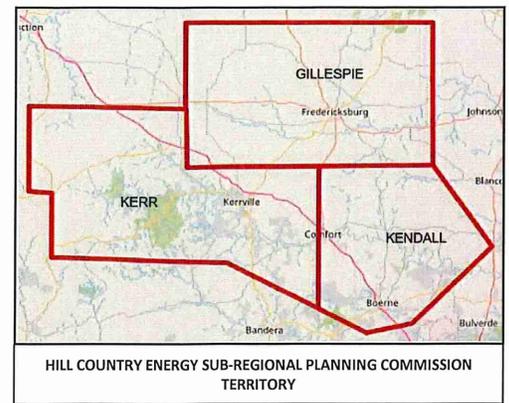


HILL COUNTRY ENERGY SUB-REGIONAL PLANNING COMMISSION

December 9, 2025

Board of Directors
LCRA
P.O. Box 220
Austin, TX 78767-0220



Public Input Statement regarding BESS Planning and Coordination

On February 11, 2025, the Hill Country Energy Sub-Regional Planning Commission (HCESRPC) was created, under Chapter 391 of the Texas Local Government Code, to provide for special planning needs as it pertains to Kendall and Kerr Counties. Gillespie County has since joined our HCESRPC.

On February 14th 2025, the HCESRPC notified LCRA that they must coordinate the planning for any development, installation or operation of Battery Energy Storage System facilities in Kendall County or Kerr County, and that such coordination shall be conducted in a meaningful way and to the greatest extent feasible with the HCESRPC at the regional level as required by the Section 391.009(c) of the Local Government Code. Section 391.009(c) states:

“In carrying out their planning and program development responsibilities, state agencies shall, to the greatest extent feasible, coordinate planning with commissions to ensure effective and orderly implementation of state programs at the regional level.”

It is our understanding that the Electric Reliability Council of Texas (ERCOT) has identified a need for over 1000 Battery Energy Storage System (BESS) facilities throughout the State of Texas, and that several facilities are currently being considered for installation in Gillespie, Kendall and Kerr Counties adjacent to LCRA substations which lie within an environmentally sensitive, priority groundwater management area prone to severe drought and frequent wildfires, which could be greatly exacerbated by the installation of lithium battery energy storage systems that have an alarming history of thermal runaway fires, the spread of which could be disastrous for our residents.

Despite having served four coordination notices, LCRA has refused to meet with our sub-regional planning commission as required by Texas law.

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LCRA has taken the position that it is a political subdivision of the state and is not a state agency subject to Chapter 391.009 of the Local Government Code, while our HCESRPC views LCRA as a state governmental agency subject to Chapter 391 of the Local Government Code based on its creation by the Texas legislature and the definition stated in the Texas SPECIAL DISTRICT LOCAL LAWS CODE, TITLE 6, SUBTITLE G, CHAPTER 8503 (a) "A conservation and reclamation district to be known as the "Lower Colorado River Authority" is created. The authority is a governmental agency and a body politic and corporate." Regardless of legal interpretation, we believe that LCRA has a moral obligation to coordinate planning for BESS with our HCESRPC to ensure the health, safety, and welfare of our constituents first and foremost.

LCRA has also taken the position that it is "required by state law to provide transmission service to generation resources seeking interconnection....on a nondiscriminatory basis" and that "LCRA has no discretion to choose which projects it will interconnect to the grid". By taking this position, LCRA is implicitly supporting the unwanted and largely unregulated installation of these potentially hazardous facilities for which there is no oversight. In my letter dated May 16, 2025 we asked LCRA to advise us which state law requires it to provide transmission service to "generation resources" seeking interconnection and which state law defines a BESS as a generation resource, as clearly a BESS does not generate electricity." We have received no answer.

BESS also pose a significant cybersecurity risk because they are unmanned, controlled remotely and many have CATL batteries and various circuit boards and control equipment made in China. Our DOD has realized the threat associated with battery and control system components made in China and removed them from all US military facilities. In July 2023 the San Antonio grid infrastructure was taken over for 4 hours by Volt Typhon as a result of the Chinese made cameras that were connected.

The Lone Star Infrastructure Protection Act of 2021 was transposed as Chapter 117 of the Texas Business and Commerce Code. Its aim is to protect Texas' critical infrastructure by prohibiting contracts with, or access by companies or government entities from China, Iran, North Korea, and Russia. The electric grid is specifically named as infrastructure covered by the statute. Further in the 89th Legislative Session the Code was amended to include components made in China. While the Code is not specific to BESS, we believe that the amended Code would apply to all systems and components that are connected to our critical infrastructure.

The Governor's Executive Order GA 48 dated November 19, 2024 specifically requires all state agencies to require any company that submits a bid or proposal with respect to a contract for goods or services to the agency to certify that the company and any of its holding companies or subsidiaries is not listed in Section 889. Yet we understand that there are over 300 attestations missing from projects that are moving forward. The ongoing ERCOT investigation into 300+ missing attestations underscores the need for scrutiny, as BESS failures mirror these oversight gaps.

We would like to know what LCRA is doing to enforce Chapter 117 of the Texas Business and Commerce Code and the Governor's executive orders to ensure that the grid is protected from cybersecurity threats associated with China made batteries, circuit boards and other components internal to BESS facilities.

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Whether a bad actor intentionally causes a BESS to overload or they fail on their own due to numerous other potential causes, the consequences of thermal runaway lithium battery fires, which cannot be controlled nor extinguished, and which release extremely toxic and harmful chemicals into the air, contaminate the surrounding soil, and eventually would likely contaminate our precious surface water and groundwater on which we depend, are dire indeed. The Crabapple wildfire in Gillespie County earlier this year is just one example of how easily wildfires spread out of control in our semi-arid and drought prone hill country. Approximately 10,000 acres of land burned taking with it over 30 buildings including 9 homes and destroying the lives of many.

The last thing that any political subdivision of the state or state agency should do is place our citizens at risk from potentially hazardous facilities that have little positive economic impact and would never have been contemplated without the former administration's false climate crisis narrative and the federal funding for unreliable wind and solar energy.

Texas has become overly reliant on unreliable wind and solar energy with over 44% of our electric generation capacity from wind and solar sources. In an attempt to stabilize our unreliable grid, ERCOT is planning for over 1000 federally subsidized, high-risk BESS facilities to be installed across Texas. To make matters worse, wind, solar and BESS developers rely on the massive federal subsidies that pay up to 70% of their project's capital costs. Without these federal subsidies, loans and grants; these projects would not exist. Thankfully our current administration is eliminating federal subsidies for these unreliable power projects.

Representatives from the State Fire Marshall's Office provided the Kerr County Commissioners' Court a presentation on BESS on January 27, 2025 in which they talked about whether battery energy storage systems are safe. They stated that "when malfunctions occur, data shows they happen in less than 2% of the installations." However, with ERCOT & PUCT planning for over 1000 BESS facilities across Texas, we are asking the simple question: are 20 thermal run-away fires acceptable?

We have made you aware of very serious vulnerabilities and threats that BESS represent. Failure to take action to address these concerns or to ignore your statutory responsibilities could be considered gross and willful negligence of your duty of care as director of the LCRA for which you may be held personally liable should a thermal runaway fire or cybersecurity attack take place at any BESS facility installed and connected to your grid infrastructure.

I close by reiterating our belief that in addition to the legal obligation as a governmental agency subject to Chapter 391 of the Texas Local Government Code, LCRA has a moral obligation to coordinate planning for BESS with our HCESRPC to ensure the health, safety, and welfare of our constituents first and foremost.

So I ask you as Directors of the LCRA to direct the appropriate personnel from LCRA to meet with our Sub-Regional Planning Commission Board at the earliest to coordinate BESS development planning within our HCESRPC jurisdiction to the greatest extent feasible.

Thank you for your attention.

Sincerely,



Rich Paces

Kerr County Commissioner, Precinct 2

President of the Hill Country Energy Sub-Regional Planning Commission

Cc: Wes Virdell, State Representative, District 53
Ellen Troxclair, State Representative, District 19
Pete Flores, State Senator, District 24
Donna Campbell, State Senator, District 25
Chip Roy, US Congress, 21st District of Texas