



Fiscal Year 2023 Business and Capital Plans

Lower Colorado River Authority

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The Board of Directors is composed of 15 members appointed to six-year terms by the governor with the advice and consent of the Texas Senate. Directors represent counties in LCRA’s electric and water service areas. The Board meets regularly to set strategic corporate direction for the general manager and staff, to approve projects and large expenditures, and to review progress on major activities and issues.

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These business and capital plans present a long-term vision and summary of operational plans for LCRA and its nonprofit corporations. The business and capital plans should not be used as a basis for making a financial decision with regard to LCRA or any of its securities or other obligations. These business and capital plans are intended to satisfy the official intent requirements set forth in IRS Treasury Regulations Section 1.150-2. For more complete information on LCRA and its obligations, refer to LCRA's annual financial report, the official statements relating to LCRA's bonds, and the annual and material event disclosures filed by LCRA with nationally recognized municipal securities information repositories and the State Information Depository pursuant to Rule 15c2-12 of the U.S. Securities and Exchange Commission. The information in this report and within each of the documents referenced applies only as of the report's date. The business and capital plans include forecasts based on current assumptions used for planning purposes only and are subject to change. Copies of the documents referenced in this report may be obtained from Stephen Kellicker, senior vice president of Finance, LCRA, 3700 Lake Austin Blvd., Austin, TX 78703.



OUR *Mission*

To enhance the quality of life of the Texans we serve through water stewardship, energy and community service.



OUR *Vision*

We will be the public utility
that sets the standard for excellence.

Delivering for Texans

At a time when power and water are critical for our growing state, LCRA is delivering essential services for the people who depend on us. And we're investing in our power and water infrastructure so we can keep coming through for Texans for years to come.

Even during the extreme conditions of Winter Storm Uri, we kept our big baseload power units – Fayette Power Project and Thomas C. Ferguson Power Plant – and our hydro units performing. During the event, we had 82% of our generation capacity available. That was an important accomplishment for Texas, especially given the extreme conditions and compared with the rest of the Electric Reliability Council of Texas market. We also resolved Transmission customer outages associated with our operations quickly during the storm, minimizing the impact to customers. No customer experienced an outage longer than four hours associated with our load shedding activities.

Looking ahead, we're running an effective, cost-aware business to continue providing power for cooperatives and small towns in Central Texas. We're also investing in transmission projects, at a level expected to reach about \$2.2 billion over the next five years, to increase reliability and support growth throughout the state. We plan to invest about \$65.1 million over the next five years for new water supply projects as we continue to explore a variety of strategies for increasing water supplies in the lower Colorado River basin. And we plan to invest about \$32 million in that time frame on projects at our dams for their continued safe and effective operation.

All of our work aligns with our mission, vision, strategic goals and values. The people of LCRA are proud to provide services Texans need for the continued success of our state.

Our mission

To enhance the quality of life of the Texans we serve through water stewardship, energy and community service.

Our vision

We will be the public utility that sets the standard for excellence.

Our strategic goals

- **Run an effective, cost-aware business.**
- **Manage and develop water.**
- **Implement digital tools and use data effectively.**
- **Build today's workforce for the future.**

Our values

- **Focus on safety.**
- **Operate with integrity.**
- **Show respect.**
- **Take initiative.**
- **Focus on service.**



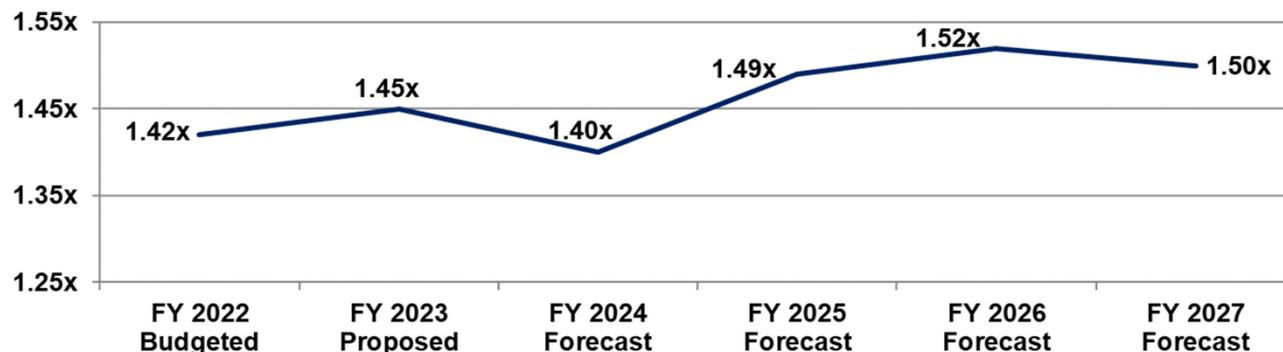
An aerial photograph of a winding waterway through a marshy landscape. The water is a mix of blue and green, reflecting the sky and the surrounding vegetation. The marsh is covered in dense green grasses and small pools of water. In the foreground, five kayakers are visible, each in a different colored kayak (red, blue, yellow, and two others). They are paddling along the waterway. In the background, a small figure of a person stands on a narrow strip of land. The overall scene is peaceful and scenic.

TOGETHER.

LCRA Financial Summary

- Approval of this business plan authorizes LCRA to spend \$437.9 million for operations in fiscal year 2023.
- Debt service coverage, a widely used measure of financial performance, is forecast to be 1.45x in FY 2023.
- Debt service coverage is projected to remain between 1.40x and 1.52x over the five-year planning horizon.
- Stable debt service coverage reflects LCRA's commitment to manage costs and grow LCRA's business to support growth in Texas.

LCRA Debt Service Coverage



(Dollars in millions)

| | Budgeted | Proposed | Forecast | | | |
|--|------------|----------|----------|---------|---------|---------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| Revenues ¹ | \$ 1,039.3 | 1,139.3 | 1,161.9 | 1,295.4 | 1,373.4 | 1,418.9 |
| Expenses ¹ | 572.9 | 658.8 | 678.7 | 704.6 | 743.4 | 770.9 |
| Net Operating Margin | 466.4 | 480.5 | 483.2 | 590.8 | 630.0 | 648.0 |
| Less: GenTex Funds ² | (3.2) | (8.7) | (0.1) | (0.8) | (2.1) | (1.0) |
| Net Margin for Debt Service, Adjusted | 463.2 | 471.8 | 483.1 | 590.0 | 627.9 | 647.0 |
| Debt Service | \$ 325.3 | 326.0 | 345.6 | 395.9 | 412.8 | 431.5 |
| Debt Service Coverage | 1.42x | 1.45x | 1.40x | 1.49x | 1.52x | 1.50x |

Note: Totals throughout this document may not equal the sum of numbers shown due to rounding.

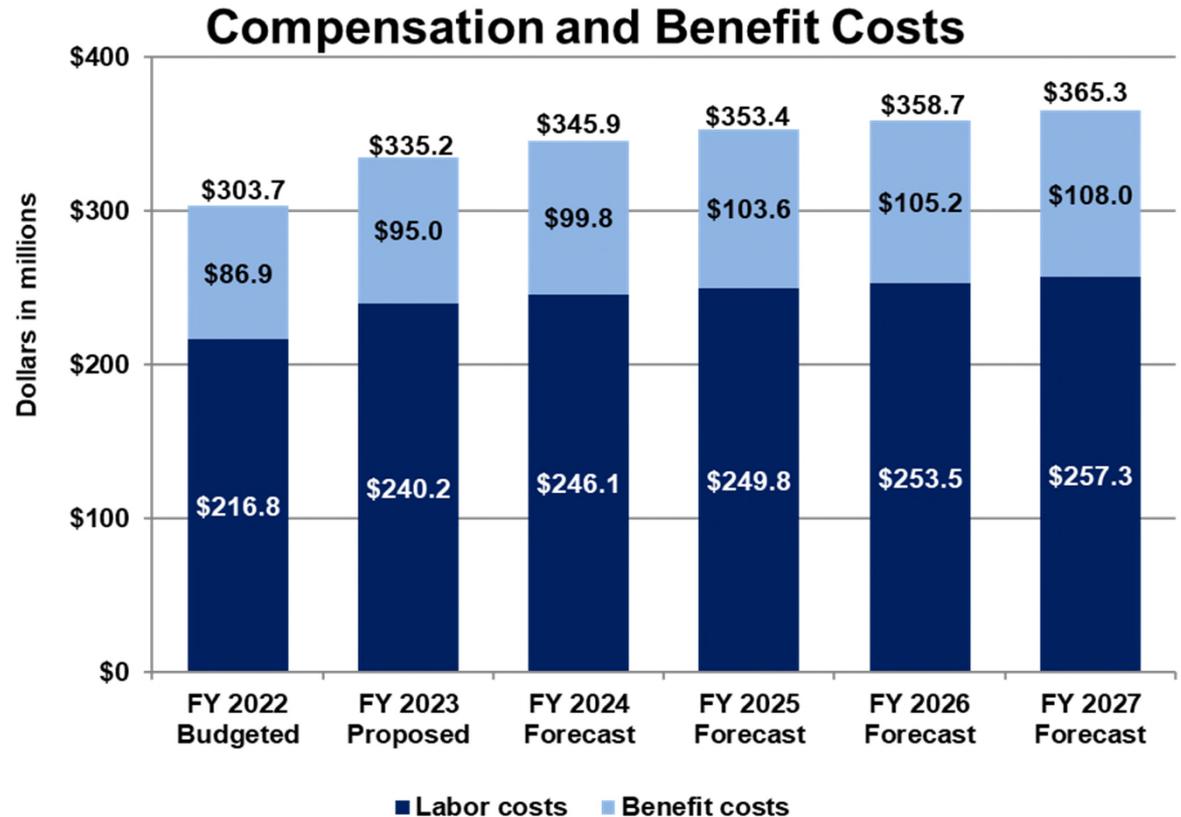
¹ Revenues and expenses are net of intracompany transfers. Revenues include interest income. Expenses exclude the LCRA TSC capital charge, which is a capital expense for LCRA consolidated.

² Includes adjustments related to GenTex capital funding and reserve funding.

Compensation and Benefits

Compensation and benefits are key drivers of LCRA's budget.

- Budgeted positions for FY 2023 are 2,317¹, which is an increase of 130 positions (6%) from the FY 2022 budget.
 - Almost half of the new positions are conversions of temporary to full-time employees. These include positions in Project Management, Digital Services and Supply Chain and help LCRA retain critical people and services in a tight labor market.
 - The remaining positions are to support Transmission and other areas of LCRA as they meet sustained growth in Texas.
- FY 2023 compensation and benefit costs will increase by \$31.6 million, reflecting:
 - Position increases discussed above.
 - Merit increases planned in FY 2023.
 - Maintaining competitive pay in key areas.



- 1.5% base pay increases are planned in FY 2023 through FY 2027.
- LCRA continues to manage benefit costs, which range from 40.5% to 43% of labor costs for the next five years.

¹ Excludes seasonal workers.

Wholesale Power – Financial Summary

Wholesale Power shows continued financial strength.

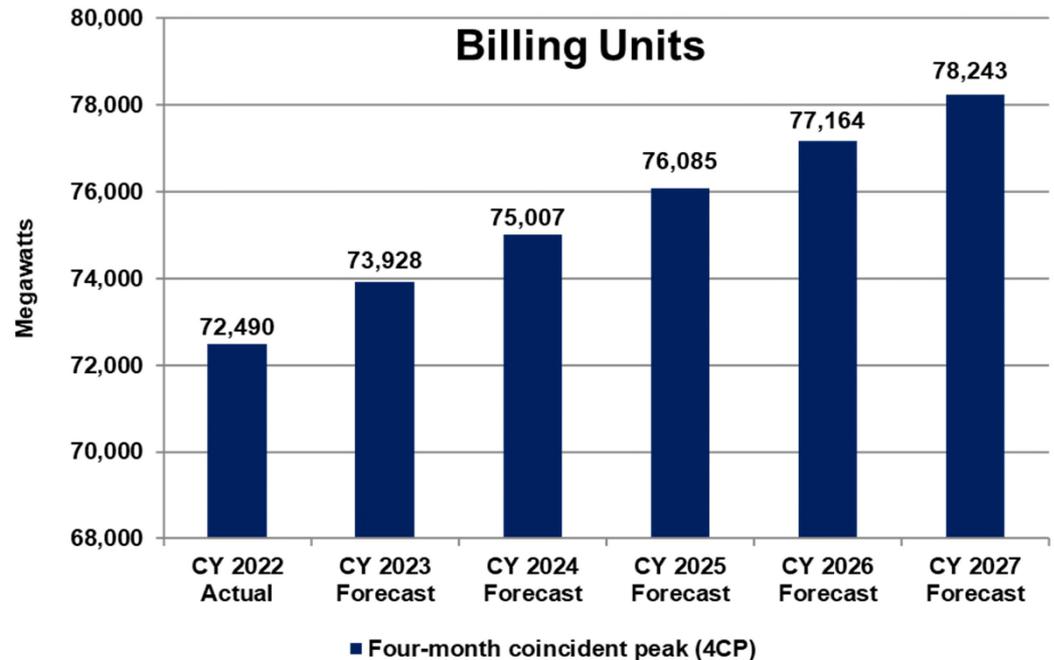
- Debt service coverage is projected to range between 1.33x and 1.47x over the five-year planning horizon.
- Financials remain strong and support our strategic goal to run an effective, cost-aware business.
- LCRA expects to continue to fund capital projects in FY 2023 from coverage dollars or existing funds, rather than issuing additional debt.

Confidential competitive electric information has been removed from this version of the document.

LCRA Transmission Services Corporation – Billing Units

LCRA TSC’s billing unit is the four-month coincident peak in the Electric Reliability Council of Texas market.

- 4CP is the average of the peak ERCOT electrical demands (measured in kilowatts) during the months of June, July, August and September of the previous calendar year.
- The Public Utility Commission of Texas approves the average of these four ERCOT system peaks each year to establish a 4CP for the following calendar year.
- 4CP is forecast to grow about 1.4% per year across ERCOT.



Note: One megawatt equals 1,000 kilowatts.

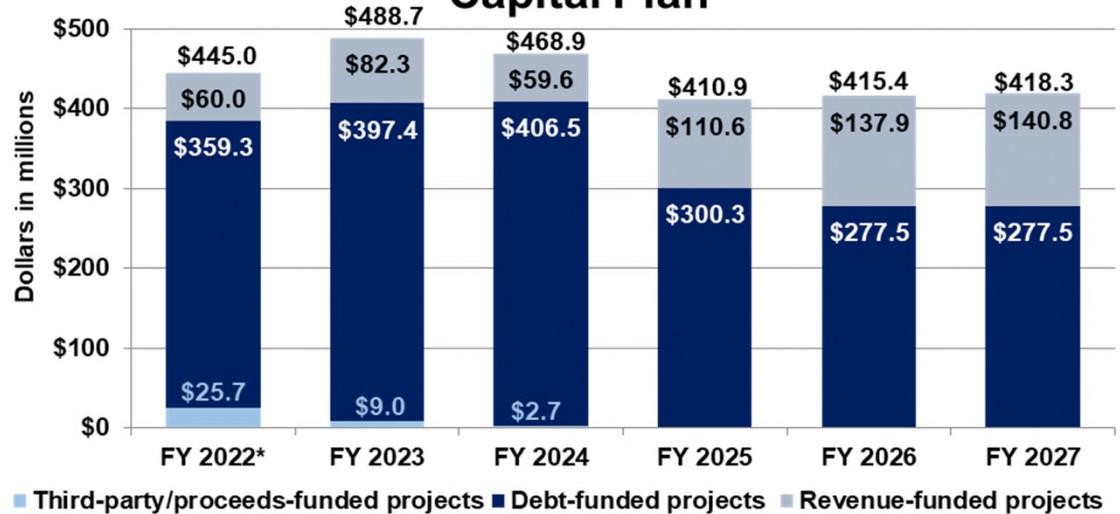
LCRA TSC – Capital and Rates

We're growing the transmission system to meet customer needs:

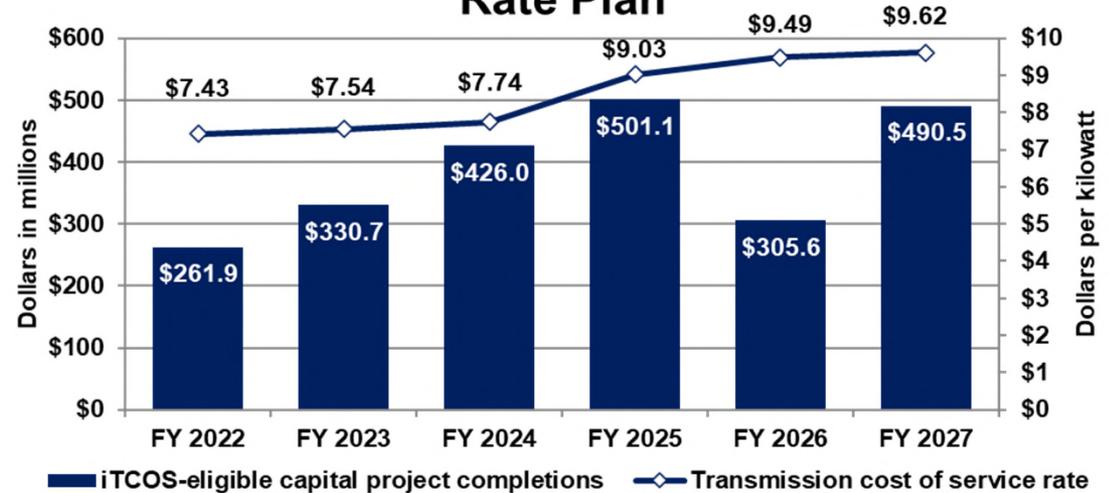
- LCRA TSC plans to invest about \$2.2 billion on capital projects over the five-year planning period to support the needs of the ERCOT and LCRA TSC systems.
- LCRA TSC plans to recover its investment in capital costs for projects that are completed and energized through interim transmission cost of service filings in FY 2023 through FY 2027. Additionally, LCRA TSC plans to file a TCOS rate case using an FY 2023 test year with new rates going into effect in FY 2025.
- LCRA TSC will continue to recover costs associated with additional projects beyond FY 2025 after they are completed and energized.

*The LCRA TSC Board of Directors in March 2022 approved the amended capital spending limit for LCRA TSC in FY 2022.

Capital Plan



Rate Plan



iTCOS: interim transmission cost of service

LCRA TSC – Financial Summary

- LCRA continues to expand the Transmission organization, adding staff and equipment needed to increase its current capacity to operate and construct facilities for LCRA TSC and provide customer services.

(Dollars in millions)

| | Budgeted | Proposed | Forecast | | | |
|--|-----------------|--------------|--------------|--------------|--------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| Revenues | \$ 538.8 | 565.1 | 587.5 | 697.4 | 740.4 | 768.5 |
| Operations and Maintenance | 136.7 | 143.1 | 150.4 | 148.1 | 153.9 | 157.7 |
| Net Operating Margin | 402.2 | 422.0 | 437.2 | 549.3 | 586.6 | 610.8 |
| Plus: Interest Income | 1.1 | 0.8 | 1.3 | 2.0 | 2.8 | 2.7 |
| Less: Assigned Enterprise Expense | 60.8 | 64.4 | 70.5 | 77.8 | 80.1 | 82.3 |
| Public Service Fund | 16.2 | 17.0 | 17.6 | 20.9 | 22.2 | 23.1 |
| Resource Development Fund | 10.8 | 11.3 | 11.8 | 13.9 | 14.8 | 15.4 |
| Net Margin Available for Debt Service | 315.6 | 330.2 | 338.6 | 438.6 | 472.2 | 492.8 |
| Debt Service | \$ 231.6 | 242.7 | 257.1 | 306.8 | 323.3 | 340.3 |
| Debt Service Coverage | 1.36x | 1.36x | 1.32x | 1.43x | 1.46x | 1.45x |

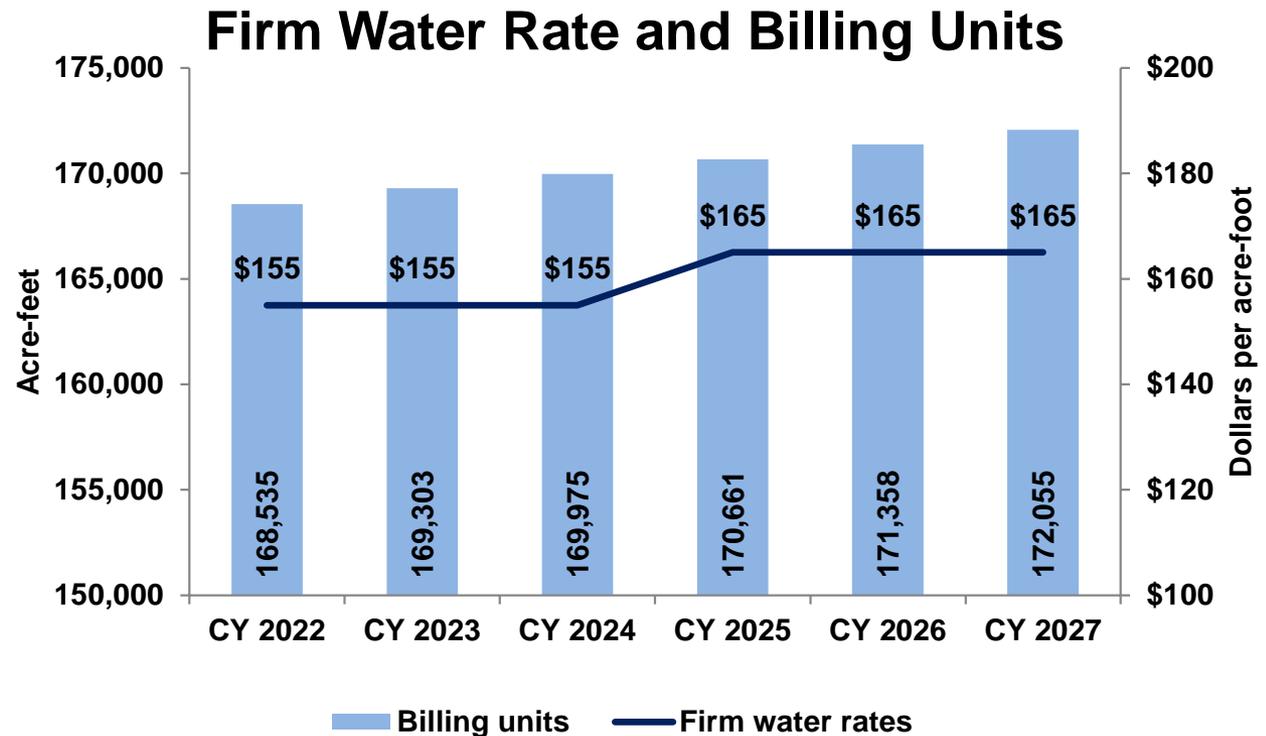
- LCRA TSC plans to manage costs to maintain its debt service coverage ratios between 1.32x and 1.46x.

Water – Firm Billing Units and Rates

LCRA projects holding the current firm water rate of \$155 per acre-foot flat for three years.

We are managing costs with no planned firm water rate increase for three years.

- Billing units are forecast to rise by less than 1% in each calendar year of the five-year planning period.
- The current firm water rate of \$155 per acre-foot is projected to remain flat until the January 2025 billing period.
- All rates for 2023 and beyond are subject to change based on actual and projected costs and billing units.



Note: Water supplies managed by LCRA are divided into firm and interruptible water. Firm water is available even during a severe drought. During drought or times of shortage, interruptible water is cut back or cut off.

Water – Interruptible Rates

Full cost recovery assumes a gradual approach.

- The Board approved rates for calendar year 2022 in January 2022. The rates for 2023 and beyond are subject to change based on actual and projected costs and billing units.
- Rates for Gulf Coast and Lakeside agricultural divisions are projected to increase to gradually recover the divisions' costs, including river management costs, assuming full water availability. The Garwood Agricultural Division is not subject to river management costs.
- The rates for Gulf Coast and Lakeside for 2021 through 2026 reflect an annual contribution from the Agriculture Reserve Fund. The fund is projected to be depleted by the end of 2026. The rate impact of the contributions are reflected in the delivery component of the rate.

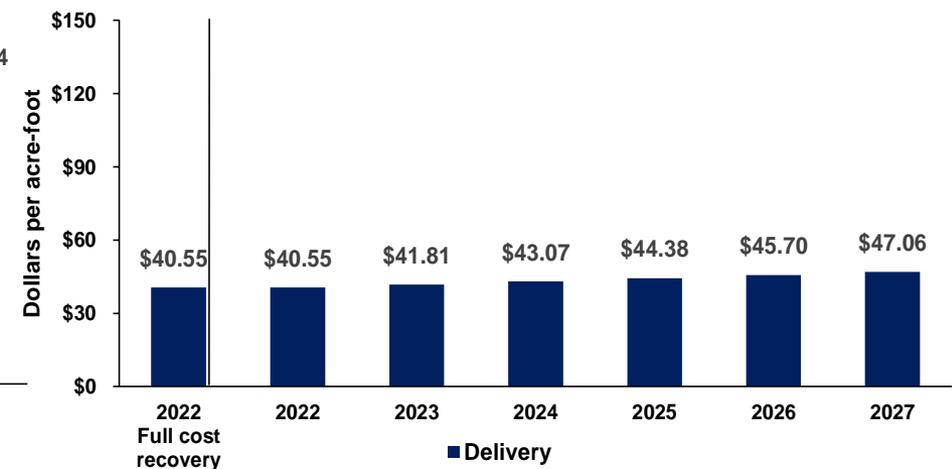
Gulf Coast Rate Outlook



Lakeside Rate Outlook



Garwood Rate Outlook



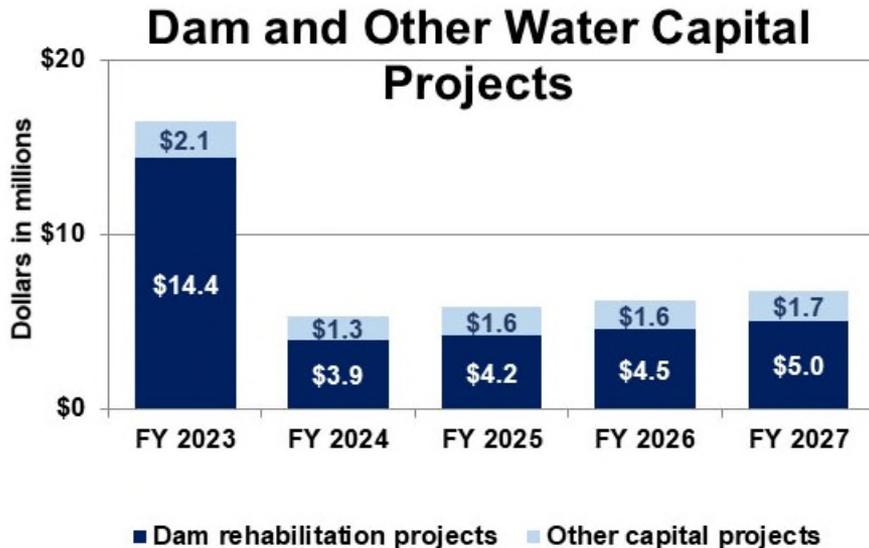
Water – Capital

Dam rehabilitation projects:

- LCRA plans to invest \$32 million in dam rehabilitation projects (excluding projects strictly for hydroelectric power generation) over the next five years for the continued safe and effective operation of the dams. As the projects continue, the costs to rehabilitate the dams could increase. LCRA primarily will issue debt to pay for these projects and recover the costs in the firm water rate.

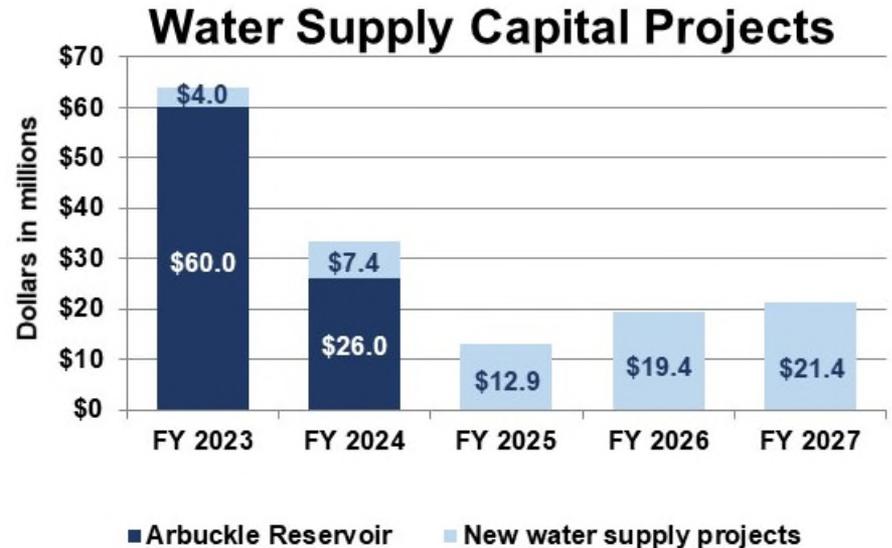
Other capital projects:

- Other capital projects include capital for irrigation and minor capital needs for Water.



New water supply capital projects:

- Capital spending for Arbuckle Reservoir will continue through FY 2024.
- LCRA plans to invest about \$65.1 million over the next five years for new water supply projects. LCRA expects to pay for these projects with existing funds or by issuing debt and recovering the costs in the firm water rate.
- LCRA continues to evaluate the timing and funding for the construction phases of future projects.



Water – Financial Summary

We are providing long-term water supply at a low rate.

- The firm rate is projected to remain flat until the January 2025 billing period.
- The financial summary assumes agricultural water deliveries in every year using rolling historical averages for acres.
- Annual debt service includes the Texas Water Development Board Arbuckle Reservoir debt paid from the Resource Development Fund.

(Dollars in millions)

| | Budgeted | Proposed | Forecast | | | |
|--|----------------|--------------|--------------|--------------|--------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| Revenues | | | | | | |
| Firm Water | \$ 26.2 | 27.9 | 27.9 | 28.7 | 29.9 | 30.0 |
| Agriculture | 9.7 | 9.1 | 9.6 | 10.3 | 12.1 | 13.6 |
| Other | 3.0 | 2.7 | 2.1 | 2.0 | 2.0 | 1.9 |
| Total Revenues | 38.9 | 39.8 | 39.6 | 40.9 | 43.9 | 45.5 |
| Operations and Maintenance | 18.9 | 18.2 | 17.5 | 17.8 | 18.0 | 18.2 |
| Net Operating Margin | 20.0 | 21.6 | 22.1 | 23.2 | 25.9 | 27.3 |
| Plus: Interest Income | 0.6 | 0.8 | 1.0 | 1.2 | 1.3 | 1.4 |
| Less: Assigned Enterprise Expense | 5.6 | 5.0 | 7.0 | 7.9 | 7.8 | 7.9 |
| Public Service Fund | 1.1 | 1.1 | 1.1 | 1.2 | 1.3 | 1.3 |
| Resource Development Fund | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Net Margin Available for Debt Service | 13.3 | 15.8 | 14.4 | 14.7 | 17.6 | 18.9 |
| Debt Service | \$ 18.3 | 21.0 | 23.7 | 24.3 | 24.6 | 26.3 |
| Debt Service Coverage | 0.73x | 0.75x | 0.61x | 0.60x | 0.71x | 0.72x |
| Plus: Resource Development Funding | \$ 13.5 | 14.9 | 16.2 | 16.5 | 16.6 | 16.7 |
| Debt Service Coverage, Adjusted | 1.47x | 1.46x | 1.29x | 1.28x | 1.39x | 1.35x |

Public Service Fund

LCRA uses the Public Service Fund on statutory programs that do not fully recover their costs.

- FY 2023 Public Service Fund operating fund requirements include:
 - \$8.2 million for parks.
 - \$5 million for water quality programs.
 - \$3.2 million for natural resource protection.
 - \$1.1 million for water surface management.
- These services provide some revenue but require annual support to cover the costs of operations, Enterprise Support and capital.
- The PSF grants include \$2.1 million annually for the Community Development Partnership Program and \$500,000 annually for the Colorado River Land Trust.
- Fund sources include contributions from budgeted nonfuel Wholesale Power costs, budgeted LCRA WSC Energy net margin, and budgeted revenue from GenTex, LCRA TSC, Water and Strategic Services.

(Dollars in millions)

| | Budgeted | Proposed | Forecast | | | |
|-----------------------------------|----------|----------|----------|---------|---------|---------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| Revenue | \$ 5.1 | 6.7 | 7.0 | 8.1 | 8.6 | 8.8 |
| Total Operating Expense | 20.3 | 24.5 | 25.6 | 26.2 | 26.5 | 27.2 |
| Operating Fund Requirement | 15.2 | 17.8 | 18.6 | 18.0 | 18.0 | 18.4 |
| Capital Spending | 2.2 | 2.1 | 1.9 | 1.8 | 2.5 | 1.5 |
| Assigned Enterprise Capital | 0.4 | 0.3 | 0.4 | 0.4 | 0.3 | 0.3 |
| Reserves | 0.2 | 1.0 | 0.3 | 0.1 | 0.1 | 0.2 |
| Grants | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| Total Funding Requirement | \$ 20.6 | 23.9 | 23.8 | 23.0 | 23.5 | 23.1 |

(Dollars in millions)

| | Budgeted | Proposed | Forecast | | | |
|----------------------------|----------|----------|----------|---------|---------|---------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| Sources | | | | | | |
| Public Service Fund | | | | | | |
| Wholesale Power | \$ 6.9 | 7.1 | 7.1 | 6.9 | 7.0 | 7.2 |
| GenTex Power Corporation | 1.4 | 2.5 | 1.6 | 1.4 | 1.3 | 1.1 |
| Water | 1.1 | 1.1 | 1.1 | 1.2 | 1.3 | 1.3 |
| LCRA TSC | 16.2 | 17.0 | 17.6 | 20.9 | 22.2 | 23.1 |
| LCRA WSC Energy | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Strategic Services | 0.3 | 0.6 | 0.4 | 0.4 | 0.5 | 0.5 |
| Subtotal | 25.9 | 28.4 | 27.9 | 30.9 | 32.2 | 33.2 |
| Uses | | | | | | |
| Public Service Activities | 20.6 | 23.9 | 23.8 | 23.0 | 23.5 | 23.1 |
| Resource Development Fund | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Infrastructure Reserve | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Strategic Reserve Fund | 1.3 | 0.5 | 0.1 | 3.8 | 4.8 | 6.1 |
| Subtotal | 25.9 | 28.4 | 27.9 | 30.9 | 32.2 | 33.2 |
| Remaining PSF Funds | \$ 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Strategic Services

Strategic Services includes external services that people pay LCRA to provide.

- Strategic Services primarily includes:
 - Telecommunications radio sales.
 - Transmission Customer Service.
 - LCRA Environmental Laboratory Services.

(Dollars in millions)

| | Budgeted | Proposed | Forecast | | | |
|-----------------------------------|----------|----------|----------|---------|---------|---------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| Revenues | \$ 12.0 | 21.7 | 14.6 | 14.8 | 15.2 | 15.4 |
| Operations and Maintenance | 8.4 | 19.0 | 11.9 | 9.4 | 9.6 | 9.6 |
| Net Operating Margin | 3.6 | 2.7 | 2.7 | 5.4 | 5.6 | 5.8 |
| Less: Assigned Enterprise Expense | 2.9 | 3.5 | 3.4 | 3.4 | 3.4 | 3.5 |
| Public Service Fund | 0.3 | 0.6 | 0.4 | 0.4 | 0.5 | 0.5 |
| Resource Development Fund | 0.1 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 |
| Net Margin Available | \$ 0.2 | (1.9) | (1.4) | 1.2 | 1.4 | 1.5 |

Enterprise Support

Enterprise Support costs consist of essential functions that support business operations across LCRA.

- Enterprise Support includes:

- Cybersecurity.
- Digital Services.
- Facilities.
- Legal.
- Finance.
- Public Safety.
- Regulatory.
- Telecommunications.
- Others.

- Some costs are direct-charged when specific services are performed for a product line.

- Most other costs are assigned based on a three-factor formula of assets, labor hours and revenue.

(Dollars in millions)

| | Budgeted | Proposed | Forecast | | | |
|--|----------------|--------------|--------------|--------------|--------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| Net Enterprise Costs | \$ 133.8 | 146.1 | 152.5 | 156.5 | 159.0 | 161.8 |
| <u>Cost Assignment</u> | | | | | | |
| Wholesale Power and Nonprofit Corporations | 32.1 | 33.5 | 34.3 | 34.4 | 34.3 | 34.7 |
| LCRA TSC | 60.8 | 64.4 | 70.5 | 77.8 | 80.1 | 82.3 |
| Water | 5.6 | 5.0 | 7.0 | 7.9 | 7.8 | 7.9 |
| Public Service Fund Activities | 3.6 | 4.4 | 4.5 | 4.8 | 4.8 | 4.9 |
| Strategic Services | 2.9 | 3.5 | 3.4 | 3.4 | 3.4 | 3.5 |
| Capital/Other | 28.8 | 35.3 | 32.8 | 28.2 | 28.5 | 28.5 |
| Total | 133.8 | 146.1 | 152.5 | 156.5 | 159.0 | 161.8 |
| <u>Capital Expenditures</u> | | | | | | |
| Debt-Funded | 0.0 | 25.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Revenue-Funded | 30.2 | 27.2 | 29.6 | 33.6 | 23.4 | 23.8 |
| Third Party or Proceeds-Funded | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Capital | \$ 30.2 | 52.2 | 29.6 | 33.6 | 23.4 | 23.8 |

LCRA Capital Plan – by Status

- Approval of this capital plan authorizes the initiation of all recommended projects at their individually stated lifetime budgets as shown in the plan.
- Staff may bring future projects individually to the Board for approval after scope and cost estimates have been further refined, and staff includes future projects in this document for financial planning purposes.
- Board approval of this plan also authorizes the proposed \$180.6 million budget for FY 2023 capital spending, which includes \$89 million for recommended projects and \$91.6 million for projects the Board approved previously.

FY 2023-FY 2027 Capital Spending for Recommended, Approved and Future Projects

LCRA Total (Excluding LCRA TSC and Including Austin Energy's Share and the City of San Marcos' Share)

(Dollars in millions)

| | Budgeted Proposed | | Forecast | | | | | Five-Year | |
|-----------------------------------|-------------------|--------------|--------------|-------------|-------------|-------------|--------------|--------------|--|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Total | Lifetime | |
| Recommended Projects | \$ | 89.0 | 34.4 | 14.9 | 1.9 | 2.0 | 142.1 | 145.5 | |
| Approved Projects | | 91.6 | 35.5 | 3.7 | 2.5 | 2.8 | 136.2 | 539.3 | |
| Subtotal Recommended and Approved | | 180.6 | 69.9 | 18.6 | 4.4 | 4.8 | 278.3 | 684.8 | |
| Future Projects | | 0.0 | 51.2 | 62.1 | 67.8 | 60.5 | 241.6 | 263.7 | |
| Total FY 2023 Capital Plan | | 180.6 | 121.1 | 80.7 | 72.2 | 65.2 | 519.9 | 948.5 | |
| Less: Co-owners' Shares | | 2.4 | 3.1 | 3.1 | 2.6 | 0.6 | 11.9 | 12.2 | |
| LCRA's Share | | 178.2 | 118.0 | 77.6 | 69.6 | 64.6 | 508.0 | 936.3 | |

Comparison With Previous Plan

| | | | | | | | | | |
|---|----|-------|-------|------|-------|-------|------|-------|-------|
| Total FY 2022 Capital Plan (With Co-owners) | | 113.4 | 76.3 | 88.3 | 80.9 | 77.2 | 0.0 | 436.1 | 804.2 |
| Difference* | \$ | n/a | 104.3 | 32.8 | (0.2) | (5.0) | 65.2 | 83.8 | 144.3 |

*Difference for five-year total is based on a rolling five-year comparison, i.e., FY 2023-FY 2027 spending from the current plan compared with FY 2022-FY 2026 from the plan the Board approved in May 2021.

LCRA TSC Capital Plan – by Status

- Board approval of this plan authorizes the proposed \$488.7 million budget for FY 2023 capital spending, which includes \$214.8 million for projects the Board approved previously and \$273.9 million of potential future projects.
- Staff will bring future projects individually to the Board for approval after scope and cost estimates have been further refined and the budget has been established. Staff includes future projects in this document for financial planning purposes.

FY 2023 Capital Spending for Approved and Future Projects LCRA Transmission Services Corporation

(Dollars in millions)

| | Budgeted | Proposed | Forecast | | | | Five-Year |
|-----------------------------------|----------|--------------|--------------|--------------|--------------|--------------|----------------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Total |
| Approved Projects | \$ | 214.8 | 17.3 | 0.0 | 0.0 | 0.0 | 232.1 |
| Future Projects | | 273.9 | 451.6 | 410.9 | 415.4 | 418.3 | 1,970.1 |
| Total FY 2023 Capital Plan | | 488.7 | 468.9 | 410.9 | 415.4 | 418.3 | 2,202.2 |

Comparison With Previous Plan

| | | | | | | | |
|---------------------------------------|----|-------|-------|-------|--------|-------|---------|
| Total FY 2022 Capital Plan (May 2021) | \$ | 406.8 | 456.3 | 451.6 | 444.5 | 332.4 | 2,091.6 |
| Difference* | | n/a | 32.3 | 17.4 | (33.6) | 83.0 | 110.6 |

*Difference for five-year total is based on a rolling five-year comparison, i.e., FY 2023-FY 2027 spending from the current plan compared with FY 2022-FY 2026 from the plan the Board approved in May 2021 (not compared with the amended FY 2022 spending limit the LCRA TSC Board approved in March 2022 for LCRA TSC).

LCRA Capital Plan – by Business

(Dollars in millions)

- LCRA's share of the total FY 2023 capital budget for recommended, approved and future projects is \$666.8 million. About 26% of that amount will be revenue-funded or third-party or proceeds-funded.
- LCRA's share of the five-year total capital budget, including recommended, approved and future projects, is about \$2.7 billion. About 31% of that amount will be revenue-funded or third-party or proceeds-funded.
- LCRA is using previously reserved funds to fund and accelerate certain critical infrastructure capital projects throughout the organization.

| | Budgeted | Proposed | Forecast | | | |
|--|-----------------|--------------|--------------|--------------|--------------|--------------|
| | | | FY 2022* | FY 2023 | FY 2024 | FY 2025 |
| LCRA Capital Expenditures | | | | | | |
| <u>Revenue-Funded</u> | | | | | | |
| Wholesale Power and Nonprofit Corporations | \$ 6.5 | 14.2 | 10.4 | 9.9 | 11.9 | 9.8 |
| LCRA TSC | 60.0 | 82.3 | 59.6 | 110.6 | 137.9 | 140.8 |
| Water | 7.8 | 9.5 | 6.8 | 6.5 | 7.6 | 6.6 |
| Enterprise Support | 30.2 | 27.2 | 29.6 | 33.6 | 23.4 | 23.8 |
| Public Services | 2.2 | 2.1 | 1.9 | 1.8 | 2.5 | 1.5 |
| Strategic Services | 0.3 | - | 0.2 | 0.2 | 0.1 | 0.1 |
| | 107.0 | 135.3 | 108.6 | 162.7 | 183.2 | 182.7 |
| <u>Debt-Funded</u> | | | | | | |
| Wholesale Power and Nonprofit Corporations | - | - | 9.3 | 3.9 | 4.9 | - |
| LCRA TSC | 359.3 | 397.4 | 406.5 | 300.3 | 277.5 | 277.5 |
| Water | 40.9 | 70.4 | 31.9 | 11.9 | 17.7 | 21.2 |
| Enterprise Support | - | 25.0 | - | - | - | - |
| Strategic Services | 0.9 | 0.2 | 0.3 | 0.4 | 0.5 | 0.5 |
| | 401.1 | 492.9 | 448.1 | 316.5 | 300.6 | 299.2 |
| <u>Third-Party/Proceeds-Funded</u> | | | | | | |
| Wholesale Power and Nonprofit Corporations | 7.7 | 26.3 | 24.0 | 9.0 | - | - |
| LCRA TSC | 25.7 | 9.0 | 2.7 | - | - | - |
| Water | 12.2 | 0.6 | - | 0.3 | 0.3 | 0.3 |
| Enterprise Support | - | - | - | - | - | - |
| Public Services | 1.5 | 2.5 | 3.5 | - | 0.8 | 0.7 |
| Strategic Services | - | 0.3 | - | - | - | - |
| | 47.1 | 38.6 | 30.3 | 9.3 | 1.2 | 1.0 |
| Total LCRA Capital | \$ 555.2 | 666.8 | 586.9 | 488.5 | 485.0 | 482.9 |

*The LCRA TSC Board of Directors in March 2022 approved the amended capital spending limit for LCRA TSC for FY 2022.

LCRA Capital Plan – Approach

Capital Planning Approach

LCRA includes projects in the capital plan with the goal of ensuring LCRA can continue to offer its customers energy, water and public services in a reliable, competitively priced, environmentally responsible and safe manner. Each project undergoes a thorough review by LCRA's Asset Management work group and other staff members who separate the projects into three categories: recommended (projects management has reviewed and recommended for Board approval); approved (projects the Board approved previously); and future (projects staff may recommend implementing within the next five years).

Staff does not submit future projects for Board approval until scope and cost estimates have been further refined, but includes them in this document for financial planning purposes. The cost and timing of future projects presented in this document could change. For this reason, LCRA continues planning activities throughout the year and updates the plan as necessary. LCRA will bring future projects back to the Board for approval.

Determining Need and Financial Analysis

Capital plan projects must support the goals of the business plan within financial parameters established by LCRA's Board and chief financial officer.

LCRA includes projects based on multiple factors, such as current and anticipated demand for LCRA's services and the need to maintain or build facilities or infrastructure to meet those demands. Other factors include compliance with applicable state and federal regulations, safety and security needs, the potential for increased revenues, and better management and protection of natural resources.

Staff has reviewed and analyzed the recommended projects and the projects for which LCRA plans to seek approval during the fiscal year. The project criteria may vary, but typically will involve either a payback period test, net present value analysis or other analyses to ensure the project is the most cost-effective approach. Executive management reviews each project to ensure the project warrants funding and inclusion in the capital plan. When appropriate, affected customers and stakeholders have the opportunity to review and comment on the proposed project scope and budget.

LCRA Capital Plan – Approach (Continued)

Developing Project Estimates

LCRA staff develops project cost estimates. An estimate's accuracy is based on identifying the work and resources necessary to complete the project objectives. Cost estimates are revised and become more accurate as more information regarding the scope and deliverables is available.

The capital planning cycle involves these steps:

- Developing and refining a list of business needs based on planning criteria and asset owner input.
- Defining the scope and approach necessary to address those needs.
- Obtaining cost estimates and performing business analyses to establish a proposed project budget and to evaluate affordability, economic viability, portfolio prioritization and risk.
- Seeking approval of the capital plan to validate strategic direction, establish lifetime and fiscal year budgets, and allow business planning for the future.

LCRA may recommend or seek approval of some projects using less-refined cost estimates because of the timing in determining the specific technology that would be implemented. Projects recommended that have less-refined cost estimates are noted in the project description.

Project Prioritization

LCRA reviews and prioritizes its projects based on criteria that include safety, cost, reliability, competitiveness, environmental considerations and other factors. The appropriate executive reviews staff recommendations.

Projects that are essential to ensure the continued reliable and cost-effective delivery of LCRA services, concern public safety or limit interruption of services receive the highest priority. LCRA also assigns higher priority to projects with regulatory issues that may result in substantial financial impacts for noncompliance, projects already in progress that have a substantial cost to stop, and projects with contractual requirements that could have substantial financial impacts to LCRA.

Medium-priority projects include those in progress that have a moderate financial impact associated with stopping them or have contractual, regulatory or reliability issues that would have a moderate to minimal financial or health and safety impact to LCRA, customers and stakeholders.

LCRA Capital Plan – Approach (Continued)

Project Prioritization (Continued)

A lower-priority project is not unimportant to LCRA or to stakeholders. Staff may assign lower-priority rankings to projects that have a more moderate monetary or stakeholder impact and would have minimal impacts to safety, the environment, contractual obligations or revenue if they were stopped or delayed.

Project Approval and Monitoring

LCRA brings each recommended capital project for the next fiscal year to the LCRA Board for approval with this plan. Board approval authorizes the release of funds to execute the identified projects. However, executives may authorize funding in stages or all at once for the entire project. Staff may bring future projects individually to the Board for approval throughout the fiscal year.

Regardless of the estimating level or the method used to generate the cost estimate, Board policies 301 – Finance and T301 – Finance require the LCRA Board or LCRA TSC Board to approve lifetime budgets for individual projects throughout the fiscal year. Policies 301 and T301 delegate this authority to the CEO, so long as additional funding does not cause total capital expenditures to exceed the approved capital plan or materially adversely impact business planning assumptions.

For any project not previously authorized by the LCRA Board or LCRA TSC Board, Board policies 301 and T301 delegate to the CEO the authority to approve any capital project with a lifetime budget not to exceed \$1.5 million. Board Policy T301 also gives the CEO delegated authority to approve all capital projects associated with generation interconnection projects not previously authorized by the Board, in each case only after the generator has provided appropriate financial security to LCRA TSC for its expenses.

Staff will communicate any CEO-approved projects to the LCRA Board and LCRA TSC Board on a quarterly basis.

LCRA Capital Plan – Approach (Continued)

Project Approval and Monitoring (Continued)

Project Management staff provides to LCRA's executives quarterly capital project status reports on approved projects. Reports include cost variances, estimated completion dates, comparisons of work completed to budget spent, fiscal year spending forecasts and project estimates at completion compared with the current capital plan. The reports also highlight any significant changes to the capital program, including project cancellations, delays and budget-to-actual expenditures.

Capital Plan Approval and Reporting

LCRA Board approval of this capital plan authorizes the initiation of all recommended projects at their individually stated lifetime budgets. These recommended projects include annual budgets for general additions and minor capital. General additions are small capital additions or replacement projects that do not exceed \$500,000. Minor capital budgets are used to fund purchases of equipment that, essentially, is ready to place in service upon delivery, such as fleet assets or technology hardware.

Board approval of this plan also authorizes the proposed \$669.3 million budget for FY 2023 capital spending for recommended, approved and potential future projects. At this time, LCRA is not seeking Board approval for future projects. LCRA will bring any future project determined to require initiation in FY 2023 to the Board for approval individually.

LCRA incorporates spending projections in the capital plan into the financial performance and rate impacts shown in the business plan. Upon approval and throughout FY 2023, LCRA will provide to the Board regular reports on project progress and compliance with the project budgets and fiscal year spending constraints established in the plan.

The following pages include specific project details and proposed lifetime budgets for recommended projects, as well as annual spending projections for approved and future projects.

Note: The dollar amounts in parentheses after the project titles reflect lifetime budgets.

Wholesale Power Projects

Information about Wholesale Power capital projects included in the capital plan is considered confidential and has been removed from this version of the document.

Transmission Projects

Approved and potential future Transmission projects total \$488.7 million in FY 2023 and total \$2.2 billion over the next five years. Staff will bring potential future projects individually to the Board for approval throughout the fiscal year. LCRA TSC projects are required to meet anticipated electric load growth and electric load additions, operating constraints and long-term reliability criteria addressing transmission and transformation needs, as well as reliability of service and equipment reliability limitations, and safety and environmental issues.

To assist in aligning the various goals and associated requirements listed above, the projects are organized in the following categories:

- **General addition projects** are primarily smaller construction projects that maintain electric transmission infrastructure and reliability.
- **Generator interconnection projects** are necessary to facilitate generator interconnections requested by participants in the ERCOT market.
- **Minor capital projects** are primarily for the acquisition of equipment that supports electric transmission needs and, generally, is ready to place in service upon delivery.
- **Service reliability projects** are driven by equipment obsolescence, operational improvements or transmission service reliability needs.
- **System capacity projects** are needed to provide new or increased transmission system capacity.
- **Third-party funded projects** are not driven by utility criteria; instead, external parties that will contribute a substantial portion of the project cost request the projects.

Transmission Projects (Continued)

There are 73 approved projects with expected spending of \$214.8 million in FY 2023. See the appendix for details on LCRA TSC approved projects. This expected spending is categorized below:

LCRA Transmission Services Corporation FY 2023 Capital Plan Approved Projects

(Dollars in millions)

| Planning Category | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year Total |
|------------------------------------|----------|---------|---------|---------|---------|-----------------|
| Generator Interconnection Projects | \$ 6.7 | 8.6 | - | - | - | 15.3 |
| Service Reliability Projects | 117.5 | 1.3 | - | - | - | 118.8 |
| System Capacity Projects | 87.7 | 4.7 | - | - | - | 92.4 |
| Third-Party Funded Projects | 2.9 | 2.7 | - | - | - | 5.6 |
| Approved Subtotal | \$ 214.8 | 17.3 | - | - | - | 232.1 |

Transmission Projects (Continued)

Staff continues to evaluate projects totaling almost \$2 billion of expected spending over the next five years. Staff will bring these projects individually to the Board for approval throughout the fiscal year. This spending is categorized below:

LCRA Transmission Services Corporation FY 2023 Capital Plan Future Projects

(Dollars in millions)

| Planning Category | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year Total |
|------------------------------------|-----------------|--------------|--------------|--------------|--------------|-----------------|
| General Addition Projects | \$ 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 25.0 |
| Generator Interconnection Projects | 8.6 | 15.0 | 18.0 | 18.0 | 18.0 | 77.6 |
| Minor Capital Projects | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 1.6 |
| Service Reliability Projects | 244.1 | 394.1 | 299.3 | 173.7 | 170.5 | 1,281.7 |
| System Capacity Projects | 9.7 | 37.2 | 88.3 | 218.4 | 224.5 | 578.1 |
| Third-Party Funded Projects | 6.1 | - | - | - | - | 6.1 |
| Future Subtotal | \$ 273.9 | 451.6 | 410.9 | 415.4 | 418.3 | 1,970.1 |

Transmission Projects (Continued)

Spending for approved and potential future projects totaling about \$2.2 billion over the next five years is categorized below:

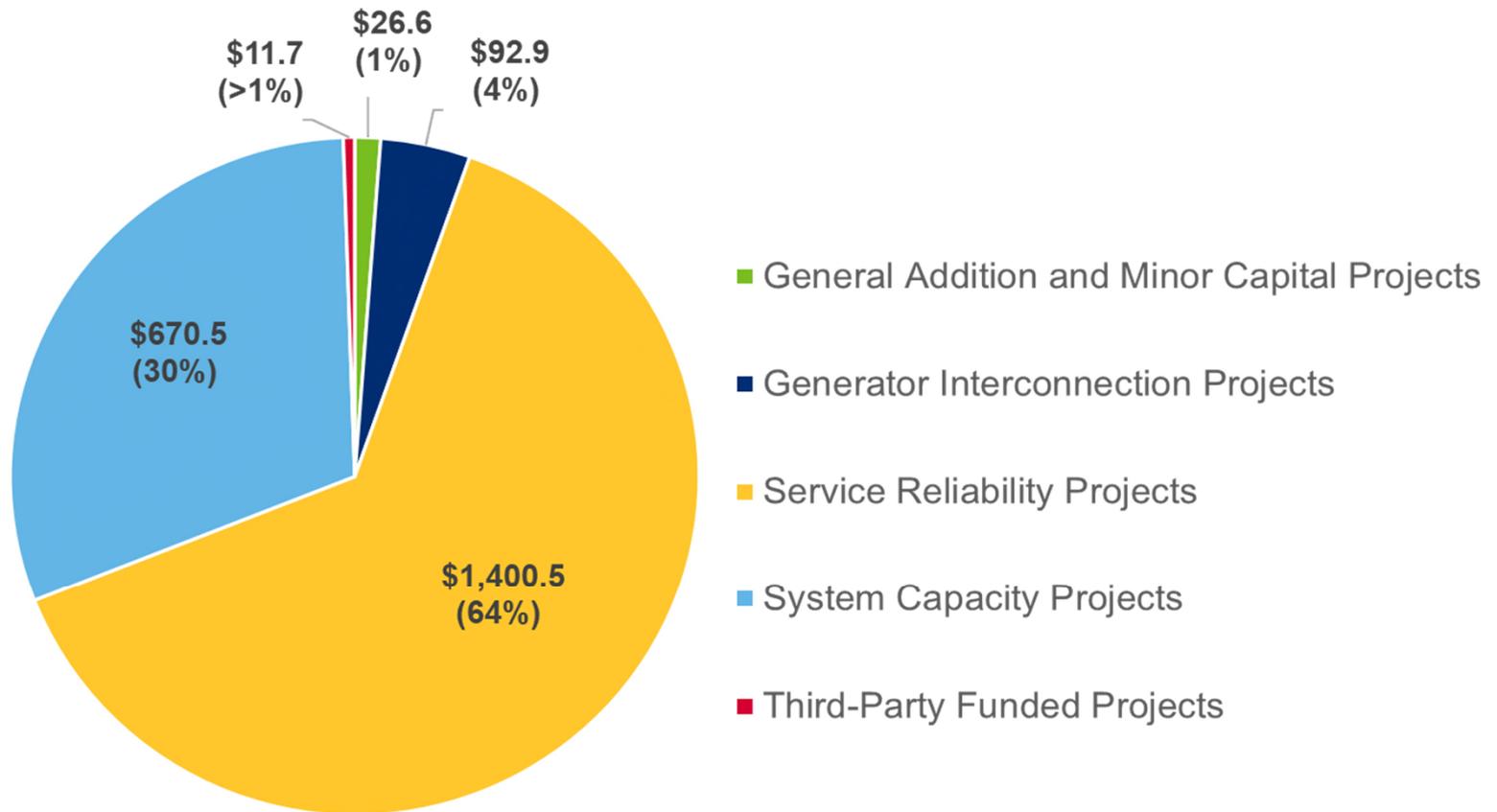
LCRA Transmission Services Corporation FY 2023 Capital Plan Approved and Future Projects

(Dollars in millions)

| Planning Category | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year Total |
|---|-----------------|--------------|--------------|--------------|--------------|-----------------|
| General Addition Projects | \$ 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 25.0 |
| Generator Interconnection Projects | 15.3 | 23.6 | 18.0 | 18.0 | 18.0 | 92.9 |
| Minor Capital Projects | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 1.6 |
| Service Reliability Projects | 361.6 | 395.4 | 299.3 | 173.7 | 170.5 | 1,400.5 |
| System Capacity Projects | 97.4 | 41.9 | 88.3 | 218.4 | 224.5 | 670.5 |
| Third-Party Funded Projects | 9.0 | 2.7 | - | - | - | 11.7 |
| Total LCRA Transmission Services Corporation | \$ 488.7 | 468.9 | 410.9 | 415.4 | 418.3 | 2,202.2 |

Transmission Projects (Continued)

Total spending on Transmission approved and potential future capital projects is about \$2.2 billion over the next five years. This spending is categorized below:



Dollars in millions

Note: Details of the approved projects are shown in the appendix.

Water Projects

Water projects in the capital plan include capital improvements for managing and delivering raw water. This plan focuses resources on managing the river, improving infrastructure – including LCRA’s Hydromet system – and planning to meet the basin’s future water needs.

Recommended and approved Water projects total \$80.5 million in FY 2023 and total \$119.1 million over the next five years through FY 2027. Future projects total \$72.4 million through FY 2027.

FY 2023 Requested Project Budget Increase

Arbuckle Reservoir (\$419 million) – Staff requests an \$86 million increase to the Arbuckle Reservoir project’s lifetime budget from \$333 million to \$419 million. Staff requests this lifetime budget increase to fund the design and construction of the eastern portion of the reservoir seepage barrier and other related items necessary to allow the reservoir to operate safely.

FY 2023 Recommended Projects

General Additions – General addition projects will maintain infrastructure and improve reliability and safety for the following:

- Hydromet (\$350,000).
- Irrigation systems (\$795,000).
- Raw water (\$160,000).

Minor Capital – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- Hydromet (\$180,000).
- Irrigation systems (\$238,000).

Water Projects (Continued)

Water

FY 2023 Capital Plan Recommended and Approved Projects

(Dollars in thousands)

| Project Name | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year | | |
|--|---------|---------|---------|---------|---------|-----------|----------|--|
| | | | | | | Total | Lifetime | |
| Recommended | | | | | | | | |
| General Additions – Hydromet | 350 | - | - | - | - | 350 | 350 | |
| General Additions – Irrigation Systems | 795 | - | - | - | - | 795 | 795 | |
| General Additions – Raw Water | 160 | - | - | - | - | 160 | 160 | |
| Minor Capital – Hydromet | 180 | - | - | - | - | 180 | 180 | |
| Minor Capital – Irrigation Systems | 238 | - | - | - | - | 238 | 238 | |
| Recommended Subtotal | 1,723 | - | - | - | - | 1,723 | 1,723 | |
| Approved | | | | | | | | |
| Arbuckle Reservoir | 60,000 | 26,000 | - | - | - | 86,000 | 419,000 | |
| Buchanan Dam Spalling Concrete Rehabilitation – Phase 3 | 2,155 | 2,155 | 2,470 | 2,470 | 2,785 | 12,035 | 36,000 | |
| Garwood Automated Gates | 373 | - | - | - | - | 373 | 1,100 | |
| Griffith League Ranch Groundwater | 3,419 | - | - | - | - | 3,419 | 8,500 | |
| Lane City Dam Rehabilitation and Hurricane Harvey Recovery | 11,115 | - | - | - | - | 11,115 | 13,760 | |
| Mansfield Dam Paradox Gate Rehabilitation – Phase 2 | 1,105 | 994 | 483 | 60 | - | 2,642 | 10,416 | |
| New Water Supply Projects – Phase 1 | 608 | 400 | 785 | - | - | 1,793 | 6,179 | |
| Approved Subtotal | 78,775 | 29,549 | 3,738 | 2,530 | 2,785 | 117,377 | 494,955 | |

Water Projects (Continued)

Water

FY 2023 Capital Plan Future Projects

(Dollars in thousands)

| Project Name | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year | Lifetime |
|---|---------|---------|---------|---------|---------|-----------|----------|
| | | | | | | Total | |
| Future | | | | | | | |
| Buchanan Dam Intake Structure – Phase 2 | - | 800 | - | - | - | 800 | 800 |
| General Additions – Hydromet | - | 100 | 100 | 100 | 100 | 400 | 400 |
| General Additions – Irrigation Systems | - | 310 | 826 | 310 | 310 | 1,756 | 1,756 |
| General Additions – Raw Water | - | 312 | 150 | 200 | 200 | 862 | 862 |
| Griffith League Ranch Groundwater – Phase 2 | - | 6,500 | 6,500 | - | - | 13,000 | 13,000 |
| Griffith League Ranch Groundwater – Phase 3 | - | - | - | - | 7,000 | 7,000 | 14,000 |
| Gulf Coast Plant No. 1 – Pumps 1 and 2 Replacement | - | - | - | 400 | 600 | 1,000 | 1,000 |
| Lakeside Main Canal Gate Automation | - | - | 300 | 300 | 300 | 900 | 1,500 |
| Mansfield Dam Floodgate Hydraulic Piping | - | - | - | 800 | - | 800 | 800 |
| Mansfield Dam Spillway Spalling | - | - | - | - | 1,000 | 1,000 | 1,000 |
| Mansfield Dam Upstream Ring Follower Gates Rehabilitation – Phase 1 | - | - | 1,200 | - | - | 1,200 | 1,200 |
| Mansfield Dam Upstream Ring Follower Gates Rehabilitation – Phase 2 | - | - | - | 1,200 | 1,200 | 2,400 | 12,000 |
| Matagorda Bay Brackish Groundwater Well | - | 500 | 1,000 | 2,500 | 1,000 | 5,000 | 5,000 |
| Minor Capital – Hydromet | - | 80 | 50 | 50 | 50 | 230 | 230 |
| Minor Capital – Irrigation Systems | - | 502 | 160 | 235 | 135 | 1,032 | 1,032 |
| Minor Capital – Water Resource Management | - | 45 | 50 | 50 | 50 | 195 | 195 |
| New Regional Water Supply Projects – Phase 2 | - | - | 4,613 | 16,864 | 13,379 | 34,856 | 35,700 |
| Future Subtotal | - | 9,149 | 14,949 | 23,009 | 25,324 | 72,431 | 90,475 |
| Total Water | 80,498 | 38,698 | 18,687 | 25,539 | 28,109 | 191,531 | 587,153 |

Public Services Projects

Legislative authority and LCRA's Board provide direction for LCRA staff to develop and manage parks, recreation facilities and natural science centers in LCRA's statutory district, providing public recreation and water access along the lower Colorado River and its tributaries and at LCRA's power plant reservoirs. LCRA's park system includes more than 40 parks on roughly 11,000 acres. The parks enhance the public's use and enjoyment of LCRA lands and provide diverse outdoor recreation and education opportunities.

LCRA's public service funding aims to keep pace with the growing Texas population and expected increase in park visitation, protect natural resources and water quality along the Colorado River, and develop facilities that help achieve LCRA's cost-recovery goals for parks. As part of this development, staff seeks approval of using the Public Recreation and Conservation Land Acquisition Fund to fund capital in the first three years of the plan.

Recommended and approved Public Services projects total \$4.5 million in FY 2023 and total \$9.1 million over the next five years through FY 2027. Future projects total \$8.3 million through FY 2027.

FY 2023 Recommended Projects

Black Rock Park Improvements (\$5.6 million) – The project scope includes adding new revenue-generating amenities to take advantage of the continued rise in outdoor tourism. Amenities include full-service cabins, elevated campsites, RV campsites, a retail area, shade structures and other enhancements. The project also will expand the Wi-Fi for LCRA staff and add new entrance signs and restroom facilities. Staff is recommending that \$4.28 million of the \$5.6 million lifetime budget be funded from the Public Recreation and Conservation Land Acquisition Fund.

Matagorda Bay Facility Improvements (\$820,000) – The project scope is to repair storm damage and make improvements to the restroom facilities. The project includes installing new wall tile, tile flooring, plumbing fixtures, electrical fixtures, toilet partitions and countertops in the restroom facilities at the Natural Science Center, RV camping area and Jetty Park.

Public Services Projects (Continued)

FY 2023 Recommended Projects (Continued)

General Additions – General addition projects will maintain infrastructure and make strategic improvements to enhance customer service in the following area:

- Parks (\$940,000).

Minor Capital – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- Parks (\$773,000). Staff is recommending that \$660,000 of the \$773,000 be funded from the Public Recreation and Conservation Land Acquisition Fund.
- Other Public Services (\$502,000).

Public Services Projects (Continued)

Public Services

FY 2023 Capital Plan Recommended, Approved and Future Projects

(Dollars in thousands)

| Project Name | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year Total | Lifetime |
|--|--------------|--------------|--------------|--------------|--------------|-----------------|---------------|
| Recommended | | | | | | | |
| Parks | | | | | | | |
| Black Rock Park Improvements | 1,000 | 4,100 | 500 | - | - | 5,600 | 5,600 |
| General Additions | 940 | - | - | - | - | 940 | 940 |
| Matagorda Bay Facility Improvements | 820 | - | - | - | - | 820 | 820 |
| Minor Capital | 773 | - | - | - | - | 773 | 773 |
| Other Public Services | | | | | | | |
| Minor Capital | 502 | - | - | - | - | 502 | 502 |
| Recommended Subtotal | 4,035 | 4,100 | 500 | - | - | 8,635 | 8,635 |
| Approved | | | | | | | |
| Parks | | | | | | | |
| Matagorda Bay Nature Park Improvements | 500 | - | - | - | - | 500 | 6,915 |
| Approved Subtotal | 500 | - | - | - | - | 500 | 6,915 |
| Future | | | | | | | |
| Parks | | | | | | | |
| General Additions | - | 150 | 335 | 550 | 273 | 1,308 | 1,308 |
| Grelle Recreation Area Improvements | - | - | 700 | 2,300 | - | 3,000 | 3,000 |
| Minor Capital | - | 526 | 227 | 230 | 801 | 1,784 | 1,784 |
| North Shore Park Improvements | - | 500 | - | - | - | 500 | 500 |
| Turkey Bend Recreation Area Improvements | - | - | - | - | 950 | 950 | 5,000 |
| Other Public Services | | | | | | | |
| Minor Capital | - | 190 | 86 | 248 | 184 | 708 | 708 |
| Future Subtotal | - | 1,366 | 1,348 | 3,328 | 2,208 | 8,250 | 12,300 |
| Total Public Services | 4,535 | 5,466 | 1,848 | 3,328 | 2,208 | 17,385 | 27,850 |

Strategic Services Projects

Recommended Strategic Services projects total \$480,000 in FY 2023 and over the next five years through FY 2027. Future projects total \$2.3 million through FY 2027.

FY 2023 Recommended Projects

General Additions – General addition projects will maintain infrastructure and make strategic improvements to enhance customer service in the following area:

- Telecommunications (\$180,000).

Minor Capital – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- LCRA Environmental Laboratory Services (\$300,000).

Strategic Services Projects (Continued)

Strategic Services

FY 2023 Capital Plan Recommended and Future Projects

(Dollars in thousands)

| Project Name | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year Total | Lifetime |
|---|------------|------------|------------|------------|------------|--------------------|--------------|
| Recommended | | | | | | | |
| LCRA Environmental Laboratory Services | | | | | | | |
| Minor Capital | 300 | - | - | - | - | 300 | 405 |
| Telecommunications | | | | | | | |
| General Additions | 180 | - | - | - | - | 180 | 180 |
| Recommended Subtotal | 480 | - | - | - | - | 480 | 585 |
| Future | | | | | | | |
| LCRA Environmental Laboratory Services | | | | | | | |
| Minor Capital | - | 150 | 216 | 137 | 105 | 608 | 608 |
| Telecommunications | | | | | | | |
| General Additions | - | 290 | 400 | 520 | 510 | 1,720 | 1,720 |
| Future Subtotal | - | 440 | 616 | 657 | 615 | 2,328 | 2,328 |
| Total Strategic Services | 480 | 440 | 616 | 657 | 615 | 2,808 | 2,913 |

Enterprise Support Projects

Enterprise Support capital projects provide the facility services, telecommunications and information technology infrastructure that support the business operations of the organization. LCRA's power, transmission and water rates fund the projects, which makes predicting costs to include in LCRA's rates especially important. Unless an emergency arises, LCRA adjusts Enterprise Support priorities throughout the year to stay within the approved capital plan budget for each fiscal year instead of seeking additional funding authority from the Board.

Recommended and approved Enterprise Support projects total \$52.2 million in FY 2023 and total \$54 million over the next five years through FY 2027. Future projects total \$108.6 million through FY 2027.

FY 2023 Recommended Projects

Communications Shelter Addition – FY 2023 Telecommunications Upgrade (\$2.3 million) – The project scope is to install telecommunications shelters, fiber patch panels, power supply equipment and generators at five fiber backbone facilities. The project will increase the reliability and flexibility of LCRA's telecommunications system and make the system more maintainable.

DWDM Build-out – FY 2023 Telecommunications Upgrade (\$890,000) – The project scope is to improve telecommunication system capacity and reliability by expanding the dense wavelength division multiplexing system to seven sites west of Interstate 35. The equipment will provide increased bandwidth across the fiber backbone and provide alternate circuit paths for telecommunications traffic.

Geographic Information System/Maximo Integration (\$640,000) – The project scope is to purchase and implement additional Clearion modules and the IBM Maximo Spatial solution to enable the integration of Maximo and Clearion. This project will increase accuracy in the scheduling, funding and reporting of maintenance activities in shared right-of-way corridors.

Enterprise Support Projects (Continued)

FY 2023 Recommended Projects (Continued)

Network Stratification – FY 2023 Telecommunications Upgrade (\$600,000) – The project scope is to improve the reliability and operational efficiency of LCRA’s telecommunications system and make it easier to maintain by separating the LCRA corporate network connectivity from LCRA business units with critical traffic at eight locations.

Telecommunications Technology – FY 2023 System Upgrade (\$25 million) – The project scope is to begin a multiyear transition to next generation wireless technology that will improve the reliability, capacity and capability of LCRA’s telecommunications system, as well as make the system more maintainable.

General Additions – General addition projects will maintain infrastructure and improve reliability and safety for the following:

- Digital Services (\$1 million).
- Facilities (\$990,000).
- Public Safety (\$120,000).
- Telecommunications (\$1.75 million).

Minor Capital – The scope of minor capital projects is to purchase equipment that, essentially, is ready to place in service upon delivery for the following:

- Digital Services (\$1.386 million).
- Facilities (\$660,000).
- Public Safety (\$535,000).
- Telecommunications (\$1.08 million).
- Transmission support (\$11.4 million).

Enterprise Support Projects (Continued)

Enterprise Support

FY 2023 Capital Plan Recommended Projects

(Dollars in thousands)

| Project Name | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year | |
|--|---------|---------|---------|---------|---------|-----------|----------|
| | | | | | | Total | Lifetime |
| Recommended | | | | | | | |
| Digital Services | | | | | | | |
| General Additions | 1,000 | - | - | - | - | 1,000 | 1,000 |
| Geographic Information System and Maximo Integration | 640 | - | - | - | - | 640 | 640 |
| Minor Capital | 1,386 | - | - | - | - | 1,386 | 1,386 |
| Facilities | | | | | | | |
| General Additions | 990 | - | - | - | - | 990 | 990 |
| Minor Capital | 660 | - | - | - | - | 660 | 660 |
| Public Safety | | | | | | | |
| General Additions | 120 | - | - | - | - | 120 | 120 |
| Minor Capital | 535 | - | - | - | - | 535 | 535 |
| Telecommunications | | | | | | | |
| Communications Shelter Addition – FY 2023 Telecommunications Upgrade | 2,300 | - | - | - | - | 2,300 | 2,300 |
| DWDM Build-Out – FY 2023 Telecommunications Upgrade | 890 | - | - | - | - | 890 | 890 |
| General Additions | 1,750 | - | - | - | - | 1,750 | 1,750 |
| Minor Capital | 1,080 | - | - | - | - | 1,080 | 1,080 |
| Network Stratification – FY 2023 Telecommunications Upgrade | 600 | - | - | - | - | 600 | 600 |
| Telecommunications Technology – FY 2023 System Upgrade | 25,000 | - | - | - | - | 25,000 | 25,000 |
| Transmission Support | | | | | | | |
| Minor Capital | 11,400 | - | - | - | - | 11,400 | 11,400 |
| Recommended Subtotal | 48,351 | - | - | - | - | 48,351 | 48,351 |

Enterprise Support Projects (Continued)

Enterprise Support

FY 2023 Capital Plan Approved and Future Projects

(Dollars in thousands)

| Project Name | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year Total | Lifetime |
|--|---------|---------|---------|---------|---------|-----------------|----------|
| Approved | | | | | | | |
| Digital Services | | | | | | | |
| Core Switch Upgrade | 53 | - | - | - | - | 53 | 500 |
| Edge Network Upgrade | 1,131 | 997 | - | - | - | 2,128 | 3,500 |
| Network Architecture Security | 1,042 | - | - | - | - | 1,042 | 3,900 |
| Telecommunications | | | | | | | |
| Communications Shelter Addition – FY 2022 Telecommunications Upgrade | 107 | - | - | - | - | 107 | 2,507 |
| Fayette County Network Telecommunications Upgrade | 498 | - | - | - | - | 498 | 658 |
| Hydro Video Infrastructure Telecommunications Upgrade | 19 | - | - | - | - | 19 | 303 |
| Network Stratification – FY 2022 Telecommunications Upgrade | 35 | - | - | - | - | 35 | 325 |
| Radio System Migration – FY 2021 Telecommunications Upgrade | 724 | 762 | - | - | - | 1,486 | 2,240 |
| Radio System Power – FY 2022 Telecommunications Upgrade | 247 | - | - | - | - | 247 | 447 |
| San Angelo Area Radio System Additions | 10 | - | - | - | - | 10 | 778 |
| Approved Subtotal | 3,866 | 1,759 | - | - | - | 5,625 | 15,158 |
| Future | | | | | | | |
| Digital Services | | | | | | | |
| Asset and Work Management | - | - | 1,000 | - | - | 1,000 | 1,000 |
| Energy Trade and Deal Capture | - | - | 1,000 | - | - | 1,000 | 1,000 |
| Enterprise Resource Planning System | - | - | 2,000 | - | - | 2,000 | 2,000 |
| General Additions | - | 1,000 | 1,000 | 3,000 | 3,000 | 8,000 | 8,000 |
| Generation Management System | - | 1,200 | - | - | - | 1,200 | 1,200 |
| Minor Capital | - | 1,050 | 1,050 | 1,050 | 1,050 | 4,200 | 4,200 |
| PeopleSoft Commitment Accounting | - | - | 500 | - | - | 500 | 500 |
| Security Information and Event Management | - | - | 2,000 | - | - | 2,000 | 2,000 |
| Virtual Private Network | - | 500 | - | - | - | 500 | 500 |

Enterprise Support Projects (Continued)

Enterprise Support

FY 2023 Capital Plan Future Projects

(Dollars in thousands)

| Project Name | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year Total | Lifetime |
|---|---------|---------|---------|---------|---------|-----------------|----------|
| Future (continued) | | | | | | | |
| Facilities | | | | | | | |
| General Additions | - | 600 | 900 | 350 | 500 | 2,350 | 2,350 |
| General Office Complex Main Chillers 1 and 2 Upgrades | - | - | - | 200 | 900 | 1,100 | 1,100 |
| General Office Complex Redbud Building Uninterrupted Power Supply Replacement | - | 100 | 425 | - | - | 525 | 525 |
| Minor Capital | - | 1,235 | 962 | 1,781 | 2,125 | 6,103 | 6,103 |
| Public Safety | | | | | | | |
| Minor Capital | - | 761 | 393 | 369 | 368 | 1,891 | 1,891 |
| Physical Access Control System – Phase 5 | - | 500 | - | - | - | 500 | 500 |
| Telecommunications | | | | | | | |
| Communications Shelter Addition – FY 2024 Telecommunications Upgrade | - | 2,300 | - | - | - | 2,300 | 2,300 |
| Communications Shelter Addition – FY 2025 Telecommunications Upgrade | - | - | 2,300 | - | - | 2,300 | 2,300 |
| Communications Shelter Addition – FY 2026 Telecommunications Upgrade | - | - | - | 2,300 | - | 2,300 | 2,300 |
| Communications Shelter Addition – FY 2027 Telecommunications Upgrade | - | - | - | - | 2,300 | 2,300 | 2,300 |
| DWDM Build-Out – FY 2024 Telecommunications Upgrade | - | 700 | - | - | - | 700 | 700 |
| DWDM Build-Out – FY 2025 Telecommunications Upgrade | - | - | 700 | - | - | 700 | 700 |
| DWDM Build-Out – FY 2026 Telecommunications Upgrade | - | - | - | 700 | - | 700 | 700 |
| DWDM Build-Out – FY 2027 Telecommunications Upgrade | - | - | - | - | 700 | 700 | 700 |
| Far West Radio Telecommunications Upgrades | - | - | 800 | 800 | 800 | 2,400 | 2,400 |
| General Additions | - | 1,350 | 1,350 | 1,350 | 1,350 | 5,400 | 5,400 |
| Hi Cross-Austin Fiber – FY 2025 Telecommunications Upgrade | - | - | 500 | - | - | 500 | 500 |
| Hi Cross-Austin Fiber – FY 2026 Telecommunications Upgrade | - | - | - | 700 | - | 700 | 700 |
| Hilbig Gas Storage Facility Transport – FY 2024 Telecommunications Upgrade | - | 525 | - | - | - | 525 | 525 |
| Hilbig Gas Storage Facility Transport – FY 2025 Telecommunications Upgrade | - | - | 400 | - | - | 400 | 400 |
| Llano Network Telecommunications Upgrade | - | 600 | 400 | - | - | 1,000 | 1,000 |

Enterprise Support Projects (Continued)

Enterprise Support

FY 2023 Capital Plan Future Projects

(Dollars in thousands)

| Project Name | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year Total | Lifetime |
|---|---------------|---------------|---------------|---------------|---------------|--------------------|----------------|
| Future (continued) | | | | | | | |
| Telecommunications (continued) | | | | | | | |
| Minor Capital | - | 696 | 950 | 753 | 753 | 3,152 | 3,152 |
| Network Stratification – FY 2024 Telecommunications Upgrade | - | 500 | - | - | - | 500 | 500 |
| Radio Subscriber – FY 2025 Telecommunications Upgrade | - | - | 700 | - | - | 700 | 700 |
| Radio System Core Telecommunications Upgrade | - | 1,000 | 1,000 | - | - | 2,000 | 2,000 |
| Radio System Migration – FY 2024 Telecommunications Upgrade | - | 1,250 | 1,250 | - | - | 2,500 | 2,500 |
| Transmission Support | | | | | | | |
| Minor Capital | - | 12,000 | 12,000 | 10,000 | 10,000 | 44,000 | 44,000 |
| Future Subtotal | - | 27,867 | 33,580 | 23,353 | 23,846 | 108,646 | 108,646 |
| Total Enterprise Support | 52,217 | 29,626 | 33,580 | 23,353 | 23,846 | 162,622 | 172,155 |

Appendix

LCRA Consolidated

(Including Nonprofit Corporations)

(Dollars in millions)

| | Budgeted | Proposed | Forecast | | | |
|--|------------|----------|----------|---------|---------|---------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| Revenues | | | | | | |
| Total Net Revenue¹ | \$ 1,039.3 | 1,139.3 | 1,161.9 | 1,295.4 | 1,373.4 | 1,418.9 |
| Expenses | | | | | | |
| Total Net Expense¹ | 572.9 | 658.8 | 678.7 | 704.6 | 743.4 | 770.9 |
| Net Operating Margin | 466.4 | 480.5 | 483.2 | 590.8 | 630.0 | 648.0 |
| Less: GenTex Funds ² | (3.2) | (8.7) | (0.1) | (0.8) | (2.1) | (1.0) |
| Net Margin for Debt Service, Adjusted | 463.2 | 471.8 | 483.1 | 590.0 | 627.9 | 647.0 |
| Debt Service | \$ 325.3 | 326.0 | 345.6 | 395.9 | 412.8 | 431.5 |
| Debt Service Coverage, Adjusted | 1.42x | 1.45x | 1.40x | 1.49x | 1.52x | 1.50x |
| Net Margin After Debt Service³ | \$ 141.2 | 154.5 | 137.6 | 194.9 | 217.2 | 216.4 |
| Less: | | | | | | |
| Operating Reserves | 23.4 | 36.4 | 27.1 | 22.4 | 20.6 | 16.8 |
| Revenue-Funded Capital | 107.0 | 135.3 | 108.6 | 162.6 | 183.2 | 182.7 |
| Noncash Revenue | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 1.9 |
| Restricted for (Use of) Reserves | 2.5 | (22.6) | (3.4) | 4.5 | 8.0 | 8.8 |
| Restricted for Capital/Debt Retirement | 3.2 | 0.3 | 0.2 | 0.2 | 0.2 | 3.7 |
| Grants | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| Net Cash Flow | \$ 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

¹ Total net revenues and total net expenses are net of intracompany transfers. Total revenues include interest income. Operations and maintenance expense excludes the LCRA TSC capital charge, which is a capital expense for LCRA consolidated.

² Includes adjustments related to GenTex capital funding and reserve funding.

³ Net margin after debt service includes funds dedicated to GenTex.

Wholesale Power (Including Nonprofit Corporations)

**Confidential competitive electric information has been
removed from this version of the document.**

LCRA TSC

(Dollars in millions)

| | Budgeted | Proposed | Forecast | | | |
|---|-----------------|--------------|--------------|--------------|--------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| Revenues | \$ 538.8 | 565.1 | 587.5 | 697.4 | 740.4 | 768.5 |
| Operations and Maintenance | 136.7 | 143.1 | 150.4 | 148.1 | 153.9 | 157.7 |
| Net Operating Margin | 402.2 | 422.0 | 437.2 | 549.3 | 586.6 | 610.8 |
| Plus: Interest Income | 1.1 | 0.8 | 1.3 | 2.0 | 2.8 | 2.7 |
| Less: Assigned Enterprise Expense | 60.8 | 64.4 | 70.5 | 77.8 | 80.1 | 82.3 |
| Public Service Fund | 16.2 | 17.0 | 17.6 | 20.9 | 22.2 | 23.1 |
| Resource Development Fund | 10.8 | 11.3 | 11.8 | 13.9 | 14.8 | 15.4 |
| Net Margin Available for Debt Service | 315.6 | 330.2 | 338.6 | 438.6 | 472.2 | 492.8 |
| Debt Service | \$ 231.6 | 242.7 | 257.1 | 306.8 | 323.3 | 340.3 |
| Debt Service Coverage | 1.36x | 1.36x | 1.32x | 1.43x | 1.46x | 1.45x |
| Net Margin After Debt Service | \$ 83.9 | 87.4 | 81.4 | 131.8 | 148.9 | 152.6 |
| Less: | | | | | | |
| Operating Reserves | 12.1 | 14.7 | 13.5 | 12.2 | 10.6 | 9.8 |
| Assigned Enterprise Capital | 14.4 | 11.6 | 12.0 | 14.8 | 9.8 | 10.0 |
| Assigned Transmission Minor Capital | 9.2 | 11.3 | 11.9 | 11.9 | 9.9 | 9.9 |
| Revenue-Funded Capital | 60.0 | 82.3 | 59.6 | 110.6 | 137.9 | 140.8 |
| Transfer to LCRA | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Plus: | | | | | | |
| Amortization of Enterprise/Minor Capital ¹ | 12.8 | 13.5 | 15.6 | 17.8 | 19.4 | 18.0 |
| Asset Sale | 0.0 | 19.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Cash Flow | \$ 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

¹ In FY 2012, LCRA TSC began funding minor capital and its share of enterprise capital with current year revenues. It will include an amortization of the amount in each year to recover in rates.

Water

(Dollars in millions)

| | Budgeted | Proposed | Forecast | | | |
|--|----------------|--------------|--------------|--------------|--------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| Revenues | | | | | | |
| Firm Water | \$ 26.2 | 27.9 | 27.9 | 28.7 | 29.9 | 30.0 |
| Agriculture | 9.7 | 9.1 | 9.6 | 10.3 | 12.1 | 13.6 |
| Other | 3.0 | 2.7 | 2.1 | 2.0 | 2.0 | 1.9 |
| Total Revenues | 38.9 | 39.8 | 39.6 | 40.9 | 43.9 | 45.5 |
| Operations and Maintenance | 18.9 | 18.2 | 17.5 | 17.8 | 18.0 | 18.2 |
| Net Operating Margin | 20.0 | 21.6 | 22.1 | 23.2 | 25.9 | 27.3 |
| Plus: Interest Income | 0.6 | 0.8 | 1.0 | 1.2 | 1.3 | 1.4 |
| Less: Assigned Enterprise Expense | 5.6 | 5.0 | 7.0 | 7.9 | 7.8 | 7.9 |
| Public Service Fund | 1.1 | 1.1 | 1.1 | 1.2 | 1.3 | 1.3 |
| Resource Development Fund | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Net Margin Available for Debt Service | 13.3 | 15.8 | 14.4 | 14.7 | 17.6 | 18.9 |
| Debt Service | \$ 18.3 | 21.0 | 23.7 | 24.3 | 24.6 | 26.3 |
| Debt Service Coverage | 0.73x | 0.75x | 0.61x | 0.60x | 0.71x | 0.72x |
| Plus: Resource Development Funding | \$ 13.5 | 14.9 | 16.2 | 16.5 | 16.6 | 16.7 |
| Debt Service Coverage, Adjusted | 1.47x | 1.46x | 1.29x | 1.28x | 1.39x | 1.35x |
| Net Margin After Debt Service | 8.6 | 9.7 | 6.9 | 6.9 | 9.6 | 9.3 |
| Less: | | | | | | |
| Operating Reserves | 0.6 | 0.0 | 0.4 | 0.3 | 0.0 | 0.1 |
| Assigned Enterprise Capital | 1.0 | 0.7 | 0.7 | 0.9 | 0.6 | 0.7 |
| Revenue-Funded Capital | 7.8 | 9.5 | 6.8 | 6.5 | 7.6 | 6.6 |
| Noncash Revenues | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| Plus: | | | | | | |
| Agricultural Reserve | 2.7 | 2.4 | 2.8 | 2.6 | 0.5 | 0.0 |
| Net Cash Flow | \$ 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Strategic Services

(Dollars in millions)

| | Budgeted | Proposed | Forecast | | | |
|--------------------------------------|---------------|--------------|--------------|------------|------------|------------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| Revenues | \$ 12.0 | 21.7 | 14.6 | 14.8 | 15.2 | 15.4 |
| Operations and Maintenance | 8.4 | 19.0 | 11.9 | 9.4 | 9.6 | 9.6 |
| Net Operating Margin | 3.6 | 2.7 | 2.7 | 5.4 | 5.6 | 5.8 |
| Less: Assigned Enterprise Expense | 2.9 | 3.5 | 3.4 | 3.4 | 3.4 | 3.5 |
| Public Service Fund | 0.3 | 0.6 | 0.4 | 0.4 | 0.5 | 0.5 |
| Resource Development Fund | 0.1 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 |
| Net Margin Available | \$ 0.2 | (1.9) | (1.4) | 1.2 | 1.4 | 1.5 |
| Debt Service | \$ 0.0 | 0.0 | 0.2 | 0.2 | 0.2 | 0.2 |
| Net Margin After Debt Service | 0.2 | (1.9) | (1.6) | 1.1 | 1.3 | 1.3 |
| Less: | | | | | | |
| Operating Reserves | 0.0 | 2.6 | 0.4 | 0.2 | 0.6 | 0.7 |
| Revenue-Funded Capital | 0.3 | 0.0 | 0.2 | 0.2 | 0.1 | 0.1 |
| Assigned Enterprise Capital | 0.6 | 0.6 | 0.6 | 0.7 | 0.5 | 0.4 |
| Assigned Transmission Minor Capital | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Plus: | | | | | | |
| Prior-Year Reserves | 0.7 | 5.1 | 2.8 | 0.1 | 0.0 | 0.0 |
| Net Cash Flow | \$ 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

LCRA TSC Approved Projects

LCRA Transmission Services Corporation

FY 2023 Capital Plan Approved Projects

(Dollars in thousands)

| Project Name | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year Total | Lifetime |
|---|---------|---------|---------|---------|---------|-----------------|----------|
| Generation Interconnection Projects | | | | | | | |
| Cedar Canyon Circuit Breaker Addition | 54 | - | - | - | - | 54 | 5,100 |
| King Mountain Substation Upgrade | 211 | - | - | - | - | 211 | 3,827 |
| Muldoon Substation Addition | 6,185 | 27 | - | - | - | 6,212 | 8,200 |
| Twelvemile Substation Addition | 290 | 8,567 | - | - | - | 8,857 | 8,857 |
| Generation Interconnection Projects Subtotal | 6,740 | 8,594 | - | - | - | 15,334 | 25,984 |
| Service Reliability Projects | | | | | | | |
| Asphalt Mines Substation Addition | 1,307 | - | - | - | - | 1,307 | 2,416 |
| Autotransformer Monitoring – FY 2022 Telecommunications Upgrade | 10 | - | - | - | - | 10 | 700 |
| Bastrop West-Split Transmission Line Storm Hardening | 3,220 | 10 | - | - | - | 3,230 | 4,000 |
| Buchanan CTEC-Buchanan Transmission Line Overhaul | 445 | - | - | - | - | 445 | 8,800 |
| Bypass Switch Addition Substation Upgrade | 10 | - | - | - | - | 10 | 1,700 |
| Capacitor Bank – FY 2022 Substation Upgrade | 10 | - | - | - | - | 10 | 1,200 |
| Circuit Switcher – FY 2022 Substation Upgrade | 2,744 | - | - | - | - | 2,744 | 3,600 |
| Clear Fork-Robert Brown Jr. Transmission Line Overhaul | 256 | - | - | - | - | 256 | 8,731 |
| Clear Springs No. 2 Autotransformer Upgrade | 100 | - | - | - | - | 100 | 6,800 |
| Coronado-Fairland Transmission Line Upgrade | 55 | - | - | - | - | 55 | 7,600 |
| Coronado-Sherwood Shores Transmission Line Storm Hardening | 40 | - | - | - | - | 40 | 16,556 |
| Easement Enhancement – FY 2019 System Upgrade | 10 | - | - | - | - | 10 | 4,147 |
| El Campo-Ricebird Transmission Line Storm Hardening | 6,363 | - | - | - | - | 6,363 | 10,000 |
| Fairland-Lago Vista Transmission Line Upgrade | 12,279 | 11 | - | - | - | 12,290 | 13,700 |
| Fayetteville Substation Upgrade | 32 | - | - | - | - | 32 | 19,452 |
| Gabriel Substation Upgrade | 10 | - | - | - | - | 10 | 23,696 |
| Gonzales-Hochheim Tap Transmission Line Overhaul | 23,668 | - | - | - | - | 23,668 | 24,900 |
| Graphite Mine Circuit Breaker Addition | 85 | - | - | - | - | 85 | 13,834 |
| Harper Road-Jack Furman Transmission Line Storm Hardening | 4,281 | - | - | - | - | 4,281 | 5,800 |
| Hays Energy-Kendall Easement Enhancement System Upgrade | 750 | - | - | - | - | 750 | 1,500 |
| Hi Cross-Marshall Ford Transmission Line Relocation | 64 | - | - | - | - | 64 | 1,800 |

LCRA TSC Approved Projects (Continued)

LCRA Transmission Services Corporation FY 2023 Capital Plan Approved Projects

(Dollars in thousands)

| Project Name | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year | |
|--|---------|---------|---------|---------|---------|-----------|----------|
| | | | | | | Total | Lifetime |
| Service Reliability Projects (continued) | | | | | | | |
| Hortontown Substation Upgrade | 10 | - | - | - | - | 10 | 5,000 |
| Instrument Transformer – FY 2021 Substation Upgrade | 152 | - | - | - | - | 152 | 1,265 |
| Instrument Transformer – FY 2022 Substation Upgrade | 748 | 1,000 | - | - | - | 1,748 | 2,100 |
| Kempner Circuit Breaker Addition | 118 | - | - | - | - | 118 | 10,612 |
| Kendall-Mountain Top Fiber Restoration and Upgrade | 26 | - | - | - | - | 26 | 4,700 |
| Kerville Stadium Substation Upgrade | 1,483 | 10 | - | - | - | 1,493 | 2,000 |
| Lampasas Substation Upgrade | 3,890 | - | - | - | - | 3,890 | 14,200 |
| LCRA TSC Fiber Build-out – FY 2019 Telecommunications Upgrade | 5,769 | - | - | - | - | 5,769 | 51,061 |
| Lightning Protection Substation Upgrade | 944 | - | - | - | - | 944 | 2,500 |
| Lockhart-Luling Transmission Line Overhaul | 1,077 | 17 | - | - | - | 1,094 | 1,438 |
| Lockhart-Red Rock Transmission Line Overhaul | 11,879 | 10 | - | - | - | 11,889 | 13,500 |
| Lockhart-Split Transmission Line Upgrade | 6,506 | 18 | - | - | - | 6,524 | 8,000 |
| Magnolia Mercer Circuit Breaker Addition | 10 | - | - | - | - | 10 | 7,812 |
| Marion Autotransformer Upgrade | 9,079 | - | - | - | - | 9,079 | 14,400 |
| Microwave Optimization – FY 2022 Telecommunications Upgrade | 124 | - | - | - | - | 124 | 400 |
| Mobile Substation Power Transformer Addition | 1,692 | - | - | - | - | 1,692 | 3,800 |
| Multiprotocol Label Switching Network Timing Telecommunications Upgrade | 10 | - | - | - | - | 10 | 600 |
| Obsolete Circuit Breaker Replacement – FY 2019 Substation Upgrade | 915 | - | - | - | - | 915 | 2,979 |
| Out-of-Band Management Switch Replacement – FY 2022 Telecommunications Upgrade | 727 | - | - | - | - | 727 | 2,600 |
| Physical Security – FY 2021 Substation Upgrade | 11 | - | - | - | - | 11 | 13,400 |
| Physical Security – FY 2022 Substation Upgrade | 2,484 | 39 | - | - | - | 2,523 | 5,400 |
| Protective Relaying – FY 2021 System Upgrade | 12 | - | - | - | - | 12 | 5,400 |
| Red Rock-Tahitian Village Transmission Line Overhaul | 232 | - | - | - | - | 232 | 15,700 |
| Remote Terminal Unit – FY 2022 Substation Upgrade | 229 | - | - | - | - | 229 | 2,600 |
| Remote Terminal Unit MPLS Migration – FY 2021 Telecommunications Upgrade | 10 | - | - | - | - | 10 | 1,360 |
| Robert Brown Jr.-San Marcos Transmission Line Overhaul | 346 | - | - | - | - | 346 | 6,306 |
| Sandy Creek Autotransformer Upgrade | 1,942 | 117 | - | - | - | 2,059 | 3,600 |

LCRA TSC Approved Projects (Continued)

LCRA Transmission Services Corporation

FY 2023 Capital Plan Approved Projects

(Dollars in thousands)

| Project Name | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | Five-Year Total | Lifetime |
|--|----------------|---------------|----------|----------|----------|-----------------|----------------|
| Service Reliability Projects (continued) | | | | | | | |
| Sim Gideon-Tahitian Village Transmission Line Storm Hardening | 8,708 | 41 | - | - | - | 8,749 | 10,300 |
| Switch Automation – FY 2022 Substation Upgrade | 451 | 10 | - | - | - | 461 | 2,300 |
| System Operations Control Center Backup Center System Upgrade | 1,729 | - | - | - | - | 1,729 | 2,100 |
| System Operations Control Center Outage Coordination Tool System Upgrade | 138 | - | - | - | - | 138 | 1,890 |
| Transmission Metering – FY 2020 Substation Upgrade | 126 | - | - | - | - | 126 | 2,060 |
| Transport Network Power – FY 2021 Telecommunications Upgrade | 10 | - | - | - | - | 10 | 531 |
| Transport Network Power – FY 2022 Telecommunications Upgrade | 111 | - | - | - | - | 111 | 600 |
| Turtle Creek-Verde Creek Transmission Line Overhaul | 21 | - | - | - | - | 21 | 9,779 |
| Weimar Circuit Breaker Addition | 21 | - | - | - | - | 21 | 6,036 |
| Service Reliability Projects Subtotal | 117,479 | 1,283 | - | - | - | 118,762 | 419,261 |
| System Capacity Projects | | | | | | | |
| Bakersfield-Big Hill Transmission Line Addition | 12,969 | 10 | - | - | - | 12,979 | 27,500 |
| Bluestem Substation Addition | 120 | - | - | - | - | 120 | 10,900 |
| Crane Circuit Breaker Addition | 795 | - | - | - | - | 795 | 1,396 |
| Hilltop-Ranch Road 12 Transmission Line Upgrade | 400 | - | - | - | - | 400 | 9,300 |
| Hilltop-Strahan Transmission Line Upgrade | 5,755 | - | - | - | - | 5,755 | 8,400 |
| Hornsby Substation Addition | 31,958 | 1,031 | - | - | - | 32,989 | 75,756 |
| McCarty Lane-Ranch Road 12 Transmission Line Upgrade | 100 | - | - | - | - | 100 | 17,100 |
| Motorman Substation Addition | 288 | - | - | - | - | 288 | 7,613 |
| Mountain Home Substation and Transmission Line Addition | 33,771 | 3,672 | - | - | - | 37,443 | 79,089 |
| Sheriff's Posse Circuit Breaker Addition | 150 | - | - | - | - | 150 | 1,132 |
| Swiftex Substation Upgrade | 1,349 | - | - | - | - | 1,349 | 2,848 |
| System Capacity Projects Subtotal | 87,655 | 4,713 | - | - | - | 92,368 | 241,034 |
| Third-Party Funded Projects | | | | | | | |
| Broadband Easement Enhancement – FY 2022 System Upgrade | 2,878 | 2,731 | - | - | - | 5,609 | 7,268 |
| Third-Party Funded Projects Subtotal | 2,878 | 2,731 | - | - | - | 5,609 | 7,268 |
| Approved Subtotal | 214,752 | 17,321 | - | - | - | 232,073 | 693,547 |

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