



March 5, 2025

Richard S. Paces
President
Hill Country Energy Sub-Regional Planning Commission
700 Main Street, Suite 101
Kerrville, TX 78028

Dear Commissioner Paces:

Thank you for the letter dated February 14 requesting LCRA's coordination on the development, installation or operation of Battery Energy Storage Systems (BESS) in Kendall or Kerr County.

I'd like to clarify the role that LCRA's transmission utility, LCRA Transmission Services Corporation (LCRA TSC), has in the development and interconnection of generation resources in the ERCOT region. LCRA TSC is required by state law to provide transmission service to generation resources seeking interconnection. The attached document describes this process and LCRA TSC's statutory obligations in more detail.

LCRA TSC has received requests to perform interconnection studies for potential BESS projects in Kendall and Kerr counties. If these projects proceed, LCRA TSC will comply with its obligations to interconnect the generation resources on a nondiscriminatory basis. LCRA TSC has no discretion to choose which projects it will interconnect to the grid.

You may not be aware that LCRA TSC is a political subdivision of the state and is not a state agency subject to Chapter 391.009 of the Local Government Code.

I hope that this letter and the attachment helps to address questions that you have.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Thomas E. Oney', is written over the printed name and title.

Thomas E. Oney
Executive Vice President of External Affairs & CPO

Attachment

LCRA TSC'S ROLE IN GRID INTERCONNECTIONS

A LOOK AT HOW GENERATION PROJECTS ARE CONNECTED TO THE POWER GRID IN ERCOT

How LCRA TSC is involved

LCRA Transmission Service Corporation is a transmission service provider in the Electric Reliability Council of Texas region. As a transmission service provider, LCRA TSC's role is to interconnect new projects to the power grid in a safe and reliable manner. LCRA TSC does not have discretion to determine which projects to interconnect or approve the locations for new power projects in Texas.

When a generation developer submits a request to interconnect to the power grid, transmission service providers such as LCRA TSC are statutorily required to interconnect the project to the power grid on a nondiscriminatory basis. Types of generation interconnections can include thermal power plants, wind or solar farms, or battery energy storage systems.

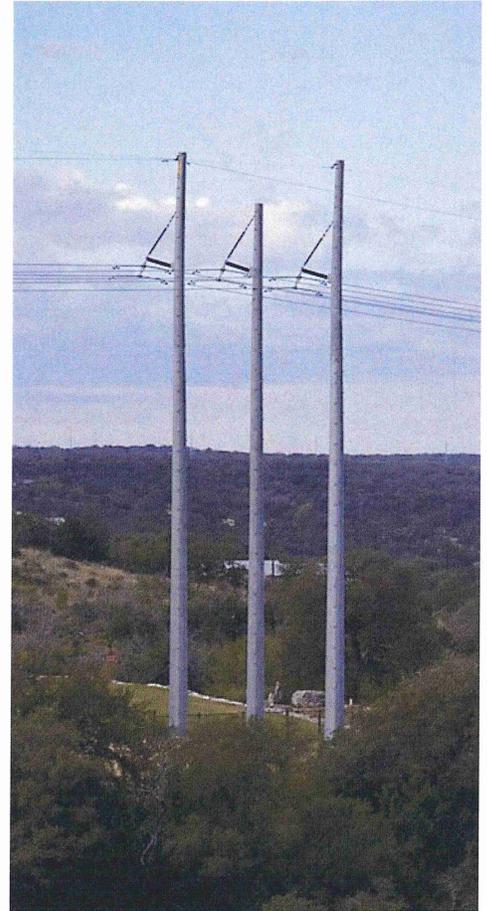
The interconnection process for 10 MW or greater projects

The generator interconnection process begins when a developer submits an interconnection request to ERCOT. At that point, ERCOT performs an initial screening study and identifies which transmission service provider would interconnect the project if the developer proceeds.

As part of the process, and subject to the developer meeting certain milestones, the transmission service provider is obligated to conduct technical engineering and interconnection studies to analyze the impact of the proposed project on the ERCOT transmission system.

At the conclusion of the studies, the developer determines whether to proceed. If the developer elects to proceed with the project, the transmission service provider then works with the developer to make any necessary system adjustments and execute an interconnection agreement. The developer must complete all ERCOT commissioning requirements before it can interconnect the project to the grid.

In addition to requirements set forth by ERCOT and the Public Utility Commission of Texas, LCRA TSC also has a robust set of facility interconnection requirements in place to help ensure safe and reliable operation of its facilities. LCRA TSC coordinates with federal, state and local emergency management agencies on matters related to public health and safety.



For information about a specific project, please email contact.lcra@lcra.org.