Managing Large Load Growth Responsibly

August 3, 2026

Informational Update

PRESENTED BY

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VP Corporate Development

AGENDA

- Overview of CPS Energy & How We Serve
- Overview of large load growth in Texas and San Antonio
- Impacts and benefits to the community
- Cost recovery mechanisms today and in the future
- New solutions to meet the growing demand

OUR SIZE

Growing Community, Bigger Needs

3,700
Employees

~988K
Electric Customers

1M
Electric Meters

56
Generating Plants

~8,700 MW
Generation

125
Substations

~16K miles
Distribution Lines

~1.6K miles
Transmission Lines

~170K
Transformers

~370K
Poles

~400K
Gas Meters

>6K miles
Gas Distribution Mains

~116 miles
Gas Transmission Lines [3]

LARGE ENERGY CUSTOMERS

We are obligated to serve

- We serve *all* customers in our service area
- We're partnering with ERCOT, PUCT, and customers to address demand growth

Who are they?

- Large energy customers
- Manufacturing, data centers, and industrial facilities

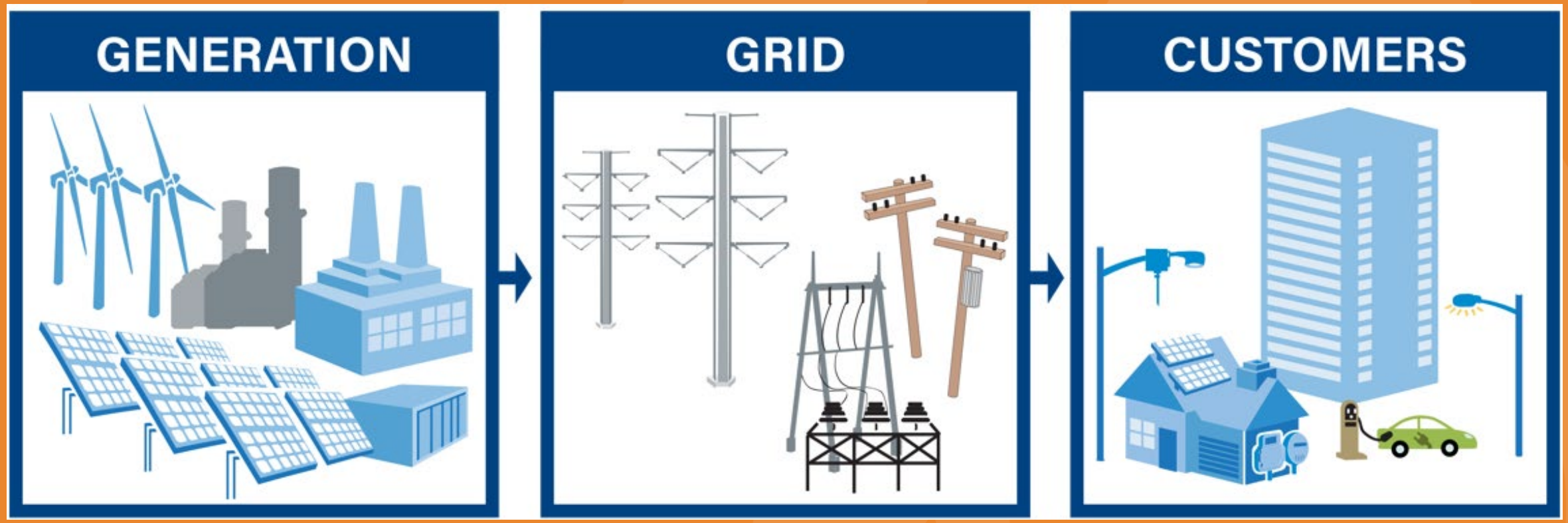
Growth & planning

- CPS Energy continues to update its robust planning processes supporting native load growth and large customer energy requests
- We plan for and address generation, transmission, and distribution needs

Who pays for what?

- Customer rates reflect actual service costs
- Large load customers pay their share of infrastructure cost
- Transmission cost is shared across ERCOT

FULLY INTEGRATED UTILITY

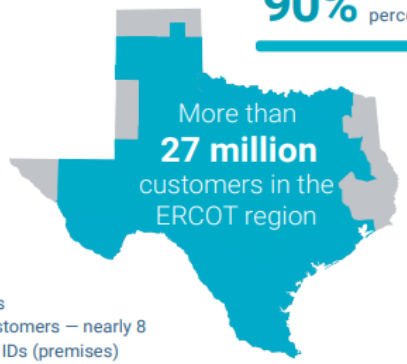


ERCOT 2026 FACT CARD

ercot

The Electric Reliability Council of Texas (ERCOT) is a nonprofit organization that ensures reliable electric service for 90 percent of the state of Texas. The grid operator is regulated by the Public Utility Commission of Texas and the Texas Legislature.

90% percent of Texas Load



75% of load is competitive-choice customers — nearly 8 million electric-service IDs (premises)

1 MW of electricity is enough to serve about 250 residential customers during ERCOT peak hours.

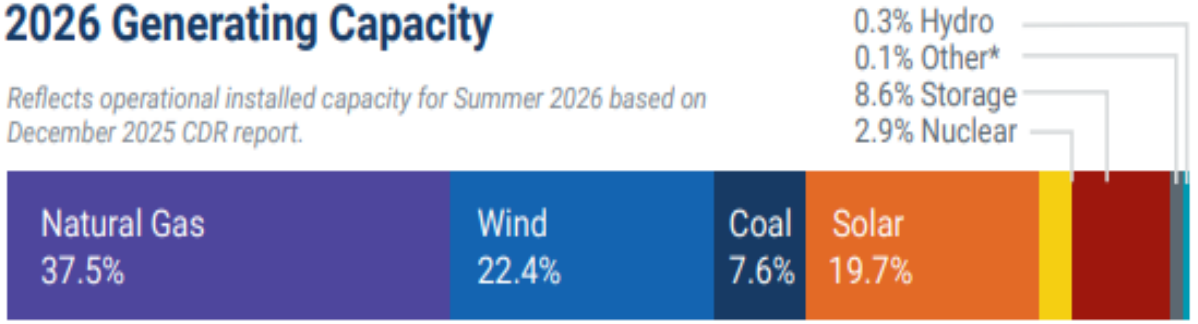
91,089* MW
Record peak demand
(July 22, 2026)

86,238* MW
Weekend peak demand record
(July 26, 2026)

*Records are unofficial until final settlements occur

2026 Generating Capacity

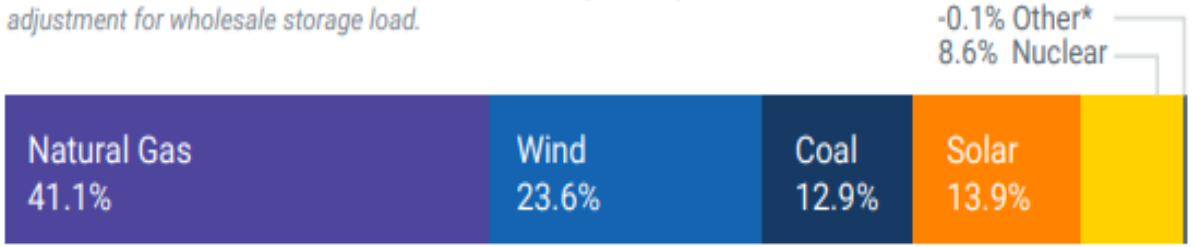
Reflects operational installed capacity for Summer 2026 based on December 2025 CDR report.



The sum of the percentages may not equal 100% due to rounding.
**Other includes biomass and DC Tie capacity.*

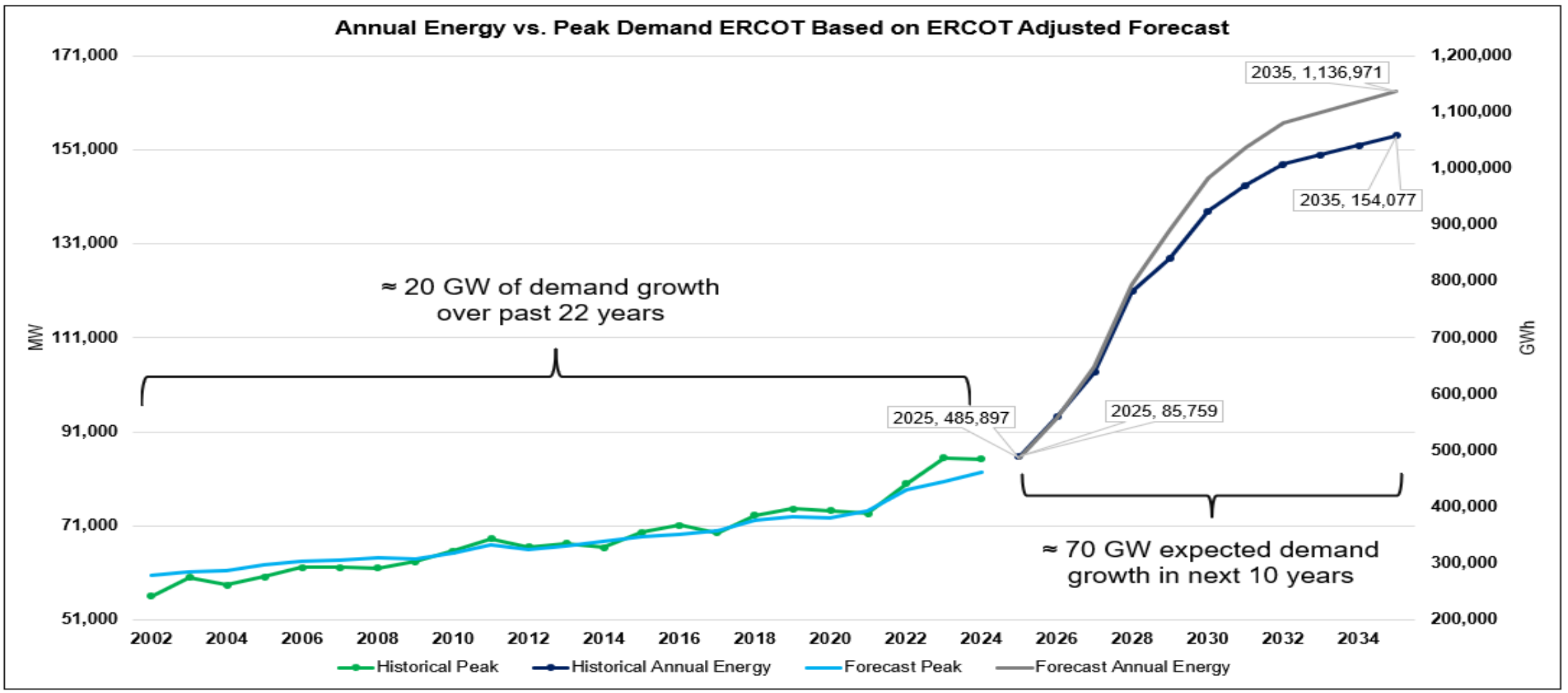
2025 Energy Use

**Other includes solar, hydro, petroleum coke (pet coke), biomass, landfill gas, distillate fuel oil, net DC-tie and Block Load Transfer imports/exports and an adjustment for wholesale storage load.*



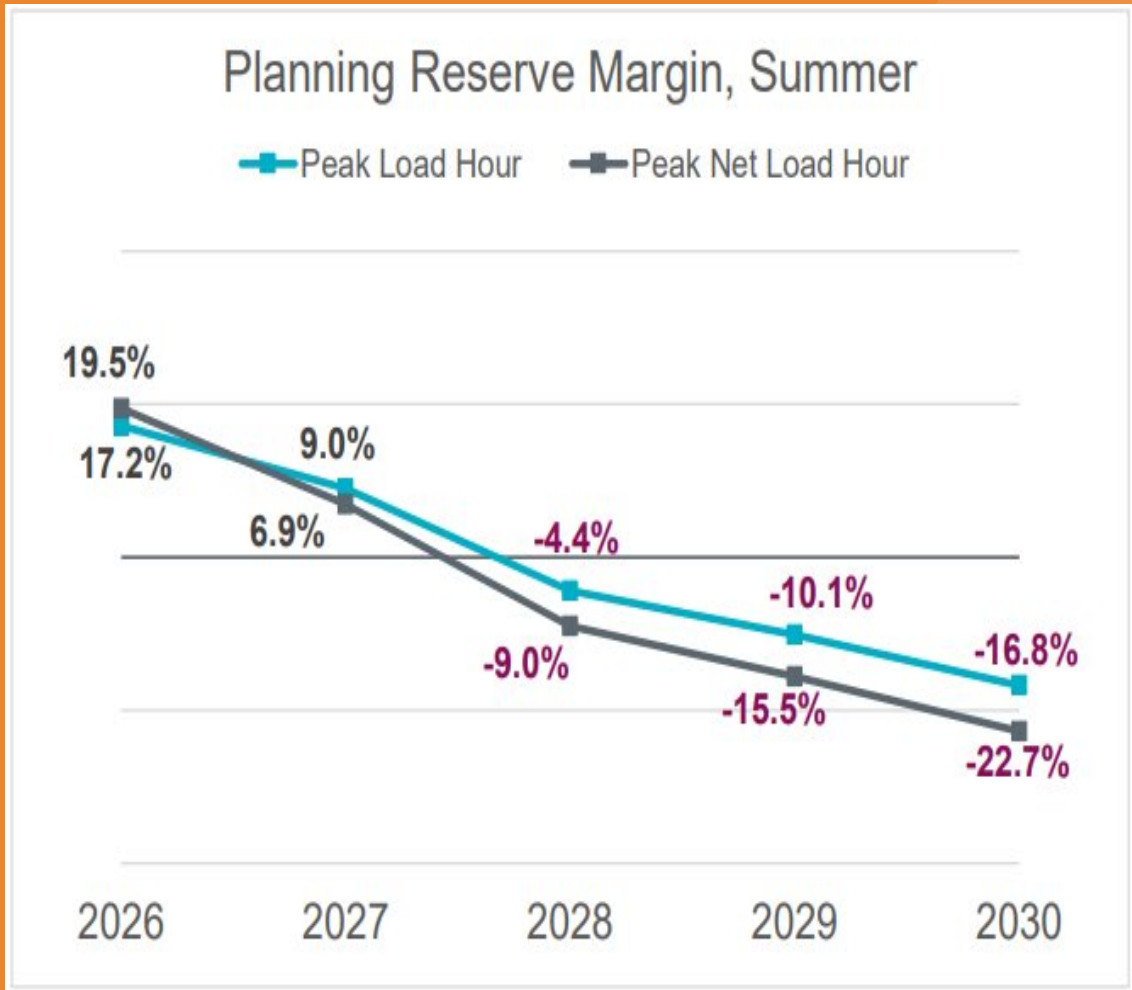
Source: ercot.com 2025 fact card

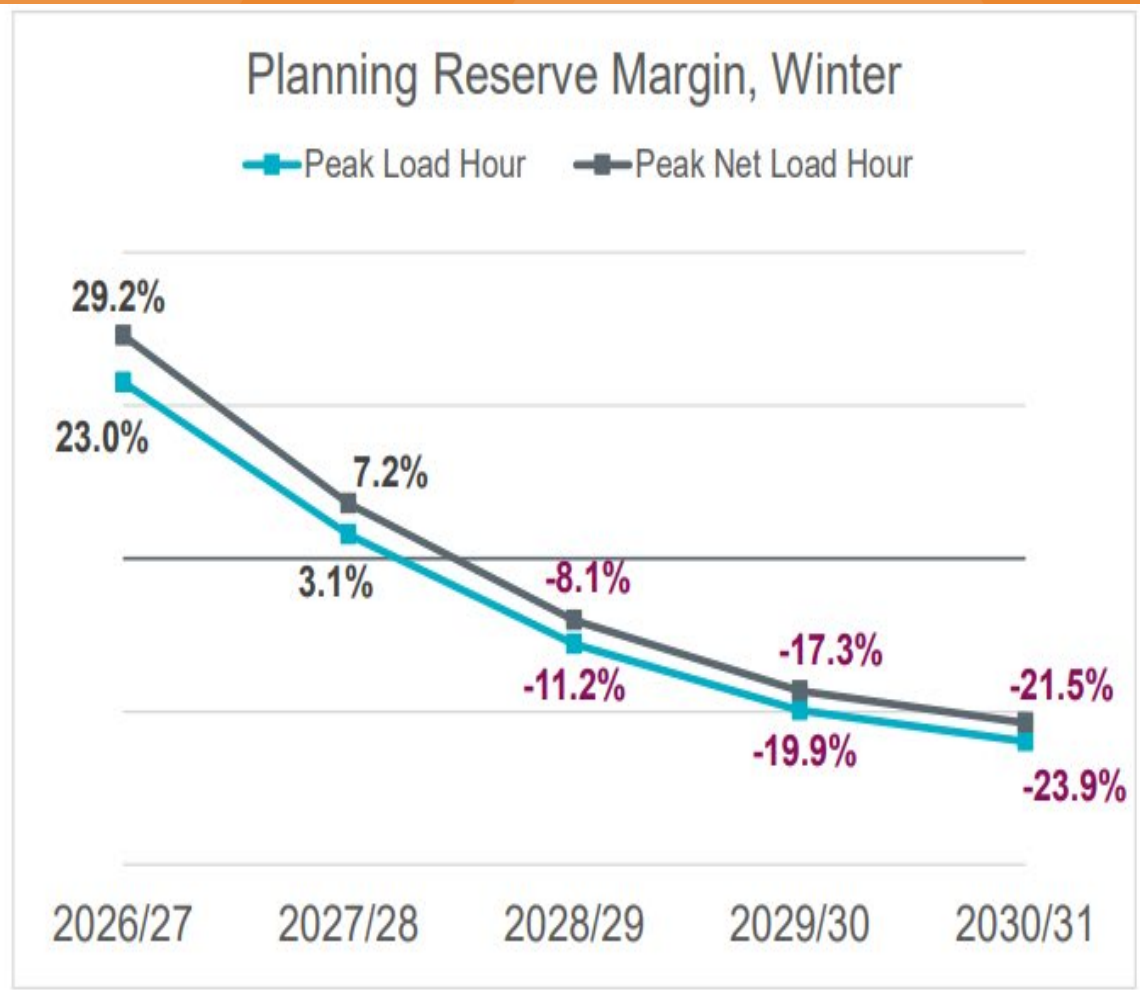
LOAD PROJECTIONS IN ERCOT



Source Date from ERCOT Adjusted Load Forecast – 4/15/2025

LOAD PROJECTIONS IN ERCOT





ERCOT Report on the Capacity, Demand and Reserves (CDR) in the ERCOT Region, 2026-2030 – May 16, 2025

LOCAL REQUESTS

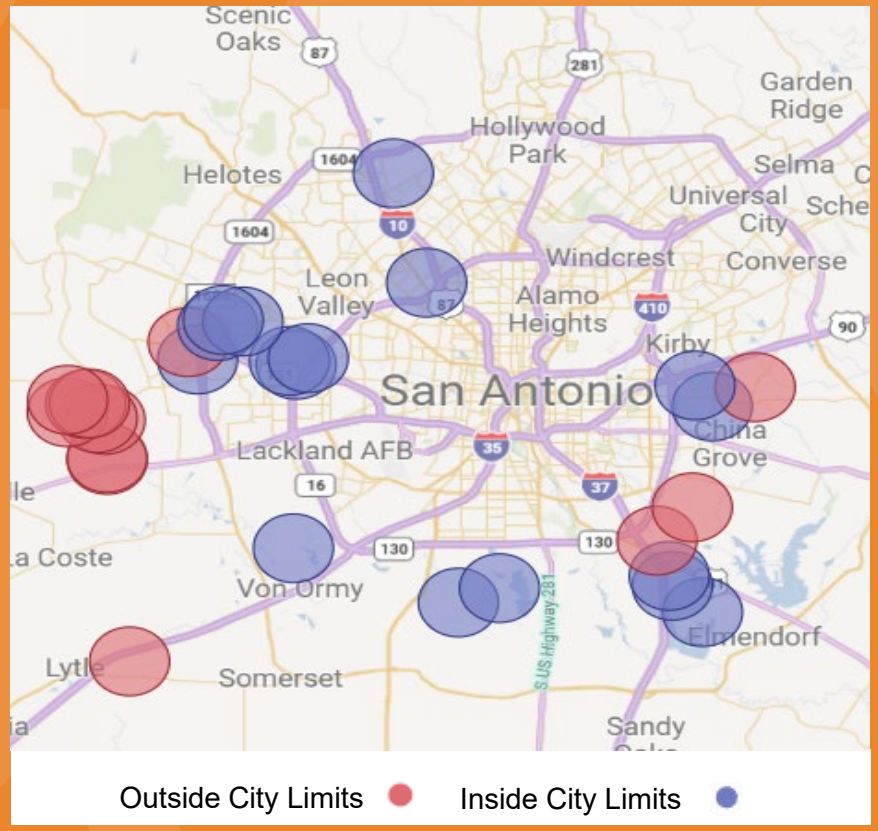
Speculative

High Probability

Phase*, **	# of Projects | Requested Load (MW)
New Customer Requests	25 → 21 Projects | 11,611 MW
Feasibility Study	23 → 11 Projects | 3,480 MW
Agreement Phase	11 Projects | 1,790 MW
Contracting Phase	*In Process | 1,455 MW*
Under Contract	*Contracted | 335 MW*
Total	59 → 43 Projects | 26,146 MW → 16,881 MW

** As of 01/12/2026*
*** As of 06/16/2026*

View of projects in the agreement and feasibility phases; inside and outside city limits



Ensuring fairness for all customers

Rate setting regulatory requirements

- Must be “just and reasonable.”
- Cannot be “unreasonably preferential, prejudicial, or discriminatory” and must be “sufficient, equitable, and consistent in application to each class of consumer. ”
- Customer classes are the different categories of customers that are grouped together based on shared characteristics under each rate and are charged identically for their electricity use.
- Municipally Owned Utility rates must be sufficient to cover the cost of service and all debt obligations.

LARGE ENERGY CUSTOMERS

Ensuring fair cost recovery from large loads

PRE-CONSTRUCTION

Surety Bonds

Financial security for purchase of long-lead, big-ticket items like transformers

Study Fees (Launched 2026)

Confirms customer commitment and recovers the cost of evaluating site feasibility and required upgrades

CONSTRUCTION

Contribution in Aid of Construction (CIAC)

Full, upfront payment for non-standard facilities such as redundant circuits & substation equipment

ENERGIZE

Clawbacks

Establishes a 10-year performance period and recovers investment in standard distribution facilities should usage fall short of initial load ramp schedule

SENATE BILL 6

CPS Energy is currently engaged in multiple rulemaking proceedings; focused on large electric loads, grid reliability, and cost allocation.

Today, we are evaluating new solutions to help meet the community growth.

LARGE ENERGY CUSTOMERS

Policy tools to manage growth and protect customers and the grid

- As part of Cost of Service study, evaluating establishing a separate large load rate class.
- Initiated charging fees for large load engineering studies; evaluating additional measures to manage cost recovery.
- PUC rulemakings for SB6 will include new customer requirements for on-site backup generation and mandatory curtailment during emergencies.
- The federal government is pursuing ideas to support the growth of data centers while protecting residential customer bills and ensuring these loads pay their fair share.

Our ongoing focus

Customer Priorities

- Reliability, Affordability, Cleaner Energy

Strategy

- Long term planning
- Fairness for all customers

Commitment

- City of San Antonio Climate Action & Adaptation Plan goals

Customer Protection

- Maintain long-term power supplies and reserves
- Reliable power, responsible growth

Questions