



Recommendation for Action

File #: 23-2297, **Agenda Item #:** 4.

7/20/2023

Posting Language

Authorize negotiation and execution of an interlocal agreement with the Lower Colorado River Authority and the Lower Colorado River Authority Transmission Services Corporation for construction projects involving jointly owned transmission infrastructure projects, in an amount not to exceed \$24,000,000.

Lead Department

Austin Energy

Fiscal Note

Funding is available in the Capital Budget of Austin Energy.

For More Information:

Amy Everhart, Director, Local Government Relations (512) 322-6087; Lisa Martin, Vice President, Electric System Engineering and Technical Services (512) 322-6457.

Council Committee, Boards and Commission Action:

July 10, 2023- To be reviewed by the Electric Utility Commission.

Additional Backup Information:

This interlocal agreement will authorize Austin Energy (AE), the Lower Colorado River Authority, and the Lower Colorado River Authority Transmission Services Corporation (the latter two jointly referred to as LCRA) to provide and obtain labor, parts, and materials, in support of construction improvement projects that involve existing jointly owned transmission facilities. This agreement defines the projects' scope, projected costs, performing parties, reimbursing parties, facility ownership of the modified and/or added assets, and other identified responsibilities between AE and LCRA. The construction improvement projects include:

1. Fayette Power Plant (FPP) Yard 2 to Lytton Springs Transmission Line Storm Hardening: LCRA will upgrade existing jointly owned transmission structures to improve system reliability, resiliency, and safety. This project involves LCRA's transmission circuit T255 and AE's transmission circuits 3121, 3122, and 3136.
2. Howard Lane - McNeil Transmission Line Storm Hardening: LCRA will upgrade existing jointly owned transmission structures to improve system reliability, resiliency, and safety. This project involves LCRA's transmission circuit T163 and AE's transmission circuit 972.

AE and LCRA have existing interlocal agreements that include the operation and maintenance of jointly owned transmission facilities. This agreement is not intended to alter or replace any previous agreement between AE and LCRA, except where expressly modified within this proposed agreement. Continued cooperation between both utilities is essential and avoids redundant expenditures, reduces respective ratepayer costs, improves the responsiveness of each utility during outages and emergencies, and enhances the reliability of the systems and facilities of both utilities. Projects costs will be reimbursed via Public Utility Commission of Texas (PUCT) 25.192 Transmission Cost of Service (TCOS).