

**RESOLUTION REGARDING CPS ENERGY'S REMAINING COAL
UNITS AND GENERATION PORTFOLIO STRATEGY**

WHEREAS, CPS Energy continually strives to be financially responsible and a strong steward of the community's assets while effectively balancing Security, Safety, Reliability, Resilience, Customer Affordability and Environmental Responsibility; and

WHEREAS, CPS Energy and this Board of Trustees are constantly exploring new technologies, considering ways to innovate, and improving operations; and

WHEREAS, the Board of Trustees has charged CPS Energy to develop and execute its Flexible PathSM strategy, over the short, mid and long terms; and

WHEREAS, in early February 2021, CPS Energy issued its Flexible PathSM Resource Plan, and will continue to keep this Board of Trustees updated on its execution; and

WHEREAS, the impacts of the 2021 winter storm on CPS Energy and the entire ERCOT grid demonstrated the importance of reliability and resiliency through weatherization; and

WHEREAS, CPS Energy is committed to continually seeking public input about its generation strategy from all customer groups and stakeholders including the Rate Advisory Committee and Citizens Advisory Committee; and

WHEREAS, this generation strategy needs to consider a wide range of technologies, that creates a balanced generation portfolio to ensure high levels of Reliability and Resilience even during peak events; and

WHEREAS, this Board of Trustees directs CPS Energy management and our Rate Advisory Committee to consider the costs, timeline and generation alternatives necessary to transition from coal to lower emission cleaner alternatives by the 2030 timeframe; and

WHEREAS, the recommendations made after such considerations will be brought to the Board for oversight and consideration, and be shared publicly; and

WHEREAS, CPS Energy has over a team of over 3,000 talented and dedicated individuals whose mission it is to serve its customers with gas and electric utility service; and

WHEREAS, the generation planning shall consider retaining impacted employees, as well as hiring for the competencies and skills needed to operate, manage, and optimize new and evolving generation technologies.

NOW, THEREFORE, BE IT RESOLVED, CPS Energy Board of Trustees hereby directs CPS Energy to update and present its Flexible PathSM Resource Plan to this Board annually; and

BE IT FURTHER RESOLVED, CPS Energy Board of Trustees hereby directs CPS Energy to provide to the Rate Advisory Committee, to the extent allowed by law, contractual obligation, security and confidentiality limitations, the assumptions and information utilized in the generation planning model. This will allow the Rate Advisory Committee to evaluate and have informed discussions on costs, risks, timeline, and generation alternatives available to lower emission alternatives while maintaining reliability. As requested, the Rate Advisory Committee will report their findings and make its recommendation to this Board.