

## Environmental, Social, & Governance Award

*This award recognizes companies who are leading the charge to accelerate ESG and deliver quantifiable results.*

### Entry Requirements

- Criteria outlined must help to better determine the future financial performance of the company.

### Submissions Overview

Environmental, Social, & Governance Award Submissions - 10 Nominees		
Company Name	Program Name	ID Number
Atmos Energy	<i>Corporate Responsibility and Sustainability Report</i>	ESG-1
	<i>Gas Cloud Imaging Camera at Tri-Cities Storage</i>	ESG-2
A.Y. McDonald	<i>ArmorGalv</i>	ESG-3
CenterPoint Energy	<i>CenterPoint Energy Asset Replacement Program: Project Prioritization Using Emissions Quantification</i>	ESG-4
CPS Energy	<i>CPS Energy ESG Program</i>	ESG-5
Energy Transfer	<i>Dual Drive Technologies (an Energy Transfer company)</i>	ESG-6
NV5	<i>BXP</i>	ESG-7
Southern Cross	<i>Southern Cross Damage Prevention Inspection Program</i>	ESG-8
Summit Utilities	<i>Methane Recapture Pilot</i>	ESG-9
Xcel Energy	<i>Gas Alternative Investment Process (GAIP)</i>	ESG-10

<b>Nomination ESG-1</b>	
<b>SGA MEMBER COMPANY NAME</b>	<b>Atmos Energy</b>
<b>SGA MEMBERSHIP TYPE</b>	Distribution SGA Gas Member
<b>SGA MEMBER SINCE</b>	2009
<b>PROGRAM NAME</b>	<i>Corporate Responsibility and Sustainability Report</i>
<b>PRIMARY LINK</b>	2020 Corporate Responsibility and Sustainability Report: <a href="https://www.atmosenergy.com/reports/2020%20Corporate%20Responsibility%20and%20Sustainability%20Report/index.html?page=1">https://www.atmosenergy.com/reports/2020 Corporate Responsibility and Sustainability Report/index.html?page=1</a>
<b>PROGRAM DESCRIPTION</b>	<p>In December, Atmos Energy published its annual Corporate Responsibility and Sustainability (CRS) Report to further enhance transparency with stakeholders. The CRS report details our commitment to preserving and protecting the environment, fueling safe and thriving communities, and strong governance along with our significant investments in employees, infrastructure, and safety. This transparent account of our ESG accomplishments is valued by all stakeholders including elected officials and city staff, investors, vendors, and community partners as well as our 4,700 employees and 3 million customers. ESG highlights include:</p> <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>• Identified operational and technological solutions that drive continuous improvement to achieve our target of a 50 percent reduction in methane emissions from our natural gas distribution system by 2035, including ongoing system modernization efforts.</li> <li>• Delivered 5.1 Bcf of Renewable Natural Gas and Compressed Natural Gas; equivalent to removing 58,000 cars from the road annually.</li> <li>• Joined ONE Future, which is a coalition of natural gas companies working together to proactively reduce methane emissions across the natural gas value chain.</li> </ul> <p><b>Social</b></p> <ul style="list-style-type: none"> <li>• Contributed \$14 million to charitable organizations that: <ul style="list-style-type: none"> <li>○ provided resources to help students read on level by the third grade.</li> <li>○ supplied the breakfasts, lunches, snacks, and healthy meals that all children need to grow, develop, and succeed.</li> <li>○ helped customers stay warm last winter.</li> <li>○ provided fire department equipment and personal protective gear, raised awareness for community safety, supported fire fighter professional development, and expanded volunteer fire departments.</li> </ul> </li> <li>• Voluntarily suspended natural gas disconnections at the outset of the pandemic and made a \$1.5 million donation to stock the shelves at local food banks.</li> <li>• Donated \$1 million to energy assistance agencies across our service territory to support friends and neighbors in need and supported community assistance agencies working to distribute over \$11 million in financial assistance through the federal Low Income Home Energy Assistance Program (LIHEAP), the company’s own Sharing the Warmth program, and other assistance programs to help struggling customers manage past-due balances.</li> <li>• During our annual Week of Giving campaign, employees across the enterprise pledged more than \$875,000 in donations to benefit United Way, No Kid Hungry, and The Salvation Army. Further amplifying the impact of this tremendous financial support, the company matched all employee donations to double the vital resources crucial organizations use to enrich childhood literacy, provide nutritious meals, and offer a helping hand to our most vulnerable neighbors.</li> </ul> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• In 2020, 100 percent of active employees completed our annual Code of Conduct training.</li> <li>• Continuous improvement is made possible through communication channels for employees, contractors, and the public to offer feedback or make recommendations for improvements to safety, risk identification, prevention, and mitigation.</li> </ul>
<b>RESULTS OF/RESPONSE TO THE PROGRAM</b>	<p>Atmos Energy’s most recent Corporate Responsibility and Sustainability (CRS) Report was published on December 17, 2020 and was:</p> <ul style="list-style-type: none"> <li>• Prepared with input from executive leadership, corporate communications, public affairs, investor relations, operations, finance, marketing, technical training and workforce development, human resources, and energy assistance team members.</li> <li>• Shared with more than 3 million customers and with city staff, elected officials, members of the media, vendors, and community partners across the 1,400 communities we serve.</li> </ul>

	<ul style="list-style-type: none"> <li>Made available on the company’s website and social media platforms which include Facebook, Instagram, Twitter, and LinkedIn.</li> </ul> <p>Validating our approach, Atmos Energy was named to Newsweek’s 2021 list of America’s Most Responsible Companies based on publicly available key performance indicators presented through our CRS Report and an independent survey. Newsweek conducted a detailed analysis beginning with a pool of over 2,000 companies that were screened by a variety of criteria. Then an independent survey was conducted among more than 7,500 U.S. residents along with research based on publicly available key performance indicators derived from Corporate Annual Reports, CSR Reports, Sustainability Reports, and Corporate Citizenship Reports.</p>
<b>PARTICIPATING EMPLOYEES</b>	26-50
<b>ADDITIONAL SUPPORTING LINKS AND MATERIALS</b>	<ul style="list-style-type: none"> <li>Atmos Energy Releases 2020 Corporate Responsibility and Sustainability Report: <a href="https://www.businesswire.com/news/home/20201217006121/en/Atmos-Energy-Releases-2020-Corporate-Responsibility-and-Sustainability-Report">https://www.businesswire.com/news/home/20201217006121/en/Atmos-Energy-Releases-2020-Corporate-Responsibility-and-Sustainability-Report</a></li> <li>Newsweek Recognizes Atmos Energy on List of America’s Most Responsible Companies: <a href="https://www.newsweek.com/americas-most-responsible-companies-2021">https://www.newsweek.com/americas-most-responsible-companies-2021</a></li> </ul>

<b>Nomination ESG-2</b>	
<b>SGA MEMBER COMPANY NAME</b>	<b>Atmos Energy</b>
<b>SGA MEMBERSHIP TYPE</b>	Distribution SGA Gas Member
<b>SGA MEMBER SINCE</b>	2009
<b>PROGRAM NAME</b>	<i>Gas Cloud Imaging Camera at Tri-Cities Storage</i>
<b>PRIMARY LINK</b>	<a href="https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-2-Doc1-TCS%20-%20Rodessa%203-24%20Wellpad.JPG?_t=1623342531">https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-2-Doc1-TCS%20-%20Rodessa%203-24%20Wellpad.JPG?_t=1623342531</a>
<b>PROGRAM DESCRIPTION</b>	<p>To further advance our goal to protect the environment and reduce methane emissions, Atmos Energy recently deployed a state-of-the-art gas cloud imaging (GCI) camera with continuous leak detection and monitoring at its Tri-Cities storage facility, furthering its commitment to safety and reducing methane emissions. This technology pinpoints leak location, source, and direction. GCI technology uses imaging coupled with machine learning analytics to also determine the shape of a gas plume and measure the concentration of a leak allowing for immediate repair.</p> <p>Each gas has a unique emission or absorption signature in the long-wave infrared spectrum, known as the fingerprint region, which makes it possible for the GCI camera to differentiate between them. Its powerful imaging engine analyzes hyperspectral data from every pixel at a rate of 60 times per second to identify more than 50 gases, capturing a gas leak on video in the form of a visual cloud and illustrating the size and direction that the plume is moving.</p> <p>Gas imagers integrated into a fire and gas or process safety system can produce an alarm upon detection of a hazardous gas cloud and alert personnel via email or text. Our operators can then take targeted first responder actions using the data from the system, providing an effective response to the event. Alarm and video events are recorded and stored for later access, analysis, and reporting, and alarm levels can be adjusted for particular site needs.</p> <p>The Gas Cloud Imaging camera provides:</p> <ul style="list-style-type: none"> <li>Real-time, 24/7 monitoring</li> <li>Fully automatic alarms with audible alerts, email and/or SMS notification</li> <li>Multiple detection ranges</li> <li>Robust emissions data visualization</li> <li>Operation from standard 24 Vdc or 48 Vdc power supplies</li> <li>Optional pan and tilt camera head</li> <li>-40 °C to +55 °C (-40 °F to +131 °F) operating temperature range</li> <li>Video output of IR and Visible images at 15Hz minimum frequency</li> <li>Optional Modbus TCP/IP for connection to site systems</li> <li>Reduced risk of unplanned downtime</li> <li>Faster response to gas leak events</li> <li>Lower cost of carbon credits and potential fines</li> <li>Elimination of additional gas detection equipment</li> <li>Decreased operational downtime</li> </ul>

RESULTS OF/RESPONSE TO THE PROGRAM	<p>The primary benefits of the GCI camera include:</p> <ul style="list-style-type: none"> <li>• Safety-related cost savings due to: <ul style="list-style-type: none"> <li>▪ Fast, accurate, and targeted response to hazardous material releases, preventing or reducing the consequences of accidents.</li> <li>▪ Safeguarding plant assets, personnel, and the environment, reducing fiscal risks.</li> </ul> </li> <li>• Emissions-related costs savings due to: <ul style="list-style-type: none"> <li>▪ Instantaneous identification of product leaks, thereby enabling operators to preserve valuable inventories of finished goods.</li> <li>▪ Reduction in punitive fines and penalties from Authorities Having Jurisdiction.</li> </ul> </li> </ul>
PARTICIPATING EMPLOYEES	0-25
SUPPORTING DOCUMENTS	<a href="https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-2-Doc2-Flir%20Tower%20Cam106.jpg? t=1623342531">https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-2-Doc2-Flir%20Tower%20Cam106.jpg? t=1623342531</a>
ADDITIONAL SUPPORTING LINKS AND MATERIALS	Gas Cloud Imaging Camera Photos: <a href="https://shared-assets.adobe.com/link/8e90f5ba-d57b-4751-4f6f-a88cc4e3e52c">https://shared-assets.adobe.com/link/8e90f5ba-d57b-4751-4f6f-a88cc4e3e52c</a>

<b>Nomination ESG-3</b>	
SGA MEMBER COMPANY NAME	<b>A.Y. McDonald</b>
SGA MEMBERSHIP TYPE	SGA Associate Member
SGA MEMBER SINCE	2010
PROGRAM NAME	<i>ArmorGalv</i>
PRIMARY LINK	<a href="https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-3-ARMORGALV%20BULLETIN%20-%208-20%20%281%29.pdf? t=1623342839">https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-3-ARMORGALV%20BULLETIN%20-%208-20%20%281%29.pdf? t=1623342839</a>
PROGRAM DESCRIPTION	ArmorGalv is a thermal-diffused zinc coating, along with a topcoat sealer, that creates a bond with the casting that provides corrosion resistance for parts made of steel and iron. The process of applying thermal-diffused coatings is standardized in accordance to ASTM A 1059 Standard Specification for Zinc Alloy Thermo-Diffusion Coatings (TDC) on steel fasteners, hardware, and other products. While this coating previously has been used extensively in marine and automotive environments, as well as electrical utility applications, A.Y. McDonald now brings it exclusively to the Natural Gas industry.
RESULTS OF/RESPONSE TO THE PROGRAM	By coating A.Y. McDonald natural gas valves and accessories with ArmorGalv, customers experience a longer lasting and more environmentally friendly solution. Overall, the use of ArmorGalv on A.Y. McDonald products leads to a safer industry as it further protects the gas meter set from the effects of corrosion.
PARTICIPATING EMPLOYEES	501+
ADDITIONAL SUPPORTING LINKS AND MATERIALS	<ul style="list-style-type: none"> <li>• Blog post: <a href="https://www.aymcdonald.com/post/corrosion-protection-just-went-from-better-to-best">https://www.aymcdonald.com/post/corrosion-protection-just-went-from-better-to-best</a></li> <li>• A.Y. McDonald University (AYU) e-learning course: <a href="https://aymcdonald.com/#/online-courses/e852618b-c578-47cf-995d-275d18b7885a">https://aymcdonald.com/#/online-courses/e852618b-c578-47cf-995d-275d18b7885a</a></li> </ul>

<b>Nomination ESG-4</b>	
SGA MEMBER COMPANY NAME	<b>CenterPoint Energy</b>
SGA MEMBERSHIP TYPE	Distribution SGA Gas Member
SGA MEMBER SINCE	2009
PROGRAM NAME	<i>CenterPoint Energy Asset Replacement Program: Project Prioritization using Emissions Quantification</i>
PRIMARY LINK	<a href="https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-4~1.PDF? t=1623343127">https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-4~1.PDF? t=1623343127</a>
PROGRAM DESCRIPTION	CenterPoint Energy has been utilizing an integrity- and risk-based asset replacement program for several years to identify and prioritize assets for replacement throughout its eight-state territory. This multi-decade, capital replacement program efficiently allocates our capital resources to replace more than 20,000 miles of distribution main across our service territory with more modern materials that will reduce emissions and increase the safety and reliability of our system. CenterPoint Energy leverages Picarro surveying technology to enhance our leakage surveys and enable us to detect

	<p>potential leaks to a greater degree than traditional leak survey technology and methods. To date, CenterPoint Energy has leveraged our existing data points (including, but not limited to, leak history, historical operator knowledge, infrastructure material properties, and infrastructure age) to develop our models that assess risk to asset integrity. While safety, integrity, and reliability have been the foundation of our replacement prioritization of the assets identified in these risk models, we still had opportunities for further prioritization of capital expenditures, and this has generally been met with local expertise and knowledge. However, we had to ask ourselves if we were leveraging the vast amount of data in our repositories and the technology we've deployed to further streamline and enhance our analysis. In 2019, CenterPoint Energy leveraged our existing partnership with Picarro to utilize existing detection methods employed in the Picarro Surveyor to quantify the emissions being detected. This emissions quantification (EQ) data has proven extremely valuable in isolating portions/segments of identified replacement assets that have greater emissions. This is especially valuable when developing the phases of construction projects over a large area and which phase will be the most advantageous starting point. Asset-level risk models and heat map leak cluster models look backwards over a period of time of completed leak data to guide us on selecting high risk assets for replacement. Picarro EQ allows for a more forward-looking check of the system to estimate emissions and allow for additional risk prioritization with that third data set in project selection.</p>
<b>RESULTS OF/RESPONSE TO THE PROGRAM</b>	<p>Our Texas operating region began collecting this data in 2019 and was first utilized in 2020 for modernization project selection, which proved valuable in reallocating resources from areas recommended for replacement but had lower emissions than others of equivalent assessment. With this new EQ data, we were able to prove these areas could be monitored on an appropriate schedule and shift capital resources to those that could not. The usage has expanded in 2020 and 2021 to other states within the CenterPoint footprint as the process develops further. This data affords CenterPoint Energy the opportunity to not only enhance our asset replacement priorities, but also introduces the opportunity to monitor and track our emissions reduction and support our Corporate ESG initiatives.</p>
<b>PARTICIPATING EMPLOYEES</b>	0-25

<b>Nomination ESG-5</b>	
<b>SGA MEMBER COMPANY NAME</b>	<b>CPS Energy</b>
<b>SGA MEMBERSHIP TYPE</b>	Distribution SGA Gas Member
<b>SGA MEMBER SINCE</b>	2010
<b>PROGRAM NAME</b>	<b>CPS Energy ESG Program</b>
<b>PRIMARY LINK</b>	Environmental Report - <a href="https://www.cpsenergy.com/content/corporate/en/about-us/environment.html">https://www.cpsenergy.com/content/corporate/en/about-us/environment.html</a>
<b>PROGRAM DESCRIPTION</b>	<p>CPS Energy's Environmental Social Governance (ESG)</p> <p>CPS Energy does not have a formal Environmental Social Governance (ESG) score at this time but we are evaluating creating one in the future, however we do integrate ESG factors into our long-term sustainable strategy.</p> <p>As our core business, we, at CPS Energy, manage a diverse power generation portfolio and have been thoughtfully adding new energy solutions for decades. We have been achieving this while paying careful attention to our community's needs to make sure we balance Affordability, Reliability, Safety, Security, Resiliency and our Environmental Responsibility.</p> <p>Environmental Factor</p> <p>In support of minimizing our impact to our environment, we have made outstanding reductions in our emissions as we journey down a path to a cleaner and lower-emitting future. Those reductions have been across the entire emission landscape and have included steep reductions in not just Greenhouse Gases (GHGs) like Carbon Dioxide (CO2) that contribute to climate change, but also ozone contributing Nitrogen Oxides (NOx) and other emissions such as Sulfur Dioxides (SO2), Mercury (Hg) and Particulate Matter (PM), along with reduced levels of water use and waste production.</p> <p>Some of those reductions are due to implementation of control technology for a specific constituent on a power generation unit. Other reductions are due to our customers taking advantage of our programs that help them use less energy and therefore reducing our need to produce the power. Additionally,</p>

part of the reductions are due to our shift to innovative and cleaner technologies over the past few years that include:

- Implemented emission controls on our plants for NOx, SO2, Hg, and PM reduction and use low sulfur coal in our coal units;
- Closed the Deely coal units 15 years ahead of their retirement date and replaced them with higher efficiency natural gas fired combined cycle plant. Through this action, CPS Energy has reduced emissions by approximately 7.6 million tons of carbon dioxide, 3,000 tons of nitrogen oxide, and over 23,000 tons of sulfur dioxide (SO2) by 2020 compared to 2010.;
- Launched and managed a highly successful Energy Efficiency & Conservation program called STEP (Save For Tomorrow Energy Plan). In 2019, our STEP program reached 845 MW of cumulative savings, which exceeded the 745 MW savings goal one year ahead of schedule.;
- Became leaders in the addition of renewables like wind and solar; and has begun to install battery storage that can enable more renewable additions.

Our Carbon Intensity has been on a beneficial downward trend since 1980. Carbon Intensity is the total amount of Carbon Dioxide (CO2) emitted by fossil fuel power generation units (coal & natural gas) in pounds (lbs) divided by the total power generation (mwhs) from all generation sources including coal, natural gas, nuclear, and renewables. CPS Energy's total generation nearly quadrupled from 1980 to 2019 to accommodate one of the largest and fastest growing cities in the nation. Meanwhile, the carbon dioxide (CO2) emission rate has decreased from almost 2,000 pounds per net megawatt hour of generation (lbs/mwh) in the 1980's to only 827 lbs/mwh in 2019.

To read more about our Environmental Achievements such as air emission reductions, recycling or our proactive water management strategies please see our 2019 Sustainability Report: <https://www.cpsenergy.com/content/corporate/en/about-us/environment.html>

CPS Energy is a forward-thinking energy utility, making meaningful steps toward full carbon neutrality by 2050, in direct alignment with the City of San Antonio's Climate Action & Adaptation Plan (CAAP). Our Board of Trustees endorsed the CAAP with a resolution in August 2019 through management's thoughtful implementation of our Flexible PathSM strategy.

CPS Energy is committed to emissions reductions through our Flexible PathSM strategy. As part of our Flexible Path strategy, we made a foundational commitment to reduce our net emissions profile by 80% by 2040. Together, with participation and action from our community, we will continue to achieve positive results as we add balanced incremental solutions that are based on our Guiding Pillars of Reliability, Customer Affordability, Safety, Security, Resiliency, and Environmental Responsibility. We will continue our decades-long track record of adding low- and non-emitting energy sources to our generation portfolio in a thoughtful manner that continues to protect our customers and community aligned to our Guiding Pillars. Here are some of our achievements:

- For FY2020, 44% of CPS Energy's generation (MW) was non-emitting (renewable and nuclear) (source: CPS Energy FY2020 Annual Report).
- San Antonio is currently number 1 in solar in Texas and number 5 in the nation for solar capacity as named by Environment Texas.
- CPS Energy invested in wind more than 20 years ago, and today we are #2 in wind capacity in Texas.
- Also, San Antonio has been recognized on the 2020 CDP A List as one of 88 global cities leading the way on environmental action. San Antonio is the only city in Texas on this list, which highlights cities that are setting climate action targets and laying out plans, all geared to continue lowering emissions and doing everything we can to safeguard our planet.

Also aligned with the Flexible PathSM strategy, CPS Energy creatively developed the new and innovative FlexPOWER BundleSM Request for Proposal (RFP). The FlexPOWER Bundle initiative will help CPS Energy vet the most effective energy solutions to replace older gas steam units that will reach their end of life (approximately 55 years) before 2030. The bundle will contain up to 900 MW of solar resources that will support Environmental Responsibility, up to 500 MW of energy storage that will support Resilience and Environmental Responsibility and up to 500 MW of all-source firming capacity, defined as any technologies that can be called upon when renewables are not available, supporting the Pillar of Reliability.

We will make further achievement by way of energy efficiency and conservation when we launch the next iteration of energy efficiency programs this year with our FlexSTEP SM initiative. The program is currently under development as we announced the FlexSTEP Request for Proposal (RFP) internationally to bring the latest in tried and true and new and innovative programs to our community.

We are not only working towards reducing carbon in our energy sector, CPS Energy is taking steps to reduce emissions from transportation and to advocate the widespread adoption of electric vehicles. We've supported public charging solutions for more than 10 years with our charging station network that currently includes more than 100 charging stations. We are piloting new charging solutions that will enable charging electric vehicles, while minimizing impacts to the electric grid by shifting charging behavior to off-peak times. We have tools available on our website to educate customers and quantify CO2 reductions and fuel savings associated with driving an electric vehicle.

We are selecting suppliers to establish contracts for alternative fuel vehicles. Through this contract we plan to replace plug-in hybrid passenger vehicles in our fleet with full electric vehicles. To do our part, we have been a leader in integrating electric and hybrid vehicles into our fleet of vehicles, recently receiving national recognition ranking Green Fleet, #31 in 2018, #28 in 2019 and #12 in 2020.

Partnerships matter and we partner with local entities to ensure environmental success for our community:

- We have a partnership with VIA Metropolitan Transit on a new fuel supply arrangement to deliver Renewable Natural Gas (RNG) created by landfill biogas, to VIA for its fleet of buses. RNG will reduce emissions from busses by providing them with a cleaner fuel source that will also reduce San Antonio's carbon footprint.
- Our partnership with the Alamo Area Council of Governments (AACOG) helps track ozone levels and conducts air quality modeling using data from Continuous Air Monitoring Stations (CAMS) that we fund and operate. Bexar County was designated as "Marginal" nonattainment for ground-level ozone by the U.S. Environmental Protection Agency (EPA) on September 24, 2018. We have reduced our emissions that contribute to ozone by 75% and funding the monitors is just another way we help make progress.
- We actively create awareness of ozone action days for both our community and our employees.
- We have entered into a collaborative partnership with EPRI's Low Carbon Resource Institute and will leverage the learnings and best practices from energy companies around the world to potentially implement the best solutions for our community.

We also launched our Flexible Path Resource Plan to initiate a community conversation about what our next steps should be. The plan shows alternatives for early closure of our remaining two coal units, Spruce 1 & 2. A comprehensive evaluation of the risks and cost-benefits from an ESG perspective of the Spruce coal-fired plant is being conducted and will consider community feedback on the future of the coal-fired power plant.

#### Social Factor

CPS Energy is a People First company and we care deeply about our customers and employees. As the largest community-owned utility company in the nation, CPS Energy has an elevated sense of corporate responsibility rooted in its 160-year history of powering San Antonio. In addition to volunteering tens of thousands of hours per year, collecting a ton of school supplies for underprivileged students, and regularly topping \$1 million in United Way contributions.

San Antonio has a sizable low-income population and we pay significant attention to keeping rates below average and have multiple customer service programs designed to help customers: an affordability discount, senior budget billing program and veteran and disabled discounts are examples. In 2002, CPS Energy partnered with the City of San Antonio and Bexar County to establish the Residential Energy Assistance Partnership (REAP). REAP was specifically created to assist struggling families and allow their neighbors to lend a helping hand for the elderly, medically dependent, and low-income families with young children. Since the partnership began, CPS Energy has given over \$1 million annually to the fund and provides over 7,000 families a year with support for their energy services. To further help our customers, during the COVID-19 pandemic, the utility suspended energy disconnects and is waiving late fees on unpaid balances for customers who participate in a CPS Energy

payment plan. CPS Energy also launched a new Energy Angels program that allows for people to give the gift of bill payment to our customers.

In 2013, the CPS Energy community engagement team pushed its proactive outreach to the next level with the establishment of the mobile Customer Response Unit (CRU) to make customer service more accessible, convenient, and mobile. CPS Energy holds Customer Fair events dedicated to increasing community awareness of and encouraging enrollment in assistance programs, educating customers about energy efficiency and safety, and working directly with customers with unique needs. We also contribute by way of volunteering and sponsorship funds to community organizations that help improve the quality of life. Over 17,000 hours of volunteer service was provided to citizens in 2019. Taking care of our customers and employees goes into every decision. For example, when CPS Energy shut down the Deely coal units 15 years ahead of their retirement date, we took the social factor into account. We thoughtfully planned the shut down over a 6-year period and transitioned employees to other roles so that no employees lost jobs. Also, an immediate shutdown would have had a significant impact causing higher electricity prices affecting more directly the large low-income population in the utility's service area.

Governance Factor

CPS Energy is owned by the City of San Antonio but operated separately as a municipal enterprise. CPS Energy is governed by a self-perpetuating Board of Trustees, confirmed by City Council, and San Antonio's Mayor sits on the board and represents the broader community.

This form of governance permits the utility to operate as a business enterprise with ultimate authority over management and operations. Having the board and management of the utility focused on the business enterprise is important given the challenging and complicated business activities and risks CPS Energy must manage. Issues such as climate change; preparedness to ensure system reliability and maintaining affordability, fuel and power market volatility, cybersecurity issues and transmission issues.

The City Council does have policy oversight and rate-setting authority which is an important role. A major factor that keeps the City of San Antonio and CPS Energy aligned is the utility surplus revenue transfers made by CPS Energy on an annual basis to the city. The transfers equated to over 14% of CPS Energy's gross revenue. Referred to as "general fund transfers" the utility must remain financially strong and well managed with sufficient rates charged to make the transfer of surplus otherwise the general city government services paid for by the utility transfer would require new property taxes to fund. This fact indicates the City Council has a major reason to ensure CPS Energy's rates are sufficient.

CPS has built an institutional strength that has delivered results including one of the strongest financial credit ratings in the US for an electric utility and an operational record that produces affordability with competitive rates and sound reliability.

CPS Energy has an effective formal utility-wide enterprise risk management program that incorporates the risks and strengths of the enterprise and incorporates such assessments into both budget and operating objectives. CPS Energy has cyber-risks like other utilities but has a strong team managing the risks and access to critical agencies within the US government.

The active evaluation of ESG related assessments includes a board level of focus on ESG. There are various avenues for citizen input into decisions and transparency that is common to municipal enterprises. The Board of Trustees and management maintain a schedule of public input sessions and other opportunities for the public to participate in addressing the major policy challenges before the utility. And rate increase proposals and policies are subjected to open public hearings, rather than the rate decision being made like for investor-owned utilities in the state capital. Rate decisions are made locally.

To further gather public input in December 2020, the board established a Rate Advisory Committee (RAC) made up of citizens who will review the design of any current and future rate structure and offer input on any changes to rates and their impact on citizens. In addition, the board has formed a 15-member Citizens Advisory Committee (CAC) consisting of a broad and diverse group of citizens to advise CPS on Energy policies.

**RESULTS OF/RESPONSE TO THE PROGRAM**

Our results and responses to the program are included in the section above.



<b>PARTICIPATING EMPLOYEES</b>	501+
<b>ADDITIONAL SUPPORTING LINKS AND MATERIALS</b>	Documents referenced in the write-up: <ul style="list-style-type: none"> <li>• CAAP resolution in August 2019 - <a href="https://cpsenergy.com/content/dam/corporate/en/Documents/Trustees/BOT-Presentations/2019.08.26%20CAAP%20Resolution.pdf">https://cpsenergy.com/content/dam/corporate/en/Documents/Trustees/BOT-Presentations/2019.08.26%20CAAP%20Resolution.pdf</a></li> <li>• CPS Energy FY2020 Annual Report - <a href="https://www.cpsenergy.com/content/dam/corporate/en/Documents/Finance/2019-2020-AnnualReport.pdf">https://www.cpsenergy.com/content/dam/corporate/en/Documents/Finance/2019-2020-AnnualReport.pdf</a></li> <li>• Number 1 in solar in Texas and number 5 in the nation news release - <a href="https://newsroom.cpsenergy.com/san-antonio-ranks-5th-in-u-s-for-solar-energy">https://newsroom.cpsenergy.com/san-antonio-ranks-5th-in-u-s-for-solar-energy</a></li> </ul>

<b>Nomination ESG-6</b>	
<b>SGA MEMBER COMPANY NAME</b>	<b>Energy Transfer</b>
<b>SGA MEMBERSHIP TYPE</b>	Transmission SGA Gas Member
<b>SGA MEMBER SINCE</b>	2010
<b>PROGRAM NAME</b>	<i>Dual Drive Technologies (an Energy Transfer company)</i>
<b>PRIMARY LINK</b>	<a href="https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-6-Doc1-ESG%20with%20Dual%20Drive%20Technologies.pdf?_t=1623343744">https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-6-Doc1-ESG%20with%20Dual%20Drive%20Technologies.pdf?_t=1623343744</a>
<b>PROGRAM DESCRIPTION</b>	The reduction of Greenhouse Gases using Dual Drive Technologies' patented Dual Drive compression system. The seamless transition between the natural gas engine to the electricity motor, at full horsepower load, we eliminate the Greenhouse Gases emitted from the natural gas engine by over 80% annually. The Dual Drive technology was developed by Energy Transfer Technologies in 2000 when Dual Drive Technologies (formally Energy Transfer Technology) received the 1st patent and installed the 1st package in 2001. By reducing the emissions for the facility thru run-time limits for the permit process. The advantages, such as TCEQ program incentives with the drive optionality for runtime the scenarios. Along with the reduction of the greenhouse gas, the energy costs associated with the compression can be effectively managed and reduced significantly. In 2011 the Dual Drive Technology was also recognized by the EPA as BACT for emissions and Greenhouse Gas reductions into the environment.
<b>RESULTS OF/RESPONSE TO THE PROGRAM</b>	Over a decade later, Dual Drive Technologies is the only provider of this patented process and has reduced emissions for Energy Transfer's Permian Basin by 500,000 tons of carbon dioxide, 571 tons of carbon monoxide, 531 tons of nitrogen dioxide and 397 tons of VOCs in 2019. The participation in the Demand Response program, as well as, other available to utility provider incentives, the Dual Drive system is implemented when degradation of the electrical grid is detected due to extremely high demand peaks or extreme weather events. The use of Dual Drive compression is a win-win for both the environment and the electrical grid.
<b>PARTICIPATING EMPLOYEES</b>	0-25
<b>SUPPORTING DOCUMENTS</b>	<a href="https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-6-Doc2-Dual%20Drive%20at%20Arrowhead.jpg?_t=1623343744">https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-6-Doc2-Dual%20Drive%20at%20Arrowhead.jpg?_t=1623343744</a>
<b>ADDITIONAL COMMENTS</b>	This was a joint operation between Energy Transfer and Dual Drive Technologies in the Permian Basin of Texas. We sought to reduce the Greenhouse Gases emissions and be operationally efficient with the gas plant's residue compression. This unique technology allows for the operation using electric power on the compressors approximately 80 percent of the time, thus reducing emissions. The utilization of Dual Drive Technologies compression, we significantly reduce greenhouse gas emissions without placing an undue burden on the electrical grid.

<b>Nomination ESG-7</b>	
<b>SGA MEMBER COMPANY NAME</b>	<b>NV5</b>
<b>SGA MEMBERSHIP TYPE</b>	SGA Associate Member
<b>SGA MEMBER SINCE</b>	2010
<b>PROGRAM NAME</b>	<i>BXP</i>
<b>PROGRAM DESCRIPTION</b>	FERC 7c Pipeline in Ohio TransCanada Columbia gas project. Implemented a plan for 16 inspectors to cover construction of approximately 66.1 miles of new 36-inch diameter natural gas pipeline, including

	the installation of four new mainline valves (“MLVs”), four new tie-in assemblies, three bidirectional pipeline inspection gauge launcher/receivers, and regulation facilities (collectively referred to as the BXP Replacement component) and abandonment of approximately 60.8 miles of existing 20-inch and 24-inch natural gas pipeline along Columbia’s R-System, including the removal of MLVs, crossover piping, and aboveground appurtenances, in addition to addressing pipe exposures, plugging consumer taps, plating and grouting pipeline segments at road and railroad crossings, installing a new lateral pipeline and crossover piping to maintain feed to existing points of delivery, and in-place abandonment of a distribution line. The project had multiple challenges including but not limited to timber rattlesnake habitat, crossing through the Wayne National Forest, and COVID-19 restrictions. Inspectors coordinated with multiple contractors, FERC compliance monitors, and 3rd Party Forest monitors to ensure strict environmental compliance with all applicable permits.
<b>RESULTS OF/RESPONSE TO THE PROGRAM</b>	Inspectors were proactive in their communication with the FERC monitors and associated personnel so we were able to fix any items of concern before they became FERC problem areas or non-compliances. These proactive measures also extended to the 3rd party monitors employed by the Wayne National Forest. Despite the sensitive nature of construction areas throughout the forest, our inspectors’ attention to detail and ability to navigate complex issues as they arose earned us consistent praise and gratitude from the Forest service employees. Our program of detail and personnel-oriented inspection services resulted in receiving zero FERC violations throughout the project. Zero is real.
<b>PARTICIPATING EMPLOYEES</b>	501+
<b>ADDITIONAL COMMENTS</b>	This was a combined effort from Construction Management, TransCanada Construction Management Team, TransCanada Environmental and Permitting Management as well as Quality Environmental Inspectors and three Great Contractors. (PGI), Associated Pipeline and US Pipeline

<b>Nomination ESG-8</b>	
<b>SGA MEMBER COMPANY NAME</b>	<b>Southern Cross</b>
<b>SGA MEMBERSHIP TYPE</b>	SGA Associate Member
<b>SGA MEMBER SINCE</b>	2010
<b>PROGRAM NAME</b>	<i>Southern Cross Damage Prevention Inspection Program</i>
<b>PRIMARY LINK</b>	<a href="https://www.southerncrossinc.com/damagepreventionprogram/">https://www.southerncrossinc.com/damagepreventionprogram/</a>
<b>PROGRAM DESCRIPTION</b>	<p>Third Party excavations are a leading cause of natural gas line damages. The natural gas industry is trending toward additional programs and resources to help mitigate the risk to life and property as well as reduce the potential for loss of Natural Gas (Methane) into the atmosphere. Methane is one of the most potent of the greenhouse gases and is 80 times more potent than carbon dioxide. Thus, preventing third party damages goes a long way towards assisting utilities in reducing methane emissions and reaching their overall greenhouse gas targets.</p> <p>The Southern Cross team has developed an extremely valuable program that's entire focus is on loss prevention and excavation code compliance education. Our excavation inspectors are well trained in state specific regulations and have extensive backgrounds working within the National 811 system. The Southern Cross Damage Prevention Inspection vehicles are fully wrapped 811 awareness billboards on 4 wheels. Our DPI system layers daily reports with historical and current risk data which then interface into a weekly dashboard summary showing prevention results.</p>
<b>RESULTS OF/RESPONSE TO THE PROGRAM</b>	<p>The Southern Cross DPI program closes the loop between:</p> <ul style="list-style-type: none"> <li>811 State Call Center</li> <li>Excavation Contractor</li> <li>Utility Owner</li> <li>Contract Utility Locator</li> <li>No 811 Ticket Excavations</li> </ul> <p>Southern Cross utilizes our Damage Prevention Vehicle to educate and identify high-risk excavation activity to reduce methane emissions including:</p> <ul style="list-style-type: none"> <li>• Engaging third party excavators to positively influence their practices and prevent damages to the utility.</li> <li>• Identifying any excavator who exhibits at-risk behavior or any excavation taking place with no visible locate marks.</li> <li>• Review and assess locate requests with excavators making sure the start date is confirmed and the request accurately covers the area.</li> </ul>

<b>PARTICIPATING EMPLOYEES</b>	51-100
<b>SUPPORTING DOCUMENTS</b>	<ul style="list-style-type: none"> <li><a href="https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-7-Doc1-DPI%20Vehicle%20%281%29.jpg? t=1623343971">https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-7-Doc1-DPI%20Vehicle%20%281%29.jpg? t=1623343971</a></li> <li><a href="https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-7-Doc2-DPI%203.jpg? t=1623343971">https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-7-Doc2-DPI%203.jpg? t=1623343971</a></li> </ul>

<b>Nomination ESG-9</b>	
<b>SGA MEMBER COMPANY NAME</b>	<b>Summit Utilities</b>
<b>SGA MEMBERSHIP TYPE</b>	Distribution SGA Gas Member
<b>SGA MEMBER SINCE</b>	2021
<b>PROGRAM NAME</b>	<i>Methane Recapture Pilot</i>
<b>PRIMARY LINK</b>	<a href="https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-8-Line%20E000%20Replacement2020-08-26T192918.0677748Z%20%28002%29.png? t=1623344144">https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-8-Line%20E000%20Replacement2020-08-26T192918.0677748Z%20%28002%29.png? t=1623344144</a>
<b>PROGRAM DESCRIPTION</b>	In an effort to reduce emissions and mitigate the company's impact on climate change, in 2020 Summit Utilities, Inc. (Summit) piloted methane recapture technology in two states. Summit's teams challenged themselves to be innovative leaders in the natural gas industry and pursued studying the feasibility of methane recapture technology as a 2020 ESG goal. Thanks to the pioneering spirit of Summit's engineering and operations teams, they determined that not only was the technology feasible it was worth trying that very year. To minimize social and environmental impact, Summit utilized Zero Emissions Vacuum and Compression (ZEVAC®) to capture and reuse gas that would otherwise have been emitted into the atmosphere through normal construction/operation practices.
<b>RESULTS OF/RESPONSE TO THE PROGRAM</b>	These pilots demonstrated a step forward for the company as it works to reduce emissions on its system and limit its environmental impact. By simply piloting this technology twice, Summit was able to save approximately 28.1 metric tons of CO2e, which is equivalent to taking 6 cars off the road for one year. As a result of this pilot program, methane recapture was included in Summit's Standard Operating Procedure for Purging a Pipeline. All high-volume purges must now consider methane recapture, if practical.
<b>PARTICIPATING EMPLOYEES</b>	0-25

<b>Nomination ESG-10</b>	
<b>SGA MEMBER COMPANY NAME</b>	<b>Xcel Energy</b>
<b>SGA MEMBERSHIP TYPE</b>	Distribution SGA Gas Member
<b>SGA MEMBER SINCE</b>	2010
<b>PROGRAM NAME</b>	<i>Gas Alternative Investment Process (GAIP)</i>
<b>PRIMARY LINK</b>	<a href="https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-9-Xcel%20Energy%20SGA%20ESG%20Award%20Nomination%20-%20GAIP.pdf? t=1623344339">https://southerngas.org/wp-content/wpdm-assets/2021-SGA-Awards-Program/Environmental%2C%20Social%2C%20%26%20Governance/ESG-9-Xcel%20Energy%20SGA%20ESG%20Award%20Nomination%20-%20GAIP.pdf? t=1623344339</a>
<b>PROGRAM DESCRIPTION</b>	<p>The Gas Alternative Investment Process (GAIP) is a program where alternatives to gas projects are evaluated by placing a pause in the gas routine investment process for Capacity and New Business projects.</p> <p>Project alternatives are evaluated for potential impacts to reduce the gas capacity constraint on the affected gas system by potentially offsetting the need for the gas capital project. Alternatives considered include: increased participation in Demand Side Management (DSM), customer conversion from firm to interruptible service, local Renewable Natural Gas (RNG) supply and beneficial electrification.</p> <p>Additionally, the program provides an avenue to increase collaboration with local communities to assist in meeting the communities own carbon emission reduction goals.</p>

<p><b>RESULTS OF/RESPONSE TO THE PROGRAM</b></p>	<p>This program results in an investigation of project alternatives to be completed prior to making gas capital investments. These investigations allow for a prudent evaluation of alternatives to gas projects as Xcel Energy strives to lead the clean energy transition.</p> <p>Since program creation in 2020, four projects have been evaluated through the program. Three projects are proceeding with the gas project and one project is currently in implementation phase where customer and community awareness programs are under development to reduce the system load on the constrained system. In 2021, an additional six projects are scheduled to be evaluated.</p> <p>To date, the program has been rolled out to over 200 employees from various groups in the company; ranging from gas engineering, account managers, business development and community relations.</p> <p>Capacity and New Business projects are scoped by a gas engineer and the program is then kicked off upstream of the routine capital investment process. There is a Phase I and Phase II portion of the program. Depending on the results of the analysis in Phase I or Phase II the original gas project will follow the routine gas capital investment process or program implementation of alternatives to gas will be kicked off.</p> <p>Program implementation of alternatives to gas projects are project specific but could include: new DSM Customer Programs and bonus incentives, Energy Audits, Demand Response thermostats, Customer targeting for firm to interruptible rate conversion, additional supply via local RNG sources and/or beneficial electrification.</p>
<p><b>PARTICIPATING EMPLOYEES</b></p>	<p>101-300</p>