

ETS Profiles Interview Transcript: Paula Gold-Williams – CPS Energy President & CEO
Conducted by Zpryme on December 29, 2016

ETS: **Anyone in particular you can credit with your passion to work in the energy industry?**

Paula: My career, even when I was an accountant, was fairly eclectic because I went on the audit side and I had not a real specialization. I was into SEC businesses and different types of businesses, so I saw everything from photofinishing, which is not an industry anymore, to communications, telephone, cable, all of these things. That's how I started. Then when I left public accounting, I actually worked for a theatre operations company. A producer by the name of Norman Lear had a business and theatre operations was something he was interested in. I went there. My whole career has been doing stuff differently. Then I ended up working for an SEC client that is in food service. Luby's is a chain that's actually centralized in Texas, used to be headquartered here. I was on my way to Houston because the office was being moved and I got a call from a recruiter and said, "Would you apply to be the controller at CPS Energy?"

I didn't want to leave San Antonio. I love south Texas. I love San Antonio. The utility industry had a... it's a long industry play. Typically, people come here early in their careers and stay, I was kind of a late arriver. The CEO at the time, Milton Lee, was looking to balance out existing talent with people from other industries and backgrounds. The CFO, and that's where I connected with, by the name of Rick Williamson interviewed me. He had me interviewed four times, which, actually then it became a challenge. I was like, "I've got to get this job because it's taking too long for me to go through it," and they hired me. They hired me to do things that I could already do, I was already a controller in my past life and I came in to do that.

They started talking to me about what the industry was really about and what value CPS Energy in particular, being an entity that had been around, at the time when I came in, about 145 years. They just started showing me how dynamic it was, how it had technological solutions, financial

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solutions, policy, regulatory, compliance. I would tell you, it's taken me... I've been here 12 years and it's taken me every bit of that time to grow in the role and get here, but it has been fascinating to actually be a part of it. I've been fortunate to have people like Milton Lee and Rick Williamson and then after that Doyle Beneby. So that's what's really engaged me all the way through.

ETS: **Is there an individual that the energy industry should be emulating when it comes to transformational leadership?**

Paula: Respectfully, I'd say no because when you really look at the industry, you have to look at the utility in terms of the environment that it's in. I can't look at the energy business for San Antonio and just say, "I'm going to model it like Chicago," or, "I'm going to model it like Florida," or Arizona or California. All of their policies, all of their regulation, the expectations from the community, how successful they've been in the past or where the technology around that entity is really drives what should happen. I think it is not about finding a one cookie cutter way or following one individual, it is about studying the whole industry.

Our excess power goes into the Texas market, but we are for the community, the metropolitan community of San Antonio, but the solution set is not at all local, the solution set is national and global. What you got to do is look at things in Europe, you've got to look at things in Asia, you've got to look at things in Africa, new business operations in Central America, all of those things. You put that together and you pick what can fit in your profile at the time.

ETS: **How would you best describe your leadership style?**

Paula: I'm very focused on people. When I became interim, I thought, "There's a lot of distractions. Being the interim of the company is distracting for the organization. What we really need to do is anchor." We've got 3,000 plus

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wonderful employees that do a great job every day. We're providing power 24/7, 365. It really isn't about who's really leading the organization individually, it's about the collective sense. I am focused on people first. I'm focused on employees, customers, and the community. That's my filter and that's what I share in the organization. I'd say every journeyman in our organization knows it and every executive knows it. I feel like together we make exponential benefits and we work really hard to make those extremely effective for our community. I've got a large company, I've got a large group of executives, I've got a large group of leaders that all sit at a huge table and we sit there and we solve problems and we get things done.

ETS: **Your 'people first' philosophy is both refreshing and innovative at the same time, how does this approach enable CPS Energy to enhance the customer experience?**

Paula: I would say when I first came here, our perspective was that we were going to add another coal plant, and we were looking at nuclear. Most of the solutions were in the set of a technological perspective, in other words, let's find the next greatest technology where we can install a big plant and get the economies of scale and drive value and everyday performance out of these big units. In reality, now, technology actually lags customer expectation. In other words, people think that battery storage today can keep entities going for days when in fact they're really talking about hours. Energy storage, for example, isn't economical enough. People want things that aren't currently delivered.

Accordingly, you've got to assume that what you really have, you have a business that's providing a service and you need to focus on customers and look at what their expectations are and find different ways to give them options, solutions, different types of products. To do that, you need not just engineers, you need analysts, you need marketing people, we have nurses that make sure that when people get hurt they get addressed

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right away. We have all of these perspectives and it's the collective good of having a diverse workforce that makes sure that we are able to move forward and fast and maintain and introduce new ideas because we're looking at different ways to solve problems through our people first collective combination.

ETS: As the nation's largest municipally owned energy utility, why is it so important for CPS Energy to continue to push the envelope when it comes innovation across the utility?

Paula: We are the largest municipally owned entity that's providing gas and electric, but we're also serving in a huge community. Our metropolitan area makes us the seventh largest city in the nation. Our community is diverse and we have all types of industries and businesses here. We have to make sure that our customers get the same advantages if not the newest advantages because they demand it.

Our backbone for our AMI system is going to be where new services pop out, like better security, better lighting, better motion detection, all of those things that will make the community run smoother and more effortlessly. It doesn't have to be somebody hitting a switch. It will be the room detecting when people come in. The community will determine traffic flow just by being able to have our system connected to the things the city wants to drive. We'll be able to say where there's the biggest level of traffic flow. We'll be able to detect where there are emission issues embedded in our community and we want to fix those issues proactively. That's what we have to do. We have to be creative from that perspective. The utility is kind of the foundation to be able to do that.

ETS: **Why are both community and strategic partnerships such a core foundation to CPS Energy's mission?**

Paula: Our mission is not to delve and get into what is the next energy source and what should it be and how should we go about it, what's the chemistry behind it? What we need to do is find partners like Southwest Research Institute locally that does a phenomenal job. There are partners like Southwest Research Institute locally that does a phenomenal job.

They help us in terms of looking at technical issues in our distribution system and provide us researchers and PhDs and other people in that field, scientists, that help us solve problems practically. That partnership, for example, is just one of many that we look at and say, "Can we use the resources from this wonderful company and actually give them situations to solve them?"

We take their technology, their thought, their intellectual capital, and apply it. In turn, we give them back important data that says, "That solution is great theoretically, but it's not practical." That's the way all of these synergies start to work.

It also relates to our new energy economy. We don't produce panels, we don't produce inverters, we don't produce trackers, but our customers like to have the option of solar, for example. There are various companies in the value chain that bring that to us. We take the systems and produce the power and deliver it. That's the partnership.

Lighting, Green Star is another company doing a great job with it. They provide the technology, we apply it and then we give them feedback. All of these loops are ongoing and creatively we start to say, "What are we going to do next to provide a new product or a new service?" If we can use their wisdom and our wisdom, you take a 3,000 employee company and you're basically making an exponential benefit of bringing in that thought.

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ETS: **What advice do you have for new graduates interested in a career in the power sector?**

Paula: Students graduating are interested in energy because they look at solar and they think, "Oh that's great. It's clean energy." That's all they're interested in. I would say that it would be very, very interesting for students to look at the whole energy industry. Solar's the beginning. Wind's the beginning. There's going to be new technologies, there's going to be new leverages, new concepts of how to study providing better service and communication to customers. There's going to be great research and evolution in where the industry is going.

It's interesting, I run into people all the time and they're like, "I don't know. I think I'll be bored." Never been bored. Most people who tell me they thought they would be bored inside of this organization, they come back and tell me they weren't.

Any graduate who is interested in really thinking about a company that's going to change, an industry that's going to change, even the focus on integrated security is going to be fascinating in the energy industry. This is where a lot of real action is actually going to occur.

ETS: **What's the greatest challenge facing the energy industry?**

Paula: We know that we're moving away from huge generation investments that, where our assets typically can last 30, 40, 50 and in some cases 60 years, but the technology to move us there is still in development. That's the biggest challenge, knowing we need to move but the steps and the building blocks to do that are still in their evolutionary stage. What we're trying to do is improve service, our knowledge, our talent, and really get ready to capture that, but we're going in some way with a bit of lack of structure to get there. Often times I'll visit different new companies,

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emerging companies, new technology research companies and to some degree I want to say "hurry up," because we're waiting for those things. Just to put it all together, the regulatory environment and the legislative environment have been distracted at best.

To a great degree, it's about all the unknowns that just make it difficult to have exact dates and times, but you still got to keep pushing and know that it's coming and it will converge. The wrong thing to do is to sit and wait because by the time you sit and wait and you do nothing, somebody else is already in front of you. The important thing is to just lean in, to just make sure that we are building all the right blocks, that we're still driving value, that we're still at the forefront of talking to other partners and technology developers and researchers.

ETS: What are you most excited about in the energy sector?

Paula: I'm just excited about everything in the era. We're going to change people's skillsets. We're going to develop more leaders and while the energy part is the output, what people think about work and how their work is enabled and how they use and consume energy, that's exciting to me. There isn't just one thing. I would tell you as an initiative, again I think our ability to help our owner, the city of San Antonio, get to a new evolution in smart city, that's extremely exciting to me. At the same time, I'm passionate about making sure that we do it by protecting people's information, that we really think about the aspects of focusing on better cyber security, better integrated security, making sure that we're protecting the assets as best we can.

That's excitement to me. It's a place that's interesting, because you can have all great intentions, but you have to have discipline from that perspective. I would just round it out and say there's nothing that we don't get into and think about, and what's super exciting is that you don't have boundaries on your solution set.