

# LCRA Transmission Services Corporation

## Board Agenda

Wednesday, Nov. 17, 2021  
LCRA General Office Complex  
Board Room – Hancock Building  
3700 Lake Austin Blvd.  
Austin, TX 78703  
Earliest start time: 9 a.m.

### Items From the Chair

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### Consent Items

2. Minutes of Prior Meeting..... 5

### Action Items

3. New Capital Improvement Project Approval – Lampasas Substation Upgrade..... 9

### Executive Session

The Board may go into executive session for advice from legal counsel on any item listed above, pursuant to Chapter 551 of the Texas Government Code.

### Legal Notice

Legal notices are available on the Texas secretary of state website 72 hours prior to the meeting at the following link: <https://www.sos.texas.gov/open/index.shtml>

## OVERVIEW OF LCRA TRANSMISSION SERVICES CORPORATION

In connection with the implementation of retail competition in the electric utility industry in the state of Texas, LCRA was required by the Texas Legislature in its amendments to the Public Utility Regulatory Act (enacted in 1999 under state legislation known as Senate Bill 7, and referred to as SB 7) to unbundle its electric generation assets from its electric transmission and distribution assets. LCRA conveyed, effective Jan. 1, 2002, all of its existing electric transmission and transformation assets (collectively, the Transferred Transmission Assets) to the LCRA Transmission Services Corporation (LCRA TSC) pursuant to the terms of an Electric Transmission Facilities Contract (the Initial Contractual Commitment), dated Oct. 1, 2001.

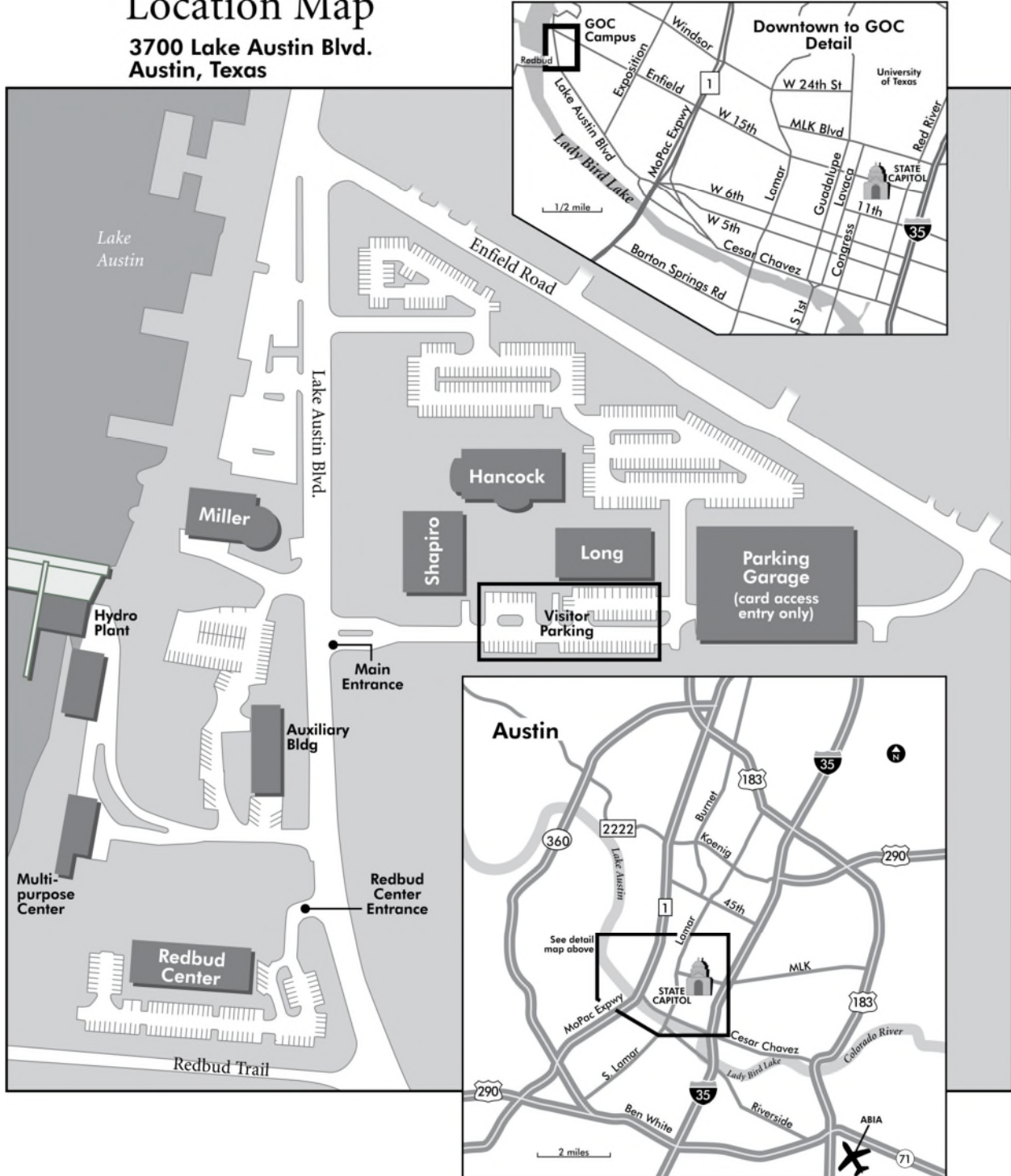
LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and the right to collect revenues for, electric transmission and transformation services. LCRA TSC is an electric transmission service provider (a TSP) under the state's open-access electric transmission regulatory scheme within the approximately 85% area of the state covered by the Electric Reliability Council of Texas (ERCOT). In such capacity, LCRA TSC is entitled to receive compensation from all electric distribution service providers using the electric transmission system within ERCOT. As a TSP in the ERCOT region of the state, the rates that LCRA TSC will charge for transmission services are regulated by the Public Utility Commission of Texas (PUC) and determined pursuant to transmission cost of service rate proceedings filed with and approved by the PUC.

Within the framework of SB 7, LCRA TSC implements the electric transmission business of LCRA, including the expansion of electric transmission services outside of LCRA's traditional electric service territory. LCRA personnel are responsible for performing all of LCRA TSC's activities pursuant to a services agreement between LCRA TSC and LCRA. This includes procuring goods and services on behalf of LCRA TSC and is reflected in the LCRA Board agenda contracts.

Under the LCRA Master Resolution, defined as the LCRA Board resolution governing LCRA's outstanding debt, and certain provisions of state law, the LCRA Board is required to exercise control over all operations of LCRA TSC. This control includes approval of LCRA TSC's business plan and of the sale or disposition of any significant assets of LCRA TSC. The Board of Directors of LCRA TSC (LCRA TSC Board) is appointed by and serves at the will of the LCRA Board. The current membership of LCRA TSC Board is made up entirely of the existing LCRA Board.

# LCRA General Office Complex Location Map

3700 Lake Austin Blvd.  
Austin, Texas



## **FOR DISCUSSION**

# **1. Comments From the Public**

### **Summary**

This part of the meeting is intended for comments from the public on topics under LCRA Transmission Services Corporation's jurisdiction but not related to an item on the Board of Directors agenda. No responses or action may be taken by the Board during public comments.

In order to address the Board, a member of the public is required to sign and complete the registration form at the entrance to the meeting room.

Any member of the public wishing to comment on an item listed on this agenda will be called to make comments at the appropriate time.

**FOR ACTION (CONSENT)**

## **2. Minutes of Prior Meeting**

**Proposed Motion**

Approve the minutes of the Oct. 20, 2021, meeting.

**Board Consideration**

Section 4.06 of the LCRA Transmission Services Corporation bylaws requires the secretary to keep minutes of all meetings of the Board of Directors.

**Budget Status and Fiscal Impact**

Approval of this item will have no budgetary or fiscal impact.

**Summary**

Staff presents the minutes of each meeting to the Board for approval.

**Exhibit(s)**

A – Minutes of Oct. 20, 2021, meeting

## **EXHIBIT A**

Minutes Digest  
Oct. 20, 2021

- 21-31 Approval of the minutes of the Aug. 18, 2021, and Sept. 22, 2021, meetings.
- 21-32 Approval of the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Bastrop West-Split Transmission Line Storm Hardening, Hi Cross to Marshall Ford Transmission Line Relocation, Kerrville Stadium Substation Upgrade, Mobile Substation Power Transformer Addition, Physical Security – FY 2022 Substation Upgrade, and Sim Gideon to Tahitian Village Transmission Line Storm Hardening.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF  
LCRA TRANSMISSION SERVICES CORPORATION  
Austin, Texas  
Oct. 20, 2021

Pursuant to notice posted in accordance with the Texas Open Meetings Act, the Board of Directors (Board) of LCRA Transmission Services Corporation (LCRA TSC) convened in a regular meeting at 9:06 a.m. Wednesday, Oct. 20, 2021, in the Board Room of the Hancock Building, at the principal office of the Lower Colorado River Authority, 3700 Lake Austin Blvd., Austin, Travis County, Texas. The following directors were present, constituting a quorum:

Timothy Timmerman, Chair  
Stephen F. Cooper, Vice Chair  
Lori A. Berger  
Melissa K. Blanding  
Joseph M. "Joe" Crane  
Laura D. Figueroa  
Carol Freeman  
Raymond A. "Ray" Gill Jr.  
Thomas L. "Tom" Kelley  
Thomas Michael Martine  
Margaret D. "Meg" Voelter  
Martha Leigh M. Whitten

Absent: Michael L. "Mike" Allen  
Robert "Bobby" Lewis  
Nancy Eckert Yeary

Chair Timmerman convened the meeting at 9:06 a.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Whitten provided an invocation.

There were no public comments during the meeting [Agenda Item 1].

Treasurer and Chief Financial Officer Jim Travis presented financial highlights for LCRA TSC covering September and the fiscal year to date [Agenda Item 2].

The Board next took action on the consent agenda.

21-31 Upon motion by Director Gill, seconded by Director Martine, the Board unanimously approved the minutes of the Aug. 18, 2021, and Sept. 22, 2021, meetings [Consent Item 3] by a vote of 12 to 0.

21-32 Vice President of Transmission Asset Optimization Kristian M. Koellner presented for consideration a staff recommendation, described in Agenda Item 4

[attached hereto as Exhibit A], that the Board approve the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Bastrop West-Split Transmission Line Storm Hardening, Hi Cross to Marshall Ford Transmission Line Relocation, Kerrville Stadium Substation Upgrade, Mobile Substation Power Transformer Addition, Physical Security – FY 2022 Substation Upgrade, and Sim Gideon to Tahitian Village Transmission Line Storm Hardening. Upon motion by Director Whitten, seconded by Director Berger, the recommendation was unanimously approved by a vote of 12 to 0.

There being no further business to come before the Board, the meeting was adjourned at 9:27 a.m.

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Thomas E. Oney  
Secretary  
LCRA Transmission Services Corporation  
Approved: Nov. 17, 2021



## **FOR ACTION**

### **3. New Capital Improvement Project Approval – Lampasas Substation Upgrade**

#### **Proposed Motion**

Approve the Capital Improvement Project Authorization Request for the Lampasas Substation Upgrade project.

#### **Board Consideration**

LCRA Transmission Services Corporation Board Policy T301 – Finance requires Board of Directors approval for any project exceeding \$1.5 million that is not included in the annual capital plan or any previously approved project expected to exceed its lifetime budget by 10 percent and \$300,000.

#### **Budget Status and Fiscal Impact**

- The project was included in LCRA TSC's fiscal year 2022 capital plan.
- Staff seeks approval for a total lifetime budget of \$14,200,000, of which staff expects to spend \$6,242,000 this fiscal year.
- The proposed lifetime budget for the project does include contingency.
- Staff will continue to monitor the FY 2022 forecast and will request a fiscal year budget increase if needed.
- The vice president and chief operating officer will release funds as needed.
- Project costs will be funded through LCRA TSC regulated rates, subject to approval by the Public Utility Commission of Texas.

#### **Summary**

Staff recommends the Lampasas Substation Upgrade project located in Lampasas County as a previously identified part of the FY 2022 capital plan. The project will meet legal requirements in the Public Utility Regulatory Act and PUC rules. The rules require transmission utilities to provide transmission service, including constructing new facilities and modifying existing ones, to wholesale market participants.

This project will improve the service reliability and maintainability of Lampasas Substation through a transmission bus reconfiguration and the replacement of obsolete equipment, including protective relays, switches and instrument transformers. A new control house and physical security measures will be installed as part of the project scope. The new circuit breakers, switches and other equipment will meet LCRA TSC's minimum design standards and future capacity needs.

The required project completion date is May 2023. The project funds will pay for project management, regulatory activities, engineering, materials, real estate activities and necessary land rights. LCRA TSC representatives will perform environmental and cultural due diligence studies and address all identified concerns.

**Project Recap**

Total Project Estimated Cost \$ 14,200,000

Previous Project Lifetime Budget: \$ 0

Additional Lifetime Budget Approval Sought: \$ 14,200,000

FY 2021 \$ 329,000

FY 2022 \$ 6,242,000

FY 2023 \$ 7,629,000

Total: \$ 14,200,000

**Project Direction**

Project Manager: Manny Garcia  
Project Sponsor: Andrew Hamann  
Project Number: 1024846

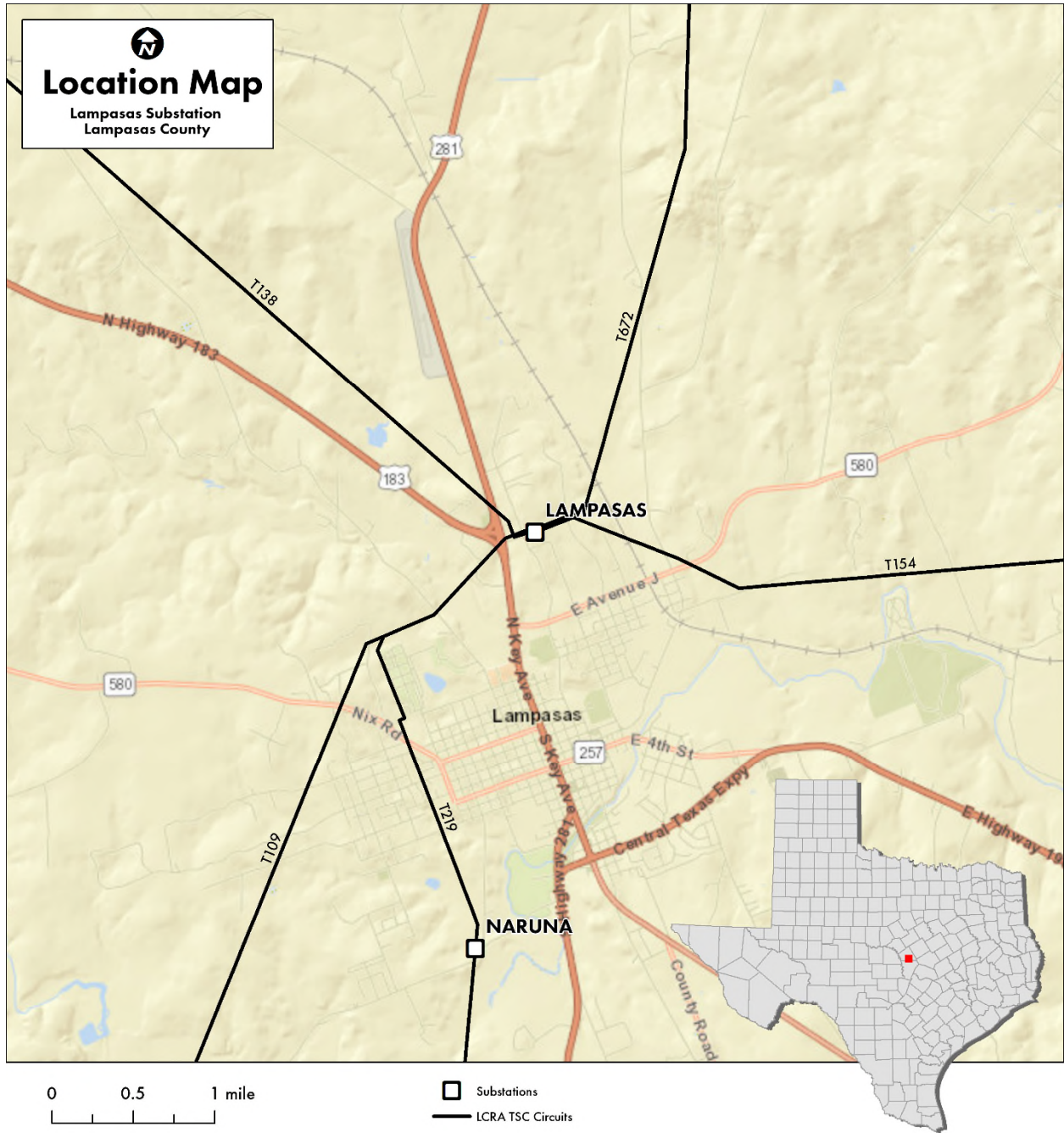
**Presenter(s)**

Kristian M. Koellner  
Vice President, Transmission Asset Optimization

**Exhibit(s)**

A – Location Map – Lampasas Substation Upgrade

**EXHIBIT A**



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