

# LCRA Transmission Services Corporation

## Board Agenda

Wednesday, March 23, 2022  
LCRA General Office Complex  
Board Room – Hancock Building  
3700 Lake Austin Blvd.  
Austin, TX 78703  
Earliest start time: 10 a.m.

### Item From the Chair

1. Comments From the Public ..... 4

### Consent Items

2. Appointment of Secretary ..... 5
3. Minutes of Prior Meeting..... 6

### Action Item

4. Fiscal Year 2022 LCRA Transmission Services Corporation Capital Plan  
Amendment ..... 10

### Executive Session

The Board may go into executive session on any item listed above, pursuant to Chapter 551 of the Texas Government Code, including, but not limited to, sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) 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.

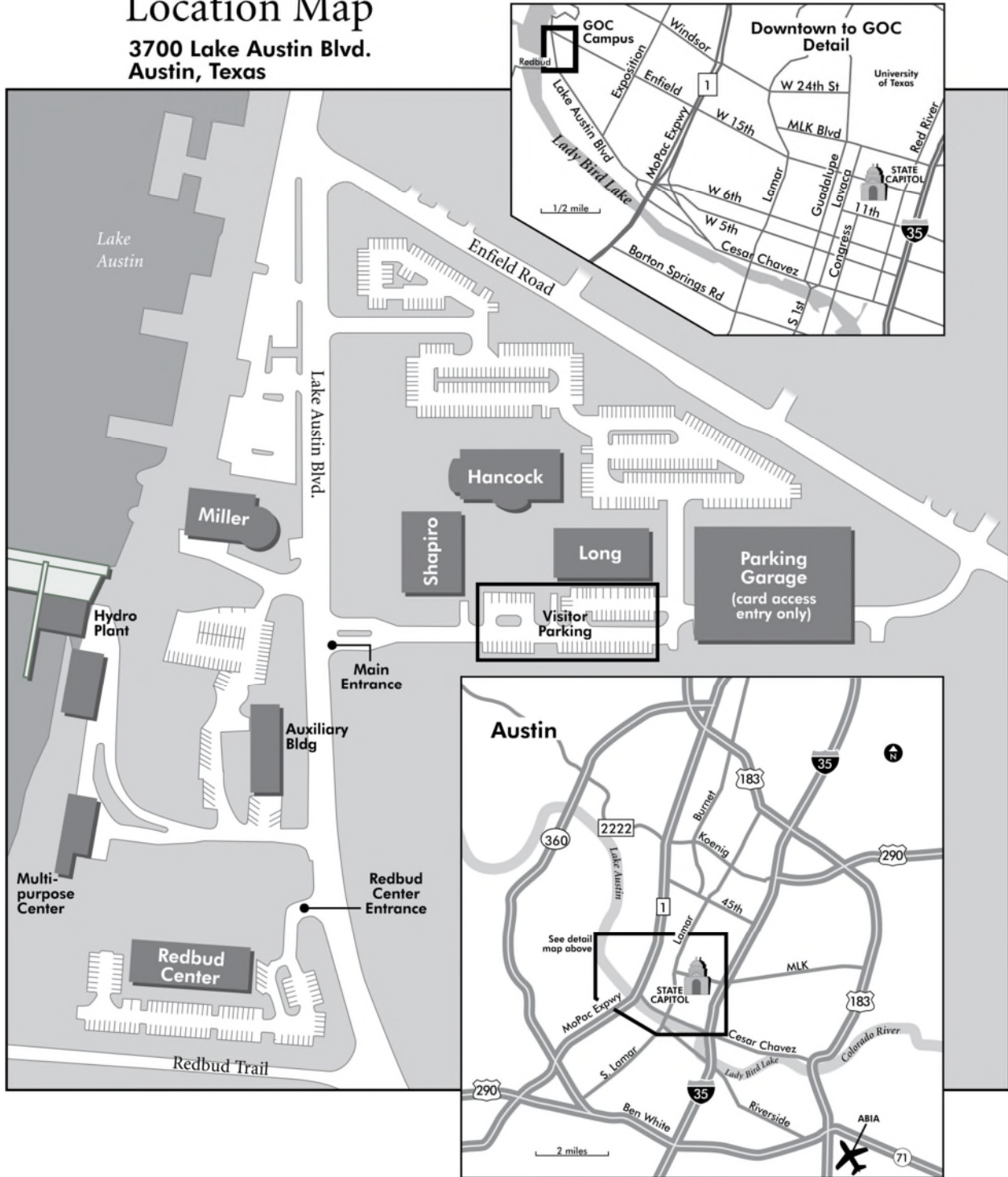
LCRA TSC is a nonprofit corporation created by LCRA to act on LCRA's behalf pursuant to Chapter 152, Texas Water Code, as amended. After Jan. 1, 2002, LCRA TSC engaged in the electric transmission and transformation activities previously carried out by LCRA and assumed LCRA's obligation to provide, and 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. Appointment of Secretary**

### **Proposed Motion**

Appoint Leigh Sebastian as secretary of LCRA Transmission Services Corporation effective immediately.

### **Board Consideration**

Section 4.01 of the LCRA TSC bylaws provides that the LCRA TSC Board of Directors will appoint LCRA TSC officers.

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

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

### **Summary**

The LCRA TSC bylaws require that the secretary of LCRA TSC be an officer or employee of LCRA. Leigh Sebastian serves as general counsel of LCRA, and the general counsel customarily has filled the office of LCRA TSC secretary.

**FOR ACTION (CONSENT)**

### **3. Minutes of Prior Meeting**

**Proposed Motion**

Approve the minutes of the Feb. 23, 2022, 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 Feb. 23, 2022, meeting

## **EXHIBIT A**

Minutes Digest  
Feb. 23, 2022

- 22-04          Approval of the minutes of the Jan. 19, 2022, meeting.
- 22-05          Approval of the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Chief Brady Substation Upgrade; Georgetown Area Substation Upgrade; Obsolete Circuit Breaker – FY 2022 Substation Upgrade; and Weltner Road Circuit Breaker Addition.

MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF  
LCRA TRANSMISSION SERVICES CORPORATION  
Austin, Texas  
Feb. 23, 2022

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 10:01 a.m. Wednesday, Feb. 23, 2022, 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  
Michael L. "Mike" Allen  
Matthew L. "Matt" Arthur  
Melissa K. Blanding  
Joseph M. "Joe" Crane  
Carol Freeman  
Thomas L. "Tom" Kelley  
Robert "Bobby" Lewis  
Thomas Michael Martine  
Margaret D. "Meg" Voelter  
Nancy Eckert Yeary

Absent: Laura D. Figueroa  
Raymond A. "Ray" Gill Jr.  
Martha Leigh M. Whitten

Chair Timmerman convened the meeting at 10:01 a.m. and led the Board in pledges of allegiance to the American and Texas flags. Director Voelter provided an invocation.

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

The Board next took action on the consent agenda.

22-04 Upon motion by Director Crane, seconded by Director Voelter, the Board unanimously approved the minutes of the Jan. 19, 2022, meeting [Consent Item 2] by a vote of 12 to 0.

22-05 Vice President of Transmission Asset Optimization Kristian M. Koellner presented for consideration a staff recommendation, described in Agenda Item 3 [attached hereto as Exhibit A], that the Board approve the Capital Improvement Project Authorization Request for the following projects and associated lifetime budgets: Chief Brady Substation Upgrade; Georgetown Area Substation Upgrade; Obsolete Circuit



Breaker – FY 2022 Substation Upgrade; and Weltner Road Circuit Breaker Addition. Upon motion by Director Lewis, seconded by Director Blanding, the recommendation was unanimously approved by a vote of 12 to 0.

Chair Timmerman declared the meeting to be in executive session at 10:08 a.m., pursuant to sections 551.071, 551.072, 551.074, 551.076, 551.086, 551.089 and 418.183(f) of the Texas Government Code. Executive session ended, and Chair Timmerman declared the meeting to be in public session at 10:59 a.m.

There being no further business to come before the Board, the meeting was adjourned at 10:59 a.m.

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Leigh Sebastian  
Secretary  
LCRA Transmission Services Corporation  
Approved: March 23, 2022

## **FOR ACTION**

# **4. Fiscal Year 2022 LCRA Transmission Services Corporation Capital Plan Amendment**

### **Proposed Motion**

Approve an amendment to the Fiscal Year 2022 LCRA Transmission Services Corporation Capital Plan to increase authorization for capital spending in FY 2022 from \$406.8 million to \$445 million.

### **Board Consideration**

LCRA TSC Board Policy T301 – Finance requires annual approval of a capital plan by the LCRA TSC Board of Directors. The policy states that if annual expenditures for operations or capital are expected to exceed Board-authorized levels, additional approval from the Board will be required.

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

The proposed amendment to increase LCRA TSC's capital budget authorization in FY 2022 will have no impact on LCRA TSC's existing rates for the provision of regulated transmission services. LCRA TSC will seek to recover these costs in a future interim or full cost of service rate case filing.

### **Summary**

Because LCRA TSC anticipates exceeding the capital spending budget, staff is seeking approval to increase the FY 2022 capital budget. The additional FY 2022 funding will cover costs for materials and construction to keep approved projects on schedule.

The LCRA TSC Board approved the FY 2022 LCRA TSC capital plan in May 2021, establishing a capital spending limit of \$406.8 million for FY 2022. The current fiscal year-end forecast for capital spending is \$445 million. This is an increase of \$38.2 million or 9.4%. The increase in FY 2022 capital spending is primarily the result of the LCRA TSC operations facility acquisition.

The Public Utility Commission of Texas establishes LCRA TSC's rates for regulated transmission services based on the actual costs of capital projects. This amendment does not increase the lifetime budget for any individual capital project, but amends the spending limit established for FY 2022 to reflect changes to LCRA TSC's expectation of spending within the current fiscal year.

### **Presenter(s)**

Kristen Senechal  
Vice President and Chief Operating Officer