

**CPS ENERGY
BOARD PUBLIC INPUT SESSION
MINUTES OF SPECIAL MEETING OF THE BOARD OF TRUSTEES**

Meeting held on November 16, 2020

A Special Meeting of the CPS Energy Board of Trustees was held on Monday, November 16, 2020 by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). There was no in-person public access to the meeting. The purpose of the meeting was to allow public input on CPS Energy’s *Flexible Path*SM, *FlexPOWER Bundle*SM, *FlexSTEP*SM, proposed Rate Advisory Committee (RAC), service disconnects and other important business strategies. Chair John Steen called the meeting to order at 6:00 p.m.

Present via phone were Board members:

Mr. John Steen, Chair
Dr. Willis Mackey, Vice Chair
Mr. Ed Kelley
Ms. Janie Gonzalez

Also present via phone were:

Ms. Paula Gold-Williams, President & CEO
Dr. Cris Eugster, Chief Operating Officer
Ms. Carolyn Shellman, Chief Legal Officer & General Counsel and Board Secretary
Mr. Fred Bonewell, Chief Security, Safety & Gas Solutions Officer
Ms. Vivian Bouet, Chief Information Officer
Mr. Frank Almaraz, Chief Administrative & Business Development Officer
Mr. Rudy Garza, Interim Chief Customer Engagement Officer
Mr. Gary Gold, Interim Chief Financial Officer & Treasurer
CPS Energy Staff Members
City of San Antonio officials
Interested Citizens

I. ROLL CALL OF BOARD MEMBERS

Ms. Shellman called the roll. A quorum was present.

II. SAFETY MESSAGE

Mr. Fred Bonewell provided a safety message related to COVID-19 precautions.

III. WELCOME AND INTRODUCTIONS

Mr. Ivan DuBois, the Telephone Town Hall Meeting (TTHM) moderator, explained the guidelines for making public comment.

Mr. Jesse Hernandez, Director, Community Strategy & Engagement, provided instructions in Spanish for accessing and participating in the Public Input Session in Spanish.

Chair John Steen welcomed the attendees to CPS Energy's Board Public Input Session. He recognized members of the Board, each of whom provided brief comments. Chair Steen also identified members of the CPS Energy senior leadership team participating in the Public Input Session. He provided a brief background of the Citizens Advisory Committee (CAC) and identified its current members.

IV. CEO'S REPORT

Ms. Gold-Williams provided an overview of important topics and issues facing CPS Energy. COVID-19 has affected many members of our community. In addition to suspending disconnects for non-payment and waiving late fees for those on payment plans, CPS Energy has proactively contacted customers to inform them about available resources and discuss how we have responded to the pandemic.

Ms. Gold-Williams enumerated CPS Energy's **Value Pillars**, noting that, when surveyed, customers chose **Reliability** and **Customer Affordability** as their priorities. She explained that approximately 10 percent of a CPS Energy customer's total bill supports our commitment to sustainability, an allocation greater than bills of other Texas utilities. She also explained that while business and commercial customers pay a lower effective price per kWh, their revenue comprises about 107 percent of their cost to serve. Revenue from residential customers covers about 95 percent of their cost to serve.

Regarding the evolution of our generation portfolio and the **FlexPOWER Bundle**SM request for information (RFI) and forthcoming request for proposals (RFP), Ms. Gold-Williams emphasized that the velocity of change matters because implementing change too quickly can result in diminished reliability and bill shock. Blending the new with the tried and true is a more ideal way to proceed. She discussed the recent credit outlook downgrade by Fitch Ratings, who cited recent efforts to change CPS Energy's governance and impose certain carbon reduction and rate policies as contributing factors to the change.

Ms. Gold-Williams stated that CPS Energy values public input and the proposed RAC is another way that CPS Energy can obtain input from many different perspectives, notwithstanding the costs to implement it.

In conclusion, Ms. Gold-Williams thanked attendees for being CPS Energy customers and for taking the time to offer public input.

V. PUBLIC INPUT


Forty-two speakers addressed the Board. Approximately 26 expressed positive sentiments in support of CPS Energy. The remainder encouraged an accelerated closure of the Spruce 2 plant, the permanent suspension of disconnects for certain customer populations, an overhaul of the current rate structure and replacement of the current business and governance models.

A transcript of the Public Input Session will be maintained by CPS Energy and made available to the public.

At the conclusion of the Public Input portion of the meeting, Chair Steen expressed the Board's sincere appreciation to all who attended the meeting and those who shared comments with the Board. He noted the various communication channels that those wishing to provide feedback to the Board may use.

VI. ADJOURNMENT

There being no further business to come before the Board, and upon motion duly made by Dr. Mackey, seconded by Trustee Gonzalez, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 8:23 p.m. by Chair Steen.


Carolyn E. Shellman
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Secretary of the Board