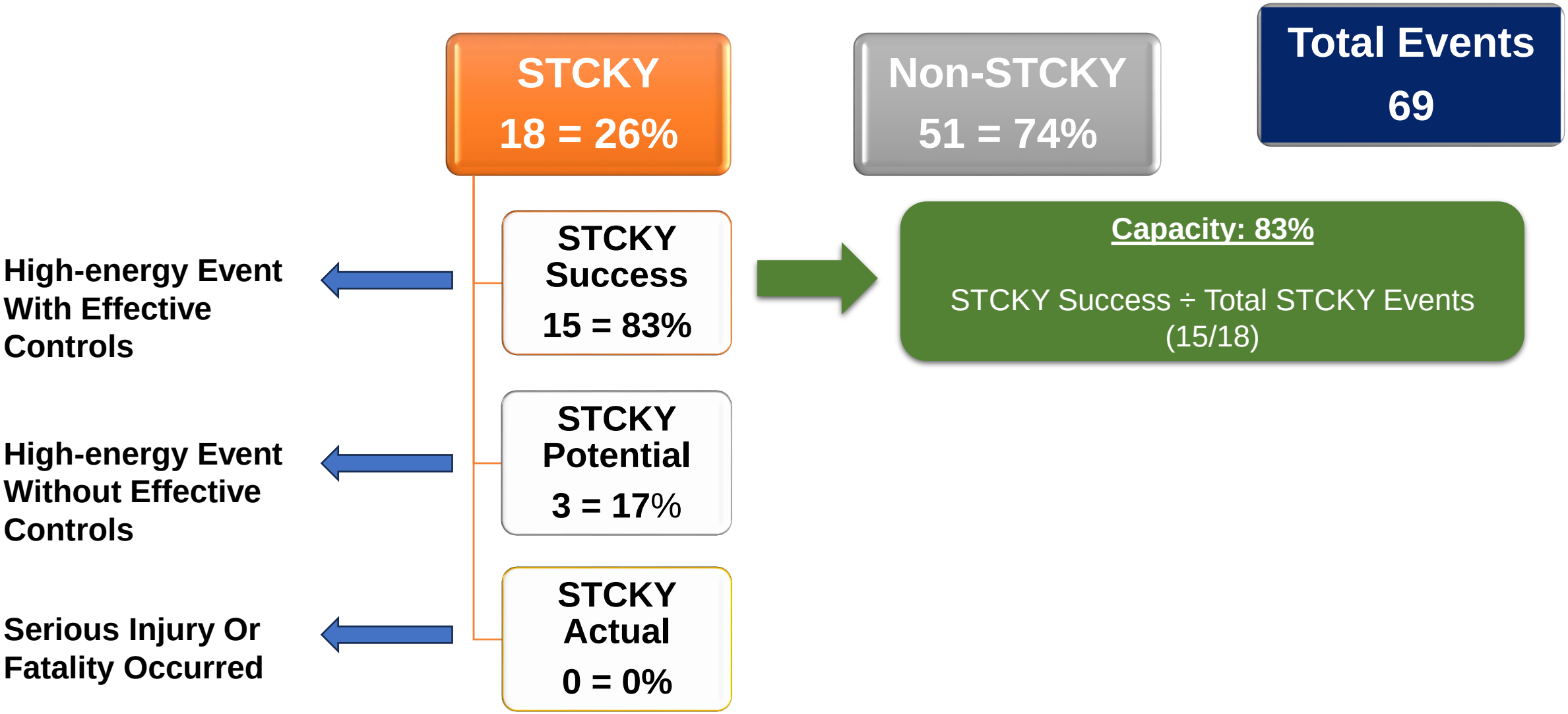






HOW WILL WE KNOW WE'RE IMPROVING?

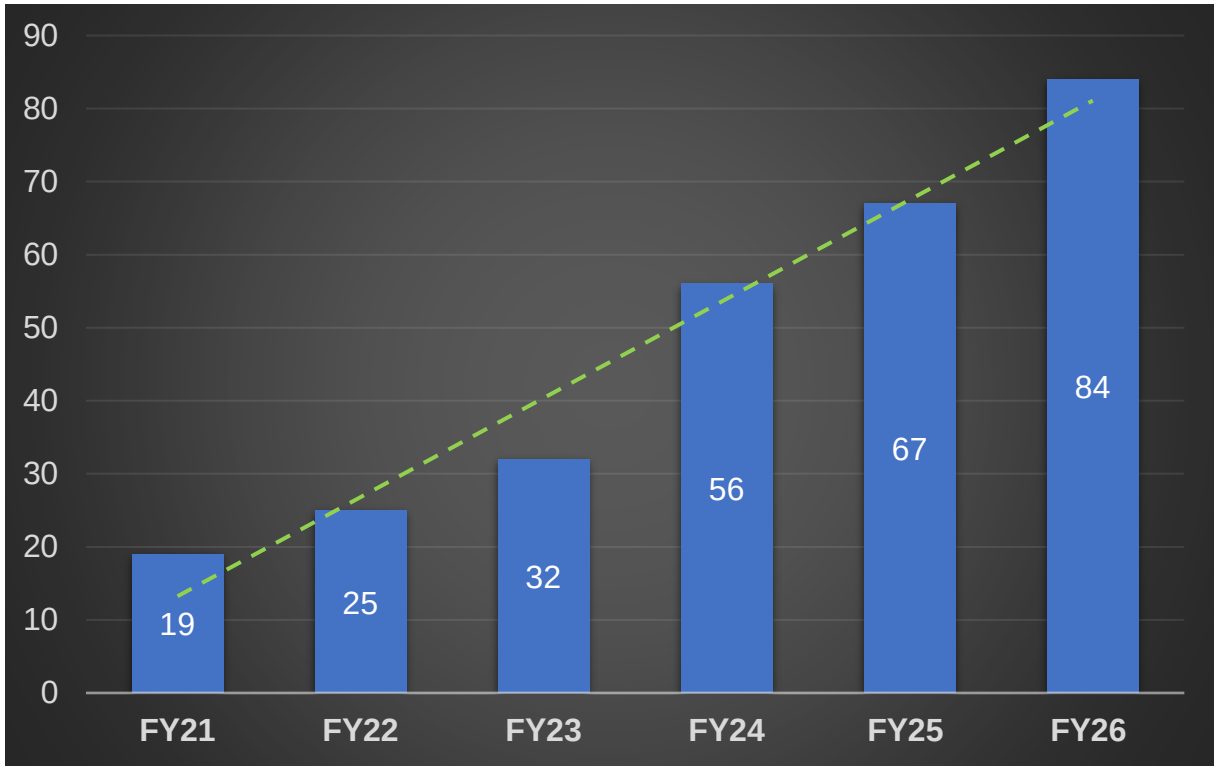
TRACKING OUR CAPACITY TO FAIL SAFELY



*STCKY Trend through 4-17-2026

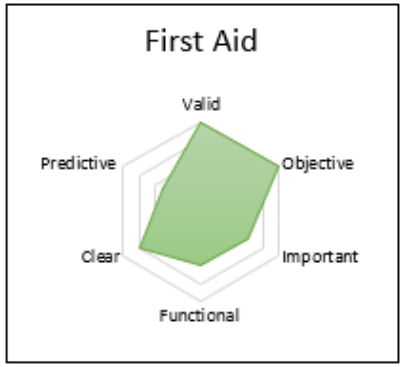
PSYCHOLOGICAL SAFETY IMPROVEMENT

IMPROVEMENT ON FIRST AID INJURY LAGGING INDICATOR



First Aid Injury Reports by Year

- **Examples include bee stings, ankle sprains, and minor lacerations.**
- **Leadership's emphasis on well-being fosters psychological safety.**
- **Increase in reports provides 60+ additional opportunities to learn.**



The right environment encourages reporting!

PROTECTING THE WORKFORCE:
REDUCING LONG-TERM IMPACTS OF WORK
INDUSTRIAL ATHLETE PROGRAM

INDUSTRIAL ATHLETE APPROACH

IMPROVING RESILIENCE IN PHYSICALLY DEMANDING ROLES








- Just as athletes prepare for competition, our employees must prepare for the demands of working in awkward positions and physically demanding roles.
- Implementing a pre-conditioning program to prepare apprentices and trainees for the physical demands of pole climbing and overhead work.

LEVERAGING DATA TO ADDRESS SAFETY RISK

DRIVING BEHAVIOR FEEDBACK

USING PREDICTIVE ANALYTICS TO REDUCE VEHICLE ACCIDENTS

Inputs	Intervention	Outcome
☐ Speeding	☐ Driver's Scorecard	☐ Preventable MVA Reduction
☐ Harsh Braking	☐ Manager Coaching	☐ Safer Driving Behaviors
☐ Harsh Cornering	☐ Targeted Education	
☐ Rapid Acceleration		
☐ Miles Driven		

Driver Scorecard, combined with Manager coaching, resulted in a 20% decrease in at-risk behaviors.

VISION 2030: STCKY METRIC TRANSITION

HOW WE'LL GET THERE

VISION 2030 ROAD MAP

FY27: Establish Baseline

- RIR Primary Measure
- Collect STCKY data
- Improve Pre-Job Briefs Quality

FY28: Add Control Verification

- RIR Primary Measure
- Trend STCKY
- Collect HECA data

FY29: Validate Transition Readiness

- RIR Primary Measure
- Trend STCKY
- Trend HECA

FY30: Primary Safety Measure

- STCKY Primary measure
- Trend RIR
- Trend HECA

Systematic transition to STCKY as the Primary Safety Measure

THANK YOU

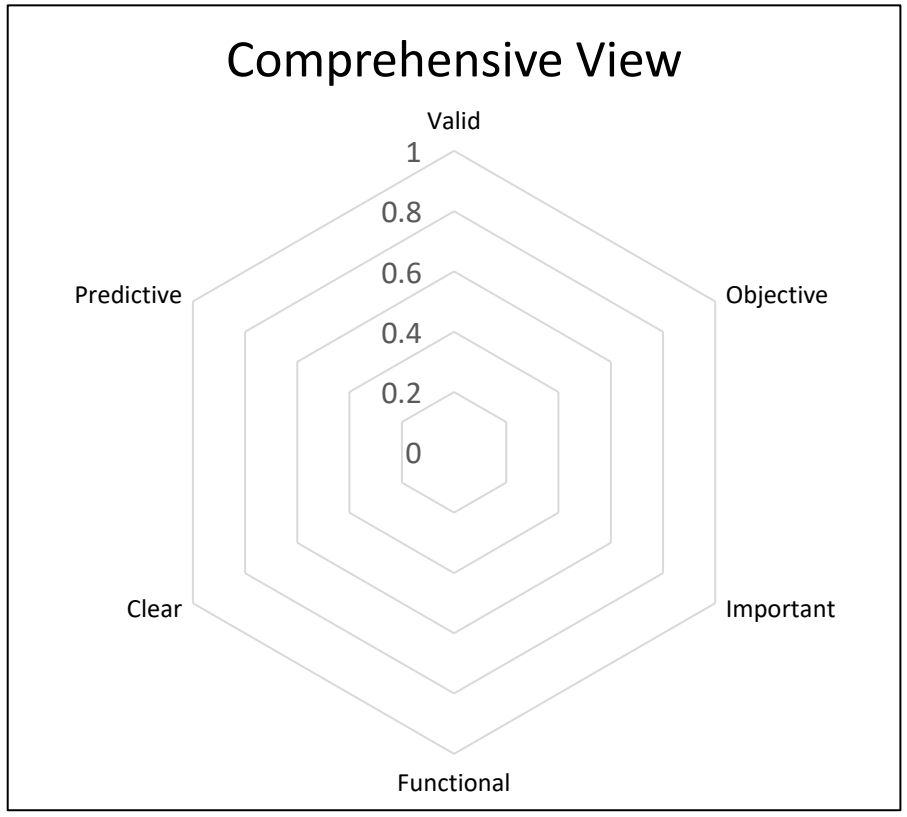
APPENDIX

GLOSSARY / DEFINITIONS

ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
STCKY	Stuff That Can Kill You		
RIR	Recordable Incident Rate		
MSD	Musculoskeletal Disorder		
HECA	High Energy Controls Assessment		

SAFETY COMPREHENSIVE VIEW

CHART AND DIMENSION DEFINITIONS

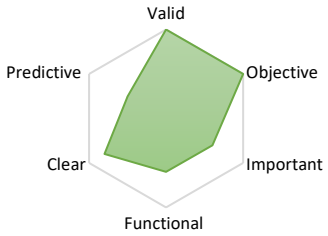


Dimension	Definition
Valid	How well a metric includes quantitative data that provides statistically stable and meaningful information.
Objective	How well a metric measures what it is intended to measure.
Important	How well a metric reflects priorities of the organization. Effectively addresses vulnerabilities in management system.
Functional	How well a metric may be used reasonably to affect positive change.
Clear	How well a metric is rational, simple, and easy to communicate.
Predictive	How well a metric can provide meaningful likelihood of predicting future outcomes

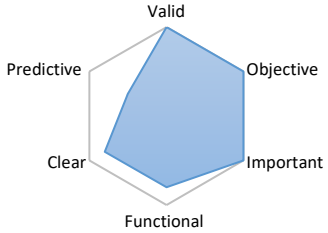
KEY SAFETY MEASURES

A COMBINATION OF LEADING AND LAGGING INDICATORS

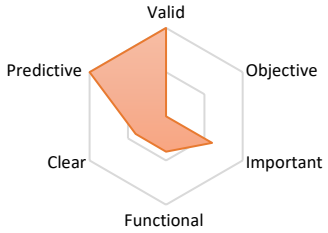
First Aid



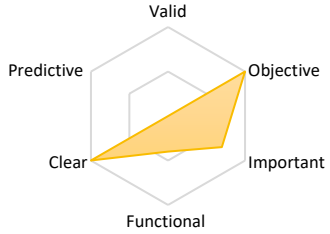
High-Energy Observations (HECA)



Safety Climate



Recordable Incident Rate



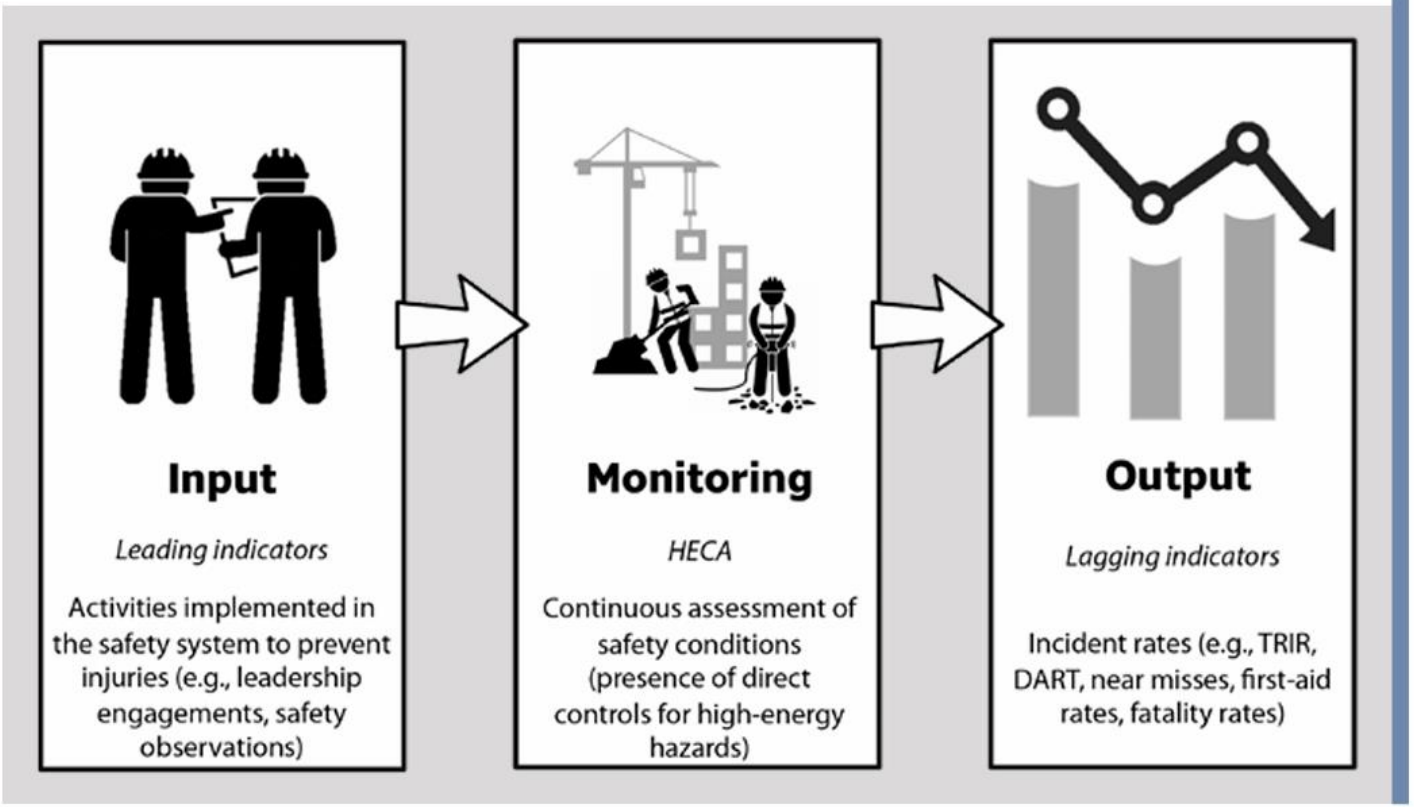
Key Measure	Description
First Aid Injuries (*Lagging*)	First Aid injuries continue to rise while Report Only incidents decrease, aligning with the desire that injured employees seek care with Occ Health promptly.
Observations (*Leading*)	As a leading indicator, increased observations result in a lagging reduction in injuries.
High Energy/Direct Controls (*Monitoring*)	High-Energy Incidents are more likely to cause a SIF. Direct Controls protect employees from high-energy release.
Safety Culture (*Leading*)	Participation in culture-based projects improves Safety Climate is a predictive indicator of Safety Performance.
Recordable Incident Rate (*Lagging*)	Benchmarkable and provides trend information on injuries from a clear and objective standpoint.

HIGH ENERGY CONTROLS ASSESSMENT

MEASURING THE PRESENCE OF SAFEGUARDS

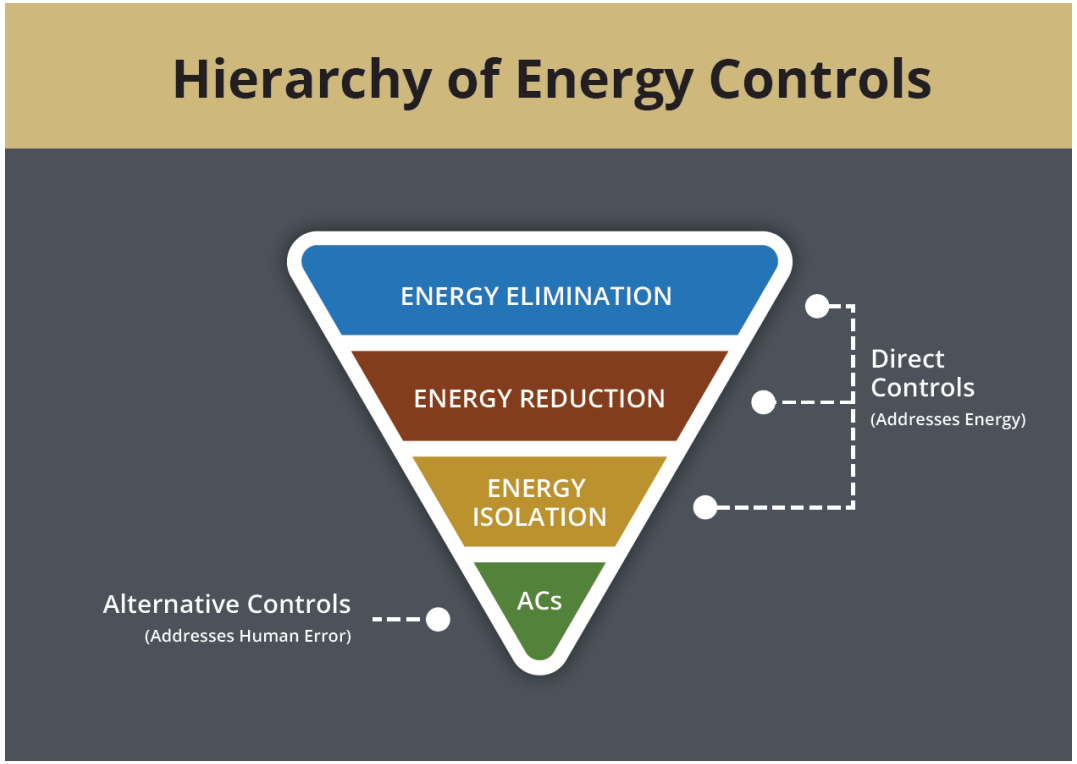
FIGURE 4

HECA TIMELINE



HIERARCHY OF ENERGY CONTROLS

DIRECT AND ALTERNATIVE CONTROLS





ADVANCING OPERATIONAL RESILIENCE THROUGH BUSINESS CONTINUITY

PRESENTED BY:
Jonathan Homer
Chief Security Officer and VP Of Integrated Security

July 20, 2026
Informational Update

AGENDA

ADVANCING OPERATIONAL RESILIENCE THROUGH BUSINESS CONTINUITY

- Emergency Response vs. Business Continuity
- Emergency Response Plans
- Business Continuity Plans
- Continual Improvement

Today's presentation is an overview of the framework and integrated processes that enable an all-hazards approach.

KEY RISKS FOR UTILITY RESILIENCY

INCREASINGLY COMPLEX AND INTERCONNECTED RISKS

- **Extreme weather events**, including heat waves, severe storms, flooding, & winter freezes
- **Aging infrastructure** leading to equipment failures & unplanned outages
- **Cyber threats** targeting operational technology & critical digital systems
- **Social disruption**: civil unrest, workforce shortages, & community-wide stressors
- **Supply chain interruptions** affecting restoration materials & critical components
- **Pandemics** or major health emergencies impacting staffing & operations

Business continuity and emergency response is about anticipating, preparing and responding to increasingly complex and interconnected risks.

BUSINESS CONTINUITY PROGRAM

01

Ensures essential services & operations continue during & after disruptive events

02

Identifies critical functions, dependencies, & recovery time priorities

03

Maintains continuity plans for all essential business functions

04

Supports training, exercises, & continuous improvement activities

A strong Business Continuity program ensures that essential services continue for the community, even when major disruptions occur.

EMERGENCY RESPONSE VERSUS BUSINESS CONTINUITY

Emergency Response

Emergency Response Plans help our teams respond effectively to emergencies and disasters.

- Scope: impact containment, minimizing damage, safeguarding lives and assets
- Focus: technical cause of the event
- Timing: tactical & short-term

Business Continuity

Business Continuity Plans ensure the continual availability of critical capabilities during a disruptive event.

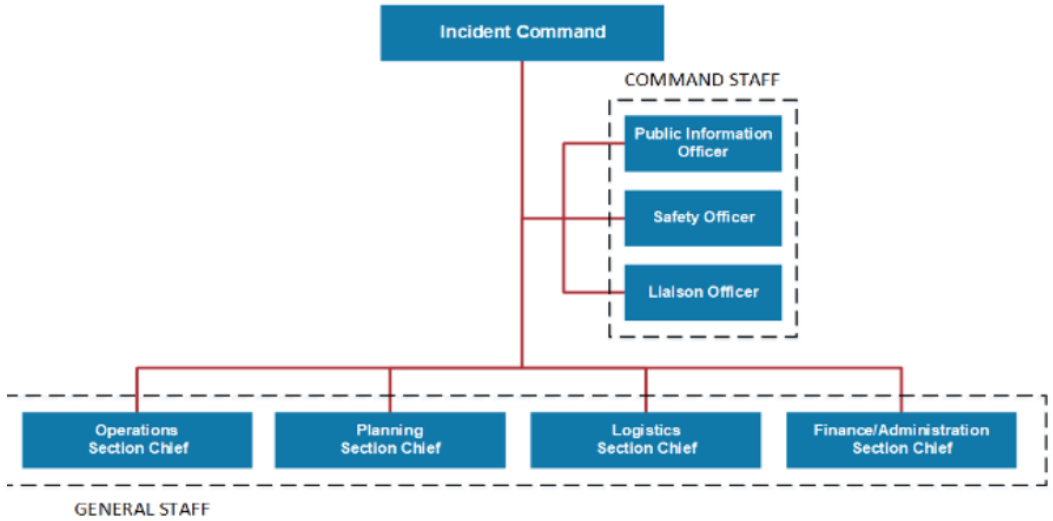
- Scope: sustaining & restoring essential business operations enterprise wide
- Focus: operational impacts
- Timing: strategic & extend through full organizational recovery

Both emergency response and business continuity must align to ensure comprehensive organizational resilience.

INCIDENT COMMAND SYSTEM (ICS)

NATIONAL STANDARD FRAMEWORK FOR COORDINATED RESPONSE

- Defined roles, responsibilities, and reporting lines
- Common terminology, processes, & expectations
- Scales from small incidents to large events
- Coordinate with city, county, state, & federal partners
- Improves communication flow and decision-making



ICS provides a clear, scalable structure that aligns our response with local, state, and federal partners. This ensures faster, coordinated action when the community needs it most.

EMERGENCY RESPONSE PLANS

16 Emergency Response Plans (with 17 supporting guides)

Examples:

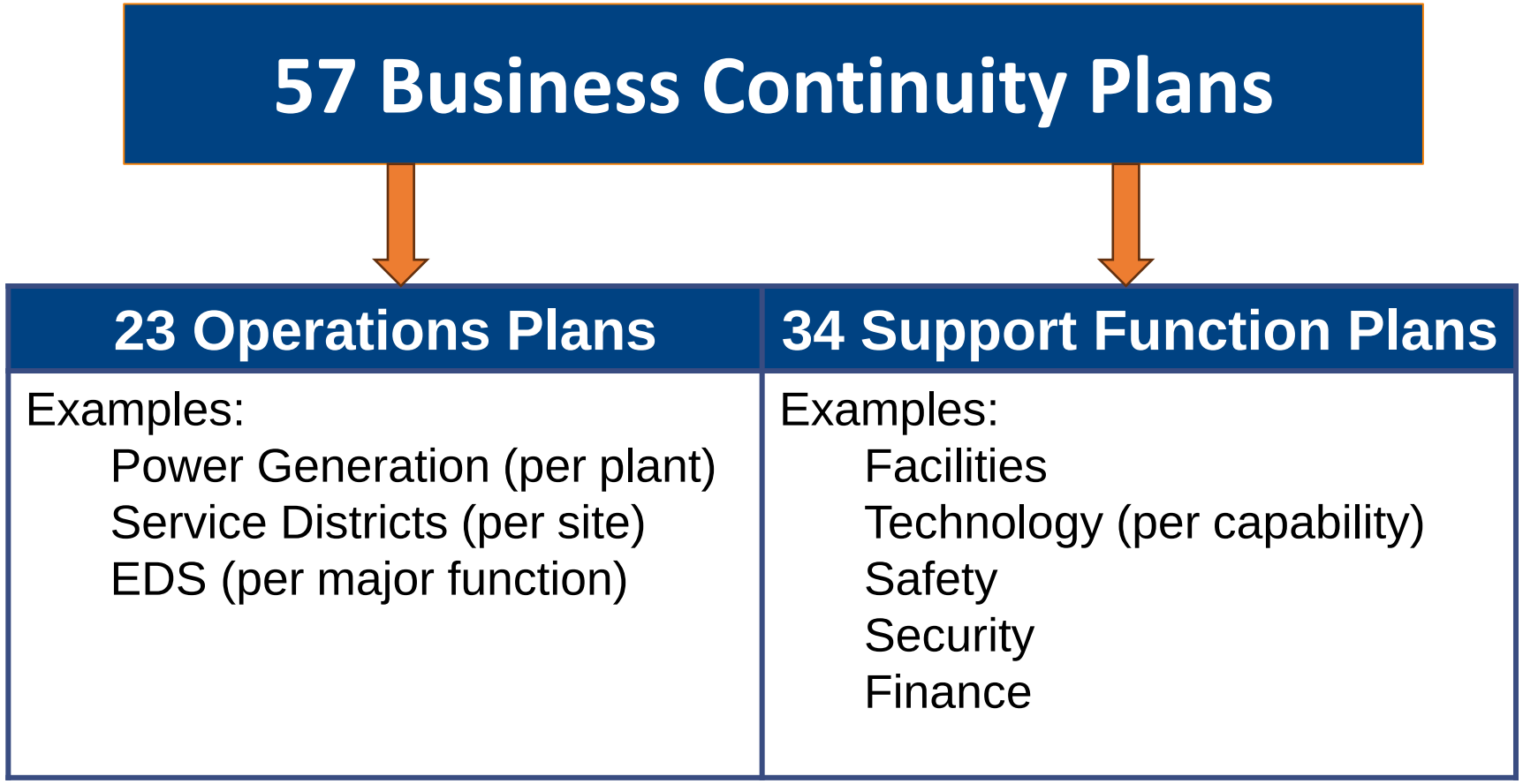
- Hurricane
- Data Breach
- Cybersecurity Incident
- Storm
- Wildfire
- Fuel Supply
- Health Event
- Mutual Aid Reception
- Gas O&M
- Substation and Transmission
- Underground Integrated Operations
- Facility Evacuation

PLAN COMPONENTS
EMERGENCY RESPONSE

- Immediate actions
- Hazard assessment
- Safety procedures
- Incident command roles
- Communication protocols
- Resource deployment
- Damage control
- Partner coordination
- Stabilization steps

Incident Response is about rapid containment and restoring safety—not long-term continuity of service.

BUSINESS CONTINUITY PLANS



PLAN COMPONENTS
BUSINESS CONTINUITY

- Critical functions
- Recovery priorities
- Alternate workflows
- Backup resources
- Staffing plans
- Technology recovery
- Vendor dependencies
- Communication to stakeholders
- Return-to-normal steps

The breadth of Business Continuity Plans continues to expand, driven by both regulatory expectations and internal maturity.

EFFECTIVE BUSINESS CONTINUITY

IMPACT AND VALUE

Lack of Continuity Planning

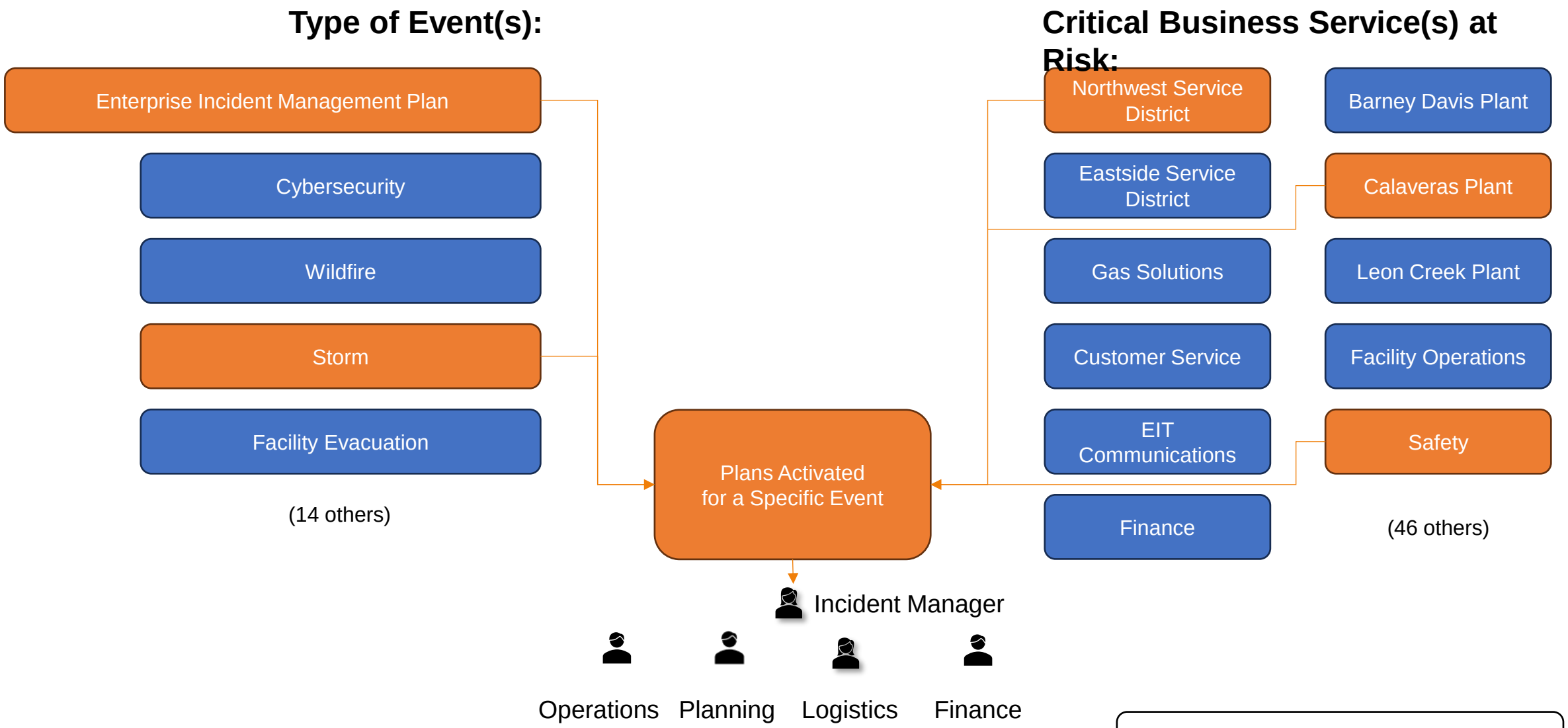
- Confusion
- Delays
- Poor communication
- Misaligned actions
- Resource shortages
- Longer outages
- Higher community impact
- Operational breakdowns
- Regulatory penalties and fines

Mature Continuity Program

- Clear direction
- Faster recovery
- Coordinated teams
- Strong communication
- Prioritized actions
- Resource readiness
- Reduced downtime
- Community confidence
- Regulatory compliance

PIECING TOGETHER THE PLAN

EXAMPLE HYPOTHETICAL SCENARIO



CONTINUAL IMPROVEMENT
CYCLICAL PROCESS OF MAINTAINING PLANS

- After every activation, a lessons learned discussion is conducted.
- Action items are identified. Plans and processes are updated.
- Exercises are conducted to practice specific areas of criticality or weakness.
- Updates to Business Continuity plans are submitted to Texas PUC annually for review.



We continually engage in improving our effectiveness and proficiency to anticipate, respond, and remain resilient through any incident.

THANK YOU

APPENDIX

GLOSSARY / DEFINITIONS

ACRONYM OR WORD	DEFINITION	ACRONYM OR WORD	DEFINITION
OT	Operational Technology	IC	Impact Containment
BIA	Business Impact Analysis	BC	Business Continuity
IMT	Incident Management Team	BCP	Business Continuity Plans
ICS	Incident Command System	EOC	Emergency Operations Center
RTP	Recovery Time Priorities	Gas O&M	Gas Operations and Maintenance
ER	Emergency Response	EDS	Energy Delivery Services
ERP	Emergency Response Plan		